



## 1H 2012 results investor presentation



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# Agenda

1. 1H 2012 Operating and financial results

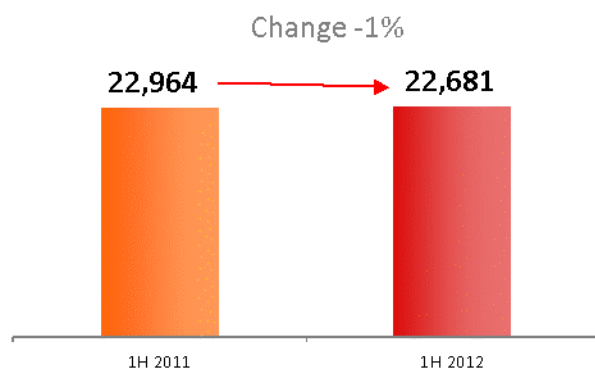
2. Market update

# Key financials

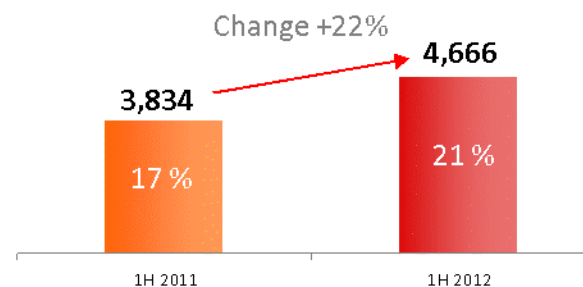
RUB m	1H 2011	1H 2012
Revenues	22,964	22,681
EBITDA	3,834	4,666
EBITDA margin	17%	21%
Operating profit	2,685	2,306
Operating profit margin	12%	10%
Reported net profit	706	257
Normalised operating profit	2,685	3,450
Normalised operating profit margin	12%	15%
Normalised net profit	706	1,403
Gross cash flow	3,328	3,498
Operating cash flow	(110)	4,528
Capitalised capital expenditure	1,685	4,070
	<b>31.12.2011</b>	<b>30.06.2012</b>
Total debt	38,922	39,219
Net debt	33,728	35,538
Net debt/EBITDA	3.3	3.2

# Key financials

## Sales (RUB m)

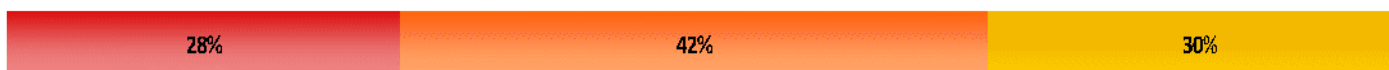


## EBITDA (RUB m) and EBITDA margin (%)



## Sales revenue and EBITDA breakdown<sup>1</sup>

### 1H 2012 Sales revenue breakdown



Real Estate Development

Construction

Building Materials and Aggregates



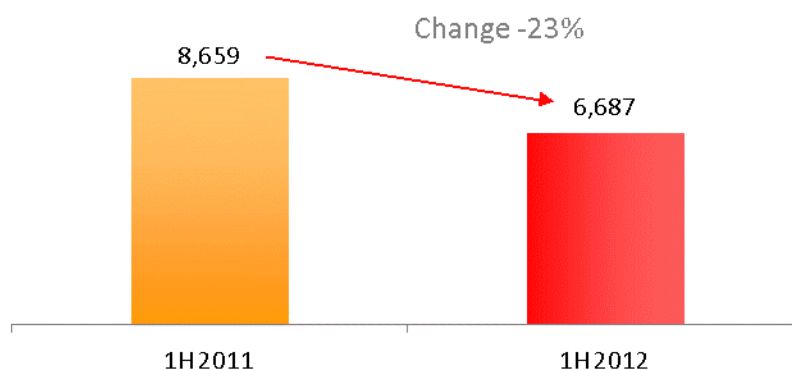
### 1H 2012 EBITDA breakdown

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

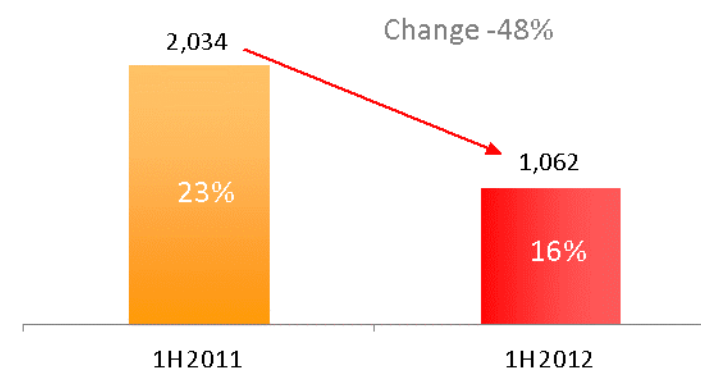


# Real estate development

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



## Key financials

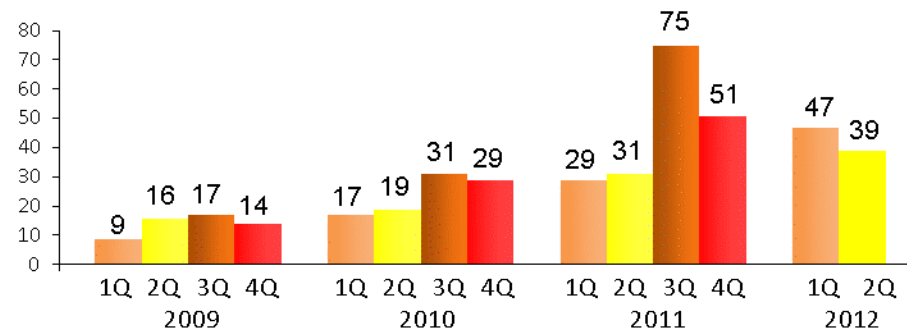
	Elite Real Estate in St. Petersburg <sup>1</sup>			Mass-Market Real Estate in St. Petersburg			Real Estate in Moscow			Real Estate in Urals		
	1H 2011	1H 2012	Change	1H 2011	1H 2012	Change	1H 2011	1H 2012	Change	1H 2011	1H 2012	Change
New contract sales (th m <sup>2</sup> )	23	39	69%	60	86	43%	8	40	375%	26	33	25%
<i>Apartments and other premises</i>	20	34	76%	-	-	-	-	-	-	-	-	-
<i>Commercial real estate</i>	4	5	33%	-	-	-	-	-	-	-	-	-
Transferred to customers (th m <sup>2</sup> )	19	8	(59%)	66	50	(24%)	3	7	166%	22	22	(1%)
Completed (th m <sup>2</sup> )	-	-	-	5	-	-	2	24	1,136%	-	7	-
Sales revenue (RUB m)	2,089	970	(54%)	4,655	3,539	(24%)	504	532	5%	1,073	1,110	3%
EBITDA (RUB m)	803	406	(49%)	978	468	(52%)	94	(21)	-	136	122	(11%)
EBITDA margin (%)	38%	42%	-	21%	13%	-	19%	-	-	13%	11%	-

