



# LSR Group's 3Q 2017 Trading Volume Update

Saint Petersburg, October 2017

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## 3Q 2017 Highlights

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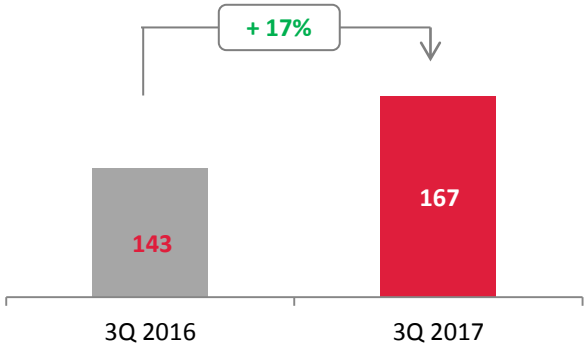


- New contract sales up 43% QoQ and 17% YoY, to 167 th m<sup>2</sup>;
- Mass market segment in St. Petersburg driving sales with 76% QoQ and 55% YoY sales growth;
- Completions amounted to 38 th m<sup>2</sup> vs. recognitions of 44 th m<sup>2</sup>. Most of 2017 completions scheduled for 4Q;
- 325 th m<sup>2</sup> launched to the market in 3Q, including 80% in St. Petersburg. More than that is scheduled for launches in 4Q;
- Mortgage rate is 45% across the Company in 3Q.

