

3Q 2014 Trading Volume Update



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Agenda

1. Operating Results

2. Market update

9M and 3Q 2014 Results Highlights

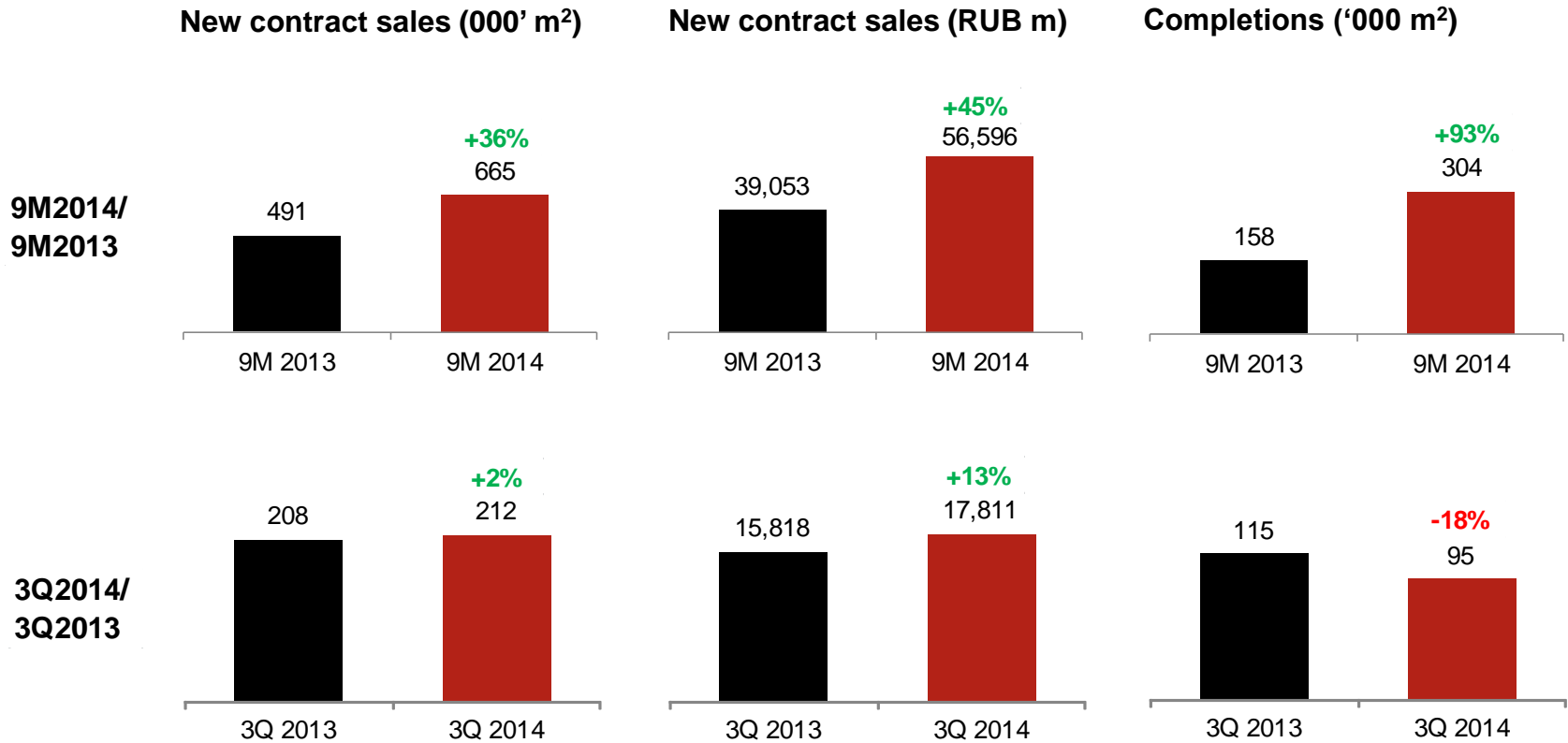
9M Operational Highlights

- New contract sales - **665 th m² (+36%)**. Value of the contracts – **RUB 56.6bn (+45%)**,
- **700 th m²** of NSA launched to the market,
- The share of mortgages contracts was **41%**
- Construction volume increased by **22%**, up to **774 th m²**,
- Increase in sales of building materials: crushed granite – **5,599 th m³ (+5%)**, cement – **1,124 th tonnes (+22%)**, ready-mix concrete – **1,221 th m³ (+11%)**, brick – **240m units (+61%)**, aerated concrete – **1,031 th m³ (+10%)**.

3Q Operational Highlights

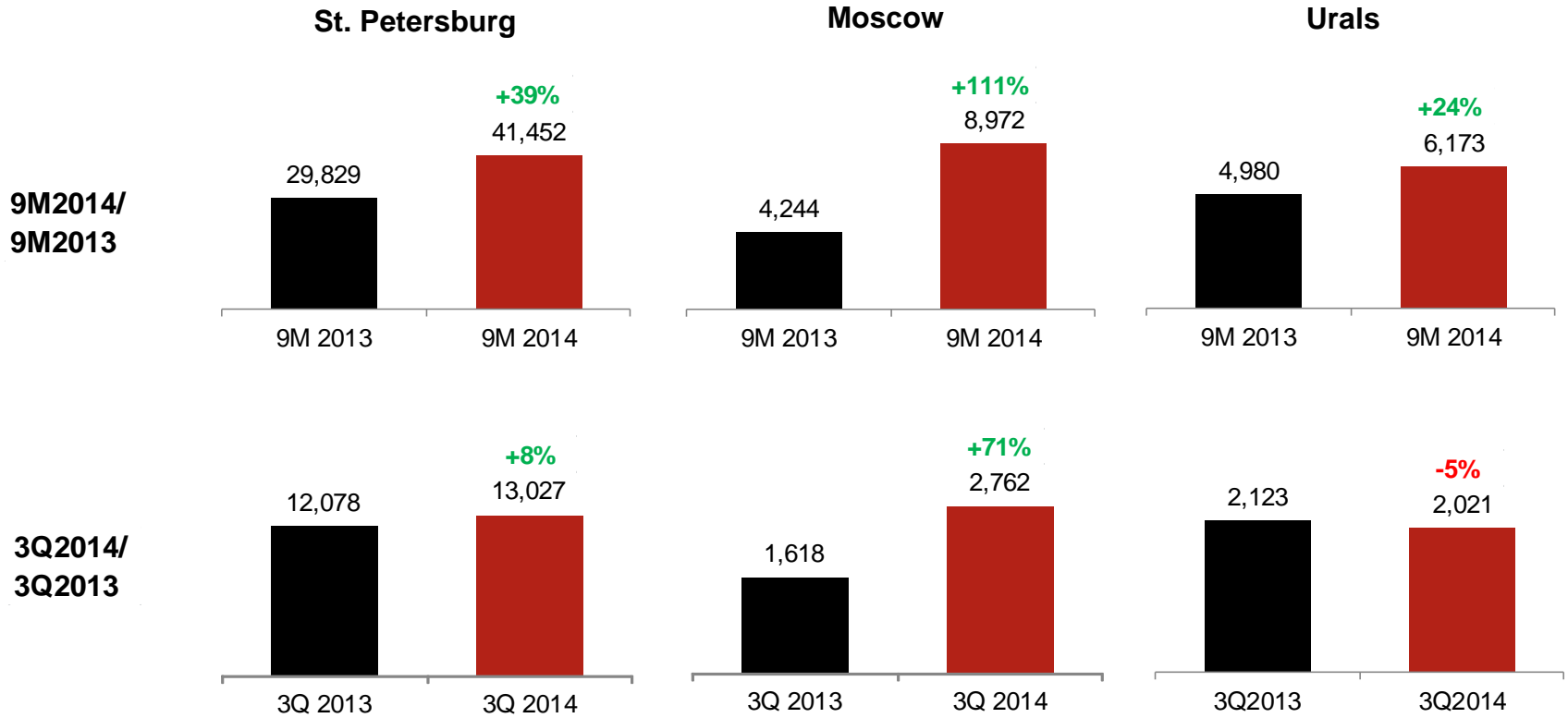
- New contract sales - **212 th m² (+2%)**. Value of the contracts – **RUB 17.8bn (+13%)**,
- Average sales price increased by **11%**.
- Volume of new contract sales increased by **12%** as compared to 2Q 2014,
- **200 th m²** of NSA launched to the market in 3Q 2014,
- The share of mortgages contracts was **34%**
- Construction volume increased by **3%**, up to **262 th m²**,
- Increase in sales of building materials: cement – **478 th tonnes (+4%)**, ready-mix concrete – **477 th m³ (+7%)**, brick – **102m units (+55%)**.

