

STRICTLY CONFIDENTIAL FOR ADDRESSEE ONLY  
VALUATION REPORT 14-MOSC-900028

**“THE MIRLAND DEVELOPMENT CORPORATION  
ASSETS”, RUSSIA**

PREPARED FOR MIRLAND DEVELOPMENT CORPORATION PLC

DATE OF VALUATION 30 JUNE 2014

12 August 2014

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## 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 August 2014

Valuation Date: 30 June 2014

### I INSTRUCTIONS

#### APPOINTMENT

In accordance with your request, as confirmed by the Valuation Agreement 14-MOSC-900028 dated 4 February 2014, ("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 30th of June 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 fractional 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. 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.

## 13. CONFLICT OF INTEREST

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

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

## 14. DISCLOSURE

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

## 15. AGGREGATE VALUATION

Subject to the foregoing, and based on values current as at 30<sup>th</sup> of June 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\$981,200,000**

**NINE HUNDRED EIGHTY ONE MILLION, TWO HUNDRED THOUSAND**

**US DOLLARS**

**NET OF VAT**

This sum may be apportioned as follows:

	FREEHOLD (ROUNDED)	LEASEHOLD (ROUNDED)
Properties held as Investments	US\$240,100,000	US\$248,200,000
Properties in the Course of Development	US\$51,500,000	US\$46,000,000
Properties Held for Development	US\$383,200,000	US\$12,200,000
<b>Total</b>	<b>US\$674,800,000</b>	<b>US\$306,400,000</b>

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\$939,000,000**

**NINE HUNDRED NINETY NINE MILLION**

**US DOLLARS**

**NET OF VAT**

This sum may be apportioned as follows:

	FREEHOLD (ROUNDED)	LEASEHOLD (ROUNDED)
Properties held as Investments	US\$240,100,000	US\$206,000,000
Properties in the Course of Development	US\$51,500,000	US\$46,000,000
Properties Held for Development	US\$383,200,000	US\$12,200,000
<b>Total</b>	<b>US\$674,800,000</b>	<b>US\$264,200,000</b>

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.

## 16 CONFIDENTIALITY

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

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

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, intended for retail complex development in Penza and Kazan and land plots in Saratov and Novosibirsk, intended for development of a logistics complex.

In regards to the Yaroslavl Phase 2, St. Petersburg Commercial and Perkhushkovo 2 land plot we also used the DCF method as the Properties represents an extension of existing first phases and 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<sup>1</sup>. 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.

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.

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<sup>1</sup> International Valuation Standards Sixth Edition – Guidance Note 9

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:

### 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.

### DISCOUNT RATE

We have considered the perceived risk associated with the subject properties, as there is a direct correlation between a property's perceived risk and expected rate of return to an investor. Based on our knowledge of required rates of return for various investments, in particular real estate, as well as through discussions with persons active in

the real estate market of Moscow, St. Petersburg and other regions, we have been able to estimate an appropriate discount rate that reflects the perceived risk and required rate of return for a each subject property.

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

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

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

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

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

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

When assessing the level of yield for these properties, we based our choice of the discount rate on all the relevant characteristics of the buildings and the fact that the buildings were partially vacant as well as taking into account existing leasing risk for the properties and considering the lease terms applied in the valuation.

Based on an analysis of all salient facts and available information we have assessed the level of discount rate for all Mirland Business Center properties (MAG, Hydromashservice, Tamiz and Century) at the level of 12.5%.

In regards to the yielding retail projects in the regions, we analyzed these Properties in terms of their characteristics, location and income generating ability. Taking into account the above information we are of the opinion that a discount rate of 12.5% represents a reasonable level of yield for shopping centers in Yaroslavl and Saratov.

## 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.

In Q4 2013 prime capitalization rates for Moscow were at the level of 8.5% for prime offices, 9-9.5% for retail premises and 10.5-11% for warehouse properties (for a more detailed explanation see Appendix II). On the basis of our market analysis, our discussions with major investment market players and recent capital markets transactions, both executed and in the process of final negotiations, we have been able to assess the exit capitalisation rates for the subject commercial properties.

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

## RENTAL RATES

Rental rates for commercial office and retail spaces have been projected together with capitalisation rates, for the period of the cash-flow. Sales prices for residential developments have been assessed for the reasonably expected completion dates. These figures are based on research carried out by Cushman & Wakefield and market information.

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

## RENTAL RATES GROWTH

Taking into account the rather stable economic and market situation, we decided to apply a moderate rental growth rate of 3% for all office premises for the whole duration of a forecasting period, which practically reflects the level of CPI US (2.44%) and shows a very low real market growth of 0.5%.

Growth rates for the residential element of Triumph Park in St. Petersburg were estimated at a conservative level of 2.5% (CPI-US), taking into account the general market trend of 2.5-5% price growth on residential apartments in prime locations in St. Petersburg and the large scale of the development.

A growth rate of 2.5% was adopted for Perkhushkovo cottage settlement taking into account the rather slow actual selling pace and rather low demand for cottages at the moment.

## SALE PRICES

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

## REVIEW / RENEWAL PERIOD

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

## VACANCY RATE

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

## 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.

For Yaroslavl Vernissage Mall there are no non-recoverable costs as all of them are covered by tenants.

For Triumph Mall non-recoverable costs are represented by property tax which is paid at the cost of the owner.

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.

## 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. Where applicable the current VAT credit account has been taken into account – depending upon the tenure of the property. I.e. freehold property sales are subject to VAT, but sales of shares in a Client are not. For the purposes of this valuation all properties have been assessed on a freehold basis as opposed to the existence of any SPVs.

## CASH RESERVE

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



## AGENT'S & BROKERS FEES


Standard market practice is to use brokers to lease commercial space. This has been taken into account in our calculation at market rates.

## 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 30th of June 2014															
															
Ref.	City	Property Name and Address	Portfolio Market Value as of 30th of June 2014	Percentage Owned by MirLand	MirLand Market Value as of 30th of June 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 Date	Projected Exit Capitalisation Rate for Commercial	Projected Exit Sales Price (Uncompleted Only)	Projected Exit Sales Price per sqm of Net Leasable Commercial Area (Uncompleted Only)	Total Outstanding Investment (excl. VAT & Land for commercial properties and incl. VAT for residential projects)	Total Commercial NOI as of 2014/2015 Market Rental Values (Assuming 100% Occupancy and Fully Completed)
001	Moscow	Hydromashservice, 2-Khutorskaya str., 38A	\$71 100 000	100%	\$71 100 000	12 237	16 696	\$4 259	12,50%	Completed	9,00%	Completed	Completed	Completed	\$7 547 000
002	Moscow	MAG, 2-Khutorskaya str., 38A	\$81 800 000	100%	\$81 800 000	21 940	18 535	\$4 413	12,50%	Completed	9,00%	Completed	Completed	Completed	\$8 884 000
003	Moscow Region	Western Residence, Perkhushkovo, Odintsovsky district	\$51 500 000	100%	\$51 500 000	225 300	56 876	\$905	14% /18%	2016	Residential	Residential	Residential	\$27 928 000	Residential
004	Saratov	Triumph Mall, 167 Zarubina street	\$137 300 000	100%	\$137 300 000	22 000	27 241	\$5 040	12,50%	Completed	10,50%	Completed	Completed	Completed	\$15 975 000
005	Moscow	Skyscraper, Dmitrovskoe schosse, 1	\$0	100%	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
006	Saint Petersburg	Triumph Park, Residential	\$324 600 000	100%	\$324 600 000	326 651	484 167	\$670	19,00%	2013-2020	Residential	Residential	Residential	\$797 697 000	Residential
007	Saint Petersburg	Triumph Park, Trade Center	\$31 700 000	100%	\$31 700 000	81 663	117 775	\$269	25,00%	2021	10%/ 10%	\$412 677 000	\$3 504	\$142 698 000	\$41 268 000
008	Yaroslavl	Vernissage Mall, Kalinina str.	\$102 800 000	100,0%	\$102 800 000	120 000	34 092	\$3 015	12,50%	Completed	10,50%	Completed	Completed	Completed	\$11 040 000
009	Yaroslavl	Phase II	\$13 200 000	100,0%	\$13 200 000	180 000	55 000	\$240	20,00%	2017	10,50%	\$119 741 000	\$2 177	\$62 152 000	\$11 332 000
010	Moscow	Tamiz Building	\$46 000 000	100%	\$46 000 000	4 500	11 737	\$3 919	12,50%	Completed	9,00%	Completed	Completed	Completed	\$5 046 000
011	Moscow	Century Buildings	\$95 300 000	51%/61%	\$53 100 000	5 800	20 904	\$4 559	12,50%	Completed	9,00%	Completed	Completed	Completed	\$10 459 000
012	Kazan	Triumph House	\$12 200 000	100%	\$12 200 000	22 000	16 783	n/a	16,00%	2019	10,00%	\$58 214 000	\$3 469	\$24 051 000	\$5 237 000
013	Saratov	Logistics Complex	\$7 200 000	100%	\$7 200 000	260 000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
014	Novosibirsk	Logistics Complex	\$6 500 000	100%	\$6 500 000	406 752	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total			\$981 200 000		\$939 000 000							\$590 630 000		\$1 054 500 000	

## PROPERTIES HELD AS INVESTMENTS



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p><b>"MAG"</b></p> <p><b>2-Khutorskaya street, 38A</b></p> <p><b>Moscow, Russia</b></p>	<p>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.</p> <p>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 808 sq. m. of vacant space, which represents 2.19% of the total rentable area.</p> <p>According to the Long Term Lease Agreement #M-09-031793 of 29th of September 2006, Mashinostroenie and Hydraulika OJSC leases a land plot of 1.2879 ha until 1st of September 2055.</p> <p>The land plot with a total area of 1.0257 ha is held by Mashinostroenie and Hydraulika 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.</p>	Differing length periods.	US\$8 672 784	US\$7 851 460	<p><b>US\$81,800,000</b></p> <p><b>US\$81,800,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us.</p>
<p><b>"Hydromashservice"</b></p> <p><b>2-Khutorskaya street, 38A</b></p> <p><b>Moscow, Russia</b></p>	<p>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.</p> <p>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 684.7 sq. m. or 4.1% 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.</p> <p>According to the Amendment Agreement No.5 of 29.09.2006 to the land lease agreement # M-09-025311, dated 28.11.2003.</p> <p>Hydromashservice LLC leases a land plot of 1.2237 ha.</p>	Differing length periods.	US\$7 079 312	US\$6 957 760	<p><b>US\$71,100,000</b></p> <p><b>US\$71,100,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us.</p>

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p><b>"Century Buildings"</b></p> <p><b>2-Khutorskaya street, 38A</b></p> <p><b>Moscow, Russia</b></p>	<p>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.</p> <p>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</p> <p>The land plot is held leasehold and the building is held freehold.</p>	<p>Differing length periods.</p>	<p>US\$10 753 275</p>	<p>US\$9 485 345</p>	<p><b>US\$95,300,000</b></p> <p><b>US\$53,100,000</b></p> <p>for the 51%/61% share interest in bld. 8 and bld. 17 respectively held by the Client according to information provided to us.</p>
<p><b>"Tamiz"</b></p> <p><b>2-Khutorskaya street, 38A</b></p> <p><b>Moscow, Russia</b></p>	<p>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.</p> <p>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 1,051 sq. m. vacant (or a 8.77% 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.</p> <p>The land plot is held leasehold and the building is held freehold.</p>	<p>Differing length periods</p>	<p>US\$5 227 814</p>	<p>US\$4 428 968</p>	<p><b>US\$46,000,000</b></p> <p><b>US\$46,000,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p>

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p><b>"Triumph Mall"</b></p> <p><b>167 Zarubina Street</b></p> <p><b>Saratov, Russia</b></p>	<p>The Property represents a modern three-floor retail entertainment center with a total leasable area of 27,240.83 sq. m.</p> <p>The Property conforms to all European standards in terms of technical and engineering conditions as well as in terms of management services.</p> <p>The Mall has a list of prestigious tenants bound with the owner of the Property by long-term relations.</p> <p>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.</p> <p>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.</p> <p>The tenure of the land plot of 2.2 ha is freehold.</p>	<p>Differing length periods</p>	<p>US\$15 974 973</p> <p>(including turnover rent)</p>	<p>US\$15 974 973</p> <p>(including turnover rent)</p>	<p><b>US\$137,300,000</b></p> <p><b>US\$137,300,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p>

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p><b>"Vernissage Mall"</b></p> <p><b>Moskovskoye Shosse &amp; Kalinina street</b></p> <p><b>Yaroslavl Region, Russia</b></p>	<p>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. Gross buildable area comprises 40,787 sq. m. The complex consists of one ground floor and a guest ground parking with 1,450 spaces.</p> <p>All premises are currently occupied.</p> <p>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.</p> <p>The Property conforms to all European standards in terms of technical and engineering conditions as well as in terms of management services.</p> <p>The Mall has a list of prestigious tenants bound with the Owner of the Property by long-term relations.</p> <p>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").</p>	<p>Differing length periods.</p>	<p>US\$11 175 615 (including turnover rent)</p>	<p>US\$11 175 615 (including turnover rent)</p>	<p><b>US\$102,800,000</b></p> <p><b>US\$102,800,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us.</p>



## 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	<p>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.</p> <p>The Property comprises two adjacent land plots held freehold with a total area of 22.53 ha:</p> <p>Land plot #1 with a total area of 10.57 ha;</p> <p>Land plot #2 with a total area of 11.96 ha.</p> <p>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.</p> <p>According to the information provided by the Client, as at the date of this Report, the 1st phase of development was 100% completed.</p> <p>25 houses from the 1st phase were already sold as of the date of valuation.</p> <p>Total outstanding development costs for phase 2 are estimated at US\$27,928,000 (including VAT).</p>	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.	<p><b>US\$51,500,000</b></p> <p><b>US\$51,500,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p>
<p>“Triumph Park, Residential” and “Triumph Park, Trade Center”</p> <p>30 Pulkovskoe Shosse</p> <p>Saint</p>	<p>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.</p> <p>The tenure of the land plot is freehold.</p> <p>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.</p> <p>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.</p> <p>The concept of the Residential element provided to us suggests constructing</p>	<p><u>Residential:</u></p> <p>Upon completion the units are expected to be sold on a single unit basis.</p> <p><u>Commercial:</u></p> <p>n/a</p>	<p><u>Residential:</u></p> <p>Upon completion the units are expected to be sold on a single unit basis.</p> <p><u>Commercial:</u></p> <p>n/a</p>	<p><u>Residential:</u></p> <p>Upon completion the units are expected to be sold on a single unit basis.</p> <p><u>Commercial:</u></p> <p>US\$41 267 700</p> <p>upon completion</p>	<p>Total Value for Residential &amp; Trade</p> <p><b>US\$356,300,000</b></p> <p><b>US\$356,300,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p> <p>(Assuming built and fully</p>

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
Petersburg, Russia	<p>all in all 9,000 residential dwellings comprising an average saleable area of 63.5 sq. m. per apartment (520,000 sq. m. in total) over 6 phases. The quality of the apartments is split into "Economy" class and "Comfort" class.</p> <p>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.</p> <p>Construction started in August 2008 and will take place in 6 phases, with the last one being completed in 2019.</p> <p>We have also been informed that the general plan of the project was approved as well as the detailed planning.</p> <p>According to the information provided to us by the Client, more than 1,500 apartments were sold before the date of valuation.</p> <p>Commercial part of the property is represented by a land plot of 8.16628 hectares in total and is part of a 40.8314 hectare site which is intended for future development of class B office and retail space, including parking facilities in three phases.</p> <p>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.</p> <p>Total outstanding development costs are estimated at US\$911,869,332 (together for the commercial and residential elements) (excluding VAT only for the commercial element).</p>			and assuming 100% occupancy. For the purpose of our valuation we have assumed a structural vacancy rate of 20% in 2015 decreasing to 10% in 2019.	sold on market terms US\$412 677 000 for commercial part)

## PROPERTIES HELD FOR FUTURE DEVELOPMENT

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p>"Skyscraper"</p> <p>Dmitrovskoye Shosse 1B</p> <p>Moscow, Russia</p>	<p>The property is represented by a land plot of 9,079 sq. m. of total area and intended for future construction of a multi-storey office building including retail areas in the lower floors. In accordance with the information provided by the Client, the project passed state Gosekspertiza, ARI was approved by the Moscow authorities and the concept design was approved by Chief Architect of Moscow. According to the concept provided by the Client, the planned construction will include (all leasable areas) 85,000 sq. m. of office space, 7,000 sq. m. of retail space and 1,690 underground parking spaces. The gross build area excluding parking will comprise 106,000 sq. m. Construction is expected to take place in one phase starting in January 2014 and expected to be completed in June 2017. The tenure of the land plots is long leasehold.</p> <p>The site is located in the Northern Administrative District of Moscow. The Property is confined by transportation routes of the North-Eastern part of the junction formed by Dmitrovsky lane in the North, and slip road to Dmitrovskoye Shosse in the North-East, Rizhskaya railroad line in the South and street railway depot in the West. Dmitrovskoye Shosse has four lanes each way. Both of the roots are high traffic routes.</p> <p><i>We learnt from the Client and mass media, in the beginning of January 2013, that the Moscow Administration (Department of Land Resources) informed Mirland Development Corporation about a unilateral termination of the land lease agreement due to its recent policy of deliverance from long-lasting paper projects in Moscow. At present the Client had submitted to the Municipality a rigorous objection to the termination. The Client is now evaluating the legal options available in connection with the Lease Agreement, having regard to the legal practice which has evolved since the date on which the amendment to the laws upon which the Moscow government is relying came into effect, including the compensation that may be available to it.</i></p> <p><i>Therefore, at the moment we cannot estimate the market value of the property and consider it equal zero until the matter is cleared out.</i></p>	n/a	n/a	n/a	n/a

Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
<p>"Triumph House"</p> <p>Okolnaya street, 28A</p> <p>Kazan, Russia</p>	<p>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.</p> <p>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.</p> <p>The site is located in the Central part of Kazan on the intersection of Gorkovskoe Highway, Bolotnikova Street, Frunze Street and Vosstaniya Street.</p> <p>Total outstanding development costs are estimated at US\$24 051 000 (excluding VAT).</p>	n/a	n/a	<p>US\$5 366 770</p> <p>(assuming 100% occupancy according to signed agreements)</p>	<p><b>US\$12,200,000</b></p> <p><b>US\$12,200,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p> <p>(Assuming built and fully let on market terms)</p> <p>US\$58 214 000)</p>
<p>"Yaroslavl Phase II"</p> <p>Moskovskoye Shosse &amp; Kalinina street</p> <p>Yaroslavl, Russia</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The tenure of the land plot is freehold (according to the Ownership Certificate 76-AA #170178)</p> <p>Total outstanding development costs are estimated at US\$62 152 250 (excluding VAT).</p>	n/a	n/a	<p>US\$12 267 000</p> <p>upon completion and assuming 100% occupancy. For the purpose of our valuation we have assumed a vacancy rate of 40% for the retail gallery, food court and other small tenants in 2016, 20% for the same category of tenants for 2017, 10% for 2018 and 5% from 2019 onwards.</p>	<p><b>US\$13,200,000</b></p> <p><b>US\$13,200,000</b></p> <p>for the 100% share interest held by the Client according to information provided to us</p> <p>(Assuming built and fully let on market terms)</p> <p>US\$119 741 000)</p>



Property Address:	Description, Status and Tenure:	Terms of Existing Tenancies:	Current Net Rent:	Estimated Rent:	Market Value:
Logistics Complex	The Property represents an undeveloped land plot of approximately 26 hectares held for construction of a logistics complex.	n/a	n/a	n/a	<b>US\$7,200,000</b>
1,3 km to the south-east of Dubki village	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.				<b>US\$7,200,000</b>
Saratov Region, Russia	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)				for the 100% share interest held by the Client according to information provided to us
Logistics Complex	The Property is an undeveloped land plot of approximately 40 hectares held for the construction of a logistics complex.	n/a	n/a	n/a	<b>US\$6,500,000</b>
1 km to the north-east of Sadoviy village, along the railway line Inya-Vostochnaya – Krasny Yar	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.				<b>US\$6,500,000</b>
Novosibirsk Region, Russia	The Property is located in close proximity to Sadoviy Village, Novosibirsk Region. The tenure of the land plot is leasehold.				for the 100% share interest held by the Client according to information provided to us

## APPENDIX II

### MARKET COMMENTARY<sup>2</sup>

#### OUTLOOK

Q2 2014 continued to be a challenging period for business in Moscow as a result of a combination of events including targeted sanctions, the continuing conflict in Ukraine and further unrest in Syria. Given these factors it was generally accepted that negative expectations had become common place by the summer of 2014. Companies have frequently postponed decisions and this has resulted in significantly reduced business activity in both the leasing and investment markets.

Despite this negative sentiment, construction activity is close to record levels due to a peak in the development cycle (which is still out of phase with macro trends). All these factors were highly anticipated so our basic outlook for most of the indicators remains unchanged.

Now, most players have accepted the "new norm" and have adjusted their business plans to adopt a stagnation scenario. We expect that Q3 will bring some light to the leasing market. Increased office supply in Moscow and a substantial pipeline will create a window of opportunity for office tenants to sign new leases with more favorable terms.







Investment activity will remain low until Q4 when we expect an increase in transaction volumes reflecting the process of "de-offshorization".

Exchange rate volatility has created significant uncertainty for market players and we believe that this will remain a serious concern for all business until the end of the year.

A slowdown in the consumer market has become apparent, although this is still in the green zone by a tiny margin. Usually summer is a quiet period for retailers and a lot will depend on end of August sales. We believe that retailers will face overall a zero growth rate this year, coupled with increasing competition.

Overall we expect that major real estate market indicators in Q3 will be in the red zone, although the market itself will start building momentum for recovery.

#### SUMMARY

INDICATOR	2014	Change from prev.	2015
GDP FORECAST 2014	0.5%		2%
CPI 2014	6.7%		5,1%
OIL PRICE USD/BARREL	107.5		-
RUR/USD EXCHANGE RATE 2014 AVG	37		-
RETAIL TRADE TURNOVER	1.9%		2.1%
UNEMPLOYMENT	6,2%		6,3

Source: Cushman and Wakefield

<sup>2</sup>Research department C&W; Marketbeat Q2 2014

Looking back at H2 2013, the Russian economy slowed considerably. In 2014, it is expected that GDP growth will be even lower. The GDP growth outlook has been downgraded a number of times to a modest 0.5% in the latest release from Ministry of Economic Trade and Development.

Inflation has been increasing, although during Q3 it is anticipated that this will slow down to an extent. The scale and consequences of economic sanctions are still unclear, but a slowdown in business activity has become apparent.

The longer term outlook is improving with growth is expected to be approximately 2% during the coming years.

Unemployment is still low and is expected to stay below 7% during the coming years.

The retail trade turnover growth rate still exceeds economic growth, so the consumer market remains a top priority for business.



Source: Ministry of Economic Development

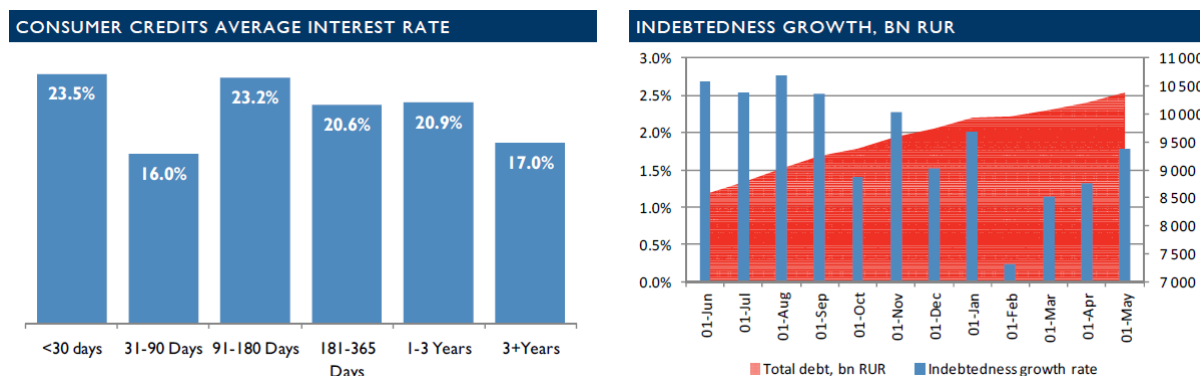
## CONSUMER CREDITS

Currently, total consumer debt in Russia is approximately 15% of GDP, dramatically below European levels (60% - 110%). However, mortgage penetration in Russia is significantly lower than in the EU.

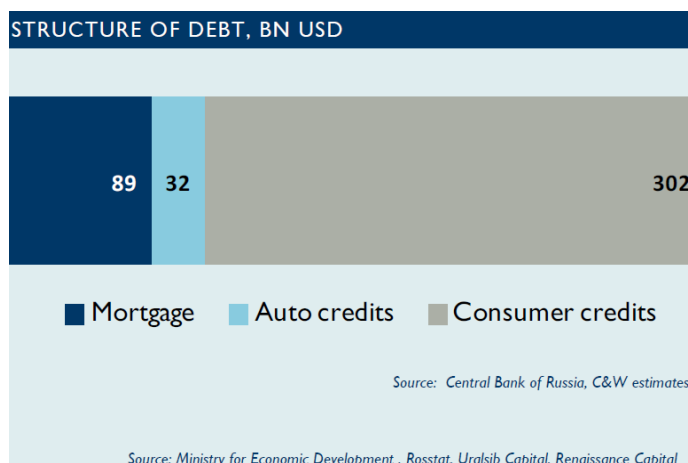
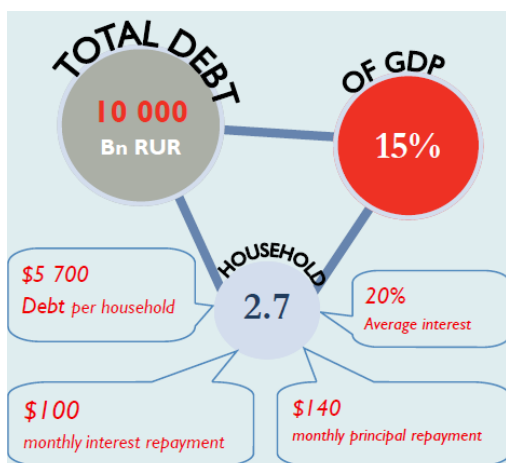
The majority of issued credits are short term consumer loans at a rate of more than 20%. In many cases, credits are being issued at points of sale.

As of June 2014, average household debt was approximately \$5,700 per household and average monthly interest and principal payments reached \$240, equating to about 25% of monthly income.

We expect that during H2 2014 consumer credit will grow at a rate of about 2%. This will not be sufficient to cover service payments and consumer credits this year will not facilitate demand for consumer goods.



Source: Central Bank of Russia



## CAPITAL MARKETS

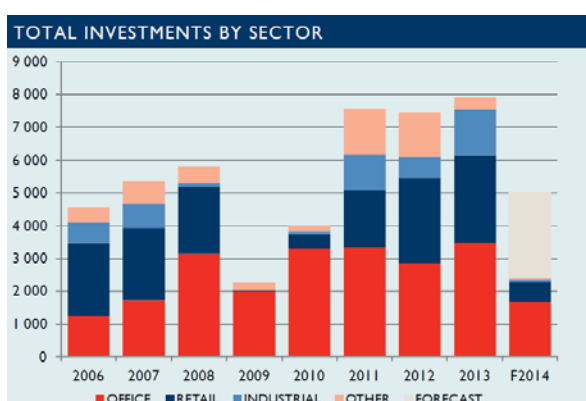
### SUMMARY

In H1 2014, total commercial real estate investment volumes reached US\$ 2.4 bn. In Q2 2014, the total investment volume was US\$ 273 mn. This is more than four times lower than during the same period in 2013. Similar volumes were achieved in H1 2007.

Our current forecast for 2014 remains unchanged at US\$ 5.0 bn by the end of the year.

Global macroeconomic trends and the political situation continue to impact on investment activity and if political unrest escalates it is possible that our annual forecast for investment volumes will be reduced during Q3.

In Q1 2014 we increased capitalization rates by 0.25 pp for prime office and retail properties, while in Q2 2014 we increased the capitalization rate by 0.25 pp for prime warehouse properties. These adjustments reflect our interpretation of the market as well as a 0.5 pp key rate increase by the CBR. However, given the lack of closed transactions in the commercial real estate sector during 2014 so far, our views do not necessarily represent the view of all market participants, some of whom are yet to make any adjustment to their opinions of capitalization rates this year.



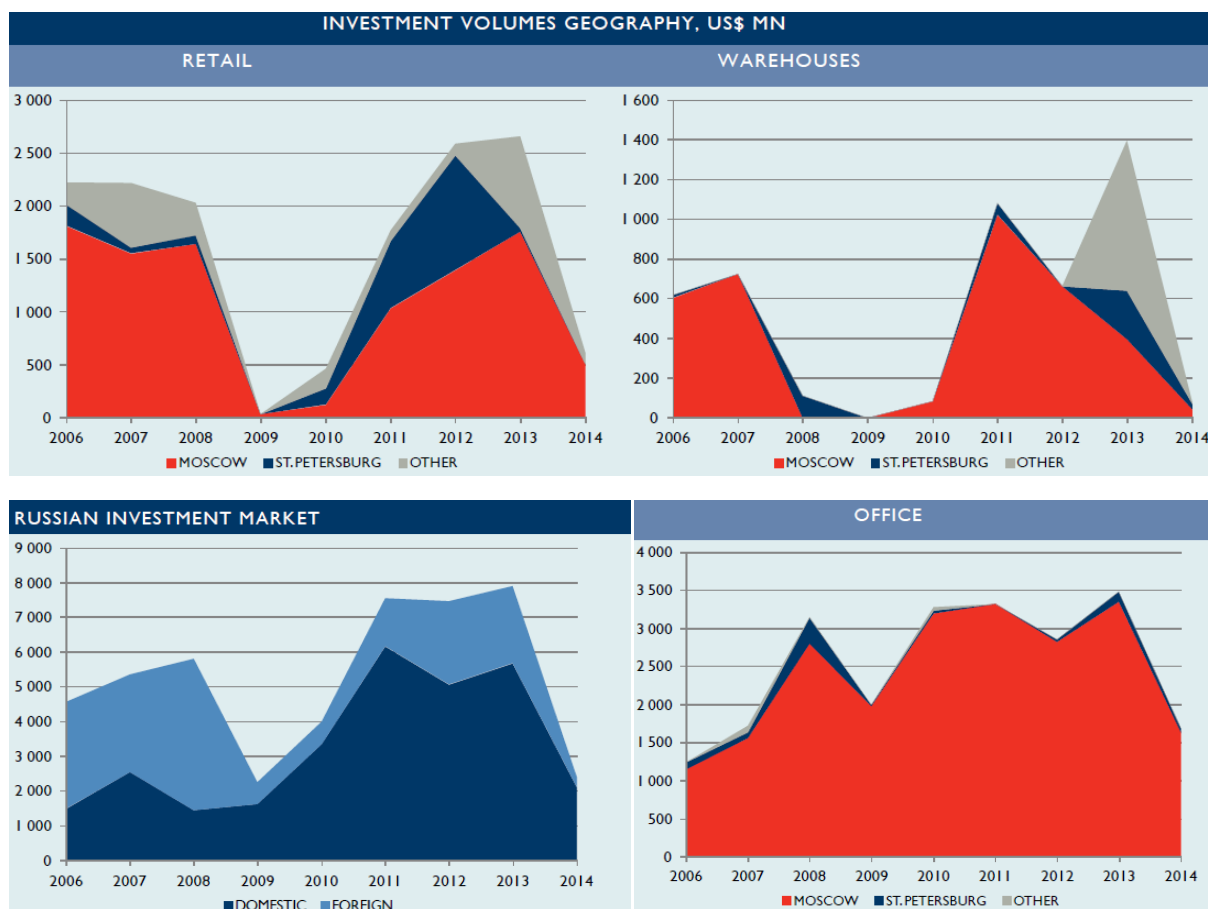
Source: Cushman and Wakefield

### STRUCTURE

Investment activity is more than ever concentrated in Moscow. Investment deals in the capital city have made up more than 90% of total volume, at US\$ 2.2 bn. During H1 2014, the share of offices in the total volume was 70%, at US\$ 1.7 bn. As anticipated, foreign investment accounts for less than 12% - US\$ 286 mn in H1 2014.

We expect that Q3 will also be rather slow in the investment market, reflecting both negative sentiment and a summer slowdown in business activity. However, it is expected that the pickup in the leasing market in Q3 will stimulate investment market activity in Q4.

We also expect a recovery in the investment market in 2015 back to a volume of US\$ 6.5-7.0 bn.



Source: Cushman and Wakefield

## CAPITALIZATION RATES

We are of the opinion that the current yields for prime real estate projects in Moscow are 8.75% for offices, 9.25% for retail and 11.25% for warehouse and industrial projects. It should be noted that these rates are higher than average yields in Europe by 250 bps as well as 450 bps higher than in the most developed investment markets of London and Paris.

## OFFICE MARKET

### OVERVIEW

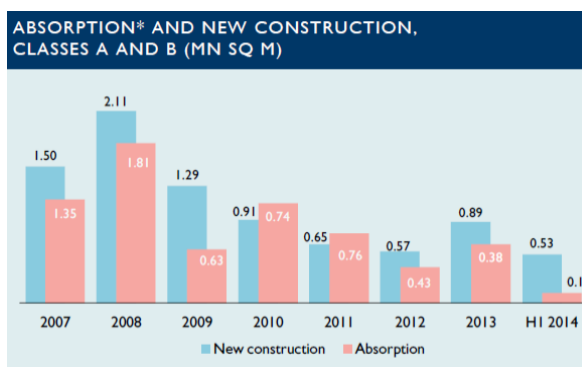
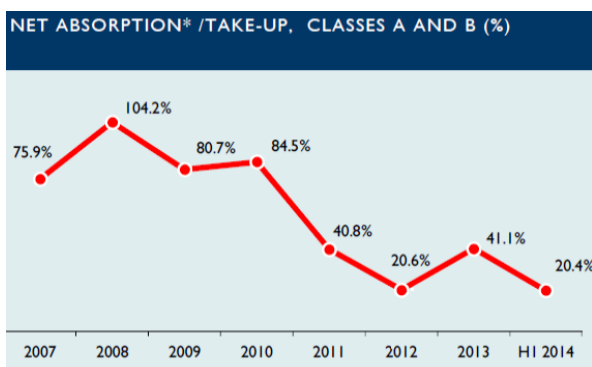
During H1 2014 in Moscow, most office indicators witnessed downward movement:

- The total volume of leased or purchased quality office space was 538,000 sq m, which is 32% lower than in H1 2013 (795,000 sq m);
- Construction volume was similar to take-up— in H1 2014 533,000 sq m were constructed and leased and 538,000 sq m was purchased. However, total office occupancy in Moscow increased only by 110,000 sq m indicating that demand for new offices was not so strong;
- In H1, the average vacancy rate grew by 2.4 pp to 14.1% (Class A—23.7%, Class B—12.1%);
- The average rental rates for Class A and B are on also a downward trend.



Source: Cushman and Wakefield

## ABSORPTION



Source: Cushman and Wakefield

During HI 2014 the total volume of office deals (sale and lease) decreased by 32% compared with the same period in 2013 and amounted to 538,000 sq m. In 2012-2013 monthly take-up volume was around 150,000 sq m, whereas since the beginning of 2014 monthly take-up decreased to 80,000-100,000 sq m. The total number of office deals is high (970 deals have been done in HI 2014 according to Cushman & Wakefield monitoring).