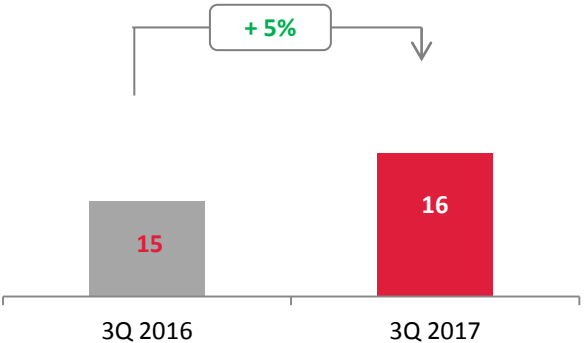
# Real Estate Development



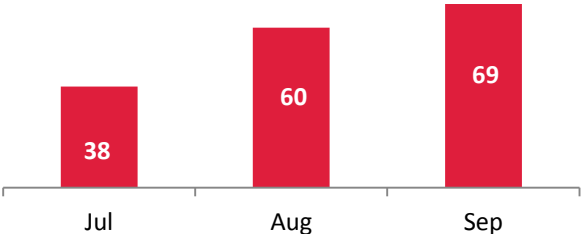
NEW CONTRACT SALES, TH SQ M



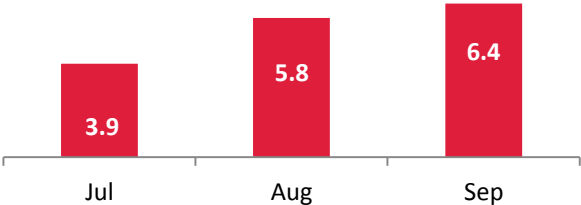
NEW CONTRACT SALES, RUB BN



NEW CONTRACT SALES 3Q 2017, TH SQ M



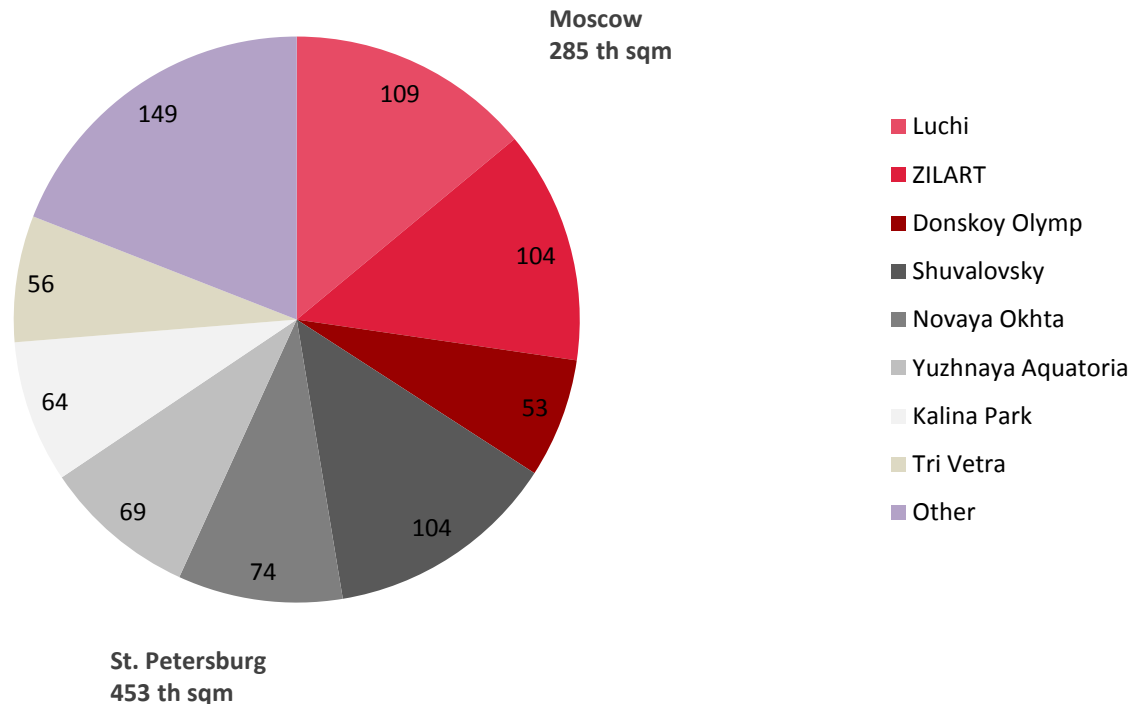
NEW CONTRACT SALES 3Q 2017, RUB BN



# Completions in 4Q 2017

- We expect more than 780 th sqm to be completed in 4Q 2017 and approximately 1 mln sqm in 2017
- In St. Petersburg we plan to complete 453 th sqm in 4Q, including such projects as Sophia, Kalina Park, Yuzhnaya Aquatoria, Shuvalovsky, Novaya Okhta, Tri Vetra, Europe City and VIVA
- In Moscow we are to complete 285 th sqm, including 109 th sqm in Luchi, 104 th sqm in ZILART and 53 th sqm in Donskoy Olymp

