

THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to obtain your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

If you sell or have sold or otherwise transferred all of your Shares in the capital of R.G.I. International Limited, you should send this circular, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through which the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Shares, you should retain this circular and the accompanying Form of Proxy.

R.G.I. International Limited

Circular to Shareholders and

Notice of Extraordinary General Meeting

This circular should be read as a whole. Your attention is drawn to the letter from the Chairman of R.G.I. International Limited set out in this circular which contains a recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below. For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the Extraordinary General Meeting, please see the section entitled “Risk Factors” set out in the Letter from the Chairman.

Notice of an Extraordinary General Meeting of R.G.I. International Limited to be held at 11:00 am on 10 April 2007 at the Company’s registered office at Frances House, Sir William Place, St Peter Port, Guernsey GY1 4HQ, is set out on page 15 of this circular. The Form of Proxy for use at the Extraordinary General Meeting accompanies this circular and, to be valid, must be completed, signed and returned in accordance with the instructions printed thereon and received at the Company’s registered office as soon as possible but, in any event, so as to arrive no later than 11.00 am on 8 April 2007. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this circular	26 March 2007
Latest date and time for receipt of forms of proxy	11:00 a.m. on 8 April 2007
Extraordinary General Meeting.....	11:00 a.m. on 10 April 2007
Admission effective and commencement of unconditional dealings in the Offer Shares on AIM	11 April 2007

Notes:

- (1) Each of the dates in the above timetable is subject to change. References to times are to London times unless otherwise stated.

LETTER FROM THE CHAIRMAN OF R.G.I. INTERNATIONAL LIMITED

R.G.I. INTERNATIONAL LIMITED

(Incorporated in Guernsey under The Companies (Guernsey) Law 1994 as amended with registered number 44527)

Registered Office:
Frances House
Sir William Place
St. Peter Port
Guernsey GY1 4HQ

26 March 2007

To: shareholders of R.G.I. International Limited

Dear Shareholder

Proposed placing of 22,730,000 Offer Shares at US\$10.44 per Offer Share to raise approximately US\$237 million and Notice of Extraordinary General Meeting

The Company announced on Tuesday 20 March 2007 that it proposes to raise approximately US\$200 million, net of expenses, through an offering to institutional investors of new ordinary shares. Following the excellent response from investors, the Company is pleased to confirm that the Offer will comprise the issue of 22,730,000 Offer Shares at a price of US\$10.44 per Offer Share, raising gross proceeds of approximately US\$237 million (assuming no exercise of the Over-allotment Option). The Offer Price represents a discount to the closing price per share of the Shares on Friday 23 March 2007, the last trading day before the date of this circular, of 7.2%. The Company has granted an over-allotment option to Morgan Stanley, lead manager and sole bookrunner in respect of the Offer, to acquire up to 2,270,000 additional Shares at the Offer Price.

The Company intends to use US\$140 million of the proceeds of the Offer to fund the acquisition of two new development projects in central Moscow, the Chelsea Development and the Victory Park Development, details of which were announced on Monday 19 March 2007. The Company intends to use the remaining US\$97 million to meet the expenses of the Offer, to provide working capital and funds for general corporate purposes and potentially to fund the acquisition and development of future projects.

The Offer is conditional upon, amongst other things, obtaining the appropriate consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 2003, obtaining shareholder approval to grant the Directors the authority to allot the New Shares and to dis-apply shareholder pre-emption rights at an Extraordinary General Meeting and admission of the New Shares to trading on AIM. The purpose of this circular is therefore to convene the EGM for 10 April 2007 and to explain to shareholders why the Directors are seeking your approval to allot the New Shares and dis-apply pre-emption rights. Details of the EGM and accompanying voting forms are contained in the notice of EGM at the back of this circular.

The acquisition of the New Projects represents the implementation of one of the stated strategic objectives of the Company to source additional development projects in prime locations in central Moscow and the surrounding areas. The acquisition of the New Projects strengthens the Company's diversified portfolio of attractive, centrally located development projects. In addition, the embryonic nature of the New Projects provides the Company with flexibility to develop office, retail or residential properties, or a mix thereof, at the sites (subject to the appropriate approvals). The Company is thereby able to target particular market segments in anticipation of future demand trends and real estate market conditions in Moscow. The Company intends to develop the New Projects as high-end developments, thereby strengthening the Company's reputation in this market segment. Further details on each of the New Projects are set out below.

Risk Factors

Shareholders are reminded that any investment in the Shares is subject to various risk factors. In addition to the other information set out in this circular, Shareholders should carefully consider the risk factors set out in Part II of the Admission Document (which are incorporated by reference into this circular) before making any decision to vote in favour of the Resolutions or continue to invest in the Company. Shareholders' attention is drawn to certain specific risks in respect of the Chelsea Development set out below in the section entitled "Acquisition of the Chelsea Development by the Group".

Shareholders in companies with assets in and a focus on emerging markets such as the Russian Federation should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Shareholders should also note that emerging markets such as the Russian Federation are subject to rapid change and that the information set out in this circular and the Admission Document may become outdated relatively quickly.