Notes: Total is shown before inter-group eliminations and unallocated amounts  
1) Also includes Gated Communities and other minor operations

# Real estate development: sales in St. Petersburg

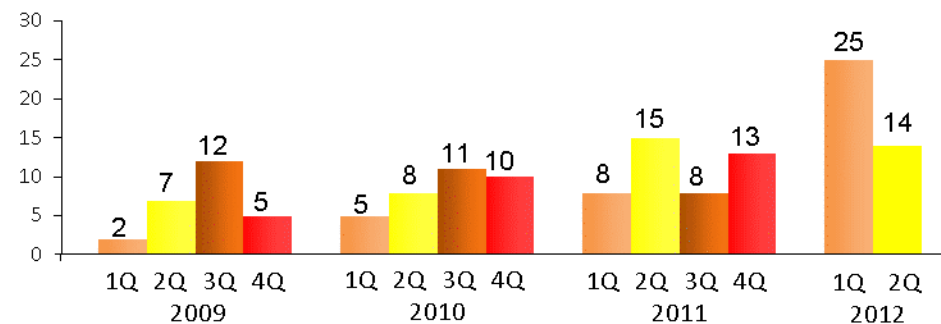
New contract sales in mass market segment  
(excluding governmental contracts), '000 m2

2011/2010: **+95%**  
1H 2012/ 1H 2011: **+43%**



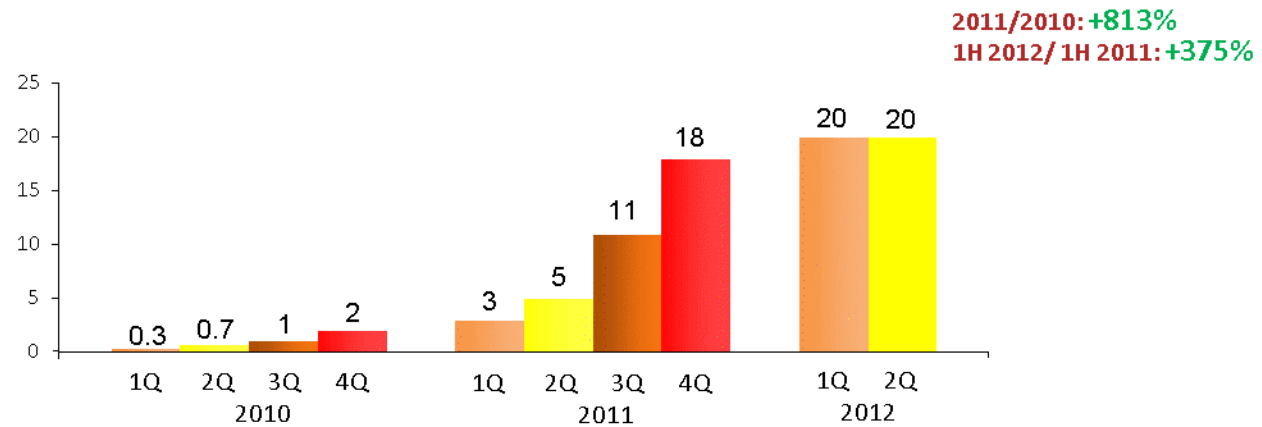
New contract sales in elite segment, '000 m2