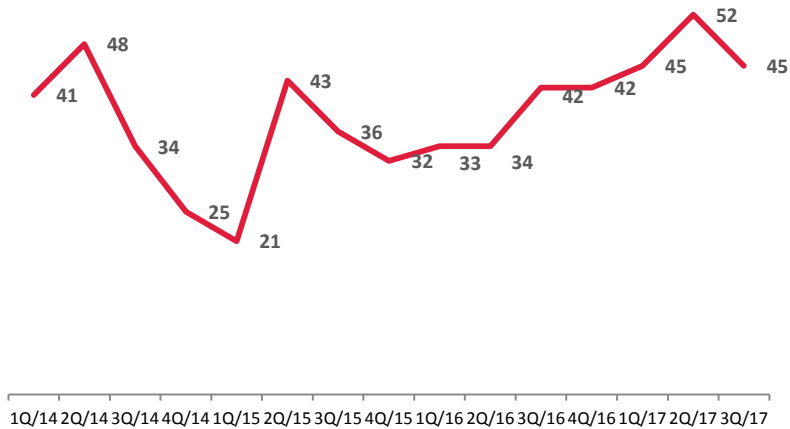
KEY COMPLETIONS IN 4Q 2017, TH SQ M



# Mortgage Lending

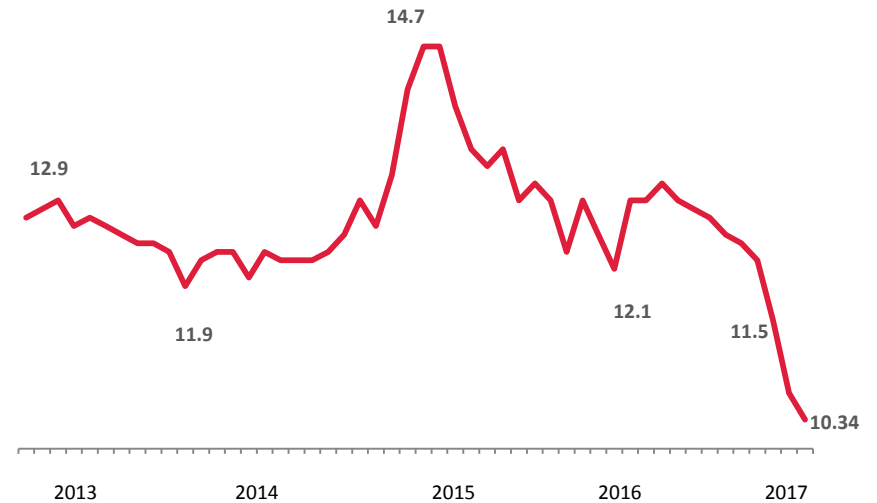
- Russia's mortgage lending market up 14% by volume and 22% by value over 8M 2017.
- Rates are historic low at 10.34% for new housing as of August 2017 and start at 9.5%. AIZhK reduces rate to 9% in September.
- Further decrease of the key rate and mortgage rates anticipated.
- The share of mortgage contracts is at 45% in Q3 2017 across the Company.

LSR MORTGAGE SALES BY NUMBER OF CONTRACTS, %



Source: Company

AVERAGE MORTGAGE RATES IN RUSSIA, %



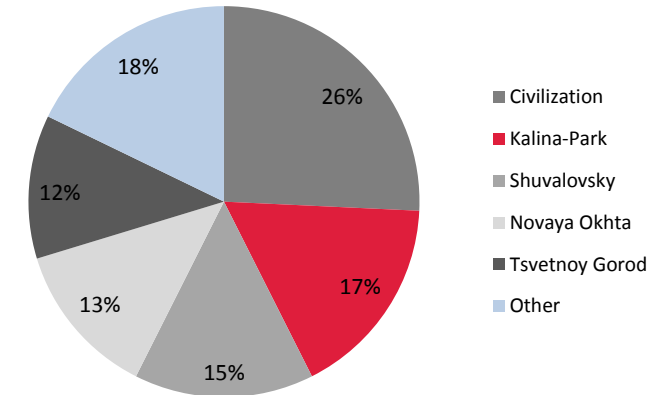
Source: AIZhK

# Real Estate Development: St. Petersburg

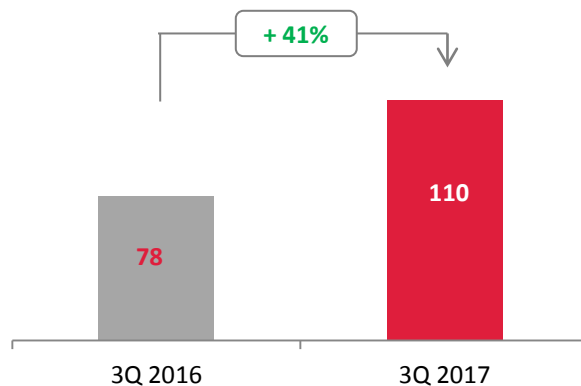


- New contract sales up 41% YOY, to 110 th sqm
- Mass market segment is the main driver with 55% growth YoY in terms of sqm contracted
- 252 th sqm launched to the market in 3Q, including our large-scale developments Tsvetnoy Gorod, Civilization, Novaya Okhta, Kalina Park
- Mortgage sales accounted for 43%

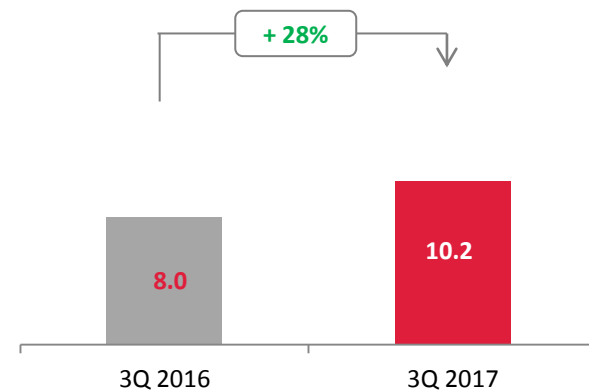
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



