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VALUATION REPORT 15-MOSC-900008

“THE MIRLAND DEVELOPMENT CORPORATION ASSETS”, RUSSIA

PREPARED FOR MIRLAND DEVELOPMENT CORPORATION PLC

DATE OF VALUATION 31 DECEMBER 2014

12 March 2015

CUSHMAN & WAKEFIELD®

TABLE OF CONTENTS

A VALUATION REPORT

To:	MirLand Development Corporation Plc Cyprus, Limassol 3025, Thessaloniki Street Nicolau Pentadromos Centre, Floor 10, office 1002
Attention:	Roman Rozental, CEO
Property:	"Mirland Development Corporation Assets"
Report Date:	12 March 2015
Valuation Date:	31 December 2014

1 INSTRUCTIONS

APPOINTMENT

In accordance with your request, as confirmed by the Valuation Agreement 15-MOSC-900008 dated 27 January 2015, ("Agreement"), concluded between Cushman & Wakefield OOO ("C&W") and Mirland Development Corporation Plc ("the Client"), we are pleased to submit our valuation report of various properties known together as "Mirland Development Corporation" plc.

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

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 January 2014. 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.

2 BACKGROUND TO THE VALUATION

We are instructed to prepare this Valuation Report for financial reporting purposes. The effective date of each valuation is 31st of December 2014.

3 BASES 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."

4. TENURE AND TENANCIES

We have not reviewed the Title Deeds or Leases and each valuation has been based entirely on the information which the Client has supplied to us as to tenure, tenancies and statutory notices. We understand each property is either held by the Client, 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 Client 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 Client. 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 Client.

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:

1. the property possesses a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances;
2. 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;
3. 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;
4. all notices have been served validly and within appropriate time limits;
5. the property excludes any mineral rights; and
6. vacant possession can be given of all accommodation which is unlet, or occupied either by the Client or by its employees on service occupancies.

In certain cases we have been informed by the Client 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 Client 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.

5. NET ANNUAL RENT

The net annual rent for each property is referred to in the Schedule at Appendix One. Net annual rent is defined 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".

6. 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 Client. 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 Client 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 Client'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"*.

7. 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.

8. 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 Client'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.

9. 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 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.

10. 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 Client. 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.

11. GENERAL PRINCIPLES

Each valuation is based on the information which has been supplied to us by the Client 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.

Each valuation does not make allowance either for the cost of transferring sale proceeds internationally or elsewhere within the Client, or for any restrictions on doing so. No account has been taken of any leases granted between subsidiaries of the Client, 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.

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.

12. MARKET UNCERTAINTY

GENERAL COMMENT

Recent events in Russia linked to geo-political events, currency fluctuations and a reduction in the availability of finance due to sanctions, have resulted in abnormal volatility in the Russian economy with unpredictable consequences for the local real estate market. We have valued the Property on the basis of the market evidence available at the date of valuation, although during 2014 there have been an increasingly limited volume of transactions. We have endeavoured to reflect current market sentiment, although this is mixed: some commentators are taking a pessimistic view, whilst others suggest that the prospects for Russian real estate may not be adversely affected in the medium term. In the absence of information to the contrary, our valuation has been undertaken assuming that the property market will continue to perform broadly as it has in the past, but we recommend you keep the valuation of this property under review, so far as you judge it to be relevant in the context of the purposes for which this valuation is required.

MARKET INSTABILITY

In accordance with Guidance Note 5 of the RICS Valuation Standards, we would draw your attention to the following comment regarding current market conditions. The current volatility in the Russian financial system, including the significant weakening of the Russian rouble, has created a significant degree of uncertainty in all sectors of the commercial real estate market. In this environment, it is possible that prices and values could go through a period of heightened volatility whilst the market absorbs the various issues and reaches its conclusions. he lack of liquidity in the capital markets means that it may be very difficult to achieve a successful sale of these assets in the short term and we would recommend that the situation and the valuations are kept under regular review and specific marketing advice is obtained should you wish to effect a disposal.

UNCERTAINTY CLAUSE

It must be noted that sentiment towards the property investment market has weakened considerably during the course of 2014. Fewer transactions are occurring in the market places as investor's contemplate how the market will adjust to the current environment of economic volatility. Our opinion of Market Value is provided in the light of these conditions and investor sentiment. The limited number of comparable transactions and the current market uncertainty mean that, in arriving at our opinion of Market Value, we are having to exercise more than the usual degree of judgement. Further, we recommend that the valuation is kept under constant review.

13. 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.

14. 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.

15. DISCLOSURE

The members of The Royal Institution of Chartered Surveyors signing this Report have previously been the signatories to the valuations provided to the Client 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 Client.

16. AGGREGATE VALUATION

Subject to the foregoing, and based on values current as at 31st of December 2014, we are of opinion that the aggregation of the Market Value of each 100% share of each freehold and leasehold interest in each Property, as set out in the appendix, is the total sum of (rounded):

US$621,600,000

SIX HUNDRED TWENTY ONE MILLION, SIX HUNDRED THOUSAND

US DOLLARS

NET OF VAT

OR

34 970 221 000 RUR[1]

THIRTY FOUR BILLION, NINE HUNDREN SEVENTY MILLION, TWO HUNDRED TWENTY ONE THOUSAND

RUSSIAN ROUBLES

NET OF VAT

This sum may be apportioned as follows:

	FREEHOLD (ROUNDED)	LEASEHOLD (ROUNDED)
Properties held as Investments	US$166,500,000	US$173,900,000
Properties in the Course of Development	US$31,000,000	US$33,500,000
Properties Held for Development	US$209,300,000	US$7,400,000
Total	**US$406,800,000**	**US$214,800,000**

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

US$589,500,000

FIVE HUNDRED EIGHTY NINE MILLION FIVE HUNDRED THOUSAND

US DOLLARS

NET OF VAT

OR

33 164 327 000 RUR[2]

THIRTY THREE BILLION, ONE HUNDRED SIXTY FOUR MILLION, THREE HUNDRED TWENTY SEVEN THOUSAND

RUSSIAN ROUBLES

NET OF VAT

This sum may be apportioned as follows:

	FREEHOLD (ROUNDED)	LEASEHOLD (ROUNDED)
Properties held as Investments	US$166,500,000	US$141,800,000
Properties in the Course of Development	US$31,000,000	US$33,500,000
Properties Held for Development	US$209,300,000	US$7,400,000
Total	**US$406,800,000**	**US$589,500,000**

[1] As at the exchange rate of Central Bank of Russia as at December 31, 2014
[2] As at the exchange rate of Central Bank of Russia as at December 31, 2014

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 allow stabilisation of income upon development completion, with the exception of the development of residential property for sale, and that no debt is used.

17. 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.

Signed for and on behalf of Cushman & Wakefield OOO

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APPENDIX I

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 or the 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 analyzing 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 cannot 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 judgment 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 in Saratov and Novosibirsk intended for development of a logistics complex, land plot in St. Petersburg intended for office and retail complex construction and Perkhushkovo 2 land plot intended for cottage settlement development.

In regards to the Yaroslavl Phase 2 and Kazan we used the DCF method Yaroslavl Phase 2 represents an extension of existing first phase and Kazan represents a build-to-suit project, therefore they already have development concepts in place.

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 Property, 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. subject properties. Where a comparable is held leasehold for 49 years and the Subject Property is held freehold, an adjustment of 10% is considered to be appropriate.

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 10% to reflect this fact.

PERMITTED USE

This adjustment describes the permitted use applicable to every land plot comparable. 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 percentage terms 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 still in the pre-submission design phase.

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 Property. 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 percentage terms but in the amount of money per 1 sq. m. invested into the project and connected with the acquisition of the necessary utilities – in our case the money was invested into the laying of electricity lines, construction of an electricity sub-station and the acquisition of technical conditions for 6Mwt of electricity.

On the basis of all the 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 the 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 a market-derived discount rate is applied to establish a present value for the income stream. This Net Present Value ("NPV") is an indication of Market Value[3]. 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

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.

[3] International Valuation Standards Sixth Edition – Guidance Note 9

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.

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 summarized below:

DCF MODEL HOLDING PERIOD

Our models assume a resale of assets at the end of a 5-year holding period. Our DCF valuation thus projects incomes and costs for a 5-year period running from 2015 to 2020, with a hypothetical resale of the assets, following the 5 year holding period.

CURRENT RENTAL RATES

Current rents were set according to the agreements with tenants. According to the information, received from the Client, under the current turbulent market conditions practically all tenants signed addendums with fixed corridors or even with certain rent reductions and discounts. All this was taken into account while setting the current rent for the tenants. For office premises we analyzed each tenant separately and set each rent according to the fixed corridor where applicable (in most cases it was at the level of 38-41 RUR per 1 USD) and recalculated them using the exchange rate as at the valuation date.

For retail malls in Saratov and Yaroslavl we took into account all discounts that were made to special tenants and also recalculated rents using set corridors of 38 RUR per 1 USD and 36.5 RUR for Saratov and Yaroslavl accordingly.

For the purpose of our valuation we assumed that these corridors will be in place for the duration of each contract until lease expiration. For office premises weighted unexpired lease term is from 1.5 to 2 years, which means that the corridor will be set for at least 2 years. For retail malls unexpired lease term is from 3 to 5 years. As from year 2 we assume indexation of rents according to existing contracts, we assume this to be reasonable and conservative, give current market uncertainty.

For Kazan development project (build-to-suit) we set rents according to existing preliminary agreement with OBI and Behetle. For Yaroslavl Phase 2 we also recalculated possible rents on the basis of those, currently used in the operating Mall.

For Perkhushkovo and St. Petersburg Residential we set sale prices based on the results of sales occurred last year and on the basis of current sale prices for similar projects.

CURRENT RENT INDEXATION

Taking into current turbulent market conditions and discounts given to tenants, we applied 0% indexation for year 1 and then contracted indexation according to existing lease terms.

ESTIMATED RENTAL VALUE/MARKET RENT

In preparing our valuation we have made reference to rental values appropriate to the nature and use of the accommodation as well as the location of the Property. As at the respective date of valuation we have estimated the rental income based on our ERVs for the different uses and qualities of net leasable area. These figures are based on research carried out by C&W and market data as described in Appendix VI of the current Report.

In conclusion, consistent with the above market evidence and the opinion of consultants in our Office Agency and Retail Department, who have a significant amount of experience in letting this type of Properties, based on the analysis of all the salient facts and circumstances we are of opinion that as of the date of valuation net ERV for office premises are in the range from 300 to 400 USD per 1 sq. m

The Market Rent applied is net of operating costs, taxes and insurance costs and assumes appropriate and prevalent current lease terms.

We have adjusted downwards our opinions of ERV for all of the properties valued, in order to reflect the current occupational market for these buildings.

For all properties (except for Yaroslavl Mall and Saratov Triumph Mall) we have lowered the ERV if compared to the previous year in an absolute amount. For both retail properties we re-calculated the current rent at the exchange rate of 45 RUR per 1 USD (versus 36.5 RUR for Yaroslavl and 38 RUR for Saratov Mall as current rents) in order to set the ERV, which will be applicable after the lease expiration date.

ERV GROWTH

Based on market research carried out by Cushman & Wakefield and taking into account current trends in the office market, we have applied 0% of annual growth on ERV for the forecasted period in regards to each Property for the coming 2 years, which actually means slight decrease of rents because no correction on inflation was made. After that period we assume the recovery of the economics and a 5% growth of ERV (which includes 2.3% of CPI US), which according to our opinion is in line with the current market trends and represents rather conservative approach. As it has been seen after previous turbulence periods, market grows quite rapidly during the recovery periods, therefore we believe that our approach is reasonable and rather conservative.

A growth rate of 2.5% for each year during the holding period was adopted for Perkhushkovo cottage settlement taking into account the nature of the Property and rather low initial sale prices, which according to the Client will be definitely indexed this year and will be indexed the coming years onwards.

VOID PERIOD

For those spaces currently vacant we have assumed a marketing/letting period of 3 to 12 months for to be fully let. All our assumptions are based on the current market trends, our internal discussions with our Office Agency and Retail Teams and the Landlords' letting team.

In regards to those Properties which are now half or fully vacant, we assumed different letting periods depending on the type of the Property, its characteristics and the level of rents adopted for ERV. It is common knowledge that the higher the rent it, the longer time it will take to lease the Property in case the owner would like to keep this level of rent and give few or no discounts at all.

For those premises with a total area of more than 1,000 sq. m which become vacant due to lease expiries we have assumed that they will be re-let after a 3 month expiry void, as we have assumed that the landlord will begin marketing the space on the tenant's service of notice not to renew the lease 3 to 6 months before lease expiry. For areas more than 5,000 sq. m we assume longer void periods of 5-6 months.

OPERATING EXPENSES

Operating expenses include the following expenses: Utilities, Insurance, Security, Legal, Land Rent, Taxes (including Property Tax), Audit, Technical operation, Administrative expenses.

For the purposes of our analysis we analysed all operating expenses associated with each property by comparing operating expenses, covered by tenants and operating expenses paid by the Client. As a result we have identified Non-Recoverable Costs for each Property that reduce the net income in each period.

We were informed by the Client that in 2015 there are some one-time non-recurring additional expenses that we deducted from the rental income in the first period.

For Yaroslavl Vernissage Mall there are no on-going non-recoverable costs as all of them are covered by tenants, except for some one-time non-recurring expenses that occur this year. These were included into the cash flow and then deducted from the rental income.

For residential properties, it is assumed that operating expenses will be passed through to residents in the form of a service charge or similar.

TURNOVER

On the basis of our inquiries we have identified that Triumph Mall in Saratov and Vernissage Mall in Yaroslavl are subjects to an additional income stream in the form of turnover rent that we consider to be in line with the current market as at the valuation date. Turnover rent is payable as detailed in the relevant lease agreements as a percentage of the annual turnover net of VAT where this exceeds the amount of the annual base rent net of VAT.

FEES ON LEASING AND DISPOSAL FEES

When selling (but not acquiring) and leasing commercial premises, it is a standard market practice to use brokers' services. Taking into account the size of each Property, standard market practice and other relevant characteristics, we have estimated brokers' fee commission. The fee commission was applied at the level of 0.5% for each Property at the end of the cash flow on disposal of each property. We have consulted our Brokers and assume that this level of fees is reasonable under the current market conditions.

Leasing commission equals one month's rent or 8.33% of the annual lease related income for all premises, which are vacant as at the valuation date.

CURRENCY EXCHANGE RATE

In accordance with the Central Bank of the Russian Federation, as at the valuation date the currency exchange rates were as follows:

1 USD=56.2584 RUR

1 EURO= 68.3427 RUR

DISCOUNT RATE

We have considered the perceived and actual risks associated with the Property, as there is a direct correlation between a property's perceived risk and the expected rate of return to an investor (the discount rate). Generally, the yield or 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 realization of expected future returns.

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

The appropriate discount rate will be the rate of return that adequately compensates the investor for the risks taken. As risk rises, the required compensation for the level of risk should also rise, reflected in a rise in the discount rate. The discount rate (the target rate of return) is usually derived by reference to the return on an alternative form of perceived low-risk or riskless asset (frequently the benchmark is the gross redemption yield on government gilts or cash), plus appropriate additions for risk.

The level of rate may vary in different areas of a city or country 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. High quality newer investment properties generally have lower yields and discount rates than older existing properties.

Based on our knowledge of required rates of return for various investments, in particular real estate, as well as through discussions with investors active in the real estate market in Russia, we have been able to estimate an appropriate discount rate which reflects the perceived risk and required rate of return for a property such as the subject property.

In determining this discount rate, we have used a number of factors to ensure that it is accurate, applicable, market derived and theoretically robust. Firstly, we have derived the discount rate both from our knowledge of the minimum hurdle rates of return (minimum IRR) required by actual developers and investors currently active in the Russian market (that is, from real market participants and the real rates of return required by our clients).

Secondly, we have used the cumulative method to rationalize and verify the market derived discount rate applied in a more quantitatively and economically robust context. The Cumulative Method assesses the likely return required by investors and developers based on the desired rate of return (also referred to as the discount rate or target rate) conventionally constructed from a risk-free rate and market risk premium; for real estate, investors may also choose to add specific risk premiums.

Finally, we have tested the reasonableness of the discount rates and exit yields applied to the discounted cash flow by considering the initial yield produced by our calculations at the date of valuation based on the current annual income and the Market Value produced by the DCF. This initial yield has been tested against current evidence and market sentiment as to initial yields in the particular property sector ad macro-location considered.

We therefore analyzed each asset and considered each as an investment opportunity and that a third party purchaser in the current market would require a minimum un-geared/deleveraged internal rate of return in order to purchase the asset.

While the construction of a discount rate using the cumulative or build-up method may seem to be a relatively straightforward process, actually determining the risk premium is more complex. Although some areas can be estimated quantitatively from historic data, a number of factors, resist that kind of analysis. As a result, investors are required to make subjective or qualitative adjustments to discount rates. The positive interpretation of this is that being aware of a risk, even if one cannot quantify it exactly, is the first step in controlling it.

The following are examples of the sort of factors, which may be used in deriving a property risk premium:

1. Risk-free rate of investment
2. Market risks
    a. Illiquidity upon sale (e.g. lot size, transaction times, availability of finance)
    b. Failure to meet market rental expectations (forecast rental growth)
    c. Failure to meet market yield expectations (forecast yield shift)
    d. Risk of locational, economic, physical and functional depreciation through structural change
    e. Risks associated with legislative change (e.g. planning/privity of contract, changes in fiscal policy)
3. Specific risks
    a. Permitting/Planning risk (for development land or properties)
    b. Construction risk (for development land or properties
    c. Sales or market cycle risk (the risk of failure to let or sell the specific asset due to demand changes)
    d. Tenant default on rental payment (covenant risk)
    e. Risk of failure to re-let (void risks)
    f. Costs of ownership and management
    g. Differing lease structures (e.g. rent review structure, lease breaks).

The risk-free return rate is normally taken to be the gross redemption yield on a medium-dated government gilt, preferably of the same duration as the assumed holding period of the investment. (Alternatively it is possible to adopt the real return of index-linked gilts, in which case this needs to be applied to cash flows expressed in real terms.) Equally, geared investors or property companies frequently have reference to debt costs or the weighted average cost of capital (WACC) as the core metric against which assets are assessed.

The second group – risks of structural change or market failure – is those that may affect the market as a whole, particular subsectors or groups of property. The structural impacts on the in-town retail market brought about by the introduction of out-of-town retailing and changes to property taxation such as value added tax(VAT) are good examples of this. As such, these risks could be called market or systemic risks.

The third group – property, non-market or 'unsystemic' risk factors – are, broadly speaking, risks associated with individual assets.

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.

The exit yield applied in the end of a forecasted period of the discounted cash flow, that is, after the holding period in the DCF, assumes a hypothetical sale of the Property at this time through the application of an All-Risks Yield to the final year's income stream.

In assessing the exit yield to apply, we have had regard to current initial yields for the segment and type of Property represented by the subject property, market sentiment relating to anticipated yields in the short term for this type of property and the anticipated state of each Property in 5 years. We have also had regard to the likely competition in the office segment in forthcoming years and the resultant and likely attractiveness of the Properties to investors given an increase/decrease in supply of similar quality assets.

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.

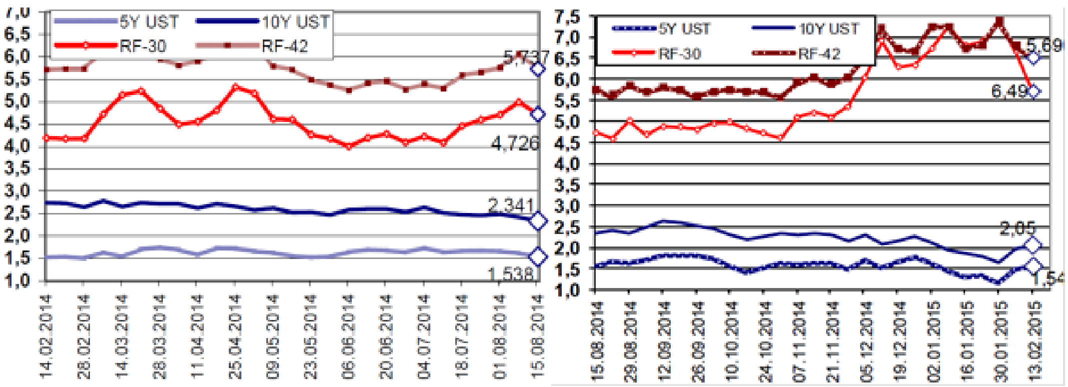
Arriving at discount and capitalization rates and bearing in mind how these should be correlated to each other is an important process in the calculation of value, which requires a valuer to draw on their specific skills and knowledge of the market under consideration. The discount rate reflects the return sought by the investor from the asset and takes into account the current level of risk inherent in the investment concerned.

The initial yields and running yields generated by our valuations are principally in the range of 11.5% to 14%, these being in line with those yields reported for the office and retail sectors by major real estate companies (Jones Lang Lasalle and Cushman and Wakefield Research teams). We have also discussed our adopted yields with our in-house Capital Markets team to ensure we are reflecting existing market sentiment of both buyers and sellers.

Both the discount rates and exit yields are functions within the valuation calculations, from which our opinions of Market Value are derived. These calculations generate a variety of outputs, including initial / running yield and capital value per sq. m, which are considered collectively in order to arrive at what we consider to be an appropriate value, in line with the market.

In addition, it is necessary to note that in our previous valuation of the subject Property (as of June 2014) we used the exit yields 1% lower than the current ones and discount rates 1.5% lower than the current ones. This assumption can be additionally supported by the fact that the yields to maturity (YTM) of the Russian eurobonds have similarly increased by approximately 100 bps (Russia-42) and 200 bps (Russia-30) over the same period (June 2014 – December 2014), as can be observed on the graphs below:

YIELDS TO MATURITY OF THE RUSSIAN EUROBONDS AND US TREASURIES



Source: www.veb.ru

For Properties in the course of development (St. Petersburg Residential, Kazan and Yaroslavl phase 2) the following additional assumptions were made:

ACQUISITION COST

The properties are mainly owned. However, in the modeling 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 Client, 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.

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 were agreed with our internal brokers' departments, which have significant knowledge and transactional experience in all sectors of commercial real estate in Russia.

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 the Properties 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.

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.

