



## 1H 2011 results investor presentation



# Agenda

**1. 1H 2011 Operating and Financial Results**

**2. Market Update**

# Key Financials

RUB m	1H 2010	1H 2011
Revenues	17,717	22,964
EBITDA	2,923	3,834
EBITDA margin	17%	17%
Normalised operating profit	1,729	2,685
Reported net profit	(675)	706
<hr/>		
Gross cash flow	2,927	3,328
Operating cash flow	(2,286)	(110)
<hr/>		
	<b>31.12.2010</b>	<b>30.06.2011</b>
Net debt	30,376	34,346
Net debt/EBITDA	3.5	3.5

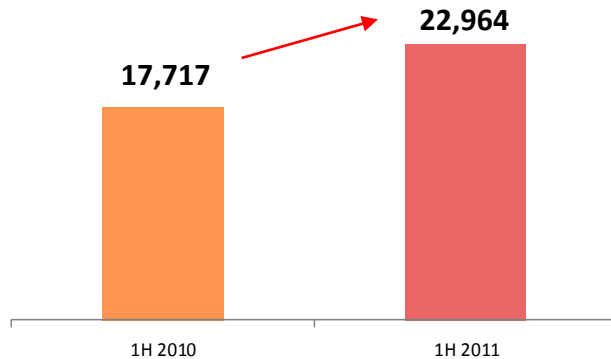
Notes: The financial measures described in the notes below are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information

- 1) EBITDA equals to operating profit plus depreciation and amortization of fixed assets and intangible assets less changes in the fair value of investment property less impairment of goodwill
- 2) EBITDA margin equals to the ratio between EBITDA and sales revenue (unaudited)
- 3) Normalised operating profit equals to operating profit less the effects of revaluation of investment property and impairment of goodwill, which are non-cash items (unaudited)
- 4) Normalised net profit calculated as net profit excluding effects of revaluation of investment property and impairment of goodwill (incl. recalculation of deferred tax) (unaudited)
- 5) Gross cash flow represents operating profit before changes in working capital and provisions (unaudited)

# Key Financials

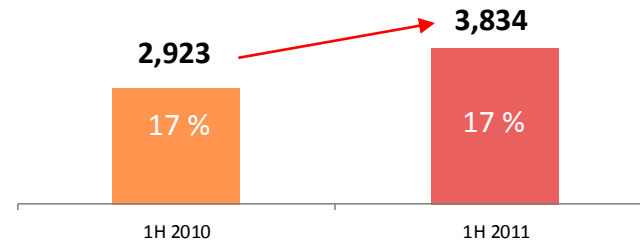
## Sales (RUB m)

Change +30%



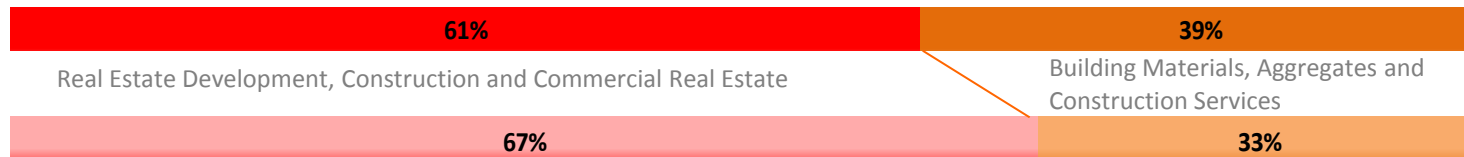
## EBITDA (RUB m) and EBITDA margin (%)

Change +31%



## Sales revenue and EBITDA breakdown<sup>1</sup>

### 1H 2011 Sales revenue breakdown

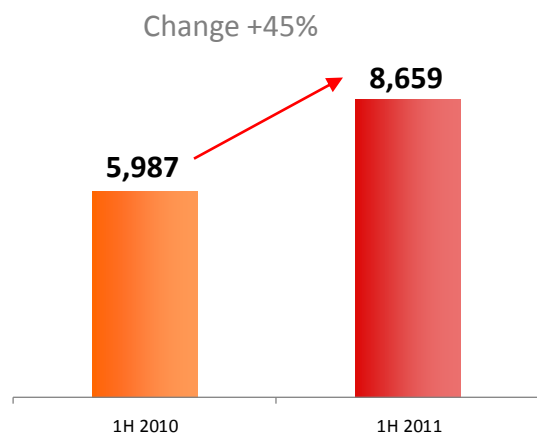


### 1H 2011 EBITDA breakdown

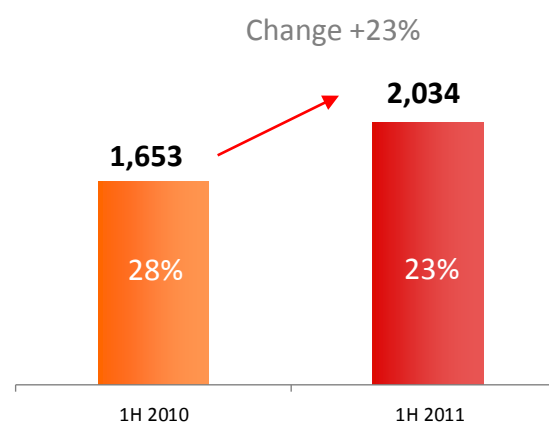
Note: 1) Before inter-group eliminations, unallocated amounts and other operations

# Real Estate Development

## Sales (RUB m)



## EBITDA (RUB m) and EBITDA margin (%)



## Key financials

	Total <sup>1</sup>			Elite Real Estate			Business Class & Mass-Market Real Estate in St. Petersburg			Business Class & Mass-Market Real Estate in Urals		
	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change
New contract sales (th sqm)			%	13	23	78%	36	60	68%	10	26	156%
Transferred to customers (th sqm)			%	11	19	70%	72	66	(9%)	5	22	316%
Sales revenue (RUB m)	5,987	8,659	45%	1,288	2,089	62%	4,260	4,655	9%	240	1,073	347%
EBITDA (RUB m)	1,653	2,034	23%	567	803	42%	1,048	978	(7%)	60	136	128%
EBITDA margin (%)	28%	23%	-	44%	38%	-	25%	21%	-	25%	13%	-

