



1H 2011 results Investor presentation

October 2011



Disclaimer

IMPORTANT: You must read the following before continuing.

The following applies to the presentation (the "Presentation") following this important notice, and you are, therefore, advised to read this important notice carefully before reading, assessing or making any other use of the Presentation. In assessing the Presentation, you unconditionally agree to be bound by the following terms, conditions and restrictions, including any modifications to them any time that you receive any information from Etalon Group Limited ("Etalon Group" or the "Company") as a result of such access.

This Presentation has been prepared by the Company for informational purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase any securities of Company in any jurisdiction or an inducement to enter into investment activity. This Presentation is strictly confidential and may not be copied, distributed, published or reproduced in whole or in part, or disclosed or distributed by recipients to any other person in any form. Failure to comply with this restriction may constitute a violation of applicable laws.

Any purchase of the Company's securities should be made solely on the basis of the information contained in the prospectus prepared by the Company, dated 15 April 2011, provided that the Company makes no representation, warranty or undertaking as to the accuracy, completeness or correctness of the prospectus beyond 15 April 2011. This Presentation (i) is not intended to form the basis for any investment decision and (ii) does not purport to contain all the information that may be necessary or desirable to evaluate the Company fully and accurately, and (iii) is not to be considered as recommendation by the Company or any of its affiliates that any person (including a recipient of this Presentation) participate in any transaction involving the Company or its securities. The information contained in this Presentation has not been independently verified and the Company does not undertake any obligation to do so. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein or any other material discussed in connection with the Presentation. Neither the Company nor any of its directors, officers, employees, shareholders, affiliates, advisors or representatives nor Credit Suisse Securities (Europe) Limited, Renaissance Securities (Cyprus) Limited nor VTB Capital plc shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the Presentation.

Any 'forward-looking statements', which include all statements other than statements of historical facts, including, without limitation, forecasts, projections and any statements preceded by, followed by or that include the words 'targets', 'believes', 'expects', 'aims', 'intends', 'will', 'may', 'anticipates', 'would', 'could' or similar expressions or the negative thereof, involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors. Such forward-looking statements are based on numerous assumptions by management regarding present and future business strategies and the environment operating in the future. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. Neither the Company, nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Presentation.

The information contained in this document is provided as at the date of this Presentation and is subject to change without notice. Neither the Company nor any of its agents, directors, officers, employees, shareholders, affiliates, advisors or representatives intend or have any duty or obligation to supplement, amend, update or revise any information contained in this Presentation.

This Presentation contains financial information, in particular Earnings before interest, taxes, depreciation and amortization ("EBITDA"), calculated on the basis of audited consolidated IFRS accounts of the Company.

Neither the Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions. This Presentation does not contain or constitute and should not be construed as an offer to sell or the solicitation of an offer to buy securities in the United States. No securities of the Company have been registered or are intended to be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States, and unless so registered may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Any failure to comply with these restrictions is a violation of U.S. federal or applicable state securities laws.

In any EEA Member State that has implemented the Prospectus Directive, this Presentation is only addressed to and is only directed at qualified investors in any relevant Member State within the meaning of the Prospectus Directive. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State) and includes any relevant implementing measure in any relevant Member State.

This Presentation is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals within the meaning set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as "Relevant Persons"). Securities in the Company are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Presentation or any of its contents.

Neither this Presentation nor any copy of it may be taken or transmitted into Australia, Canada, South Africa, the Hong Kong Special Administrative Region of the People's Republic of China or Japan or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with this restriction may constitute a violation of applicable securities law. The distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. The Company has not registered and does not intend to register any of its securities under the applicable securities laws of Australia, Canada, South Africa, the Hong Kong Special Administrative Region of the People's Republic of China or Japan, and, subject to certain exceptions, its securities may not be offered or sold within Australia, Canada, South Africa, the Hong Kong Special Administrative Region of the People's Republic of China or Japan or to any national, resident or citizen of Australia, Canada, South Africa, the Hong Kong Special Administrative Region of the People's Republic of China or Japan. Information contained in this Presentation is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer any securities in Russia or to or for the benefit of any Russian person, and does not constitute an advertisement of any securities in Russia. This information must not be passed on to third parties or otherwise be made publicly available in Russia. The Company's securities have not been and will not be registered in the Russian Federation or admitted to public placement and/or public circulation in the Russian Federation except as permitted by Russian law.

This Presentation does not constitute or form a part of, and should not be construed as, (i) an advertisement of any securities of the Company, or an offer, or an invitation (including an invitation to make an offer) by or on behalf of the Company in the Russian Federation or in any other jurisdiction or (ii) any promise or representation that any such offer or invitation will be made and shall not form the basis of, nor may it accompany, nor form part of, any contract to acquire any securities of the Company in the Russian Federation or in any other jurisdiction.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require registration of licensing within such jurisdiction.

By attending this presentation, you agree to be bound by the restrictions in this disclaimer.

Today's presenting team



Viacheslav Zarenkov

- President
- Founding shareholder
- Founded in 1987



Anton Evdokimov

- CFO
- With Etalon Group since 1998



Dmitri Boulkhoukov

- Head of investments
- With Etalon Group since 2007



Alexander Shkuratov

- Head of strategy and business development
- With Etalon Group since 2007





1.

Market environment

2.

1H 2011
Operating and Financial
Performances

3.

New
acquisitions

4.

Selected
projects update

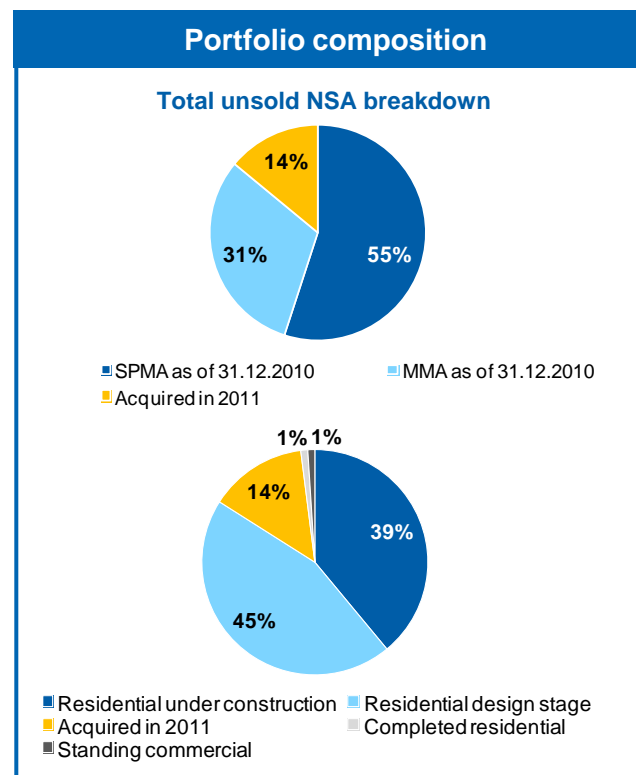
5.

Key takeaways

At a glance

<p>Presence in rapidly growing markets</p>	<ul style="list-style-type: none"> Leader in St Petersburg* real estate market with ca. 11% market share ⁽¹⁾ Strong presence in Moscow* real estate market Focus on upper economy class and lower middle class segments. Nationwide sales network. 	<p>Liquidity and credit ratings</p>	<ul style="list-style-type: none"> Secure liquidity position supported by pre-sales cash collections Low leverage: 0.6x Net debt / EBITDA as of 31.12.2010⁽³⁾. Net cash = US\$271 mln as of 30.06.2011 Credit rating by S&P's: B/Stable/B ⁽³⁾
<p>Strong delivery track record</p>	<ul style="list-style-type: none"> 2.8 mln sqm commissioned since inception in 1987 24 years of construction & development experience 	<p>Rapidly expanding projects portfolio</p>	<ul style="list-style-type: none"> Projects portfolio focused on cash-flow generation Dominant player in "comfort class" in St Petersburg Sufficient land bank to support future recurring income. Land bank secured to 2x delivery volume by 2012 and 4x by 2014
<p>True vertical integration</p>	<ul style="list-style-type: none"> All stages of development cycle Large-scale multi-phase projects Country-wide sales network 	<p>Corporate governance</p>	<ul style="list-style-type: none"> Fully accomplished Board of Directors with appropriate representation of interests of all investor groups Quarterly trading updates and semi-annual financial reporting

Ticker	ETLN:LI
Market capitalization	USD1,165 mln (12.10.2011)
Share price	USD3.95 (12.10.2011)



Source: JLL report as of 31.12.2010, Company press releases

* St Petersburg metropolitan and Moscow metropolitan areas respectively
 (1) Average annual market share of total residential completions in the private sector (excluding individual construction) between 2000 and 2010 in St. Petersburg; (2) Net debt as of 31.12.2010, EBITDA for 2010; based on audited consolidated IFRS accounts of Etalon Group; (3) 'B' long-term & 'B' short-term corporate credit ratings of SSMO LenSpetsSMU with 'Stable' outlook (last reconfirmed on 06.11.2010);



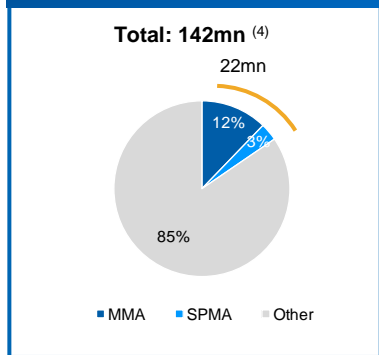
1.

Market
environment

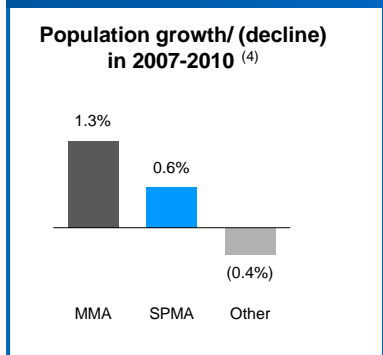
Focus on Key Markets – Moscow and St. Petersburg Metropolitan Areas

MMA and SPMA are the most attractive residential markets in Russia

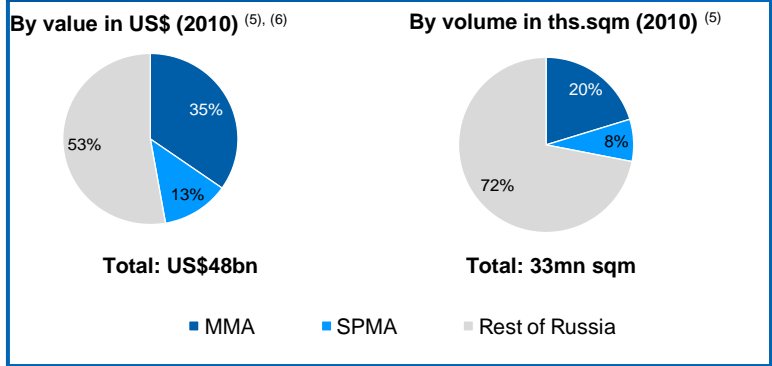
MMA & SPMA – most populated Russian regions...



... with growing demand for residential real estate

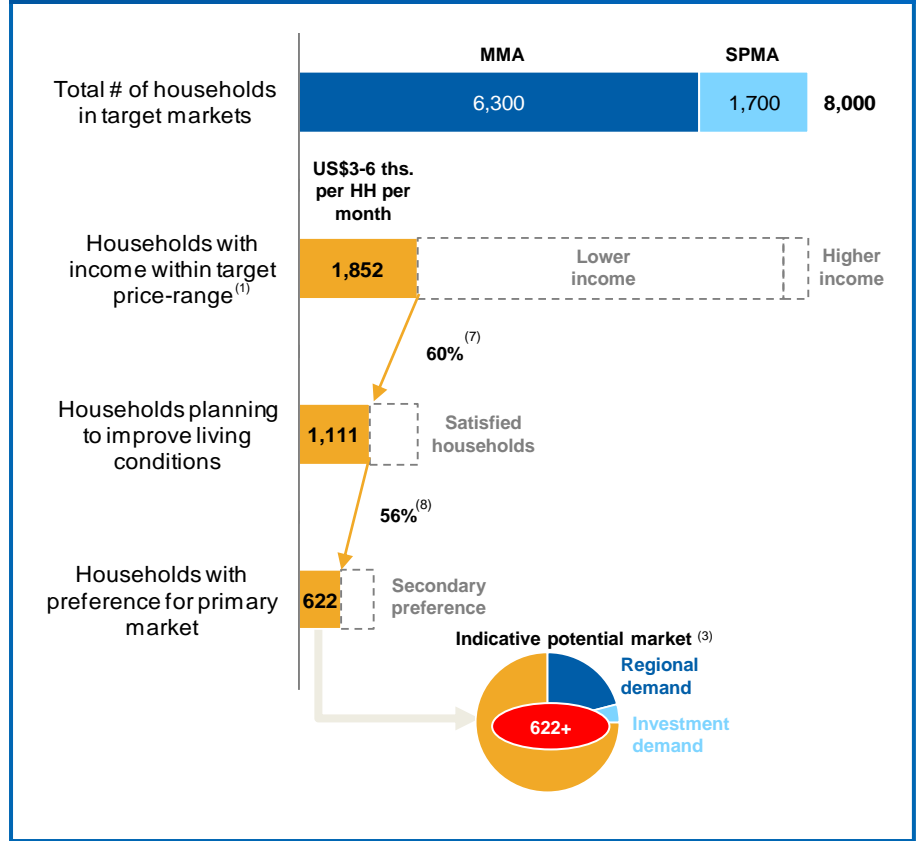


Residential real estate commissioning in Russia



Source: Rosstat

Potential demand estimation (ths. households)