Shareholders should note that land use and ownership rights and development rights in the Russian Federation and the City of Moscow in particular are inherently uncertain and subject to the risks set out in the Admission Document. If any of the risks described in Part II of the Admission Document, or herein, which are not intended to be exhaustive, should actually be realised, the Company and the Group could be materially affected. There may be additional risks of which the Company is not aware or which the Company currently believes are immaterial. If such risks were to materialise, the business, prospects, financial condition or results of operations of the Group or any Group Company could be materially and adversely affected. In such circumstances, the price of the Shares may fall and Shareholders could lose all or part of their investment. Accordingly, Shareholders should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

New Projects - The Chelsea Development

Description of the Chelsea Development

The Chelsea Development is a proposed primarily residential development that may also comprise retail and office space, construction of which has not yet commenced. The Chelsea Development Land Plot, which comprises approximately 150,000 square metres, is located on three blocks that lie to the east of the Tsvetnoy Boulevard, approximately two kilometres north of the Kremlin and within the Garden Ring. The Chelsea Development Land Plot is a short distance from the Group's existing Tsvetnoy Development and the "Tsvetnoy Boulevard" metro station.

As yet, no planning permission or construction permits have been obtained in respect of the Chelsea Development and RGI is evaluating the scope and extent of the development. As the Group is in the early stages of the planning process for the Chelsea Development and as the area available to be developed depends to a degree on the voluntary re-settlement of existing residents of some of the buildings comprised within the Chelsea Development, it is impossible to say with certainty what the gross internal area of the completed Chelsea Development will be. The Directors believe that a minimum internal gross area of approximately 213,000 square metres (125,000 square metres above ground and 88,000 square metres underground) will be available for development following the demolition and subsequent redevelopment of only buildings which are currently vacant or which are condemned (meaning that the current residents may be re-settled on a mandatory basis).

However, the Directors believe that it may also be possible to re-settle the tenants of other buildings located on the Chelsea Development Land Plot on a voluntary basis. If the Group is able to re-settle a greater number of existing residents, the maximum gross internal area that could potentially be available for development would be an area of up to approximately 322,000 square metres.

Subject to securing the relevant planning permissions, the Directors intend to develop the Chelsea Development on a block-by-block basis with completion of the final block estimated to occur by the end of 2011.

Acquisition of the Chelsea Development by the Group

On 16 March 2007 the Company's subsidiaries, Toucho and Teruel, agreed to acquire the entire issued share capital of Tootie, the sole shareholder of Opal. The total consideration payable under the Chelsea Share Purchase Agreement of US\$100 million was payable by Toucho and Teruel to Atropa, as the seller, by way of (i) an initial payment of US\$70 million payable to or at the direction of Atropa on completion of the transaction and (ii) an investment in Opal on behalf of Atropa of US\$30 million in accordance with the Co-investment Agreement, to be made within four months of completion. Pursuant to the Co-investment Agreement, in consideration of the investment made on its behalf, Atropa has the right to be registered as the owner of 3,000 square metres of premises located within the Chelsea Development, when constructed, for no further payment. The Directors believe that the majority of the development process will be funded by way of construction loans and possible pre-sales of residential units.

Opal holds certain rights in respect of the Chelsea Development pursuant to the terms of the First Chelsea Resolution and the Second Chelsea Resolution. The First Chelsea Resolution was granted in favour of a consortium of investors, comprising ZAO Inteco and Glavmosstroj (both being companies unconnected to the Group) and entitled ZAO Inteco and Glavmosstroj to develop an area of seven blocks in Central Moscow (the "Larger Development"), of which the three blocks constituting the Chelsea Development Land Plot form a discrete part. The Moscow Government is entitled to certain ownership rights over the Chelsea Development upon its completion. However, in practice, it is often possible for developers to repurchase such rights from the Moscow Government.

Under the terms of the First Chelsea Resolution, ZAO Inteco and Glavmosstroj undertook (in relation to their respective shares in the Larger Development) responsibility for the development and negotiation of the design project and for the preparation and agreement of the pre-construction phase documentation. The First Chelsea Resolution also provided that the parties were responsible for financing the completion of the development at their own expense, in proportion to the amount of the Larger Development assigned to them.

ZAO Inteco, Glavmosstroj, the Moscow Government and the Federal Security Service of the Russian Federation subsequently entered into the Chelsea Investment Contract. The First Chelsea Resolution was later supplemented and amended by the Second Chelsea Resolution, which extended the term in which the Larger Development was to be completed until the fourth quarter of 2010 and substituted Opal for ZAO Inteco as a party to the Chelsea Investment Contract.