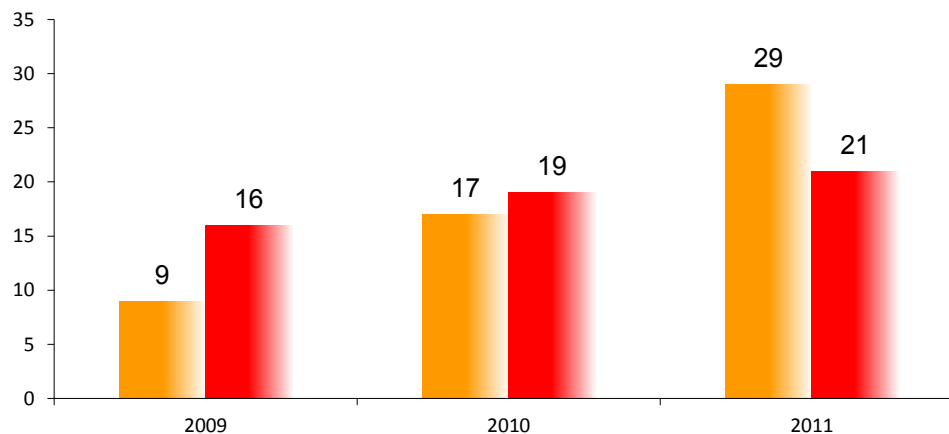
Notes: Total is shown after inter-segment eliminations and before inter-group eliminations and unallocated amounts

1) Also includes Gated Communities, Real Estate Moscow and other minor operations

# Real estate development: sales in St. Petersburg in Q1 & Q2

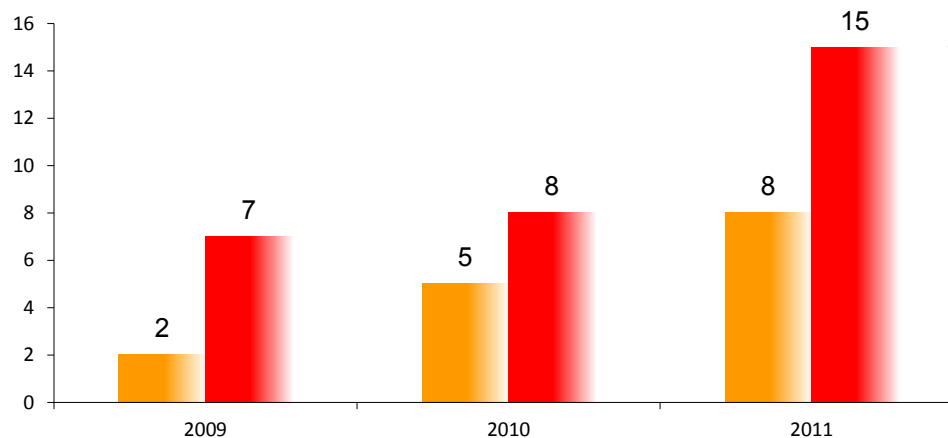
New contract sales in mass market segment (excluding governmental contracts), 000 m2

2010/2009: +68%  
1H2011/1H2010: +68%



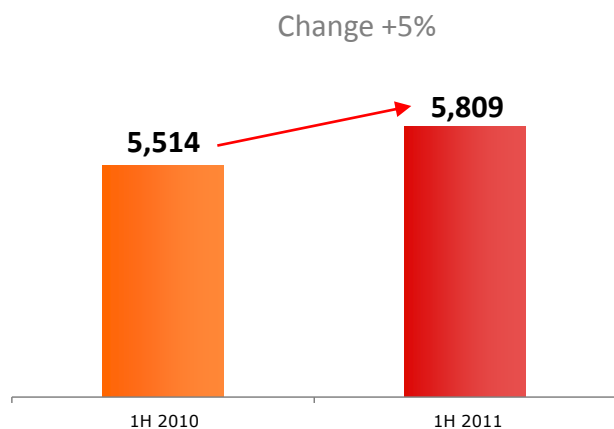
New contract sales in elite segment, 000 m2

2010/2009: +34%  
1H2011/1H2010: +78%

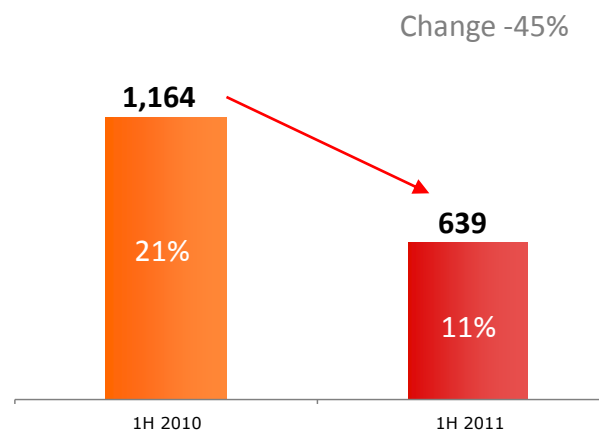


# Construction

## Sales (RUB m)



## EBITDA (RUB m) and EBITDA margin (%)



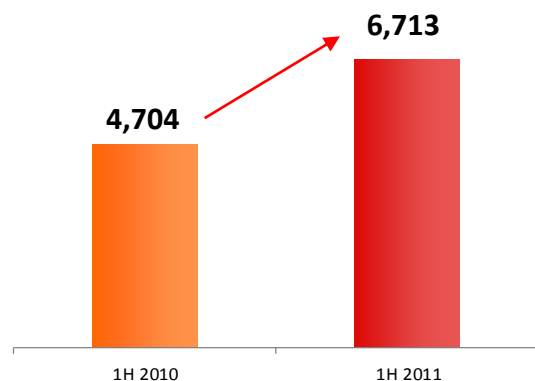
## Key financials

	Total		
	1H 2010	1H 2011	Change
Sales volume (th. sqm)	276	262	(5%)
Sales revenue (RUB m)	5,514	5,809	5%
EBITDA (RUB m)	1,164	639	(45%)
EBITDA margin (%)	21%	11%	-

