

CHAIRMAN'S STATEMENT

After concentrating on extending our land bank and expanding our project portfolio in 2007, we have focused our resources during the first half of 2008 on developing existing projects and preparing R.G.I. International Limited (the "Company" or "RGI") for the intensive development period ahead.

Significant progress has been made across RGI's portfolio. We have expanded and strengthened our team and moved forward with the planning and approval processes for our nine projects that are held for development, while adhering to the high quality design standards RGI is well known for. Our tenth development, a retail high-end project located at Tsvetnoy Boulevard in the centre of Moscow, is under construction and on schedule for completion by the year-end.

I am also pleased to report that, despite the global financial crisis, we have been able to secure debt financing at competitive terms. I believe this is a further endorsement of our experienced executive team, the credibility of our development strategy and the quality of our project portfolio. Looking ahead, and in light of the challenges presented by the current situation in the global credit markets, we continue to seek a broad range of financing options to maintain maximum flexibility. Our view is that the high proportion of residential developments in our portfolio (where pre-selling is common), together with the very low financial leverage we operate with and the strong and growing demand for high quality real-estate in Moscow, provide us with good flexibility in our development and financing strategy.

Our net asset value ("NAV") per share has continued to increase during the period from US\$15.51 as at 31 December 2007 to US\$16.18 as at 30 June 2008, primarily due to progress made with the development of the portfolio and increased property prices. These positive effects were partially offset by a continued increase in expected construction costs and a slight increase in Moscow commercial real estate yields.

In summary the Board is pleased with the progress we have made so far this year and expects further positive developments during the remainder of the year. We believe that our strong and high quality project portfolio along with our management experience provides us with a strong platform to deliver shareholder value in the future.

Development update

We now have a team of twenty three full-time planning professionals and engineers working together with first class external consultants on execution. During the first half of the year, they have made good progress in moving the nine projects held for development further towards the construction phase.

Our two largest projects, Chelsea and Kingston, were acquired in March and June of last year. Together they account for 60% of the total valuation of our projects' portfolio including minority share.

Chelsea will be a predominantly residential development in the heart of central Moscow, near Tsvetnoy Boulevard. In the first half of the year we have significantly advanced with the planning and architectural designs for the site, which allow for the creation of ten sub-projects. We have earmarked four sub projects for early stage construction and continued with the process of relocating residents from these areas. While we cannot be precise with regard to the timing of approvals from the authorities, our expectation remains that construction will begin in 2009, with the pre-construction phase of work commencing on the ground in the first half of 2009.

The Kingston project, located in Moscow Region, is the largest of our projects by area. Working together with the international architects HOK we have completed the urban planning stage and are in the process of

submitting it to the local authorities for approval. As with the Chelsea project, our expectation remains that construction will begin in 2009, with the pre-construction phase of work commencing on the ground in the first half of 2009.

Of our other eight projects, one is currently in the course of construction (Tsvetnoy) and seven are held for development at different stages of the planning and approval processes. We expect to complete the Tsvetnoy Development by year-end 2008 and an additional two developments – Zemlianoy and Dream – during 2009. Five additional projects, Khilkov, Maya, Ostozhenka, Victory Park and Media City are expected to be completed during 2010.

Portfolio Performance

The Board is pleased to announce the results of a further property revaluation conducted by the independent appraisers DTZ as at 30 June 2008.

As at 31 December 2007, following the sale of the Butikovskiy development in December 2007 and the decision of the directors of the Company (the “Directors”) to exclude the Taganka pipeline project, RGI’s project portfolio comprised ten projects, all of which are under construction or held for development. DTZ valued RGI’s project portfolio as at 31 December 2007 at US\$2,289.3 million, on the basis of a 100% ownership stake in these properties. During the first six months of 2008, we have not acquired any new projects nor have we disposed of any existing ones. The table below sets out the sequence of valuations carried out by DTZ for 100% ownership interest in RGI’s properties as at 30 June 2008, which reflects a year-to-date total increase in the valuation of the property portfolio of 7% to US\$2,451.0 million.

Valuations Progress

For 100% Ownership Stake

DEVELOPMENT	31 DECEMBER 2006 (US\$ m)	30 JUNE 2007 (US\$ m)	31 DECEMBER 2007 (US\$ m)	30 JUNE 2008 (US\$ m)
Properties in the course of construction				
Butikovskiy	28.8	58.8	NA*	NA*
Tsvetnoy	65.1	124.0	162.9	196.2
Properties held for development				
Khilkov	161.8	182.3	226.7	237.8
Zemlianoy	21.2	25.3	32.2	39.2
Ostozhenka	13.7	20.0	23.7	25.3
Chelsea	NA	521.6	664.7	735.8
Victory Park	NA	164.2	206.1	211.9
Media City	NA	100.5	137.5	150.0
Dream	NA	55.5	71.7	76.7
Maya	NA	32.4	41.7	43.7
Kingston	NA	661.2	722.1	734.4
Total properties in course of construction and held for development	290.6	1,945.8	2,289.3	2,451.0
Pipeline Properties				
Taganka	95.2	102.3	NA**	NA**
Total	385.8	2,048.1	2,289.3	2,451.0

* The Butikovskiy Project was sold in December 2007 for total consideration of US\$97.2 million.

** Upon the acquisition of LLC Directway Investments the Directors considered the Taganka Project as a “pipeline property”, as the Group did not have any land lease rights in relation to the Taganka Project, nor did it have any formal approvals or resolutions from the Moscow Government permitting the Company to develop the Taganka Project. As at the date of this report, the status of the Company’s land lease rights and construction approvals and resolutions remains unchanged. The Directors have therefore reassessed the Taganka Project and have concluded that any progress in its development in the foreseeable future is unlikely. The Directors have decided to maintain their decision of 18 March 2008, which excluded the Taganka Project from the Company’s current property portfolio and therefore no value will be attributed to the project in these financial statements and NAV calculations. In the event that the status of the Taganka

Project changes, the Directors may reassess the treatment of the project in future financial statements and NAV calculations.

