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Report and Valuation for

MIRLAND DEVELOPMENT CORPORATION PLC

Of the Properties together known as

"THE MIRLAND DEVELOPMENT CORPORATION ASSETS", RUSSIA

Date of Valuation

31ST OF DECEMBER 2010

Date of report issue

10TH OF MARCH 2011

Prepared by

Cushman & Wakefield
125047, Moscow, Ducat Place III, 6 Gasheka St,
Tel: +7 (495) 797-9600
Fax: +7 (495) 797-9601

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MirLand Development Corporation Plc
Cyprus, Limassol 3025
Thessaloniki Street
Nicolau Pentadromos Centre,
Floor 10, office 1002

CUSHMAN & WAKEFIELD®

Real Estate Consultants

Ducat Place III, 6 Gasheka St.,
Moscow, Russia, 115035
Tel +7 495 797 9600
Fax +7 495 797 9601
www.cushmanwakefield.ru

For the attention of Mr. Roman Rozental

10TH of March 2011

Dear Mr. Rozental

MIRLAND DEVELOPMENT CORPORATION PLC ("the Company")
Various Properties Together Known As The "Mirland Development Corporation Assets" ("The Properties")

In accordance with the contracts between ourselves and MirLand Development Corporation plc dated 31st of December 2010 respectively, we have pleasure in reporting to you as follows:

1.1 SCOPE OF INSTRUCTIONS

We, Cushman & Wakefield (herein referred as "*C&W*"), have considered each property as set out in the Appendix.

We are instructed to prepare this Valuation Report for financial reporting purposes.
The effective date of each valuation is 31st of December 2010.

Each valuation has been in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards ("the Red Book") published by The Royal Institution of Chartered Surveyors and amended in April 2010 (6th edition). The valuation has been prepared by a valuer who conforms to the requirements as set out in the Red Book, acting in the capacity of an independent valuer.

We confirm that this Valuation Report is a Regulated Purpose Valuation as defined in the Red Book.

1.2 BASIS OF VALUATION

Each property is either: held as an investment; for development; or is in the course of development and has, as instructed and in accordance with the requirements of the Red Book, been valued on the basis of Market Value, as defined in the Red Book as:

"*The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.*"

1.3 TENURE AND TENANCIES

We have not reviewed the Title Deeds or Leases and each valuation has been based entirely on the information which the Company has supplied to us as to tenure, tenancies and statutory notices. We understand each property is either held by the Company, its subsidiaries, or jointly with third parties. We have valued a 100% share of the tenure stated in each property, unless otherwise specifically stated, as if each property was held entirely by the Company as at the valuation date. We have not made any adjustment to value, which may be appropriate when considering fractural ownership for each individual property. In the summary below, an apportionment has been provided taking into account the share ownership of each property as provided to us by the Company. This is a straight apportionment based on these percentages, and no further deductions have been made to reflect minority share ownerships or the fact of fractional ownership. This number therefore may differ from the Market Value for the share ownership of individual properties, particularly when only a minority interest is held by the Company.

A number of properties are held leasehold on ground leases from Moscow City Government. The standard terms of these leases are that rents are reviewed annually (upwards, or downwards) in accordance with a city-wide formula that is set by the Moscow City Government. Each ground lease is subject to Term Extension Right Clause as standard, allowing for the extension of the duration of the lease upon expiry, on the same terms and conditions. However you should be aware that the effectiveness of the Term Extension Right Clause remains untested in the market because few leases have reached expiry. Our valuation assumes that the ground lease at each property can be extended in accordance with the Term Extension Right Clause.

Where a property is either "*currently in the course of development*" or "*held for future development*" and is held leasehold, the land leases generally confer the landlord's permission to develop. Where the considered development scheme differs from that anticipated by the land lease, our valuation assumes that the required variation to the landlord's permission will be forthcoming without material cost or delay. Where a property is to be held leasehold but the terms of the land lease are not finalised, our valuation takes into account any additional, reasonable, risks of delay and cost in receiving landlord's permissions. We have assumed that there are no unforeseeable circumstances that would cause additional cost or delay in excess of that generally experienced.

Unless disclosed to us to the contrary and recorded in the property descriptions, each valuation is on the basis that:

a) the property possesses a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances;

b) where the interest held in the property is leasehold, there are no unreasonable or unusual clauses which would affect value and no unusual restrictions or conditions governing the assignment or disposal of the interest;

c) leases to which the property may be subject are on standard market terms, and contain no unusual or onerous provisions or covenants which would affect value;

d) all notices have been served validly and within appropriate time limits;

e) the property excludes any mineral rights; and

f) vacant possession can be given of all accommodation which is unlet, or occupied either by the Company or by its employees on service occupancies.

In certain cases we have been informed by the Company that land lease rights are "*in the process of being formulated*". Unless otherwise stated our valuation is for a full share interest in the Property and assumes that a good and marketable title exists. This should be taken into account in consideration of individual properties. Where specific outstanding costs have been identified to us as being required to arrive at ownership of a full share interest in the requisite Property or in order to obtain the necessary permits, these costs have been taken into account in the valuation in full.

For some properties we have been informed by the Company that investment contracts are held for the development. In these cases our valuations assume that a ground lease and an ownership certificate will be issued upon completion of the development, as is normal development practice in Moscow.

1.4 NET ANNUAL RENT

The net annual rent for each property is referred to in the Schedule at Appendix One. Net annual rent is defined in the Listing Rules as:

"the current income or income estimated by the valuer:

(i) ignoring special receipts or deductions arising from the property;
(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

1.5 TOWN PLANNING

We have not made formal searches, but have generally relied on verbal enquiries and any informal information received from the Local Planning Authority, or from the Company. Each valuation is on the basis that the property has been erected either prior to planning control or in accordance with a valid planning permission and is being occupied and used without any breach of planning or building regulations. Except where stated otherwise, each valuation is on the basis that each property is not affected by proposals for road widening, Compulsory Purchase, planning inquiry, or archaeological investigation.

We are informed by the Company that for a number of "properties held for development", the relevant planning permission approvals are either; "*in the process of being applied for*", or "*in the process of being updated*". Each valuation assumes that all required planning permission consents will be received within a normally acceptable timescale and that there are no such issues which would materially delay the issuance of the required consent, or have a material effect on value or marketability.

Although, where appropriate, we have considered the Company's business plan to develop each property, each valuation reflects our opinion of an appropriate development that could reasonably be expected to form the basis of a bid for a property by a third party. I.e. the Highest and Best Use as defined by the International Valuation Standards has been considered for each property. The Highest and Best Use is defined in Paragraph 3.4 of IVS 1 as: *"The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued".*

1.6 STRUCTURE

We have neither carried out a structural survey of each property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure or services at any property. Each valuation takes into account any information supplied to us and any defects noted during our inspection, but otherwise are on the basis that there are no latent defects, wants of repair or other matters which would materially affect each valuation.

We have not inspected those parts of each property which are covered, unexposed or inaccessible and each valuation is on the basis that they are in good repair and condition.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, each valuation is on the basis that no hazardous or suspect materials or techniques have been used in the construction of any property.

1.7 SITE AND CONTAMINATION

We have not investigated ground conditions/stability and each valuation is on the basis that any buildings have been constructed, having appropriate regard to existing ground conditions. Where the property has development potential, our valuation is on the basis that there are no adverse ground conditions which would affect building costs. However, where you have supplied us with a building cost estimate, we have relied on it being based on full information regarding existing ground conditions. We have considered the Company's construction estimates in the light of typical market norms.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of contamination (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation.

1.8 PLANT AND MACHINERY

Where the interest held in the property is freehold, usual landlord's fixtures such as lifts, escalators and central heating have been treated as an integral part of the building and are included within the asset valued. Where the interest held in the property is short leasehold (<50 years), these items have been treated as belonging to the landlord upon reversion of the lease.

Process-related plant/machinery and tenants' fixtures/trade fittings have been excluded from each valuation.

1.9 INSPECTIONS, AREAS AND DIMENSIONS

We have inspected each property internally and externally (except the properties held for development in Penza and Kazan) unless specific reference is made to a limited inspection. Further inspections have been carried out where there have been significant changes to any individual property, and these further inspection dates, where applicable, are identified in the property descriptions below.

No measured surveys have been carried out by C&W. We have relied entirely on the site and floor areas and dimensions provided to us by the Company. We have assumed that these are correct and calculated on the appropriate basis, as normally adopted by the local property market. Any references to the age of buildings are approximate.

1.10 GENERAL PRINCIPLES

Each valuation is based on the information which has been supplied to us by the Company or which we have obtained in response to our enquiries. We have relied on this information as being correct and complete and on there being no undisclosed matters which would affect each valuation.

In respect of tenants' covenants, whilst we have taken into account information of which we are aware, we have not received a formal report on the financial status of the tenants. We have not been supplied with any information to indicate that there are material arrears or that the tenants are unable to meet their commitments under the leases. Each valuation is on the basis that this is correct. You may wish to obtain further information to verify this.

Where we have reflected development potential in a valuation, we have assumed that all structures at the property will be completed using good quality materials and first class workmanship and that the development scheme will let to tenants who satisfy the tenant mix policy and are of reasonable covenant status and on typical market lease terms.

No allowances have been made for any expenses of realisation arising from a sale or development of each property. Each valuation does not make allowance either for the cost of transferring sale proceeds internationally or elsewhere within the Company, or for any restrictions on doing so. No account has been taken of any leases granted between subsidiaries of the Company, and no allowance has been made for the existence of a mortgage, or similar financial encumbrance on or over each property. Where a grant has been received, no allowance has been made in our valuations for any requirement to repay the grant.
A purchaser of a property is likely to obtain further advice or verification relating to certain matters referred to above before proceeding with a purchase. You should therefore note the conditions on which this Valuation Report has been prepared.

The valuation of each property has been undertaken by the professional(s) identified in the valuation schedule below.

We strongly recommend that no disposal of any property should be undertaken without proper exposure to the market. Each valuation assumes that there is an active letting and funding market. This Valuation Report should be read in conjunction with the contracts referred to above, our terms of engagement and in particular our Standard Terms and Conditions of Appointment of Cushman & Wakefield as Valuers.

1.11 MARKET UNCERTAINTY

Where uncertainty could have a material effect on an opinion of value, the Red Book requires a valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

The global banking crisis and consequent reduction in the availability of debt, coupled with the economic downturn, have caused property values to experience sharp falls in value and liquidity, with very few transactions being completed.

Although recent transactions could be considered distressed, it is inappropriate to conclude that all recent market activity represents forced transactions. An imbalance between supply and demand (for example, fewer buyers than sellers) is not always a determinant of a forced transaction. A seller might be under financial pressure to sell, but it is still able to sell at a market price if there is more than one potential buyer in the market and a reasonable amount of time is available for marketing. Similarly, transactions initiated during bankruptcy should not automatically be assumed to be forced.

It has been held that valuers may properly conclude within a range of values. This range is likely to be greater in an illiquid market where inherent uncertainty exists and a greater degree of judgement must therefore be applied.

Some parts of the market, particularly for secondary or vacant properties, have experienced particularly nil transaction volumes. As a consequence, there's hardly any market evidence upon which to base our valuation and so we have had to exercise a greater degree of judgement than usual. We have considered both current and historic market evidence available and endeavoured to reflect current market sentiment, although the signals are mixed. We strongly recommend that you keep the valuation of the subject property under review. You should also anticipate a longer marketing period than would previously have been expected in the event that the property is offered for sale.

1.12 SPECIAL ASSUMPTIONS, RESERVATIONS AND DEPARTURES

We can confirm that each valuation is not made on the basis of any Special Assumptions or any Departures from the Practice Statements contained in the Red Book. Subject to the general limitations of our inspections and sources of information set out above, each valuation is not subject to any specific Reservations in relation to restricted information or property inspection.

1.13 CONFLICT OF INTEREST

We confirm that there are no conflicts of interest in our advising you on the value of the Properties.

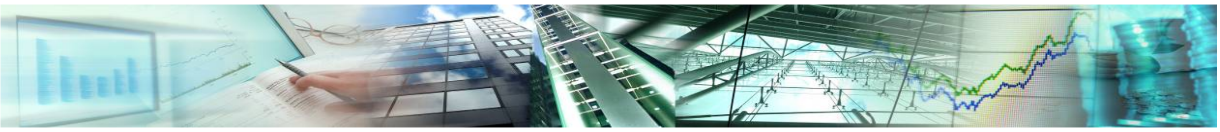
The fee paid to us bears no impact whatsoever on the outcome of the appraisal. The goal of this Report is not to attain a previously agreed market value or its derivative, favorable to the interests of the Client.

1.14 DISCLOSURE

The members of The Royal Institution of Chartered Surveyors signing this Report have previously been the signatories to the valuations provided to the Company for the same purposes as this Valuation Report. C&W have previously carried out these valuations for the same purpose as this Valuation Report on behalf of the Company.

1.15 AGGREGATE VALUATION

Subject to the foregoing, and based on values current as at 31^{st} of December 2010, we are of the opinion that the aggregation of the Market Value of each 100% share of each freehold and leasehold interest each property, as set out in the appendix, is the total sum of (rounded):



US$867,900,000

EIGHT HUNDRED SIXTY SEVEN MILLION AND NINE HUNDRED THOUSAND US DOLLARS

NET OF VAT

This sum may be apportioned as follows:

	Freehold (rounded)	Leasehold (rounded)
Properties held as Investments	US$186,900,000	US$220,100,000
Properties in the Course of Development	US$90,800,000	US$36,300,000
Properties Held for Development	US$265,100,000	US$68,700,000
Total	**US$542,800,000**	**US$325,100,000**

Based on the information supplied to us as regards ownership, we are of the opinion that the Market Value of the Company's beneficial share in each Property, on the basis outlined above is the total sum of (rounded):

US$775,400,000

SEVEN HUNDRED SEVENTY FIVE MILLION AND FOUR HUNDRED THOUSAND US DOLLARS

NET OF VAT

This sum may be apportioned as follows**:**

	Freehold (rounded)	**Leasehold (rounded)**
Properties held as Investments	US$144,900,000	US$173,700,000
Properties in the Course of Development	US$90,800,000	US$36,300,000
Properties Held for Development	US$261,000,000	US$68,700,000
Total	**US$496,700,000**	**US$278,700,000**

The valuation stated above represents the aggregate of the current values attributable to the individual properties and should not be regarded as a valuation of the portfolio as a whole in the context of a sale as a single lot. We set out the value ascribed to each property in the appendix.

We have considered an appropriate development commencement date and development period for each property in isolation, based on each property's particular circumstance. Each valuation does not consider any effect of multiple properties being developed concurrently (e.g. any resource, expense or savings issues if undertaken by a single developer), or released to the market (occupation or investment) together.

The Summary Valuation Schedule shows our opinion of the appropriate discount rate on an un-leveraged basis as used in the Market Valuation for each property. This discount rate is calculated on the assumption that each property would be held for a reasonable period to allows stabilisation of income upon development completion, with the exception of the development of residential property for sale, and that no debt is used.

1.16 CONFIDENTIALITY

The contents of this Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Valuation Report is combined with others.

Notwithstanding the preceding paragraph, our prior written approval shall not be required for the reproduction and inclusion of this report, in its entirety or only parts of this report, in respect of the MirLand Development Corporation financial reporting related to its public listing at AIM and TASE.

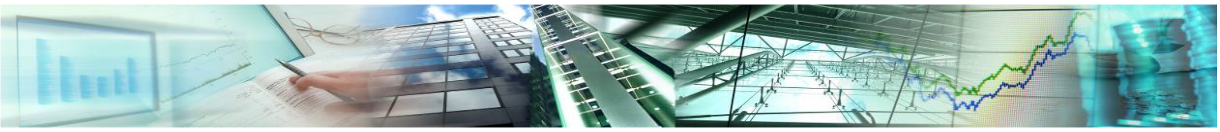
Yours faithfully

For and on behalf of Cushman & Wakefield

Stanislav Bibik MScSurv CCIM MRICS

Deputy Head of Valuation & Advisory

Associate



APPENDIX ONE

VALUATION METHODOLOGY
GLOBAL ASSUMPTIONS
SCHEDULE OF VALUES
PROPERTY SCHEDULES : SUMMARY TABLE
PROPERTY SCHEDULES : PROPERTIES HELD AS INVESTMENTS
PROPERTY SCHEDULES : PROPERTIES IN COURSE OF DEVELOPMENT
PROPERTY SCHEDULES : PROPERTYIES HELD FOR DEVELOPMENT

VALUATION METHODOLOGY

There are three generally adopted approaches used to value property: *The Sales Comparison Approach; The Income Approach*; and *The Cost Approach*. We have valued the properties using the income approach, taking account of sales comparables where available. The cost approach has not been used as this produces a "Non-Market Value" suitable for financial statements relating only to "specialised properties". An overview of The Sales Comparison Approach and The Income Approach and how these relate to the Russian Market, follows.

The Cost Approach

Under IVS this approach is relevant to specialised properties (i.e. properties that are rarely if ever sold on the open market … due to their uniqueness which arises from their specialised nature and design of the buildings, their configuration, size, location or otherwise) and Limited Market Property (i.e. properties that because of market conditions, unique features, or other factors attract relatively few buyers).

The Sales Comparison Approach

This method involves analysing all available information on sales of comparable properties that have taken place and making adjustments in the prices achieved to reflect the differences in the properties sold and the property to be valued. This approach hinges on the availability of reliable market evidence of comparable sales. Distinction must be drawn between information that is known to be accurate and reported information that is second hand or at best hearsay. Only information that is known to be accurate can be relied upon with any degree of comfort to provide an accurate valuation.

There are severe difficulties of applying this valuation approach in emerging real estate markets, including Russia, as due to their comparative immaturity the availability of reliable market information is very limited. To reflect this, the International Valuation Standards Committee ("IVSC") (the leading international body for setting valuation standards) devoted a recent White Paper to the study. It identifies specific problems for valuers in emerging markets, which apply very well to Moscow and to Russia – and these problems also tend to inhibit the operation of the market as a whole, in particular as regards investment.

The principal problem is a lack of transparency and a relatively low volume of recorded deals. In mature property markets there is a wealth of information available on completed sales transactions, in the form of yields and total sales prices, and this makes it relatively straight-forward to apply this valuation technique to any property. In Russia this sort of information is often not available, and where the details of transactions are publicized their accuracy can not always be guaranteed. In addition, a large number of sales transactions in Russia take place "off-market" and therefore details of them are seldom known beyond those who were party to the deal.

The volume of completed deals is very low in all sectors of the Russian real estate market. In addition – as outlined above, deal information is rarely reported accurately and is often manipulated for other reasons benefiting the separate parties to any sale deal. Therefore it is often necessary to use offered prices as a basis for assessing the opinion as to value using the sales comparison approach.

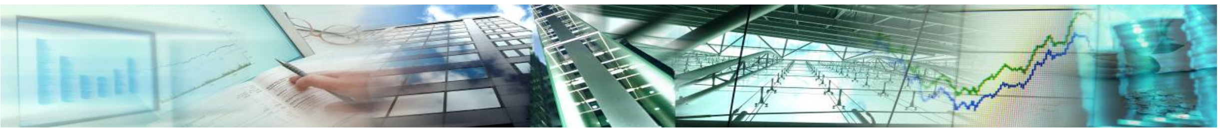
Development sites are transacted, but these transactions are usually "off-market" and therefore reliable comparable information is therefore only available to the parties to the transactions and their advisers – who are usually bound by confidentiality restrictions.

We are aware of the details of a number of transactions of land held for development. This comparable information has been taken into account in assessing the valuations herein, and where possible these comparables are referred to. However – in most cases we are bound by confidentiality and therefore can only provide guideline information.

We applied this method where it was applicable in order to develop our judgement on the market value of each property.

For the purpose of this valuation we applied this method to the properties where it was possible to find relevant comparable offers and information on their status and price. This method was applied while valuing land plots, intended for retail complex development in Penza and Kazan and a land plot in Saratov, intended for development of a logistics complex.

In respect of the land plot in Moscow (Skyscraper project), it should be stated that there are no similar comparables, possessing identical characteristic. Therefore we applied only the DCF method while valuing these Properties.



Special Assumption - Using prices from inactive markets[1]

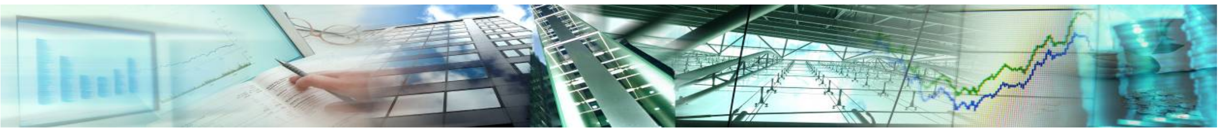
A quoted market price in an active market for an identical asset or liability is most representative of fair value and is required to be used (generally without adjustment). Transaction prices in inactive markets might be inputs when measuring fair value, but may not be determinative.

Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current. However, these factors alone do not necessarily mean that a market is no longer active and determining that a market is not active requires judgement. An active market is one in which transactions are taking place regularly on an arm's length basis. What is 'regularly' is a matter of judgement and depends upon the facts and circumstances of the market for the instrument being measured at fair value.

Regardless of the level of activity, transaction prices that do not represent distressed transactions cannot be ignored when measuring fair value using a valuation technique, although they might require significant adjustment based on unobservable data. When a market becomes inactive, it is not appropriate to conclude that all market activity represents forced liquidations or distress sales.

However, it is also not appropriate to conclude automatically that any transaction price is determinative of fair value. Determining fair value in a market that has become inactive depends on the facts and circumstances and may require the use of significant judgement. Regardless of the valuation technique used, an entity must include appropriate risk adjustments that market participants would make, such as for credit and liquidity.

[1] Using judgment to measure the fair value of financial instruments when markets are no longer active. An IASB Staff Summary. October 2008.



GLOBAL ASSUMPTIONS FOR THE SALES COMPARISON APPROACH

We have used the Sales Comparison Approach to develop an opinion of land values. Within this approach, we have analyzed prices offered by owners for similar sites in the market. In making comparisons, we have adjusted the sale prices for differences between the Properties and the comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

In the valuation of the freehold interest in the Properties, the Sales Comparison Approach has been used to establish the prices being paid for similarly zoned land. The most widely used and market oriented unit of comparison for properties with characteristics similar to those of the subject is the sale price per square meter of land area. All transactions used in this analysis are analyzed on this basis.

The major elements of this approach include tenure, permitted use of the land plot, status of the comparable, location of the property, its size, access to public utilities, documentation and technical conditions.

Discussion of Adjustments

While assessing the adjustments, we were guided by common practice and based our assumptions on our previous experience in valuation of similar kind of assets.

Tenure

This adjustment describes the type of rights in regards of the property: freehold or leasehold. Practically all comparables used are held freehold as well as the subject Properties. Whereas the comparable is held leasehold for 49 years, an adjustment of 5-10% is considered to be appropriate. An adjustment of 10% was made to the Comparables 1 and 3 for Saratov Logistics as the land plots are held leasehold.

Status

Adjustments for the type of comparable usually reflect the status of the comparable itself. As all comparables are open offers, we made necessary adjustments taking into account the discount that each owner is ready to give to the buyer. General market practice shows that owners are ready to give a 5-10% discount to the offer price. We made downward adjustments of 5% to reflect this fact.

Permitted use

This adjustment describes the permitted use every land plot has got. As all comparables have one and the same permitted use as the Properties, we did not make any adjustments in this respect.
As there were no deviations from the applicable zoning plan, no adjustments have been made in this respect to the subject Properties.

Project Documentation and Technical Conditions

Existence of Project documentation and Technical conditions of different utilities always significantly increases the value of the land plot. This adjustment represents a money-based adjustment, which is measured not in the percentages but in the amount of money per 1 sq. m. invested into the project and connected with acquisition of all necessary documentation and technical conditions. In our case this adjustment was applied in respect of the Kazan land plot, which is undergoing the Project stage.

Location

An adjustment for location is required when the location characteristics of a comparable property are different from those of the subject property. We have estimated the data relative to the location of the subject Properties including their specific location and immediate surroundings. Based on our analysis, we have made a downward adjustment to those comparables considered superior in location versus the subject. Conversely, an upward adjustment was made to those comparables considered inferior.

Size

The size adjustment generally reflects the inverse relationship between the unit price and the lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. Hence, upward adjustments were made to larger land parcels, and downward adjustments were made to smaller land parcels.

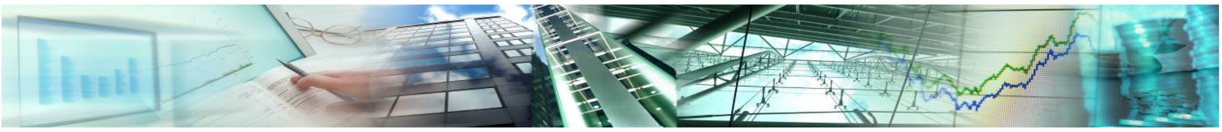
Public Utilities

The public utilities adjustment usually reflects access to all necessary utilities such as gas, electricity and water supply. We have made a downward adjustment to those comparables where all technical conditions were agreed whereas for the subject Properties it was assumed that all necessary utilities are located nearby.

In regards to the Saratov land plot, this adjustment represents a money-based adjustment, which is measured not in the percentages but in the amount of money per 1 sq. m. invested into the project and connected with acquisition of necessary utilities – in our case the money was invested into the laying of electricity, construction of electricity sub-station and acquisition of technical conditions on 6Mwt of electricity.

Weight

Taking into account nature, character and main characteristics of the comparable land plots, while valuing the land plots in Penza, we have weighted the adjusted values in order to come to the market value per 1 sq. m of the subject Property. Bigger weights were given to those Comparables, which are more similar to the subject Properties in their main characteristics and therefore their adjusted value better reflects the market value of the subject Property.



On the basis of all adjustments made we have estimated the market value for the subject Properties, derived from the average meaning of the adjusted prices for comparable sites or weighted average where appropriate. Summary tables are presented in the Appendix 6.