The Moscow Government, the FSS, ZAO Inteco, Glavmosstroj and Opal subsequently entered into the Supplementary Chelsea Investment Contract, pursuant to which ZAO Inteco transferred its rights and obligations under the Chelsea Investment Contract to Opal. Opal has the exclusive right, subject to the relocation of existing residents, to renovate the properties on the site of the Chelsea Development or to demolish the current buildings and construct entirely new buildings in their place. Glavmosstroj alone is responsible for the relocation of existing residents for the whole of the Larger Development, including the cost of such relocation, and for the construction of buildings to which such residents are to be relocated. It is therefore possible that the Group may incur unforeseen expenses or delays in developing the Chelsea Development Land Plot since it does not have direct control over the relocation process, which could in turn lead to penalties being applied by the Moscow Government for late delivery.

In accordance with the Chelsea Investment Contract, as amended by the Supplementary Chelsea Investment Contract, upon completion of construction of individual buildings within the Chelsea Development, Opal is entitled to be registered with ownership rights in relation to 60% of the total residential area, 60% of the total non-residential area, 70% of the underground parking area, 70% of the underground trade and service facilities area and 100% of the overground service facilities area comprised within such buildings. Under the terms of the Chelsea Investment contract the Moscow Government is entitled to be registered, in its own right and on behalf of the FSS, with ownership rights in relation to the remainder of such buildings.

Prior to its sale by Atropa to Toucho and Teruel, Tootie acquired Opal from its previous shareholder, ISK-NBM Stroyservis, a Russian limited liability company, for total consideration of US\$26 million. It is understood that Atropa's ultimate beneficial shareholder may also hold an indirect interest in 75% of the share capital of ISK-NBM Stroyservis, although the nature of that interest and the manner in which it is held are not a matter of public record.

If common control of ISK-NBM Stroyservis and Atropa by one person could be established as a matter of Russian law, it is possible that the sale of Opal by ISK-NBM Stroyservis to Tootie would be deemed to be an “interested party transaction”, requiring the consent of a majority of the shareholders not interested in the transaction at a general meeting. A shareholders’ meeting was convened to approve the sale of Opal and all shareholders acknowledged receipt of the notice convening the meeting. However, although the shareholders present at the meeting voted in favour of the transaction, not all the shareholders of ISK-NBM Stroyservis attended the meeting. If the sale of Opal by ISK-NBM Stroyservis was an interested party transaction, shareholders’ consent was not validly obtained.

If it were established that the sale of Opal to Tootie was an interested party transaction, the sale could therefore be challenged by the minority shareholders in ISK-NBM Stroyservis, who have one year from the date that they became aware of the transaction to bring such a challenge. If such challenge were successful, the sale of Opal could be found to be void, with the result that title to the shares in Opal may not have passed to Tootie. The minority shareholders of ISK-NBM Stroyservis may then seek to unwind the sale of Opal to Tootie by bringing a claim in relation to the shares in Opal within three years of the date upon which they become aware of the sale.

The purchasers have therefore sought contractual protection in respect of such risks in the Chelsea Share Purchase Agreement, including through warranties as to marketable title to the shares to Opal and an undertaking by Atropa to settle, at its own expense, any claims raised by the minority shareholders or third parties in relation to the disparity in price between the two transfers. Nonetheless, any such challenge, if successful, could have a material adverse effect on the Company’s business, financial condition and results of operations.

Atropa has also undertaken to settle, at its own expense, claims brought by Glavmosstroi in relation to the relocation of current residents on the Chelsea Development Land Plot and to assist the Group in obtaining the proposed new resolution of the Moscow Government on terms favourable to the Group. The representations warranties and undertakings given by Atropa are supported by a personal guarantee from Mr Michael Babel, the ultimate beneficial shareholder of Atropa.

Current status of the Chelsea Development

The Chelsea Development is at a very early stage of development, as described in the preceding paragraphs. The Group is not currently aware of any potential zoning issues with respect to the proposed Chelsea Development. All of the pre-construction phase documentation has yet to be prepared.

Key steps required to complete the Chelsea Development

The property development process in Moscow is described in the Admission Document in the section entitled “Overview of the Property Development Process” (pages 48 to 52 inclusive), which is incorporated by reference into this circular, and comprises a number of stages. Shareholders are referred to this section for a description of the steps required to be undertaken in respect of a new development.

The Group currently proposes to seek a new resolution of the Moscow Government entitling it to manage in its own right the re-settlement of existing residents of buildings on the Chelsea Development Land Plot and to be reimbursed by the Moscow Government for costs incurred in such resettlement out of the interest of the Moscow Government in the Chelsea Development. This may also serve to mitigate the potential risk presented by Opal's lack of direct control over the resettlement process, which is currently managed by Glavmosstroi.

The key further steps anticipated by the Company to complete the Chelsea Development are:

- (a) obtain approval for demolition of existing buildings on the site;
- (b) prepare and submit the pre-construction phase documentation to the Moscow Committee on Architecture and Town Planning in order to obtain an Act of Permitted Use of Land Plot (to be approved by the Moscow Government);

- (c) prepare the design documentation (which must be approved in compliance with applicable law) and obtain a construction permit from the Architectural Authority of Moscow before commencing construction;
- (d) upon completion of construction, obtain a Certificate of Commissioning of the New Building (approved by the prefecture of the relevant district);
- (e) execute a form of final protocol certificate confirming that all of the respective obligations of the parties to the Chelsea Investment Contract have been fulfilled;
- (f) apply to the Department of Federal Registration Service for Moscow in order for the Certificate of Registration of Rights to be issued;
- (g) if Opal is to acquire any share of the Moscow Government in the development, pay to the Moscow Government the amount determined by the Moscow Government's appointed valuer for such share; and
- (h) obtain and register a long term land lease from the Moscow Government (generally for a term of 49 years).