RGI's target ownership based on the actual beneficial holdings in the projects, in the Khilkov Development amounts to a 50% interest, whereas target ownership in the Sucreti projects (Maya, Dream, Media City and Kingston) amounts to a 73% interest. RGI's target ownership in all other projects amounts to 100% interest. The table below sets out DTZ's current and completion valuations of RGI's target ownership in the projects in addition to the Company's updated expected completion dates.

Valuations for RGI Target Stake

Development	Primary Asset Type	Expected Completion*	GIA (Sq.m.)	RGI's Target Stake	Valuation as at 30 June 2008 (US\$ m)	Valuation at Completion (US\$ m)
Properties in the course of construction						
Tsvetnoy	Retail	2008	38,653	100%	196.2	302.5
Properties held for development						
Khilkov	Elite Residential	2010	32,000	50%	118.9	246.3
Zemlianoy	Office	2009	10,491	100%	39.2	84.4
Ostozhenka	Elite Residential	2010	1,379	100%	25.3	46.9
Chelsea	Mixed Use	2010-2012	263,000	100%	735.8	2,738.6
Victory Park	Residential/Mixed	2010	70,000	100%	211.9	570.0
Media City	Office	2010	86,440	73%	109.5	357.3
Dream	Office	2009	21,274	73%	56.0	139.6
Maya	Office	2010	10,800	73%	31.9	74.7
Kingston	Residential	2010-2012**	1,613,327	73%	536.1	3,015.1
Total properties in course of construction and held for development			2,147,364		2,060.8	7,575.4
Pipeline Properties						
			-	-	-	-
Total			2,147,364		2,060.8	7,575.4

* Expected completion dates are estimated based on best available data and are examined periodically.

** The Kingston project will be developed in stages. Upon receiving necessary approvals, we intend to either develop ourselves and/or sell development rights to other developers and expect to complete development/disposal by 2012.

The NAV per share increased from US\$15.51 as at 31 December 2007 to US\$16.18 per share as at 30 June 2008. Total NAV as at 30 June 2008 is US\$2,035.7 million, up from US\$1,950.8 million as at 31 December 2007 (an increase of 4.42%). The NAV calculation is presented in the following table:

NAV Calculation				
DEVELOPMENT	RGI'S TARGET SHARE FAIR VALUE			
	31 DECEMBER 2006 US\$ m	30 JUNE 2007 US\$ m	31 DECEMBER 2007 US\$ m	30 JUNE 2008 US\$ m
Properties completed				
Butikovsky	28.8	58.8	NA*	NA*
Properties in the course of construction				
Tsvetnoy	65.1	124.0	162.9	196.2
Properties held for development				
Khilkov	80.9	91.2	113.4	118.9
Zemlianoy	21.2	25.3	32.2	39.2
Ostozhenka	13.7	20.0	23.7	25.3
Chelsea	NA	521.6	664.8	735.8
Victory Park	NA	164.2	206.2	211.9
Media City	NA	73.4	100.3	109.5
Dream	NA	40.5	52.3	56.0
Maya	NA	23.7	30.4	31.9
Kingston	NA	482.7	527.1	536.1
Total properties completed, in the course of construction and held for development	209.7	1,625.4	1,913.3	2,060.8
Pipeline properties				
Taganka	95.2	102.3	NA**	NA**
Total Fair Value of properties	304.9	1,727.7	1,913.3	2,060.8
Add other net assets***	152.4	47.1	37.5	-25.1
Total NAV	457.3	1,774.8	1,950.8	2,035.7
No. of issued shares	101,706,144	125,786,978	125,786,978	125,786,978
NAV per share in US\$	4.50	14.11	15.51	16.18

* The Butikovsky Project was sold in December 2007 for total consideration of US\$97.2 million.

** The Directors have decided to maintain their decision of 18 March 2008, which excluded the Taganka Project from the Company's current property portfolio and therefore no value will be attributed to the project in these financial statements and NAV calculations. In the event that the status of the Taganka Project changes, the Directors may reassess the treatment of the project in future financial statements and NAV calculations.

*** Other net assets include the Group's non-property development assets less liabilities, excluding deferred income tax liabilities with respect to development properties.

Financial results

Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and presented below.

It should be noted that in Moscow, unlike a number of international markets, ownership rights to the land being developed are not held by the Group. Instead, property development rights are typically held in the form of an investment contract or a land lease agreement. During 2007 the Company acquired a number of new development projects and accounted for them as business combinations under IFRS 3. According to this standard, assets and liabilities acquired in the course of a business combination are initially recorded on the balance sheet at their fair value. The difference between the Company’s share in the fair value of the net assets acquired and the purchase price (when the fair value is higher than the purchase price) is recorded as a negative goodwill. During the development phase projects are recorded at the lower of cost and net realizable value. As developments are completed the properties are to be classified as investment properties in accordance with IAS 40 ‘Investment Property’, and the projects are then revalued to their current fair market value.

No new projects were acquired during the first six months of this year. The total amount of fair value of the net assets acquired during 2007 (all such assets were acquired during the first six months of the year) was approximately US\$1,507 million and the negative goodwill recorded as a result of these transactions was US\$675 million. No new projects were acquired during the first six months of this year.

The loss for the six months period ended 30 June 2008 was US\$12.2 million compared with a profit of US\$672.7 million in the six months ended 30 June 2007 or a loss of US\$2.8 million excluding the negative goodwill recorded in that period. The increase in the loss is primarily due to the increase of approximately US\$3.5 million in general and administrative and professional services expenses and an increase of approximately US\$3.4 in non-cash share based expenses.

