STATEMENT

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

Moscow, Moscow Region and Saint Petersburg, Russia

December 31, 2010

On behalf of Sponda Plc

CBRE
CB RICHARD ELLIS

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

Our Assignment

In accordance with the engagement contract #01/12-179CV dated 13 December 2010 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.

CB Richard Ellis has been asked to review the internal valuation of the Sponda real estate Portfolio in accordance with the Royal Institution of Chartered Surveyors' (RICS) Appraisal and Valuation Standards (6th Edition) (the "Standards"). The review of the internal valuation of the Portfolio was conducted for accounting purposes. It may therefore not be reproduced or used for any purpose other than the purpose stated above without the prior written consent of *CB Richard Ellis* in each specific instance.

The Portfolio covered in our analysis consisted of 7 (seven) operational properties held for investment as described in Appendix 1 of this Statement. Our review covered the properties which we believe are owned by the Client or its subsidiaries. CB Richard Ellis made relevant enquiries in order to provide our opinion of the Fair Value of the Property Portfolio as of December 31st, 2010.

We confirm that we provide this advice as independent 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, which is defined in the Standards as follows:

"The amount for which an asset could be exchanged between knowledgeable, willing parties, in an arm's length transaction." According to International Valuation Standard 2, para 6.2, "In accounting standards, Fair Value is normally equated to 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 by checking current rental rates, and then incorporating these into the discounted cash flow model upon current lease expiry taking into account the cyclical nature of the real estate market and the economy. The Sales Comparison Approach was used in addition to the Income Approach in the valuation of the "Ancor" mansion, which reflects the specific characteristics of the Property.

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

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

The Moscow and Moscow region Properties were inspected between June 09 and June 17, 2010. The Saint Petersburg properties were inspected at December 29, 2010. We have assumed that no significant events that could affect the value of the Property have occurred to the Property in the period between the last inspection and the valuation date. 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 decent 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 audit or other environmental investigation or soil survey on 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 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

In 2010 Russia's economic performance has been a mixed bag: In October-November improved growth performance in fixed investment and manufacturing were balanced by weakness in household consumption. Furthermore, inflation showed signs of notable acceleration, while the rouble remained weak versus the US dollar and the dual-currency basket. We believe the outlook for next year should be favourable as global factors associated with high oil prices will likely complement the emergence of a number of important drivers for growth on the side of domestic demand.

Key Macroeconomic Indicators

MAIN MACROECONOMIC INDICATORS	2006	2007	2008	2009	2010E	2011E
Population, mln.	142.8	142.2	142.0	141.9	140.1	142.0
GDP growth, %,	7.7	8.1	5.6	-7.5	4.0*	4.2*
Industrial production growth, y-o-y %	6.3	6.3	2	-11	8.4*	3.9*
Fixed Capital Investment growth, y-o-y %	16.7	22.7	9	-17	2.5*	10*
Inflation (CPI), %, change, e-o-p	9	11.9	13	9	8.7	7.7
Unemployment, % (average for period)	7.2	6.1	6.4	8.3	6.9	n/a
Oil prices, Urals (USD/barrel), average for period	61.2	69.5	95.1	61	77.5	75
Reserves (including gold) billion USD, e-o-p	303.7	478.8	426	427	490.1	n/a

Source: Rosstat, Central Bank of Russia, Ministry of Finance, Bloomberg, World Bank

**preliminary estimates of the Ministry of Economic Development*

Although the recovery of the Russian economy slowed recently, the Economy Ministry estimated GDP expanded 3.7% YoY in January-August, and the second quarter with its 5.2% (according to Rosstat official data) was particularly strong. This looks attractive compared to Euro zone economy growth at 1.2% YoY in Q2 2010, USA and UK at 1.7%.

On the consumer side, the data indicated an improving labour market: unemployment fell to 6.9% in August from 7.0% a month ago. The wave of post-crisis recovery is evaporating, and the growth of wages and incomes are stabilising. According to Rosstat, real wages increased at virtually the same pace seen in June, resulting in 6.6% YoY growth in both July and August. Real disposable income growth accelerated to 6.2% YoY in July and 7.9% YoY in August from 2.7% YoY in June, partially being the result of the low-base effect.

By January 2011 the Rouble was trading at over 34 to the euro-dollar basket, a significant strengthening compared with January 2009 when the rate went to over 40. While the strengthening Rouble has made imports cheaper, it also makes it harder for exports to compete abroad, and thus dollar denominated earnings have suffered. The Central Bank continues to smooth the currency exchange rate volatility, which makes speculation on currency trading unattractive to banks, theoretically giving banks an opportunity to expand their lending volume to the real sector of the economy. This is despite the fact that interest rates remain high and are expected to increase in the first quarter of 2011 in an effort to counter rising inflation (the 1-day CBR REPO auctions minimum rate is 5.0 percent, and the refinancing rate is 7.74 percent).

Relatively high oil prices, averaging over USD75 per barrel in Q3, maintained a strong terms of trade position. As oil prices stabilise, imports continue increasing due to higher consumer demand and partially as a result of lower-than-expected harvests, the current account surplus will continue to decline in the near future. However, the pace of contraction is slow and we expect the trade balance to remain favourable for the rouble to appreciate gradually in the nearest quarters.