Post-construction strategy and management of the Chelsea Development

The Group intends to sell the residential properties within the Chelsea Development as and when completed and to lease the non-residential properties either to a single or to multiple tenants under medium or long-term lease agreements according to prevailing market conditions. In the right market conditions, the Group may sell such non-residential properties if the Directors consider that this will optimise shareholder value.

New Projects - The Victory Park Development

Description of the Victory Park Development

The Victory Park Development is a proposed development, construction of which has not yet commenced. As described further below, the Group does not have any formal approvals or resolutions from the Moscow Government permitting it to construct the Victory Park Development, although the Directors believe that the Moscow Government is, in general, supportive of the grant of such rights. Pending the grant of such rights, the Victory Park Development is expected to be completed by the end of 2010.

The Victory Park Development is the proposed development of a land plot of approximately 3,900 square metres located opposite Victory Park, on the edge of the district known as "Moscow City", a new, predominantly commercial, district approximately seven kilometres to the west of the Kremlin and to the north of Kutusovsky Prospekt, the principal westward arterial route out of Moscow. The Victory Park Development itself is located in a high-end residential area.

There is currently a commercial building comprising a gross internal area of approximately 5,000 square metres located on the Victory Park Development site. The commercial building, which is predominantly occupied by a supermarket, currently generates rental income of approximately US\$1.5 million per annum. RGI expects to demolish the building as soon as practically possible and will therefore not receive significant rental income from the commercial building going forward.

RGI intends to construct a new 18-storey building with a gross internal area of 70,000 square metres (50,000 square metres above ground and 20,000 square metres underground) on the site of the Victory Park Development. There is a large amount of office space in the immediate vicinity of the Victory Park Development. The Company is therefore reviewing the various options available to it in respect of the Victory Park Development including the development of serviced apartments, a hotel or residential real estate, potentially mixed with a certain amount of retail space.

Acquisition of the Victory Park Development by the Group

On 19 March 2007, RGI's wholly-owned subsidiary, Toucho, entered into the Victory Park Subscription and Shareholders' Agreement, in order to acquire 68.85% of the issued share capital of a Cypriot company,

Grikima, for a total consideration of US\$40 million in cash. Grikima's only other shareholder, which will hold the remaining 31.15% of the issued share capital of Grikima following completion of the transaction, is currently a significant shareholder of the Company, Kensington Gore.

Grikima is the sole shareholder of a Russian company, Tolling, which holds the title to the building located on the Victory Park Development land plot. Under the terms of the Victory Park Subscription and Shareholders' Agreement, following the registration of Tolling as the owner of the building currently occupying the site of the Victory Park Development, US\$10 million was paid to Grikima. The balance of the consideration (US\$30 million) is due to be paid within 120 days of the date of the Victory Park Subscription and Shareholders' Agreement, subject to the prior registration of an amendment to the terms of the lease of the building currently located on the Victory Park Development site to allow Tolling to terminate the lease on three months' notice.

The Victory Park Development site comprises two adjacent land plots. If Kensington Gore fails to procure the entry into new leases between Tolling and the Moscow Land Department in respect of the two land plots that comprise the Victory Park Development land plot within six months, in the case of one land plot, or seven months, in the case of the other, after the initial payment of the US\$10 million, Toucho can require Kensington Gore to purchase all its shares in Tolling for US\$40 million. In addition, either shareholder of Grikima may at any time give notice to purchase the shares held by the other shareholder at a price stated in such notice. The shareholder which receives the notice must either accept the offer or purchase the shares of the shareholder which made the initial offer at the previously stated price.

US\$8.6 million of the consideration paid by Toucho was subsequently loaned to Tolling, in order to fund the earlier acquisition by Tolling of the building located on the Victory Park Development land plot. The Directors intend that the balance, US\$31.4 million, will be invested directly into Tolling in order to fund the initial stages of the Victory Park Development. As with the Chelsea Development, the Directors believe that the majority of the development process will be funded by way of construction loans and possible pre-sales of residential units.

Current status of the Victory Park Development

The Victory Park Development is at a very early stage, as described in the preceding paragraphs.

The Company is not currently aware of any potential zoning issues with respect to the proposed Victory Park Development. All of the pre-construction phase documentation has yet to be prepared.

