

# 3Q 2015 Trading Volume Update



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# Agenda

1. Operating Results

2. Market update



# 3Q 2015 Results Highlights

## Operational Highlights

- 3Q 2015 new contract sales – **161 th m<sup>2</sup> (-24%)**. Value of the contracts – **RUB 14.1bn (-21%)**,
- New contract sales **3Q vs 2Q 2015** – 161 th m<sup>2</sup> vs 118 th m<sup>2</sup> **(+37%)**,
- **304th m<sup>2</sup> (+59%)** of NSA launched to the market in 3Q 2015,
- In 3Q 2015 construction volume decreased by **27%**, down to **196 th m<sup>2</sup>**,
- Increase in sales of building materials in 3Q 2015: **reinforced concrete – 80 th m<sup>3</sup> (+4%)**,  
**aerated concrete – 429 th m<sup>3</sup> (+18%)**.

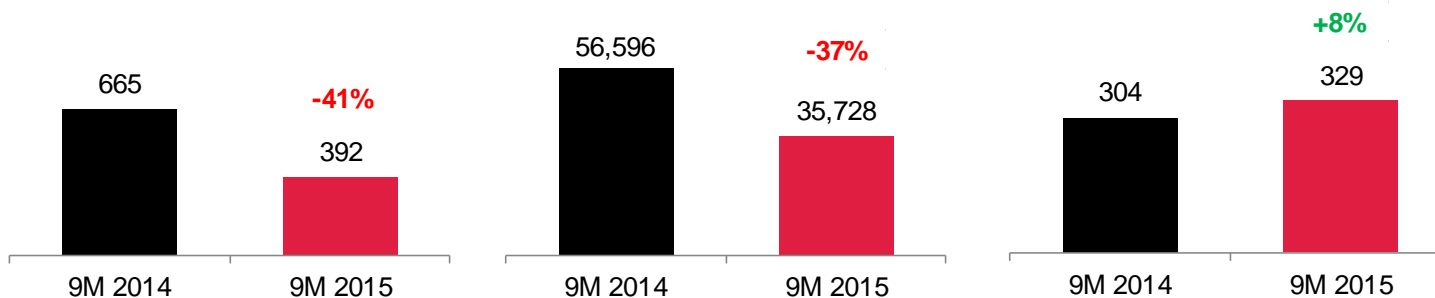
# Real estate development

New contract sales (‘000’ m<sup>2</sup>)

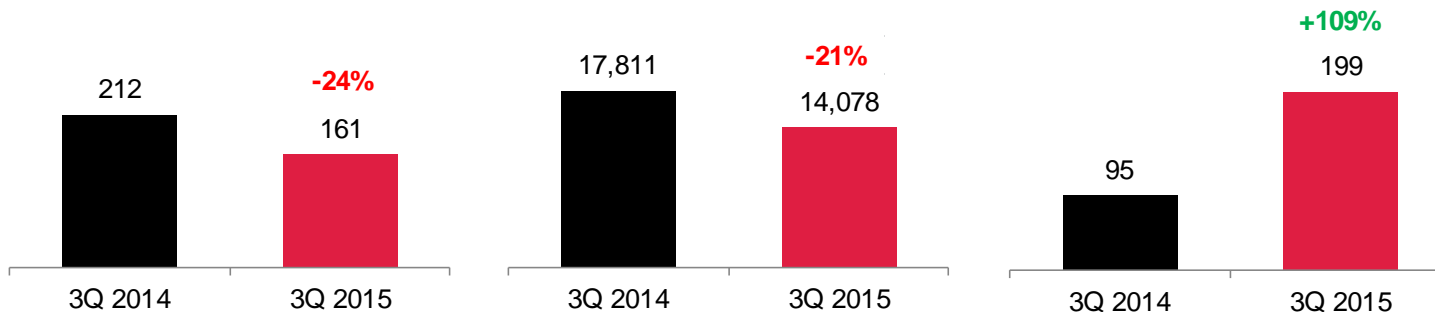
New contract sales (RUB m)

Completions (‘000 m<sup>2</sup>)

