1Q 2014 Trading Update

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Agenda

1. Operating Results

2. Market update

1Q 2014 Results Highlights

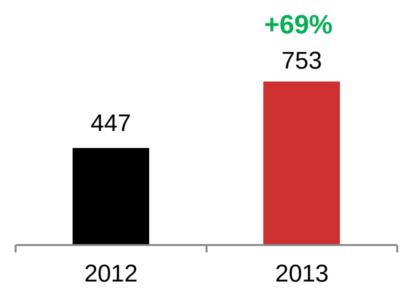
Operational Highlights

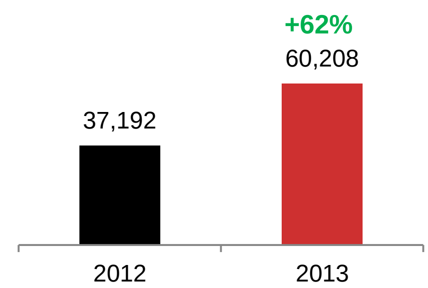
- New contract sales - **264 th m^2 (+122%)**. Value of the contracts – **RUB 22.6bn (+122%)**.
- The number of new contracts increased to **4,717** in 1Q 2014 (**+107%**).
- **230 th m^2** of NSA launched to the market in 1Q 2014.
- Construction volume increased by **27%**, up to **226 th m^2**.
- Large **land plot** of **175 ha** acquired on the territory of the former “Rzhevka” airfield near St.Petersburg, to build around **1 million m^2** of housing.
- Increase in sales of building materials: **cement – 257 th tonnes (+64%)**, **brick – 52m units (+41%), aerated concrete - 283 th m^3 (+52%) and crushed granite - 1.7m m^3 (+35%).**

Real estate development

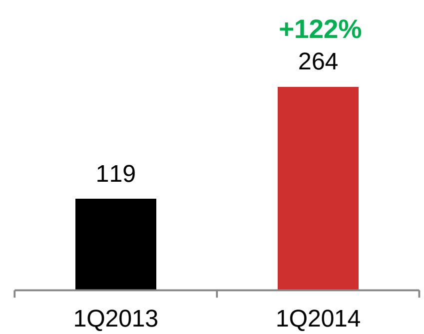
New contract sales (th m²) | **New contract sales (RUB m)**

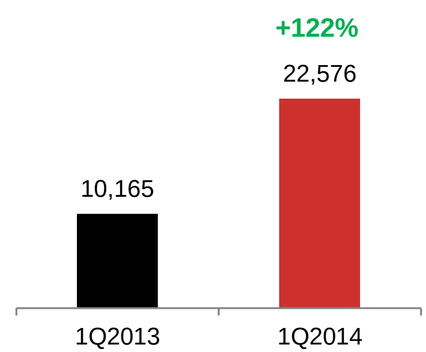
2013/2012





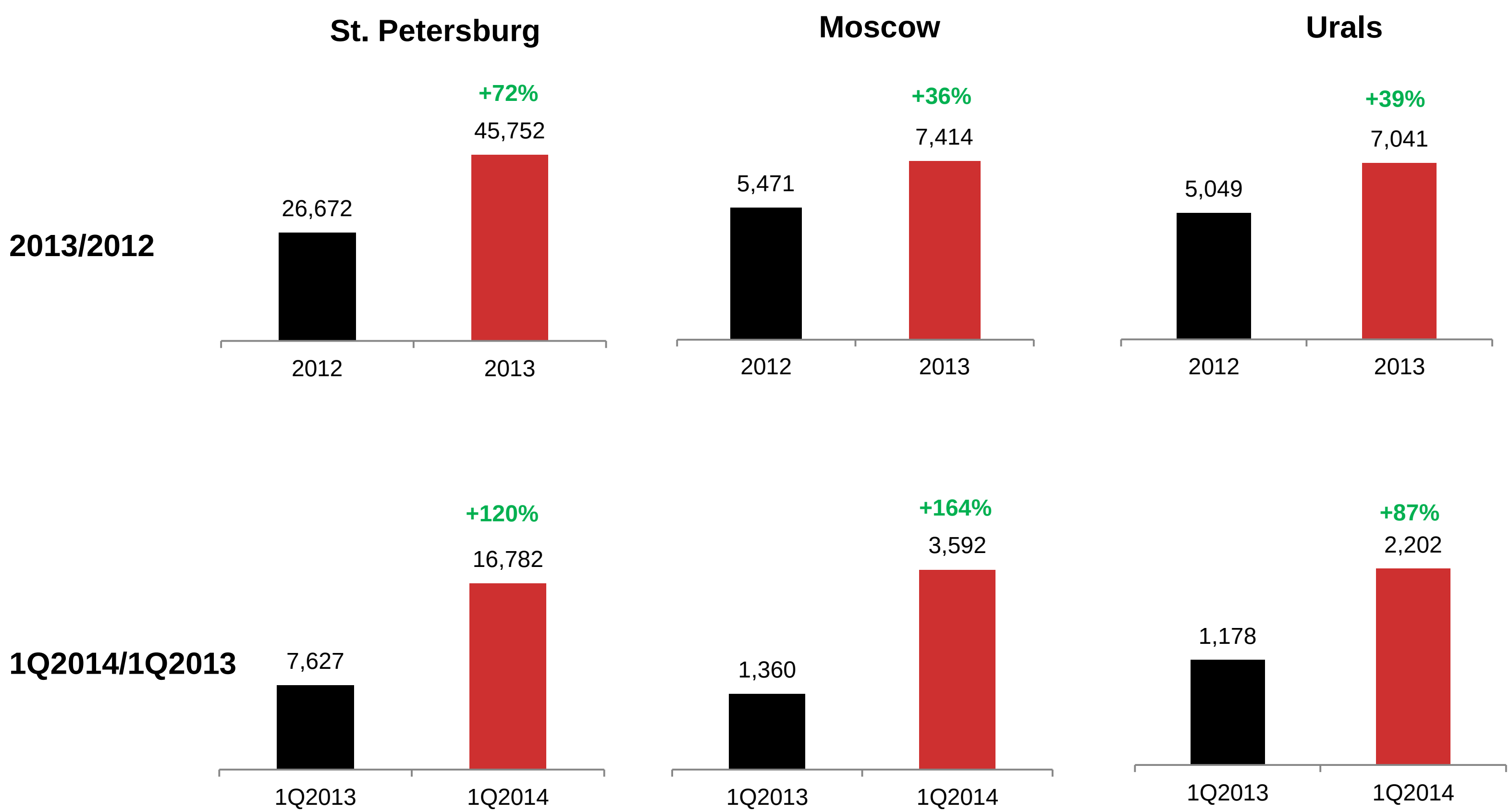
1Q2014/1Q2013





Real estate development

New contract sales (RUB m)



