



2012 Results Investor Presentation



Disclaimer



By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of OJSC LSR Group ("hereinafter – the Company") or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information in this document has been prepared by the Company solely for use at presentations. This document and its contents may not be distributed, published, reproduced (in whole or in part) by any medium or in any form.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

The information communicated in this document contains certain statements that are or may be forward looking. These statements typically contain the words «anticipate», «believe», «intend», «estimate», «expect», «will» and words of similar meaning. By their nature forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We assume no obligations to update amend or revise the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. Investment in the Company will also involve certain risks. There maybe additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of revenues, profitability and growth, cost and synergy of our recent acquisitions and restructuring, the timely development and acceptance of new products, the impact of competition and competitive pricing, the ability to obtain necessary regulatory approvals and the ability to fund our future operations and capital needs through borrowing or otherwise, the ability to successfully implement any of our business strategies, the ability to integrate our business and to realize anticipated cost savings and operational benefits from such integration, our expectations about growth in demand for our products and services, the effects of inflation, interest rate and exchange rate fluctuations, and our success in identifying other risk to our business and managing the risk of the aforementioned factors, the condition of the economy and political stability in Russia and the other markets of operations and the impact of general business and global economic conditions.

Under no circumstances shall this document constitute an offer to sell or a solicitation to buy securities in any jurisdiction, including the United States of America, and nothing in this document should be construed as a recommendation or advice to any person to purchase any securities.

The distribution of this presentation in some jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

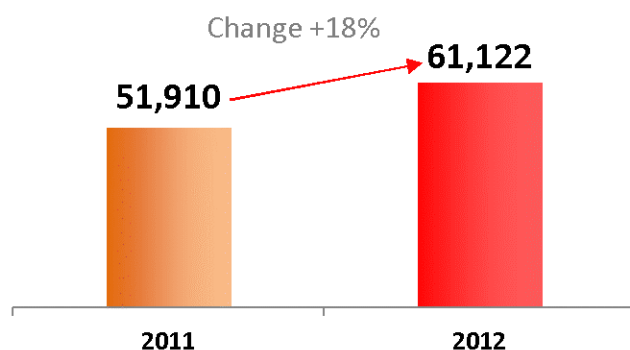
Key financials

RUB m	2010	2011	2012
Revenues	49,950	51,910	61,122
EBITDA	8,687*	10,135	13,392
EBITDA margin	17%	20%	22%
Normalised operating profit	6,307	7,703	10,668
Normalised operating profit margin	13%	15%	17%
Profit for the year	1,742	2,432	4,914
Normalised profit for the year	1,778	2,280	5,956
Gross cash flow	9,035	9,469	12,592
Operating cash flow	(2,375)	7,738	5,167
Capitalised capital expenditure	4,544	5,057	6,745
<hr/>			
Total debt	31,703	38,922	39,475
Net debt	30,376	33,728	35,508
Net debt/EBITDA	3.5	3.3	2.65

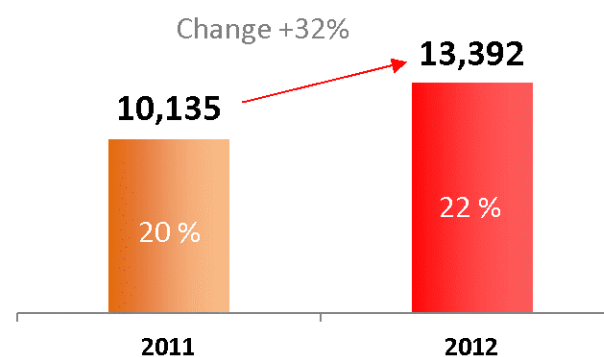
*one-off effect of disposal of aerated concrete business in the Baltic states resulted in the net loss of RUB 523m

Key financials

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



Sales revenue and EBITDA breakdown¹

2012 Sales revenue breakdown

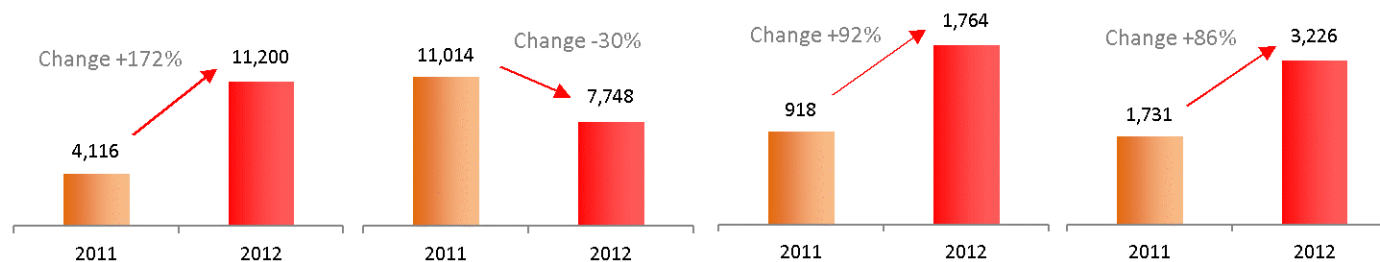


2012 EBITDA breakdown

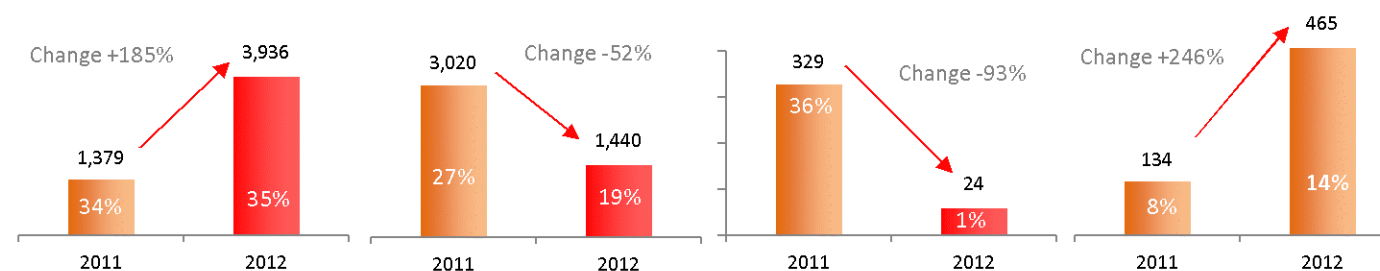
Note: 1) Before inter-group eliminations, unallocated amounts and other operations

Real estate development

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)

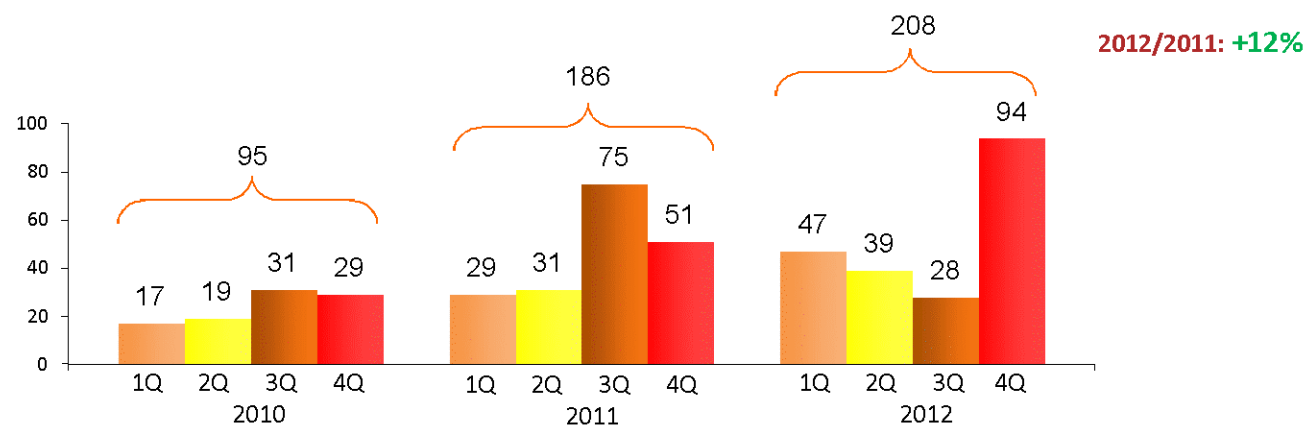


Elite Real Estate in St. Petersburg ¹	Mass-Market Real Estate in St. Petersburg	Real Estate in Moscow	Real Estate in Urals
--	---	-----------------------	----------------------