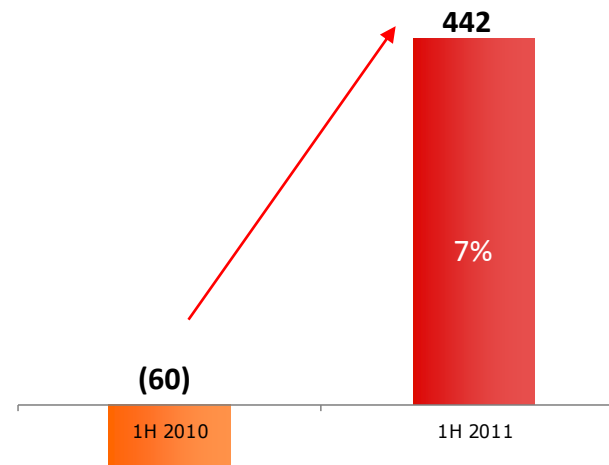
# Building Materials

Sales (RUB m)

Change +43%



EBITDA (RUB m) and EBITDA margin (%)



## Key financials

	Total <sup>1</sup>			Reinforced Concrete			Ready-Mix Concrete			Bricks			Aerated Concrete		
	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change
Sales volume (th. cub. m)	-	-	-	160	209	31%	486	559	15%	77	84	9%	330	423	28%
Sales revenue (RUB m)	4,704	6,713	43%	1,711	2,814	64%	830	1,238	49%	562	657	17%	690	755	9%
EBITDA (RUB m)	(60)	442	-	(54)	209	-	62	216	250%	(71)	(55)*	-	12	127	969%
EBITDA margin (%)	-	7%	-	-	7%	-	7%	17%	-	-	-	-	2%	17%	-

Including writing-off of the advance to the company CERIC for the equipment for the new brick factory worth RUB 41m. Normalised EBITDA is RUB (14)m.

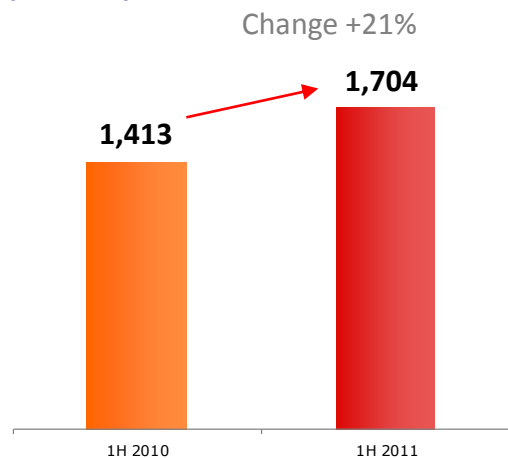
Notes: Total is shown after inter-segment eliminations and before inter-group eliminations and unallocated amounts

For Bricks sales volume is shown in millions of non-formatted units

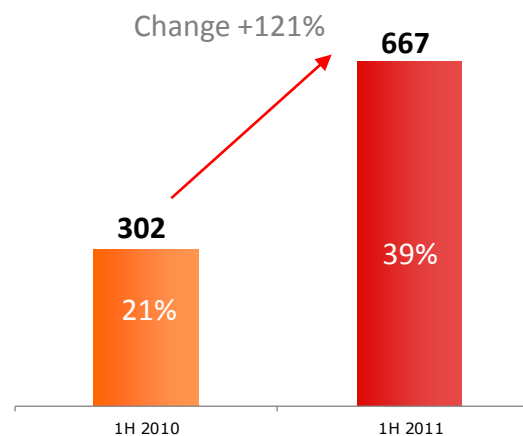
1) Also includes our other minor building materials operations