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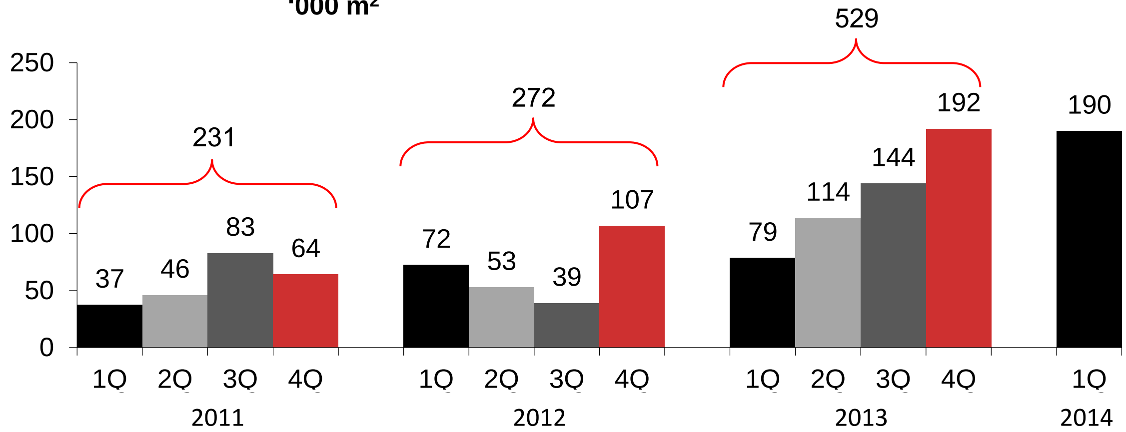
Real estate development: St. Petersburg

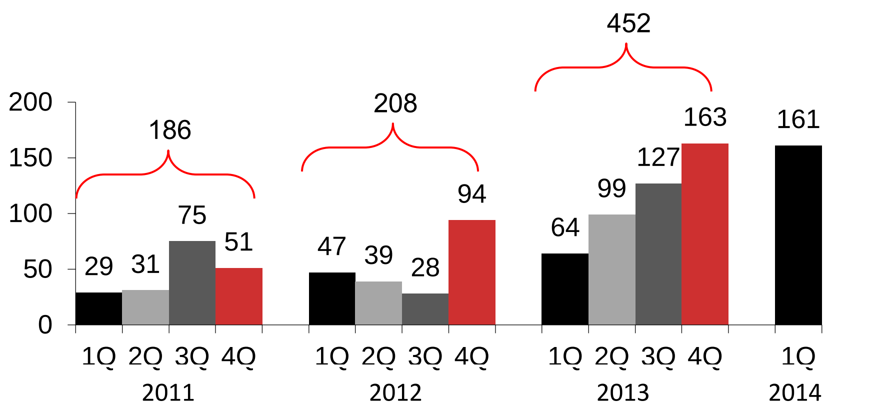
New contract sales in St. Petersburg, '000 m²

2013/2012: +94%
1Q2014/1Q2013: +141%



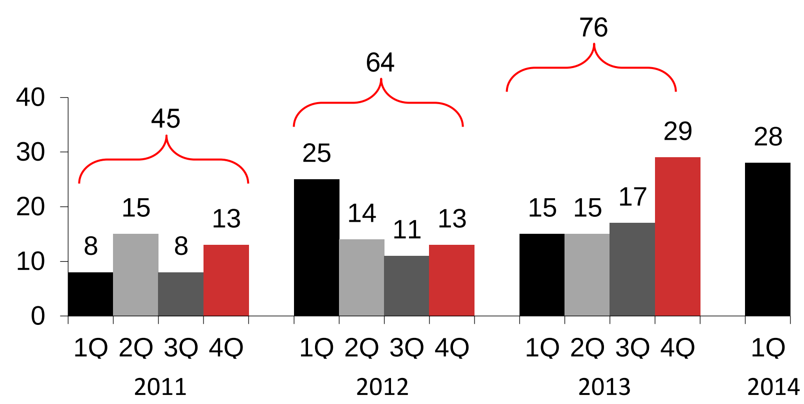
New contract sales in mass market segment, '000 m²

2013/2012: +117%
1Q2014/1Q2013: +154%



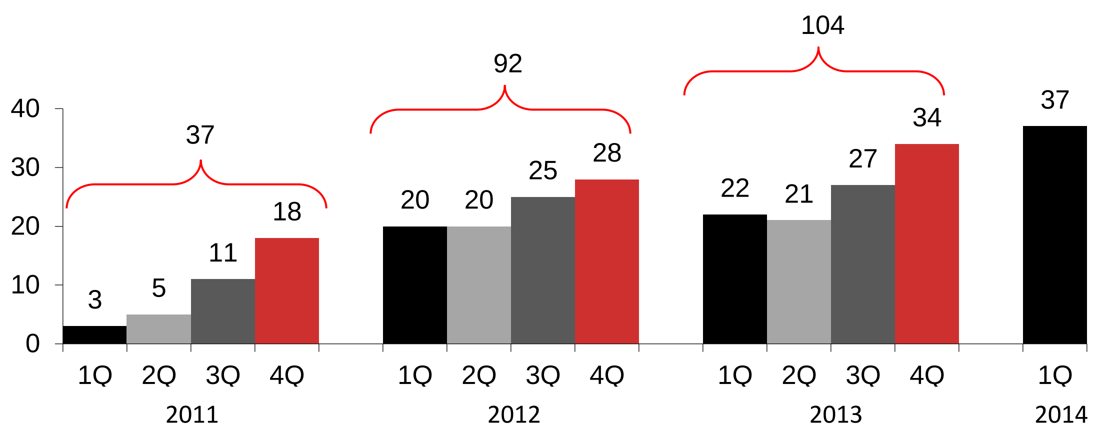
New contract sales in elite segment, '000 m²