Real estate development



Real estate development (region breakdown)

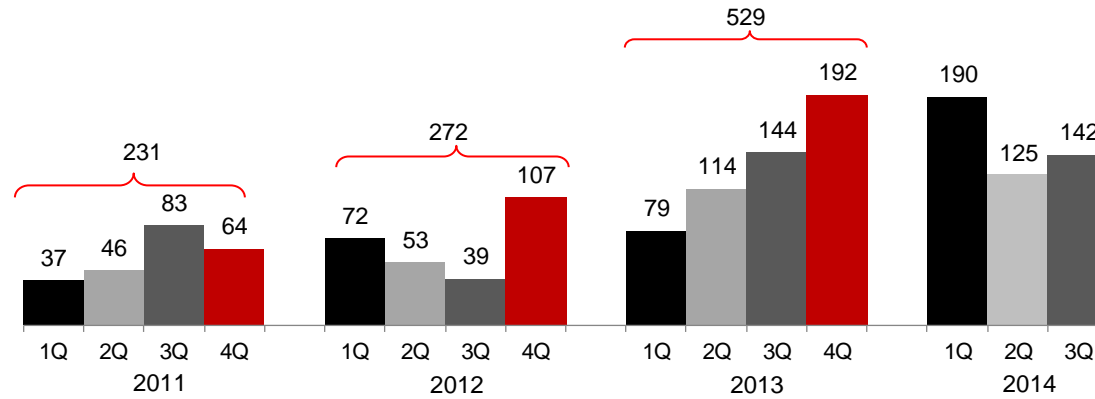
New contract sales (RUB m)



Real estate development: St. Petersburg

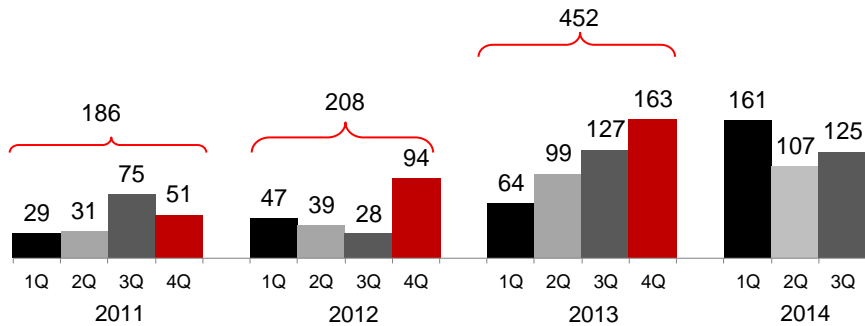
New contract sales in St. Petersburg,
‘000 m²

9M2014/9M2013: **+35%**
3Q2014/3Q2013: **-2%**



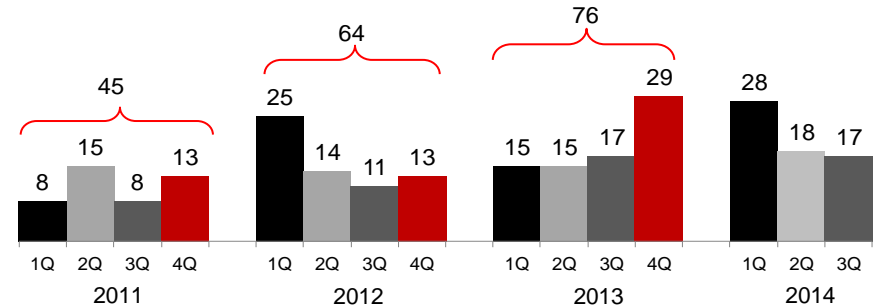
New contract sales in mass market segment,
‘000 m²

9M2014/9M2013: **+36%**
3Q2014/3Q2013: **-2%**



New contract sales in elite segment,
‘000 m²

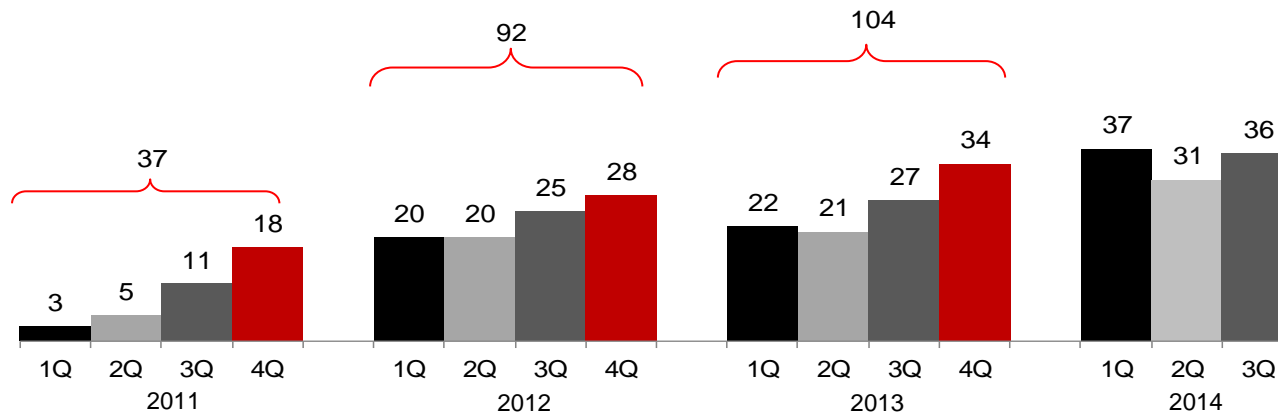
9M2014/9M2013: **+35%**
3Q2014/3Q2013: **-**



