



Investor Presentation



Agenda

1. 2010 financial results

2. Market update

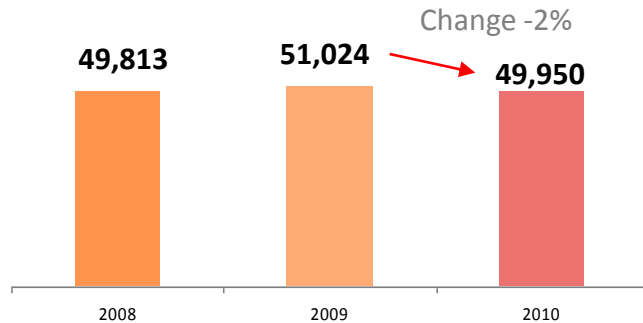
Key financials

RUB m	2008	2009	2010
Revenues	49,813	51,024	49,950
EBITDA	13,178	14,732	8,687*
EBITDA margin	26%	29%	17%
Normalised operating profit	11,130	12,327	6,307
Normalised operating profit margin	22%	24%	13%
Changes in fair value of investment property	(16,143)	(1,752)	(36)
Reported net profit	(8,007)	4,590	1,742
Gross cash flow	13,335	15,235	9,035
Operating cash flow	4,373	3,470	(2,375)
Capitalised capital expenditure	10,330	7,674	4,544
Total debt	36,874	39,541	31,703
Net debt	33,628	36,645	30,376
Net debt/EBITDA	2.6	2.5	3.5

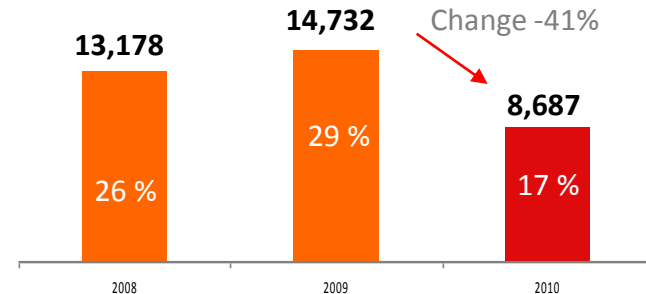
*one-off effect of disposal of aerated concrete business in the Baltic states resulted in the net loss of RUB 523m

Key financials

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



Sales revenue and EBITDA breakdown¹

2010 Sales revenue breakdown

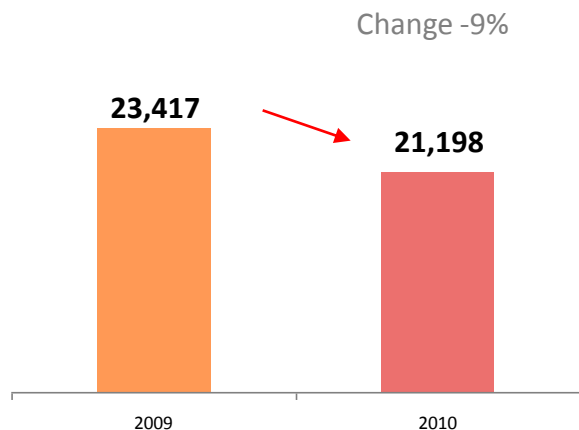


2010 EBITDA breakdown

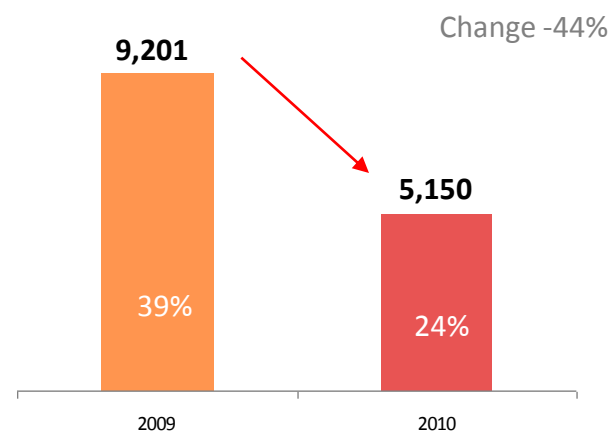
Note: 1) Before inter-group eliminations, unallocated amounts and other operations

Real estate development

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



Key financials

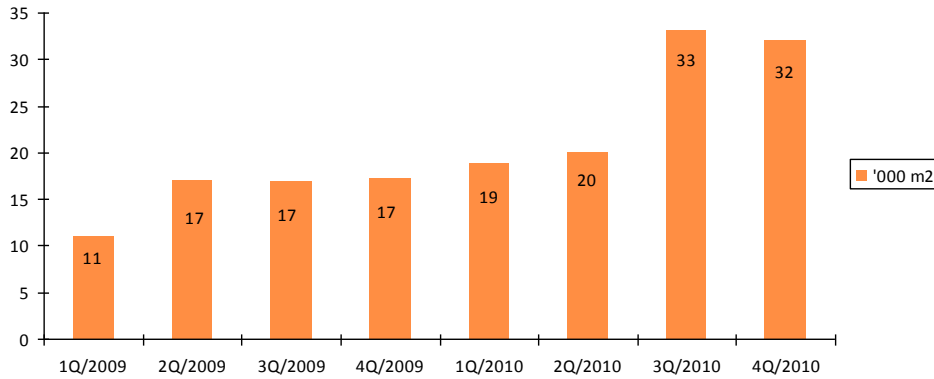
	Total ¹			Elite Real Estate			Business Class & Mass-Market Real Estate in St. Petersburg			Business Class & Mass-Market Real Estate in Urals		
	2009	2010	Change	2009	2010	Change	2009	2010	Change	2009	2010	Change
New contract sales (th m2)	-	-	-	26	35	34%	209	104	(50)%	23	39	65%
<i>to retail customers</i>	-	-	-	-	-	-	62	104	68%	-	-	-
<i>under contracts with the government</i>	-	-	-	-	-	-	147	-	-	-	-	-
Transferred to customers (th m2)	-	-	-	76	29	(62)%	117	233	99%	39	48	23%
<i>to retail customers</i>	-	-	-	-	-	-	117	85	(27)%	-	-	-
<i>under contracts with the government</i>	-	-	-	-	-	-	-	148	-	-	-	-
Completed (th m2)	-	-	-	85	3	(97)%	82	283	244%	1	82	-
Sales revenue (RUB m)	23,417	21,198	(9)%	13,287	4,284	(68)%	8,031	12,584	57%	1,805	2,285	27%
EBITDA (RUB m)	9,201	5,150	(44)%	6,577	1,897	(71)%	2,426	2,603	7%	233	293	26%
EBITDA margin (%)	39%	24%	-	49%	44%	-	30%	21%	-	13%	13%	-
Gain/Loss on revaluation of investment property (RUB m)	(2,132)	(38)	-	(2,132)	(38)	-	-	-	-	-	-	-

Notes: Total is shown after inter-segment eliminations and before inter-group eliminations and unallocated amounts

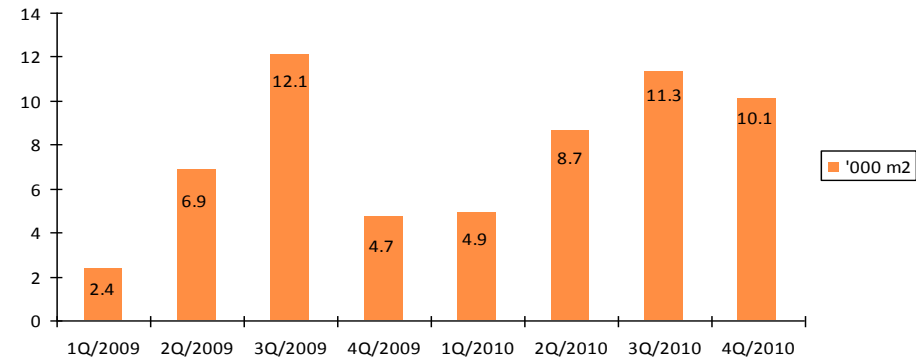
1) Also includes Gated Communities, Real Estate Moscow and other minor operations