2013/2012: +20%
1Q2014/1Q2013: +88%



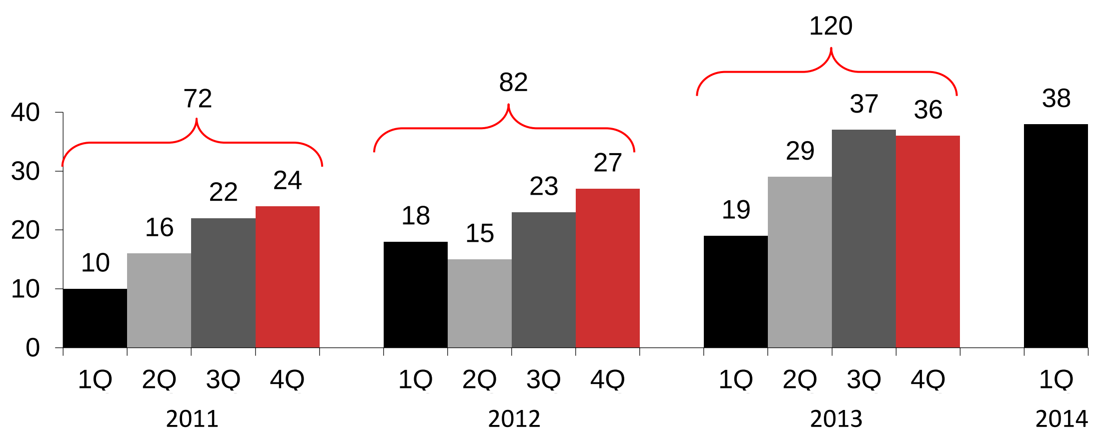
Real estate development: Moscow and Urals