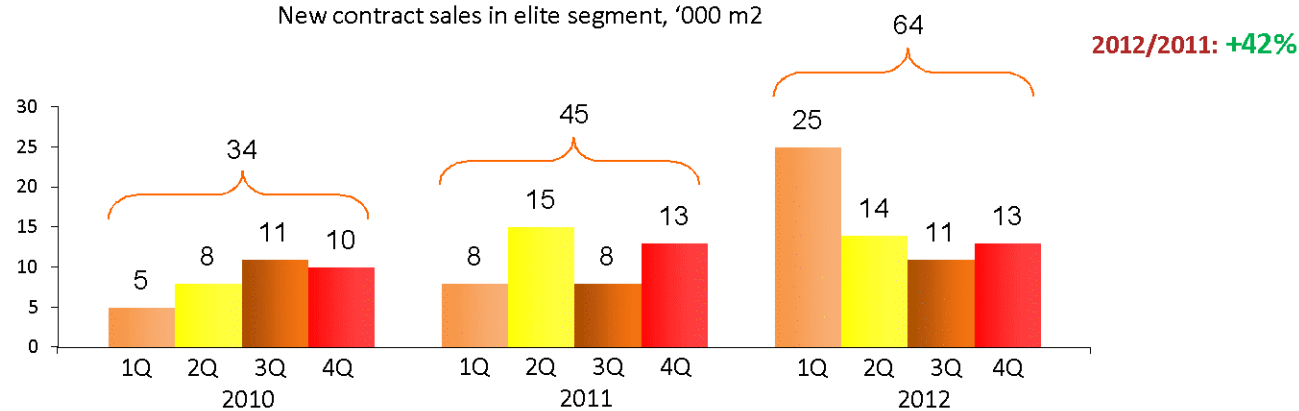
	2011	2012	Change	2011	2012	Change	2011	2012	Change	2011	2012	Change
New contract sales (th m2)	45	64	42%	186	208	12%	37	92	147%	72	82	14%
Transferred to customers (th m2)	34	57	66%	157	106	(33%)	5	25	416%	35	59	70%
Completed (th m2)	-	92	-	113	130	15%	2	45	-	21	65	209%
Sales revenue (RUB m)	4,116	11,200	172%	11,014	7,748	(30%)	918	1,764	92%	1,731	3,226	86%
EBITDA (RUB m)	1,379	3,936	185%	3,020	1,440	(52%)	329	24	(93%)	134	465	246%
EBITDA margin (%)	34%	35%	-	27%	19%	-	36%	1%	-	8%	14%	-

Real estate development: sales in St. Petersburg

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

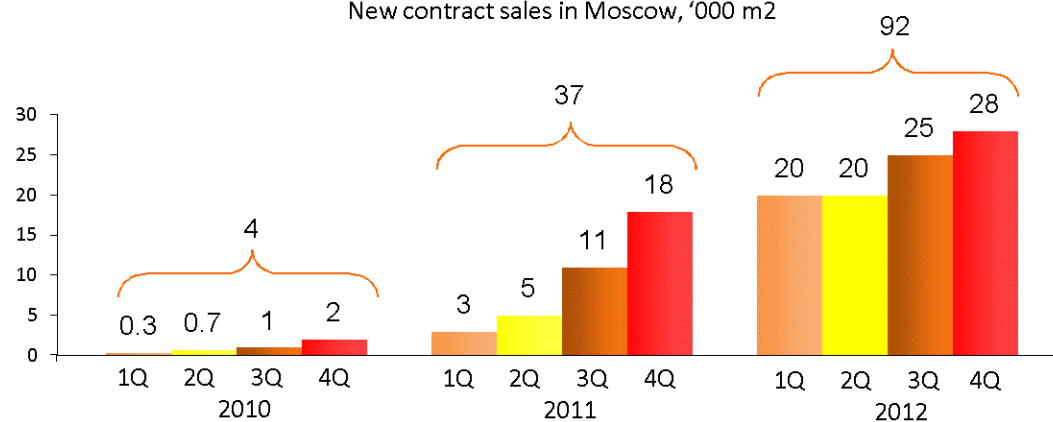


New contract sales in elite segment, '000 m2



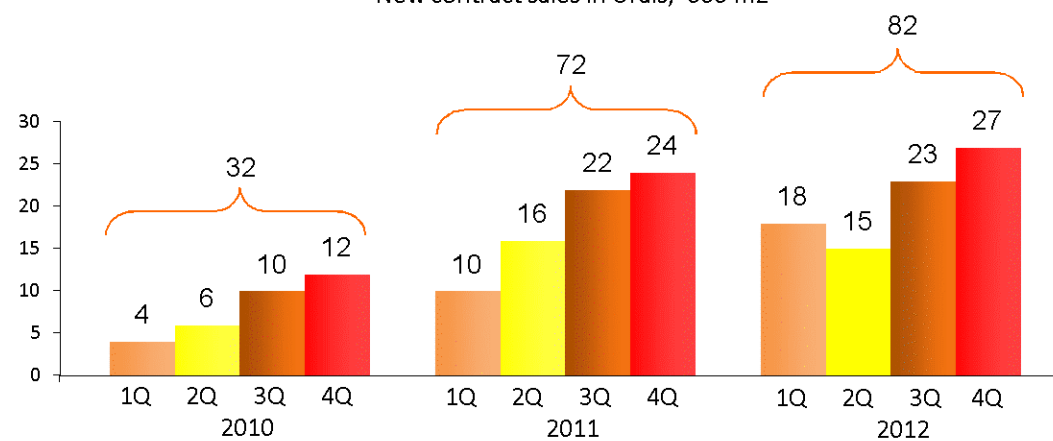
Real estate development: sales in Moscow and Urals

New contract sales in Moscow, '000 m2



2012/2011: +147%

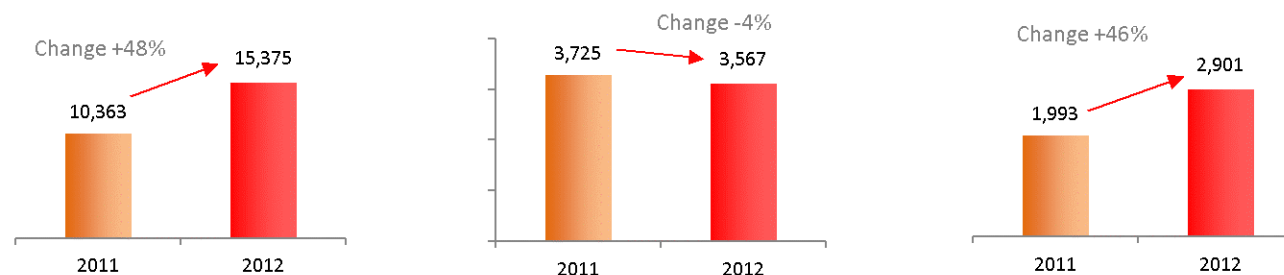
New contract sales in Urals, '000 m2



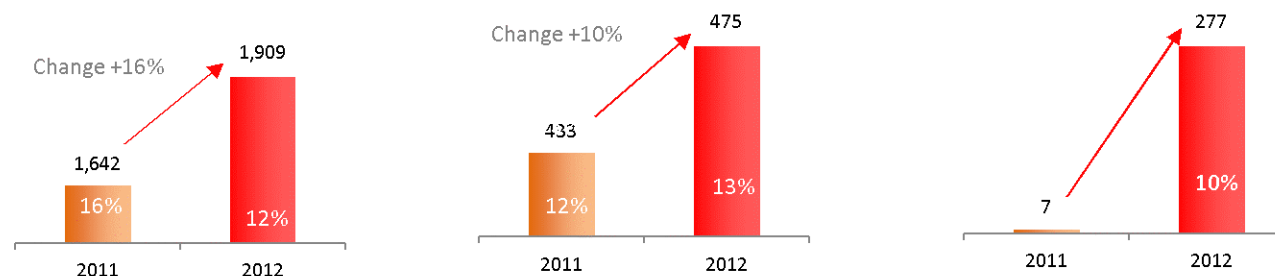
2012/2011: +14%

Construction

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



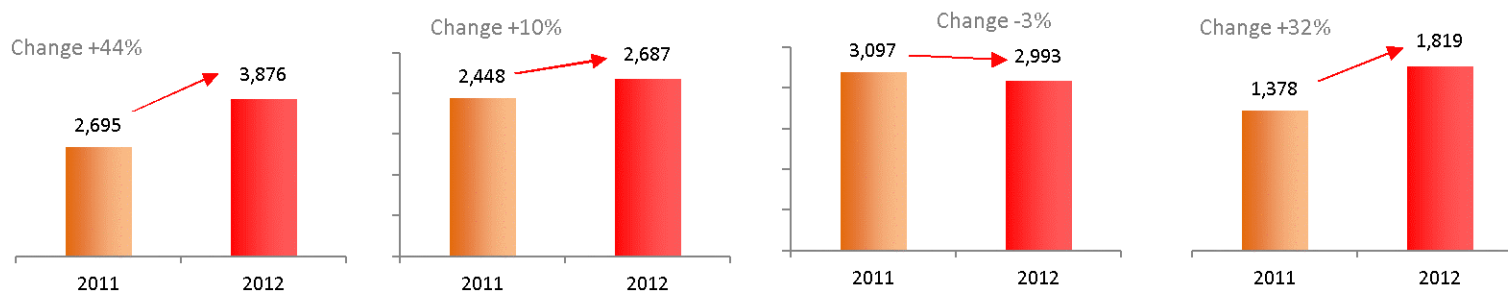
St. Petersburg	Moscow	Urals
----------------	--------	-------