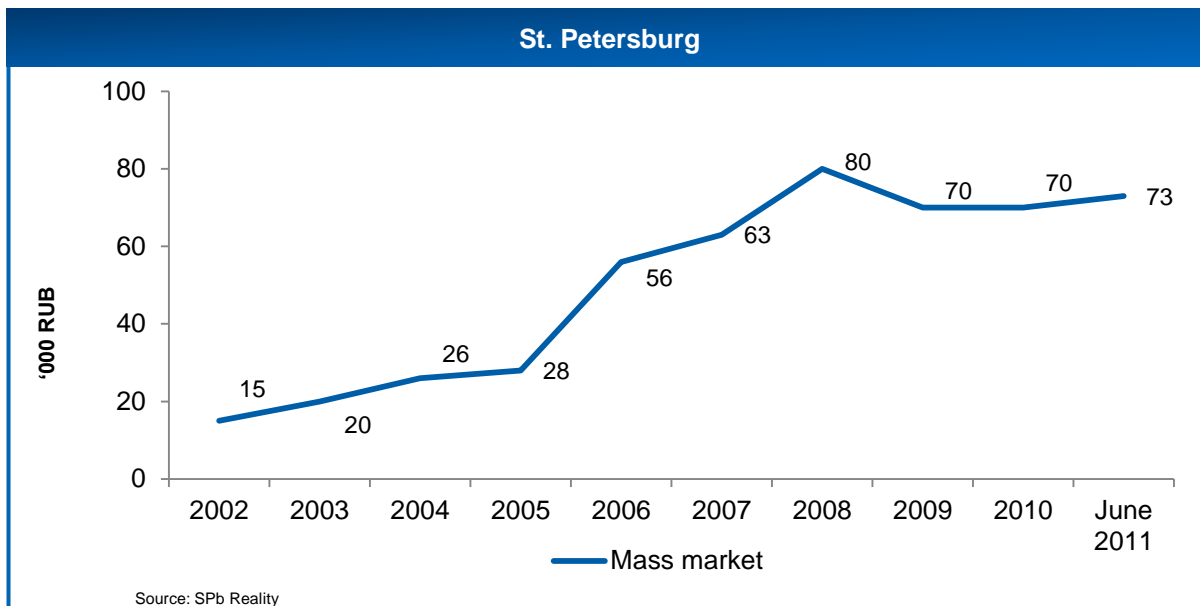
The above set of simple assumptions further supports the existence of significant unsatisfied demand for value-added housing in MMA and SPMA

(1) Company estimates based on Rosstat's methodology and data; includes additional demand from mortgage users - share of sales with mortgage in total sales is 12%, according to MER (assuming no overlap between mortgage and instalments customers); (2) 1H2010 new supply volume of Middle Class residential properties on the primary market, according to MIAN and SPb Realty, converted from sqm into housing units, assuming that 1 flat = 85.3 sqm (average flat size in Russia in 2009, Rosstat); (3) The demand structure shown on the pie chart is for indicative purposes; (4) Rosstat data as of January 2010; (5) Residential real estate commissioning, excluding individual construction; (6) Calculated as residential real estate commissioning volume in 2009 (excluding individual construction) multiplied by average real estate RUR prices on the primary market in 2009 and divided by end of period official CBR RUR/US\$ exchange rate in 2010 (RUR/US\$ 30.5); (7) 60% of households plan to improve living conditions (source - Rosstat; Comcon, 2010); (8) 56% of consumers prefer primary vs. secondary residential real estate market (Source -Metinfo survey in Moscow, 1H 2010)

Moscow and St. Petersburg markets – price per m2



- Prices stabilized after declining in 2009, have returned to pre-2008 levels
- Steady demand on strong market fundamentals



* IRN Index is calculated on the basis of prices per sqm in both primary and secondary markets

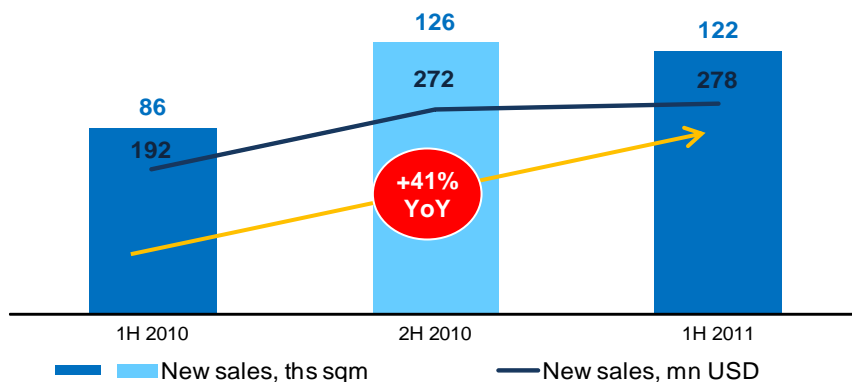


2.

1H 2011
Operating and Financial
Performances

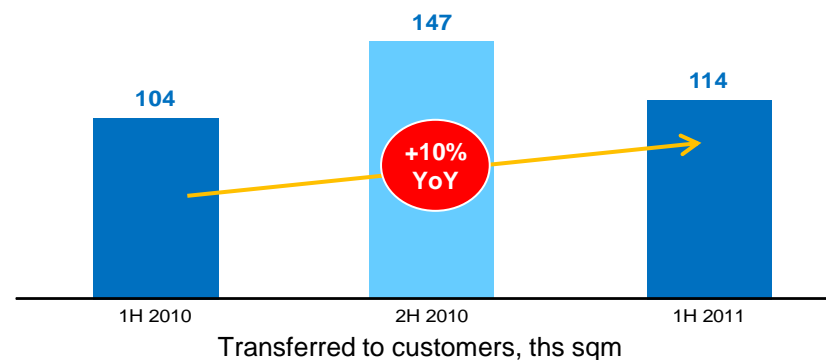
Solid trading results in 1H 2011

New sales contracts are 41% up Y-o-Y



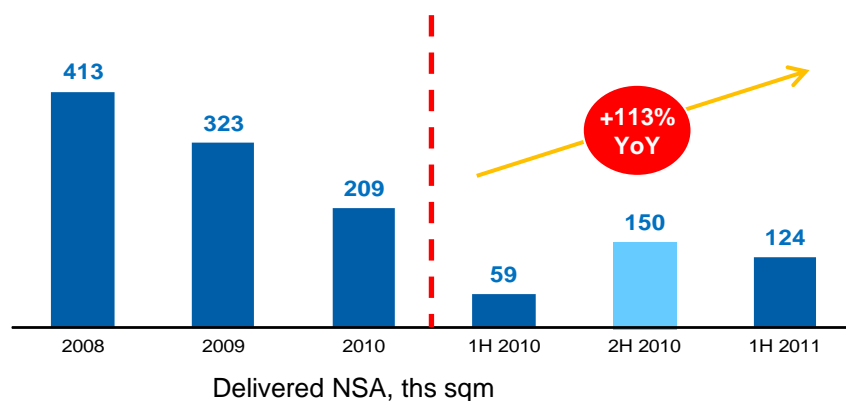
Source: management accounts

Indication of solid revenue for 2011



Source: management accounts

Significant increase in deliveries



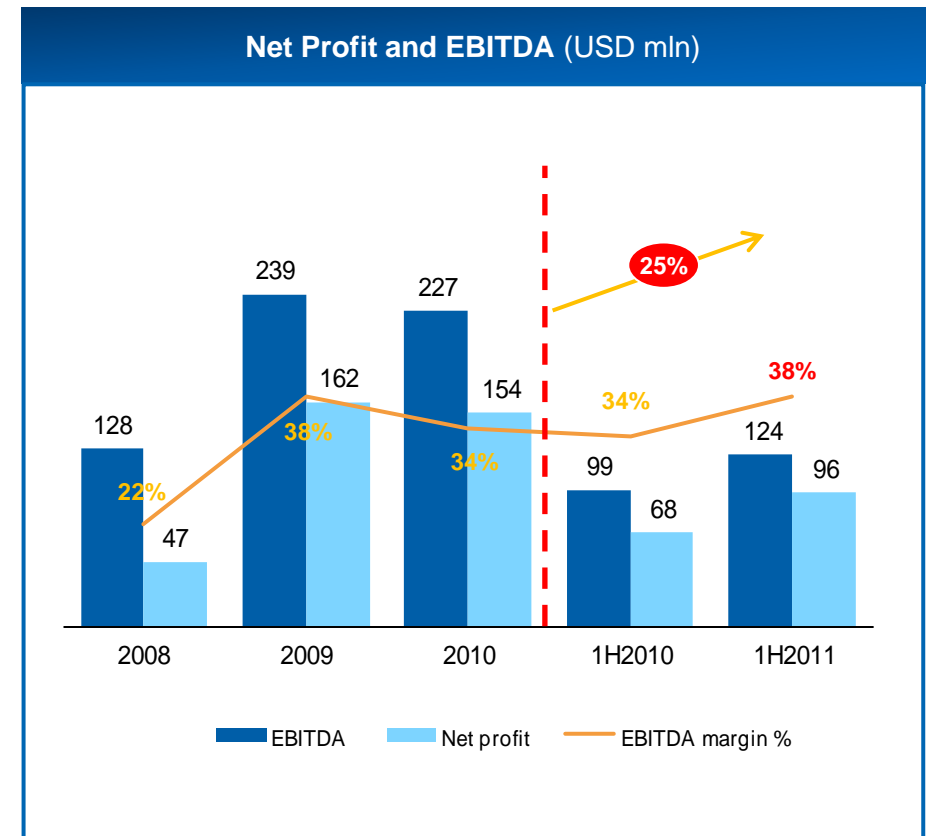
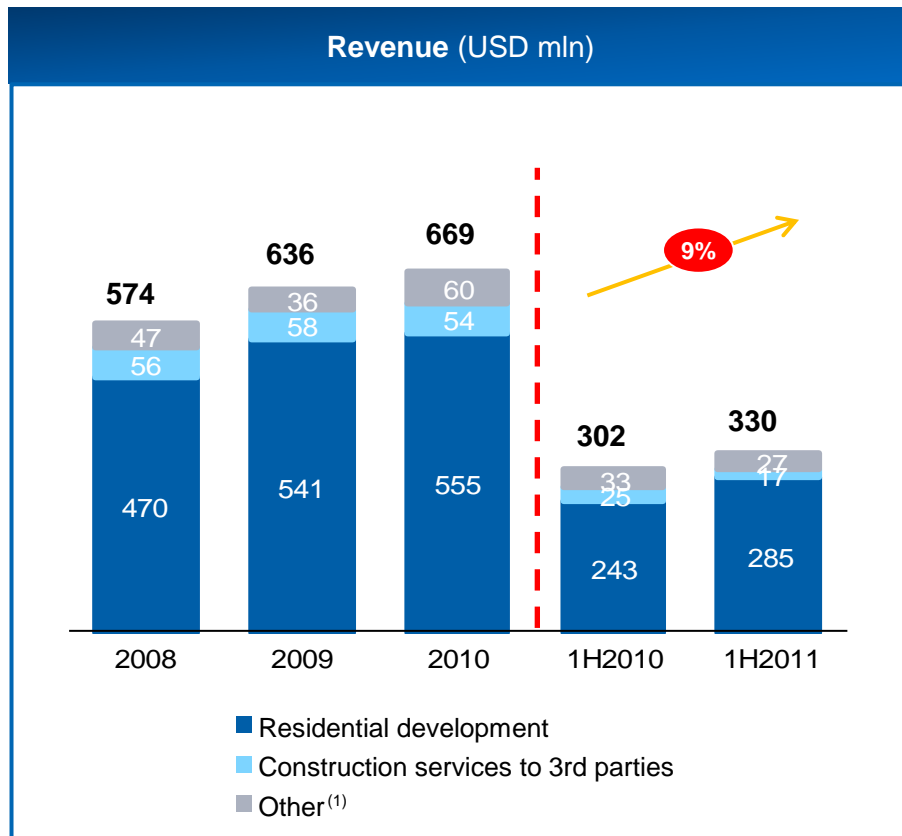
Source: management accounts

- In 2Q 2011 Etalon continued to make solid progress with new sales contracts
- Etalon believes that the primary driver for increase in new sales is continued recovery in residential mass market segment in target cities, combined with high level of consumer confidence associated with Etalon brand and its long term track record
- Exit of no-name or small-scale developers post-crisis also driving consistently improving sales
- In 2Q 2011 additional efforts made on large apartments (3 rooms / 2 bedrooms) with lower-than-average selling prices per sqm. Large apartments were harder to sell during the crisis, but improving market conditions enabled Etalon to convert inventories into sales and cash flow
- Transfers to customers demonstrated solid growth both in 1Q and 2Q and are indicative both of construction and pre-sales processes

Average USD/RUB fx rate 6 m 2010 30.05

Average USD/RUB fx rate 6 m 2011 28.56

Strong Financial Performance



Source: audited consolidated IFRS accounts for 2008, 2009, 2010 and reviewed IFRS accounts for 1H 2011