# Aggregates

## Sales (RUB m)



## EBITDA (RUB m) and EBITDA margin (%)



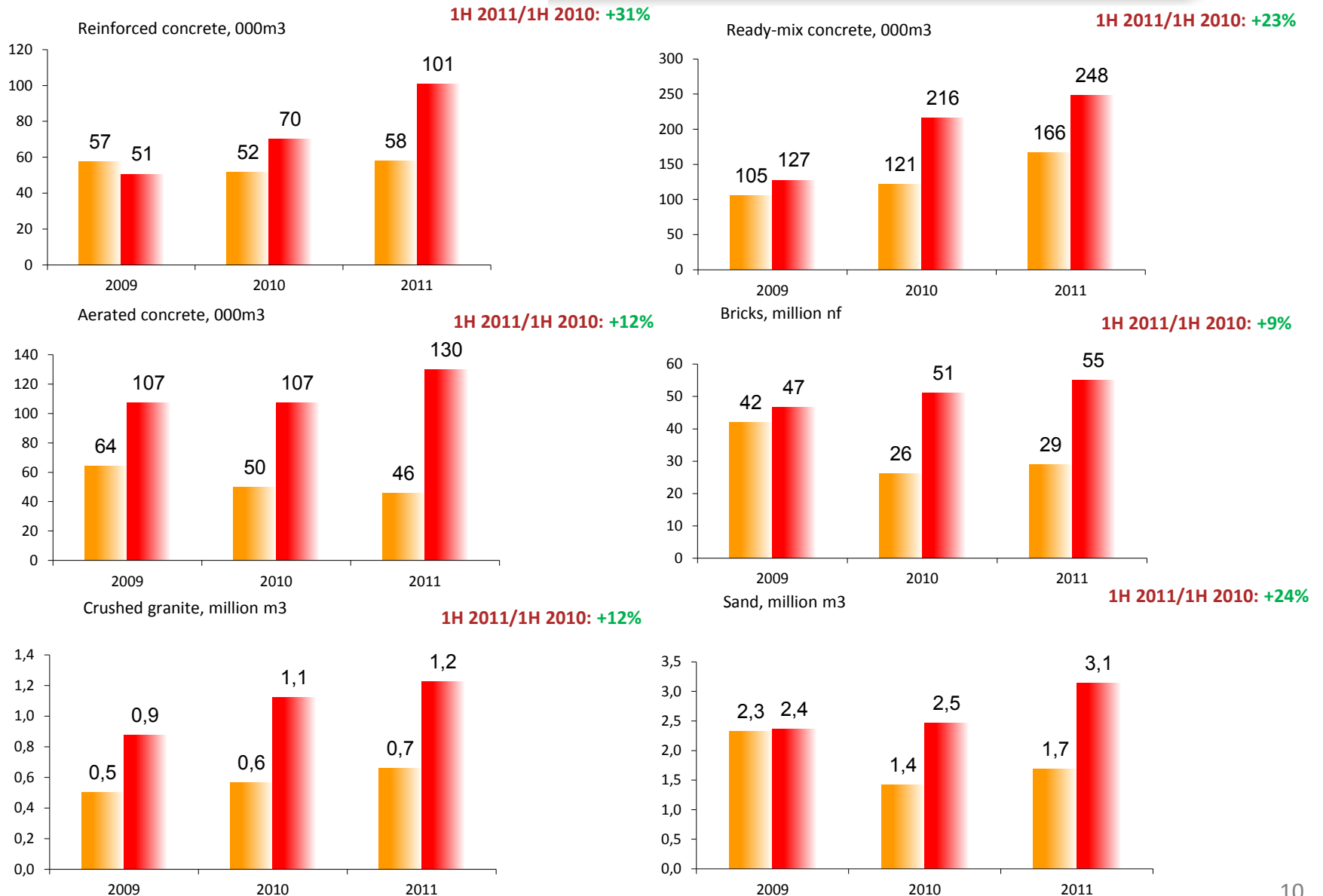
## Key financials

	Total			Sand			Crushed Granite		
	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change	1H 2010	1H 2011	Change
Sales volume (th. cub. m)	-	-	-	3,883	4,832	24%	1,687	1,887	12%
Sales revenue (RUB m)	1,413	1,704	21%	819	902	10%	618	826	34%
EBITDA (RUB m)	302	667	121%	335	596*	78%	(33)	71	-
EBITDA margin (%)	21%	39%	-	41%	66%	-	-	9%	-

\* Including positive effect of a land plot sale of RUB 170m.

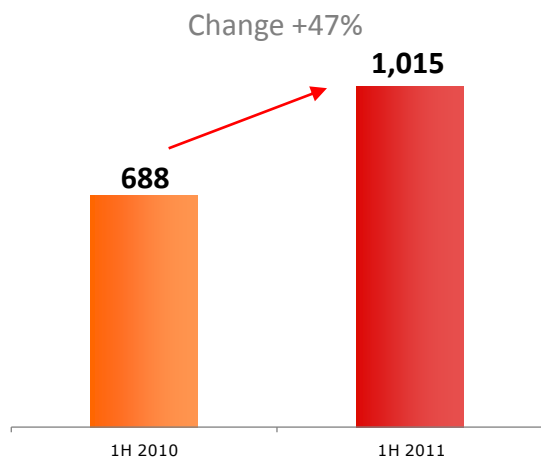
Notes: Total is shown after inter-segment eliminations and before inter-group eliminations and unallocated amounts

# Sales of building materials and aggregates in St. Petersburg in Q1 & Q2

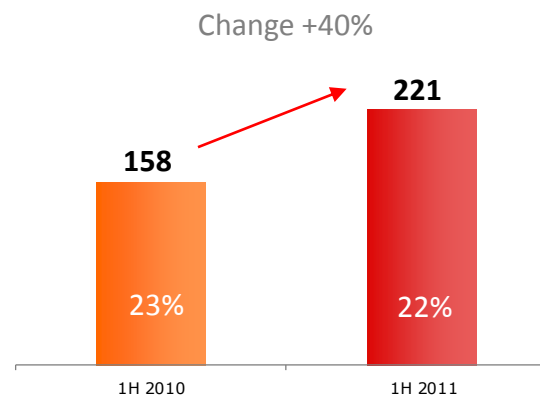


# Construction Services

Sales (RUB m)



EBITDA (RUB m) and EBITDA margin (%)