	2011	2012	Change	2011	2012	Change	2011	2012	Change
Sales volume (th m2)	371	426	15%	111	177	60%	96	122	27%
Sales revenue (RUB m)	10,363	15,375	48%	3,725	3,567	(4%)	1,993	2,901	46%
EBITDA (RUB m)	1,642	1,909	16%	433	475	10%	7	277	-
EBITDA margin (%)	16%	12%	-	12%	13%	-	-	10%	-

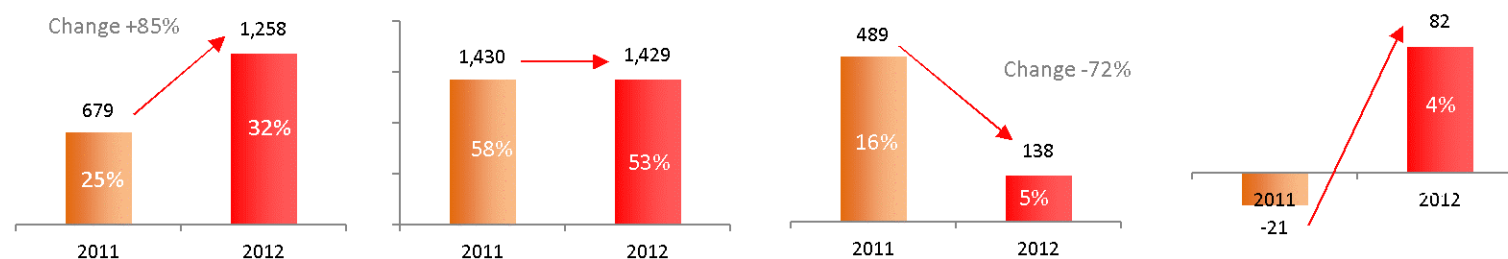
Notes: Construction in St. Petersburg includes: Construction, Pile foundation, Tower cranes, Project Management operations

Building materials: Aggregates and Ready-Mix Concrete

Sales (RUB m)



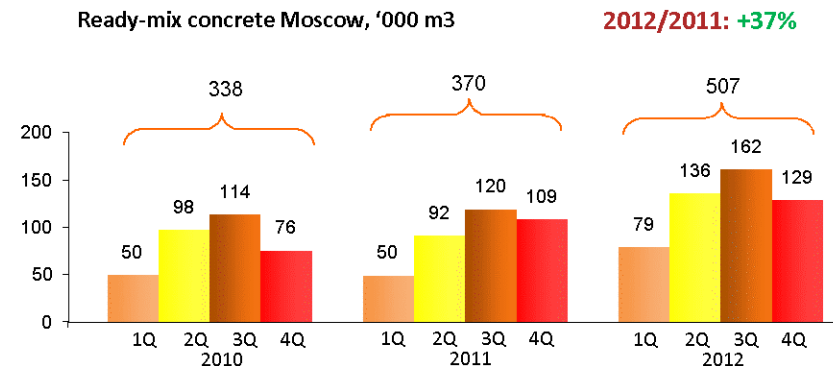
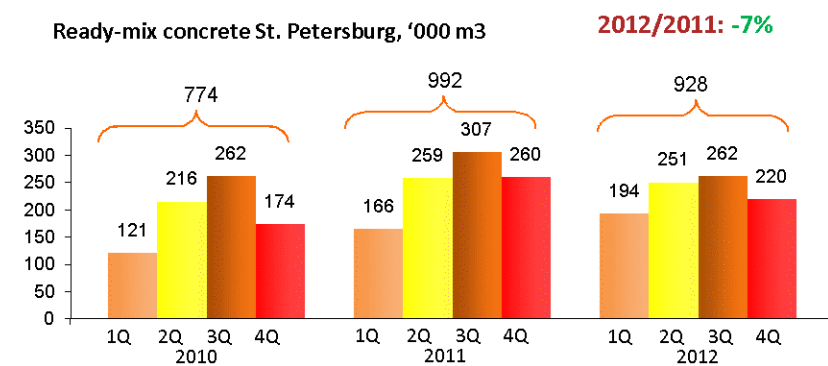
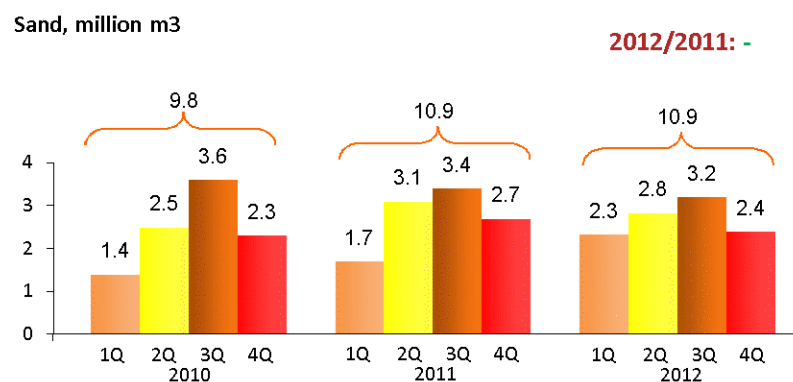
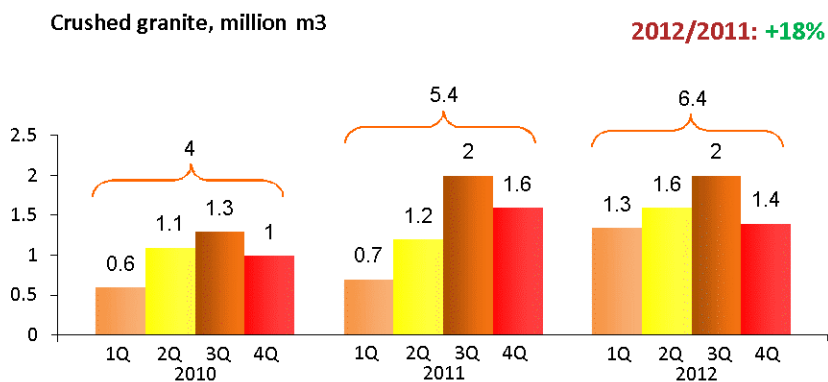
EBITDA (RUB m) and EBITDA margin (%)



Crushed Granite	Sand	Ready-Mix Concrete St. Petersburg	Ready-Mix Concrete Moscow
-----------------	------	-----------------------------------	---------------------------

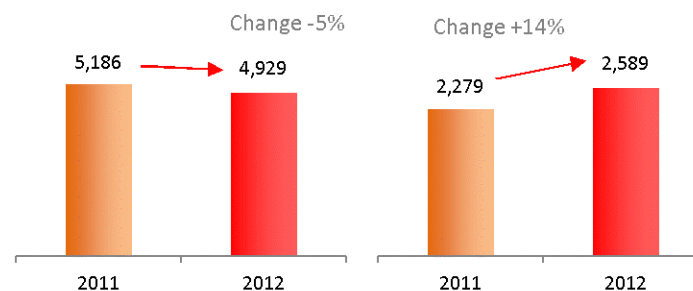
	2011	2012	Change	2011	2012	Change	2011	2012	Change	2011	2012	Change
Sales revenue (RUB m)	2,695	3,876	44%	2,448	2,687	10%	3,097	2,993	(3%)	1,378	1,819	32%
EBITDA (RUB m)	679	1,258	85%	1,430	1,429	-	489	138	(72%)	(21)	82	-
EBITDA margin (%)	25%	32%	-	58%	53%	-	16%	5%	-	-	4%	-

Building materials: Aggregates and Ready-Mix Concrete

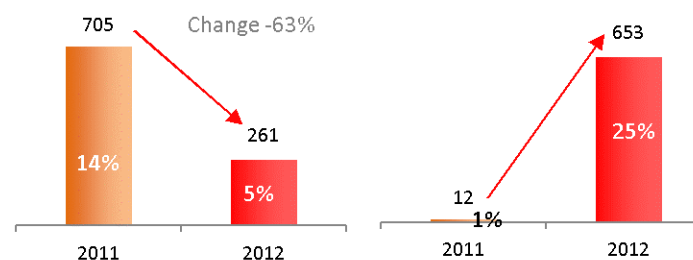


Building materials: Reinforced Concrete and Cement

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)