9M2015/  
9M2014

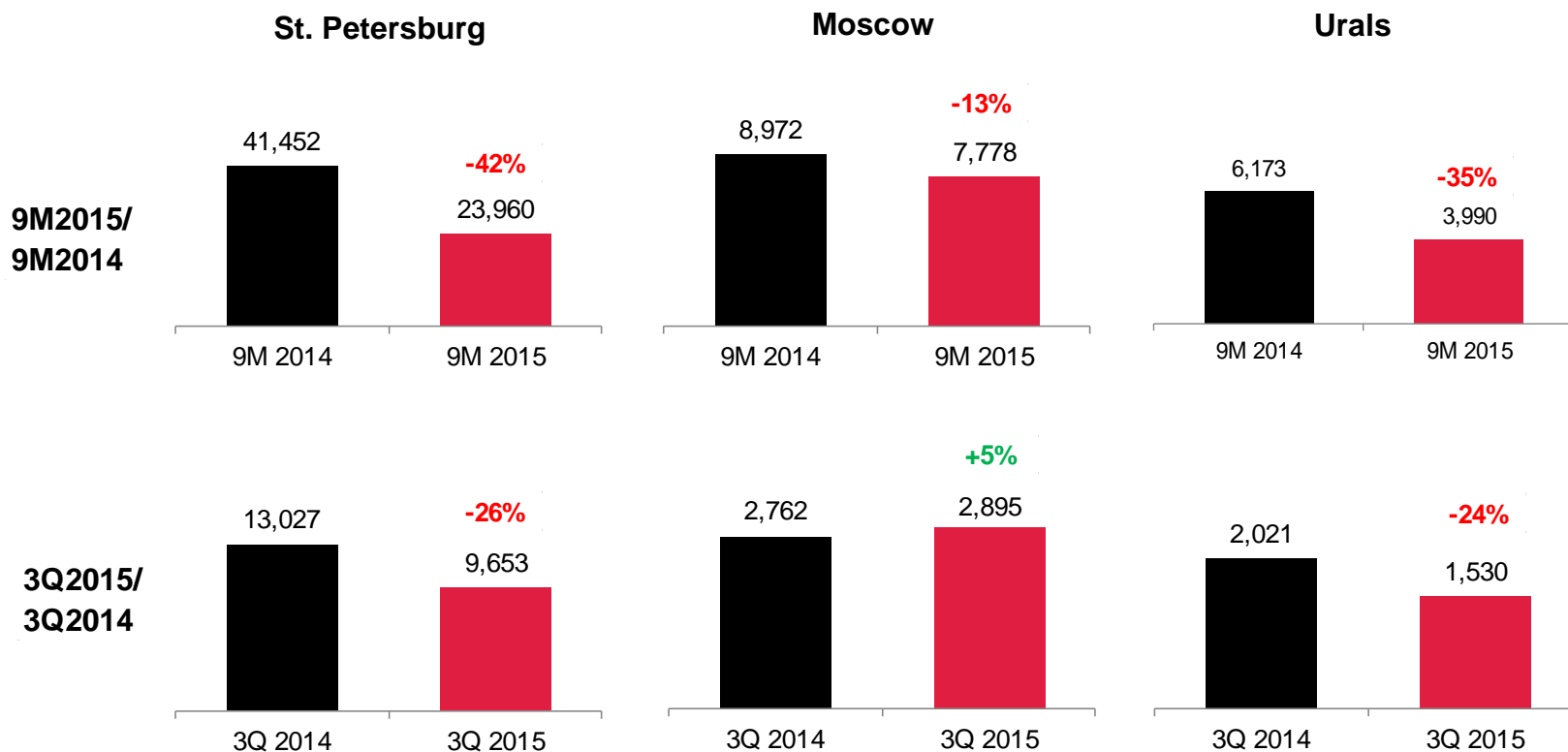


3Q2015/  
3Q2014



# Real estate development (region breakdown)

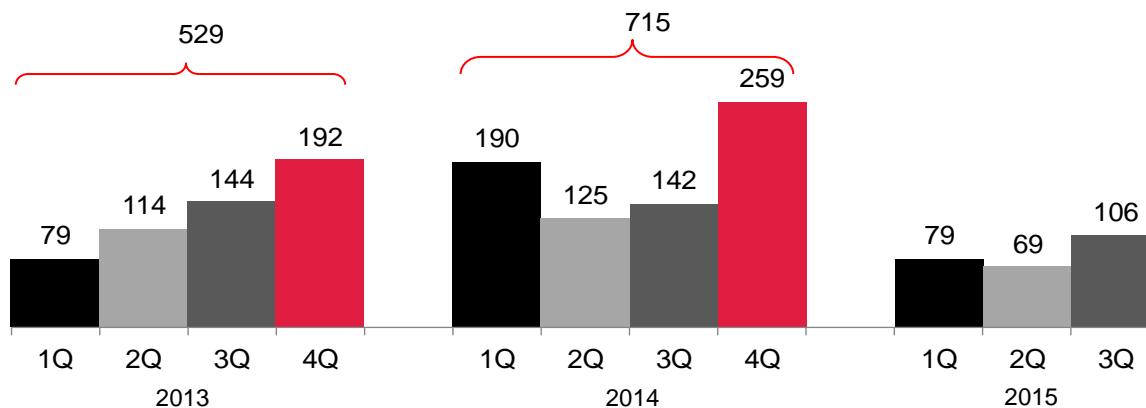
New contract sales (RUB m)



# Real estate development: St. Petersburg

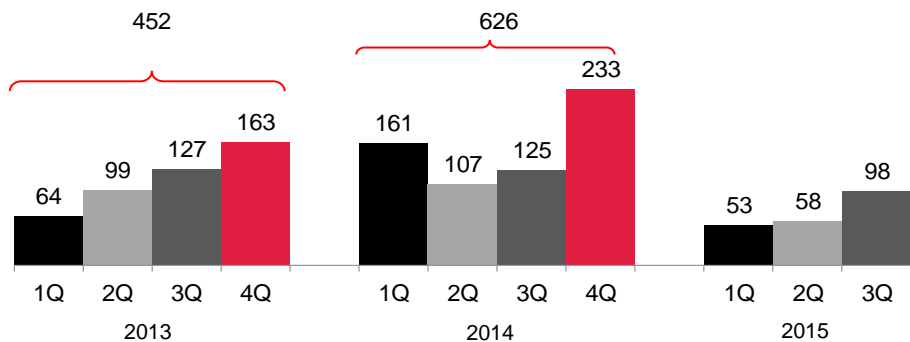
**New contract sales in St. Petersburg,**  
‘000 m<sup>2</sup>

9M2015/9M2014: **-48%**  
3Q2015/3Q2014: **-25%**



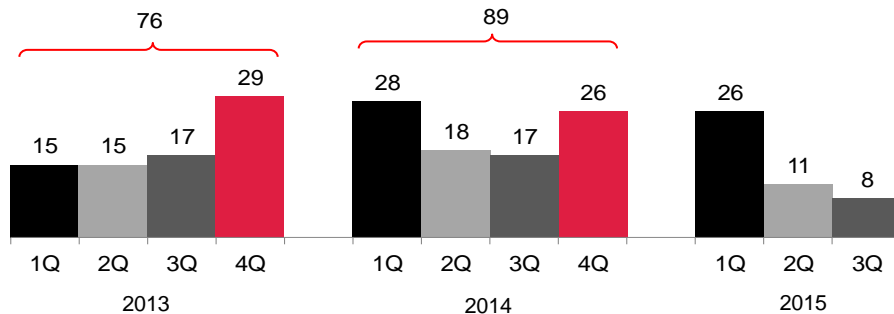
**New contract sales in mass market segment,**  
‘000 m<sup>2</sup>

9M2015/9M2014: **-47%**  
3Q2015/3Q2014: **-21%**



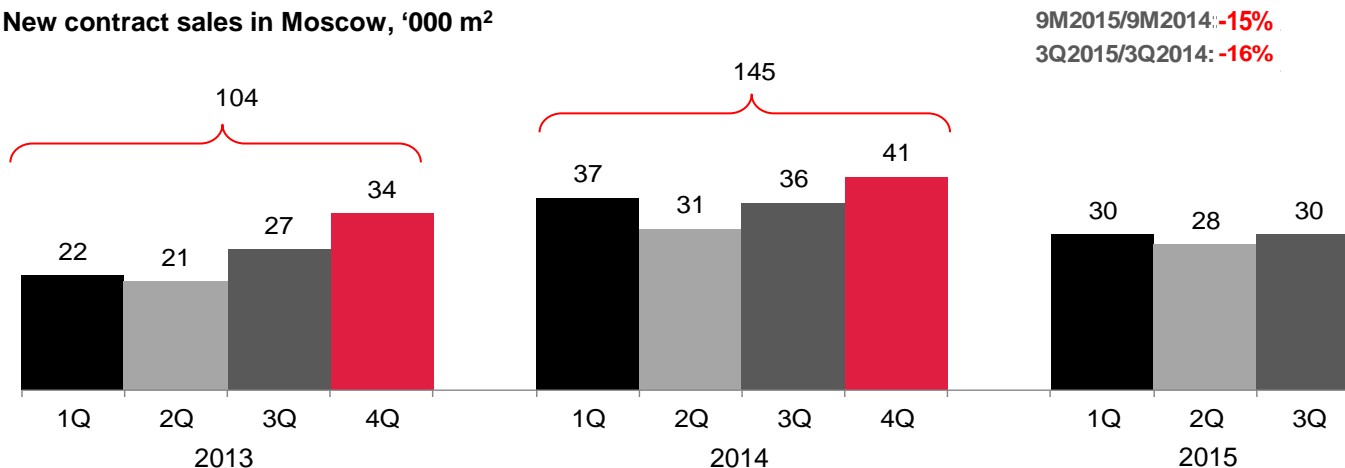
**New contract sales in elite segment,**  
‘000 m<sup>2</sup>

