



LSR Group's 1H 2017 Trading Volume Update

Saint Petersburg, July 2017

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1H 2017 Highlights



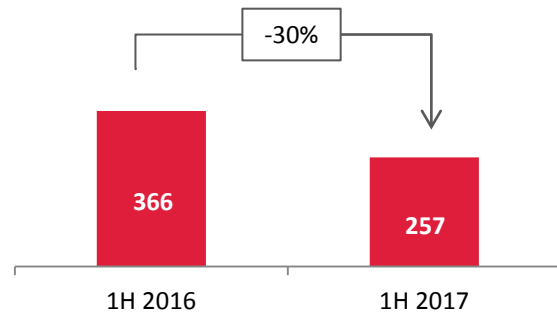
- 1H new contract sales amounted to **257 th sq m (-30% y/y)**. Value of the contracts was **RUB 26 bn (-32% y/y)**.
- Recognitions amounted to **183 th sq m** vs. completions of **182 th sq m**. We maintain the stock of completed real estate at the minimum level.
- Average selling price increased by 7% in 2Q as compared to 1Q, up to RUB 103 thousand
- The share of mortgage sales stands at **48%** across the company in 1H 2017, reaching record high **52%** in Q2.
- We reiterate our full year guidance for real estate development and building materials.

Real Estate Development

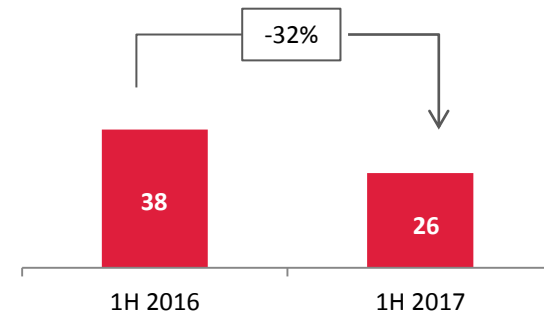


- New contract sales below 1H 2016 due to lower supply, but in line with the annual plan
- Recognitions amounted to 183 th sqm vs. completions of 182 th sqm.
- Average price per sqm was slightly down against 1H 2016 due to particular project mix in Yekaterinburg backed by the increased share of this region in our sales structure. In Moscow and St. Petersburg prices per sqm up 6% and 5% YOY.