Trends and Forecast

- The political outlook is favourable for 2011, but as always in Russia, not without risks. The key event should be the December parliamentary elections and the likely choice of the candidate for the presidential post within the Putin-Medvedev tandem, which is likely to be made at the end of 2011. At this stage it seems the parliamentary elections together with the 2012 presidential race are discounted as mere formalities in Russia. In this respect, the previous two electoral cycles were both characterized by the rouble's appreciation versus the dollar, with the RUB/USD exchange rate being particularly important for the population due to widespread usage of the greenback as a savings instrument.
- The external backdrop is expected in the political sphere to further improve as the global economic recovery and the acceleration in economic growth in Russia will increase the trade and investment momentum in Russia's ties with the West, while moderating the potential risk of political/economic shocks in the eyes of the Kremlin. With the EU, it is expected a revitalized effort at developing the framework of an FTA after the completion of WTO accession. However, we think Russia will increasingly seek to forge closer economic ties with Asia, which, according to Russia's Economy Minister, will be increasingly important given the poor growth performance of Europe and the strong growth momentum in Asia.
- Fixed investment growth is likely to continue to recover going into 2011 on the back of the still favourable base effects and capital inflows, relatively high capex in the

corporate sector and the recovery in construction. We believe the inflow of foreign investment should not only emanate in the case of global risks associated with the state of the US and EU economies declining, but also with the prospect of WTO accession, which could serve as a trigger for higher FDI inflows. While the contribution from the budget is unlikely to grow significantly (as priority will be accorded to the social sphere ahead of the 2011-2012 elections), the pipeline of large infrastructure projects in the medium term may lead the government to start some of the infrastructure spending/preparations at an early stage. Overall, household consumption should again be the backbone of growth in 2011 as a result of higher fiscal outlays ahead of the elections in 2011-2012.

- Given Deutsche Bank's 2011 oil price (Brent) assumption of USD 87.5 per barrel rather than USD75 (Urals) as assumed in the budget, it is expected revenues to turn out higher than planned. However, Russia's budget is more exposed to a sharp drop in oil prices than in the past: First, the World Bank notes that the oil price, on which the budget is based, is less conservative than in previous years and second, the IMF calculated that the oil price to balance the 2011 budget has increased to USD97 from USD23 in 2007.
- Assuming further stabilization of the economy, the Central Bank will continue to fade out anti-crisis measures, allow more RUB flexibility while at the same time avoiding excessive fluctuations versus the dual currency basket and moving ahead with the transition to inflation targeting. Against the background of the financial crisis, the guideline also mentions financial stability as a goal next to promoting low and stable inflation.

LETTING MARKET

Moscow Office Market Overview

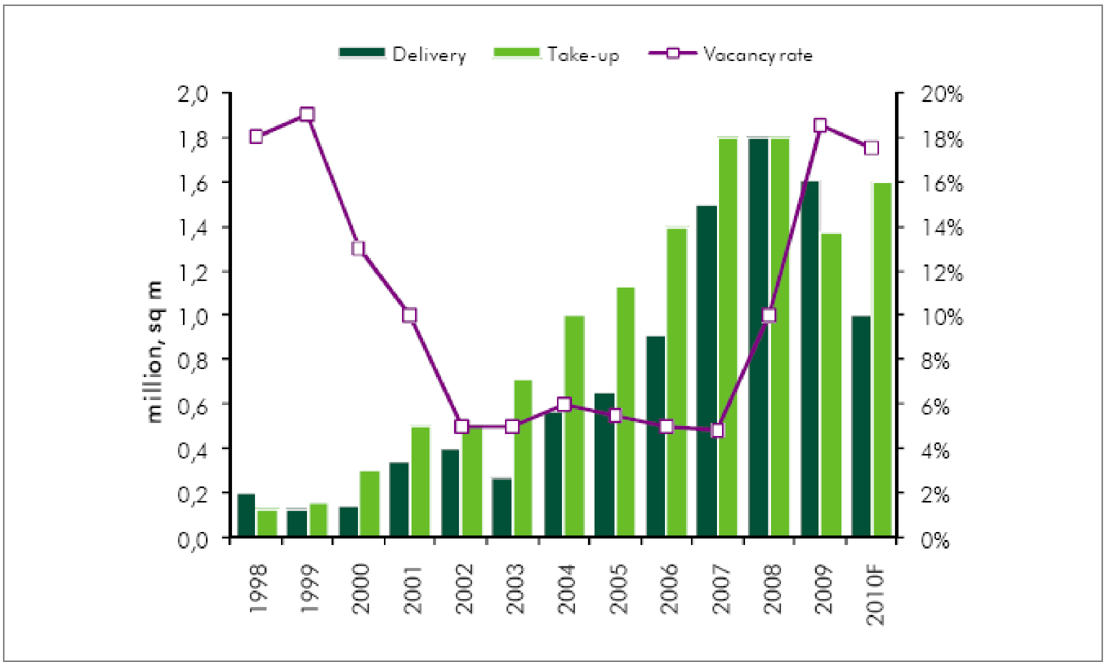
In Q3 we observed a lower volume of deals on the market, due mostly to the seasonal factor, which was intensified this year by the record heatwave and smog in Moscow. Compared with Q2 2010, the volume of deals fell in Q3 by almost 30% and, together with the moderate volume of new delivery, left the vacancy level almost unchanged compared with Q2 at 16%.

