

## LSR Group Reports 3Q 2017 Operating Results

LSR Group (LSE: LSRG; MOEX: LSRG), one of the leading real estate developers and building materials producers in Russia, is publishing operating results for the third quarter of 2017.

### REAL ESTATE DEVELOPMENT

	3Q 2016	3Q 2017	Change, %	9M 2016	9M 2017	Change, %
<b>New contract sales, th m<sup>2</sup></b>	<b>143</b>	<b>167</b>	<b>17%</b>	<b>509</b>	<b>423</b>	<b>(17%)</b>
<b>Completed, th m<sup>2</sup></b>	<b>67</b>	<b>38</b>	<b>(44%)</b>	<b>274</b>	<b>219</b>	<b>(20%)</b>
<b>Real estate in St. Petersburg</b>						
<b>New contract sales, th m<sup>2</sup></b>	<b>78</b>	<b>110</b>	<b>41%</b>	<b>289</b>	<b>262</b>	<b>(10%)</b>
<i>Elite real estate</i>	5	3	(47%)	16	10	(39%)
<i>Business class real estate</i>	8	7	(15%)	35	23	(34%)
<i>Mass market real estate</i>	65	100	55%	239	229	(4%)
<i>incl. state contracts</i>	3	9	254%	6	9	58%
<b>Completed, th m<sup>2</sup></b>	-	-	-	<b>127</b>	<b>142</b>	<b>11%</b>
<i>Elite real estate</i>	-	-	-	18	-	-
<i>Business class real estate</i>	-	-	-	-	28	-
<i>Mass market real estate</i>	-	-	-	110	113	3%
<b>Real estate in Moscow</b>						
<b>New contract sales, th m<sup>2</sup></b>	<b>36</b>	<b>29</b>	<b>(19%)</b>	<b>155</b>	<b>86</b>	<b>(44%)</b>
<b>Completed, th m<sup>2</sup></b>	<b>41</b>	<b>11</b>	<b>(73%)</b>	<b>97</b>	<b>11</b>	<b>(89%)</b>
<b>Real estate in Yekaterinburg</b>						
<b>New contract sales, th m<sup>2</sup></b>	<b>29</b>	<b>27</b>	<b>(5%)</b>	<b>65</b>	<b>75</b>	<b>16%</b>
<b>Completed, th m<sup>2</sup></b>	<b>27</b>	<b>27</b>	-	<b>50</b>	<b>67</b>	<b>35%</b>

**Notes:** The operating results in this table are rounded to whole numbers in thousands square meters, while all the calculations are based on the full figures.

In 3Q 2017, in all regions of our operations we entered into new contracts for the sale of 167 th m<sup>2</sup> (+17%). The total value of the contracts for the sale of apartments and other premises was RUB 16bn, up 5%. Average selling price per m<sup>2</sup> was RUB 96th.

In 3Q 2017, we completed 38 th m<sup>2</sup> of net sellable area. Most of completions will take place in 4Q due to the schedule of our projects.

The recognitions for the reported period amounted to 44 th m<sup>2</sup>, including the net sellable area completed within the reported period and pre-sold/sold either within the reported period or in previous years along with the net sellable area completed in previous years but sold within the reported period.

#### **Real Estate in St. Petersburg**

In 3Q 2017, in St. Petersburg, we entered into new contracts for the sale of 110 th m<sup>2</sup> of net sellable area, up 41% year-on-year. The total value of the contracts was RUB 10.2bn (+28%). There were no completions due to the projects' schedule.

In the elite segment, we entered into new contracts for the sale of 3 th m<sup>2</sup> of net sellable area (-47%). The total value of the contracts was RUB 829m (-39%).

In business class segment, we entered into new contracts for the sale of 7 th m<sup>2</sup> of net sellable area (-15%). The total value of the contracts was RUB 1bn (-9%).

