



# LSR Group's 4Q/12M 2016 Trading Volume Update

Saint Petersburg

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## 2016 Highlights

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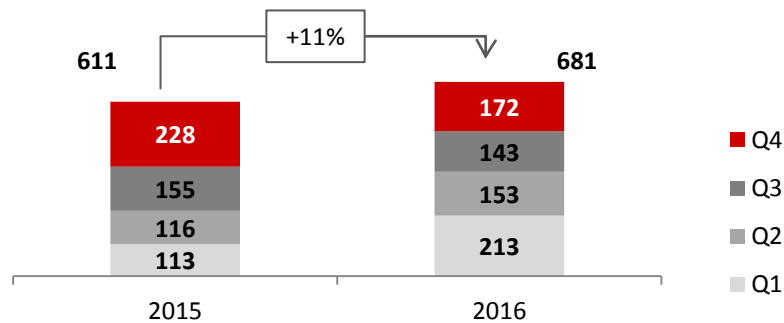
- 12M new contract sales reached **681 th sq m (+11% y/y)**. Value of the contracts was **RUB 70.6 bn (+29% y/y)**
- Average selling price grew by **15% y/y** to **RUB 104 th** in 2016
- In 12M, **729 th sq m** of NSA was launched to the market
- The share of mortgage sales stood at **38%** over the 12M and reached **42%** in 4Q
- 12M completions were **789 th sq m (+5% y/y)**, deliveries (recognized in revenue) amounted to **780 th sq m (+8% y/y)**

# Real Estate Development

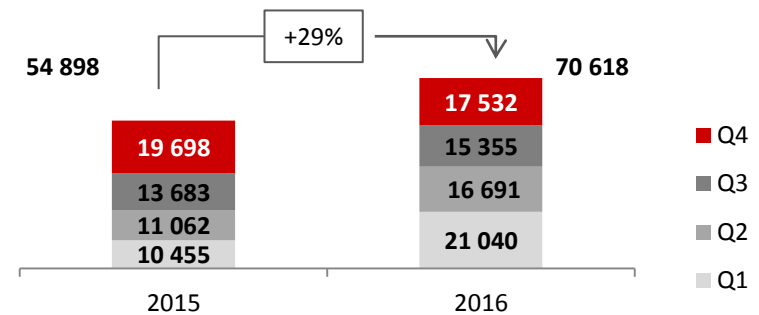


- Robust sales continue to be supported by mortgage lending and outperformance of Moscow projects
- The average price increase was driven by our new pricing strategy which carefully balances supply and demand
- Deliveries (recognized in revenue) amounted to 780 th sq m, precisely in line with the annual plan