The Income Approach

The most commonly used technique for assessing Market Value within the Income Approach is Discounted Cash-flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. To this assessed cash-flow is applied a market-derived discount rate to establish a present value of the income stream. This Net Present Value ("NPV") is an indication of Market Value[2]. This approach is considered to be the most sophisticated valuation technique, because it allows differences between comparable sales and the subject property to be explicitly considered and analysed. It is therefore less based on subjective judgements but objectively on market available information.[3]

For the basis of the current valuations where for the majority of properties consents exist for a specific type of development, the income approach is the most relevant. The residual value for properties under development or properties held for future development is the NPV of all future income streams less the NPV of all future costs. The costs include all of the development costs still outstanding in respect of each property, taxes paid over the operation incomes and tax for the sale of assets, and future incomes are assessed based on current returns for completed properties of a similar nature in the market adjusted to reflect the expected completion date for the particular project and anticipated future trends in rents and / or sales prices.

The difficulty in applying this method in the Russian market is assessing the correct market derived discount rate, due to the very small number of transactions, the lack of transparency in the reporting of information and in the wide variations in returns required on projects from different investors.

The costs and incomes associated with the project have been assessed on the basis of standard construction costs in the market together with property or project specific information provided by the developer and current market returns adjusted to reflect anticipated future trends.

In order to assess the residual valuation of the land a discount rate has to be applied to the projected cash-flows. The discount rate is market derived and reflects the minimum returns a typical investor would require to undertake a project of this type. This approach then provides the maximum value that an investor would be willing to pay for the land in its current condition, being the Net Present Value of all identified future costs and incomes at the necessary rate of return.

[2] International Valuation Standards Sixth Edition – Guidance Note 9
[3] International Valuation Standards Committee Newsletter - Global Valuation Issues (Sept. 2003)

In the Russian market this approach specifically excludes the use of debt and the effect of leverage. The availability of debt, and on what terms, varies widely from investor to investor, and there is no market standard – especially in a comparatively immature debt market such as Moscow. Pre-debt discount and capitalisation rates are therefore used to represent the risk-return requirement of investors.

GLOBAL ASSUMPTIONS FOR THE INCOME APPROACH

For the subject Properties some general assumptions have been made in developing the residual valuations.

These are summarised below:

Acquisition Cost

The properties are mainly owned. However, in the modelling process the Market Value for a third party purchaser has been treated as the initial investment;

Development Proposals

It has been assumed where project documentation exists that any development would conform to the overall sizes as provided to us unless it is reasonable to assume that development could take place in some other form;

Utilities & Road Improvement

In Russia the cost of providing utilities and executing necessary road improvements can vary widely. Where utilities need to be provided or road works executed it has been assumed that the cost estimates supplied to us are accurate;

Construction Phasing

All projects, unless specifically stated otherwise, have been assumed to be constructed in one phase. Due to the size of the Saint Petersburg (Residential and Trade Centre), Yaroslavl Phase 2 and Perkhushkovo projects it has been assumed that they would be phased and that the phasing would be designed to maximise the returns from the site;

Construction Costs

Construction costs have been assessed in accordance with standard rates in the market that a third party developer / purchaser would expect to have to pay in the course of the development of each project. All the costs were provided to us by the Company, a reliable and a well-known developer, and were then double-checked by ourselves, based on the tables and construction costs guidance that we have got in-house as well as the data on other developments in Russia that we have from the information provided on other valuation projects;

Construction Contract

An advance payment is included in the cost calculations, which is charged to the first quarter of the construction contract. A hold-back against defects requiring remedy is also included and is charged to the quarter after completion of construction of the relevant phase. The remaining construction costs are applied equally throughout the development period;

Permit & Design Costs

Where there are outstanding permitting costs these have been assessed in line with the anticipated numbers as supplied by the client as, once again, there can be a wide variation in the permitting costs. Design costs – where appropriate have been assessed in line with market standards;

Assumed Sale

In order to assess the capital value of a completed development, we have assumed that a property is to be held upon completion for a period until the net income stabilizes, and thereafter is sold. Taxes for the operation period and for the sale of assets were deducted from the proceeds (See taxes below). This is a valuation technique and does not necessarily represent the intention of the owner;

Discount Rate

We have considered the perceived risk associated with the subject Properties, as there is a direct correlation between a property's perceived risk and expected rate of return to an investor. Based on our knowledge of required rates of return for various investments, in particular real estate, as well as through discussions with persons active in the real estate market of Moscow, St. Petersburg and other regions, we have been able to estimate an appropriate discount rate that reflects the perceived risk and required rate of return for a property such as the subject one.

The term "discount rate" is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Thus the discount rate is used to determine the amount an investor would pay today (present value) for the right to receive an anticipated stream of payments (e.g., cash-flows) in the future.

Generally, the discount rate is the rate of return that would be required by an investor to purchase the stream of expected benefits (e.g., future cash-flows), given the risk of achieving those benefits. Risk is generally defined as the degree of certainty or uncertainty as to the realisation of expected future returns. In terms of a discounted cash-flow projection, this can be interpreted as the probability and extent to which the future projections will be realised. In other words, it is the risk of achieving the projections.

The discount rate selected must be based on the same definition of cash-flow utilised in the valuation model.

The level of yield may vary in different areas of each region for many reasons such as condition, desirability of location, which might be related to such factors as accessibility, visibility, reputation, etc. Investors expect larger returns when investing in high-risk income properties. A discount rate, appropriate for each Property, was applied in each case.

While assessing the yields, we as appraisers had to work in conditions of market slowdown. As a consequence, there has been a significant reduction in market evidence upon which to base our valuation and so we have had to exercise a greater degree of judgment than usual. This is due to low level of investment activity which results in an imbalance between supply and demand therefore leading to forced transactions and distressed sales. Therefore we based our valuation on our overall experience and our knowledge of the market. While assessing an appropriate level of yields to each property in the portfolio, we used the available information about generalized capitalization rates for a certain real estate sector and a certain balance between prudent sellers' and willing buyers' expectations as well as analyzed general trends and correlations between all market variables. Therefore the yields were mainly derived from the market perception and knowledge rather than from any kind of mathematical calculations, which cannot be fully relied on in view of the market volatility and low activity. All the numbers were confirmed internally with our in-house investment team that has its own range of external and internal sources of information, which is formed on the basis of regular discussions with buyers and sellers, available market data as well as with other consulting and investment companies.

When analyzing the level of yield for Mirland Business Centre properties located on 2nd Khutorskaya street, we have analyzed perceived level of risk associated with these properties which is discussed in greater detail below.

Based on the analysis of all salient facts and available information we have assessed the level of discount rate for MAG and Hydromashservice business centres as 12%.

When assessing the level of yield for Century building, we based our choice of the discount rate on the fact that the building was partly over-rented with a binding lease contract which was also taken into account in our valuation. Taking into account existing leasing and marketing risk for the property and considering the timing and the lease terms applied in the valuation, we have appropriately set a discount rate for the subject property at the level of 14%. We believe this provides a reasonable risk premium.

During our analysis of Tamiz office building we have taken into account all the relevant characteristics of the building and the current plans of the Company to complete fit-out works in the building by the end of May 2011 which we believe reasonable. Taking into account the above information we are of the opinion that a discount rate of 14% represents a reasonable level of yield for the subject property;

Exit Capitalization Rates

The capitalization rates are derived from our analysis of recent market transactions, together with our market knowledge derived from Cushman &

Wakefield's investment agency coverage. In view of the current state of the market a greater degree of judgment was applied than would be the case in more mature markets where there is a large amount of transactional evidence. Nevertheless the yield levels used in the valuation calculation are based on market evidence and our experience of working with investors looking to invest in the market and our knowledge of the levels of return that they are seeking from their investments.

It is necessary to note that the Russian investment market is revving up with prime capitalization rates at the level of 9% for offices, 10% for retail premises and 11% for warehouse properties. On the basis of our market analysis, our discussions with major investment market players and recent capital markets transactions, both executed and in the process of final negotiations, we have been able to assess the exit capitalisation rates for the subject commercial properties.

Now most of the money interested to move into the market is focused on the best assets in Moscow. In addition, well managed properties with good reputation and solid rent rolls will command a scarcity premium and will be most attractive to buyers and bankers alike. We believe that the improvement in macro fundamentals will lift interest in the retail and warehouse sectors, particularly once consumer spending accelerates to the extent we believe it has. Residential property is also attractive key of interest. Market capitalisation rates have been projected based on the assessment that the property investment market for Moscow, Saint Petersburg and the regions will become more sophisticated over the period and that the number of active investors will increase. We consider these to be both logical and appropriate;

Rental Rates

Rental rates for commercial office and retail spaces have been projected together with capitalisation rates, for the period of the cash-flow. Sales prices for residential developments have been assessed for the reasonably expected completion dates. These figures are based on research carried out by Cushman & Wakefield and market information. Average rental rates in each segment and each region are presented in Appendix Two "Market Commentary".

In respect of commercial rents they are exclusive of operating expenses and VAT and have been assessed on a conservative projection of future market movement. They therefore provide realistic minimum figures that it is anticipated can be achieved;

Rental Rates Growth

Due to reviving market, its recovery and rather positive forecasts of the market experts and analysts, we decided to apply a moderate rental growth of 3% for all office and retail premises.

Growth rate for Saratov Triumph Mall was assed at the level of 5%, which was mainly based on the existing lease contracts, which provide the best comparable evidence. Practically all lease agreements are mid- and long-termed (more than 5-10 years) and are indexed at 5 to 10% per year. Moreover, Triumph Mall in Saratov is a unique object and a landmark property reflecting new trends of the Saratov retail real estate market. Therefore we adopted a 5% growth-rate for the property.

Growth rates for Residential part of Triumph Park in St. Petersburg were estimated at a conservative level of 5%. Taking into account general market trend of 10-15% price growth on residential apartments in prime location in St. Petersburg, we believe this is reasonable;

Growth rate of 10% was adopted for Perkhushkovo cottage settlement taking into account average market trend of 10-15% price growth on cottages of this type and in this direction and distance from MKAD;

Sale Prices

Sales prices for residential properties have been analyzed on the basis of the current sales program together with the current market situation. In addition, we have analyzed the current deals in the market as at the date of valuation;

Review / Renewal Period

This is the length of the initial leases. The rents for the initial leases remain fixed for their entire term, in line with current market practices where indexation and rent reviews are not prevalent, and the rent during this period will depend upon the prevailing market rental rate in the year of completion. The assumed length of initial leases varies depending upon the property class – office leases are typically 5 years and retail leases are typically 3 to 5 years;

Vacancy Rate

Vacancy has been assumed for the duration of each project and depends upon the property class, its location, the local market and the relative merits of each anticipated project. Vacancy rates in a cutaway view of each particular Property in each particular city were agreed with our internal brokers' departments, which have deep knowledge and large experience in all sectors of commercial real estate all over Russia;

Operating Expenses

For commercial properties these are assumed to be paid by the tenant at cost, and they are therefore cash-flow and VAT neutral and they are not included in the cash-flow analysis. For residential properties it is also assumed that operating expenses will be passed through to residents in the form of a service charge or similar;

Security Deposit

It is common for tenants to pay security deposits in the Russian market which are held interest free by the Landlord and offset against the last relevant period of the lease. Standard levels of Security Deposit have been assumed for different property classes. These deposits are treated as financing cash-flow and will be off-settable against the final relevant period of each lease;

Debt Assumptions

In assessing the Market Value of property it has been assumed that no debt is used. There are wide variations as to the financing terms available in the as yet immature Russian property finance market and it is not therefore possible to apply standard terms.
Therefore unleveraged yields are used to provide a consistent approach;

VAT Rate

The VAT rate has been taken at the current rate of 18% introduced at the beginning of 2004. The VAT rate is of importance because although in theory VAT in Russia is immediately recoverable from the government the practice is slightly different. The VAT paid on construction and other development costs is considered a VAT credit account in favour of the landowner. VAT on future rents can be retained and offset against the VAT account until it is zeroed out. This has a significant effect on cash-flow. For the purchase of existing properties VAT is payable in respect of that part of the purchase price apportioned to building improvements. VAT is not payable in respect of the part (or whole) of the purchase price that relates to the land plot (or land lease).

It has been assumed that all of the costs in association with the development of the project will be subject to VAT and also that all of the tenants (where appropriate) will be VAT paying. Where applicable the current VAT credit account has been taken into account – depending upon the tenure of the property. I.e. freehold property sales are subject to VAT, but sales of shares in a company are not. For the purposes of this valuation all properties have been assessed on a freehold basis as opposed to the existence of any SPVs;

Cash Reserve

A contingency account against future capital expenditures is a prudent measure. Contributions to this cash reserve have been set depending on the different criteria of each proposed development;

Agent's & Brokers Fees

Standard market practice is to use brokers to lease commercial space. This has been taken into account;

Depreciation

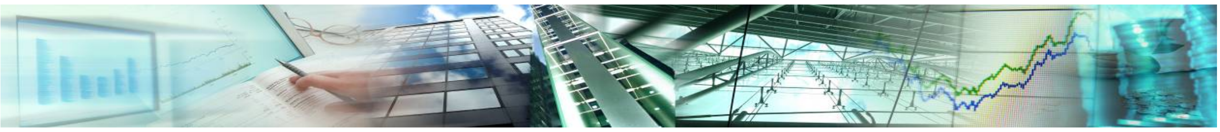
Assessed over 50 years on a straight line basis, in line with local regulations excluding that part of the balance sheet value that relates to the underlying land value. The type of tenure affects the annual depreciation and will therefore affect the level of costs which are deductible for profit tax purposes. A sale of a freehold property results in the property being held on the balance sheet at the transaction value and usually results in a higher level of depreciation and therefore a higher level of tax deductible costs, potentially increasing income. Where a property is held in a Special Purpose Vehicle (SPV) any sale of the shares will not affect the value of the property on the balance sheet (usually the existing depreciated construction cost) and this will ordinarily result in a lower level of depreciation. As outlined above, all of the properties in this report have been valued on the basis of a freehold sale;

Taxes

Similarly property tax is payable on the book value of any property, excluding that part that relates to the underlying land value, currently at 2.2% and the nature of the tenure will affect the overall level of property tax payable. There may also be effects on the level of other taxes payable due to the type of tenure. The standard corporate profit tax rate is currently at 20% and has been included in our financial analysis, i.e. taxes were deducted from the operation profits during the operation period and from capital gains due to sale of assets;

Development Assumption

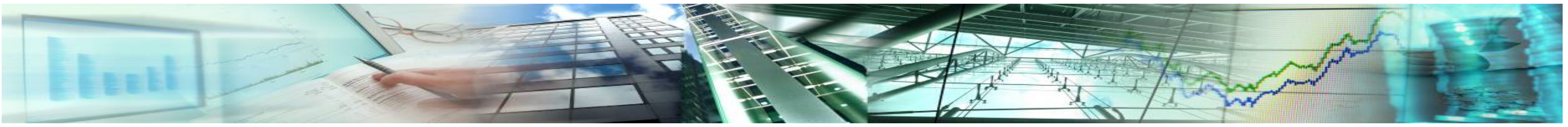
The current Report and Valuation are based on the assumption that all concepts proposed by the Company are legally possible and the proposed development schemes will be realized by the Company under current conditions and commercial terms. Therefore the Values provided are related to the size and use of the planned project, but are subject to change, the risk for which is taken into account in the discount rates applied.



SCHEDULE OF VALUES

A summary table is included below. The appendices contain information for each of the individual properties within the classes of: "Properties *held* as investments", "Properties *in the course of development*", and "Properties *held for development*".

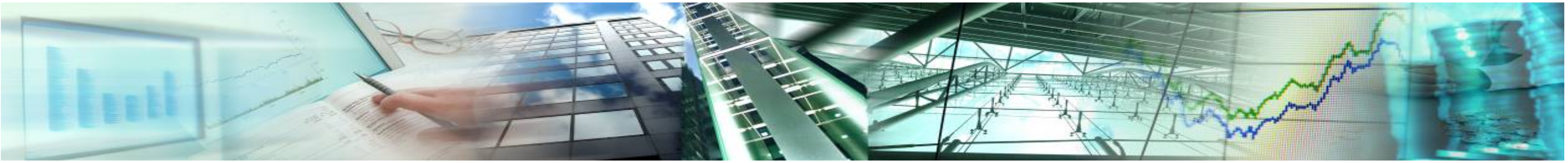
SUMMARY TABLE



MirLand Development Corporation Assets - Overview of Market Values as at 31st of December 2010

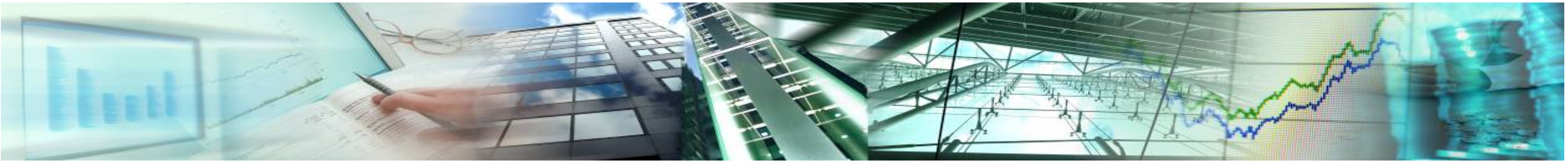
Ref.	City	Property Name and Address	Portfolio Market Value as of 31st of December 2010 (Rounded)	Percentage Owned by MirLand	MirLand Market Value as of 31st of December 2010 (Rounded)	Total sqm of Land	Projected Net Leasable / Saleable Area in sqm upon Completion (excl. Parking)	Market Value per sqm of Projected Net Leasable Area	Discount Rate	Projected Exit Date	Projected Exit Capitalisation Rate for Commercial	Projected Exit Sales Price (Uncompleted Only)	Projected Corporate Profit Tax on Exit Sales Price of Commercial Units (Uncompleted Only) Rounded	Projected Exit Sales Price per sqm of Net Leasable Commercial Area (Uncompleted Only)	Total Outstanding Investment (excl. VAT & Land for commercial properties and incl. VAT for residential projects)	Total Commercial Income as of 2011 (Assuming 100% Occupancy and Fully Completed)
001	Moscow	Hydromashservice, 2-Khutorskaya str., 38A	$65 500 000	100%	$65 500 000	12 237	16 896	$3 877	12,00%	Completed	9,00%	Completed	Completed	Completed	Completed	$7 021 000
002	Moscow	MAG, 2-Khutorskaya str., 38A	$59 900 000	100%	$59 900 000	21 940	19 228	$3 115	12%/14%	Completed	9,00%	Completed	Completed	Completed	Completed	$7 282 000
003	Moscow Region	Western Residence, Perkhushkovo, Odintsovsky district	$90 800 000	100%	$90 800 000	225 300	65 330	$1 390	16,00%	2015	Residential	$181 862 000	Residential	Residential	$35 500 000	Residential
004	Saratov	Triumph Mall, 167 Zarubina street	$104 500 000	100%	$104 500 000	22 000	27 325	$3 824	12,50%	Completed	10,50%	Completed	Completed	Completed	Completed	$10 549 659
005	Moscow	Skyscraper, Dmitrovskoe schosse, 1	$60 200 000	100%	$60 200 000	9 079	92 000	$654	16,00%	2015	8,50%	$72 037 000	$78 205 000	$783	$283 396 399	$59 599 000
006	Saint Petersburg	Triumph Park, Residential	$229 200 000	100%	$229 200 000	326 651	630 900	$363	20,00%	2014-2019	Residential	$2 079 502 000	Residential	Residential	$940 244 000	Residential
007	Saint Petersburg	Triumph Park, Trade Center	$18 000 000	100%	$18 000 000	81 663	117 775	$153	20,50%	2017/2019	9%/9%	$408 465 000	$43 377 000	$3 468	$180 341 000	$37 764 000
008	Yaroslavl	Vernissage Mall, Kalinina str.	$82 400 000	49%	$40 400 000	120 000	34 056	$2 420	12,50%	Completed	10,00%	Completed	Completed	Completed	Completed	$9 000 000
009	Yaroslavl	Phase II	$8 000 000	49%	$3 920 000	180 000	55 245	$145	23,00%	2016	10,50%	$89 420 000	$8 152 000	$1 619	$42 291 000	$9 493 000
010	Moscow	Tamiz Building	$36 300 000	100%	$36 300 000	4 500	12 971	$2 799	14,00%	2013	10,00%	$49 043 000	$2 544 000	$3 781	$1 000 000	$5 118 000
011	Moscow	Century Buildings	$94 700 000	51%	$48 300 000	5 800	21 056	$4 498	14,00%	Completed	11,00%	Completed	Completed	Completed	Completed	$8 423 000
012	Kazan	Triumph House	$8 500 000	100%	$8 500 000	22 000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
013	Penza	Retail Center	$2 800 000	100%	$2 800 000	52 790	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
014	Saratov	Logistics Complex	$7 100 000	100%	$7 100 000	260 000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		Total	**$867 900 000**		**$775 400 000**							**$2 880 329 000**			**$1 482 772 399**	

PROPERTIES HELD AS INVESTMENTS

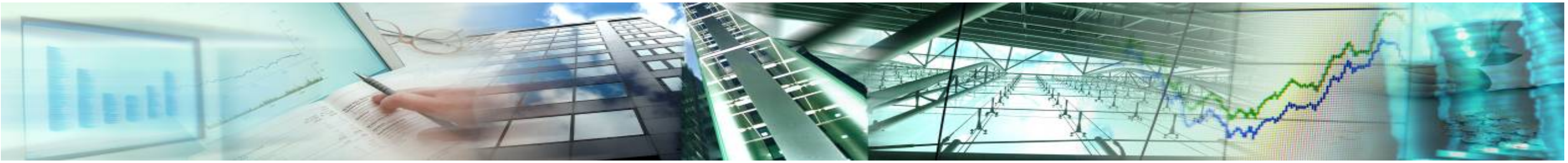


Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
“MAG” **2-Khutorskaya street, 38A** **Moscow, Russia**	The Property is located in approximately 10 minutes walking distance from the nearest metro station Dmitrovskaya. This location is in the north portion of the Moscow Novoslobodsky Business District, approximately 2 kilometres from the Third transport ring road. MAG is a former factory site containing several buildings, which have been refurbished and transformed into new class B office space. According to information provided to us total leasable area is 19,228 sq. m. and 175 parking slots. As at the date of valuation there were 2,254 sq. m. of vacant space out of 12,086 sq. m., which represents 18.65% of the total rentable area. On the 20th of March, 2010 a fire broke out in building #26, which is a part of MAG complex. As a consequence, the building with the total area of 7,142 sq. m is under renovation now. Total outstanding investments for renovation are US$4,985,045. According to the Long Term Lease Agreement #M-09-031793 of 29th of September 2006, Mashinostroenie and Hydravlika OJSC leases a land plot of 1.2879 ha until 1st of September 2055. The land plot with a total area of 1.0257 ha is held by Mashinostroenie and Hydravlika OJSC under the Decree of the Northern Administrative district of Moscow # 9590 from 19.12.2007 on the leasehold basis up to 30.11.2032.	Differing length periods.	US$4,495,000	US$7,282,000	**US$59,900,000** **US$59,900,000** for the 100% share interest held by the Company according to information provided to us.

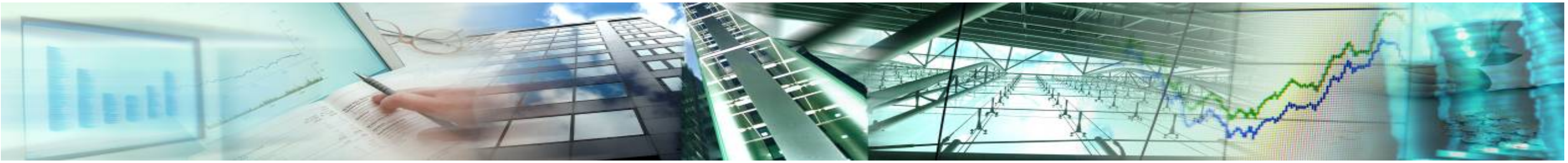
Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
“Hydromashservice” **2-Khutorskaya street, 38A** **Moscow, Russia**	The Property is located in approximately 10 minutes walking distance from the nearest metro station Dmitrovskaya. This location is in the north portion of the Moscow Novoslobodsky Business District, approximately 2 kilometres from the Third transport ring road. Hyidromashservice is a former factory site containing several buildings, which have been practically fully refurbished and transformed into new class B office space. As at the date of valuation the majority of the space was completed. According to information provided to us total leasable area is 16,896 sq. m., of which 1,936 sq. m. or 11.46% are not leased and 175 parking places. The Property has originally been constructed and used as an industrial premise in the former century. The Company did not provide us with any information regarding the age of the Property. The building improvements are owned by Hydromashservice LLC according to ownership certificates provided by the Company. According to the Amendment Agreement No.5 of 29.09.2006 to the land lease agreement # M-09-025311, dated 28.11.2003, Hydromashservice LLC leases a land plot of 1.2237 ha.	Differing length periods.	US$6,297,183	US$7,021,020	**US$65,500,000** **US$65,500,000** for the 100% share interest held by the Company according to information provided to us.