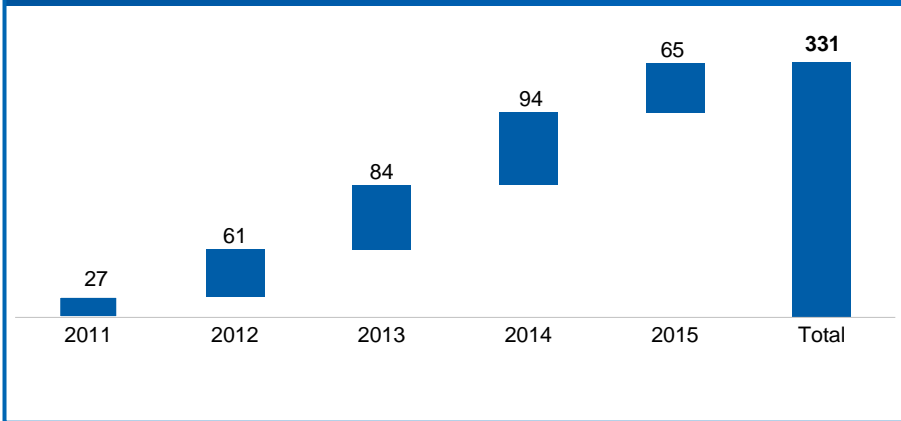
Average USD/RUB fx rate 6 m 2010 30.05

Average USD/RUB fx rate 6 m 2011 28.56

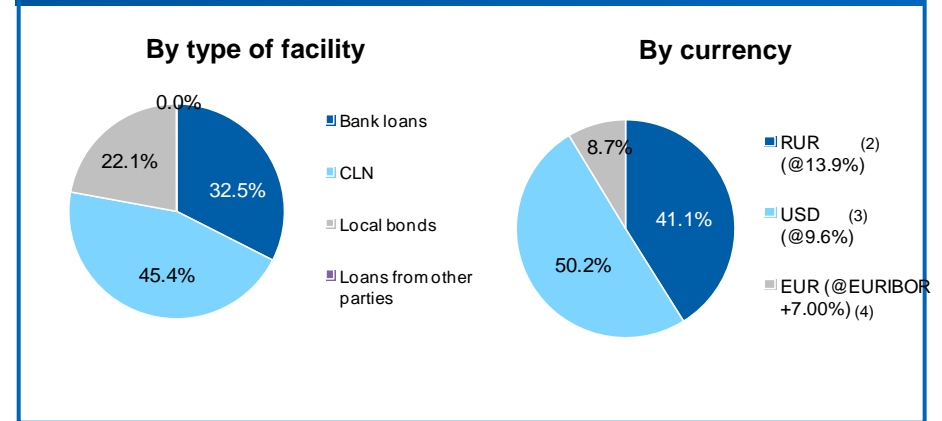
(1) Includes 'Other operations' reporting segment (selling of construction materials, construction of stand-alone premises for commercial use and various services related to sale and servicing of premises) and 'Other revenues' (reflect revenues from operations not classified under any of the three reporting segments) (2) EBITDA is defined as profit (loss) for the period before interest and related income / (expenses), income tax expense, depreciation and amortization

Robust Balance Sheet

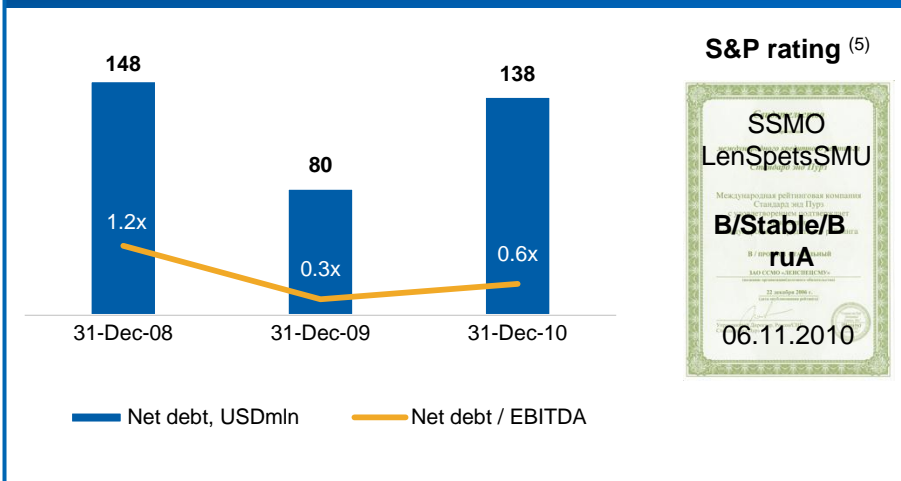
Debt cash flows maturity profile (as of 30/06/2011; USD mln)



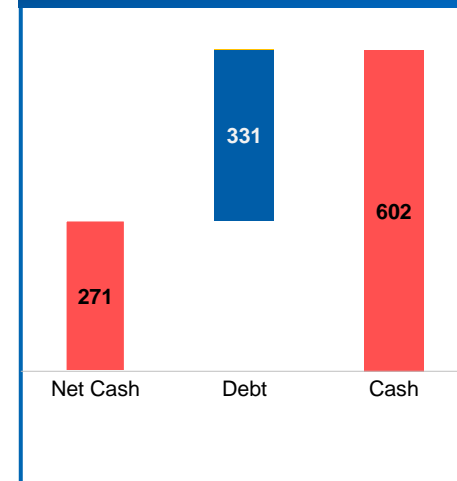
Debt composition (as of 30/06/2011)



Leverage and credit rating



Net cash (at 30/06/2011), USD mln



Financing strategy

- Longer debt maturities (3-5 years)
- Decrease the cost of funding
- Conservative approach to leveraging

End of period USD/RUB rate at 30 June 2010

30.48

End of period USD/RUB rate at 30 June 2011

28.08

Source: audited consolidated IFRS accounts for 2008, 2009, 2010 and reviewed IFRS accounts for 1H 2011

(1) Without expected interest payments; (2) Weighted-average cost of debt on local bonds, bank loans and loans from other parties (all RUR-denominated); (3) Weighted-average cost of debt on CLN and bank loans (US\$-denominated); (4) Interest rate on bank loans (EUR-denominated); (5) Net debt is calculated as Long-term debt (carrying amount) + Loans and borrowings (short-term at carrying amount) - Cash & Cash Equivalents - Cash deposits included in ST Investments (5) Reconfirmed 8 times since 2006 (including 4 times in 2009);



3.

New acquisitions

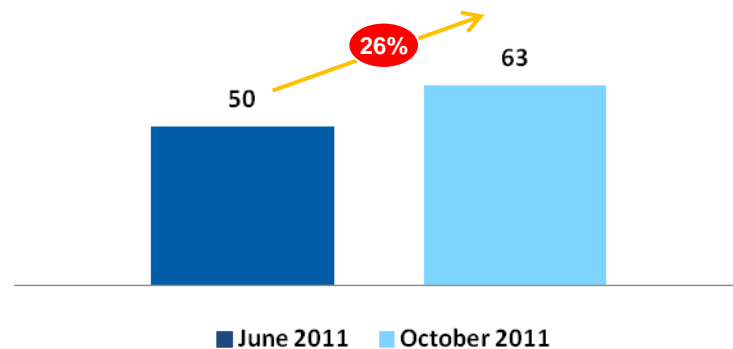
New Acquisitions

Pulkovskoe Shosse, St. Petersburg

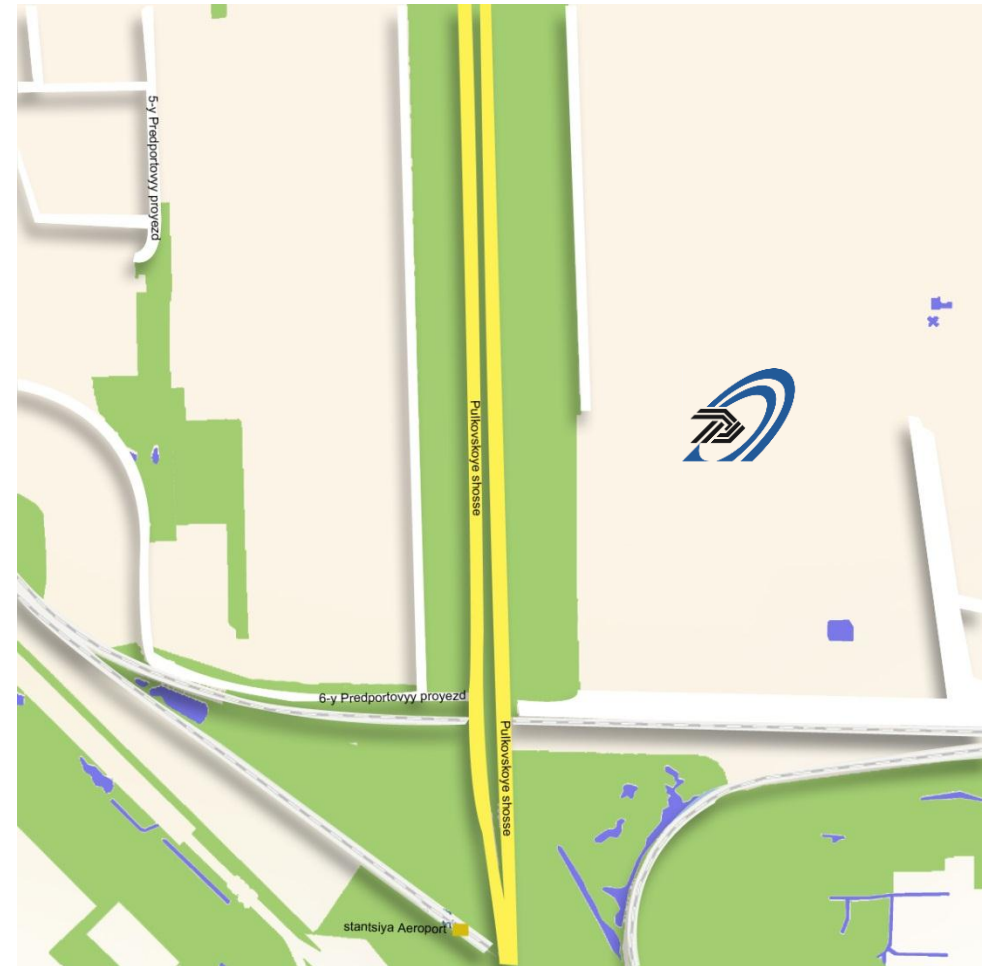
Project description

- 2.1 ha land plot area; original NSA of 50 ths sqm upgraded to 63 ths sqm
- Project acquired in 2Q 2011
- The site is located in the south of the Moskovsky district of St. Petersburg, 2 km from Pulkovo Airport
- The site is close to the Pulkovskoe highway (which puts the centre of St Petersburg approximately 15 minutes away by car) and within a five minute walk of a number of bus stops
- The complex is within walking distance from shopping and entertainment zone which comprises the LETO Shopping Mall, O'KEY Supermarket, Castorama DIY, LENTA, Pulkovo III Shopping Mall & Entertainment Centre and a METRO Cash & Carry

NSA Increase (ths sqm)



Project Location



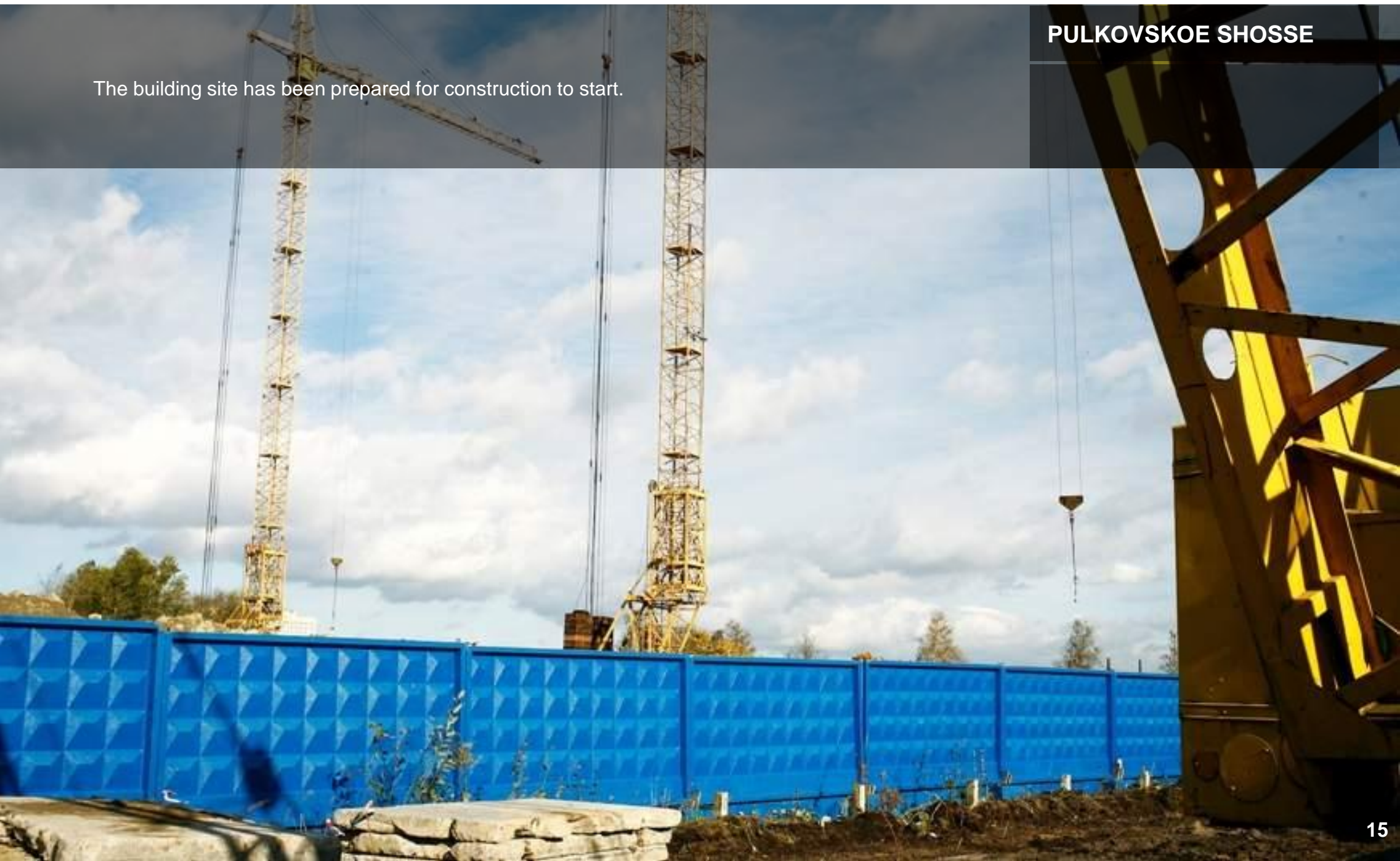


New Acquisitions

Pulkovskoe Shosse, St. Petersburg

PULKOVSKOE SHOSSE

The building site has been prepared for construction to start.





