

# 1Q 2016 Trading Volume Update

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# Agenda

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# 1Q 2016 Operating Highlights

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## New Contract Sales

New contract sales doubled YoY to 21.1 billion rubles driven by a favorable base effect, marketing campaigns and new launches. Volume sales rose 90% to 214 thousand m<sup>2</sup>, the second-best Q1 performance in the company's history.

## Average price

Average selling price grew by 6% across the company due to greater Moscow exposure and price increases.

## Moscow Expansion

Moscow pre-sales reach all-time high for the company, accounting for 40% of total home sales in ruble terms. Brand awareness improves in Moscow. LSR tops Moscow Region Government's list of most reliable home builders.

## New Launches

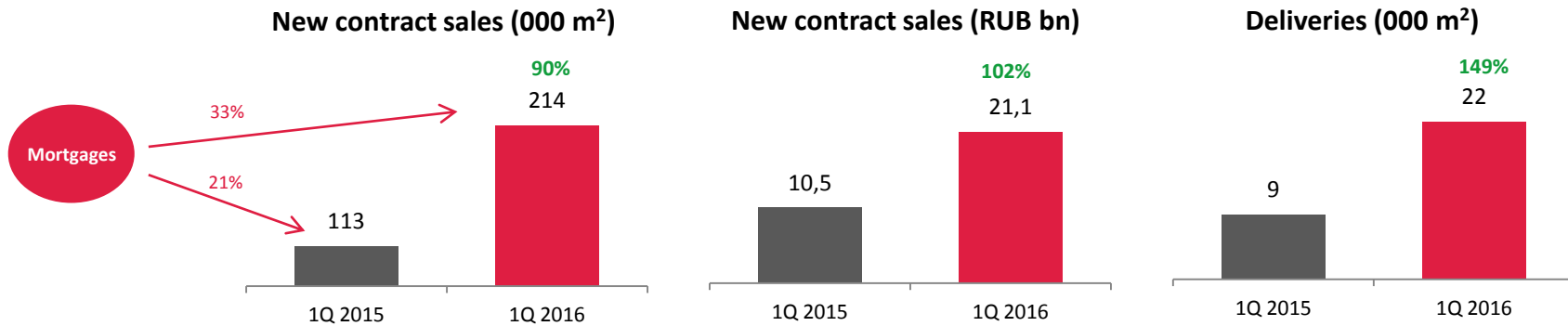
New launches totaled 149 thousand sqm, including 95 thousand in Moscow.

## Guidance

Strong pre-sales continue in April 2016; pre-sale guidance of 700 thousand m<sup>2</sup> reiterated.