9M2015/9M2014: **-56%**  
3Q2015/3Q2014: **-51%**

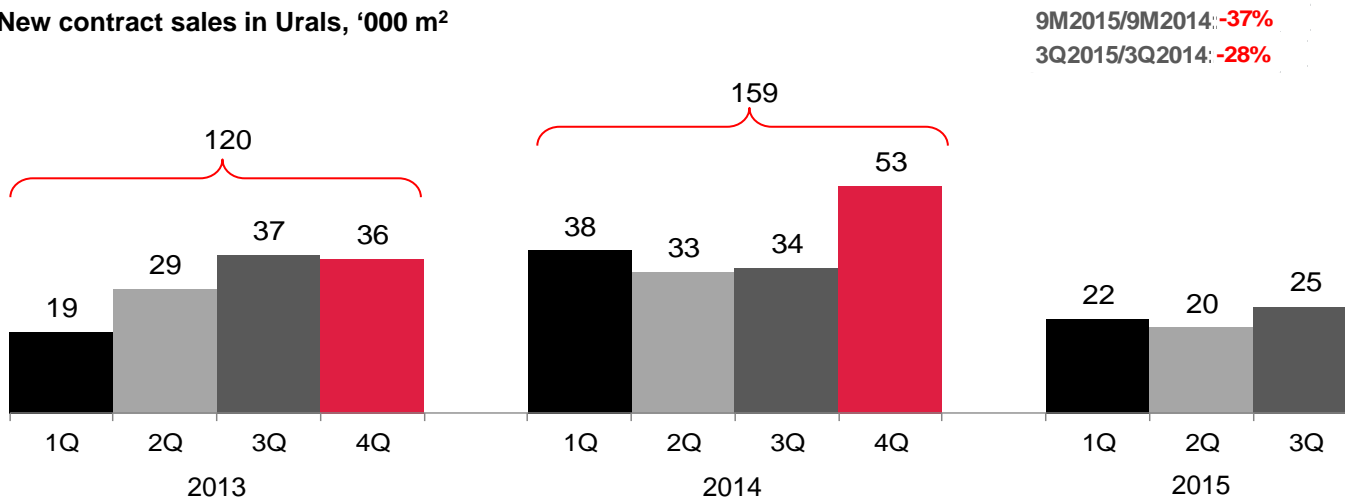


# Real estate development: Moscow and Urals

New contract sales in Moscow, '000 m<sup>2</sup>



New contract sales in Urals, '000 m<sup>2</sup>





# Key project launches 2015

St. Petersburg



Three winds *launched in April*  
54 th m<sup>2</sup>



Oktyabrskaya Naberezhnaya  
824 th m<sup>2</sup>



Russkiy Dom *launched in April*  
55 th m<sup>2</sup>



Smolenskaya 14 *launched in October*  
23 th m<sup>2</sup>

Moscow



ZILART *launched in September*  
952 th m<sup>2</sup>



Vzlet  
470 th m<sup>2</sup>



Leningradskoe shosse 58  
37 th m<sup>2</sup>

Yekaterinburg



Flagman *launched in June*  
70 th m<sup>2</sup>

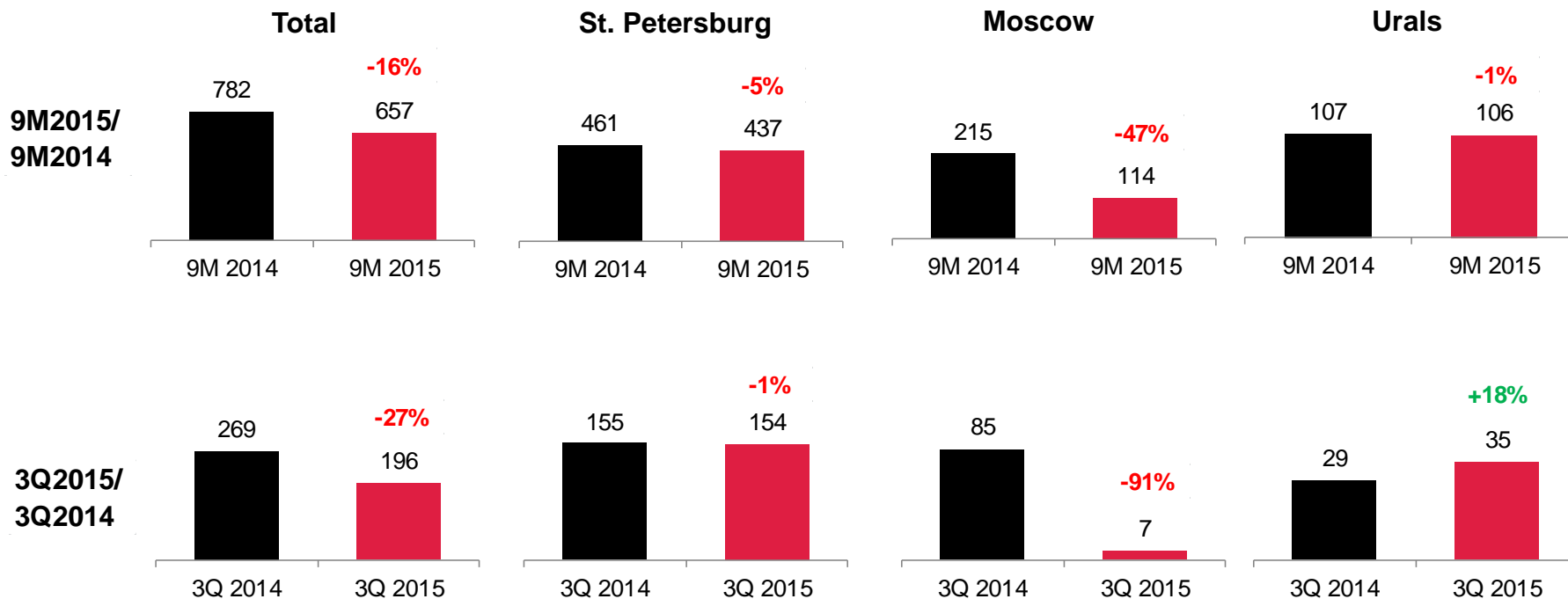


Rastochnaya  
9 th m<sup>2</sup>

**2015 total new supply:**  
**1m m<sup>2</sup>**  
(including new supply in the projects  
already launched to the market)