Reinforced Concrete

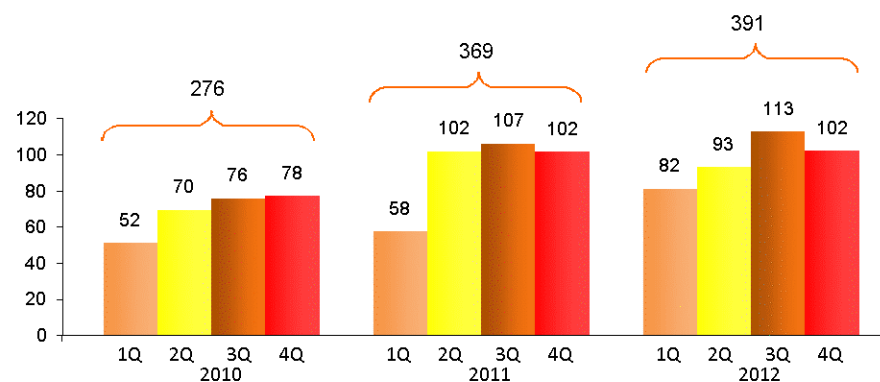
Cement

	2011	2012	Change	2011	2012	Change
Sales revenue (RUB m)	5,186	4,929	(5%)	2,279	2,589	14%
EBITDA (RUB m)	705	261	(63%)	12	653	-
EBITDA margin (%)	14%	5%	-	1%	25%	-

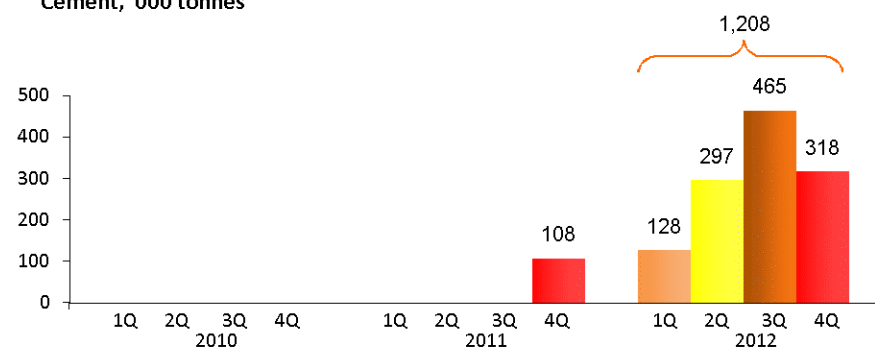
Building materials: Reinforced Concrete and Cement

Reinforced concrete, '000 m3

2012/2011: +6%

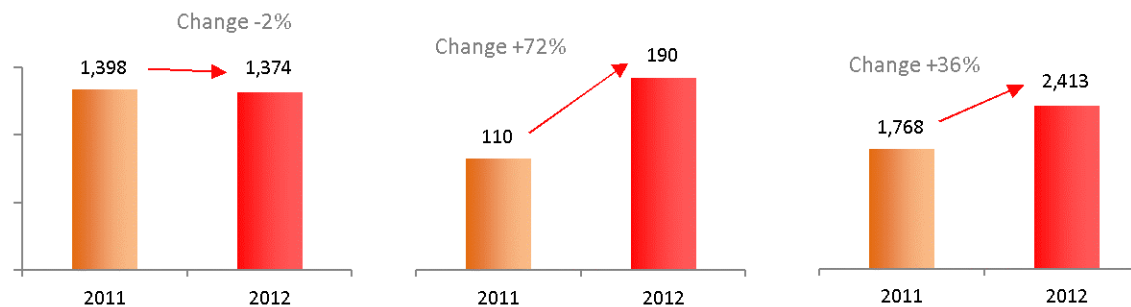


Cement, '000 tonnes

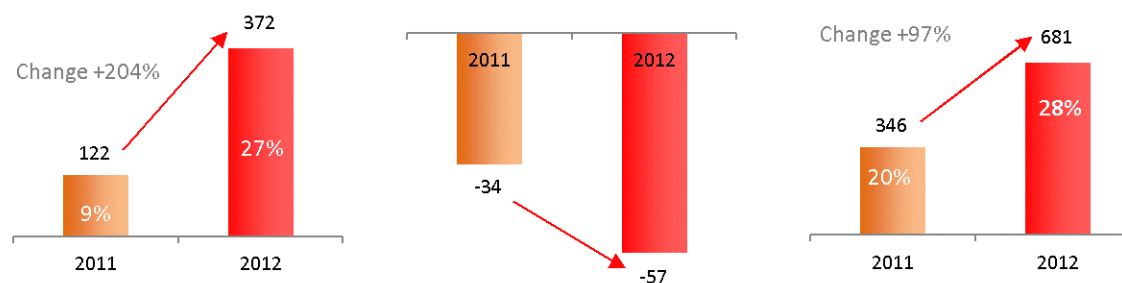


Building materials: Bricks and Aerated Concrete

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)

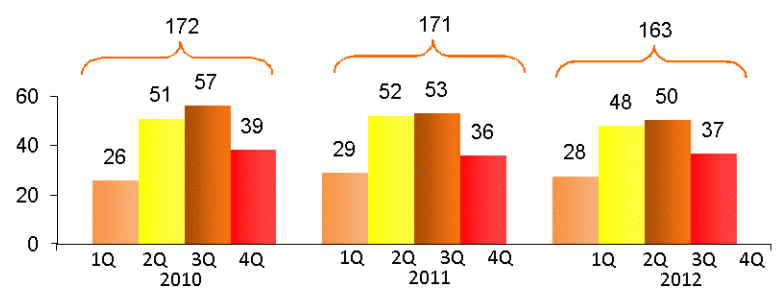


	Bricks St. Petersburg			Bricks Moscow			Aerated Concrete		
--	-----------------------	--	--	---------------	--	--	------------------	--	--

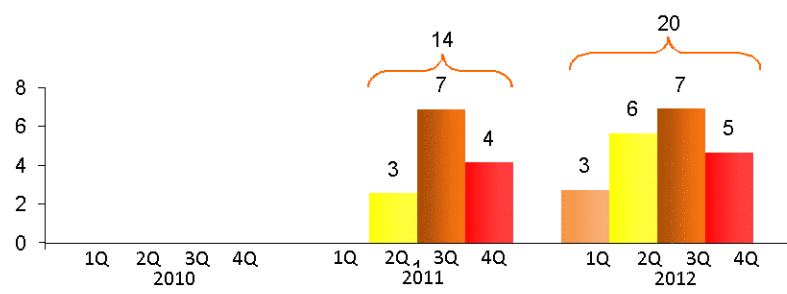
	2011	2012	Change	2011	2012	Change	2011	2012	Change
Sales revenue (RUB m)	1,398	1,374	(2%)	110	190	72%	1,768	2,413	36%
EBITDA (RUB m)	122	372	204%	(34)	(57)	-	346	681	97%
EBITDA margin (%)	9%	27%	-	-	-	-	20%	28%	-

Building materials: Bricks and Aerated Concrete

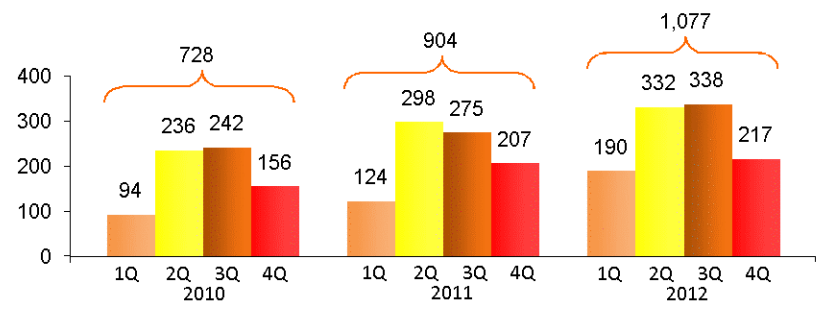
Bricks St. Petersburg, million nf 2012/2011: -4%



