

STATEMENT

REVIEW REGARDING THE
EVALUATION OF THE FAIR VALUE OF
SPONDA PLC'S INVESTMENT PROPERTIES
LOCATED IN RUSSIA

29 APRIL 2009

PREPARED FOR:

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1. OUR ASSIGNMENT

In accordance with our engagement contract No 08-001945 dated 2 April 2009 with Sponda Plc (the "Company") and based on the assignment given to us by the Company, we, (Cushman&Wakefield Stiles&Riabokobytko), Chartered Surveyors, have reviewed the evaluation of properties carried out internally by the Company. Our review was based on certain assumptions and qualifications that apply to the properties set out in the Appendix I (the "Portfolio") of this statement. Our review covered the properties which we understand are owned by the Company or its subsidiaries.

2. THE REVIEW

The effective date of our review was 31 March 2009. The review was not carried out entirely in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards, 6th edition, published by The Royal Institution of Chartered Surveyors (the "Red Book"). In particular, we have relied totally on the information supplied by the Company as to the identity of each property, floor areas, specification, tenure, tenancies, town planning and, in some cases, development potential. Should such information prove to be incorrect or inadequate, the accuracy of our review may be affected.

The review was carried out between 25 March 2009 and 4 April 2009 by Tim Millard MRICS - professional and authorised valuer who conforms to the requirements as set out in the Red Book, acting in the capacity of independent valuer. The purpose of the internal valuation prepared by the Company and its review was for the accounting purposes. No other purposes are intended or should be inferred.

As instructed and in accordance with the requirements of the Red Book, our review was carried out on the basis of fair value. According to the International Valuation Application published by the International Valuation Standards Council, para 3.4, fair value means "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction." According to the International Valuation Standard 2, para 6.2, "In accounting standards, Fair Value is normally equated to Market Value."



We have agreed on methodology applied by the Company, i.e Discounted Cash Flow. As regards some valuation assumptions, we followed the market practice in Russia and adopted in our calculation of the fair value of the investment property portfolio a five-year cash flow model as opposed to the ten-year cash flow model applied by the Company. Further deviating from assumption in respect of market rental rates applied by the Company, we evaluated the market rents to their present values without predicting possible future changes. Fair value estimated for Ancor property (see Appendix I) was based on sales comparison approach under assumption that typical buyer for this property would be an end-user.

3. MARKET UNCERTAINTY

Where uncertainty could have a material effect on an opinion of value, the Red Book requires a Valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

Since the middle of September 2008 financial markets have been exceptionally volatile in response to concerns over the solvency and creditworthiness of a number of major banks and financial institutions and the wider consequences for the global financial system and economy.

In the last few weeks governments and central banks in the US, UK and elsewhere across Europe have taken a variety of steps to try and improve liquidity in the financial system, to restore confidence in the banking sector and reassure investors and creditors. These initiatives include making available additional capital and lines of credit to banks and major lenders, providing banks with a means to dispose of “toxic” assets and liabilities and a general relaxation of monetary policy.

It is too early to assess whether any of these initiatives, such as the Troubled Asset Relief Programme, passed by the US Congress, the assistance given to the banking sector by the Russian government, and the most recent announcement from the UK Government that it is making available up to £400 billion to re-capitalise the UK banking system, will have the desired effect of restoring a degree of confidence and stability to the financial markets.

Under these conditions many investment decisions have been put on hold or deferred. In view of the greatly reduced volume of transactions in the property investment market in the last six months, these latest developments only serve to increase the degree of uncertainty that must attach to any opinion of value given at the present time.



We have valued the properties on the basis of market evidence available as of the date of valuation, although there has been a greatly reduced trading volume recently and much relates to transactions completed earlier in the year before the full extent of the current banking crisis manifested itself.

In the aftermath of the "credit crunch" and the current hiatus in the debt markets, it is likely there will be unusual volatility in the global economy with unpredictable consequences for the Russian real estate market. We have therefore endeavoured to reflect current market sentiment, although the signals are mixed. Some commentators are saying that any vendor in this market is a distressed one and therefore the prices achieved are not representative of those that would be achieved in a stabilised market. Others suggest that the prospects for Russian real estate are not adversely affected, especially for those properties producing long term secure cash flows and that demand still exists from cash buyers, which are less or not reliant upon debt. However, all commentators agree that there are fewer purchasers than in the past and that those who are in the market are taking advantage of vendors, who are presumed to have to sell.