DEVELOPMENT ASSUMPTIONS

The current Report and Valuation are based on the assumption that all concepts proposed by the Client are legally possible and the proposed development schemes will be realized by the Client under current conditions and commercial terms. Therefore the Values provided are related to the size and use of the planned projects, 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".*

MirLand Development Corporation Assets - Overview of Market Values as at 31st of December 2014

Ref.	City	Property Name and Address	Portfolio Market Value as of 31st of December 2014	Percentage Owned by MirLand	MirLand Market Value as of 31st of December 2014 (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 Capitalisation Rate for Commercial	Total Outstanding Investment (excl. VAT & Land for commercial properties and incl. VAT for residential projects)	Total Commercial Rental Income as of 2015 Market Rental Values (Assuming 100% Occupancy and Fully Completed)
001	Moscow	Hydromashservice, 2-Khutorskaya str., 38A	$45 900 000	100%	$45 900 000	12 237	16 696	$2 749	14,00%	10,00%	Completed	$6 083 000
002	Moscow	MAG, 2-Khutorskaya str., 38A	$55 700 000	100%	$55 700 000	21 940	18 535	$3 005	14,00%	10,00%	Completed	$6 541 000
003	Moscow Region	Western Residence, Perkhushkovo, Odintsovsky district	$31 000 000	100%	$31 000 000	225 300	56 876	$545	15,50%	Residential	n/a	Residential
004	Saratov	Triumph Mall, 167 Zarubina street	$96 500 000	100%	$96 500 000	22 000	27 241	$3 542	14,00%	11,50%	Completed	$10 912 000
005	Saint Petersburg	Triumph Park, Residential	$176 000 000	100%	$176 000 000	326 651	467 242	$377	20,00%	Residential	$634 799 000	Residential
006	Saint Petersburg	Triumph Park, Trade Center	$15 500 000	100%	$15 500 000	81 663	n/a	n/a	n/a	n/a	n/a	n/a
007	Yaroslavl	Vernissage Mall, Kalinina str.	$70 000 000	100,0%	$70 000 000	120 000	34 092	$2 053	14,00%	11,50%	Completed	$7 159 000
008	Yaroslavl	Phase II	$9 900 000	100,0%	$9 900 000	180 000	55 000	$180	21,50%	11,50%	$43 353 000	$7 836 000
009	Moscow	Tamiz Building	$33 500 000	100%	$33 500 000	4 500	11 737	$2 854	14,00%	10,00%	Completed	$3 870 000
010	Moscow	Century Buildings	$72 300 000	51%/61%	$40 200 000	5 800	20 904	$3 459	14,00%	10,00%	Completed	$7 569 000
011	Kazan	Triumph House	$7 400 000	100%	$7 400 000	22 000	16 783	n/a	17,50%	11,00%	$18 276 000	$4 269 000
012	Saratov	Logistics Complex	$5 500 000	100%	$5 500 000	260 000	n/a	n/a	n/a	n/a	n/a	n/a
013	Novosibirsk	Logistics Complex	$2 400 000	100%	$2 400 000	406 752	n/a	n/a	n/a	n/a	n/a	n/a
		Total	**$621 600 000**		**$589 500 000**						**$696 400 000**	**$54 200 000**

PROPERTIES HELD AS INVESTMENTS

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated 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 part 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 18,534.80 sq. m. with 175 parking spaces. As at the date of valuation there were 3,617 sq. m. of vacant space, which represents 19.52% of the total rentable area. 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 a leasehold basis up to 30.11.2032.	Differing length periods.	US$5 512 706	US$6 924 715	**US$55,700,000** **US$55,700,000** for the 100% share interest held by the Client according to information provided to us.
"Hydromashservice" 2-Khutorskaya street, 38A Moscow, Russia	The Property is located 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. Hydromashservice is a former factory site containing several buildings, which have been practically fully refurbished and transformed into new class B office space. According to information provided to us total leasable area is 16,696.00 sq. m (of which 3,352 sq. m. or 20% are not leased) and 175 parking spaces. The Property has originally been constructed and used as an industrial premise in the former century. The building improvements are owned by Hydromashservice LLC according to ownership certificates provided by the Client. 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$5 063 447	US$6 169 745	**US$45,900,000** **US$45,900,000** for the 100% share interest held by the Client according to information provided to us.

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated 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 leasable area of 20,903.30 sq. m. located on a land plot with the total area of 0.58 hectares. Vacant premises comprise 2.9% of the GLA, which is 611,5 sq. m The land plot is held leasehold and the building is held freehold.	Differing length periods.	US$7 023 301	US$8 481 490	**US$72,300,000** **US$40,200,000** for the 51%/61% share interest in bld. 8 and bld. 17 respectively held by the Client according to information provided to us.
"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 is represented by Class B office building with a total leasable area of 11,737 sq. m. located on the land plot with the total area of 0.45 hectares. There are 582 sq. m. vacant (or 4.96% vacancy rate) in the building at present. Currently the building is offered on the market for lease. The Property has the benefit of 22 surface parking spaces. The land plot is held leasehold and the building is held freehold.	Differing length periods	US$3 432 926	US$3 821 855	**US$33,500,000** **US$33,500,000** for the 100% share interest held by the Client according to information provided to us

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
"Triumph Mall" 167 Zarubina Street Saratov, Russia	The Property represents a modern three-floor retail entertainment center with a total leasable area of 27,240.83 sq. m, of which 0,39% are currently vacant. The Property conforms to 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 at a 15 minutes' walking distance from the historical centre of Saratov, near Saratov airport and Saratov railway station. The north-eastern border of the site faces Zarubina Street. Universitetskaya Street is to the north-west of the site and Astrakhanskaya Street is to the south-eastern frontier of the site. 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.	Differing length periods	US$10 933 161 (including turnover rent)	US$12 769 078 (including turnover rent)	**US$96,500,000** **US$96,500,000** for the 100% share interest held by the Client according to information provided to us

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
"Vernissage Mall" Moskovskoye Shosse & Kalinina street Yaroslavl Region, Russia	The Property is a modern retail complex with entertainment areas which opened on the 27th of April 2007 with a total leasable area of 34,092 sq. m, of which 1.88% are currently vacant. Gross buildable area comprises 40,787 sq. m. The complex consists of one ground floor and a guest ground parking with 1,450 spaces. 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 conforms to 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 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").	Differing length periods.	US$6 732 438 (including turnover rent)	US$8 354 371 (including turnover rent)	**US$70,000,000** **US$70,000,000** for the 100% share interest held by the Client according to information provided to us.

PROPERTIES IN COURSE OF DEVELOPMENT

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
Western Residence Perkhushkovo Odintsovo District Moscow Region, Russia	The Property is located in the Moscow Region, in the Odintsovo District close to Mozhayskoe Shosse approximately 15 km distance to the west of the MKAD (Moscow Ring Road) and approximately five km from Perkhushkovo railway station. The neighbouring land plots are characterised by housing settlements and forests. The Property comprises two adjacent land plots held freehold 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 the course of 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 Client). Apart from residential premises a Client Management 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 Client, as at the date of this Report, the 1st phase of development was 100% completed. 41 houses from the 1st phase were already sold as of the date of valuation.	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$31,000,000** **US$31,000,000** for the 100% share interest held by the Client according to information provided to us
"Triumph Park, Residential" and "Triumph Park, Trade Center" 30 Pulkovskoe Shosse Saint Petersburg, Russia	The Property is located in the second line from (set back from) the main road (Pulkovskoe Shosse) connecting the Saint Petersburg airport 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. The Property is represented by a land plot of 40.8314 hectares in total which is intended for future development of residential 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 covers a relatively small part of the land plot. The concept of the Residential element provided to us suggests constructing all in all 9,000 residential dwellings comprising an average saleable area of 63.5	<u>Residential:</u> Upon completion the units are expected to be sold on a single unit basis. <u>Commercial:</u> n/a	<u>Residential:</u> Upon completion the units are expected to be sold on a single unit basis. <u>Commercial:</u> n/a	<u>Residential:</u> Upon completion the units are expected to be sold on a single unit basis. <u>Commercial:</u> n/a	Total Value for Residential &Trade **US$191,500,000** **US$191,500,000** for the 100% share interest held by the Client according to information provided to us

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
	sq. m. per apartment (560,000 sq. m. in total) over 8 phases. The quality of the apartments is split into "Economy" class and "Comfort" class. The construction of the first phase was started in August 2008 with the consecutive phases following each one and a half years thereafter. 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. Construction started in August 2008 and will take place in 8 phases, with the last one being completed in 2021. We have also been informed that the general plan of the project was approved as well as the detailed planning. According to the information provided to us by the Client, more than 1,500 apartments were sold before the date of valuation. Commercial part of the property is represented by a land plot of 8.16628 hectares in total, 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 March 2015 and the last phase being completed in May 2019. The planned retail areas are split into two different forms – street retail and shopping center. Total outstanding development costs are estimated at US$634 798 981 (for residential part including VAT).				

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
"Triumph House" Okolnaya street, 28A Kazan, Russia	The Property represents a land plot with a total area of 2.2 ha intended for the construction of a two-storied Home Design Centre. The site is surrounded by residential buildings to the west, south and east. From the north the Site is bounded by an industrial zone. Total gross leasable area will be 16,783 sq. m of which 14,128 sq. m. is intended for OBI and 2,655 sq. m for Behetle. There will be an outdoor parking for 200 cars. As we understand from the Client, this will be a built-to-suite property where the Client has already agreed all the terms and signed the contrasts with the future tenants. The site is located in the Central part of Kazan on the intersection of Gorkovskoe Highway, Bolotnikova Street, Frunze Street and Vosstaniya Street. Total outstanding development costs are estimated at US$18 276 000 (excluding VAT).	n/a	n/a	US$4 269 000 (assuming 100% occupancy according to signed agreements)	**US$7,400,000** **US$7,400,000** for the 100% share interest held by the Client according to information provided to us (Assuming built and fully let on market terms US$40 965 976)
"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 Client, 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. 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 by car. The district is largely 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) Total outstanding development costs are estimated at US$62 152 250 (excluding VAT).	n/a	n/a	US$7 836 000 (upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed zero vacancy for the cinema, a vacancy rate of 50% for the retail gallery in 2017, 30% for the same category of tenants for 2018, 20% for 2019 and 5% from 2020 onwards)	**US$9,900,000** **US$9,900,000** for the 100% share interest held by the Client according to information provided to us (Assuming built and fully let on market terms US$88 244 759)

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated 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 hectares held for construction of a logistics complex. According to information provided by the Client 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. The Property is located in close proximity to Dubki Village in the 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$5,500,000** **US$5,500,000** for the 100% share interest held by the Client according to information provided to us
Logistics Complex 1 km to the north-east of Sadoviy village, along the railway line Inya-Vostochnaya – Krasny Yar Novosibirsk Region, Russia	The Property is an undeveloped land plot of approximately 40 hectares held for the construction of a logistics complex. According to the information provided by the Client, the construction of a logistics complex incorporating some 180,000 sq. m. of total area is planned in the future. Construction is supposed to be divided into 5 phases. The Property is located in close proximity to Sadoviy Village, Novosibirsk Region. The tenure of the land plot is leasehold.	n/a	n/a	n/a	**US$2,400,000** **US$2,400,000** for the 100% share interest held by the Client according to information provided to us

APPENDIX II

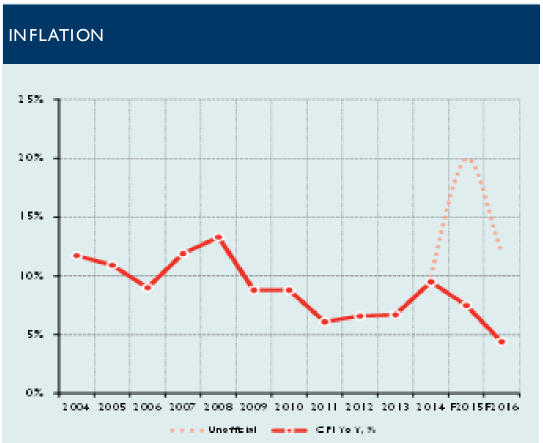
MARKET COMMENTARY[4]

SUMMARY

GDP GROWTH FORECASTS
ПРОГНОЗЫ РОСТА ВВП

	2014	2015	2016	2017
Ministry of Economic Development	0.6%	-0.8%	-	-
Central Bank	0.6%	-4.5%	-0.9%	5.6%
Citigroup	0.5%	-1%	1.7%	

By the end of 2014 the most relevant economic forecast was published by the Russian Central Bank. This scenario was based upon a price of USD 60 per barrel for crude oil. According to this scenario GDP, will shrink by 4.5% in 2015 and recovery will not start prior to 2017.



The depth of economic correction should become clearer after Q1 2015, once the foreign exchange market volatility calms down and the impact on inflation is fully realised.

A significant amount will depend on the government's ability to cope with high inflation, which could easily reach the level of 20%.

We expect the Ministry of Economic Development to review its base case scenario for 2015-2016 in Q1 2015.

2015 will be a difficult year for all sectors across all regions. We expect the real estate market to hit the lowest point not earlier than summer 2015. Until the depth of correction becomes more or less clear, the market will stagnate.

Rents and prices will be moving down to reflect RUR devaluation and negative sentiment. Switching from USD to RUR will become more and more common and this will have an impact on the market metrics.

In Q1 2015, high exchange rate market volatility will likely continue and this will prevent the market from achieving any real balance. However, we expect that lower pricing may attract investors looking for undervalued assets. Cheaper local currency may provide attractive deals for foreign investors provided that Russian commercial real estate remains largely immune to corporate conflicts and property rights disputes.

[4] *Research department C&W; Marketbeat Q4 2014*

The lack of financing and the poor market situation will prevent landlords from commissioning properties. It will take up to three years to release the pipeline originally scheduled for 2015. However, municipalities will insist on commissioning new properties, given that they form the tax base.

Inflation in 2015 will exceed 10% and likely move closer to 20%, forcing companies to shorten production and sales cycles. To a certain extent this may have a positive impact on retail real estate because it provides quickest access to consumers.

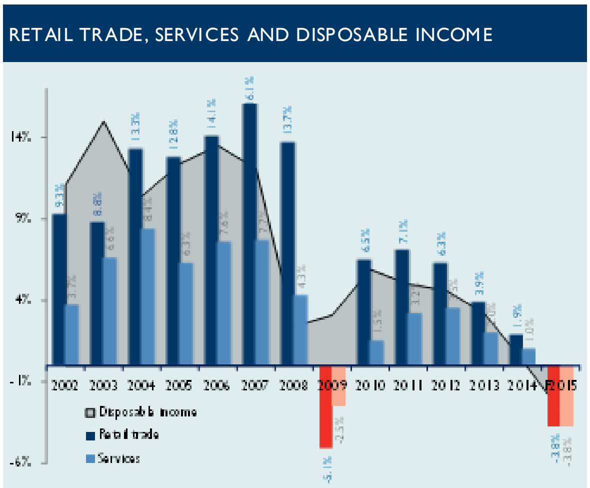
Major factors to watch:

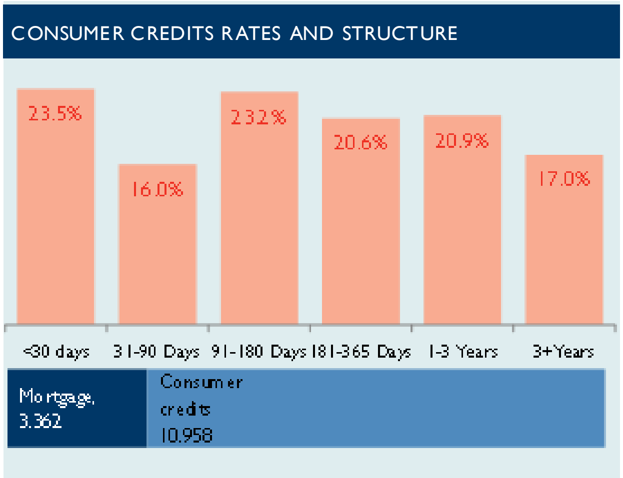
- Currency rate
- Sanctions review in March 2015
- Regulations regarding capital and currency control

MACRO REVIEW

CONSUMER MARKET

The consumer market will swiftly react to the economic downturn. Devaluation, inflation and a decrease in income will severely hit consumer spending. The Ministry of Economic Development forecasts that retail sales and services will shrink next year by 1.8%. However, next year we expect that this forecast, made before the major wave of devaluation, will be downgraded in Q1. Consumer credit will stop fuelling retail sales because new loans will be offered at significantly higher interest rates.





We expect modern retailing may shrink next year by 15-20%. However, due to the resilience of the sector it may recover in 2016—sooner than the Russian economy.

There are two factors that will help the retail sector to pass through these difficult times:

Small-scale retail. While retail chains will try to adapt to new pricing and consumption patterns, small business may take the chance and fill available niches. Small retailers will optimize tax payments to fit the new market reality. In some regions, this retail format may even become an employment driver.

Consumer habits. The urban population had already adopted modern consumption patterns. Economic and political shifts will obviously affect them, but on a minor scale. As a result, the decrease in disposable income will affect consumption of more expensive goods, but spending for leisure may suffer less.

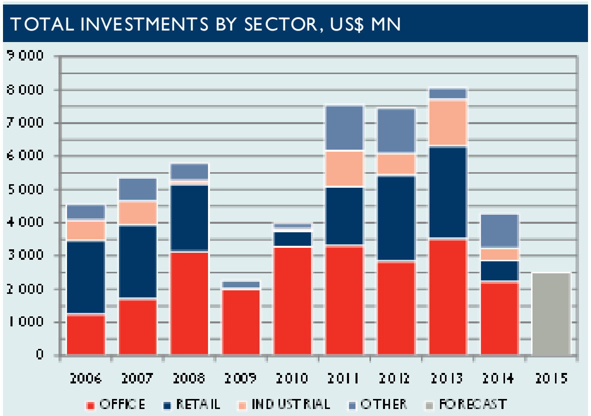
CAPITAL MARKETS

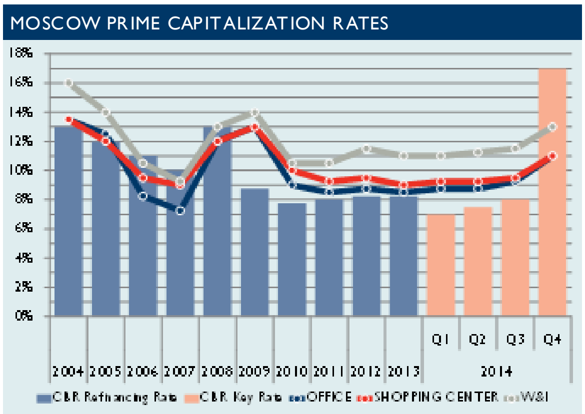
	2014	2015
EXPECTED TOTAL INVESTMENTS, US$ | ОЖИДАЕМЫЙ ОБЪЁМ ИНВЕСТИЦИЙ, ДОЛЛ. США		2.5 bn
ACTUAL INVESTMENT VOLUMES, US$ | ФАКТИЧЕСКИЙ ОБЪЁМ ИНВЕСТИЦИЙ, ДОЛЛ. США	4.1 bn	
PRIME CAPITALIZATION RATES | СТАВКИ КАПИТАЛИЗАЦИИ В ПРАЙМ-СЕГМЕНТЕ		
OFFICES | ОФИСНЫЕ ЗДАНИЯ	11.00 %	
SHOPPING CENTERS | ТОРГОВЫЕ ЦЕНТРЫ	11.00 %	
WAREHOUSES | СКЛАДСКИЕ ОБЪЕКТЫ	13.00 %	

In 2014, the total volume invested in commercial real estate in Russia was US$ 4.1bn. The number is significantly lower than the volumes invested in 2011 to 2013 (US$ 7.5 and 8.1bn) and comparable to the volume during the 2010 recovery (US$ 4.0bn).

The global and domestic macroeconomic situation has forced us to significantly decrease our 2015 forecast to US$2.5 bn.

In Q4 2014, the CBR increased the key rate up to 17% pointing to the oil price downturn, toughed sanctions and the need to limit inflation / devaluation risks. Following the CBR and overall market trends, we have increased the capitalization rates 1.75 pp, 1.50 pp, 1.50 pp for offices, prime retail and warehouse objects respectively, setting them at 11.00%, 11.00% and 13.00%. At the same time, these new capitalization rates do not fully reflect new financing terms including the key rate at 17%.

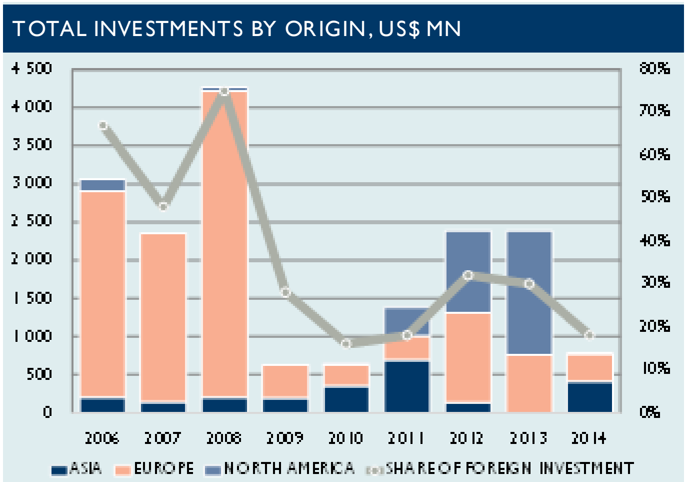




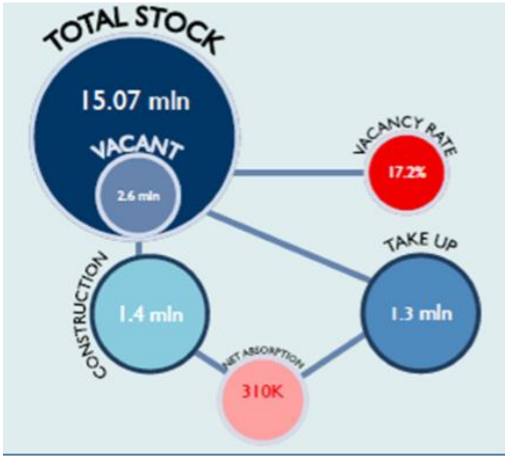
Source: Cushman and Wakefield

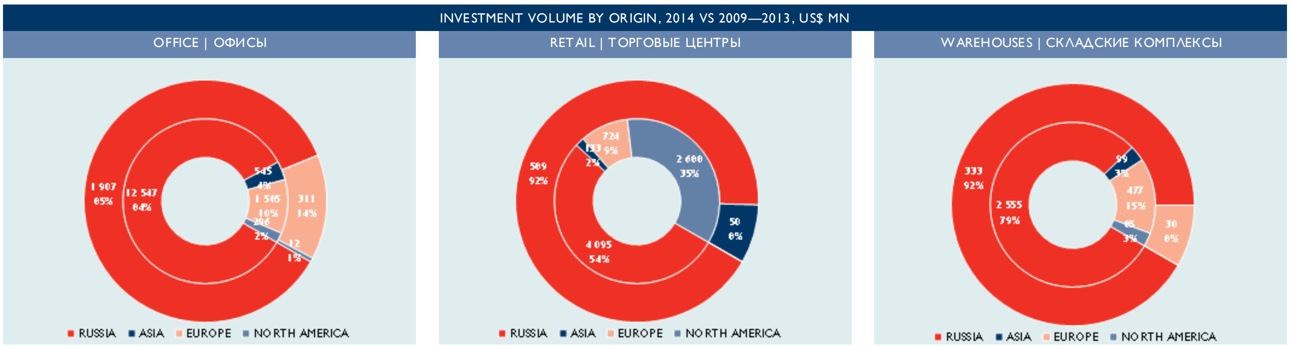
STRUCTURE

In 2014, US$ 3.4bn and US$ 0.8bn were invested by domestic and foreign companies, respectively. Foreign companies' investments fell 67% (from US$ 2.4bn in 2013 to US$ 0.8bn) though the total volume decreased 49% (from US$ 8.1bn in 2013 to US$ 4.1bn). European and American investors spent more than six times less than in 2013 (US$ 371m vs. US$ 2.4bn). At the same time, Asian companies invested US$410m.



The office sector remains the most attractive for investors. US$ 2.2bn (54%) was invested in the office sector (including US$ 2.0bn invested in Moscow and US$ 200m invested in St. Petersburg). We believe two investment trends will typify the nearest future — decreasing total volume and an increasing office share. The market will be concentrated around high quality office buildings in million-plus cities.





Source: Cushman and Wakefield

We expect that the erosion in purchasing power will decrease the existing cash flow from retailers to landlords (which will definitely affect the investment attractiveness of retail properties).

OFFICE MARKET OVERVIEW

OVERVIEW

The clear decrease in demand for office premises, together with the peak in the current development cycle, led to negative trends for most market indicators during 2014. By the end of the year, a tenant's market was firmly established and cost cutting is one of the most relevant occupier trends at present.

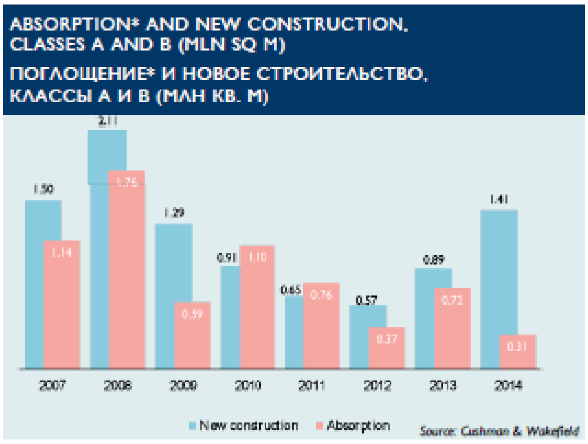
One of the main options for occupiers is economizing on the cost of office leases, as well as the reduction of staff. The decline in demand, especially in class A resulted in the average vacancy rate increasing, from 12% at the beginning of the year to 17.2% at year-end.