Bricks Moscow, million nf 2012/2011: +47%

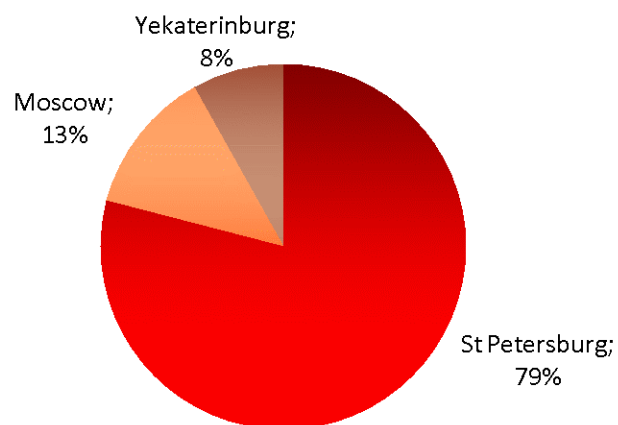


Aerated concrete, '000 m3 2012/2011: +19%

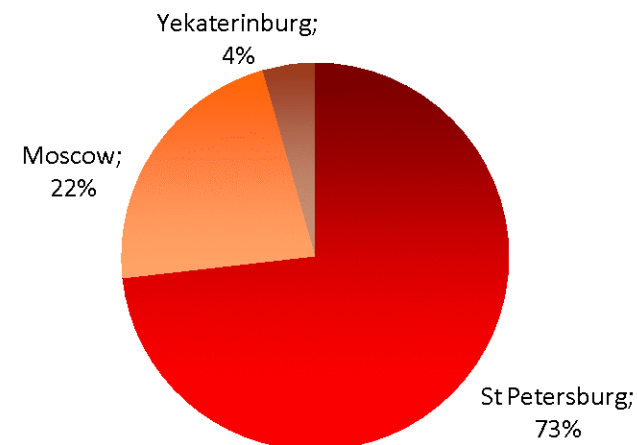


Real estate portfolio by region

**Breakdown of portfolio by region
(Net Sellable Area)**



**Breakdown of portfolio by region
(Market Value)**

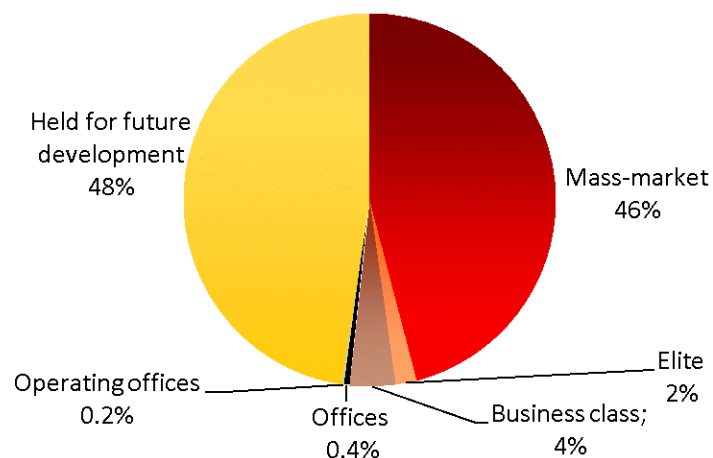


Region	NSA ('000 m ²)	% of total	MV (RUB m)	% of total
St. Petersburg and Leningrad region	6,847	79%	87,811	73%
Moscow and Moscow region	1,110	13%	26,835	22%
Yekaterinburg	702	8%	5,276	4%
Total	8,659	100%	119,921	100%

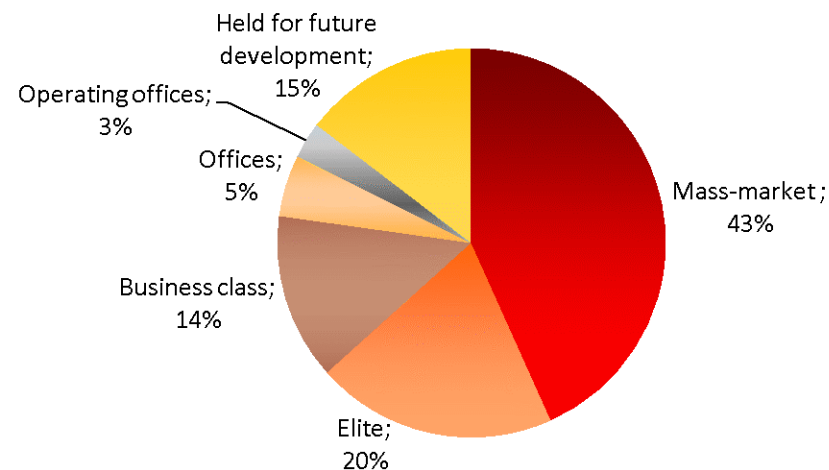
Largest part of our real estate portfolio is located in our home market of St. Petersburg within the boundaries of the city

Real estate portfolio by segment

**Breakdown of portfolio by segment
(Net Sellable Area)**



**Breakdown of portfolio by segment
(Market Value)**



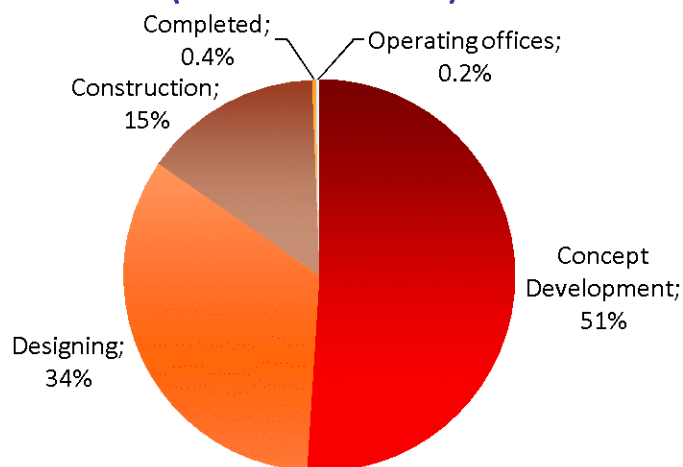
Segment of property	NSA ('000 m ²)	% of total	MV (RUB m)	% of total
Mass-market	3,978	46%	51,921	43%
Elite*	160	2%	24,057	20%
Business class	341	4%	16,594	14%
Offices	32	0.4%	6,116	5%
Operating offices	18	0.2%	3,675	3%
Held for future development	4,129	48%	17,558	15%
Total	8,659	100%	119,921	100%

* Elite segment of property is calculated including Gated communities

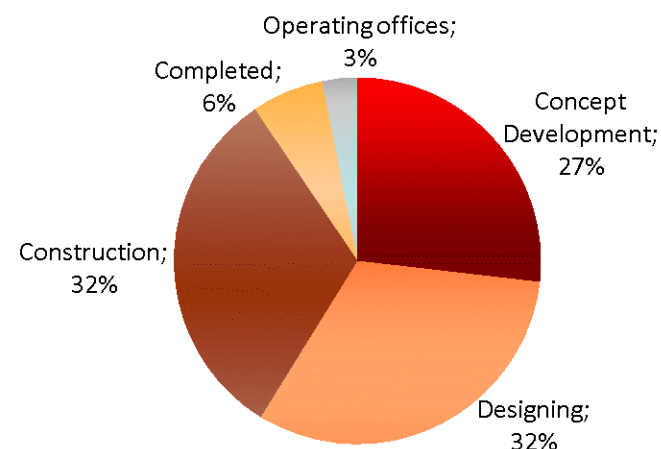
Well-balanced portfolio with focus on mass-market residential housing

Real estate portfolio by stage of development

Breakdown of portfolio by stage of development (Net Sellable Area)



Breakdown of portfolio by stage of development (Market Value)

