



LSR Group's 1Q 2017 Trading Volume Update

Saint Petersburg, April 2017

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1Q 2017 Highlights



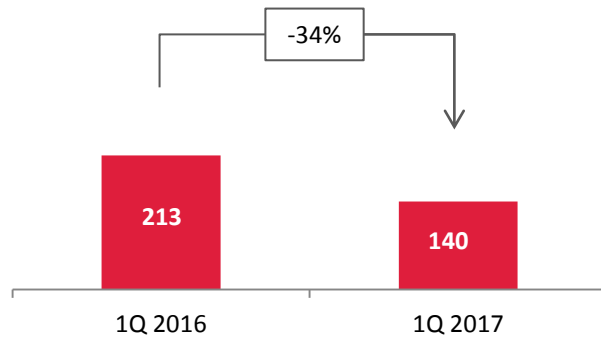
- 1Q new contract sales amounted to **140 th sq m (-34% y/y)**. Value of the contracts was **RUB 13.5 bn (-36% y/y)**
- The decrease of pre-sales year-on-year is primarily due to the high comparison base of 1Q 2016, which saw extraordinary demand
- Completions increased up to **81 th sq m**, recognitions up to **89 th sq m**
- The share of mortgage sales stands at **45%**, reaching **50%** in Moscow
- We reiterate our full year guidance for real estate development, construction and building materials

Real Estate Development

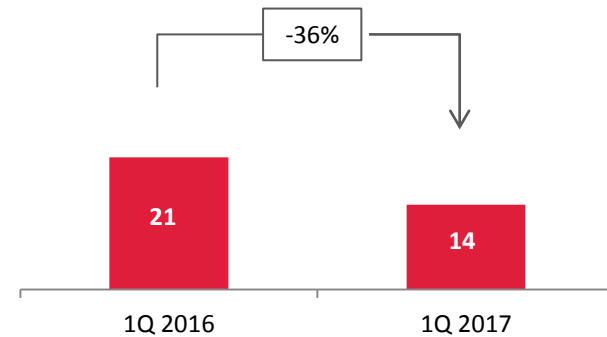


- New contract sales in line with the annual plan but significantly below 1Q 2016 which saw extraordinary demand from customers anticipating cancellation of mortgage support programme
- Recognitions up to 89 th sqm, primarily due to completions in Shuvalovsky (mass-market, St. Petersburg)
- Average price per sqm slightly down vs. Q1 2016 due to particular project mix in Yekaterinburg backed by the increased share of this region in our sales structure.