New contract sales in Moscow, ‘000 m²



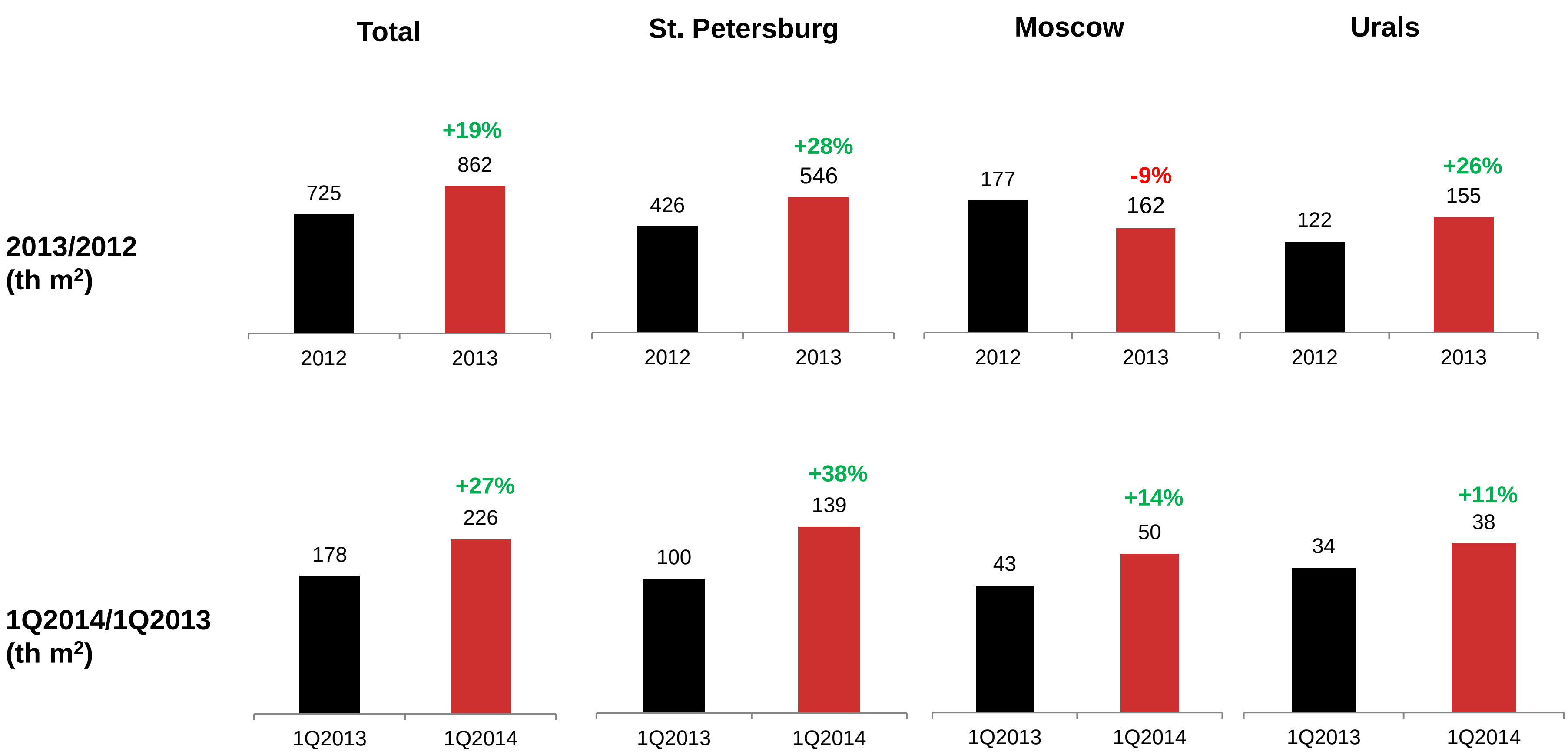
2013/2012: +12%
1Q2014/1Q2013: +70%

New contract sales in Urals, ‘000 m²



2013/2012: +46%
1Q2014/1Q2013: +102%

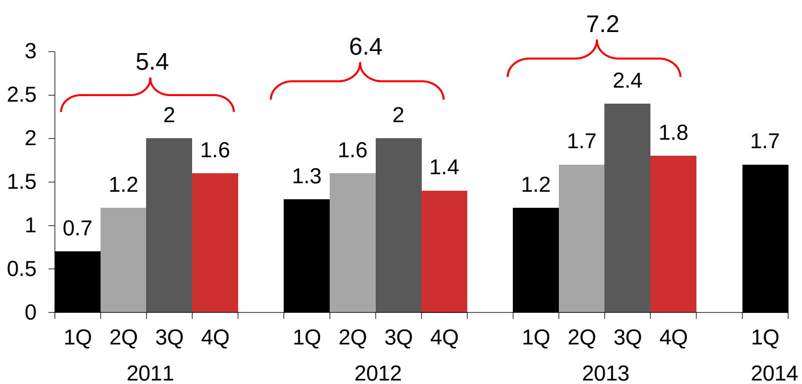
Construction



Building materials: Aggregates and Ready-Mix Concrete

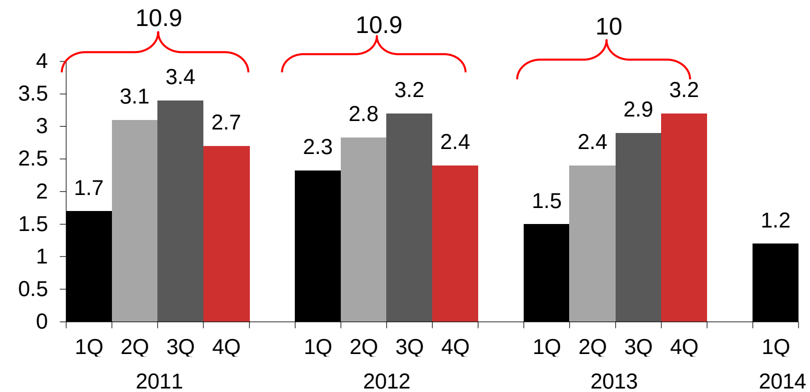
Crushed granite, million m³

2013/2012: +12%
1Q2014/1Q2013: +35%



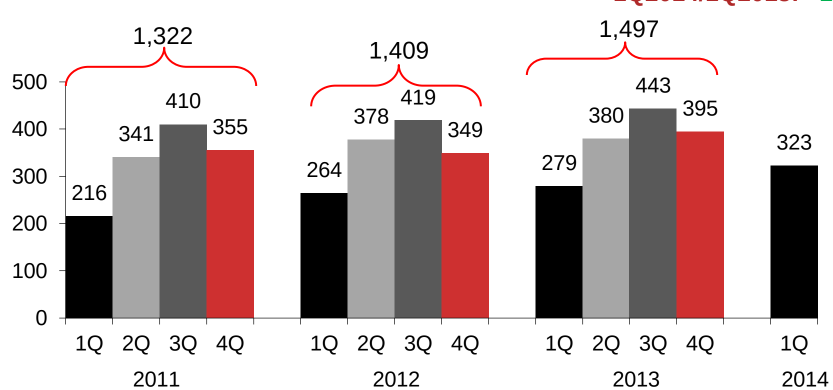
