

OJSC LSR Group (LSE: LSRG; MICEX, RTS: LSRG) releases the information on the debt position as of 31 December 2009.

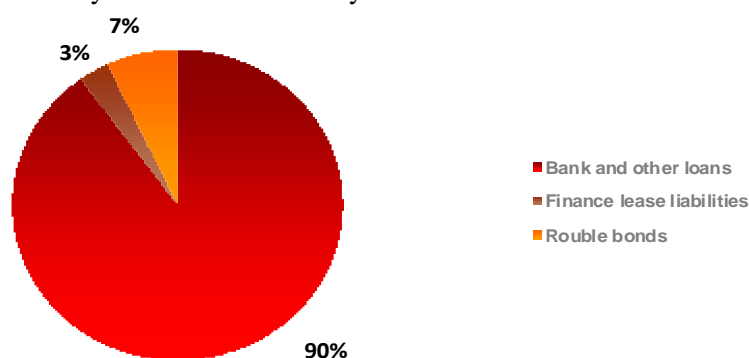
Debt Position

According to preliminary unaudited IFRS financial statements of OJSC LSR Group for the year ended 31 December 2009, as of 31 December 2009 LSR Group’s gross debt totaled RUR 39,541m which is 7% higher than the prior year value of RUR 36,874m.

The net debt totaled RUR 36,680m.

Debt by Source

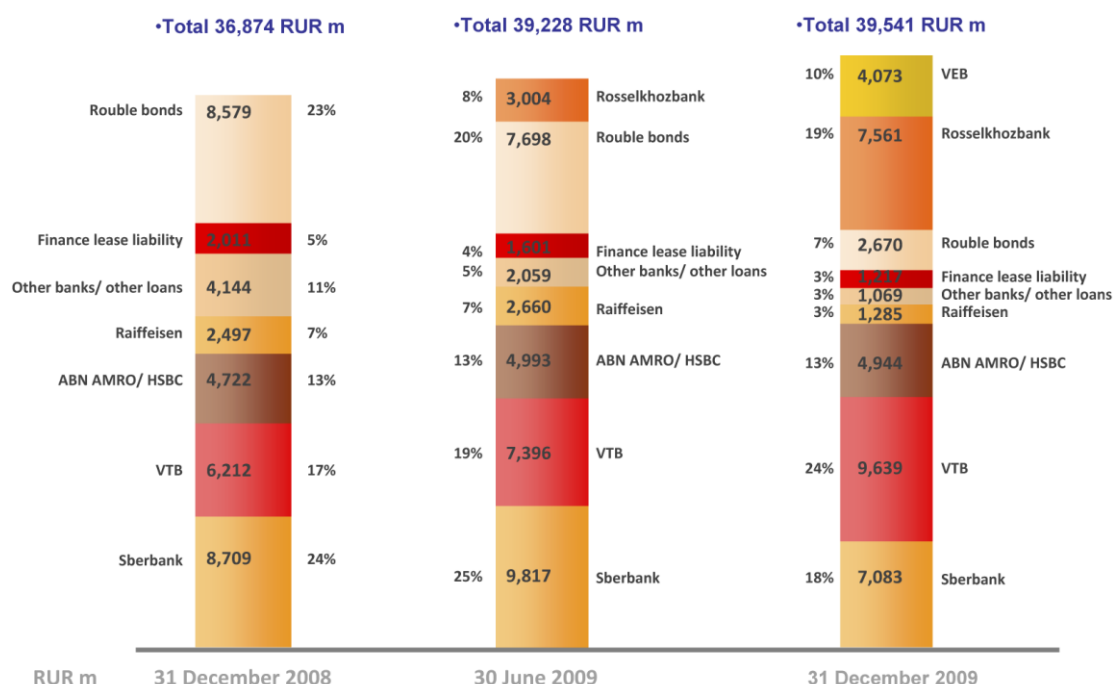
As of 31 December 2009 approximately 90% of our gross debt was represented by bank and other loans, 7% by rouble bonds and 3% by finance lease liability.



Throughout 2009 the biggest Russian banks Sberbank and VTB stayed our largest lenders as during all the previous years.

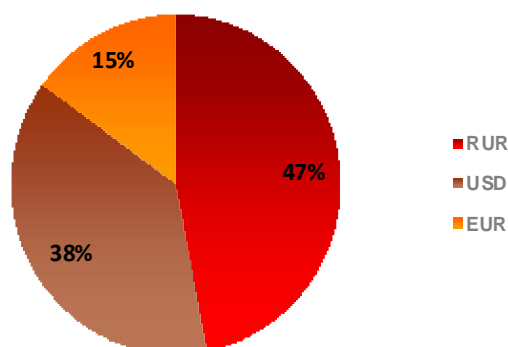
In 2009 we started to work with the state-owned Vnesheconombank (VEB) which provided long-term financing for our cement project and Rosselkhozbank.