The only defence a vendor has in the face of a purchaser seeking to drive the price lower is to withdraw the property from the market. This creates further uncertainty as it perpetuates the lack of transactional evidence in the market place.

In order to provide a rational opinion of value at the present time it is necessary to assume that the property market will continue to trade in an orderly fashion. If the current uncertainty and turmoil continues we would reserve the right to review our valuation to reflect this major change in circumstances.

We have to exercise a greater degree of judgment than is usual in a more active market. As a result, there is greater uncertainty attached to our opinion of value than during normal market conditions. We strongly recommend that you keep the valuation of the subject properties under review. You should also anticipate a longer marketing period than would previously have been expected in the event that the property is offered for sale.



4. THE RESULTS OF THE REVIEW

Based on our internal examination, we have agreed on the fair value of the respective property portfolio and confirm that the fair value of the respective property portfolio correspond to the fair values as published in the company's unaudited consolidated interim report for January – March 2009 as of 7 May 2009.

Yours faithfully

For and on behalf of Cushman & Wakefield Stiles & Riabokobylko

A handwritten signature in black ink, appearing to be 'Tim Millard', written in a cursive style.

Tim Millard MA (Cantab) MRICS
Partner, Cross Border Capital Markets
Head of Department
Valuation Advisory Services



Appendix I: SUMMARY OF PROPERTIES

Property Address:	Property Description
<p>Adastra</p> <p>Warehouse Complex</p> <p>St Petersburg, Zanevka</p>	<p>The subject property is represented by an existing single tenant warehouse complex with office premises and showroom located in the village Zanevka, near St Petersburg ring road. Gross Leasable area is 7,872.3 sq m.</p> <p>The complex is leased long term for an international company.</p> <p>The premises are at excellent condition.</p>
<p>Inform Future</p> <p>12, Tambovskaya str., St Petersburg</p>	<p>The property represents an existing and operating office centre introduced by three buildings which comprise the total area of 3,691 sq m and gross leasable area of 2,691 sq m</p> <p>Buildings were originally constructed in 1909, reconstructed in 1992-1997 gradually and renovated in 2004.</p> <p>The property is located on Tambovskaya street of Nevskiy district of St Petersburg</p>
<p>NRC</p> <p>3, Kaluzhskiy per., St Petersburg</p>	<p>The property represents an existing and operating office centre which comprise the total area of 3,835.8 sq m and gross leasable area of 2,856.8 sq m. Property is located on Kaluzhskiy per 3 of Central District of St Petersburg not far from metro station of Chernishevskaya.</p> <p>The building was originally constructed in 1886 and totally reconstructed in 2003.</p>
<p>Slavjanka</p> <p>Borovskoye Highway, 6, “Solncevo” District, Moscow</p>	<p>The property represents an existing and operating shopping centre introduced by a 2-storey building which comprises the total area of 11,652.8 sq m and total leasable area of 8,954.91 sq m.</p> <p>The property is located on Borovskoye Highway, 6, “Solncevo” District, in the South-West of Moscow city.</p> <p>The shopping centre has a free surface parking facility, organised for the visitors, with approximately 250 parking slots with the total area of 3,829 sq m.</p>
<p>Korbis K</p> <p>Ramenskoye city, Moscow region</p>	<p>The property represents an existing and operating shopping centre introduced by a 2-storey building and technical floor and a basement facility, which comprises the total area of 9,018.8 sq. m. and total leasable area of 6,083.5 sq m.</p> <p>The property is located at Ramenskiy region, Ramenskoye city, 4B Vokzalnaya street, Moscow region, Russia.</p>



Property Address:	Property Description
<p>Ancor 6, Mira avenue, Moscow</p>	<p>The property represents an existing and operating business centre with a total area of 4,842.5 sq m and rentable area of 2,967.9 sq m.</p> <p>The property consists of two above ground floors and mansard level with a double-deck underground parking for 54 parking places.</p> <p>The building is located at a distance of 3- to 5-minutes walk from Sukharevskaya Metro Station close to the intersection of Mira Avenue and Moscow Garden Ring Road.</p>
<p>Ducat Place II 7, Gasheka str., Moscow</p>	<p>The property represents an existing and operating Class A business centre with a total area of 19,148.2 sq m and rentable area of 14,491.25 sq m.</p> <p>The property is a 4-10-floored building with a double-deck underground garage.</p> <p>The building is located at a distance of 5- to 7-minutes walk from Mayakovskaya Metro Station in a mixed-use development district. This location is in the north-western portion of the Moscow Belorussky Business District, in the closest vicinity to the Moscow Garden Ring Road.</p>