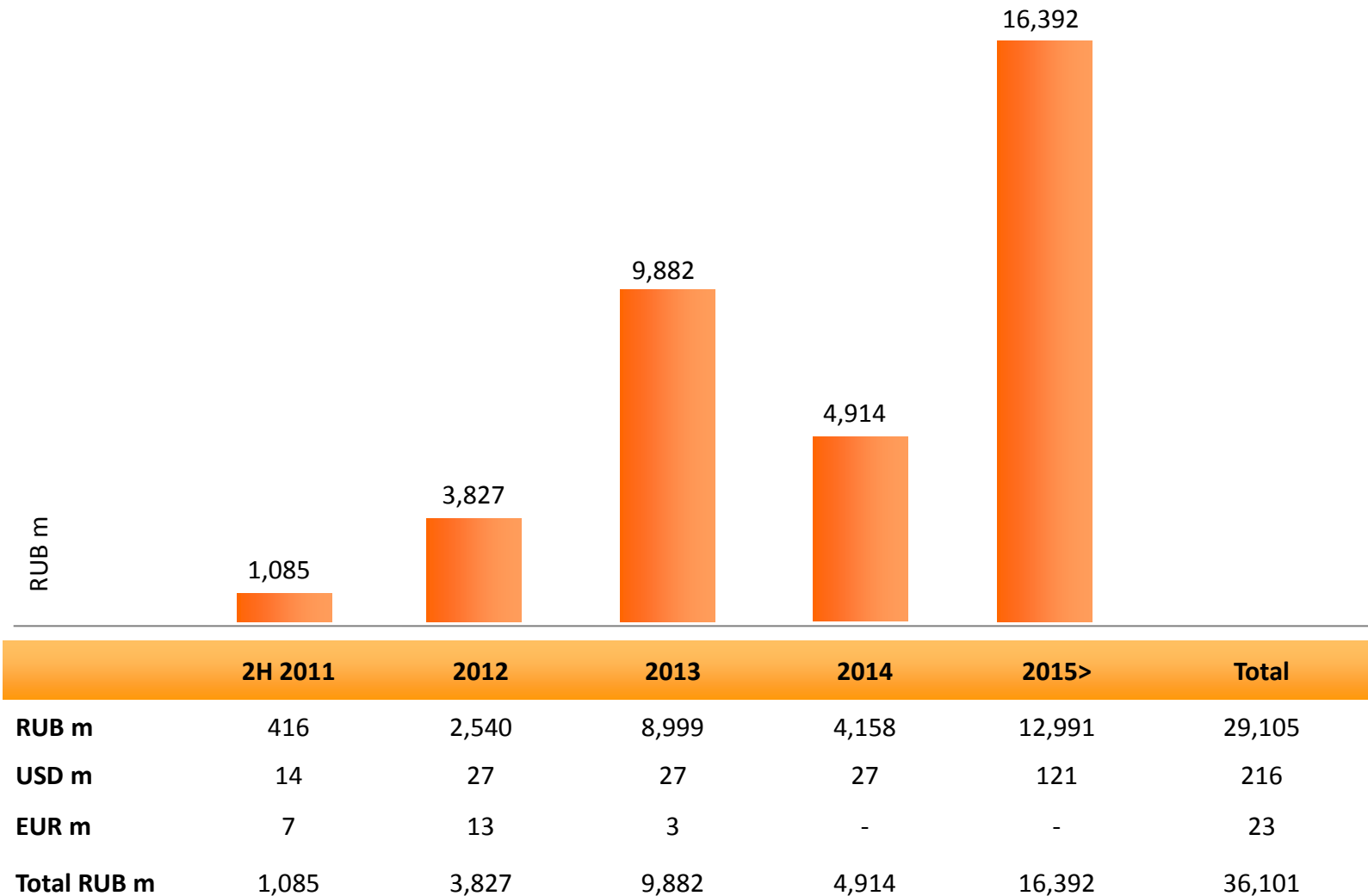


## Key financials

	Total		
	1H 2010	1H 2011	Change
Sales revenue (RUB m)	688	1,015	47%
EBITDA (RUB m)	158	221	40%
EBITDA margin (%)	23%	22%	-

# Debt maturity profile as of 30 June 2011

Total debt: RUB 36,101m



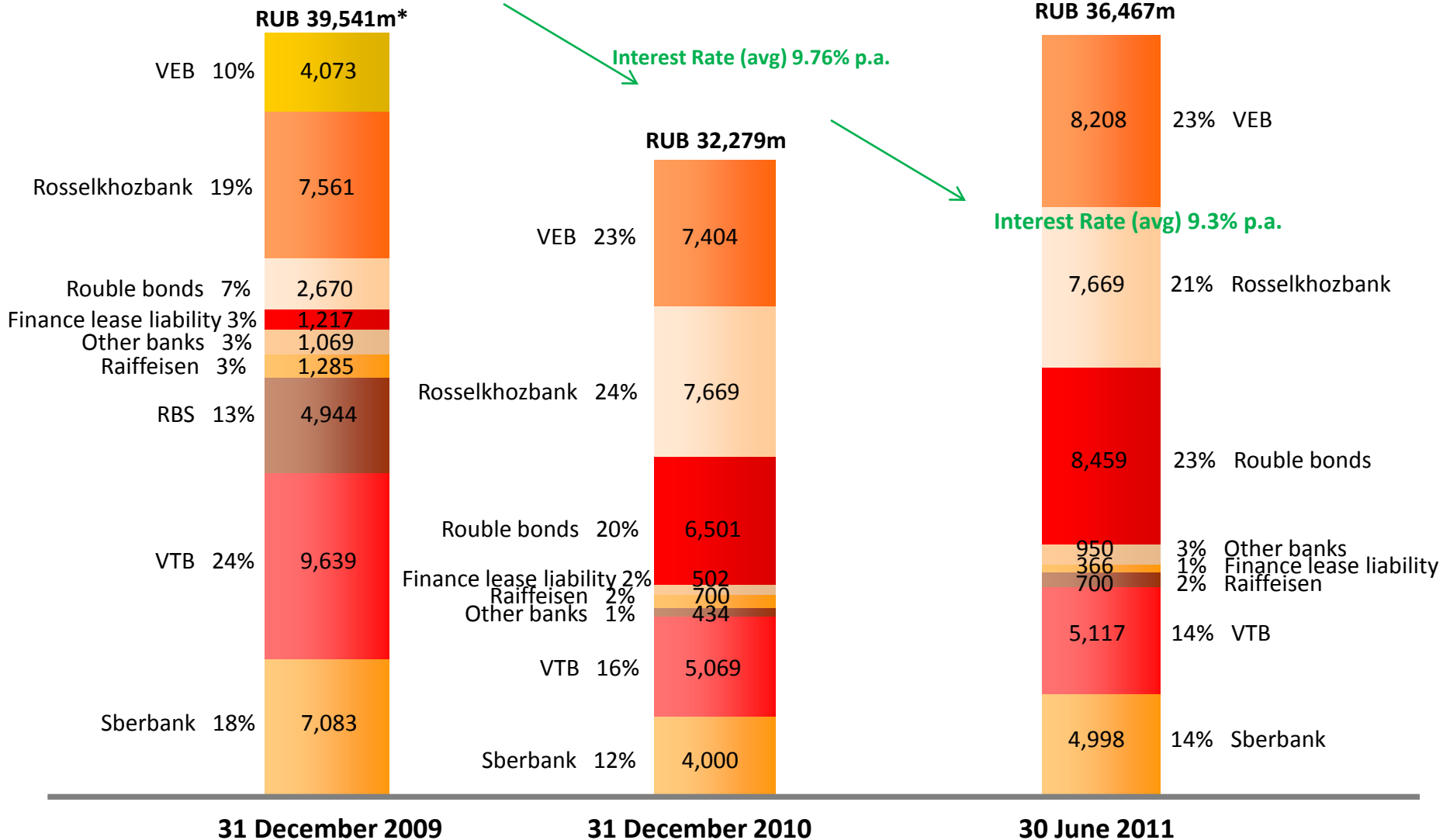
Note: 1) excluding finance lease liability and other loans

# Gross debt by source as of 30 June 2011

Interest Rate (avg) 11% p.a.