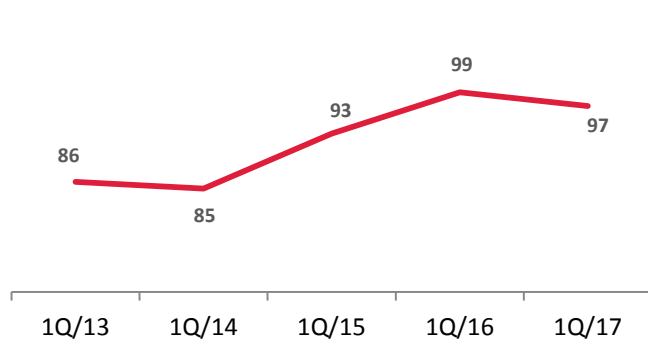
NEW CONTRACT SALES, TH SQ M



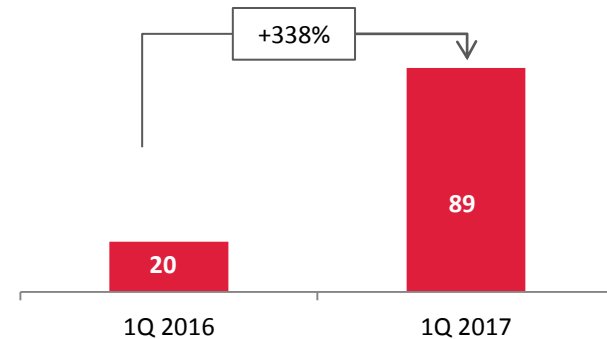
NEW CONTRACT SALES, RUB BN



AVERAGE PRICE, RUB TH



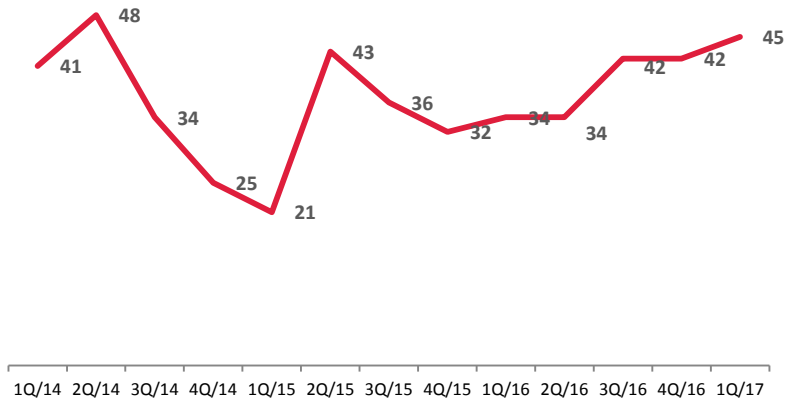
RECOGNITIONS, TH SQ M



Mortgage Lending

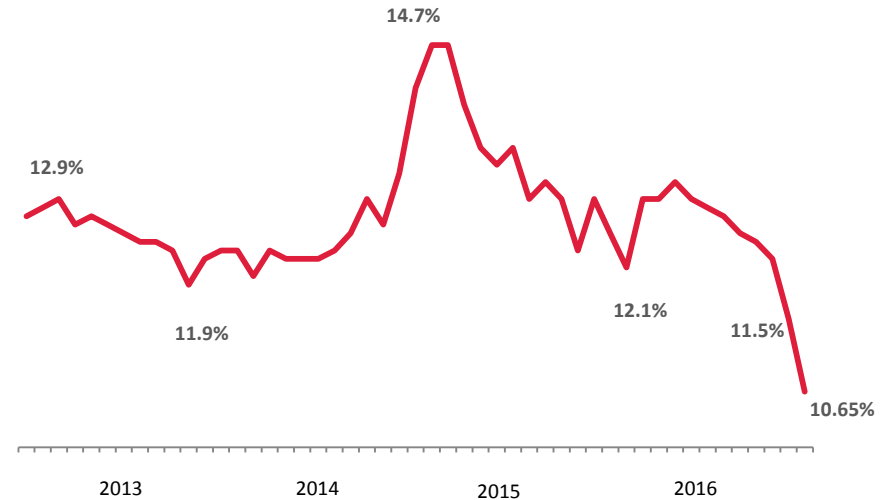
- Mortgage rates down to historic low of 10.65% (TOP 10 banks) as of February 2017, rates start at 10.25%
- Further decrease of the key rate and mortgage rates anticipated
- The share of mortgage contracts is 45% in Q1 2017 across the Company, and reaches 50% in Moscow