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
“Century Buildings” **2-Khutorskaya street, 38A** **Moscow, Russia**	The Property is located in approximately 10 minutes walking distance from the nearest metro station Dmitrovskaya. This location is in the north portion of the Moscow Novoslobodsky Business District, approximately 2 kilometres from the Third transport ring road. The property is represented by two Class B office buildings with a total leaseable area of 21,056 sq. m. located on the land plot with the total area of 0.58 hectares. There are 1,006 sq. m. or 4.78% vacancy in the building. Currently the building is offered on the market for lease. The land plot is held in the leasehold and the building is held in the freehold.	Differing length periods.	US$10,996,370	US$8,422,520	**US$94,700,000** **US$48,297,000** for the 51% share interest held by the Company according to information provided to us.
“Triumph Mall” **167 Zarubina Street** **Saratov, Russia**	The Property represents a modern three-floor retail entertainment center with the total area of 27,325 sq. m. The Property answers all European standards in terms of technical and engineering conditions as well as in terms of management services. The Mall has a list of prestigious tenants bound with the Owner of the Property by long-term relations. The subject Property is located at the intersection of Astrakhanskaya and Kutyakova streets in 15 minutes’ walking distance from the historical centre of Saratov, near Saratov airport and Saratov railway station. The north-eastern border faces Zarubina street.	Differing length periods	US$10,549,659	US$10,549,659	**US$104,500,000** **US$104,500,000** for the 100% share interest held by the Company according to information provided to us

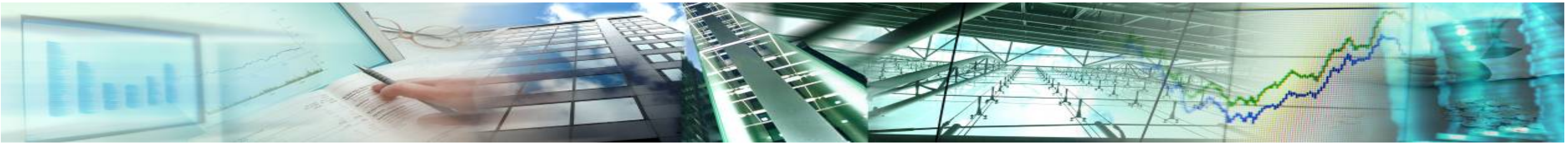


Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
	Universitetskaya street is in the north-west from the site and Astrakhanskaya street is the south-eastern frontier. The south-western border of the site is Kutyakova street. The surroundings are predominantly retail, residential and industrial premises. The tenure of the land plot of 2.2 ha is freehold.				
"Vernissage Mall" **Moskovskoye Shosse & Kalinina street** **Yaroslavl Region, Russia**	The Property is represented by a modern retail complex with entertaining areas which opened on the 27th of April 2007 with a total leaseable area of 34,056 sq. m. Gross buildable area comprises 40,787 sq. m. The complex consists of one ground floor and a guest ground parking with 1,450 slots. All premises are currently occupied. The Property is located at the intersection of Kalinina street (ring road of Yaroslavl) and Moskovskoye shosse at the border of the city of and the Yaroslavl region. The city centre (6 km) can be reached in about 15 to 20 minutes driving distance. The district is mostly residential, with a large residential micro-district in the north and individual housing surrounding the subject Property. The Property answers all European standards in terms of technical and engineering conditions as well as in terms of management services. The Mall has a list of prestigious tenants bound with the Owner of the Property by long-term relations.	Differing length periods.	US$9,004,771	US$9,004,771	**US$82,400,000** **US$40,376,000** for the 49% share interest held by the Company according to information provided to us.

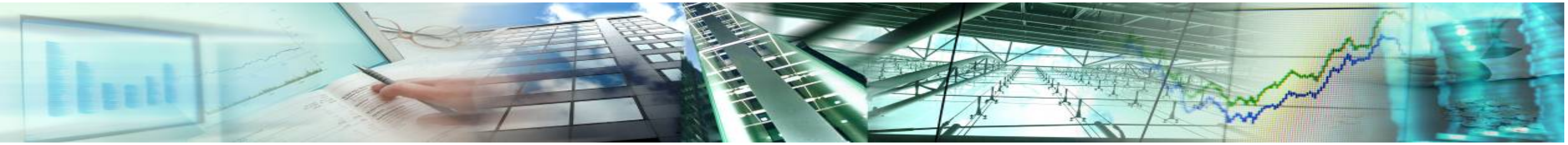


Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
	The tenure of the land plot (12 hectares in size) is freehold (according to the Ownership Certificate 76-AA #170178). The remaining land area of 18 hectares is reserved for future development (see "Yaroslavl: Phase II").				

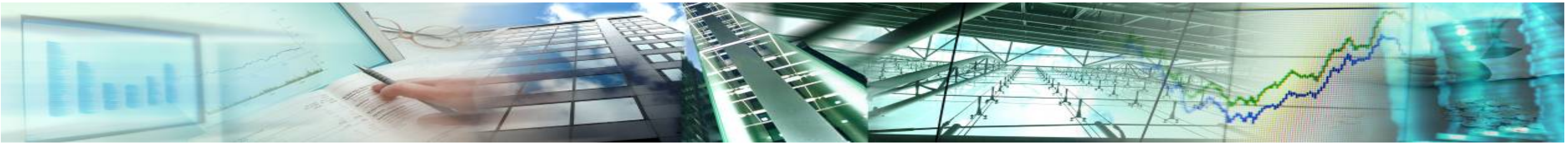
PROPERTIES IN COURSE OF DEVELOPMENT



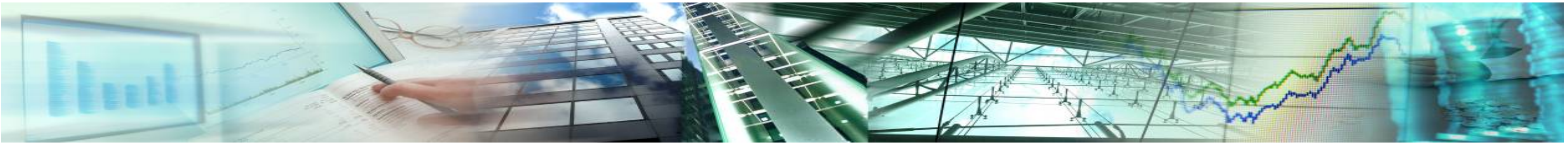
Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
Western Residence **Perkhushkovo Odintsovo District** **Moscow Region, Russia**	The Property is represented by two adjacent land plots with a total area of 22.53 ha: Land plot #1 with a total area of 10.57 ha; Land plot #2 with a total area of 11.96 ha The Property is in course development and is intended to provide 163 luxury homes, including about 71 town houses and about 92 business class houses of different types (according to the information provided by the Company). Apart from residential premises a managing company building with a total saleable area of 300 sq. m. and 1,570 sq. m. of saleable retail will be constructed. According to the information provided by the Company as at the date of this Report the 1st phase of development was 98% completed. Infrastructure and utilities were in process of connection. Following construction completion, the Company plans to dispose the residential units to end users. 15 houses from the 1st phase were already sold as of the date of valuation. Total outstanding development costs are estimated at US$35,500,000 (including VAT) for both phases. The Property is located in the Moscow Region in the Odintsovo district close to the Mozhayskoe shosse in approximately 15 km distance to the west from MKAD (Moscow Ring Road) and approximately five km from	Upon completion the units are expected to get sold on a single unit basis.	Upon completion the units are expected to get sold on a single unit basis.	Upon completion the units are expected to get sold on a single unit basis.	**US$90,800,000** **US$90,800,000** for the 100% share interest held by the Company according to information provided to us (Assuming built and fully sold on market terms US$181,862,000)



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
	Perkhushkovo railway station. The neighbouring land plots are characterised by housing settlements and forests. The tenure of the land plots is freehold.				
"Tamiz" **2-Khutorskaya street, 38A** **Moscow, Russia**	The Property is located in approximately 10 minutes walking distance from the nearest metro station Dmitrovskaya. This location is in the north portion of the Moscow Novoslobodsky Business District, approximately 2 kilometres from the Third transport ring road. The Property represents a land plot of total area of 0.45 Ha under development of an office building. According to information provided by the Company the total area of future office building is 12,971 sq. m. The building will have 5 floors not including one mezzanine floor and a technical floor. There are 18 surface parking spaces intended for lease. At the date of valuation, all skeleton and facades construction was completed and the whole project was 98% completed, the ownership was obtained and the state permission was received. The main internal works were start in January 2011 and the whole project will be finished by July 2011. Total outstanding development costs are estimated at the level of US$1,000,000 (excluding VAT).	n/a	n/a	US$5,117,751 upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed a structural vacancy rate of 30% in 2011 decreasing to 20% in 2012 and to 10% in 2013 for offices and surface parking.	**US$36,300,000** **US$36,300,000** for the 100% share interest held by the Company according to information provided to us (Assuming built and fully let on market terms US$49,042,837)
"Triumph Park, Residential"	The Property is represented by a land plot of 40.8314 hectares in total which is intended for future development of residential	Residential: Upon	Residential: Upon	Residential: Upon	**Total Value for Residential &Trade**

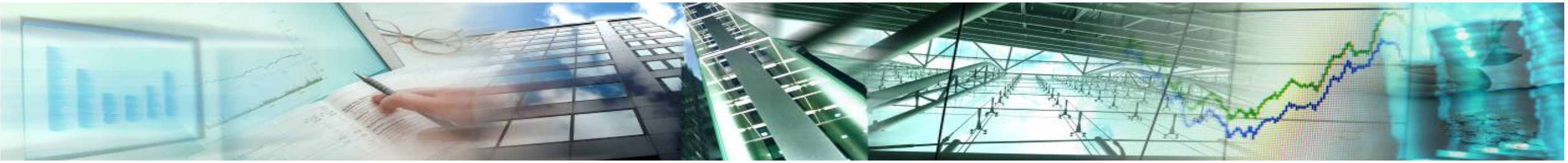


Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
and "Triumph Park, Trade Center" **30 Pulkovskoe Shosse** **Saint Petersburg, Russia**	apartment dwellings including appertaining community buildings and parking facilities. Gross buildable area of the Property will comprise 788,625 sq. m. A high-voltage power line passes the site along the eastern land plot boundaries. The power line takes a comparable small part of the land plot. The concept of the Residential part provided to us suggests constructing all in all 9,000 residential dwellings comprising an average saleable area of 63.5 sq. m. per apartment (571,200 sq. m. in total) in 5 phases. The quality of the apartments is split into "Economy" class - 399,840 sq. m. of total area and "Comfort" class - 171,360 sq. m. of total area. The construction of the first phase was started in August 2008 with the consecutive phases following at a time difference of one and a half years each. Moreover, some 59,700 sq. m. net area of community buildings as well as some 7,639 underground parking spaces as well as open parking areas along the streets will be constructed as part of the Saint Petersburg Residential project. The construction started in August 2008 and will take place in 5 phases, with the last one being completed in 2019. We have also been informed that the general plan of the project was approved as well as the detailed planning. The Property is located in the second line to the main road (Pulkovskoe Shosse) connecting the Saint Petersburg airport	completion the units are expected to get sold on a single unit basis. <u>Commercial:</u> n/a	completion the units are expected to get sold on a single unit basis. <u>Commercial:</u> n/a	completion the units are expected to get sold on a single unit basis. <u>Commercial:</u> US$37,763,910 upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed a structural vacancy rate of 20% in 2011-2012 decreasing to 15% in 2013-2014 and then to 10% in 2015 on office and retail premises.	**US$247,200,000** **US$247,200,000** for the 100% share interest held by the Company according to information provided to us (Assuming built and fully sold on market terms US$2,487,966,382)

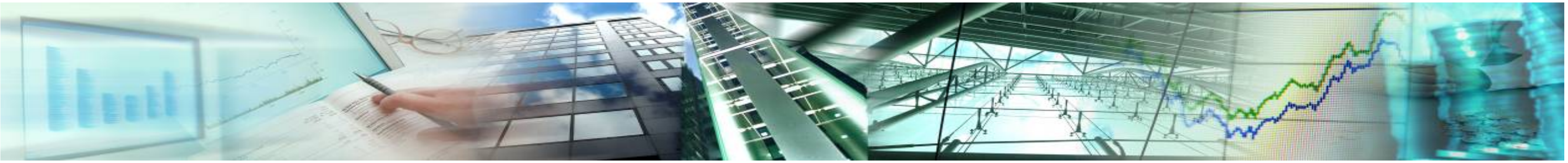


Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
	to the city centre. The distance to the airport is approximately five km. The city centre is about 16 km away. The tenure of the land plot is freehold. Commercial part of the property is represented by a land plot of 8.16628 hectares in total and is part of 40.8314 hectares site which is intended for future development of class B office and retail space including parking facilities in three phases. It is planned to construct 60,000 sq. m. of leasable area of Class B office space in 3 phases, about 57,775 sq, m. of retail premises in 3 phases with construction expected to start in June 2013 and the last phase being completed in May 2017. The planned retail areas are split into two different forms – street retail and shopping center. Total outstanding development costs are estimated at US$1,120,585,199 (together for commercial and residential parts) (excluding VAT for commercial part and including VAT for residential part).				

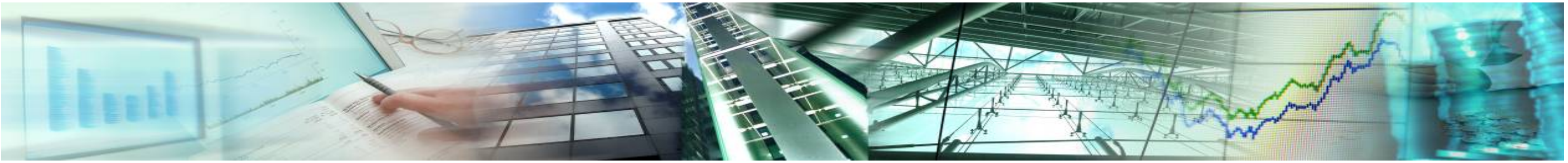
PROPERTIES HELD FOR FUTURE DEVELOPMENT



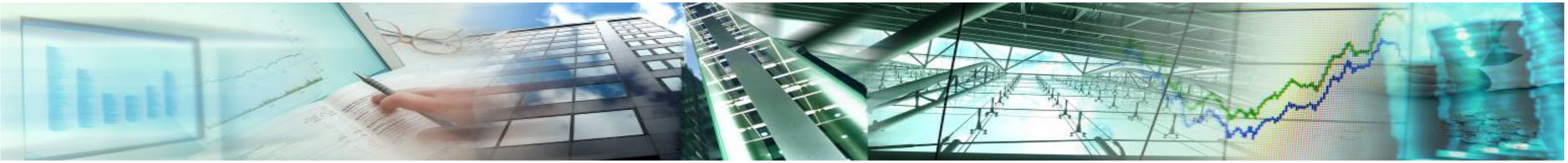
Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
"Skyscraper" **Dmitrovskoye Shosse 1B** **Moscow, Russia**	The property is represented by a land plot of 9,079 sq. m. of total area and intended for future construction of a multi-storey office building including retail areas in the lower floors. In accordance with the information provided by the Company, the project passed state Gosekspertiza, ARI was approved by the Moscow authorities and the concept design was approved by Chief Architect of Moscow. According to the concept provided by the Company the planned construction will include (all leasable area) 85,000 sq. m. of office space, 7,000 sq. m. of retail space and 1,690 underground parking spaces. gross buildable area excluding parking will comprise 106,000 sq. m. Construction is expected to take place in one phase starting in March 2012 and expected to be completed in August 2015. The tenure of the land plots is leasehold. The site is located in Northern Administrative District of Moscow. The Property is confined by transportation routes of the North-Eastern part of the junction formed by Dmitrovsky lane in the North, and slip road to Dmitrovskoye Shosse in the North-East, Rizhskaya railroad line in the South and street railway depot in the West. Dmitrovskoye Shosse has four lanes each way. Both of the roots are high traffic routes. Total outstanding development costs are estimated at US$278,143,400 (excluding VAT).	n/a	n/a	US$59,599,000 upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed a structural vacancy rate of 15% in 2011 decreasing to 10% in 2013-2014 and then to 5% in 2015.	**US$60,200,000** **US$60,200,000** for the 100% share interest held by the Company according to information provided to us (Assuming built and fully let on market terms US$720,372,000)



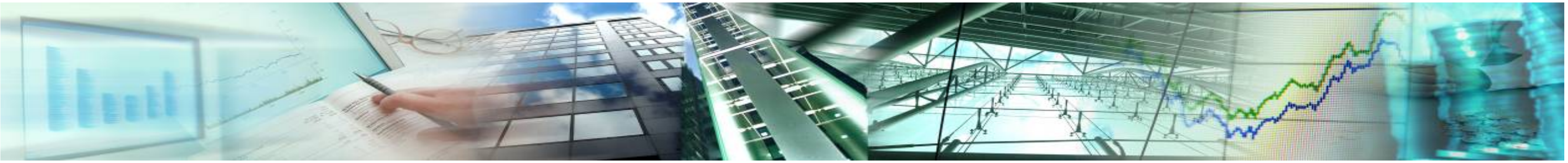
Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
"Triumph House" **Okolnaya street, 28A** **Kazan, Russia**	The Property represents a land plot with total area of 2.2 ha intended for construction of a two-storied Home Design Centre. Mostly the site is surrounded by residential buildings from the west, south and east. From the north the Site is bounded by industrial zone. Total gross leasable area will be 31,470 sq. m of which 26,277sq. m will be for lease. Total gross buildable area will comprise 44,737 sq. m. Another part of the property (5,193 sq. m.) will be constructed for one specific owner (the Behetle Company) and will be sold to him upon construction. Construction costs will be paid gradually in course of development by the future owner. After completion the Client will get 20% benefit. An underground parking for 534 lots and 465 on-roof parking slots will be constructed. The site is located in the Central part of Kazan on the intersection of Gorkovskoe highway, Bolotnikova street, Frunze street and Vosstaniya street. According to information provided, the Company has finally approved the land zoning and in the process of receiving of building permits for the zero cycle of construction. Construction will begin in September 2011 and will be finished in August 2013. Total outstanding development costs are estimated at US$36,567,731 (excluding VAT).	n/a	n/a	n/a	**US$8,500,000** **US$8,500,000** for the 100% share interest held by the Company according to information provided to us



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
"Yaroslavl Phase II" **Moskovskoye Shosse & Kalinina street** **Yaroslavl, Russia**	The Property is represented by a land plot of approximately 18 hectares (remaining part of the Yaroslavl land plot which has not been used for the development of the Yaroslavl mall) which is unimproved as at the date of valuation. According to information provided by the Company the construction of a big box retail complex incorporating some 55,245 sq. m. of total leasable area with an entertainment zone is planned in the future. Construction is supposed to be divided into 2 phases with the first one to be started in June 2012 and the second finished in May 2014. Total outstanding development costs are estimated at around US$42,290,555 (excluding VAT). The Property is located at the intersection of Kalinina street (ring road of Yaroslavl) and Moskovskoye shosse at the border of the city of and the Yaroslavl region. The city centre (six km) can be reached in about 15 to 20 minutes driving distance. The district is mostly residential, with a large residential micro-district in the north and individual housing surrounding the subject Property. The tenure of the land plot is freehold (according to the Ownership Certificate 76-AA #170178)	n/a	n/a	US$9,492,743 upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed a structural vacancy rate of 15% for retail gallery, food court and other small tenants in 2012 and 10% for the same category of tenants from 2013.	**US$8,000,000** **US$3,920,000** for the 49% share interest held by the Company according to information provided to us (Assuming built and fully let on market terms US$88,731,000)



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
Logistics Complex **1,3 km to the south-east of Dubki village** **Saratov Region, Russia**	The Property represents an undeveloped land plot of approximately 26 hectors held for construction of a logistics complex. According to information provided by the Company the construction of a logistics complex incorporating some 104,000 sq. m. of total area is planned in the future. Construction is supposed to be divided into 3 phases with the first phase starting in June 2012 and the last one completed in January 2015. Total outstanding development costs are estimated at US$82,338,040 (excluding VAT). The Property is located in close proximity to Dubki village in Saratov district, Saratov region. The tenure of the land plot is freehold (according to the Ownership Certificate 64-AB #286547)	n/a	n/a	n/a	**US$7,100,000** **US$7,100,000** for the 100% share interest held by the Company according to information provided to us
Penza Shopping Center **Sosnovka district, Penza, Russia**	The Property represents an undeveloped land plot of approximately 5.3 ha held for construction of a retail shopping center. According to information provided by the Company the construction of a shopping center incorporating some 18,024 sq. m. of total leasable area (19,584 sq. m of gross buildable area) is planned in the future. Construction is supposed to begin in September 2012 and will be completed in August 2014.	n/a	n/a	n/a	**US$2,800,000** **US$2,800,000** for the 100% share interest held by the Company according to information provided to us



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Net Annual Rent:	Estimated Net Annual Rent:	Market Value:
	We have been informed by the Company that the contract with the management company was in the process of signing and the concept was under development. Total outstanding development costs are estimated at US$27,770,201 (excluding VAT). The Property is located in the south-eastern district of Penza, Sosnovka district at the intersection of Izmailova Street and Antonova Street in close proximity to a developing residential district. The tenure of the land plot is freehold (according to the Ownership Certificate 58-AA #392826)				

APPENDIX TWO

MARKET COMMENTARY

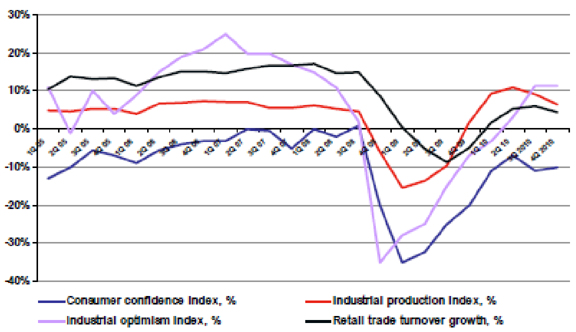
RUSSIAN ECONOMY OVERVIEW

ECONOMY TRENDS		
GDP 2010 (estimation)	3,7 % YoY	↗
INFLATION 2010	8,8%	↗
INDUSTRIAL PRODUCTION	8.2% YoY	↗
MAIN CAPITAL INVESTMENTS	2.9% YoY	↗
UNEMPLOYMENT 2010	7.2%	→

After 2008 economics downfall and 2009 stabilization, 2010 was supposed to be a year of recovery and even at the end of the first half it seemed that all the optimistic forecasts were consistent: GDP grew by 5.2% YoY (against 5.5% forecast by World Bank), CPI 4.4% YoY, industrial production commended optimistic 10.3% growth. For the second half of 2010 government and economists forecasted strong economical growth backed by household consumption growth, FDI inflow and favorable foreign economics environment.

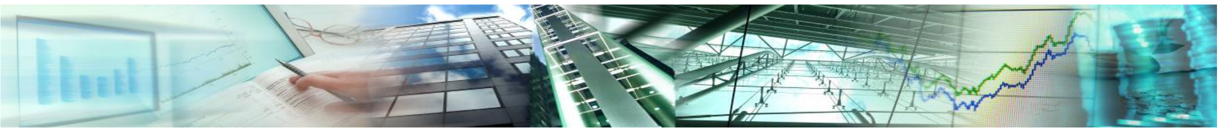
However, as the H2 went on, the low-base 2009 period ended, summer heat and conflagration provoked the inflation that outpaced the 2009 growth rate, resulted that final macro figures of 2010 appeared to be much lower than expected. According to the preliminary estimations of Ministry for economic development, 2010 GDP growth was 3.7%, CPI was 8.8%, that is equal to 2009, industrial production grew by 8.2% (however, only 6.5% in Q4) and unemployment accounted to 7.2%. Ministry of Finance estimated 2010 budget deficit at 3.9% GDP.

RUSSIA'S MACRO INDEXES DYNAMICS



Source: Rosstat, IET, Cushman & Wakefield

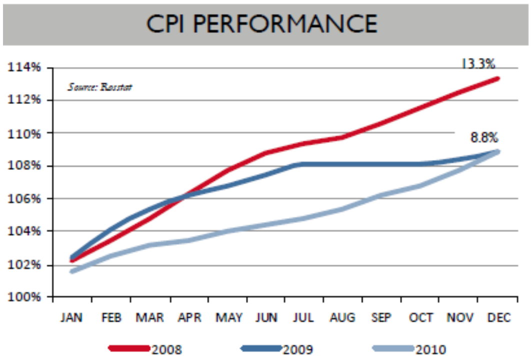
All macroeconomics slowdown of H2 2010 went at the presence of favorable oil market conditions: average price of URALS in 2010 accounted to 78.11 USD that is almost 3 USD higher than the consensus budgeted forecast of the Ministry for Economic Development and Ministry of Finance, considered as optimistic. Yet in 2007, being at the same price level, oil was called as the main driver of Russian economics growth, and the 7-8% GDP growth was considered as "modest". With the same oil price of 2010 Russian economics is stagnating, meaning that old drivers are no longer

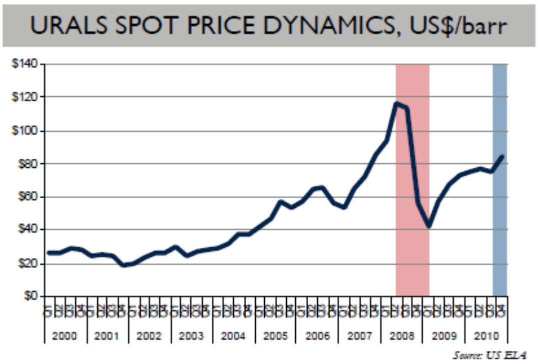


consistent in the post-crisis reality. It is vital to find the new long-term drivers that will boost the economics and create reliable and effective tools for money investments. Establishment of these changes are solely dependant on governmental policy, but the government prefer to exist with local projects that work on Russia's international image (like Skolkovo, 2014 Olympics, 2018 World Cup, Formula 1 Grand Prix in Sochi) rather than to concentrate on institutional changes. Business cannot expect real changes in the near future either. In the scope of upcoming 2011 Parliamental and 2012 Presidential elections the Government will be concerned on additional increase of social expenditures in addition to budgeted projects and increased military expenditures.

At the presence of budget deficit, these measures will require additional financial load to business (tax increase and social payments that business already faced since the beginning of 2011). That will boost the price growth, more expensive credits with subsequent economy slowdown. And although the CPI forecast for 2011 is still 6-7%, in reality at the end of 2011 we may find it close to 10%.

So, the recovery of Russian economics previously expected in 2011-2012 will be postponed.





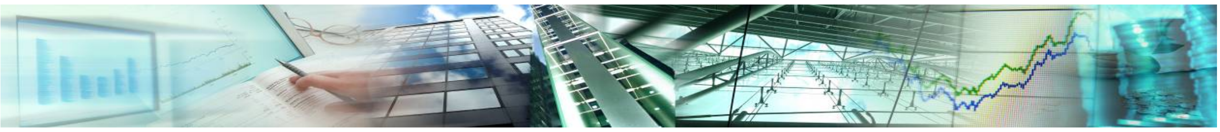
REAL ESTATE MARKETS

In the end of Y2010 we saw notable movements in real estate markets across Russia. Tenants came back resulting in increasing activity on occupation market. More importantly year ended with couple of significant capital markets deals setting new starting point for Y2011.

Pipeline is gradually decreasing and in the second half of 2011 occupiers will experience shortages of quality space. As the result preliminary contracts will become common again and future supply will be even thinner. This will push developers to increase construction rate and launch new projects.

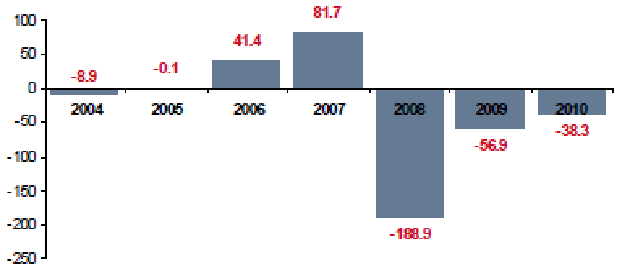
In terms of rental rate there is an upside (10-15%) for prime rents, but in secondary segment rents will be under pressure due to excessive supply.