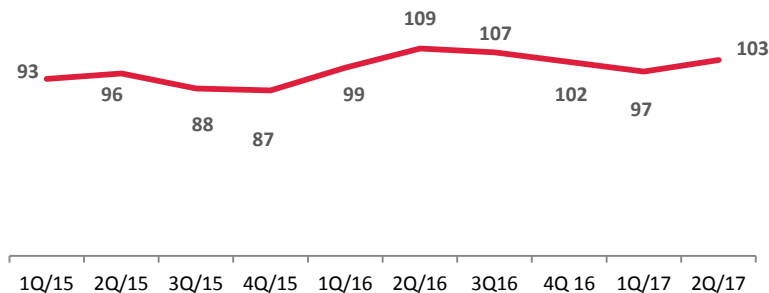
NEW CONTRACT SALES, TH SQ M



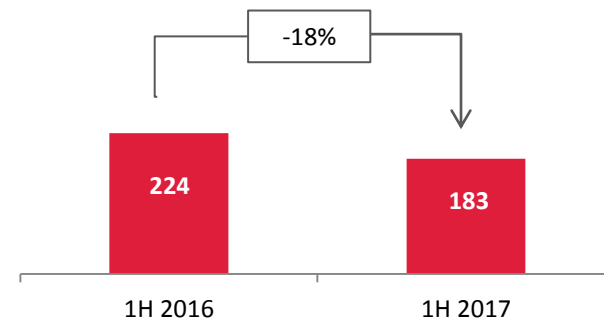
NEW CONTRACT SALES, RUB BN



AVERAGE PRICE, RUB TH



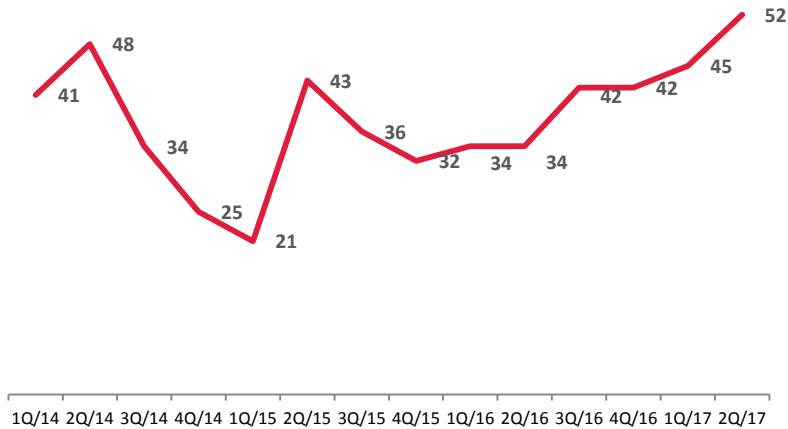
RECOGNITIONS, TH SQ M



Mortgage Lending

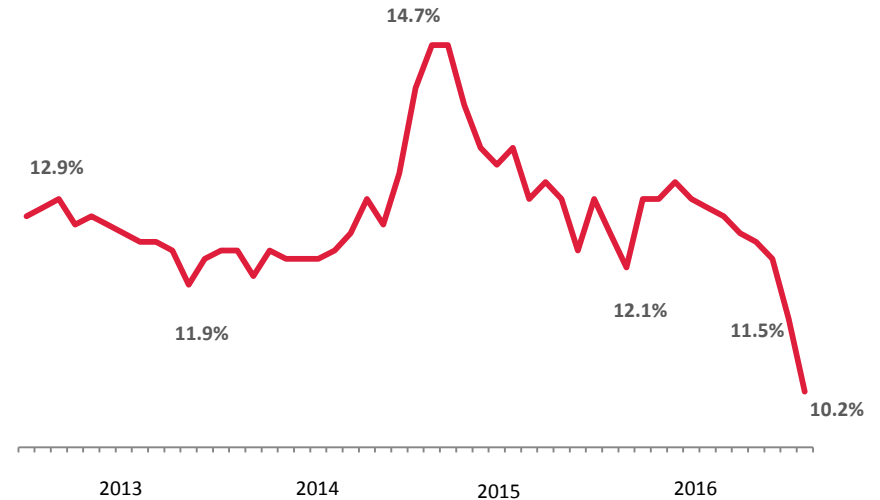
- Mortgage rates down to historic low of 10.2% (TOP 15 banks) as of June 2017. AIZhK sets single digit rate (9.75%) for the first time in the history of Russia's mortgage market.
- Further decrease of the key rate and mortgage rates anticipated.
- The share of mortgage contracts up to 52% in Q2 2017 across the Company.