The Company’s cash balance as at 30 June 2008 was US\$91.1 million compared with US\$162.8 million as at 31 December 2007. Total assets as at 30 June 2008 were US\$2,168 million, of which US\$1,940 million were recorded as property development rights and costs compared with total assets as at 31 December 2007 of US\$2,075 million of which US\$1,805 million were recorded as property development rights and costs. For a more detailed view of our property development rights and costs and for a breakdown by project see Note 5 to our financial statements.

Debt Financing Activity

During the period we have successfully completed two debt financing transactions which in total provided the Company with a credit line of approximately US\$115.6 million:

- ❖ On 26 March 2008 we announced the arrangement of a secured, non-recourse term loan facility of US\$100 million between LLC Central Market (a subsidiary of RGI) and JSC “Commercial Savings Bank of the Russian Federation” (“Sberbank”), the largest bank in Russia. The loan is to be used to fund the construction of the Tsvetnoy Development, a primarily retail high-end development at 15 Tsvetnoy Boulevard in Moscow. As at 30 June 2008 the total amount drawn down under the loan was US\$21.8 million and the remaining facility is expected to be sufficient to cover all remaining development costs for Tsvetnoy.
- ❖ On 13 June 2008 we announced a successful further issue of the Company's unsecured Series A 8.7% bonds via a private placement in Israel, raising net proceeds of NIS51.2 million (approximately

US\$15.6 million) and increasing the total net proceeds to-date from this series to approximately US\$47.9 million.

Board changes

On 3 April 2008 Yoram Evan, the Company's VP Business Development, was appointed as the Company's CFO. Yoram replaced Gregory Ulitsky, who resigned from the Board as the Company's CFO on the same day. The Board would like to thank Gregory for his contribution and wishes him well for the future.

Strategy

The Board's long-term strategy is to strengthen RGI's position as one of the leading developers of high-end properties in Moscow and the surrounding areas. RGI's experienced management team has acquired a high quality land bank and project portfolio and is well placed to develop it, delivering substantial value to shareholders in the process.

In the short to medium term, the Company will be focused on execution, with three projects scheduled for completion and construction due to start at a further seven over the next eighteen months. At the same time the company will seek to renew its development pipeline when suitable acquisitions arise.

RGI will continue to use debt financing to optimize the Company's capital structure and to secure capital necessary for the development of our projects. As we have demonstrated to-date, this can be obtained either through credit line facilities to RGI and its subsidiaries or by obtaining construction loans for the projects. When appropriate, the Company will also seek to obtain equity financing or to establish joint ventures with co-investors.

Market update and outlook

Despite evidence of inflationary pressure and the impact on some business sectors of tightening credit conditions in the international capital markets, Russia remains a growing economy. Independent forecasters predict continued real GDP growth at sustainable levels along with steadily increasing disposable income and spending.

Economic conditions in Russia remain positive in the context of the Company's business with continued growth forecast in all major real estate sub-sectors. The primary theme in the market is of an undersupply of quality real estate assets in each market segment and, as a result, demand for the highest quality residential, office and retail developments continues to outstrip supply.

Capitalisation rates (property yields) continue to exceed those in practically all of Central and Western Europe. Rental and sale prices for real estate assets have also continued to increase against the backdrop of a substantial downturn in the global market for real estate assets, which highlights the overall strength of the Russian market.

The Company has continued to make good progress in executing its strategy during the reported period. In the second half of the year we will continue concentrating on the planning and approval process of our existing projects and their timely execution.

With our focus on the high-end, predominantly central Moscow residential market segment, we believe we are well positioned to benefit from ongoing demand from investors and occupiers.

Jacob Kriesler

Executive Chairman

4 September 2008

PwC report**REVIEW REPORT****To the Shareholders and Board of Directors of R.G.I. International Limited***Introduction*

We have reviewed the accompanying interim condensed consolidated balance sheet of R.G.I. International Limited as of 30 June 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Notes 4 and 5 to the condensed consolidated interim financial information describing the Group's property development rights, which are affected by a number of key assumptions involving a significant element of judgement.

4 September 2008

Moscow, Russian Federation

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

30 JUNE 2008 31 DECEMBER 2007

	NOTE	US\$'000	US\$'000
ASSETS			
Non-current assets			
Property development rights and costs	5	1,940,501	1,804,812
Receivables		8,511	4,446
Development licenses		253	291
Investment in jointly controlled entity	6	91,522	79,529
Cash deposited against the derivative		1,627	1,627
Property, plant and equipment		21,579	19,143
Total non-current assets		2,063,993	1,909,848
Current assets			
Receivables and prepayments		4,322	2,822
Derivative financial assets	7	8,655	-
Cash and cash equivalents		91,126	162,774
Total current assets		104,103	165,596
Total assets		2,168,096	2,075,444
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		409,963	391,379
Advance payment under co-investment agreement		32,512	31,070
Construction loans	8	21,841	-
Bonds	7	54,846	32,700
Total non-current liabilities		519,162	455,149
Current liabilities			
Purchase consideration payable		46,000	48,000
Trade and other payables		6,360	39,669
Deferred income		71,117	67,961
Taxes payable		728	144
Total current liabilities		124,205	155,774
Total liabilities		643,367	610,923
Equity			
Share capital		1	1
Share premium		456,524	456,524
Share-based payment		10,855	5,984
Translation reserve		130,019	71,111
Retained earnings		732,450	744,666
Equity attributable to the Company's equity holders		1,329,849	1,278,286
Minority interest		194,880	186,235
Total equity		1,524,729	1,464,521
Total liabilities and equity		2,168,096	2,075,444