Sand, million m³

2013/2012: -8%
1Q2014/1Q2013: -24%



Ready-mix concrete, '000 m³

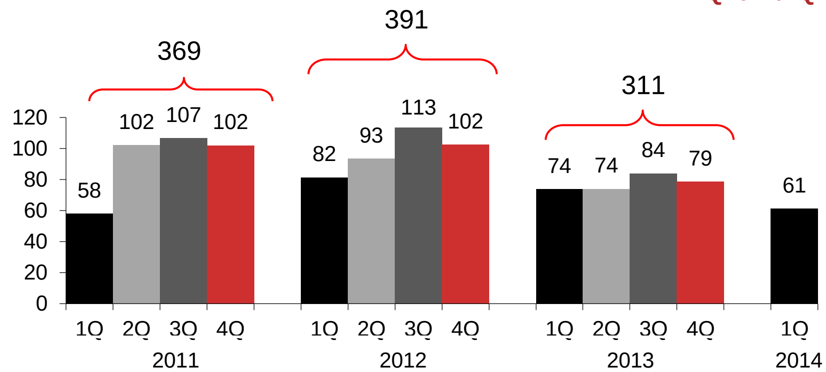
2013/2012: +6%
1Q2014/1Q2013: +16%



Building materials: Reinforced Concrete and Cement

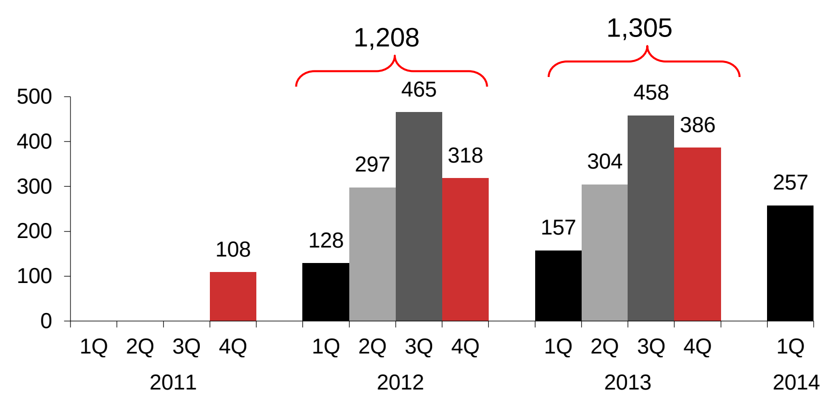
Reinforced concrete, '000 m^3

2013/2012: -21%
1Q2014/1Q2013: -17%

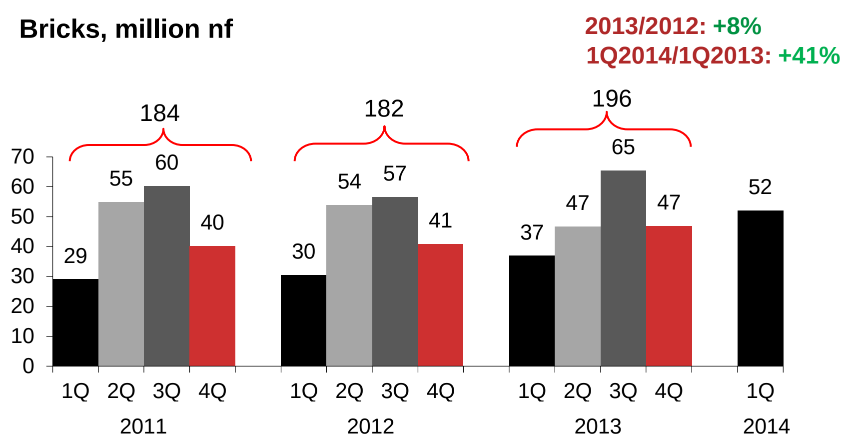


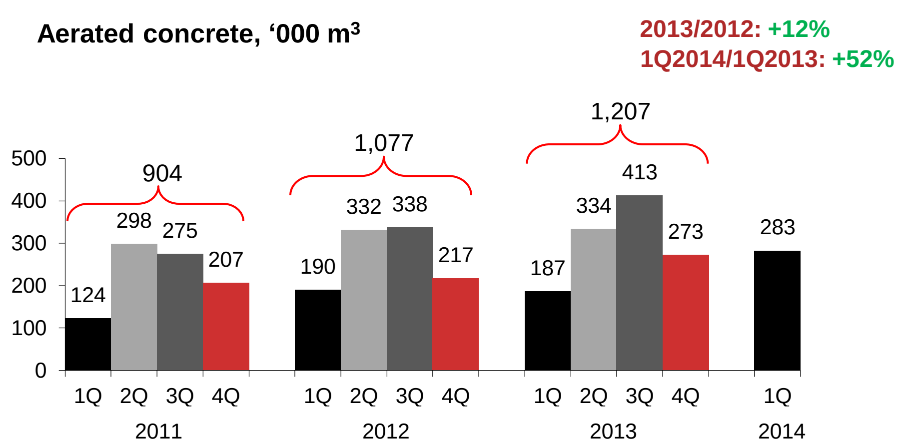
Cement, '000 tonnes

2013/2012: +8%