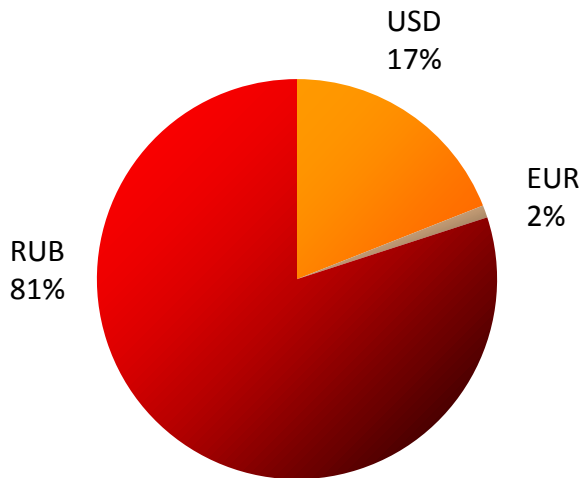
Interest Rate (avg) 9.76% p.a.

Interest Rate (avg) 9.3% p.a.

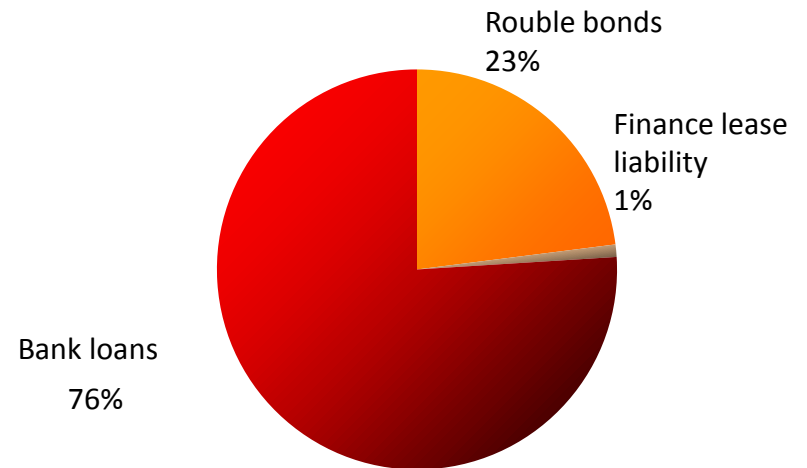


# Debt composition as of 30 June 2011

**Gross debt by currency<sup>1</sup>**



**Gross debt composition**



Source: Company

Note: 1) excluding finance lease liability and other loans

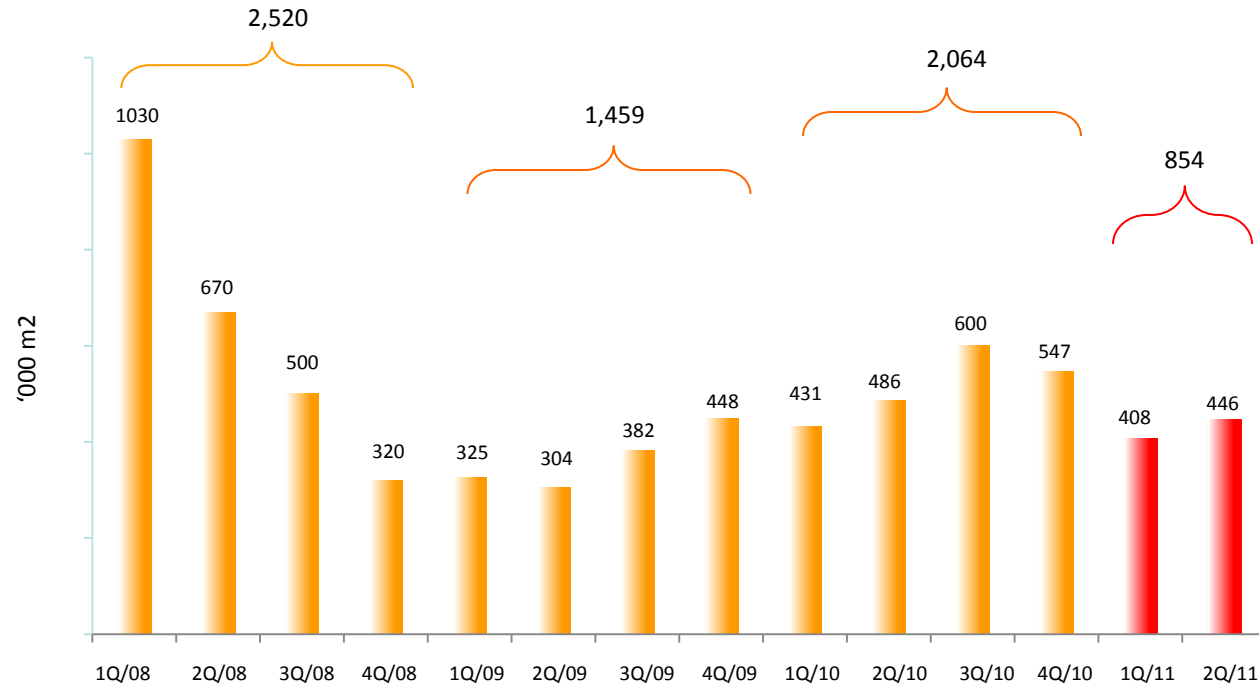
# Agenda

**1. 1H 2011 Operating and Financial Results**

**2. Market Update**

# Sales of new apartments

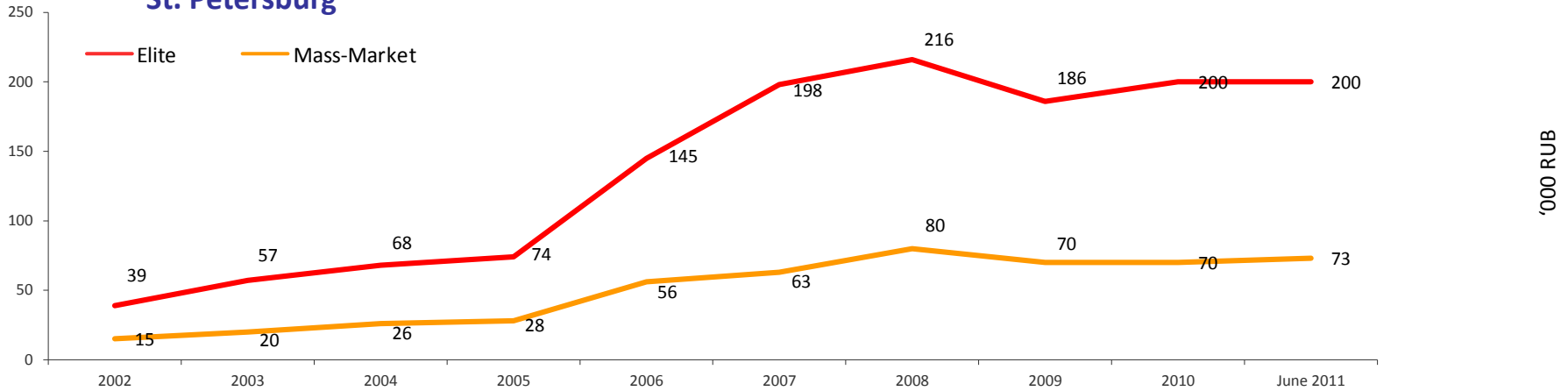
## Sales of new apartments in St. Petersburg



Source: SPb Realty

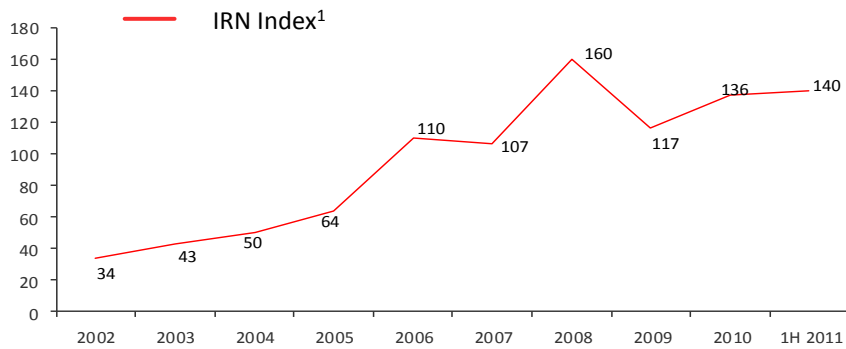
# New residential real estate price development in St. Petersburg, Moscow and Yekaterinburg