LSR MORTGAGE SALES BY NUMBER OF CONTRACTS



Source: Company

AVERAGE MORTGAGE RATES IN RUSSIA



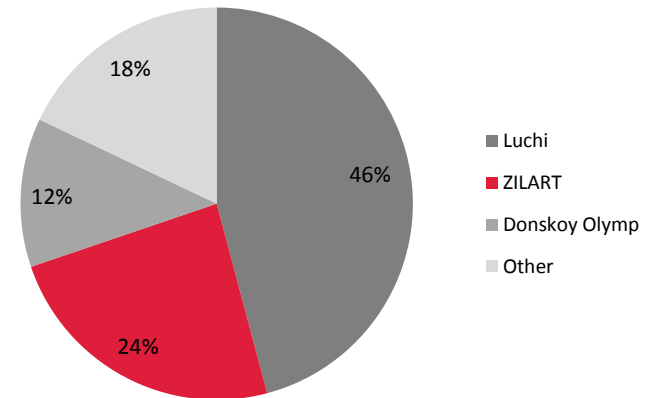
Source: AIZhK

Real Estate Development: Moscow

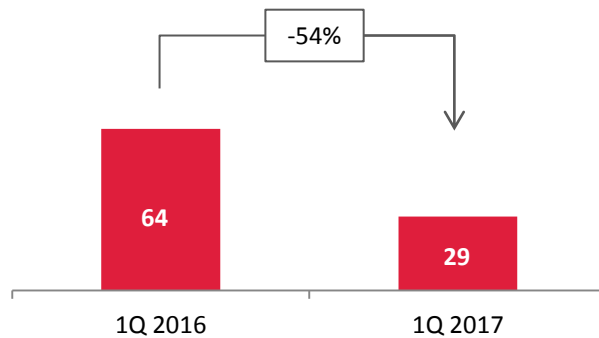


- 27 th sqm launched to the market, primarily in Luchi project
- Supply is to be increased in Q2, including launch of LOT 7 in ZILART (33 th sqm)
- Share of mortgage contracts reaches 50% in Moscow
- Price increased by 8% Y-o-Y, to RUB 144 th in Q1 2017.
- Average price in ZILART in Q1 2017 – RUB 206 th (based on actual contracts)

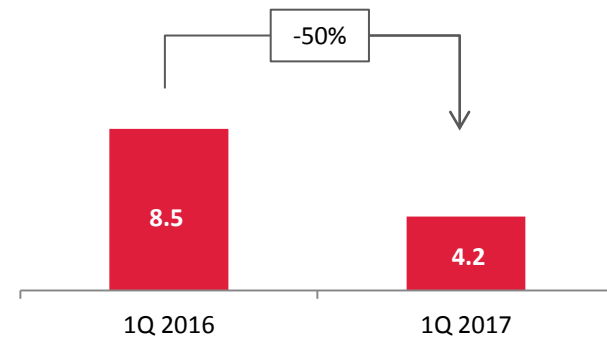
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN

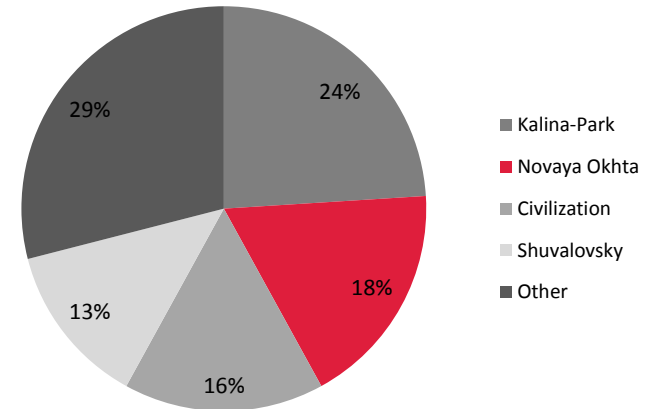


Real Estate Development: St. Petersburg

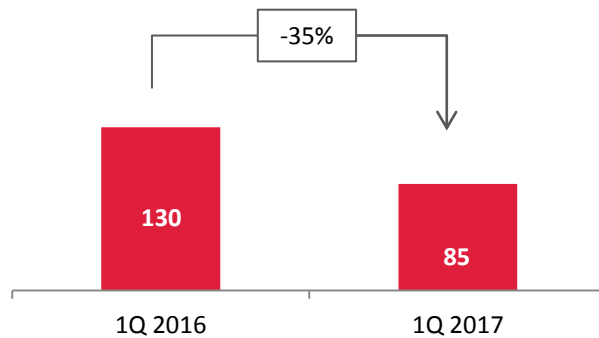


- 32 th sqm launched to the market in Q1 2017, primarily in Novaya Okhta and Civilization
- Another 166 th sqm to be launched in Q2, including such projects as Novaya Okhta, Civilization, Shuvalovsky and a new project Zapovednaya
- Share of mortgage sales is 43% across all segments

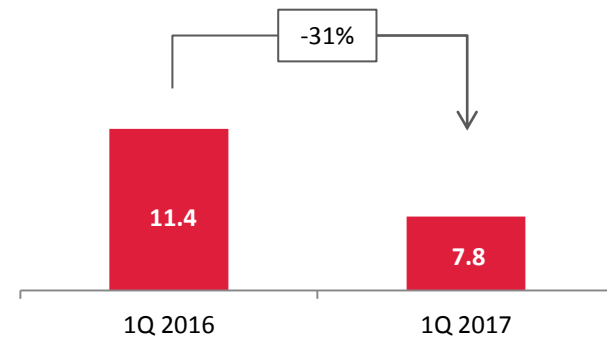
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN

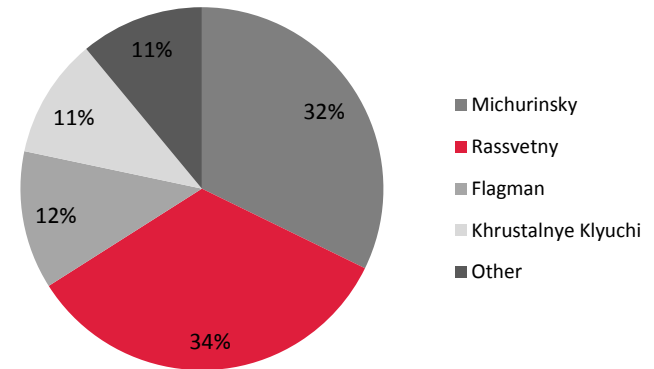


Real Estate Development: Yekaterinburg

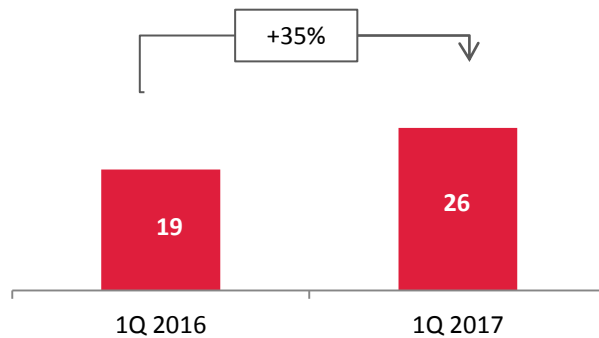


- Sales growth driven by the launch of a new product to the market: affordable apartments with ergonomic layouts in our projects Rassvetny & Michurinsky. We are about to launch similar apartments in other projects.
- 40 th sqm to be launched to the market in Q2 2017, including Khrustalnye Klyuchi and Akademichesky
- The share of mortgage sales stands at 47%

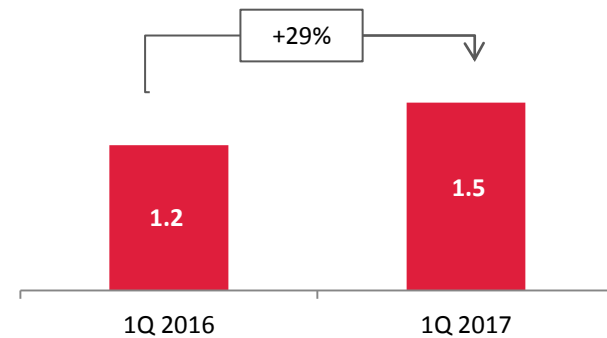
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



Building Materials



- Crushed granite sales dynamics continued to be supported by supplies to long-term infrastructure projects
- Sand affected by suspended supplies to construction of M-11 Federal road. Supplies resumed only in March 2017.
- Ready-mix concrete driven by new contracts with large homebuilders
- We reiterate our full year guidance for building materials based on Q1 results

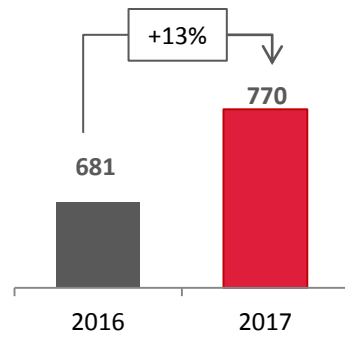
Sales by product	1Q 2016	1Q 2017	Change, %
Crushed granite, th cbm	1,027	1,113	8%
Sand, th cbm	1,920	945	(51%)
Ready-mix concrete, th cbm	163	209	28%
Reinforced concrete, th cbm	53	44	(18%)
Bricks, mn units	65	57	(12%)
Aerated concrete, th cbm	261	269	3%

Appendix

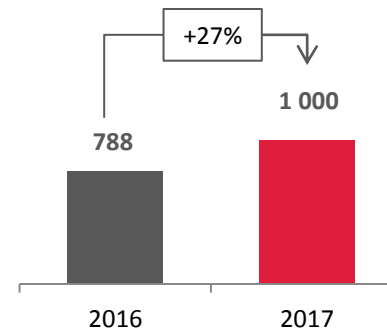
Operating Guidance 2017: Real Estate & Construction