However, the average deal size has gradually decreased: in HI 2014 it was 528 sq m, whereas in 2012 and 2013 it was 676 sq m and 566 sq m respectively. Tenants do not currently demonstrate a strong need for additional office space: in HI absorption stood at 110,000 sq m.

HI 2014 OFFICE DEALS CLASSES A AND B, 2,000 + SQ M				
TENANT	AREA, SQ M	PROPERTY	INDUSTRY	
Systematika	17,370	Comcity	Business Services	Q1
PepsiCo	13,009	Alcon	Manufacturing	Q1
Shtokman	4,748	Fusion Park	Oil&Gas	Q1
Modis	3,954	Wall Street	Retail	Q1
Tele2	2,830	Metropolis (bld. A)	Telecommunications	Q2
Independence GC	2,687	MFC Kasatkina	Retail	Q2
Eli Lilly Vostok S.A.	2,336	Naberezhnaya Tower	Pharmaceutical	Q1
TLScontakt	2,327	Delta Plaza	Business Services	Q2
2GIS	2,245	ARMA	ITT	Q2
avito.ru	2,200	White Gardens	ITT	Q1



TOP 15 METRO HUBS BY TAKE-UP, CLASSES A AND B, SQ M			
Metro	2012	2013	2014
<b>TOTAL</b>	<b>1 909 753</b>	<b>1 565 999</b>	<b>610 436</b>
1 Kievskaya	14 355	15 092	42 189
2 Delovoi Center	82 519	87 958	39 075
3 Yugo-Zapadnaya	31 008	49 948	36 294
4 Paveletskaya	132 769	123 869	33 624
5 Arbatskaya	64 034	19 630	22 529
6 Kurskaya	47 262	35 358	20 443
7 Tul'skaya	41 001	42 959	17 966
8 Sokol	18 324	5 533	14 725
9 Prospekt Mira	8 554	28 045	14 239
10 Nakhimovskiy prospekt	9 747	13 632	13 918
11 Belorusskaya	36 128	48 767	13 680
12 Dobryninskaya	4 022	8 694	12 077
13 Kaluzhskaya	48 784	52 432	11 755
14 Planernaya	700	10 797	11 725
15 Sukharevskaya	6 912	10 239	11 697

Source: Cushman and Wakefield

## NEW CONSTRUCTION

A total of 23 new office projects with an aggregate area of 533,000 sq m were delivered to the market in H1 2014 in Moscow (in Q2 — 324,000 sq m in 11 office buildings).

Nearly 40% of new office space is in new phases of existing office complexes, such as ARCUS, Krasnaya Roza and Avrora Business Park.

Among the largest new office buildings are President Plaza (114,695 sq m) and Poklonnaya 3 complex (79,539 sq m) in the Kutuzovsky submarket. New additions to the Kutuzovsky office stock increased the vacancy rate in this submarket to 29%. In Moscow City, the vacancy rate remained at 35% following the delivery of Eurasia Tower in Q1 2014. The construction volume significantly exceeds current office demand: H1 absorption constitutes about 20% of new offices delivered within H1.

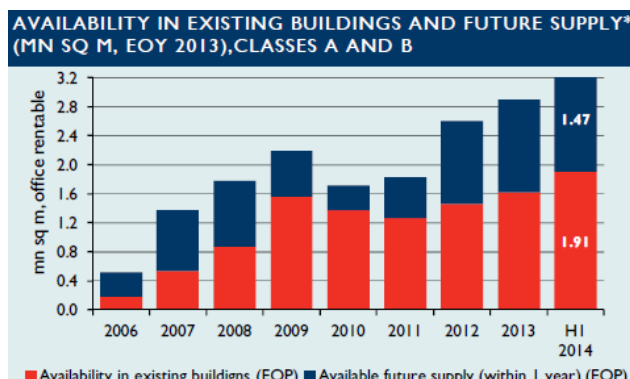
This year could see the highest level of new construction since 2009. An additional 600,000 sq m of new quality office space will be added to the Moscow office stock during 2014 (Cushman & Wakefield forecast has been increased due to H1 results).

OFFICE PIPELINE, 2014, 20,000 +				
BUILDING NAME	SUBMARKET	CLASS	RENTABLE AREA, sq m	DELIVERY DATE
DOWNTOWN			TOTAL*: 103,450	
Rozhdestvenka ul., 8/15, bld. 1, 2	CBD	B+	19,000	Q1
RochDel	BEL	B+	6,955	Q1
Kazachiy 2-y per., 11	ZAM	B-	4,964	Q1
Nikoloyamskaya ul., 24, bld. 1	CBD	B+	3,300	Q1
Zhukov pr., 4	ZAM	B-	879	Q1
Avrora Business Park III bldg F	ZAM	A	9,930	Q2
Sadovnicheskaya nab. 71/80 bld. 3	ZAM	B-	2,450	Q2
Bolshevik Phase I	BEL	A	28,150	Q3
CENTRAL			TOTAL*: 958,875	
Eurasia Tower	CTY	A	86,834	Q1
Vorontsovskaya ul., 41-43	TAG	B+	19,800	Q1
Krasnaya Roza, Morozov II	FRU	A	13,607	Q1
President Plaza	KUT	A	114,695	Q2
Poklonnaya ul., 3	KUT	B+	79,539	Q2
ARCUS III	SOK	A	34,305	Q2
Mirax Plaza, building G (D)	KUT	B+	33,656	Q2
Arma 19	BAS	B+	19,049	Q2
Shchepkinskiy BC	NOV	B+	7,170	Q2
Leningradsky prosp., 44A bld. 3	SOK	B+	1,609	Q2
Krasnaya Roza, Zhiro Gallery	FRU	B+	1,385	Q2
Nizhegorodsky Business Centre, phase I, III	BAS	B-	60,100	Q3
Savelovsky City, 1st phase	NOV	B+	51,451	Q3
Minskaya Plaza	KUT	B+	26,417	Q3
OKO	CTY	A	110,000	Q4
Evolution Tower	CTY	A	80,500	Q4
Oruzheyiny	NOV	A	70,000	Q4
Aerodom	SOK	B+	26,712	Q4
Arma	BAS	B+	23,000	Q4
OTA			TOTAL*: 767,515	
Mebe One Khimki Plaza	SUB	A	29,937	Q1
Solutions BP, bld. 3	SW	B+	14,432	Q1
Cheremushkinskaya B. ul., 13, bld. 4	SW	B+	6,040	Q1

Source: Cushman and Wakefield

## SUPPLY

Total availability is growing. Since the beginning of the year, vacant space in existing buildings increased by more than 400, 000 sq m. Altogether, there are 1.91 mn sq m of available office premises in 497 existing buildings and 1.47 mn sq m is on the market in buildings that are under construction. The total volume of available space is growing mainly in existing buildings due to continually non-occupied newly constructed buildings. In H1 2014 the vacancy rate grew by 2.4 pp to 14.1% (Class A - 23.7%, Class B - 12.1%) and this vacancy rate is forecasted to grow further.

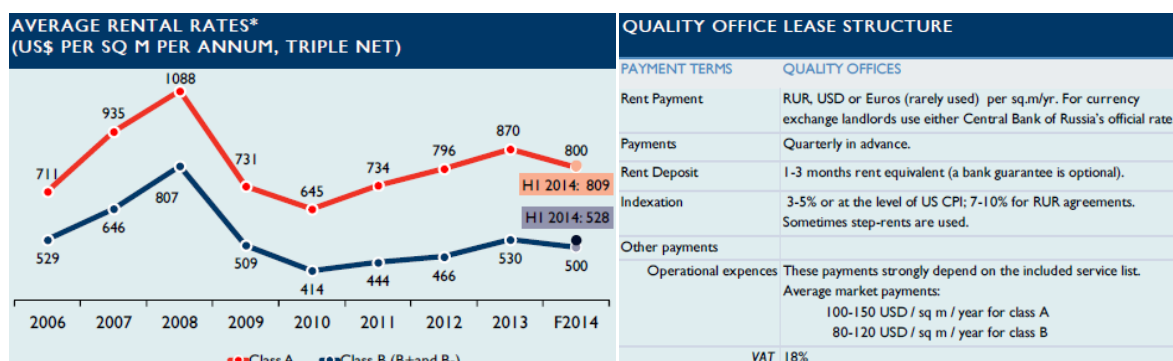


Source: Cushman and Wakefield

## RENTAL RATES

During H1 2014 the class A average rental rate decreased by 6.8% and stands at \$809 (per year per sq m, triple net). The class B average rental rate is stable at \$528. According to Cushman & Wakefield the class B average rate is

expected to be subject to a downwards correction by the end of 2014. This correction in rental rates may well stimulate occupational demand in late 2014 to the beginning of 2015.



Source: Cushman and Wakefield

## RETAIL MARKET

### BRIEF SUMMARY

Despite the clear economic slow-down, consumer spending in Russia remains quite resilient. Retail turnover growth for 2014 is forecast at 1.9%.

Retailer demand has remained relatively strong in Russia with existing retailers seeking to expand as well as experiment with new format types. New retailers entering Russia include Prenatal, Derimod, Shake&Shack, Max Brenner, amongst others.

On the whole, the volume of new construction for Russian retail space is high. 18 new shopping centers with a total GLA of 683,000 sq m opened in Russia during H1 2014. New shopping malls were opened in 12 Russian cities.

During 2014 currency volatility complicated long-term contract negotiations, which are commonly denominated in foreign currency but paid in Russian rubles. Moscow rental rates have remained stable while those in the Russian regions have been on a downward trend.

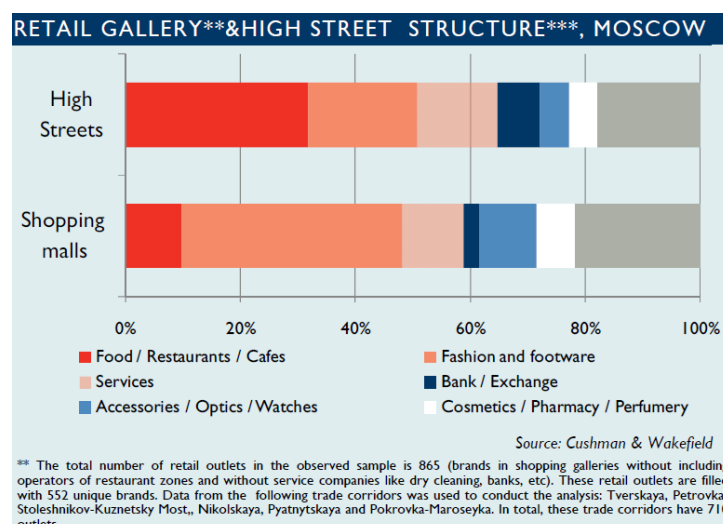
Overall, the retail real estate sector has tended to evolve into a tenant-driven market with increasing vacancy and tougher competition.

### RETAILERS

Retailers are currently active with regional expansion programmes. For example, Lenta entered Krasnoyarsk, OKEY opened its first hypermarket in Barnaul, while Azbuka Vkusa opened its first store in Leningradskaya Oblast (in the city of Vsevolzhsk). In addition, SPAR intends to start operations in Tomsk by the end of 2014.

During Q2 2014, Prenatal (represented in Moscow and Saint Petersburg but with plans to open 20 stores in other cities), Derimod (Moscow and Yaroslavl), Max Brenner (Moscow) and Shake&Shack (Moscow) commenced operations in Russia.

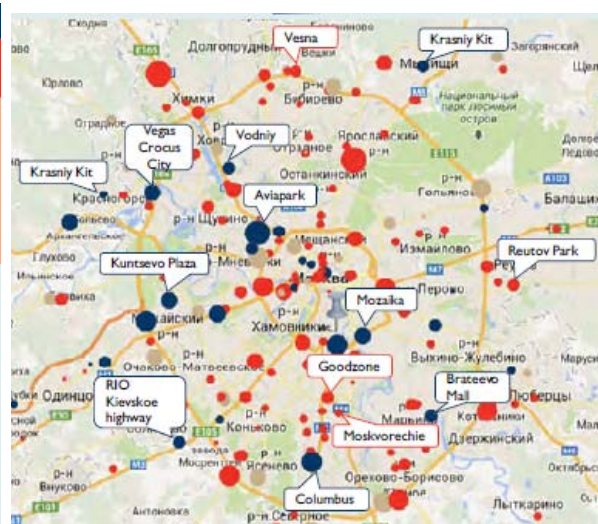
Potential other newcomers looking to enter the market in the near future include Kidzania, Forever 21, House of Fraser, Harvey Nichols, Crate & Barrel, amongst others.



## NEW CONSTRUCTION: MOSCOW

In Q2 2014, two large shopping centers were opened in Moscow, these being Vegas Crocus City (GLA 112,500 sq m) with a 22-screen cinema, an oceanarium and a concert hall (which will open soon), and the shopping mall Vesna! (GLA 56,000 sq m). Among smaller retail schemes opened, there was the neighborhood shopping mall Karamel and new additions to the Otrada complex.

NEW CONSTRUCTION 2014. QUALITY STORES* MOSCOW			
PROPERTY NAME		RETAIL GLA, SQ M	DELIVERY
Goodzone		56 000	Q1
Moskvorechye		19 780	Q1
Reutov Park		42 600	Q1
Vesna!		56 000	Q2
Vegas Crocus City		112 500	Q2
Brateevo Mall		21 000	Q3
Kuntsevo Plaza		65 000	Q3
Vodniy		32 500	Q3
Krasny Kit (phase II)		47 000	Q3
Aviapark		235 000	Q4
Columbus		136 000	Q4
RIO Kievskoe highway		40 300	Q4
Mozaiika		68 000	Q4

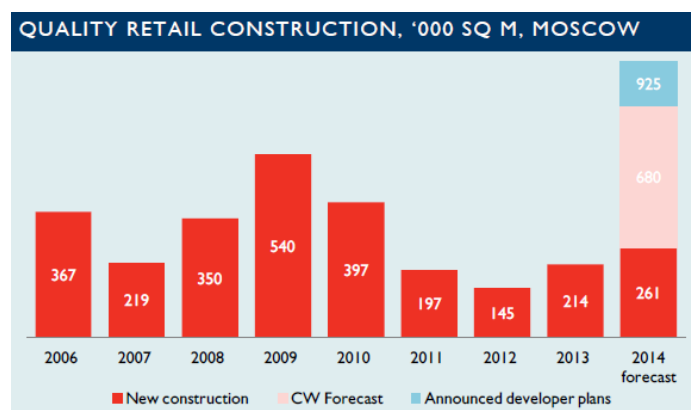


Source: Cushman and Wakefield

The vacancy rate in quality retail centers has maintained its low level. In the 26 largest quality Moscow shopping malls (with GLA > 40,000 sq m), 109 retail units are vacant (on the market or under negotiations), which is 2.5% of the total volume of retail units in this sample. This shortage of supply for quality space has resulted in a high pre-lease rate in shopping malls under construction and planned for delivery in 2014-2015.

The largest retail schemes planned for 2014 delivery are Aviapark, (GLA 235,000 sq m), and the shopping mall Columbus (GLA 136,000 sq m).

These huge deliveries of retail space in 2014 will lead to increasing vacancies, potentially doubling to 6%.



Source: Cushman and Wakefield

## NEW CONSTRUCTION: RUSSIA

Nine new shopping centers with a total GLA of 283,426 sq m were opened in Q2 2014, four of them in Moscow and the remainder in five other Russian cities. During H1 2014, similar to the same period in 2013, 18 new shopping centers were delivered. However, the construction volume in H1 2014 grew by 150,000 sq m, which was the result of the increased project size in Moscow (see below).

Among the largest shopping malls, which opened in Q2 2014, are Torgovy Park NI (GLA 24,900 sq m) located in Tver and Izumrudniy Gorod (GLA 32,000 sq m) located in Tomsk.

Soft openings are rather typical for regional shopping malls. As an example, the new RIO in Tambov and the Orangevy in Saratov opened with anchor tenants and partly let retail galleries. According to Cushman & Wakefield's forecast, more than 50 shopping centers with more than 2 mn sq m of GLA will be delivered in 2014.



Source: Cushman and Wakefield

## QUALITY RETAIL ACTIVITY

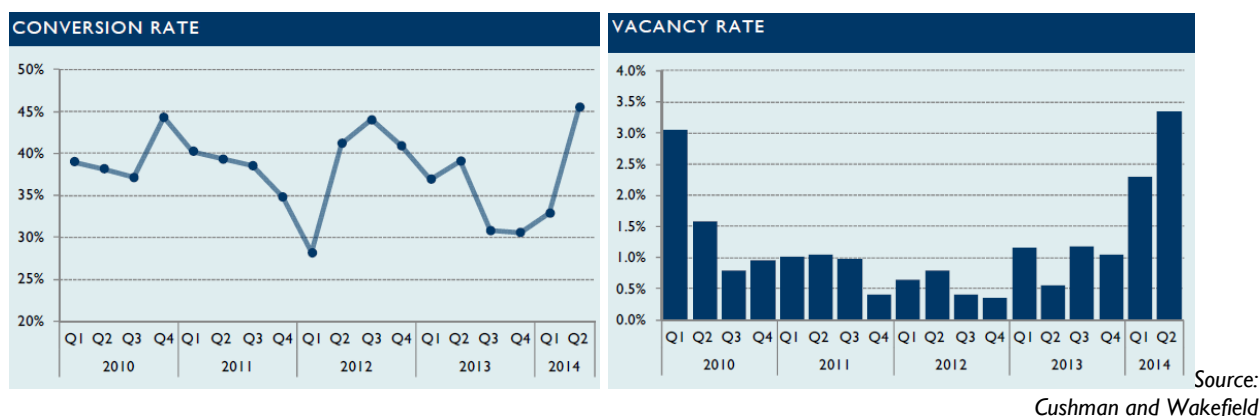
Cushman & Wakefield Research undertakes quarterly monitoring of nine quality shopping centers (total GLA - 0.5 mn sq m). These shopping centers have been operating for more than one year and have a stabilized catchment area.