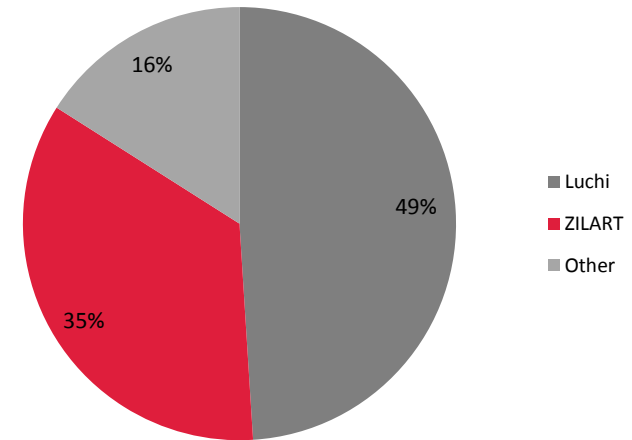


# Real Estate Development: Moscow

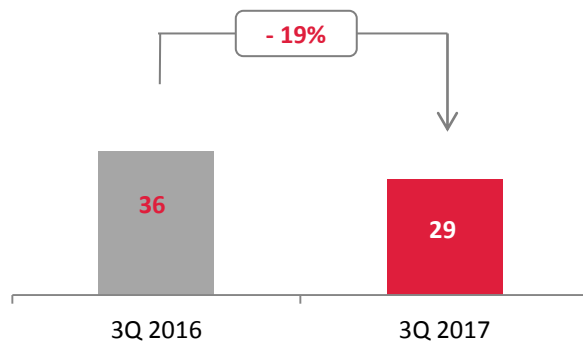


- New contract sales down by 19% to 29 th sqm due to low supply
- Only 43 th sqm launched in 3Q, the offer is to be accelerated in 4Q
- First 4 buildings in ZILART to be completed in Dec 2017 with the average pre-sales ratio of 87%
- 62 th sqm to be launched in ZILART in 4Q
- Mortgage sales accounted for 48%

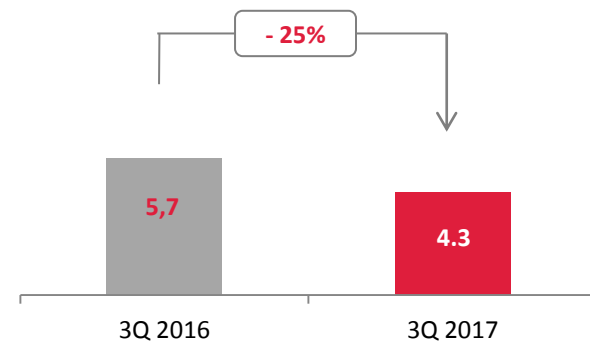
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN

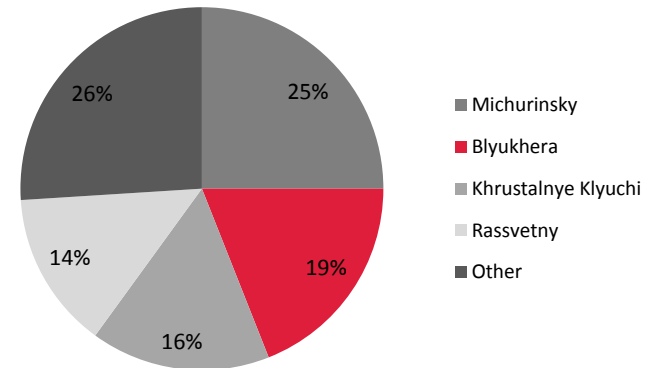


# Real Estate Development: Yekaterinburg

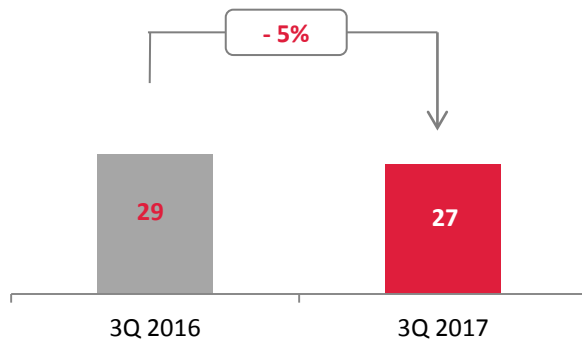


- New contract sales down 5% Y-o-Y to 27 th sqm
- 30 th sqm launched to the market in 3Q, primarily in Khrustalnye Klyuchi
- More than 60 th sqm to be launched in 4Q
- Mortgage sales accounted for 50%

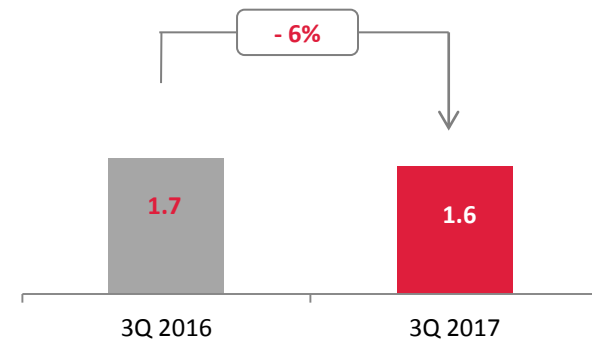
NEW CONTRACT SALES BREAKDOWN BY VOLUME



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



# Building Materials



- Ready-mix concrete sales driven by the increased demand in the market and our efforts to attract new clients, primarily large domestic homebuilders
- Reinforced concrete positively impacted by new contracts with homebuilders and supplies to infrastructure segment
- Crushed granite is affected by the deficit of rolling stock on Oktyabrskaya railway
- Sand is still below expectations due to the decreased supplies to infrastructure segment

Sales by product	3Q 2016	3Q 2017	Change, %
Crushed granite, th cbm	2,068	1,892	(8%)
Sand, th cbm	2,424	2,128	(12%)
Ready-mix concrete, th cbm	264	302	15%
Reinforced concrete, th cbm	73	75	4%
Bricks, mn units	99	89	(10%)
Aerated concrete, th cbm	449	492	9%

## Appendix

## New Launches in 4Q 2017

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- In 4Q 2017 we plan to start pre-sales of approximately 350 th sqm in all regions of operations. Total launches for 2017 will exceed 850 th sqm.
- St. Petersburg will account for most of new launches with additional supply in Tsvetnoy Gorod, Civilization and Kosmonavtov
- New building in ZILART (LOT 7, 15, 16 – first buildings in the 2<sup>nd</sup> stage) are to be available for sale in 4Q 2017

### KEY LAUNCHES IN 4Q 2017, TH SQ M

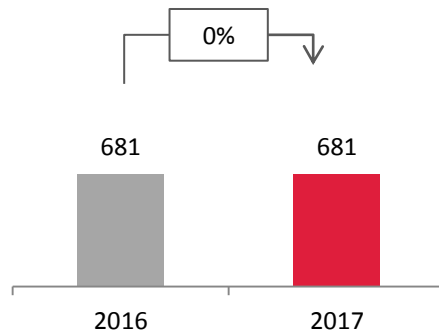
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Project	Launches
ZILART, MSK	63
Civilization, SPb	54
Kosmonavtov/Dunaisky, SPb	31
Tsvetnoy Gorod, SPb	30
Petrovsky Island, SPb	20
Michurinsky, YKT	20

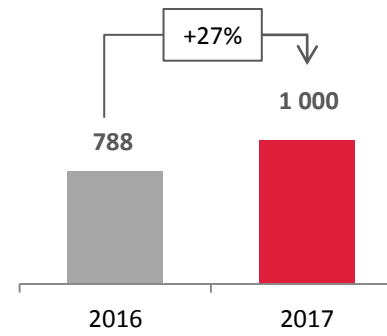
# Operating Guidance 2017: Real Estate & Construction