2011/2010: **+34%**  
1H 2012/ 1H 2011: **+69%**

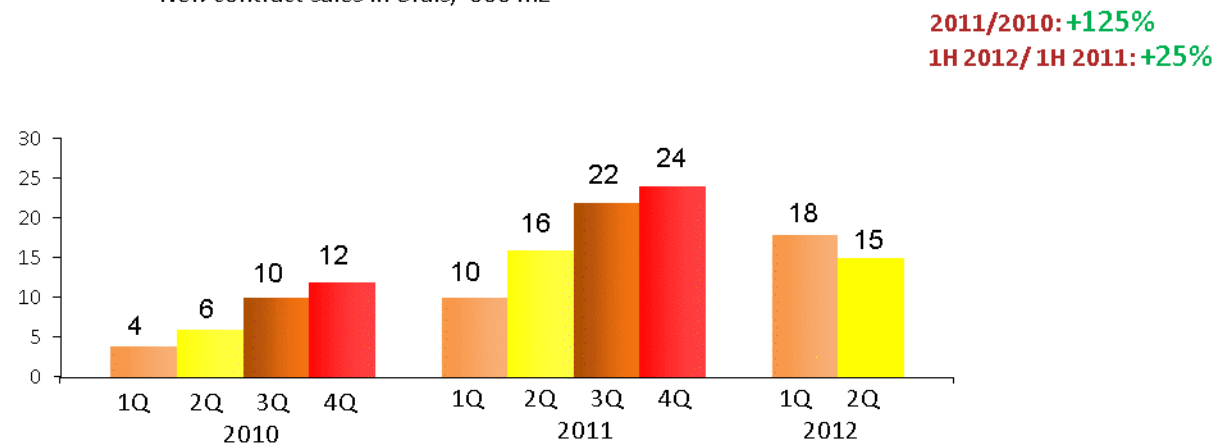


# Real estate development: sales in Moscow and Urals

New contract sales in Moscow, '000 m2



New contract sales in Urals, '000 m2



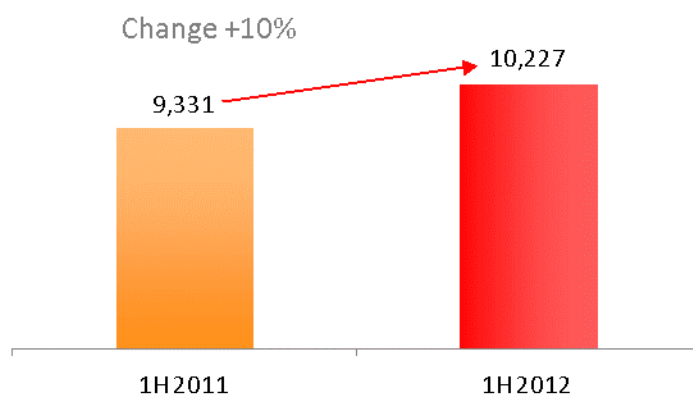


## Projects launches planned in 2012

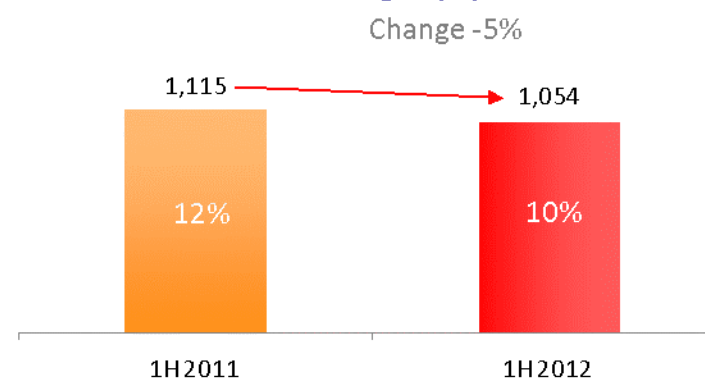
	Net sellable area (m <sup>2</sup> )	Start of Construction	Start of pre-sales
<b>Mass Market and Business Class Real Estate in St. Petersburg</b>	<b>456,424</b>		
Antey	28,141	3Q 2007	1Q 2012
Pulkovskiy Posad	9,225	1Q 2011	4Q 2012
Sofiya	40,000	1Q 2013	4Q 2012
Uyzhnaya Aquatoria	60,690	1Q 2011	4Q 2012
Marshala Blukhera	55,000	1Q 2012	4Q 2012
Vostok	51,368	3Q 2009	4Q 2012
Moskovskoe shosse	94,000	4Q 2012	4Q 2012
Avrora	118,000	3Q 2010	4Q 2012
<b>Elite Real Estate in St. Petersburg</b>	<b>112,050</b>		
Paradny Quarter	25,167	2Q 2011	1Q 2012
Europe City	71,861	4Q 2012	4Q 2012
Smolny Park	15,022	2Q 2012	4Q 2012
<b>Real Estate in Moscow</b>	<b>58,097</b>		
New Nakhabino	3,089	2Q 2012	2Q 2012
Sakramento	16,425	3Q 2010	4Q 2012
Domodedovo	38,583	3Q 2011	4Q 2012
<b>Real Estate in Yekaterinburg</b>	<b>92,354</b>		
Vosstaniya-Molodezhi	3,127	3Q 2011	1Q 2012
Tokarey Tatischev	18,560	1Q 2012	4Q 2012
Kalinovskiy	19,727	3Q 2012	3Q 2012
Michurinskiy	17,750	3Q 2012	4Q 2012
Vonsovskogo	12,940	2Q 2013	4Q 2012
Progress	20,250	3Q 2012	4Q 2012
<b>Total</b>	<b>718,925</b>		

# Construction

## Sales (RUB m)



## EBITDA (RUB m) and EBITDA margin (%)



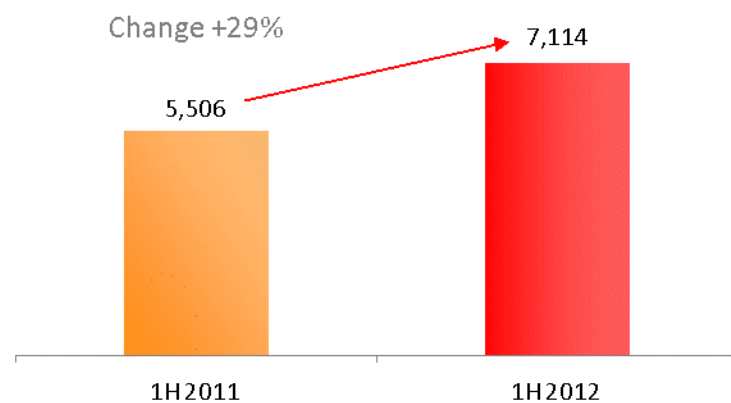
## Key financials

	St. Petersburg			Moscow			Urals		
	1H2011	1H2012	Change	1H2011	1H2012	Change	1H2011	1H2012	Change
Sales volume (th m2)	135	180	33%	63	73	15%	40	55	36%
Sales revenue (RUB m)	6,316	7,902	25%	2,263	1,293	(43%)	753	1,070	42%
EBITDA (RUB m)	873	857	(2%)	303	129	(57%)	(61)	68	-
EBITDA margin (%)	14%	11%	-	13%	10%	-	-	6%	-

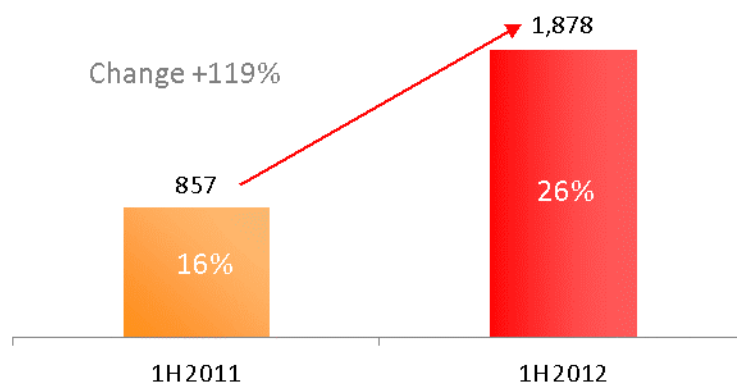
Notes: Total is shown before inter-group eliminations and unallocated amounts  
Construction in St. Petersburg includes: Construction, Construction services, Project Management, Reinforced Concrete operations