Real estate development: Moscow and Urals

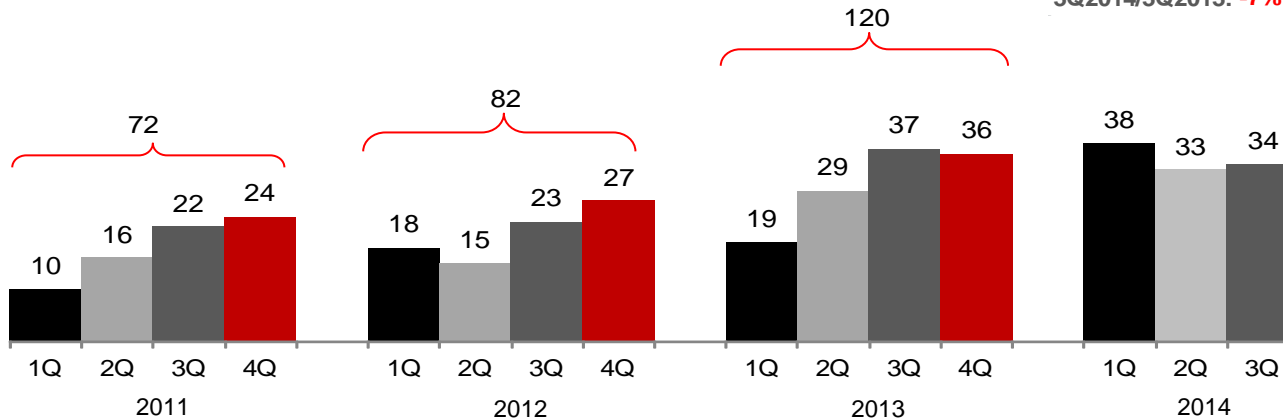
New contract sales in Moscow, '000 m²

9M2014/9M2013: **+49%**
3Q2014/3Q2013: **+35%**



New contract sales in Urals, '000 m²

9M2014/9M2013: **+24%**
3Q2014/3Q2013: **-7%**



New project launches 2014

St. Petersburg



Shuvalovskiy Karyer
422 th m²

*launched
in August*



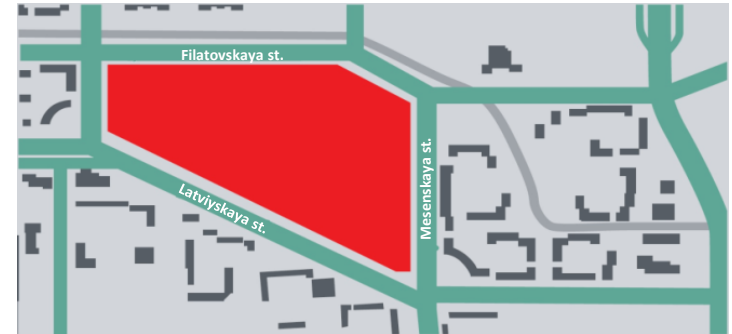
Morskie Bashni
62 th m²

Yekaterinburg



Rassvetny (40-Letiya Komsomola)
182 th m²

*launched
in June*



Latviyskaya
175 th m²

*launched
in October*

2014 total new supply - 960 th m²
(including new supply in the projects already launched to the market)

