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Etalon's Jubilee Estate Project gets Road Extension Approval

Etalon Group Limited (LSE: ETLN) (the "Company" or the "Group"), one of Russia's largest and oldest residential real estate developers, announces that construction of an extension of Shuvalovsky prospect from Komendantsky prospect to prospect Aviakonstrukturorov is due to begin, following approval by the St. Petersburg Committee for Transport Infrastructure. This new section of road will significantly improve access to Etalon Group's Jubilee Estate complex.

Jubilee Estate is one of Etalon's flagship projects in the Group's St. Petersburg portfolio. It is a comfort class residential complex located in the city's Primorsky district, being built on a 35 hectare land plot that features 13 buildings of up to 25-storeys. The total net sellable area (NSA) for this project is over 600 thousand square metres. Jubilee Estate will form the centre of a new St. Petersburg residential neighbourhood, and the complex also features playgrounds, commercial premises as well as underground and guest parking.

Vyacheslav Zarenkov, Etalon Group President commented: "Jubilee Estate is one of our most successful projects. It is an excellent example of a large-scale development that has significantly enhanced the face of the district. We launched the project in 2007 when the Company celebrated its 20th anniversary, and we are on track to finish construction in 2012, when Etalon turns 25. Three of the five years under development were crisis years. Despite this, 11 buildings have been delivered and 2 buildings will be delivered this year; Etalon expects to achieve USD 1.1 billion of cash collections by the completion of the Jubilee Estate project."

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About Etalon Group

Founded in 1987, Etalon Group is one of Russia's largest residential real estate developers. The Company operates in both the St. Petersburg and Moscow Metropolitan Areas.

Etalon Group has a strong portfolio focused on large-scale residential complexes, with a dominant position in the "comfort class" (lower middle class and upper economy class) price segment, providing high quality living at affordable prices. The Company's portfolio comprised 28 projects, as of 31st December 2010, with a total of 3.13 million sqm of unsold net sellable area ("NSA") in the St. Petersburg and Moscow Metropolitan Areas. For the year ended 31st December 2010, the Company recorded revenues of RUB 20.3 billion (USD 669 million) and EBITDA of RUB 6.9 billion (USD 227 million), with an EBITDA margin of 34%.

Since 20th April 2011, Etalon Group Limited has had its GDRs traded on the Main Market of the London Stock Exchange.