



Valuation of Portfolio as at 31 December 2011

March 2012



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.

Expanding Portfolio Providing for Robust Growth

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



Projects delivered in 2011

	Project	NSA, sqm
1	Talisman	14,867
2	Jubilee Estate 78A building 6	69,866
3	Jubilee Estate 78A building 7	34,165
4	Jubilee Estate 78A building 4	32,737
5	Orbit building 1	71,671
6	Emerald Hills stage 1	97,594
	Other	7,535
	Total	328,435

Project portfolio time line

#	Project	Construction period						Status	Total NSA ('000 sqm)	Unsold NSA (Etalon,s share) ('000 sqm)	OMV (US\$mn)	Unsold parking (lots)	Construction budget (US\$mn)	Outstanding budget (US\$mn)
		2011	2012	2013	2014	2015	2016							
St. Petersburg														
1	Jubilee Estate	↔						Construction	602	242	448.6	1,375	738	31
2	Orbit	↔						Construction	207	88	114.7	908	233	82
3	Etude	↔						Construction	23	7	13.3	138	23	5
4	Prestige	↔						Construction	21	13	33.9	96	42	8
5	Lastochkino gnezdo	↔						Construction	319	318	50.1	1,950	387	382
6	Letniy	↔						Construction permit	71	71	25.6	604	86	86
7	Rechnoy	↔						Construction permit	108	92	22.3	688	125	125
8	Galant	↔						Construction permit	56	56	28.1	123	91	91
9	Molodejny	↔						Construction permit	96	96	32.5	678	109	109
10	Samotsvety	↔						Planning permit	187	187	63.4	865	311	310
11	Tsarskaya stolitsa	↔						Planning permit	459	358	129.5	1,638	793	793
12	Moskovsky	↔						Planning permit	253	253	118.6	1,286	408	408
Completed and unsold residential developments								1,133	30	46.3	623	0	0	
Completed stand-alone commercial properties								39	6	41.7	0	0	0	
Total SPMA								3,574	1,817	1,168.6	10,972	3,346	2,430	
Moscow														
1	Emerald Hills	↔						Construction	884	779	342.2	4,463	1,132	978
2	Etalon-City	↔						Planning permit	381	364	99.6	4,019	576	576
3	Dmitrovskoe shosse	↔						Planning permit	357	285	103.4	2,584	538	531
Total MMA								1,622	1,428	545.2	11,066	2,246	2,085	
Total Etalon Group								5,196	3,245	1,713.8	22,038	5,592	4,515	

Schedule of Valuations at 31 December 2011 by Jones Lang LaSalle

Residential projects under development (1 of 2)