During Q3 2010, 280,000 sq m of new space was delivered to the Moscow office market.

Geographically, the largest share of new space entered the market in the area between the Third Transportation Ring (TTK) and MKAD (61%), followed by the CBD (34%), while the area between the Garden Ring and TTK had only one scheme delivered (Plaza H2O Phase II - 13,600 sq m). The area beyond MKAD saw no deliveries at all during the quarter.

Since the beginning of 2010, 635,000 sq m of space was delivered to the market. If the majority of projects announced by developers as due to complete before the end of 2010 are in fact delivered, the total delivered in 2010 should reach 1 million sq m.

Take-Up, Delivery and Vacancy Rate



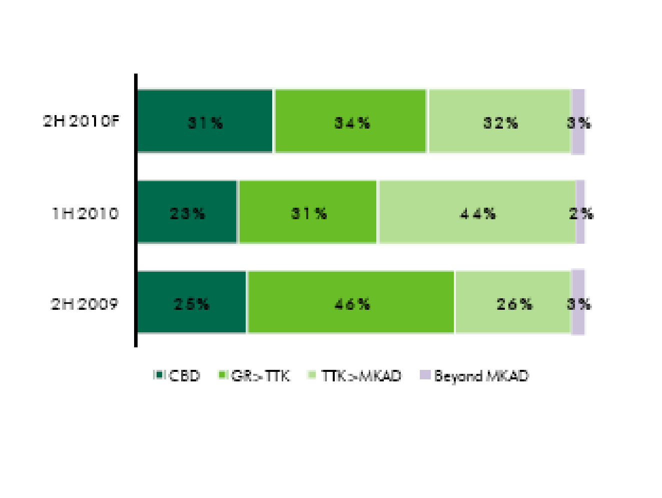
Source: CB Richard Ellis

With the lower deal volume, take-up in Q3 was 332,800 sq m, while in Q2 it was almost 500,000 sq m. As mentioned above, this was due not just due to seasonal factors, but also the extreme summer weather conditions, during which many companies had to shorten working hours or send staff compulsory leave.

Geographically, demand for space was concentrated in CBD: 50% of deals in Q3 were transacted there. The area between the Garden Ring and TTK came next, with 30%.

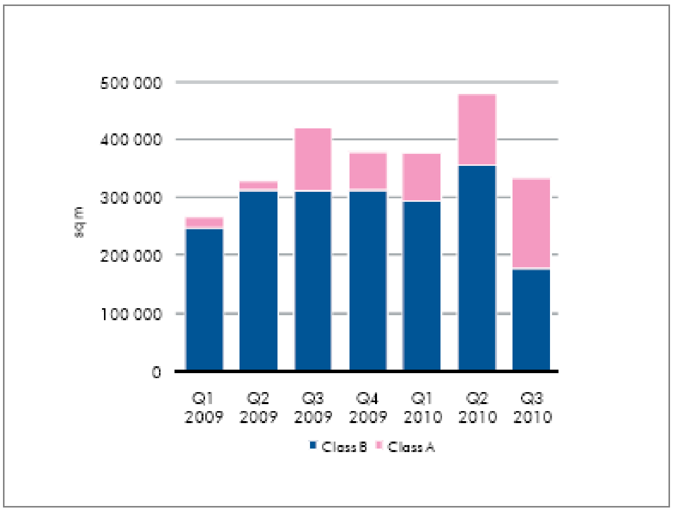
During the rest of 2010 we expect a further increase in share of take-up in the CBD due to the pipeline of large deals. However, this will not lead to a considerable decrease of vacancy in the area as most large occupiers are moving within the CBD from second generation space to newly delivered schemes without increasing the space occupied. We also observed an increase in the take-up of Class A space in Q3. This trend has been noticeable since the beginning of the year: 22% in Q1 and 26% in Q2. During Q3 this share rose substantially to 46%, or 155,000 sq m. Last time the market witnessed a similar volume of Class A take-up was Q2 2008 (just before the onset of the crisis), when Class A take-up of 167,000 sq m was registered. This can be explained by the desire of occupiers to improve their office conditions at favorable market rents on the one hand and on the other hand by the flexibility of landlords anxious to fill their newly delivered projects.