LSR MORTGAGE SALES BY NUMBER OF CONTRACTS



Source: Company

AVERAGE MORTGAGE RATES IN RUSSIA



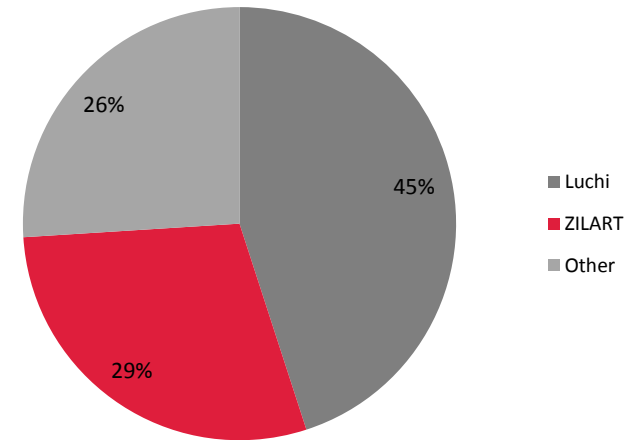
Source: AIZhK

Real Estate Development: Moscow

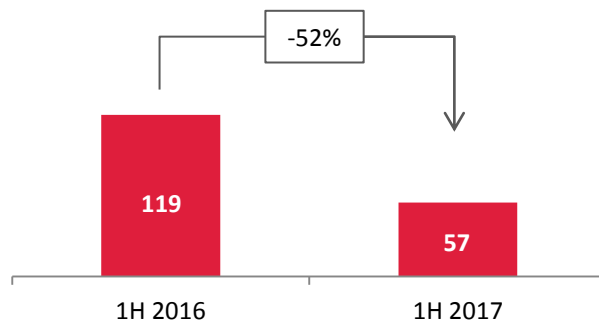


- 93 th sqm launched to the market, primarily in Luchi and ZILART projects
- LOT 7 in ZILART is now available for sale (31 th sqm)
- Share of mortgage contracts reaches 48% in Moscow
- Price increased by 6% Y-o-Y, to RUB 146 th in 1H 2017.
- Average price in ZILART in 1H 2017 – RUB 206 th (based on actual contracts)

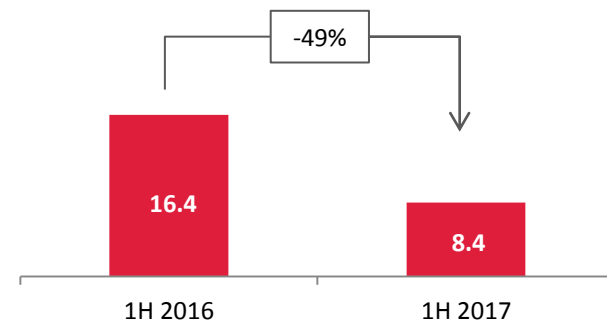
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN

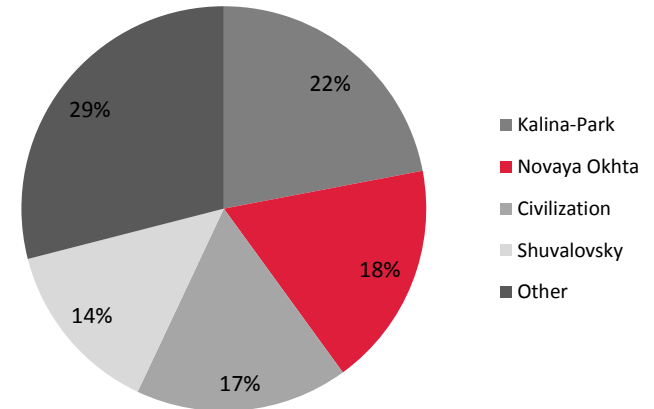


Real Estate Development: St. Petersburg

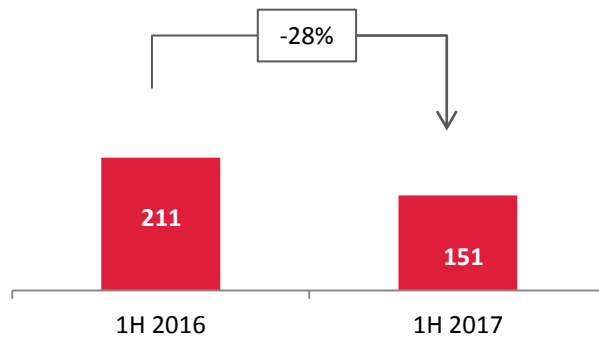


- 114 th sqm launched to the market in H1 2017, primarily in Novaya Okhta and Civilization
- Our new elite development on Petrovsky Island will be available for sale in Q3
- Share of mortgage sales reaches 50% in mass market segment

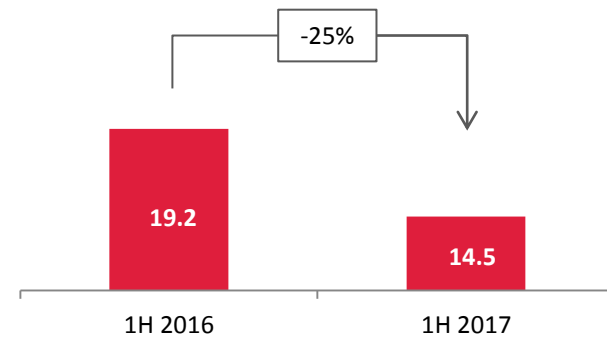
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN

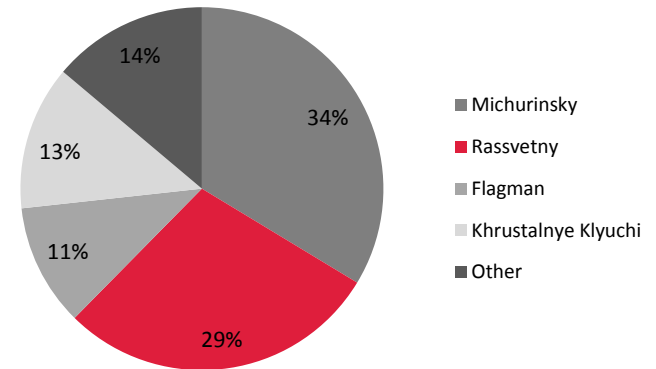


Real Estate Development: Yekaterinburg

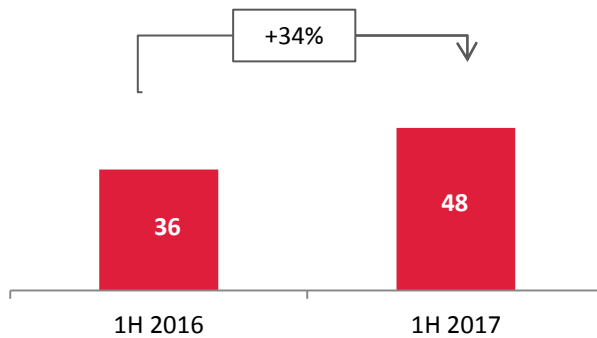


- Sales growth driven by the increased supply in our projects Rassvetny & Michurinsky, which are in great demand among customers.
- The share of mortgage sales reaches 51%.

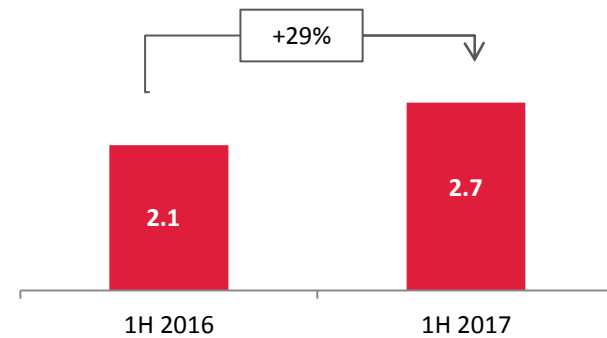
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



Building Materials



- Ready-mix concrete sales driven by general market growth and new contracts with several largest local homebuilders. Mild winter favorably impacts supplies to infrastructure segment.
- Sand affected by suspended supplies to construction of M-11 Federal road. Supplies resumed in March but suspended again in May. Lower demand from small and medium companies.
- We reiterate our full year guidance for building materials based on H1 results.

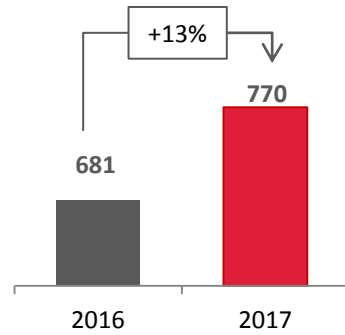
Sales by product	1H 2016	1H 2017	Change, %
Crushed granite, th cbm	2,794	2,638	(6%)
Sand, th cbm	4,446	3,444	(23%)
Ready-mix concrete, th cbm	391	505	29%
Reinforced concrete, th cbm	124	99	(20%)
Bricks, mn units	149	140	(6%)
Aerated concrete, th cbm	640	708	11%

Appendix

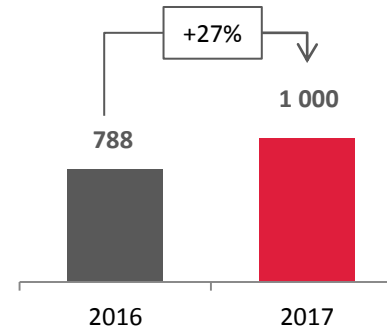
Operating Guidance 2017: Real Estate & Construction