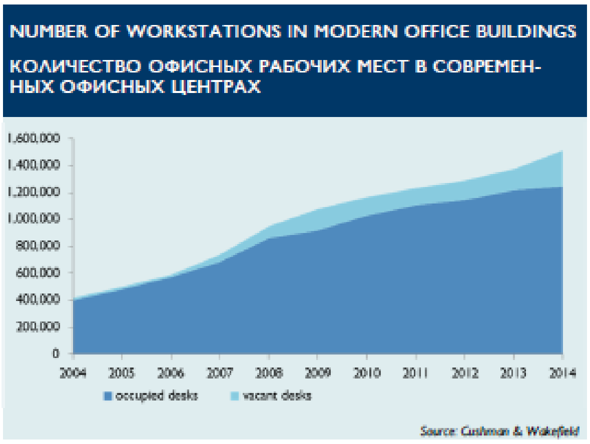
A record for the last five years in the volume of new construction made matters even more acute. The sharp Russian ruble devaluation in Q4 2014 has driven many companies to seek alternatives to US Dollar denominated rental rates. Now, 'dedollarization' is most common in class B. In 279 out of 457 vacant properties, landlords are ready to offer Russian ruble denominated rental rates. In class A this tendency is not so obvious, but, even here landlords are ready to provide a currency corridor. The dedollarization of the Moscow office market will be a main trend throughout 2015.

ABSORPTION

1.29 mln sq m of high quality office premises were leased and purchased during 2014. The take-up volume for office premises has decreased three years in a row and the 17.5% reduction in 2014 compared with 2013 resulted in a volume equal to the 2010 indicator.

In 2014 the net absorption was only 310,000 sq m, which effectively 4.5 times less than new construction volume. Most companies are attempting to reduce office lease expenses. In particular, a popular way of cost-cutting is the optimization of office space usage, moving to more efficient premises or not using a portion of rented office space, as well as general staff redundacies.





NEW CONSTURCTION

2014 marked the highest level of new construction since 2009: 1.4 mln sq m of offices were delivered in 54 office buildings. The largest developments include President Plaza Business Center (114,695 sq m), the first phase of the business park Comcity (107,546 sq m) on the New Moscow territory and two more developments at the Moscow International Business Center Moscow City – OKO Tower (110,000 sq m) and Steel Summit (93,878 sq m).

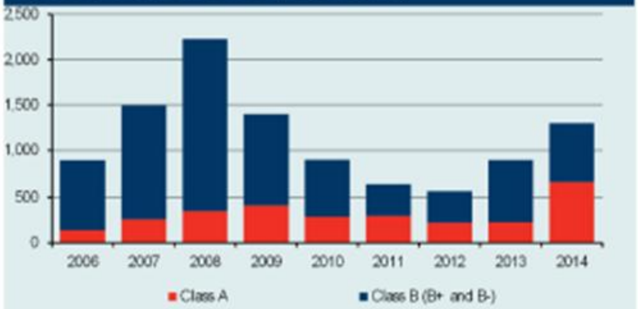
Newly constructed schemes demonstrate a trend to be larger. The average amount of delivered office premises started to increase with effect from 2010, being at 12,000 sq m, to 27,000 sq m in 2014. In 2015, this indicator should exceed 31,000 sq m.

The volume of premises under construction is still high – currently it is around 2.3 mln sq m. Schemes at an advanced stage of construction will be delivered in the near future, however, developers are tending to stop work on new projects, as they are experiencing leasing difficulties. We expect a decrease in the volume of new deliveries in 2015 to 2013 level (around 900,000 sq m) and an even sharper decrease in 2016 – 500,000 sq m.

VACANCY RATES (%)
УРОВЕНЬ СВОБОДНЫХ ПОМЕЩЕНИЙ (%)

Source: Cushman & Wakefield

NEW CONSTRUCTION (THOUSANDS OF SQ M)
НОВОЕ СТРОИТЕЛЬСТВО (ТЫС. КВ. М)



Source: Cushman & Wakefield

OFFICE NEW SUPPLY, 2014, 5,000 SQ M+
НОВЫЕ ОФИСНЫЕ ЗДАНИЯ, 2014, 5,000 КВ. М+

BUILDING NAME	SUB-MARKET	CLASS	RENTABLE	DELIVERY
DOWNTOWN			TOTAL*: 69,993 sq m	
Rozhdestvenka ul., 8/15	CBD	B+	19,000	Q1
Avrora Business Park III	ZAM	A	9,930	Q2
RochDel	BEL	B+	6,955	Q1
Kozhevnicheskaya ul., 10,	ZAM	B-	6,160	Q3
Romanov Dvor III	CBD	A	5,815	Q3
CENTRAL			TOTAL*: 760,425 sq m	
President Plaza	KUT	A	114,695	Q2
OKO	CTY	A	110,000	Q4
Steel Summit	CTY	A	93,878	Q1
Poklonnaya ul., 3	KUT	B+	79,539	Q2
Savelovsky City, 1st phase	NOV	B+	56,762	Q3
ARCUS III	SOK	A	34,305	Q2
Mirax Plaza, building G	KUT	B+	33,656	Q2
Aerodom	SOK	B+	26,712	Q3
Minskaya Plaza	KUT	B+	26,417	Q4
Vorontsovskaya ul., 41-43	TAG	B+	19,800	Q1
Arma, bld. 19	BAS	B+	19,049	Q2
Zavod Vladimira Il'icha	SCH	B-	19,000	Q3
Krasnoselskaya Verkh. ul., 3	NOV	B+	17,362	Q3
Arma 4-5a	BAS	B+	16,000	Q4
Krasnaya Roza, Demidov	FRU	A	15,896	Q4
Zavoda Serp i Molot pr., 3	BAS	B+	13,763	Q3
Krasnaya Roza, Morozov II	FRU	A	13,607	Q1
Dominion Tower	TAG	A	9,556	Q3
Bankside	BAS	B+	9,386	Q3
Sukharevskaya Mal. Sq. 5	NOV	B+	9,104	Q4
Schepkinskiy BC	NOV	B+	7,170	Q2
OTA			TOTAL*: 575,953 sq m	
ComCity, Alfa	NMO	A	107,546	Q3
Lotos BC	SW	A	88,404	Q3
Vereyskaya Plaza III	NW	B+	76,000	Q3
Port Plaza	SE	B+	62,700	Q4
Vodny, 1st phase	NW	A	52,335	Q3
Orbita, New building	NW	B+	39,400	Q4
Aero City	SUB	B+	32,635	Q4
Mebe One Khimki Plaza	SUB	A	29,937	Q1
Bosch Headquarter	SUB	B+	20,000	Q2
K2, bld. A	NMO	A	18,220	Q4
Mar'ina Roshcha BC	NE	B+	16,000	Q4
Solutions BP, bld. 3	SW	B+	14,432	Q1
Berezka II	SW	B+	6,040	Q1

*** TOTAL** — *Office rentable area or all office buildings delivered in 2014 / Общая арендуемая площадь всех введенных в эксплуатацию зданий в 2014 г*

AVAILABILITY

There is a strong degree of availability on the market: the volumes of new construction have exceeded tenants' current demand for new space. Net absorption in 2014 was only 25% of new supply volume.

By the end of 2014, altogether, there were 2.6 mln sq m of vacant office premises in existing buildings. Another 727,000 sq m are being offered in buildings that are expected to be delivered by the end of 2015.

Office premises are available in all submarkets; however, there are areas where the vacancy rate is much higher than average. For example, the vacancy rate in Moscow-City has already reached 40%. Traditionally, non-central submarkets have higher vacancy rate than the central regions.

The reduction in demand for new working space, which has been observed since 2008, caused the growth in the vacancy rate. By the end of the year, 17.2% of all existing office premises in Moscow were vacant. The total volume of available space in existing buildings is growing mainly due to non-occupied newly constructed schemes.

The demand for expensive class A office premises fell more significantly which resulted in 31% vacancies by the end of 2014. In class B, 13% of premises were unoccupied.

RENTAL RATES

During 2014, asking rental rates decreased. The most visible drop occurred in Q4, when the average rental rate stood at $463 per sq m per annum (30% lower compared with the Q4 2013 index).

The average asking base rent for vacant class A premises now is $620 and this is negotiable with a discount of 10-15% achievable during the negotiation process.

Considering other expenses and possible discounts, the occupancy cost for one workstation is now $7,800 per year. In Class B, this figure stands at $5,100.

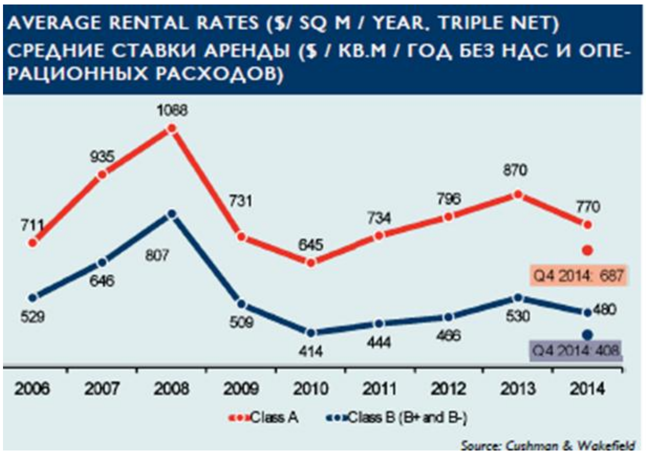
Meanwhile it is a possible to lease class B office space in Russian rubles. Currently for 279 out of 457 vacant properties, developers are ready to offer Russian ruble denominated rental rates.

The sharp Russian ruble devaluation in Q4 2014 made companies look for alternative to US Dollar denominated rental rates.

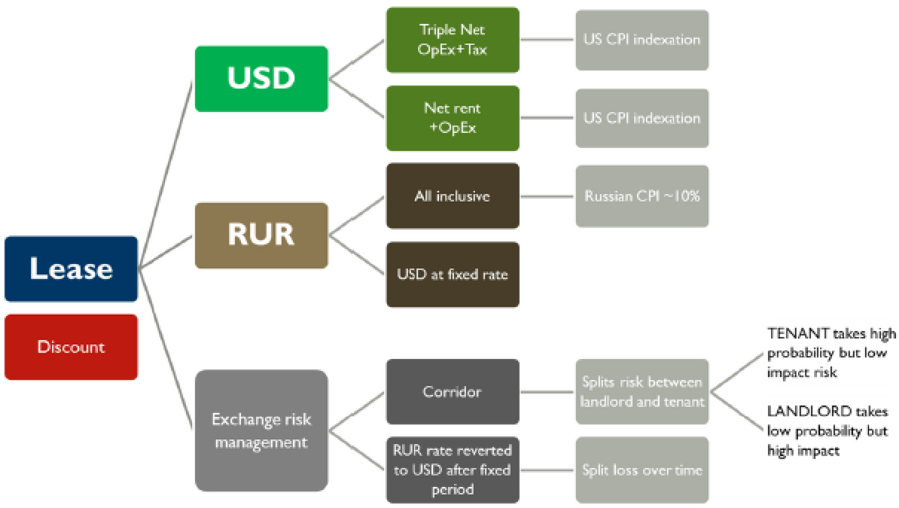
QUALITY OFFICE LEASE STRUCTURE
СТРУКТУРА ДОГОВОРОВ АРЕНДЫ

Rent Payment	RUR, USD per sq m/yr. For currency exchange, landlords use the Central Bank of Russia's official rate.
Payments	Quarterly in advance.
Rent Deposit	1-3 months rent equivalent (a bank guarantee is optional).
Indexation	3-5% or at the level of the US CPI; ~15% for RUB denominated agreements. Sometimes step-rents are used.
Operational expenses	Average market payments: 100-150 USD / sq m / year for class A 80-120 USD / sq m / year for class B
VAT 18%	

Source: Cushman & Wakefield



REAL ESTATE LEASE CONTRACTS BECOME MORE COMPLEX THAN USUAL



Source: Cushman and Wakefield

RETAIL OVERVIEW

OUTLOOK

KEY EXPECTATION

VACANCY RATE PRIME (prime shopping centers, Moscow)	1.5%
VACANCY RATE (quality shopping centers, Moscow)	10%
PRIME RENTAL RATE INDICATOR (prime shopping center retail gallery, Moscow)	US$ 2,625
TOTAL QUALITY STOCK, RUSSIA	19.16 mln sq m 660 quality projects*

Source: Cushman and Wakefield

In 2014 the retail real estate market, being under pressure from economic and political changes, started structural transformation. In 2015 consumer spending will decline, especially in H1. Retailers' activity will be aimed at business model optimization and cost (and above all real estate costs) reduction. The vacancy rate in existing shopping malls will increase significantly (a number of retailers are likely to close their stores). The greatest problem for new malls (along with the lack of financing) will be securing tenants. Despite a huge construction pipeline, most of the announced projects will be frozen in 2015-2016.

Within the next year, the Russian ruble will become the main currency in retail lease agreements. The downward correction of rents will happen for all tenant profiles (both for existing and pre-lease agreements).

RETAILERS

The demand for retail premises has decreased significantly since middle of 2014. Only market segment leaders announce their expansion plans.

The main problems of retailers are:

- Cost increases: The retail price increase is lower than the purchase price increase.
- Variety reduction and a sales volume drop in the near future.
- The main reasons for these trends are import restrictions and high purchase prices.
- Future uncertainty elevates the risk of investment in renting and marketing new retail locations and signing long-term lease agreements.
- After extremely high sales in December 2014, the decrease in sales volumes is expected at the beginning of 2015. It is connected with a drop in consumer activity while the level of operational expenses is the same or is increasing.

Since Q3 2014, tenants have started to renegotiate lease contracts with landlords due to growing costs and expected sales decrease in 2015. In order to attract retailers to new units, it is now important to show possible sales volumes (incomes) and marketing expenses for new locations (costs).

On the basis of this information, retailers assess their allowable costs for real estate. The most sustainable will be retailers with optimized logistics costs for deliveries from producer to consumer. Federal and international chain retailers will also be relatively stable. We expect DIY and children goods segments to be relatively consistent as well.

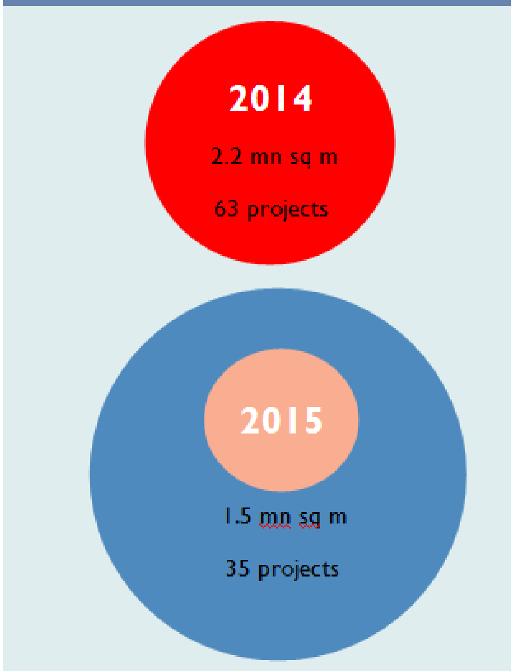
NEW CONSTRUCTION 2014

Quality retail construction in 2014 was at a record level in Moscow and in Russia. In total 60 new shopping centers with a total GLA of 2.1 sq m were delivered in 49 Russian cities.

In Moscow 14 new shopping centers with a total GLA of 0.67 sq m were delivered while in 2014 a record volume of new retail spaces was delivered in Moscow.

The biggest mall in Europe, AviaPark, was opened in Moscow in November. Outside of Moscow, 46 shopping centers with a total GLA of 1.54 mln sq m. In the majority of shopping centers, soft openings took place —anchor tenants and just a portion of the retail gallery were opened.

NEW CONSTRUCTION, RUSSIA



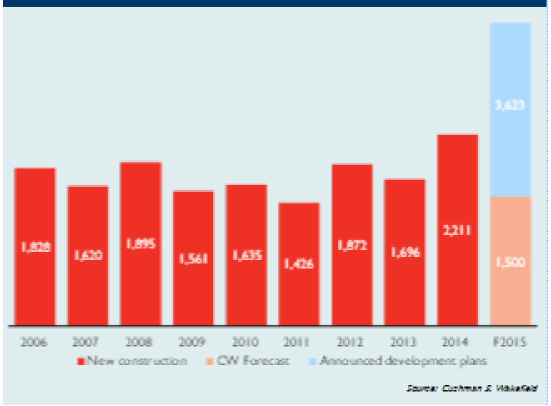
* *Quality shopping malls, mixed-use buildings, outlets, and retail parks.*

NEW CONSTRUCTION - FORECAST

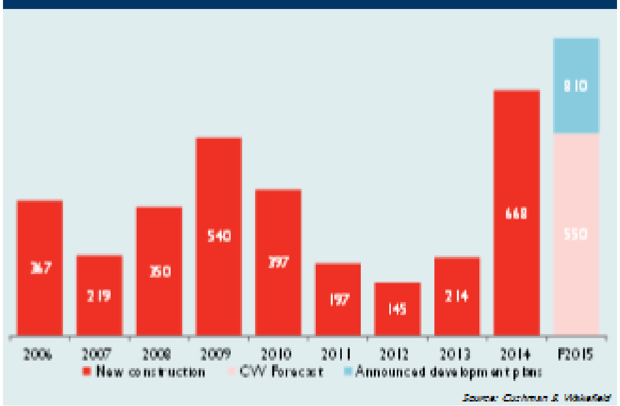
Construction activity will slow in 2015-2016 due to the following factors:

- Vacancy rate in existing shopping centers, which started to increase in 2014, will continue its growth in 2015.
- Vacancy rate in new shopping centers. The growing vacancy rate in existing shopping centers leads to high competition for tenants between landlords of existing and new retail spaces. In these conditions old shopping centers with formed catchment areas and a predictable target audience will have an advantage over new projects. We expect new projects to have problems with occupancy and demand elasticity will be low. The high vacancy rate will cause a slowdown in construction process and delivery dates will be moved for an indefinite term (until tenants are found).
- Exchange risks. Before 2014, new projects were generally financed in foreign currency (US Dollars). Many lease agreement are now being reviewed and their currency is being changed to rubles because of the unstable exchange rate. The currency loan service has to be restructured. This process can affect the speed of construction of shopping centers are planned for 2015-2016 delivery.
- Loans in rubles. Since the beginning of 2014, the credit provision to construction projects in Russia was made by Russian investors and is mostly carried out in Russian rubles. The high interest rate for ruble–denominated credits (15%) increases the risk of investing in real estate and can lead to a decrease in the number of new projects. A decrease in construction activity stabilizes demand and supply.

QUALITY RETAIL CONSTRUCTION, 000' SQ M, RUSSIA*



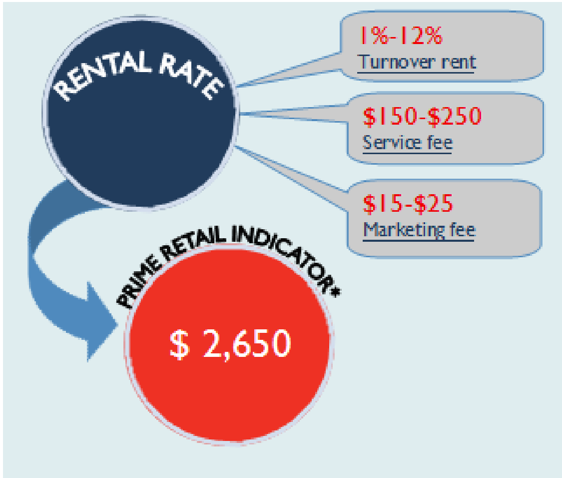
QUALITY RETAIL CONSTRUCTION, '000 SQ M, MOSCOW



COMMERCIAL TERMS

Currently, a new pricing policy for commercial real estate is being formed. Two fundamental principles of the lease relationships that were unique to Russia and first appeared in the 1990s to early 2000s, when there was a lack of quality retail space, are no longer relevant.

- Fixed rents. In conditions of economic instability, unpredictable turnovers and the costs of retailers, it is very risky to use fixed rents. Tenants consider it fair to share real estate risks with landlords. This means that real estate costs should be relevant to sales volumes generated by the retail unit. Before 2014, even tenants that paid a percentage of turnover also had some fixed part of rent. The most popular trend is that now tenants start to pay only a percentage of turnover without any fixed rent.
- Payments in rubles. Before 2014, lease agreements in rubles were only typical for anchor tenants and key tenants in retail gallery. Most contracts were denominated in US Dollars or in conditional currency units. We expect that commercial real estate market will move to ruble agreements in the short-term perspective; before the end of 2015, the majority of lease agreements will be in rubles. Only in prime shopping centers lease contracts will remain in US Dollars or other foreign currency.