New project acquisitions 2014

Moscow



ZiL project

NSA: 1.57 m m²

Total area: 65 ha

Construction start: 2015

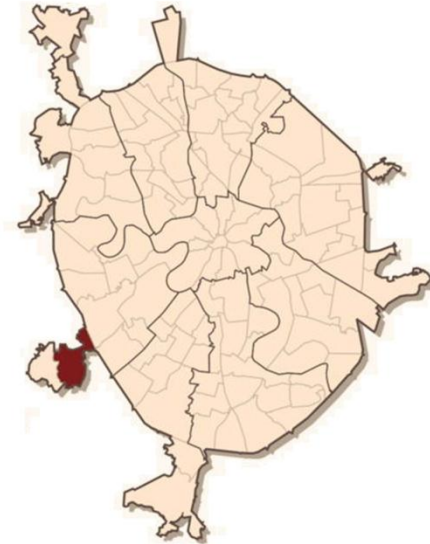
Completion date: December 31, 2022

New project in Solntsevo, Moscow

NSA: 990 th m²

Construction start: 2015

Completion date: end of 2019



St. Petersburg



Rzhevka project

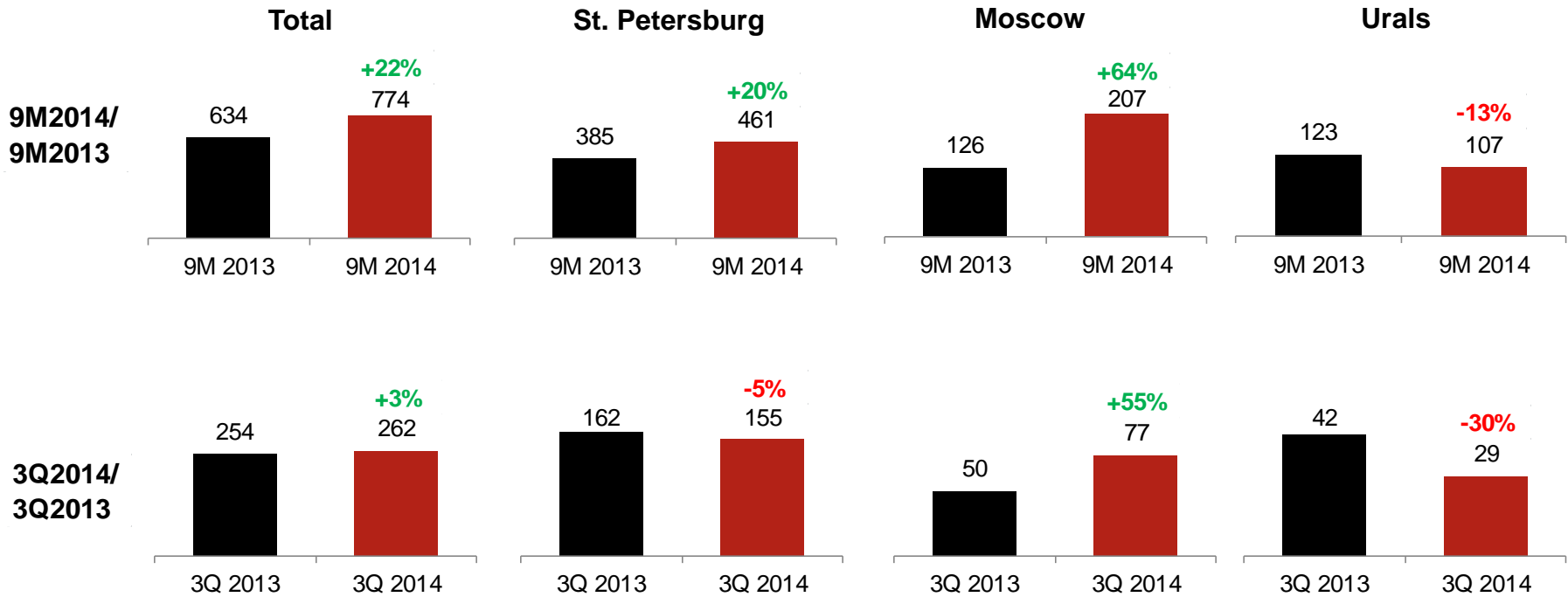
NSA: around 1 m m²

Total area: 175 ha

Construction start: 2016

Construction

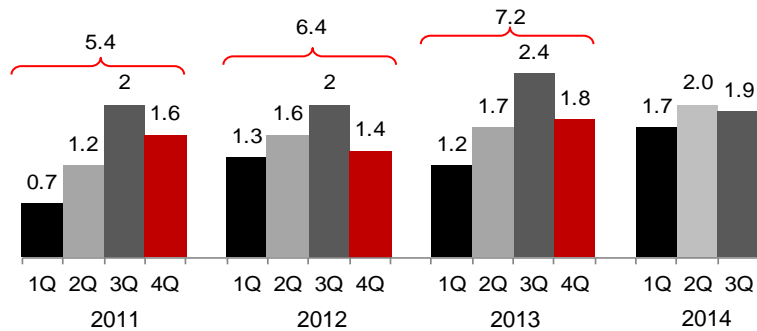
Volume of construction works, '000 m²



Building materials: Aggregates and Ready-Mix Concrete

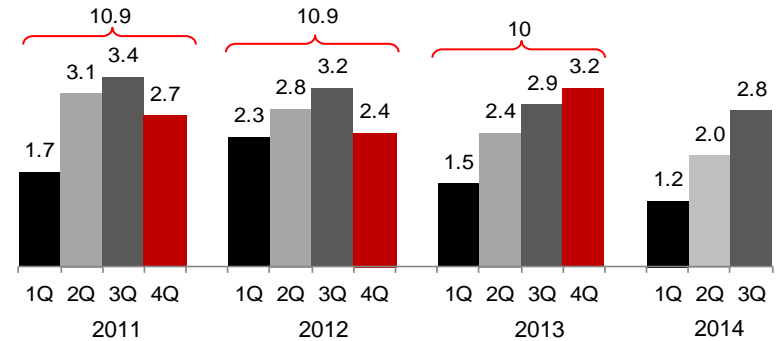
Crushed granite, million m³

9M2014/9M2013: **+5%**
3Q2014/3Q2013: **-20%**



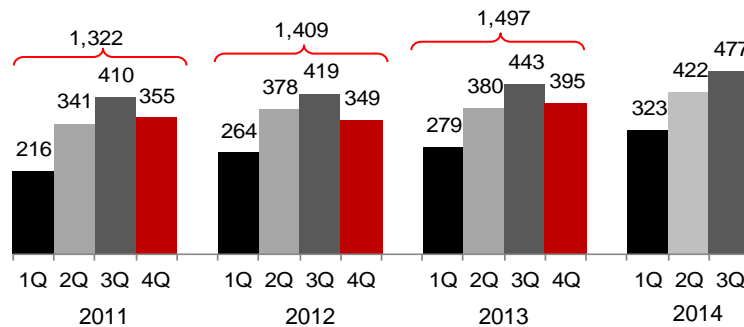
Sand, million m³

9M2014/9M2013: **-13%**
3Q2014/3Q2013: **-1%**



Ready-mix concrete, '000 m³

9M2014/9M2013: **+11%**
3Q2014/3Q2013: **+7%**

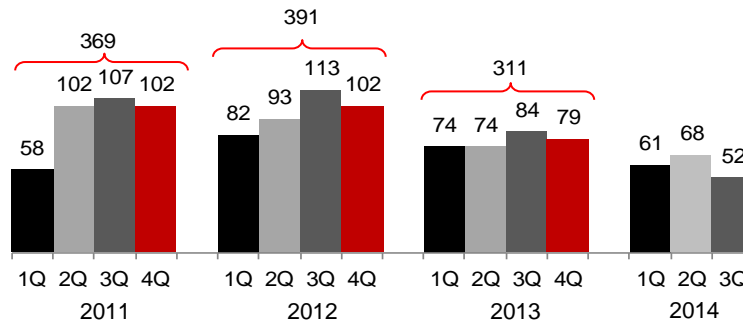


Building materials: Reinforced Concrete and Cement

Reinforced concrete, '000 m³

9M2014/9M2013: **-22%**

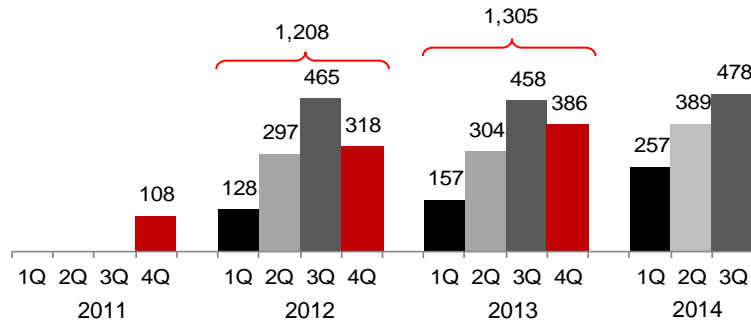