New Acquisitions

Pulkovskoe Shosse, St. Petersburg

PULKOVSKOE SHOSSE

The LETO shopping mall is located in close proximity to the site, and contains hypermarkets, clothing shops and a broad range of other stores.



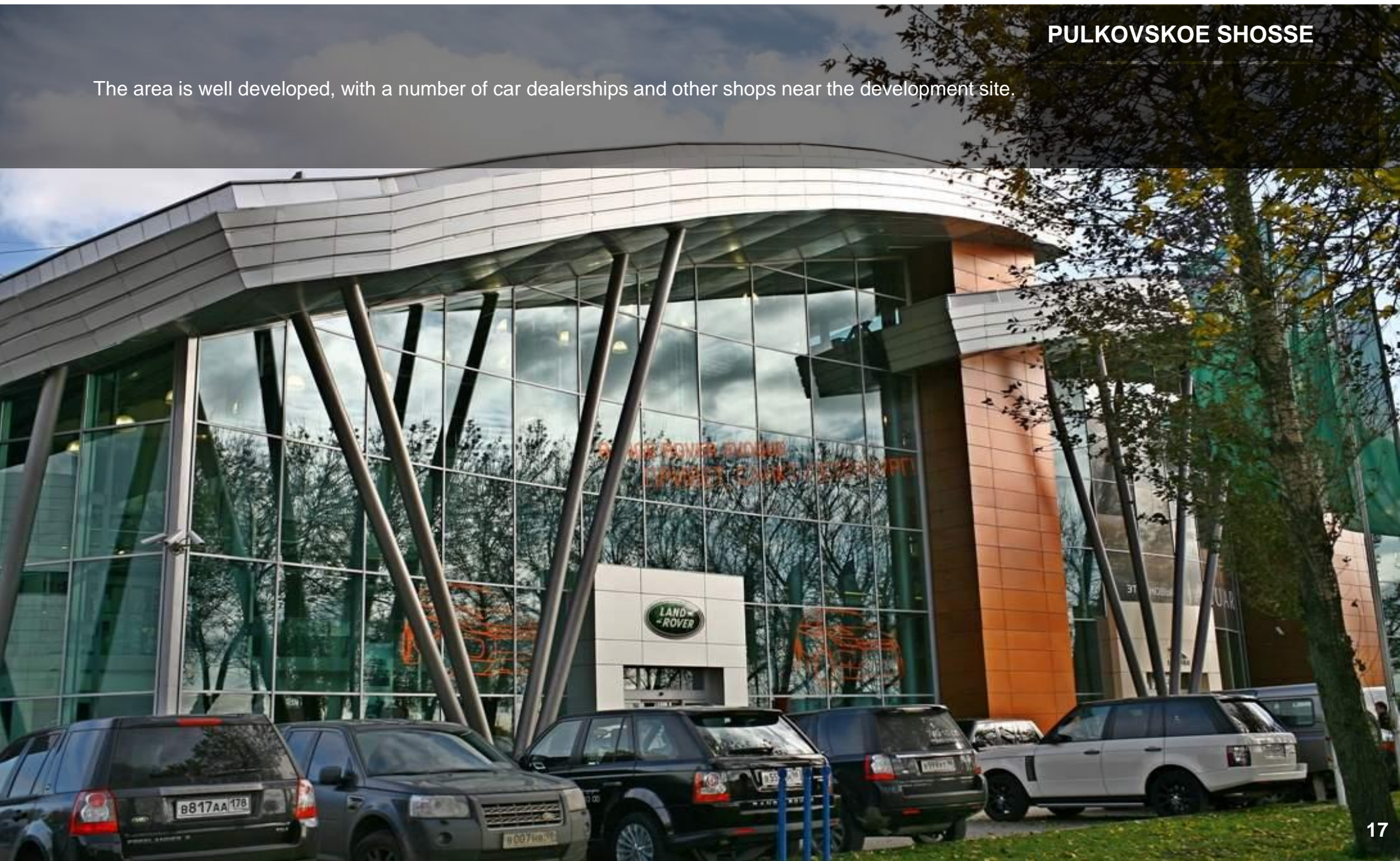


New Acquisitions

Pulkovskoe Shosse, St. Petersburg

PULKOVSKOE SHOSSE

The area is well developed, with a number of car dealerships and other shops near the development site.





New Acquisitions

Pulkovskoe Shosse, St. Petersburg

PULKOVSKOE SHOSSE

The southern region of St. Petersburg has good transportation infrastructure and offers residents a wide range of consumer shops.



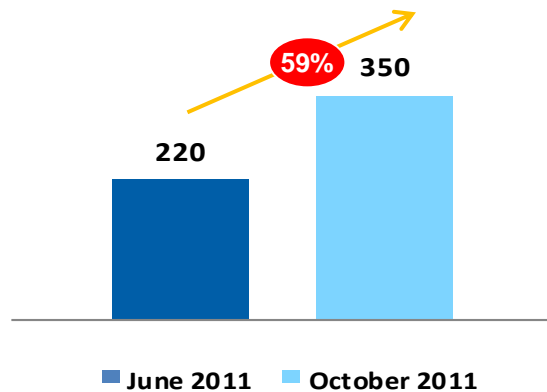
New Acquisitions

Dmitrovskoe Shosse, Moscow

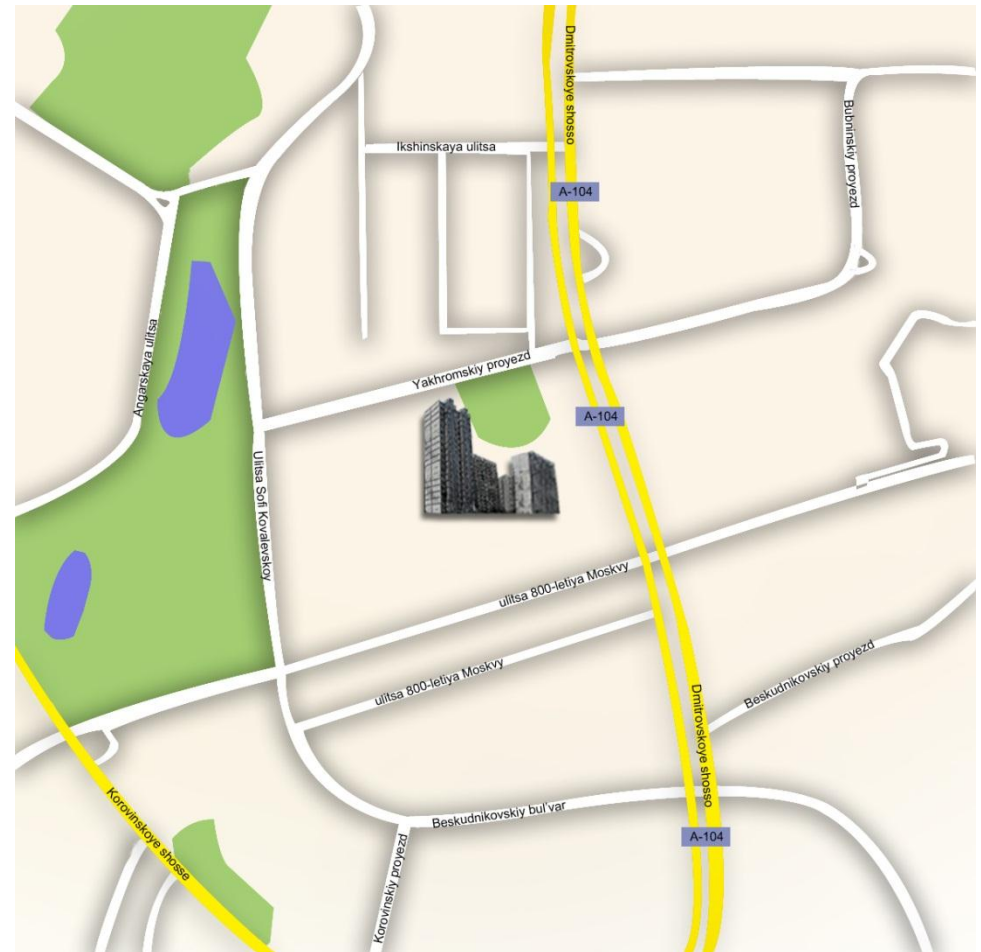
Project description

- 10.3 ha land plot area; original NSA of 220 ths sqm upgraded to 350 ths sqm
- Project acquired in 2Q 2011
- The site borders Yahromsky passage to the north and Dmitrovskoye highway to the east, and can be accessed easily from either of these major transport routes
- The centre of Moscow can be reached by car in approximately 20 minutes
- Beskudnikovo railway station, Savelovskoe direction is just 1.5 km from the complex
- There are plans to build a metro station, Yubileinaya, adjacent to the site in the next few years, and there are also a number of bus stops situated within walking distance

NSA Increase (ths sqm)



Project Location



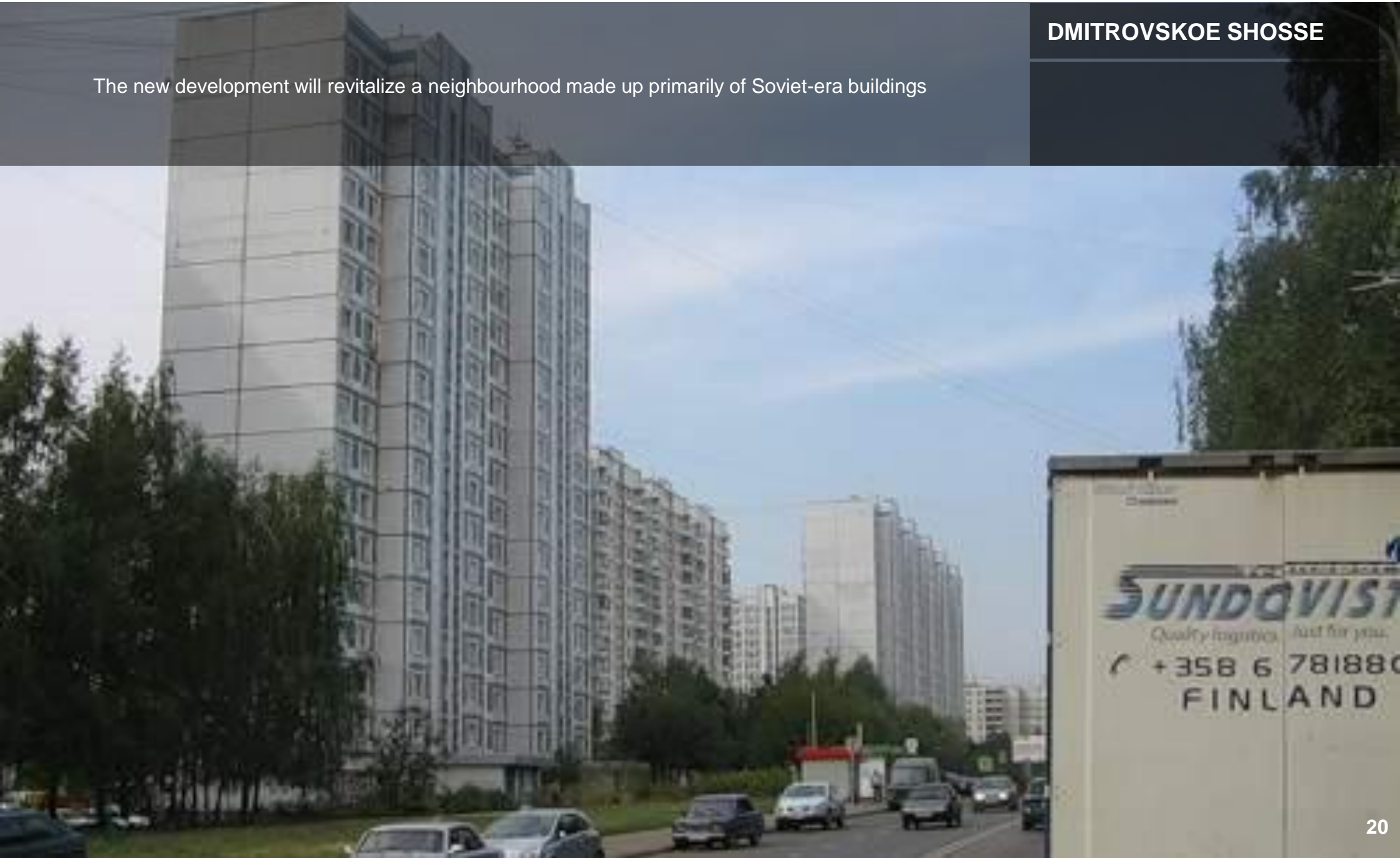


New Acquisitions

Dmitrovskoe Shosse, Moscow

DMITROVSKOE SHOSSE

The new development will revitalize a neighbourhood made up primarily of Soviet-era buildings





New Acquisitions

Dmitrovskoe Shosse, Moscow

DMITROVSKOE SHOSSE

A large park with recreation areas and ponds is located in close proximity to the development site.