Real estate development: sales in St. Petersburg

**New contract sales in mass market segment
(excluding governmental contracts)**



New contract sales in elite segment

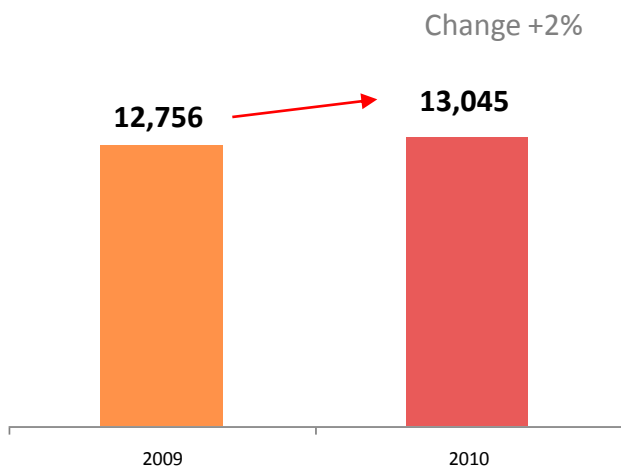


Projects launches planned in 2011

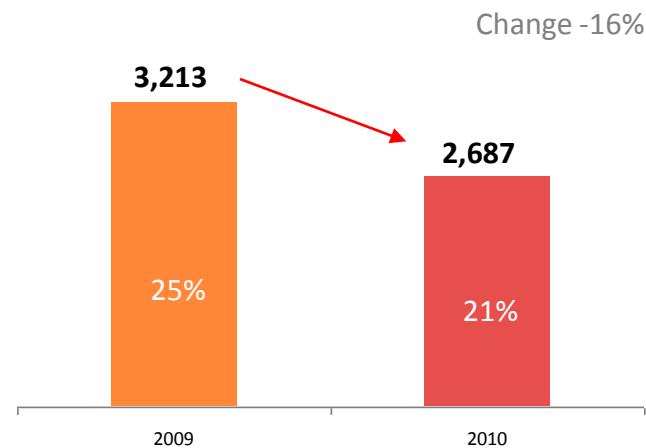
	Net sellable area (sq.m)	Start of Construction	Start of pre-sales
Elite Real Estate in St. Petersburg	76,566		
Europe City Phase 1	70,936	November 2011	November 2011
Kovenskiy	5,630	July 2010	June 2011
Mass Market and Business Class Real Estate in St. Petersburg	229,749		
Aurora site 14	133,827	March 2011	April 2011
Vostok site 7	18,409	March 2011	March 2011
Vostok site 8	23,091	June 2011	July 2011
Dolgoozerny Block 5b	5,387	February 2011	March 2011
Antey Block 8	11,237	April 2011	May 2011
Antey Block 9	14,180	April 2011	May 2011
Yuzhny site 2	23,960	February 2011	March 2011
Real Estate in Moscow	316,209		
Novaya Balashikha, Sakramento	30,575	2011	Feb 2011
Yuzhny	285,634	October 2011	October 2011
Real Estate in Yekaterinburg	108,376		
Kalinovsky Phase 3	48,795	August 2010	February 2011
Kalinovsky h. 8,9	25,928	October 2008	March 2011
Vostaniya-Molodezhi	13,309	January 2011	March 2011
Angarskaya	7,447	June 2008	February 2011
Tokarey	12,900	March 2010	March 2011

Construction

Sales (RUB m)



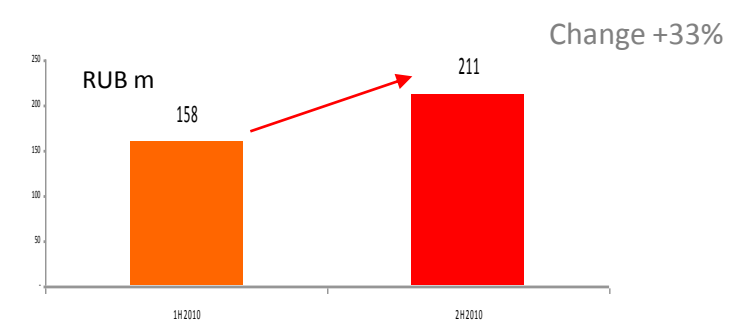
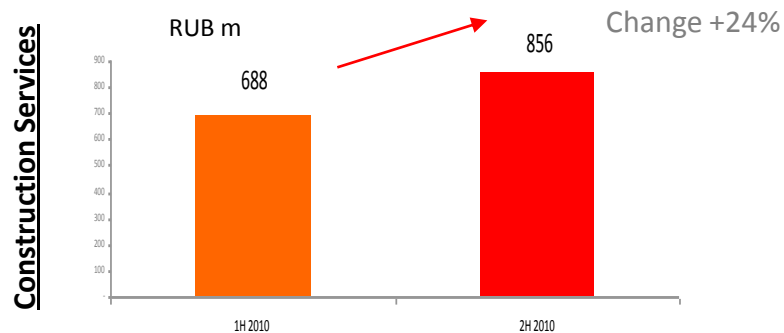
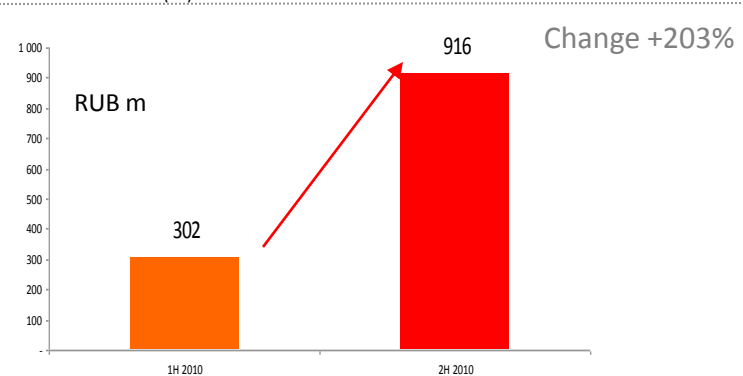
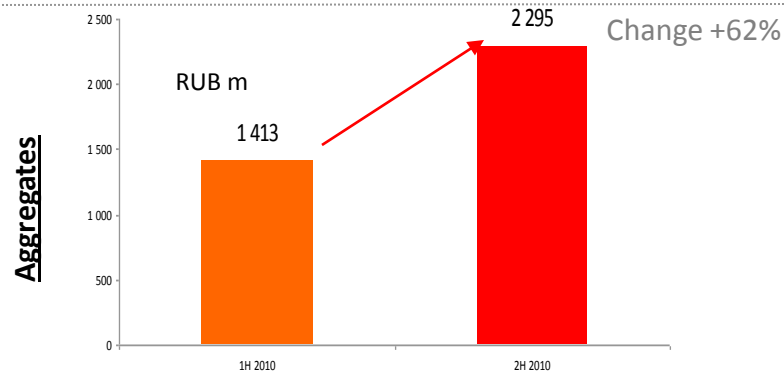
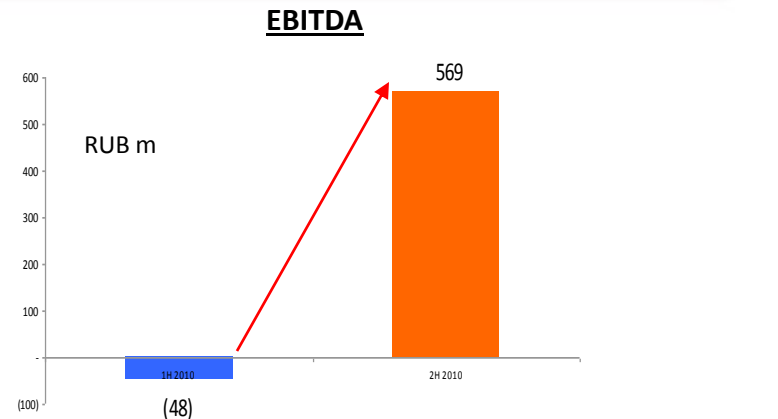
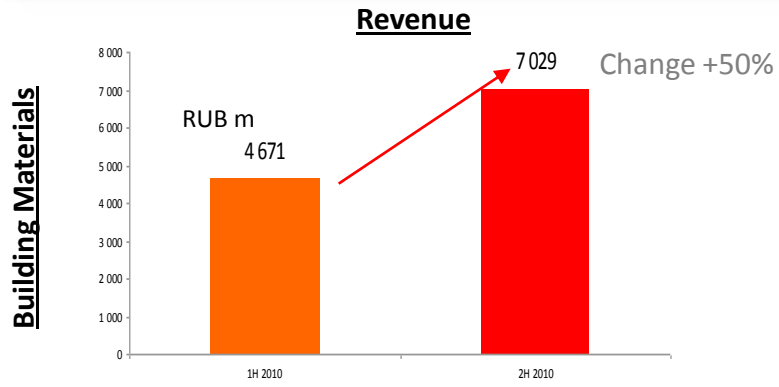
EBITDA (RUB m) and EBITDA margin (%)