Take-up by Geographic Submarket



Source: CB Richard Ellis

Quarterly Take-up by Class



Source: CB Richard Ellis

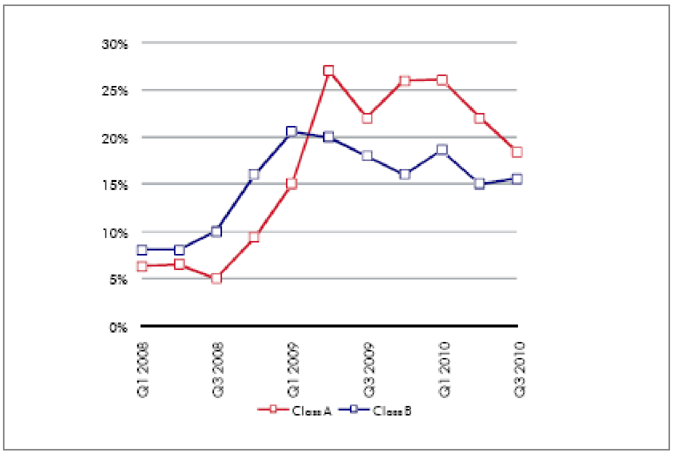
In spite of the low volume of deals in Q3, overall take-up in the first three quarters of 2010 stands at 1.2 mln sq m, while in the same period of 2009 this amount was 1 mln sq m. Taking into account the extensive pipeline of deals, and the usual increase in occupier activity closer to the year-end, annual take-up volume should exceed that of 2009, which totaled 1.37 mln sq m.

During Q3 the market witnessed only a small fall in Class A vacancy, from 22% in Q2 to 18% in Q3. While in Q3 we saw a substantial increase in the take-up of Class A space, this had little effect on the Class A vacancy rate as another large vacant project (Vivaldi BC) is now being actively marketed. However, we do not foresee any further decrease of Class A vacancy this year as out of 100,000 sq m of Class A space scheduled for delivery before the end of the year (Marr Plaza, Legenda BC, Summit BC, Diamond Hall, Tennis Center, etc.), only 25,000 sq m have signed pre-leases. This means that vacant Class A stock will increase by another 75,000 sq m, which could push Class A vacancy back up to 21%.

While during Q2 all geographical areas of Moscow had a similar vacancy rate of 15% (except for the area beyond MKAD with 30% of vacant space), in Q3 we saw vacancy fall in the CBD, from 15% in Q2 to 14% in Q3. Vacancy also fell in the area between the Garden Ring and TTK where take-up outpaced new delivery as only one project entered the market – Plaza H2O Phase II 13,600 sq m). Thus vacancy in the area dropped from 16% in Q2 to 13% in Q3. The areas between TTK and MKAD and beyond MKAD kept their Q2 vacancy levels 15% and 30% respectively).

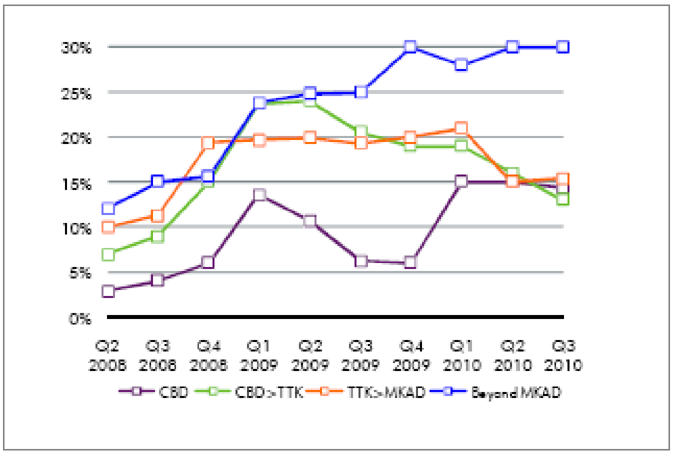
The overall vacancy level in Moscow (in all classes and geographical areas) was stable compared with Q2 at 16%. However, the vacancy level could start rising during Q4 as about 350,000 sq m of space (both Class A and Class B) is scheduled for delivery during this period. This increase is due not only to newly delivered space, but also to secondary space, which is becoming available as occupiers move to newer and more central space. As a result, the overall vacancy rate by the end of the year could be the same as that of 2009 – 17.7%.