# Construction

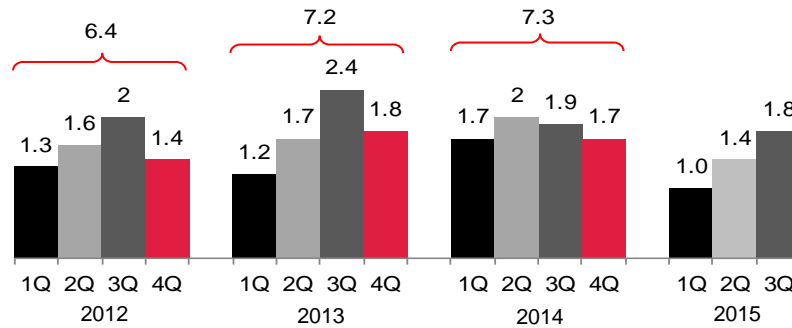
## Volume of construction works, '000 m<sup>2</sup>



# Building materials: Aggregates

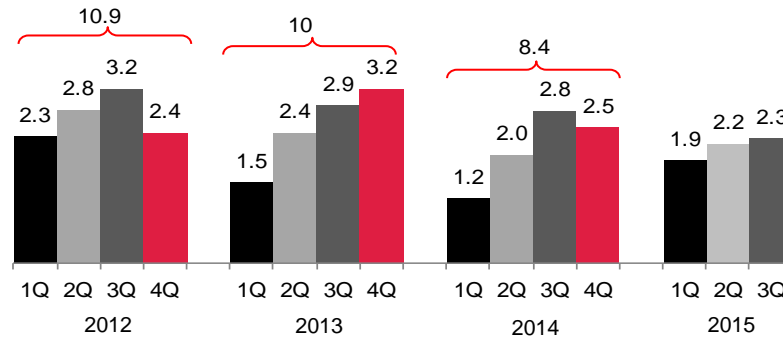
**Crushed granite, million m<sup>3</sup>**

9M2015/9M2014: **-25%**  
3Q2015/3Q2014: **-8%**



**Sand, million m<sup>3</sup>**

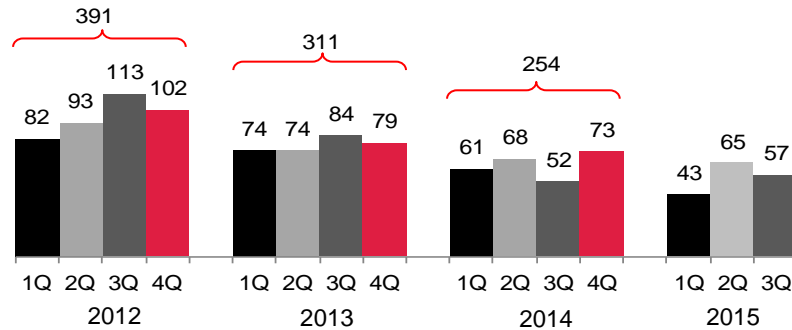
9M2015/9M2014: **+9%**  
3Q2015/3Q2014: **-18%**



## Building materials: Reinforced Concrete and Ready-Mix Concrete

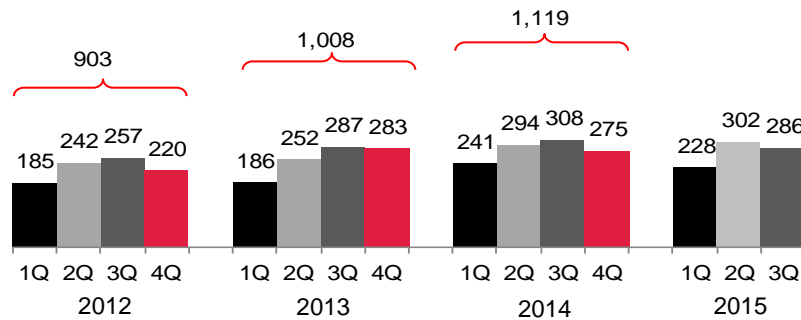
**Reinforced concrete, '000 m<sup>3</sup>**

9M2015/9M2014: **-9%**  
3Q2015/3Q2014: **+9%**



**Ready-mix concrete, '000 m<sup>3</sup>**

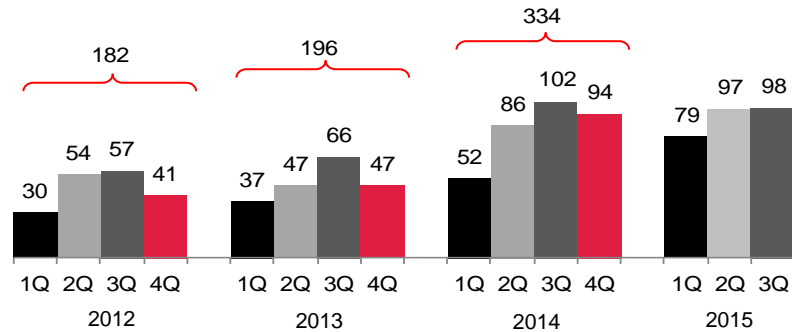
9M2015/9M2014: **-3%**  
3Q2015/3Q2014: **-7%**