# Building materials

**Sales (RUB m)**



**EBITDA (RUB m) and EBITDA margin (%)**



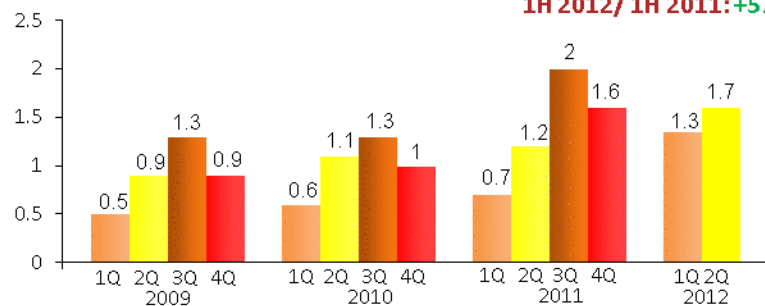
		1H 2011	1H 2012	Change	
Crushed Granite	Sales revenue (RUB m)	826	1,753	112%	
	EBITDA (RUB m)	77	461	500%	
	EBITDA margin (%)	9%	26%	-	
Sand	Sales revenue (RUB m)	902	1,144	27%	
	EBITDA (RUB m)	596	521	(13%)	
	EBITDA margin (%)	66%	46%	-	
Ready-Mix Concrete	St. Petersburg	Sales revenue (RUB m)	1,238	1,470	19%
		EBITDA (RUB m)	216	331	53%
	Moscow	EBITDA margin (%)	17%	23%	-
		Sales revenue (RUB m)	541	787	45%
	Moscow	EBITDA (RUB m)	(44)	11	-
		EBITDA margin (%)	-	1%	-
Cement	Sales revenue (RUB m)	930	925	-	
	EBITDA (RUB m)	(62)	238	-	
	EBITDA margin (%)	-	26%	-	
Bricks	St. Petersburg	Sales revenue (RUB m)	633	618	(2%)
		EBITDA (RUB m)	19	145	657%
	Moscow	EBITDA margin (%)	3%	24%	-
		Sales revenue (RUB m)	24	69	188%
	Moscow	EBITDA (RUB m)	(10)	(84)	-
		EBITDA margin (%)	-	-	-
Aerated Concrete	Sales revenue (RUB m)	755	1,130	50%	
	EBITDA (RUB m)	127	284	123%	
	EBITDA margin (%)	17%	25%	-	

