STATEMENT

Evaluation of the fair value of the investment properties owned by Sponda PLC in:

Moscow, Moscow Region and Saint Petersburg, Russia

June 30, 2013

On behalf of Sponda Plc

EVALUATION OF THE FAIR VALUE OF THE INVESTMENT PROPERTIES OWNED BY SPONDA PLC IN RUSSIA

Our Assignment

In accordance with the engagement contract #06/05-450CV dated May 13, 2013 between Sponda Plc (hereinafter referred to as "the Client", "the Company" or "Sponda") and CB Richard Ellis LLC, we have reviewed the property valuations carried out internally by Sponda.

CBRE has been asked to review the internal valuation of the Sponda real estate Portfolio in accordance with RICS Valuation – Professional Standards (2012) (the "Standards"). Our review of the internal valuation of the Portfolio was conducted for accounting purposes. It may not be reproduced or used for any purpose other than the purpose stated above without the prior written consent of *CB Richard Ellis LLC* in each specific instance.

The Portfolio covered in our analysis consists of 8 (eight) operational properties held for investment purposes; the assets are described in Appendix 1 of this Statement. Our review covered the properties which we believe are owned by the Client or its subsidiaries. CBRE made relevant enquiries in order to provide our opinion of the Fair Value of the Property Portfolio as at June 30, 2013.

We confirm that we provide this advice as external valuers and we are not aware of any conflict of interest or potential conflict of interest arising in carrying out this instruction.

Approach

In accordance with the Standards, our valuations have been prepared on the basis of Fair Value. There are two definitions of Fair Value defined in the Standards:

- "The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties" (definition adopted by the IVSC);
- "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date" (definition adopted by the International Accounting Standards Board – IASB).

According to Point 2 of the Comments in VS 3.5, "In applying the IVS definition, reference should be made to paragraphs 39–43 of the IVS Framework". According to paragraph 40 of the IVS Framework, "The IVSB considers that the definitions of fair value in IFRS are generally consistent with market value".

We found the general valuation methodology used by the Company to be appropriate and based our valuation on the Income Approach, adopting a 10-year discounted cash flow method to arrive at a Net Present Value. We amended some of the assumptions on market rental rates used by the Company based on our research of current rental rates, incorporating these into the discounted cash flow model upon expiry of current leases taking into account the cyclical nature of the real estate market and the economy.

We have used gross floor areas as shown in the title documents. This valuation was based on the assumption that the Subject Properties have clear title and are free from any actual or pending encumbrances, disputes, claims etc.

We have relied upon the rentable areas, tenancy schedules, current rental rates and operating expenses as provided to us by the Client. We have not made check measurements to verify any areas and have assumed that all areas provided for the Properties and site areas are complete and correct.

The Moscow and Moscow Region Properties were inspected between November 27th and December 5th, 2012. The Saint Petersburg Properties were inspected on December 6th and 7th, 2012. We have assumed that no significant changes that could affect the value of the Properties have occurred in the period between the inspection and valuation dates.

We have not undertaken structural surveys or tested any of the services. At the time of our inspection, the Properties generally appeared to be in a reasonable state of repair and decoration commensurate with age and use. We have not been provided with a copy of any building surveys or structural reports and have assumed that there are no defects that could have an impact on value.

For the avoidance of doubt, we have not undertaken any environmental audits or other environmental investigations or soil surveys at the Properties that may draw attention to the existence of any contamination or the possibility of any such contamination. We have not carried out any investigation into past or present uses of the Properties nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject Properties, and have therefore assumed that none exists.

CB Richard Ellis, LLC will not assume any responsibility or liability for losses occurred to Sponda Plc, or other parties, as a result of the circulation, publication, reproduction or use of this Statement contrary to the provisions stated. We wish to emphasise that our liability rests with Sponda Plc and that we are under no obligation, contractual or otherwise, to any other parties.

MARKET SITUATION

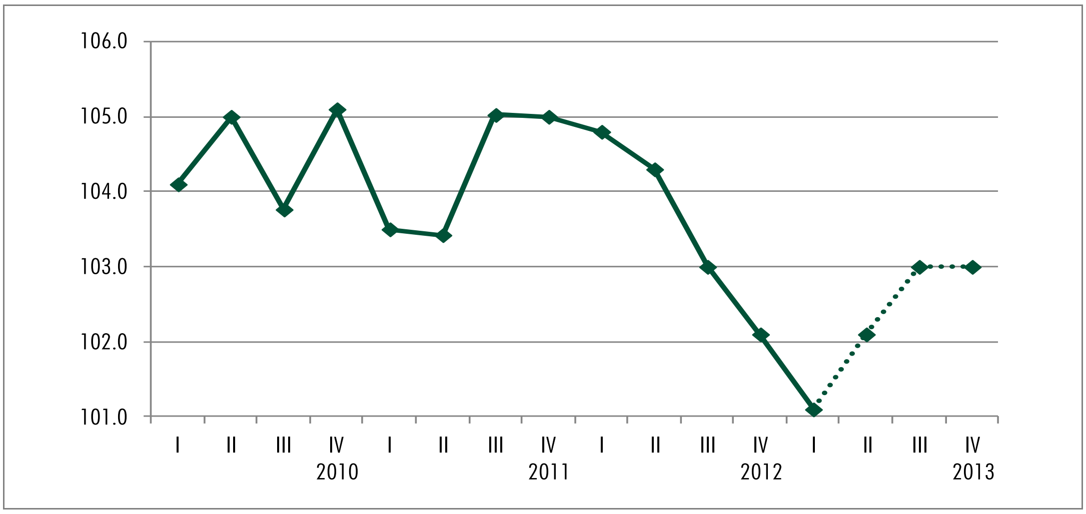
MACROECONOMIC OVERVIEW

According to the Ministry of Economic Development (MED), GDP growth in 2012 was 3.4%, which is 0.3% lower than forecasted at the end of Q3. This is the first time in recent years that yearly GDP growth has fallen below 4%.

Q2 2013 brought with it confirmation of a number of negative developments. A decrease in GDP rate of growth was expected, however, the scale was an unpleasant surprise. According to MED estimates, in Q1 2013 Russian GDP grew by only 1.1% instead of the expected level of at least 2%.

Economic growth had already been slowing for the previous 5 quarters.

Graph 1. GDP growth, Russia, % YoY



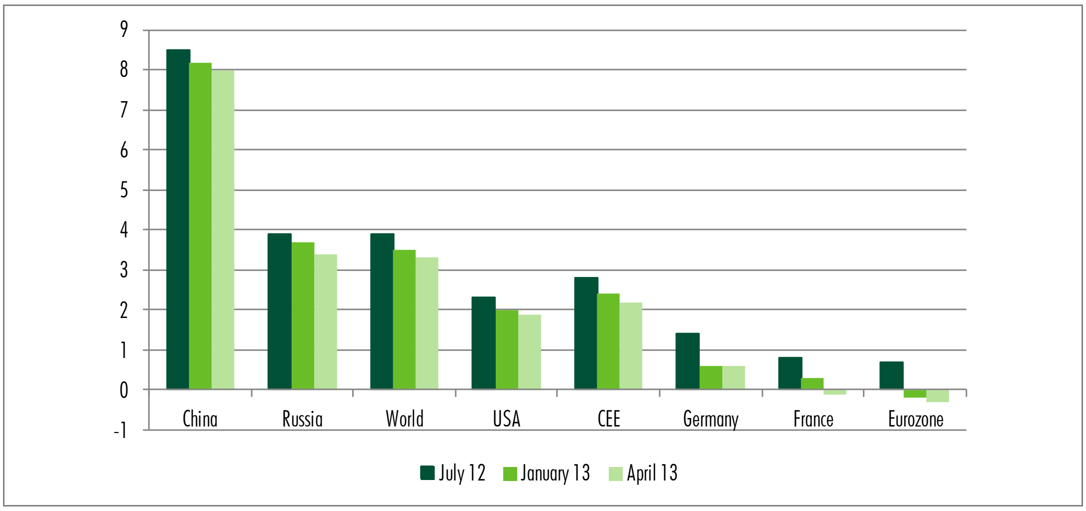
Source: Rosstat, MED

In late Q1 2013 the MED cut its GDP forecast for 2013 by one third, from 3.6% to 2.4%. In addition, their conservative forecast assumes growth of just 1.7%.

The IMF is more optimistic when it comes to Russian economic growth, expecting an increase of 3.4% in 2013. In April 2013, the IMF revised its world economic growth outlook for 2013, reducing the growth forecast by 0.1-0.3% depending on the country.

France, the Eurozone's second largest economy, was affected by this revision, economists consider there is the prospect of the French economy going into recession. The good news is that the IMF review of economic growth did not revise the forecast for Germany.

Graph 2. IMF's GDP growth forecast evolution, %

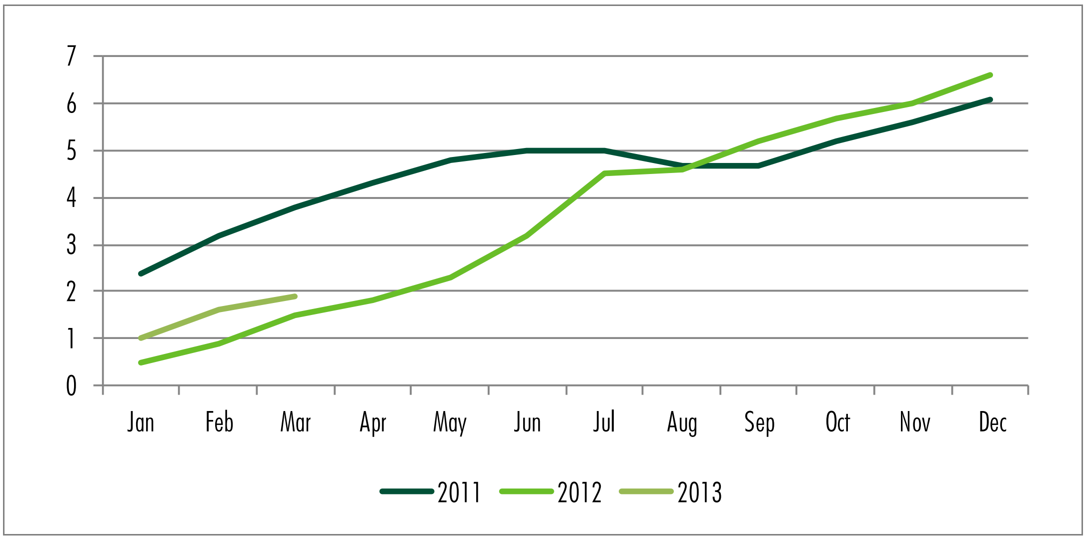


Source: IMF

Consumer prices in 2012 grew by 6.6%, in line with expectations formed in mid-2012. The rate of growth in inflation was 0.5% lower than that recorded in 2011, which was, itself, the lowest level in recent Russian history.