#	Project	Region	Value	Land tenure	Site area	GBA	NSA total*	Valued interest (Etalon's share)	NSA attributable to Etalon*	Unsold NSA*	Unsold parking lots	Total development costs	Outstanding development costs	Outstanding payments for area sold	Average price per sqm	Average price per parking lot
1	Emerald Hills	Moscow Region	342,200,000	49-year leasehold	80	-	884,447	97% in the income from residential premises and 100% in the income from commercial premises	826,731	779,154	4,463	1,132,113,000	977,962,000	30,846,917	Residential: 2,400 Commercial: 2,300	23,000
2	Etalon-City	Moscow	99,600,000	Investment Contract Leasehold until 2014	11.24	507,738	381,316	93.15% in the saleable residential area and 100% in the built-in commercial premises on the ground floors of the residential buildings and underground parking	364,332	364,332	4,019	576,389,838	576,389,838	n/a	Residential: 3,150 Commercial: 2,669	30,000
3	Jubilee Estate	St Petersburg	448,600,000	Freehold	35.40	721,383	601,758	100%	601,758	242,269	1,375	737,714,002	30,628,380	74,932,814	Residential: 2,300 Residential with fit-out: 2,600 Commercial: 1,850	19,750
4	Prestige	St Petersburg	33,900,000	Freehold	0.3487	27,488	21,057	100%	21,057	12,924	96	42,368,000	8,215,000	8,201,754	Residential: 3,800 Commercial: 2,900	39,500
5	Etude	St Petersburg	13,300,000	Freehold	0.4211	27,278	22,723.3	100%	22,723.3	7,433.8	138	23,059,000	5,081,000	10,027,000	Residential: 2,400 Commercial: 2,000	19,000
6	Orbita	St Petersburg	114,700,000	Freehold	6.89	265,899	207,404	100%	207,404	87,893	908	232,969,000	82,347,000	69,863,016	Residential: 2,350 Commercial: 2,200	20,650; 16,500
7	Lastochkino gnezdo	St Petersburg	50,100,000	Freehold	10.4059 and 2.6879	398,745	318,996	100%	318,996	317,666	1950	386,972,000	381,704,000	1,973,000	Residential: 2,000 Commercial: 1,800	13,600 (surface)
8	Galant	St Petersburg	28,100,000	Freehold	1.84	80,000	55,600	100%*****	55,600	55,600	123	90,853,000	90,853,000	-	Residential: 2,650 Commercial: 2,200	21,300
9	Molodejny	St Petersburg	32,500,000	Freehold	3.6311 (freehold), 0.6935 (leasehold)	111,367	95,511	100%	95,511	95,511	678	108,517,000	108,517,000	-	Residential: 2,300 Commercial: 2,100 Office centre: 1,800 Social infrastructure: 750	19,000 (underground) 15,200 (surface)
10	Samotsvety	St Petersburg	63,400,000	Freehold	6.50	224,950	187,458	100%	187,458	187,458	865	311,250,000	309,767,000	-	Residential: 2,700 Commercial: 2,500	29,900
11	Tsarskaya stolitsa	St Petersburg	129,500,000	Leasehold	20.80	567,824	459,114	78%*****	358,109	358,109	1,638	792,542,000	792,542,000	-	Residential: 3,300 Commercial: 2,800	38,100
12	Moskovsky	St Petersburg	118,600,000	Freehold	12.00	330,000	252,580	100%*****	252,580	252,580	1,286	408,259,000	408,259,000	-	Residential: 2,700 Commercial: 2,300	21,300
13	Dmitrovskoye Highway	Moscow	103,400,000	Investment contract subject to leasehold	13.14	437,728	357,172	phase I - 79% of residential and commercial premises, 100% of parking spaces; phase II - 79% of total areas.	284,686	284,686	2,584	538,401,000	531,909,000	-	Residential: 3,400 Commercial: 2,900	25,400

Schedule of Valuations at 31 December 2011 by Jones Lang LaSalle

Residential projects under development (2 of 2)

#	Project	Region	Value	Land tenure	Site area	GBA	NSA total*	Valued interest (Etalon's share)	NSA attributable to Etalon*	Unsold NSA*	Unsold parking lots	Total development costs	Outstanding development costs	Outstanding payments for area sold	Average price per sqm	Average price per parking lot
14	Lentniy	St Petersburg	25,600,000	Freehold	2.1027	83,616	70,605	100%	70,605	70,605	604	86,283,000	86,283,000	-	Residential: 2,400 Commercial: 2,000	20,800 (underground) 16,600; 15,600 (multi-storeyed above ground)
15	Rechnoy	St Petersburg	22,300,000	Lease-hold with obligation to buy the ownership rights	2.1621	128,928	108,356	85%	92,345	92,345	688	125,389,000	125,389,000	-	Residential: 2,300 Commercial: 2,000	14,700 (above ground two-storied)

*In terms of construction costs and outstanding construction costs, we have had regard to those budgeted costs provided to us by the Company and have taken these into account in considering our opinions of value. However, we have also had regard to current construction rates passing in the market which a prospective purchaser may deem appropriate to adopt in constructing each individual scheme. Although in some instances we have adopted the budgeted costs provided to us by the Company, in some cases we have opted to use our own opinions of costs. In those instances where we adopted our own opinion of costs we would note that we are not professional cost consultants and these figures ought to be read in light of this. Our opinions as to costs have been arrived at on the basis of our experience of valuation of similar properties and on the basis of the cost information obtained from other developers, rather than from a qualified cost consultant. Social infrastructure costs are included in the total construction budget in case it is required by the investment contract with the owner of the land plot.