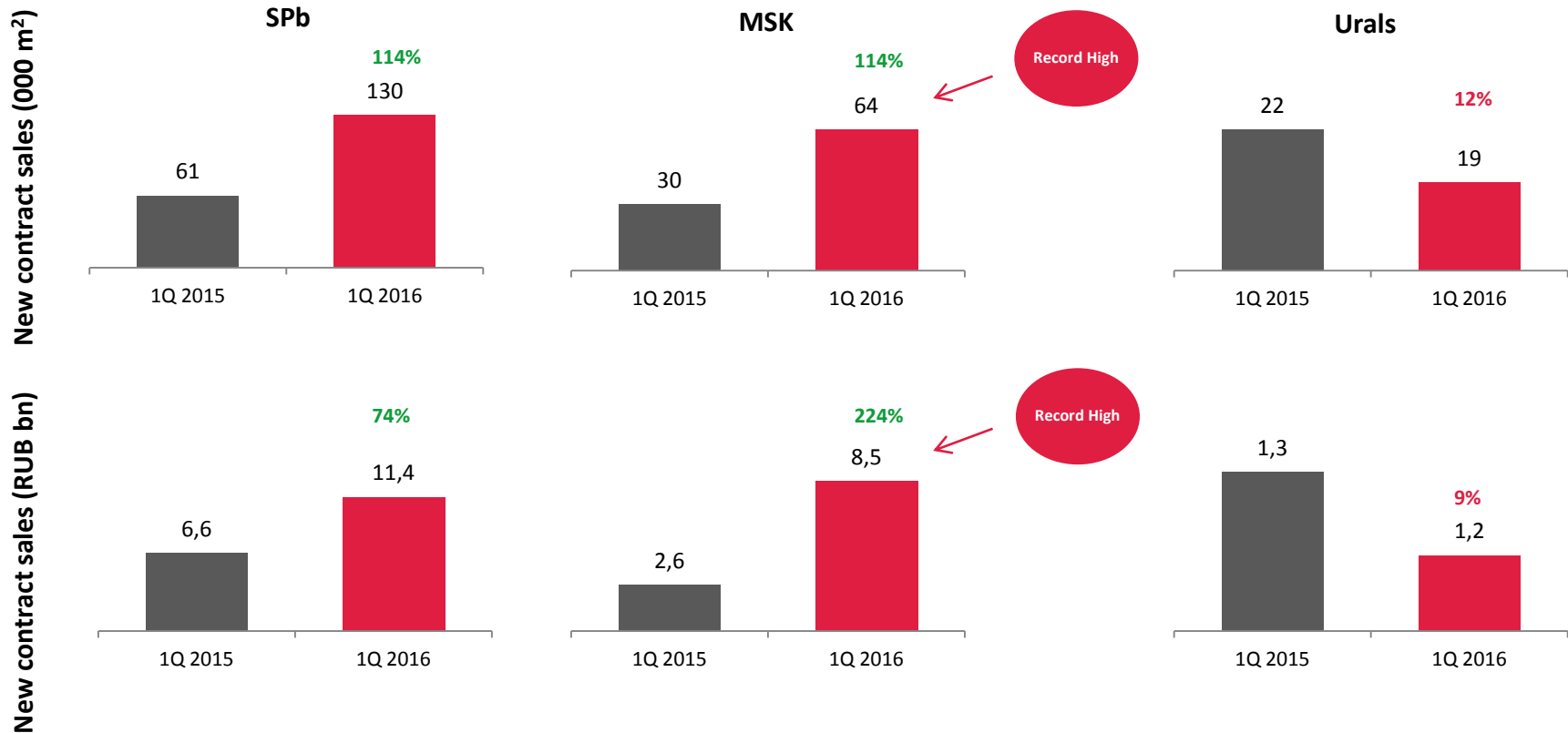
# Real Estate Development

- New contract sales of 214 thousand second-best start of year in company's real estate development history
- Mortgages were used in 33% of new contracts vs 20% in 2015 thanks to government subsidy program
- Deliveries, to be reflected in the H1 2016 revenue, increased by 149% in volume terms 22 th m2



# Real Estate Development: Regional Breakdown

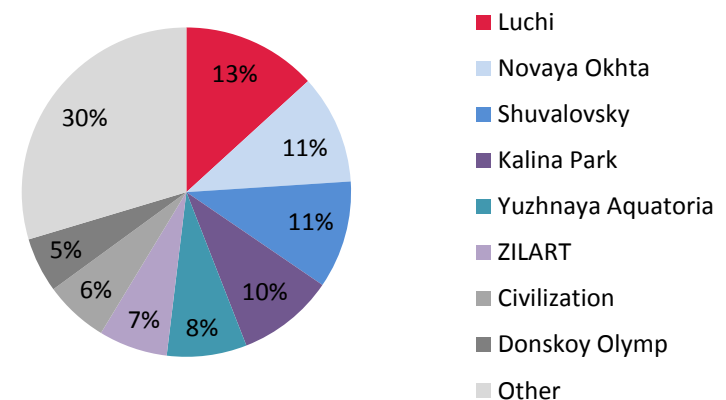
- Moscow accounted for 40% of pre-sales in ruble terms, a record high. Moscow accounted for 30% of pre-sales volume
- St. Petersburg pre-sales mix skewed more toward mass-market vs 2015
- Ural pre-sales declined YoY due to tougher economic conditions in region and tougher competition