Vacancy Rate by Class



Source: CB Richard Ellis

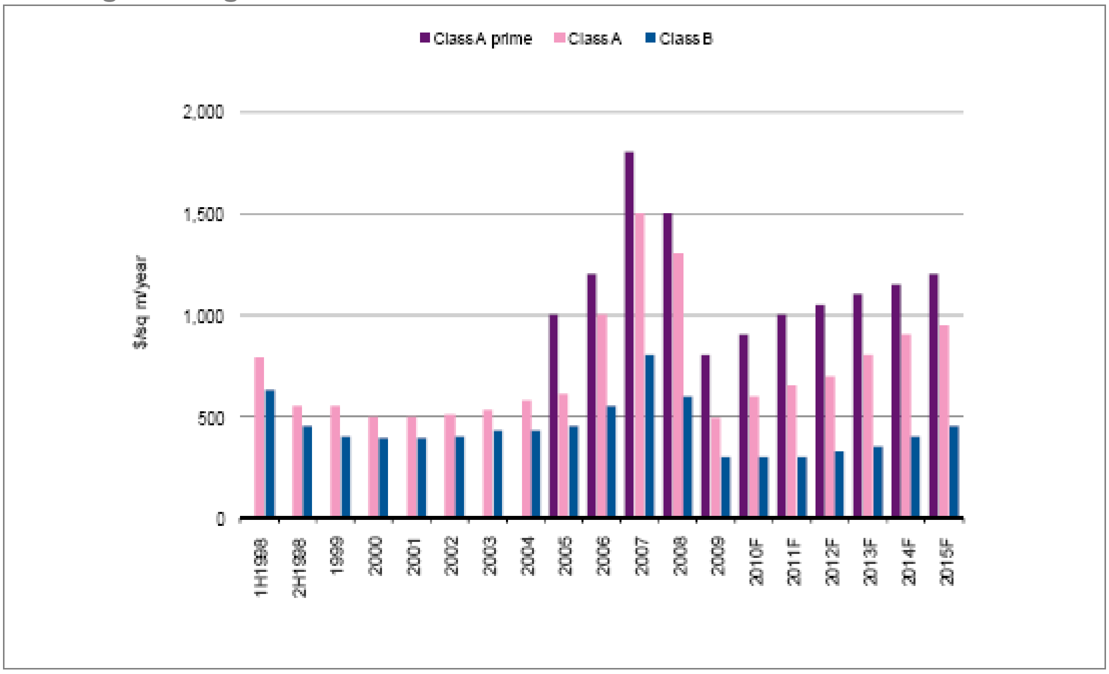
Vacancy in Geographic Submarket



Source: CB Richard Ellis

During Q3 the general level of rents did not significantly change and we expect this to remain the case for the rest of 2010 as vacancy is forecast to stay stable. However, since Q1 the rates for fitted out space in the CBD have been rising. Achieved rates depend very much on agreed lease terms such as lease length, options for lease break, rent-free periods, fit-out allowance, indexation structure, and others. Landlords have a wide range of incentives to attract tenants to their projects - offering longer term leases at the current market rate and low indexation rate, substantial fit-out allowances, extended rent-free periods, etc. Consequently there are a number of examples of large relocations within the same geographical area and involving no change in the size of space occupied, but to new generation buildings with more competitive offers.

Average Asking Rents



Source: CB Richard Ellis

Outlook

During the rest of 2010 and 2011 we expect stable conditions on the market as macro economy does not give us any grounds to forecast a substantial increase of demand for office space. The exception is for quality office space in prime locations, where rising demand will have a significant effect on vacancy and rents due to the limited supply. Some recovery is therefore likely in the prime office sector in 2011. As for the Class B sector and office space in decentralized locations, the oversupply situation is likely to last throughout 2011 and beyond.

Overview of the Moscow and Moscow Region Retail Markets

The Moscow and Moscow Region retail markets are usually considered as interdependent. The major advantage of the Moscow Region is its proximity to Moscow. As a result, the Region is highly developed and diversified in terms of the presence and development of retail units. According to official statistics, the Moscow Region is one of the five most highly developed regions in Russia. The major trends that started at the end of 2009 continued throughout the 2010.

- The outlook for development in the retail sector is by and large dependent upon the general economic outlook. Retail turned out to be less sensitive to the crises than other sectors, and this has contributed to its faster recovery. As a result, by Q3 2010, the retail market has already shown the first signs of stabilisation;
- On the consumer side, the data indicated an improving labour market: unemployment in Russia fell to 6.9% in August from 8.2% in December 2009. The wave of post-crisis recovery is evaporating, and the growth of wages and incomes are stabilising. According to Rosstat, average income per capita in Moscow region for 3Q 2010 equals 735 US Dollars resulting in 6.9% year-on-year growth, while the growth of real disposable income was 4.6% compared to the same period of previous year;
- Improving labour market and positive income growth rates translated into retail sales growth. The retail turnover in Russia for January-November 2010 estimated 14,671 billion roubles, which is 4.5% higher than in corresponding period of 2009. Consumer confidence continues to pick up after a sharp correction. The continued decline of inflation which was 8.7% in 2010 is providing support to consumer sector recovery. Nevertheless, despite the fact that consumer confidence has been gaining some strength the speed of retail market recovery will still depend on the overall market situation. Consumers remain quite cautious about their spending habits keeping their expectations on a rapid market recovery low;
- A slightly decreased level of savings and easier access to consumer loans continued to drive non-food sales. Although the pace of growth of durable goods purchases moderated domestic demand for imported goods continued improving. Substantial sales growth in the end of summer since the beginning of 2010 is attributed to basic products, as the population stocked up on these products in anticipation of price increases;
- During the crisis the delivery of these shopping centers to the market had been repeatedly postponed due to various reasons. However, currently the market is growing and during the 3Q 2010 there were the largest increase in new retail space over the 3Q since 2007 which may serve as additional evidence. Despite recent dynamic growth, supply of retail space in Moscow and region remains modest for the size of the city;