3Q2014/3Q2013: **-38%**



Cement, '000 tonnes

9M2014/9M2013: **+22%**

3Q2014/3Q2013: **+4%**

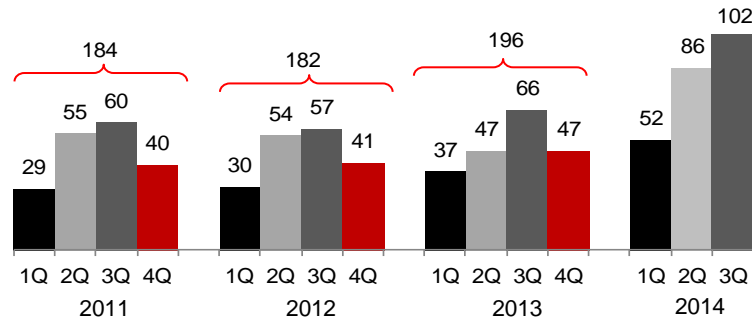


Building materials: Bricks and Aerated Concrete

Bricks, million nf

9M2014/9M2013: **+61%**

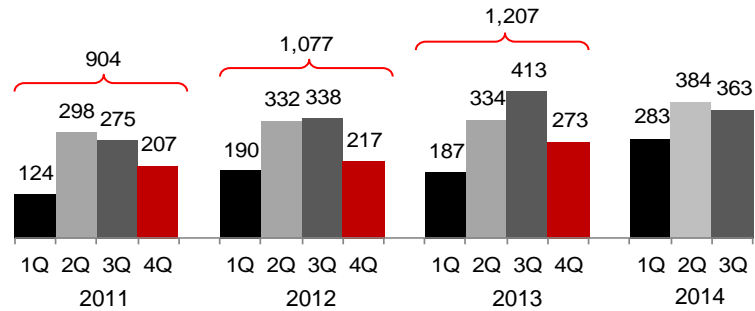
3Q2014/3Q2013: **+55%**



Aerated concrete, '000 m³

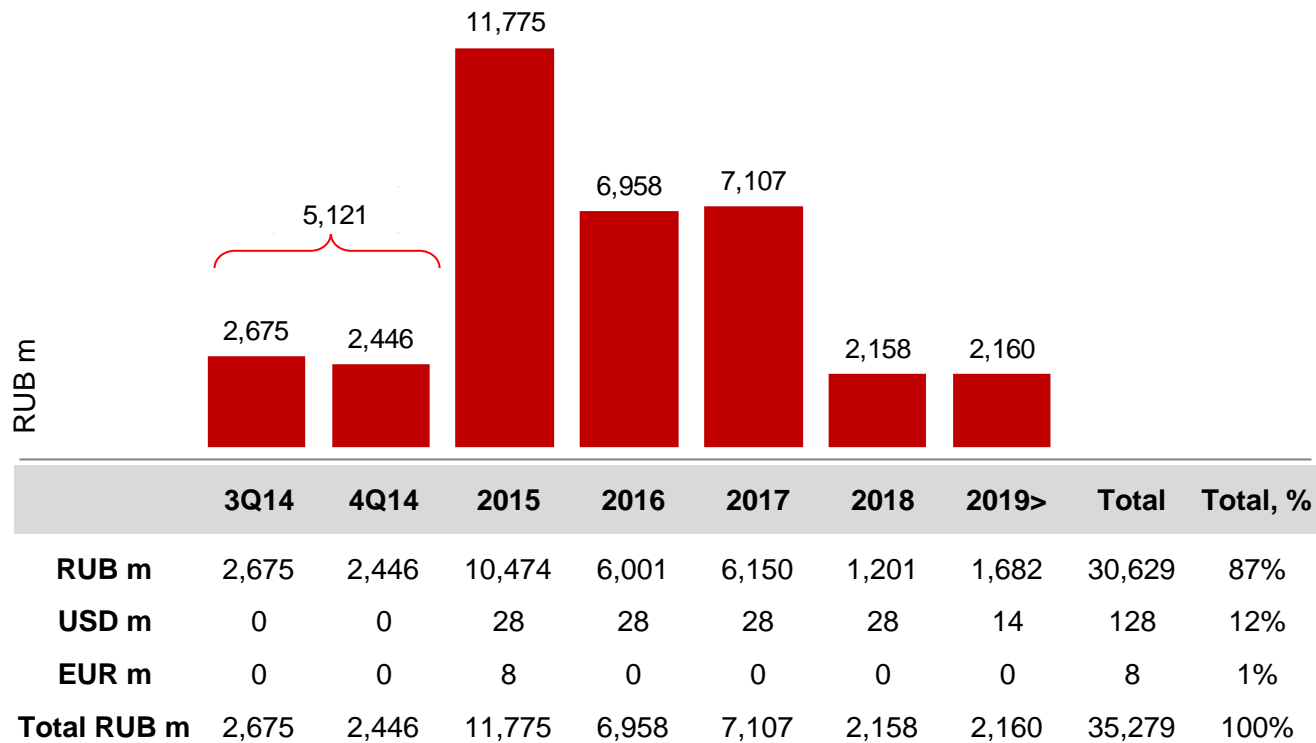
9M2014/9M2013: **+10%**

3Q2014/3Q2013: **-12%**



Debt maturity profile as of 30 June 2014

Total debt: RUB 35,279m*



Note: *excluding finance lease liability and other loans

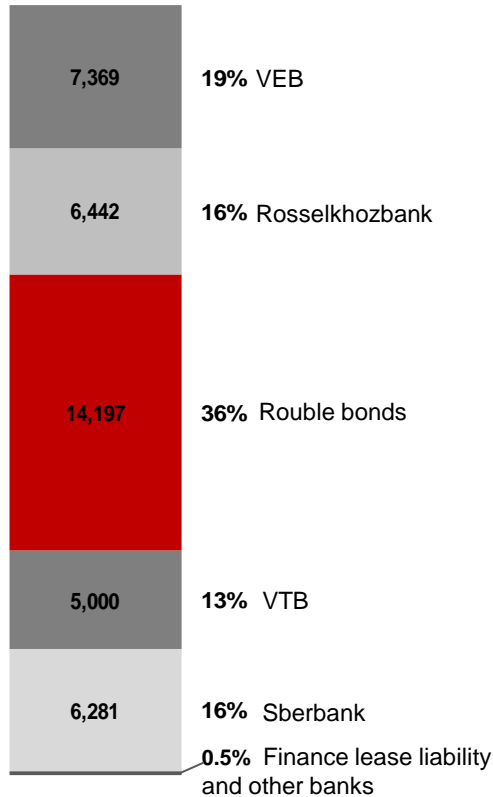
Gross debt by source as of 30 June 2014

Interest Rate (avg) 9.04% p.a.

Interest Rate (avg) 8.87% p.a.

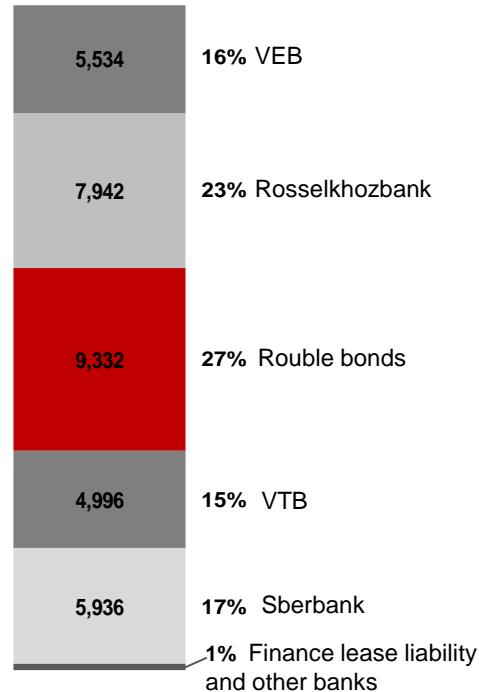
Interest Rate (avg) 8.80% p.a.

RUB 39,475m



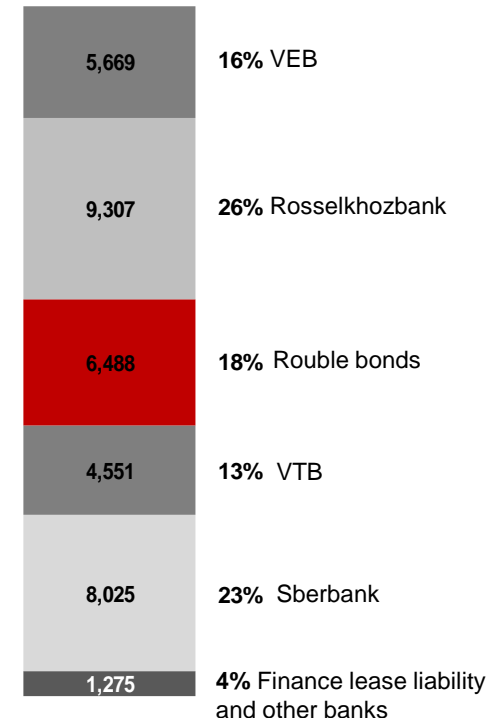
31 December 2012

RUB 34,062m



31 December 2013

RUB 35,315m



30 June 2014

Source: Company

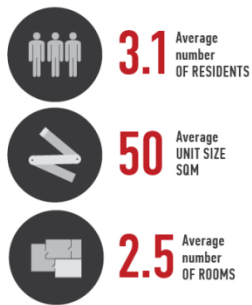
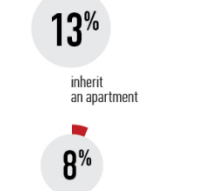
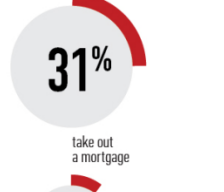
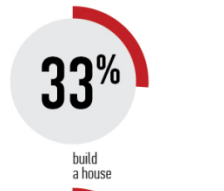
Agenda