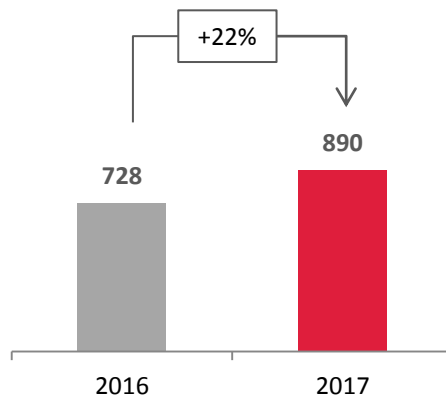
NEW CONTRACT SALES, TH SQ M



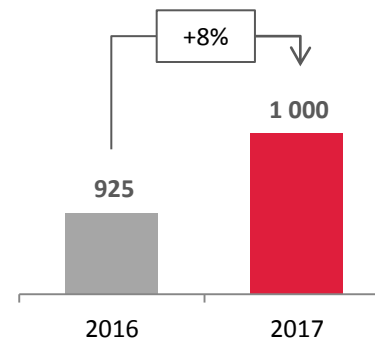
COMPLETIONS, TH SQ M



NEW LAUNCHES, TH SQ M



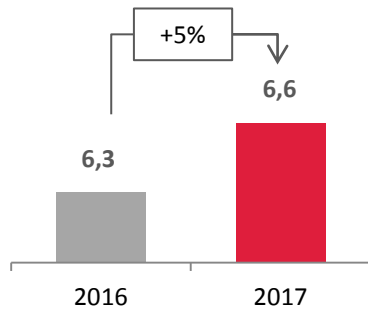
CONSTRUCTION, TH SQ M



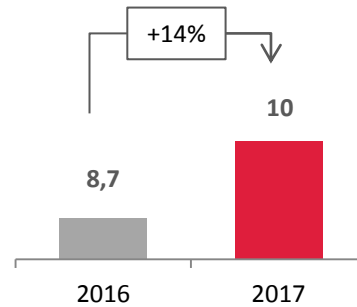
# Operating Guidance 2017: Building Materials



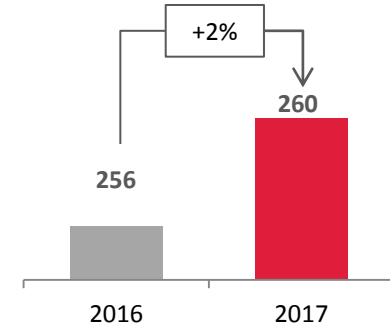
CRUSHED GRANITE, M CBM



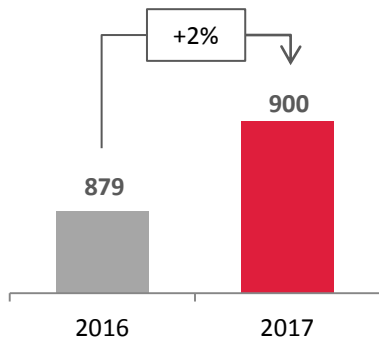
SAND, M CBM



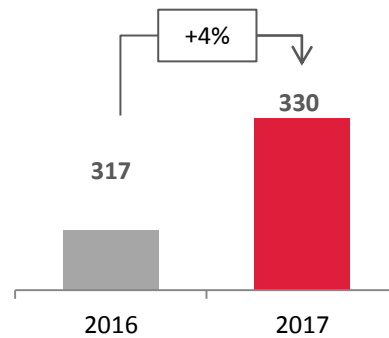
REINFORCED CONCRETE, TH CBM



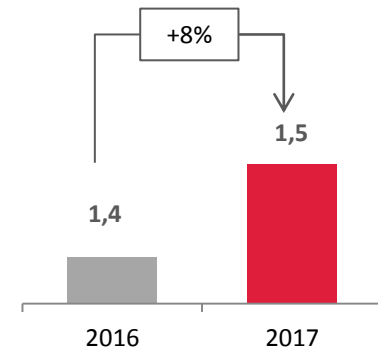
READY-MIX CONCRETE, TH CBM



BRICKS, M UNITS



AERATED CONCRETE, M CBM



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