Retail business will remain strong, however there are signs that active consumers start limiting their spending. Banks report that over 2010 personal savings increased by 30% and they expect 25% growth in 2011. Retail trade turnover growth for 2010 will be 10-15% (final figure is not yet reported). This means that people tend to save at favor of retail spending. Other reason is that savings are generated by affluent group, whose income grows faster, while retail sales growth is generated by low and medium income groups who still have unsatisfied needs. But their income growth is moderate.



If retailers and shopping centers want to increase sales need to learn how to address affluent group and make them spend. In 2010 net capital outflow reached 38.3 bn USD.

NET CAPITAL INFLOW/OUTFLOW, BN USD



Source: Rosstat

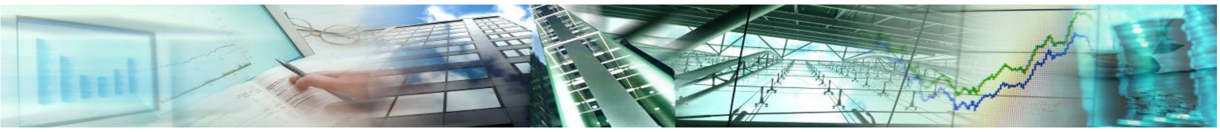
CAPITAL MARKETS OVERVIEW

INVESTMENT MARKET TRENDS		
INVESTMENT VOLUME Q IV 2010	US$ 3,738.5 mn	↗
YIELDS (CAP RATES)	9 – 10.5%	↘

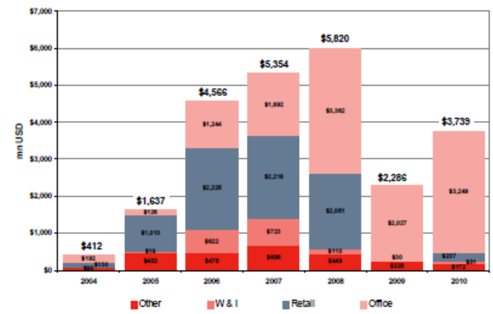
Year 2010 became "the" post-crisis turning point on commercial real estate market. With moderate growth in the H1 and taking a break during summer, investors brought the long-awaited activity in Q4.

We saw overall growth of confidence in the property market. The proof of that is the "qualitative" market performance – we saw transactions in all segments, including hotels and warehouses as well as the comeback of debt financing – VTB and Sberbank provided financing both to developers (Sistema HALS, AFI Development, Mirax Group, Renova StroiGroup) and retailers (X5, Seventh Continent).

Moscow is still the center of investment activity in Russia. And although we saw a couple of transactions in regions, the real activity investment interest for the regions is yet to recover and it greatly depends on the regional economic recovery. The nation-wide international projects like 2014 Olympics and 2018 could influence the development of macroeconomics in some certain cities or regions (like Sochi or Yekaterinburg), however, it will take a couple of years before we see the results.

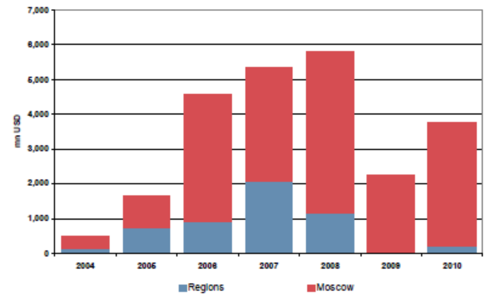


TRANSACTIONS SPLIT BY SECTOR



Source: Cushman & Wakefield

RE INVESTMENTS: MOSCOW VS REGIONS



Source: Cushman & Wakefield

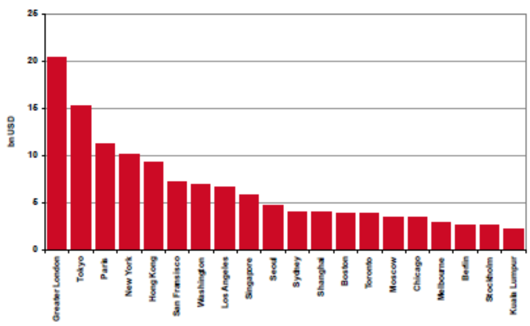
With the total volume of the investment transactions of 3.5 bn USD, Moscow enjoys 94% of current Russian real estate investment market, and occupies 3rd place among European cities (after London and Paris). In the list of Top20 Cities for Global Property Investment, Moscow stands alongside with 4 European cities, 8 cities from Asia and seven cities from North America. On one hand, cities from well-developed economics from Europe and North America are large business hubs and offer safe and stable environment for investors. On the other hand, developing economics of Asia offer greater return.

Moscow, and Russia as a whole, offers good return on investment, however in exchange for higher risks as it was before, but time has changed and investors were much more cautious in 2010. To the great extent it refers to foreign investors, who shared only 14% from 2008 level.

At the current phase of market cycle, the leading roles belong to domestic investors, who can estimate the market trends better and ready to accept higher risks in order to acquire properties at the right time to maximize profits. The transaction volume of Russian investors has already exceeded the pre-crisis levels and the upwards trend continues.

For 2011 we expect further development of the investment market. With rising rental rates, shrinking vacancies and increasing availability of quality premises for sale we expect the return of foreign capital and institutional investors that will be positive sign for property market development.

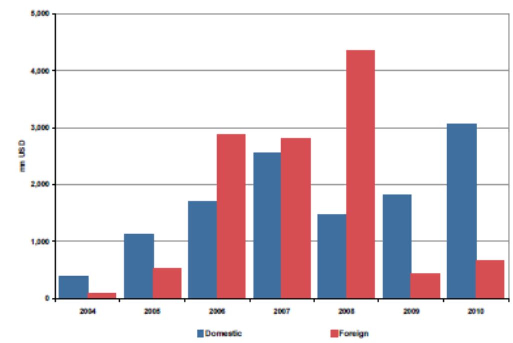
RE INVESTMENTS: TOP 20 CITIES



The data given as of December, 1 2010

Source: Cushman & Wakefield

RE INVESTMENTS: DOMESTIC VS FOREIGN

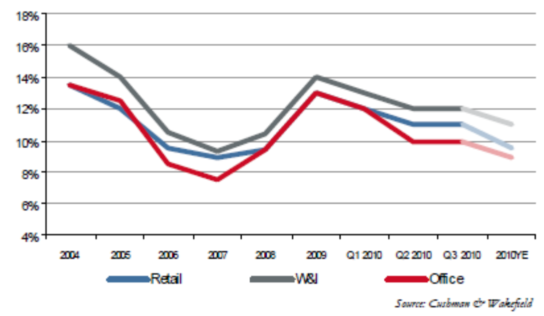


Source: Cushman & Wakefield

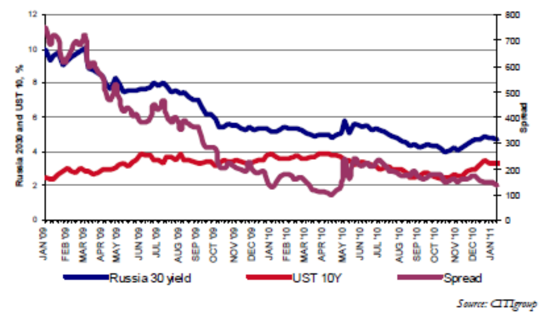
As owners and investors have found the basis for making transactions and the property investment market activity developed, the capitalization rates started to compress. Throughout 2010, as the activity grew, the estimated average cap rates fell from 13% across the sector at the beginning of the year to more realistic 9% for offices, 10% for retail and 10.5% for the most conservative quality warehouse and industrial segment.

With the further development of the investment activity on the property market, we expect further yields compression by 50-100 bps towards the end of 2011.

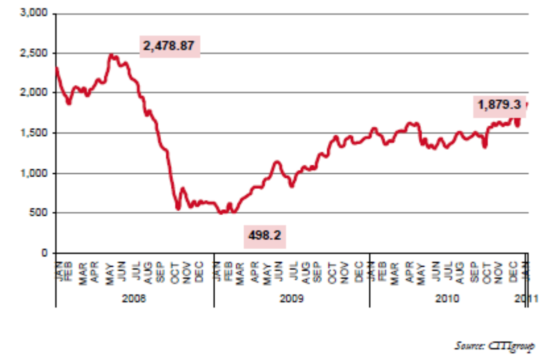
HISTORICAL CAP RATES IN MOSCOW



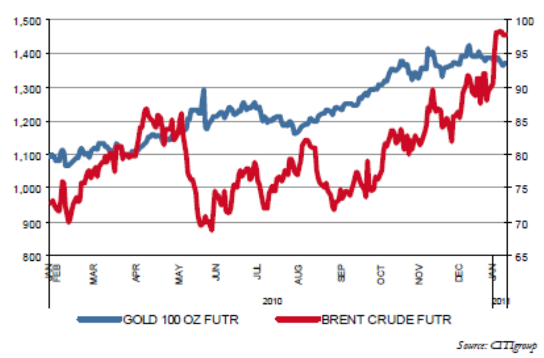
RUSSIA 2030 vs. UST10 YIELDS

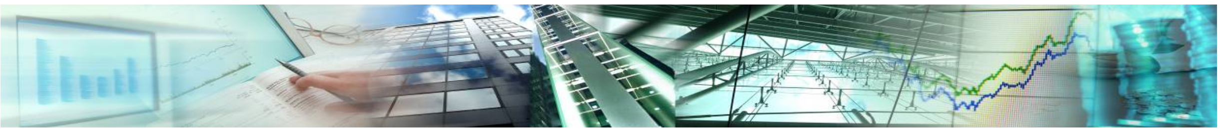


RTS INDEX



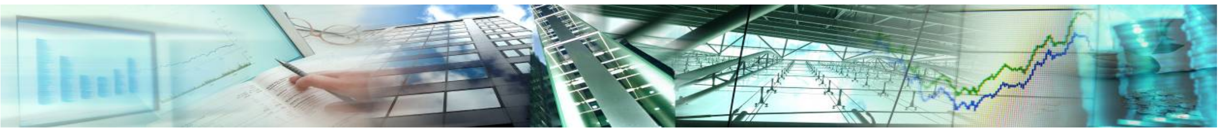
COMMODITY FUTURES, USD





MAJOR INVESTMENT TRANSACTIONS OF 2010

Property	Property type	City	GLA, sq m / Rooms	Grade	Investor	Price estimation
INVESTMENT TRANSACTIONS						
Progress BC on Sadovnicheskaya st.	Office	Moscow	7,312	A	Progress-capital (Lebediansky)	$60,000,000
Capital Plaza	Office	Moscow	38,000	A	VTB Capital	$180,000,000
Northern tower	Office	Moscow	62,700	A	Pharmstandart	$260,000,000
Bakhrushina House	Office	Moscow	4,159	B+	UFG Real Estate II	$35,000,000
BC Regent Hall	Office	St. Petersburg	11,600	B+	Renaissance Development	$25,500,000
MARR Plaza	Office	Moscow	21,222	A	Norilsky Nickel NPF	$160,000,000
Domnikov BC	Office	Moscow	49,838	A	RWM Capital	$450,000,000
Palikha 10 and Suschevsky 25	Office	Moscow		B	Sminex	$50,000,000
Horus Capital	Office	Moscow	160,198	B+	Lenmar Capital	confidential
Olimpia Park	Office	Moscow	45,966	A	Lenmar Capital	confidential
Classic BC	Office	Moscow	21,527	B+	Lenmar Capital	$140,000,000
Europark SC	Retail	Moscow	39,236		Tashir	$60,000,000
ALPI portfolio	Retail	Regions	340,000		GK Regions	$117,000,000
Aviapark project	Retail	Moscow	260,000		Amma Development	$25,000,000
Format SC	Retail	Moscow	21,500		VI Holding	$35,000,000
Sheremetievo-2 Hotel	Hospitality	Moscow	293	mid-market	Wenaas Hotel Russia AS	$65,000,000
Caterina Park (Euroluxe)	Hospitality	Moscow	260	mid-market	UMACO Group	$50,000,000
Sibir Hotel	Hospitality	Novosibirsk	258	mid-market	Azimut Hotels Company	$40,000,000
TLC Tomilino	W&I	Moscow	53,000	A	Sberbank	$39,000,000
OWNER OCCUPATION						
Volna (Wave Tower)	Office	Moscow	16,520	A	Sogaz	$100,000,000
MIAN Bluiding on Krasnaya Presnya	Office	Moscow	6,104	B+	StroyCredit Bank	$30,000,000
BC on Nastas'insky per.	Office	Moscow	4,787	B+	FINAM Holding	$38,000,000
Prokhorov Mansion	Office	Moscow	3,000	B+	Rosenergobank	$23,000,000
Western gate	Office	Moscow	61,795	B+	Evraz Group	$160,000,000
Office building on "Akademicheskaya"	Office	Moscow	5,800	B	MAI company	$47,000,000
Nouvelle Building	Office	Moscow	8,495	B+	IST Group	$42,500,000
Greenwood	Office	Moscow	96,483	B+	ChenTun corporation	$350,000,000
Baltia (Warehouse Complex)	W&I	Moscow	28,000	A	Casebre Holdings Limited	$42,000,000



MOSCOW OFFICE MARKET

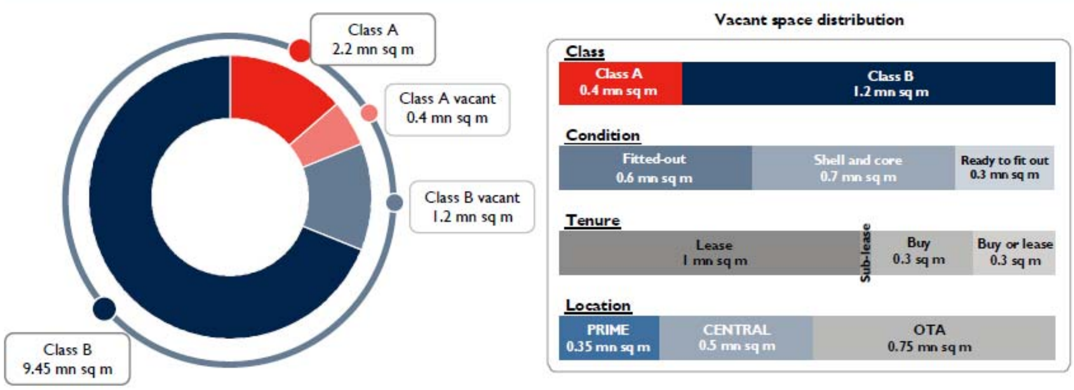
OFFICE MARKET TRENDS		
TOTAL STOCK	11.7 mn sq m	↗
VACANCY RATES	14%	→
RENTAL RATES, CLASS A	US$ 690	→
DEMAND (TAKE UP)	320,000 sq m	↗

OVERVIEW

The occupational office market continued to grow in Moscow, as rents in prime and central submarkets moved up for the second consecutive quarter. Business confidence has steadily returned to the market over the year and take up levels have remained healthy in Q4.

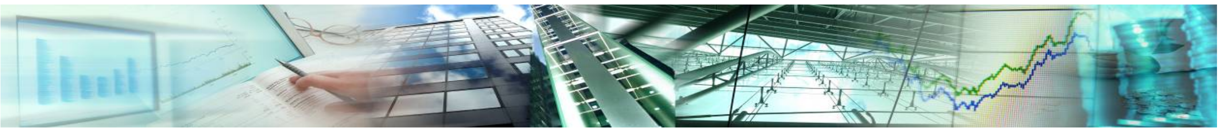
In 2010 offices became the most interesting segment for investors again, which resulted in more than 85% of all investment transactions by volume. The investment activity is seen mainly among Russian investors. There was a big deal signed of acquisition of the whole portfolio of office projects by a Russian financial corporation from a Russian developer. Despite of strong contraction during 2010 (from 13% to 9%), yields have modest trend downwards, being now at 9%, the forecast for the end of 2011 is 8.5%.

OFFICE STOCK AND VACANT SPACE DISTRIBUTED BY TYPE



SUPPLY

There are 11,7 mn sq m quality offices in Moscow at the moment (Class A - 18.8%, Class B - 81.2%). 244,766 sq m in 17 office buildings were delivered in Q4, there were five Class A offices buildings among them such as prime located Legenda Tsvetnogo and Summit Complex, as well as Marr Plaza and Pro8.



VACANT SPACE

Vacancy rates are stable in general and slowly decreasing by 1-2% quarterly. The average vacancy for Q4 in Moscow is 14% for all quality offices (19.7% for Class A and 12.3% for Class B). In office stock 1.6 mn sq m in 466 quality building is vacant. Although the large amount of vacant offices it is more and more hard to find the large space (1,000+ or, for example, the whole floor). In addition there are about 1.1 mn sq.m in 67 buildings which are under construction on the market.

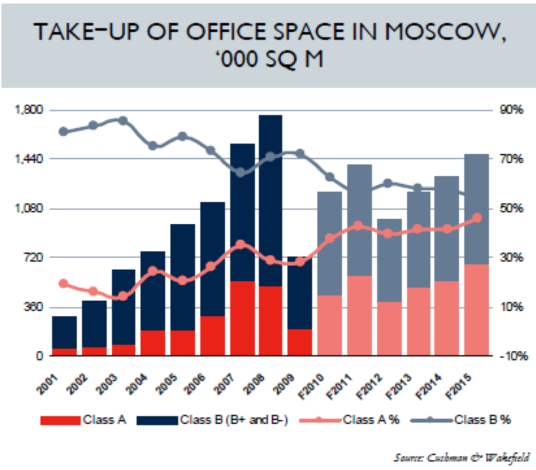
DEMAND

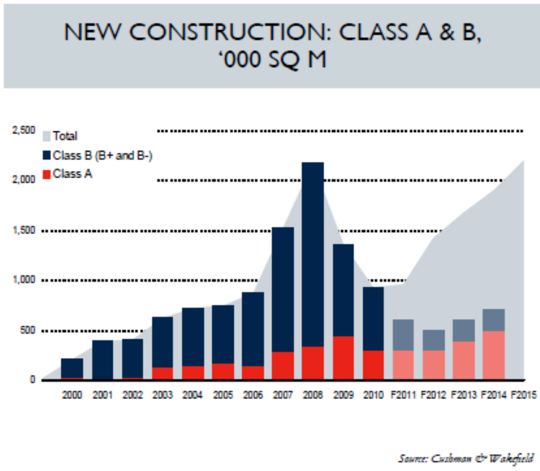
Overall demand levels are moving upwards with larger companies (with the requirements 10,000+ sq m) more active within the market. Furthermore, with property prices still relatively low, purchasing office space for the occupiers own use remains an option.

There is still a low level of demand for 1,000– 3,000 sq m premises by mid-size companies. However business prospects of mid-size companies do not yet allow them to allocate additional capital for their re-location needs.

Q4 demand was at the high level and resulted in 321,858 sq m quarterly take-up.

Within Moscow a shortage of class A space in the city remains. Although 245,766 sq m of space were delivered to the market over the quarter, there were no new schemes announced. Consequently, the importance of pre-lets is expected to grow in the upcoming quarters.

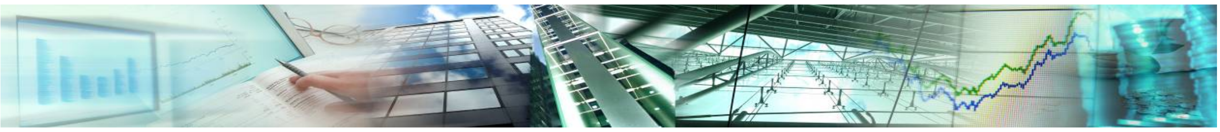




RENTAL RATES

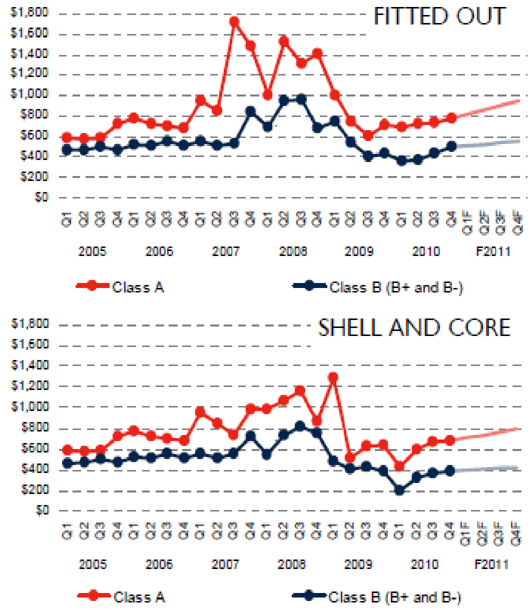
Asking rents in the best buildings (with active marketing and demanded by tenants) have grown up to 30% and even more, but in average rental rates are stable. The average rental rates have grown slightly and are: USD 690 for Class A and USD 430 for Class B+ (in Q2 they were USD 680 and USD 420 respectively). Traditionally there are large differences in rental rates depending on submarket. Headline rent are at the level of $1,000 per sq m per year.

The positive economic growth prospects will continue to fuel the occupier market. But most of developers are finding funding difficult to obtain, therefore the development pipeline is not



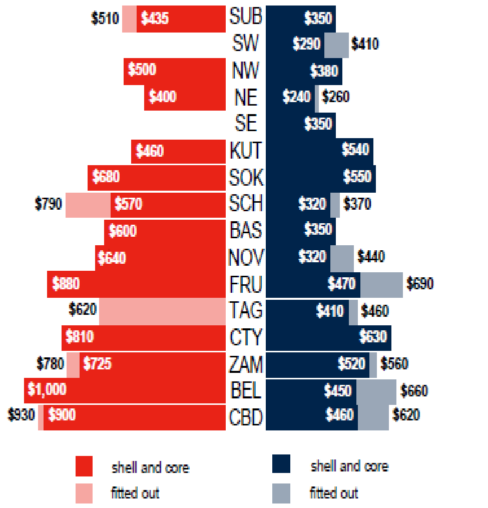
expected to increase in the short term. Therefore, rents are anticipated to rise further over the course of 2011.

BASE ASKING RENTS, USD / SQ M / ANNUM



Source: Cushman & Wakefield

AVERAGE RENTAL RATES BY SUBMARKETS, USD / SQ M / ANNUM



Source: Cushman & Wakefield

REGIONAL MARKETS COMMENTARY

KAZAN RETAIL MARKET COMMENTARY

At present the total volume of retail premises in Kazan amounts to more than 900,000 square meters. The general fund is represented by 50 retail-entertainment centers of different formats.

According to most experts' opinion development potential in Russian million-cities will be exhausted until 2014. Kazan will be one of the first cities to experience it. About 800 square meters of retail premises per 1,000 citizens is a very huge index taking into account the fact that an average index in Europe is 500-600 square meters per 1,000 people.

The largest shopping centers are represented by the following objects:

- "MEGA" (112,500 sq. m);

- "Park House" (68,000 sq. m);

- "Tandem" (67,000 sq. m);

- "Koltso" (46,800 sq. m).

Among the largest shopping centers under development "Clover Plaza" on Scherbakovsky side-street (104,000 sq. m) and "Frant" on Fuchika Street (40,000 sq. m) should be mentioned.

There are about 167 federal retail chains. In some segments very strong local chains have been formed – "Bahetley", "Edelweiss", "DOMO".

At the same time about 11% of chain operators expanded their presence in the city and opened additional shops – "Tsentr Obuv", "Bon Joly", Mexx, O'Shade, Befree etc.

Taking into account the saturation of the market, the most probable possibility for retail developers now will be the improvement of the quality of the shopping centers including the change of the concept or price policy or tenant mix.

It is expected that since 2013 a number of shopping centers will demand full re-conception in order to survive under high level of competition on the market.

At present, average rental rates in Kazan are about $170 US dollars per square meter per annum. Average sale price per one square meter of retail premises comprises $1,000 US dollars

YAROSLAVL RETAIL MARKET COMMENTARY

According to the experts' opinion modern Yaroslavl retail market is close to saturation. At the same time huge potential for development lies in a low quality of the most part of existing objects. In 2010 around 250,000 sq. m of retail real estate was present on the market. Taking into account delivery of new shopping centers and extensions to the existing ones ("Pharaon-2", "RIO", "Zolotoye Koltso") this general index is to be doubled. At present Yaroslavl shows 413 sq. m of retail premises per 1,000 people.

Retail real estate started to develop in Yaroslavl since 2004. Construction of new commercial objects was launched along the main highways of the city. Leningradsky and Moskovsky prospects became pioneers hosting new modern shopping centers, such as "Vernisazh" (Moskovsky Prospecta and Kalinina Street), "RIO" (Moskovsky Prospect, 108), "Altair" (Leningradsky Prospect, 123) etc. The following huge retail centers are operating in Yaroslavl at present: "Pharaon" (Gogolya Street, 2), "Flagman" (Respublikanskaya Str3et, 5), "Pobeda" (Trufanova Street, 19). Smaller retail centers are represented by "Aftograph" (Moskovsky Prospect, 80A), "Kosmos-3" (Aviatotiv Prospect, 149), "Frunzensky" (Moskovsky Prospect, 97), "Petrovsky Passazh" (Tolbukhina Prospect, 8/75), "Novaya Galereya" (Svobody Street, 71A), "Merkury" (Svobody Street, 19).

According to the experts' opinion, shopping center "Vernisazh" is considered to be one of the most successful retail centers in the city due to its location, very good tenant mix and good parking possibilities.

Large developers and investors of retail objects in Yaroslavl are represented by GC "Tashir", "ECE Russland", "Ermak Development", "Mirland Development". Local companies, such as "Spektr", "Gubernsky Gorod and Co" and others, are also active on the market.