- As for Magazin Magazinov in Association with CB Richard Ellis, the retail market reached its "bottom" in 2009. As of today most of the retailers managed to rationalise space and re-negotiate lease terms. The transition from a landlord's market to a tenant's market translated into lower security deposits, extended rent free terms and grace periods. Landlords were willing to bare finishing work expenses. One of the major trends that came in force in 2009 and continued in 2010 was a shift towards turnover rents as opposed to fixed rents that were considered to be beneficial for tenants as they minimised the tenant's risk associated with the business. This trend is getting more strength in 2010 as many large-scale tenants prefer to sign contracts with turnover rents;
- Retailer's interest is currently skewed towards Moscow and Saint Petersburg. Weakening demand has increased competition in the Russian retail sector. The financial strength of large foreign retail chains like Auchan, Metro C&C helps then to take advantage of the current situation and to continue their expansion. Many international operators are already operating in Russia their number approaches 200. BEBE, New Look, IKKS, Kika, River Island, Coast, Oxette, H&M, Peter Murray, Uniqlo, Miss Selfridge and among newcomers;
- Large Russian retailers are expanding in regional cities. M-Video has doubled the number of shops in Sochi. Lenta and Seventh Continent plan to open more than 30 and 10 shops respectively. Grocery retailers prefer to expand by acquiring competitors;
- Foreign retailers continue to announce plans of entering the Russian market. Prada plans to open in Moscow and develop using a monobrand format. Adidas announced it will not sign contracts with largest sport goods retailers and will develop its own chain in Russia and Ukraine. The Russian multi-brand network Modny Alliance (Tashir Group) will develop the British brand Quiz under an exclusive franchise agreement. Furthermore, British brands, All saints and Reiss, will open shops in Russia;
- Retailers continue to develop networks in new formats. ATAC (Auchan Group) plans to open a number of stores in Moscow's centre – one has already opened. Metro Cash & Carry will launch two new smaller formats, Eco with area of about 3,000-3,500 sq m and Metro with an area of 1,500 sq m;
- Rental rates declined during the crisis, a result of the decrease in retailer demand. By the end of H1 2009, rents had reached the bottom and had fallen by 25-30% compared to the end of 2008. However, increased demand for retail space since then has helped to prevent rents from falling further and in Q3 2009 they began to stabilise. Moscow retail real estate market saw a sharp rental increase during the 3Q, 2010. New leases indicate an increase of 7-8%, while for the prime rental rates remaind unchanged;
- Comparing to the previous period the demand for retail space in the 3Q has increased significantly as the market stepped into the period of seasonal growth. Despite considerable delivery of new retail space average vacancy rate continues to drop – says the latest research report carried out by MAGAZIN MAGAZINOV part of the CB Richard Ellis network. Current vacancy rate in Moscow shopping centers dropped down to 3.9% comparing to 5.5% in the 2Q, 2010. Although new shopping centres are still not fully occupied at their openings, the situation has improved, with new shopping centre's vacancy rates declining to 10-20% in Q3 from 30-40% in 2009;
- According to market data, demand for a good quality retail premises has started to pick up in the H1 2010. However, it is important to distinguish between established quality

shopping centers with adequate concepts and location which enjoy high levels of footfall, and retail schemes of poor quality, location and concept. Demand for the best shopping centers and their occupancy levels proved to be high even during the crisis;

- Retail sector development prospects are by and large dependant upon the macroeconomic outlook. According to market players, there is a possibility of a sector revival to begin further in the course of 2011 if living standards and consumer sentiment turn to positive.

SAINT PETERSBURG PROPERTY MARKET OVERVIEW

Saint Petersburg Office Market

Data from the beginning of October 2010 shows that the volume of Class A and B office premises in Petersburg exceeded 2 million sq m.

Incremental space on offer during Q3 2010 was minimal amounting to 41,900 sq m.

Office Centre Key Figures

	Class A	Class B
Supply, sq m	456,600 (23%)	1,553,000 (77%)
Delivery in Q3 2010, sq m	22,800	19,100
Vacancy	18%	15%
Lease terms	3-5 years	11 months-3 years
Average rental rate, $/sq m/year, excl . VAT	460	335

Source: Maris Properties in association with CB Richard Ellis

As before, the leading place among city districts in the structure of supply was held by the Central district, which accounts for 18%, followed by the Petrogradsky district, with 15%. A major concentration of St Petersburg office property may also be seen in the outskirts – in the northern part of the city, in the area near the metro station Staraya Derevenya (Primorsky district), and in the south, in the Pulkovo area (Moskovsky district).

The Saint Petersburg office property market continues to be a tenants market.

According to data from developers, unlike to previous years, demand activity was on a high level during the summer months as rental rates hit their lows and deferred demand was satisfied. But already in September the number of requests and transactions began to decline.

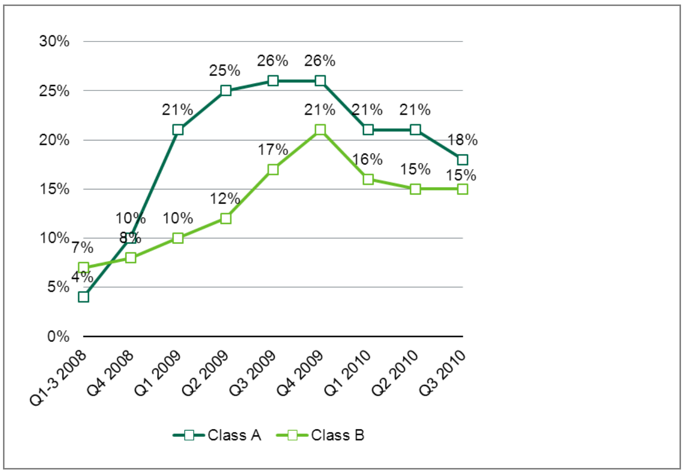
New companies opening up in Petersburg did not account for more than 5%. Most transactions reflect the move of existing tenants motivated by better conditions and reduced expenses. The prognosis is for a declining number of existing companies changing their premises as rental rates rise.