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

# Sales of building materials and aggregates

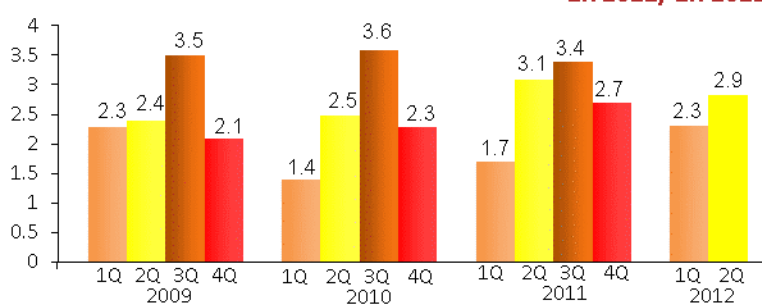
Crushed granite, million m3

2011/2010: +37%  
1H 2012/ 1H 2011: +57%



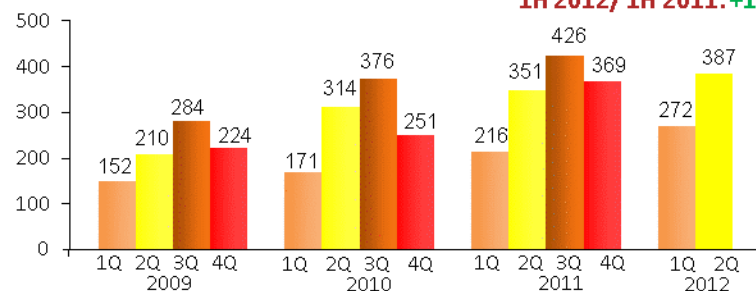
Sand, million m3

2011/2010: +11%  
1H 2012/ 1H 2011: +8%

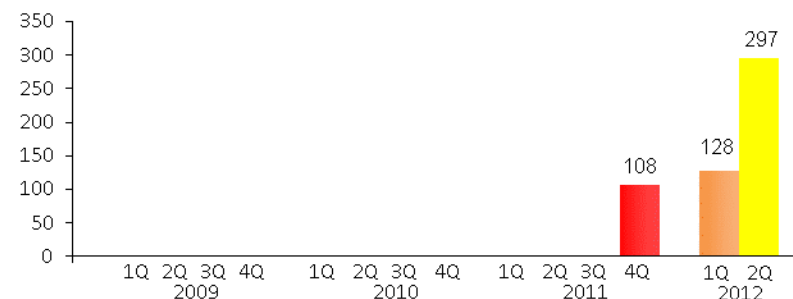


Ready-mix concrete, '000 m3

2011/2010: +23%  
1H 2012/ 1H 2011: +16%

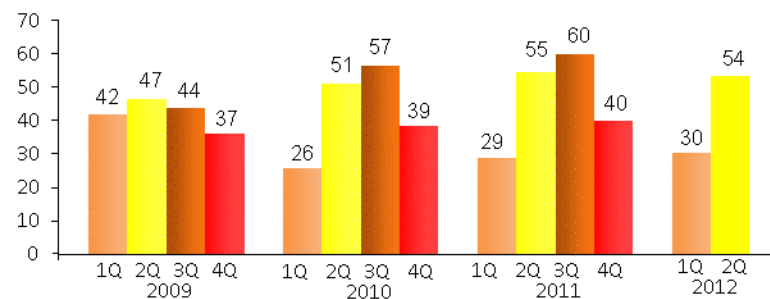


Cement, '000 tonnes



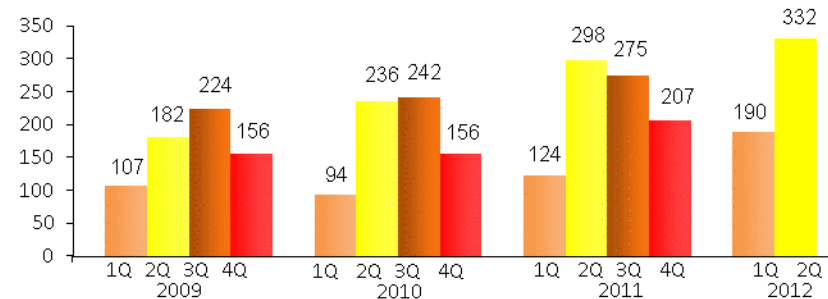