During Q1 2013 consumer prices increased by 1.9%, this is 0.4% higher than in Q1 2012. The official forecast for 2013 is 6%, however, the IMF has reported their forecast as around 6.9%.

Graph 3. Consumer inflation, %



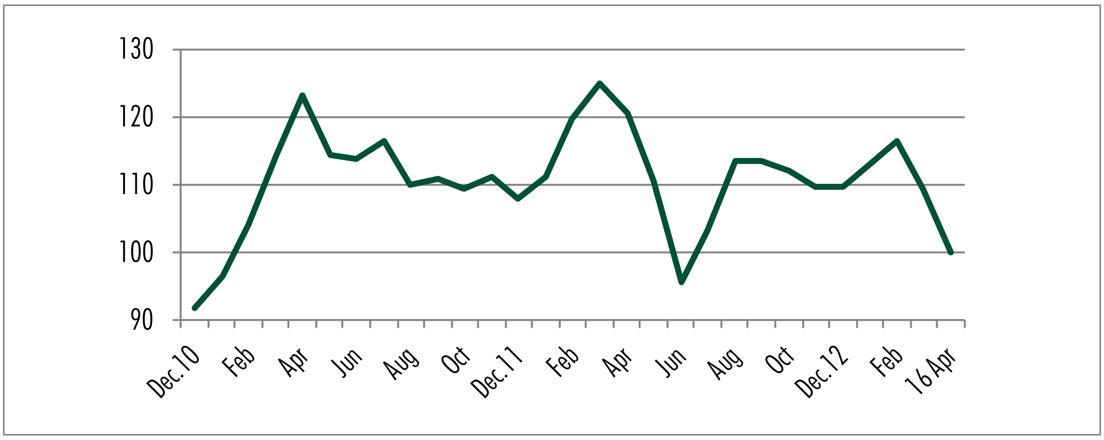
Source: Central Bank of Russia (CBR)

STATEMENT

Prospects for the Rouble Exchange Rate

In April 2013, oil (Brent) prices left the comfortable range of $109-117 per barrel and reached an eight-month low at around $100. A similar situation took place at the end of Q2 2012 when oil prices approached $90 per barrel level. The high level of oil reserves in the USA and fears of a decrease in Chinese oil consumption became the major catalysts of the decline in oil prices.

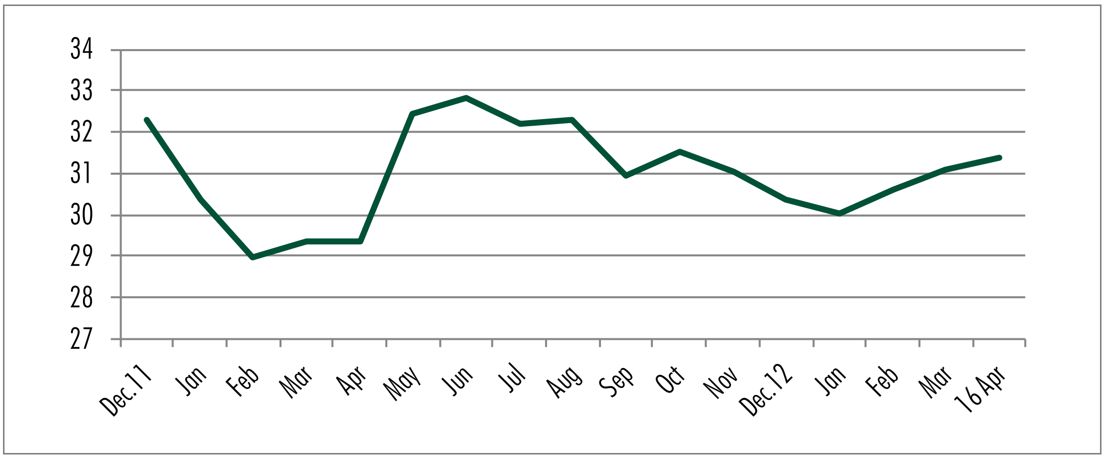
Graph 4. Monthly average price, Brent, $ per barrel



Source: IndexMundi

Rouble exchange rate followed the pattern of 2012 and started depreciating against the US Dollar, falling by 2.3% during Q1 2013 and by another 1% during first two weeks of April.

Graph 5. RUB/$, end of period



Source: CBR

The Central Bank of Russia intervened to support the exchange rate. In the early April international reserves decreased by more than $10 billion and approached the May-June 2012 level, when there was a fall in oil prices to $90 per barrel.

In 2013 movement in oil prices will continue to exert an important influence on foreign trade figures, the balance of payments and the rouble exchange rate.

The movement in the rouble exchange against the US Dollar will remain quite volatile and will depend on oil prices and on the exchange rate of the US Dollar against the Euro.

The Central Bank's accumulated international reserves are sufficient to withstand moderate negative changes in the external economic situation.

Lending Conditions

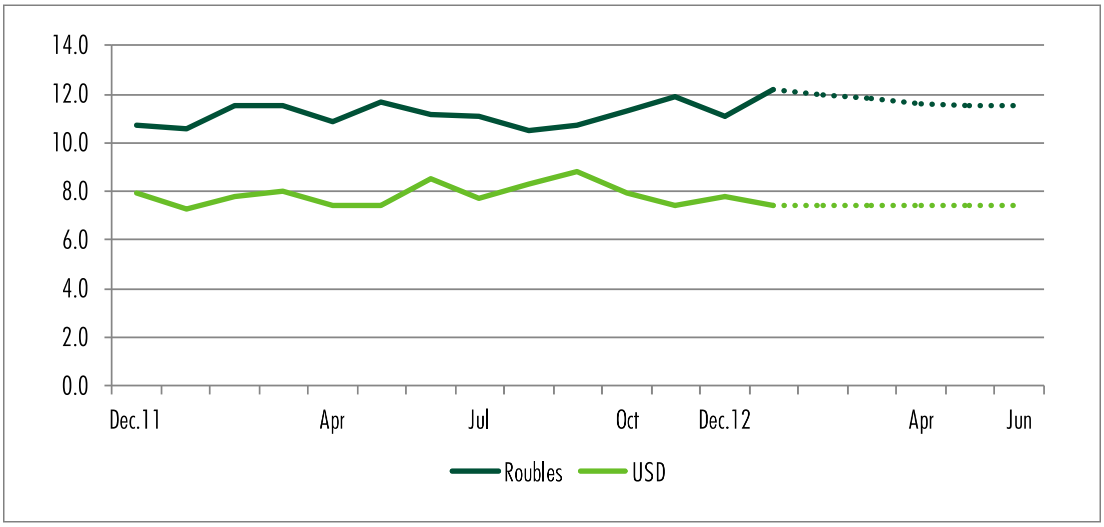
In Q4 2012 and Q1 2013 the market saw some softening in the lending conditions for large corporate borrowers. This was driven by the return of market optimism after the quite complicated summer and autumn months of 2012. During this period we witnessed peaks of investment in the Russian commercial real estate market.

The last lending conditions survey was conducted by Bank of Russia at the end of 2012. According to its results, banks, in general, were expecting stabilisation and further flat dynamics of the lending conditions for large corporate borrowers at Q4 2012 levels.

Given current trends on the financial markets and in economic fundamentals, it's quite difficult to expect significant softening of the lending conditions despite growing pressure on the banking system from the Government.

The trend in the reduction of yields on Russian sovereign Eurobonds seems to have stopped, which makes sense, considering the high dependence of the Russian economy on oil and gas revenues. In the coming months this indicator will generate little positive contribution to the softening of lending conditions.

Graph 6. Weighted average rates, loans for non-financial sector , term >1 year, %



Source: CBR, CBRE Research forecast

Contrary to our Q4 2012 expectations, interest rates on loans in the national currency (Russian roubles) did not follow downward pattern and reached on average 12.2% in January 2013. Major factors, contributing to current higher than expected interest rates, include increased inflation and volatility of the financial markets. A decrease in the interest rates in the near future is still possible, but is not expected to be strong.

Interest rates on foreign currency loans, on the contrary, followed our Q4 2012 expectations and fell, reaching on average of 7.4% in January 2013. A further decrease is unlikely due to the negative macroeconomics fundamentals and paused reduction in yields on Russian Eurobonds.

Lending volumes to the construction sector kept rising. In January 2013 the volume of loans granted was 1.5 times higher compared with the same period of 2012. This tendency was in line with the growing activity on the commercial real estate market.

Conclusions and Forecasts

- The overall macroeconomic situation in Russia has worsened and therefore risks have increased.
- The Eurozone slipped deeper into recession.
- Chinese economy is still growing, however, at a slower rate. This has increased the risks of a downturn in oil prices over the short to mid-term.
- Price adjustments on stock markets and in oil prices are most likely short term by nature.
- We are not changing our forecasts for activity in the CRE market.
- A growth phase for real estate assets is temporarily 'on-hold' due to the above mentioned reasons.