1. Operating Results

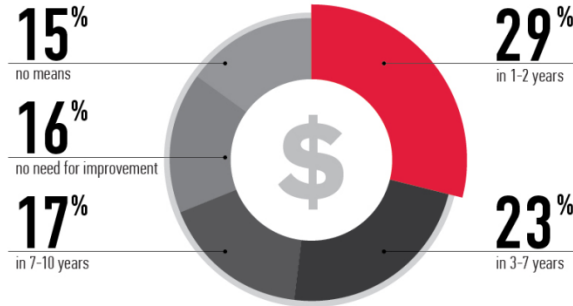
2. Market update

Housing stock in Russia

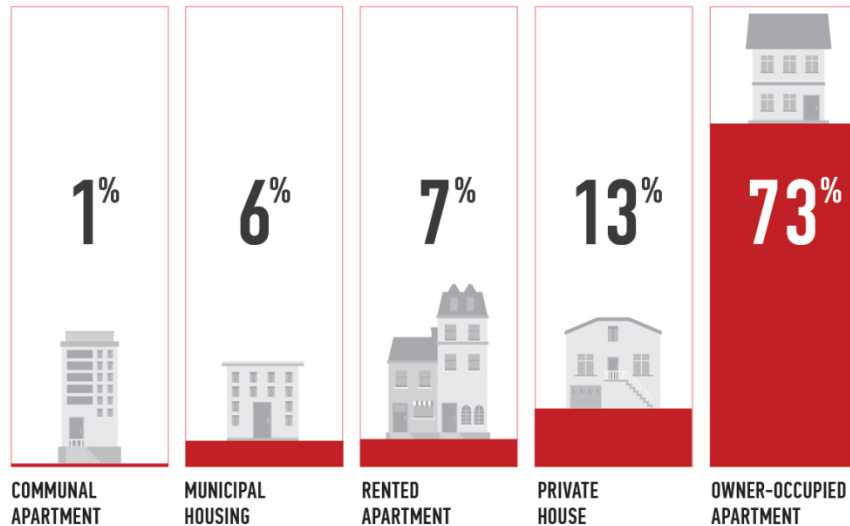
IMPROVEMENT OPTIONS



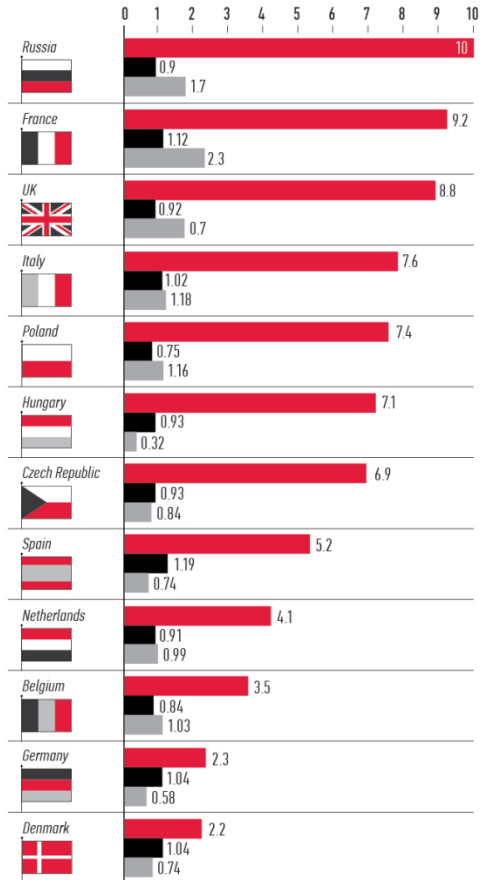
PEOPLE'S HOUSING IMPROVEMENT PLANS IN RUSSIA



PLACES OF RESIDENCE IN RUSSIA



INTERNATIONAL COMPARISONS



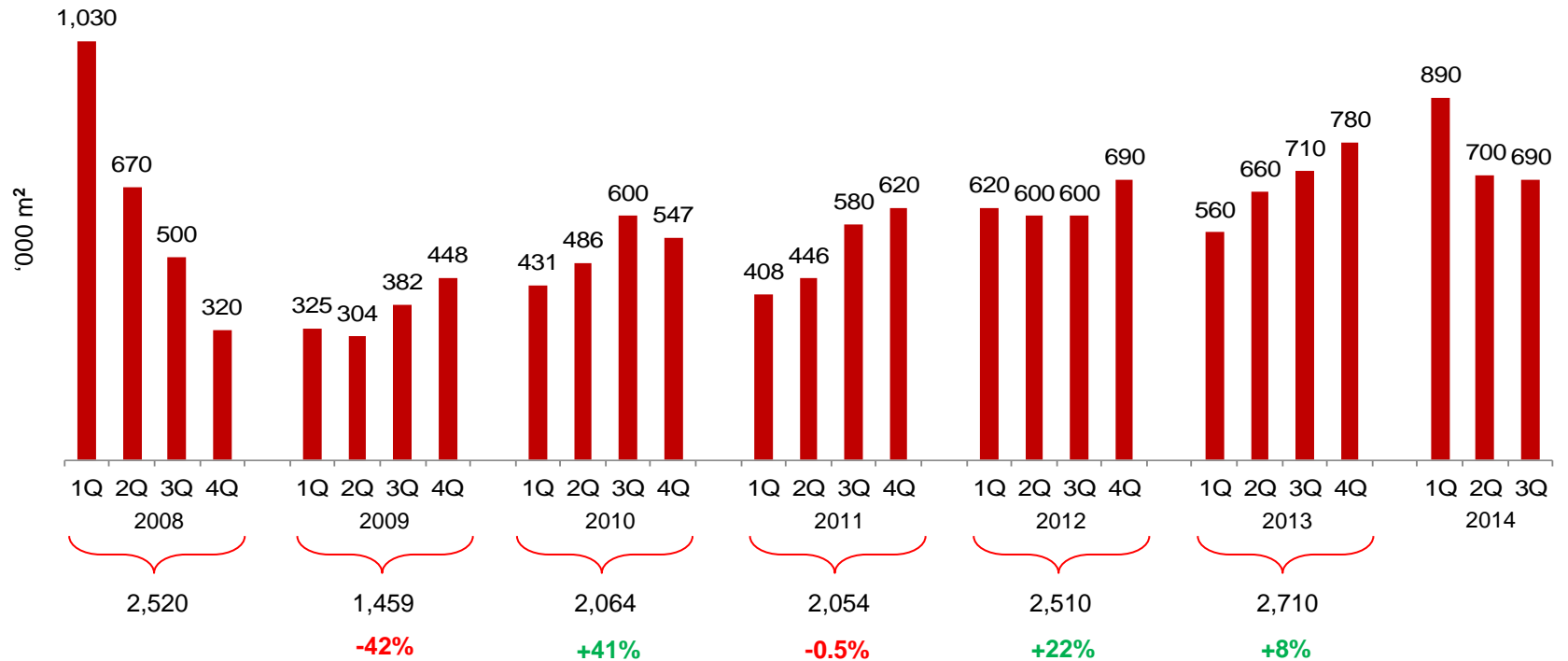
■ Number of annual salaries (required to buy an apartment)

■ Housing stock for 1,000 residents (1=473.6 apartments for 1,000 residents)