Approved for issue and signed on behalf of the Board of Directors

Jacob Kriesler
Director

Yoram Evan
Director

CONDENSED CONSOLIDATED INCOME STATEMENT

		PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008	PERIOD FROM 1 JANUARY 2007 TO 30 JUNE 2007
	NOTE	US\$'000	US\$'000
The excess of acquirer's interest in the net value of the acquirees' identifiable assets, liabilities and contingent liabilities over cost (negative goodwill)		-	675,547
Consulting and other professional services		(2,263)	(1,164)
General and administrative expenses		(5,215)	(2,833)
Share - based payment	9	(4,593)	(1,174)
Depreciation		(397)	(432)
Other income		512	526
Operating (loss)/profit		(11,956)	670,470
Finance income, net		1,200	2,562
Share in result of jointly controlled entity		(825)	75
(Loss)/Profit before income tax		(11,581)	673,107
Income tax		(635)	(382)
(Loss)/Profit for the period		(12,216)	672,725
(Loss)/Profit is attributable to:			
Equity holders of the Company		(12,216)	672,725
Minority interest		-	-
(Loss)/Profit for the period		(12,216)	672,725
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US\$ per share):			
Basic		(0.1)	5.98
Diluted		(0.1)	5.96

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						MINORITY INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	SHARE-BASED PAYMENT	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 January 2008	1	456,524	5,984	71,111	744,666	1,278,286	186,235	1,464,521
Currency translation difference recognized in equity	-	-	278	58,908	-	59,186	8,645	67,831
Net income recognized directly in equity	-	-	278	58,908	-	59,186	8,645	67,831
Loss for the period	-	-	-	-	(12,216)	(12,216)	-	(12,216)
Total recognized income for the period	-	-	278	58,908	(12,216)	46,970	8,645	55,615
Share based payment	-	-	4,593	-	-	4,593	-	4,593
At 30 June 2008	1	456,524	10,855	130,019	732,450	1,329,849	194,880	1,524,729
NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						MINORITY INTEREST	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	SHARE-BASED PAYMENT	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 January 2007	1	216,721	-	110	88,257	305,089	-	305,089
Currency translation difference recognized in equity	-	-	-	7,676	-	7,676	-	7,676
Net income recognized directly in equity	-	-	-	7,676	-	7,676	-	7,676
Profit for the period	-	-	-	-	672,725	672,725	-	672,725
Total recognized income for the period	-	-	-	7,676	672,725	680,401	-	680,401
Issue of share capital	-	239,803	-	-	-	239,803	-	239,803
Share-based payment	-	-	1,174	-	-	1,174	-	1,174
Minority interest on acquisition	-	-	-	-	-	-	177,335	177,335
At 30 June 2007	1	456,524	1,174	7,786	760,982	1,226,467	177,335	1,403,802
Currency translation difference recognized in equity	-	-	-	63,325	-	63,325	8,900	72,225
Net income recognized directly in equity	-	-	-	63,325	-	63,325	8,900	72,225
Profit for the period	-	-	-	-	(16,316)	(16,316)	-	(16,316)
Total recognized income for the period	-	-	-	63,325	(16,316)	47,009	8,900	55,909
Share-based payment	-	-	4,810	-	-	4,810	-	4,810
At 31 December 2007	1	456,524	5,984	71,111	744,666	1,278,286	186,235	1,464,521

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOTE	PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008 US\$'000	PERIOD FROM 1 JANUARY 2007 TO 30 JUNE 2007 US\$'000
Cash flow from operating activities before working capital changes		
(Loss)/Profit before income tax	(11,581)	673,107
The excess of acquirer's interest in the net value of the acquirees' identifiable assets, liabilities and contingent liabilities over cost (negative goodwill)	-	(675,547)
Share-based payment	4,593	1,174
Depreciation	397	432
Share in result of jointly controlled entity	825	(75)
Interest income	(2,625)	(5,412)
Foreign exchange loss, net	6,741	2,999
Change in fair value of derivatives	(8,482)	-
Interest expense and discount amortization	3,253	-
Other non-monetary activities	11	(24)
Net cash outflow from operating activities before working capital changes	(6,868)	(3,346)
Change in trade and other payables	(2,636)	650
Change in receivables and prepayments	(1,369)	471
Change in other taxes payable	578	100
Cash used in operations	(10,295)	(2,125)
Interest received	2,625	5,412
Income tax paid	(227)	(42)
Net cash (used in)/from operating activities	(7,897)	3,245
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(2,000)	(192,000)
Investment in jointly controlled entity	(8,301)	(7,097)
Investments in current projects	(88,281)	(25,781)
Purchase of plant and equipment	(1,945)	(15,269)
Net cash used in investing activities	(100,527)	(240,147)
Cash flow from financing activities		
Proceeds from issue of share capital	-	239,803
Proceeds from issue of bonds, net	7	15,572
Proceeds from construction loans	8	21,841
Interest paid	(1,840)	-
Repayments of borrowings	-	(12,545)
Net cash generated from financing activities	35,573	227,258
Effect of exchange rate changes on cash and cash	1,203	(3,259)
Net decrease in cash and cash equivalents	(71,648)	(12,903)
Cash and cash equivalents, beginning of the period	162,774	163,365
Cash and cash equivalents, end of the period	91,126	150,462

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. THE R.G.I. INTERNATIONAL LIMITED GROUP

The interim condensed consolidated financial statements of R.G.I. International Limited ("RGI" or the "Company") and its subsidiaries (together referred to as the "Group") for the six months period ended 30 June 2008 were authorized for issue in accordance with a resolution of the directors on 2 September 2008.

The Company was incorporated in Guernsey on 14 March 2006 as a limited liability company in accordance with the provisions of The Companies (Guernsey) Law, 1994. As at 30 June 2008, the registered office and business address was Frances House, Sir William Place, St. Peter Port, Guernsey, GY1 4HQ.