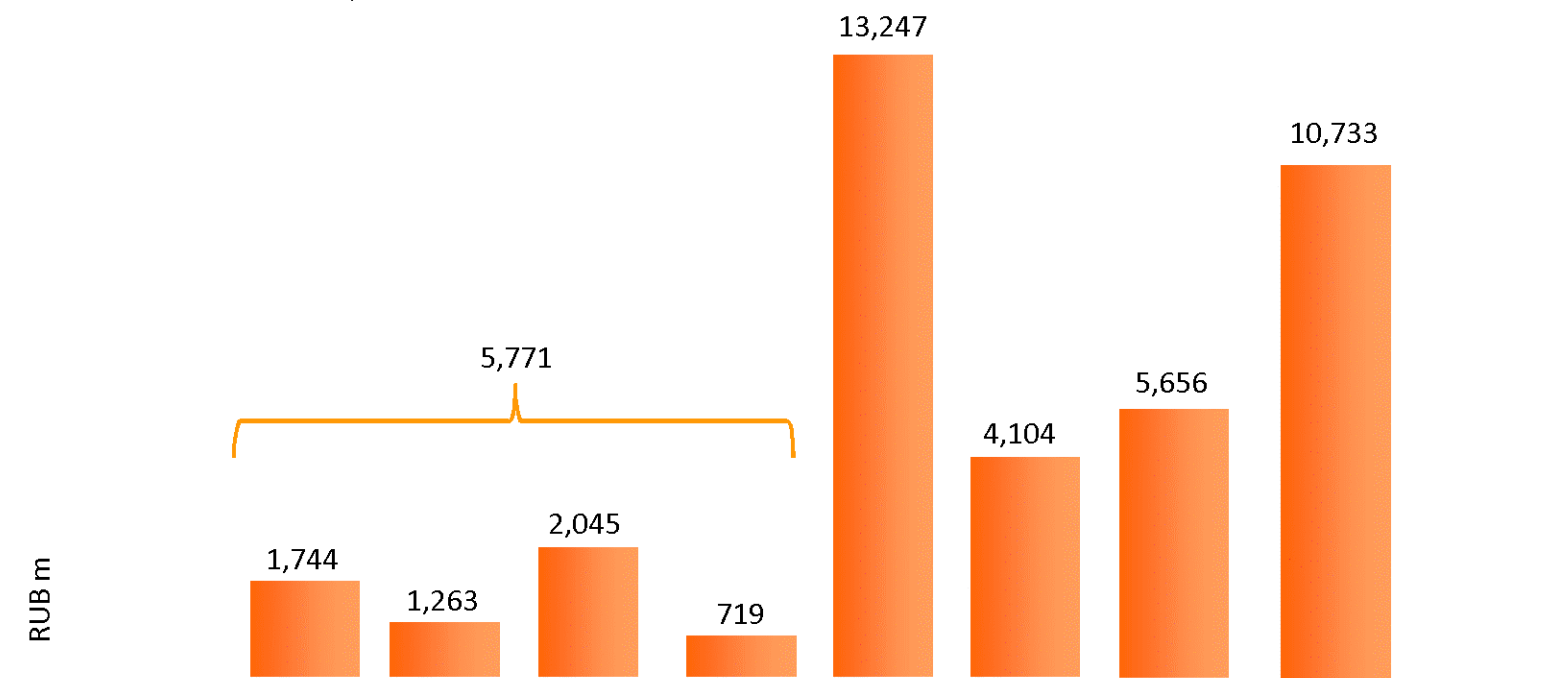


Stage of development	NSA ('000 m2)	% of total	MV (RUB m)	% of total
Concept Development	4,416	51%	32,126	27%
Designing	2,922	34%	38,425	32%
Construction	1,267	15%	38,053	32%
Completed	36	0.4%	7,641	6%
Operating offices	18	0.2%	3,675	3%
Total	8,659	100%	119,921	100%

We aim to match the stages of development of our portfolio with the levels of demand for real estate

Debt maturity profile as of 31 December 2012

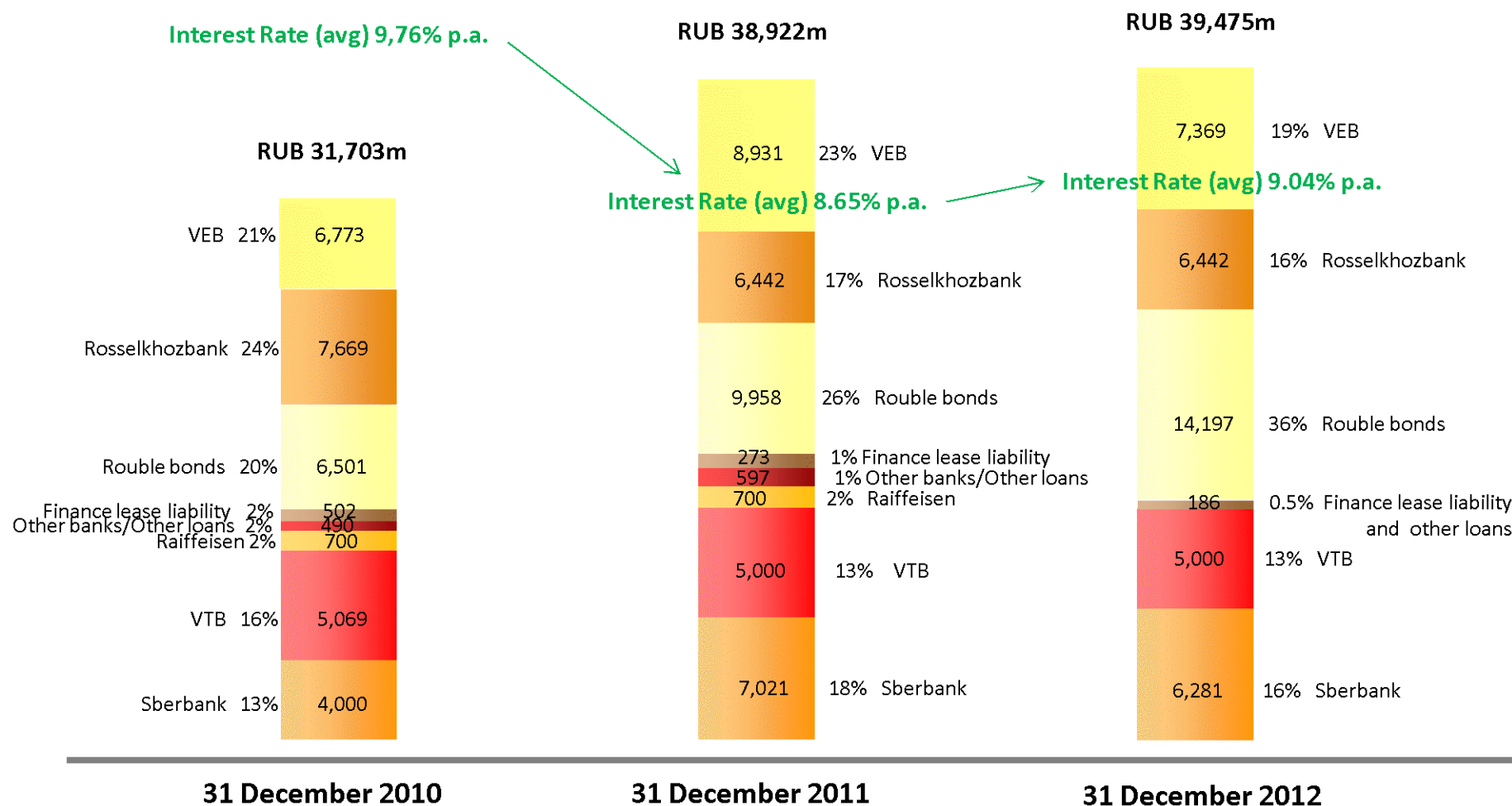
Total debt: RUB 39,511m*



	1Q 2013	2Q 2013	3Q 2013	4Q 2013	2014	2015	2016	2017>	Total
RUB m	1,744	850	2,045	306	12,421	3,278	4,830	8,668	34,142
USD m	0	14	0	14	27	27	27	68	177
EUR m	0	0	0	0	0	0	0	0	0
Total RUB m	1,744	1,263	2,045	719	13,247	4,104	5,656	10,733	39,511

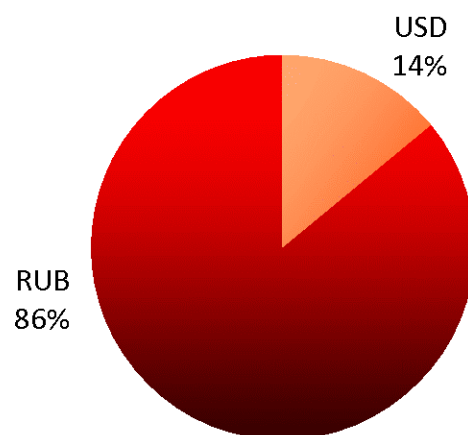
Note: 1) excluding finance lease liability and other loans