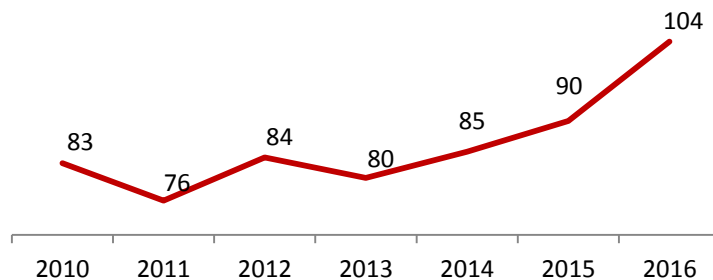
NEW CONTRACT SALES, TH SQ M



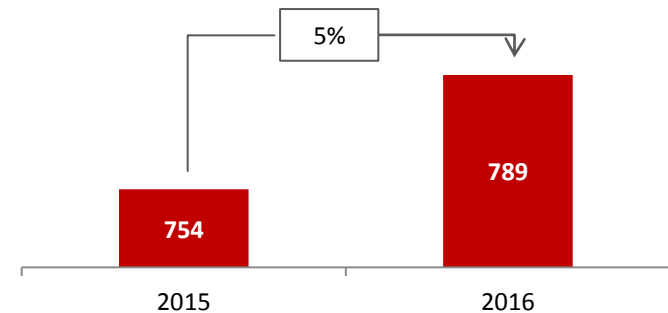
NEW CONTRACT SALES, RUB BN



AVERAGE PRICE, RUB TH



COMPLETIONS, TH SQ M



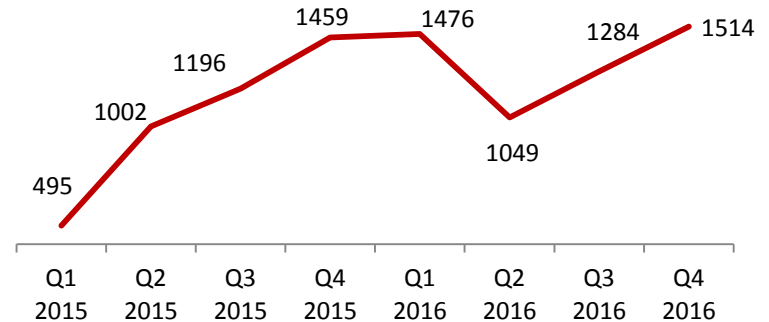
Source: Company

# Real Estate Development: Overview

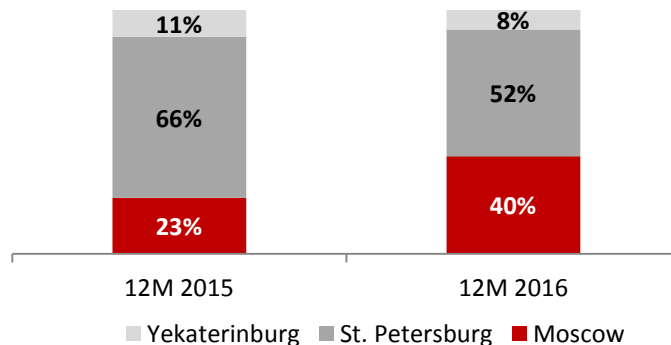


- Boost in demand for mortgage was supported by:
  - Central Bank's initiatives
  - Our strategy of price differentiation between mortgage and installment payments
- Our sales mix has changed towards higher margin, higher priced projects
- Scope of operations in Moscow is growing rapidly driving both volumes and prices