Offices premises less than 100 sq m, located in existing office centers, fully fitted out and ready for occupancy enjoy greatest demand in St Petersburg. In the overall structure of demand, this type of office space grew from 59% to 65% since the start of the year.

The volume of office space leased in Q3 amounted to at least 30,000 sq m; since the start of the year it has been at least 80,000 sq m. Thus, we can forecast that by year's end the volume of transactions will exceed the pre-crisis numbers and will come to around 120,000 sq m.

Thanks to increase in demand and to the relatively small quantity of new premises brought to the market in Q3 2010, the vacancy rate in Class A office centers dropped from 21% to 18%.

Vacancy Rates by Class



Source: Maris Properties in association with CB Richard Ellis

Rental rates for office premises in Petersburg have hit their lows and stopped declining. The size of discounts being offered has fallen substantially. Future changes in each office building will depend on its level of occupancy, but no further reductions are forecasted. Growth will occur at a slow pace, in step with inflation and will begin in the central districts of the city.

The range of rental rates in Class A office centers depends on location. In the outskirts space is being offered for $240 per sq m per year (excluding VAT 18%), while on Nevsky Prospect the price can exceed $800. In Class B office buildings the spread of rental rates goes from $200 to $500.

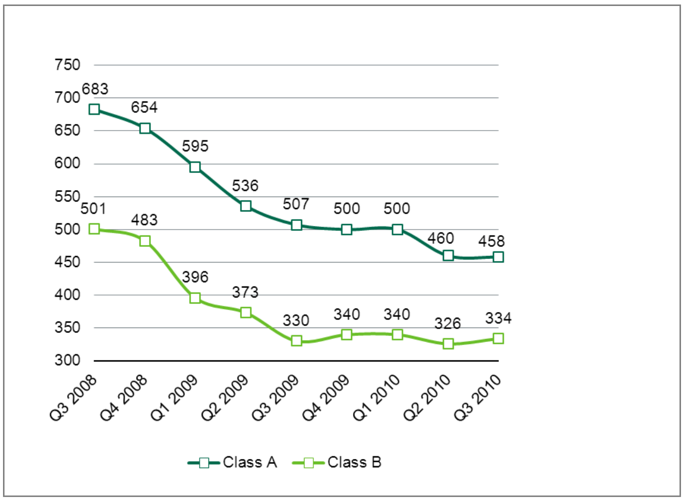
Rental rates*

Location	Class A	Class B
Nevsky prospect	$700	$490
Center	$420	$350
Bedroom districts	$390	$315
Remote districts	$308	$312
Average	$460	335

Source: Maris Properties in association with CB Richard Ellis

**in USD/sq m/year, excluding VAT*

Rental Rates Dynamics



Source: Maris Properties in association with CB Richard Ellis

Outlook

There were no significant changes in the office market during Q3 2010. Rental rates remained on the level they had reached at the start of the year and the anticipated rise linked to the onset of the new business season in September and revival of demand did not materialize. We expect rental rate growth will begin in the downtown districts in new, high-quality buildings with fitted out offices, with a maximum level of occupancy and with a professional management company.

SAINT PETERSBURG WAREHOUSE MARKET

The warehouse market, which suffered most from the crisis, has shown tangible signs of revival since the summer of 2010. First of all, demand has picked up. However, there is a long way to go until complete recovery, as developers have maintained a wait-and-see position and are in no rush to unfreeze suspended projects or to start building new projects.

Warehousing market key figures

Saint Petersburg, Q3 2010

	CLASS A	CLASS B
Total stock, sq m	977,000	507,000
Delivery in 2010, sq m	60,500	0
Vacancy	35%	18%
Lease terms, years	5-10 years	3-5 years
Rental rate, $/sq m/year (triple net)	90-100	80-90

Source: Maris Properties in association with CB Richard Ellis

During Q3 2010, the Sterkh corporation put its Osinovaya Roshcha warehousing complex in Pargolovo on the market; it has a total size of around 30,000 sq m, offering secure and responsible storage.

Thus, at the start of October 2010, the total stock of Class A and Class B warehousing amounted to 1.5 million sq m, not including space used by companies for their own needs. Class A accounts for 66% of the total and its share has been growing steadily.

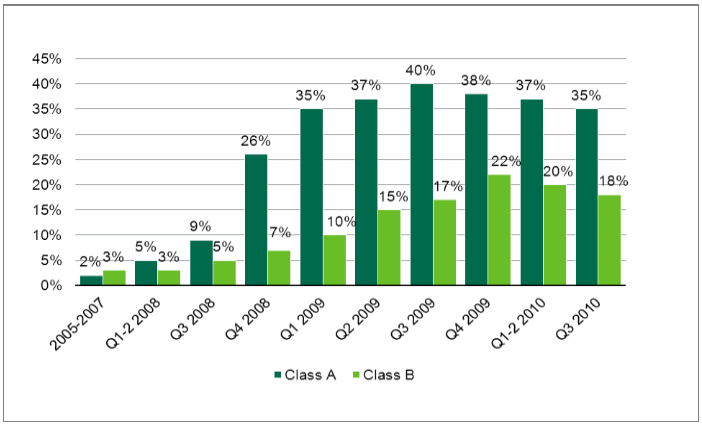
In terms of location, the leading areas for warehousing complexes are the Shushary industrial zone (representing more than 25% of the total), Utkina Zavod, Predportovaya, Parnas, and Gorelovo.