The quality retail activity index calculation is based on footfall, conversion rate and vacancy rate, and reflects overall business activity in the retail sector. During 2014 this has been on a downward trend.

Q2 demonstrated decreased footfall, however the conversion rate grew to its highest level — 45%. This may well be a good indication of the rationalization of consumer patterns.

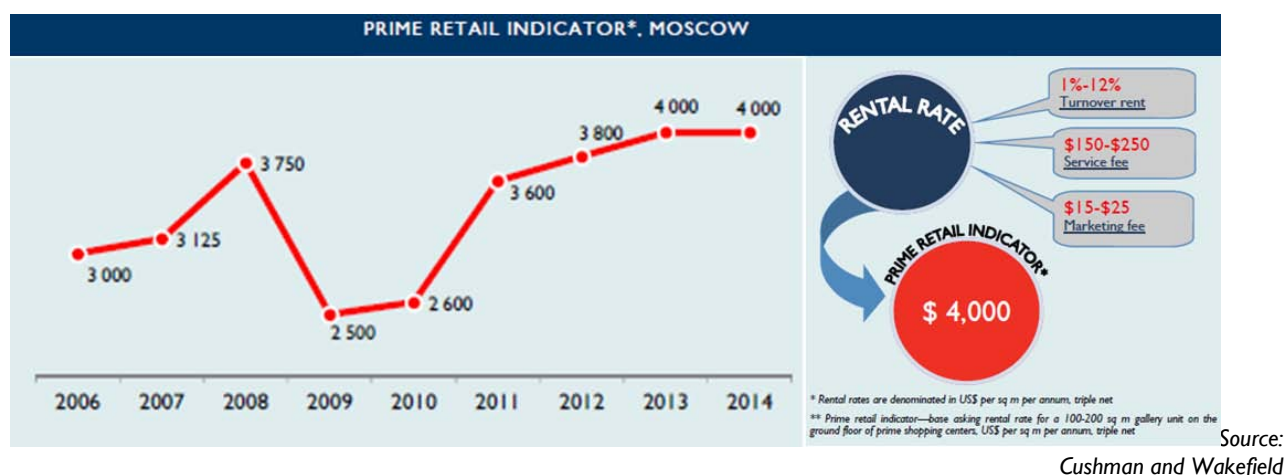
Since the beginning of 2014 the vacancy rate has been growing, but still the average rate is still at a low level of 3.3% (note at the beginning of 2013 it was below 1%). We expect the vacancy rate to increase in 2015 to 6%.





## COMMERCIAL TERMS IN SHOPPING MALLS

Moscow retail gallery rental rates lie in the range of US\$ 500 - 5,000 (per sq m per year before VAT and other expenses) depending on the size of the retail unit and the type of retailer. Moscow's prime retail indicator is US\$ 4,000 per sq m per annum, as a base rate. Growth up to US\$ 4,200 is forecast by the end of 2014.

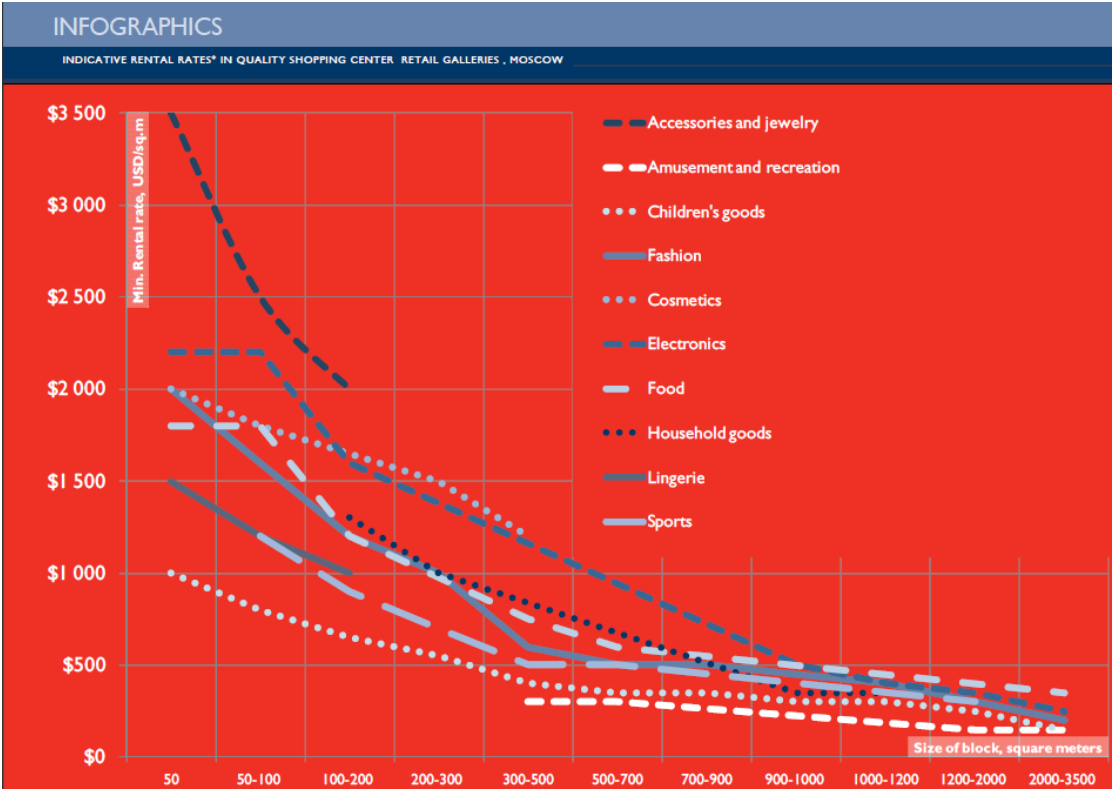


Outside Moscow, rental rates in shopping malls are typically 30% to 60% below those levels in Moscow.

Compound rental rates (fixed rent combined with a percentage of turnover) are almost always adopted in shopping centers. Normally, turnover percentages vary between 8 to 12% in retail galleries and 1-5% for anchors. In addition, other payments include operational expenses (US\$ 150-250 per sq m annually for units smaller than 500 sq m), marketing (US\$ 10-25 per sq m annually) and some others dependant on the project.

QUALITY RETAIL LEASE STRUCTURE	
ITEM	COMMENTS
Lease Terms	Standard lease terms for gallery tenants are 5-10 years. For anchor tenants (including fashion anchors), lease terms are up to 20-25 years. Break options are always in the contracts. The most common is a break after 3 years with a monthly notice.
Rental Payment	Rents are typically payable monthly in advance. Turnover / percentage rents are increasingly seen in shopping centres. Rental rates are generally calculated in US\$. RUR is used for hypermarkets or for OPEX only. Instead of US\$, commercial units could be used.
Rent Deposit	2 month bank guarantee or 1-2 months advance cash payment.
Indexation	Annual indexation is typical in CPI RUR if RUR, but not less than 7%. CPI US if USD, but not less than 5%.
Service Charges	A service charge is payable by tenants at on either an "open book" basis or more commonly as a fixed cost. Utilities payments are charged on consumption. Building insurance is normally charged back to the tenant via service charge.
Other costs	VAT 18% Local property taxes are not paid separately, they are generally included in the service charges.





Source: Cushman and Wakefield

## MOSCOW MAIN MARKET INDICATORS

MOSCOW MAIN MARKET INDICATORS															FORECAST	
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	HI 2014	2014
OFFICE																
Stock class A,	'000 sq m	162	186	281	357	529	668	917	1 268	1 731	2 023	2 320	2 538	2 686	2 975	3 475
Stock class B (B+ and B-)	'000 sq m	2 277	2 631	3 208	3 845	4 499	5 218	6 461	8 318	9 054	9 653	10 004	10 352	11 064	11 275	11 875
New Construction, A	'000 sq m		24	95	76	172	139	248	351	403	292	297	219	225	289	500
New Construction, B (B+ and B-)	'000 sq m		354	577	638	653	719	1 244	1 857	882	599	352	348	674	244	600
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%	22.9%	27.1%
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%	12.7%	13.4%
Take up class A,	'000 sq m	29	62	72	153	188	297	488	471	182	376	679	465	333	149	350
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	389	800
Rental rates class A		\$460	\$480	\$500	\$540	\$600	\$710	\$930	\$1 090	\$710	\$640	\$740	\$790	\$870	\$810	\$800
Rental rates class B (B+ and B-)		\$420	\$390	\$390	\$450	\$470	\$530	\$630	\$810	\$510	\$420	\$460	\$460	\$530	\$529	\$500
Prime capitalization rates **					13.50%	12.50%	8.25%	7.25%	12.00%	13.00%	9.00%	8.50%	8.75%	8.50%	8.75%	8.75%
QUALITY SHOPPING CENTERS																
Total stock	'000 sq m	182	425	545	884	1 188	1 555	1 774	2 124	2 812	3 210	3 407	3 552	3 765	3 979	4 646
New construction	'000 sq m		243	120	339	304	367	219	350	540	397	197	145	214	214	680
Vacancy rate		-	-	1.6%	1.3%	0.7%	0.7%	1.0%	3.0%	5.0%	2.1%	0.4%	0.5%	1.2%	3.3%	3.0%
Prime rental rate indicator *							\$3 000	\$3 125	\$3 750	\$2 500	\$2 600	\$2 700	\$3 800	\$3 900	\$4 000	\$4 000
Prime capitalization rates **					13.50%	12.00%	9.50%	9.00%	12.00%	13.00%	10.00%	9.25%	9.50%	9.00%	9.25%	9.25%
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	6 901	7 416
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	2 600	2 649
New construction, class A	'000 sq m		49	387	213	336	863	1 186	594	629	324	257	664	858	446	960
New Construction, class B	'000 sq m		59	390	356	338	126	188	82	49	48	107	53	92	191	240
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%	3.0%	3.5%
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%	3.5%	4.0%
Net Absorption Class A		-	48	380	208	329	846	1 162	582	247	409	580	658	817	335	797
Net Absorption Class B		-	57	382	348	331	123	185	80	-33	40	205	53	78	148	182
Rental rates class A		\$140	\$140	\$130	\$137	\$128	\$136	\$130	\$140	\$105	\$110	\$135	\$135	\$135	\$130	\$130
Rental rates class B		\$80	\$88	\$109	\$124	\$123	\$121	\$117	\$125	\$90	\$92	\$130	\$130	\$130	\$125	\$125
Prime capitalization rates **					16.00%	14.00%	10.50%	9.25%	13.00%	14.00%	10.50%	10.50%	11.50%	11.00%	11.25%	11.25%
INVESTMENTS, MN US\$																
TOTAL		65	5	99	492	1 637	4 560	5 354	5 798	2 256	3 994	7 547	7 458	7 896	2 395	5 000
Office		65	5	99	272	126	1 244	1 719	3 149	1 998	3 282	3 322	2 854	3 485	1 683	
Retail					130	971	2 224	2 216	2 029	30	459	1 767	2 585	2 661	601	
Warehouse						19	616	723	110		81	1 080	660	1 395	75	
Other					90	522	476	696	510	228	172	1 379	1 358	355	35	

\* 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 period

Source: Cushman and Wakefield

## NOTABLE INVESTMENT TRANSACTIONS IN RUSSIA

CATEGORY	QTR	PROPERTY NAME	MARKET	OFFICE RENTABLE, SQ M	RETAIL GLA, SQ M	WAREHOUSE AREA, SQ M	ROOMS	GRADE	PRICE ESTIMATION, USD	INVESTOR NAME
SINGLE TRANSACTIONS										
RETAIL	Q4	Vremena Goda (60%)	Moscow		64 280				190	Romanov Property Holdings
	Q4	Bolshoy Gostiniy Dvor (10%)	St. Petersburg		21 000				290	Frot Group
	Q2	Aura	Novosibirsk		60 439				750	RosEvroDevelopment
	Q2	Mozaika (50%)	Moscow		68 000				100	OST Group
	Q1	Metropolis	Moscow		80 000				1 200	Morgan Stanley Real Estate Fund VII
	Q1	Frunzensky univermag	St. Petersburg		5 500				12,5	Imperia Holding
OFFICE	Q4	Nagatino i-Land	Moscow	604 240				B+	374	AFK Sistema
	Q3	White Gardens	Moscow	63 900				A	740	Milhouse Capital
	Q3	iCube	Moscow	15 256				B+	90	OI Properties
	Q2	International Commercial bank building	St. Petersburg	8 000				B+	64,1	Gazprom OAO
	Q1	Dvintsev BC bldg B	Moscow	12 003				A	67,5	Central Properties
	Q1	Aquamarine BC Phase III (50%)	Moscow	55 422				A	230	AFI Developments
	Q1	Olympia Park	Moscow	45 966				A	350	Kaspersky Labs
	Q1	White Square office center	Moscow	73 526				A	1 000	OI Properties
INDUSTRIAL	Q3	Terminal SV	St. Petersburg			20 000		A	22,7	Admiral
	Q1	Tomilino	Moscow region			52 328		A	100	BIN Group
HOSPITALITY	Q2	Renaissance Moscow Hotel	Moscow				475	upscale	170	Alexander Klyachin (Azimut Hotels)
PORTFOLIO TRANSACTIONS										
HOSPITALITY	Q2	ALROSA hotel portfolio (ALROSA na Kazachyem, Vedensky, Zarnitsa, Pur-Navolok, Polyarnaya Zvezda)	Moscow, St. Petersburg, Mirny, Arkhangelsk, Yakutsk				516	upscale	63,5	Nord OOO
W&I	Q1	Eurasia Logistics portfolio (Tolmachevo, Biek Tau, Pyshma)	Novosibirsk, Kazan, Ekaterinburg			930 594		A	500	IQ Property management
W&I	Q4	MLP portfolio	Moscow, St. Petersburg			1 380 803		A	700	BIN Group

Source: Cushman & Wakefield

## APPENDIX III

### BOOK VALUES\*

Name of Property	FS
	31.03.2014
US Dollars'000	
<b>Investment Properties under construction</b>	
St. Petersburg commercial	31 600
Kazan Mall	11 200
Novosibirsk logistic	6 400
Saratov Logistic	7 400
	<b>56 600</b>
<b>Investment Properties</b>	
Saratov Mall	135 300
Hydro	71 700
MAG	83 300
Tamiz buildings	46 100
Century	95 100
Yaroslavl Mall	109 800
	<b>541 300</b>

\* The table represents the figures as mentioned in the Client's last Financial Statements as of 30.03.2014. The information has been provided to us by the Client.

## APPENDIX IV

### SENSITIVITY ANALYSIS

#### MAG

Vacancy rate	+5%	current	-5%
Market Value	\$81 500 000	\$81 800 000	\$82 000 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$74 100 000	\$81 800 000	\$91 400 000
Average rental rate	+5%	current	-5%
Market Value	\$85 200 000	\$81 800 000	\$78 300 000

#### HYDROMASHSERVICE

Vacancy rate	+5%	current	-5%
Market Value	\$69 900 000	\$71 100 000	\$71 300 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$64 300 000	\$71 100 000	\$79 600 000
Average rental rate	+5%	current	-5%
Market Value	\$74 400 000	\$71 100 000	\$67 700 000

#### CENTURY

Vacancy rate	+5%	current	-5%
Market Value	\$94 800 000	\$95 300 000	\$95 900 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$86 300 000	\$95 300 000	\$106 700 000
Average rental rate	+5%	current	-5%
Market Value	\$99 600 000	\$95 300 000	\$90 900 000

#### TAMIZ

Vacancy rate	+5%	current	-5%
Market Value	\$45 700 000	\$46 000 000	\$46 500 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$41 700 000	\$46 000 000	\$51 400 000
Average rental rate	+5%	current	-5%
Market Value	\$48 000 000	\$46 000 000	\$44 000 000

ST. PETERSBURG\_commercial

Vacancy rate	+5%	current	-5%
Market Value	\$24 800 000	\$31 700 000	\$38 100 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$20 100 000	\$31 700 000	\$46 300 000
Average rental rate	+5%	current	-5%
Market Value	\$37 700 000	\$31 700 000	\$25 800 000
Total Development Costs	+5%	current	-5%
Market Value	\$27 400 000	\$31 700 000	\$36 100 000

YAROSLAVL\_Vernissage Mall

Vacancy rate	+5%	current	-5%
Market Value	\$102 300 000	\$102 800 000	n/a
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$94 400 000	\$102 800 000	\$113 000 000
Average rental rate	+5%	current	-5%
Market Value	\$105 000 000	\$102 800 000	\$100 700 000

SARATOV\_Triumph Mall

Vacancy rate	+5%	current	-5%
Market Value	\$135 900 000	\$137 300 000	n/a
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$126 600 000	\$137 300 000	\$150 200 000
Average rental rate	+5%	current	-5%
Market Value	\$140 200 000	\$137 300 000	\$134 400 000

YAROSLAVL\_Phase 2

Vacancy rate	+5%	current	-5%
Market Value	\$11 500 000	\$13 200 000	\$15 800 000
Discount rate/Exit cap rate	+1%	current	-1%
Market Value	\$7 300 000	\$13 200 000	\$20 300 000
Average rental rate	+5%	current	-5%
Market Value	\$16 200 000	\$13 200 000	\$10 000 000
Total Development Costs	+5%	current	-5%
Market Value	\$10 300 000	\$13 200 000	\$16 000 000

## APPENDIX V

### DISCOUNT RATE BREAKDOWN

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

$$DR = \text{Risk Free Rate} + \text{Investment Risk} + \text{Liquidity Risk} + \text{Management Risk} + \text{Specific Risk (if applicable)}.$$

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.