Bricks, million nf

2011/2010: +7%  
1H 2012/ 1H 2011: +1%



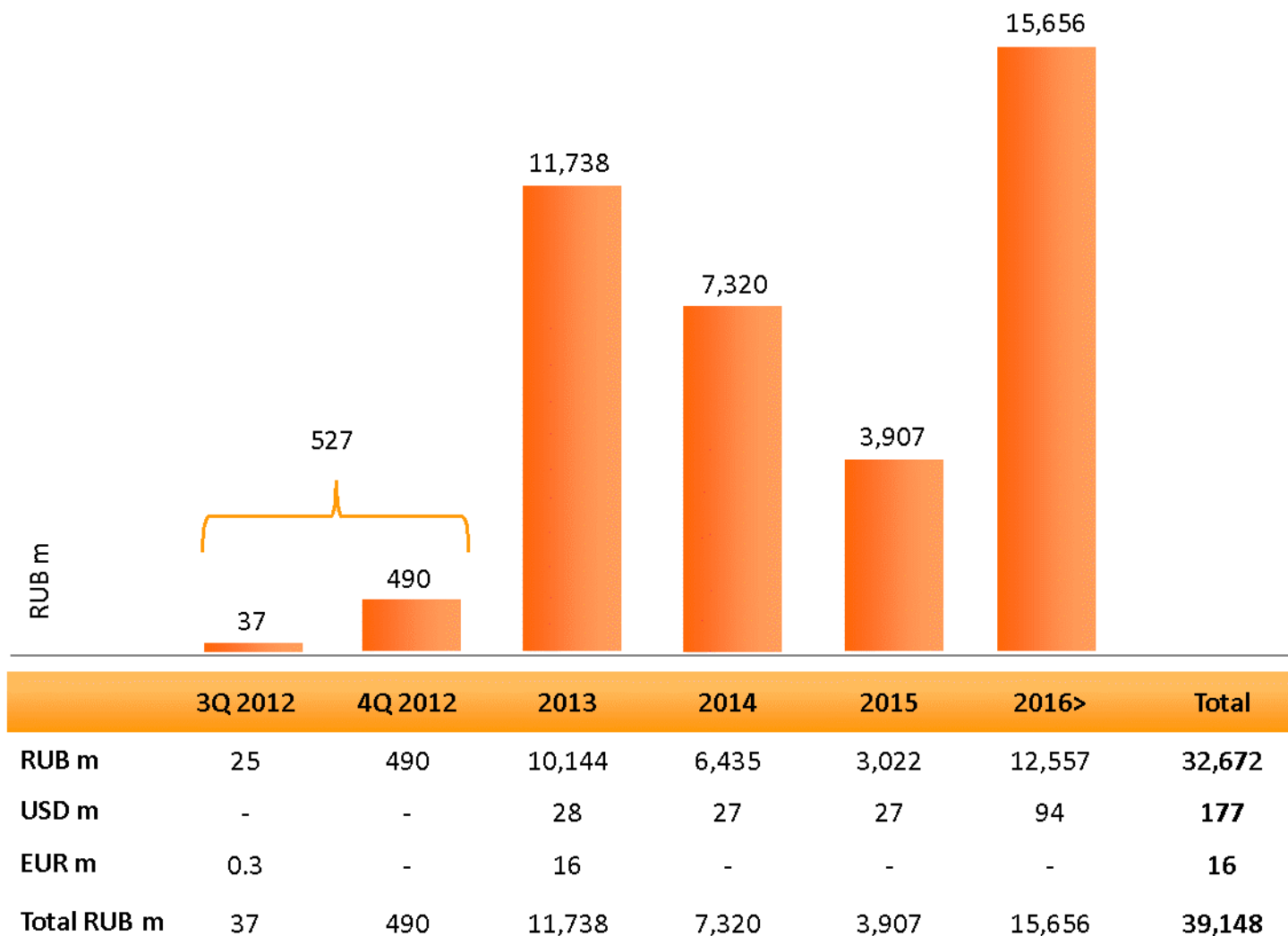
Aerated concrete, '000 m3

2011/2010: +24%  
1H 2012/ 1H 2011: +24%



# Debt maturity profile as of 30 June 2012

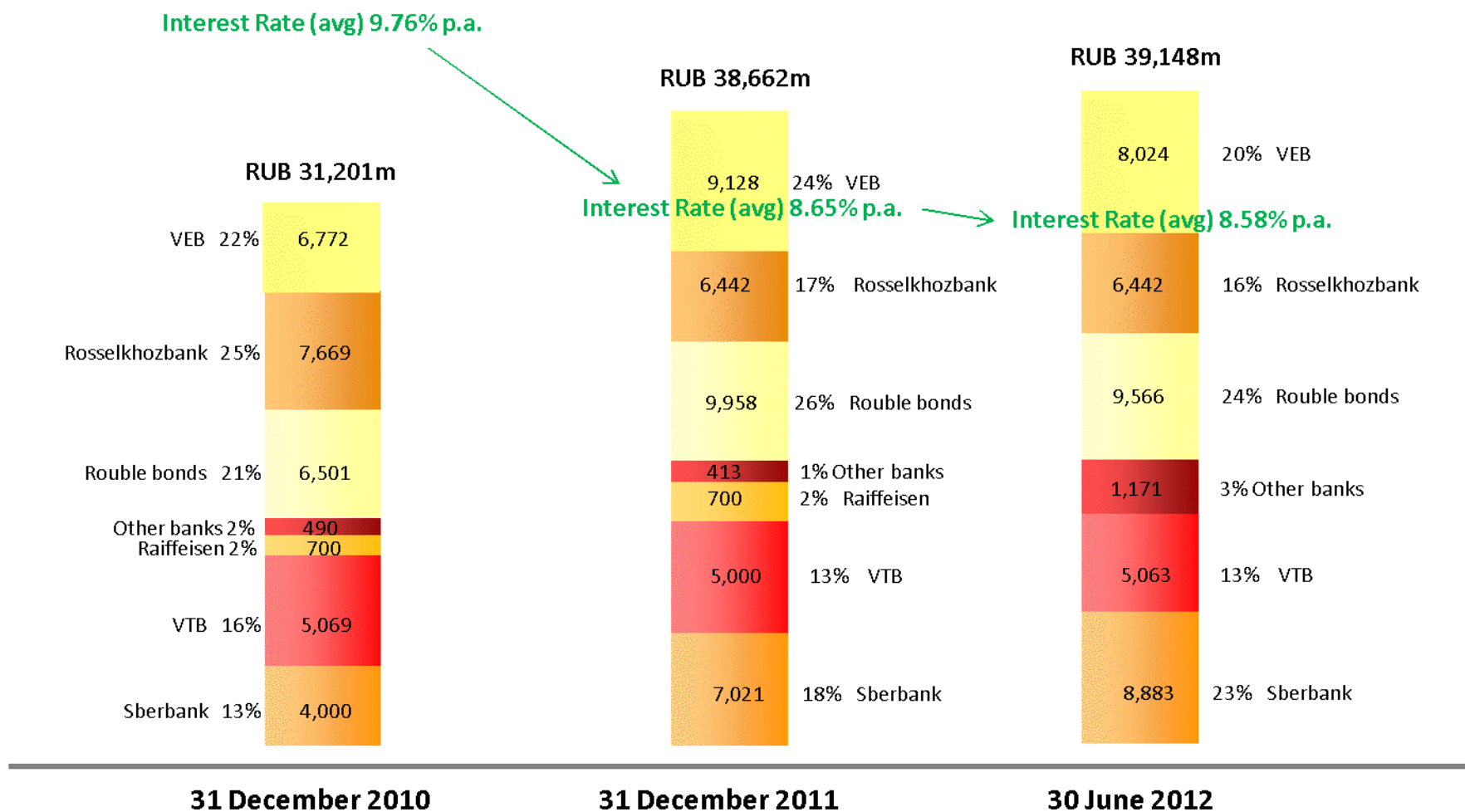
Total debt: RUB 39,148m



Note: 1) excluding finance lease liability and other loans



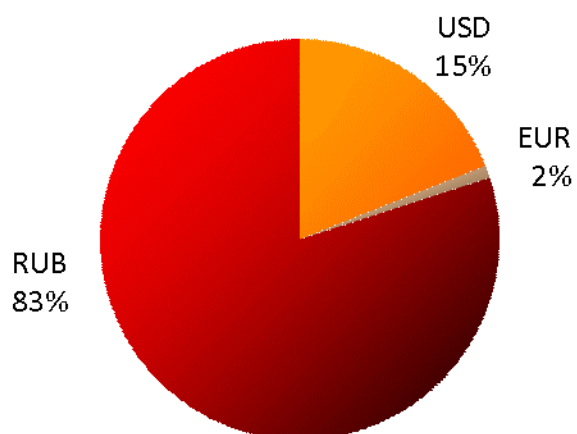
# Gross debt by source as of 30 June 2012



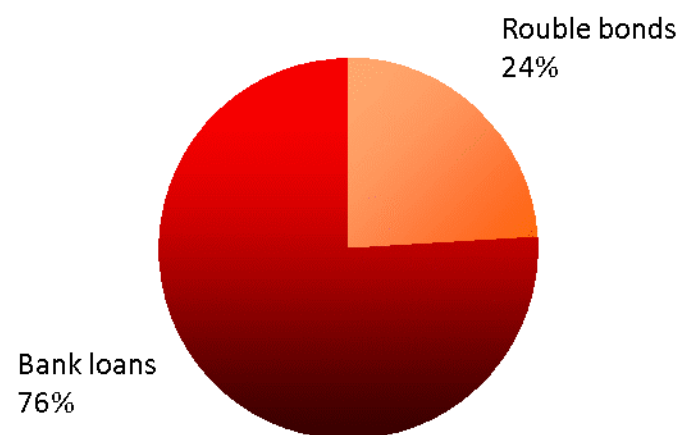
Note: 1) excluding finance lease liability and other loans  
Source: Company