Key financials

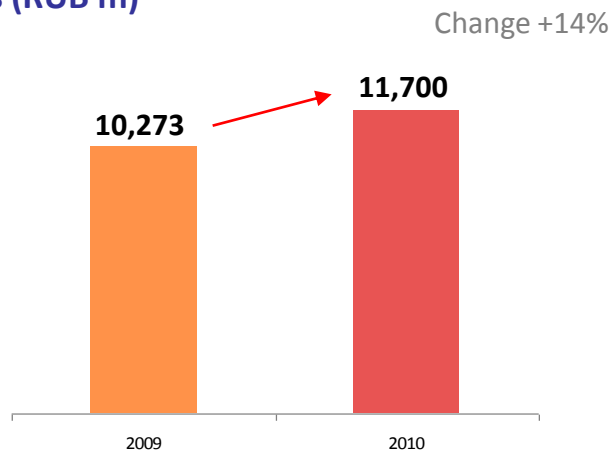
	Total		
	2009	2010	Change
Sales volume (th. m2)	585	572	(2)%
<i>St. Petersburg</i>	488	379	(22)%
<i>Moscow</i>	5	69	1,280%
<i>Urals</i>	92	124	35%
Sales revenue (RUB m)	12,756	13,045	2%
EBITDA (RUB m)	3,213	2,687	(16)%
EBITDA margin (%)	25%	21%	-

Revenue/EBITDA in building materials and aggregates

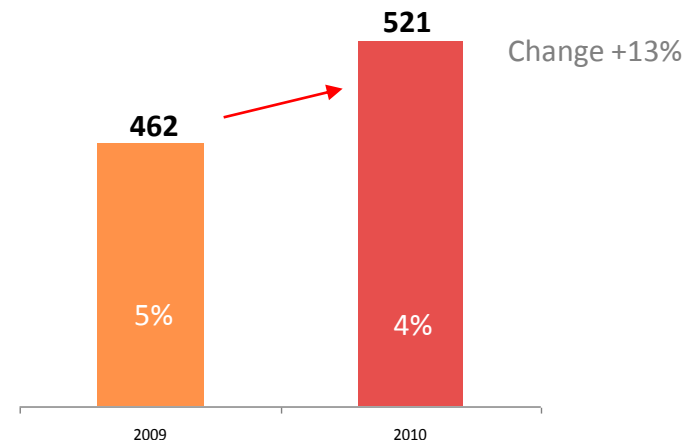


Building materials

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



Key financials

	Total ¹			Reinforced Concrete			Ready-Mix Concrete			Bricks			Aerated Concrete		
	2009	2010	Change	2009	2010	Change	2009	2010	Change	2009	2010	Change	2009	2010	Change
Sales volume (th. m ³)	-	-		288	342	19%	815	1,112	36%	169	172	2%	737	795	8%
Sales revenue (RUB m)	10,273	11,700	14%	3,792	4,820	27%	2,249	2,001	(11)%	1,331	1,263	(5)%	1,633	1,513	(7)%
EBITDA (RUB m)	462	521	13%	117	217	86%	76	229	202%	176	8	(95)%	70	114	61%
EBITDA margin (%)	5%	4%	-	3%	5%	-	3%	11%	-	13%	1%	-	4%	8%	-

Notes: Total is shown after inter-segment eliminations and before inter-group eliminations and unallocated amounts

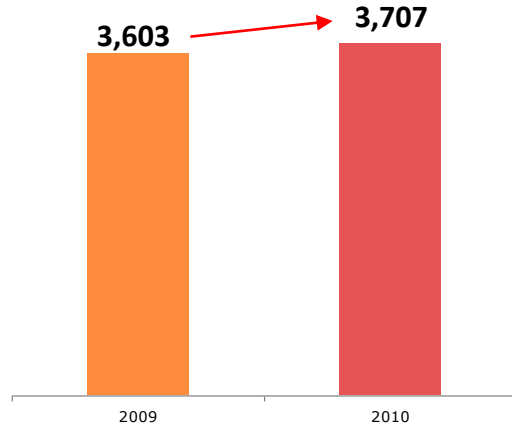
For Bricks sales volume is shown in millions of non-formatted units

1) Also includes our other minor building materials operations

Aggregates

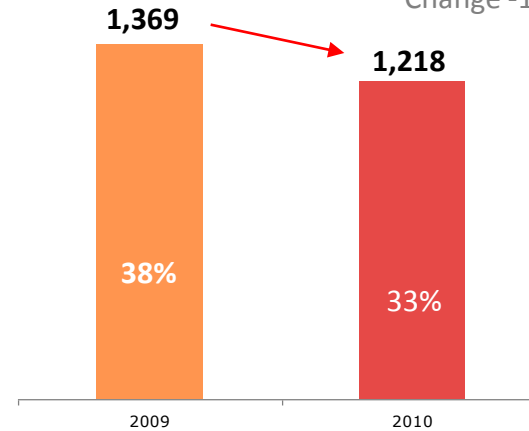
Sales (RUB m)

Change +3%



EBITDA (RUB m) and EBITDA margin (%)

Change -11%

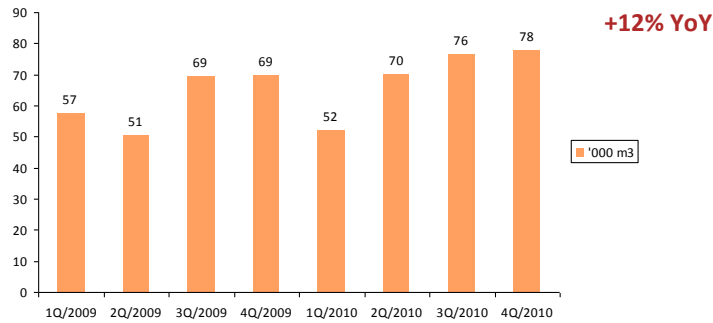


Key financials

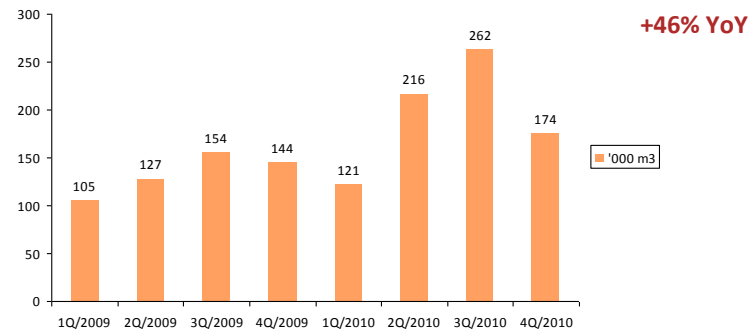
	Total			Sand			Crushed Granite		
	2009	2010	Change	2009	2010	Change	2009	2010	Change
Sales volume (th. m3)	-	-	-	10,207	9,820	(4)%	3,593	3,980	11%
Sales revenue (RUB m)	3,603	3,707	3%	2,106	2,205	5%	1,522	1,591	5%
EBITDA (RUB m)	1,369	1,218	(11)%	1,092	1,031	(6)%	278	187	(33)%
EBITDA margin (%)	38%	33%	-	52%	47%	-	18%	12%	-