Development activity remains at a rather low level. The increase in the total stock in 2010 is expected to be the lowest for several years.

At the end of Q3, the average vacancy remained at a rather high level: 35% of Class A premises were vacant, and 18% of Class B. Despite the pick-up in demand and a number of major transactions, it is still premature to speak of a market recovery.

Vacancy Rates

Saint Petersburg, 2005-2010



Source: Maris Properties in association with CB Richard Ellis

The main warehouse tenants include producers and sellers of industrial goods and household chemicals, as well as producers of automobiles and related spare parts, whereas previously logistics operators had been the most important occupiers of rented space.

The largest warehousing transaction was completed in July 2010 when the Dixi chain signed a 10-year lease for 34,000 square metres of Class A space in Megalogix in Shushary.

The pick-up in demand for high quality warehouses which began at the start of the summer will continue to the end of 2010 and beyond. Given the low amount of new premises on offer, this will lead to a substantial reduction in the amount of vacant space in 2011.

Asking rents did not change in 2010, but, by the autumn, those buildings which had reached optimal occupancy began to offer fewer discounts or other concessions in their contracts. At the end of Q3 2010, average rental rates for Class A warehouse complexes were in the range of USD 90-100 per sq m/year (triple net), and for Class B USD 80-90 per sq m/year (triple net).

No rental growth is forecast at the end of 2010 and the beginning of 2011, since the amount of vacant premises is still high. In the future, any change in commercial conditions will depend on the amount of new premises coming onto the market.

Conclusions

Having reviewed the internal valuation of the Company Portfolio, CB Richard Ellis 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 annual report 2010 on 31 December 2010.

Yours faithfully,

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APPENDIX 1: SUMMARY OF THE PROPERTIES

The Property Portfolio of Sponda Plc consists of 7 (seven) properties held for investment. Three of the seven are located in Moscow, one in the Moscow Region and three in Saint Petersburg. Approximately 67% of the value of the Portfolio is represented by two office buildings in Moscow. The retail properties, including 2 (two) shopping centres in Moscow and in Ramenskoe in the Moscow Region, comprising approximately 22% of the total Portfolio value. The lowest shares in the total value of the Portfolio (around 5% and 6% respectively) are accounted for by the warehouse building in Saint Petersburg and two office buildings in Saint Petersburg. The majority of properties are modern, recently developed or redeveloped, 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:

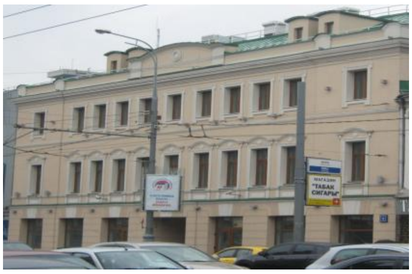
Adastra

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 of 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.



Ancor

Address: 6 Prospect Mira St., Moscow, Russia

Main Use: Business 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 2,968 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 areas of the occupied blocks vary from 44 to 382 sq m. The majority of the lease agreements expire between 2012 and 2014.

Inform-Future

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

Main Use: Business Centre

Description: The Business Centre comprises three buildings with a combined GBA of 3,695 sq m and a GLA of 2,899 sq m. The buildings are almost equal in size. They were built before the revolution in the 1900s and substantially reconstructed in

1992-1997 with some minor re-decoration in 2004.

As of the valuation date the Property was 80% let to multiple tenants. The long-term leases representing circa 12% of the secure income are due to expire in 2011-2015. The pool of tenants is represented by reputable international and local companies.

Korbis

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

Main Use: "Solnechniy Rai II" Shopping Centre

Description: The Property is a two-storey shopping centre with an underground level built in 2005. It comprises 9,018.8 sq m GBA and 6,508 sq m GLA. The Property has surface parking for 110 cars providing a parking ratio of approximately 59 sq m of GLA per car space.

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 tenants, representing circa 52% of the total revenues, are due to expire between 2011 and 2016. The pool of tenants fully consists 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 3,361 sq m GLA. The building was constructed before the revolution in 1886 and substantially reconstructed in 1996.

The Property is 85% let to multiple tenants. The anchor tenants provide circa 36% of the secure income. The pool of 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 8,966 sq m GLA. The Property has surface parking for 140 cars providing a parking ratio of approximately 64 sq m of GLA per car space.

As of the valuation date the Property was 100% let to multiple tenants. The long-term leases with anchor tenants, representing circa 36% of the total revenues, expire between 2011 and 2016. 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 a multi-level office building with floors on levels 4 to 10 and a two-level underground car park. The building comprises 19,190.3 sq m GBA and 14,420 sq m GLA. The Property was delivered to the market in 1997.

The Property is 94% let to multiple tenants. The office space in the Property is let on a long term basis to reputable, internationally recognised tenants. The majority of the lease agreements expire between 2015 and 2017.