Key steps to complete the Victory Park Development

The property development process in Moscow is described in the Admission Document in the section entitled "Overview of the Property Development Process" (pages 48 to 52 inclusive), which is incorporated by reference into this circular, and comprises a number of stages. Shareholders are referred to this section for a description of the steps required to be undertaken in respect of a new development. The key steps anticipated by the Company to complete the Victory Park Development are:

- (a) apply to the Moscow Government for a resolution granting Tolling rights to construct the Victory Park Development;
- (b) enter into an investment contract and a short term land lease with the Moscow Government;
- (c) obtain approval for demolition of existing buildings on the site;
- (d) prepare and submit the pre-construction phase documentation to the Moscow Committee on Architecture and Town Planning in order to obtain an Act of Permitted Use of Land Plot (to be approved by the Moscow Government);
- (e) prepare the design documentation (which must be approved in compliance with applicable law) and obtain a construction permit from the Architectural Authority of Moscow before commencing construction;
- (f) terminate the lease of the tenant currently occupying the site;

- (g) upon completion of construction, obtain a Certificate of Commissioning of the New Building (approved by the prefecture of the relevant district);
- (h) execute a form of final protocol certificate confirming that all of the respective obligations of the parties to any investment contract have been fulfilled;
- (i) apply to the Department of Federal Registration Service for Moscow in order for the Certificate of Registration of Rights to be issued;
- (j) assuming an investment contract is entered into, if Tolling is to acquire any share expected to be held by the Moscow Government in the development, pay to the Moscow Government the amount determined by the Moscow Government's appointed valuer for such share; and
- (k) obtain and register a long term land lease from the Moscow Government (generally for a term of 49 years).

The Directors believe that, following finalisation of the relevant developments plans, Tolling will commence the process outlined above.

Post-construction strategy and management of the Victory Park Development

The Victory Park Development is at a very early stage of development and a number of options are being considered. The Company is likely to lease parts of the completed development to multiple tenants under medium to long term lease agreements according to prevailing market conditions. In the right market, the Company may consider the sale of all or part of the development. The Company intends to sell any residential properties within the Victory Park Development as and when completed.

Russian Law and Regulation relating to Real Estate

For a description of Russian law and regulation relating to real estate Shareholders are referred to the section of the Admission Document entitled: "Overview of the Russian Legal and Regulatory Framework Relating to Land and Real Estate" (pages 45 to 48 inclusive) which is incorporated by reference into this circular.

The Offer

Terms and Conditions of the Offer

Morgan Stanley has agreed to procure subscribers for or, failing which, itself to subscribe for, as agent for the Company, the Offer Shares at the Offer Price, which will represent approximately 18.3 percent of the enlarged ordinary share capital of the Company following the Offer (assuming no exercise of the Over-allotment Option). In addition, a further 2,270,000 Shares are being made available by the Company to Morgan Stanley or such persons as it may procure, pursuant to the Over-allotment Option described below.

The Offer Shares will be issued fully paid, and following allotment, will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Shares in issue on Admission.

The Offer is subject to certain conditions contained in the Underwriting Agreement, including, among other things, consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 2003, the passing by the requisite majority of shareholders of the resolutions to be proposed at the EGM convened by the Notice enclosed with this circular and admission of the Offer Shares to AIM. Certain conditions are related to events which are outside the control of the Company, the Directors, Morgan Stanley, KPMG Corporate Finance and Shore Capital Stockbrokers Limited. The Underwriting Agreement contains provisions entitling Morgan Stanley to terminate the Underwriting Agreement at any time prior to the Offer in certain circumstances. If this right is exercised the Offer will lapse.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 2003, has been applied for in respect of the issue of the Offer Shares. **The Offer is conditional upon receipt of such consent on or before 10 April 2007.** Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Admission to trading and receipt of proceeds

Subject to the satisfaction of the conditions noted above, including shareholder approval being obtained at the EGM, it is expected that admission of the New Shares to listing on AIM will become effective and that dealings in the New Shares will commence on 11 April 2007. It is expected that the proceeds of the Offer due to the Company will be received by it the day after the date of the Extraordinary General Meeting.

Plan of Distribution and Allotment

The Offer Shares are not being offered generally and no applications have been or will be accepted other than under the terms of the Underwriting Agreement.

Over-allotment and Stabilisation

In connection with the Offer, Morgan Stanley, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot and effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Morgan Stanley is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and may only be taken during the period from 11 April 2007 up to and including 10 May 2007. Save as required by law or regulation, neither Morgan Stanley nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Offer.

In connection with the Offer, Morgan Stanley, as stabilising manager, may, for stabilisation purposes, over-allot Offer Shares up to a maximum of 10% of the total number of Shares comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Shares by it during the stabilising period, the Company has granted to Morgan Stanley the Over-allotment Option, pursuant to which Morgan Stanley may require the Company to issue additional Shares up to a maximum of 10% of the total number of Shares comprised in the Offer at the Offer Price. The Over-allotment Option is exercisable in whole or in part, upon notice by Morgan Stanley, at any time on or before the 30th calendar day after commencement of conditional dealings in the Offer Shares. Any Shares made available pursuant to the Over-allotment Option will be issued on the same terms and conditions as the Offer Shares being issued in the Offer and will form a single class for all purposes with the other Shares.

Further information

Shareholders should read the whole of this circular and the information incorporated by reference and not just rely on the information contained in this document.

Admission Document

The Admission Document is available on the Company's website at www.rgi-international.com.