<b>MAG (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,50%
- Specific Risk (Region Risk)	1,50%
<b>Discount Rate</b>	<b>12,50%</b>

<b>Tamiz Building (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,50%
- Specific Risk (Region Risk)	1,50%
<b>Discount Rate (Fully Completed Property)</b>	<b>12,50%</b>

<b>Hydromashservice (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,50%
- Specific Risk (Region Risk)	1,50%
<b>Discount Rate</b>	<b>12,50%</b>



<b>Century (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,50%
- Specific Risk (Region Risk)	1,50%
<b>Discount Rate</b>	<b>12,50%</b>

<b>Vernissage Mall Yaroslavl (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,00%
- Specific Risk (Region Risk)	2,00%
<b>Discount Rate</b>	<b>12,50%</b>

<b>Triumph Mall Saratov (Completed)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	2,50%
- Management Risk	1,00%
- Specific Risk (Region Risk)	2,00%
<b>Discount Rate</b>	<b>12,50%</b>

<b>Retail Center Kazan (Held for Future Development)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	1,00%
- Liquidity Risk	1,50%
- Management Risk	1,00%
- Specific Risk (Region Risk)	2,50%
<b>Discount Rate (Fully Completed Property)</b>	<b>10,14%</b>
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	3,00%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	3,00%
- Land Plot without Zoning for Proposed Use	0,00%
<b>Discount Rate Conclusion</b>	<b>16,00%</b>

<b>St. Petersburg Commercial (Held for Future Development)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	4,00%
- Liquidity Risk	3,00%
- Management Risk	1,00%
- Specific Risk (Region Risk)	2,00%
<b>Discount Rate (Fully Completed Property)</b>	<b>14,00%</b>
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	5,00%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	6,00%
- Land Plot without Zoning for Proposed Use	0,00%
<b>Discount Rate Conclusion</b>	<b>25,00%</b>

<b>Yaroslavl Phase II (Held for Future Development)</b>	<b>30.06.2014</b>
Risk Free Rate	4,14%
Risk Adjustments:	
- Investment Risk	3,00%
- Liquidity Risk	1,50%
- Management Risk	1,00%
- Specific Risk (Region Risk)	2,50%
<b>Discount Rate (Fully Completed Property)</b>	<b>12,00%</b>
Risk Adjustments for Not Completed State:	
- Construction (0% Completed)	5,00%
- Construction currently Stopped	0,00%
- Outstanding Construction & Related Permissions	3,00%
- Land Plot without Zoning for Proposed Use	0,00%
<b>Discount Rate Conclusion</b>	<b>20,00%</b>

## APPENDIX VI

### FINANCIAL MODELS

#### SARATOV LOGISTICS

	Subject property	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Price, \$	-	401 420	2 200 377	446 022	1 813 824	187 329
Total area (ha)	26,000	9,00	37,00	6,00	3,70	5,60
Total area ex encumbrances (ha)	26,000	9,00	37,00	6,00	3,70	5,60
Price per ha, \$	-	44 602	59 470	74 337	490 223	33 452
<b>Adjustments</b>						
Size	-	-	-	-	-	-
Adjustment, %	-	-10,00%	5,00%	-15,00%	-20,00%	-15,00%
Subtotal, \$	-	40 142	62 443	63 187	392 178	28 434
Location	Russia, Saratov region, 1.3 km south-east to Dubki village	Saratov, Volsky Trakt	Saratov, Intersection of Sukurskiy Trakt and bypass road	Saratov, Kirovskiy district, Deputatskaya Str.	Saratov, Zavodskoy district, 2, Ordzhonikidze sq.	Saratov, Volsky Trakt
Adjustment	-	0,00%	0,00%	-10,00%	-50,00%	0,00%
Subtotal, \$	-	40 142,01	62 443,13	56 867,85	196 089,12	28 433,93
Transport access	Good	Good	Good	Good	Excellent	Good
Adjustment	-	0,00%	0,00%	0,00%	-10,00%	0,00%
Subtotal, \$	-	40 142,01	62 443,13	56 867,85	176 480,20	28 433,93
Zoning	industrial	industrial	industrial	industrial	industrial	industrial
Adjustment	-	0,00%	0,00%	0,00%	0,00%	0,00%
Subtotal, \$	-	40 142	62 443	56 868	176 480	28 434
Property rights	freehold	leasehold	freehold	leasehold	freehold	leasehold
Adjustment	-	5,00%	0,00%	5,00%	0,00%	5,00%
Subtotal, \$	-	42 149	62 443	59 711	176 480	29 856
Utilities	on the site	on the border of the site	on the border of the site	on the border of the site	on the site	on the border of the site
Adjustment	-	10,00%	10,00%	10,00%	0,00%	10,00%
Subtotal, \$	-	46 364	68 687	65 682	176 480	32 841
Market conditions	-	sale offer	sale offer	sale offer	sale offer	sale offer
Adjustment	-	-5,00%	-5,00%	-5,00%	-5,00%	-5,00%
Subtotal, \$	-	44 046	65 253	62 398	167 656	31 199
Other	Electricity brought to the land plot. Technical conditions on electricity (6Mwt) are received and paid.	no	no	no	Dilapidated building on the site, Electricity brought to the land plot. Technical conditions on electricity (1Mwt) are received and paid.	no
Adjustment, \$	-	203 846	203 846	203 846	192 308	203 846
Subtotal, \$	-	247 892	269 099	266 244	359 964	235 045
Weights, %	-	0,2000	0,2000	0,2000	0,2000	0,2000
Source	-	<a href="http://www.rosrealt.ru/Saratov/uchastok/163803">http://www.rosrealt.ru/Saratov/uchastok/163803</a>	<a href="http://www.rosrealt.ru/Saratov/uchastok/165774">http://www.rosrealt.ru/Saratov/uchastok/165774</a>	<a href="http://www.rosrealt.ru/Saratov/uchastok/160976">http://www.rosrealt.ru/Saratov/uchastok/160976</a>	<a href="http://saratov.afy.ru/object/promzem/200300964.html">http://saratov.afy.ru/object/promzem/200300964.html</a>	<a href="http://saratov.afy.ru/object/promzem/200330543.html">http://saratov.afy.ru/object/promzem/200330543.html</a>
Weighted average, per ha, \$		275 649				
Weighted average, per sotka, \$		2 756				
Fair value, \$		7 200 000				

## NOVOSIBIRSK LOGISTICS

	Subject property	Comparable 1	Comparable 2	Comparable 3
Price, \$	-	1 784 089	3 865 527	8 920 447
Total area (ha)	40,6700	5,00	14,09	35,88
Total area ex encumbrances (ha)	40,6700	5,00	14,09	35,88
Price per ha, \$	-	356 818	274 345	248 619
<b>Adjustments</b>				
<b>Size</b>				
Adjustment, %	-	-40,00%	-20,00%	0,00%
Subtotal, \$	-	214 091	219 476	248 619
<b>Location</b>	Novosibirskiy region, MO Stacionnogo selsoveta, 1 km to the north-east from village Sadoviy along railway line Inya-Vostochnaya – Krasniy Yar	Novosibirsk, Kalininskiy district, Kaytymovskaya Str.	Novosibirsk, Tayginskaya Str.	Novosibirsk, Leninskiy district, Stacionnaya Str.
Adjustment	-	0,00%	0,00%	-20,00%
Subtotal, \$	-	214 091	219 476	198 895
<b>Transport access</b>	Average	Good	Good	Good
Adjustment	-	-5,00%	-5,00%	-5,00%
Subtotal, \$	-	203 386	208 503	188 950
<b>Zoning</b>	industrial	industrial	industrial	industrial
Adjustment	-	0,00%	0,00%	0,00%
Subtotal, \$	-	203 386	208 503	188 950
<b>Property rights</b>	short-term leasehold	freehold	freehold	freehold
Adjustment	-	-10,00%	-10,00%	-10,00%
Subtotal, \$	-	183 048	187 652	170 055
<b>Utilities</b>	electricity and gas on the site	on the site	on the border	on the site
Adjustment	-	0,00%	10,00%	0,00%
Subtotal, \$	-	183 048	206 418	170 055
<b>Market conditions</b>		sale offer	sale offer	sale offer
Adjustment	-	-5,00%	-5,00%	-5,00%
Subtotal, \$	-	173 895	196 097	161 553
<b>Other</b>	shared way to the site	none	none	buildings (average condition) on the site
Adjustment	-	-10,00%	-10,00%	-10,00%
Subtotal, \$	-	156 506	176 487	145 397
<b>Weights, %</b>	-	0,3333	0,3333	0,3333
<b>Source</b>		<a href="http://novosibirsk.irr.ru/real-estate/out-of-town/lands/Prodam-zemel-nyy-uchastok-Kaytymovskaya-advert202228844.html">http://novosibirsk.irr.ru/real-estate/out-of-town/lands/Prodam-zemel-nyy-uchastok-Kaytymovskaya-advert202228844.html</a>	<a href="http://novosibirsk.irr.ru/real-estate/out-of-town/lands/Uchastok-1409-sotok-Novosibirsk-sobstvennost-zemli-advert305552744.html">http://novosibirsk.irr.ru/real-estate/out-of-town/lands/Uchastok-1409-sotok-Novosibirsk-sobstvennost-zemli-advert305552744.html</a>	<a href="http://www.sasn.ru/database/commerce/sale/oktsk00014926/">http://www.sasn.ru/database/commerce/sale/oktsk00014926/</a>
Weighted average, per ha, \$		159 463		
Weighted average, per sotka, \$		1 595		
Market value, \$		6 500 000		

MAG

GLA	18 534,90 sq m
Vacancy at Beginning of Year I	1 725,90 sq m
Vacancy Rate in Terms of GLA	9,31%

Moscow, 2 Khutorskaya 38a MAG																										
DISCOUNTED CASHFLOW ANALYSIS																										
PERIOD		1				2				3				4				5				6				
QUARTER		1Q 30.06.2014 29.09.2014 2014/2015	2Q 30.09.2014 29.12.2014	3Q 30.12.2014 29.03.2015	4Q 30.03.2015 29.06.2015	1Q 30.06.2015 29.09.2015	2Q 30.09.2015 29.12.2015	3Q 30.12.2015 29.03.2016	4Q 30.03.2016 29.06.2016	1Q 30.06.2016 29.09.2016	2Q 30.09.2016 29.12.2016	3Q 30.12.2016 29.03.2017	4Q 30.03.2017 29.06.2017	1Q 30.06.2017 29.09.2017	2Q 30.09.2017 29.12.2017	3Q 30.12.2017 29.03.2018	4Q 30.03.2018 29.06.2018	1Q 30.06.2018 29.09.2018	2Q 30.09.2018 29.12.2018	3Q 30.12.2018 29.03.2019	4Q 30.03.2019 29.06.2019	1Q 30.06.2019 29.09.2019	2Q 30.09.2019 29.12.2019	3Q 30.12.2019 29.03.2020	4Q 30.03.2020 29.06.2020	
NET OPERATING INCOME																										
NET OPERATING INCOME		\$2 140 462	\$2 165 353	\$2 108 079	\$2 258 891	\$2 326 917	\$2 295 909	\$2 356 304	\$2 415 434	\$2 465 279	\$2 438 499	\$2 453 721	\$2 538 611	\$2 356 592	\$2 382 986	\$2 144 496	\$1 278 438	\$2 135 331	\$2 203 169	\$2 178 959	\$2 227 380	\$2 294 201	\$2 269 264	\$2 269 264	\$2 294 201	
PRESENT VALUE																										
Use I Cash Flow Discounted Cash Flow	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
			\$2 030 188	\$2 056 278	\$2 000 202	\$2 148 617	\$2 216 643	\$2 186 834	\$2 247 228	\$2 305 160	\$2 355 005	\$2 329 423	\$2 345 844	\$2 428 337	\$2 236 093	\$2 263 796	\$2 026 616	\$1 157 939	\$2 011 216	\$2 080 404	\$2 057 542	\$2 103 266	\$2 166 363	\$2 142 816	\$2 142 816	\$2 166 363
			\$2 000 517	\$1 967 431	\$1 858 247	\$1 938 209	\$1 941 553	\$1 859 863	\$1 855 771	\$1 848 375	\$1 833 550	\$1 761 007	\$1 721 963	\$1 730 794	\$1 547 527	\$1 521 240	\$1 322 341	\$733 617	\$1 237 242	\$1 242 669	\$1 193 351	\$1 184 474	\$1 184 608	\$1 137 732	\$1 104 719	\$1 084 452
Parking Cash Flow Discounted Cash Flow	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
			\$110 274	\$109 075	\$107 877	\$110 274	\$110 274	\$109 075	\$109 075	\$110 274	\$110 274	\$109 075	\$107 877	\$110 274	\$120 499	\$119 190	\$117 880	\$120 499	\$124 114	\$122 765	\$121 416	\$124 114	\$127 838	\$126 448	\$126 448	\$127 838
			\$108 662	\$104 362	\$100 221	\$99 475	\$96 589	\$92 767	\$90 075	\$88 422	\$85 857	\$82 459	\$79 187	\$78 598	\$83 394	\$80 094	\$76 915	\$76 343	\$76 352	\$73 330	\$70 420	\$69 896	\$69 904	\$67 138	\$65 190	\$63 994
Other Cash Flow Discounted Cash Flow	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-recoverable Costs, Other Adjustments to Value Cash Flow Discounted Cash Flow	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
			-\$252 254	-\$207 564	-\$190 331	-\$247 687	-\$192 519	-\$192 209	-\$192 813	-\$193 404	-\$193 903	-\$193 635	-\$193 787	-\$194 636	-\$192 816	-\$251 539	-\$190 695	-\$307 549	-\$406 033	-\$191 282	-\$191 040	-\$191 524	-\$192 192	-\$191 943	-\$191 943	-\$192 192
			-\$248 568	-\$198 595	-\$176 823	-\$223 431	-\$168 627	-\$163 470	-\$159 226	-\$155 080	-\$150 968	-\$146 385	-\$142 249	-\$138 727	-\$133 442	-\$169 031	-\$124 426	-\$194 849	-\$249 780	-\$114 257	-\$110 801	-\$107 858	-\$105 094	-\$101 912	-\$98 955	-\$96 209
Terminal Value Cash Flow Discounted Cash Flow	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Discounted Cash Flow		\$1 888 208	\$1 957 789	\$1 917 748	\$2 011 204	\$2 134 398	\$2 103 700	\$2 163 491	\$2 222 029	\$2 271 376	\$2 244 864	\$2 259 934	\$2 343 975	\$2 163 776	\$2 131 447	\$1 953 801	\$970 889	\$1 729 297	\$2 011 887	\$1 987 919	\$93 981 135	\$2 102 009	\$2 077 322	\$2 077 322	\$2 102 009	
		\$1 860 611	\$1 873 198	\$1 781 645	\$1 814 253	\$1 869 515	\$1 789 159	\$1 786 620	\$1 781 717	\$1 768 438	\$1 697 082	\$1 658 901	\$1 670 665	\$1 497 479	\$1 432 302	\$1 274 830	\$615 111	\$1 063 813	\$1 201 742	\$1 152 971	\$52 169 609	\$1 149 418	\$1 102 958	\$1 070 954	\$1 052 237	
NET PRESENT VALUE		\$81 759 663																								
MARKET VALUE		\$81 800 000																								

HYDRO

GLA	16 695,50 sq m
Vacancy at Beginning of Year 1	1 372,80 sq m
Vacancy Rate in Terms of GLA	8,22%