# Real Estate Development: Project Breakdown

- LSR brought a total 149 thousand m2 of new housing to market in all 3 cities of operation
- New Moscow development Luchi best-selling project in portfolio in Q1 despite February sales start
- Sales at St. Petersburg project Civilization 71% better than expectations in first month
- Two new blocks launched at ZILART. Prices increased as pre-sales at first two objects reach 75%

Q1 volume pre-sales by project



**ZILART**  
 Land plot – 65 ha  
 Total NSA – 979 th m<sup>2</sup>  
 Start of pre-sales – Sep 2015  
 Completion – 2025



**LUCHI**  
 Land plot – 39 ha  
 Total NSA – 476 th m<sup>2</sup>  
 Start of pre-sales – Feb 2016  
 Completion – 2022



**CIVILIZATION**  
 Land plot – 60 ha  
 Total NSA – 824 th m<sup>2</sup>  
 Start of pre-sales – March 2016  
 Completion – 2026

# Key launches in Q2 2016

- April sales off to a strong start with Moscow reaching 40% of month's target in first week
- New launches to the market in all three cities to total 334 thousand m2
- Another 3 buildings to be launched at ZiLART in May
- Large-scale St. Petersburg project Tsvetnoy Gorod to begin first sales in May
- New buildings at popular projects Novaya Okhta, Civilization, Kalina Park and Shuvalovsky to be launched



### Tsvetnoy Gorod (Block 17)

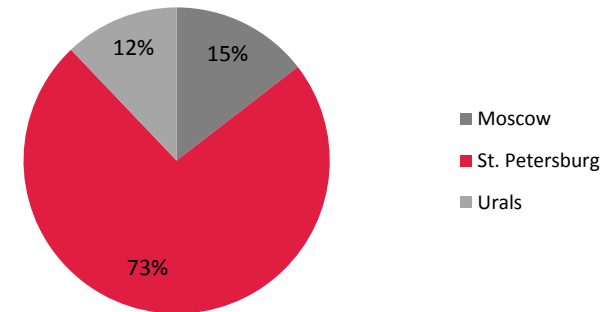
Land plot – 7.4 ha  
Total NSA – 156 th m<sup>2</sup>  
Start of pre-sales – May2016  
Completion – 2020



### Rastochnaya

Land plot – 0.54 ha  
Total NSA – 10.3th m<sup>2</sup>  
Start of pre-sales – May2016  
Completion – 2017

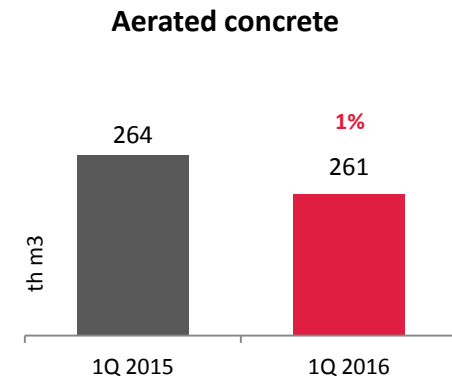
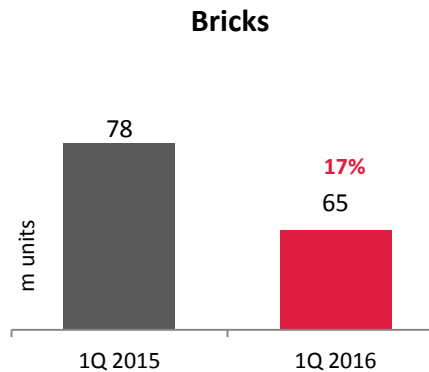
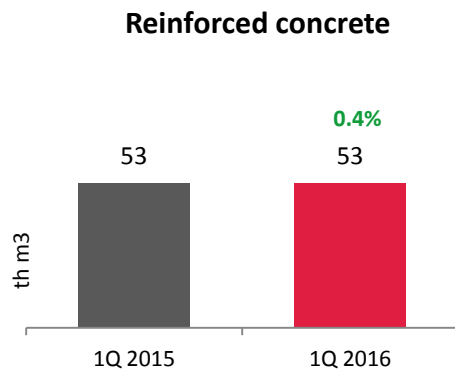
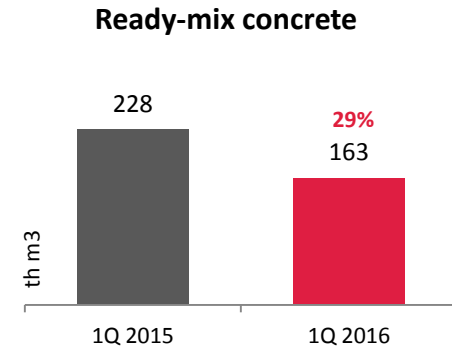
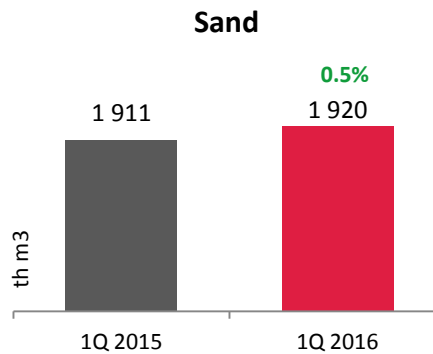
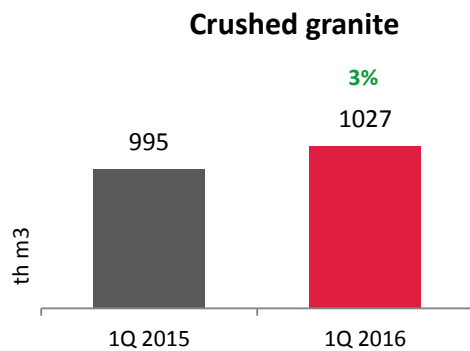
### Q2 new launches by region