Gross debt by source as of 31 December 2012

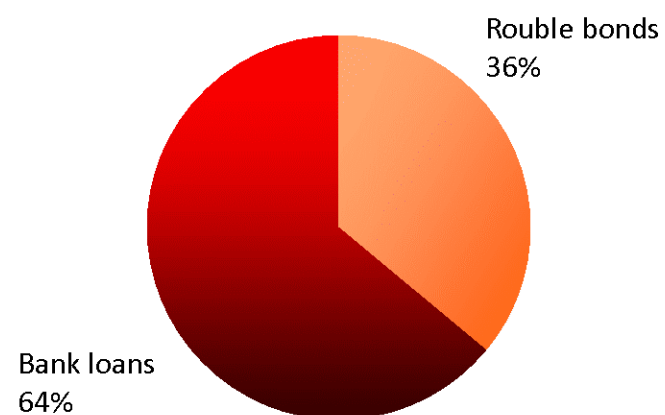


Debt composition as of 31 December 2012

Gross debt by currency



Gross debt composition

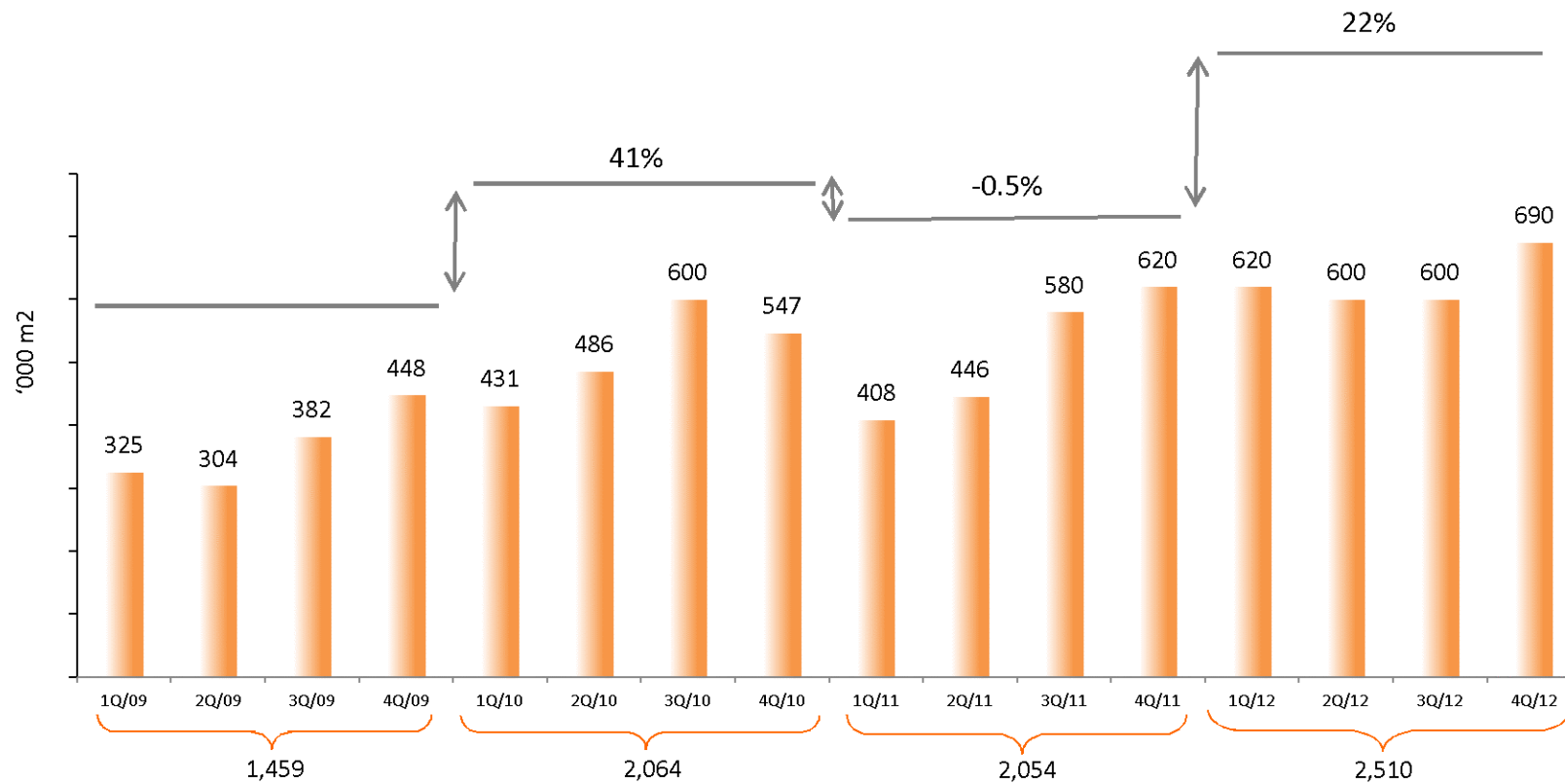


Note: 1) excluding finance lease liability and other loans

Source: Company

Sales of new apartments

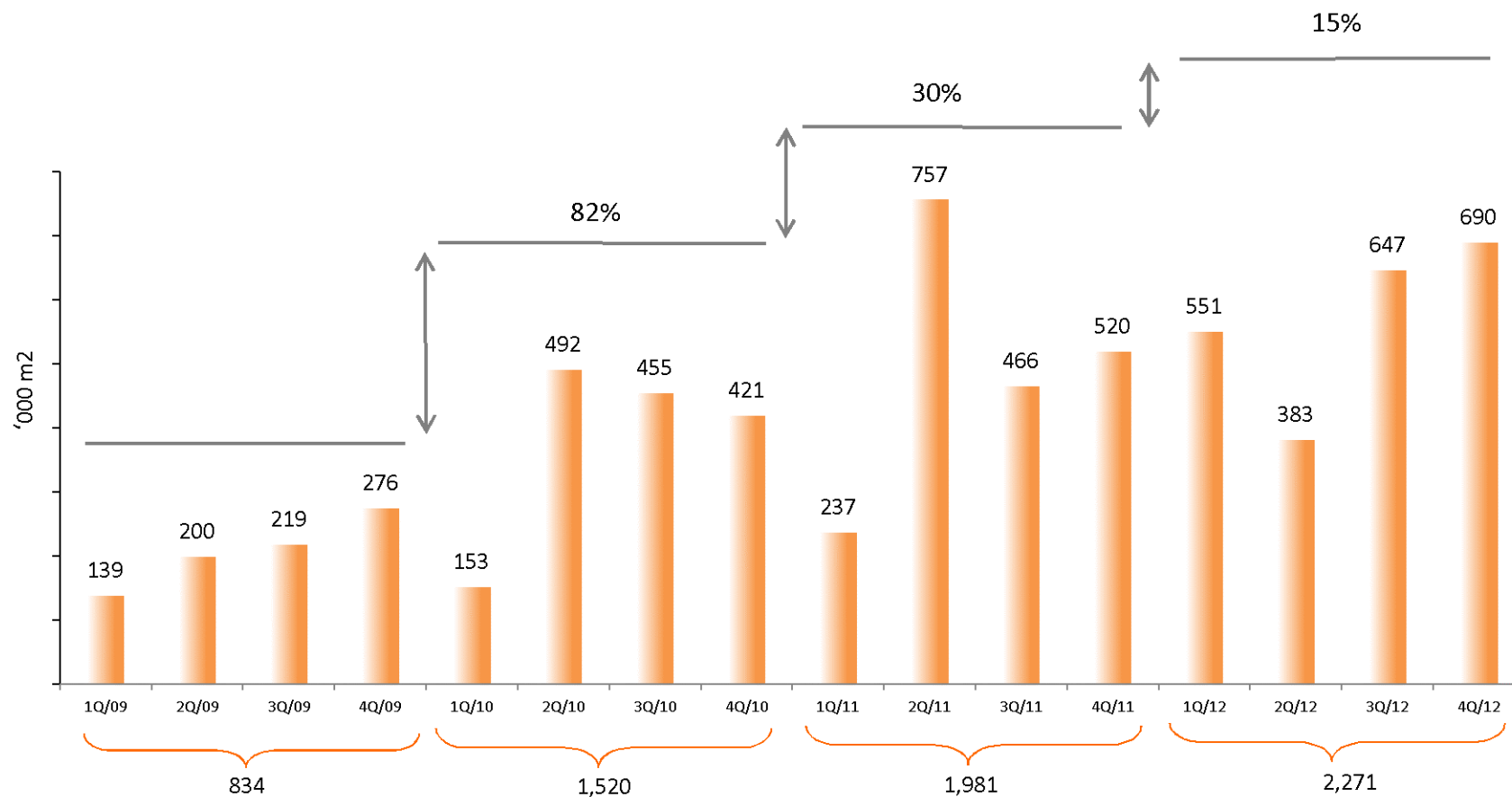
Sales of new apartments in St. Petersburg