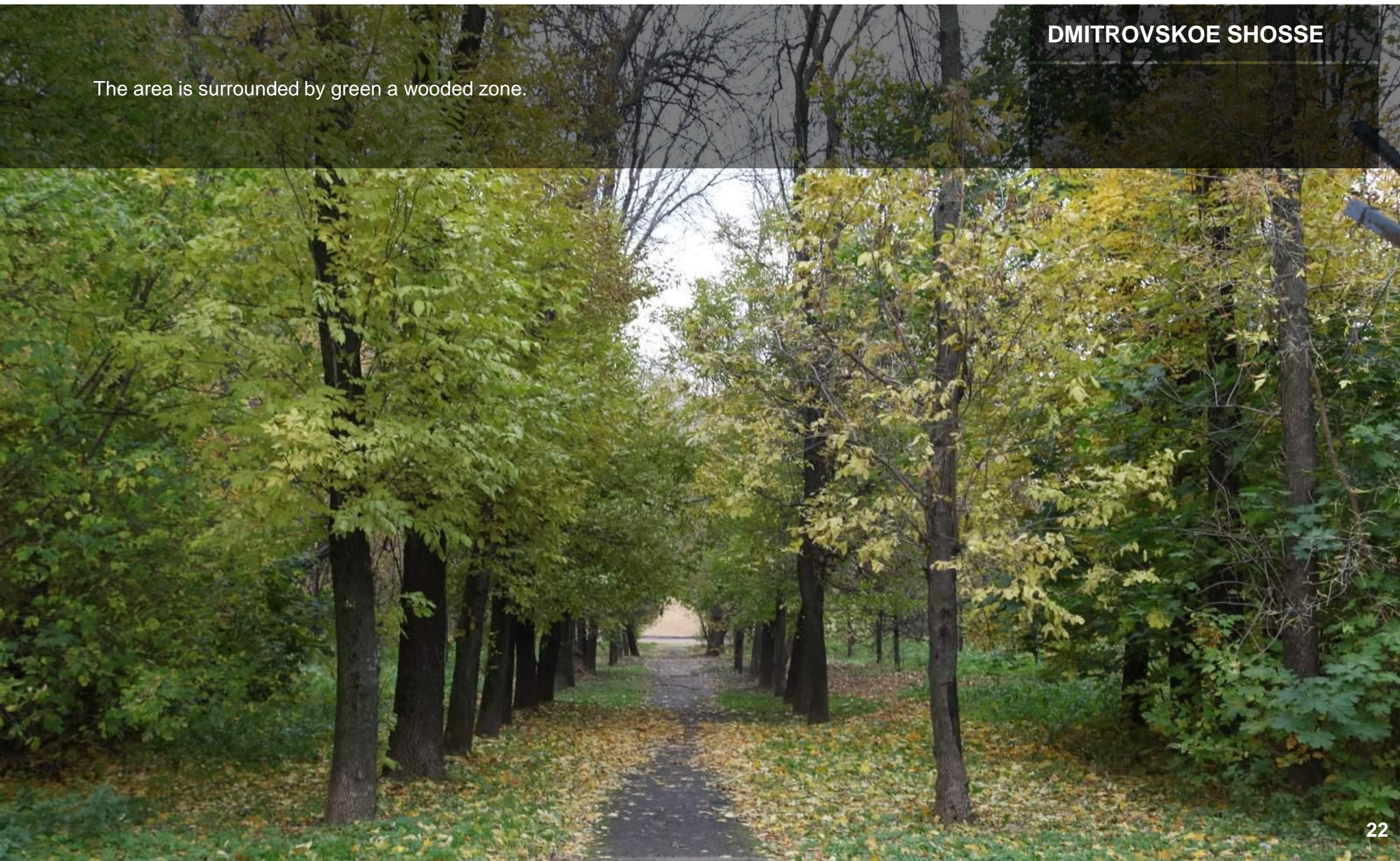


New Acquisitions

Dmitrovskoe Shosse, Moscow

DMITROVSKOE SHOSSE

The area is surrounded by green a wooded zone.





New Acquisitions

Dmitrovskoe Shosse, Moscow

DMITROVSKOE SHOSSE

The territory of an old factory will be cleared for the new construction site



New Acquisitions

Rechnoy, St. Petersburg

Project description

- 2.1 ha land plot area; NSA of 105 ths sqm
- Project acquired in 3Q 2011
- The site is located in the south of the Nevsky district of St. Petersburg and borders Rybatsky Prospect and the Neva River
- The site is located approximately one kilometre from the Rybatskoe metro station and from a railway station of the same name. It is also within a two-kilometre proximity to the St. Petersburg ring road
- Construction is expected to start in 2012

Concept



Project Location





New Acquisitions

Rechnoy, St. Petersburg

RECHNOY

The complex will be located on the bank of the Neva River, with a view of the Bolshoi Obukhovskiy bridge, part of the St. Petersburg Ring Road





New Acquisitions

Rechnoy, St. Petersburg

RECHNOY

Water taxis and a boat pier are located next to the construction site on the Neva.



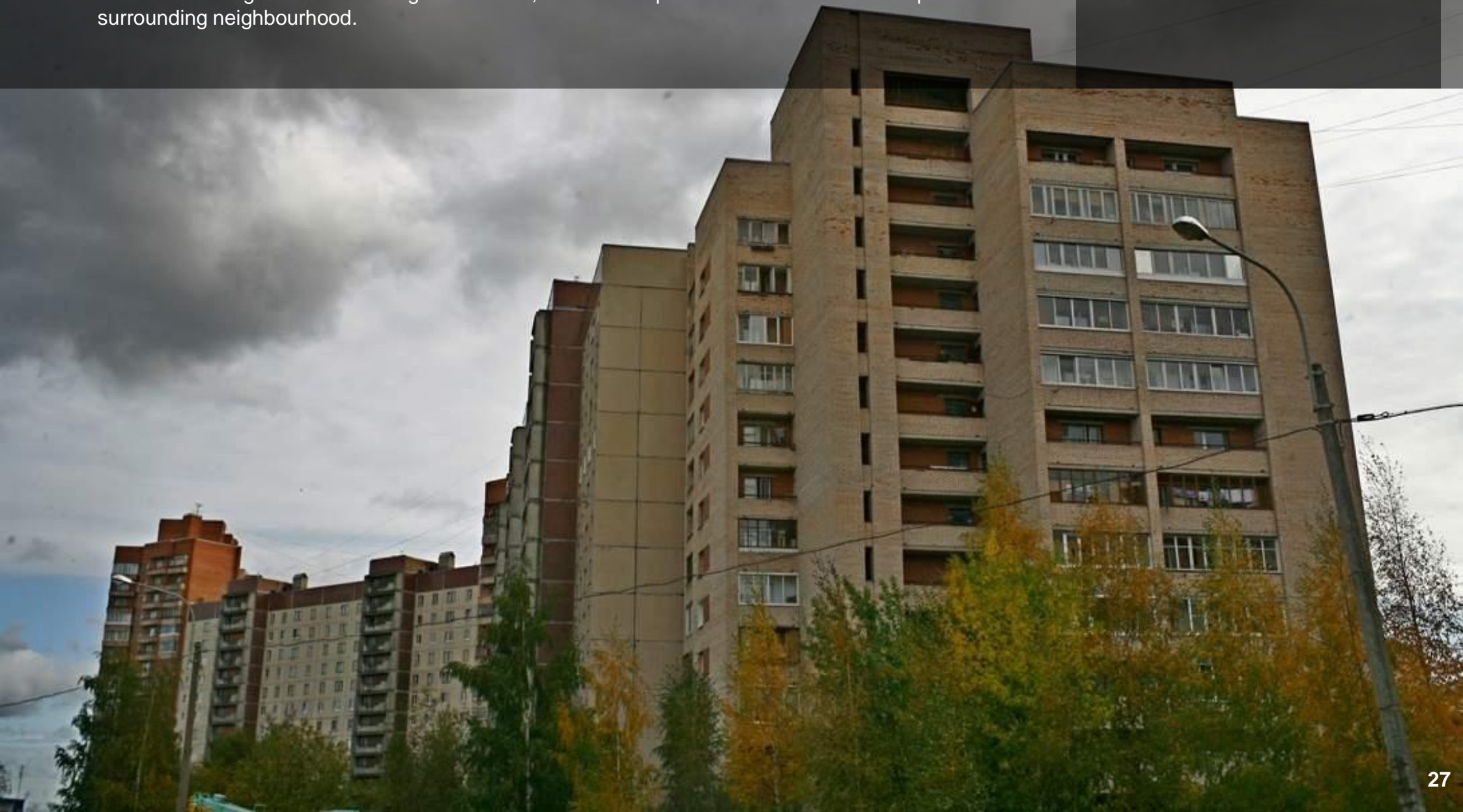


New Acquisitions

Rechnoy, St. Petersburg

RECHNOY

The new buildings will stand out against the old, Soviet-era apartment blocks that make up the surrounding neighbourhood.



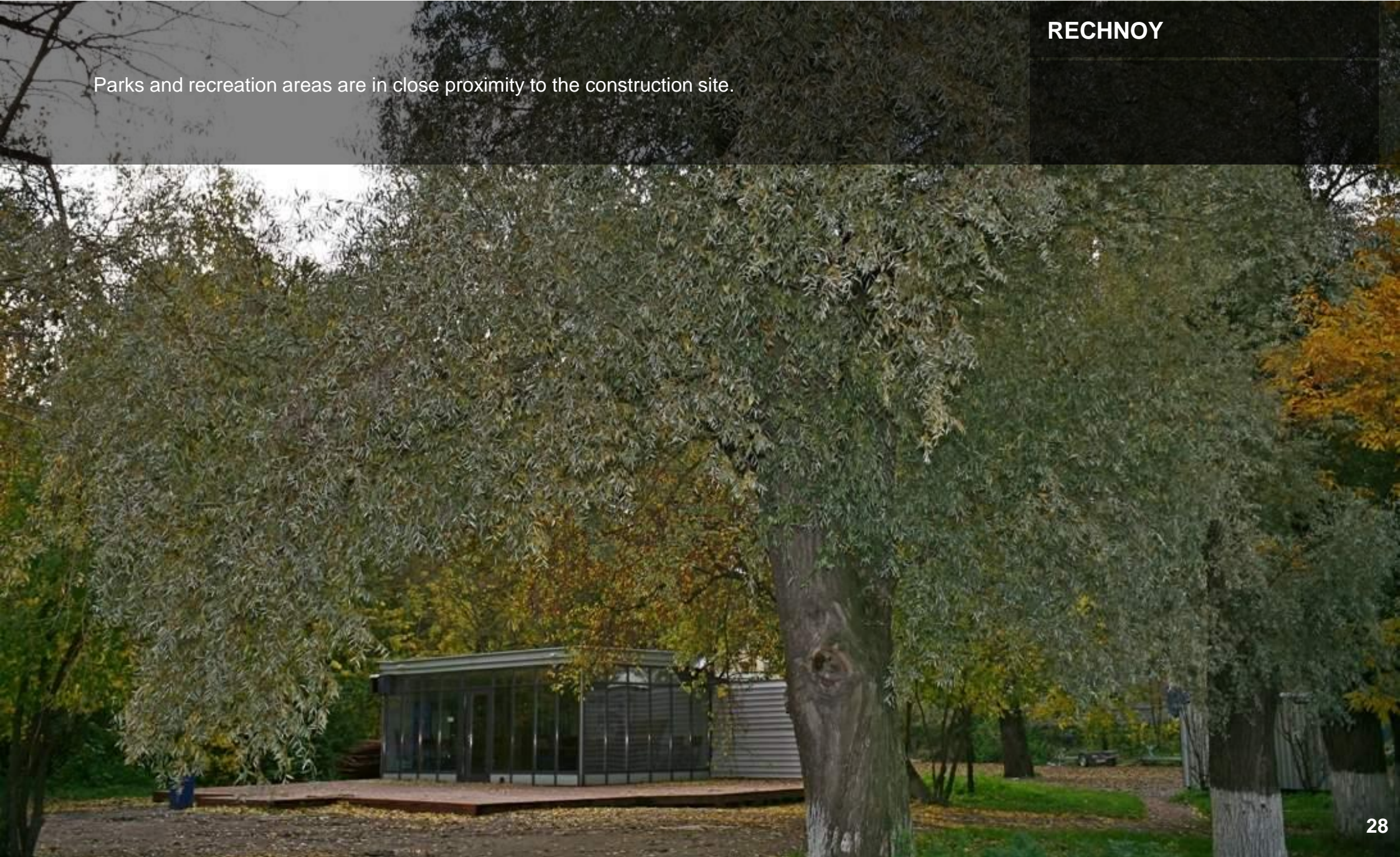


New Acquisitions

Rechnoy, St. Petersburg

RECHNOY

Parks and recreation areas are in close proximity to the construction site.