Moscow,2 Khutorskaya 38a Hydromashservice																										
DISCOUNTED CASHFLOW ANALYSIS																										
PERIOD		1				2				3				4				5				6				
QUARTER		1Q 30.06.2014 29.09.2014 2014/2015	2Q 30.09.2014 29.12.2014	3Q 30.12.2014 29.03.2015 29.06.2015	4Q 30.03.2015 29.06.2015	1Q 30.06.2015 29.09.2015 2015/2016	2Q 30.09.2015 29.12.2015	3Q 30.12.2015 29.03.2016	4Q 30.03.2016 29.06.2016	1Q 30.06.2016 29.09.2016 2016/2017	2Q 30.09.2016 29.12.2016	3Q 30.12.2016 29.03.2017	4Q 30.03.2017 29.06.2017	1Q 30.06.2017 29.09.2017 2017/2018	2Q 30.09.2017 29.12.2017	3Q 30.12.2017 29.03.2018	4Q 30.03.2018 29.06.2018	1Q 30.06.2018 29.09.2018 2018/2019	2Q 30.09.2018 29.12.2018	3Q 30.12.2018 29.03.2019	4Q 30.03.2019 29.06.2019	1Q 30.06.2019 29.09.2019 2019/2020	2Q 30.09.2019 29.12.2019	3Q 30.12.2019 29.03.2020	4Q 30.03.2020 29.06.2020	
NET OPERATING INCOME		\$1 792 308	\$1 754 674	\$1 637 365	\$1 894 966	\$1 986 666	\$1 984 150	\$1 990 413	\$2 020 840	\$2 040 538	\$1 883 493	\$1 690 074	\$1 933 118	\$1 934 179	\$1 916 275	\$1 884 602	\$1 931 055	\$1 986 352	\$1 952 391	\$1 930 936	\$1 973 846	\$2 033 062	\$2 010 963	\$2 010 963	\$2 033 062	
PRESENT VALUE																										
Use 1	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
	Cash Flow		\$1 685 975	\$1 608 835	\$1 482 340	\$1 736 452	\$1 825 134	\$1 824 292	\$1 829 413	\$1 858 023	\$1 871 954	\$1 716 622	\$1 524 599	\$1 768 654	\$1 769 793	\$1 753 747	\$1 724 167	\$1 767 055	\$1 817 431	\$1 785 307	\$1 765 688	\$1 804 926	\$1 859 074	\$1 838 866	\$1 838 866	\$1 859 074
	Discounted Cash Flow		\$1 661 334	\$1 539 321	\$1 377 138	\$1 566 406	\$1 598 630	\$1 551 528	\$1 510 737	\$1 489 842	\$1 457 458	\$1 297 739	\$1 119 129	\$1 260 606	\$1 224 816	\$1 178 494	\$1 124 997	\$1 119 525	\$1 118 031	\$1 066 401	\$1 024 079	\$1 016 461	\$1 016 576	\$976 350	\$948 019	\$930 627
Use 2	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
	Cash Flow		\$54 291	\$47 576	\$47 148	\$48 240	\$47 950	\$47 511	\$48 653	\$49 235	\$51 595	\$51 153	\$51 028	\$47 475	\$43 887	\$43 338	\$42 555	\$43 501	\$44 806	\$44 319	\$43 832	\$44 806	\$46 150	\$45 649	\$45 649	\$46 150
	Discounted Cash Flow		\$53 497	\$45 521	\$43 802	\$43 516	\$42 000	\$40 407	\$40 178	\$39 479	\$40 170	\$38 671	\$37 457	\$33 838	\$30 373	\$29 123	\$27 767	\$27 560	\$27 563	\$26 473	\$25 422	\$25 233	\$25 236	\$24 237	\$23 534	\$23 102
Parking	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
	Cash Flow		\$52 043	\$98 263	\$107 877	\$110 274	\$113 582	\$112 348	\$112 348	\$113 582	\$116 990	\$115 718	\$114 446	\$116 990	\$120 499	\$119 190	\$117 880	\$120 499	\$124 114	\$122 765	\$121 416	\$124 114	\$127 838	\$126 448	\$126 448	\$127 838
	Discounted Cash Flow		\$51 282	\$94 017	\$100 221	\$99 475	\$99 486	\$95 550	\$92 777	\$91 075	\$91 085	\$87 481	\$84 009	\$83 384	\$83 394	\$80 094	\$76 915	\$76 343	\$76 352	\$73 330	\$70 420	\$69 896	\$69 904	\$67 138	\$65 190	\$63 994
Other	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
	Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Discounted Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
	Cash Flow		-\$170 423	-\$182 468	-\$203 886	-\$231 346	-\$189 027	-\$172 342	-\$172 404	-\$172 708	-\$172 905	-\$171 335	-\$283 246	-\$171 831	-\$171 842	-\$171 663	-\$171 346	-\$171 811	-\$172 364	-\$172 024	-\$171 809	-\$172 238	-\$172 831	-\$172 610	-\$172 610	-\$172 831
	Discounted Cash Flow		-\$167 932	-\$174 584	-\$189 416	-\$208 691	-\$165 568	-\$146 573	-\$142 372	-\$138 485	-\$134 620	-\$129 527	-\$207 916	-\$122 472	-\$118 926	-\$115 355	-\$111 801	-\$108 851	-\$106 033	-\$102 753	-\$99 648	-\$96 998	-\$94 507	-\$91 647	-\$88 988	-\$86 517
Terminal Value	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
	Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81 368 857	\$0	\$0	\$0	\$0
	Discounted Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45 153 935	\$0	\$0	\$0	\$0
Total	Cash Flow		\$1 621 885	\$1 572 206	\$1 433 478	\$1 663 620	\$1 797 639	\$1 811 809	\$1 818 009	\$1 848 132	\$1 867 633	\$1 712 158	\$1 406 827	\$1 761 287	\$1 762 337	\$1 744 612	\$1 713 256	\$1 759 244	\$1 813 988	\$1 780 367	\$1 759 127	\$83 170 464	\$1 860 231	\$1 838 353	\$1 838 353	\$1 860 231
	Discounted Cash Flow		\$1 598 181	\$1 504 275	\$1 331 744	\$1 500 706	\$1 574 548	\$1 540 911	\$1 501 320	\$1 481 911	\$1 454 094	\$1 294 364	\$1 032 679	\$1 255 355	\$1 219 656	\$1 172 355	\$1 117 878	\$1 114 577	\$1 115 913	\$1 063 451	\$1 020 274	\$46 168 527	\$1 017 209	\$976 077	\$947 755	\$931 206
NET PRESENT VALUE		\$71 062 720																								
MARKET VALUE		\$71 100 000																								

CENTURY BLD. 8

GLA	11 086,30 sq m
Vacancy at Beginning of Year 1	776,90 sq m
Vacancy Rate in Terms of GLA	7,01%

Moscow,2-ya Khutorskaya 38a Century																									
DISCOUNTED CASHFLOW ANALYSIS																									
PERIOD QUARTER		1				2				3				4				5				6			
		1Q 30.06.2014 29.09.2014 2014/2015	2Q 30.09.2014 29.12.2014	3Q 30.12.2014 29.03.2015 29.06.2015	4Q 30.03.2015 29.06.2015	1Q 30.06.2015 29.09.2015 2015/2016	2Q 30.09.2015 29.12.2015	3Q 30.12.2015 29.03.2016 29.06.2016	4Q 30.03.2016 29.06.2016	1Q 30.06.2016 29.09.2016 2016/2017	2Q 30.09.2016 29.12.2016	3Q 30.12.2016 29.03.2017 29.06.2017	4Q 30.03.2017 29.06.2017	1Q 30.06.2017 29.09.2017 2017/2018	2Q 30.09.2017 29.12.2017	3Q 30.12.2017 29.03.2018 29.06.2018	4Q 30.03.2018 29.06.2018	1Q 30.06.2018 29.09.2018 2018/2019	2Q 30.09.2018 29.12.2018	3Q 30.12.2018 29.03.2019 29.06.2019	4Q 30.03.2019 29.06.2019	1Q 30.06.2019 29.09.2019 2019/2020	2Q 30.09.2019 29.12.2019	3Q 30.12.2019 29.03.2020	4Q 30.03.2020 29.06.2020
NET OPERATING INCOME		\$1 506 849	\$1 501 574	\$1 508 850	\$1 560 297	\$1 447 039	\$1 407 113	\$1 454 413	\$1 407 463	\$1 311 747	\$1 388 925	\$1 375 314	\$1 410 017	\$1 442 777	\$1 429 430	\$1 349 943	\$1 272 881	\$1 421 934	\$1 406 479	\$1 391 023	\$1 411 706	\$1 453 824	\$1 438 021	\$1 438 021	\$1 453 824
PRESENT VALUE																									
Use 1 Discount Rate Cash Flow Discounted Cash Flow	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
		\$1 407 632	\$1 402 604	\$1 410 968	\$1 458 013	\$1 343 322	\$1 310 587	\$1 357 887	\$1 309 876	\$1 212 121	\$1 290 382	\$1 277 855	\$1 309 215	\$1 338 304	\$1 326 093	\$1 247 742	\$1 168 409	\$1 314 328	\$1 300 042	\$1 285 756	\$1 304 100	\$1 342 989	\$1 328 391	\$1 328 391	\$1 342 989
		\$1 387 060	\$1 342 001	\$1 310 831	\$1 315 234	\$1 176 613	\$1 114 631	\$1 121 349	\$1 050 314	\$943 728	\$975 508	\$938 007	\$933 142	\$926 197	\$891 116	\$814 136	\$740 251	\$808 536	\$776 542	\$745 724	\$734 416	\$734 371	\$705 312	\$684 846	\$672 282
Use 2 Discount Rate Cash Flow Discounted Cash Flow	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
		\$69 601	\$69 675	\$68 910	\$72 668	\$74 101	\$67 231	\$67 231	\$67 970	\$70 009	\$69 248	\$68 487	\$70 009	\$72 110	\$71 326	\$70 542	\$72 110	\$74 273	\$73 466	\$72 658	\$74 273	\$76 501	\$75 670	\$75 670	\$76 501
		\$68 583	\$66 665	\$64 019	\$65 552	\$64 905	\$57 179	\$55 520	\$54 501	\$54 508	\$52 351	\$50 273	\$49 899	\$49 905	\$47 930	\$46 028	\$45 685	\$45 691	\$43 883	\$42 141	\$41 827	\$41 832	\$40 177	\$39 011	\$38 295
Parking Discount Rate Cash Flow Discounted Cash Flow	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
		\$29 616	\$29 295	\$28 973	\$29 616	\$29 616	\$29 295	\$29 295	\$29 616	\$29 616	\$29 295	\$28 973	\$30 793	\$32 363	\$32 011	\$31 659	\$32 363	\$33 334	\$32 971	\$32 609	\$33 334	\$34 334	\$33 960	\$33 960	\$34 334
		\$29 184	\$28 029	\$26 916	\$26 716	\$25 941	\$24 914	\$24 192	\$23 748	\$23 059	\$22 146	\$21 267	\$21 947	\$22 397	\$21 511	\$20 657	\$20 504	\$20 506	\$19 694	\$18 913	\$18 772	\$18 774	\$18 031	\$17 508	\$17 187
Non-recoverable Costs, Other Adjustments to Value Discount Rate Cash Flow Discounted Cash Flow	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
		-\$154 800	-\$153 594	-\$153 667	-\$154 182	-\$153 049	-\$201 688	-\$153 123	-\$152 653	-\$200 416	-\$152 468	-\$152 332	-\$152 679	-\$153 007	-\$152 873	-\$152 078	-\$205 642	-\$152 798	-\$152 644	-\$152 489	-\$152 696	-\$153 117	-\$152 959	-\$152 959	-\$153 117
		-\$152 538	-\$146 958	-\$142 761	-\$139 083	-\$134 055	-\$171 532	-\$126 450	-\$122 404	-\$156 039	-\$115 263	-\$111 819	-\$108 822	-\$105 891	-\$102 729	-\$99 229	-\$130 286	-\$93 997	-\$91 177	-\$88 442	-\$85 992	-\$83 727	-\$81 214	-\$78 857	-\$76 648
Terminal Value Discount Rate Cash Flow Discounted Cash Flow	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Discounted Cash Flow		\$1 352 049	\$1 347 980	\$1 355 183	\$1 406 116	\$1 293 990	\$1 205 425	\$1 301 290	\$1 254 810	\$1 111 331	\$1 236 457	\$1 222 983	\$1 257 338	\$1 289 770	\$1 276 557	\$1 197 865	\$1 067 239	\$1 269 136	\$1 253 835	\$1 238 534	\$58 145 924	\$1 300 707	\$1 285 062	\$1 285 062	\$1 300 707
		\$1 332 289	\$1 289 737	\$1 259 005	\$1 268 419	\$1 133 403	\$1 025 193	\$1 074 611	\$1 006 160	\$865 255	\$934 742	\$897 728	\$896 167	\$892 608	\$857 828	\$781 592	\$676 154	\$780 736	\$748 942	\$718 336	\$32 277 219	\$711 251	\$682 306	\$662 308	\$651 116
NET PRESENT VALUE		\$50 716 122																							
MARKET VALUE		\$50 700 000																							



CENTURY BLD. 17

GLA	9 817,40 sq m
Vacancy at Beginning of Year 1	5,00 sq m
Vacancy Rate in Terms of GLA	0,05%

Moscow,2-ya Khutorskaya 38a Century																										
DISCOUNTED CASHFLOW ANALYSIS																										
PERIOD	1				2				3				4				5				6					
QUARTER	1Q 30.06.2014 29.09.2014 2014/2015	2Q 30.09.2014 29.12.2014	3Q 30.12.2014 29.03.2015 29.06.2015	4Q 30.03.2015 29.06.2015	1Q 30.06.2015 29.09.2015 2015/2016	2Q 30.09.2015 29.12.2015	3Q 30.12.2015 29.03.2016	4Q 30.03.2016 29.06.2016	1Q 30.06.2016 29.09.2016 2016/2017	2Q 30.09.2016 29.12.2016	3Q 30.12.2016 29.03.2017	4Q 30.03.2017 29.06.2017	1Q 30.06.2017 29.09.2017 2017/2018	2Q 30.09.2017 29.12.2017	3Q 30.12.2017 29.03.2018	4Q 30.03.2018 29.06.2018	1Q 30.06.2018 29.09.2018 2018/2019	2Q 30.09.2018 29.12.2018	3Q 30.12.2018 29.03.2019	4Q 30.03.2019 29.06.2019	1Q 30.06.2019 29.09.2019 2019/2020	2Q 30.09.2019 29.12.2019	3Q 30.12.2019 29.03.2020	4Q 30.03.2020 29.06.2020		
NET OPERATING INCOME	\$1 136 505	\$1 160 438	\$1 154 759	\$1 224 003	\$1 248 105	\$1 146 728	\$555 293	\$1 202 244	\$1 330 974	\$1 360 537	\$1 354 073	\$1 384 164	\$1 408 136	\$1 284 288	\$1 007 837	\$1 242 153	\$1 279 417	\$1 265 511	\$1 251 604	\$1 279 417	\$1 317 800	\$1 303 476	\$1 303 476	\$1 317 800		
PRESENT VALUE																										
Use 1	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$1 109 197	\$1 133 428	\$1 128 048	\$1 196 698	\$1 219 981	\$1 118 910	\$527 474	\$1 174 120	\$1 302 006	\$1 331 883	\$1 325 735	\$1 355 196	\$1 378 299	\$1 254 775	\$978 649	\$1 212 316	\$1 248 685	\$1 235 113	\$1 221 540	\$1 248 685	\$1 286 146	\$1 272 166	\$1 272 166	\$1 286 146
Discounted Cash Flow			\$1 092 986	\$1 084 456	\$1 047 990	\$1 079 508	\$1 068 579	\$951 613	\$435 591	\$941 459	\$1 013 711	\$1 006 883	\$973 153	\$965 914	\$953 876	\$843 191	\$638 556	\$768 068	\$768 155	\$737 759	\$708 479	\$703 209	\$703 288	\$675 459	\$655 859	\$643 827
Use 2	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$2 733	\$2 701	\$2 670	\$2 730	\$2 812	\$2 781	\$2 781	\$2 812	\$2 896	\$2 865	\$2 833	\$2 896	\$2 983	\$2 950	\$2 918	\$2 983	\$3 072	\$3 039	\$3 006	\$3 072	\$3 165	\$3 130	\$3 130	\$3 165
Discounted Cash Flow			\$2 693	\$2 584	\$2 481	\$2 462	\$2 463	\$2 365	\$2 297	\$2 254	\$2 255	\$2 166	\$2 080	\$2 064	\$2 064	\$1 983	\$1 904	\$1 890	\$1 890	\$1 815	\$1 743	\$1 730	\$1 730	\$1 662	\$1 614	\$1 584
Parking	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$24 575	\$24 308	\$24 041	\$24 575	\$25 313	\$25 037	\$25 037	\$25 313	\$26 072	\$25 789	\$25 505	\$26 072	\$26 854	\$26 562	\$26 270	\$26 854	\$27 660	\$27 359	\$27 058	\$27 660	\$28 490	\$28 180	\$28 180	\$28 490
Discounted Cash Flow			\$24 216	\$23 258	\$22 335	\$22 169	\$22 171	\$21 294	\$20 676	\$20 297	\$20 299	\$19 496	\$18 722	\$18 583	\$18 585	\$17 849	\$17 141	\$17 014	\$17 015	\$16 342	\$15 694	\$15 577	\$15 579	\$14 962	\$14 528	\$14 261
Other	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Discounted Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			-\$134 083	-\$134 322	-\$134 265	-\$134 958	-\$135 199	-\$134 185	-\$128 270	-\$381 382	-\$136 027	-\$136 323	-\$136 258	-\$136 559	-\$136 799	-\$135 560	-\$236 566	-\$135 139	-\$135 512	-\$135 373	-\$135 234	-\$135 512	-\$135 895	-\$135 752	-\$135 752	-\$135 895
Discounted Cash Flow			-\$132 123	-\$128 518	-\$124 736	-\$121 742	-\$118 420	-\$114 122	-\$105 926	-\$305 808	-\$105 908	-\$103 058	-\$100 020	-\$97 332	-\$94 674	-\$91 095	-\$154 356	-\$85 618	-\$83 363	-\$80 861	-\$78 434	-\$76 315	-\$74 310	-\$72 078	-\$69 986	-\$68 027
Terminal Value	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51 691 815	\$0	\$0	\$0	\$0	
Discounted Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28 685 285	\$0	\$0	\$0	\$0
Total																										
Cash Flow	\$1 002 422	\$1 026 116	\$1 020 494	\$1 089 045	\$1 112 907	\$1 012 544	\$427 023	\$820 862	\$1 194 947	\$1 224 214	\$1 217 815	\$1 247 604	\$1 271 337	\$1 148 727	\$771 271	\$1 107 014	\$1 143 906	\$1 130 138	\$1 116 370	\$52 835 721	\$1 181 904	\$1 167 724	\$1 167 724	\$1 181 904		
Discounted Cash Flow	\$987 772	\$981 780	\$948 070	\$982 398	\$974 792	\$861 150	\$352 637	\$658 202	\$930 357	\$925 486	\$893 935	\$889 229	\$879 851	\$771 929	\$503 245	\$701 353	\$703 698	\$675 055	\$647 482	\$29 329 487	\$646 287	\$620 005	\$602 015	\$591 645		
NET PRESENT VALUE	\$44 597 907																									
MARKET VALUE	\$44 600 000																									

TAMIZ

GLA	11 736,90 sq m
Vacancy at Beginning of Year I	267,50 sq m
Vacancy Rate in Terms of GLA	2,28%