** Net sellable area for parking is calculated assuming an average area of a parking lot of 30 sq.m

*** Residential sale prices are inclusive of VAT. Commercial sale prices and parking sale prices are exclusive of VAT

**** Residential area and parking

Schedule of Valuations at 31 December 2011 by Jones Lang LaSalle

Completed residential developments

#	Property Name	Region	Market Value of the Company's share, US\$	Land tenure	Site Area, ha	Gross building area, sq m	Valued interest, % (Etalon's Legal Share)	Total net sellable / leasable area, excluding car parking, sq m (Etalon's Legal Share)	Unsold / unleased net area, including car parking, sq m* (Etalon's Legal Share)	Unsold/unleased car parking, lots (Etalon's Legal Share)	Outstanding payments for the areas sold, US\$	Q4 2011 average market sale prices, US\$/sq m**	Q4 2011 market sale prices for parking, US\$/lot**
16	Sea Cascade	St Petersburg	800,000	Freehold	n/a	n/a	100%	120,946	775	17	124,203	Commercial: 1,200	23,600
17	Sea Facade	St Petersburg	1,700,000	Freehold	n/a	n/a	100%	237,403	2,118	52	550,921	Commercial: 700	21,200
18	Near Rostral Columns	St Petersburg	1,000,000	Freehold	n/a	n/a	100%	69,152	827	15	11,191	Commercial: 1,100	48,600
19	Petrogradsky Etalon	St Petersburg	2,100,000	Freehold	1.7	n/a	100%	32,149	728.6	15	1,259,000	Storage premises in parking: 1,400	53,500
20	Oktyabrskaya embankment	St Petersburg	206,500	Freehold	n/a	n/a	100%	n/a	133.2	-	-	Commercial: 1,550	-
21	Rainbow	St Petersburg	13,600,000	Freehold	7.2205	n/a	100%	142,804	5,923	-	7,364,000	Residential: 2,500 Commercial: 2,100 Storage premises in parking: 760 Auxiliary premises: 1,700	-
22	Polezhaevskie Houses	St Petersburg	3,700,000	Freehold	0.7926	n/a	100%	21,800	5,378	147	201,354	Residential: 2,200 Commercial: 1,500 Support area in parking: 500	17,300
23	Golden Bay	St Petersburg	2,990,000	Leasehold	7.511	n/a	100%	215,856	1,715.8	50	1,705,000	Commercial and storage area: 800 Parking: 32,200	-
24	Grazhdanka City	St Petersburg	1,190,000	Leasehold	n/a	n/a	100%	46,266	1,840.7	57	164,980	Commercial: 550 Parking: 21,700; 13,000	-
25	Grazhdanka City-2	St Petersburg	320,000	Leasehold	n/a	n/a	100%	40,739	360	12	109,950	Parking: 21,700	-
26	New Constellation	St Petersburg	6,000,000	Leasehold	n/a	n/a	100%	118,065	6,952.8	215	2,417,352	Residential: 2,500 Commercial: 1,350	22,600
27	Invigorating Stream	St Petersburg	1,900,000	Leasehold	n/a	n/a	100%	54,198	89	-	1,990,705	Residential: 2,300	-
28	Talisman	St Petersburg	10,800,000	Freehold	0.4788	14,599	100%	11,019	3,260	43	5,107,000	Residential: 3,800 Commercial: 2,800 Auxiliary premises: 1,400	39,500

* Net sellable area for parking is calculated assuming an average area of a parking lot of 30 sq.m