Extraordinary General Meeting

The EGM has been convened for 11 a.m. on 10 April 2007. At the EGM, the Resolutions will be proposed to Shareholders, to enable the Directors to issue and allot the New Shares and the Over-allotment Shares and to dis-apply the appropriate Shareholder pre-emption rights. In addition, the Resolutions will enable the Directors to issue and allot a further 38,011,843 Shares and to dis-apply Shareholder pre-emption rights in respect of 6,335,307 of those Shares for consideration to be decided in the future by the Directors. Any such allotment of shares will be for the purposes of further acquisitions or capital raising for which the consideration cannot be established at this time.

The Notice of the EGM is set out below.

Shareholder Undertaking

The majority shareholder of the Company, D.E.S. Commercial Holdings Limited has irrevocably undertaken, amongst other things, to vote in favour of the resolutions set out in the Notice of Extraordinary General

Meeting above. D.E.S Commercial Holdings Limited holds approximately 50.1% of the issued share capital of the Company and is 100% beneficially owned by Boris Kuzinez.

Action to be taken by Shareholders

You will find enclosed with this circular a form of proxy for use at the EGM or any adjournment thereof. Whether or not a Shareholder wishes to attend the EGM, he/she is urged to complete and return the enclosed form of proxy in accordance with the instructions set out thereon, as soon as possible but in any event by no later than 11:00 a.m. on 8 April 2007. Completed forms of proxy should be returned to the registered office of the Company at Frances House, Sir William Place, St. Peter Port, Guernsey GY1 4HQ. The completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she so wishes.

Recommendation

The Directors consider the passing of the Resolutions to be in the best interests of the Company and the Shareholders as a whole. Accordingly the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM as they intend to do in respect of their own beneficial holdings of Shares representing approximately 51% of the existing issued share capital of the Company.

Yours sincerely

Jakob Kriesler
Chairman of R.G.I. International

DEFINITIONS

The following definitions apply throughout this circular unless the context required otherwise:

“Admission”	the admission of the Offer Shares to trading on AIM;
“Admission Document”	the Admission Document published by the Company dated 7 December 2007;
“AIM”	AIM, a market operated by the London Stock Exchange plc;
“AIM Rules”	the AIM Rules for Companies and Nominated Advisers;
“Atropa”	Atropa Investments Limited;
“Chelsea Development”	the primarily residential development to be constructed on the Chelsea Development Land Plot;
“Chelsea Development Land Plot”	a land plot of approximately 150,000 square metres located on three blocks to the east of the Tsvetnoy Boulevard, approximately two kilometres north of the Kremlin;
“Chelsea Investment Contract”	Investment Contract No. DZhP.04.CAO.00612 between the Moscow Government, the FSS, Glavmosstroj and ZAO Inteco and registered with the Department of Dwelling Policy on 2 August 2004;
“Chelsea Resolutions”	the First Chelsea Resolution and the Second Chelsea Resolution;
“Chelsea Share Purchase Agreement”	the share purchase agreement dated 16 March 2007 entered into between Atropa, as seller, and Toucho and Teruel, as purchasers, in relation to the sale and purchase of the entire issued share capital of Tootie;
“Co-investment Agreement”	the co-investment agreement between Opal and Atropa dated on or about the date of the Chelsea Share Purchase Agreement;
“Company”	R.G.I. International Limited;
“Directors”	the Directors of the Company;
“EGM”	extraordinary general meeting of the Company to be held on 10 April 2007;
“First Chelsea Resolution”	Resolution No. 1381-RP of the Moscow Government, dated 4 August 2003;
“FSS”	the Federal Security Service of the Russian Federation;
“Group”	the Company and its direct and indirect subsidiaries;
“Glavmosstroj”	OAo Holding Corporation “Glavmosstroj”;
“Grikima”	Grikima Holdings Limited;
“Kensington Gore”	Kensington Gore Limited;

“Larger Development”	has the meaning set out in the section entitled "Acquisition of the Chelsea Development by the Group";
“Morgan Stanley”	Morgan Stanley Securities Limited;
“Moscow Government”	the superior collegial executive state body headed by the Mayor of Moscow, which is entitled, in particular, to allocate land for construction on the basis of investment contracts entered into between the Moscow Government and the relevant developer;
“New Projects”	the Chelsea Development and the Victory Park Development;
“New Shares”	the Offer Shares and the Over-allotment Shares;
“Notice”	the notice of the EGM attached to this circular;
“Offer Shares”	the Shares to be placed with investors pursuant to the Offer;
“Offer”	the Offer of 22,730,000 Shares at the Offer Price;
“Offer Price”	US\$10.44;
“Opal”	ZAO Opal;
“Over-allotment Option”	the option granted to Morgan Stanley to require the Company to issue the Over-allotment Shares at the Offer Price, among other things, to cover over-allotments and further allotments, if any, in connection with the Offer and to cover short positions resulting from stabilisation transactions, as contained in the Underwriting Agreement;
“Over-allotment Shares”	up to 2,270,000 additional Offer Shares to be made available under the Over-allotment Options;
“Resolutions”	the resolutions set out in the Notice;
“RGI”	R.G.I. International Limited;
“Second Chelsea Resolution”	Resolution No. 247-RP of the Moscow Government, dated 24 February 2005;
“Shareholder”	holders of Shares;
“Shares”	the ordinary shares of the Company of £0.000000004;
“Supplementary Chelsea Investment Contract”	the Additional Agreement No. 1 entered into between Moscow Government, the FSS, Glavmosstroj, ZAO Inteco and ZAO Opal in relation to the Chelsea Investment Contract;
“Teruel”	Teruel Investments Limited;
“Tolling”	LLC Tolling;
“Tootie”	Tootie Holdings Limited;
“Toucho”	Toucho Investments Limited;
“Tsvetnoy Development”	the primarily retail complex to be constructed at 15/1 Tsvetnoy Boulevard, Moscow;