# Building materials: Bricks and Aerated Concrete

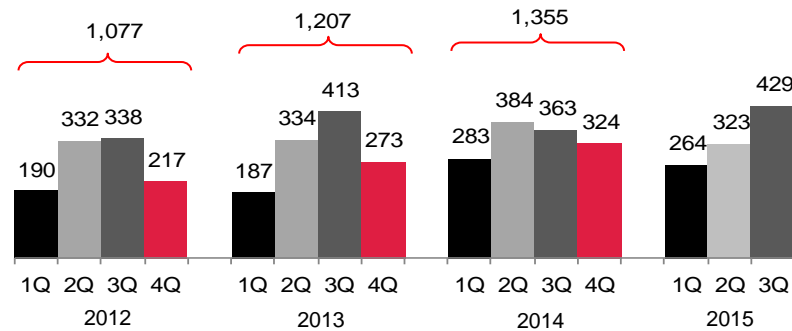
**Bricks, million nf**

9M2015/9M2014: **+14%**  
 3Q2015/3Q2014: **-4%**



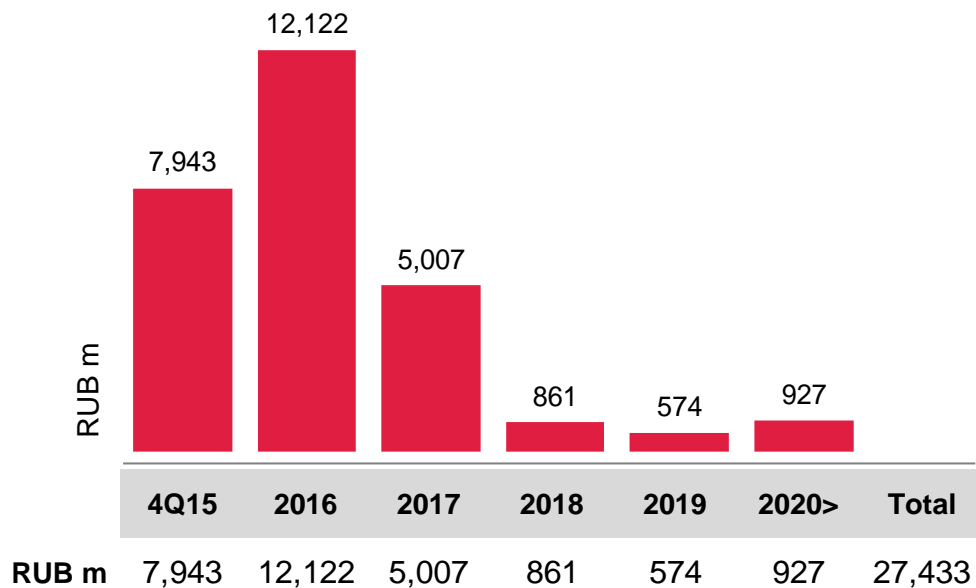
**Aerated concrete, '000 m<sup>3</sup>**

9M2015/9M2014: **-2%**  
 3Q2015/3Q2014: **+18%**



# Debt maturity profile as of 30 September 2015

Total debt: RUB 27,433m \*

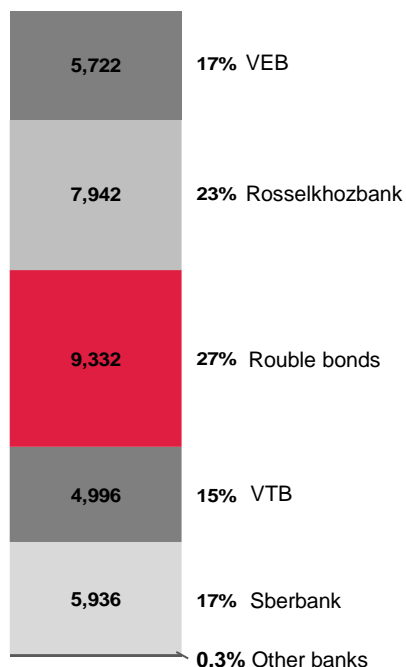


Note: \*excluding finance lease liability and other loans  
Source: Company

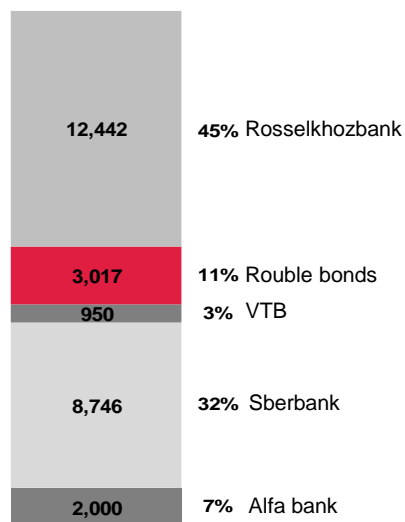
# Gross debt by source as of 30 September 2015

Interest Rate (avg) 8.87% p.a. ↗ Interest Rate (avg) 12.33% p.a. ↘ Interest Rate (avg) 11.62% p.a.

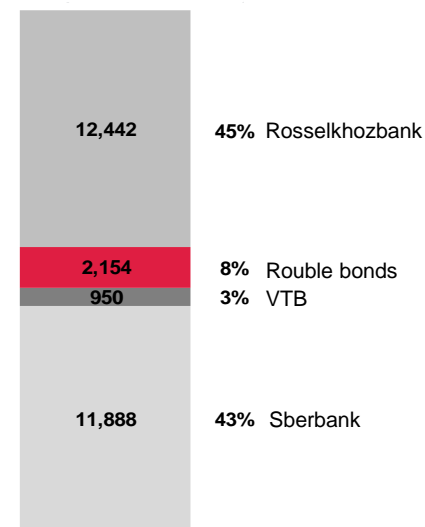
**RUB 34,022m**



**RUB 27,155m**



**RUB 27,433m**



**31 December 2013**

**31 December 2014**

**30 September 2015**

Note: \*excluding finance lease liability and other loans  
Source: Company



# Agenda

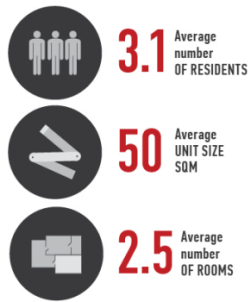
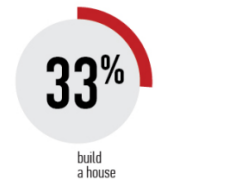
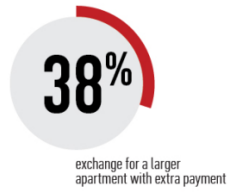
1. Operating Results