# Building Materials

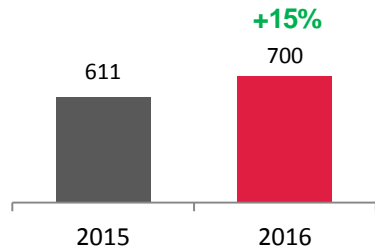
- Building materials in general are affected by the decreased activity in the construction market
- Ready-mix concrete strongly affected by the lack of startups in commercial and industrial segments
- Brick sales to recover later in year on increased volume sales to ZILART
- Building materials division has begun cross-selling to help boost sales in tougher times
- We are raising prices in the segments where we dominate and increasing supplies of new products



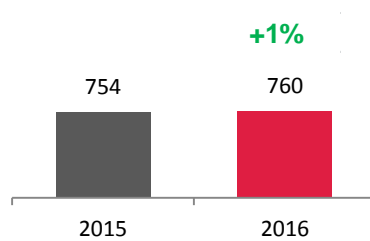
# Operating Guidance 2016

- We fully reiterate our sales guidance for full year 2016 based on 1Q results

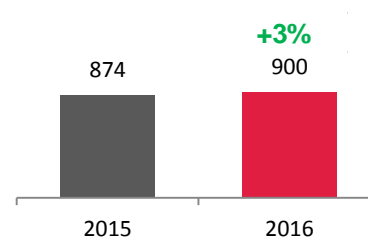
**New contract sales ('000' m<sup>2</sup>)**



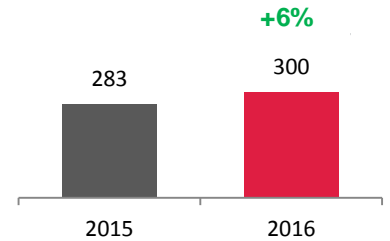
**Completions ('000 m<sup>2</sup>)**



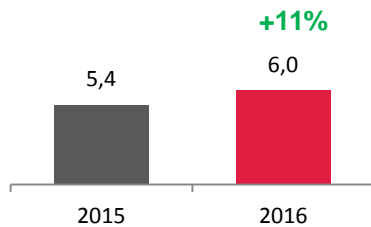
**Construction ('000 m<sup>2</sup>)**



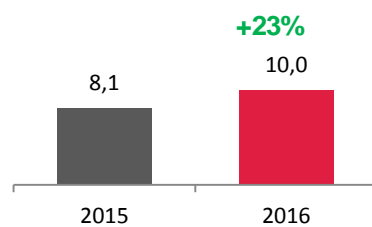
**Reinforced concrete (th m<sup>3</sup>)**