4.

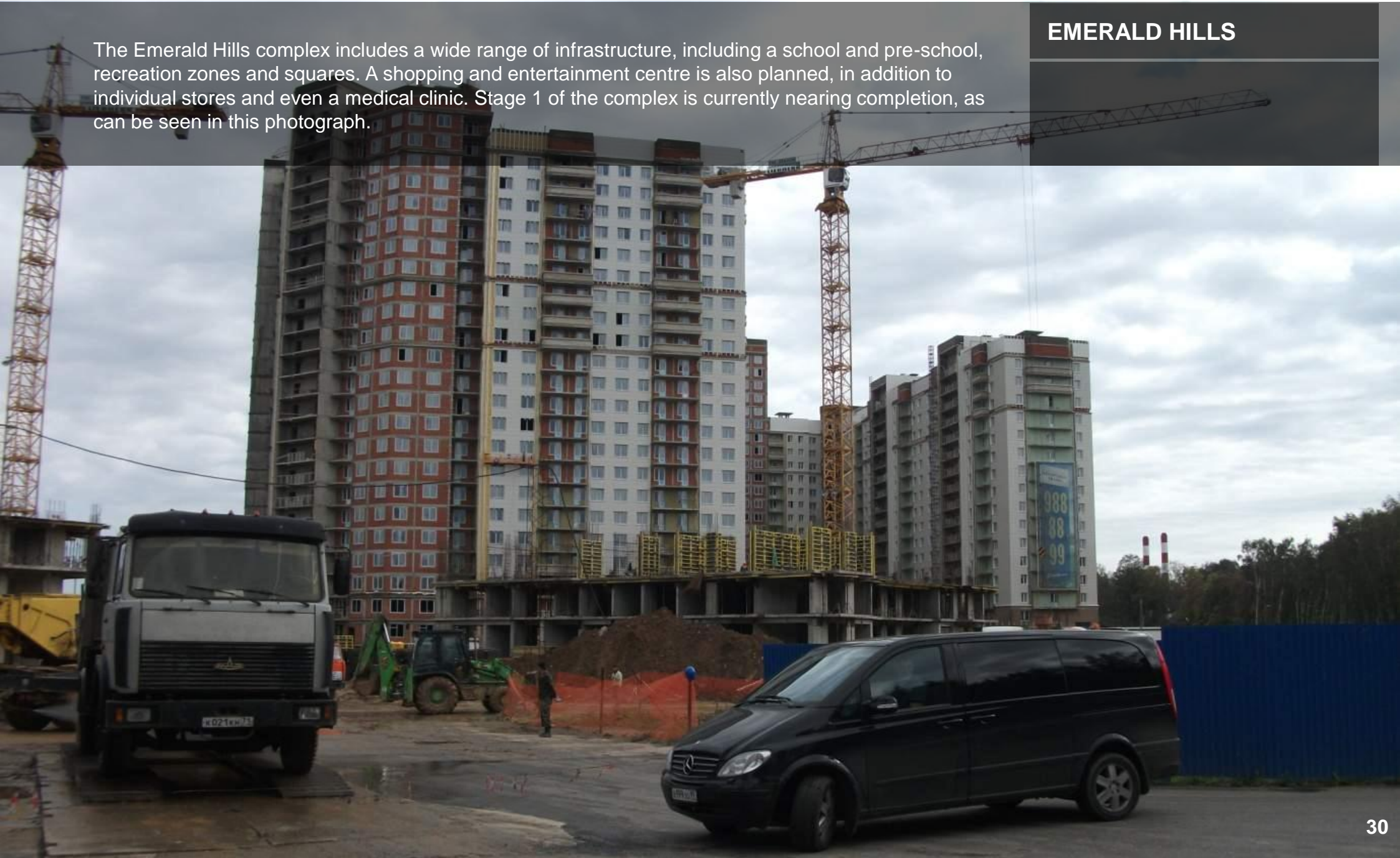
Update on
selected projects

Selected projects update

Emerald Hills

The Emerald Hills complex includes a wide range of infrastructure, including a school and pre-school, recreation zones and squares. A shopping and entertainment centre is also planned, in addition to individual stores and even a medical clinic. Stage 1 of the complex is currently nearing completion, as can be seen in this photograph.

EMERALD HILLS



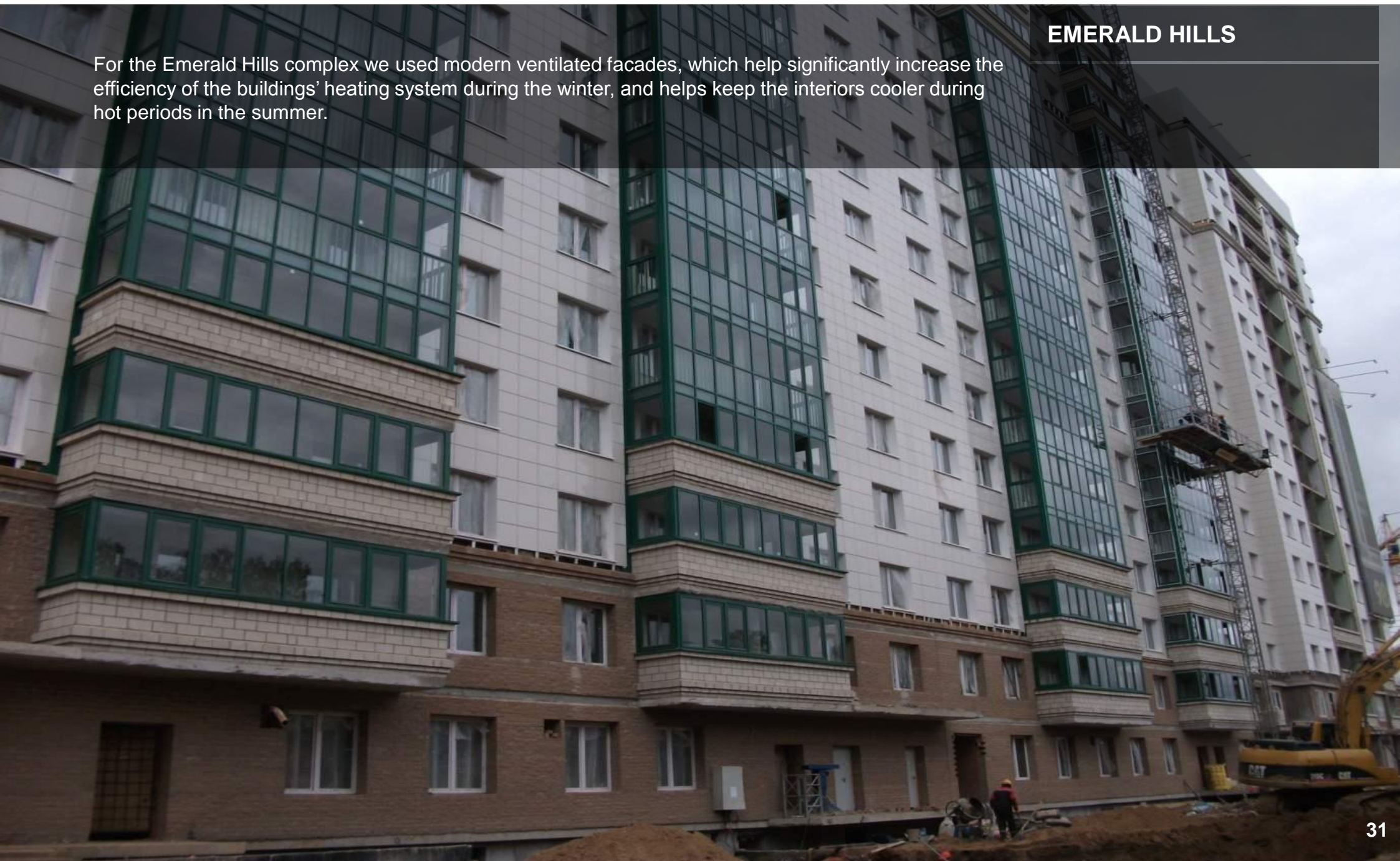


Selected projects update

Emerald Hills

EMERALD HILLS

For the Emerald Hills complex we used modern ventilated facades, which help significantly increase the efficiency of the buildings' heating system during the winter, and helps keep the interiors cooler during hot periods in the summer.





Selected projects update

Emerald Hills

The heating plant for the Emerald Hills project is fully automated and built using the latest technologies available. Today the heating plant is 90% complete and is on schedule to begin functioning on time for the completion of Stage 1 of the building project. The heating plant has six boilers with a total capacity of 78 MWt. Hot water is supplied to the residents of the Emerald Hills complex by heat exchangers located directly in each of the buildings.

EMERALD HILLS

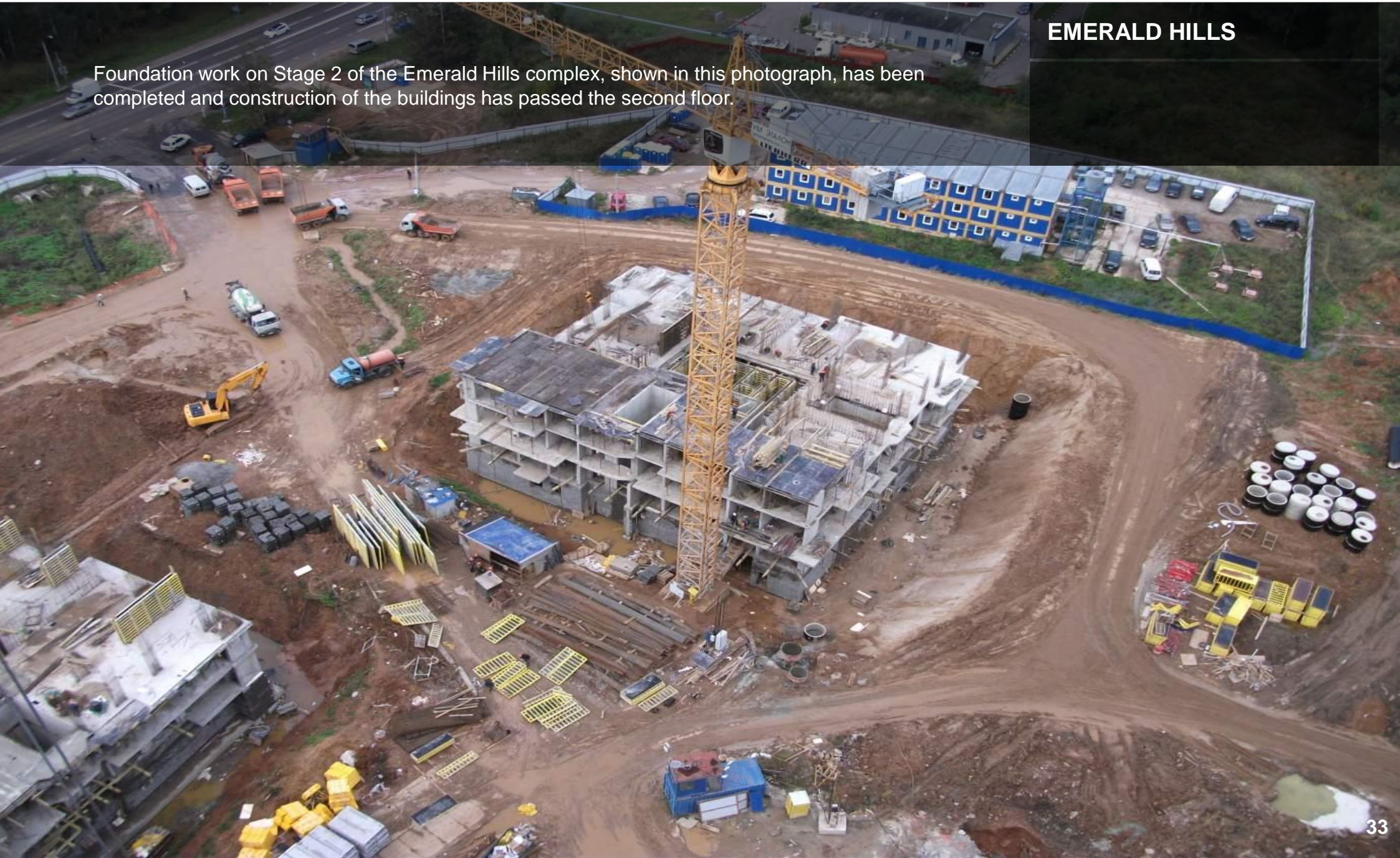


Selected projects update

Emerald Hills

EMERALD HILLS

Foundation work on Stage 2 of the Emerald Hills complex, shown in this photograph, has been completed and construction of the buildings has passed the second floor.