Sales of building materials and aggregates in St. Petersburg

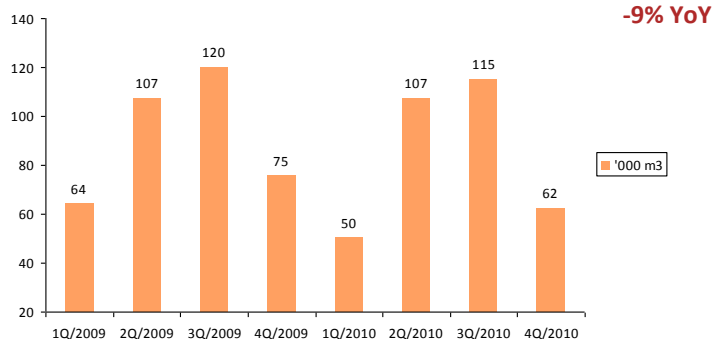
Sales of reinforced concrete



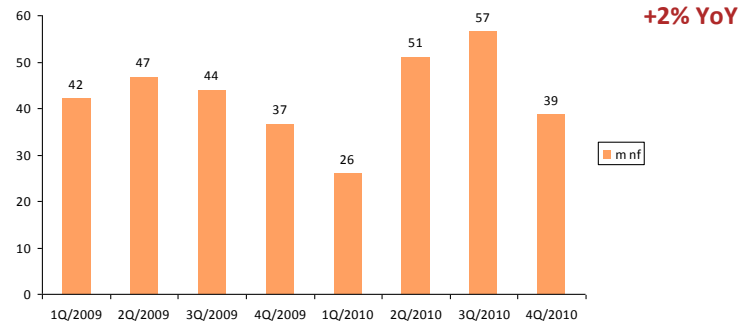
Sales of ready-mix concrete



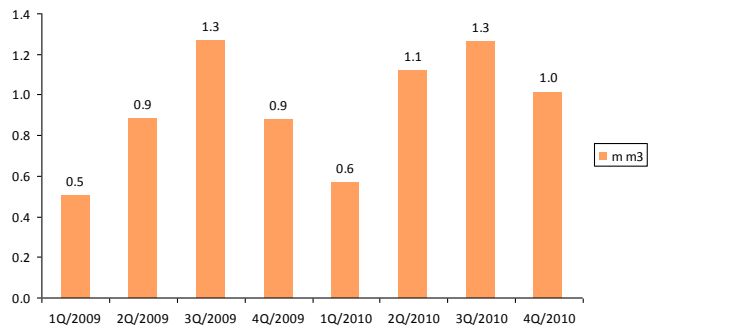
Sales of aerated concrete



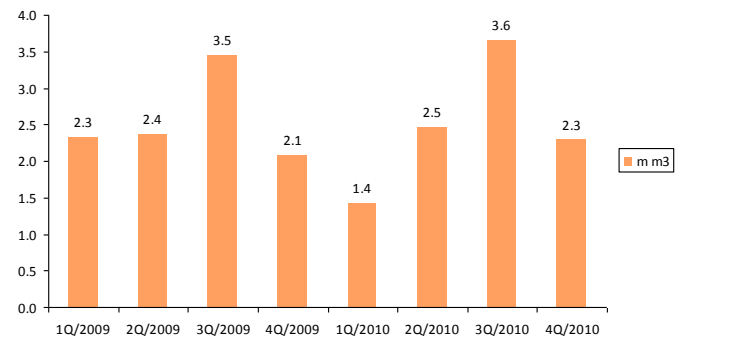
Sales of bricks



Sales of crushed granite



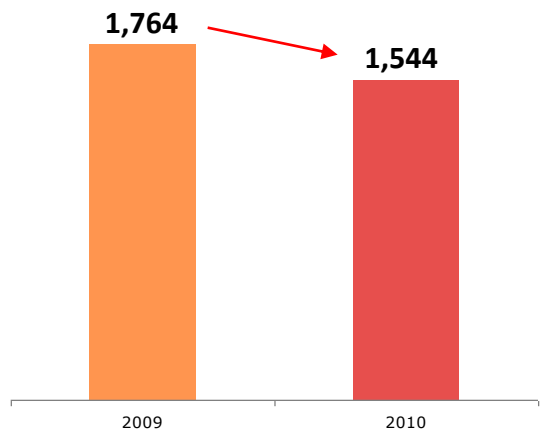
Sales of sand



Construction services

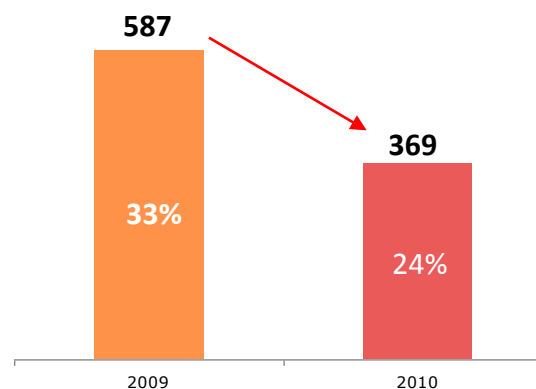
Sales (RUB m)

Change -12%



EBITDA (RUB m) and EBITDA margin (%)

Change -37%

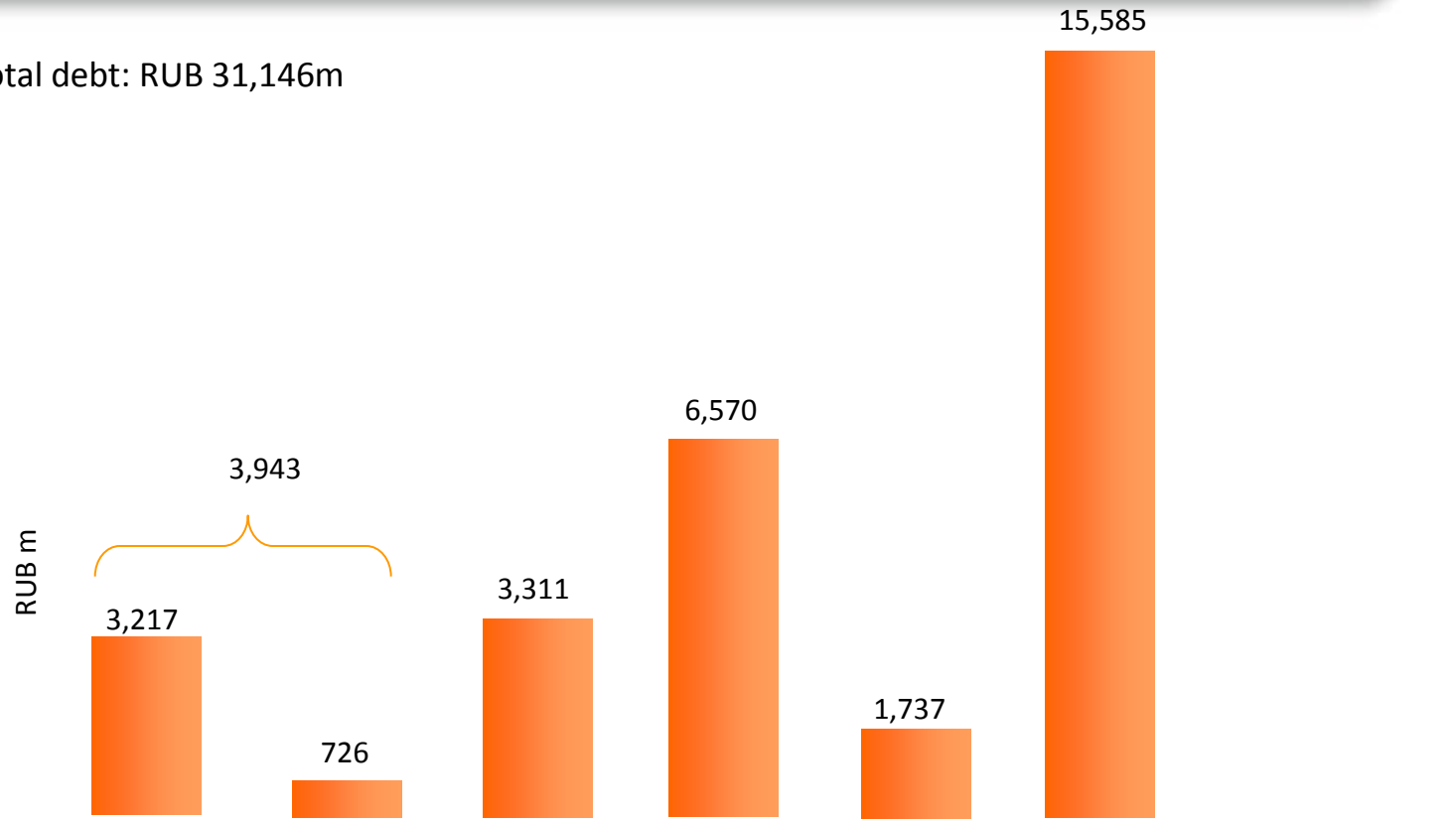


Key financials

	Total		
	2009	2010	Change
Sales revenue (RUB m)	1,764	1,544	(12)%
EBITDA (RUB m)	587	369	(37)%
EBITDA margin (%)	33%	24%	-