** Prime retail indicator—base asking rental rate for a 100-200 sq m gallery unit on the ground floor of prime shopping centers, US$ per sq m per annum, triple net

RUSSIA (EXCL MOSCOW REGION) NEW CONSTRUCTION 2014

LOCATION	PROPERTY NAME	RETAIL GLA, SQ M	DELIVERY
Novokuznetsk	City Mall	63,000	Q1
Ekaterinburg	Greenvich (phase IV)	55,000	Q1
Murmansk	Severnoe Nagornoe (phase 2)	30,000	Q1
St. Petersburg	Zanevskiy kaskad (phase 3)	24,440	Q1
Ivanovo	Topol' (phase 2)	21,000	Q1
Sochi	Gorki Gorod Mall	18,000	Q1
Saratov	Oranzheviy	46,000	Q2
Tomsk	Izumrudniy gorod	32,000	Q2
Tver	Torgovy Park №1	24,900	Q2
Tambov	RIO	20,000	Q2
Kemerovo	Avrora	18,000	Q2
Arzamas	Omega	15,026	Q2
Samara	Ambar	90,000	Q3
Petrozavodsk	Lotos Plaza	62,800	Q3
St. Petersburg	Monpansie	30,500	Q3
Ufa	Arkada	25,000	Q3
Rubtsovsk	Raduga	24,000	Q3
Arkhangelsk	Evropark	21,000	Q3
Surgut	Surgut City Mall (phase 2)	20,348	Q3
Yaroslavl	Yarkiy	15,685	Q3
Krasnoyarsk	Planeta (phase 3)	15,000	Q3
Ussuriysk	Moskva	10,000	Q3
Barnaul	Arena	75,000	Q4
Novokuznetsk	Planeta	72,900	Q4
St. Petersburg	Evropolis	60,000	Q4
Novosibirsk	Galereya Novosibirsk	52,500	Q4
Irkutsk	KomsoMall	47,700	Q4
Smolensk	Maxi	47,500	Q4
Sterlitamak	Fabri (phase 2)	42,000	Q4
Orenburg	KIT (phase 1)	38,200	Q4
Arkhangelsk	Titan Arena	31,000	Q4
Kursk	Evropa (phase 1)	30,000	Q4
Ivanovo	Yasen'	25,000	Q4
Saratov	Happy Mall (phase 2)	25,000	Q4
Ioshkar-Ola	Yolka	24,000	Q4
Izhevsk	Petrovskiy (phase 2)	11,900	Q4
Barnaul	Prazdnichniy	11,036	Q4
Ufa	Planeta (phase 2)	9,500	Q4
Orsk	Evropeiskiy (phase 2)	9,000	Q4
TOTAL GLA RUSSIA 2014 (without Moscow and Moscow region)		1,293,935	

Source: Cushman & Wakefield

RUSSIA (EXCL/ MOSCOW) NEW CONSTRUCTION 2015

LOCATION	PROPERTY NAME	RETAIL GLA, SQ M	DELIVERY
Moscow, GLA > 25,000 sq m			
Moscow	Columbus	136,000	Q1
	Riviera	97,000	Q4
	Kuntsevo Plaza	65,000	Q1
	Ocean Plaza	61,818	Q4
	Butovo Mall	57,000	Q3
	Yugo-Zapad (RIO Vernadskogo)	53,000	Q4
	Mari	50,000	Q1
	TPS Nedvizhimost project on Poleshaevskaya	49,000	Q4
	RIO Kievskoe highway	40,300	Q1
	Detsky Mir	34,000	Q2
Moscow region, GLA >25,000 sq m			
Zelenograd	Zelenopark	110,000	Q1
Krasnogorsk	Riga Mall	80,000	Q4
Electrostal	Torgovy Park №1	61,143	Q4
Noginsk	Sphera Mall	60,000	Q3
Zhukovsky	Torgovy Park №1	45,488	Q2
Odintsovo	Oditsovo Gallery	39,000	Q3
Lyubertsy	Vykhodnoi	27,177	Q2
Other regions, GLA > 40,000 sq m			
Samara	Gudok	115,000	Q3
Voronezh	Chizhov Gallery (phase 3)	89,000	Q3
Chelyabinsk	Almaz	85,000	Q2
Tula	Maxi	85,000	Q4
St. Petersburg	Hollywood	71,000	Q3
Nizhnyi Novgorod	Nebo	69,650	Q1
Lipetsk	Riviera	64,000	Q4
Tumen	ARSIB Tower	58,936	Q2
Arkhangelsk	Maxi	55,050	Q4
Tumen	Star City Mall	54,000	Q4
Irkutsk	Silver Mall	53,000	Q2
Murmansk	Murmansk Mall (phase 2)	45,000	Q1
Vladivostok	Sedanka-City	45,000	Q1
Saratov	Tay Gallery	45,000	Q2
Novosibirsk	Evropeyskiy	45,000	Q4
Perm	Spesh Love	43,700	Q1
Izhevsk	Italmas	40,000	Q1
Bryansk	Aero Park City (phase 1 part 2)	40,000	Q3
TOTAL GLA (all announced for delivery projects), R		3,623,024	

* *Quality shopping malls, mixed-use buildings and other quality formats. The table includes selected 2015 projects and all completed in 2014 quality schemes.*

Source: Cushman & Wakefield

MOSCOW MAIN MARKET INDICATORS

MOSCOW MAIN MARKET INDICATORS		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OFFICE															
Stock class A *	'000 sq m	162	186	281	357	529	720	995	1 326	1 729	2 021	2 318	2 536	2 684	3 419
Stock class B (B+ and B-) *	'000 sq m	2 277	2 631	3 208	3 845	4 499	5 175	6 387	8 162	9 039	9 638	9 992	10 340	11 052	11 607
New Construction, A	'000 sq m		24	95	76	172	139	248	351	403	292	297	219	225	716
New Construction, B (B+ and B-)	'000 sq m		354	577	638	653	719	1 244	1 857	882	599	352	348	674	646
Vacancy rate class A *		0.9%	1.3%	0.9%	2.3%	1.6%	3.3%	3.4%	10.6%	21.1%	19.9%	17.8%	16.6%	18.0%	32.0%
Vacancy rate class B (B+ and B-) *		0.2%	0.3%	0.2%	1.9%	4.0%	2.9%	4.2%	6.0%	11.0%	11.4%	11.1%	11.4%	10.2%	13.3%
Take up class A,	'000 sq m	29	62	72	153	188	297	488	471	182	376	679	465	333	317
Take up class B (B+ and B-)	'000 sq m	244	345	571	601	791	840	1 009	1 246	552	922	1 230	1 514	1 244	967
Rental rates class A		$460	$480	$500	$540	$600	$710	$930	$1 090	$710	$640	$740	$790	$870	$783
Rental rates class B (B+ and B-)		$420	$390	$390	$450	$470	$530	$630	$810	$510	$420	$460	$460	$530	$477
Prime capitalization rates **					13.50%	12.50%	8.25%	7.25%	12.00%	13.00%	9.00%	8.50%	8.75%	8.50%	11.00%
QUALITY SHOPPING CENTERS															
Total stock	'000 sq m	182	425	545	884	1 188	1 555	1 774	2 124	2 765	3 162	3 360	3 504	3 718	4 387
New construction	'000 sq m		243	120	339	304	367	219	350	540	397	197	145	214	669
Vacancy rate *		-	-	1.6%	1.3%	0.7%	0.7%	1.0%	3.0%	5.0%	2.1%	0.4%	0.5%	1.2%	1.5%
Prime rental rate indicator **							$3 000	$3 125	$3 750	$2 500	$2 600	$2 700	$3 800	$3 900	$2 625
Prime capitalization rates ***					13.50%	12.00%	9.50%	9.00%	12.00%	13.00%	10.00%	9.25%	9.50%	9.00%	11.00%
WAREHOUSE AND INDUSTRIAL															
Total stock, class A	'000 sq m	95	144	531	744	1 080	1 943	3 129	3 723	4 352	4 676	4 933	5 598	6 456	7 852
Total stock, class B	'000 sq m	522	580	970	1 326	1 664	1 789	1 978	2 060	2 109	2 157	2 264	2 317	2 409	2 688
New consteuction, class A	'000 sq m		49	387	213	336	863	1 186	594	629	324	257	664	858	1 396
New Construction, class B	'000 sq m		59	390	356	338	126	188	82	49	48	107	53	92	279
Vacancy rate class A		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	10.5%	8.0%	1.0%	1.0%	1.5%	7.0%
Vacancy rate class B		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	5.9%	6.1%	1.5%	1.5%	2.0%	5.0%
Net Absorption Class A		-	48	380	208	329	846	1 162	582	247	409	580	658	817	944
Net Absorption Class B		-	57	382	348	331	123	185	80	-33	40	205	53	78	192
Rental rates class A		$140	$140	$130	$137	$128	$136	$130	$140	$105	$110	$135	$135	$135	$100
Rental rates class B		$80	$88	$109	$124	$123	$121	$117	$125	$90	$92	$130	$130	$130	$90
Prime capitalization rates **					16.00%	14.00%	10.50%	9.25%	13.00%	14.00%	10.50%	10.50%	11.50%	11.00%	13.00%
INVESTMENTS, MN US$															
TOTAL		65	5	99	492	1 637	4 560	5 354	5 798	2 256	3 994	7 547	7 458	8 066	4 136
Office		65	5	99	272	126	1 244	1 719	3 149	1 998	3 282	3 322	2 854	3 517	2 230
Retail					130	971	2 224	2 216	2 029	30	459	1 767	2 585	2 798	639
Warehouse						19	616	723	110		81	1 080	660	1 395	363
Other					90	522	476	696	510	228	172	1 379	1 358	355	904

* Data at the end of a period

* Base rental rate for 100-150 sq m unit on the ground floor of retail gallery of prime shopping mall for fashion retailer

** Capitalization Rate at the end of a

Source: Cushman and Wakefield

MOSCOW REGION COTTAGE SETTLEMENTS MARKET OVERVIEW[5]

SUPPLY

As of the year-end, there are slightly more than 700 cottage settlements of all categories at the stage of primary sells in Moscow Region including the territory of New Moscow. About 120 of them can be referred to concept development of business class and prime class. However, the activity of developers slowed down in Q3 2014, which is caused by the indefinite and non-stable economic situation.

Most of the new cottage settlements (75%) of the year have appeared within A107 highway ("concrete ring" of Moscow region). At that, about 15% of new settlements appeared within 15 km from Moscow. About 12% appeared on longer distances within 30 km from MKAD. Growing supply of settlements at long distances from MKAD is caused by numerous economy class offering entering the market recently.

Dwelling upon the structure of the supply as per class, the economy sector still dominates the market.

Significant part of the supply (65%) is represented by non-contracted land plots (with no obligatory agreement between purchaser and developer regarding construction a house by the latter). Contracted land plots and ready to move houses on the primary market occupy 5 to 30% from the offers depending on the direction. The share of projects with constructed houses and town houses amounts to 15-17%. Such settlements appear mostly on high-speed motorways, i.e. Novorizhskoye, Simpherepolskoye, and M4"Don" highways.

Most popular directions in terms of supply volume are Kaluzhskoye highway (24%) and Novorizhskoye highway (21% of new supply). In general, the western and west-northern directions are leaders of supply. The least supplied direction is the eastern one.

Currently cottage settlements with not very large houses under development can be met on almost all highways, most of them being concentrated within 20-30 km from MKAD.

Share of settlements with houses up to 100 sq m and price up to 7 mn RUR makes about 20%.

How the average features of cottage settlements changed in the period 2008-2014			
	2008	**2010**	**2014**
Average distance from MKAD, km	45	55	62
Average area of the cottage settlement,	30	33.2	33.1

[5] The overview is the result of C&W analysis of numerous market data published by Opin, Blackwood, IRN and Metroinfo portals.

hectares			
Average number of households within the settlement, items	127	166	271
Average area of a house, sq m	320	309	271
Average area of a town house	230	221	186
Average area of a flat	92	88	63.3
Average area of the land plot within the household (house), 100 sq m (sotka)	20.3	19	18.7
Average area of the land plot within the household (town house)	4.2	4.4	4
Average area of non-contracted land plots within thebsettlement	28	20.2	16.7

Source: Vesco-Consulting.ru

DEMAND

Traditionally the main share of demand accounts for non-contracted land plots. Demand for ready houses has been low but stable. The share of contracted houses is shrinking gradually. At that, increasing demand for town houses has recently been witnessed.

Share of transactions in economy segment was fixed at psychologically important point of 80% in Q3 from the whole volume of transactions on the country market. 17% account for business segment transactions. The elite segment transactions amount is on stable low level of about 3%.

The long-term leaders in terms of business class demand have been Novorizhskoye, Kievskoye (Kaluzhskoye), and Dmitrovskoye highways. Novorizhskoye highway is the absolute leader in terms of ready houses in prime segment settlements: the demand made about 62% in Q3 2014.

PRICES

Ready houses and town houses are on average at 10-30% more expensive then contracted land plots. The difference in price is still bigger with non-contracted land plots. E.g. in 40 km from MKAD on Yaroslavskoye highway non-contracted land plot supplied with utilities (electricity, gas, roads) costs about 2.5 mn RUR, a contracted land plot costs 8 mn RUR, and in a nearby business class settlement a ready non-fitted out house costs 12 mn RUR. A fitted-out business class house provided with home appliances costs 15 mn RUR. A ready town house of 130 sq m without fit-out costs 9.9 mn RUR, same variant with fit-out and home appliances costs 13.5 mn RUR.

Average price for non-contracted land plots has grown from 2.6 mn to 3.5 mn RUR, at that the average area has also increased from 1,490 sq m to 1,520 sq m. Thus, the price per sotka (100 sq m) has gone up from 174,000 to 230,000 RUR. In prime cottage settlements price per sq m of a house taking into account the price of the land plot made about 4,500 USD, in business class settlements it made 2,100 USD, in economy segment the price amounted to 1,100 USD.

The leaders of demand in terms of prime segment (Novorizhskoye, Kievskoye, Kaluzhskoye, and Dmitrovskoye highways) were subject to the following price categories as of Q3 2014:

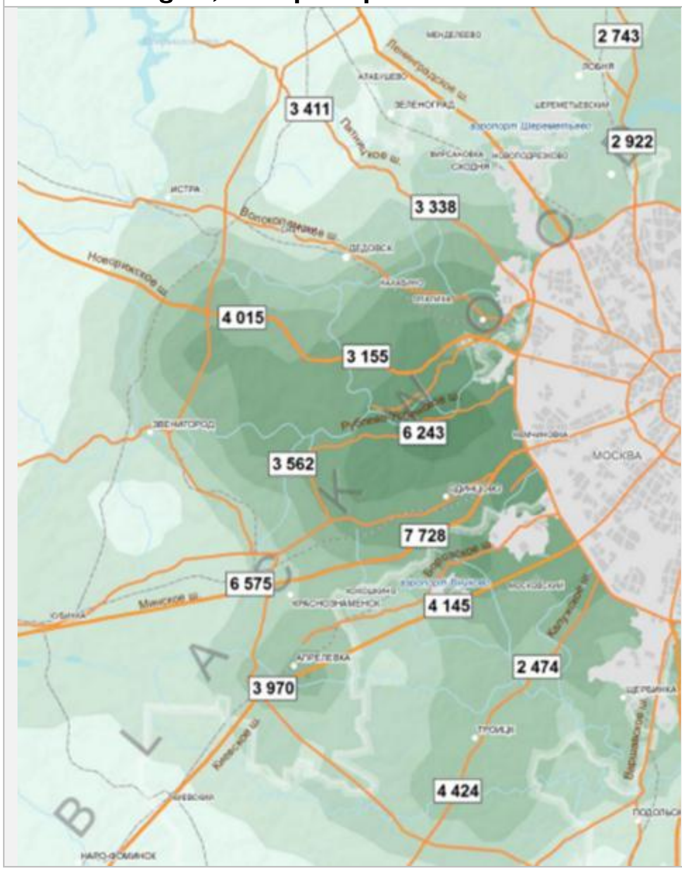
- Novorizhskoye highway - 40,900 USD per 100 sq m (-1.0% vs Q2 2014);
- Kievskoye and Kaluzhskoye highways- 21,450 USD per 100 sq m (-1.0% vs Q2 2014);
- Dmitrovskoye highway - 20,420 USD per 100 sq m (+1.0% vs Q2 2014).

Cottage settlements having entered the market in December 2014			
Name	**Developer**	**Segment**	**Price, RUR**

Dacha 9-18	Region Development	Non-contracted land plots	900,000 to 2,400,000 per land plot
Sport-Town	Was announced by Metrium Group	Town houses	Up from 6,500,000 per town house
@Veranda	Integrs	Non-contracted land plots	700,000 to 2,500,000 per land plot
Papushevo Park	Was announced by Incom	Duplexes	9,230,000 per duplex
Nazarievskiye Prudy	Stroyindustriya	Town houses	6,310,000 to 8,510,000 per town house
Ruzskaya Usad'ba	Brazhnikovo	Non-contracted land plots	122,000 to 268,000 per land plot
Ruzskiye Dachi	Brazhnikovo	Non-contracted land plots	Average price per 100 sq m – 103,000
Idalgo	Rodnye Zemli	Non-contracted land plots	50,000 to 80,000 per 100 sq m
Andersen	Desna Land	Town houses	From 12,800,000 per town-house
Bulgakovo Life	Rodnya Zemli	Non-contracted land plots	60,000 to 100,000 per 100 sq m.

Source: Blackwood

Prices for households in cottage settlements of Moscow Region, USD per sq m. December 2014



Source: Blackwood

TRENDS

- The developers (especially smaller ones) prefer to hold on their activity now at the situation of non-stable economy and currency volatility.
- The demand for town-house format is definitely growing. At that, it shifts to economy class. The developers meet the demand for smaller budgets of purchase with decreasing areas.
- Concept cottage settlements of high level are no longer subject to contracted offerings. The limitation refer now only to general architectural view and construction materials.
- Price stagnation in the business class segment. The areas are also decreasing at the pressure of demand.
- Transport access is the key factor of demand on the cottage settlements market.
- The division of the market by geographical directions is no longer relevant. Novorizhskoye, Minskoye, Kiievskoye highways are largely developed with economy class projects, diluting the traditional for those highways prime projects. It may be more relevant to speak of separate price clusters within different directions. Also in view of cheaper projects being developed nearby (with subsequent pressure on transport infrastructure and general image), the price for prime ones is going down.
- The market demonstrates the tendency of decreasing the areas both in terms of houses and land plots, which is connected with the lowering effective demand.
- As market commentators agree the construction of cheaper projects is going to increase.

MOSCOW REGION LAND MARKET

SUPPLY

In Moscow region from 200,000 to 500,000 hectares are subject to current sell offers. The range in the volume is explained by the fact that large transactions are frequently not announced, with the seller being a state officer acting via an agent.
80% of the supply are agricultural lands, the rest are settlement lands (about 10%), industrial lands (7%), and other.
It is common knowledge that besides private owners large land parcels especially in distant Moscow region usually belong to banks. Some of the latter have created own developer departments and introduce their products to market. E.g. Promsvyaznedvizhimist, Absolute, OPIN sell their land via wholesale and retail schemes.

On the country house market two formats of supply has distinctly shaped, i.e. cottage settlements with all necessary utilities (water, gas, electricity, quality roads, security solutions, etc.) and cheaper settlements, where the purchaser is offered exceptionally land with or without electricity and roads. The share of the latter is consistently growing.

DEMAND

Touching upon large land plots market, currently market commentators note low demand for land allocated for cottage settlements and agricultural land. Investors do not want to deal with long money and prefer to offer mutual entrance to the projects with the owner. However, after project realization owners become minority holders with poor rights, so it is initially very difficult for the parties to agree on a scheme.
Most requests at present concern smaller industrial land plots from 0.5 to 10 hectares on Leningradskoye highway within A107, and land plots allocated for retail up from 0.5 hectares within densely populated areas.

The number of requests have shrunk during the last half year, current requests coming from people who are really interested in purchasing, i.e. retailers, producers, farmers. For instance, the land is searched for production of sandwich panels for construction of large retail centres like Auchan or Leroy Merlin, or for production of iron and concrete goods.

The main factors for potential purchasers of households or land plots within cottage settlements are infrastructure (both external and internal), and transport access to the settlement itself. Other major factors include the size of the land plot, its location in relation to forests and water pools, presence of utilities, future management of the settlement.

Up to Q3 2014 high activity on the market was replaced by stagnation: the purchasers preferred the "wait and see" position in view of the economic incertitude. As the result the demand for non-contracted land plots dropped by 30% as compared to 2013, and the projects with ready houses lost about 20% of the buyers.

Most liquid countryside projects now are supposed to be the ones, which represent an alternative to an in town flat. These are projects with good transport access and developed infrastructure.

For instance, in the segment of non-contracted land plots the ones beyond the distance of 30 km from MKAD turned out to be in less favourable position. While the demand for land plots within 15-20 km from MKAD with price up to 2,000,000 RUR utilities included has remained stable. The secret of the latters' success is the fact that purchasers regard them as permanent place of living (after constructing a house).

However at the current rate of effective demand the key factor for the buyer is the price, and not as per sq m or 100 sq m basis, but the price for the lot, i.e. the budget of the purchase.

As per prime segment, the purchasers used to request offers up from 3,000,000 USD, while currently most requests stay at the rate of 1,000,000 USD.

PRICES

There is no distinct understanding of current price situation. Transactions are subject to specifics associated with the purchaser, selling price is taken for a reference point and a 20-60% discount is made.

Prices for industrial land up to 10 hectares allocated for production or warehouses within 40 km from MKAD range from 5,000-6,000 to 15,000-17,000 per 100 sq m. in 5-20 km from MKAD the price is higher than 20,000 USD per 100 sq m. Within close proximity to MKAD it reaches 40,000 -50,000 USD per 100 sq m.

The average price for land allocated for industrial or residential construction within 30 km from MKAD amounts to 7,000-8,000 USD per 100 sq m.

As for the situation with high currency volatility, the prices for land plots and houses are not bound to currency rates. The prices remain fixed in Ruble.

Dwelling upon the smaller land plots for individual construction, the average prices within 35 km from MKAD are 90,000 to 180,000 RUR per 100 sq m, thus a land plot of 1,000-1,500 sq m will cost 1,000,000-2,500,000 RUR.

REGIONAL MARKETS COMMENTARIES

ST. PETERSBURG NEW HOUSING MARKET[6]

SUPPLY

Last year a record volume of residential premises was put into operation in Saint-Petersburg – 3.26 mn sq m. In the Leningrad region 1.6 mn sq m entered the market.

One of the main concerns of the market commentators currently under the conditions of indefinite economic situation and currency volatility is the situation with the supply on the residential market, especially the market of new housing under construction. Most realistic point of view, as supported by the outcomes of the 2008 crisis, seems to be the reasonable expectation of the well thought-out projects to have the chance for fulfillment, while non-quality and ill-balanced market product to be washed off from the market. Companies which offer technologically innovative projects with a comfort living environment are expected to be the leaders of market.

As per the main trends on the market, a definite increasing development of town-house and low-rise development has recently been observed.

DEMAND

In December, the market was subject to a booming demand. However this year market commentators do not expect the same rate of demand, rather they expect a much lower demand, as the result of increased mortgage rates and decreasing purchasing power of population in view of the ruble fall.

[6] The current market overview is based mostly on the data published by bsn and arin professional portals.

It is common knowledge that mortgage has been the main tool on the market, and with the rates increased significantly, the demand is expected to drop at 30% as minimum.
In addition, the demand may be redistributed. Part of potential buyers can move from the comfort segment to economy class, since the share of purchasers ready to buy flats at price higher than 100,000 RUR per sq m is expected to shrink dramatically.

PRICES

As of 2014 the growth of average selling price in St. Petersburg made 9.4%.
Most part of the market, about 60%, is occupied by projects with the range of 70,000 to 110,000 RUR per sq m. Share of projects with the price less than 70,000 RUR per sq m amounts to 9.3% from the whole volume of supply. The price range of 110,000 to 130,000 RUR per sq m is subject to 15.2% of the market. 16.8% of the supply accounts for expensive objects with the price more than 130,000 RUR per sq m.
Most expensive flats on the basis of price per sq m on the new housing under construction market are one-room flats in brick houses – 111,000 RUR per sq m. The cheapest are 3-room flats in panel houses – 84,200 RUR per sq m.
Most expensive flats on the new housing under construction market are located in Petrogradskiy and Tsentralny dstricts of the city: the price there ranges 167,100 RUR and 162,800 RUR per sq m. Admiralteiskiy and Moskovskiy districts are also quite expensive – 124,900 and 111,400 RUR per sq m correspondingly. The cheapest residential premises in new houses are offered in Nevskiy district – 83,500 RUR per sq m, as well as in Vyborgskiy district, where the price makes on average 84,300 RUR per sq m.
Market commentators agree that the most optimal variants as per price and quality balance are concentrated on the south and eastern directions.

Prices breakdown as per city districts, RUR per sq m			
District	**1-room flats**	**2-room flats**	**3-room**
Admiralteiskiy	129,689	121,053	124,727
Vasileostrovskiy	103,986	112,072	108,042
Vyborgskiy	86,881	82,007	81,080
Kalininskiy	90,878	87,069	82,814
Kirovskiy	105,708	98,152	98,886
Krasnogvardeiskiy	104,051	107,125	105,466
Krasnoselskiy	90,416	89,120	82,770
Moscovskiy	115,188	106,952	106,556
Nevskiy	84,454	82,655	81,401
Petrogradskiy	172,460	162,389	162,745
Primorskiy	106,644	104,415	103,646
Frunzenskiy	100,438	99,072	
Tsentralny	155,434	158,342	168,252

Source: bn.ru

As per long-term forecast market commentators expect the prices on residential premises to grow at 5-10% annually.

YAROSLAVL. RETAIL MARKET OVERVIEW, RESULTS OF 2014[7]

THE CITY

Yaroslavl is situated in the Central federal district of Russia, 250 km from Moscow. The city has a population of approximately 602,400, with more than half of the working population employed by industries represented in the city. According to data published by the Yaroslavl administration, the leading industries operating in the city include

[7] The current overview is mostly based on the internal data of C&W.

manufacturing, wholesale and retail, production and distribution of electric power, water and gas, transport and communications industries.

Retail developments of any real quality first appeared in Yaroslavl during 2004 with construction of new shopping centres being developed on the main thoroughfares of the city, these being Moskovsky Avenue and Leningradsky Avenue. The first large shopping centres developed were 'Vernisazh' (Moskovsky Avenue / Kalinina Street), 'RIO' (108 Moskovsky Avenue) and 'Altair' (123 Leningradsky Avenue).