The principal business activity of the Group is property development and property management in the Russian Federation, with its core business being the development and management of high-end office and retail business and luxury residential and retail properties in central Moscow and the surrounding areas.

The Group's projects are described in Note 5.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months period ended 30 June 2008 has been prepared in accordance with IAS 34, "Interim financial reporting".

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with IFRS.

The group operates in the Russian Ruble ("RUR") economic environment. Accordingly, the functional currency of each of the Group's entities is "RUR". The Group's consolidated condensed interim financial statements have been presented in US dollars ("US\$"), as the Directors believe that this presentation is more appropriate for the users.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group:

- IFRIC 11, "IFRS 2 – Group and treasury share transaction",
- IFRIC 12, "Service concession arrangements",
- IFRIC 14, "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction".

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been adopted early:

- IFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14, “Segment reporting”, and requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. Management does not expect IFRS 8 to affect the Group’s financial statements.
- IAS 23 (amendment), “Borrowing costs”, effective for annual periods beginning on or after 1 January 2009. The main change to IAS 23 is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize such borrowings costs as part of the cost of the asset. The revised Standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009. The Group is currently assessing the impact of the amended Standard on its financial statements.
- IFRS 2 (amendment), “Share-based payment”, effective for annual periods beginning on or after 1 January 2009. The amendment clarifies that only service conditions and performance conditions are vesting conditions. Other features of a share-based payment are not vesting conditions. The amendment specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. Management is assessing the impact of changes to vesting conditions and cancellations on the Group’s LTIP schemes.
- IFRS 3 (amendment), “Business combinations” and consequential amendments to IAS 27, “Consolidated and separate financial statements”, IAS 28, “Investments in associates” and IAS 31, “Interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group.
- IAS 1 (amendment), “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. The main change in IAS 1 is the replacement of the income statement by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate income statement and a statement of comprehensive income. The Group expects the revised IAS 1 to affect the presentation on its financial statements but to have no impact on the recognition or measurement of specific transaction and balances.
- IAS 32 (amendment), “Financial instruments: presentation”, and consequential amendments to IAS 1, “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. The amendment requires classification as equity of some financial instruments that meet the definition of a financial liability. The Group is currently assessing the impact of the amendment on its consolidated financial statements.
- IFRIC 13, “Customer loyalty programmes”, effective for annual periods beginning on or after 1 July 2008. IFRIC 13 is not relevant to the Group’s operations because no Group companies operate any loyalty programmes.
- IFRIC 15, “Agreements for the Construction of Real Estate”, effective for annual periods beginning on or after 1 January 2009. The interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, and provides guidance for determining whether agreements for the construction of real estate are within the scope of IAS 11 or IAS 18. It also provides criteria for determining when entities should recognize revenue on such transactions. The Group is currently assessing the impact of the interpretation on its consolidated financial statements.

- IFRIC 16, “Hedges of a Net Investment in a Foreign Operation”, effective for annual periods beginning on or after 1 October 2008. The interpretation explains which currency risk exposures are eligible for hedge accounting and states that translation from the functional currency to the presentation currency does not create an exposure to which hedge accounting could be applied. The IFRIC allows the hedging instrument to be held by any entity or entities within a group except the foreign operation that it is being hedged. The interpretation also clarifies how the gain or loss recycled from the currency translation reserve to profit or loss is calculated on disposal of the hedged foreign operation. Reporting entities will apply IAS 39 to discontinue hedge accounting prospectively when their hedges do not meet the criteria for hedge accounting in IFRIC 16. IFRIC 16 does not have an impact on these consolidated financial statements as the Group does not apply hedge accounting.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING POLICIES

Determination of fair values for property development rights

During 2006 and 2007, the Group, through business combinations, has acquired either investment contracts or existing land use rights that provide it with the entitlement to develop the relevant sites. No such acquisitions were made during the six months period ended 30 June 2008.

Where investment contracts are acquired that provide the Group with only a percentage interest in the completed development, the fair value of the investment contract at the date of acquisition is recorded net of any percentage interest of the Moscow City Government in order to reflect the fair value for the site in its current state.

The Group has obtained a report from an international valuation company, DTZ Debenham Zadelhoff Limited’s (“DTZ”), setting out the estimated market values for the development rights in their current state at the acquisition date, based on the assumption as to the use of each property by a typical local developer in Russia. Had a different assessment been made of the assumptions underlying the valuation report the recorded fair values of the property development rights could have been higher or lower as at the date of acquisition.

The principal assumptions underlying the Directors’ estimate of fair value, based on valuation performed by the Industry Consultant, DTZ, are those related to: the forecast sale or rental prices per square meter for residential, retail or office space as appropriate for the individual developments on completion; the forecast yields for retail and office accommodation; the level of construction costs per square meter; the level of developer profit assumed to be required in the current market and the level of financing and other costs.

The quantification of such different assessments is provided below for the acquisitions made during 2007 and 2006.

Principal assumptions for management’s estimation of fair value of property development rights at the acquisition date purchased as part of the business combinations during 2007

The principal assumptions made, and the impact on the aggregate valuations by changing these assumptions is as follows:

- yield achieved on commercial or retail space, between 9% and 10%. If these values were to differ by 10% from management’s estimates, the carrying value of the property development rights would be an estimated US\$44 million lower or US\$35 million higher;
- sale prices for office and retail space between US\$5,000 and US\$12,000 per square meter. Rental revenues for office and retail space between US\$350 and US\$675 per square meter and sales prices for residential properties between US\$3,650 and US\$18,000 per square meter. If these values were to differ by 10% from

management's estimates, the carrying value of the property development rights would be an estimated US\$513 million lower/higher;

- construction costs, between US\$1,100 and US\$1,800 per square meter. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$271 million lower/higher;
- development profit, between 20% and 30% per project. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$147 million lower/higher;
- gross buildable area is assumed to be 2.2 million square meters. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$313 million lower/higher;
- costs of finance, between 9.5% and 10%. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$38 million lower/higher.