Shopping Center in Yaroslavl, general area

Name	*Area*	*Status*
Novaya Galereya	3,200 sq. m	Existing
Merkury	4,000 sq. m	Existing
Frunzensky	4,000 sq. m	Existing
Petrovsky Passazh	6,000 sq. m	Existing
Aftograph	8,000 sq. m	Existing
Flagman	16,000 sq. m	Existing
Kosmos-3	24,000 sq. m	Existing
Faraon	25,000 sq. m	Existing
Pobeda	30,000 sq. m	Existing
Faraon-2	40,000 sq. m	*In course of construction*
RIO	40,000 sq. m	Existing

Vernisazh	42,000 sq. m	Existing
Altair	55,000 sq. m	Existing
RIO	80,000 sq. m	*Project Stage*
Zolotoye Koltso	130,000 sq. m	*In course of construction*
Total:	**508,000 sq. m**	

Modern shopping centers of Yaroslavl are distributed rather unevenly on the territory of the city. Central districts lack quality retail centers at present. This fact is explained by a very high density of the old residential fund. Most part of shopping center of Yaroslavl are located in Kirovsky district, which is considered to be the business center of the city. Krasnoperekopsky and Leninsky districts are characterized mainly by small retail premises, located on the ground floors of residential buildings.

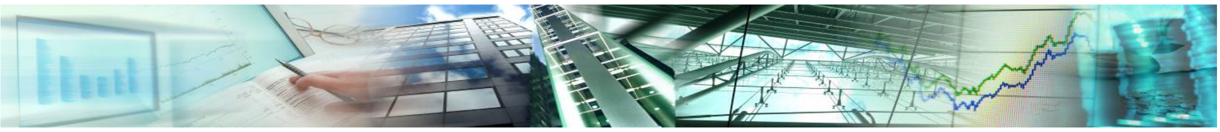
Distribution of retail areas among Yaroslavl districts

City districts	*Area*
Kirovsky district	41%
Frunzensky district	23%
Dzerzhinsky district	20%
Zavolzhsky district	8%
Krasnoperekopsky district	5%
Leninsky district	3%

Rental rates for retail premises in modern shopping centers of Yaroslavl are in the range from 8,000 to 10,000 RUR per square meter per annum ($260 – $350 USD per sq. m pa). For anchor tenants rental rates are around 4,000-6,000 RUR per square meter per annum ($130-$200 USD per sq. m pa).

Such retail chains of federal level as “Metro Cash&Carry”, “Л’Этуаль”, “Real”, “Diksi”, “Modis”, “Zolla”, “Colin`s”, “Evroset”, “Sbarro”, “Technosila”, «Yves Rocher», «Pronto» and others are represented on the Yaroslavl market.

Regional chains are represented by such shops as “Universam”, “Kaskad” (white and brown chain), DIY shopd “Olimpia” etc.



PENZA RETAIL MARKET COMMENTARY

At present Penza experiences investors' attention and interest as a number of Russian cities with a population less than a million people.

Modern and professionally managed shopping centers started appearing in Penza 3-5 years ago. At the same time Moscow retail chains started coming to the local market as well.

Recently retail market of Penza is one of the most rapidly developing ones in the city.

A number of projects were realized in the central part of the city – reconstruction of trade houses TC "Passazh" (29,900 sq. m) and TC "TSUM" (17,300 sq. m)

More high-quality shopping centers and retail premises are offered in the city now; new formats such as retail-entertainment centers and hypermarkets started to appear.

The ratio of quality retail premises in Penza per 1,000 inhabitants comprises 171 square meters. At the same time existing retail premises are characterized by inefficient design and planning schemes, lack of parking spaces, bad tenant mix and in most cases do not correspond to the criteria of modern shopping centers.

Large-scale projects for construction of huge shopping centers (up to 60,000 sq. m), including multi-hall cinemas, fitness-centers and food-courts, were launched in the city. At present construction of a retail center "Kollazh" with the total area of 65,000 sq. m is under development.

The following shopping centers have been recently delivered in Penza: TC "Metro Cash&Carry" (10,000 sq. m), TC "Retail Park City" (56,000 sq. m), Hypermarket "Lenta" (9,000 sq. m), TC "Mega Avto" (15,713 sq. m), TC "Arbat" (7,000 sq. m), TC "Hermes".

GC "Region Development" announced its plans to build a large sports-health and retail center in the Arbekovo district. The area of the projected complex is around 110,000 sq. m. The center is to be opened in 2012.

New shopping center "SaniMart" with the total area of 21,000 sq. m located on Plekhanova street was opened recently. Its main anchor tenants are represented by "M Video" (2,250 sq. m), "Perekrestok" (1,900 sq. m) and "Sportmaster" (1,371 sq. m).

Main tendencies of the retail market of Penza:

- Launching of new professionally managed shopping centers;
- Arrival of huge retail chains to Penza;
- Construction of large-scale retail complexes;
- Attempt of local developers to take their niche on the market.

Average yearly rental rate per sq. m: Retail premises – $350 US dollars.
Average sale price per sq. m: Retail premises – $1,600 US dollars.

SARATOV WAREHOUSE MARKET COMMENTARY

Since the middle of the 20th century, Saratov became an industrial center on the south-east of Russia. At present it is an important center of the Volga region. Saratov produces different complex engineering tools, transport equipment, electricity substations, gas equipment, pastries, tobacco products, furniture and other kinds of industrial production. The following industrial factories are represented in the city:

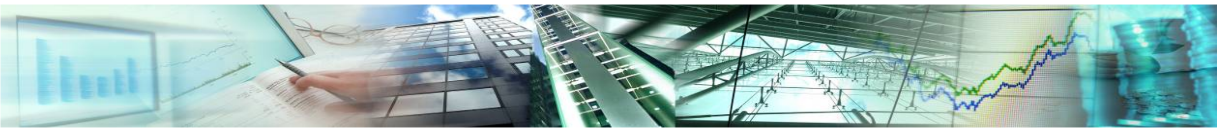
- Saratov aviation factory;
- Saratov Bearing Factory (belongs to the 'European Bearing Corporation');
- Saratovstroystek;
- Saratovskiy NPZ (part of TNK-BP holding);
- Saratovorgsintez (part of 'Lukoil-Neftekhim');
- Satatov electrical appliance named after S. Ordzhonikidze;
- SaratovDieselApparat;
- NPP 'Kontakt'.

In 2000 all production volumes in Saratov decreased significantly, therefore the largest part of these factories remain vacant. These free premises and warehouse objects, built in 1990-ies, comprise the largest share of supply in Saratov.
Further decline in production activity in Saratov may continue and additional warehouse and industrial object will enter the market.
This year and during the pre-crisis period some huge federal developers declared construction of new warehouse objects in Saratov:

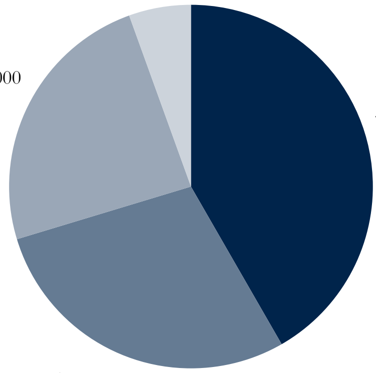
- At the end of 2008 federal warehouse developer 'Espo' planned to build in the northern part of Saratov a class A warehouse-office complex with the total area of 90 thousand square meters with 79,700 square meters of warehouse premises. However, at present the project has been frozen due to financial problems of the developer.
- In August 2010 Mirland Development Corporation announced its intention to build in the Saratov region a class A logistic-complex with the total area of 150 thousand square meters in the village of Dubki.

At present there are a lot of vacant premises of industrial type in Saratov. The largest share of warehouses offered for rent have the total area of 1,000 square meters whereas objects with a smaller are (more than 3,000 square meters) are more rarely found on the market. Only about 5 objects with the total area exceeding 7,000 square meters are offered for rent now. Most of them are located in the neighboring city of Engels.
Rental rates differ greatly depending on the area, location and the intended use of the premises. Rental rates are nominated in rubles. Utility costs are usually included into the rent. For warehouse with the total area less than 1,500 square meters average rent comprises 1,800-2,400 RUR per square meter per annum. For warehouse-industrial premises with the total area more than 10,000 square meters rental rates vary from 960 to 1,440 RUR per square meter per annum depending on the existence of heating, railway access, age of the building etc.

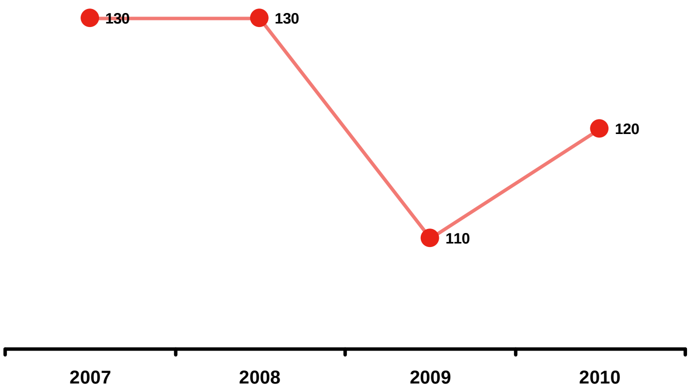
Owners of big industrial premises prefer to put them on sale rather than offer them for rent.



Distribution of supply according to average area, sq. m



Dynamics of average rental rates, RUR per sq. m per month



Demand for warehouses has been rather high recently. The highest demand is shown for heated warehouse premises with a total area of less than 1,000 square meters Demand for warehouse-industrial premises with the total area more than 10,000 square meters is very low. The only exceptions here are industrial objects located in close proximity to large transport knots and having large adjacent territory, which gives and opportunity for allocation of a retail-entertainment center on it.

As an example of such renovation, trade center REAL, which was opened in the leased premises of "Saratov hardware plant", may be named. Another trade center "Oblaka" was opened in one of the workshops of "Saratov aviation factory".

SARATOV RETAIL MARKET COMMENTARY

At present retail market of Saratov has not yet been formed. The most widely spread format of trade in the city is represented by small shops. Central streets of the city mainly consist of small shops and cafes. The highest level of concentration of retail trade is presented along Moskovskaya Street and along the most prestigious retail corridor – pedestrian Kirov prospect, which is known as "Saratov Arbat". Such retail objects as "Krity Rynok", "Detsky Mir", TC "Avrora", TC "Manezh", TC "Mir" are located here.

All mentioned shopping centers are mono-functional and have no entertainment element. Nevertheless due to a good location and lack of competition, these centers have formed their own audience.

Huge federal retail chains already present in Saratov – "Grossmart", "Ramstore", "Pyatyorochka", "Magnit", "MVideo" etc. Local entrepreneurs and developers are also very active on the market and sometimes dictate their own rules.

"Finstroy" Holding has announced its plans to construct three shopping centers, located in Saratov, Smolemsk and Lytkarino. Shopping center in Saratov with the total area of 45,300 square meters is to be delivered in the first quarter of 2012. Main anchor tenants are to be represented by hypermarket and DIY stores. The company also plans to construct an open parking for 850 car spaces.

In December 2010 shopping center "Triumph Mall" of Mirland Development Corporation was opened in Saratov. This is the first and only retail entertainment center of high quality and corresponding to all European standards. It offers its visitors very good tenant mix represented by main international and federal brands, spacious food-court zone and a huge Cinema-park with 9 modern cinema halls. Anchor tenants are represented by Perekrestok, MVideo and Sportmaster.

ST. PETERSBURG RESIDENTIAL MARKET COMMENTARY

Finish Companies Lemminkainen and Lipsanen & Co signed a framework agreement regarding the realization of a large-scale residential project on Vasilievsky Island. More than 2,000 residential apartments as well as office and retail premises are to be constructed on the land plot of 5.6 ha, where at present industrial buildings of Staleprokayny Factory are located. Constuction will tale place in several phases and will be finished in 2017.

This is a forth residential project of Lemminkainen in St. Petersburg. In 2010 the company finished construction of the residential complex “Alexandria” on the Nevsky Prospect. At present the company is building another residential complex – “Ilmarinen”- in Vyborgsky district, which is to be delivered in the end of 2011. At the same time the company has started construction of another residential complex of comfort class – “Aino” – on Vasilievsky Island.

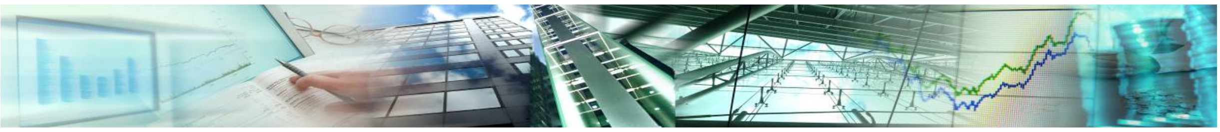
MK ‘Novie Territorii” is planning a large-scale project on the territory of 499 ha in Lomonosovsky district of the Leningrad region.

The company is planning to construct another satellite-city for 50,000 people and to create an industrial zone in the neighborhood to provide the citizens with working places and all necessary infrastructure. Total amount of investments is about $4.5 milliard US dollars.

Residential real estate remains own of the most liquid products on the market. At the same time there is very little amount of free land plots within the boundaries of the city. Therefore the territory of the Leningrad region attracts huge developers.

“GDSK” company won the auction and became owner of the land plot of 91.500 square meters in Moskovsky district of St. Petersburg. The company is planning to build a residential complex of economy class of the total area of 119,000 square meters including 90,000 square meters of residential premises.

Storm Properties are planning to construct a new residential complex “PetMall” located in the central part of St. Petersburg on the intersection of Moskovsky Prospect and the embankment of Obvodnoy Channel. The project will include 350,000 square meters of comfort class residential premises on the territory of a former industrial plant.



ST. PETERSBURG OFFICE MARKET COMMENTARY

Office market is the most active segment of commercial real estate both for tenants and investors. However the demand structure differs:

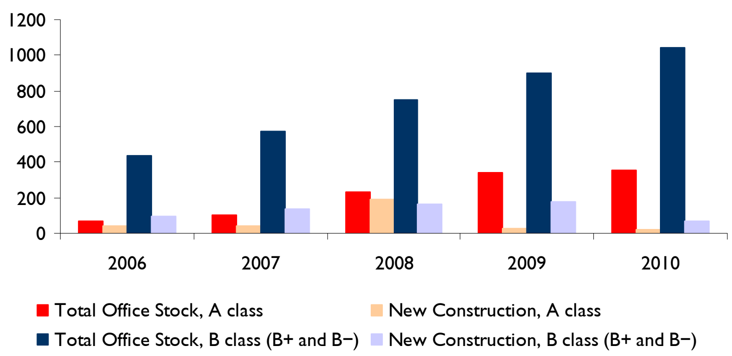
- Requirements, which have been frozen in crises period, are back on the market;
- Deals are stimulated by fair rents, which are the lowest for the past 5 years. As a result, a lot of tenants currently located in non-quality offices (class C) are looking to upgrade their location;
- A small number of tenants are ready for long term planning, there are no pre-lease agreements on the market.

High demand, leading to a large number of deals, gives hope to landlords and investors on the possible growth of rates. However, we believe that the current demand is strongly regulated by rental rates and it might decrease along with rental rates growth.

Currently about 70% of all the operating office buildings in Saint Petersburg are concentrated within the boundaries of the historical centre or in the areas adjacent to the city centre. However, starting from 2009 the great majority of the total office space put into operations came to the following districts: Admiralteyskiy, Vasileostrovskiy and Primorskiy.

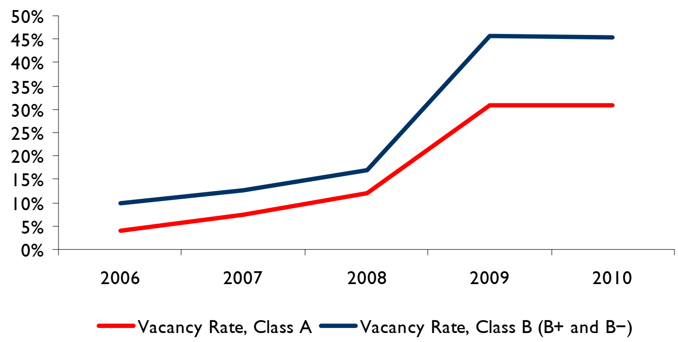
During the last 1.5 years the office space under construction is decreasing - there are less both delivered buildings and projects under construction. In 2009 15 new office projects with the total area of 370,000 sq.m. were announced, unfortunately most of the construction was frozen due to the market situation. For example the concept of development of the Shkapina-Rozenshteina business complex was redesigned from office to residential and the development of the Sokol-city business centre was frozen.

Office stock, class A and class B, 1,000 sq. m



The average Saint Petersburg vacancy rate is 23% (31% for Class A offices and 15% for Class B). The vacancy rate is on the same level for the last 4 quarters. In 2010 the vacancy rate for Class B building decreased and the shortage of space for high quality Class B objects became evident.

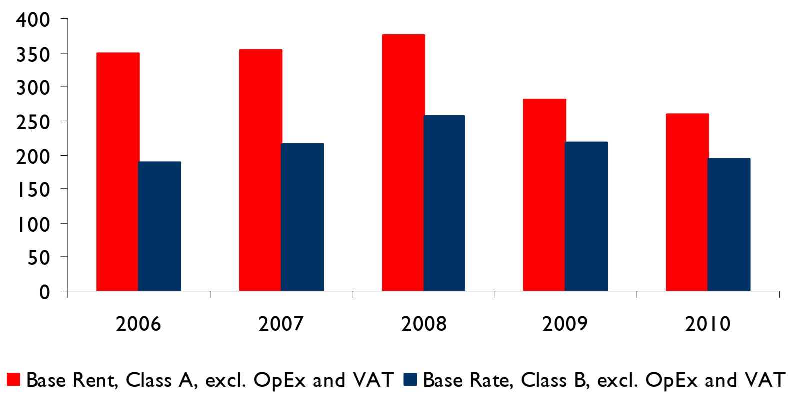
Vacancy rates, class A and class B



The decreasing of rental rates during 2009 and the first half of 2010 involved the stabilization of the demand for office space. However, starting from the beginning of the year the tenants begun to become active on the market. This activity resulted a large number of closed deals. Among all of the closed deals on the market the followings should be emphasized.

Despite the fact that asking rental rates in some buildings started to increase (on average by 10-20%, and sometimes even more), in general the market rates are increasing by 5% per year starting from 2010. Rental rates are always subject to negotiations and the gap between asking rental rates and deal rates is vanishing.

Base rents, class A and class B



Most likely the demand will be high till the end of the year. But the excessive availability will restrain the rental rates growth.

If the demand will continue to remain at a high level (2011-2012) it is most likely that in a couple of years we will see a new rise of prices in the office market sector.

However, there is no evidence of long-term demand growth. It is likely that after the deferred demand depletion (which could decrease even by the end of this year) the number of active tenants on the market will decrease as well.

ST. PETERSBURG RETAIL MARKET COMMENTARY

Geographical distribution of retail premises and retail-entertainment centers of St. Petersburg can be divided into three large zones: central zone, residential sleeping areas zone and Leningrad region zone.

Central part of St. Petersburg is represented by the central part of the city, historical part of Admiralteysky, Petrogradsky and Vasileostrovsky districts. The most typical type of trade here is street-retail. There are historically determined retail corridors of built-in and built-out retail premises: Nevsky, Vladimirsky, Zagorodny and other prospects.

The share of supply of retail premises in residential sleeping areas of St. Petersburg amounts to 85%. Here all formats of traded is presented: hyper- and supermarkets, cash & carry, DIY, furniture centers, retail-entertainment centers of different sizes from 1,500 to 150,000 square meters. Retail centers here are located in close proximity to metro stations (10-15 minutes walk) or in the center of a huge residential quarter.

Leningrad region zone represents retail objects located within 15-20 minutes reach by transport from the metro stations. As a rule they are located along the main highways (like KAD), which makes them accessible for city inhabitants as well as for those, who live in the region.

At present retail premises of 50-150 sq. m located close to metro stations are in highest demand. Retailers are also interested in premises located in high quality retail centers with high level of occupancy and good tenant mix.

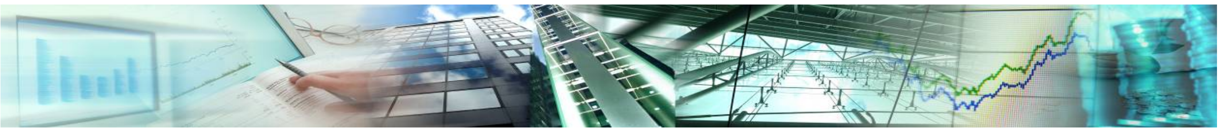
Rental rates for retail premises located close to the metro are about $600-800 US dollars per square meter but may vary significantly depending on the quality of the premises. Average rental rate for retail premises amounts to $456 US dollars per sq. m.

Built-in and built-out premises are still in the best position on the market. Rental rates for such premises located along the main highways of St. Petersburg are $1,400-2,300 US dollars per sq. m per annum. Street-retail objects on Nevsky prospect are rented for $2,400-2,600 sq. m per annum.

Though financial crisis is considered to be over, most part of developers cannot find the necessary investment capital to finish construction. Therefore experts believe that retail market of St. Petersburg may experience great deficit of premises. It is forecasted that the volume of delivery of new shopping centers will decrease in 2011-2012.

At present about 284 sq. m of retail premises fall on every thousand of citizens, which is a bit more than in Moscow but a bit less than in some European cities.

Therefore market analysts believe that there is still potential for developers of retail centers in St. Petersburg taking into account growing personal incomes and demand in general.



APPENDIX THREE

BOOK VALUES*

Investment properties

Company	30/09/2010 US.Dollars'000
Hydro	54 751
MAG	55 486
Saratov Triumph Mall	94 680
Yaroslavl Mall-ph.1	32 414
Yaroslavl Mall-ph.2	3 395
Century Buildings	42 905
	283 631

Investment properties under construction

Skyscraper	52 161
Techagrokom	-
Tamiz	34 677
Penza	2 500
Saratov logistics	6 400
St. Petersburg commercial	15 564
Kazan project	7 787
	119 089

* The table represents the figures as mentioned in the Client's last Financial Statements. The information has been provided to us by the Client.

APPENDIX FOUR

SUMMARY OF MAIN VALUATION PARAMETERS

Ref.	City	Property Name and Address	Discount Rate						Projected Exit Capitalisation Rate for Commercial (Uncompleted Only)						Total Commercial NOI of Market Rental Values (Assuming 100% Occupancy and Fully Completed)					
			30.06.2008	31.12.2008	30.06.2009	31.12.2009	30.06.2010	31.12.2010	30.06.2008	31.12.2008	30.06.2009	31.12.2009	30.06.2010	31.12.2010	30.06.2008	31.12.2008	30.06.2009	31.12.2009	30.06.2010	31.12.2010
001	Moscow	Hydromashservice, 2-Khutorskaya Str., 38A	10,00%	14,00%	13,50%	13,00%	12,50%	12,00%	Completed	Completed	Completed	Completed	Completed	Completed	$9 826 000	$9 576 000	$8 766 000	$7 552 000	$7 142 000	$7 021 000
002	Moscow	MAG, 2-Khutorskaya Str., 38A	10,00%	14,00%	14,00%	12,50%	12%/14%	12%/14%	Completed	Completed	Completed	Completed	Completed	Completed	$10 584 000	$10 861 000	$9 052 000	$7 792 000	$7 792 000	$7 282 000
003	Moscow	Tamiz Building	16,00%	19,00%	17,25%	16,50%	14,00%	14,00%	8,50%	10,00%	10,00%	9,50%	10,00%	10,00%	$7 759 000	$5 321 000	$5 321 000	$4 201 000	$4 309 000	$5 118 000
004	Moscow	Century Building	12,50%	17,00%	17,00%	17,00%	15,00%	14,00%	8,75%	11,00%	Completed	Completed	Completed	Completed	$14 845 000	$11 110 000	$10 278 000	$9 587 000	$10 110 000	$10 996 000
005	Moscow	Skyscraper, Dmitrovskoe schosse, 1	17,00%	19,00%	19,00%	19,00%	17,50%	16,00%	7,25%	8,50%	8,50%	8,50%	8,50%	8,50%	$89 442 000	$55 295 000	$53 810 000	$61 048 000	$63 812 000	$59 599 000
006	Moscow Region	Western Residence, Perkhushkovo, Odintsovsky district	15,00%	21,00%	21,00%	19,00%	18,00%	16,00%	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential
007	Yaroslavl	Vernissage Mall, Kalinina Str.	10,00%	14,50%	14,50%	14,50%	13,00%	12,50%	Completed	Completed	Completed	Completed	Completed	Completed	$8 149 000	$8 149 000	$8 766 000	$8 860 000	$8 953 000	$8 953 000
008	Yaroslavl	Phase II	17,00%	25,00%	25,00%	25,00%	23,00%	23,00%	9,50%	11,00%	11,00%	11,00%	10,50%	10,50%	$9 998 000	$9 628 000	$10 042 000	$7 100 000	$6 425 000	$9 493 000
009	Saint Petersburg	Triumph Park, Residential	17,50%	23,00%	23,00%	23,00%	21,00%	20,00%	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential	Residential
010	Saint Petersburg	Triumph Park, Trade Center	18,00%	22,00%	23,00%	23,00%	21,00%	20,50%	7,92%/7,5%	9%/10%	10%/9%	9%/9%	9%/9%	9%/9%	$37 125 000	$28 980 000	$29 400 000	$30 885 000	$30 799 000	$37 764 000
011	Saratov	Triumph Mall, Zarubina Str., 167	13,00%	18,00%	18,00%	16,00%	14,00%	12,50%	9,20%	12,00%	12,00%	11,00%	11,00%	Completed	$11 438 000	$13 022 000	$12 350 000	$12 146 000	$12 166 000	$10 549 659
012	Saratov	Logistics Complex	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
013	Kazan	Triumph House	18,00%	25,00%	25,00%	25,00%	n/a	n/a	8,10%	11,00%	11,00%	10,50%	n/a	n/a	$12 479 000	$9 138 000	$8 645 000	$8 013 000	n/a	n/a
014	Penza	Retail Center	25,00%	25,00%	25,00%	25,00%	n/a	n/a	9,17%	10,00%	10,00%	10,00%	n/a	n/a	$14 208 000	$4 630 000	$4 890 000	$4 515 000	n/a	n/a

APPENDIX FIVE

DISCOUNT RATE BREAKDOWN

For the purpose of our valuation we calculated the discount rate on the basis of a cumulative method:

DR = Risk Free Rate +Investment Risk +Liquidity Risk + Management Risk + Specific Risk (if applicable).

When assessing the discount rate for non-completed Properties, we added additional risks associated directly with the construction process.