In the mass market segment, we entered into new contracts for the sale of 100 th m<sup>2</sup>, up 55% year-on-year. The total value of the contracts was RUB 8.4bn (+53%). In particular, we sold more than 9 th m<sup>2</sup> under governmental contracts with an average price per m<sup>2</sup> standing at RUB 65 thousand.

#### **Real Estate in Moscow**

In 3Q 2017, we entered into new contracts for the sale of 29 th m<sup>2</sup> of net sellable area, down 19% year-on-year. The total value of the signed contracts was RUB 4.3bn (-25%). We completed 11 th m<sup>2</sup> in our projects Nakhabino Yasnoe and New Domodedovo.

#### **Real Estate in Yekaterinburg**

In Yekaterinburg, we entered into new contracts for the sale of 27 th m<sup>2</sup> of net sellable area, down 5% year-on-year. The total value of the contracts decreased by 6% to RUB 1.6bn. During the reported period we completed 27 th m<sup>2</sup> in our project Flagman.

### **CONSTRUCTION**

	<b>3Q 2016</b>	<b>3Q 2017</b>	<b>Change, %</b>	<b>9M 2016</b>	<b>9M 2017</b>	<b>Change, %</b>
<b>Construction transferred to customers th m<sup>2</sup></b>	<b>220</b>	<b>260</b>	<b>18%</b>	<b>718</b>	<b>707</b>	<b>(1%)</b>
<i>St. Petersburg</i>	132	158	20%	450	456	1%
<i>Moscow*</i>	60	78	30%	148	156	5%
<i>Yekaterinburg*</i>	28	23	(17%)	121	96	(21%)

**Notes:** The operating results in this table are rounded to whole numbers in thousand square meters, while all the calculations are based on the full figures.

\*Sales figures in Yekaterinburg include both transfer of completed panel housing to the customers and sales of reinforced concrete for panel construction.

#### **Construction**

In 3Q 2017, our subsidiaries in St. Petersburg, Moscow and Yekaterinburg transferred to the customers 260 th m<sup>2</sup> of panel housing (+18%).

## BUILDING MATERIALS

Product	3Q 2016	3Q 2017	Change, %	9M 2016	9M 2017	Change, %
Crushed granite, th m <sup>3</sup>	2,068	1,892	(8%)	4,862	4,530	(7%)
Sand, th m <sup>3</sup>	2,424	2,128	(12%)	6,869	5,572	(19%)
Ready-mix concrete, th m <sup>3</sup>	264	302	15%	655	808	23%
Reinforced concrete, th m <sup>3</sup>	73	75	4%	197	174	(11%)
Bricks, million units	99	89	(10%)	248	228	(8%)
Aerated concrete, th m <sup>3</sup>	449	492	9%	1,089	1,200	10%

**Notes:** The operating results in this table are rounded to whole numbers, while all the calculations are based on the full figures.

### Crushed Granite

In 3Q 2017, our crushed granite sales were 1.9m m<sup>3</sup>, down 8% year-on-year.

### Sand

Sand sales were 2.1 m m<sup>3</sup> (-12%).

### Ready-Mix Concrete

Ready-mix concrete sales were 302 th m<sup>3</sup>, up 15% year-on-year.

### Reinforced Concrete

During the reported period, we sold 75 th m<sup>3</sup> of reinforced concrete items, up 4%.

### Bricks

Our bricks sales amounted to 89 million units, down 10% against our sales in 3Q 2016.

### Aerated Concrete

Aerated concrete sales amounted to 492 th m<sup>3</sup> (+9%).

**Notes to Editors:**

**PJSC 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 prefab construction. LSR Group's main operations are located in St. Petersburg, Moscow and Yekaterinburg. As of December 31, 2016 (according to Knight Frank), the net sellable area of the projects in LSR Group's real estate portfolio is equal to 8.8m m<sup>2</sup> with the market value of RUB 144bn. In 2016, the sales revenue of LSR Group amounted to RUB 98,072m (IFRS). LSR Group is a public company, with its GDRs traded on the London Stock Exchange and its ordinary shares traded on MICEX-RTS.

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