# Debt composition as of 30 June 2012

Gross debt by currency



Gross debt composition



Note: 1) excluding finance lease liability and other loans

Source: Company

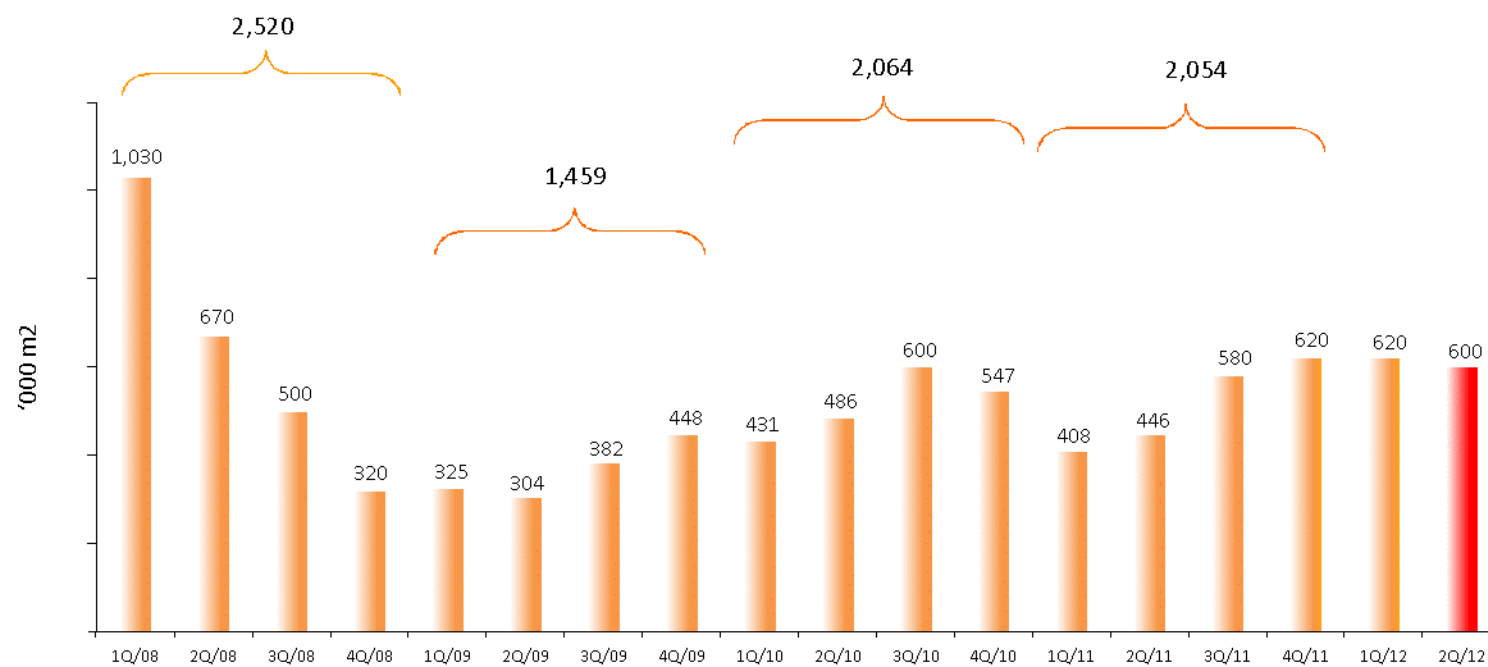
# Agenda

1. Operating and financial results

2. Market update

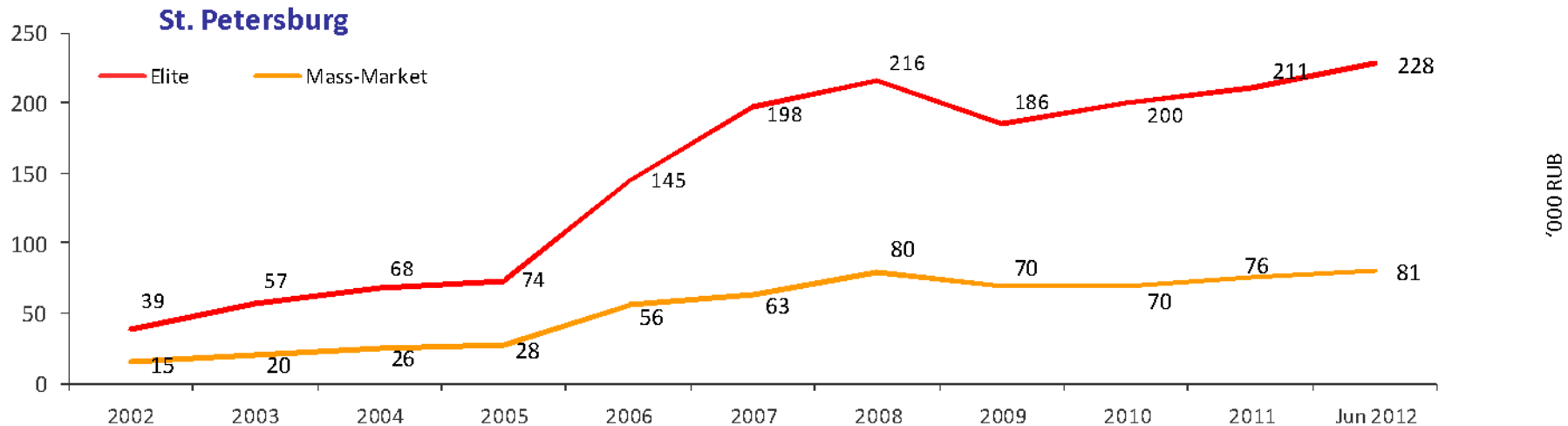
# Sales of new apartments

## Sales of new apartments in St. Petersburg

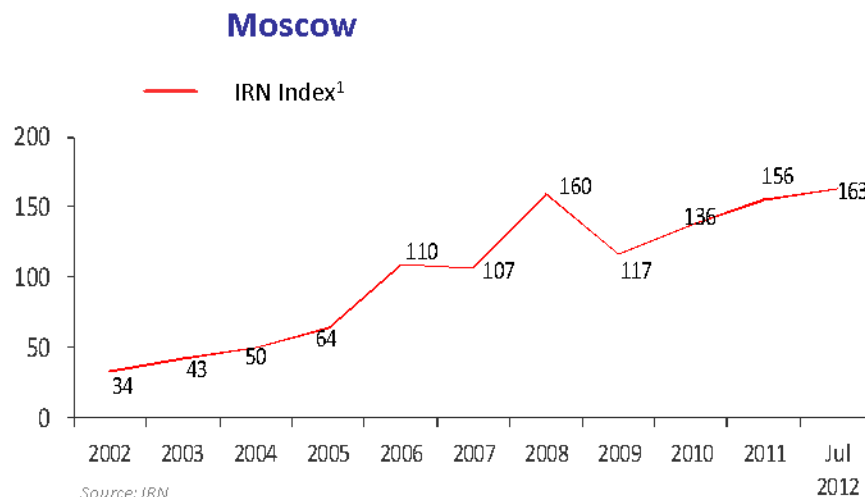


Source: SPb Realty

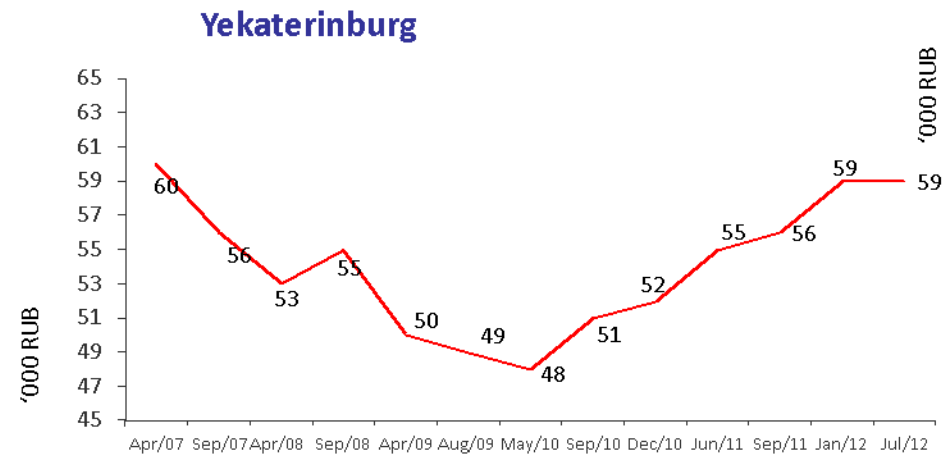
# New residential real estate price development in St. Petersburg, Moscow and Yekaterinburg