“Underwriting Agreement”	the underwriting agreement entered into by the Company, Morgan Stanley, KPMG Corporate Finance and Shore Capital Stockbrokers Limited dated 23 March 2007;
“Victory Park Development”	the proposed development of a land plot of approximately 3,900 square meters located opposite Victory Park, Moscow;
“Victory Park Subscription and Shareholders’ Agreement”	the subscription and shareholders’ agreement dated 19 March 2007 entered into by Toucho, Kensington Gore and Grikima; and
ZAO Inteco	ZAO Inteco.

NOTICE OF EXTRAORDINARY GENERAL MEETING

R.G.I. INTERNATIONAL LIMITED

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Shareholders of R.G.I. International Limited (the "Company") will be held at Frances House, Sir William Place, St Peter Port, Guernsey GY1 4HQ on 10 April 2007 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. That, conditional upon admission of 22,730,000 shares in the share capital of the Company to trading upon AIM, a market operated by the London Stock Exchange plc:
 - 1.1 the Directors be, and they are, generally and unconditionally authorised pursuant to and in accordance with Article 14.1 of the Articles of Association of the Company to exercise all the powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £0.10;
 - 1.2 such authority shall expire on the date of the Annual General Meeting in 2007 or on 31 December 2007, whichever is the earlier, and shall be in substitution for all previous authorities pursuant to the said Article 14.1 (if any), which, for the avoidance of doubt, are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
 - 1.3 by such authority the Directors may make offers or agreements which would or might require Relevant Securities to be allotted after the expiry of such period; and
 - 1.4 for the purpose of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.
2. That, pursuant to Resolution 1 above conferring authority under Article 14.1 of the Articles of Association of the Company passed on the date hereof:
 - 2.1 the Directors be empowered to allot Equity Securities wholly for cash:
 - 2.1.1 in connection with a rights issue; and
 - 2.1.2 otherwise than in connection with a rights issue, up to an aggregate nominal amount of £0.10;as if Article 15.1 of the Articles of Association of the Company did not apply to any such allotment;
 - 2.2 such power shall expire on the date of the Annual General Meeting in 2007 or on 31 December 2007, whichever is the earlier, and shall be in substitution for all previous dis-applications of Article 15.1 of the Articles of Association of the Company (if any), which shall, for the avoidance of doubt cease to have effect, without prejudice to any allotment of securities pursuant thereto;
 - 2.3 by such power the Directors may make offers or agreements which would or might require Equity Securities to be allotted after the expiry of such period; and
 - 2.4 for the purposes of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.

3. That, in addition to Resolution 1 above:
 - 3.1 the Directors be, and they are, generally and unconditionally authorised pursuant to and in accordance with Article 14.1 of the Articles of Association of the Company to exercise all the powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £0.152047372;
 - 3.2 such authority shall expire on the day of the annual general meeting of the Company to be held in 2008;
 - 3.3 by such authority the Directors may make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period; and
 - 3.4 for the purpose of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.
4. That, in addition to Resolution 2 above, pursuant to Resolution 3 above conferring authority under Article 14.1 of the Articles of Association of the Company passed on the date hereof:
 - 4.1 the Directors be empowered to allot Equity Securities wholly for cash:
 - 4.1.1 in connection with a rights issue; and
 - 4.1.2 otherwise than in connection with a rights issue, up to an aggregate nominal amount of £0.025341228;
 - as if Article 15.1 of the Articles of Association of the Company did not apply to any such allotment;
 - 4.2 such authority shall expire on the day of the annual general meeting of the Company to be held in 2008;
 - 4.3 by such power the Directors may make offers or agreements which would or might require Equity Securities to be allotted after the expiry of such period; and
 - 4.4 for the purposes of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.

By order of the Board

Registered Office:

Frances House

Sir William Place

St. Peter Port

Guernsey

GY1 4HQ

BACHMANN FUND ADMINISTRATION LIMITED

Company Secretary

Dated 26 March 2007

Notes:

1. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder of the Company.
2. The Form of Proxy, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed, must be deposited at the office of the Company's Registered Office not later than 48 hours before the time appointed for holding the meeting.
3. Return of a completed Form of Proxy will not preclude a Shareholder from attending and voting personally at the meeting.