We have calculated the discount rate on the basis of a long term risk-free rate plus a risk premium in accordance with international valuation practice. Risk Free Rate is estimated on the basis of the most liquid and secure investments. The risk-free rate has been taken from the yield of mid-term GKO (government obligations) of Russia to reflect the long-term horizon of real estate investments. As of the date of valuation this number is estimated to be around 4.64%. The generally applied discount rate has therefore been calculated from the risk-free rate of 4.64% and specific risk premiums reflecting the limited liquidity of the real estate investments compared to more liquid asset classes such as stocks or bonds. Then we took into consideration location, degree of completion, type of property and other characteristics while assessing risk premiums in line with every separate Property.

MAG (Completed)	**31.12.2010**
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,00%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	0,25%
Discount Rate	**12,00%**

Hidromashservice (Completed)	**31.12.2010**
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,00%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	0,25%
Discount Rate	**12,00%**

Century (Completed)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	7,50%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	0,25%
Discount Rate	**14,00%**

Vernissage Mall Yaroslavl (Completed)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,00%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	1,00%
Discount Rate	**12,50%**

Triumph Mall Saratov (Completed)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,25%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	1,00%
Discount Rate	**12,50%**

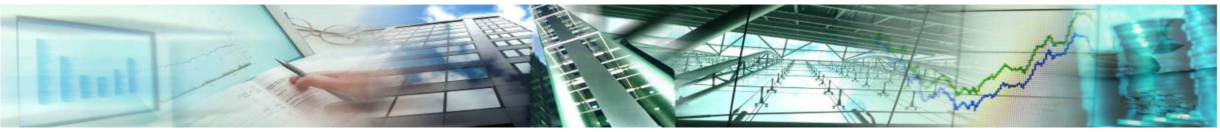
Tamiz Building (In Course of Development)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,00%
- Liquidity Risk	1,25%
- Management Risk	0,25%
- Specific Risk (Region Risk)	1,25%
Discount Rate (Fully Completed Property)	12,39%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	1,50%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	0,00%
- Land Plot without Zoning for Proposed Use	0,00%
Discount Rate Conclusion	**14,00%**

Skyscraper (Held for Future Development)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	3,50%
- Liquidity Risk	2,00%
- Management Risk	0,25%
- Specific Risk (Region Risk)	0,00%
Discount Rate (Fully Completed Property)	10,39%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	3,25%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	2,00%
- Land Plot without Zoning for Proposed Use	0,00%
Discount Rate Conclusion	**16,00%**

St. Petersburg Commercial (Held for Future Development)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	4,50%
- Liquidity Risk	1,75%
- Management Risk	0,50%
- Specific Risk (Region Risk)	0,75%
Discount Rate (Fully Completed Property)	12,14%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	5,50%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	3,00%
- Land Plot without Zoning for Proposed Use	0,00%
Discount Rate Conclusion	**20,50%**

Yaroslavl Phase II (Held for Future Development)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,25%
- Liquidity Risk	2,00%
- Management Risk	0,25%
- Specific Risk (Region Risk)	1,00%
Discount Rate (Fully Completed Property)	13,14%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	6,50%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	3,50%
- Land Plot without Zoning for Proposed Use	0,00%
Discount Rate Conclusion	**23,00%**

MAG bld. 26 (Held for Renovation)	31.12.2010
Risk Free Rate	4,64%
Risk Adjustments:	
- Investment Risk	5,50%
- Liquidity Risk	1,50%
- Management Risk	0,25%
- Specific Risk (Region Risk)	0,25%
Discount Rate (Fully Completed Property)	12,14%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	2,00%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	0,00%
- Land Plot without Zoning for Proposed Use	0,00%
Discount Rate Conclusion	**14,00%**



APPENDIX SIX

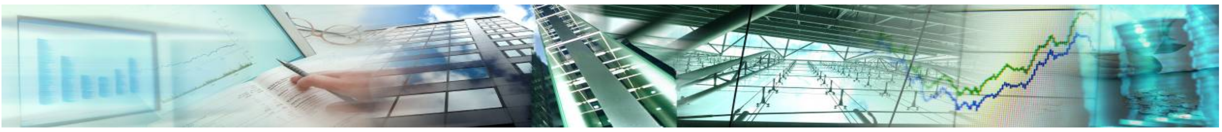
FINANCIAL MODELS

Saratov Logistics

	The Property	Comparable 1	Comparable 2	Comparable 3
Source	Information provided by the Client	http://www.nedsar.ru Elena, local agent 8-927-140-22-55	http://www.nedsar.ru Elena, local agent 8-927-140-22-55	http://www.nedsar.ru Elena, local agent 8-927-140-22-55
Sale Price, $		$221 473	$1 703 641	$408 874
Sale Price per sqm, $		$4,43	$10,85	$7,17
Location	Russia, Saratov region, 1.3 km south-east to Dubki village	Russia, Saratov region, Volskiy trakt, 3-4 km from the town, at the turn to Dubki	Russia, Saratov region, 7-8 km from the town, Volsky Trakt	Russia, Saratov region, Elshanka, Peschaniy trakt
Adjustment		0%	0%	0%
Adjusted value, $		$4,43	$10,85	$7,17
Size of the land plot, sqm	260 000,00	50 000,00	157 000,00	57 000,00
Adjustment		-10%	-5%	-10%
Adjusted value, $		$3,99	$10,31	$6,46
Tenure	Freehold	Long-term leasehold (49 years)	Freehold	Long-term leasehold (49 years)
Adjustment		10%	0%	10%
Adjusted value, $		$4,39	$10,31	$7,10
Status		Current Offer	Current Offer	Current Offer
Adjustment		-5%	-5%	-5%
Adjusted value, $		$4,17	$9,79	$6,75
Permitted Use	Industrial land For allocation of a logistics complex	Industrial land For allocation of industrial objects	Industrial land For allocation of industrial objects	Industrial land For allocation of industrial objects
Adjustment		0%	0%	0%
Adjusted value, $		$4,17	$9,79	$6,75
Project Documentation	None	None	None	None
Adjustment		0%	0%	0%
Adjusted value, $		$4,17	$9,79	$6,75
Public Utilities	All utilities are in close proximity to the land plot. Technical conditions on electricity (6Mwt) are received and paid.	All utilities are located in close proximity to the plot	All utilities are located in close proximity to the plot, electricity is near the plot.	All utilities are located in close proximity to the plot
Adjustment		$20,38	$20,38	$20,38
Adjusted value, $		$24,55	$30,18	$27,13
Weighted Adjusted Value per sqm of the Property	$27,29			
Market Value of the Property, $	**$7 100 000**			

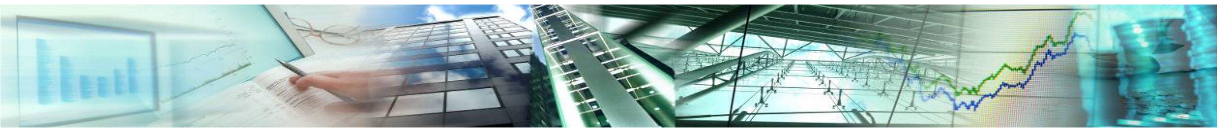
Penza Retail

	The Property	Comparable 1	Comparable 2	Comparable 3
Source	Information provided by the Client	Local realtor, Vadim, 8-927-289-24-64	http://www.roszem.ru/land/122942.html?result=841a4d0a681e67ff79850a3936ddcc55	Local realtor, Vadim, 8-927-289-24-64
Sale Price, $		$2 500 000	$1 703 641	$3 339 137
Sale Price per sqm, $		$50,00	$128,09	$47,70
Location	Russia, Penza city, Sosnovka district	Penza, at the exit from the city, Moscow motorway	Penza, Baumana Street	Penza, at the exit from the city, Moscow motorway
Adjustment		10%	-10%	10%
Adjusted value, $		$55,00	$115,28	$52,47
Size of the land plot, sqm	50 000,00	50 000,00	13 300,00	70 000,00
Adjustment		0%	-10%	-5%
Adjusted value, $		$55,00	$103,76	$49,85
Tenure	Freehold	Freehold	Freehold	Freehold
Adjustment		0%	0%	0%
Adjusted value, $		$55,00	$103,76	$49,85
Status		Current Offer	Current Offer	Current Offer
Adjustment		-5%	-5%	-5%
Adjusted value, $		$52,25	$98,57	$47,36
Permitted Use	Land of settlement For construction of a retail center	Industrial land For commercial properties allocation	Land of settlement For construction of commercial objects	Industrial land For commercial properties allocation
Adjustment		0%	0%	0%
Adjusted value, $		$52,25	$98,57	$47,36
Project Documentation	None	None	None	None
Adjustment		0%	0%	0%
Adjusted value, $		$52,25	$98,57	$47,36
Public Utilities	All utilities are located in close proximity to the land plot	All utilities are located in close proximity to the land plot	All utilities are located on the plot (gas, electricity, water)	All utilities are located in close proximity to the land plot
Adjustment		0%	-20%	0%
Adjusted value, $		$52,25	$78,85	$47,36
Weight	$56	2	1	2
Weighted Average Value per sqm of the Property	$56			
Market Value of the Property, $	**$2 800 000**			



Kazan Retail

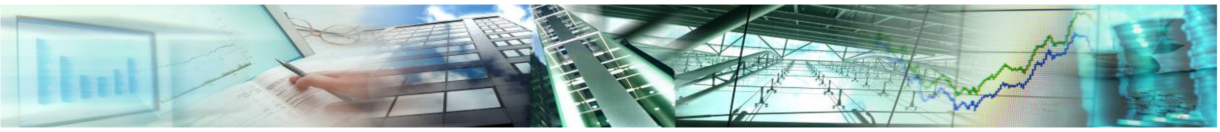
	The Property	Comparable 1	Comparable 2	Comparable 3
Source	Information provided by the Client	OOO "Plotina realt" , Refat (agent), 8-843-260-20-83	http://www.tatre.ru/info_2477067.html	CW database
Sale Price, $		$8 518 207	$10 550 000	$7 517 400
Sale Price per sqm, $		$185,18	$250,00	$170,00
Location	Russia, Kazan city, Okolnaya Street, 23-A, intersection of Gorkovskoye highway, Bolotnikova Street, Frunze street and Vosstaniya Street	Republic of Tatarstan, Kazan city, Adel Kutuya Street, close to IKEA	Republic of Tatarstan, Kazan city, Gvardeyskaya Street	Republic of Tatarstan, Kazan city, Gabisheva streeet
Adjustment		10%	-10%	0%
Adjusted value, $		$203,70	$225,00	$170,00
Size of the land plot, sqm	22 647,00	46 000,00	42 200,00	44 220,00
Adjustment		10%	10%	10%
Adjusted value, $		$224,07	$247,50	$187,00
Tenure	Freehold	Freehold	Freehold	Freehold
Adjustment		0%	0%	0%
Adjusted value, $		$224,07	$247,50	$187,00
Status		Current Offer	Current Offer	Current Offer
Adjustment		-5%	-5%	-5%
Adjusted value, $		$212,86	$235,13	$177,65
Permitted Use	Land of settlement For construction of a retail center	Land of settlement For commercial construction	Land of settlement Suitable for commercial construction	Land of settlement For construction of a retail center
Adjustment		0%	0%	0%
Adjusted value, $		$212,86	$235,13	$177,65
Public Utilities	All utilities are in place	All necessary utilities are located on the site.	All utilities are located along the border of the land plot	All utilities are located in proximity to the land plot
Adjustment		0%	0%	0%
Adjusted value, $		$212,86	$235,13	$177,65
Project Documentation, Technical Conditions and Project Development Stage	1) The facades approved by General architect of the city 2)Receiving building permits for ground level is in process 3) Preruling for licensing 4) Zoning approved 5)Technical conditions approved 6) 2 underground tunnels for transportation approved	Undeveloped	Undeveloped	The project of complex development of the land plot
Adjustment		$164,76	$164,76	$164,76
Adjusted value, $		$377,63	$399,89	$342,41
Average Adjusted Value per sqm of the Property	$373			
Market Value of the Property, $	**$8 500 000**			



MAG

Results and Assumptions		
Results		
Total Lettable Area		12 085,80 sqm
Vacancy at Beginning of Period 1		2 253,90 sqm
Vacancy Rate in Terms of Lettable Area		18,65%
Reserve deductions		1,00%
Book Value		$45 900 000
Book Value of the Land Plot	30,00%	$13 770 000
Book Value of the Building	70,00%	$32 130 000
Depriciation Rate		2,00%
Property Tax Rate		2,20%

Discounted Cashflow Ananlysis								
Period			**1**	**2**	**3**	**4**	**5**	**6**
			01.01.2011 31.12.2011	01.01.2012 31.12.2012	01.01.2013 31.12.2013	01.01.2014 31.12.2014	01.01.2015 31.12.2015	01.01.2016 31.12.2016
Income			**$4 584 261**	**$4 960 481**	**$5 083 109**	**$5 198 093**	**$5 422 431**	**$5 609 124**
Non-recoverable Costs								
Reserve deductions		1,00%	$45 843	$49 605	$50 831	$51 981	$54 224	$56 091
Book Value			$45 900 000	$45 257 400	$44 614 800	$43 972 200	$43 329 600	$42 687 000
Book Value of the Land Plot			$13 770 000	$13 770 000	$13 770 000	$13 770 000	$13 770 000	$13 770 000
Book Value of the Building			$32 130 000	$31 487 400	$30 844 800	$30 202 200	$29 559 600	$28 917 000
Depriciation Rate		2,00%	$642 600	$642 600	$642 600	$642 600	$642 600	$642 600
Insurance		0,00%	$0	$0	$0	$0	$0	$0
Property Tax Rate		2,20%	$706 860	$692 723	$678 586	$664 448	$650 311	$636 174
Other Adjustments to Value								
Letting Fees		1,0 Months	$75 130	$0	$0	$0	$0	$0
Total Expenditure			$827 833	$742 328	$729 417	$716 429	$704 536	$692 265
Total Annual Cash Flow			**$3 756 429**	**$4 218 154**	**$4 353 693**	**$4 481 663**	**$4 717 896**	**$4 916 859**
Terminal Value Calculation		**9,00%**					**$53 824 401**	
Present Value Calcualtion	**Discount Rate**	**12,00%**	**0,8929**	**0,7972**	**0,7118**	**0,6355**	**0,5674**	
Present Value per Period			**$3 353 954**	**$3 362 686**	**$3 098 873**	**$2 848 178**	**$33 218 471**	
Net Present Value Including Costs of Purchase			**$45 882 162**					
Market Value			**$45 882 162**					

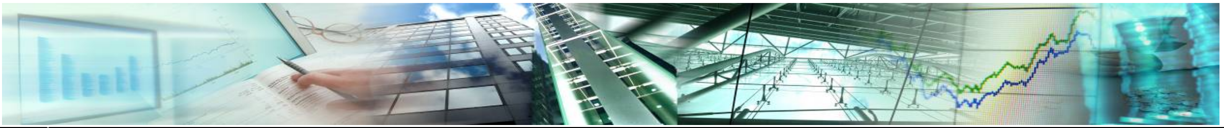


MAG bld. 26

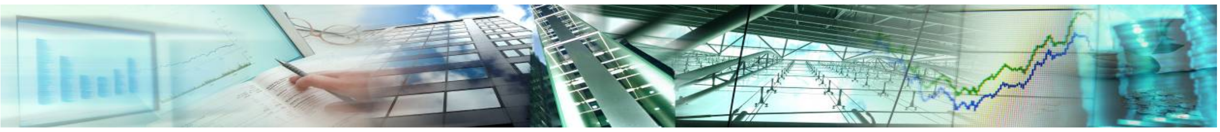
	Description		Type of Premises	Type of Deal	GLA (sqm)	Phase 1
Zone 1	Office		Office	Lease	7 143	100%
	Surface Parking (# spaces)	A		Lease	0	0%
	Structured Parking (# spaces)	A		Lease	0	0%
	Underground Parking (# spaces)	A		Lease	0	0%
Total Area for Lease sqm (excl. Parking)					**7 143**	**7 143**
Total Parking for Lease (spaces)					**0**	**0**
Total Area for Sale sqm (excl. Parking)					**0**	**0**
Total Parking for Sale (spaces)					**0**	**0**
Total Area (excl. Parking)					**7 143**	**7 143**
Total Parking (spaces)					**0**	**0**

	Units	Amount
Design & Construction Costs		
Office	$/sqm	593
Surface Parking	$/place	0
Underground Parking	$/place	0
Utilities	$/sqm	0
Developer's Fee	$/sqm	0
Completion Condition		Shell & Core
Construction Contract Type		Indexed
Construction Costs Inflation Rate	%	5%
Permit & Design Costs Inflation Rate	%	5%
Fit-out Period	Months	3
VAT Rate	%	18%
Percentage of Project Subject to VAT (est.)	%	100%
Percentage of Tenants Paying VAT	%	100%
VAT Reimbursement (Properties for Sale)		Next Period
VAT Inflation Loss	%	0%
Maximum Equity Required	$mln	22,21
Contribution to Cash Reserve (% of GOI)	%	1,25%
Interest on Cash Reseve	%	0%
Security Deposit	Months	3
Review / Renewal Period	Years	1
Review / Renewal Period for Anchors	Years	3
Broker's Fees on Acquisition (% of Land Acquisition Costs)	%	3,00%
Broker's Fees on Leasing (% of GOI)	%	8,33%
Broker's Fees on Sale (% of Sale Price)		3,00%
Depreciation Rate for Buildings	%	2%
Income Tax Rate	%	20%
Advance Payment for Construction	%	20%
Hold Back on Construction	%	5%

Year	Annual Rent/Sale Price per sq m Zone 1 Office	Occupancy Office
2011	400	0%
2012	412	80%
2013	424	90%
2014	437	90%
2015	450	90%



	31-Dec-2010	31-Mar-2011	30-Jun-2011	30-Sep-2011	31-Dec-2011	31-Mar-2012	30-Jun-2012	30-Sep-2012	31-Dec-2012	31-Mar-2013	30-Jun-2013	30-Sep-2013	31-Dec-2013
Cashflow of the Project	**4Q2010**	**1Q2011**	**2Q2011**	**3Q2011**	**4Q2011**	**1Q2012**	**2Q2012**	**3Q2012**	**4Q2012**	**1Q2013**	**2Q2013**	**3Q2013**	**4Q2013**
Cashflow from Operating Activity													
Phase 1 Last Review Date	N/a	N/a	N/a	N/a	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2012	31-Dec-2012	31-Dec-2012	31-Dec-2012	31-Dec-2013
Last Review Date - Anch	N/a	N/a	N/a	N/a	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011	31-Dec-2011
45 Weights Office		0	0	0	0	0	588 583	588 583	588 583	682 021	682 021	0	0
45 A Surface Parking		0	0	0	0	0	0	0	0	0	0	0	0
A Structured Parking		0	0	0	0	0	0	0	0	0	0	0	0
A Underground Parking		0	0	0	0	0	0	0	0	0	0	0	0
Gross Operating Income		0	0	0	0	0	588 583	588 583	588 583	682 021	682 021	0	0
Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0
Book Value of Depriciable Assets													
Opening Book Value		0	0	0	0	4 985 045	4 960 119	4 935 194	4 910 269	4 885 344	4 860 419	4 835 493	0
Depreciation Rate		0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Depreciation		0	0	0	0	24 925	24 925	24 925	24 925	24 925	24 925	24 925	0
Addition in Book Value		0	0	0	4 985 045	0	0	0	0	0	0	0	0
Reduction in Book Value		0	0	0	0	0	0	0	0	0	0	4 810 568	0
Closing Book Value		0	0	0	4 985 045	4 960 119	4 935 194	4 910 269	4 885 344	4 860 419	4 835 493	0	0
Book Value of Non-depriciable Assets													
Book Value of Land		14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	14 459 457	0	0
Accounting of Security Deposit	90	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payments		0	0	0	0	0	0	0	0	0	0	0	0
Income Tax		0	0	0	0	0	-107 289	-107 317	-107 344	-126 059	-126 086	0	0
Net Income		**0**	**0**	**0**	**0**	**-52 274**	**429 157**	**429 266**	**429 376**	**504 236**	**504 345**	**-38 223**	**0**
Total CF from Operating Activity (excl. VAT)		**0**	**0**	**0**	**0**	**-27 349**	**454 082**	**454 192**	**454 301**	**529 161**	**529 271**	**-13 298**	**0**
Cashflow from Investing Activity													
Property Acquisition		-14 038 308	0	0	0	0	0	0	0	0	0	0	0
Agent's Fees on Acquisition		-421 149	0	0	0	0	0	0	0	0	0	0	0
Phase 1			-9	-8	-7	-6	-5	-4	-3	-2	-1	0	1
Period Counter		1	2	3	4	5	6	7	8	9	10	11	12
Construction Costs		-1 906 780	-1 059 322	-1 059 322	-211 864	0	0	0	0	0	0	0	0
Permit & Design Costs		-186 939	-186 939	-186 939	-186 939	0	0	0	0	0	0	0	0
Sale Proceeds		0	0	0	0	0	0	0	0	0	0	26 562 097	0
Book Value for Disposal		16 553 176	17 799 437	19 045 698	19 444 502	19 419 576	19 394 651	19 369 726	19 344 801	19 319 875	19 294 950	19 270 025	0
Total Acquisition/Disposal		-14 459 457	0	0	0	0	0	0	0	0	0	26 562 097	0
Tax on Sale Proceeds		0	0	0	0	0	0	0	0	0	0	-1 450 770	0
Total Construction, Permit and Design Costs		-2 093 719	-1 246 261	-1 246 261	-398 804	0	0	0	0	0	0	0	0
Value Added Tax Calculation													
VAT Received from Tenants		0	0	0	0	0	105 945	105 945	105 945	122 764	122 764	0	0
VAT Paid on Maintanance Costs & Broker's Fees		0	0	0	0	0	0	0	0	0	0	0	0
VAT on Investment Activity		-2 221 503	-224 327	-224 327	-71 785	0	0	0	0	0	0	4 781 177	0
VAT Received from Sales		0	0	0	0	0	0	0	0	0	0	0	0
VAT Paid on Broker's Fees		0	0	0	0	0	0	0	0	0	0	0	0
VAT Paid on Construction, Permit & Design		0	0	0	0	0	0	0	0	0	0	0	0
Total VAT Received (Paid)		-2 221 503	-224 327	-224 327	-71 785	0	105 945	105 945	105 945	122 764	122 764	2 178 579	0
Balance of VAT	0	-2 221 503	-2 445 830	-2 670 157	-2 741 942	-2 741 942	-2 635 997	-2 530 052	-2 424 107	-2 301 343	-2 178 579	0	0
Total VAT Received (Paid) Disregarding Inflation		-2 221 503	-224 327	-224 327	-71 785	0	105 945	105 945	105 945	122 764	122 764	2 178 579	0
Balance of VAT Disregarding Inflation	0	-2 221 503	-2 445 830	-2 670 157	-2 741 942	-2 741 942	-2 635 997	-2 530 052	-2 424 107	-2 301 343	-2 178 579	0	0
Total CF from Investment Activity		**-18 774 679**	**-1 470 588**	**-1 470 588**	**-470 588**	**0**	**105 945**	**105 945**	**105 945**	**122 764**	**122 764**	**27 289 907**	**0**
Project Cashflow		-18 774 679	-1 470 588	-1 470 588	-470 588	-27 349	560 027	560 137	560 246	651 925	652 034	27 276 609	0
Cumulative Project Cashflow		-18 774 679	-20 245 267	-21 715 855	-22 186 443	-22 213 792	-21 653 766	-21 093 629	-20 533 383	-19 881 458	-19 229 424	8 047 185	8 047 185
IRR Quaterly	3,33%												
IRR Annually	14,00%												
Equity Cashflow		-18 774 679	-1 470 588	-1 470 588	-470 588	-27 349	560 027	560 137	560 246	651 925	652 034	27 276 609	0
Period		0	1	2	3	4	5	6	7	8	9	10	11
NPV Factor		1	0,967773637	0,936585812	0,906403057	0,877192982	0,848924243	0,821566501	0,795090401	0,769467528	0,744670388	0,72067237	0,69744772
Discounted Equity Cashflow		-18 774 679	-1 423 196	-1 377 332	-426 543	-23 991	475 420	460 189	445 446	501 635	485 551	19 657 498	0
Cumulative		-18 774 679	-20 197 875	-21 575 207	-22 001 750	-22 025 740	-21 550 320	-21 090 130	-20 644 684	-20 143 049	-19 657 498	0	0



HYDRO

Results and Assumptions		
Results		
Total Lettable Area		16 896,30 sqm
Vacancy at Beginning of Period 1		1 936,00 sqm
Vacancy Rate in Terms of Lettable Area		11,46%
Reserve deductions		1,00%
Book Value		$65 500 000
Book Value of the Land Plot	30,00%	$19 650 000
Book Value of the Building	70,00%	$45 850 000
Depriciation Rate		2,00%
Insurance		0,00%
Property Tax Rate		2,20%

Discounted Cashflow Ananlysis

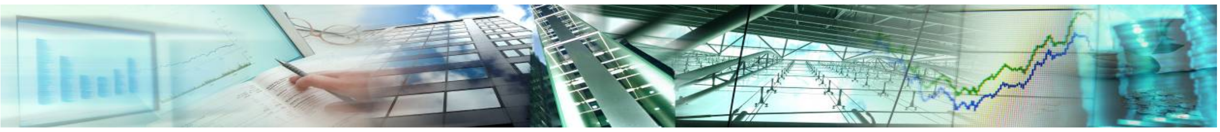
Period			1	2	3	4	5	6
			01.01.2011 31.12.2011	01.01.2012 31.12.2012	01.01.2013 31.12.2013	01.01.2014 31.12.2014	01.01.2015 31.12.2015	01.01.2016 31.12.2016
Income								
			$5 891 400	**$6 676 446**	**$6 891 557**	**$7 340 078**	**$7 639 252**	**$8 205 858**
Non-recoverable Costs								
Reserve deductions		1,00%	$58 914	$66 764	$68 916	$73 401	$76 393	$82 059
Book Value			$65 500 000	$64 583 000	$63 666 000	$62 749 000	$61 832 000	$60 915 000
Book Value of the Land Plot			$19 650 000	$19 650 000	$19 650 000	$19 650 000	$19 650 000	$19 650 000
Book Value of the Building			$45 850 000	$44 933 000	$44 016 000	$43 099 000	$42 182 000	$41 265 000
Depriciation Rate		2,00%	$917 000	$917 000	$917 000	$917 000	$917 000	$917 000
Insurance		0,00%	$0	$0	$0	$0	$0	$0
Property Tax Rate		2,20%	$1 008 700	$988 526	$968 352	$948 178	$928 004	$907 830
Other Adjustments to Value								
Letting Fees		1,0 Months	$64 533	$0	$0	$0	$0	$0
Total Expenditure			$1 132 147	$1 055 290	$1 037 268	$1 021 579	$1 004 397	$989 889
Total Annual Cash Flow			**$4 759 252**	**$5 621 156**	**$5 854 289**	**$6 318 499**	**$6 634 856**	**$7 215 969**
Terminal Value Calculation		**9,00%**					**$78 992 545**	
Present Value Calcualtion	**Discount Rate**	**12,00%**	**0,8929**	**0,7972**	**0,7118**	**0,6355**	**0,5674**	
Present Value per Period			**$4 249 332**	**$4 481 151**	**$4 166 967**	**$4 015 520**	**$48 587 287**	
Net Present Value Including Costs of Purchase			**$65 500 258**					
Market Value			**$65 500 258**					