Debt maturity profile

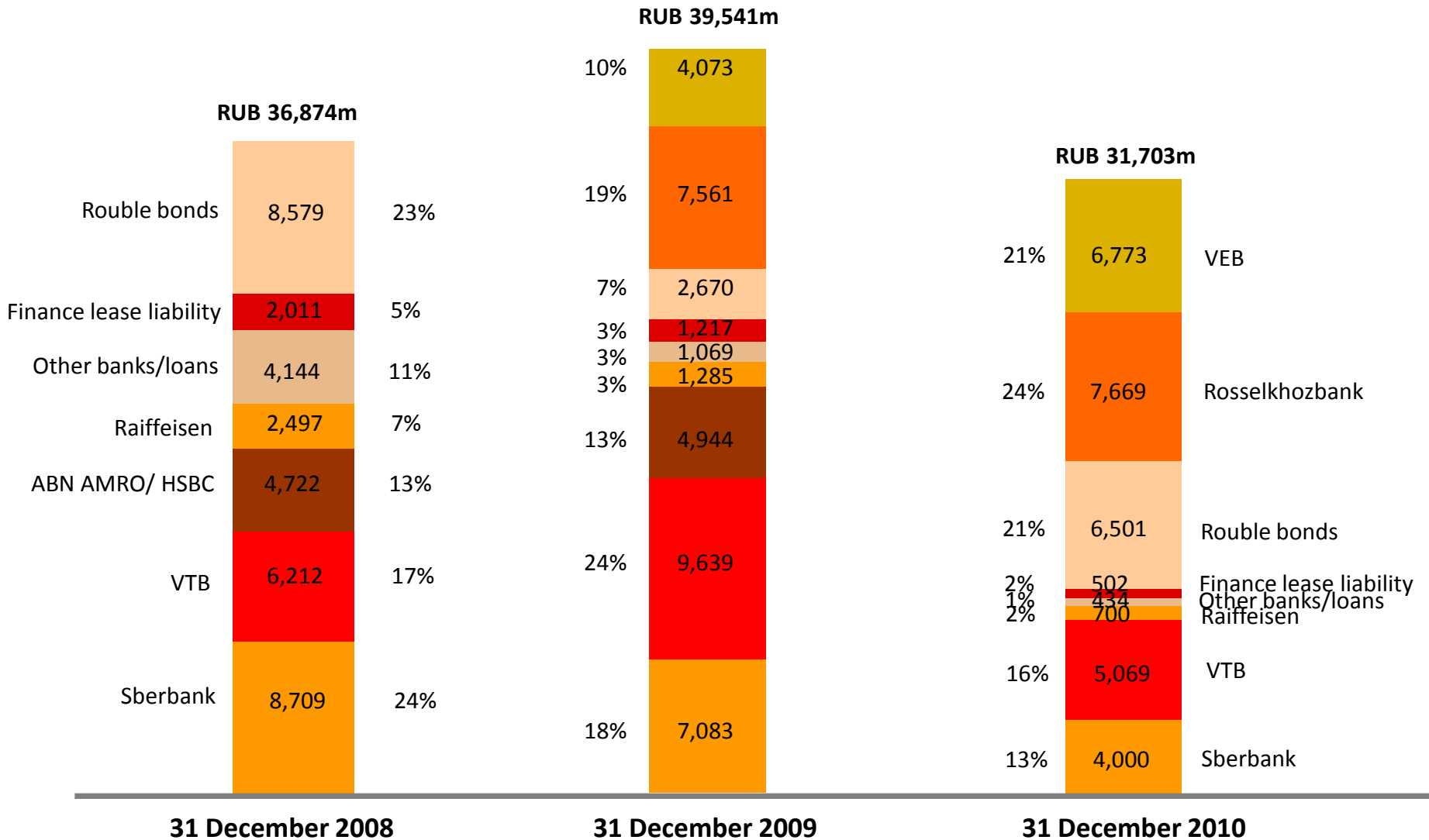
Total debt: RUB 31,146m



	1H 2011	2H 2011	2012	2013	2014	2015>	Total
RUB m	3 000	346	2,399	5,853	1,019	12,940	24,974
USD m	2	13	24	24	24	106	190
EUR m	4	0	5	0	0	0	9
Total RUB m	3 217	726	3,311	6,570	1,737	15,585	31,146

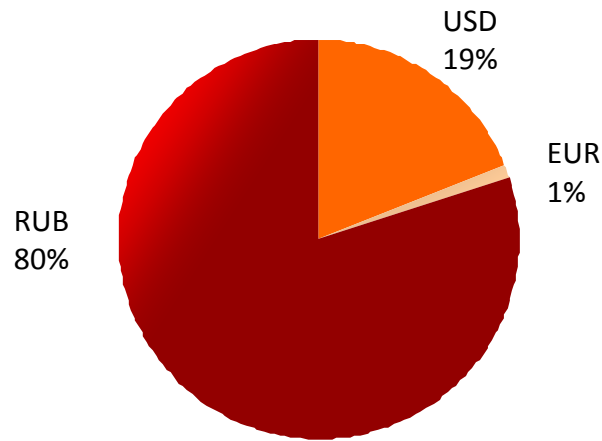
Note: 1) excluding finance lease liability and other loans

Gross debt by source as of 31 December 2010

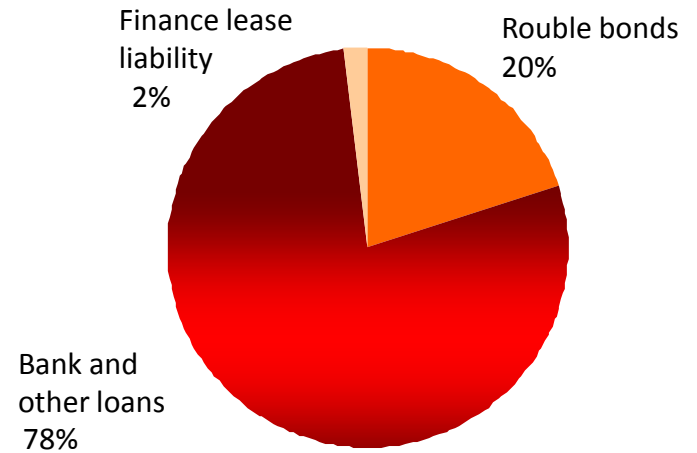


Debt composition as of 31 December 2010

Gross debt by currency¹



Gross debt composition



Source: Company

Note: 1) excluding finance lease liability and other loans

Acquisitions/New projects 2010 - 2011

Building Materials & Aggregates:

Crushed granite

- Petrovsky quarry, granite deposits: 25m m3, Annual production capacity: 500 th m3, Jun 2010
- KNI, granite deposits: 84m m3, Annual production capacity: 1.1m m3, Feb 2011

Sand

- 8 quarries, sand reserves: 19m m3, Dec 2010

Reinforced concrete

- Obukhov plant, Annual production capacity: 35 th m3 of reinforced concrete, 90 th m3 of ready-mix concrete, Feb 2011