2. Market update

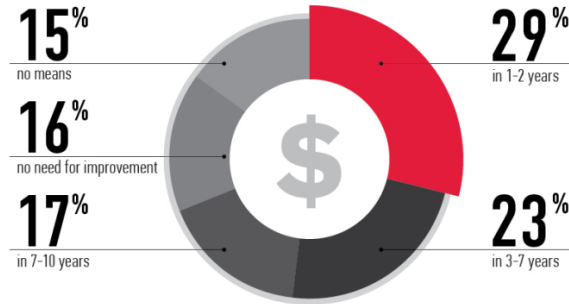


# Housing stock in Russia

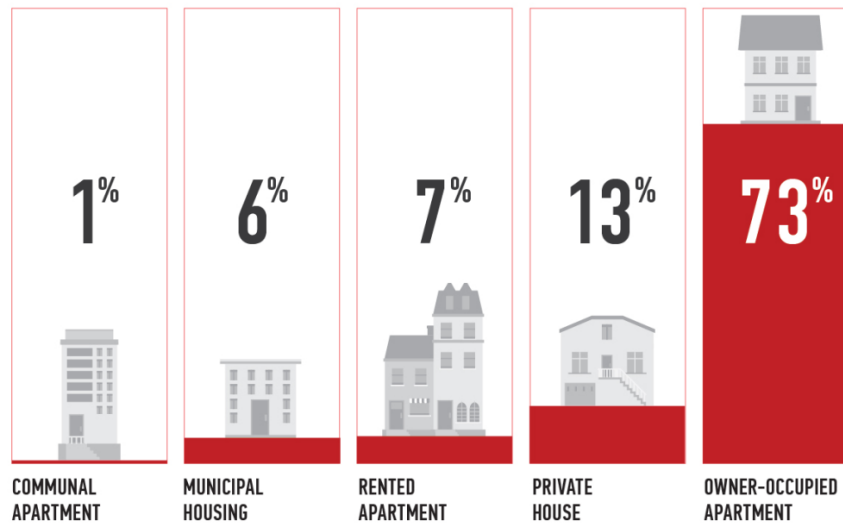
## IMPROVEMENT OPTIONS



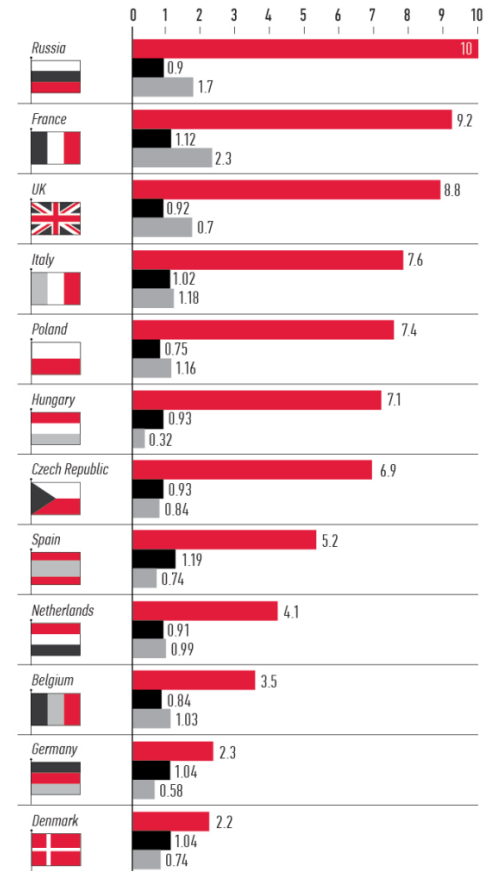
## PEOPLE'S HOUSING IMPROVEMENT PLANS IN RUSSIA