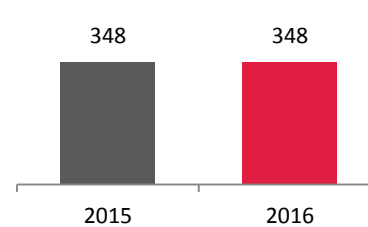
**Crushed granite (m m<sup>3</sup>)**



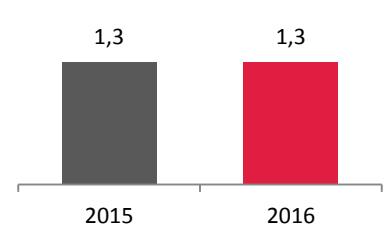
**Sand (m m<sup>3</sup>)**



**Bricks (m units)**



**Aerated concrete (m m<sup>3</sup>)**



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# New Board of Directors



**Alexander Vakhmistrov**  
**Chairman**  
First Deputy CEO



**Dmitri Gontcharov**  
**Deputy Chairman**  
Managing Director  
LSR Europe GmbH



**Andrey Molchanov**  
CEO,  
Chairman of the  
Executive Committee



**Olga Sheikina**  
Head of LSR Group  
Moscow Office



**Vasily Kostritsa**  
Deputy CEO  
Building Materials



**Eugeny Yatsyshin**  
First Deputy CEO  
Real Estate

## Independent directors



**Vitaly Podolsky**



**Aleksey Makhnev**  
Managing Director  
VTB Capital



**Alexander Prisyazhnyuk**

# New Executive Committee

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**Andrey Molchanov**  
CEO, Chairman of the  
Executive Committee