1Q2014/1Q2013: +64%



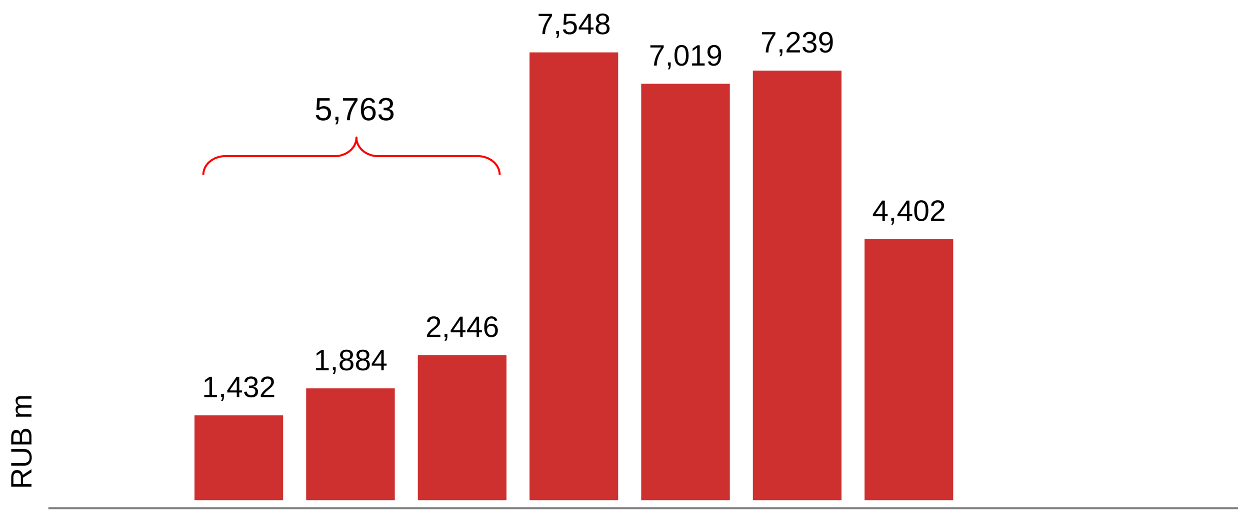
Building materials: Bricks and Aerated Concrete





Debt maturity profile as of 31 March 2014

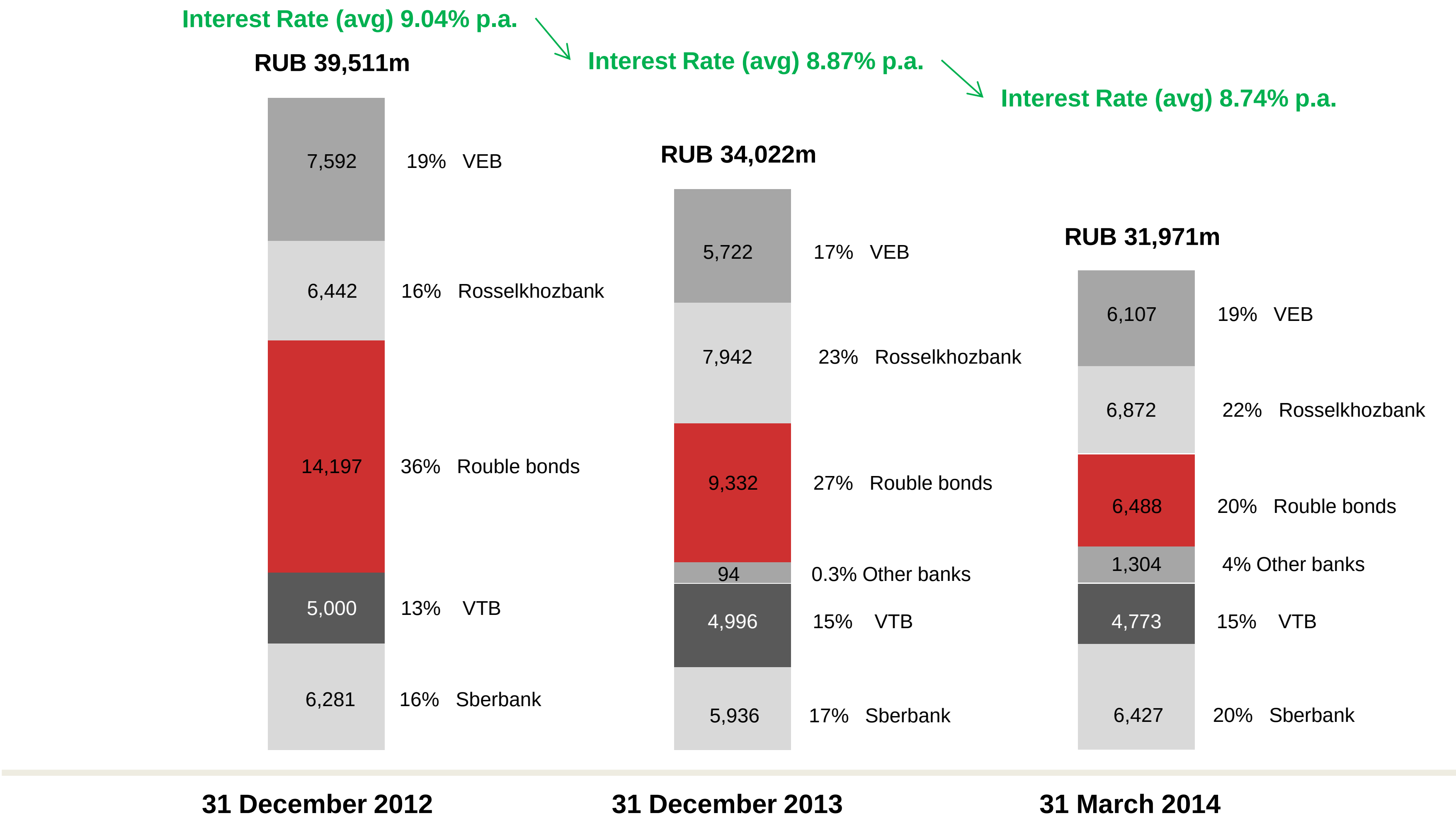
Total debt: RUB 31,971m*



	2Q14	3Q14	4Q14	2015	2016	2017	2018>	Total	Total, %
RUB m	1,432	1,884	2,446	6,319	6,003	6,224	2,879	27,188	85%
USD m	-	-	-	28	28	28	43	128	14%
EUR m	-	-	-	4	-	-	-	4	1%
Total RUB m	1,432	1,884	2,446	7,548	7,019	7,239	4,402	31,971	100%