FORM OF PROXY

R. G. I. INTERNATIONAL LIMITED

(the "Company")

Form of Proxy for use by holders of Ordinary Shares at an Extraordinary General Meeting of the Company convened for 10 April 2007 at 11.00 a.m.

I/We

_____ (full name(s) in block capitals)

of

_____ (address in block capitals)

hereby

1 appoint the Chairman of the meeting (*See Note 1 below*)

or

2 _____

_____ (name and address of proxy in block capitals)

as my/our proxy to attend, and on a poll, vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on 10 April 2007 at 11.00 a.m. and at any adjournment thereof.

I/We wish my/our proxy to vote as indicated below in respect of the resolutions to be proposed at the meeting. *Please indicate which way you wish your proxy to vote by ticking the appropriate box alongside each resolution. (See Note 2 below).*

ORDINARY RESOLUTIONS

	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
<p>1. That, conditional upon admission of 22,730,000 shares in the share capital of the Company to trading upon AIM, a market operated by the London Stock Exchange plc:</p> <p>1.1 the Directors be, and they are, generally and unconditionally authorised pursuant to and in accordance with Article 14.1 of the Articles of Association of the Company to exercise all the powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £0.10;</p> <p>1.2 such authority shall expire on the date of the Annual General Meeting in 2007 or on 31 December 2007, whichever is the earlier, and shall be in substitution for all previous authorities pursuant to the said Article 14.1 (if any), which, for the avoidance of doubt, are hereby revoked, without prejudice to any allotment of securities pursuant thereto;</p> <p>1.3 by such authority the Directors may make offers or agreements which would or might require Relevant Securities to be allotted after the expiry of such period; and</p> <p>1.4 for the purpose of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.</p>				
<p>2. That, pursuant to Resolution 1 above conferring authority under Article 14.1 of the Articles of Association of the Company passed on the date hereof:</p> <p>2.1 the Directors be empowered to allot Equity Securities wholly for cash:</p> <p>2.1.1 in connection with a rights issue; and</p> <p>2.1.2 otherwise than in connection with a rights issue, up to an aggregate nominal amount of £0.10;</p> <p>as if Article 15.1 of the Articles of Association of the Company did not apply to any such allotment;</p> <p>2.2 such power shall expire on the date of the Annual General Meeting in 2007 or on 31 December 2007, whichever is the earlier, and shall be in substitution for all previous dis-applications of Article 15.1 of the Articles of Association of the Company (if any), which shall, for the avoidance of doubt cease to have effect, without prejudice to any allotment of securities pursuant thereto;</p> <p>2.3 by such power the Directors may make offers or agreements which would or might require Equity Securities to be allotted after the expiry of such period; and</p> <p>2.4 for the purposes of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.</p>				

	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
<p>3. That, in addition to Resolution 1 above:</p> <p>3.1 the Directors be, and they are, generally and unconditionally authorised pursuant to and in accordance with Article 14.1 of the Articles of Association of the Company to exercise all the powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £0.152047372;</p> <p>3.2 such authority shall expire on the day of the annual general meeting of the Company to be held in 2008;</p> <p>3.3 by such authority the Directors may make offers or agreements which would or might require Relevant Securities to be allotted after the expiry of such period; and</p> <p>3.4 for the purpose of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.</p>				
<p>4. That, in addition to Resolution 2 above, pursuant to Resolution 3 above conferring authority under Article 14.1 of the Articles of Association of the Company passed on the date hereof:</p> <p>4.1 the Directors be empowered to allot Equity Securities wholly for cash:</p> <p>4.1.1 in connection with a rights issue; and</p> <p>4.1.2 otherwise than in connection with a rights issue, up to an aggregate nominal amount of £0.025341228;</p> <p>as if Article 15.1 of the Articles of Association of the Company did not apply to any such allotment;</p> <p>4.2 such authority shall expire on the day of the annual general meeting of the Company to be held in 2008;</p> <p>4.3 by such power the Directors may make offers or agreements which would or might require Equity Securities to be allotted after the expiry of such period; and</p> <p>4.4 for the purposes of this Resolution, words and expressions defined in or for the purposes of the Articles of Association of the Company shall bear the same meanings herein.</p>				

Signature(See Note 3 below) Date..... 2007

NOTES:

1. If you wish to appoint as your proxy someone other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" and write on the dotted line the full name and address of your proxy. The change should be initialled.
2. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.
3. This form must be signed and dated by the shareholder or his/her attorney duly authorised in writing. If the shareholder is a Company, it may execute under its common seal or by the signature of a duly authorised officer or attorney. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. To be valid, this form must be completed and lodged at Frances House, Sir William Place, St. Peter Port, Guernsey, Channel Islands GY1 4HQ, together with the power of attorney or other authority (if any) under which it is signed or a copy of such authority certified notarially, not less than 48 hours before the time fixed for holding the meeting.
5. The 'vote withheld' option is provided to enable you to abstain on any particular resolution however it should be noted that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.