Vernissage Mall, Yaroslavl

Results		
Total Lettable Area		34 056,00 sqm
Vacancy at Beginning of Period 1		764,30 sqm
Vacancy Rate in Terms of Lettable Area		2,27%
Reserve deductions		1,00%
Book Value		$82 400 000
Book Value of the Land Plot	30,00%	$24 720 000
Book Value of the Building	70,00%	$57 680 000
Depriciation Rate		2,00%
Insurance		0,00%
Property Tax Rate		2,20%

Discounted Cashflow Ananlysis

Period	**1**	**2**	**3**	**4**	**5**	**6**
	01.01.2011 31.12.2011	01.01.2012 31.12.2012	01.01.2013 31.12.2013	01.01.2014 31.12.2014	01.01.2015 31.12.2015	01.01.2016 31.12.2016
Income						
	$9 374 938	**$9 730 533**	**$10 079 745**	**$10 425 575**	**$10 737 102**	**$10 788 952**
Non-recoverable Costs						
Reserve deductions	$93 749	$97 305	$100 797	$104 256	$107 371	$107 890
Book Value	$82 400 000	$81 246 400	$80 092 800	$78 939 200	$77 785 600	$76 632 000
Book Value of the Land Plot	$24 720 000	$24 720 000	$24 720 000	$24 720 000	$24 720 000	$24 720 000
Book Value of the Building	$57 680 000	$56 526 400	$55 372 800	$54 219 200	$53 065 600	$51 912 000
Depriciation Rate	$1 153 600	$1 153 600	$1 153 600	$1 153 600	$1 153 600	$1 153 600
Insurance	$0	$0	$0	$0	$0	$0
Property Tax Rate	$1 268 960	$1 243 581	$1 218 202	$1 192 822	$1 167 443	$1 142 064
Other Adjustments to Value						
Letting Fees	$732 773	$0	$0	$0	$0	$0
Total Expenditure	$2 095 483	$1 340 886	$1 318 999	$1 297 078	$1 274 814	$1 249 954
Total Annual Cash Flow	**$7 279 455**	**$8 389 647**	**$8 760 746**	**$9 128 496**	**$9 462 288**	**$9 538 999**
Terminal Value Calculation					**$93 980 282**	
Present Value Calcualtion	**0,8889**	**0,7901**	**0,7023**	**0,6243**	**0,5549**	
Present Value per Period	**$6 470 627**	**$6 628 857**	**$6 152 952**	**$5 698 875**	**$57 403 277**	
Net Present Value Including Costs	**$82 354 588**					
Market Value	**$82 354 588**					

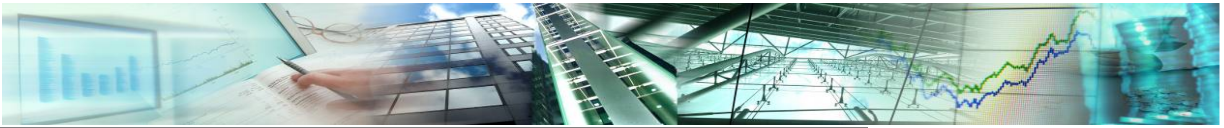


Skyscraper, Moscow

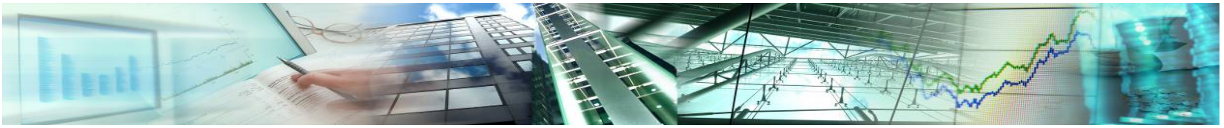
	Description	Type of Premises	Type of Deal	GLA (sqm)	Phase 1
Zone 1	Office	Office	Lease	85 000	100%
Zone 2	Retail	Retail	Lease	7 000	100%
	Surface Parking (# spaces)		Lease		
	Structured Parking (# spaces)		Lease		
	Underground Parking (# spaces)		Lease	1 690	100%
Total Area for Lease sqm (excl. Parking)				**92 000**	**92 000**
Total Parking for Lease (spaces)				**1690**	**1690**
Total Area for Sale sqm (excl. Parking)				**0**	**0**
Total Parking for Sale (spaces)				**0**	**0**
Total Area (excl. Parking)				**92 000**	**92 000**
Total Parking (spaces)				**1690**	**1690**

Design & Construction Costs		
Office	$/sqm	2 656
Retail	$/sqm	2 656
Surface Parking	$/place	0
Structured Parking	$/place	0
Underground Parking	$/place	20 000
Utilities	$/sqm	0
Developer's Fee	$/sqm	0
Completion Condition		Shell & Core
Construction Contract Type		Fixed
Construction Costs Inflation Rate	%	5%
Permit & Design Costs Inflation Rate	%	5%
Fit-out Period	Months	3
VAT Rate	%	18%
Percentage of Project Subject to VAT (est.)	%	100%
Percentage of Tenants Paying VAT	%	100%
VAT Reimbursement (Properties for Sale)		Next Period
VAT Inflation Loss	%	0%
Maximum Equity Required	$mln	395,08
Contribution to Cash Reserve (% of GOI)	%	1,25%
Interest on Cash Reseve	%	0%
Security Deposit	Months	3
Review / Renewal Period	Years	1
Review / Renewal Period for Anchors	Years	3
Agent's Fees on Acquisition (% of land acquisition costs)	%	3,00%
Broker's Fees on Leasing (% of GOI)	%	8,33%
Broker's Fees on Sale (% of Sale Price)		3,00%
Depreciation Rate for Buildings	%	2%
Income Tax Rate	%	20%
Advance Payment for Construction	%	20%
Hold Back on Construction	%	5%

Year	Annual Rent/Sale Price per sq m			Occupancy		
	Zone 1	Zone 2				
	Office	Retail	Underground Parking	Office	Retail	Underground Parking
2011	500	500	4 800	85%	85%	85%
2012	515	515	4 944	85%	85%	85%
2013	530	530	5 092	90%	90%	90%
2014	546	546	5 245	90%	90%	90%
2015	563	563	5 402	95%	95%	95%
2016	580	580	5 565	95%	95%	95%
2017	597	597	5 731	95%	95%	95%
2018	597	597	5 731	95%	95%	95%
2019	597	597	5 731	95%	95%	95%



		31-Dec-2010	31-Mar-2011	30-Jun-2011	30-Sep-2011	31-Dec-2011	31-Mar-2012	30-Jun-2012	30-Sep-2012	31-Dec-2012
Cashflow of the Project		**4Q2010**	**1Q2011**	**2Q2011**	**3Q2011**	**4Q2011**	**1Q2012**	**2Q2012**	**3Q2012**	**4Q2012**
Cashflow from Operating Activity										
Phase 1 Last Review Date	N/a		N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Last Review Date - Anchc	N/a		N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
45 Weights	Office		0	0	0	0	0	0	0	0
48 66%	Retail		0	0	0	0	0	0	0	0
45 34%			0	0	0	0	0	0	0	0
45	Surface Parking		0	0	0	0	0	0	0	0
	Structured Parking		0	0	0	0	0	0	0	0
	Underground Parking		0	0	0	0	0	0	0	0
	Gross Operating Income		0	0	0	0	0	0	0	0
	Operating Expenses		0	0	0	0	0	0	0	0
Total Gross Operating Income			0	0	0	0	0	0	0	0
Total Operating Expenses	Double Count		0	0	0	0	0	0	0	0
Property Tax			0	0	0	0	0	0	0	0
Insurance			0	0	0	0	0	0	0	0
Management and Personnel Expenses			0	0	0	0	0	0	0	0
Repairs and Maintenance			0	0	0	0	0	0	0	0
Utilities										
Other										
Total Net Operating Income from Leasing			0	0	0	0	0	0	0	0
Total Net Operating Income from Sale less Broker's Fees			0	0	0	0	0	0	0	0
EBITDA			0	0	0	0	0	0	0	0
Opening Book Value			0	62 046 624	62 046 624	62 046 624	62 046 624	133 722 038	149 768 773	165 815 507
Depreciation Rate			0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Depreciation			0	0	0	0	0	0	0	0
Addition in Book Value			62 046 624	0	0	0	71 675 415	16 046 735	16 046 735	16 046 735
Reduction in Book Value			0	0	0	0	0	0	0	0
Closing Book Value			62 046 624	62 046 624	62 046 624	62 046 624	133 722 038	149 768 773	165 815 507	181 862 242
Accounting of Security Deposit		90	0	0	0	0	0	0	0	0
Interest Payments			0	0	0	0	0	0	0	0
Income Tax			0	0	0	0	0	0	0	0
Net Income			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total CF from Operating Activity (excl. VAT)			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cashflow from Investing Activity										
Property Acquisition			-60 239 440	0	0	0	0	0	0	0
Agent's Fees on Acquisition			-1 807 183	0	0	0	0	0	0	0
Phase 1				-24	-23	-22	-21	-20	-19	-18
	Period Counter		0	0	0	0	1	2	3	4
	Construction Costs		0	0	0	0	-71 675 415	-16 046 735	-16 046 735	-16 046 735
	Permit & Design Costs		0	0	0	0	0	0	0	0
	Sale Proceeds		0	0	0	0	0	0	0	0
	Book Value for Disposal		60 200 000	60 200 000	60 200 000	60 200 000	131 875 415	147 922 149	163 968 884	180 015 618
Total Acquisition/Disposal			-62 046 624	0	0	0	0	0	0	0
Tax on Sale Proceeds			0	0	0	0	0	0	0	0
Total Construction, Permit and Design Costs			0	0	0	0	-71 675 415	-16 046 735	-16 046 735	-16 046 735
Value Added Tax Calculation										
VAT Received from Tenants			0	0	0	0	0	0	0	0
VAT Paid on Maintanance Costs & Broker's Fees			0	0	0	0	0	0	0	0
VAT on Investment Activity			-4 825 293	0	0	0	-12 901 575	-2 888 412	-2 888 412	-2 888 412
VAT Received from Sales			0	0	0	0	0	0	0	0
VAT Paid on Broker's Fees			0	0	0	0	0	0	0	0
VAT Paid on Construction, Permit & Design			0	0	0	0	0	0	0	0
Total VAT Received (Paid)			-4 825 293	0	0	0	-12 901 575	-2 888 412	-2 888 412	-2 888 412
Balance of VAT		0	-4 825 293	-4 825 293	-4 825 293	-4 825 293	-17 726 868	-20 615 280	-23 503 692	-26 392 104
Total VAT Received (Paid) Disregarding Inflation			-4 825 293	0	0	0	-12 901 575	-2 888 412	-2 888 412	-2 888 412
Balance of VAT Disregarding Inflation		0	-4 825 293	-4 825 293	-4 825 293	-4 825 293	-17 726 868	-20 615 280	-23 503 692	-26 392 104
Total CF from Investment Activity			**-66 871 917**	**0**	**0**	**0**	**-84 576 989**	**-18 935 147**	**-18 935 147**	**-18 935 147**
Project Cashflow			-66 871 917	0	0	0	-84 576 989	-18 935 147	-18 935 147	-18 935 147
Cumulative Project Cashflow			-66 871 917	-66 871 917	-66 871 917	-66 871 917	-151 448 906	-170 384 053	-189 319 200	-208 254 346



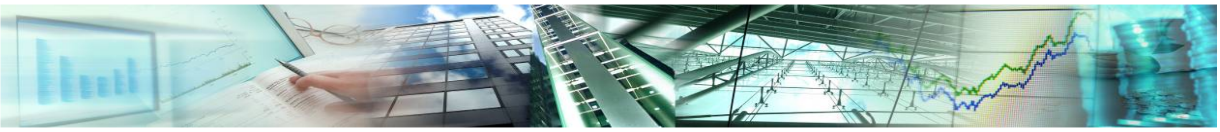
Cashflow of the Project	31-Dec-2010 4Q2010	31-Mar-2013 1Q2013	30-Jun-2013 2Q2013	30-Sep-2013 3Q2013	31-Dec-2013 4Q2013	31-Mar-2014 1Q2014	30-Jun-2014 2Q2014	30-Sep-2014 3Q2014	31-Dec-2014 4Q2014	31-Mar-2015 1Q2015	30-Jun-2015 2Q2015
Cashflow from Operating Activity											
Phase 1 Last Review Date	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Last Review Date - Anchc	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
45 Weights Office		0	0	0	0	0	0	0	0	0	0
48 66% Retail		0	0	0	0	0	0	0	0	0	0
45 34%		0	0	0	0	0	0	0	0	0	0
45 Surface Parking		0	0	0	0	0	0	0	0	0	0
Structured Parking		0	0	0	0	0	0	0	0	0	0
Underground Parking		0	0	0	0	0	0	0	0	0	0
Gross Operating Income		0	0	0	0	0	0	0	0	0	0
Operating Expenses		0	0	0	0	0	0	0	0	0	0
Total Gross Operating Income		0	0	0	0	0	0	0	0	0	0
Total Operating Expenses Double Count		0	0	0	0	0	0	0	0	0	0
Property Tax		0	0	0	0	0	0	0	0	0	0
Insurance		0	0	0	0	0	0	0	0	0	0
Management and Personnel Expenses		0	0	0	0	0	0	0	0	0	0
Repairs and Maintenance		0	0	0	0	0	0	0	0	0	0
Utilities											
Other											
Total Net Operating Income from Leasing		0	0	0	0	0	0	0	0	0	0
Total Net Operating Income from Sale less Broker's Fees		0	0	0	0	0	0	0	0	0	0
EBITDA		0	0	0	0	0	0	0	0	0	0
Opening Book Value		181 862 242	197 908 977	213 955 711	230 002 446	246 049 181	262 095 915	278 142 650	294 189 384	310 236 119	326 282 854
Depreciation Rate		0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Depreciation		0	0	0	0	0	0	0	0	0	0
Addition in Book Value		16 046 735	16 046 735	16 046 735	16 046 735	16 046 735	16 046 735	16 046 735	16 046 735	16 046 735	13 907 170
Reduction in Book Value		0	0	0	0	0	0	0	0	0	0
Closing Book Value		197 908 977	213 955 711	230 002 446	246 049 181	262 095 915	278 142 650	294 189 384	310 236 119	326 282 854	340 190 024
Accounting of Security Deposit	90	0	0	0	0	0	0	0	0	0	0
Interest Payments		0	0	0	0	0	0	0	0	0	0
Income Tax		0	0	0	0	0	0	0	0	0	0
Net Income		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total CF from Operating Activity (excl. VAT)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cashflow from Investing Activity											
Property Acquisition		0	0	0	0	0	0	0	0	0	0
Agent's Fees on Acquisition		0	0	0	0	0	0	0	0	0	0
Phase 1		-17	-16	-15	-14	-13	-12	-11	-10	-9	-8
Period Counter		5	6	7	8	9	10	11	12	13	14
Construction Costs		-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-13 907 170
Permit & Design Costs		0	0	0	0	0	0	0	0	0	0
Sale Proceeds		0	0	0	0	0	0	0	0	0	0
Book Value for Disposal		196 062 353	212 109 088	228 155 822	244 202 557	260 249 292	276 296 026	292 342 761	308 389 495	324 436 230	338 343 400
Total Acquisition/Disposal		0	0	0	0	0	0	0	0	0	0
Tax on Sale Proceeds		0	0	0	0	0	0	0	0	0	0
Total Construction, Permit and Design Costs		-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-16 046 735	-13 907 170
Value Added Tax Calculation											
VAT Received from Tenants		0	0	0	0	0	0	0	0	0	0
VAT Paid on Maintanance Costs & Broker's Fees		0	0	0	0	0	0	0	0	0	0
VAT on Investment Activity		-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 503 291
VAT Received from Sales		0	0	0	0	0	0	0	0	0	0
VAT Paid on Broker's Fees		0	0	0	0	0	0	0	0	0	0
VAT Paid on Construction, Permit & Design		0	0	0	0	0	0	0	0	0	0
Total VAT Received (Paid)		-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 503 291
Balance of VAT	0	-29 280 517	-32 168 929	-35 057 341	-37 945 753	-40 834 165	-43 722 578	-46 610 990	-49 499 402	-52 387 814	-54 891 105
Total VAT Received (Paid) Disregarding Inflation		-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 888 412	-2 503 291
Balance of VAT Disregarding Inflation	0	-29 280 517	-32 168 929	-35 057 341	-37 945 753	-40 834 165	-43 722 578	-46 610 990	-49 499 402	-52 387 814	-54 891 105
Total CF from Investment Activity		**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-18 935 147**	**-16 410 461**
Project Cashflow		-18 935 147	-18 935 147	-18 935 147	-18 935 147	-18 935 147	-18 935 147	-18 935 147	-18 935 147	-18 935 147	-16 410 461
Cumulative Project Cashflow		-227 189 493	-246 124 640	-265 059 787	-283 994 934	-302 930 081	-321 865 227	-340 800 374	-359 735 521	-378 670 668	-395 081 129

Cashflow of the Project	30-Sep-2015 3Q2015	31-Dec-2015 4Q2015	31-Mar-2016 1Q2016	30-Jun-2016 2Q2016	30-Sep-2016 3Q2016	31-Dec-2016 4Q2016	31-Mar-2017 1Q2017	30-Jun-2017 2Q2017	30-Sep-2017 3Q2017	31-Dec-2017 4Q2017
Cashflow from Operating Activity										
Phase 1 Last Review Date	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2016	31-Aug-2016	31-Aug-2016	31-Aug-2016	31-Aug-2017	31-Aug-2017
Last Review Date - Anchc	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015	31-Aug-2015
45 Weights Office	0	3 904 380	11 587 192	11 587 192	11 700 545	11 934 808	8 089 148	0	0	0
48 66% Retail	0	321 537	954 239	954 239	963 574	982 867	666 165	0	0	0
45 34%	0	0	0	0	0	0	0	0	0	0
45 Surface Parking	0	0	0	0	0	0	0	0	0	0
Structured Parking	0	0	0	0	0	0	0	0	0	0
Underground Parking	0	745 231	2 211 654	2 211 654	2 233 290	2 278 004	1 543 980	0	0	0
Gross Operating Income	0	4 971 149	14 753 086	14 753 086	14 897 410	15 195 679	10 299 293	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0	0	0
Total Gross Operating Income	0	4 971 149	14 753 086	14 753 086	14 897 410	15 195 679	10 299 293	0	0	0
Total Operating Expenses Double Count	0	0	0	0	0	0	0	0	0	0
Property Tax	-1 525 964	-1 518 315	-1 510 666	-1 503 017	-1 495 368	-1 487 720	-1 480 071	-738 123	0	0
Insurance	0	0	0	0	0	0	0	0	0	0
Management and Personnel Expenses	0	0	0	0	0	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0	0	0	0	0	0
Utilities										
Other										
Total Net Operating Income from Leasing	-1 525 964	3 452 833	13 242 420	13 250 069	13 402 041	13 707 959	8 819 223	-738 123	0	0
Total Net Operating Income from Sale less Broker's Fees	0	0	0	0	0	0	0	0	0	0
EBITDA	-6 441 692	3 452 833	13 242 420	13 250 069	13 402 041	13 707 959	8 819 223	-738 123	0	0
Opening Book Value	340 190 024	338 799 307	337 408 590	336 017 873	334 627 156	333 236 439	331 845 722	330 455 005	0	0
Depreciation Rate	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Depreciation	1 390 717	1 390 717	1 390 717	1 390 717	1 390 717	1 390 717	1 390 717	1 390 717	0	0
Addition in Book Value	0	0	0	0	0	0	0	0	0	0
Reduction in Book Value	0	0	0	0	0	0	0	329 064 288	0	0
Closing Book Value	338 799 307	337 408 590	336 017 873	334 627 156	333 236 439	331 845 722	330 455 005	0	0	0
Accounting of Security Deposit	0	0	0	0	0	0	14 753 086	0	0	0
Interest Payments	0	0	0	0	0	0	0	0	0	0
Income Tax	0	-412 423	-2 370 341	-2 371 870	-2 402 265	-2 463 448	-4 436 318	0	0	0
Net Income	**-7 832 409**	**1 649 693**	**9 481 362**	**9 487 481**	**9 609 059**	**9 853 794**	**2 992 187**	**-2 128 840**	**0**	**0**
Total CF from Operating Activity (excl. VAT)	**-6 441 692**	**3 040 410**	**10 872 079**	**10 878 198**	**10 999 776**	**11 244 511**	**4 382 904**	**-738 123**	**0**	**0**
Cashflow from Investing Activity										
Property Acquisition	0	0	0	0	0	0	0	0	0	0
Agent's Fees on Acquisition	0	0	0	0	0	0	0	0	0	0
Phase 1	-7	-6	-5	-4	-3	-2	-1	0	1	2
Period Counter	15	16	17	18	19	20	21	22	23	24
Construction Costs	0	0	0	0	0	0	0	0	0	0
Permit & Design Costs	0	0	0	0	0	0	0	0	0	0
Sale Proceeds	0	0	0	0	0	0	0	720 371 639	0	0
Book Value for Disposal	336 952 683	335 561 966	334 171 249	332 780 532	331 389 815	329 999 098	328 608 381	327 217 664	0	0
Total Acquisition/Disposal	0	0	0	0	0	0	0	720 371 639	0	0
Tax on Sale Proceeds	0	0	0	0	0	0	0	-78 205 027	0	0
Total Construction, Permit and Design Costs	0	0	0	0	0	0	0	0	0	0
Value Added Tax Calculation										
VAT Received from Tenants	2 655 555	894 807	2 655 555	2 655 555	2 681 534	2 735 222	1 853 873	0	0	0
VAT Paid on Maintanance Costs & Broker's Fees	-884 831	0	0	0	0	0	0	0	0	0
VAT on Investment Activity	0	0	0	0	0	0	0	129 666 895	0	0
VAT Received from Sales	0	0	0	0	0	0	0	0	0	0
VAT Paid on Broker's Fees	0	0	0	0	0	0	0	0	0	0
VAT Paid on Construction, Permit & Design	0	0	0	0	0	0	0	0	0	0
Total VAT Received (Paid)	1 770 724	894 807	2 655 555	2 655 555	2 681 534	2 735 222	1 853 873	39 643 834	0	0
Balance of VAT	-53 120 381	-52 225 574	-49 570 018	-46 914 463	-44 232 929	-41 497 707	-39 643 834	0	0	0
Total VAT Received (Paid) Disregarding Inflation	1 770 724	894 807	2 655 555	2 655 555	2 681 534	2 735 222	1 853 873	39 643 834	0	0
Balance of VAT Disregarding Inflation	-53 120 381	-52 225 574	-49 570 018	-46 914 463	-44 232 929	-41 497 707	-39 643 834	0	0	0
Total CF from Investment Activity	**1 770 724**	**894 807**	**2 655 555**	**2 655 555**	**2 681 534**	**2 735 222**	**1 853 873**	**681 810 446**	**0**	**0**
Project Cashflow	-4 670 968	3 935 217	13 527 635	13 533 754	13 681 310	13 979 733	6 236 777	681 072 323	0	0
Cumulative Project Cashflow	-399 752 097	-395 816 880	-382 289 245	-368 755 491	-355 074 181	-341 094 448	-334 857 671	346 214 652	346 214 652	346 214 652

Triumph Mall, Saratov

Results and Assumptions		
Results		
Total Lettable Area		27 325,50 sqm
Vacancy at Beginning of Period 1		0,00 sqm
Vacancy Rate in Terms of Lettable Area		0,00%
Reserve deductions		1,00%
Book Value		$104 500 000
Book Value of the Land Plot	30,00%	$31 350 000
Book Value of the Building	70,00%	$73 150 000
Depriciation Rate		2,00%
Insurance		0,00%
Property Tax Rate		2,20%

Discounted Cashflow Ananlysis								
Period			**1**	**2**	**3**	**4**	**5**	**6**
			01.01.2011 31.12.2011	01.01.2012 31.12.2012	01.01.2013 31.12.2013	01.01.2014 31.12.2014	01.01.2015 31.12.2015	01.01.2016 31.12.2016
Income								
			$10 549 659	**$11 280 424**	**$12 486 152**	**$13 280 420**	**$14 125 425**	**$14 507 287**
Non-recoverable Costs								
Reserve deductions		1,00%	$105 497	$112 804	$124 862	$132 804	$141 254	$145 073
Book Value			$104 500 000	$103 037 000	$101 574 000	$100 111 000	$98 648 000	$97 185 000
Book Value of the Land Plot			$31 350 000	$31 350 000	$31 350 000	$31 350 000	$31 350 000	$31 350 000
Book Value of the Building			$73 150 000	$71 687 000	$70 224 000	$68 761 000	$67 298 000	$65 835 000
Depriciation Rate		2,00%	$1 463 000	$1 463 000	$1 463 000	$1 463 000	$1 463 000	$1 463 000
Insurance		0,00%	$0	$0	$0	$0	$0	$0
Property Tax Rate		2,20%	$1 609 300	$1 577 114	$1 544 928	$1 512 742	$1 480 556	$1 448 370
Total Expenditure			$1 714 797	$1 689 918	$1 669 790	$1 645 546	$1 621 810	$1 593 443
Total Annual Cash Flow			**$8 834 863**	**$9 590 506**	**$10 816 363**	**$11 634 873**	**$12 503 615**	**$12 913 845**
Terminal Value Calculation		**10,50%**					**$121 171 424**	
Present Value Calcualtion	**Discount Rate**	**12,50%**	**0,8889**	**0,7901**	**0,7023**	**0,6243**	**0,5549**	
Present Value per Period			**$7 853 211**	**$7 577 683**	**$7 596 677**	**$7 263 594**	**$74 180 150**	
Net Present Value			**$104 471 317**					
Market Value			**$104 471 317**					