## PLACES OF RESIDENCE IN RUSSIA



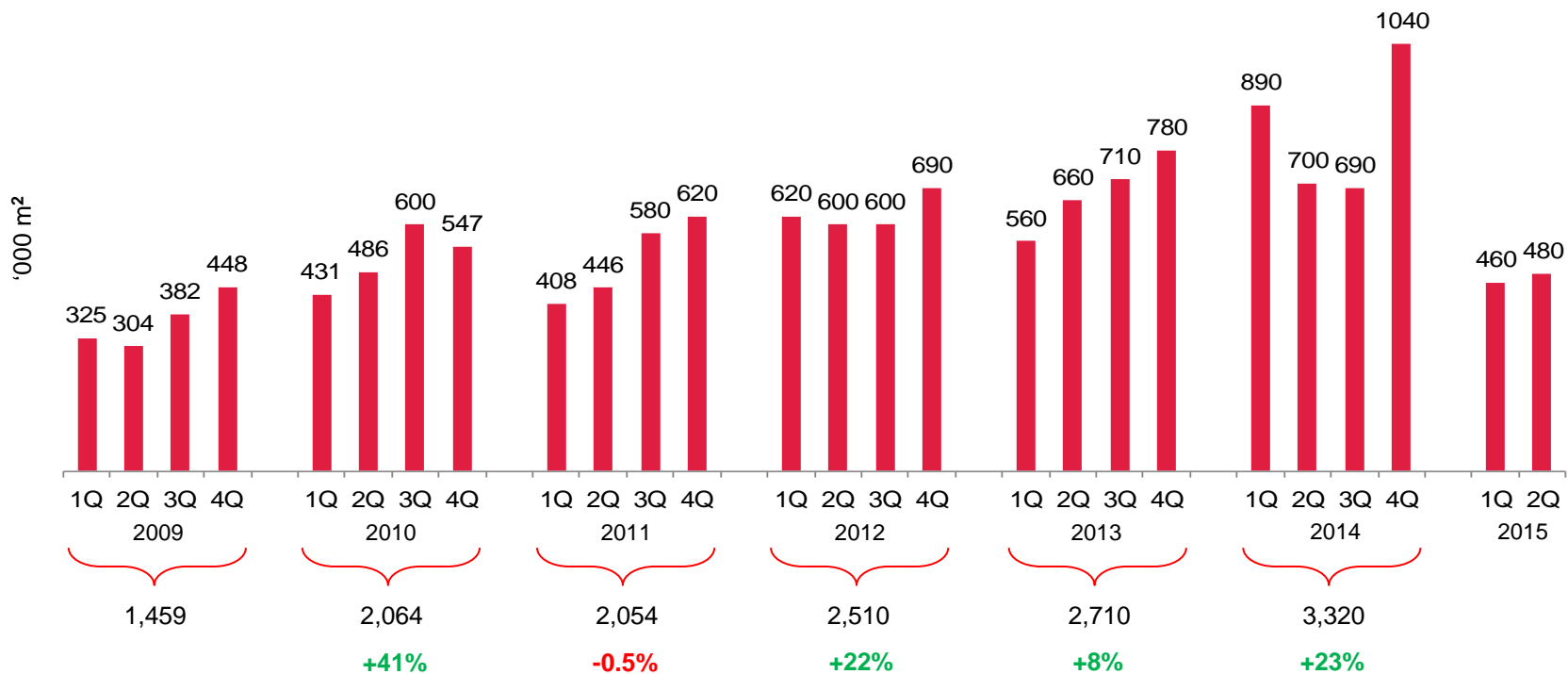
## INTERNATIONAL COMPARISONS



■ 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

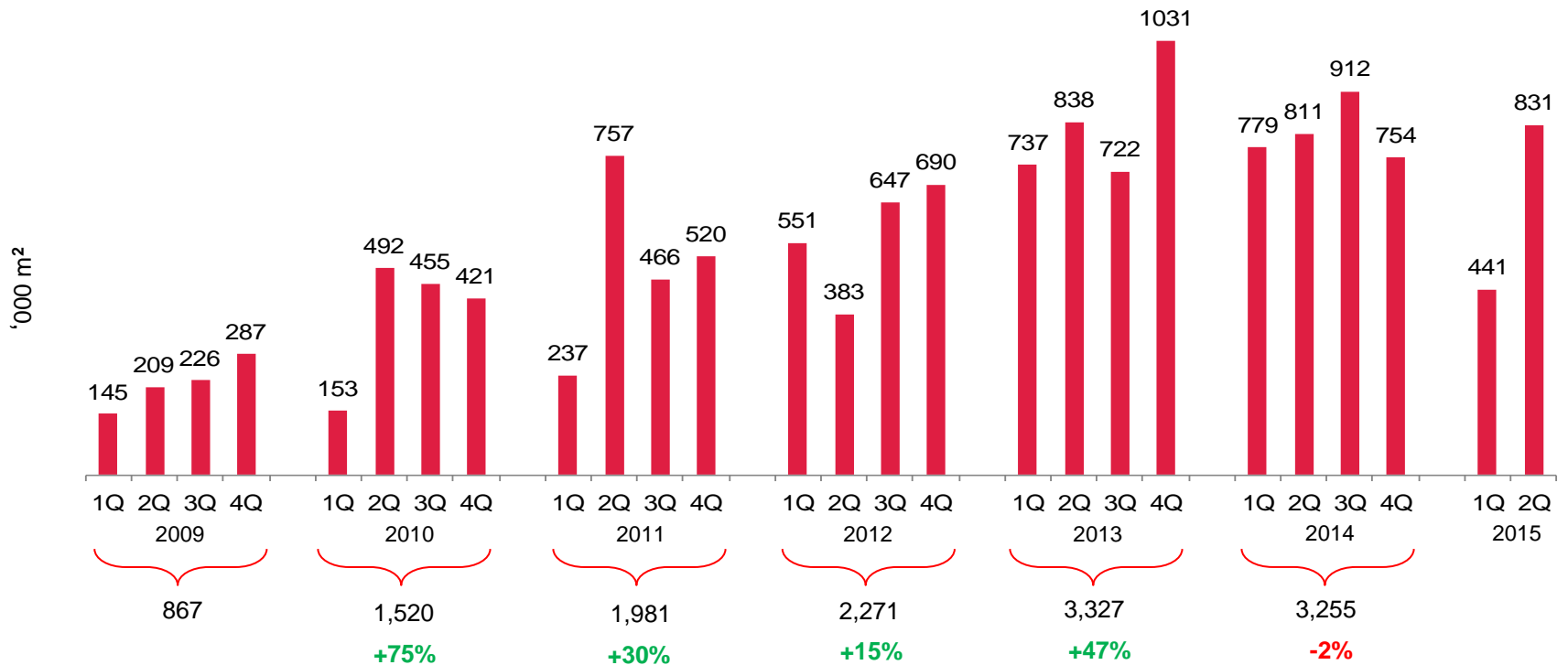
## Sales of new apartments in St. Petersburg



Source: SPb Realty

# Supply of new apartments

## Supply of new apartments in St. Petersburg

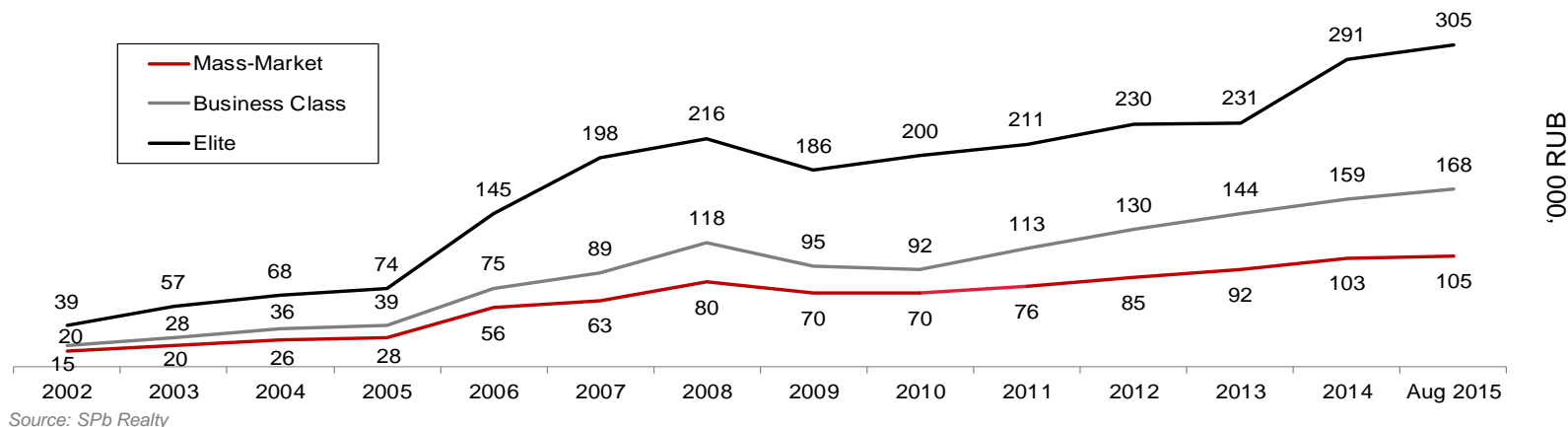


Source: SPb Realty

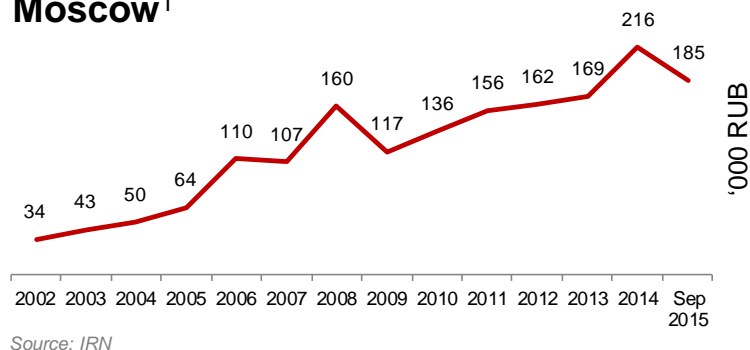
Note: Supply of new housing (apartments) represents residential projects at different stages of development which are offered for sale for the first time during the reported period