Real Estate Development & Construction:

St. Petersburg

- Mass market - 34 ha (350 th m2 future NSA) in Kalininsky District, Price: RUB 1.7bn, Mar 2010
- Mass market – 9.15 ha (100 th m2 future NSA) in Moscovsky district, Price: RUB 1bn, Dec 2010
- Elite – 0.36 ha on Krestovsky island, Price: RUB 251m, Sep 2010

Moscow

- 44 ha (190 th m2 future NSA) in Nakhabino, Moscow region, Price: 20% of future NSA, Apr 2010
- 60 ha (348 th m2 future NSA) in Leninsky district, Moscow region, Price: 15% of future NSA, Nov 2010
- 40 ha (325 th m2 future NSA) in Domodedovo, Price: 22.5% of future NSA, Feb 2011

Urals

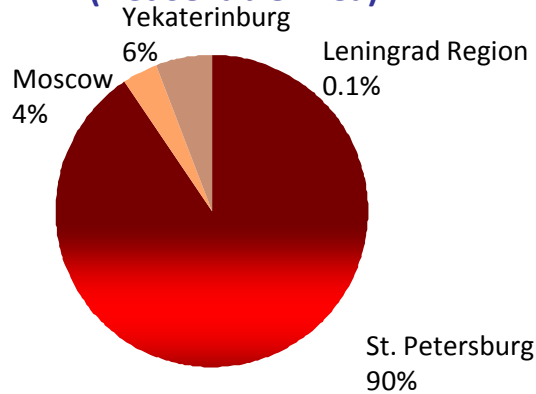
- Kamensk-Uralsk ZhBI, Annual production capacity: 70 th m3 of reinforced concrete, 10 th m3 of ready-mix concrete, Feb 2011

Acquisition pipeline:

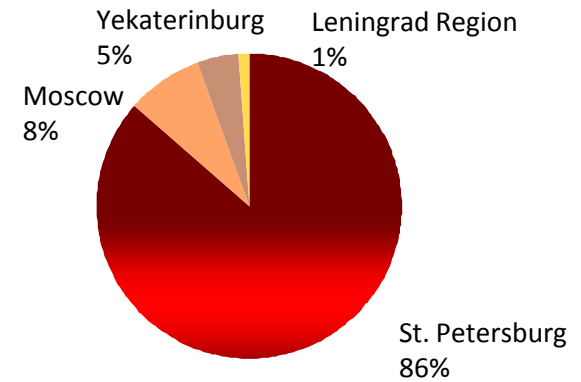
- Brick factory in the Moscow region
- Land plot in Moscow

Real estate portfolio by region

**Breakdown of portfolio by region
(Net Sellable Area)**



**Breakdown of portfolio by region
(Market Value)**

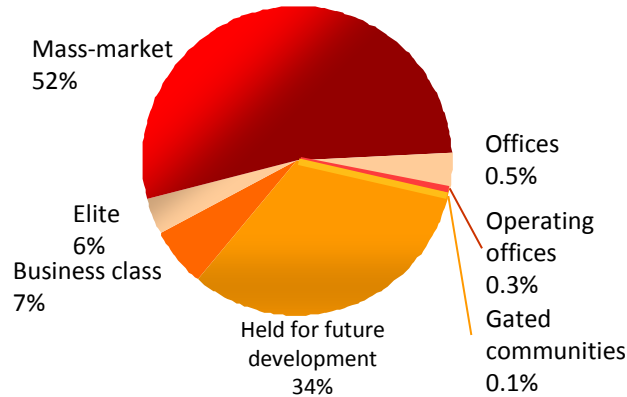


Region	NSA ('000 m2)	% of total	MV (RUB m)	% of total
St. Petersburg	7,634	90%	89,701	86%
Yekaterinburg	490	6%	5,617	5%
Moscow	302	4%	8,423	8%
Leningrad Region	10	0.1%	1,037	1%
Total	8,436	100%	103,777	100%

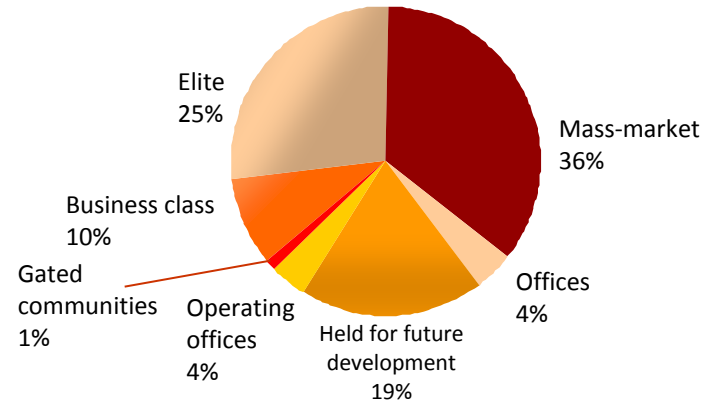
Largest part of our real estate portfolio is located in our home market of St. Petersburg within the boundaries of the city

Real estate portfolio by segment

**Breakdown of portfolio by segment
(Net Sellable Area)**



**Breakdown of portfolio by segment
(Market Value)**

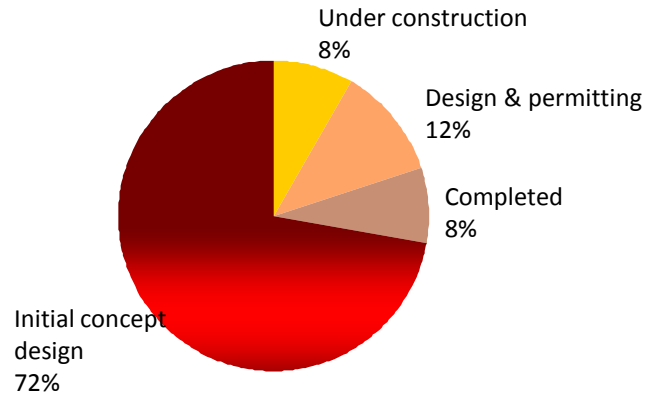


Segment of property	NSA ('000 m2)	% of total	MV (RUB m)	% of total
Mass-market	4,396	52%	37,812	36%
Elite	504	6%	25,921	25%
Business class	594	7%	10,450	10%
Offices	45	0.5%	4,423	4%
Operating offices	22	0.3%	4,557	4%
Gated communities	7	0.1%	1,181	1%
Held for future development	2,867	34%	19,433	19%
Total	8,436	100%	103,777	100%

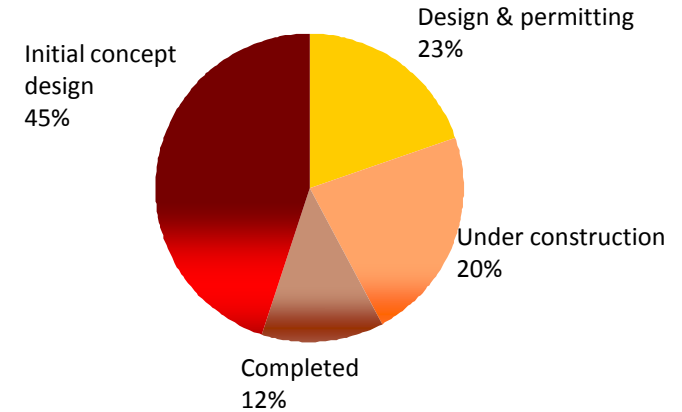
Well-balanced portfolio with focus on residential development

Real estate portfolio by stage of development

**Breakdown of portfolio by stage of development
(Net Sellable Area)**



**Breakdown of portfolio by stage of development
(Market Value)**



Stage of development	NSA ('000 m2)	% of total	MV (RUB m)	% of total
Initial concept design	6,082	72%	46,643	45%
Design and permitting	979	12%	23,482	23%
Under construction	705	8%	20,456	20%
Completed & partially sold	671	8%	13,196	12%
Total	8,436	100%	103,777	100%