## St. Petersburg



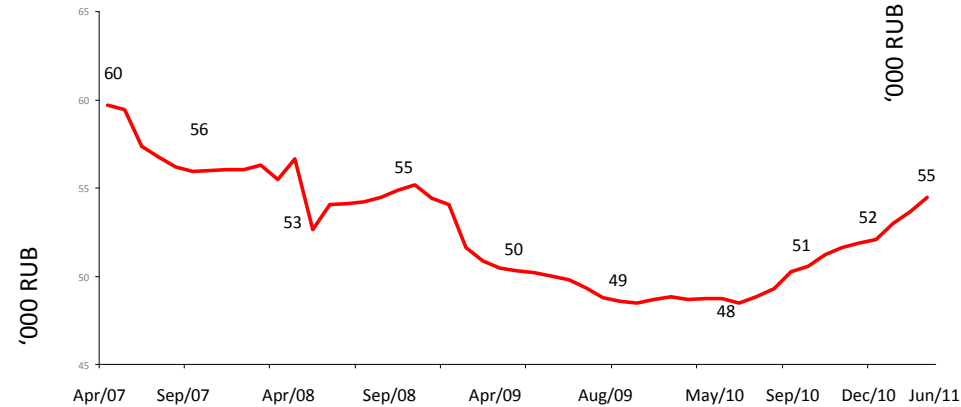
Source: SPb Realty

## Moscow



Source: IRN

## Yekaterinburg



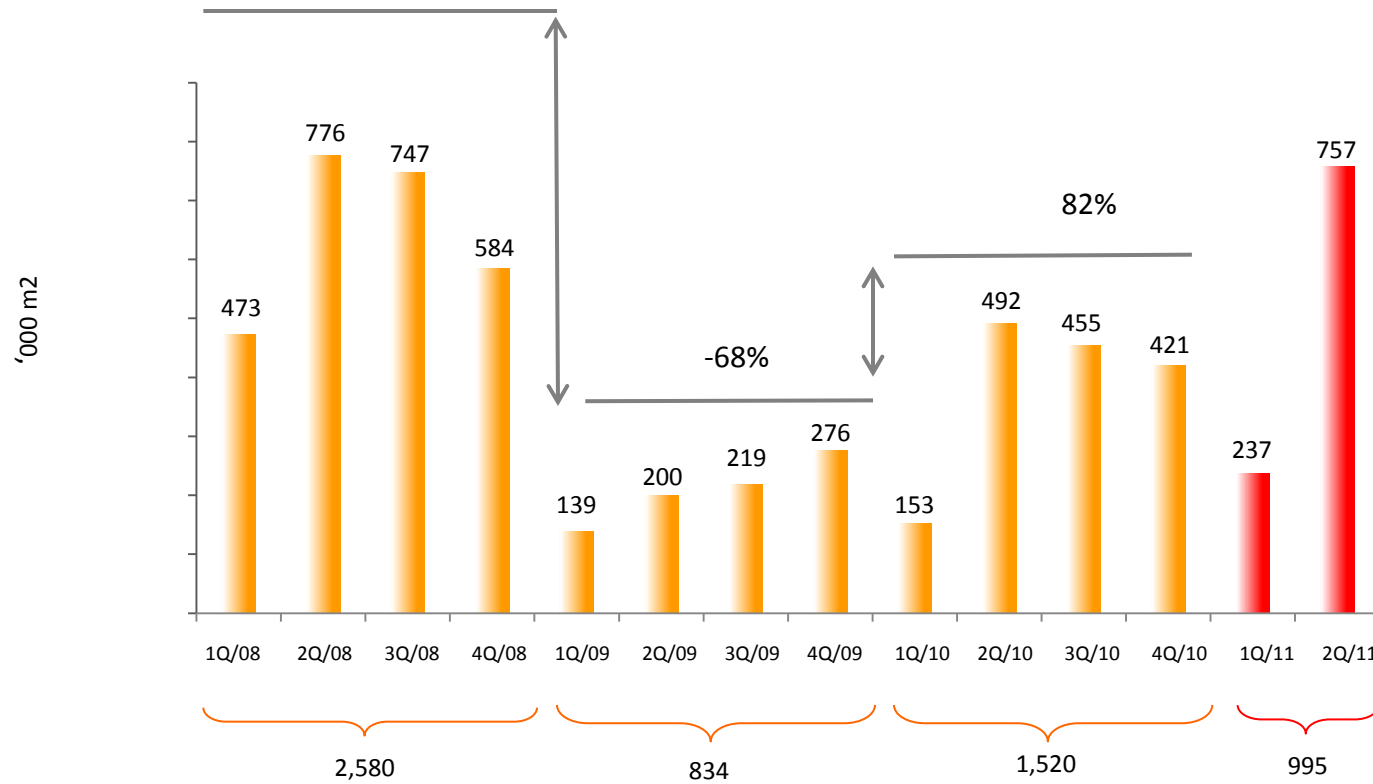
Source: Company

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

# Supply of new apartments

## Supply of new apartments in St. Petersburg

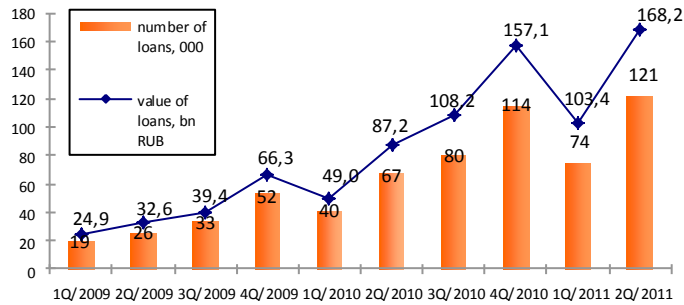


Source: SPb Realty

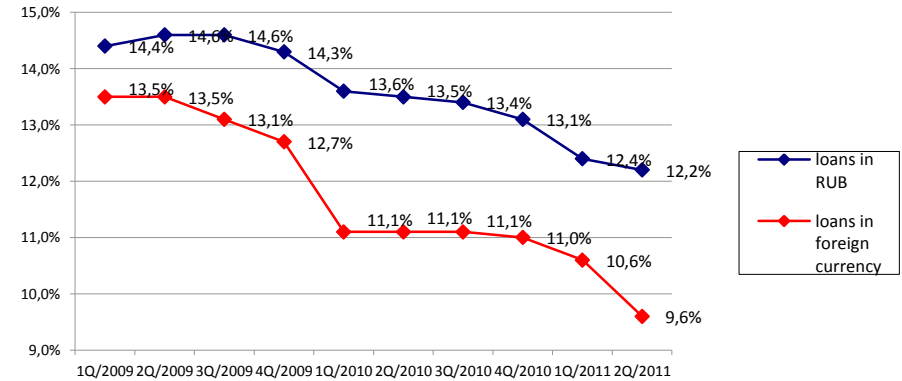
Note: Supply of new housing (apartments) represents residential projects at