LEASING MARKET

Moscow Office Market Overview

Hot Topics

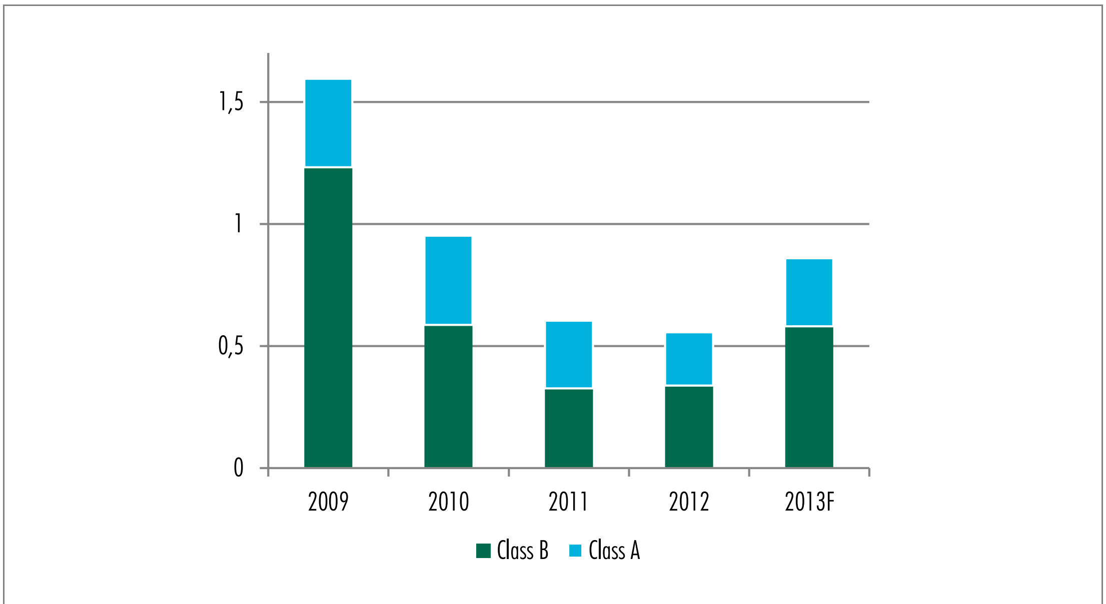
- Active office development both in Moscow-City and beyond the Third Transport Ring;
- New supply growth compared with 2012 results;
- First Prime Class A office building has been put into operation since 2011;
- First mixed-use complex has been delivered in Moscow-City since 2011;
- Continuing decentralisation: the zone between the Third Transport Ring and MKAD saw the highest volume of both new delivery (55%) and take-up (59%);
- 84% of closed deals were done in Class B buildings, in Class A – only 16%;
- The majority of deals were signed by Russian companies, 86% of the total;
- The overall vacancy rate increased (from 11% in Q4 2012 up to 12% in Q1 2013);
- Stable rents.

New Supply

Q1 2013 saw the largest quarterly volume of new office space delivered to the market since 2011. New delivery amounted to 259,544 sq m of which Class A share was 29% (75,847 sq m), Class B share – 71% (183,697 sq m). The volume of new supply in Q1 more than doubled compared to Q1 2012 (111,300 sq m).

Circa 200,000 sq m of new office space are expected to be completed in Moscow in Q2 2013. This brings the total new supply delivered in H1 2013 so far to 459,000 sq m (almost 50% of the new delivery announced for 2013).

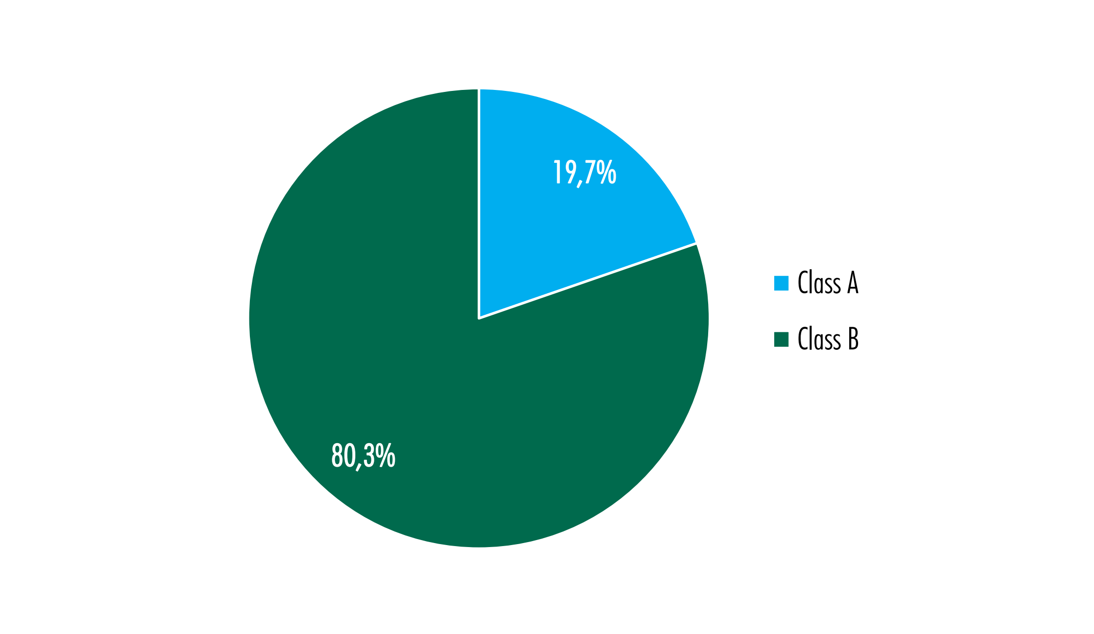
Annual Supply by Class, million sq m
2009 – 2013F



Source: CBRE

The total quality office stock is about 13.43 million sq m of which Class A comprises 19.7% or 2.65 million sq m.

Total Quality Office Stock, million sq m
Q1 2013



Source: CBRE

New supply by geographic submarkets. Geographically the zone between the Third Transport Ring (TTR) and MKAD saw the largest share of new delivery (55%). Since 2006, this area has often had the largest volume of new supply. The zones with the next highest supply are:

- the Central Business District (CBD, the area inside the Garden Ring (GR) plus the area along 1st Tverskaya-Yamskaya Street, which ends at Belorussky railway station) – 31%;
- and the area between the GR and TTR – 14%.

Moscow-City saw the first mixed-use complex (City Point) that had been put into operation since 2011.

Class A delivery. In Q1 two Class A complexes were put into operation: White Gardens Office Complex at Lesnaya Street (the developer is AIG/Lincoln) and mixed-use complex Rosso Riva at Shlyuzovaya Embankment.

White Gardens Office Complex is the first Prime Class A office building which has been delivered since 2011. Due to the imposed restrictions on new construction in the CBD, White Gardens will likely be the one of the last Prime Class A buildings to be delivered in Moscow.

Forecast. According to the projects announced for 2013, the following Class A office buildings were put or will be put into operation in the CBD: Wall Street (in operation since Q2 2013) in Valovaya Street, Krasnaya Roza Morozov Phase II (under construction) on Timura Frunze Street and Domino (under construction) on Pyatnitskaya Street. These projects add about 75,000 sq m to the CBD's Class A stock.

We expect that new delivery during 2013 will reach around 860,000 sq m.

Significant Projects Delivered in H1 2013

PROJECT	OFFICE AREA, SQ M
White Gardens	63,900
Lotte	38,500
Quadrum at 92nd km of MKAD	24,600
Black & White	13,000
Cherry Garden	12,000
Rosso Riva	11,900

Source: CBRE

In 2013 it is expected that several large office buildings will be commissioned. Estimated new delivery is around 860,000 sq m, of which 32% will be Class A space, exceeding 2011 and 2012 levels when 603,800 sq m and 556,264 sq m were delivered respectively. By the end of 2013 the following projects are due to be delivered:

New Business Centres Planned to Be Commissioned by the End of 2013

OBJECT	OFFICE AREA, SQ M
Mercury Tower	70,000
Country Park III	27,800
Leninsky 119	16,000
Melnikoff House	14,700
Domino	5,500

Source: CBRE

Projects delivered in Q1 2013 and to be delivered in 2013
2013

Source: CBRE

Demand and Take-up

In Q1 2013 the total take-up was 221,458 sq m.

The take-up volume for Q1 is comparable to the volume of deals closed in Q1 2011 (219,000 sq m), but is lower than the figure for Q1 2012 (274,000 sq m).

Seasonal factors contributed to low business activity during the first months of the year. The majority of deals closed in Q1 are often deals which were active in Q4 but did not close by the end of the previous year.

Class A share in the total take-up volume. In Q1 the volume of Class A take-up was 34,846 sq m (16% of the total). The lowest level of Class A share was registered in Q3 2012 (26,000 sq m). During 2010 – 2012 the quarterly volume of Class A deals varied from 26,000 sq m up to 213,600 sq m (the largest volume was done in Q4 2011).

Growth in Class A take-up is not expected during 2013 due to the limited activity of international companies, who tend to be the major tenants of Class A buildings.

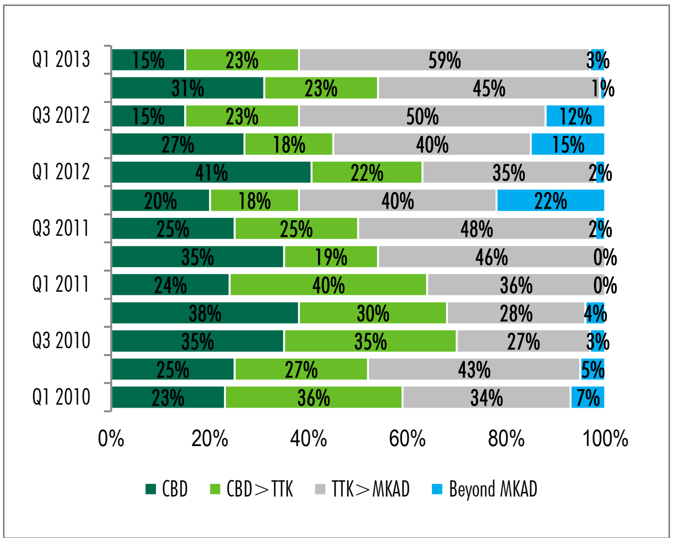
In Q1 2013 international companies leased about 31,706 sq m (14% of total take-up volume) which is comparable to Q3 2012 figure. Nevertheless, we forecast the share of international companies in the total take-up will increase if/when the European crisis is resolved.