The share of rouble bonds in our debt portfolio decreased from 23% at the beginning of 2009 to 7% at the end of the year.



Debt by Currency

As of 31 December 2009 the major part of our debt – 47% was nominated in RUR, our operating currency, 38% in USD and 15% in EUR.



Note: excluding finance lease liability and other (non-bank) loans

Debt Maturity Profile

Period	Total in RUR m*	RUR m	USD m	EUR m
1Q 2010	2,208	1,960	7	1
2Q 2010	3,846	2,953	28	1
3Q 2010	4,341	3,444	28	1
4Q 2010	1,405	1,166	6	1
1Q 2011	914	657	4	3
2Q 2011	4,442	4,282	4	1
3Q 2011	1,718	358	32	9
4Q 2011	2,224	182	66	1
2012	5,055	217	132	20
2013 and after	12,127	2,660	176	96
Total	38,280	17,880	482	134

Notes: Excluding finance lease liability and other (non-bank) loans

The presented debt maturity profile includes the final redemption dates for the rouble bond issues. The dates of put options are shown in the table below.

**USD and EUR amounts translated into RUR at exchange rates as of 31 December 2009: RUR/USD 30.2442, RUR/EUR 43.3883.*

Bond Issues

As of 31 December 2009 we had the two outstanding bond issues:

Principal amount	Outstanding amount as of 31/12/09	Issue date	Date of next put option	Redemption date	Rate of interest
RUR 5,000m	RUR 2,669m	07.08.08	08.02.11 (determined in January 2010)	01.08.13	1st, 2nd and 3rd coupons - 13.25% p.a. 4th, 5th coupons - 13.5% p.a. 6th, 7th, 8th, 9th, 10th coupons - to be determined
RUR 3,000m	RUR 1m	19.07.07	15.07.10	14.07.11	1st to 4th coupons - 8.35% p.a. 5th to 6th coupons - 17% p.a. 7th to 8th coupons - to be determined

On 9 February 2010 LSR Group fulfilled its obligations under the put option on its fourth bond issue. A total of 1 979 414 bonds with a total value of RUR 1 983 075 915 (including the accumulated coupon payment) were bought back at the request of the bondholders.

Financing of Cement Plant Project

In 2009 we substantially reduced capex programme but we continued the execution of our strategic investment project – construction of the new cement plant of annual capacity of 1.86 million tonnes per year in the Leningrad region. Total estimated net investment into the cement plant is approximately EUR 445m (including VAT to be reimbursed).

In June 2009 we obtained two loan facilities of USD 239m and RUR 2,735m from Vnesheconombank (VEB) to finance the construction works.

The purchasing of equipment is financed with 10-year EUR 114m loan facility from ABN AMRO and HSBC obtained in March 2008.

The utilisation of these loan facilities as of 31 December 2009 was as follows:

Bank	Currency	Total amount	Amount drawn as of 31 December 2009
ABN AMRO/ HSBC	EUR	114	114
VEB loan facility 1	USD	239	123
VEB loan facility 2	RUR	2 735	342

Elena Tumanova, CFO of LSR Group commented:

“Liquidity management was our top priority in 2009. Throughout the year we focused our efforts on maximization of our operating cash flow, stricter working capital policy and cost reduction. We also significantly reduced our capex program continuing only one significant investment project – the construction of our cement plant. Thanks to our observant financing policy and strong business profile we managed to refinance and extend our debt which was due in 2009. We also fully fulfilled our obligations under our rouble bond issues repaying the principal amounts and coupon payments on time.

As of 31 December 2009 we had approximately RUR 12 billion of debt to be repaid or refinanced in 2010. It is also important to note that around 70% of our debt is maturing after 2010.

In the second half of 2009 we saw the significant improvement in the availability of debt financing and the gradual reduction of interest rates. I believe that by today LSR Group already passed through the most difficult period in terms of liquidity management. While still watching carefully the level and maturity profile of our debt we are now able to focus our efforts on better preparation for the market recovery in our sector and concentrate our managerial resources on the development of our business”.

The amount of gross, net debt and finance lease liability presented in this press release represents unaudited IFRS data.

Definitions:

Gross debt calculated as the sum of non-current loans and borrowings, current loans and borrowings and bank overdraft.

Net debt calculated as total debt minus cash and cash equivalent

Note to Editors:

OJSC LSR Group is a real estate development and building materials company founded in 1993 and operating in a number of complementary market segments. Its core business areas are production of building materials, real estate development and panel construction.

LSR Group's main operations are located in St. Petersburg, Moscow, Yekaterinburg and Ukraine. In 2008, the sales revenues of LSR Group were RUR 49,813m (IFRS).

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