■ Annual residential construction volume (1=3.3 apartments for 1,000 residents)

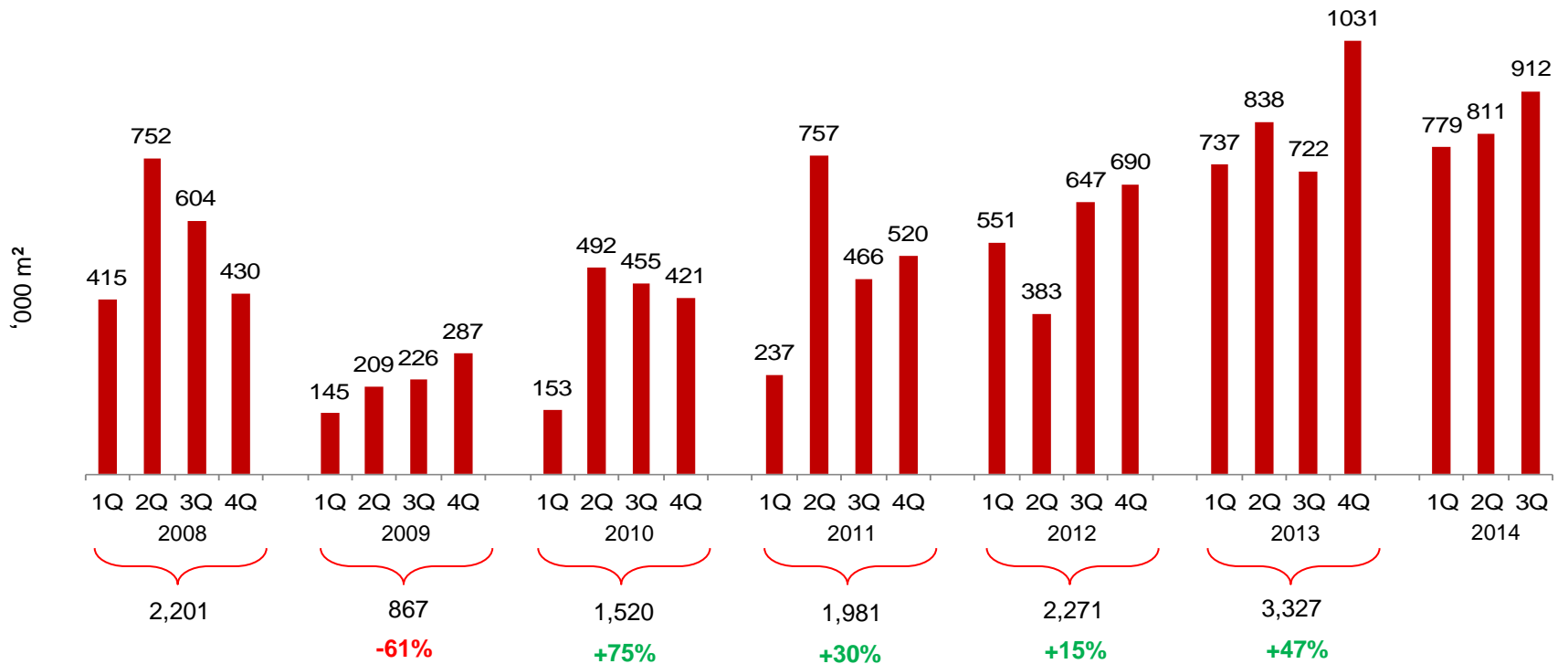
Sales of new apartments

Sales of new apartments in St. Petersburg



Supply of new apartments

Supply of new apartments in St. Petersburg

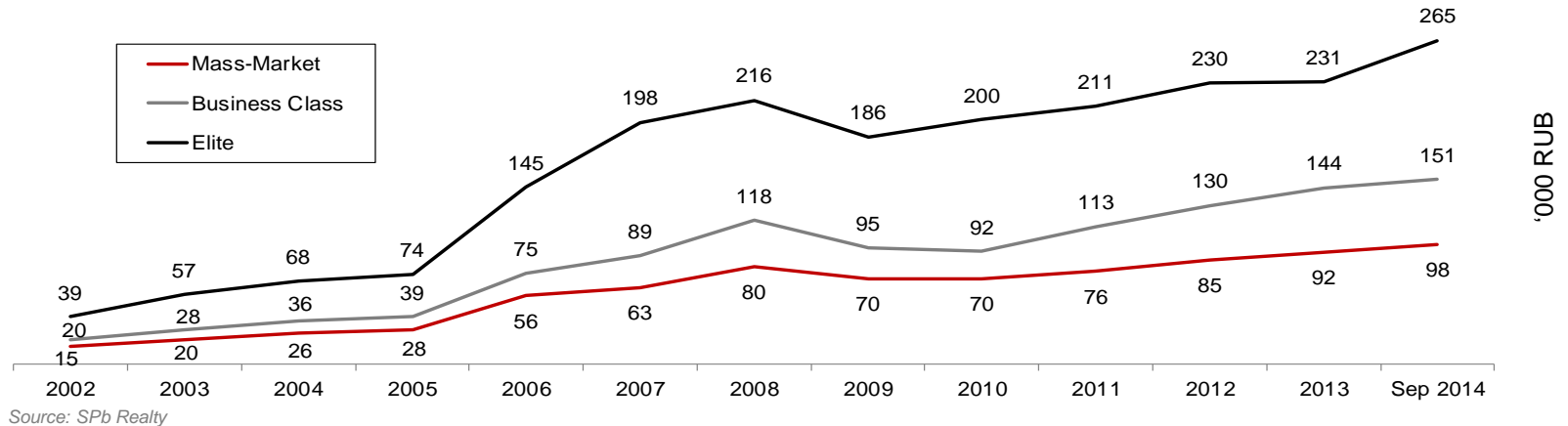


Source: SPb Realty

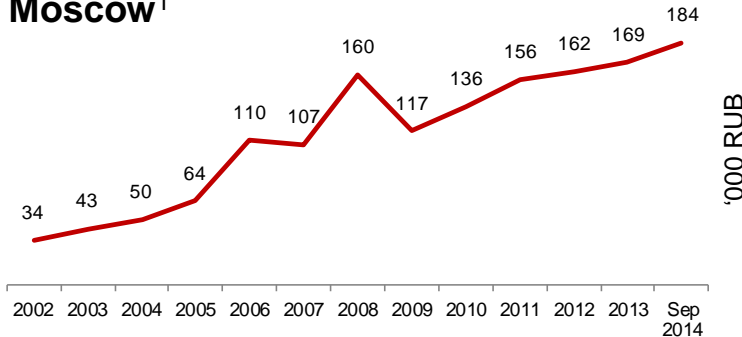
Note: Supply of new housing (apartments) represents residential projects at different stages of development which are offered for sale for the first time during the reported period