**We aim to match the stages of development of our portfolio
with the levels of demand for real estate**

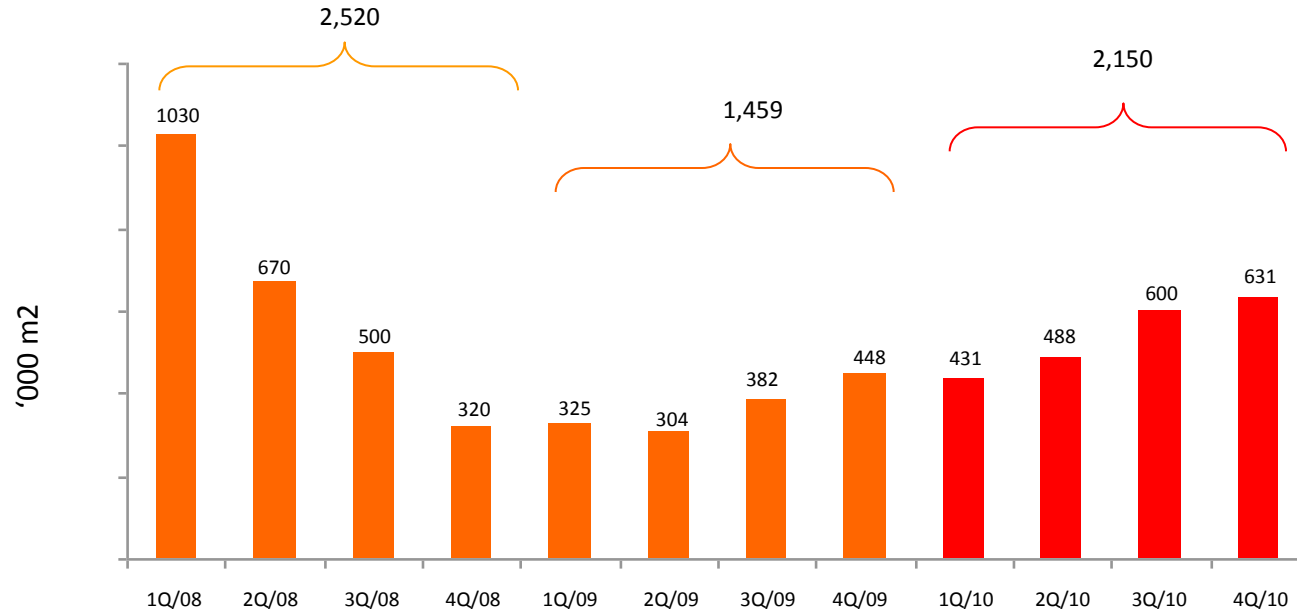
Agenda

1. 2010 financial results

2. Market update

Sales of new apartments

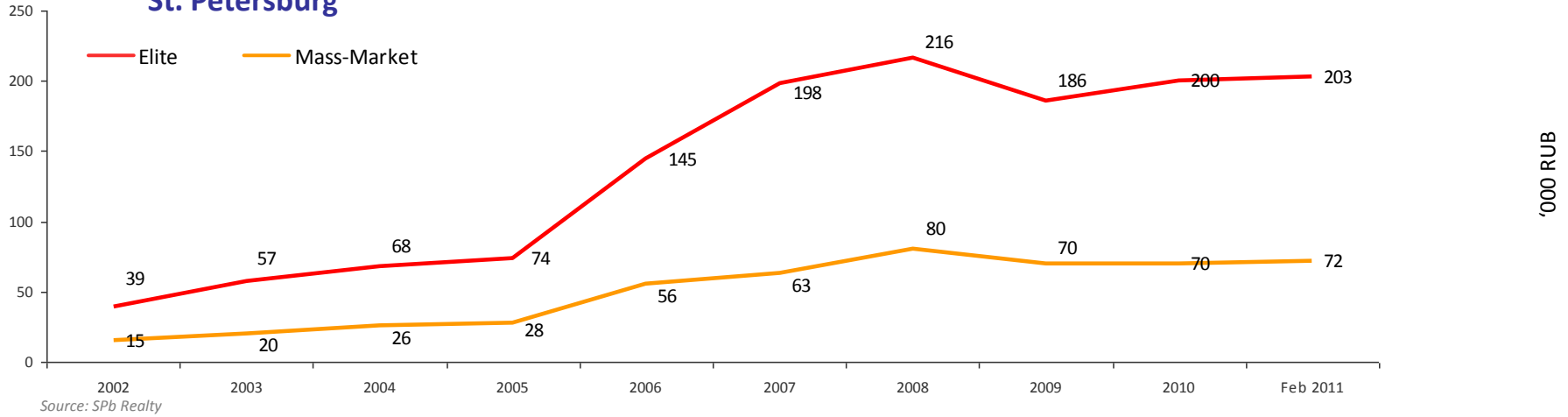
Sales of new apartments in St. Petersburg



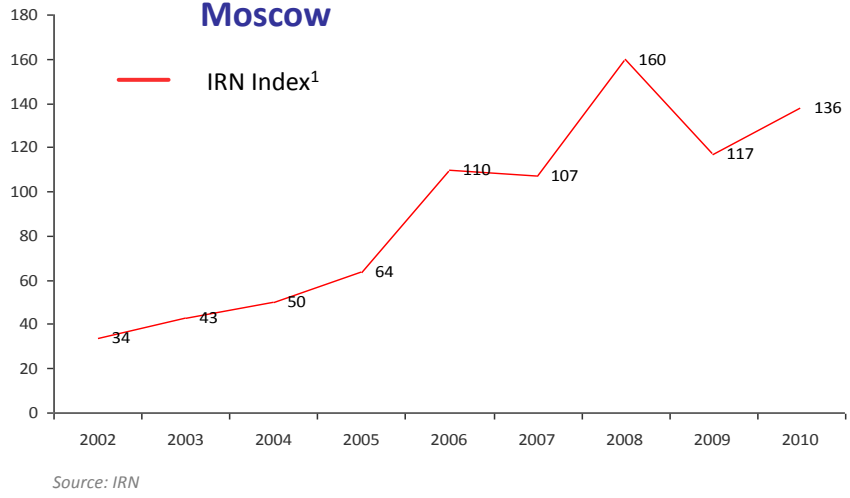
Source: SPb Realty

New residential real estate price development in St. Petersburg, Moscow and Yekaterinburg