SUPPLY

The supply of high quality retail space in Yaroslavl on a per capita basis equates to 323 sq m per 1,000 of the city's population, while the current vacancy rate is between 6-7%. The total volume of quality retail schemes in Yaroslavl is in excess of 600,000 sq m and it is generally acknowledged by researchers that the retail market in the city is close to saturation.

Yaroslavl is host to a large number of federal retail distribution networks including Metro Cash & Carry, L'Etoile, Real, Dixie, Modis, Zolla, Colin`s, Euroset, Sbarro, Eldorado and Yves Rocher.

An analysis of the location of shopping centres in Yaroslavl reveals that these are distributed unequally throughout the various districts forming the city. New retail schemes commissioned more recently have addressed the former situation when there was a shortage of quality developments within the central districts of the city, which are characterised by compact planning of historical buildings. A significant volume of retail space (mostly street retail facilities) are located within the Kirovsky district. According to data published by the city administration, there are more than 500 non-foods shop units, in excess of 100 food stores and more than 200 small retail objects, as well as markets and shopping centres. In addition, the retail market environment has improved within the Zavolzhsky district of the city, with the completion of the 'Yarky' shopping centre. The district with the most limited supply of significant retail facilities at present is the Krasnoperekopsky district.

The principal retail developers in Yaroslavl include the Tashir group of companies (shopping centres 'Pharaon' and 'RIO'), Renaissance Development ('Golden Ring Gallery' and 'AURA'), Ermak Development ('Altair'), Mirland Development ('Vernisazh') and Auchan ('Nasha Raduga'). It should be noted that several dated retail properties are either currently being reconstructed or are planned for reconstruction. As an example, the department store 'Yaroslav', located at 63 Svobody Street, was reopened in Q1 2014 following its reconstruction, with all works having been completed within a period of one year. In addition, the 'Dom mod' shopping centre (at 6 Pobedy Street) was reopened in 2013. At the end of June 2014, the shopping and entertainment centre 'Yarky', located at 30/18 Mashinostroiteley Avenue, developed by Base Property Group and having a total area of 24,674 sq m, was opened. Anchor tenants include the grocery hypermarket 'Verniy', the electronics retailer 'M-Video', multiplex cinema 'Kinoformat', the children's supermarket retailer 'Bubble Gum' and an entertainment centre for children. The shopping gallery includes more than 100 shops, a food court and above ground parking for 500 vehicles.

Significant retail developments in Yaroslavl					
Name	**Address**	**Total Area**	**Retail GLA**	**Delivery**	**Principal Developers**
Vernisazh (Phase	Moskovsky	70,000	33,300	Q1 2007	MirLand

I)	Avenue / Kalinina Street				Development Corporation
RIO Grand	108 Moskovsky Avnenue	38,000	21,000	Q1 2008	Tashir Group
RIO	1 Tutaevskoe Highway	70,000	53,000	Q3 2011	Tashir Group
Yarkiy	Mashinostroiteley Avenue / Papanina Street	23,800	15,685	Q3 2014	Base Property Group
Faraon	Newton Street / Gogol Street	25,000	15,000	Q4 2005	Tashir Group
Altair	123 Leningradsky Ave	55,000	35,750	Q4 2006	Ermak
Aura	41 Pobedy Street	121,000	62,550	Q4 2013	Renaissance Development
Kosmos-3	149, Aviatorov Avenue	23,562	15,315		Inkomproekt
METRO Cash & Carry	32 Frunze Avenue	93,000	93,000	2003	METRO
TOTAL		519,362	344,600		

Source: Cushman and Wakefield database

DEMAND

The current trend for retail development is for the majority of shopping and entertainment centres to be constructed outside Yaroslavl centre, along the city's main thoroughfares. This is predominantly the result of a general shortage of sites for large-scale retail schemes in the central part of the city, combined with the fact that small shopping centres located in the city centre are unable to meet the main requirements of tenants in terms of floor area, i.e. leasable areas of 300 sq m or more. The construction volumes witnessed recently have been increasing, which is the result of high demand from Moscow-based retail companies.

RENTAL RATES

There is no publically available data in respect of retail rents currently achievable in the market in Yaroslavl. However, we are aware of current asking retail rental rates in the market. These monthly rates vary between 700 and 3,500 rubles per sq m.

Asking rental rates in respect of a number of shopping centres are set out in the table below:

Asking Rental rates			
Name	**Address**	**Total Area**	**Rental Rate** ($ per sq.m per annum)
Vernisazh	6a Dorozhnaya Street	42,000	$700-2000
Mercury	19 Svobody Street	4,000	$180-360
Altair	123 Leningradsky Avenue	60,000	$300-3000
Kosmos	49a Leningradsky Avenue	28,000	$300-2800
Gigant	46 Oktyabrya Avenue	9,000	$800
Tandem	9/14, Polushkina Roscha St.	65,000	$300-540
Wenge	91 Svobody Street	9,650	$180-710
Dom Modi	6 Pobedy Street	7,000	$320-710
Yarky	30/18 Mashinostroiteley Ave.	21,000	$960
Akson-1	13 Gromova Street	12,000	$450

Source: www.shopandmall.ru, www.beboss.ru, Colliers International

It should be born in mind that in the current situation of economic uncertainty and high currency volatility retailers try to fix the rates in Rubles as well as ask the owners for discounts or other concessions. Currently many market participants are in the process of negotiations regarding the rental terms. In view of that, we are of opinion that the situation with the rental rates level as well as other terms of rent will become more or less clear to HII 2015.

SARATOV RETAIL MARKET COMMENTARY[8]

CITY

Saratov is not included in the list of cities with population over a million of people, though it is a center of large agglomeration, where more than 1,150,000 people live. Previously the city used to be mainly an industrial production centre, now dynamics of industrial production became lower, though the service sector improving. According to Forbes ranking Saratov occupied 10th place in the list of 30 cities with highest business potential. Income level is growing during last years along with unemployment reduction.

Source: CW research

SHOPPING CENTERS SUPPLY

The majority of existing shopping centres are located in the central part of the city. However, there is a limited number of vacant land plots in historical center. Potential areas of further construction are industrial areas in suburbs where many closed enterprises are located. The total supply of retail premises on Saratov market amounts to 226,400 sq m GLA.

[8] The current overview is based mostly on the C&W research database and relevant data published by GVA Sawyer.

Source: GVA Sawyer

The total area of retail centres planned to be put into operation within following three years makes 127,800 sq m. Given all the announced projects enter the market the aggregate supply will make more than 354,000 sq m by 2016, which will make a ratio of 420 sq m per 1,000 citizens.

Both federal chains (food retailers: Metro Cash&Cary, Real, Castorama, SPAR, O'key, W&B: Media Markt, Eldorado, M. Video) and several local players (food retailers: Grozd, Sociolism, Palitra Vkusa) are presented.

Main retail districts are Kirova Prospect, Chapaeva Str., Gorkogo Str, Volskaya and Radischeva Streets.

COMMERCIAL TERMS

Average rental rates for retail premises in the centre of the town for retail gallery operators vary from 2,000 to 2,800 RUR per sq m per month. In other districts the rental rate level is in the range 1,000 to 1,700 RUR per sq m per month.

One of highest rental rates (for non-anchor operators) are fixed in Tau Gallery, the retail centre under construction planned for opening in March 2015, where monthly rate made 3,500 RUR per sq m. market commentators do not expect any significant rental rate growth in the medium-term perspective in view of the economic instability. The indexation rate differ depending on the type of the tenant and can make 2-3% for an anchor and up to 10% for some of the gallery operators.

MARKET POTENTIAL

As market commentators agree, the potential of retail-entertainment market is not yet exhausted in Saratov. The market is supposed to grow together with the increase of main socio-economic indices. However, currently the market requires a thorough preparation of the concept and a well-thought positioning with micro-location conditions and catchment area born in mind.

KAZAN RETAIL MARKET[9]

As it was stated before Russian spend 80% of their income in retail centres. In view of this number it would be interesting to review the figures of 780$, which is the average salary per month in Kazan as compared to $830 average salary per month in Russia.

As of the year end Kazan preserved the sixth place among Russian million-population cities in terms of quality retail space per 1,000 people ratio, i.e. 380 sq m per 1,000 locals.

KEY EVENTS ON KAZAN RETAIL MARKET IN 2014:

Besides the key events common to all-Russian market, such as new system of taxation based on cadaster value and the drop of national currency, Kazan market specifically is subject to the following:

- There were more retail centres having entered the market this year than in the previous 2013, when in the segment of quality retail space only "Svita Hall" and "Olymp" shopping centres were put into operation. In 2014 the market was supplied with "Galereya Tandem" (Rive Gauche, Chicco, Green Apples, Solo lei, Ipekyol) retail centre, renovated "Detskiy Mir" (Zolotoye Yabloko cosmetics shop, Podium Market) on Pushkina Str., and family hypermarket "Magnit" on Chistopolskaya Str.
- German owner of OBI DIY centre has bought 42% from the local owners and became a 100% owner of the Kazan OBI centre.
- AK Bars Bank consolidated 100% of retail centre "Galereya Tandem", having become its one and sole owner.
- After 9 years since the opening of "Mega Kazan", the complex has become subject to renovation works with cost of 1.5 bn RUR. The developer also invests 1 bn RUR into construction of a metro station near the retail complex.

RETAILERS

Major Food Retailers: X5 Retail Group, Magnit.

Major Non-Food Retailers: O'stin, Oggi*, Carlo Pazolini, Zolla, Lady & Gentelman, Snezhnaya Koroleva, Eldorado, M'Video, Tekhnosila, Svyaznoy, Sportmaster, Metrika.

International Retailers (a selection): CK, Zara, GAP, Next, Marks & Spencer, Mango, New Yorker, H&M, Calzedonia, Adidas, Nike, Puma, Auchan, Metro Group, MediaMarkt, IKEA, OBI, Leroy Merlen.

Among new retail formats we suppose the following are worth mentioning: Big Box, Retail parks, Factory Outlets, E-commerce.

Brands new to the city: Podium market, Zolotoye yabloko, Violeta by Mango, Soho, Charuel, Joymiss, Basconi, Abbika, Chicco, Green apples, Solo lei, Victoria's dreams, Ipekyol.

New openings: Reserved, Detskiy Mir, H&M, Begemot, Mothercare, Burger King, McDonald's, Atak, Verny, SPAR, Bakhetle-Khalal.

The following operators are known to be interested in Kazan market: Debenhams, Carrefour, O'key, Lenta, KARE, Kiabi, Dochki-Synochki, Start, Enter, Toy.ru, Technosila, Papa John's, Wetzels Pretzels, Nathan.

The city's market was also left by some brands Romano Botta, New Look, Bely Veter Tsyfrovoi, MediaMarkt, RikkiTikki and some others. In total about 20 brands in some way or another suffered the consequences either of the crisis or/and certain mistakes in the management.

[9] Most of the overview is based on the data announced at the "Christmas summit 2014" in Kazan on 12 December 2014, including reports held by C&W experts.

SUPPLY

The capital of Tatarstan houses 622,000 sq m Gross building area or 418,000 sq m Gross leasable area of quality shopping centers.

In 2013 there were GBA 22,500 or GLA 15,100 sq m commissioned.

GBA 150,000 sq. m of retail space is planned to be commissioned in the next 3 years.

VACANCY RATE

Kazan has long been known as a rather successful city in terms of retail market. The vacancy rate of the total quality supply has mostly been fixed at the level of 2%. Most successful shopping malls are subject to 100% occupancy and have waiting lists.

According to the data announced at the Christmas summit 2014 the five largest retail centres of Kazan are subject to only 7% vacant space.

However considering the vacancy rates in dynamics a certain growth of the rate can be notices, i.e. in 2.5 times. Moreover, the analysis of all quality space (21 retail centres as referred by market experts) revealed 23% of vacant space.

In general the footfall proved to be on one of the lowest levels since 2010. At that, the increased during the latest quarter conversation rate is rather connected with seasonal new year purchases, as well as the buyers craving to save the devaluating Ruble. In addition, the so-called "McDonals index" dropped twice, which can be a sign of people starting to save money on fast food cafes.

DEMAND

In terms of demand the most interesting figure in our opinion is 5,000-15,000 sq m, which is the estimated unsatisfied demand for retail space from large national retail chains.

RENTAL RATES

The following table illustrates the market conditions in terms of rental rates*:

Tenant type	GLA, sq m			
	<100	100– 200	200 – 500	500 – 1500
Fashion	948	773	413	296
Shoes and bags	974	760	530	363
Lingerie	1 118	795	834	
Cosmetics	785	765	737	710
Accessories	1 225			
Sports			413	220
Electronics	1 500	765		220

*Rental rates are in USD per sq m per year, excluding operating expenses, utilities and taxes

The market participants have noted the tendency of lowering occupancy rate and naturallu started active bargaining on price. Despite the nominal increase in rental rates (+13%), the owners agree either on temporary decrease of rates (3-6 months), or, if subject to dollar or euro rents, fix the currency rate.

FORECAST

No doubt, most market experts and players expect the decrease in purchasing power of local population, lower turnovers and subsequent drop in owners' profits.

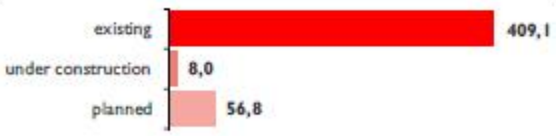
However, most real estate professionals agree, Kazan has a huge potential and perspectives. The positive aspects including the forthcoming football championship, current investments, government budgets for development of the city etc., bespeak of a good base for further development of business, retail in particular.

KAZAN

	2012	% Ref*
POPULATION, '000 inhabitants	1,161	84.3%
RETAIL TRADE TURNOVER, mn USD	2,987	72.3%
AVERAGE MONTHLY SALARY, USD	701	74.0%
RETAIL STOCK, sq m / 1,000 citizens	352	91.8%

*compared to Ekaterinburg (reference city for regional comparisons)

RETAIL SPACE. '000 SQ M GLA



Source: Cushman & Wakefield

SELECTED RETAIL PROPERTIES

	TOTAL, sq m	GLA, sq m	DELIVERY
EXISTING			
City–Center	24,000	19,200	2003
XL	40,000	25,000	2004
Tandem	67,000	43,000	2005
MEGA – Kazan	120,000	92,500	2005
Suvar Plaza	60,000	17,400	2006
Korston Hotel & Mall	71,951	16,788	2006
Koltso	86,800	23,560	2006
Park House	70,000	48,100	2007
Frant	40,000	25,000	2010
Uzhny	78,000	46,800	2011
PLANNED			
Admiraltciskiy	27,000	12,000	2016
MEGA – Kazan 2	50,000	37,000	2016

Source: Cushman & Wakefield

SARATOV WAREHOUSE MARKET COMMENTARY

Saratov is an important center of the Volga Region. The city 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'.

According to the "Concept of Transport Development of Saratov Region 2009-20125" Saratov region is far behind Moscow and St. Petersburg in terms of the development of logistics market, though it has a very good potential for this, because the city is located at the crossroads of many important transit retail routs and is considered to be the economic center of the Volga Region.

Regional experts note dramatic lack of quality warehouse premises in the city, resulting in an unsatisfied demand of one million sq. m. The highest demand is shown for properties of class B and C (with rents from 80 RUR to several hundred per 1 sq. m) and unfortunately it will not be satisfied in the coming several years.

According to the market experts, currently biggest demand is shown for rather small areas of 300 sq. m, which is enough for 2-3 shops. Owners of big areas are more inclined to host one big tenant. However, when areas stay vacant for a long time, they are ready to cut the areas into blocks and lease them this way. Class A warehouse premises are preferred mostly by pharmaceutical companies. Here rents are around 1,000 RUR per 1 sq. m per year.

Most large representatives of Saratov logistics market are represented by "Devon" company, occupying 63,000 sq. m in Dubki and "Pokrovskaya Sloboda" in Engels (5,200 sq. m). A new logistics park "Leader" (75 ha in total) was launched in the town of Engels with the first phase opened in autumn 2014, offering 67,000 sq. m to potential tenants. This means that there will be enough quality space in the region that will be able to satisfy any demand from foreign and local tenants.

NOVOSIBIRSK WAREHOUSE MARKET COMMENTARY

CITY

Novosibirsk is the third city in Russia by population (after Moscow and St.-Petersburg), the cultural, economic and industrial center of Siberia. Novosibirsk is a part of important transport paths (to Middle Asia, South-East Asia, Northern Russia, Russia's Far East, Europe) and is the largest logistics hub in Siberia, with high-quality warehouses and regional logistics centers. Retail turnover in the city is on the fourth place in Russia.

Source: CW research

The amount of quality warehouse supply in Novosibirsk in the beginning of 2014 was at the level of 800,000 sq. m. Total amount of all premises offered for logistics needs approximates 1.8 million sq. m. This means that at present warehouse market in the city is represented not only by modern warehouse premises, but also by outdated complexes, former factories and industrial zones of different enterprises.

Such federal developers as PNK Group, Raven Russia, "Evrasia-Logistics" (phase I put into operation in Q3 2012) are presented here. However, the biggest amount of class A warehouse premises fell for 2009, when logistics park "Ob" (total area – 136,000 sq. m) and phase I of the warehouse complex "PNK-Tolmachevo" entered the market.

For 2010-2011 there were no new quality warehouse premises put into operation. New construction was presented only by built-to-suit projects. This situation changed in 2012. In Q1 2012 phase 2 of "PNK-Tolmachevo" was finished and Bosch concern opened its own warehouse with total area of 4,000 sq. m.

At present build-to-suit scheme is one of the most wide-spread and market oriented in Novosibirsk. Total amount of announced projects to be delivered by 2016 is approximately 400,000 sq. m. However, taking into account current market turbulence and instability, analysts believe that this figure will be significantly reduced or construction schedules will be prolonged.

Anyway, Novosibirsk warehouse market is one of the well-developed markets in Russia where high level of demand and big volume of investments into the sector can be observed. In 2012 the market showed one of the highest levels of absorption (133,000 sq. m). Novosibirsk is practically the only city in Russia beside Moscow and St. Petersburg that can offer high quality warehouse premises for lease. Demand for warehouse premises is the highest among all other sectors in Novosibirsk. Most class A premises are fully leased. Average occupancy of quality premises is at the level of 90-95%. However, demand is gradually shifting for smaller space – from 800 sq. m in 2013 to 400 sq. m in 2014.

Rental rates for warehouse premises are at the level of 4,000-5,000 RUR per 1 sq. m per year.

APPENDIX III

BOOK VALUES*

Name of Property	FV 30.09.2014 US Dollars'000
Investment Properties under construction	
St. Petersburg commercial	31 700
Kazan Mall	12 200
Novosibirsk logistic	3 200
Saratov Logistic	7 200
	54 300
Investment Properties	
Saratov Mall	133 700
Hydro	68 700
MAG	79 100
Tamiz buildings	44 500
Century	92 200
Yaroslavl Mall	113 300
	531 500
TOTAL	**585 800**

* The table represents the figures as mentioned in the Client's last Financial Statements as of 30.09.2014. The information has been provided to us by the Client.

APPENDIX IV

SENSITIVITY ANALYSIS

MAG

Vacancy rate	+5%	current	-5%
Market Value	$55 100 000	$55 700 000	$55 900 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$50 700 000	$55 700 000	$61 900 000
ERV	+5%	current	-5%
Market Value	$58 200 000	$55 700 000	$50 800 000

HYDROMASHSERVICE

Vacancy rate	+5%	current	-5%
Market Value	$45 700 000	$45 900 000	$46 400 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$41 700 000	$45 900 000	$51 100 000
ERV	+5%	current	-5%
Market Value	$48 300 000	$45 900 000	$41 200 000

CENTURY

Vacancy rate	+5%	current	-5%
Market Value	$72 000 000	$72 300 000	$72 700 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$65 700 000	$72 300 000	$80 400 000
ERV	+5%	current	-5%
Market Value	$75 700 000	$72 300 000	$68 900 000

one

TAMIZ

Vacancy rate	+5%	current	-5%
Market Value	$33 300 000	$33 500 000	$33 700 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$30 500 000	$33 500 000	$37 100 000
ERV	+5%	current	-5%
Market Value	$35 000 000	$33 500 000	$32 000 000

SARATOV_Triumph Mall

Vacancy rate	+5%	current	-5%
Market Value	$95 900 000	$96 500 000	n/a
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	$89 000 000	$96 500 000	$105 500 000
ERV	+5%	current	-5%
Market Value	$99 500 000	$96 500 000	$93 500 000

YAROSLAVL_Phase 2

Vacancy rate	**+5%**	**current**	**-5%**
Market Value	$8 000 000	$9 900 000	$11 900 000
Discount rate/Exit cap rate	**+1%**	**current**	**-1%**
Market Value	$6 500 000	$9 900 000	$14 100 000
ERV	**+5%**	**current**	**-5%**
Market Value	$11 800 000	$9 900 000	$8 000 000
Total Development Costs	**+5%**	**current**	**-5%**
Market Value	$8 200 000	$9 900 000	$11 700 000

APPENDIX V

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 incomplete development 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. The 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 Russia-30 Bonds to reflect the long-term horizon of real estate investments. As of the date of valuation this number is estimated to be around 4.15%. The generally applied discount rate has therefore been calculated from the risk-free rate of 4.15% 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.