Selected projects update

Jubilee Estate

The complex will consist of 13 residential buildings of up to 25 floors and multi-level underground parking. The poured concrete technology was used for construction, with brick accents and ventilated facades. As of 3Q 2011, 10 buildings from the total 13 are delivered

JUBILEE ESTATE





Selected projects update

Jubilee Estate

JUBILEE ESTATE

The ground floors of the residential buildings will be occupied by consumer-oriented commercial premises. The complex also features children playgrounds, guest parking and recreational areas





Selected projects update

Jubilee Estate

JUBILEE ESTATE

The remaining 3 buildings under construction are scheduled to be delivered by the end of 2011 (1 building) and in 2012 (2 buildings)



KEY TAKEAWAYS



Key takeaways

Better than expected progress on acquisitions

- 518 ths sqm of NSA acquired since IPO, more than 40% out of planned at IPO
- Most of the acquisitions were financed via operating cash flow
- IPO proceeds largely remain on the balance sheet

Solid progress on sales

- New contracts concluded in 1H 2011 up 41% compared to 1H 2010 (by area contracted)

Progress in MMA

- New project on Dmitrovskoe Shosse acquired (NSA 220 ths sqm, upgraded to 350 ths sqm), 5 new projects in the course of DD and negotiations
- Etalon-City: Master plan is expected to be approved by Moscow authorities by the end of 2011. Construction permit for 1st stage of Etalon-City is planned to be obtained during H1 2012
- Emerald Hills: Delivery of 1st stage of Emerald Hills on schedule for 2011. Pre-sales of 2nd stage under way

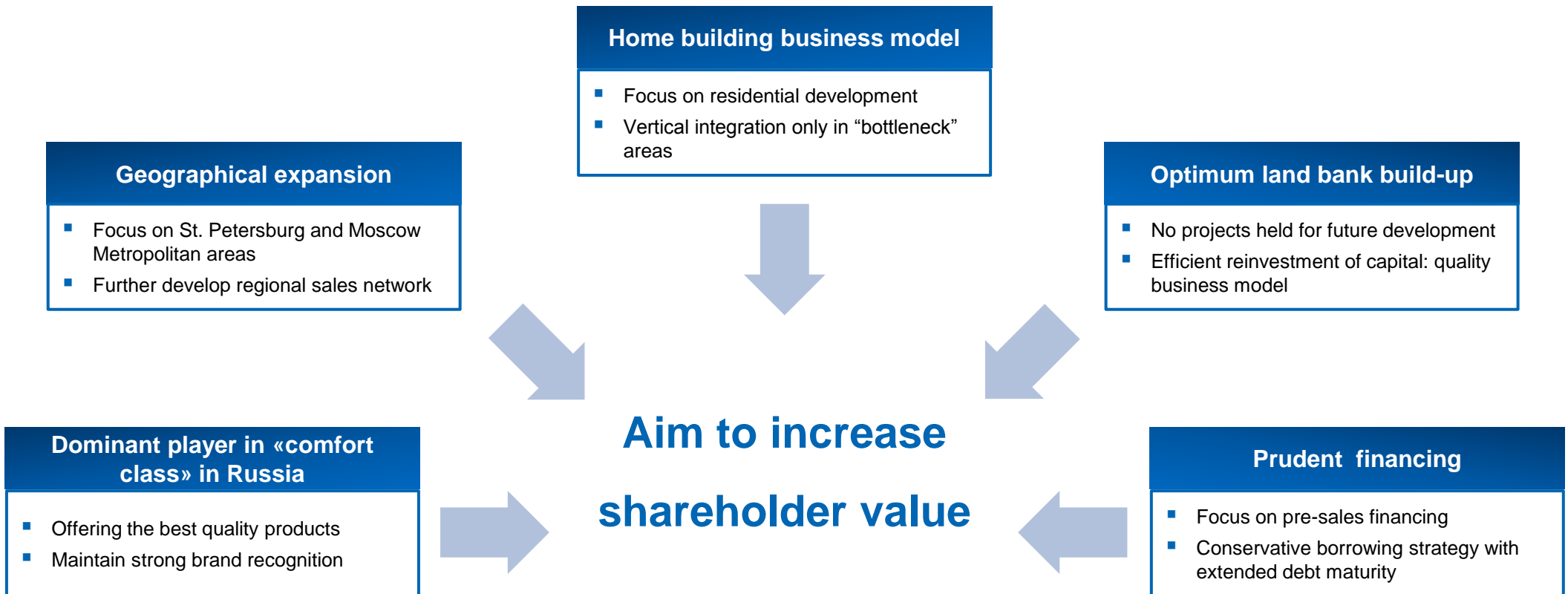
Robust EBITDA growth and better than expected margins

- 1H 2011 EBITDA is up 25% in US\$ compared to 1H 2010, EBITDA margins increased to 38%

Strong balance sheet position to benefit from higher quality deal flow

- Net cash as of 30/06/2011 is USD 271 mln
- Long-term debt properly balanced between RUR and USD

Clear Strategy Intended to Crystallize Value for Shareholders







Income Statement

<i>mn USD</i>	2008	2009	2010	1H2010	1H2011
Revenue	573.7	635.6	668.7	302.1	329.6
Cost of sales	(368.4)	(347.0)	(364.6)	(169.3)	(166.4)
Gross profit	205.4	288.6	304.1	132.8	163.1
General and administrative expenses	(62.0)	(45.3)	(67.4)	(32.1)	(35.7)
Selling expenses	(18.1)	(4.1)	(19.4)	(7.2)	(11.8)
Other expenses, net	(6.0)	(6.2)	(5.8)	(3.3)	1.3
Results from operating activities	119.3	233.0	211.5	90.2	116.9
Finance income	7.0	7.1	9.3	5.6	8.2
Finance costs	(50.5)	(33.0)	(22.0)	(7.5)	(0.7)
Net finance costs	(43.5)	(25.9)	(12.6)	(1.9)	7.5
Share of profit of equity accounted investees (net of income tax)	0.2	0.1	0.0	0.0	0.0
Profit before income tax	75.9	207.1	198.9	88.3	124.5
Income tax expense	(28.7)	(45.1)	(44.6)	(20.3)	(28.2)
Profit for the period	47.2	162.0	154.3	68.0	96.3
Profit attributable to:					
Owners of the Company	31.2	155.4	152.3	67.3	95.3
Non controlling interest	16.0	6.6	1.9	0.7	1.0
Profit for the period	47.2	162.0	154.3	68.0	96.3

Source: audited consolidated IFRS accounts for 2008, 2009, 2010 and reviewed IFRS accounts for 1H 2011

Balance Sheet

<i>mn USD</i>	01/01/2008	2008	2009	2010	1H2011	<i>mn USD</i>	01/01/2008	2008	2009	2010	1H2011
ASSETS						EQUITY AND LIABILITIES					
Non-current assets						Equity					
PP&E	36.2	38.2	55.0	54.5	60.4	Share capital	0.04	0.03	0.03	0.03	0.04
Other long-term investments	2.5	2.7	1.1	1.3	3.6	Share premium	0	66.4	64.5	64.0	549.8
Trade and other receivables	20.3	20.2	26.7	29.7	29.0	Retained earnings	(16.9)	13.5	176.1	333.2	458.7
Deferred tax assets	42.9	40.4	36.9	8.6	15.7	Total equity attributable to equity holders of the Company	(16.9)	80.0	240.6	397.3	1,008.5
Other non-current assets	4.4	1.2	0.1	1.1	0.2	Non-controlling interest	11.0	20.2	25.6	15.1	17.3
Total non-current assets	106.4	102.7	119.7	95.1	108.9	Total equity	(5.9)	100.1	266.2	412.3	1,025.9
Current assets						Non-current liabilities					
Inventories	636.9	996.2	883.5	841.6	992.4	Long-term debt	190.5	63.5	85.1	219.9	272.7
Trade and other receivables	94.5	112.2	128.2	130.1	177.1	Long-term trade and other payables	2.6	1.8	12.6	8.6	4.6
Short-term investments	0.8	1.1	0.9	11.2	27.7	Provisions	2.9	2.6	2.7	2.7	2.7
Cash and cash equivalents	37.4	80.9	113.0	119.3	575.0	Deferred tax liabilities	4.1	9.5	27.8	1.3	0.7
Other current assets	0.5	0.2	0.8	1.9	1.1	Total non-current liabilities	200.2	77.5	128.2	232.4	280.7
Total current assets	770.1	1,190.7	1,126.4	1,104.0	1,773.3	Current liabilities					
Total assets	876.5	1,293.4	1,246.1	1,199.1	1,882.2	Loans and borrowings	76.0	165.7	108.2	46.7	58.1
						Trade and other payables	593.4	898.7	679.8	468.6	480.3
						Provisions	12.8	51.4	63.6	39.0	37.2
						Total current liabilities	682.2	1,115.8	851.6	554.4	575.6
						Total equity and liabilities	876.5	1,293.4	1,246.1	1,199.1	1,882.2

Source: audited consolidated IFRS accounts for 2008, 2009, 2010 and reviewed IFRS accounts for 1H 2011