Moscow, 2-ya Khutorskaya 38a Tamiz																									
DISCOUNTED CASHFLOW ANALYSIS																									
PERIOD		1				2				3				4				5				6			
QUARTER		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
		30.06.2014	30.09.2014	30.12.2014	30.03.2015	30.06.2015	30.09.2015	30.12.2015	30.03.2016	30.06.2016	30.09.2016	30.12.2016	30.03.2017	30.06.2017	30.09.2017	30.12.2017	30.03.2018	30.06.2018	30.09.2018	30.12.2018	30.03.2019				
		29.09.2014	29.12.2014	29.03.2015	29.06.2015	29.09.2015	29.12.2015	29.03.2016	29.06.2016	29.09.2016	29.12.2016	29.03.2017	29.06.2017	29.09.2017	29.12.2017	29.03.2018	29.06.2018	29.09.2018	29.12.2018	29.03.2019	29.06.2019				
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034				
NET OPERATING INCOME		\$1 253 856	\$1 284 661	\$1 312 280	\$1 377 017	\$1 046 827	\$1 222 136	\$1 365 539	\$1 403 868	\$1 418 218	\$1 381 419	\$1 369 341	\$1 370 160	\$1 258 205	\$1 262 423	\$1 190 252	\$1 219 858	\$1 256 453	\$1 242 796	\$1 229 139	\$1 256 453				
PRESENT VALUE																									
Use 1	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800				
Cash Flow			\$1 233 156	\$1 264 178	\$1 291 436	\$1 355 380	\$1 024 858	\$1 200 398	\$1 343 801	\$1 381 892	\$1 395 891	\$1 359 395	\$1 347 597	\$1 347 933	\$1 234 441	\$1 238 918	\$1 167 005	\$1 196 094	\$1 231 977	\$1 218 585	\$1 205 194				
Discounted Cash Flow			\$1 215 133	\$1 209 556	\$1 199 783	\$1 222 651	\$897 671	\$1 020 917	\$1 109 717	\$1 108 060	\$1 086 807	\$1 027 681	\$989 201	\$960 738	\$854 316	\$832 535	\$761 456	\$757 791	\$757 876	\$727 887	\$698 999				
Use 2	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800				
Cash Flow			\$6 838	\$6 771	\$7 282	\$7 775	\$8 105	\$8 025	\$8 025	\$8 113	\$8 464	\$8 311	\$8 183	\$8 364	\$8 615	\$8 522	\$8 428	\$8 615	\$8 874	\$8 777	\$8 681				
Discounted Cash Flow			\$6 738	\$6 478	\$6 765	\$7 013	\$7 099	\$6 825	\$6 627	\$6 506	\$6 590	\$6 283	\$6 006	\$5 962	\$5 962	\$5 726	\$5 499	\$5 458	\$5 459	\$5 243	\$5 035				
Parking	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800				
Cash Flow			\$13 863	\$13 712	\$13 562	\$13 863	\$13 863	\$13 712	\$13 712	\$13 863	\$13 863	\$13 712	\$13 562	\$13 863	\$15 148	\$14 984	\$14 819	\$15 148	\$15 603	\$15 433	\$15 264				
Discounted Cash Flow			\$13 660	\$13 120	\$12 599	\$12 505	\$12 143	\$11 662	\$11 324	\$11 116	\$10 793	\$10 366	\$9 955	\$9 881	\$10 484	\$10 069	\$9 669	\$9 597	\$9 598	\$9 219	\$8 853				
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800				
Cash Flow			-\$124 370	-\$128 453	-\$120 373	-\$121 020	-\$117 718	-\$226 970	-\$120 905	-\$121 289	-\$121 432	-\$121 064	-\$120 943	-\$120 952	-\$119 832	-\$155 886	-\$154 734	-\$119 449	-\$119 815	-\$119 678	-\$119 541				
Discounted Cash Flow			-\$122 552	-\$122 903	-\$111 830	-\$109 169	-\$103 109	-\$193 034	-\$99 844	-\$97 254	-\$94 544	-\$91 523	-\$88 778	-\$86 208	-\$82 932	-\$104 753	-\$100 962	-\$75 677	-\$73 706	-\$71 486	-\$69 333				
Terminal Value	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715				
Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51 347 664				
Discounted Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28 494 306				
Total			\$1 129 486	\$1 156 208	\$1 191 907	\$1 255 997	\$929 108	\$995 166	\$1 244 633	\$1 282 580	\$1 296 786	\$1 260 354	\$1 248 398	\$1 249 209	\$1 138 373	\$1 106 538	\$1 035 518	\$1 100 409	\$1 136 639	\$1 123 118	\$1 109 598				
Cash Flow			\$1 112 979	\$1 106 251	\$1 107 317	\$1 133 001	\$813 804	\$846 371	\$1 027 824	\$1 028 427	\$1 009 646	\$952 808	\$916 384	\$890 372	\$787 831	\$743 578	\$675 663	\$697 169	\$699 227	\$670 862	\$643 554				
Discounted Cash Flow			\$1 112 979	\$1 106 251	\$1 107 317	\$1 133 001	\$813 804	\$846 371	\$1 027 824	\$1 028 427	\$1 009 646	\$952 808	\$916 384	\$890 372	\$787 831	\$743 578	\$675 663	\$697 169	\$699 227	\$670 862	\$643 554				
NET PRESENT VALUE			\$45 997 482																						
MARKET VALUE			\$46 000 000																						

## YAROSLAVL MALL

GLA	34 092,00 sq m
Vacancy at Beginning of Year I	0,00 sq m
Vacancy Rate in Terms of GLA	0,00%

Yaroslavl Vernisazh Mall Phase I																										
DISCOUNTED CASHFLOW ANALYSIS																										
PERIOD QUARTER	1				2				3				4				5				6					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
	30.06.2014	30.09.2014	30.12.2014	30.03.2015	30.06.2015	30.09.2015	30.12.2015	30.03.2016	30.06.2016	30.09.2016	30.12.2016	30.03.2017	30.06.2017	30.09.2017	30.12.2017	30.03.2018	30.06.2018	30.09.2018	30.12.2018	30.03.2019	30.06.2019	30.09.2019	30.12.2019	30.03.2020		
	2014/2015				2015/2016					2016/2017					2017/2018				2018/2019				2019/2020			
NET OPERATING INCOME	\$2 736 968	\$2 720 303	\$2 711 651	\$2 806 693	\$2 810 484	\$2 787 437	\$2 816 053	\$2 874 233	\$2 879 685	\$2 857 370	\$2 844 742	\$2 935 292	\$2 932 672	\$2 829 602	\$2 837 987	\$2 945 179	\$2 945 174	\$2 912 261	\$2 869 054	\$2 855 148	\$2 848 206	\$2 813 004	\$2 817 696	\$2 855 435		
INCOME FROM TURNOVER	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 863	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 863	\$50 411		
PRESENT VALUE																										
Use I	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$2 736 968	\$2 720 303	\$2 711 651	\$2 806 693	\$2 810 484	\$2 787 437	\$2 816 053	\$2 874 233	\$2 879 685	\$2 857 370	\$2 844 742	\$2 935 292	\$2 932 672	\$2 829 602	\$2 837 987	\$2 945 179	\$2 945 174	\$2 912 261	\$2 869 054	\$2 855 148	\$2 848 206	\$2 813 004	\$2 817 696	\$2 855 435
Discounted Cash Flow			\$2 696 967	\$2 602 766	\$2 519 205	\$2 531 841	\$2 461 697	\$2 370 666	\$2 325 509	\$2 304 682	\$2 242 053	\$2 160 127	\$2 088 178	\$2 092 126	\$2 029 606	\$1 901 453	\$1 851 751	\$1 865 931	\$1 811 785	\$1 739 555	\$1 664 019	\$1 607 904	\$1 557 452	\$1 493 570	\$1 452 651	\$1 429 392
Turnover	Discount Rate	17,50%	0,9800	0,9413	0,9041	0,8684	0,8341	0,8011	0,7695	0,7391	0,7099	0,6818	0,6549	0,6290	0,6041	0,5803	0,5573	0,5353	0,5142	0,4938	0,4743	0,4556	0,4376	0,4203	0,4037	0,3877
Cash Flow			\$50 411	\$49 863	\$49 315	\$50 411	\$2 829	\$49 863	\$49 863	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 315	\$50 411	\$50 411	\$49 863	\$49 863	\$50 411
Discounted Cash Flow			\$49 405	\$46 937	\$44 587	\$43 777	\$2 360	\$39 946	\$38 368	\$37 257	\$35 784	\$33 997	\$32 295	\$31 708	\$30 455	\$28 933	\$27 485	\$26 985	\$25 919	\$24 624	\$23 391	\$22 966	\$22 059	\$20 957	\$20 129	\$19 546
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			-\$27 370	-\$27 203	-\$27 117	-\$28 067	-\$28 105	-\$27 874	-\$28 161	-\$28 742	-\$28 797	-\$28 574	-\$28 447	-\$29 353	-\$29 327	-\$28 296	-\$54 544	-\$29 452	-\$29 452	-\$29 123	-\$28 691	-\$28 551	-\$28 482	-\$28 130	-\$28 177	-\$28 554
Discounted Cash Flow			-\$26 970	-\$26 028	-\$25 192	-\$25 318	-\$24 617	-\$23 707	-\$23 255	-\$23 047	-\$22 421	-\$21 601	-\$20 882	-\$20 921	-\$20 296	-\$19 015	-\$35 589	-\$18 659	-\$18 118	-\$17 396	-\$16 640	-\$16 079	-\$15 575	-\$14 936	-\$14 527	-\$14 294
Terminal Value	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$107 688 857	\$0	\$0	\$0	\$0	
Discounted Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59 759 665	\$0	\$0	\$0	\$0	
Total			\$2 760 009	\$2 742 963	\$2 733 850	\$2 829 037	\$2 785 209	\$2 809 425	\$2 837 756	\$2 895 902	\$2 901 299	\$2 878 659	\$2 865 609	\$2 956 350	\$2 953 756	\$2 851 169	\$2 832 758	\$2 966 138	\$2 966 133	\$2 933 002	\$2 889 678	\$1 10 565 864	\$2 870 135	\$2 834 737	\$2 839 382	\$2 877 292
Cash Flow			\$2 719 402	\$2 623 675	\$2 538 600	\$2 550 299	\$2 439 440	\$2 386 905	\$2 340 622	\$2 318 892	\$2 255 417	\$2 172 522	\$2 099 591	\$2 102 912	\$2 039 765	\$1 911 372	\$1 843 646	\$1 874 257	\$1 819 587	\$1 746 783	\$1 670 770	\$61 374 456	\$1 563 936	\$1 499 591	\$1 458 253	\$1 434 643
Discounted Cash Flow																										
NET PRESENT VALUE			\$102 828 913																							
MARKET VALUE			\$102 800 000																							

TRIUMPH MALL SARATOV

GLA	27 240,83 sq m
Vacancy at Beginning of Year 1	0,00 sq m
Vacancy Rate in Terms of GLA	0,00%

Saratov Triumph Mall																										
DISCOUNTED CASHFLOW ANALYSIS																										
PERIOD		1				2				3				4				5				6				
QUARTER		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
		30.06.2014	30.09.2014	30.12.2014	30.03.2015	30.06.2015	30.09.2015	30.12.2015	30.03.2016	30.06.2016	30.09.2016	30.12.2016	30.03.2017	30.06.2017	30.09.2017	30.12.2017	30.03.2018	30.06.2018	30.09.2018	30.12.2018	30.03.2019	30.06.2019	30.09.2019	30.12.2019	30.03.2020	
		29.09.2014	29.12.2014	29.03.2015	29.06.2015	29.09.2015	29.12.2015	29.03.2016	29.06.2016	29.09.2016	29.12.2016	29.03.2017	29.06.2017	29.09.2017	29.12.2017	29.03.2018	29.06.2018	29.09.2018	29.12.2018	29.03.2019	29.06.2019	29.09.2019	29.12.2019	29.03.2020	29.06.2020	
		2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020																			
NET OPERATING INCOME		\$3 656 124	\$3 649 098	\$3 748 699	\$3 850 826	\$3 867 597	\$3 832 491	\$3 823 509	\$3 866 881	\$3 876 584	\$3 851 889	\$3 839 774	\$3 924 117	\$3 932 740	\$3 894 980	\$3 818 656	\$3 892 547	\$3 883 096	\$3 832 092	\$3 828 131	\$3 907 238	\$3 909 783	\$3 863 729	\$3 871 372	\$3 913 976	
INCOME FROM TURNOVER		\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$373 973	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$373 973	\$378 082	
PRESENT VALUE																										
Use I	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			\$3 656 124	\$3 649 098	\$3 748 699	\$3 850 826	\$3 867 597	\$3 832 491	\$3 823 509	\$3 866 881	\$3 876 584	\$3 851 889	\$3 839 774	\$3 924 117	\$3 932 740	\$3 894 980	\$3 818 656	\$3 892 547	\$3 883 096	\$3 832 092	\$3 828 131	\$3 907 238	\$3 909 783	\$3 863 729	\$3 871 372	\$3 913 976
Discounted Cash Flow			\$3 602 690	\$3 491 430	\$3 482 654	\$3 473 725	\$3 387 620	\$3 259 466	\$3 157 470	\$3 100 629	\$3 018 214	\$2 911 968	\$2 818 580	\$2 796 910	\$2 721 721	\$2 617 372	\$2 491 625	\$2 466 141	\$2 388 768	\$2 288 988	\$2 220 273	\$2 200 398	\$2 137 942	\$2 051 454	\$1 995 869	\$1 959 283
Turnover	Discount Rate	17,50%	0,9800	0,9413	0,9041	0,8684	0,8341	0,8011	0,7695	0,7391	0,7099	0,6818	0,6549	0,6290	0,6041	0,5803	0,5573	0,5353	0,5142	0,4938	0,4743	0,4556	0,4376	0,4203	0,4037	0,3877
Cash Flow			\$378 082	\$373 973	\$369 863	\$378 082	\$25 051	\$373 973	\$373 973	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$369 863	\$378 082	\$378 082	\$373 973	\$373 973	\$378 082
Discounted Cash Flow			\$370 537	\$352 027	\$334 401	\$328 324	\$20 895	\$299 597	\$287 759	\$279 425	\$268 383	\$254 976	\$242 210	\$237 808	\$228 411	\$217 001	\$206 136	\$202 390	\$194 393	\$184 682	\$175 435	\$172 247	\$165 441	\$157 176	\$150 965	\$146 593
Non-recoverable Costs, Other Adjustments to Value	Discount Rate	12,50%	0,9854	0,9568	0,9290	0,9021	0,8759	0,8505	0,8258	0,8018	0,7786	0,7560	0,7340	0,7127	0,6921	0,6720	0,6525	0,6336	0,6152	0,5973	0,5800	0,5632	0,5468	0,5310	0,5155	0,5006
Cash Flow			-\$336 561	-\$336 491	-\$337 487	-\$338 508	-\$338 676	-\$338 325	-\$338 235	-\$338 669	-\$338 766	-\$338 519	-\$338 398	-\$339 241	-\$339 327	-\$338 950	-\$338 187	-\$338 925	-\$338 831	-\$338 321	-\$338 281	-\$339 072	-\$339 098	-\$338 637	-\$338 714	-\$339 140
Discounted Cash Flow			-\$331 642	-\$321 952	-\$313 535	-\$305 359	-\$296 646	-\$287 739	-\$279 316	-\$271 559	-\$263 755	-\$255 915	-\$248 400	-\$241 794	-\$234 837	-\$227 770	-\$220 662	-\$214 728	-\$208 439	-\$202 086	-\$196 199	-\$190 952	-\$185 425	-\$179 800	-\$174 622	-\$169 769
Terminal Value	Discount Rate	12,50%	0,9710	0,9428	0,9155	0,8889	0,8631	0,8381	0,8137	0,7901	0,7672	0,7449	0,7233	0,7023	0,6820	0,6622	0,6430	0,6243	0,6062	0,5886	0,5715	0,5549	0,5388	0,5232	0,5080	0,4933
Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143 523 453	\$0	\$0	\$0	\$0	
Discounted Cash Flow			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79 645 320	\$0	\$0	\$0	\$0	
Total			\$3 697 645	\$3 686 579	\$3 781 075	\$3 890 400	\$3 553 973	\$3 868 139	\$3 859 246	\$3 906 295	\$3 915 900	\$3 887 343	\$3 871 240	\$3 962 958	\$3 971 495	\$3 930 003	\$3 850 333	\$3 931 704	\$3 922 347	\$3 867 743	\$3 859 713	\$147 469 701	\$3 948 767	\$3 899 064	\$3 906 631	\$3 952 919
Cash Flow			\$3 641 584	\$3 521 504	\$3 503 519	\$3 496 690	\$3 111 869	\$3 271 323	\$3 165 913	\$3 108 495	\$3 022 843	\$2 911 029	\$2 812 389	\$2 792 925	\$2 715 295	\$2 606 604	\$2 477 098	\$2 453 803	\$2 374 722	\$2 271 584	\$2 199 509	\$81 827 014	\$2 117 958	\$2 028 830	\$1 972 211	\$1 936 107
Discounted Cash Flow			\$3 641 584	\$3 521 504	\$3 503 519	\$3 496 690	\$3 111 869	\$3 271 323	\$3 165 913	\$3 108 495	\$3 022 843	\$2 911 029	\$2 812 389	\$2 792 925	\$2 715 295	\$2 606 604	\$2 477 098	\$2 453 803	\$2 374 722	\$2 271 584	\$2 199 509	\$81 827 014	\$2 117 958	\$2 028 830	\$1 972 211	\$1 936 107
NET PRESENT VALUE		\$137 285 712																								
MARKET VALUE		\$137 300 000																								

## SAINT PETERSBURG COMMERCIAL

	Description	Type of Premises	Type of Deal	GLA (sqm)	Phase 1	Phase 2	Phase 3
<b>Zone 1</b>	Office Park, Class B	Office	Lease	60 000	33%	33%	33%
<b>Zone 2</b>	Retail (Commercial Centre)	Retail	Lease	22 000			100%
<b>Zone 3</b>	Street Retail (incorporated in the residential buildings)	Retail	Lease	35 775	50%	50%	
	Surface Parking (# spaces)	A	Lease	401	100%		
	Underground Parking (# spaces)	A	Lease	777	33%	33%	33%
<b>Total Area for Lease sqm (excl. Parking)</b>				<b>117 775</b>	<b>37 888</b>	<b>37 888</b>	<b>42 000</b>
<b>Total Parking for Lease (spaces)</b>				<b>1178</b>	<b>660</b>	<b>259</b>	<b>259</b>
<b>Total Area (excl. Parking)</b>				<b>117 775</b>	<b>37 888</b>	<b>37 888</b>	<b>42 000</b>
<b>Total Parking (spaces)</b>				<b>1178</b>	<b>660</b>	<b>259</b>	<b>259</b>