Principal assumptions for management's estimation of fair value of property development rights at the acquisition date purchased as part of the business combinations during 2006

The principal assumptions made, and the impact on the aggregate valuations by changing these assumptions is as follows:

- yield achieved on commercial or retail space, between 9% and 9.5%. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$16.2 million lower or US\$19.8 million higher;
- Rental prices, between US\$650 and US\$1,750 per square meter for office and retail space, and up to US\$20,000 per square meter for residential properties. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$14.6 million lower or US\$14.6 million higher;
- construction costs, between US\$1,300 and US\$3,000 per square meter. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$10.2 million lower or US\$10.2 million higher.

The assumption for the developer's profit has been included based on the estimate of the return that development companies would expect to command in the current market when undertaking development projects. The Directors have determined the level based on their expectations for the Russian market, including the likelihood of an influx of competitors in the future.

Principal assumptions for management's estimation of fair value of property development rights at the acquisition of Lafar Management Limited in 2006

The principal assumptions made, and the impact on the aggregate valuations by changing these assumptions is as follows:

- sale prices up to US\$20,500 per square meter. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$11.7 million lower or US\$11.7 million higher;
- construction costs, between US\$1,300 and US\$3,000 per square meter. If these values were to differ by 10% from management's estimates, the carrying value of the property development rights would be an estimated US\$3.8 million lower or US\$3.8 million higher.

5. PROPERTY DEVELOPMENT RIGHTS AND COSTS

As at 30 June 2008, the Group was involved in the development of the following projects:

NAME OF PROJECT	TYPE OF PROJECT	GROUP'S TARGET SHARE
Khilkov	Residential	50%
Ostozhenka	Residential	100%
Kingston	Residential	73%
Victory Park	Mixed Use	100%
Chelsea	Mixed Use	100%
Tsvetnoy	Retail	100%
Media City	Office	73%
Zemlianoy	Office	100%
Dream	Office	73%
Maya	Office	73%

In respect of the Group's current development, the following property development rights and property development costs are held:

	ACQUISITION OF NEW PROJECTS THROUGH BUSINESS COMBINATIONS US\$'000	TRANSLATION DIFFERENCE FROM ACQUISITION US\$'000	PROPERTY DEVELOPMENT COSTS US\$'000	PREPAYMENTS US\$'000	TOTAL RIGHTS AND COSTS AT 30 JUNE 2008 US\$'000
Tsvetnoy	55,870	6,844	38,855	18,328	119,897
Zemlianoy	19,623	2,404	6,326	171	28,524
Ostozhenka	10,311	1,263	433	-	12,007
Chelsea	503,315	57,347	101,379	650	662,691
Victory Park	154,135	16,598	1,337	19	172,089
Media City	100,503	9,449	1,351	26	111,329
Dream	55,452	5,429	7,839	70	68,790
Maya	32,410	3,198	510	475	36,593
Kingston	661,247	63,742	2,122	1,470	728,581
	1,592,866	166,274	160,152	21,209	1,940,501

The movement in property development rights and costs during the six months period ended June 30, 2008 is as follows:

	AT 31 DECEMBER 2007	PROPERTY DEVELOPMET COSTS	PREPAYMENTS	TRANSLATION DIFFERENCE	TOTAL RIGHTS AND COSTS AT 30 JUNE 2008
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Tsvetnoy	89,551	13,804	12,385	4,157	119,897
Zemlianoy	25,440	1,733	171	1,180	28,524
Ostozhenka	11,266	233	(14)	522	12,007
Chelsea	618,151	16,170	(325)	28,695	662,691
Victory Park	164,271	47	19	7,752	172,089
Media City	105,652	708	26	4,943	111,329
Dream	62,617	3,261	1	2,911	68,790
Maya	34,443	322	228	1,600	36,593
Kingston	693,421	1,373	1,470	32,317	728,581
	1,804,812	37,651	13,961	84,077	1,940,501

Management has utilized appraisal reports prepared by DTZ as at 30 June 2008, using assumptions which are consistent with those detailed in Note 4, in assessing property development rights and costs for potential impairment and has concluded that no impairment is needed.

6. INVESTMENT IN JOINTLY CONTROLLED ENTITY

The Group's investment in a jointly controlled entity relates to its 50% interest in Lafar Management Limited, which holds 100% interest in LLC Stolichnoe Podvorie, the entity that is involved in the development of a luxury residential development at 3 Khilkov Lane, Moscow, Russian Federation.

The following table sets out the assets and liabilities of the joint venture, and the Group's share thereof. In addition, the table presents the Group's share of the results of the joint venture as presented at 30 June 2008 and 31 December 2007:

	30 JUNE 2008 US\$'000	31 DECEMBER 2007 US\$'000
ASSETS		
Non-current assets		
Property development rights and costs	220,336	202,539
Receivables	97	43
Total non-current assets	220,433	202,582
Current assets		
Debtors and prepayments	816	591
Cash and cash equivalents	127	50
Total current assets	943	641
Total assets	221,376	203,223
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	42,692	40,798
Total non-current liabilities	42,692	40,798
Current liabilities		
Borrowings	46,710	34,587
Trade and other payables	75	182
Total current liabilities	46,785	34,769
EQUITY		
Share capital	1	1
Retained earnings	119,077	118,033
Profit of current period	(1,650)	1,044
Translation reserve	14,471	8,578
Total equity	131,899	127,656
Total liabilities and equity	221,376	203,223
	30 JUNE 2008 US\$'000	31 DECEMBER 2007 US\$'000
Investment in jointly controlled entity (50%)	65,949	63,828
Loans to jointly controlled entity	24,030	14,475
Additional investment in jointly controlled entity	1,543	1,226
Total investment in jointly controlled entity	91,522	79,529
SHARE OF RESULT OF JOINTLY CONTROLLED ENTITY	(825)	522

The total losses of US\$1,650,000 in the six months period ended 30 June 2008 include income of US\$2,364,000 and expenses of US\$4,014,000.