Despite the low volume of Class A deals, a number of large ones should be pointed out:

- Microsoft leased around 1,700 sq m in White Gardens Office Complex (the only deal in the Prime Class A segment for Q1. In comparison, about 44,500 sq m of Prime Class A space was leased in 2012)

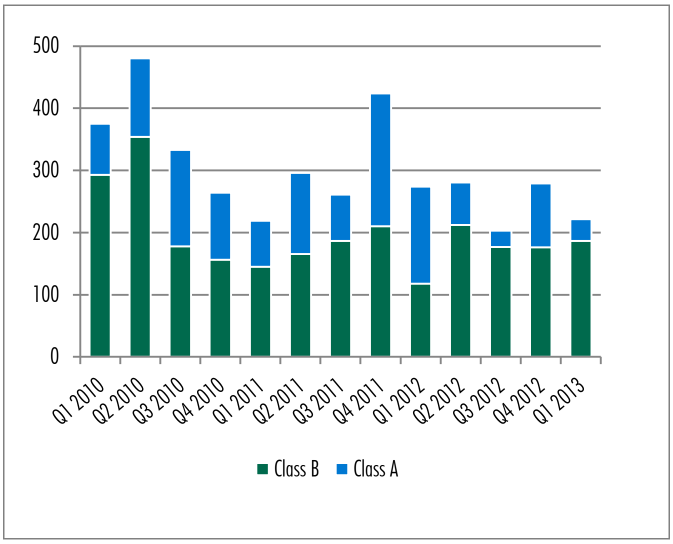
The Leningradsky Avenue/Highway area remains in high demand, with 9,000 sq m being leased in the area during Q1. For example, INLINE Technologies leased around 5,000 sq m and Messe Frankfurt leased around 700 sq m in SkyLight.

Annual Take-up by Geographic Submarket
Q1 2010 – Q1 2013



Source: CBRE

Take-up by Class, thousand sq m
Q1 2010 – Q1 2013



Source: CBRE

Class B share in the total take-up volume. Key demand trends of 2012 continue in 2013. The volume of done deals in the Class B segment amounted to 186,612 sq m. Russian companies made up a substantial part of the total Class A and Class B take-up comprising (189,752 sq m or 86% of the total).

Primarily tenants were from energy, oil and gas, banking and IT sectors.

For instance, the total amount of Gazprom deals were equal to 28,700 sq m. The largest deal among financial tenants was done by Tinkoff Credit Systems in BC Mirland with area of 7,300 sq m.

Take-up by geographic submarket. The trend of decentralisation continues to strengthen: the area between TTR and MKAD has the largest take-up volume (130,981 sq m or 59% of the total). It was followed by the area between GR and TTR (51,980 sq m or 23%), the third place was in the CBD (32,378 sq m or 15%).

There were few deals done beyond MKAD – the total volume was only 6,119 sq m (3%). The largest deal beyond MKAD was Rusengineering lease of 1,800 sq m in RigaLand on Novorizhskoe Highway.

We expect this demand structure to be stable during the year, although there is some potential for increases in the CBD and beyond MKAD submarkets.

The most demanded office size. The overwhelming majority of all office units leased were blocks smaller than 500 sq m, followed by units of 501-1,000 sq m size, and 1,001 sq m to 2,000 sq m. Only 4 deals with a rentable area of more than 5,000 sq m were closed in Q1 2013.

The most popular office size demanded was blocks up to 1,000 sq m, accounting for around 75% of the total number of deals.

The Main Executed Deals in H1 2013

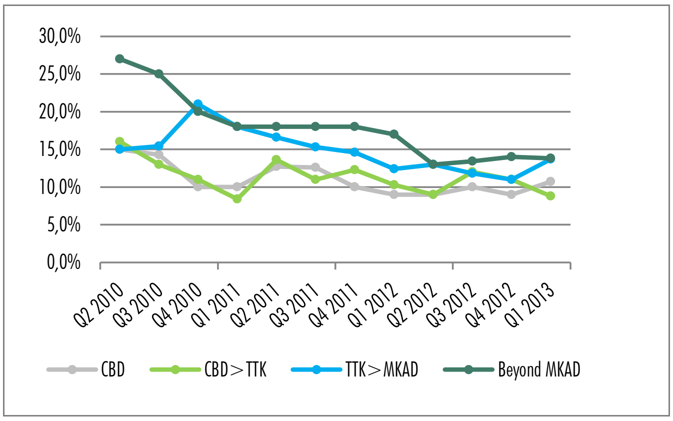
COMPANY	OFFICE AREA, SQ M	PROPERTY	ADDRESS	CLASS
		Lease		
Gazprom	24,600	Varshavka-Sky	Varshavskoe HWY, 118	B+
Tinkoff Credit Systems	7,300	Mirland	Khutorskaya 2nd Str., 38a	B+
INLINE Technologies	5,000	SkyLight	Leningradsky Av., 39	A
Rusatom Overseas	4,700	Silver City	29, Serebryanicheskaya Embankment	A
Roszheldorproekt	3,500	Chaika Plaza 4	Schepkina Str., 42	B+
Gazprom Neft	2,600	BC at Letnikovskaya	Letnikovskaya Str., 10	B+
ESK ARMZ	2,300	Svaytogor BC	Letnikovskaya Str., 10	B+
Nikon	2,000	Delta Plaza	Syromyatnicheskiy 2nd Lane, 1	B+
MasterCard	1,700	Legend	Tsvetnoy Blvd, 2	A
Microsoft	1,700	White Gardens	Lesnaya Str., 27	A

Source: CBRE

Vacancy Rates

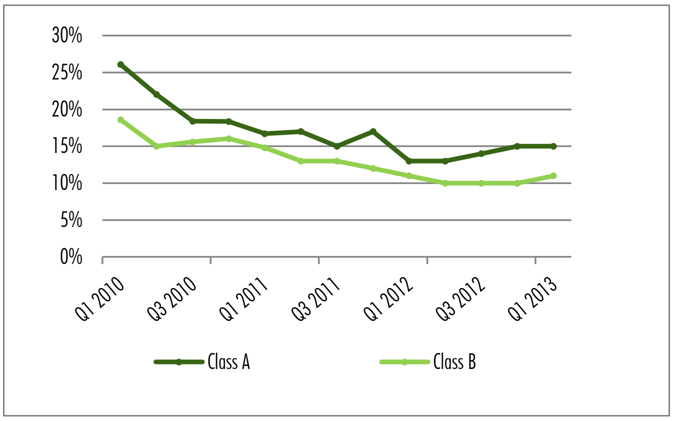
In Q1 2013 the overall vacancy rate stood at 12% (1% increase compared to Q4 2012). This increase was the result of substantial new deliveries in Q1 2013.

Vacancy by Geographic Submarket, %
Q2 2010 – Q1 2013



Source: CBRE

Vacancy Rate by Class, %
Q1 2010 – Q1 2013



Source: CBRE

Vacancy rate in Class A segment has not changed relative to Q4 2012 remaining stable at 15%.

The Class B segment demonstrated an increase in vacancy from 10% to 11%.

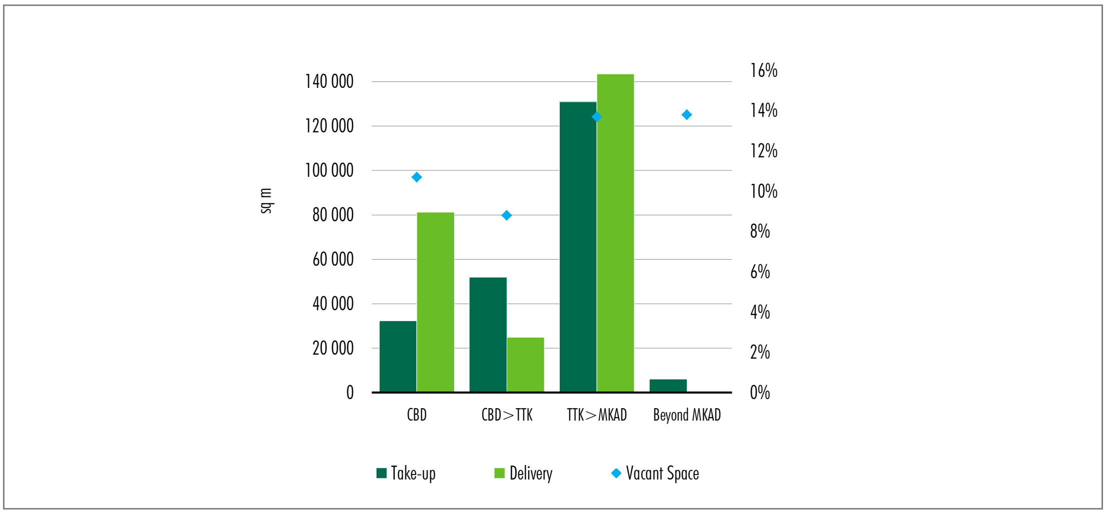
Geographically, vacancy increased in the CBD and in the area between TTR and MKAD (from 9% at the end of 2012 to 10.7% and from 11% to 13.7% respectively).

In the area between GR and TTR the vacancy decreased from 11% to 8.8%. The vacancy rate beyond MKAD remained constant.

The growth in vacancy within the CBD and in the area between TTR and MKAD is due to substantial new delivery in comparison to other areas of Moscow.

During the remainder of 2013 Class A vacancy is expected to remain stable at 15%. Class B vacancy is likely to decrease by 1%-2% due to the high demand for Class B business centres.

Supply, Take-up and Vacancy by Geographic Submarket
Q1 20123



Source: CBRE

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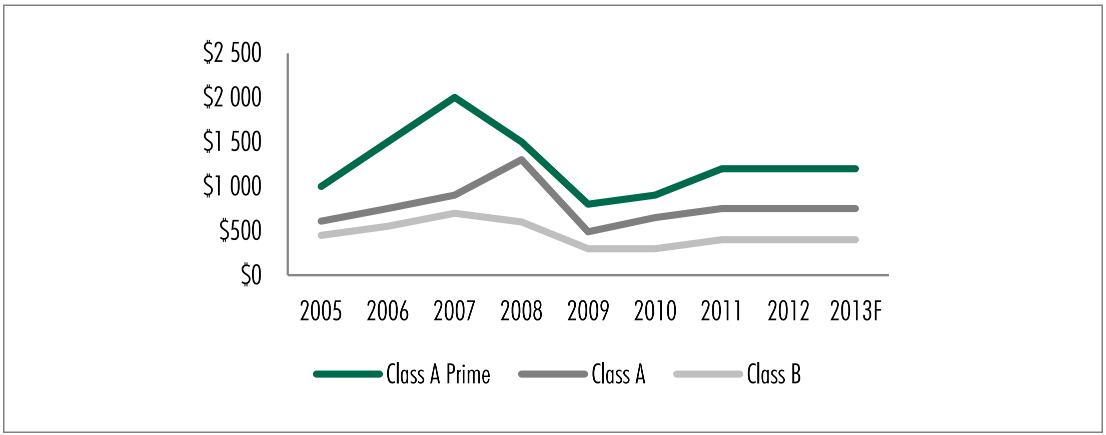
Rental Rates

During Q1 rental rates were stable as they were during 2012: $1,100 – $1,200 for Prime Class A, $650 – $750 for Class A, $400 – $450 for Class B (per sq m per year net of OpEx and VAT).