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

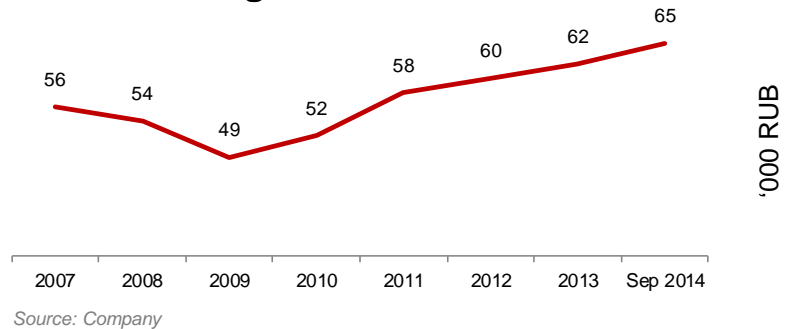
St. Petersburg



Moscow¹



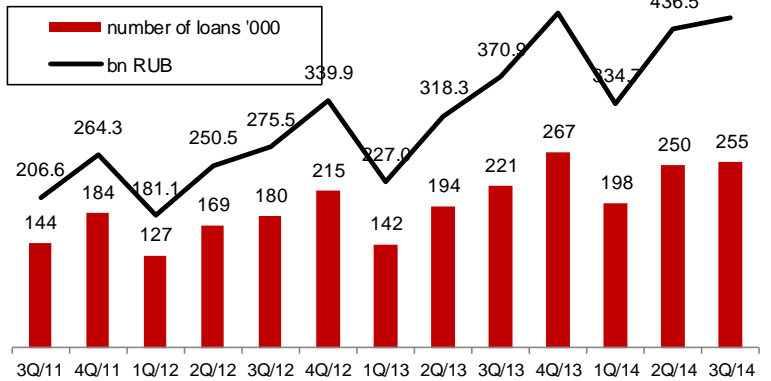
Yekaterinburg



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

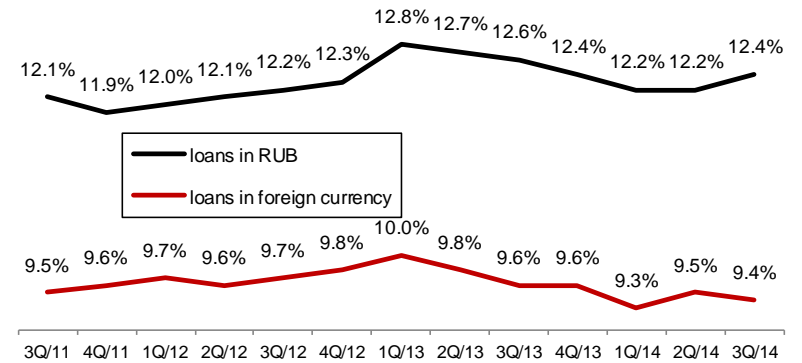
Mortgage lending

Mortgage lending in Russia



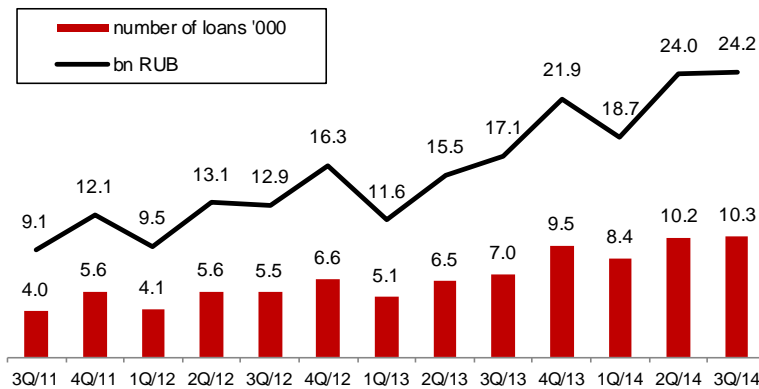
Source: CBR

Average mortgage rates in Russia



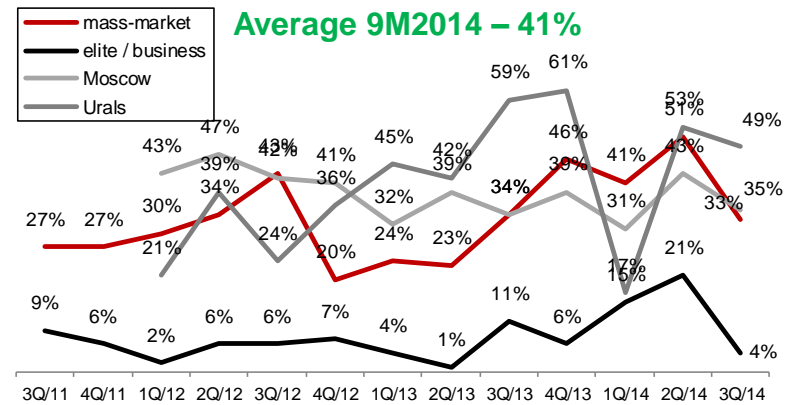
Source: CBR

Mortgage lending in St. Petersburg



Source: AIZhK

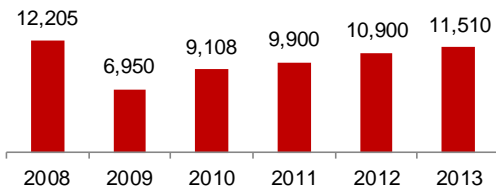
LSR mortgage sales in Regions by number of deals



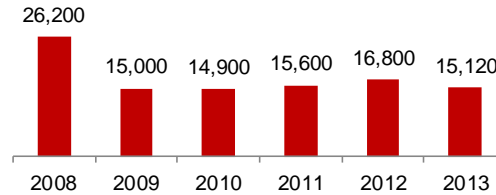
Source: Company

Building materials market volumes in St. Petersburg and the Leningrad region

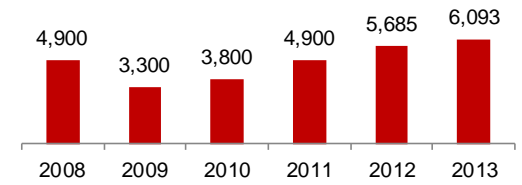
Crushed granite, '000 m³



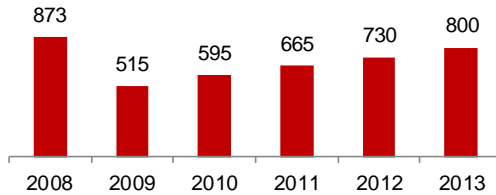
Sand, '000 m³



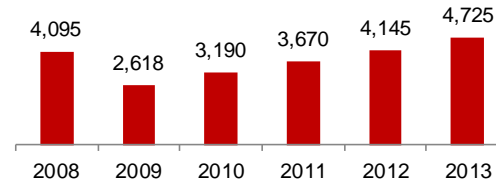
Ready-mix concrete, '000 m³



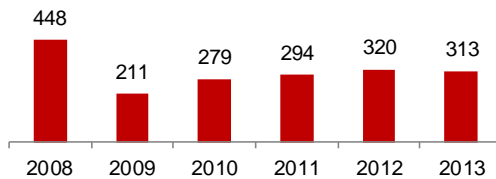
Reinforced concrete, '000 m³



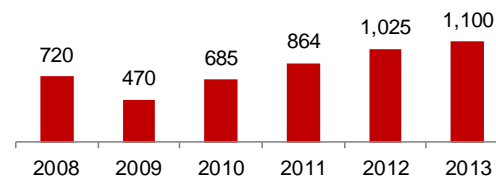
Cement, '000 tonnes



Bricks, million nf



Aerated concrete, '000 m³



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