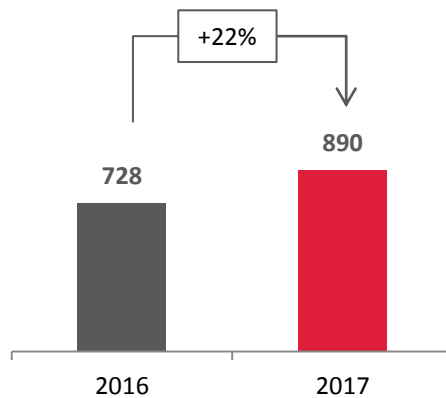
NEW CONTRACT SALES, TH SQ M



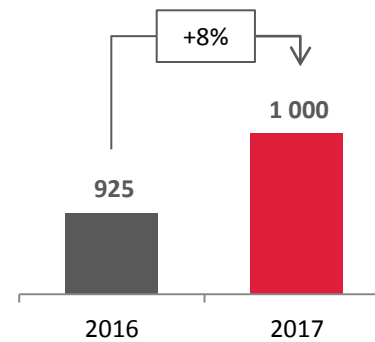
COMPLETIONS, TH SQ M



NEW LAUNCHES, TH SQ M



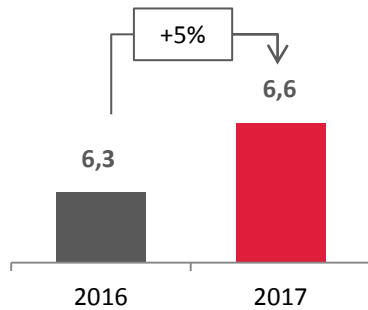
CONSTRUCTION, TH SQ M



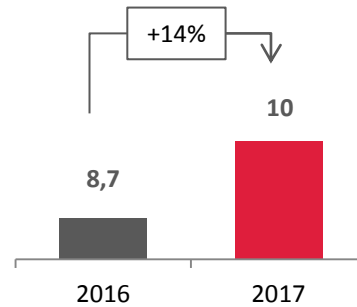
Operating Guidance 2017: Building Materials



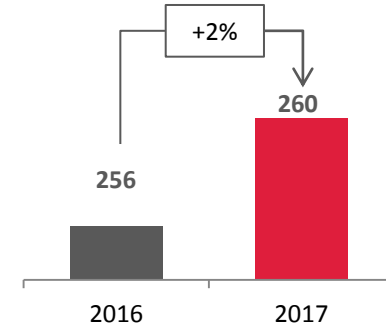
CRUSHED GRANITE, M CBM



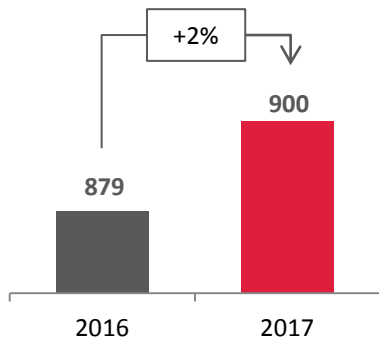
SAND, M CBM



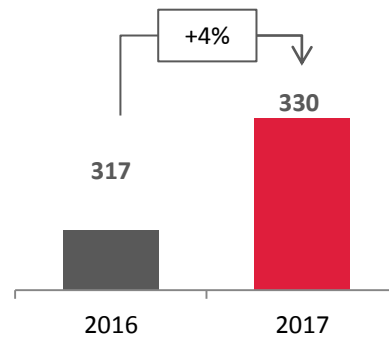
REINFORCED CONCRETE, TH CBM



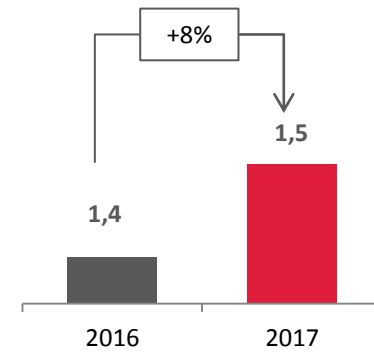
READY-MIX CONCRETE, TH CBM



BRICKS, M UNITS



AERATED CONCRETE, M CBM



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