Note: *excluding finance lease liability and other loans

Gross debt by source as of 31 March 2014



Note: 1) excluding finance lease liability and other loans

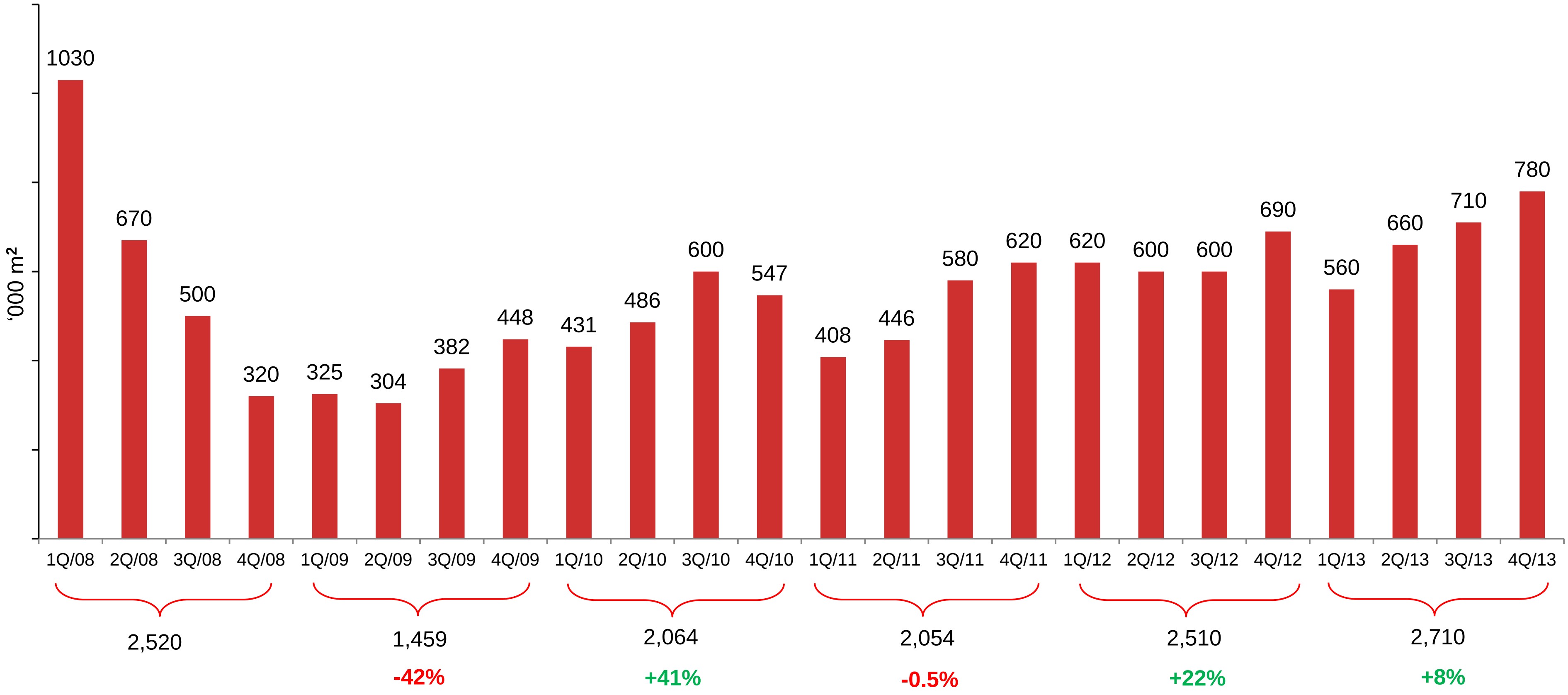
Source: Company

Agenda

1. Operating results
2. Market Update

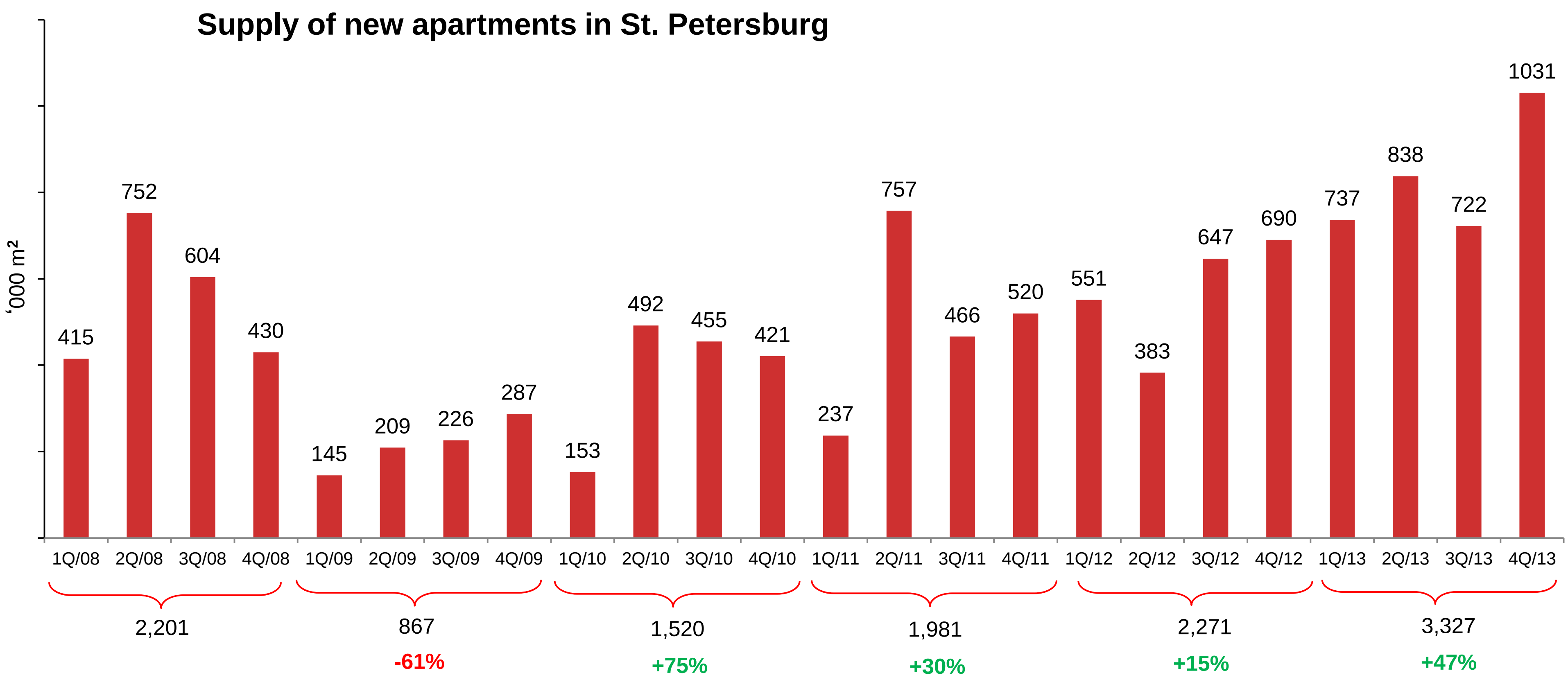
Sales of new apartments

Sales of new apartments in St. Petersburg



Source: SPb Realty

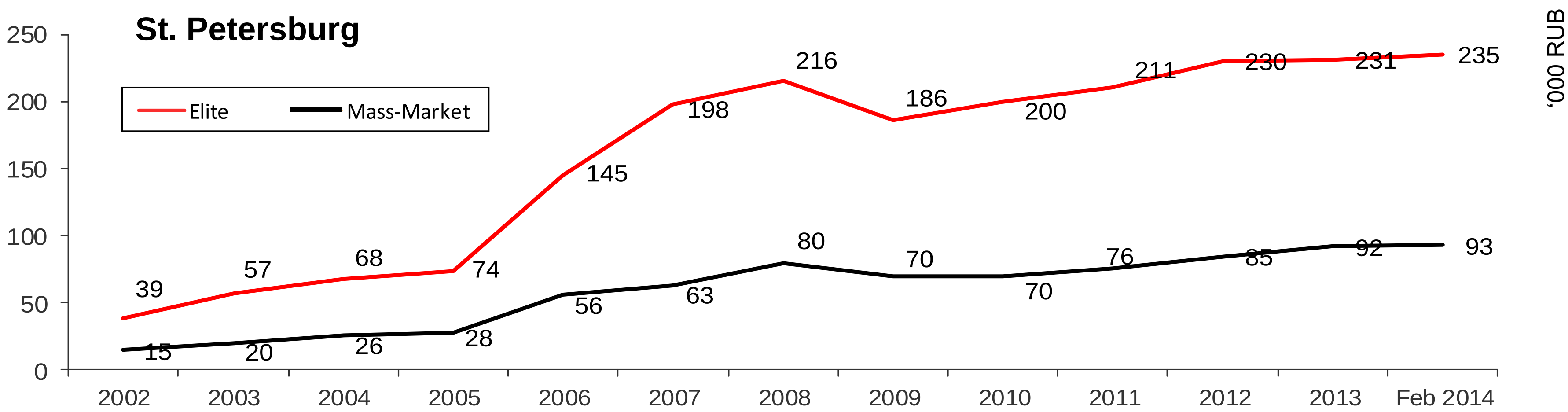
Supply of new apartments



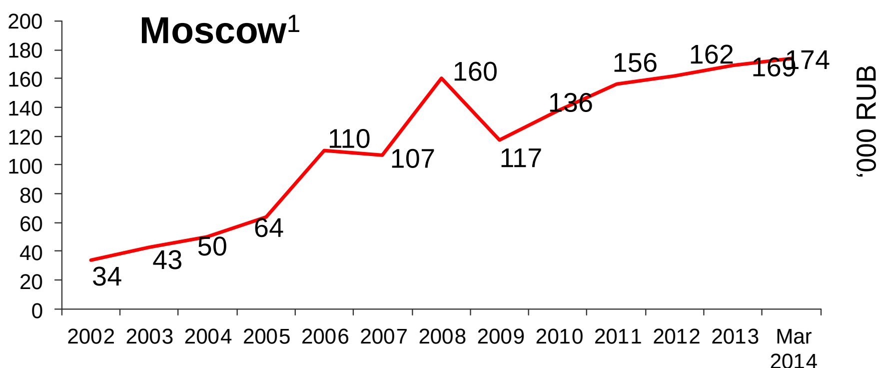
Source: SPb Realty

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

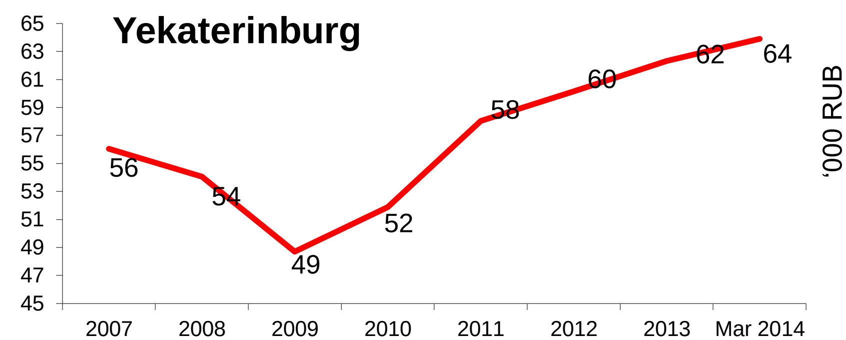
New residential real estate price development in St. Petersburg, Moscow and Yekaterinburg