**Evgeny Yatsyshin**  
First Deputy CEO  
Real Estate  
Development



**Vasily Kostritsa**  
Deputy CEO  
Building Materials



**Leonid Sorokko**  
Deputy CEO  
Construction



**Andrey Nikitin**  
CFO



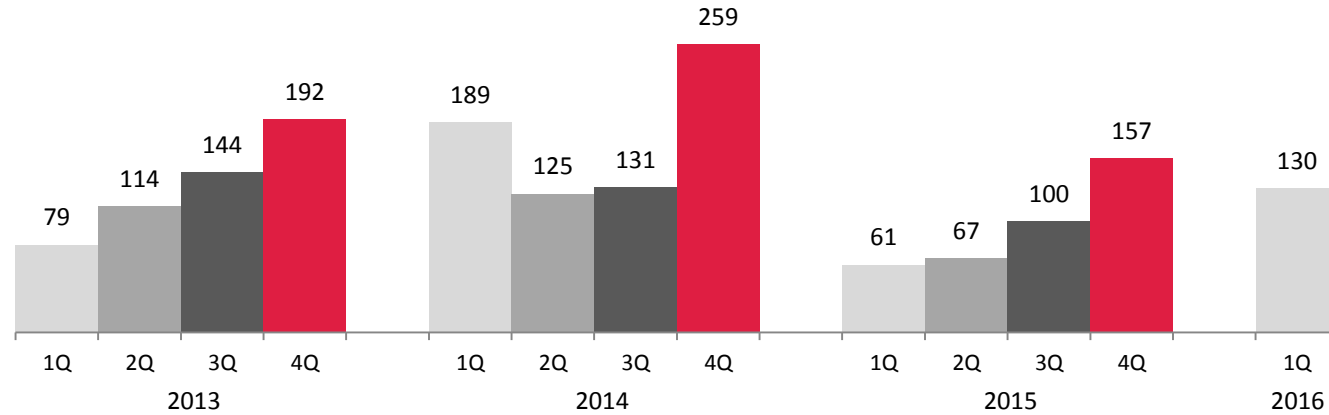
**Yuri Ilyin**  
CCO



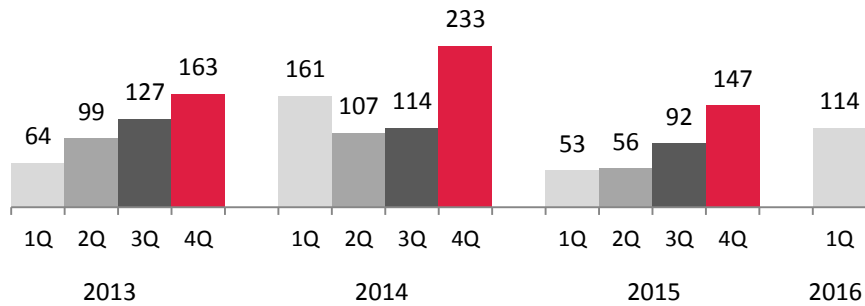
**Galina Volchetskaya**  
Executive Director

# Historic Data: New Contract Sales in St. Petersburg

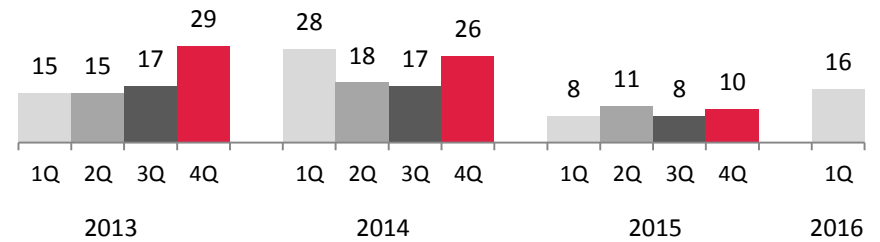
St. Petersburg Total ('000 m<sup>2</sup>)



St. Petersburg Mass Market ('000 m<sup>2</sup>)

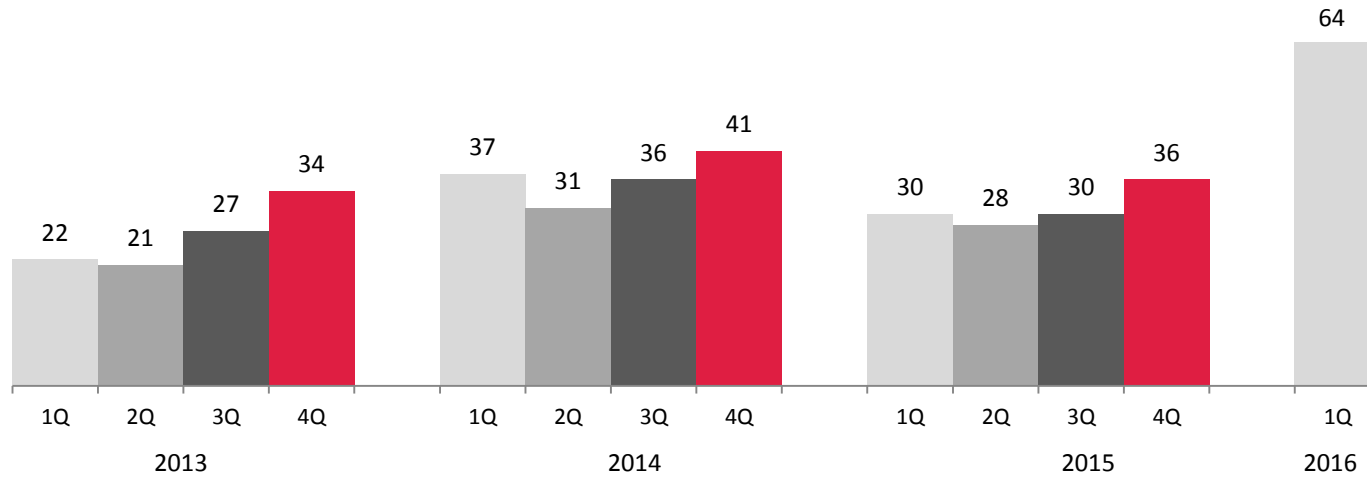


St. Petersburg Elite ('000 m<sup>2</sup>)



# Historic Data: New Contract Sales in Moscow and Urals

Moscow ('000 m<sup>2</sup>)



Urals ('000 m<sup>2</sup>)