** Residential sale prices are inclusive of VAT. Commercial sale prices and parking sale prices are exclusive of VAT

Schedule of Valuations at 31 December 2011 by Jones Lang LaSalle

Standing commercial real estate properties

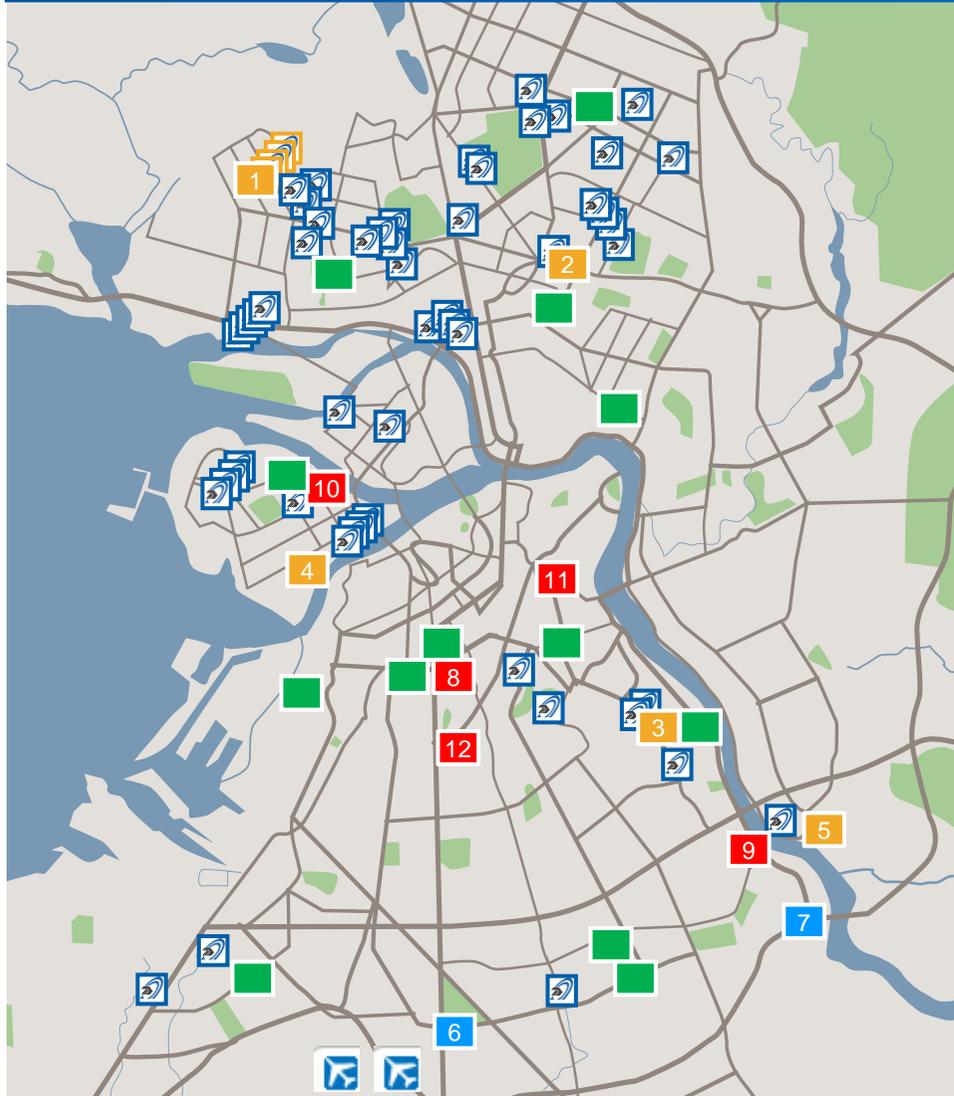
#	Property Name	Region	Market Value of the Company's share, US\$	Land tenure	Site Area, ha	Gross building area, sq m	Valued interest, % (Etalon's Legal Share)	Net sellable / leasable area, excl. car parking, sq m (Etalon's Legal Share)	Unsold / unleased net area, including car parking, sq m* (Etalon's Legal Share)	Unsold/unleased car parking, lots (Etalon's Legal Share)	Estimated market rental, US\$ per annum excluding VAT	Outstanding payments for the areas sold, US\$	Q4 2011 market rental rates US\$/sq m / year **	Q4 2011 market rental rate for parking, US\$/space**
29	Smolenka River Business Centre	St Petersburg	10,400,000	Leasehold	0.3749	16,386	100%	8,799.6	1,069.7	-	2,047,000	423,502	Office: 300 Retail: 200 Storage parking: 200 (incl. OPEX and VAT)	Parking: 2,280
30	Stock Exchange Business Centre	St Petersburg	4,400,000	Freehold	0.35	25,409.9	100%	21,263.0	1,468.60	-	69,000	534,000	Sale price: 2,600	-
31	Aura Trading and Exhibition Centre	St Petersburg	26,900,000	Leasehold	1.32	14,653.3	100%	8,454.0	3,545.0	-	3,551,000	-	400 (net of OPEX and VAT)	-

* Net sellable area for parking is calculated assuming an average area of a parking lot of 30 sq.m