Loans to jointly controlled entity at 30 June 2008, as detailed below:

BORROWER	ORIGINAL CURRENCY OF LOAN	INTEREST RATE ON LOAN %	NOMINAL 30 JUNE 2008 REPAYMENT DATE US\$'000	OUTSTANDING AMOUNT AT 30 JUNE 2008 US\$'000
LLC Stolichnoe Podvorie	RUR	CBR*1.1	31 Dec 2010	3,916
LLC Stolichnoe Podvorie	RUR	CBR*1.1	31 Dec 2012	17,196
Lafar Management Limited	US\$	6	30 Sept 2008	2,704
Lafar Management Limited	US\$	-	31 Dec 2012	160
Lafar Management Limited	US\$	6	31 Dec 2010	54
Total loans to jointly controlled entity				24,030

7. BONDS

On 24 June 2008, the Group completed a second unsecured private Series A Bonds placement in Israel of NIS52,890,000 (US\$16,088,036). This second placement came after the initial placement in Israel of unsecured private Series A Bonds in the amount of NIS127,791,000 (US\$32,432,603).

The Group has obtained a local credit rating from S&P Maalot – the Israeli subsidiary of the leading global securities rating agency – of BBB+/Negative for the issue of the second placement of unsecured Series A Bonds. The Series A Bonds are RE-payable in three equal annual installments on 30th November 2010, 2011 and 2012, and bear a semi-annual coupon. The Series A Bonds bear nominal annual interest in the amount of 8.7%, and an effective rate of 9.63%.

	BONDS NIS'000	BONDS US\$'000
At 31 December 2007	127,802	32,700
Second Capital amount	52,890	16,088
Discount	(1,696)	(516)
Proceeds from the second bond issue	51,194	15,572
Discount amortization	91	27
Consumer Price Index adjustment	5,327	1,585
Translation difference	-	4,962
At 30 June 2008	184,414	54,846

In order to protect the Group from possible NIS/US\$ exchange rate changes, the Group entered into a cross-currency interest swap agreement with First International Bank of Israel with respect to the initial placement completed on 11 November 2007. The Group has not entered into such swap agreement with respect to the second placement. The notional amount of the swap, dates of payments of the interest and the bond installments, interest amount and other significant conditions match those of the bonds issued.

Bonds are linked to the Israeli consumer price index (“CPI”). Accordingly, amortized cost is updated for the change in the CPI. The linkage difference is included in the consolidated income statement as finance cost.

Following the signing of the swap contract with respect to the initial placement, the Group effectively transferred the NIS CPI linked bonds with the annual interest of 8.7% into US\$ bonds bearing annual interest of 10.25%. The swap agreement is secured by a cash deposit in the amount of US\$1,627,000.

The estimated fair value of the swap derivative in the amount of US\$8,655,000 is included in the consolidated income statement in net financial income and was determined based on the following key assumptions:

- Estimated yearly inflation index – 102.5%
- Forecasted exchange rate of US\$ to NIS – 3.352
- Interest rate – 8.7%

To the extent that the estimated yearly inflation index is 1% lower or higher with all other variables held constant, profit for the six months period ended 30 June 2008 would be US\$1,304,000 lower or higher, mainly as a result of lower change in fair value of the derivative.

8. CONSTRUCTION LOANS

On 26 March 2008, the Group's subsidiary LLC Central Market entered into a loan facility of US\$100,000,000 with JSC "Commercial Savings Bank of the Russian Federation" ("Sberbank"), one of the leading banks in Russia. The loan facility is secured by pledging the proprietary rights for the Tsvetnoy project, pledging the entire share capital of LLC Central Market and pledging the right for a long term lease on the land on which the Tsvetnoy project is built.

The loan will be used to fund the construction of the Tsvetnoy Project.

The loan agreement that is in place as at 30 June 2008 is set out below:

LENDER	ORIGINAL CURRENCY OF LOAN	TOTAL AMOUNT OF LOAN FACILITY US\$'000	NOMINAL INTEREST RATE	REPAYMENT DATE	OUTSTANDING NOMINAL AMOUNT AT 30 JUNE 2008 US\$'000
Sberbank	US\$	100,000	LIBOR+PREMIUM	25 March 2012	21,841
Total loans					21,841

The movement in the loan during the period is as follows:

	SBERBANK US'000
As at 31 December 2007	-
Proceeds from loan	21,841
Accrued interest	38
Paid interest	38
At 30 June 2008	21,841

As the loan was received at the end of June 2008, there were no significant movements during the period.

9. SHARE-BASED PAYMENT

On 13 April 2007, the board of Directors of the Group approved a long-term incentive plan (the "Plan"). According to the plan, eligible directors and employees can be granted awards of a right to acquire Plan Shares granted under the Plan for no consideration subject to the vesting conditions.

In accordance with the terms of the plan, the Company has granted 1,700,000, 622,000 and 308,000 awards to the executive Directors and to non-Board employees of the Group, on 4 May 2007, 4 June 2007 and 21 December 2007, respectively. As of 30 June 2008, 233,000 of the awards were forfeited.

The awards become vested in two equal amounts after two and three years starting from the grant date. The number of shares eventually vested is conditional upon the achievement of the specific performance conditions focused on net asset value (NAV) growth and total shareholders' return (TSR). The amounts of awards above represent the maximum number of shares issuable under the plan.