Rental growth is not expected in 2013, rents in both Class A and B as well as across all Moscow's submarkets are expected to remain flat.

Average Asking Rates, USD
2000 – 2013F, at the end of the period



Source: CBRE

Outlook

During 2013 the main office market indicators are expected to remain stable.

- Total take-up will amount to about 1.1 – 1.2 million sq m;
- The overall vacancy rate will decrease to approximately 10%;
- Rental rates will remain constant.

Estimated new delivery, expected to reach around 860,000 sq m will exceed the levels of 2011 and 2012 when 603,800 sq m and 556,264 sq m were delivered respectively.

Currently, a number of large-scale projects are being developed with delivery anticipated during 2014 – 2015:

- MR Group's projects located between TTR and MKAD;
- Moscow-City projects;
- Business parks beyond MKAD, for example, K2.

CBRE

Overview of the Moscow and Moscow Region Retail Markets

The Central Federal District, and especially Moscow and the Moscow Region, has a special status in that the leading domestic retail operators, as well as foreign retailers establishing their operations in Russia, have a presence there.

The Moscow retail market remained stable during the H1 2013. The results of the balanced market are strong trading activity and steady indicators such as rental rates and vacancy rates. Active retailers prefer to concentrate on projects which have a proven track record of success.

International and local retail chains alike are continuing to expand their operations in Russia and many international operators have entered the Russian market. As a result of its close proximity to the capital and strong consumer demand, the Moscow region is ranked second after the city of Moscow in terms of investment prospects. Developers are therefore keen to develop projects not just in Moscow, but also close to the Moscow City Ring Road (MKAD).

The major trends are described below:

- By the end of H1 2013 about 170,000 sq m GBA were commissioned in Moscow region. All projects that were scheduled to be commissioned in H1 2013 were introduced in time. The majority of the new retail spaces in Q2 2013 (about 70%) were outlet centres including Vnukovo Outlet Village and Fashion House Moscow.
- The total stock of modern retail centres in Moscow by the end of H1 2013 was approximately 4 million sq m GLA.
- At the end of H1 2013 the amount of modern shopping centre space per 1,000 inhabitants in Moscow averaged 356 sq m, which is lower than in a number of other major European cities.
- Developers continue to exhibit high levels of activity. In Moscow, throughout 2012, construction of large shopping centres and commissioning of those suspended during the period of stagnation resumed. This trend continued into H1 2013 and was seen not only in Moscow, but also in regional markets.
- As of H1 2013, about 40 retail projects (total area of more than 2.5 million sq m) were at various stages of construction and finishing. It is very likely that by the end of 2013, 11 shopping centres with a total area of 465,000 sq m (GLA – 258,000 sq m) will enter the market.
- Additional phases of operating shopping centres are being built, by the end of 2013, the retail area of the Otrada shopping and entertainment centre in Mitino will grow by 30,000 sq m due to the opening of a shopping gallery. The second phase of Outlet Village Belaya Dacha is expected to be completed during 2014.
- In H1 2013 retailers continued to demonstrate a high levels of business activity. F&B operators performed particularly well and have been actively expanding their operations, especially by adapting their concepts to suit the format of the premises they are renting.
- From the beginning of 2013 such world famous brands like Brooks Brothers, REDValentino, Boardriders, Takko Fashion and TrollBead opened their stores in the largest shopping centres of Moscow. A further nine brands plan to open in Moscow before the end of 2013.

- As a result of low growth in supply and the high level of business activity and demand on the part of retailers, the vacancy rate in quality retail facilities has remained stable at around 3% since 2010. Waiting lists are common for the most successful centres, but at the same time new facilities are often brought on to the market with high vacancy rates. This is explained by the policy of retailers not to sign contracts while the centre is under construction, preferring to wait until the shopping centre is operating. This allows for additional analysis of the centre's positioning in the market, as well as the tenant mix, footfall, etc.
- In H1 2013 the prime rates for tenants of small areas (50-250 sq m) in shopping galleries were in stable range from $1,700 to $2,300 per sq m per year.
- During H1 2013, business conditions have not been subjected to correction. Lease agreements in which the scheme for calculating rental payments is fixed depending on the operator's turnover dominate the market, more than 70% of leases in the Moscow retail market are arranged this way.
- Stronger competition is expected to contribute to the continuing improvement in the quality of retail facilities in Moscow, Moscow Region and in other Russian regions. The partial or complete redevelopment of unsuccessful and obsolete shopping centres could become an important way to secure tenants and customers and become a strong market trend.
- The retail real estate market continues to be decentralised. Almost all new projects are located outside the Third Ring Road (except for River Mall retail and entertainment centre (REC) and the reconstruction project of Detsky Mir). Construction of 382,350 sq m of retail premises is under way near MKAD, including Vegas Crocus City (111,000 sq m GLA), Vegas Kuntsevo (113,000 sq m GLA), REC Butovo Mall (60,000 sq m GLA), REC Vesna (57,350 sq m GLA), REC Reutov Park (41,000 sq m GLA). It is anticipated that 53,000 sq m GLA of retail facilities will be constructed within outlet centres over the next two years.
- Development activity keeps growing. In Q1 2013 more new projects have been announced: a REC at the intersection of Khoroshevskoe Highway and 4th Magistralnaya Street (130,000 sq m GBA/50,000 sq m GLA, opening is planned at the end of 2015), multifunctional centre (MFC) Kuntsevo Plaza, which will include office, retail, hotel and residential facilities (245,000 sq m GBA, opening is planned in 2014). ENKA also plans to completely renovate the Capitoly retail centres on Vernadskogo Avenue and Leningradskoe Highway.
- Provided the favourable economic environment continues in Russia, the situation in the retail market is expected to remain stable during 2013. The main features of this stable market will be strong demand for retail space from potential tenants, low vacancy rates and moderate growth in average rents.

SAINT PETERSBURG PROPERTY MARKET OVERVIEW

Saint Petersburg Office Market

Supply

By the end of Q1 2013 the total stock of office premises in high quality Class A and B business centres amounted to slightly more than 2.4 million sq m.

In Q1 2013 only two Class B office centres were brought to the market with a total area of 24,000 sq m. That is 40% less than in the same period of 2012. The share of Class A and Class B office space was 26% and 74% respectively in Q1 2013.

Geographic distribution of office real estate among the city districts has not changed. The largest proportions of office premises are located in the Central (17%) and Petrogradskiy (14%) Districts.

In the first quarter of 2013 about 560,000 sq m of office premises in St. Petersburg was under construction with completion planned by the end of 2016. 60% of which are Class A.

By the end of 2013, eight Class A office buildings are planned to be delivered amounting to 165,000 sq m) and several class B office centres totalling 159,000 sq m.

Office Market Key Figures
Q1 2013

	CLASS A	CLASS B
Total stock, sq m	620,000	1,770,000
Delivery in Q1 2013, sq m	0	24,000
Vacancy rate	10%	7%
Lease terms	3-5 years	11 months - 3 years
Capitalisation rate	10-11%	11-12%
Average rental rate, RUB/sq m/month, incl. OPEX and VAT	1,500	1,140
Average rental rate, USD/sq m/ year, incl. OPEX, excl. VAT	475	360

Source: Maris/part of the CBRE Affiliate network

Demand

In Q1 2013, demand was at a high level, higher than in the same quarter of 2012. For the first three months of the year a growth in demand during February and a subsequent decrease in March is usual. Interest from potential tenants is focused primarily on small premises up to 100 sq m, however, there has been a shift to areas of 100 to 300 sq m.

In Q1 2013 the office market experienced strong demand for Class A space, where the majority of large transactions took place (69%).

Demand for office space in different parts of the city is unbalanced. The most popular are offices in Centralniy (22%) and Moskovskiy (30%) Districts.

In terms of transaction volume by tenant sector in Q1 2013, the largest share was amongst energy sector companies, services and IT companies. In comparison with Q1 2012 the share of IT companies decreased by 8%.

Main Lease Transactions
2012

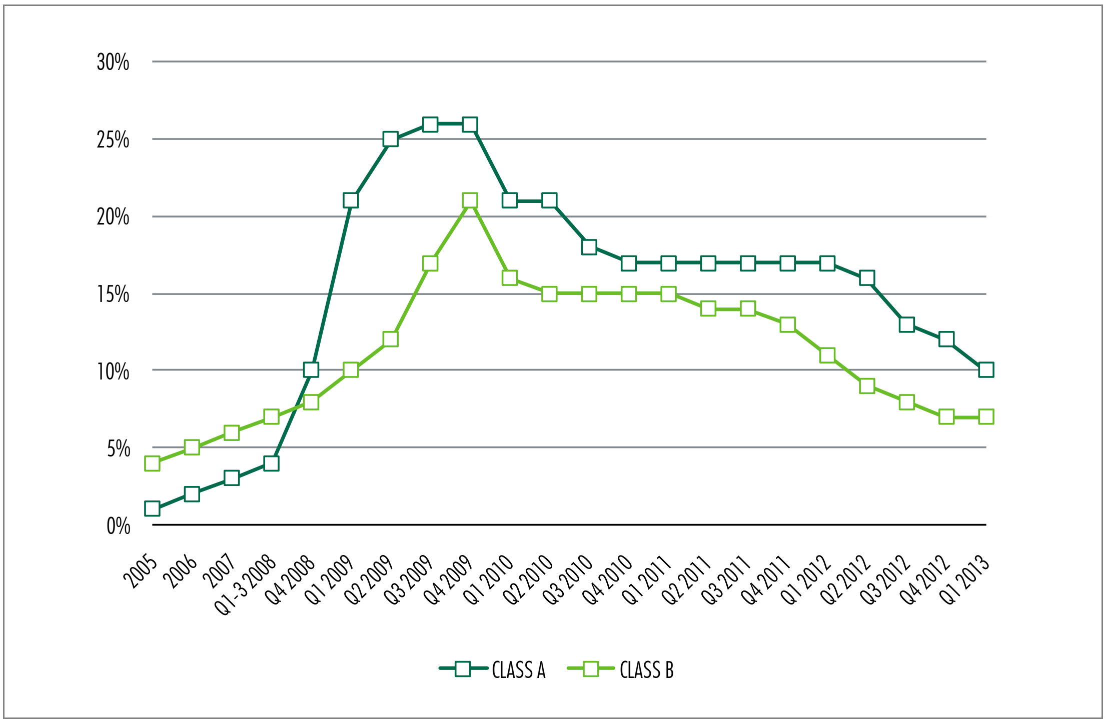
COMPANY	OFFICE CENTRE (CLASS A)	AREA, SQ M
Mail.ru	Renaissance Pravda (A)	6,300
Maintechs	Technopolis (A)	1,200
SGS Vostok	Aeroplaza (A)	1,140
Gazprom Marin Bunker	Senator (A)	1,120

Source: Maris/part of the CBRE Affiliate network

Vacancy Rates

In comparison with the end of 2012 the vacancy level in Q1 2013 declined. In Class A office buildings it reached 10%, 2% lower than in Q4 2012, while it remained unchanged in Class B buildings at 7%. This trend is explained by the shift of commissioning dates for both Class A and B projects.