** Commercial sale prices, parking sale prices and market rental rates for commercial space are exclusive of VAT.

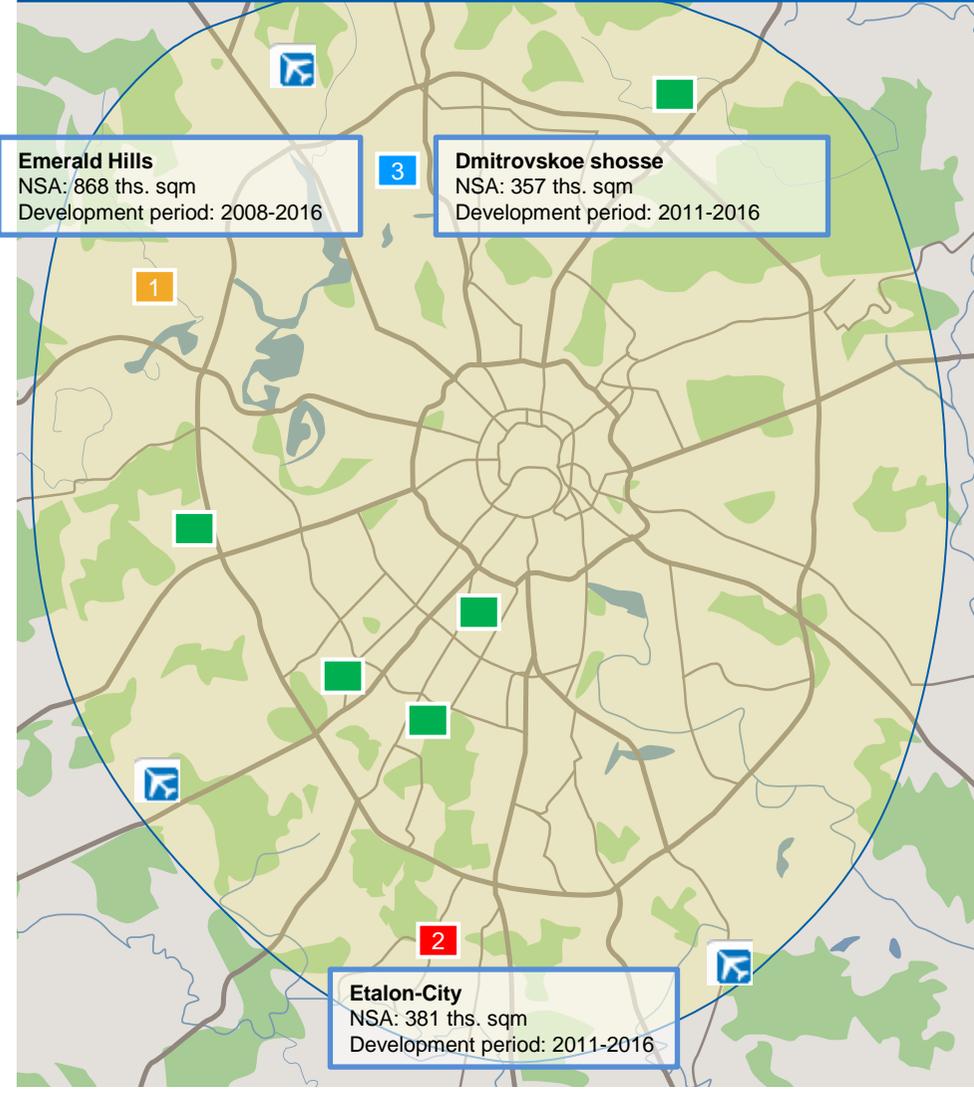
Operations in Moscow* Set to Repeat the Success of St Petersburg's Business*

Projects in St. Petersburg Metropolitan Area



Completed
 Under construction (1)
 Design stage (1)

Projects in Moscow Metropolitan Area



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 at page 4

Key Takeaways

Solid increase in market value of the portfolio

- The valuation of the portfolio increased by 20%, reaching USD 1,714 million as at 31 December 2011
- Total landbank reached 3.25 million sqm of unsold NSA.

Consistent growth in share of Moscow Metropolitan Area (MMA)

- Share of MMA projects in terms of unsold NSA reached 44%, which is fully in line with Etalon's strategy to maintain a 50/50 split between MMA and St. Petersburg. This, together with the fact that we delivered first c.100 thousand sqm in the region last year, demonstrated our commitment to MMA.

Annual NSA additions outpace annual contracting by 65%

- In 2011 Etalon contracted 270 thousand sqm and acquired 535 thousands sqm of new NSA (447 thousand sqm attributable to Etalon). This yields a landbank maintenance ratio of 1.65x.

Strong balance sheet position to benefit from higher quality deal flow

- USD 490 million in cash and cash equivalents and c. USD 323 million of mid- to long-term debt (per unaudited consolidated financial statements for FY 2011)
- We believe Etalon is well-positioned and sufficiently capitalized to acquire more high-quality projects