As at 30 June 2008 the Executive Directors and other employees of the Group were awarded and still have outstanding 1,700,000 and 697,000 awards respectively. The maximum number of shares issuable under the plan comprises 1.9 per cent of the total number of RGI's issued ordinary shares.

The Group estimates the total value of the award as US\$22,860,681. The Group amortizes the value of the award from the day of the grant until the end of the related vesting period and recognizes this portion as part of Group's expenses with the corresponding increase in Shareholders' equity. During the six months period ended 30 June 2008 the Group recorded US\$4,593,000 on share-based expenses.

The activity in relation to the share – based payment scheme is as follows:

	GRANT DATE 4 MAY 2007	GRANT DATE 4 JUNE 2007	GRANT DATE 21 DECEMBER 2007	TOTAL	WEIGHTED- AVERAGE GRANT-DATE FAIR VALUE US\$
Ordinary shares under option (thousand)					
Balance at 31 December 2007	1,700	609	308	2,617	9.67
Forfeited	(100)	(66)	(54)	(220)	9.54
Outstanding as at 30 June 2008	1,600	543	254	2,397	
Number of participants	3	44	15	62	
Expense incurred during the six months period ended 30 June 2008 (US\$ thousands)	3,187	890	516	4,593	

The fair values of options granted during the period were determined using options pricing models.

The following table summarizes the models and key assumptions used for grants made up to 30 June 2008:

	LTIP DATED 4 MAY 2007	LTIP DATED 4 JUNE 2007	LTIP DATED 21 DECEMBER 2007
Weighted average fair value (% of amount granted)	85.95%	85.95%	85.95%
Option pricing model used	Monte-Carlo	Monte-Carlo	Monte-Carlo
Key assumptions used:			
Share price at the grant dates (US\$)	11.9	11.24	9.63
Exercise price (US\$)	-	-	-
Expected volatility (%)	26.98-30.62	26.98-30.62	26.98-30.62
Expected correlation between RGI and EPRA index (%)	13.74-14.19	13.74-14.19	13.74-14.19
Range of risk-free rates (%)	2.17-2.5	2.17-2.5	2.17-2.5
Expected option terms (years)	2-3	2-3	2-3
Remaining period	1-2	1-2	1-2
Expected dividends (per year)	-	-	-

Expected volatility is the fluctuation in the return of the underlying stock during the option's contracted term. Volatility is determined as annualized standard deviation of the continuously compounded rates of return on the

stock over a period of time. In an attempt to estimate the expected volatility, the short-term standard deviation was calculated (standard deviation during the maximum possible period: from IPO until grant date).

As of 30 June 2008, there was US\$12,957,768 of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plan.

10. RELATED PARTY TRANSACTIONS

For the purposes of these interim condensed consolidated financial statements, parties are generally considered to be related if one party has the ability to control the other party, is under common control or can exercise significant influence over the other party in its financial or operational decisions as defined by IAS 24 “Related Party Disclosures”.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding as of 30 June 2008 are detailed below:

Loans

Loans issued and related interest during six months period ended 30 June 2008:

	LAFAR MANAGEMENT LIMITED US\$'000	STOLICHNOE PODVORIE LLC US\$'000
Total outstanding loans and accrued interest due from related parties on 31 December 2007	2,844	11,631
Loans provided to related parties during the period	-	8,066
Total interest income during six months period ended 30 June 2008	75	874
Translation difference	-	540
Total outstanding loans and accrued interest due from related parties on 30 June 2008	2,919	21,111
Interest rate, %	0-6	1.1*CBR

	LAFAR MANAGEMENT LIMITED US\$'000	STOLICHNOE PODVORIE LLC US\$'000
Total interest income during six months period ended 30 June 2007	74	181
Total outstanding loans and accrued interest due from related parties on 30 June 2007	2,769	7,068
Interest rate, %	0-6	1.1*CBR

Lafar Management Limited is jointly controlled entity in which the Group holds an economic interest of 50%. Litonor Financial Limited holds the remaining 50% of the voting shares of Lafar Management Limited. Lafar Management Limited holds 100% of the share capital of its Russian subsidiary, LLC Stolichnoe Podvorie.

Key management remuneration

In the reporting period, key management of the Group received compensation in the form of salary and other benefits classified as short-term in accordance with IAS 19 “Employee Benefits”. The total remuneration and benefits accrued to the Directors was US\$1,594,000. There are no other individuals who are not Directors who are considered to be key management in the Group.

As at 30 June 2008 the Executive Directors were awarded and still have outstanding 1,700,000 awards as a part of the Company’s LTIP. The total executive Directors’ award value is estimated at US\$17,024,462. The portion amortized during the six months period ended 30 June 2008 was US\$3,111,111.

Other transactions with related parties

	TRANSACTIONS VALUE DURING THE PERIOD US\$’000	OUTSTANDING AMOUNT AT 30 JUNE 2008 US\$’000
Construction agreements (expenditure for the Group)	669	(1,133)
Purchase of equipment (expenditure for the Group)	9	-
Rent contracts (revenue for the Group)	20	-

	TRANSACTIONS VALUE DURING THE 6 MONTHS ENDED 30 JUNE 2007 US\$’000	OUTSTANDING AMOUNT AT 31 DECEMBER 2007 US\$’000
Acquisition of premises (Expenditure for the group)	14’960	-
Construction agreements (expenditure for the Group)	301	(1,885)
Purchase of equipment (expenditure for the Group)	6	-
Rent contracts (revenue for the Group)	15	-

All of the transactions listed above are with parties beneficially owned by Boris Kuzinez – the Group’s founder and Chief Executive. The amounts relate to rent and development services in accordance with rental and construction agreements between those entities and the Group. The majority of these arrangements are not expected to continue in future periods.