Tamiz Building (Completed)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate	**14,00%**

Hydromashservice (Completed)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate	**14,00%**

Century (Completed)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate	**14,00%**

Vernissage Mall Yaroslavl (Completed)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate	**14,00%**

Triumph Mall Saratov (Completed)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate	**14,00%**

Retail Center Kazan (Held for Future Development)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,00%
Discount Rate (Fully Completed Property)	13,00%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	2,50%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	2,00%
Discount Rate Conclusion	**17,50%**

Yaroslavl Phase II (Held for Future Development)	**31.12.2014**
Risk Free Rate	6,34%
Risk Adjustments:	
- Investment Risk	2,00%
- Liquidity Risk	4,00%
- Management Risk	1,50%
Discount Rate (Fully Completed Property)	14,00%
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	4,50%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	3,00%
Discount Rate Conclusion	**21,50%**

APPENDIX VI

FINANCIAL MODELS

SARATOV LOGISTICS

Land Value Estimation

Saratov

	Subject property	Comparable 1	Comparable 2	Comparable 3
Price, $	-	319 952	266 627	311 065
Total area (ha)	26,0000	9,00	6,00	7,00
Total area ex encumbrances (ha)	26,0000	9,00	6,00	7,00
Price per ha, $	-	35 550	44 438	44 438
Adjustments				
Size				
Adjustment, %	-	-15,00%	-15,00%	-15,00%
Subtotal, $	-	30 218	37 772	37 772
Location	Russia, Saratov region, 1.3 km south-east to Dubki village	Saratov, Volsky Trakt	Saratov, Kirovskiy district, Deputatskaya Str.	Saratov, Volsky Trakt, turn to Dubki Village
Adjustment	-	0,00%	-10,00%	0,00%
Subtotal, $	-	30 217,71	33 994,92	37 772,14
Transport access	Good	Good	Good	Excellent
Adjustment	-	0,00%	0,00%	-10,00%
Subtotal, $	-	30 217,71	33 994,92	33 994,92
Zoning	industrial	industrial	industrial	industrial
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	30 218	33 995	33 995
Property rights	freehold	leasehold	leasehold	leasehold
Adjustment	-	5,00%	5,00%	5,00%
Subtotal, $	-	31 729	35 695	35 695
Utilities	on the site	on the border of the site	on the border of the site	on the border of the site
Adjustment	-	5,00%	5,00%	5,00%
Subtotal, $	-	33 315	37 479	37 479
Market conditions	-	sale offer	sale offer	sale offer
Adjustment	-	-10,00%	-10,00%	-10,00%
Subtotal, $	-	29 984	33 731	33 731
Other	Electricity brought to the land plot. Technical conditions on electricity (6Mwt) are received and paid.	no	no	no
Adjustment, $	-	180 769	180 769	180 769
Subtotal, $	-	210 753	214 501	214 501
Weights, %	-	0,3333	0,3333	0,3333
Source		http://www.rosrealt.ru/Saratov/uchastok/163803	http://www.rosrealt.ru/Saratov/uchastok/160976	http://saratov.afy.ru/object/promzem/200824620.html
Weighted average, per ha, $		**213 251**		
Weighted average, per sotka, $		**2 133**		
Fair value, $		**5 500 000**		

NOVOSIBIRSK LOGISTICS

Land Value Estimation

Novosibirsk

	Subject property	Comparable 1	Comparable 2	Comparable 3
Price, $	-	1 422 010	1 226 484	6 159 080
Total area (ha)	40,6700	20,00	20,00	35,00
Total area ex encumbrances (ha)	40,6700	20,00	20,00	35,00
Price per ha, $	-	71 100	61 324	175 974
Adjustments				
Size				
Adjustment, %	-	0,00%	0,00%	0,00%
Subtotal, $	-	71 100	61 324	175 974
Location	Novosibirskiy region, MO Stancionnogo selsoveta, 1 km to the north-east from village Sadoviy along railway line Inya-Vostochnaya – Krasniy Yar	Novosibirsk, Sadovy district	Novosibirsk, Zaeltsevsky district, Zelenaya Str.	Novosibirsk, intersection of Dukacha and Tolmacheva Str.
Adjustment	-	0,00%	0,00%	-30,00%
Subtotal, $	-	71 100	61 324	123 182
Transport access	Good	Good	Good	Good
		0,00%	0,00%	0,00%
		71 100	61 324	123 182
Zoning	industrial	industrial	industrial	industrial
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	71 100	61 324	123 182
Property rights	short-term leasehold	freehold	freehold	freehold
Adjustment	-	-20,00%	-20,00%	-20,00%
Subtotal, $	-	56 880	49 059	98 545
Utilities	electricity and gas on the site	on the border	on the border	on the site
Adjustment	-	10,00%	10,00%	0,00%
Subtotal, $	-	62 568	53 965	98 545
Market conditions		sale offer	sale offer	sale offer
Adjustment	-	-10,00%	-10,00%	-10,00%
Subtotal, $	-	56 312	48 569	88 691
Other		none	none	direct access, railway line on the site
Adjustment	-	0,00%	0,00%	-20,00%
Subtotal, $	-	56 312	48 569	70 953
Weights, %	-	0,3333	0,3333	0,3333
Source		http://www.roszem.ru/land/349474.html	http://www.rosrealt.ru/Novosibirsk/uchastok/204431	http://www.roszem.ru/land/185945.html
Weighted average, per ha, $		58 611		
Weighted average, per sotka, $		586		
Market value, $		2 400 000		

ST. PETERSBURG COMMERCIAL

Land Value Estimation

St. Petersburg

	Subject property	Comparable 1	Comparable 2	Comparable 3
Price, $	-	15 622 246	19 193 839	19 922 719
Total area (ha)	8,20	14,11	7,90	8,20
Price per ha, $	-	1 107 568	2 429 600	2 429 600
Adjustments				
Size				
Adjustment, %	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 107 568	2 429 600	2 429 600
Location	St. Petersburg, Pulkovskoye Shosse 30, Liter "Zh", on the main road connecting the airport to the city	St. Petersburg, Pulkovskoye Shosse 1	St. Petersburg, Pulkovskoye Shosse, Pushkin	St. Petersburg, Pulkovskoye Shosse, Pushkin
Adjustment	-	30,00%	0,00%	0,00%
Subtotal, $	-	1 439 838,32	2 429 599,85	2 429 599,85
Transport access	Good	Good	Good	Good
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 439 838,32	2 429 599,85	2 429 599,85
Zoning	settlement land, for commercial construction	ТД 1.2.1 zone of multifunctional public and business development	settlement land, for commetcial use	settlement land, for commetcial use
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 439 838	2 429 600	2 429 600
Property rights	freehold	freehold	freehold	freehold
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 439 838	2 429 600	2 429 600
Utilities	on the site	technical conditions for connection	on the border of the site from the nearby residential construction project	on the border of the site from the nearby residential construction project
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 439 838	2 429 600	2 429 600
Market conditions	-	sale offer	sale offer	sale offer
Adjustment	-	-10,00%	-10,00%	-10,00%
Subtotal, $	-	1 295 854	2 186 640	2 186 640
Other		no	no	no
Adjustment, $	-	0,00%	0,00%	0,00%
Subtotal, $	-	1 295 854	2 186 640	2 186 640
Weights, %	-	0,3333	0,3333	0,3333
Source		http://www.bebos s.ru/kn/spb/79371 4	http://zemvopros.r u/page_9293.htm	http://zemvopros.r u/page_9293.htm
Weighted average, per ha, $		**1 889 711**		
Weighted average, per sotka, $		**18 897**		
Fair value, $		**15 500 000**		

MAG

GLA	18 534,90 sq m
Vacancy at Beginning of Year 1	3 617,60 sq m
Vacancy Rate in Terms of GLA	19,52%

Moscow,2 Khutorskaya 38a
MAG

DISCOUNTED CASHFLOW ANALYSIS

PERIOD					1				2		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				**2016**			
NET OPERATING INCOME			$1 281 426	$1 352 112	$1 399 791	$1 479 377	$1 621 201	$1 746 389	$1 807 952	$1 807 952
TOTAL EXPENDITURE			$279 258	$413 875	$432 450	$256 534	$285 907	$280 762	$248 080	$248 080
TOTAL QUARTERLY CASH FLOW			$1 002 168	$938 237	$967 340	$1 222 842	$1 335 294	$1 465 628	$1 559 873	$1 559 873
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$1 173 550	$1 241 838	$1 289 517	$1 369 103	$1 512 126	$1 637 314	$1 697 678	$1 697 678
Discounted Cash Flow			$1 154 485	$1 182 295	$1 188 123	$1 220 800	$1 304 878	$1 367 376	$1 372 098	$1 327 880
Parking	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$107 877	$110 274	$110 274	$110 274	$109 075	$109 075	$110 274	$110 274
Discounted Cash Flow			$106 124	$104 987	$101 603	$98 329	$94 126	$91 092	$89 126	$86 253
Other	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$279 258	-$413 875	-$432 450	-$256 534	-$285 907	-$280 762	-$248 080	-$248 080
Discounted Cash Flow			-$274 721	-$394 031	-$398 447	-$228 746	-$246 721	-$234 474	-$200 503	-$194 041
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$1 002 168	$938 237	$967 340	$1 222 842	$1 335 294	$1 465 628	$1 559 873	$1 559 873
Discounted Cash Flow			$985 888	$893 250	$891 279	$1 090 382	$1 152 283	$1 223 994	$1 260 721	$1 220 092
NET PRESENT VALUE			$55 712 787							
MARKET VALUE			$55 700 000							

PERIOD		3				4		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
	2017				**2018**			
NET OPERATING INCOME	$1 806 356	$1 850 106	$1 693 372	$1 727 969	$1 660 482	$1 207 496	$1 805 041	$1 876 224
TOTAL EXPENDITURE	$248 064	$248 501	$246 934	$294 091	$246 605	$289 292	$423 905	$248 762
TOTAL QUARTERLY CASH FLOW	$1 558 292	$1 601 605	$1 446 438	$1 433 878	$1 413 877	$918 203	$1 381 136	$1 627 461
PRESENT VALUE								
Use 1	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$1 698 479	$1 741 031	$1 583 098	$1 617 695	$1 547 211	$1 092 966	$1 689 253	$1 760 436
Discounted Cash Flow	$1 285 693	$1 275 433	$1 122 361	$1 109 929	$1 027 358	$702 349	$1 050 545	$1 059 532
Parking	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$107 877	$109 075	$110 274	$110 274	$113 271	$114 529	$115 788	$115 788
Discounted Cash Flow	$81 659	$79 906	$78 180	$75 661	$75 212	$73 597	$72 008	$69 688
Other	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	-$248 064	-$248 501	-$246 934	-$294 091	-$246 605	-$289 292	-$423 905	-$248 762
Discounted Cash Flow	-$187 776	-$182 045	-$175 067	-$201 781	-$163 747	-$185 901	-$263 626	-$149 719
Terminal Value	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Total								
Cash Flow	$1 558 292	$1 601 605	$1 446 438	$1 433 878	$1 413 877	$918 203	$1 381 136	$1 627 461
Discounted Cash Flow	$1 179 576	$1 173 293	$1 025 474	$983 809	$938 824	$590 045	$858 927	$979 500

PERIOD		5				6		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
	2019				**2020**			
NET OPERATING INCOME	$1 787 604	$1 856 961	$1 993 182	$1 824 674	$1 937 244	$1 998 565	$2 020 527	$2 020 527
TOTAL EXPENDITURE	$247 876	$292 333	$286 643	$248 247	$313 664	$249 986	$250 205	$250 205
TOTAL QUARTERLY CASH FLOW	$1 539 728	$1 564 628	$1 706 539	$1 576 427	$1 623 580	$1 748 580	$1 770 322	$1 770 322
PRESENT VALUE								
Use 1	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$1 668 670	$1 736 706	$1 871 605	$1 703 097	$1 810 975	$1 872 297	$1 892 872	$1 892 872
Discounted Cash Flow	$971 937	$978 966	$1 021 008	$899 142	$925 284	$925 787	$905 798	$876 607
Parking	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$118 934	$120 256	$121 577	$121 577	$126 268	$126 268	$127 656	$127 656
Discounted Cash Flow	$69 275	$67 787	$66 323	$64 186	$64 514	$62 435	$61 087	$59 119
Other	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	-$247 876	-$292 333	-$286 643	-$248 247	-$313 664	-$249 986	-$250 205	-$250 205
Discounted Cash Flow	-$144 378	-$164 785	-$156 371	-$131 061	-$160 261	-$123 609	-$119 731	-$115 873
Terminal Value	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow	$0	$0	$0	$68 782 398	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$35 723 422	$0	$0	$0	$0
Total								
Cash Flow	$1 539 728	$1 564 628	$1 706 539	$70 358 825	$1 623 580	$1 748 580	$1 770 322	$1 770 322
Discounted Cash Flow	$896 833	$881 967	$930 961	$36 555 689	$829 538	$864 613	$847 154	$819 854

HYDRO

GLA	16 695,50 sq m
Vacancy at Beginning of Year 1	3 352,10 sq m
Vacancy Rate in Terms of GLA	20,08%

Moscow,2 Khutorskaya 38a
Hydromashservice

DISCOUNTED CASHFLOW ANALYSIS

PERIOD			1				2			
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				**2016**			
NET OPERATING INCOME			$1 162 854	$1 190 748	$1 333 719	$1 376 125	$1 386 015	$1 392 793	$1 446 665	$1 513 481
TOTAL EXPENDITURE			$339 129	$489 407	$539 888	$356 005	$348 766	$341 428	$357 095	$360 781
TOTAL QUARTERLY CASH FLOW			$823 726	$701 340	$793 831	$1 020 120	$1 037 250	$1 051 365	$1 089 570	$1 152 700
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$1 069 700	$1 095 539	$1 192 026	$1 235 730	$1 246 374	$1 253 138	$1 304 359	$1 371 072
Discounted Cash Flow			$1 052 323	$1 043 010	$1 098 298	$1 101 874	$1 075 550	$1 046 537	$1 054 209	$1 072 417
Use 2	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$31 510	$32 195	$31 420	$30 122	$30 566	$30 580	$32 032	$32 135
Discounted Cash Flow			$30 998	$30 651	$28 949	$26 859	$26 377	$25 538	$25 889	$25 135
Parking	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$61 644	$63 014	$110 274	$110 274	$109 075	$109 075	$110 274	$110 274
Discounted Cash Flow			$60 642	$59 992	$101 603	$98 329	$94 126	$91 092	$89 126	$86 253
Other	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$339 129	-$489 407	-$539 888	-$356 005	-$348 766	-$341 428	-$357 095	-$360 781
Discounted Cash Flow			-$333 619	-$465 941	-$497 437	-$317 442	-$300 965	-$285 138	-$288 611	-$282 193
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$823 726	$701 340	$793 831	$1 020 120	$1 037 250	$1 051 365	$1 089 570	$1 152 700
Discounted Cash Flow			$810 344	$667 712	$731 413	$909 619	$895 087	$878 030	$880 612	$901 612
NET PRESENT VALUE			$45 907 574							
MARKET VALUE			$45 900 000							

PERIOD	3				4			
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
	2017				**2018**			
NET OPERATING INCOME	$1 401 464	$1 509 686	$1 578 691	$1 541 552	$1 524 576	$1 620 821	$1 535 878	$1 626 398
TOTAL EXPENDITURE	$350 389	$403 114	$343 287	$342 916	$382 469	$343 708	$377 962	$343 764
TOTAL QUARTERLY CASH FLOW	$1 051 075	$1 106 572	$1 235 404	$1 198 636	$1 142 107	$1 277 113	$1 157 916	$1 282 634
PRESENT VALUE								
Use 1	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$1 261 563	$1 370 245	$1 432 991	$1 395 153	$1 375 237	$1 469 823	$1 380 857	$1 471 378
Discounted Cash Flow	$954 962	$1 003 804	$1 015 940	$957 239	$913 166	$944 520	$858 754	$885 560
Use 2	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$32 024	$30 366	$35 426	$36 125	$38 380	$38 806	$39 233	$39 233
Discounted Cash Flow	$24 241	$22 245	$25 116	$24 786	$25 485	$24 937	$24 399	$23 613
Parking	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$107 877	$109 075	$110 274	$110 274	$110 959	$112 192	$115 788	$115 788
Discounted Cash Flow	$81 659	$79 906	$78 180	$75 661	$73 677	$72 095	$72 008	$69 688
Other	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	-$350 389	-$403 114	-$343 287	-$342 916	-$382 469	-$343 708	-$377 962	-$343 764
Discounted Cash Flow	-$265 233	-$295 310	-$243 378	-$235 280	-$253 962	-$220 870	-$235 054	-$206 897
Terminal Value	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Total								
Cash Flow	$1 051 075	$1 106 572	$1 235 404	$1 198 636	$1 142 107	$1 277 113	$1 157 916	$1 282 634
Discounted Cash Flow	$795 629	$810 645	$875 858	$822 406	$758 366	$820 683	$720 107	$771 963

PERIOD	5				6			
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
	2019				**2020**			
NET OPERATING INCOME	$1 664 284	$1 684 224	$1 704 103	$1 711 015	$1 780 625	$1 780 671	$1 800 239	$1 800 239
TOTAL EXPENDITURE	$344 143	$344 342	$344 541	$344 610	$345 306	$345 307	$345 502	$345 502
TOTAL QUARTERLY CASH FLOW	$1 320 141	$1 339 882	$1 359 562	$1 366 405	$1 435 319	$1 435 364	$1 454 736	$1 454 736
PRESENT VALUE								
Use 1	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$1 505 051	$1 523 222	$1 541 331	$1 548 244	$1 611 572	$1 611 618	$1 629 329	$1 629 329
Discounted Cash Flow	$876 635	$858 627	$840 835	$817 388	$823 403	$796 890	$779 684	$754 558
Use 2	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$40 299	$40 747	$41 194	$41 194	$42 784	$42 784	$43 254	$43 254
Discounted Cash Flow	$23 473	$22 969	$22 473	$21 748	$21 860	$21 155	$20 698	$20 031
Parking	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$118 934	$120 256	$121 577	$121 577	$126 268	$126 268	$127 656	$127 656
Discounted Cash Flow	$69 275	$67 787	$66 323	$64 186	$64 514	$62 435	$61 087	$59 119
Other	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	-$344 143	-$344 342	-$344 541	-$344 610	-$345 306	-$345 307	-$345 502	-$345 502
Discounted Cash Flow	-$200 450	-$194 103	-$187 956	-$181 935	-$176 428	-$170 742	-$165 334	-$160 006
Terminal Value	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow	$0	$0	$0	$57 512 544	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$29 870 213	$0	$0	$0	$0
Total								
Cash Flow	$1 320 141	$1 339 882	$1 359 562	$58 878 949	$1 435 319	$1 435 364	$1 454 736	$1 454 736
Discounted Cash Flow	$768 932	$755 280	$741 675	$30 591 600	$733 349	$709 739	$696 137	$673 703

CENTURY BLD. 8

GLA	11 086,30 sq m
Vacancy at Beginning of Year 1	908,70 sq m
Vacancy Rate in Terms of GLA	8,20%

Moscow,2-ya Khutorskaya 38a
Century

DISCOUNTED CASHFLOW ANALYSIS

PERIOD				1				2		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				**2016**			
NET OPERATING INCOME			$940 762	$1 002 974	$1 063 598	$1 059 666	$1 071 437	$1 113 998	$1 087 264	$1 171 379
TOTAL EXPENDITURE			$105 058	$238 212	$99 098	$96 460	$103 285	$117 975	$137 556	$97 577
TOTAL QUARTERLY CASH FLOW			$835 703	$764 761	$964 500	$963 206	$968 152	$996 024	$949 708	$1 073 802
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$860 206	$914 837	$968 087	$963 908	$976 720	$1 019 281	$991 506	$1 075 621
Discounted Cash Flow			$846 232	$870 972	$891 967	$859 496	$842 853	$851 236	$801 355	$841 323
Use 2	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$51 583	$58 521	$65 895	$66 142	$65 423	$65 423	$66 142	$66 142
Discounted Cash Flow			$50 745	$55 715	$60 713	$58 977	$56 456	$54 637	$53 457	$51 734
Parking	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$28 973	$29 616	$29 616	$29 616	$29 295	$29 295	$29 616	$29 616
Discounted Cash Flow			$28 502	$28 196	$27 288	$26 408	$25 279	$24 465	$23 937	$23 165
Other	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$105 058	-$238 212	-$99 098	-$96 460	-$103 285	-$117 975	-$137 556	-$97 577
Discounted Cash Flow			-$103 352	-$226 791	-$91 306	-$86 011	-$89 129	-$98 525	-$111 175	-$76 322
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$835 703	$764 761	$964 500	$963 206	$968 152	$996 024	$949 708	$1 073 802
Discounted Cash Flow			$822 127	$728 093	$888 662	$858 870	$835 460	$831 813	$767 573	$839 900
NET PRESENT VALUE			$39 430 324							
MARKET VALUE			$39 400 000							

PERIOD				3				4		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
			31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
			2017				**2018**			
NET OPERATING INCOME			$1 151 074	$1 164 250	$1 175 947	$1 180 354	$1 125 428	$1 054 293	$1 153 439	$1 156 592
TOTAL EXPENDITURE			$97 374	$97 505	$97 622	$97 667	$97 117	$142 815	$97 397	$97 429
TOTAL QUARTERLY CASH FLOW			$1 053 700	$1 066 744	$1 078 325	$1 082 687	$1 028 311	$911 478	$1 056 042	$1 059 163
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			$1 057 397	$1 069 533	$1 080 189	$1 084 596	$1 027 068	$954 840	$1 052 893	$1 056 046
Discounted Cash Flow			$800 415	$783 511	$765 816	$744 160	$681 980	$613 588	$654 793	$635 589
Use 2	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			$64 704	$65 423	$66 142	$66 142	$67 939	$68 694	$69 449	$69 449
Discounted Cash Flow			$48 979	$47 927	$46 892	$45 381	$45 112	$44 143	$43 190	$41 798
Parking	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			$28 973	$29 295	$29 616	$29 616	$30 421	$30 759	$31 097	$31 097
Discounted Cash Flow			$21 931	$21 460	$20 997	$20 320	$20 200	$19 766	$19 339	$18 716
Other	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			-$97 374	-$97 505	-$97 622	-$97 667	-$97 117	-$142 815	-$97 397	-$97 429
Discounted Cash Flow			-$73 709	-$71 430	-$69 211	-$67 011	-$64 487	-$91 774	-$60 571	-$58 638
Terminal Value	Discount Rate	14,00%	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$1 053 700	$1 066 744	$1 078 325	$1 082 687	$1 028 311	$911 478	$1 056 042	$1 059 163
Discounted Cash Flow			$797 617	$781 468	$764 495	$742 851	$682 805	$585 723	$656 751	$637 465

PERIOD				5				6		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
			31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
			2019				**2020**			
NET OPERATING INCOME			$1 182 149	$1 208 070	$1 221 417	$1 234 173	$1 288 529	$1 288 529	$1 302 688	$1 302 688
TOTAL EXPENDITURE			$97 684	$97 944	$98 077	$98 205	$98 748	$98 748	$98 890	$98 890
TOTAL QUARTERLY CASH FLOW			$1 084 464	$1 110 126	$1 123 340	$1 135 968	$1 189 780	$1 189 780	$1 203 799	$1 203 799
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			$1 078 870	$1 103 644	$1 115 844	$1 128 600	$1 178 882	$1 178 882	$1 191 836	$1 191 836
Discounted Cash Flow			$628 401	$622 115	$608 721	$595 839	$602 328	$582 917	$570 331	$551 951
Use 2	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			$71 336	$72 129	$72 921	$72 921	$75 735	$75 735	$76 567	$76 567
Discounted Cash Flow			$41 550	$40 658	$39 780	$38 498	$38 695	$37 448	$36 640	$35 459
Parking	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			$31 942	$32 297	$32 652	$32 652	$33 912	$33 912	$34 285	$34 285
Discounted Cash Flow			$18 605	$18 206	$17 813	$17 239	$17 327	$16 768	$16 406	$15 878
Other	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			-$97 684	-$97 944	-$98 077	-$98 205	-$98 748	-$98 748	-$98 890	-$98 890
Discounted Cash Flow			-$56 897	-$55 210	-$53 504	-$51 847	-$50 454	-$48 828	-$47 322	-$45 797
Terminal Value	Discount Rate	14,00%	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow			$0	$0	$0	$47 632 222	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$24 738 684	$0	$0	$0	$0
Total										
Cash Flow			$1 084 464	$1 110 126	$1 123 340	$48 768 190	$1 189 780	$1 189 780	$1 203 799	$1 203 799
Discounted Cash Flow			$631 659	$625 768	$612 810	$25 338 413	$607 896	$588 306	$576 055	$557 491

CENTURY BLD. 17

GLA	9 817,40 sq m
Vacancy at Beginning of Year 1	36,60 sq m
Vacancy Rate in Terms of GLA	0,37%

Moscow,2-ya Khutorskaya 38a
Century

DISCOUNTED CASHFLOW ANALYSIS

PERIOD				1				2		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				**2016**			
NET OPERATING INCOME			$748 832	$765 472	$765 472	$676 526	$300 015	$860 067	$947 372	$970 386
TOTAL EXPENDITURE			$105 662	$105 829	$205 829	$105 549	$101 174	$319 626	$107 648	$107 878
TOTAL QUARTERLY CASH FLOW			$643 169	$659 644	$559 644	$570 977	$198 841	$540 441	$839 724	$862 508
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$724 743	$740 848	$740 848	$650 055	$273 832	$833 884	$920 901	$943 915
Discounted Cash Flow			$712 969	$705 326	$682 596	$579 640	$236 301	$696 405	$744 291	$738 306
Use 2	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$48	$49	$49	$1 895	$1 875	$1 875	$1 895	$1 895
Discounted Cash Flow			$47	$46	$45	$1 690	$1 618	$1 566	$1 532	$1 483
Parking	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$24 041	$24 575	$24 575	$24 575	$24 308	$24 308	$24 575	$24 575
Discounted Cash Flow			$23 651	$23 397	$22 643	$21 913	$20 977	$20 301	$19 862	$19 222
Other	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$105 662	-$105 829	-$205 829	-$105 549	-$101 174	-$319 626	-$107 648	-$107 878
Discounted Cash Flow			-$103 946	-$100 754	-$189 645	-$94 116	-$87 308	-$266 930	-$87 003	-$84 379
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$643 169	$659 644	$559 644	$570 977	$198 841	$540 441	$839 724	$862 508
Discounted Cash Flow			$632 721	$628 015	$515 639	$509 128	$171 588	$451 340	$678 682	$674 632
NET PRESENT VALUE			$32 917 163							
MARKET VALUE			$32 900 000							