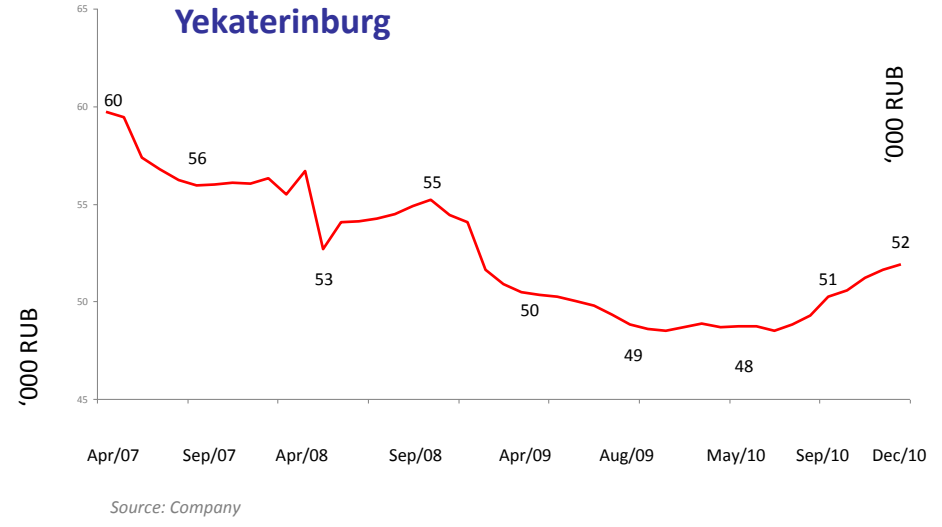
St. Petersburg



Moscow



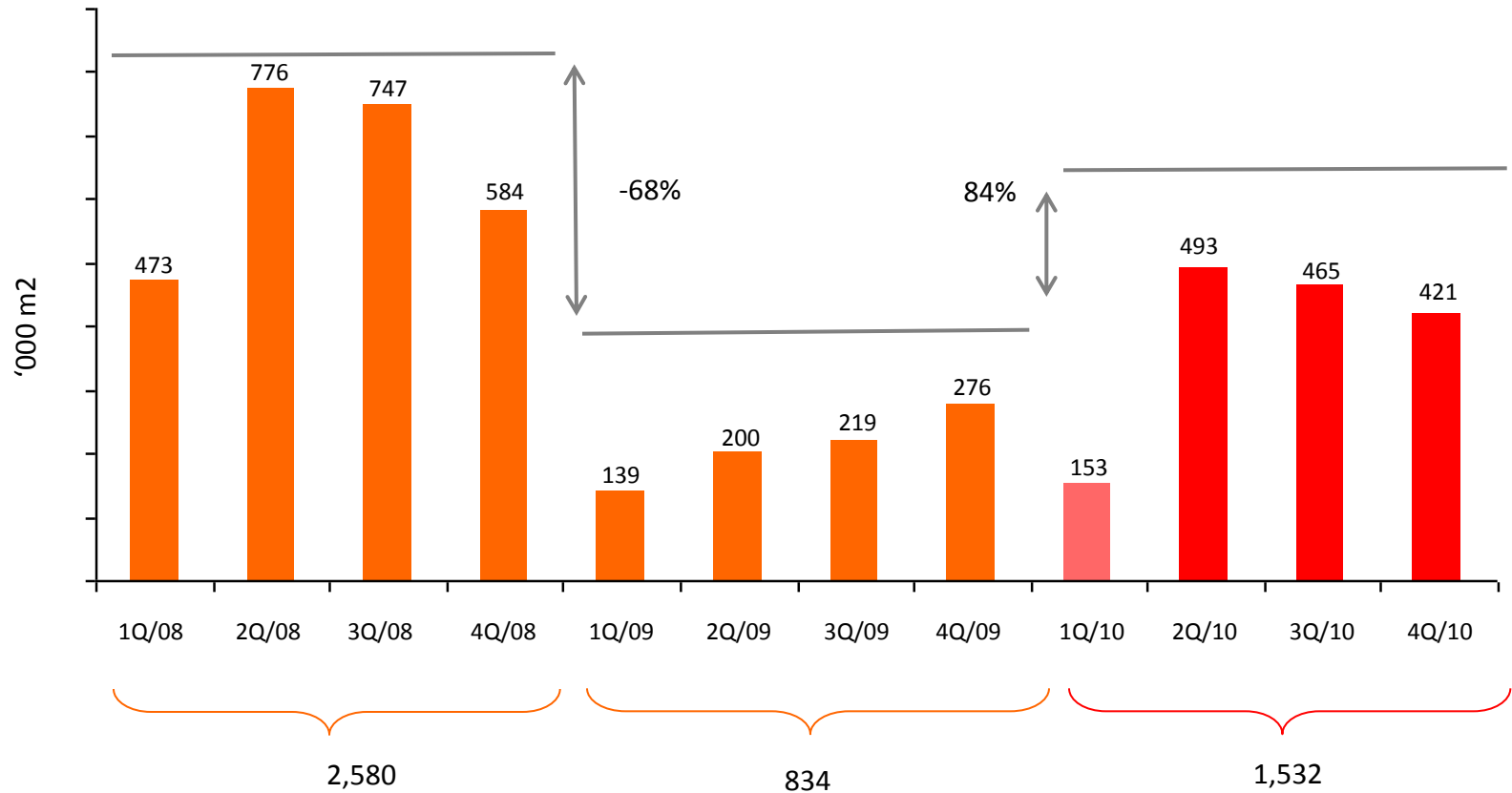
Yekaterinburg



Notes: Prices as of the end of the respective periods
 1) IRN Index is calculated on the basis of prices in both primary and secondary markets

Supply of new apartments

Supply of new apartments in St. Petersburg

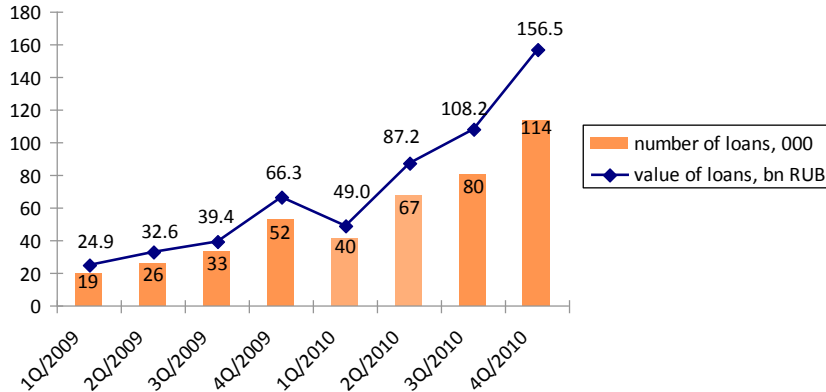


Source: SPb Realty

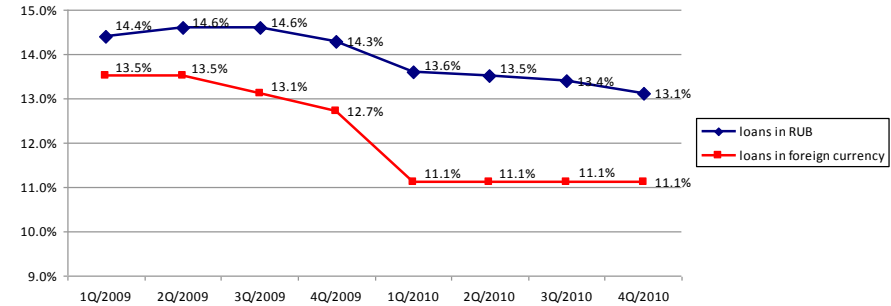
Note: Supply of new housing (apartments) represents residential projects at different stages of development which are offered for sale for the first time during the reported period

Mortgage lending

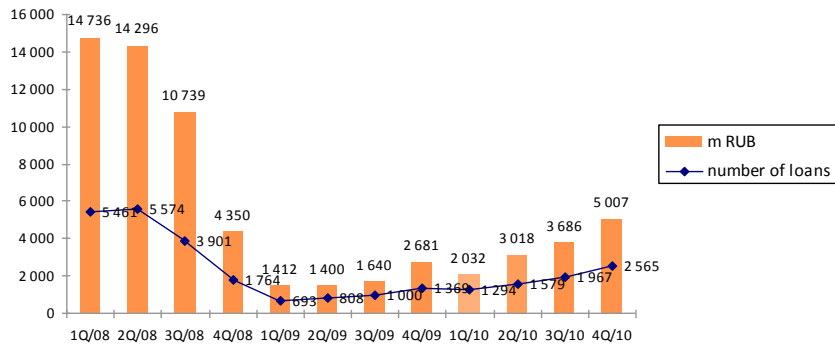
Mortgage lending in Russia



Average mortgage rates

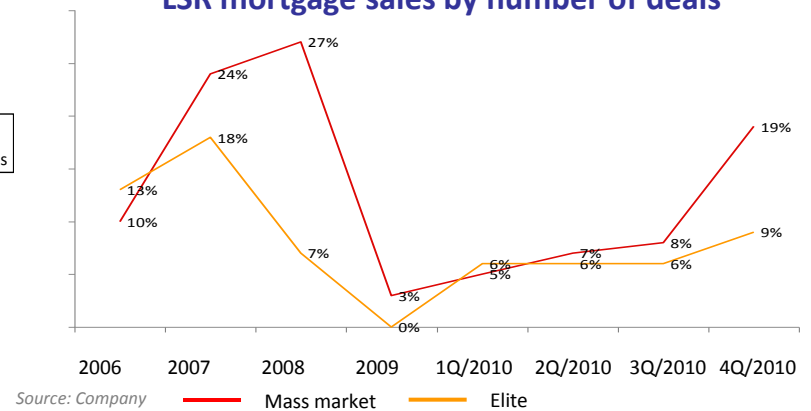


Mortgage lending in St. Petersburg



Source: Spb Mortgage Agency

LSR mortgage sales by number of deals



Source: Company

Contacts

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