Source: SPb Realty

Supply of new apartments

Supply of new apartments in St. Petersburg

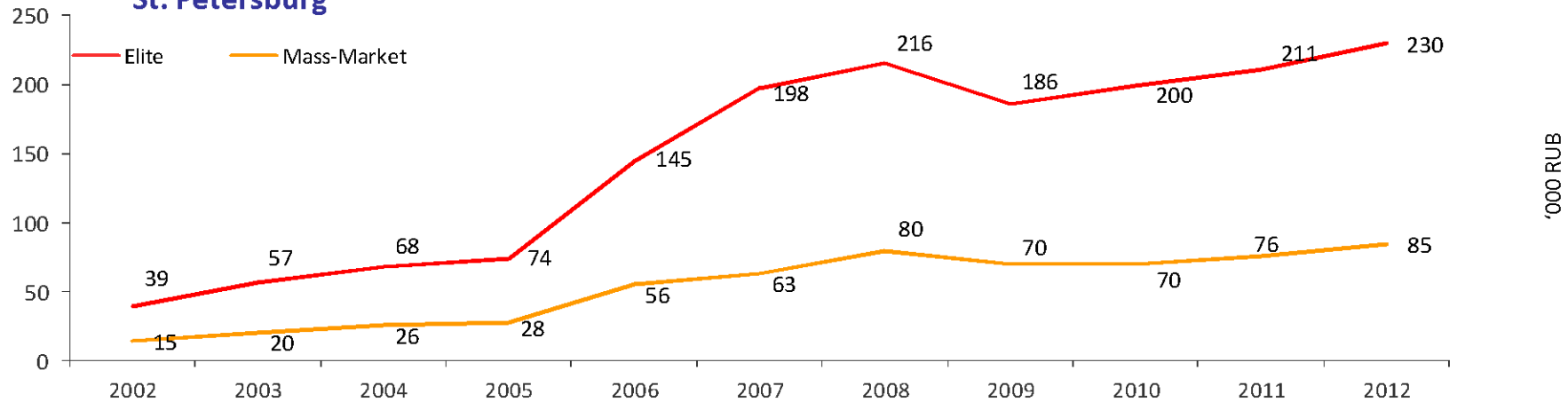


Source: SPb Realty

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

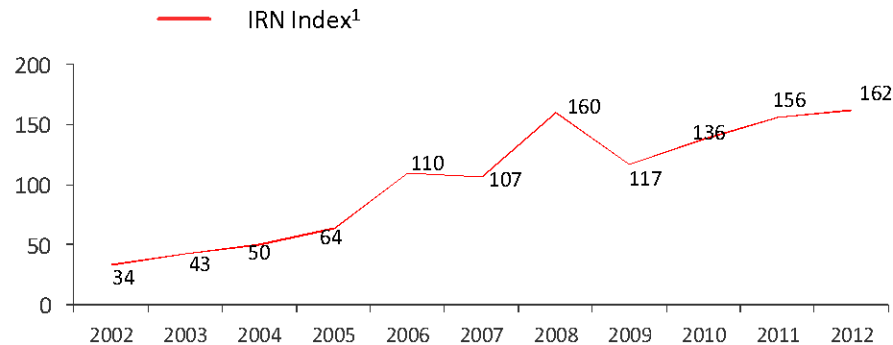
New residential real estate price development in St. Petersburg, Moscow and Yekaterinburg

St. Petersburg



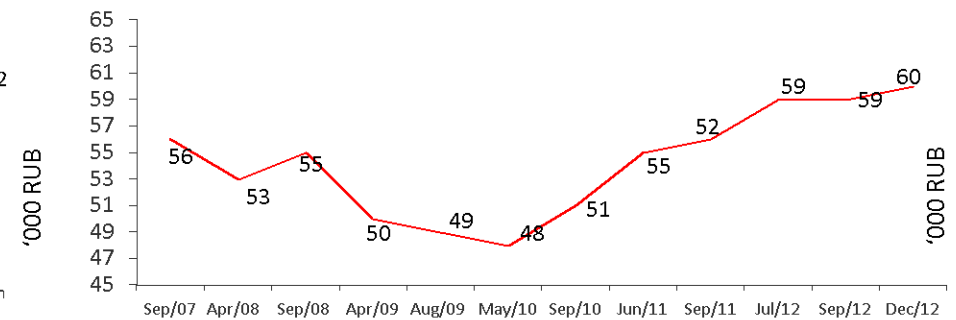
Source: SPb Realty

Moscow



Source: IRN

Yekaterinburg



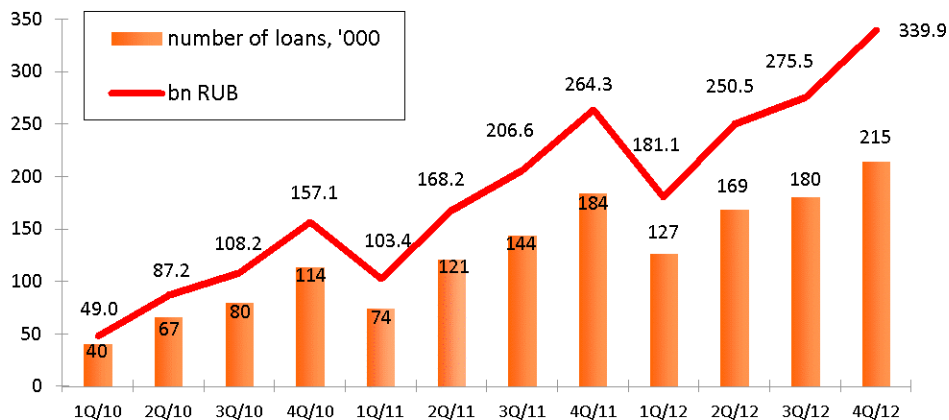
Source: Company

Notes: Prices as of the end of the respective periods

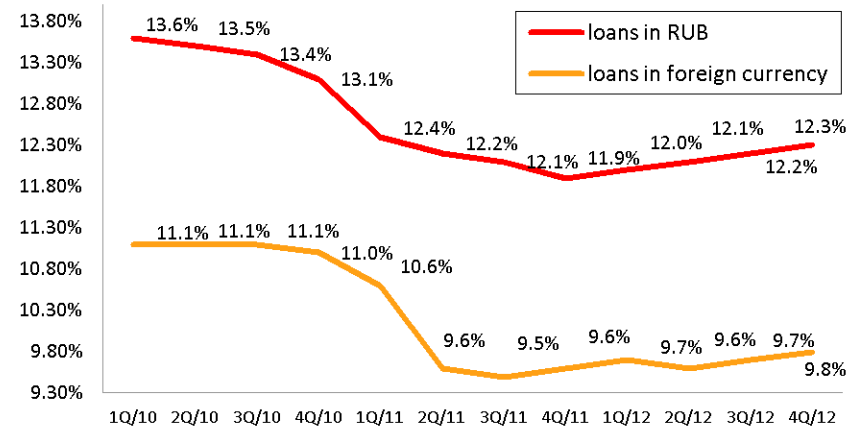
1) IRN Index is calculated on the basis of prices in both primary and secondary markets

Mortgage lending

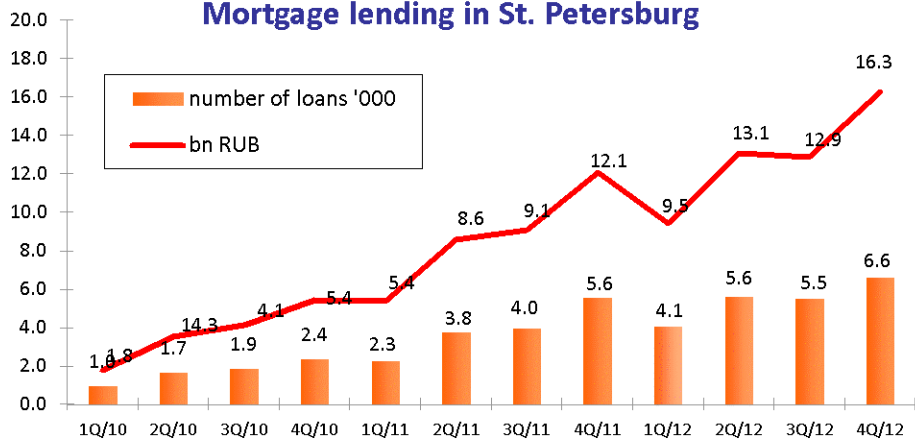
Mortgage lending in Russia



Average mortgage rates in Russia

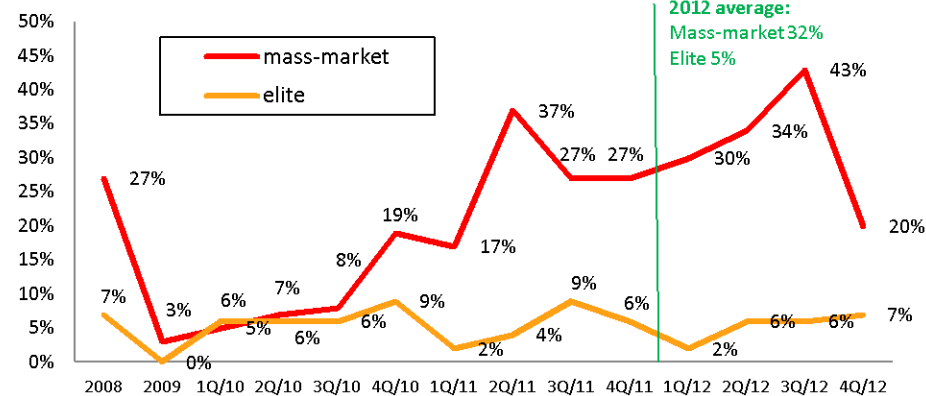


Mortgage lending in St. Petersburg



Source: SPb Mortgage Agency

LSR mortgage sales in St. Petersburg by number of deals



Source: Company

Contacts



LSR Group Investor Relations

Yuri Ilyin
36 Kazanskaya Street,
St Petersburg
190031, Russia



Phone: +7 812 326 9329
Fax: +7 812 312 8565
Mob: +7 921 906 7777
Email: ilyin@lsrgroup.ru