Vacancy Rates, %
2005-Q1 2013



Source: Maris/part of the CBRE Affiliate network

52% of Class A and 63% of Class B office centres have 100 percent occupancy, while 5% of Class A and 7% of Class B office buildings are less than 50% occupied.

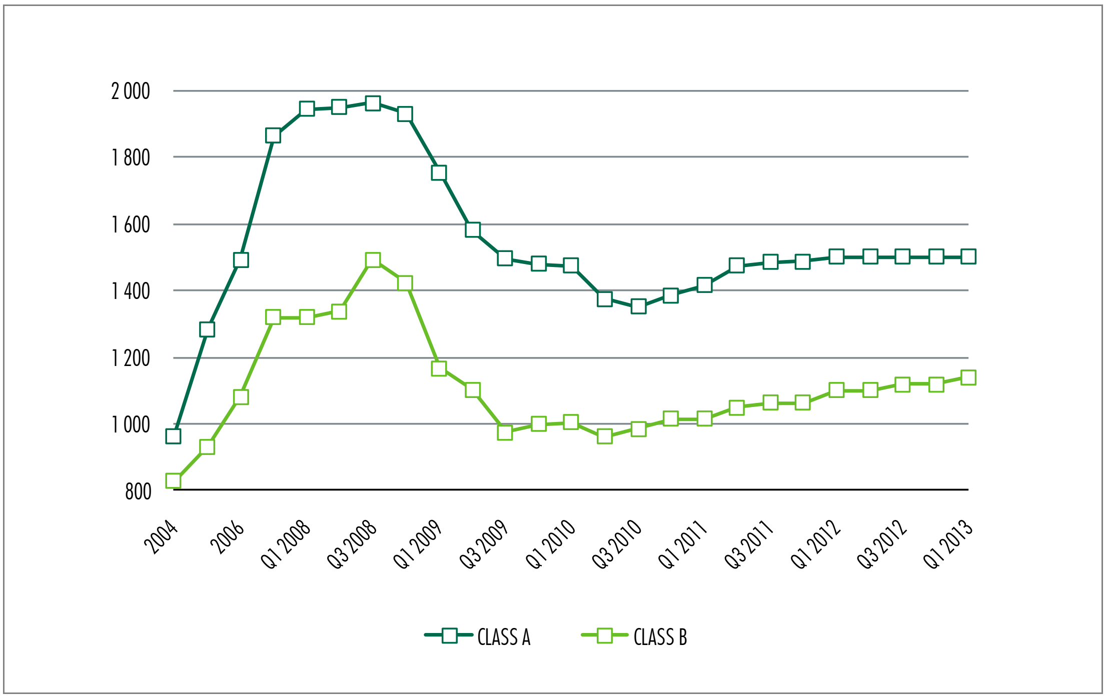
The level of occupancy in an office building depends mainly on the location. Usually, business centres in the central part of the city have a minimum amount of vacant premises. In Q1 2013, Class A and Class B business centres on Nevsky Prospect and nearby streets showed only 6% vacancy. In areas located away from the centre 10% of space is vacant in Class A office centres and 8% Class B.

Rental Rates

Intense competition in the marketplace does not allow developers to raise rental rates. That is why only Class B office centres showed some rental growth, increasing by around 1%, while Class A rents remained unchanged.

At the end of Q1 2013, the average level of rental rates was RUR 1,400-1,700 per sq m per month (including VAT and OPEX) for Class A business centres and RUR 900-1,200 for Class B (including VAT and OPEX).

Rental Rates, RUB/sq m/month, incl. VAT and OPEX
2004 – Q1 2013



Source: Maris/part of the CBRE Affiliate network

In St. Petersburg, rental rates of existing business centres are calculated mainly in roubles (95%), US dollars and Euros are less popular equalling only 5%.

Saint Petersburg Warehouse Market

At the beginning of 2013 there is still a shortage of good quality supply and a consistently high level of demand, which has led to an increase in rental rates for warehouses in St. Petersburg and Leningrad Region.

Supply

At the end of Q1 2013, the total amount of quality warehouse real estate (Classes A and B) in St. Petersburg was around 1.7 million sq m (excluding owner occupied warehouses).

In Q1 2013, only one warehouse logistic project, the 3rd phase of Osinovaya Rosha with a total area of 12,000 sq m was opened (the developer was Sterkh). During Q1 2013 no speculative warehouse complexes were brought to the market.

By the end of 2013, five new speculative warehouse complexes with a total area of 350,000 sq m are planned to be opened. Among the planned projects are Phase 2 of Orion Logistics, Phase 2 of STK (St. Petersburg terminal complex) and Zvezda. Two projects: Phase 2 of Nord Way (Hanner) and A Plus Park Pulkovo planned to be delivered in 2013, but were postponed to later dates.

The largest part of the total quality stock is in Class A projects – 66%, Class B warehouse complexes account for 34%.

Warehousing space leased by end-users accounts for more than half of the whole market volume (59%). Warehouses for logistics services have 41% of the total take-up.

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Warehouse Market Key Figures
Q1 2013

	CLASS A	CLASS B
Total stock, sq m	1.12 mln	567,000
Delivery in Q1 2013, sq m	12,000	0
Vacancy	2%	1%
Lease lengths, years	5-7 years	3-5 years
Capitalisation rate	13%	14%
Rental rate, USD/sq m/year (triple net)	$100-130	$90-110

Source: Maris/part of the CBRE Affiliate network

Demand

In Q1 2013 no large warehouse deals with the participation of brokers were announced.

A large number of transactions took place in industrial parks, as a result the first phase of industrial park Zvezda was fully leased.

Industrial park projects continue to develop. In 2013, the company Industry Park East Management expects to begin construction of an industrial park near Morozov village in Vsevolozhskiy District for small and medium-sized Finnish companies, operating in the sector of metalwork and consumer engineering. In Q1 2013 the company Baltstroy has announced plans to build the Ladoga Industrial Park in Vsevolozhskiy District.

The Class A vacancy rate has dropped to 1-1.5%. Due to the increased demand in this segment, the vacancy level in class B has also fallen to 1%.

Trading and manufacturing companies accounted for the largest part of demand in 2012.

Major Lease Transactions in 2012

COMPANY	WAREHOUSE	AREA, SQ M
Major	STK	30,000
Marvel Distribution	Megalogix	13,000
BAT-Russia	Osinovaya rosha (Sterkh), 2nd phase	12,000
Megapolis	Nordway	11,700
SOK Retail International Oy	Nordway	10,000
KARI	Nordway	8,300
Armstrong	LogopAark Yanino	8,000
QUATTRO	Interterminal Trade	5,100
Lear Corporation	Logopark, Shushary	5,000
Intexo	Ahlers Logistics Center	3,600

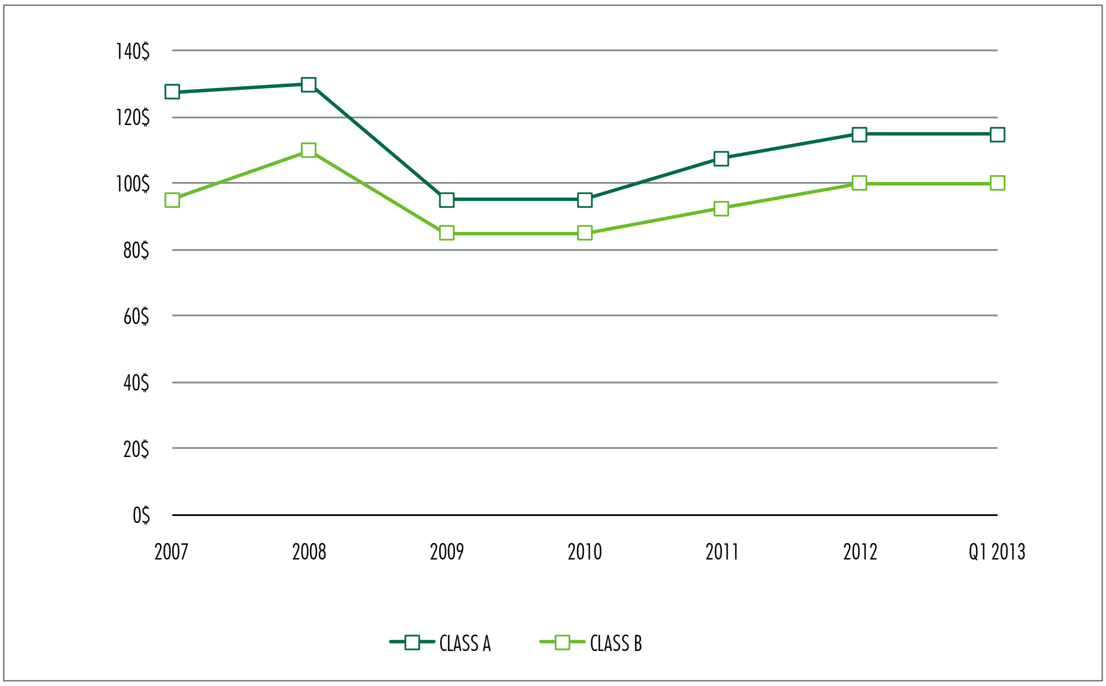
Source: Maris/part of the CBRE Affiliate network

Rental Rates

By the end of 2012 rental rates for Class A and B warehouse premises have begun to increase due to the lack of quality supply in the market. In Q1 2013 rental rates remained stable.

Maximum rents are fixed at $130 per sq m per year (triple net) and further growth during mid-2013 is not predicted.