Source: SPb Realty



Source: IRN



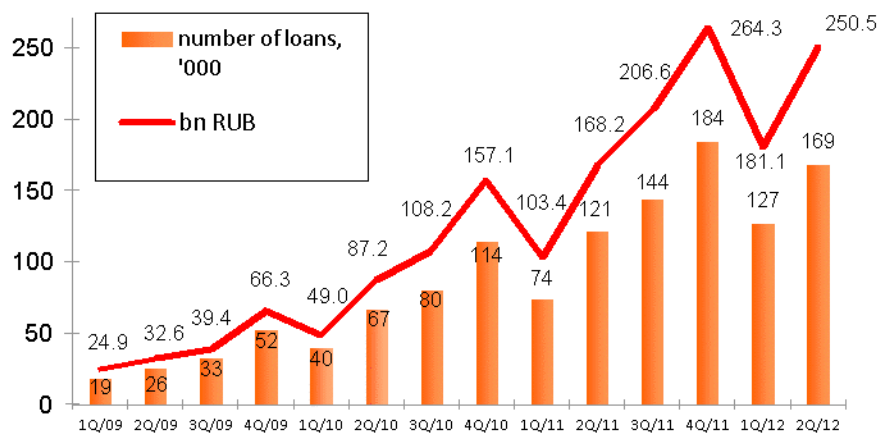
Source: Company

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

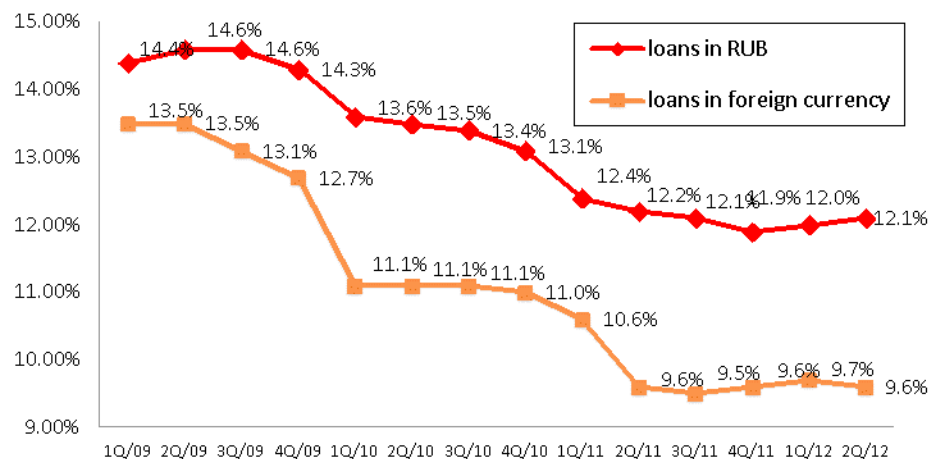


# Mortgage lending

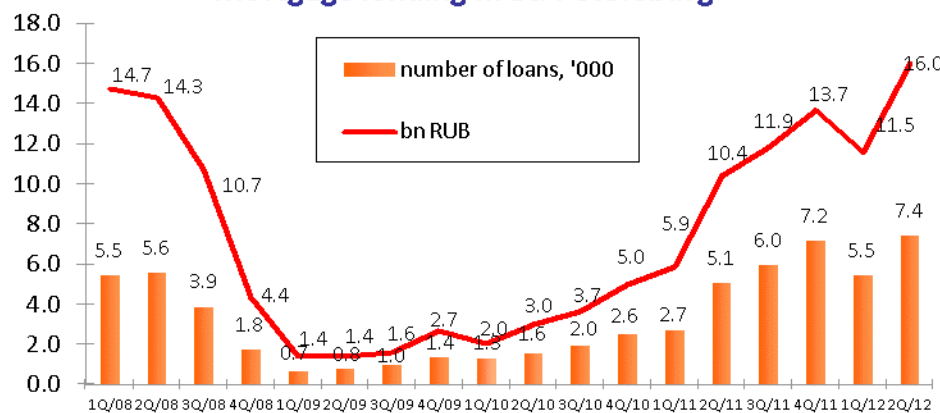
## Mortgage lending in Russia



## Average mortgage rates

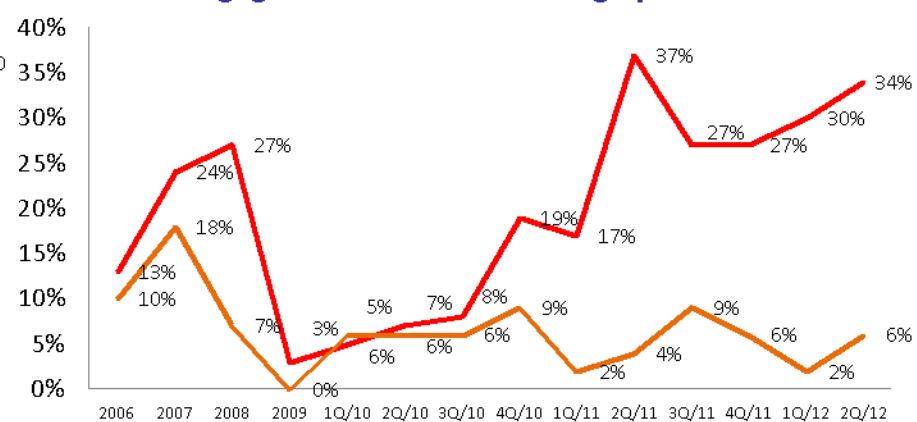


## Mortgage lending in St. Petersburg



Source: SPb Mortgage Agency

## LSR mortgage sales in St. Petersburg by number of deals



Source: Company

— mass-market — elite

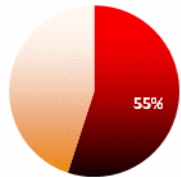
# Building materials market positions in St. Petersburg and the Leningrad region in 2011



## Building Materials

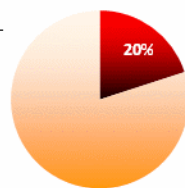
### Reinforced Concrete

№1



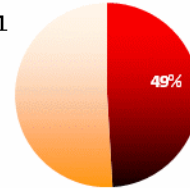
### Ready-Mix Concrete

№1



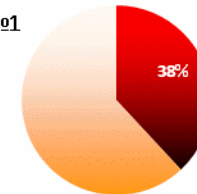
### Bricks

№1

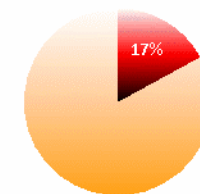


### Aerated Concrete

№1



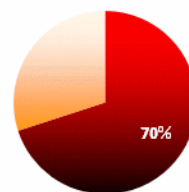
### Cement<sup>1</sup>



## Aggregates

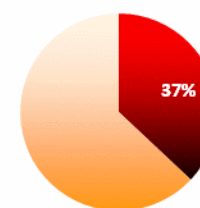
### Sand

№1



### Crushed Granite

№1



Source: Reshenie

Note: Volume terms

1) As of 30 June 2012, Source: Company