APPENDIX SEVEN

SENSITIVITY ANALYSIS

MAG

Vacancy rate	+5%	current	-5%
Market Value	$43 600 000	$45 900 000	$46 100 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$43 200 000	$45 900 000	$50 900 000
Average rental rate	+5%	current	-5%
Market Value	$48 000 000	$45 900 000	$43 800 000

MAG_bld 26

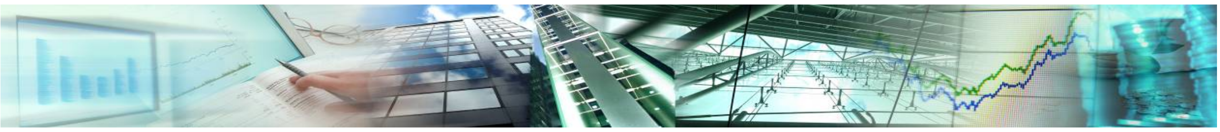
Vacancy rate	+5%	current	-5%
Market Value	$13 000 000	$14 000 000	$15 100 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$12 100 000	$14 000 000	$16 400 000
Average rental rate	+5%	current	-5%
Market Value	$15 000 000	$14 000 000	$13 100 000
Total Development Costs	+5%	current	-5%
Market Value	$13 800 000	$14 000 000	$14 300 000

HYDRO

Vacancy rate	+5%	current	-5%
Market Value	$62 900 000	$65 500 000	$65 600 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$59 500 000	$65 500 000	$72 800 000
Average rental rate	+5%	current	-5%
Market Value	$68 200 000	$65 500 000	$62 800 000

CENTURY

Vacancy rate	+5%	current	-5%
Market Value	$91 800 000	$94 700 000	$94 800 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$87 500 000	$94 700 000	$103 200 000
Average rental rate	+5%	current	-5%
Market Value	$96 100 000	$94 700 000	$93 300 000



TAMIZ

Vacancy rate	+5%	current	-5%
Market Value	$34 200 000	$36 300 000	$38 400 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$32 500 000	$36 300 000	$41 000 000
Average rental rate	+5%	current	-5%
Market Value	$38 300 000	$36 300 000	$34 400 000
Total Development Costs	+5%	current	-5%
Market Value	$36 200 000	$36 300 000	$36 400 000

SKYSCRAPER

Vacancy rate	+5%	current	-5%
Market Value	$42 900 000	$60 200 000	$74 600 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$26 200 000	$60 200 000	$104 700 000
Average rental rate	+5%	current	-5%
Market Value	$73 800 000	$60 200 000	$46 600 000
Total Development Costs	+5%	current	-5%
Market Value	$49 800 000	$60 200 000	$70 700 000

ST. PETERSBURG_commercial

Vacancy rate	+5%	current	-5%
Market Value	$11 900 000	$18 000 000	$24 000 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$11 400 000	$18 000 000	$26 000 000
Average rental rate	+5%	current	-5%
Market Value	$23 400 000	$18 000 000	$11 600 000
Total Development Costs	+5%	current	-5%
Market Value	$13 400 000	$18 000 000	$22 500 000

YAROSLAVL_Vernissage Mall

Vacancy rate	+5%	current	-5%
Market Value	$76 900 000	$82 400 000	n/a
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$75 600 000	$82 400 000	$90 400 000
Average rental rate	+5%	current	-5%
Market Value	$84 700 000	$82 400 000	$80 000 000

SARATOV_Triumph Mall

Vacancy rate	**+5%**	**current**	**-5%**
Market Value	$99 000 000	$104 500 000	n/a
Discount rate/Exit cap rate	**+1%**	**current**	**-1%**
Market Value	$96 000 000	$104 500 000	$114 500 000
Average rental rate	**+5%**	**current**	**-5%**
Market Value	$107 400 000	$104 500 000	$101 500 000

APPENDIX EIGHT

VALUATION LICENSES

ROYAL INSTITUTION OF CHARTERED SURVEYORS

Stanislav Bibik

WAS ELECTED A PROFESSIONAL MEMBER OF THE

ROYAL INSTITUTION OF CHARTERED SURVEYORS

7th April 2009

PRESIDENT OF THE ROYAL INSTITUTION OF CHARTERED SURVEYORS

MEMBERSHIP NO. *1239877*

THIS DIPLOMA IS HELD FROM YEAR TO YEAR SUBJECT TO THE PROVISIONS OF THE BYE-LAWS OF THE INSTITUTION

APPENDIX NINE

PRINCIPAL TERMS AND CONDITIONS OF APPOINTMENT AS VALUERS

1. PRELIMINARY

1.1 These general terms and conditions (the "Terms of Business") shall apply to all forms of professional services, other than agency services (to which separate terms will apply), provided by Cushman & Wakefield ("C&W", "we", "us" or "the Firm") to the client to whom the fee confirmation letter is sent ("you"). They shall apply separately to each service provided to you.

1.2 The Terms of Business are to be read in conjunction with the agreement between C&W and you (the "Agreement"). In the event of any ambiguity or conflict between the Agreement and these Terms of Business, the provisions in the Agreement shall prevail. These Terms of Business and the Agreement may only be varied in writing by agreement between the parties.

2. PERFORMANCE OF THE SERVICES

2.1 We undertake to use all reasonable skill and care in providing the services and advice described in the instruction given by you (the "Services"). We will inform you if it becomes apparent that the Services need to be varied or external third party advice is required. Any variation is to be confirmed in writing.

2.2 We may need to appoint third party providers to perform all or part of the Services and we shall agree this with you in advance.

3. BASIS OF FEES

3.1 The basis of our fees for our Services are set out in the Agreement.

3.2 When applicable, VAT shall be payable by you in addition to any fees or disbursements invoiced at the applicable rate.

3.3 You shall pay our fees in accordance with the payment schedule represented in the Agreement. Payment is due within 10 business days of the invoice date.

3.4 Where valuations are undertaken for a lender for loan security purposes and it is agreed that a Borrower will pay our fee, you shall remain primarily liable to pay our fee should such Borrower fail to meet its liabilities to us in full. Payment of our fees is not conditional upon the loan being drawn down or any of the conditions of the loan being met.

3.5 If you do not dispute with us an invoice or any part thereof within 10 business days of the date of such invoice, you shall be deemed to have accepted the invoice in its entirety.

3.6 If we are required by you to undertake additional work in relation to an instruction, you shall pay additional fees based upon our usual rates. We will notify you of the amount of such additional fees.

3.7 Where there is a change to the stated purpose for which our valuation is being commissioned and in our sole opinion we deem this to result in an increase in our liability (for example a valuation for annual accounts being used for loan security purposes), we reserve the right to charge an additional fee in accordance with clause 13.

3.8 In the event that you withdraw our instructions prior to completion of a valuation, you shall be liable to pay us for a fair and reasonable proportion of our fees and any agreed disbursements. If we have sent you a draft valuation report, such fees shall be subject to a minimum of those instalments then due under the Agreement.

Associated/Related Entities of the Client

3.10 Where we are instructed to provide Services to one of your subsidiaries or associate/related entities or should you subsequently request that another entity be substituted for you at a later stage and we are unable to seek or obtain payment of any outstanding monies for whatever reason, you shall remain primarily liable to pay those outstanding monies if the subsidiary, associate/related or other entity does not meet its liabilities in relation to the Services.

4. DISBURSEMENTS

4.1 You shall reimburse us for all reasonable disbursements incurred in the provision of the Services quarterly in arrears from the date they were incurred in accordance with terms in the Agreement. These include, for example, maps, plans, research, photography, copying of documents or plans, messenger delivery, costs of obtaining external information on companies, properties, demographic or other similar information, any reproduction, copying or other royalties incurred, additional bound copy reports, costs of external information/references obtained and key cutting, travel and subsistence expenses at their actual cost and car mileage at the standard AA scales.

5. INFORMATION RECEIVED FROM THE CLIENT

5.1 We will take all reasonable steps to ensure property information is accurate where we are responsible for its preparation. Where you provide us with any information on a property that is necessary or convenient to enable us to provide the Services properly, you are aware that we will rely on the accuracy, completeness and consistency of any information supplied by you or on your behalf and, unless specifically instructed otherwise in writing, we will not carry out any investigation to verify such information. We accept no liability for any inaccuracy or omission contained in information disclosed by you or on your behalf, whether prepared directly by you or by a third party, and whether or not supplied directly to us by that third party and you shall indemnify us should any such liability arise. If our valuation is required for the purpose of purchase or loan security, you accept that full investigation of the legal title and any leases is the responsibility of your lawyers.

5.2 Advice Assumptions

Unless otherwise advised by you in writing, we will provide the Services in relation to any property on the assumption that:

1. information provided as to the extent of and ownership of the property is complete and correct and that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoings or conditions attaching to the property save as specifically notified to us;
2. there are no environmental matters (including but not limited to actual or potential land, air or water contamination, or by asbestos or any other harmful or hazardous substance) that would affect the property, any development or any existing buildings on the property in respect of which the Services are provided or any adjoining property, and that we shall not be responsible for any investigations into the existence of the same and that you are responsible for making such investigations;
3. the property and any existing buildings are free from any defect whatsoever;

4. all the building services (such as lifts, electrical, gas, plumbing, heating, drainage and air conditioning installations and security systems) and property services (such as incoming mains, waste, drains, utility supplies, etc) are in good working order without any defect whatsoever;
5. any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);
6. the property and any existing building comply with all planning and building regulation, have the benefit of appropriate planning consent or other statutory authorisation for the current use and no adverse planning conditions or restrictions apply (which includes, but is not limited to, threat of or actual compulsory purchase order);
7. appropriate insurance cover is, and will continue to be, available on commercially acceptable terms for any building incorporating types of construction or materials which may pose an increased fire or health and safety risk, or where there may be an increased risk of terrorism, flooding or a rising water table;
8. items of plant and machinery that usually comprise part of the property on an assumed sale, are included in the property but items of plant and machinery that are associated with the process being carried on in the property or tenants trade fixtures and fittings are excluded from the property; and
9. all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual effect on building costs, property values or viability of any development or existing buildings.

5.3 Where comparable evidence information is included in our report, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation. In addition, we have not inspected comparable properties.

6. STRUCTURE

6.1 We will not carry out a structural survey of any property nor will we test services. Further, no inspection will be made of the woodwork and other parts of the structures which are covered, unexposed or inaccessible. In the absence of information to the contrary, the valuation will be on the basis that the property is free from defect. However, the value will reflect the apparent general state of repair of the property noted during inspection, but we do not give any warranty as to the condition of the structure, foundations, soil and services. Our report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the property, nor should such an opinion be implied.

6.2 Measurements

All measurements are to be provided by the Client from the relevant property registration documentation. We will not carry out any physical measurements unless specifically instructed to do so.

7. CONFLICTS OF INTEREST

7.1 We have conflict management procedures in place designed to prevent us from acting for one client in a matter where there is or could be a conflict with the interest of another client for whom we are acting. If you are aware or become aware of a possible conflict of this type, please raise it immediately with us. If a conflict of this nature arises, then we will decide, taking account of legal constraints, relevant regulatory body rules and your and the other client's interests and wishes, whether we can continue to act for both parties (such as through the use of separate teams with appropriate Chinese Walls), for one only or for neither. Where we do not believe that any potential or actual conflict of interest can be managed appropriately, we will inform you and consult with you as soon as reasonably practicable. Should you have any queries on this, you should contact your client partner.

8. MANAGEMENT OF THE PROPERTY

8.1 We shall not be responsible for the management of the property nor have any other responsibility (such as maintenance or repair) in relation to the property. We shall not be liable for any damage that may occur while the property is unoccupied. The property shall be your sole responsibility. You are aware that while a property is unoccupied, the property is likely to suffer from adverse weather conditions and frost damage may occur to water and heating systems and sanitary appliances. You are strongly recommended to take all necessary actions to protect the property from such risks and to ensure that adequate insurance cover is in force.

9. APPRAISAL EXCLUSIONS

Delay

9.1 Where matters beyond our control cause delay to the performance of the Services we will notify you as soon as we become aware of the situation.

Basis of Valuation

9.2 Unless otherwise requested the valuation will be prepared in accordance with Russian Valuation Standards and rules and the Appraisal and Valuation Standards published by the RICS ("The Red Book") and will be prepared by Asset Valuers as defined therein. In case of any discrepancies between these standards Russian Valuation Standards and rules will have precedence.

9.3 The valuation of any property held as an investment or surplus to requirements will be on the basis of Market Value (as defined in paragraph 21.4 hereof). Each Property should be valued separately and not as part of a portfolio and the Report will include long form reports on each of the Properties including detailed working assumptions and excel sheets used in preparation of such reports. The Consultant should also indicate the "Net Annual Rent (as defined in appendix 1 to the Listing Rules of the UK Listing Authority) and "Estimated Net Annual Rent" (as defined in the Red Book) of the Properties in current market conditions. Any properties primarily occupied by the owner of those properties or their subsidiaries will be valued on the basis of Existing Use Value (as defined in paragraph 21 hereof).

In addition, the Report shall include the Consultant's opinion of the Market Value of the Properties, taking account of any discount or premium reflecting the fact that the Properties are contained within a single portfolio. The valuation report shall disclose the gross development value, net asset value and the net asset value less the appropriate developers profit.
Furthermore, the Report should take into account of, and contain, all the information required by paragraph 130 of the Committee of European Securities Regulators' ("CSER") recommendations dated January 2005 (Ref: CSER/05-054b).

Whilst the Consultant is asked to assume that values will remain static during the period commencing on the date of the issue of its Report and until the date of Admission, the Consultant is asked to give consideration to those property aspects that are genuinely known to the market as likely to become of material relevance for the rental and investment market for properties of the type and location that are typically found within the portfolio during the 6 months following the date of the valuation and to write a brief commentary on those aspects. The Consultant is not asked to value forward, but to comment on the future direction of the market.
In providing the valuation, the Consultant shall carry out inspections of all of the Properties.
All assumptions upon which the valuation is based must be clearly set out in the Report.

9.4 Any property which is classified as "specialised" or which has been subject to specialist adaptation works may need to be valued on the basis of Depreciated Replacement Cost (as defined in paragraph 21.2 hereof). This value will be caveated as being subject to the directors of the owning company being satisfied that there is adequate potential profitability of the business compared with the value of the total assets employed.

9.5 When assessing either Existing Use Value or Market Value for balance sheet purposes, we will not include directly attributable acquisition or disposal costs in our valuation. Where asked to reflect costs by the client (as required under FRS15), these will be stated separately.

Tenure and Tenancies

9.6 We will not inspect title deeds and we will therefore rely on the information supplied as being correct and complete. In the absence of information to the contrary, we will assume the absence of unusually onerous restrictions, covenants or other encumbrances and that the property has a good and marketable title. Where supplied with legal documentation, we will consider it but we will not take responsibility for the legal interpretation of it. Unless agreed we will not obtain information from any local land registry office (where any such office exists).

9.7 You should confirm to us in writing if you require us to read leases and if so, provide all the relevant documentation within a reasonable time for consideration bearing in mind the date for receipt of our report. You should not rely upon our interpretation of the leases without first obtaining the advice of your lawyers.

Covenant

9.8 Our valuation will take into account potential purchasers' likely opinion of the financial strength of tenants. However, we will not undertake any detailed investigations on the covenant strength of the tenants. Unless informed to the contrary by you, we will assume that there are no significant arrears and that the tenants are able to meet their obligations under their leases or agreements.

9.9 We will not make any allowance in our Services for the existence of any mortgage or other financial encumbrance on or over the property nor take account of any leases between subsidiaries.

9.10 Any appraisal figures provided will be exclusive of VAT.

9.11 In instances where we are instructed to provide an indication of current reinstatement costs for fire insurance purposes, this is given solely as a guide without warranty. Formal estimates for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of replacement costs.

10. PLANNING REGULATIONS

10.1 Unless specifically instructed in writing to make formal searches with the relevant local planning authorities, we shall rely in the provision of our Services on the information provided informally by the relevant planning authority or its officers or by you or your advisors to us. We recommend that your lawyers be instructed to confirm the planning position relating to the property and review our comments on planning in the light of their findings.

10.2 Where we undertake value appraisals, we may consider the possibility of alternative uses being permitted. Unless otherwise notified by you or your advisors in writing, we shall assume that the property and any existing buildings comply with all planning and building regulation, existing uses have the benefit of appropriate planning consent or other statutory authorisation, and that no adverse planning conditions or restrictions apply.

11. TERMINATION BY NOTICE

11.1 Unless a fixed period has been agreed, either party may terminate the instruction by giving 14 days' notice in writing to the other party.

11.2 In the event of termination by notice, you shall be obliged to pay forthwith all the fees accrued in relation to the Services and work performed up to the date of termination (and any agreed abort fee) (the "Termination Fees") plus any reasonable expenses or disbursements incurred by us or to which we are committed at the date of termination.

12. PROFESSIONAL LIABILITY

12.1 Subject at all times to the provisions in these Terms and Conditions and the Letter, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Services in respect of:

12.1.1 any direct loss of profit;

12.1.2 any indirect, special or consequential loss whatsoever howsoever caused including without limitation:

(i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; and (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.

12.2 Subject at all times to the provisions in these Terms and Conditions and the Letter, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of the Services.

12.3 You acknowledge and agree that the exclusions contained in Clause 12.1 are reasonable in all the circumstances and that you have had the opportunity to take independent legal advice.

12.4 Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.

12.5 Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our Services to you.

12.6 Subject to the provisions in these Terms and Conditions and the Letter, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Services shall be limited to an aggregate sum not exceeding twenty times the fee paid for each instruction accepted.

12.7 We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

12.8 To cover any liability that might be incurred by us, we confirm that we will maintain professional indemnity insurance through the Lloyds and company insurance market, so long as such insurance is available at commercially acceptable rates and terms, with insurers of good standing and repute of not less than £10 million on an each and every claim basis.

12.9 Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the Services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.

12.10 Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However in the event of us being asked by you to readdress our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to the following minimum fees:

	First Extended Party	Second & Subsequent Extended Parties
For the first £1m of reported value	0.075%	0.025% per party
Thereafter	0.035%	0.015% per party

These fees are exclusive of VAT & expenses (including the cost of readdressing the report) and are subject to a minimum fee of $750. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.

Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of instruction between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.

12.11 Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clause 12.10 above), you agree to indemnify us for any and all liability which arises from the use of or reliance upon our report by such unauthorised party.

12.12 Save where we have consented to another party or other parties relying on the valuation report in accordance with clause 12.10, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to at clause 12.6) which arises from their use and/or reliance on the valuation report.

13. QUALITY OF SERVICE

13.1 Whilst we seek to provide high quality Services, if a client has cause for complaint we have standard complaints procedures, a copy of which is available on request. This is in accordance with requirements of the Royal Institution of Chartered Surveyors.

14. QUALITY CONTROL

14.1 In circumstances where a valuation, although provided for a client, may also be of use to third parties, for instance the shareholders in a company (otherwise defined as a "Regulated Purpose Valuation" by the RICS), the RICS requires us to state our policy on the rotation of the surveyor who prepares the valuation and the quality control procedures that are in place.

14.2 Irrespective of the purpose of the valuation, we will select the most appropriate surveyor for the valuation having regard to his/her expertise and the possible perception that independence and objectivity could be compromised where a valuer has held the responsibility for a particular client for a number of years. This may result in us rotating the surveyor responsible for repeat valuations for the same client although we will not do so without prior discussion with the client.

14.3 All our valuation reports are signed by a Board Member of the Firm whose responsibility it is to ensure that all relevant quality control procedures have been complied with. In particular for valuations of properties with an individual value of $30m or over, the valuer is required to present and explain his methodology to another member of the Valuation Advisory Team.

14.4 Where we are undertaking a Regulated Purpose Valuation (see 14.1 above) we are required by the RICS to state all of the following in our report:

14.4.1 The length of time the valuer continuously has been the signatory to valuations provided to you for the same purpose as the report, together with the length of time we have continuously been carrying out that valuation instruction for you;

14.4.2 The extent and duration of the relationship between you and us;

14.4.3 In relation to our preceding financial year the proportion of the total fees, if any, payable by you to our total fee income expressed as one of the following:
less than 5%; or
if more than 5%, an indication of the proportion within a range of 5 percentage points;

14.4.4 Where, since the end of the last financial year, it is anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, we shall include a further statement to that effect in addition to 14.4.3 above.

15. DATA PROTECTION

15.1 We (including any of our international partnerships, group companies and affiliated organisations) are a data controller of all personal data collected during the provision of the agency services. We shall use such personal data and information we obtain from other sources for providing the agency services, for administration and customer services, for marketing and to analyse your preferences. We may keep such personal data for a reasonable period for these purposes. We may need to share personal data with our service providers and agents for these purposes. We may disclose personal data in order to comply with a legal or regulatory obligation and you may request, in writing and upon payment of a fee, a copy of the details held about you by us.

15.2 We may share, for the purpose of the provision of the Services and on a need to know basis only, personal data within our international partnerships, group companies and affiliated organisations and with our business partners for marketing purposes, which may be to countries or jurisdictions which do not provide the same level of data protection as the country in which you are based, or we may send you and your employees information about other organisations' goods and services. We or any business partners may contact you and your employees, directly or via our agents, by mail, telephone, fax, email, SMS or other electronic messaging service with offers of goods and services or information that may be of interest. By providing us with your or your employees' personal data (whether that data is deemed sensitive or not) including fax numbers, telephone numbers or email addresses, you and your employees consent to being contacted by these methods for these purposes.

16. MONEY LAUNDERING REGULATIONS

16.1 Pursuant to requirements of Russian law on money laundering we may be required to verify certain particulars of our clients and may need to ask you to assist us in complying with such requirements. Where such information is requested, you will provide such information promptly to enable us to proceed to provide our Services. We shall not be liable to you or any other parties for any delay in the performance or any failure to perform the Services which may be caused by our duty to comply with such requirements.

17. ELECTRONIC COMMUNICATIONS

17.1 We may communicate with each other by electronic mail, sometimes attaching electronic data. By consenting to this method of communication, we and you accept the inherent risks (including the security risks of interception of, or unauthorized access to, such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). In the event of a dispute, neither of us will challenge the legal evidential standing of an electronic document and our system shall be deemed to be the definitive record of electronic communications and documentation.

18. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

18.1 We owe our clients a duty of confidentiality. You agree, however, that we may, when required by our insurers or other advisers, provide details to them of any engagement on which we have acted for you, and that we may also disclose confidential information relating to your affairs if required to do so for legal, regulatory or insurance purposes only.

18.2 Both parties agree never to disclose sensitive details of transactions or our advice without the other's consent. Unless we are expressly bound by a duty of confidentiality which otherwise overrides this, both parties shall be entitled to mention to third parties (e.g. in the course of presentations, speeches or pitches) and/or publish (e.g. in brochures, marketing or other written material) that we provide our services to you.

18.3 We will not approve any mention of our Services unless it contains sufficient reference to all the special assumptions and/or limitations (if any) to which our Services are subject. For the avoidance of doubt our approval is required whether or not we are referred to by name and whether or not our advice is combined with others.

18.4 We may make the approval of any mention of our Services subject to the payment of an additional fee to cover additional work and professional liability.

18.5 All intellectual property rights (including copyrights) in the documents, materials, records, data and information in any form developed or provided to you by us or otherwise generated in the provision of our Services shall belong to us solely

19. THIRD PARTIES RIGHTS AND ASSIGNMENT

19.1 Except as expressly provided otherwise no term of the Agreement or these Terms of Business is intended to confer a benefit on or to be enforceable by any person who is not a party to the same.

19.2 Except as expressly provided otherwise neither party shall be entitled to assign this contract or any rights and obligations arising from it without the prior written consent of the other, such consent not to be unreasonably withheld or delayed.

20. GENERAL

20.1 If any provision of the Terms of Business is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Terms of Business and the remainder of such provision shall continue in full force and effect.

20.2 Failure or delay by us in enforcing or partially enforcing any provision of these Terms of Business shall not be construed as a waiver of any of our rights under these Terms of Business.

20.3 The Agreement and these Terms of Business shall be governed by and be construed in accordance with English Law.

21. BASES OF VALUATION

Our valuation advice will be prepared in accordance with one or more of the following bases of valuation as defined in the Practice Statements of the Red Book ("PS"), as appropriate:

21.1 Market Value

PS 3.2 defines Market Value as:
"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

21.1.1 Trading Related Valuations

Where appropriate, such properties will be valued on the basis of Market Value as a fully equipped operational entity, having regard to trading potential.

Where we are instructed to value an operational property having regard to it's trading potential (such as self storage properties, hotels and marinas), we will take account of any trading information provided to us. The valuations will be based on our opinion as to future trading potential and the level of turnover and net operating income likely to be achieved.

The valuations will be made on the basis that the properties will be sold as a whole including all fixtures, fittings, stock and goodwill. The new owner would normally engage the existing staff and the new management would expect to take over the benefit of existing and future bookings or occupational agreements which may be an important feature of the continuing operation, together with all existing statutory consents plus all operational permits and licenses.

Unless made clear to the contrary in our report, the valuations will reflect our opinion that all goodwill for the properties is tied to the land and buildings and does not represent personal goodwill to the operator.

Our valuations will be based on the information which either the operator has supplied to us or which we have obtained from our enquiries (including full detailed trading information in relation to each trading property). We will rely on this being correct and complete and on there being no undisclosed matters which would affect our valuation.

21.2 Depreciated Replacement Cost

PS 3 Appendix 3.1 states that Depreciated Replacement Cost (DRC) is recognized as an acceptable method of estimating Market Value where more reliable methods, such as market comparison or an income (profits test), cannot be applied. The valuer must be satisfied that it is not practicable to prepare a valuation by any other method before relying solely on depreciated replacement cost.

DRC is based on an estimate of the value of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization.

21.3 Market Rent

PS 3.4 defines Market Rent as:
"The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arms length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion."

21.4 Existing Use Value

PS 1.3 defines Existing Use Value as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently, and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause it's Market Value to differ from that needed to replace the remaining service potential at least cost."