Rental Rates, USD/sq m/year (Triple Net)
2007 – Q1 2013



Source: Maris/part of the CBRE Affiliate network

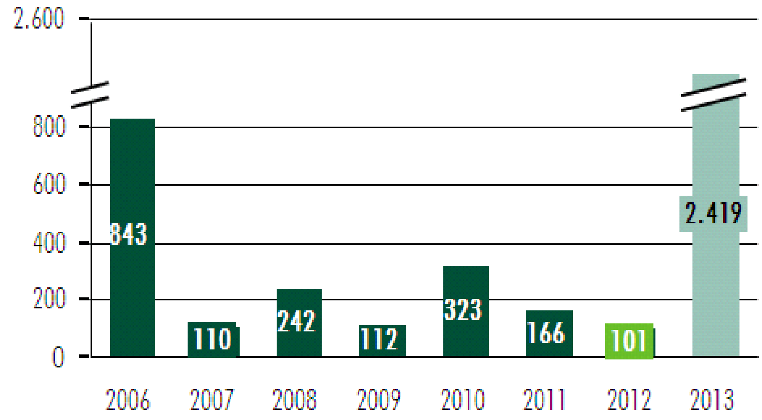
REAL ESTATE INVESTMENT MARKET OVERVIEW

Investments volumes

In Q1 2013 we witnessed a continuation of the growth in investment activity, started in Q4 2012. Investment in Russian commercial real estate amounted to $2.419 billion, which was 24 times more compared to Q1 2012 and 40% higher than Q4 2012.

This quarterly volume is unusual, standing out from the traditional market seasonality. Negotiations on a small number of very large deals started in the second half of 2012, but did not finish by the end of the year, closing in early 2013 and generating such unusually high Q1 figures. The main volume of activity is associated with premium assets in the retail and office segments.

Graph 12. Investment volumes, 1st quarter of the respective year, $ million



Source: CBRE

Previously there was an expectation of asset price growth based on an improving trend in 2011 and 2012, this trend is now 'on-hold' due to some negative events which occurred in early 2013.

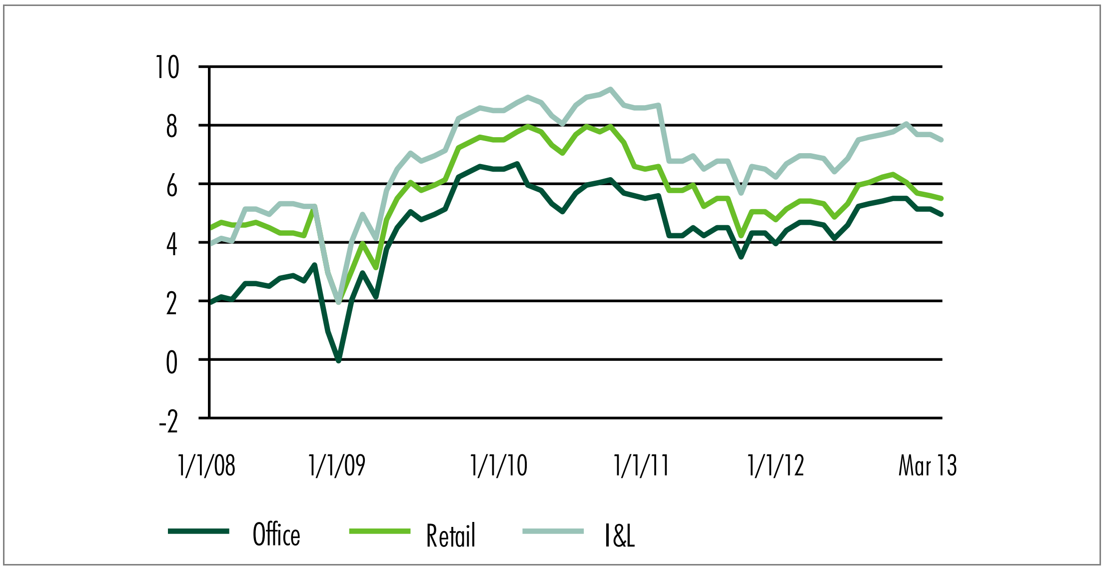
Firstly, there is the Cyprus crisis, which triggered traditional spring price adjustments on the financial markets.

Secondly, the revision of Russian 2013 GDP growth forecast, which was decreased by 1/3 from 3.6% to 2.4%.

Thirdly, the Eurozone is still in recession and unemployment is steadily growing. There was a minor improvement in GDP during Q1 2013, but the growth of unemployment still cannot be stopped. In general, both indicators are following negative patterns, assuming an absence of economic growth in the Eurozone until 2014.

Finally, oil prices became more volatile due to the lower than expected economic growth in China, the consensus forecast was 8% while the actual growth rate was 'just' 7.7%. Fears of slower Chinese economic growth and an associated decrease in oil consumption drove oil prices down, testing the $100 / barrel mark.

Graph 13. Spread between capitalisation rates and Corporate bonds, Russia Sovereign Eurobonds YTM, percentage points



Source: CBRE

The origins of the Cypriot problems were quite transparent for investors, and primarily damaged the sentiments of Russian investors. Nonetheless, the influence on European private sector sentiments could also be strong as a result of the approach regarding individuals' deposits in the banks. Negative news about the Eurozone and China were also more or less expected by the market.

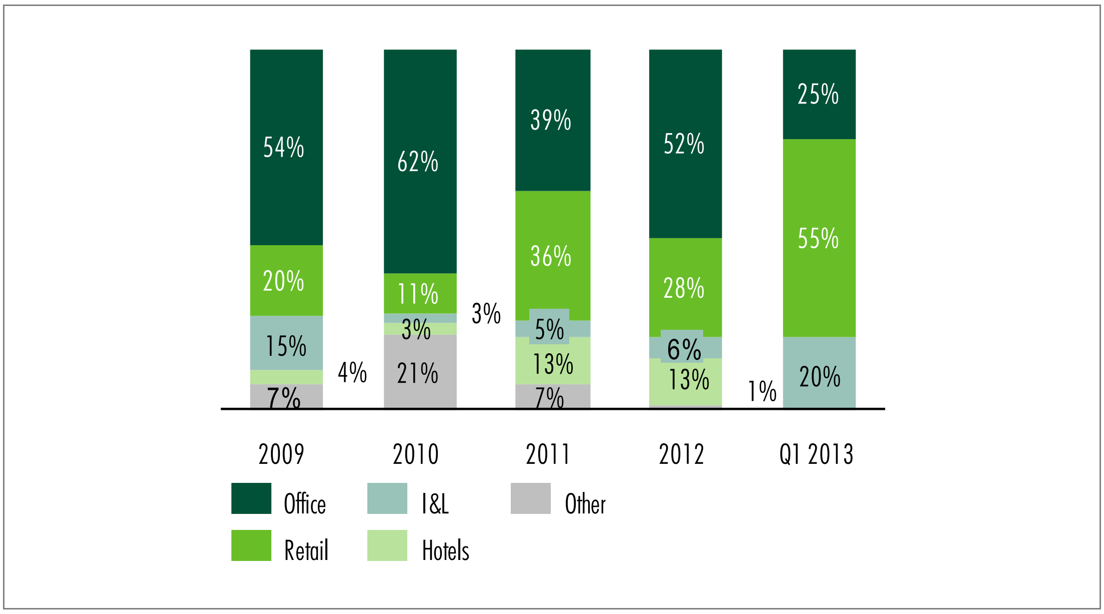
Revision of Russia's 2013 GDP growth forecast became, perhaps, the most important negative information for the market. Although it knew that in H1 the rate of growth would decline there was also an expectation that in H2 GDP growth would increase. However, the actual Q1 GDP growth figures, followed by a radical revision of the 2013 GDP forecast was a real surprise.

Financial markets in both Europe and Russia perceived this news as quite adverse. The German DAX decreased by 7% since mid of March, while Russian MICEX lost around 12%. It should be noted that these decreases still could be just seasonal price adjustments, which are usual for stock markets in spring.

Target of Investment and Source

Prime retail and office properties remained in the investors' focus. The transactions involving the Metropolis shopping centre (estimated at $1.2 billion), White Square office centre (est. $1 billion) and Four Winds (est. $370 million) were signed during late 2012 and early 2013. In addition, there was significant activity from owner occupiers and relatively unusual for Russia, sale and leaseback transactions, where investors buy properties from the owners and then lease back the space.

Graph 14. Investment by segments, %



Source: CBRE

Around 55% of total investments were in the retail segment, largely due to the Metropolis transaction. Nonetheless, the office segment remains popular with investors, evidenced by the White Square and Four Winds deals. In the midterm, interest is expected to be more or less balanced between these two key segments of the Russian commercial real estate market.

Investment in the hotel segment fell to practically zero in Q1 2013, following a decrease in the privatisation activity of the Moscow government.

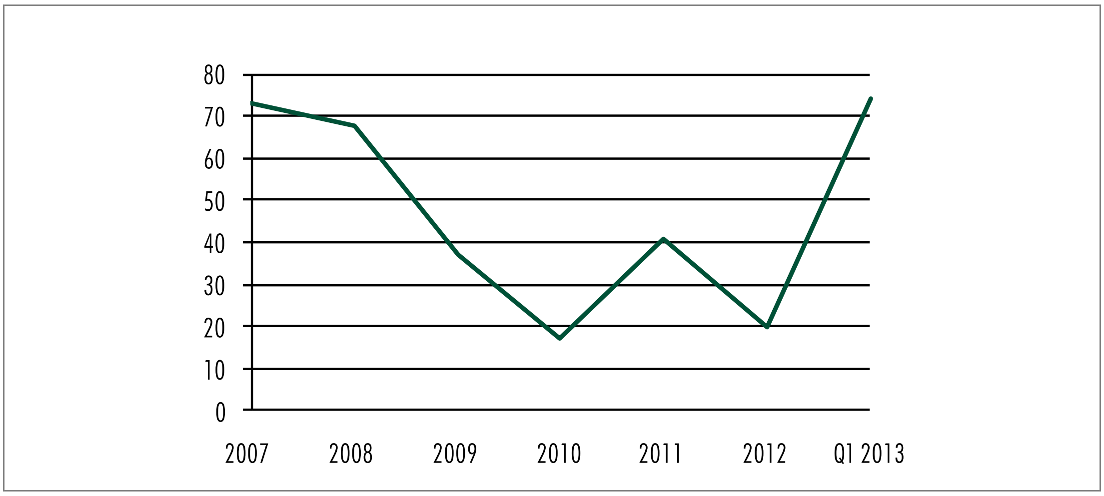
In the Industrial & Logistics segment key transactions were related to the Tomilino logistics complex and distressed assets in the regions.

