

Real Estate Investment Market

News / Indicators

January – February 2007

Deals

- Danish investment company Baltic Property Trust acquired first phase of the Global City shopping centre with total area of 16,000 sqm (US\$ 60 million*);
- Singaporean Ascott Group (the serviced residence arm of CapitaLand Limited), the largest international serviced residence owner-operator outside the United States, has signed a Memorandum Of Understanding with Amtel Properties Development to jointly set up an initial fund of US\$ 100 million to acquire and develop residences in Moscow and St Petersburg;
- Holding Podium acquired shopping centre Quadro in Moscow from Group Party (US\$ 35 million*);

* - estimated transaction value

Capital Markets

- Sistema Gals raised US\$ 187 million from Eurohypo for the development of retail and entertainment complex Gals Mart in St Petersburg (US\$ 250 million**).

Announcements

- Advantage Group intends to develop two shopping and entertainment centres in Novosibirsk with total area up to 160,000 sqm (US\$ 180 million**);
- TriGranit Development Corporation intends investing € 5 billion in the Russian real estate;
- London & Regional Properties intends to develop mixed-use 500,000 sqm complex on a site the area of 43 hectares at the Kiev highway in Moscow (US\$ 800-850 million**);
- British Ovental Investments intends investing around US \$1 billion in business, retail and entertainment centres and spa-hotels in Moscow, St Petersburg and other Russian regions within next five years;



Global City shopping centre in Moscow,
14, Kirovogradskaya street

- Immoeast plans construction of the third Golden Babylon shopping centre (total area – 143,000 sqm) at the intersection of Ryabinovaya and Vereiskaya streets (US\$ 150 million**);
- London & Regional Properties has signed an agreement with VVV Company for joint construction of more than 1 million sqm of warehouses in Russia (US\$ 750 million**);
- Africa Israel and Danya Cebus announced they will create a joint venture with a Russian concern for developing of real estate projects in Perm (US\$ 400 million**).

** - projected investment volume

Financial and Economic Indicators

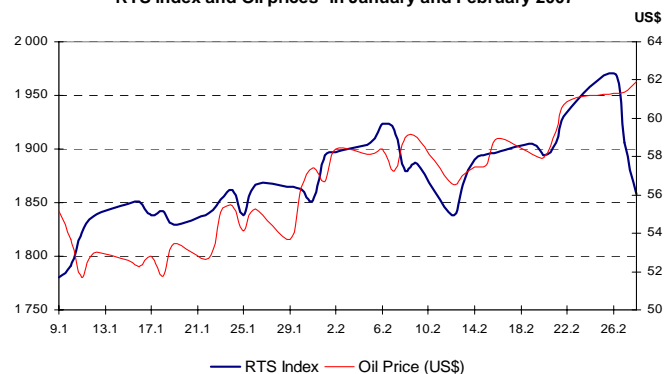
Indicator	Nov. '06	Dec. '06	Jan. 07
Nominal GDP (in billions of roubles)	2,555	2,636	1,993
Inflation (monthly in %, by end of period)	0.6	0.8	1.7

Source: Ministry of Finance, Ministry for Economic Development and Trade

Indicator	Begin. of January	End of February	Change
Gross Currency Reserves (US\$ billion)	303.9	311.1	+ 2.37% ↑
Stabilization Fund (US\$ billion)	89.13	103.55	+ 16.18% ↑
USD / RUR	26.3311	26.1599	- 0.65% ↓
EUR / RUR	34.6965	34.5180	- 0.52% ↓
GBP / RUR	51.7775	51.3205	- 0.88% ↓
RTS Index	1,906.32	1,858.14	- 2.53% ↓

Source: Ministry of Finance, Bank of Russia, Russian Trading System

RTS index and Oil prices* in January and February 2007



* - Brent oil price, InterContinental Exchange Futures

Source: Russian Trading System, ICE