PERIOD		3				4		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
	2017				**2018**			
NET OPERATING INCOME	$952 644	$963 228	$973 813	$902 127	$837 402	$1 051 467	$1 063 021	$1 063 113
TOTAL EXPENDITURE	$107 700	$107 806	$107 912	$107 195	$210 908	$108 689	$108 804	$108 805
TOTAL QUARTERLY CASH FLOW	$844 943	$855 422	$865 901	$794 931	$626 494	$942 778	$954 217	$954 308
PRESENT VALUE								
Use 1	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$926 748	$937 045	$947 343	$875 656	$810 302	$1 024 066	$1 035 319	$1 035 319
Discounted Cash Flow	$701 518	$686 454	$671 633	$600 803	$538 046	$658 073	$643 864	$623 115
Use 2	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$1 854	$1 875	$1 895	$1 895	$1 857	$1 877	$1 898	$1 990
Discounted Cash Flow	$1 404	$1 373	$1 344	$1 301	$1 233	$1 206	$1 180	$1 198
Parking	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$24 041	$24 308	$24 575	$24 575	$25 243	$25 524	$25 804	$25 804
Discounted Cash Flow	$18 198	$17 808	$17 423	$16 862	$16 762	$16 402	$16 048	$15 530
Other	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	-$107 700	-$107 806	-$107 912	-$107 195	-$210 908	-$108 689	-$108 804	-$108 805
Discounted Cash Flow	-$81 526	-$78 976	-$76 506	-$73 549	-$140 044	-$69 844	-$67 665	-$65 485
Terminal Value	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Total								
Cash Flow	$844 943	$855 422	$865 901	$794 931	$626 494	$942 778	$954 217	$954 308
Discounted Cash Flow	$639 594	$626 659	$613 894	$545 416	$415 996	$605 837	$593 427	$574 358

PERIOD		5				6		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
	2019				**2020**			
NET OPERATING INCOME	$1 092 002	$1 104 136	$1 116 269	$1 116 269	$1 159 343	$1 159 343	$1 172 083	$1 172 083
TOTAL EXPENDITURE	$109 094	$109 215	$109 337	$109 337	$109 767	$109 767	$109 895	$109 895
TOTAL QUARTERLY CASH FLOW	$982 908	$994 920	$1 006 932	$1 006 932	$1 049 575	$1 049 575	$1 062 188	$1 062 188
PRESENT VALUE								
Use 1	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$1 063 453	$1 075 269	$1 087 085	$1 087 085	$1 129 032	$1 129 032	$1 141 439	$1 141 439
Discounted Cash Flow	$619 421	$606 120	$593 033	$573 921	$576 858	$558 268	$546 214	$528 612
Use 2	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$2 044	$2 067	$2 090	$2 090	$2 170	$2 170	$2 194	$2 194
Discounted Cash Flow	$1 191	$1 165	$1 140	$1 103	$1 109	$1 073	$1 050	$1 016
Parking	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$26 505	$26 800	$27 094	$27 094	$28 140	$28 140	$28 449	$28 449
Discounted Cash Flow	$15 438	$15 107	$14 781	$14 304	$14 378	$13 914	$13 614	$13 175
Other	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	-$109 094	-$109 215	-$109 337	-$109 337	-$109 767	-$109 767	-$109 895	-$109 895
Discounted Cash Flow	-$63 543	-$61 564	-$59 646	-$57 724	-$56 084	-$54 276	-$52 588	-$50 893
Terminal Value	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow	$0	$0	$0	$42 024 081	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$21 825 991	$0	$0	$0	$0
Total								
Cash Flow	$982 908	$994 920	$1 006 932	$43 031 013	$1 049 575	$1 049 575	$1 062 188	$1 062 188
Discounted Cash Flow	$572 507	$560 828	$549 307	$22 357 596	$536 261	$518 979	$508 290	$491 910

TAMIZ

GLA	11 736,90 sq m
Vacancy at Beginning of Year 1	582,30 sq m
Vacancy Rate in Terms of GLA	4,96%

Moscow, 2-ya Khutorskaya 38a
Tamiz

DISCOUNTED CASHFLOW ANALYSIS

PERIOD			1				2			
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				2016			
NET OPERATING INCOME			$907 689	$927 898	$720 225	$877 114	$1 003 529	$1 021 460	$1 028 643	$1 016 120
TOTAL EXPENDITURE			$99 408	$195 029	$199 233	$184 973	$105 269	$95 965	$96 036	$95 911
TOTAL QUARTERLY CASH FLOW			$808 281	$732 869	$520 992	$692 141	$898 260	$925 495	$932 606	$920 209
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$876 589	$896 106	$688 434	$845 691	$972 447	$990 378	$996 135	$983 220
Discounted Cash Flow			$862 349	$853 140	$634 303	$754 084	$839 166	$827 098	$805 096	$769 049
Use 2	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$17 539	$17 929	$17 929	$17 560	$17 369	$17 369	$18 645	$19 037
Discounted Cash Flow			$17 254	$17 069	$16 519	$15 658	$14 988	$14 505	$15 069	$14 890
Parking	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$13 562	$13 863	$13 863	$13 863	$13 712	$13 712	$13 863	$13 863
Discounted Cash Flow			$13 341	$13 198	$12 773	$12 361	$11 833	$11 452	$11 204	$10 843
Other	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$99 408	-$195 029	-$199 233	-$184 973	-$105 269	-$95 965	-$96 036	-$95 911
Discounted Cash Flow			-$97 793	-$185 678	-$183 568	-$164 936	-$90 841	-$80 143	-$77 619	-$75 019
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$808 281	$732 869	$520 992	$692 141	$898 260	$925 495	$932 606	$920 209
Discounted Cash Flow			$795 150	$697 729	$480 027	$617 167	$775 147	$772 912	$753 751	$719 764
NET PRESENT VALUE			$33 493 659							
MARKET VALUE			$33 500 000							

PERIOD	3				4			
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
	2017				2018			
NET OPERATING INCOME	$1 001 365	$1 020 670	$958 757	$988 217	$979 871	$998 129	$1 010 048	$1 010 048
TOTAL EXPENDITURE	$95 764	$95 957	$95 338	$124 194	$125 180	$95 731	$95 850	$95 850
TOTAL QUARTERLY CASH FLOW	$905 601	$924 713	$863 419	$864 024	$854 691	$902 398	$914 197	$914 197
PRESENT VALUE								
Use 1	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$969 009	$987 955	$925 682	$955 143	$945 898	$963 778	$975 320	$975 320
Discounted Cash Flow	$733 508	$723 749	$656 276	$655 340	$628 082	$619 332	$606 550	$587 003
Use 2	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$18 794	$19 003	$19 212	$19 212	$19 734	$19 953	$20 172	$20 172
Discounted Cash Flow	$14 226	$13 921	$13 620	$13 181	$13 103	$12 822	$12 545	$12 141
Parking	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$13 562	$13 712	$13 863	$13 863	$14 240	$14 398	$14 556	$14 556
Discounted Cash Flow	$10 266	$10 045	$9 828	$9 512	$9 455	$9 252	$9 052	$8 761
Other	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	-$95 764	-$95 957	-$95 338	-$124 194	-$125 180	-$95 731	-$95 850	-$95 850
Discounted Cash Flow	-$72 490	-$70 295	-$67 591	-$85 211	-$83 120	-$61 518	-$59 609	-$57 688
Terminal Value	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Total								
Cash Flow	$905 601	$924 713	$863 419	$864 024	$854 691	$902 398	$914 197	$914 197
Discounted Cash Flow	$685 510	$677 420	$612 134	$592 822	$567 521	$579 888	$568 539	$550 217

PERIOD	5				6			
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
	2019				2020			
NET OPERATING INCOME	$1 038 969	$1 050 513	$1 062 057	$1 062 057	$1 103 038	$1 103 038	$1 115 160	$1 115 160
TOTAL EXPENDITURE	$96 140	$96 255	$96 371	$96 371	$96 780	$96 780	$96 902	$96 902
TOTAL QUARTERLY CASH FLOW	$942 829	$954 258	$965 686	$965 686	$1 006 258	$1 006 258	$1 018 258	$1 018 258
PRESENT VALUE								
Use 1	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$1 003 297	$1 014 444	$1 025 592	$1 025 592	$1 065 167	$1 065 167	$1 076 872	$1 076 872
Discounted Cash Flow	$584 382	$571 833	$559 487	$541 456	$544 227	$526 689	$515 317	$498 710
Use 2	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$20 720	$20 951	$21 181	$21 181	$21 998	$21 998	$22 240	$22 240
Discounted Cash Flow	$12 069	$11 810	$11 555	$11 182	$11 240	$10 877	$10 642	$10 299
Parking	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$14 952	$15 118	$15 284	$15 284	$15 874	$15 874	$16 048	$16 048
Discounted Cash Flow	$8 709	$8 522	$8 338	$8 069	$8 110	$7 849	$7 680	$7 432
Other	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Non-recoverable Costs, Other Adjustments to Value	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	-$96 140	-$96 255	-$96 371	-$96 371	-$96 780	-$96 780	-$96 902	-$96 902
Discounted Cash Flow	-$55 998	-$54 258	-$52 573	-$50 878	-$49 448	-$47 855	-$46 370	-$44 876
Terminal Value	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow	$0	$0	$0	$40 287 871	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$20 924 258	$0	$0	$0	$0
Total								
Cash Flow	$942 829	$954 258	$965 686	$41 253 557	$1 006 258	$1 006 258	$1 018 258	$1 018 258
Discounted Cash Flow	$549 162	$537 907	$526 807	$21 434 087	$514 129	$497 560	$487 268	$471 565

YAROSLAVL MALL

GLA	33 746,50 sq m
Vacancy at Beginning of Year 1	632,90 sq m
Vacancy Rate in Terms of GLA	1,88%

Yaroslavl
Vernisazh Mall Phase I

DISCOUNTED CASHFLOW ANALYSIS

PERIOD				1				2		
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				**2016**			
NET OPERATING INCOME			$1 629 016	$1 527 244	$1 642 310	$1 833 868	$1 827 404	$1 855 812	$1 883 755	$1 893 616
INCOME FROM TURNOVER			$24 658	$25 205	$25 205	$25 205	$24 932	$24 932	$25 205	$25 205
TOTAL EXPENDITURE			$16 290	$115 272	$200 307	$29 522	$18 274	$18 558	$18 838	$18 936
TOTAL QUARTERLY CASH FLOW			$1 612 726	$1 411 971	$1 442 003	$1 804 346	$1 809 130	$1 837 254	$1 864 917	$1 874 680
CASHFLOW FROM TURNOVER			$24 658	$25 205	$25 205	$25 205	$24 932	$24 932	$25 205	$25 205
PRESENT VALUE										
Use I	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$1 629 016	$1 527 244	$1 642 310	$1 833 868	$1 827 404	$1 855 812	$1 883 755	$1 893 616
Discounted Cash Flow			$1 602 553	$1 454 016	$1 513 176	$1 635 220	$1 576 945	$1 549 851	$1 522 488	$1 481 137
Turnover	Discount Rate	19,00%	0,9785	0,9368	0,8970	0,8588	0,8223	0,7873	0,7538	0,7217
Cash Flow			$24 658	$25 205	$25 205	$25 205	$1 743	$24 932	$25 205	$25 205
Discounted Cash Flow			$24 127	$23 614	$22 609	$21 647	$1 433	$19 628	$18 999	$18 190
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$16 290	-$115 272	-$200 307	-$29 522	-$18 274	-$18 558	-$18 838	-$18 936
Discounted Cash Flow			-$16 026	-$109 745	-$184 557	-$26 324	-$15 769	-$15 499	-$15 225	-$14 811
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$1 637 384	$1 437 177	$1 467 208	$1 829 552	$1 810 873	$1 862 186	$1 890 123	$1 899 885
Discounted Cash Flow			$1 610 654	$1 367 884	$1 351 228	$1 630 543	$1 562 609	$1 553 980	$1 526 262	$1 484 516
NET PRESENT VALUE			$70 013 142							
MARKET VALUE			$70 000 000							

PERIOD		3				4		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
	2017				**2018**			
NET OPERATING INCOME	$1 876 786	$1 919 240	$1 948 833	$1 936 333	$2 031 203	$2 096 373	$2 127 125	$2 142 673
INCOME FROM TURNOVER	$24 658	$24 932	$25 205	$25 205	$24 658	$24 932	$25 205	$25 205
TOTAL EXPENDITURE	$18 768	$19 192	$19 488	$19 363	$42 287	$20 964	$21 271	$21 427
TOTAL QUARTERLY CASH FLOW	$1 858 018	$1 900 048	$1 929 345	$1 916 970	$1 988 916	$2 075 409	$2 105 853	$2 121 246
CASHFLOW FROM TURNOVER	$24 658	$24 932	$25 205	$25 205	$24 658	$24 932	$25 205	$25 205
PRESENT VALUE								
Use I	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	$1 876 786	$1 919 240	$1 948 833	$1 936 333	$2 031 203	$2 096 373	$2 127 125	$2 142 673
Discounted Cash Flow	$1 420 666	$1 405 984	$1 381 655	$1 328 552	$1 348 732	$1 347 146	$1 322 857	$1 289 584
Turnover	0,6910	0,6616	0,6334	0,6065	0,5807	0,5559	0,5323	0,5096
Cash Flow	$24 658	$24 932	$25 205	$25 205	$24 658	$24 932	$25 205	$25 205
Discounted Cash Flow	$17 038	$16 494	$15 966	$15 286	$14 317	$13 860	$13 416	$12 845
Non-recoverable Costs, Other Adjustments to Value	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow	-$18 768	-$19 192	-$19 488	-$19 363	-$42 287	-$20 964	-$21 271	-$21 427
Discounted Cash Flow	-$14 207	-$14 060	-$13 817	-$13 286	-$28 079	-$13 471	-$13 229	-$12 896
Terminal Value	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$0	$0	$0	$0	$0
Total								
Cash Flow	$1 882 675	$1 924 979	$1 954 551	$1 942 175	$2 013 573	$2 100 340	$2 131 059	$2 146 451
Discounted Cash Flow	$1 423 497	$1 408 418	$1 383 804	$1 330 553	$1 334 971	$1 347 535	$1 323 045	$1 289 533

PERIOD		5				6		
QUARTER	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
	2019				**2020**			
NET OPERATING INCOME	$2 180 513	$2 230 435	$2 258 570	$2 265 978	$2 333 967	$2 336 528	$2 363 373	$2 366 139
INCOME FROM TURNOVER	$24 658	$24 932	$25 205	$25 205	$24 932	$24 932	$25 205	$25 205
TOTAL EXPENDITURE	$21 805	$22 304	$22 586	$22 660	$23 340	$23 365	$23 634	$23 661
TOTAL QUARTERLY CASH FLOW	$2 158 707	$2 208 130	$2 235 984	$2 243 318	$2 310 628	$2 313 162	$2 339 739	$2 342 478
CASHFLOW FROM TURNOVER	$24 658	$24 932	$25 205	$25 205	$24 932	$24 932	$25 205	$25 205
PRESENT VALUE								
Use I	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	$2 180 513	$2 230 435	$2 258 570	$2 265 978	$2 333 967	$2 336 528	$2 363 373	$2 366 139
Discounted Cash Flow	$1 270 065	$1 257 276	$1 232 107	$1 196 312	$1 192 497	$1 155 333	$1 130 948	$1 095 782
Turnover	0,4879	0,4672	0,4473	0,4283	0,4100	0,3926	0,3759	0,3599
Cash Flow	$24 658	$24 932	$25 205	$25 205	$24 932	$24 932	$25 205	$25 205
Discounted Cash Flow	$12 031	$11 647	$11 274	$10 795	$10 223	$9 788	$9 474	$9 071
Non-recoverable Costs, Other Adjustments to Value	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow	-$21 805	-$22 304	-$22 586	-$22 660	-$23 340	-$23 365	-$23 634	-$23 661
Discounted Cash Flow	-$12 701	-$12 573	-$12 321	-$11 963	-$11 925	-$11 553	-$11 309	-$10 958
Terminal Value	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow	$0	$0	$0	$81 121 875	$0	$0	$0	$0
Discounted Cash Flow	$0	$0	$0	$42 132 160	$0	$0	$0	$0
Total								
Cash Flow	$2 183 365	$2 233 062	$2 261 190	$83 390 398	$2 335 559	$2 338 094	$2 364 945	$2 367 683
Discounted Cash Flow	$1 269 396	$1 256 351	$1 231 061	$43 327 303	$1 190 795	$1 153 568	$1 129 112	$1 093 896

TRIUMPH MALL SARATOV

GLA	27 297,55 sq m
Vacancy at Beginning of Year 1	107,60 sq m
Vacancy Rate in Terms of GLA	0,39%

Saratov
Triumph Mall

DISCOUNTED CASHFLOW ANALYSIS

PERIOD			1				2			
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			31.12.2014	31.03.2015	01.07.2015	01.10.2015	01.01.2016	01.04.2016	01.07.2016	01.10.2016
			30.03.2015	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016
			2014/2015				2016			
NET OPERATING INCOME			$2 552 498	$2 609 220	$2 617 091	$2 654 352	$2 758 389	$2 781 809	$2 827 710	$2 845 514
INCOME FROM TURNOVER			$123 288	$126 027	$126 027	$126 027	$124 658	$124 658	$126 027	$126 027
TOTAL EXPENDITURE			$280 525	$471 092	$471 171	$281 544	$282 584	$282 818	$283 277	$283 455
TOTAL QUARTERLY CASH FLOW			$2 271 973	$2 138 128	$2 145 920	$2 372 808	$2 475 805	$2 498 991	$2 544 433	$2 562 059
CASHFLOW FROM TURNOVER			$123 288	$126 027	$126 027	$126 027	$124 658	$124 658	$126 027	$126 027
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			$2 552 498	$2 609 220	$2 617 091	$2 654 352	$2 758 389	$2 781 809	$2 827 710	$2 845 514
Discounted Cash Flow			$2 511 032	$2 484 113	$2 411 311	$2 366 828	$2 380 332	$2 323 182	$2 285 412	$2 225 687
Turnover	Discount Rate	19,00%	0,9785	0,9368	0,8970	0,8588	0,8223	0,7873	0,7538	0,7217
Cash Flow			$123 288	$126 027	$126 027	$126 027	$5 256	$124 658	$126 027	$126 027
Discounted Cash Flow			$120 636	$118 069	$113 044	$108 233	$4 321	$98 139	$94 995	$90 952
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,9838	0,9521	0,9214	0,8917	0,8629	0,8351	0,8082	0,7822
Cash Flow			-$280 525	-$471 092	-$471 171	-$281 544	-$282 584	-$282 818	-$283 277	-$283 455
Discounted Cash Flow			-$275 968	-$448 504	-$434 123	-$251 046	-$243 854	-$236 191	-$228 950	-$221 711
Terminal Value	Discount Rate	14,00%	0,9678	0,9366	0,9064	0,8772	0,8489	0,8216	0,7951	0,7695
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$2 395 261	$2 264 155	$2 271 947	$2 498 836	$2 481 060	$2 623 649	$2 670 460	$2 688 086
Discounted Cash Flow			$2 355 700	$2 153 678	$2 090 232	$2 224 015	$2 140 799	$2 185 130	$2 151 457	$2 094 928
NET PRESENT VALUE			$96 505 583							
MARKET VALUE			$96 500 000							

PERIOD			3				4			
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			01.01.2017	01.04.2017	01.07.2017	01.10.2017	01.01.2018	01.04.2018	01.07.2018	01.10.2018
			31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
			2017				2018			
NET OPERATING INCOME			$2 831 101	$2 872 860	$2 913 928	$2 932 597	$3 009 122	$3 046 071	$3 091 583	$3 112 319
INCOME FROM TURNOVER			$123 288	$124 658	$126 027	$126 027	$129 452	$130 890	$132 329	$132 329
TOTAL EXPENDITURE			$283 311	$283 729	$284 139	$284 326	$285 091	$285 461	$285 916	$286 123
TOTAL QUARTERLY CASH FLOW			$2 547 790	$2 589 131	$2 629 789	$2 648 271	$2 724 030	$2 760 610	$2 805 667	$2 826 195
CASHFLOW FROM TURNOVER			$123 288	$124 658	$126 027	$126 027	$129 452	$130 890	$132 329	$132 329
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			$2 831 101	$2 872 860	$2 913 928	$2 932 597	$3 009 122	$3 046 071	$3 091 583	$3 112 319
Discounted Cash Flow			$2 143 051	$2 104 580	$2 065 873	$2 012 106	$1 998 076	$1 957 429	$1 922 653	$1 873 172
Turnover	Discount Rate	19,00%	0,6910	0,6616	0,6334	0,6065	0,5807	0,5559	0,5323	0,5096
Cash Flow			$123 288	$124 658	$126 027	$126 027	$129 452	$130 890	$132 329	$132 329
Discounted Cash Flow			$85 189	$82 470	$79 828	$76 431	$75 167	$72 767	$70 436	$67 439
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,7570	0,7326	0,7090	0,6861	0,6640	0,6426	0,6219	0,6019
Cash Flow			-$283 311	-$283 729	-$284 139	-$284 326	-$285 091	-$285 461	-$285 916	-$286 123
Discounted Cash Flow			-$214 457	-$207 852	-$201 445	-$195 081	-$189 302	-$183 439	-$177 811	-$172 205
Terminal Value	Discount Rate	14,00%	0,7447	0,7207	0,6974	0,6750	0,6532	0,6322	0,6118	0,5921
Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$0	$0	$0	$0	$0
Total										
Cash Flow			$2 671 078	$2 713 789	$2 755 816	$2 774 298	$2 853 483	$2 891 501	$2 937 996	$2 958 524
Discounted Cash Flow			$2 013 783	$1 979 198	$1 944 256	$1 893 456	$1 883 941	$1 846 758	$1 815 278	$1 768 406

PERIOD			5				6			
QUARTER			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
			01.01.2019	01.04.2019	01.07.2019	01.10.2019	01.01.2020	01.04.2020	01.07.2020	01.10.2020
			31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
			2019				2020			
NET OPERATING INCOME			$3 175 110	$3 211 332	$3 250 536	$3 258 311	$3 359 855	$3 361 584	$3 402 768	$3 354 386
INCOME FROM TURNOVER			$135 925	$137 435	$138 945	$138 945	$144 307	$144 307	$145 892	$145 892
TOTAL EXPENDITURE			$286 751	$287 113	$287 505	$287 583	$288 599	$288 616	$289 028	$288 544
TOTAL QUARTERLY CASH FLOW			$2 888 359	$2 924 219	$2 963 031	$2 970 728	$3 071 257	$3 072 968	$3 113 740	$3 065 842
CASHFLOW FROM TURNOVER			$135 925	$137 435	$138 945	$138 945	$144 307	$144 307	$145 892	$145 892
PRESENT VALUE										
Use 1	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			$3 175 110	$3 211 332	$3 250 536	$3 258 311	$3 359 855	$3 361 584	$3 402 768	$3 354 386
Discounted Cash Flow			$1 849 381	$1 810 200	$1 773 250	$1 720 210	$1 716 656	$1 662 189	$1 628 331	$1 553 449
Turnover	Discount Rate	19,00%	0,4879	0,4672	0,4473	0,4283	0,4100	0,3926	0,3759	0,3599
Cash Flow			$135 925	$137 435	$138 945	$138 945	$144 307	$144 307	$145 892	$145 892
Discounted Cash Flow			$66 323	$64 207	$62 150	$59 505	$59 171	$56 653	$54 838	$52 504
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	14,00%	0,5825	0,5637	0,5455	0,5279	0,5109	0,4945	0,4785	0,4631
Cash Flow			-$286 751	-$287 113	-$287 505	-$287 583	-$288 599	-$288 616	-$289 028	-$288 544
Discounted Cash Flow			-$167 022	-$161 843	-$156 842	-$151 828	-$147 454	-$142 711	-$138 309	-$133 627
Terminal Value	Discount Rate	14,00%	0,5730	0,5545	0,5367	0,5194	0,5026	0,4864	0,4708	0,4556
Cash Flow			$0	$0	$0	$110 127 704	$0	$0	$0	$0
Discounted Cash Flow			$0	$0	$0	$57 196 878	$0	$0	$0	$0
Total										
Cash Flow			$3 024 284	$3 061 654	$3 101 976	$113 237 376	$3 215 564	$3 217 275	$3 259 633	$3 211 734
Discounted Cash Flow			$1 748 683	$1 712 563	$1 678 558	$58 824 765	$1 628 373	$1 576 131	$1 544 860	$1 472 326

APPENDIX VII

PRINCIPAL TERMS AND CONDITIONS OF APPOINTMENT AS VALUERS

1. PRELIMINARY

1.1. These terms and conditions (the "**Terms of Business**") shall apply to all valuation services (excluding agency services and other forms of professional services, to which separate terms will apply) provided by LLC "Cushman & Wakefield OOO", a limited liability company having its registered office at Gasheka str., bld. 6, Moscow, Russia, 125047 ("**C&W**", "**we**" or "**us**") to the client to whom a real estate valuation agreement (the "**Agreement**") is sent ("**you**"). They shall apply separately to each service subsequently provided to you.