Foreign investments accounted for around three quarters of the total volume and reached $1.8 billion. At the same time it is worth noting that some of the investors are 'foreign' due to registration/administrative reasons. For example, the acquisition of Four Winds business centre by Millhouse Capital, although nominally a UK company it cannot be considered as 'foreign investment'. Two thirds of foreign investments came from Morgan Stanley, who set a new record for the size of an investment transaction in Russia. This suggests solid interest from foreign investors in the Russian commercial real estate market.

It should be noted, however, that the number of deals with foreign participation is quite low. Their relatively high share in the total investment volume is due to individual transactions by the large players.

Many more foreign companies prefer investment into commercial real estate in the development stage, i.e. own construction of investment properties. Examples of this include Raven, Ghelamco and Hines.

Graph 15. Share of foreign investment in the total, %



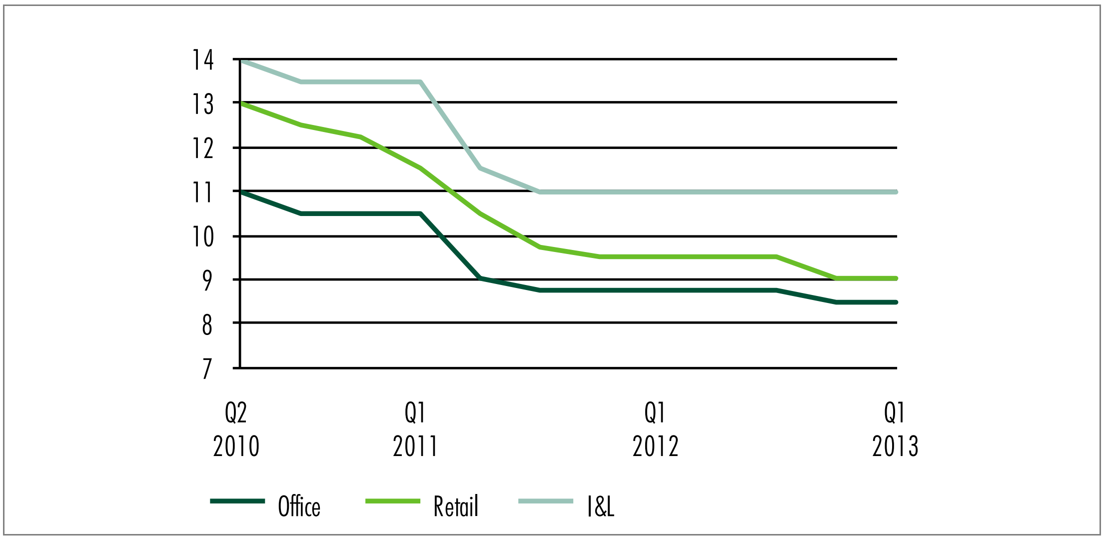
Source CBRE

Yields

Prime capitalisation rates remained at Q4 2012 levels:

- Office – 8.5%,
- Retail – 9%,
- Industrial & Logistics – 11%.

Graph 16. Capitalisation rates, %, Q2 2010 – Q1 2013



Source CBRE

Actual market deals were closed both with premiums and discounts versus the above mentioned indicators. Financial parameters of the specific deals are affected by market/property liquidity, frequency of transactions in the segment and individual features of the asset involved.

Yields on investments in Russian real estate assets are around 200 – 300 basis points above the comparative assets in Central and Eastern Europe and key markets in Western Europe. This higher yield profile is attractive to investors who feel able to balance the risk profile, real and perceived, of investing in Russia against the improved returns.

Conclusions

- Economic fundamentals highlighted the growing risks for investors.
- There is quite high probability that no key decisions to change economic situation in Eurozone will be taken until the September 2013 elections in Germany.
- In this context investors should remain focussed on Prime properties.
- Assets prices still have about a 10% growth potential, but this realisation is likely to be postponed until Q4 2013.
- Our forecast of the 2013 investment volumes remains unchanged at $5 – 5.5 billion.

Conclusions

Having reviewed the internal valuation of the Company Portfolio, CBRE concluded that the Fair Value of the subject Property Portfolio corresponds to the Fair Value of the Portfolio as published in the company's unaudited consolidated interim report for January-June 2013 as of August 2nd, 2013.

During the preparation of our opinion of Fair Value, we were advised by Sponda Plc that there are advanced sales negotiations ongoing in respect of NRC and InformFuture and after an appropriate open marketing process the sale was expected to complete on 11th July 2013.

At the time of presenting this Statement we understand that the negotiations detailed above have reached a successful conclusion and that the assets were sold at the levels expected by Sponda. Therefore the Fair Values shown in this Statement for these assets reflect the achieved sale price as reported by Sponda Plc.

Yours faithfully,

Joseph Hardy MRICS

Director – Strategic Consulting and Valuation

For and on behalf of CBRE

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APPENDIX 1: SUMMARY OF THE PROPERTIES

The Property Portfolio of Sponda Plc consists of eight properties held for investment. Four of the eight are located in Moscow, one in the Moscow Region and three in Saint Petersburg. Approximately 74% of the value of the Portfolio is represented by three office buildings in Moscow. The retail properties, including 2 (two) shopping centres in Moscow and in Ramenskoe in the Moscow Region, comprise approximately 19% of the total Portfolio value. The lowest shares in the total value of the Portfolio (around 3% and 4% respectively) are accounted for by the warehouse building in Saint Petersburg and two office buildings in Saint Petersburg. The majority of the properties are modern, recently developed or redeveloped properties, except for two older buildings converted into business centres in Saint Petersburg in the late 1990s/early 2000s after reconstruction.

A brief description of the Properties in the Portfolio is provided below:

Adastra

Address: 7, Zanevka warehouse zone, Zanevka Village, Vsevolzhsky District, Leningrad Region, Russia

Main Use: Warehouse Complex (Onninen)

Description: The Property comprises a Class A warehouse complex of 7,872.3 sq m built in 2006.

As at the valuation date, the subject warehouse was fully leased and occupied on a long-term basis by *Onninen, LLC*. The lease expires at the end of 2016.

Meliora Place (Ancor)

Address: 6 Prospect Mira Street, Moscow, Russia

Main Use: Office Centre

Description: The Property is a 4-storey office building (mansion) with 1 level of underground parking, built in 2008. It has a GBA of 4,842.5 sq m and a GLA of 2,783.4 sq m.

The Property is fully let to multiple tenants. The office space in the Property is let on a long-term basis mainly to local tenants where the areas of the occupied blocks vary from 44 to 382 sq m. The majority of the lease agreements expire between 2014 and 2016.

Inform-Future

Address: 12A Tambovskaya Street, Frunzensky District, Saint Petersburg, Russia

Main Use: Office Centre

Description: The Business Centre comprises three buildings with a combined GBA of 3,694.6 sq m and a GLA of 2,695 sq m. The buildings are almost equal in size. They were built in the 1900s before the revolution and were substantially reconstructed between 1992 and 1997 with some minor redecoration in 2004.

As at the valuation date the Property was 97% let to multiple tenants. The long-term leases (5-year term) representing circa 11% of the leasable area are due to expire between 2013 and 2016. The tenants consists of reputable international and local companies.

Korbis

. **Address:** 4B Vokzal'naya Street, Ramenskoe City, Moscow Region, Russia

Main Use: Solnechniy Rai II Shopping Centre

Description: The Property is a two-storey shopping centre with an additional underground level, built in 2005. The centre comprises 9,018.8 sq m GBA and 6,562.0 sq m GLA with surface parking for 110 cars providing a parking ratio of approximately one space per 60 sq m of GLA.

The Subject Property is located on Privokzal'naya Plashad, in the centre of Ramenskoye City. The advantages of the Subject Property include its central location, convenient access by car and the vicinity of the railway station.

As of the valuation date the Property was 100% let to multiple tenants. The long-term leases with anchor and mini-anchor tenants, representing circa 54% of the total revenues, are due to expire between 2014 and 2022. The pool of tenants consists entirely of local companies, some of whom operate on franchises from international brands.

NRC

Address: 3A Kaluzhsky Lane, Saint Petersburg, Russia

Main Use: Office Centre

Description: The Property is an office building with four above-ground floors and a basement, totalling 3,835.8 sq m GBA and 3,032.3 sq m GLA. The building was constructed before the revolution in 1886 and substantially reconstructed in 1996.

The Property is 99% let to multiple tenants, long term leases (3-10-year term) representing circa 65% of the leasable area are due to expire between 2015 and 2022. The tenants consists of reputable international companies, including state-owned companies, mainly from Northern Europe.

Slavyanka

Address: 6 Borovskoye Shosse, Solncevo District, Moscow, Russia

Main Use: Solnechniy Rai Shopping Centre

Description: The Property is a two-storey shopping centre with an underground level, built in 2004. It comprises 11,652 sq m GBA and 9,047.0 sq m GLA. The Property has surface parking for 140 cars providing a parking ratio of approximately one space per 65 sq m of GLA.

As of the valuation date the Property was 100% let to multiple tenants. The long-term leases with anchor and mini-anchor tenants, representing circa 41% of the total revenues, expire between 2015 and 2017. The pool of tenants consists totally of local companies, some of whom operate on franchises from international brands.

Western Realty

Address: 7 Gasheka Street, Moscow, Russia

Main Use: Office Centre (Ducat II).

Description: The Property is multilevel, with 4 and 10 aboveground office levels and a two-level underground car park. The building comprises 19,190.3 sq m GBA and 14,410.6 sq m GLA. The Property was delivered to the market in 1997.

As of the valuation date the Property was 89% let to multiple tenants. The office space in the Property is mainly let on a long term basis to reputable, internationally recognised tenants. The lease agreements expire between 2013 and 2018.

Bakhrushina House

Address: bld.1, 32 Bakhrushina Street, Moscow, Russia

Main Use: Office Centre (Bakhrushina House).

Description: The building is laid out over six upper floors and a basement level. The building comprises 5,078.8 sq m GBA and 3,925.7 sq m GLA. The Property was delivered to the market in 2002.

At the valuation date the Property was fully leased to reputable, internationally recognised tenants. The lease agreements expire between 2013 and 2018.