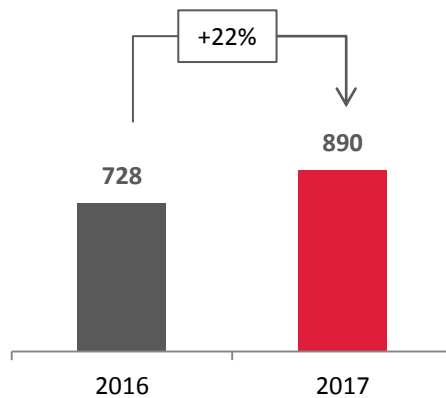
NEW CONTRACT SALES, TH SQ M



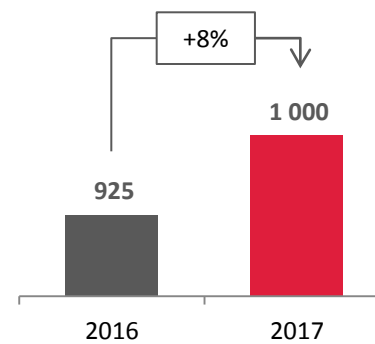
COMPLETIONS, TH SQ M



NEW LAUNCHES, TH SQ M



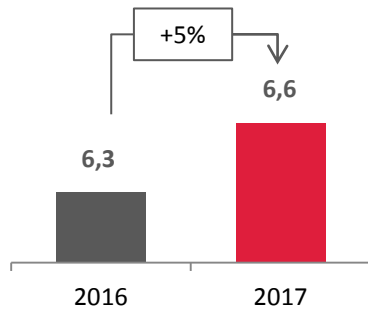
CONSTRUCTION, TH SQ M



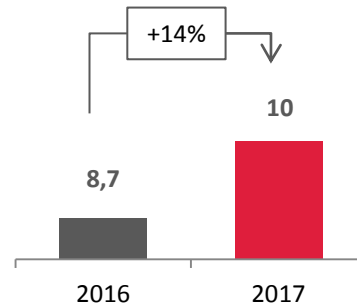
Operating Guidance 2017: Building Materials



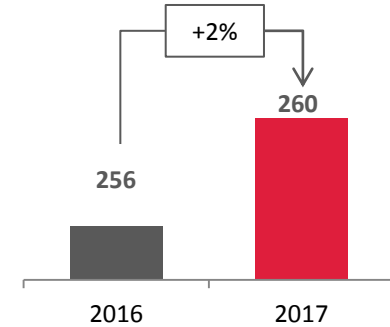
CRUSHED GRANITE, M CBM



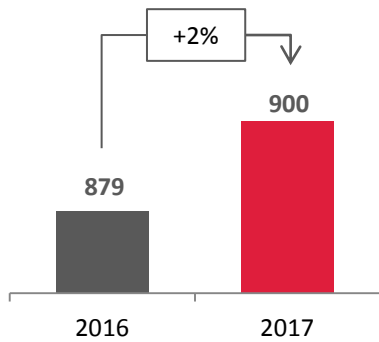
SAND, M CBM



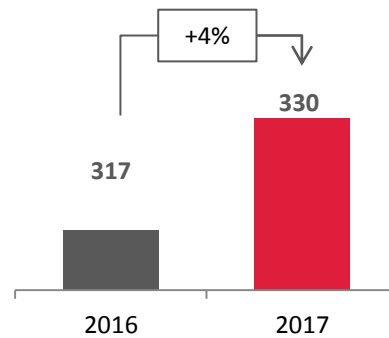
REINFORCED CONCRETE, TH CBM



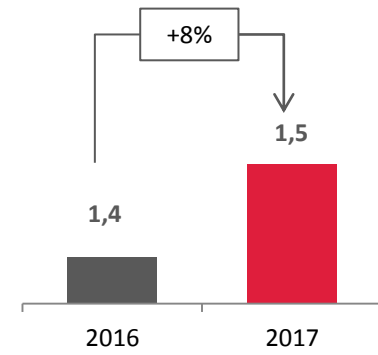
READY-MIX CONCRETE, TH CBM



BRICKS, M UNITS



AERATED CONCRETE, M CBM



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