	Units	Amount
Valuation Date	Date	30-Jun-14
Land area	Ha	8,17
Property Acquisition Cost	\$/Ha	3 881 904
Office Park, Class B	\$/sqm	1 038
Retail (Commercial Centre)	\$/sqm	1 038
Street Retail (incorporated in the residential buildings)	\$/sqm	1 038
Surface Parking	\$/place	2 500
Underground Parking	\$/place	25 000
Completion Condition		Shell & Core
Construction Contract Type		Fixed
Construction Costs Inflation Rate	%	0%
Permit & Design Costs Inflation Rate	%	0%
Fit-out Period	Months	3
VAT Rate	%	18%
Percentage of Project Subject to VAT (est.)	%	100%
Percentage of Tenants Paying VAT	%	100%
VAT Reimbursement (Properties for Sale)		Next Period
VAT Inflation Loss	%	0%
Maximum Equity Required	\$mIn	162,45
Contribution to Cash Reserve (% of GOI)	%	1,25%
Interest on Cash Reserve	%	0%
Security Deposit	Months	3
Review / Renewal Period	Years	1
Review / Renewal Period for Anchors	Years	1
Agent's Fees on Acquisition (% of land acquisition costs)	%	0,00%
Broker's Fees on Leasing (% of GOI)	%	8,33%
Broker's Fees on Sale (% of Sale Price)	%	0,50%
Depreciation Rate for Buildings	%	2%
Accelerating Multiple for Depreciation	Units	1
Operating Expenses (% of GOI)	%	0%
Property Tax Rate	%	2,00%
Advance Payment for Construction	%	10%
Hold Back on Construction	%	10%

Year	Annual Rent/Sale Price per sq m			
	Zone 1  Office Park, Class B	Zone 2  Retail (Commercial Centre)	Zone 3  Street Retail (incorporated in the residential buildings)	Underground Parking
2014	300	400	500	1 500
2015	300	400	500	1 500
2016	300	400	500	1 500
2017	300	400	500	1 500
2018	300	400	500	1 500
2019	300	400	500	1 500
2020	300	400	500	1 500
2021	300	400	500	1 500
2022	300	400	500	1 500

31-Mar-2014 1Q2014		30-Jun-2014 2Q2014	30-Sep-2014 3Q2014	31-Dec-2014 4Q2014	31-Mar-2015 1Q2015	30-Jun-2015 2Q2015	30-Sep-2015 3Q2015	31-Dec-2015 4Q2015	31-Mar-2016 1Q2016	30-Jun-2016 2Q2016	30-Sep-2016 3Q2016	31-Dec-2016 4Q2016
<b>Cashflow of the Project</b>												
<b>Cashflow from Operating Activity</b>												
Phase 1	Last Review Date	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Last Review Date - Anch	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
45 Weights												
45 33%	Office Park, Class B	0	0	0	0	0	0	0	0	0	0	0
45 67%	Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0
45	Street Retail (incorporated in the n	0	0	0	0	0	0	0	0	0	0	0
45	A	0	0	0	0	0	0	0	0	0	0	0
45	A	0	0	0	0	0	0	0	0	0	0	0
	Structured Parking	0	0	0	0	0	0	0	0	0	0	0
	Underground Parking	0	0	0	0	0	0	0	0	0	0	0
	Gross Operating Income	0	0	0	0	0	0	0	0	0	0	0
	Operating Expenses	0	0	0	0	0	0	0	0	0	0	0
Phase 2	Last Review Date	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Last Review Date - Anch	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Weights												
58%	Office Park, Class B	0	0	0	0	0	0	0	0	0	0	0
42%	Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0
	Street Retail (incorporated in the n	0	0	0	0	0	0	0	0	0	0	0
A	Surface Parking	0	0	0	0	0	0	0	0	0	0	0
A	Structured Parking	0	0	0	0	0	0	0	0	0	0	0
A	Underground Parking	0	0	0	0	0	0	0	0	0	0	0
	Gross Operating Income	0	0	0	0	0	0	0	0	0	0	0
	Operating Expenses	0	0	0	0	0	0	0	0	0	0	0
Phase 3	Last Review Date	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Last Review Date - Anch	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Weights												
58%	Office Park, Class B	0	0	0	0	0	0	0	0	0	0	0
42%	Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0
	Street Retail (incorporated in the n	0	0	0	0	0	0	0	0	0	0	0
A	Surface Parking	0	0	0	0	0	0	0	0	0	0	0
A	Structured Parking	0	0	0	0	0	0	0	0	0	0	0
A	Underground Parking	0	0	0	0	0	0	0	0	0	0	0
	Gross Operating Income	0	0	0	0	0	0	0	0	0	0	0
	Operating Expenses	0	0	0	0	0	0	0	0	0	0	0
Total Gross Operating Income		0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses		0	0	0	0	0	0	0	0	0	0	0
Property Tax		0	0	0	0	0	0	0	0	0	0	0
Insurance		0	0	0	0	0	0	0	0	0	0	0
Total Net Operating Income from Leasing		0	0	0	0	0	0	0	0	0	0	0
Broker's Fees on Leasing		0	0	0	0	0	0	0	0	0	0	0
EBITDA		0	0	0	0	0	0	0	0	0	0	0
Opening Book Value		0	31 715 157	31 715 157	31 715 157	31 715 157	41 746 143	47 096 001	52 445 860	57 795 719	63 145 578	78 311 600
Depreciation		0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%	0,50%
Depreciation		0	0	0	0	0	0	0	0	0	0	0
Addition in Book Value		31 715 157	0	0	0	10 030 985	5 349 859	5 349 859	5 349 859	5 349 859	15 166 022	10 585 146
Reduction in Book Value		0	0	0	0	0	0	0	0	0	0	0
Closing Book Value		31 715 157	31 715 157	31 715 157	31 715 157	41 746 143	47 096 001	52 445 860	57 795 719	63 145 578	78 311 600	88 896 746
Accounting of Security Deposit		0	0	0	0	0	0	0	0	0	0	0
Net Income		0	0	0	0	0	0	0	0	0	0	0
Total CF from Operating Activity (excl. VAT)		0	0	0	0	0	0	0	0	0	0	0
<b>Cashflow from Investing Activity</b>												
Property Acquisition		-31 715 157	0	0	0	0	0	0	0	0	0	0
Agent's Fees on Acquisition		0	0	0	0	0	0	0	0	0	0	0
Phase 1	Period Counter	0	-25	-25	-24	-23	-22	-21	-20	-19	-18	-17
	Construction Costs	0	0	0	0	-10 030 985	-5 349 859	-5 349 859	-5 349 859	-5 349 859	-5 349 859	-5 349 859
Phase 2	Period Counter	0	0	0	0	0	0	0	0	0	0	0
	Construction Costs	0	0	0	0	0	0	0	0	0	0	0
Phase 3	Period Counter	0	0	0	0	0	0	0	0	0	0	0
	Construction Costs	0	0	0	0	0	0	0	0	0	0	0
Total Acquisition/Disposal		-31 715 157	0	0	0	0	0	0	0	0	0	0
Tax on Sale Proceeds		0	0	0	0	0	0	0	0	0	0	0
Total Construction, Permit and Design Costs		0	0	0	0	-10 030 985	-5 349 859	-5 349 859	-5 349 859	-5 349 859	-15 166 022	-10 585 146
<b>Value Added Tax Calculation</b>												
VAT Received from Tenants		0	0	0	0	0	0	0	0	0	0	0
VAT Paid on Maintenance Costs & Broker's Fees		0	0	0	0	-1 805 577	-962 975	-962 975	-962 975	-962 975	-2 729 884	-1 905 326
VAT on Investment Activity		0	0	0	0	0	0	0	0	0	0	0
VAT Received from Sales		0	0	0	0	0	0	0	0	0	0	0
VAT Paid on Broker's Fees		0	0	0	0	0	0	0	0	0	0	0
VAT Paid on Construction, Permit & Design		0	0	0	0	0	0	0	0	0	0	0
Total VAT Received (Paid)		0	0	0	0	-1 805 577	-962 975	-962 975	-962 975	-962 975	-2 729 884	-1 905 326
Balance of VAT		0	0	0	0	-1 805 577	-2 768 552	-3 731 526	-4 694 501	-5 657 476	-8 387 360	-10 292 686
Total VAT Received (Paid) Disregarding Inflation		0	0	0	0	-1 805 577	-962 975	-962 975	-962 975	-962 975	-2 729 884	-1 905 326
Balance of VAT Disregarding Inflation		0	0	0	0	-1 805 577	-2 768 552	-3 731 526	-4 694 501	-5 657 476	-8 387 360	-10 292 686
Total CF from Investment Activity		-31 715 157	0	0	0	-11 836 562	-6 312 833	-6 312 833	-6 312 833	-6 312 833	-17 895 907	-12 490 472
<b>Cashflow from Financing Activity</b>												
Advance Financing by Tenants												
Security Deposit	Phase 1	0	0	0	0	0	0	0	0	0	0	0
	Phase 2	0	0	0	0	0	0	0	0	0	0	0
Phase 3	Phase 1	0	0	0	0	0	0	0	0	0	0	0
	Phase 2	0	0	0	0	0	0	0	0	0	0	0
Total Use of Loan		0	0	0	0	0	0	0	0	0	0	0
Total Principal Payments		0	0	0	0	0	0	0	0	0	0	0
Total Loan Balance		0	0	0	0	0	0	0	0	0	0	0
Equity Financing		31 715 157	0	0	0	11 836 562	6 312 833	6 312 833	6 312 833	6 312 833	17 895 907	12 490 472
Equity Cumulative Financing		31 715 157	31 715 157	31 715 157	31 715 157	43 551 720	49 864 553	56 177 386	62 490 220	68 803 053	86 698 960	99 189 432
Total CF from Financing Activity		31 715 157	0	0	0	11 836 562	6 312 833	6 312 833	6 312 833	6 312 833	17 895 907	12 490 472
Contributions to Cash Reserve		0	0	0	0	0	0	0	0	0	0	0
Cash Reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Project Cashflow</b>		-31 715 157	0	0	0	-11 836 562	-6 312 833	-6 312 833	-6 312 833	-6 312 833	-17 895 907	-12 490 472
<b>Cumulative Project Cashflow</b>		-31 715 157	-31 715 157	-31 715 157	-31 715 157	-43 551 720	-49 864 553	-56 177 386	-62 490 220	-68 803 053	-86 698 960	-99 189 432
IRR Quarterly	5,55%											
IRR Annually	24,12%											
<b>Equity Cashflow</b>		-31 715 157	0	0	0	-11 836 562	-6 312 833	-6 312 833	-6 312 833	-6 312 833	-17 895 907	-12 490 472
<b>Quarterly IRR</b>		5,74%										
<b>Annually IRR</b>		25,00%										
<b>NPV</b>		0										
<b>Discount Rate</b>		25,00%										
Period		0	1	2	3	4	5	6	7	8	9	10
NPV Factor		1	0,945741609	0,894427191	0,845897011	0,8	0,756593287	0,715541753	0,676717609	0,64	0,60527463	0,572433402
Discounted Equity Cashflow		-31 715 157	0	0	0	-9 469 250	-4 765 247	-4 517 096	-4 272 005	-4 040 213	-3 831 938	-3 649 964
Cumulative		-31 715 157	-31 715 157	-31 715 157	-31 715 157	-41 184 407	-45 950 655	-50 477 750	-54 749 755	-58 789 969	-62 621 907	-66 271 871

31-Mar-2014			31-Mar-2017	30-Jun-2017	30-Sep-2017	31-Dec-2017	31-Mar-2018	30-Jun-2018	30-Sep-2018	31-Dec-2018	31-Mar-2019	30-Jun-2019	30-Sep-2019	31-Dec-2019	31-Mar-2020	30-Jun-2020	30-Sep-2020	31-Dec-2020	31-Mar-2021	30-Jun-2021	
1Q2014			1Q2017	2Q2017	3Q2017	4Q2017	1Q2018	2Q2018	3Q2018	4Q2018	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021	2Q2021	
Cashflow from Operating Activity																					
Phase 1																					
Last Review Date			N/A	1-May-2017	1-May-2017	1-May-2017	1-May-2017	1-May-2017	1-May-2018	1-May-2018	1-May-2018	1-May-2018	1-May-2019	1-May-2019	1-May-2019	1-May-2019	1-May-2020	1-May-2020	1-May-2020	1-May-2020	1-May-2021
Last Review Date - Anch			N/A	1-May-2017	1-May-2017	1-May-2017	1-May-2017	1-May-2018	1-May-2018	1-May-2018	1-May-2018	1-May-2019	1-May-2019	1-May-2019	1-May-2019	1-May-2020	1-May-2020	1-May-2020	1-May-2020	1-May-2021	1-May-2021
45	Weights	Office Park, Class B	0	0	808 696	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	180 000	0	
45	33%	Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45	67%	Street Retail (incorporated in the r	0	0	1 205 462	1 788 750	1 900 547	1 900 547	1 900 547	1 900 547	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	268 313	0	
45			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Surface Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Structured Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Underground Parking	0	0	52 363	77 700	77 700	77 700	77 700	77 700	87 413	87 413	87 413	87 413	87 413	87 413	87 413	87 413	11 655	0	
		Gross Operating Income	0	0	2 066 521	3 066 450	3 178 247	3 178 247	3 178 247	3 178 247	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	459 968	0	
		Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Phase 2																					
Last Review Date			N/A	N/A	N/A	N/A	N/A	N/A	N/A	1-Aug-2018	1-Aug-2018	1-Aug-2018	1-Aug-2018	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2020	1-Aug-2020	1-Aug-2020	
Last Review Date - Anch			N/A	N/A	N/A	N/A	N/A	N/A	N/A	1-Aug-2018	1-Aug-2018	1-Aug-2018	1-Aug-2018	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2020	1-Aug-2020	1-Aug-2020	
Weights																					
58%		Office Park, Class B	0	0	0	0	0	0	0	821 739	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	1 350 000	180 000	0	
58%		Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
42%		Street Retail (incorporated in the r	0	0	0	0	0	0	0	1 301 461	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	2 012 344	268 313	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Surface Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Structured Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Underground Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Gross Operating Income	0	0	0	0	0	0	0	53 206	87 413	87 413	87 413	87 413	87 413	87 413	87 413	87 413	11 655	0	
		Operating Expenses	0	0	0	0	0	0	0	2 176 408	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	3 449 756	459 968	0	
Phase 3																					
Last Review Date			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2020	1-Aug-2020	1-Aug-2020	
Last Review Date - Anch			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2019	1-Aug-2020	1-Aug-2020	1-Aug-2020	
Weights																					
58%		Office Park, Class B	0	0	0	0	0	0	0	0	0	0	0	924 457	1 350 000	1 350 000	1 350 000	1 350 000	180 000	0	
42%		Retail (Commercial Centre)	0	0	0	0	0	0	0	0	0	0	0	1 355 870	1 980 000	1 980 000	1 980 000	1 980 000	264 000	0	
		Street Retail (incorporated in the r	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Surface Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Structured Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	A	Underground Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Gross Operating Income	0	0	0	0	0	0	0	0	0	0	0	59 859	87 413	87 413	87 413	87 413	11 655	0	
		Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	2 340 185	3 417 413	3 417 413	3 417 413	3 417 413	455 655	0	
Total Gross Operating Income			0	0	2 066 521	3 066 450	3 178 247	3 178 247	3 178 247	5 354 655	6 899 513	6 899 513	6 899 513	9 239 697	10 316 925	10 316 925	10 316 925	10 316 925	1 375 590	0	
Total Operating Expenses			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Tax			0	0	-347 993	-399 827	-465 969	-519 591	-571 577	-609 903	-636 203	-662 504	-687 016	-696 594	-693 027	-689 459	-685 892	-682 324	-678 757	-675 190	-336 703
Insurance			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Operating Income from Leasing			0	0	-347 993	1 666 694	2 600 481	2 658 656	2 606 670	2 568 344	4 718 452	6 237 008	6 212 496	6 202 918	8 546 670	9 627 466	9 631 033	9 634 601	9 638 168	700 400	-336 703
Broker's Fees on Leasing			0	0	-1 021 741	0	0	0	0	0	-1 058 992	0	0	0	-1 138 682	0	0	0	0	0	0
EBITDA			0	0	-1 369 734	1 666 694	2 600 481	2 658 656	2 606 670	1 509 352	4 718 452	6 237 008	6 212 496	5 064 236	8 546 670	9 627 466	9 631 033	9 634 601	9 638 168	700 400	-336 703
Opening Book Value			88 896 746	98 813 160	103 814 391	119 546 675	130 271 134	140 995 594	151 065 642	156 325 771	161 585 899	166 846 027	171 390 752	170 677 261	169 963 769	169 250 278	168 536 787	167 823 295	167 109 804	166 396 312	
Depreciation Rate			0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
Depreciation			234 056	234 056	234 056	234 056	234 056	234 056	463 100	463 100	463 100	463 100	713 491	713 491	713 491	713 491	713 491	713 491	713 491	713 491	
Addition in Book Value			9 916 414	5 235 287	15 966 341	10 958 516	10 958 516	10 304 105	5 723 228	5 723 228	5 723 228	5 007 825	0	0	0	0	0	0	0	0	
Reduction in Book Value			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Closing Book Value			98 813 160	103 814 391	119 546 675	130 271 134	140 995 594	151 065 642	156 325 771	161 585 899	166 846 027	171 390 752	170 677 261	169 963 769	169 250 278	168 536 787	167 823 295	167 109 804	166 396 312	165 682 821	
Accounting of Security Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9 662 109	0	
Net Income			0	0	-1 603 791	1 432 637	2 366 425	2 424 600	2 372 613	1 046 252	4 255 352	5 773 908	5 749 396	4 350 745	7 833 179	8 913 974	8 931 542	8 921 109	-13 091	-1 050 194	
Total CF from Operating Activity (excl. VAT)			0	0	-1 369 734	1 666 694	2 600 481	2 658 656	2 606 670	1 509 352	4 718 452	6 237 008	6 212 496	5 064 236	8 546 670	9 627 466	9 631 033	9 634 601	9 638 168	700 400	-336 703
Cashflow from Investing Activity																					



## 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.

- 3.1.1. 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 USD 1m 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 of 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

#### I. 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.





Konstantin Lebedev

on the 20<sup>th</sup> day of June 2008

was elected a Professional Member of

**THE ROYAL INSTITUTION  
OF CHARTERED SURVEYORS**

President

Register No.

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