different stages of development which are offered for sale for the first time during the reported period

# Mortgage lending

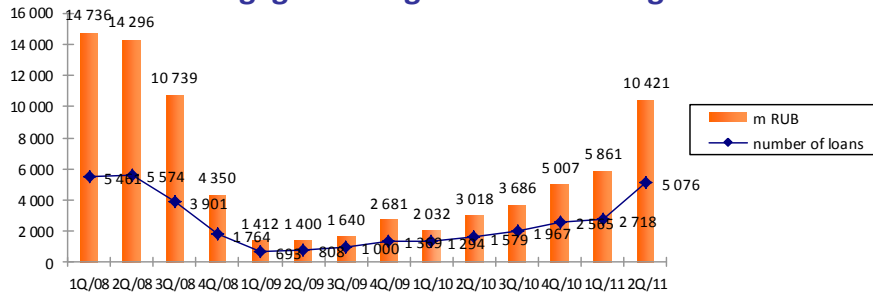
## Mortgage lending in Russia



## Average mortgage rates

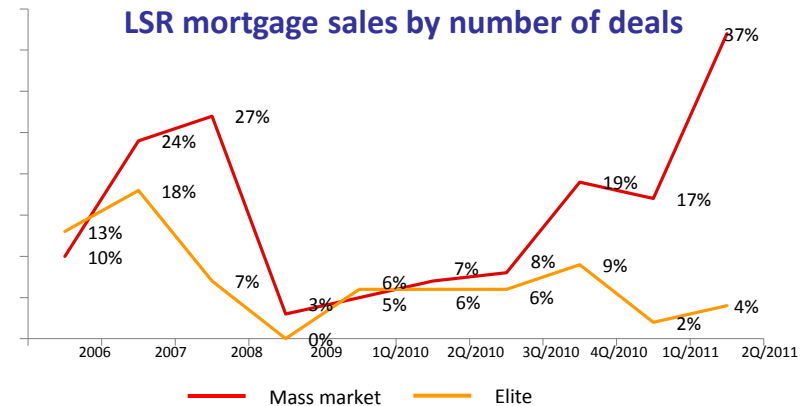


## Mortgage lending in St. Petersburg



Source: SPb Mortgage Agency

## LSR mortgage sales by number of deals



Source: Company

# Contacts

## LSR Group Investor Relations

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