1.2. The Terms of Business are to be read in conjunction with the relevant Agreement and general valuation principles ("**Valuation Principles**") attached thereto. In the event of any ambiguity or conflict between the relevant Agreement, the Valuation Principles and these Terms of Business, the provisions in the relevant Agreement shall prevail. These Terms of Business and the relevant Agreement may only be varied in writing by agreement between the parties. It is our practice to review and upgrade our Terms of Business frequently and new versions will be sent to you and agreed with you.

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 relevant Agreement, based on the instructions 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 and agreed between the parties.

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 is set out in the relevant Agreement.

3.2. You shall pay all applicable VAT in addition to any fees and disbursements at the applicable rate.

3.3. You shall pay our fees on completion of our Services (whether or not additional work is still to be carried out by third parties) or, where the fees are in relation to an ongoing instruction or an instruction of a duration of more than three months, at least quarterly in arrears upon submission by us of quarterly invoices. Payment is due within 10 working 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 15 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 any 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. This also applies where we are asked to review a legal report or Certificate of Title provided to us more than 8 weeks after we have submitted our Report (either draft or final).

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.

3.8. If you subsequently request our invoice to be re-addressed to a party other than that originally agreed, we reserve the right to make an administration charge of $170. Payment will still be due within 10 working days of the original invoice date.

3.9. 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 draft valuation figures, such fees shall be subject to 50% of the fee originally agreed between us and if we have sent you a draft valuation report, such fees shall be subject to 75% of the fee originally agreed between us.

3.10. We will advise you in advance if it is necessary or convenient to instruct a third party to provide advice or to act as an expert or arbitrator and provide an estimate of the likely cost.

3.11. Where we are instructed to provide Services to one of your subsidiaries or associated / 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, associated / related or other entity does not meet its liabilities in relation to payment for the Services provided by us.

4. INTEREST

You shall pay interest on the amount of any invoice for fees or other disbursements that remains unpaid for 10 working days after the date of the invoice in amount of 0,1 per cent for each day but no more than 10 per cent in total.

5. DISBURSEMENTS

You shall pay all disbursements incurred by us in the provision of the Services. Disbursements include, but are not limited to: travel and subsistence expenses at their actual cost.

6. INFORMATION RECEIVED FROM THE CLIENT

We will take all reasonable steps to ensure that 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 acknowledge 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.

7. CONFLICTS OF INTEREST AND ANTI CORRUPTION

7.1. We have conflict management procedures designed to prevent us 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 (e.g. 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.

7.2. You acknowledge that we may earn commissions, referral fees and may charge handling fees connected to the services that we perform and agree that we shall be entitled to retain them without specific disclosure to you. We will not accept any commissions or referral fees in circumstances where we are of the reasonable belief that they would compromise the independence of any advice that we provide to you.

7.3. We confirm that we will not, and will procure that our employees will not, knowingly engage in any activity which would constitute a breach of Russian anti-corruption legislation as well as the UK Bribery Act 2010 and that we have in place a compliance programme designed to ensure compliance with the terms of the UK Bribery Act 2010.

8. MANAGEMENT OF THE PROPERTY

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.

9. TERMINATION BY NOTICE

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

9.2. 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 abort fee) plus any expenses or disbursements incurred by us or to which we are committed at the date of termination.

10. PROFESSIONAL LIABILITY

10.1. 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:

(i) any direct loss of profit;

(ii) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (a) indirect loss of profit; (b) loss of business; (c) loss of goodwill; (d) loss of use of money; (e) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.

10.2. 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.

10.3. You acknowledge and agree that the exclusions contained in this clause 10 are reasonable in all the circumstances and that you have had the opportunity to take independent legal advice.

10.4. 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.

10.5. 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.

10.6. Our total aggregate liability (including that of our members and employees) to you or to any other party relying on our valuation and/or report pursuant to this clause 10 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 as defined in the relevant Assignment to the Agreement,. Nothing in these Terms of Business excludes or limits our liability: (i) for death or personal injury caused by our negligence; (ii) for any matter which it would be illegal for us to exclude or attempt to exclude our liability and (iii) for fraud or fraudulent misrepresentation.

10.7. 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.

10.8. To cover any liability that might be incurred by us, we confirm that we will maintain compulsory professional indemnity insurance. .

10.9. 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 USD1m of reported value	0.075%	0.025% per party
Thereafter	0.035%	0.015% per party

These fees are exclusive of VAT and expenses (including the cost of readdressing the report) and are subject to a minimum fee of $1,250. 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.

10.10. Where we consent in writing to reliance on our report by another party or other parties, we do so on the condition that (i) the other party or parties agree in writing to be bound by the Agreement and these Terms of Business as if it / they had been a party to the original Agreement between us, with such written agreement being provided to us, (ii) such other party pay the fees demanded as set out in clause 10.9 above (unless agreed otherwise in writing) and (iii) where you act on behalf of a syndicate or in relation to a securitisation, you agree that you are not entitled to pursue any greater claim on behalf of any other party than you would have been entitled to pursue on your own behalf had there been no syndication or securitisation.

10.11. 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 and fail to provide us with the written consent of any other party or parties who have received our report to be bound by the Agreement and Terms of Business (in accordance with clause 10.10 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.

10.12. Notwithstanding clause 10.11, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a prospectus, offering (either directly or indirectly), or a circular to shareholders, you agree to indemnify us for any liability whatsoever that we may have to any parties that have not agreed with us in writing to be bound by these Terms of Business which exceeds our aggregate cap on liability (referred to at clause 10.6) arising from their use and / or reliance on the valuation report.

11. QUALITY OF SERVICE AND COMPLAINTS

11.1. All our valuation reports are signed by a Member of C&W 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 $34m or over, the valuer is required to present and explain his methodology to another member of the Valuation & Advisory Team unconnected with the instruction and who is a Member of C&W.

11.2. If you wish to complain about the level or our service to you, in accordance with the requirements of the Royal Institution of Chartered Surveyors, we have a standard complaints procedure, a copy of which is available on request.

12. DATA PROTECTION

12.1. We (and any of our relevant international partnerships, group companies and affiliated organisations) are data controllers of all personal data collected during the provision of the Services. We shall use such personal data and information we obtain from other sources for providing the 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.

12.2. To help us to make credit decisions about you, to prevent fraud, to check identity and to prevent money laundering, we may search the files of credit reference agencies and we may also disclose details of how you conduct your account to such agencies.

12.3. We may share 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.

13. MONEY LAUNDERING REGULATIONS

In order to comply with all applicable money laundering legislation and regulation, we may be required to verify certain of your details and may 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 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 any such legal and regulatory requirements.

14. ELECTRONIC COMMUNICATIONS

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 unauthorised 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.

15. CONFIDENTIALITY

15.1. We owe you a duty of confidentiality. You agree that we may, when required by our insurers or other advisers, provide details to them of any engagement on which we act or 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.

15.2. Subject to clause 16.1, we both 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, we both 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.

15.3. We shall provide the Services to you only for your sole use and for the stated purpose. We shall not be liable to any third party in respect of our Services. You shall not mention nor refer to our advice, in whole or in part, to any third party orally or in annual accounts or other document, circular or statement without our prior written approval. The giving of an approval shall be at our sole discretion.

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

16. INTELLECTUAL PROPERTY

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. You are granted an irrevocable, non-exclusive, royalty-free licence to use or copy such intellectual property rights for any purpose connected with the property.

17. ASSIGNMENT

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.

18. GENERAL

18.1. If any provision of these 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 these Terms of Business and the remainder of such provision shall continue in full force and effect.

18.2. 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.

18.3. No term of the relevant 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.

18.4. The Agreement shall be governed by and be construed in accordance with legislation of the Russian Federation. Any dispute arising out or in connection with the services shall be submitted to the exclusive jurisdiction of the Arbitration Court of Moscow.

Where the Client is a legal entity established under the laws other than Russian any dispute, controversy or claim which may arise out of or in connection with the present contract (agreement), or the execution, breach, termination or invalidity thereof, shall be settled by the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its Rules.

18.5. References to partners of LLC "Cushman & Wakefield OOO" are used to refer to a Member of LLC "Cushman & Wakefield OOO" or an employee or consultant with equivalent standing and qualifications. A list of the members of LLC "Cushman & Wakefield OOO" and of the non-members who are designated as "partners" is open to inspection at our registered office, 6th floor, Gasheka str., bld.6, Moscow, Russia, 125047.

APPENDIX VIII

GENERAL VALUATION PRINCIPLES

1. PRELIMINARY

1.1. These general valuation principles (the "Valuation Principles") shall apply to all valuation instructions, other than agency services and other forms of professional services (to which separate terms will apply), provided by LLC "Cushman & Wakefield OOO", a limited liability company having its registered office at Gasheka str., bld. 6, Moscow, Russia, 125047 ("C&W", "we" or "us") to the client to whom a real estate valuation agreement (the "Agreement") is sent ("you"). They shall apply separately to each service subsequently provided to you.

1.2. The Valuation Principles are to be read in conjunction with the relevant Agreement and the Terms of Business attached thereto. In the event of any ambiguity or conflict between the relevant Agreement, the Terms of Business and these Valuation Principles, the provisions in the relevant Agreement shall prevail. These Valuation Principles may only be varied in writing by agreement between the parties. It is our practice to review and upgrade our Valuation Principles frequently and new versions will be sent to you and agreed with you.

2. VALUATION BASES

2.1. Unless we have said otherwise within the Agreement, the date of valuation will be the date of our inspection.

2.2. Unless we have said otherwise in the relevant Agreement, the valuation will be prepared in accordance with the RICS Valuation Professional Standards current at the date of the Agreement (the "Red Book") by valuers conforming to its requirements, acting as external valuer.

2.3. Each property will be valued on a basis appropriate to the purpose of the valuation, in accordance with the Red Book in part not contradictory to standards for valuation adopted in Russia. The basis of valuation that we will adopt for each property is specified in the relevant Agreement. Unless the definitions below contradict with the mandatory standards for valuation in Russia the definitions are as follows:

(i) Market Value

Market Value is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

(ii) Market Rent

Market Rent is "the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

(iii) Existing Use Value

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

(iv) Fair Value

Fair Value is "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction." In the context of International Accounting Standard (IAS) 17, the fair value of the leased asset of interest will normally be its market value (see (i) above).

(v) Existing Use Value for Social Housing

Existing Use Value for Social Housing is "the estimated amount for which a property should exchange, on the date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently, and without compulsion, subject to the following special assumptions that the property will continue to be let by a body pursuant to delivery of a service for the existing use:

a) at the valuation date, any regulatory body, in applying its criteria for approval, would not unreasonably fetter the vendor's ability to dispose of the property to organisations intending to manage their housing stock in accordance with that regulatory body's requirements;

b) properties temporarily vacant pending re-letting would be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession; and

c) any subsequent sale would be subject to all of the above special assumptions."

(vi) Projected Market Value of Residential Property

Projected Market Value of Residential Property is "the estimated amount for which an asset is expected to exchange at a date, after the valuation date and specified by the valuer, between a willing buyer and a willing seller, in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

2.4. When assessing either Existing Use Value, Fair Value or Market Value for balance sheet purposes, we will not include directly attributable acquisition or disposal costs in our valuation. Where you have asked us to reflect costs (as required under FRS15), they will be stated separately.

In the case of specialised properties (where valuation methods such as market comparison or an income (profits) test cannot be reliably applied), we may use Depreciated Replacement Cost ("DRC") as a method of estimating Value. The valuation using this method of a property in the private sector will include a statement that it is subject to the adequate profitability of the business, paying due regard to the value of the total assets employed. If the property is in the public sector, the valuation will include a statement that it is subject to the prospect and viability of the continued occupation and use. Any writing down of a valuation derived solely from the DRC method to reflect the profitability/viability of the entity in occupation is a matter for the occupier. If the valuation is being undertaken for inclusion in accounts prepared under International Financial Reporting Standards, our report will contain a statement that because of the specialised nature of the property, the value is estimated using a DRC method and is not based on the evidence of sales of similar assets in the market. If we consider that the value of the asset would be materially lower if the business ceased, the report will contain a statement to this effect.

3. GENERAL VALUATION ASSUMPTIONS

3.1. Unless otherwise agreed, we will provide the Services in relation to any property on the following assumptions:

(i) the property and any existing buildings are free from any defect whatsoever;

(ii) 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;

(iii) 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;

(iv) roads and sewers serving the property have been adopted and that the property has all necessary rights of access over common estate roads, paths, corridors and stairways and to use common parking areas, loading areas and other facilities;

(v) 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;

(vi) any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);

(vii) the property and any existing building comply with all planning and building regulations, have the benefit of appropriate planning consents 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);

(viii) 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;

(ix) 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;

(x) in reflecting the development potential of any property, that all structures will be completed using good quality materials and first class workmanship;

(xi) any occupational leases are on full repairing and insuring terms, with no unusually onerous provisions or covenants that would affect value;

(xii) in respect of any lease renewals or rent reviews, all notices have been served validly within any time limits;

(xiii) vacant possession can be given of all accommodation which is unlet or occupied by the entity/borrower or its employees on service tenancies; and

(xiv) any mineral rights are excluded from the property.

4. VALUATION ASSUMPTIONS FOR PROPERTY VALUED HAVING REGARD TO TRADING POTENTIAL

4.1. Unless we have agreed otherwise, for trading related property (such as hotels, marinas and self storage properties where the property is trading and is expected to continue, we will value on the basis and assumption of a fully equipped operational entity, having regard to trading potential.

4.2. Where we are instructed to value a property having regard to its trading potential, we will take account of any trading information that either the operator has supplied to us or that we have obtained from our own enquiries. We will rely on this information being correct and complete and on there being no undisclosed matters that could affect our valuation. The valuation will be based on our opinion as to future trading potential and the level of fair maintainable turnover and fair maintainable operating profit likely to be achieved by a reasonably efficient operator.

4.3. Unless we have said otherwise in the relevant Agreement:

(i) the valuation will be made on the basis that each property will be sold as a whole including all fixtures, fittings, furnishings, equipment, stock and goodwill required to continue trading;

(ii) we will assume that the new owner will normally engage the existing staff and the new management will have 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, operational permits and licences;

(iii) we will assume that all assets and equipment are fully owned by the operator and are not subject to separate finance leases or charges;

(iv) we will exclude any consumable items, stock in trade and working capital; and

(v) we will assume that all goodwill for the properties is tied to the land and buildings and does not represent personal goodwill to the operator.

5. STRUCTURE

5.1. 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.

5.2. If we give the age of a building in our report, this will be an estimate and for guidance only.

6. MEASUREMENTS

6.1. Where we are required to measure a property we will generally do so in accordance with the latest edition of the RICS Code of Measuring Practice. However, you should specifically note that the floor areas contained in any report we may publish are approximate and if measured by us will be within a 3% tolerance either way. In cases where the configuration of the floor plate is unusually irregular or is obstructed, this tolerance may be exceeded.

6.2. We will not be able to measure areas that we are unable to access. In these cases we may estimate floor areas from plans or by extrapolation. Where we are required to measure land or site areas, the areas will be approximate and will be measured from plans supplied. They will not be physically checked on site.

6.3. The areas we report will be appropriate for the valuation purpose, but should not be relied upon for any other purpose.

7. PLANNING AND STATUTORY REGULATIONS

7.1. Unless specifically instructed in writing to make formal searches with local planning authorities, we shall rely in the provision of our Services on the information provided informally by the local planning authority or its officers. 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.

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

8. VALUATION EXCLUSIONS

8.1. 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.

8.2. We will take into account any information that you provide concerning any tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, we will assume that the property was let with all alterations and improvements evident during our inspection (or, in the case of valuation without inspection, as described within the information that you provide).

8.3. 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.

8.4. Any plans we provide to you indicating the site of a property are for identification only. We will rely on our inspection and information that you provide in outlining the extent of each property, but you should not rely upon our plans to define boundaries.

8.5. 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.

8.6. For a recently completed development property, we will not take account of any retentions or outstanding development costs. For a property in the course of development, we will reflect your advice on the stage of construction, the costs already incurred and those still to be spent at the date of valuation, and will have regard to any contractual liabilities.

8.7. 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.

8.8. Any valuation figures provided will be exclusive of VAT whether or not the building has been elected.

8.9. We will not make any allowance in any valuation advice provided for the expenses of realisation or any taxation liability arising from the sale or development of the property.

8.10. Unless we have said otherwise in the Agreement, each property will be valued individually; in the case of a portfolio, we will assume that the properties would be marketed in an orderly way and not placed on the market at the same time.

8.11. The components of our valuation calculations (such as future rental values, cost allowances, or void periods) may only be appropriate as part of the valuation calculation. They should not be taken as a forecast or prediction of a future outcome. You should not rely on any component of the valuation calculation for any other purpose.

8.12. We will value in the local currency. If we are to report to you in another currency, unless we have agreed otherwise we will adopt a conversion rate equivalent to the closing rate ("spot rate") on the date of valuation.

8.13. Our valuation does not make allowance either for the cost of transferring sale proceeds to another state, or for any restrictions on doing so.

8.14. In instances where we are instructed to provide an indication of current reinstatement costs for insurance purposes, this will be given solely as a guide without warranty. Formal estimates for insurance purposes can only be given by a building surveyor or other person with sufficient current experience of replacement costs. The property will not be inspected by a building surveyor or qualified building cost estimator and the guide will be based on costs obtained from generic building cost tables. You should not rely on it as the basis for insurance cover.

9. REGULATED PURPOSE VALUATIONS AND MONITORING

9.1. 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" in the Red Book), we are required to state our policy on the rotation of the surveyor who prepares the valuation and the quality control procedures that are in place.

9.2. 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.

9.3. For all Regulated Purpose Valuations we are required by the Red Book to state all of the following in our report:

(i) 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;

(ii) the extent and duration of the relationship between you and us;

(iii) 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:

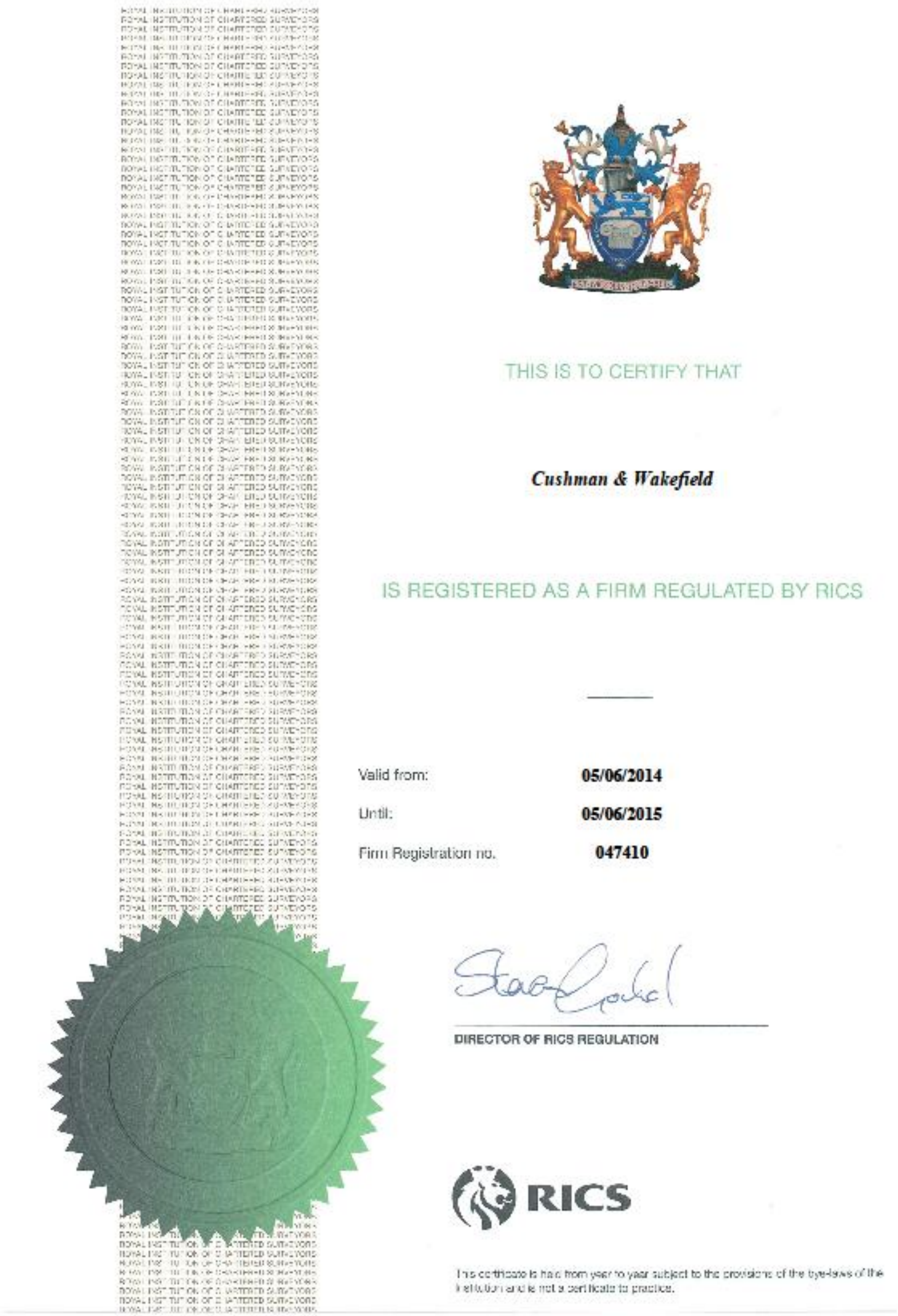
- less than 5%; or
- if more than 5%, an indication of the proportion within a range of 5 percentage points;

(iv) 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 (iii) above.

9.4. The valuation may be subject to monitoring under the RICS's conduct and disciplinary regulations.

APPENDIX IX

VALUATION LICENSES



THIS IS TO CERTIFY THAT

Cushman & Wakefield

IS REGISTERED AS A FIRM REGULATED BY RICS

Valid from:	**05/06/2014**
Until:	**05/06/2015**
Firm Registration no.	**047410**

DIRECTOR OF RICS REGULATION

RICS

This certificate is held from year to year subject to the provisions of the bye-laws of the Institution and is not a certificate to practice.

This Diploma

certifies that

Konstantin Lebedev

on the *20th* day of *June 2008*

was elected a Professional Member of

THE ROYAL INSTITUTION OF CHARTERED SURVEYORS

President

Register No. *1238172*

This Diploma is held from year to year subject to the provisions of the Bye-Laws of the Institution.