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

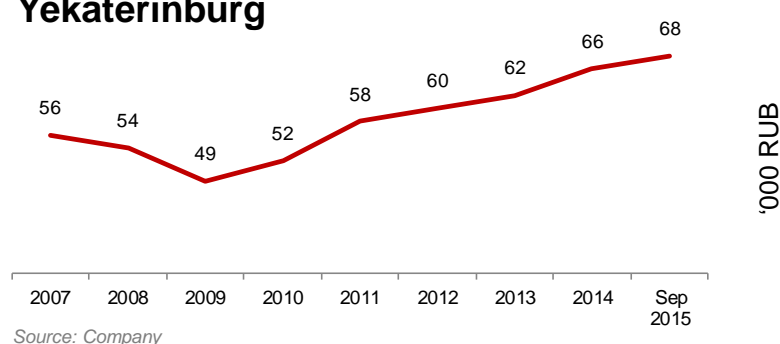
## St. Petersburg



## Moscow<sup>1</sup>



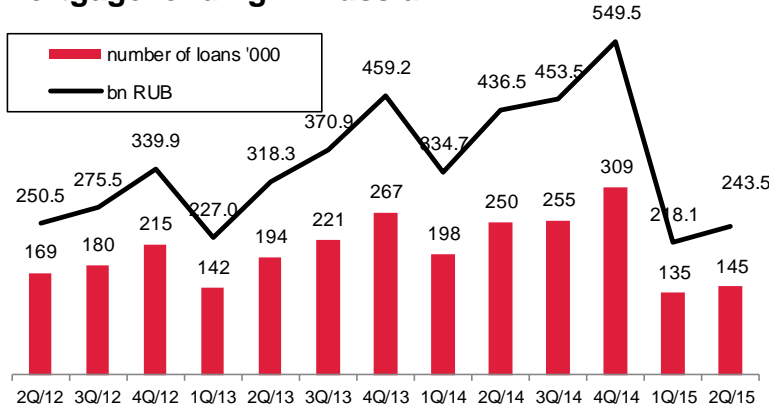
## Yekaterinburg



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

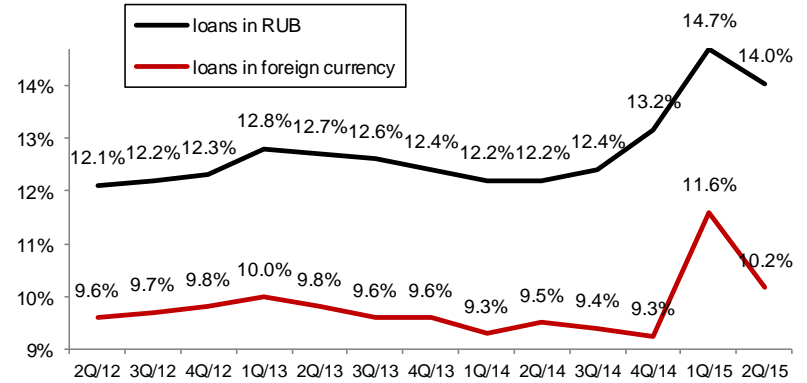
# Mortgage lending

## Mortgage lending in Russia



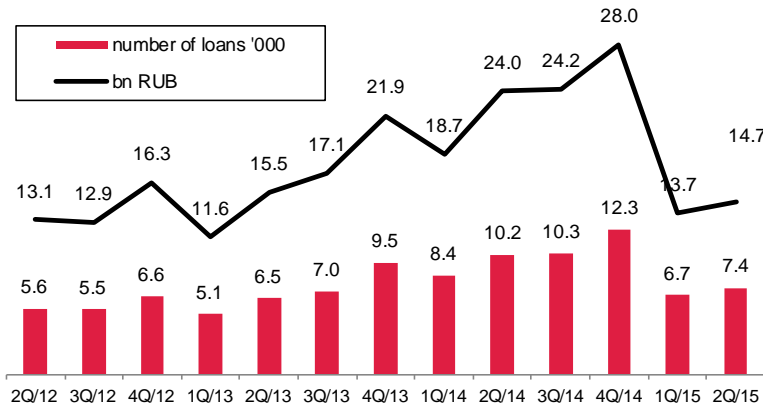
Source: CBR

## Average mortgage rates in Russia



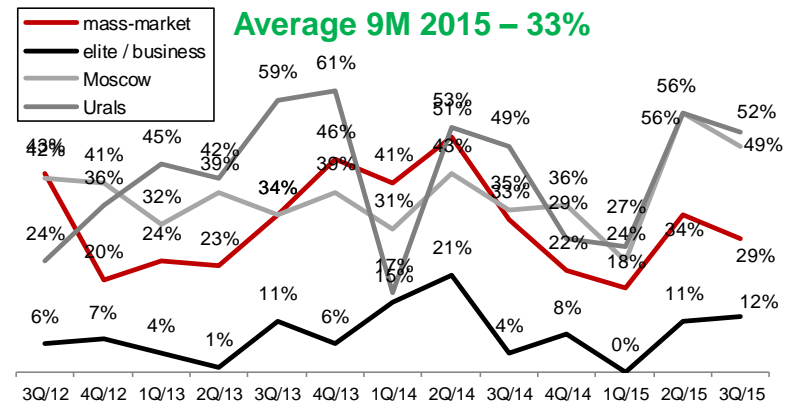
Source: CBR

## Mortgage lending in St. Petersburg



Source: AIZhK

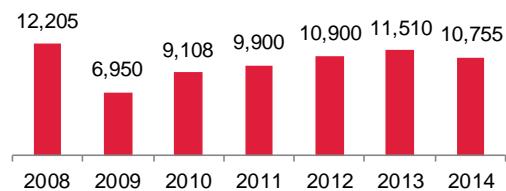
## LSR mortgage sales in Regions by number of deals



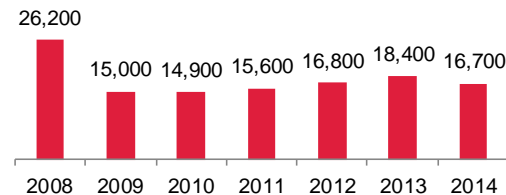
Source: Company

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

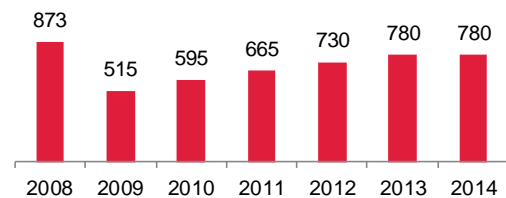
**Crushed granite, '000 m<sup>3</sup>**



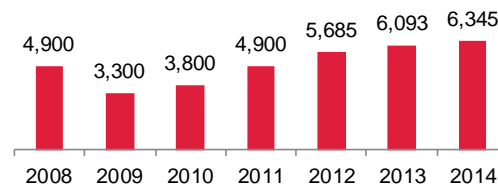
**Sand, '000 m<sup>3</sup>**



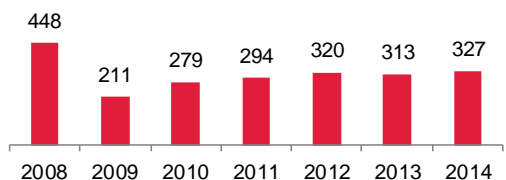
**Reinforced concrete, '000 m<sup>3</sup>**



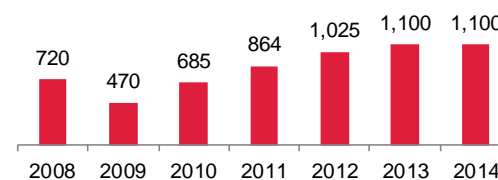
**Ready-mix concrete, '000 m<sup>3</sup>**



**Bricks, million nf**



**Aerated concrete, '000 m<sup>3</sup>**





## Contacts

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