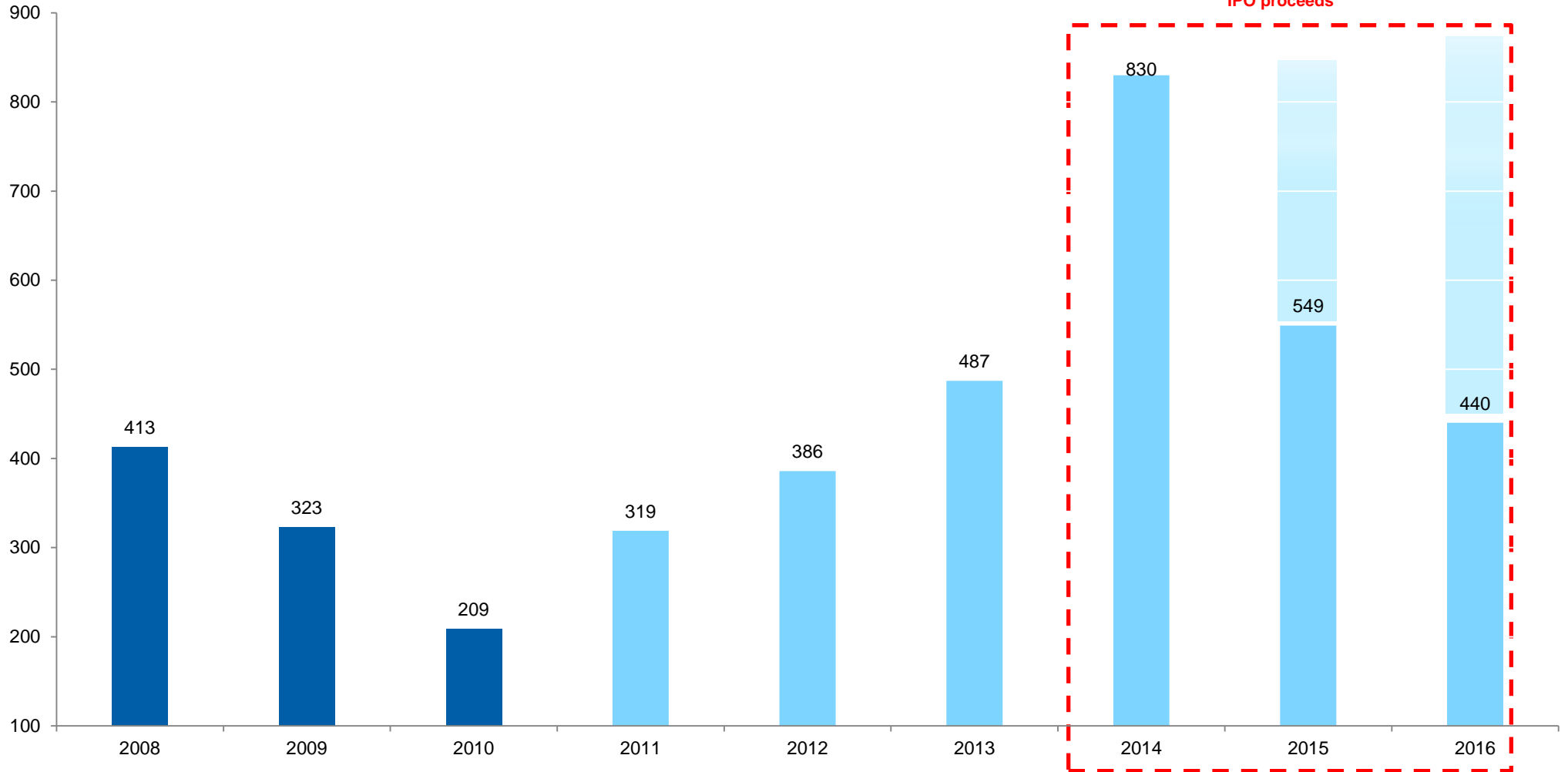
Cashflow Statement

<i>mn USD</i>	2008	2009	2010	1H2010	1H2011	<i>mn USD</i>	2008	2009	2010	1H2010	1H2011
OPERATING ACTIVITIES:						INVESTING ACTIVITIES:					
Profit for the year	47.2	162.0	154.3	68.0	96.3	Proceeds from disposal of non-current assets	1.9	3.4	1.0	0.2	3.4
<i>Adjustments for:</i>						Interest received	3.5	6.3	3.1	2.0	2.4
Depreciation and amortisation	7.7	6.5	9.4	4.9	4.4	Acquisition of PP&E	(17.9)	(7.0)	(10.8)	(6.0)	(6.7)
(Gain)/loss on disposal of PP&E	0.2	(2.0)	(0.0)	0.4	(2.1)	Loans given	(3.4)	(8.4)	(3.5)	(3.1)	(2.1)
Loss on disposal of subsidiaries	0	0	0.2	0.4	0.0	Loans repaid	0.7	0.2	2.0	0.3	1.9
Share of profit on equity accounted investees	(0.2)	(0.1)	0.0	0.0	0.0	Acquisition of subsidiaries, net of cash acquired	0.0	0.5	0.3	0.0	0.0
Gain (loss) on disposal of other investments	0.0	0.0	0.0	0.3	(0.8)	Disposal of subsidiaries, net of cash disposed of	0.0	0.0	(1.2)	(1.4)	0.0
Finance cost, net	44.9	24.3	16.1	2.4	(7.4)	Acquisition of other investments	0.0	0.0	(9.1)	(22.6)	(17.3)
Impairment losses on loans given	2.0	2.4	0.0	0.0	0.0	Net cash used in investing activities	(15.2)	(4.9)	(18.3)	(30.5)	(18.3)
Income tax expense	28.7	45.1	44.6	20.3	28.2	FINANCING ACTIVITIES:					
Cash from operating activities before changes in working capital	130.6	238.2	224.6	96.7	118.6	Proceeds from IPO	0.0	0.0	0.0	0.0	472.2
Change in inventories	(530.0)	81.6	50.0	49.8	(62.1)	Proceeds from issue of share capital	78.4	0.0	0.0	0.0	0.0
Change in accounts receivable	(42.7)	(26.0)	(6.6)	(0.2)	(32.0)	Acquisition of non-controlling interest	(0.4)	0.0	(3.2)	(3.0)	0.0
Change in accounts payable	476.3	(196.2)	(219.2)	(78.2)	(15.3)	Proceeds from disposal of non-controlling interest	0.0	0.0	0.0	0.0	0.8
Change in provisions	48.2	13.2	(24.2)	(22.7)	(5.3)	Proceeds from borrowings	283.4	272.2	355.3	137.2	79.8
Change in other currents assets	0.0	(0.5)	(1.1)	0.6	1.0	Repayments of borrowings	(314.6)	(303.4)	(283.7)	(182.1)	(27.2)
Income tax paid	(27.6)	(15.9)	(35.6)	(19.3)	(48.0)	Dividends paid	(0.8)	(1.0)	(1.3)	(1.3)	0.0
Interest paid	(28.4)	(26.0)	(26.8)	(10.1)	(19.2)	Net cash (used in)/from financing activities	46.0	(32.1)	67.1	(49.2)	525.7
Net cash provided by operating activities	26.5	68.6	(39.0)	16.3	(62.2)	Net increase in cash and cash equivalents	57.3	31.6	9.9	(63.4)	445.2
						Cash and cash equivalents at the end of the period	95.6	107.5	119.7	47.5	565.3

Source: audited consolidated IFRS accounts for 2008, 2009, 2010 and reviewed IFRS accounts for 1H 2011

Expanding Portfolio Providing for Robust Growth

Sufficient land bank to 2x deliveries by 2012 and 4x by 2014



Source: company estimates, JLL report as of 31.12.2010

Future pipeline (unquantifiable)

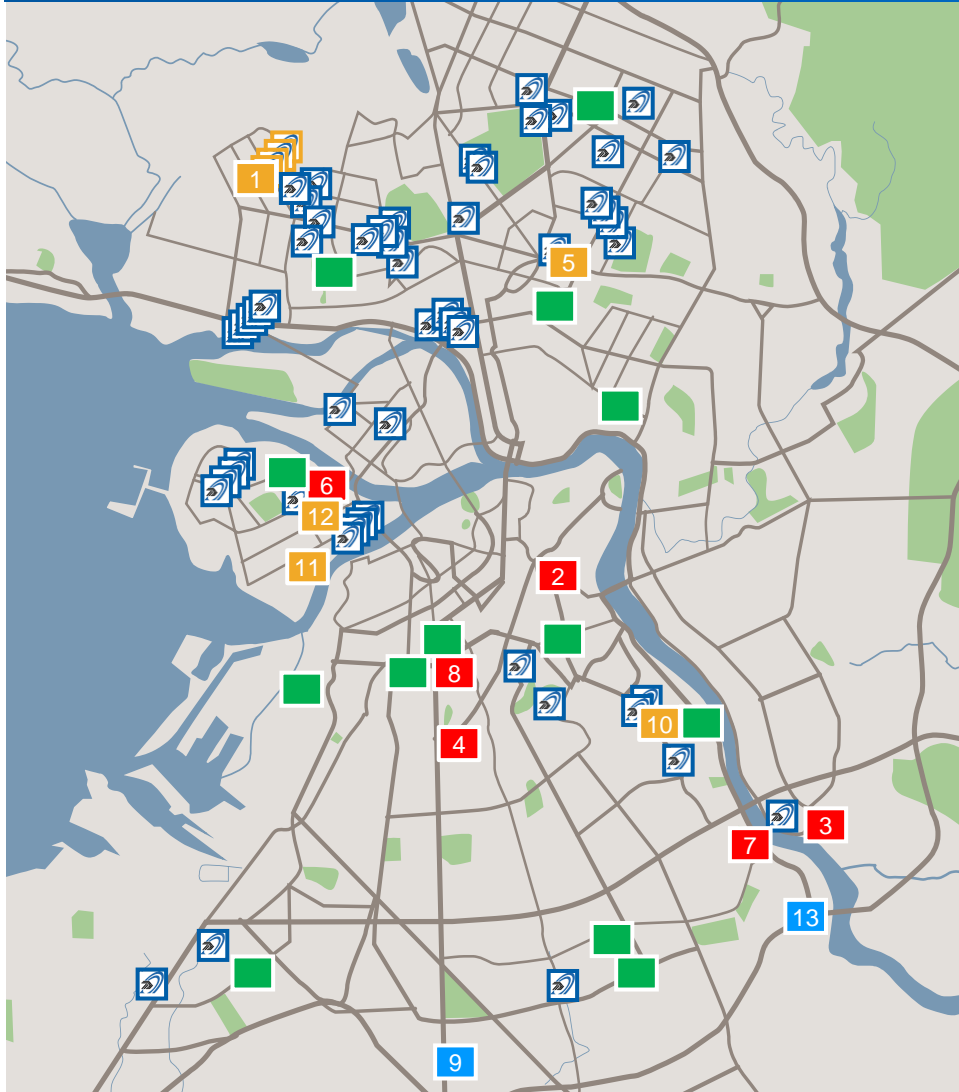
On Track with Plans Announced at IPO



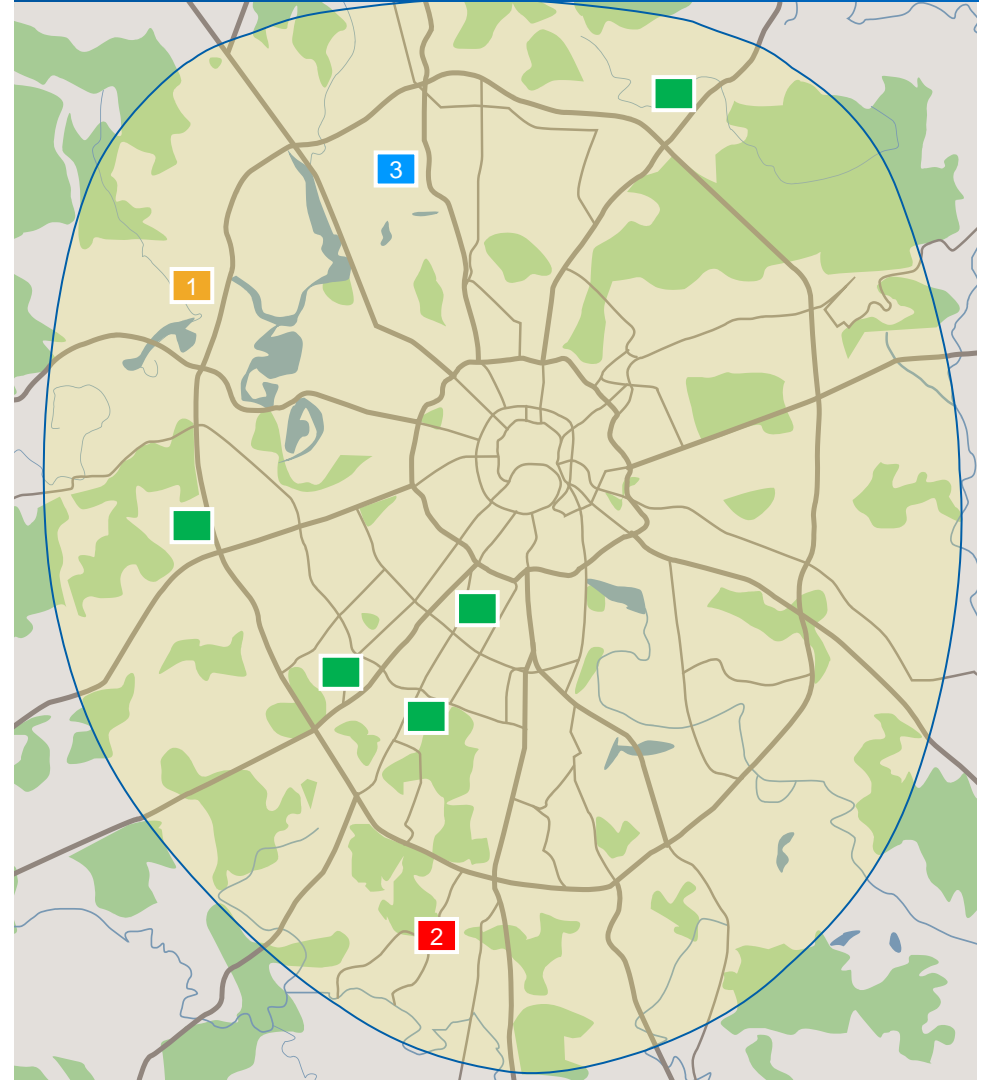
	2011	2012	2013	2014	2015	2016	Status	Total NSA ('000 sqm)	Unsold NSA ('000 sqm)	OMV ⁽¹⁾ (US\$m)	Unsold parking (lots)	Construction budget ⁽¹⁾ (US\$m)	Outstanding budget ⁽¹⁾ (US\$m)
St. Petersburg													
1 Jubilee Estate	←→						Construction	602	377	416	2,201	738	208
2 Tsar's Capital (Kremenchugskaya str. 11)	←→						Planning permit	459	459	126	1,638	789	789
3 Swallow's Nest (Oktyabrskaya embankment 118)	←→						Construction permit	319	319	42	2,182	376	376
4 Moskovskiy (Moskovsky prospect 115)	←→						Planning permit	259	259	111	1,286	431	431
5 Orbit	←→						Construction	207	169	107	926	244	191
6 Uralskaya str. 2	←→						Planning permit	165	165	48	600	307	307
7 Obukhovskoy oborony prospect 110	←→						Planning permit	101	101	28	746	134	134
8 Smolenskaya str. 9	←→						Planning permit	70	70	26	257	107	107
9 Pulkovskoe shosse	←→						Planning permit	63	63	n/a	n/a	TBD	TBD
10 Etude	←→						Construction	23	15	11	138	28	22
11 Prestige	←→						Construction	21	20	26	96	36	29
12 Talisman	←→						Delivered	15	8	19	110	20	5
13 Rechnoy	←→						Planning permit	105	105	n/a	n/a	TBD	TBD
Completed and unsold residential developments								1,122	34	54	795	-	8
Completed stand-alone commercial properties								39	20	52	61	-	-
Moscow													
1 Emerald Hills	←→						Construction	868	847	258	4,773	1,072	1,019
2 Etalon-City	←→						Planning permit	270	270	92	2,022	372	372
3 Dmitrovskoe shosse	←→						Planning permit	350	350	n/a	n/a	TBD	TBD

Operations in Moscow* Set to Repeat the Success of St Petersburg's Business*

Projects in St. Petersburg Metropolitan Area



Projects in Moscow Metropolitan Area



Completed
 Under construction ⁽¹⁾
 Design stage ⁽¹⁾
 Newly acquired projects
 In the course of DD and negotiations

* Moscow metropolitan and St Petersburg metropolitan areas respectively
 (1) Project numbers in square correspond to the projects in the table on previous page

Nationwide Sales & Marketing Network Supports Sustainable Contracting

Powerful sales network across the country

Regional population actively buys apartments in Moscow and St. Petersburg

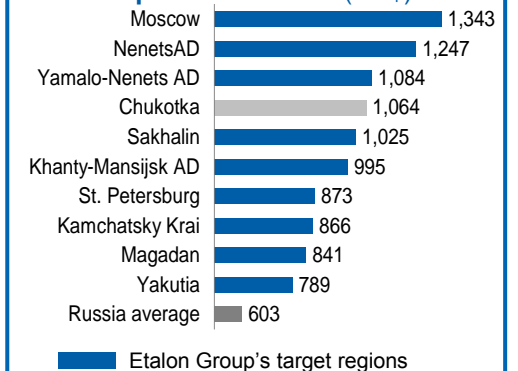


Etalon Group's regional sales geography (2010) ⁽²⁾

Region	Share in sales
Leningrad region	3.9%
Khanty-Mansiysk AD	3.2%
Yamalo-Nenets AD	2.0%
Kamchatsky Krai	1.9%
Sakhalin region	1.2%
Magadan region	0.9%
Yakutia	0.6%
Nenets AD	0.2%
Other Russian regions	9.9%
Foreigners	0.6%
Total:	28.5%

The Group's flats are sold in 9 out of 10 richest Russian regions

Disposable income (US\$) ⁽¹⁾



- Etalon Group sales force is focused on the regions with the largest disposable income
- Key markets: **SPMA and MMA**
- 30 cities covered** with 10 sales offices in St. Petersburg and 10 sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

(1) Average monthly disposable income, Rosstat data as of 3Q 2010; RUB values were converted into US\$ at official CBR average exchange rate in 3Q 2010 (30.62 RUR/US\$); (2) Source: management accounts