Source: SPb Realty



Source: IRN

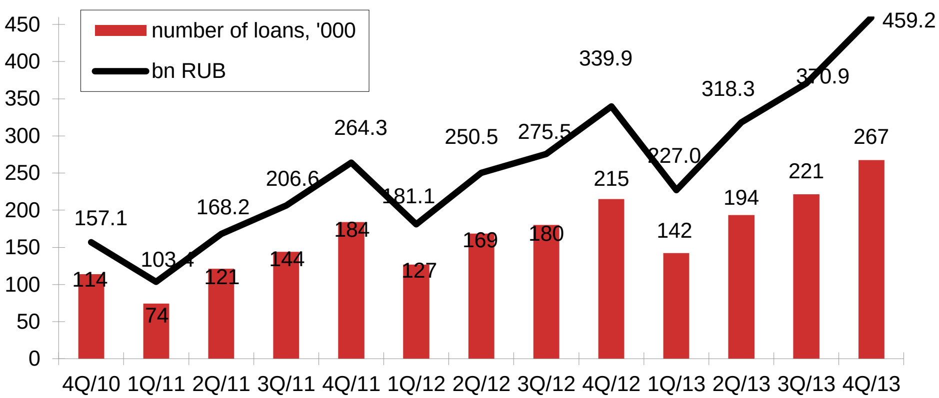


Source: Company

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

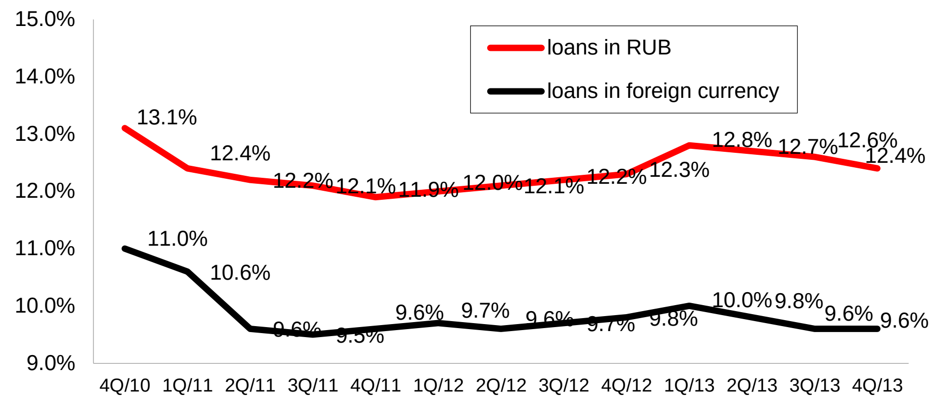
Mortgage lending

Mortgage lending in Russia



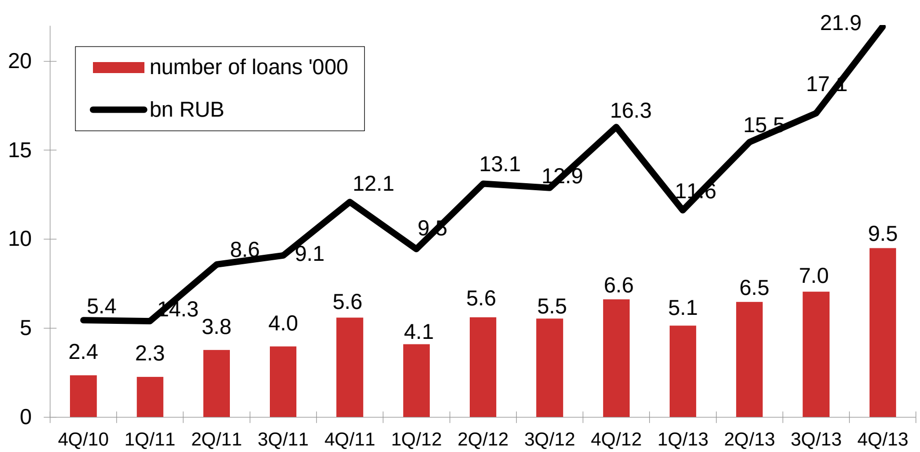
Source: CBR

Average mortgage rates in Russia



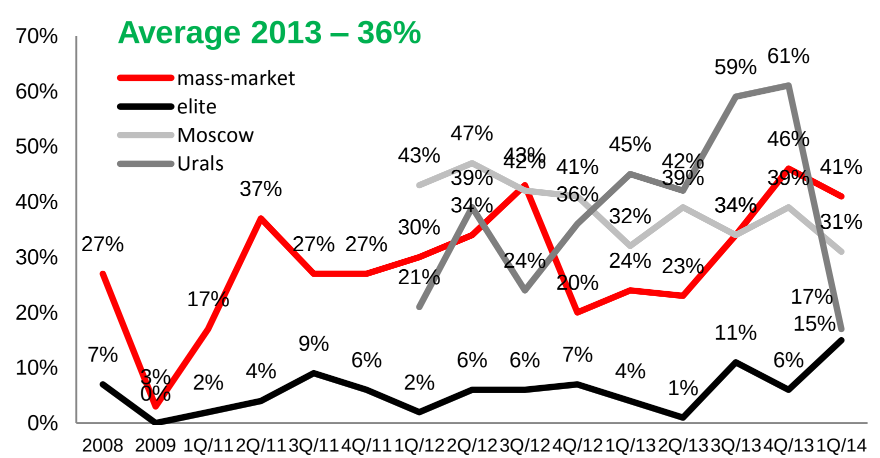
Source: CBR

Mortgage lending in St. Petersburg



Source: SPb Mortgage Agency

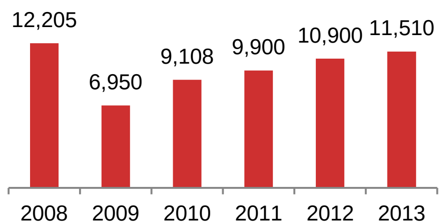
LSR mortgage sales in Regions by number of deals



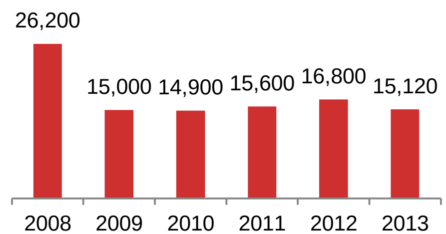
Source: Company

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

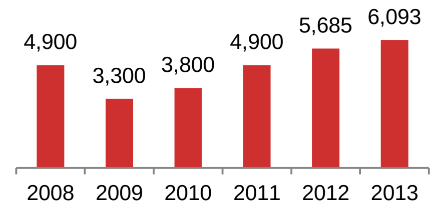
Crushed granite, '000 m³



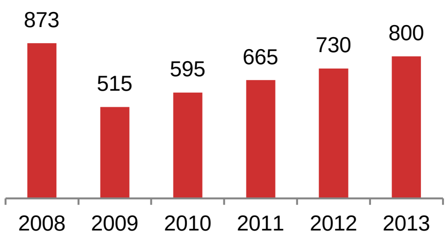
Sand, '000 m³



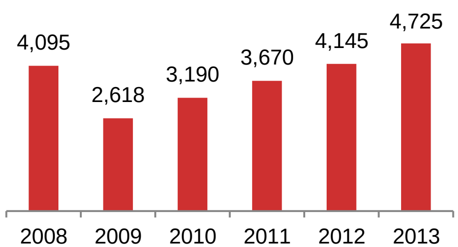
Ready-mix concrete, '000 m³



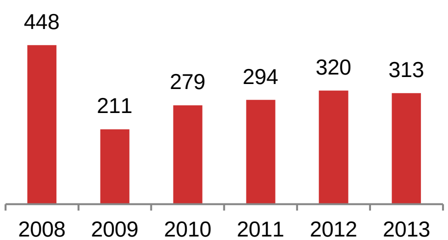
Reinforced concrete, '000 m³



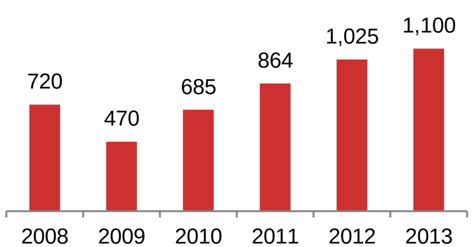
Cement, '000 tonnes



Bricks, million nf



Aerated concrete, '000 m³



Source: Reshenie

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