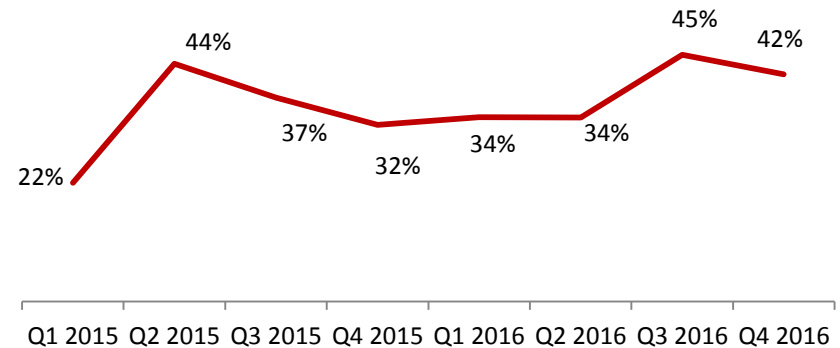
NUMBER OF MORTGAGE CONTRACTS



NEW CONTRACT SALES, BY REGION IN TERMS OF VALUE



SHARE OF MORTGAGES IN NEW CONTRACT SALES, %



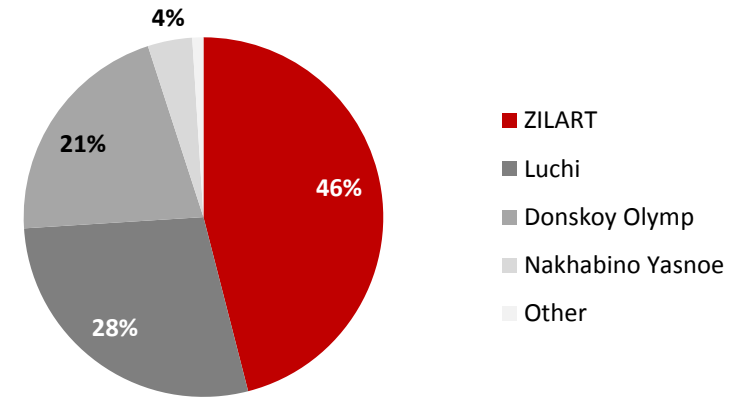
Source: Company

# Real Estate Development: Moscow

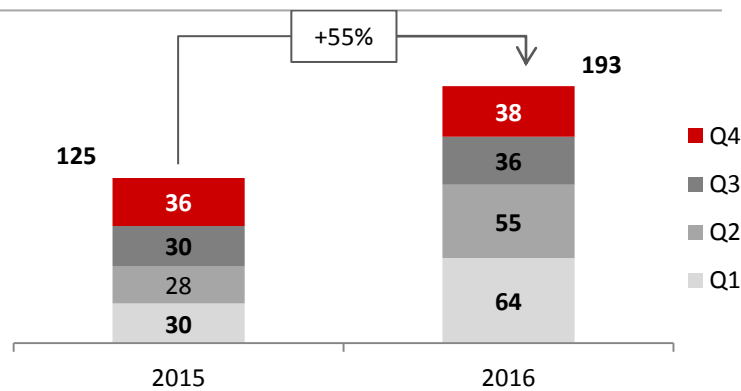


- Sales increased by 124% y/y in value terms up to RUB 28.1 bn, and by 55% in volume terms up to 193 th sq m.
- In 2016, 272 th sq m launched to the market, including 163 th sq m in ZILART project
- Average price increased by 45% y/y due to solid project mix

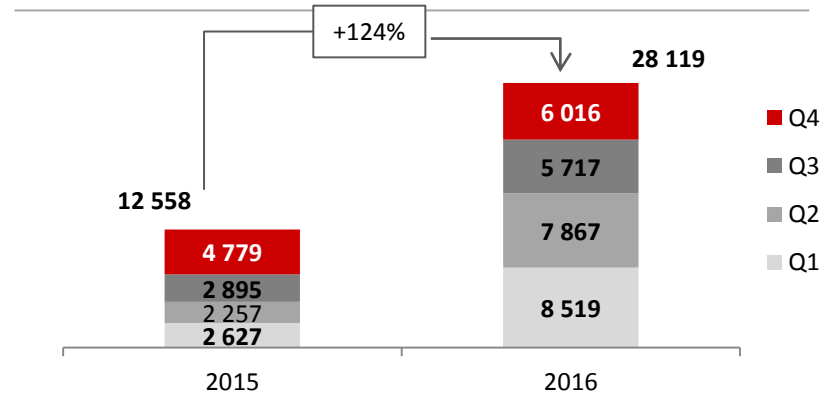
## NEW CONTRACT SALES BREAKDOWN BY VALUE



## NEW CONTRACT SALES, TH SQ M



## NEW CONTRACT SALES, RUB BN

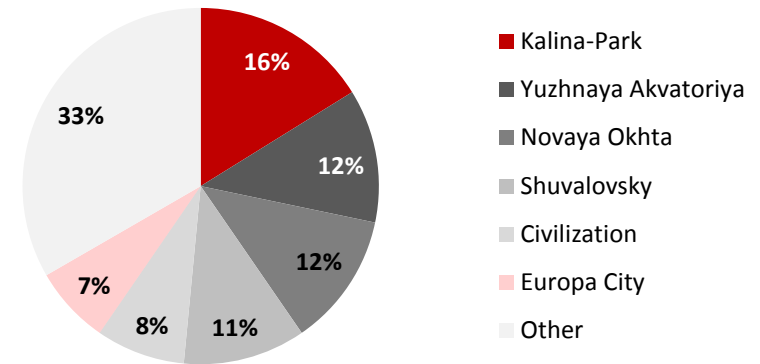


# Real Estate Development: St. Petersburg

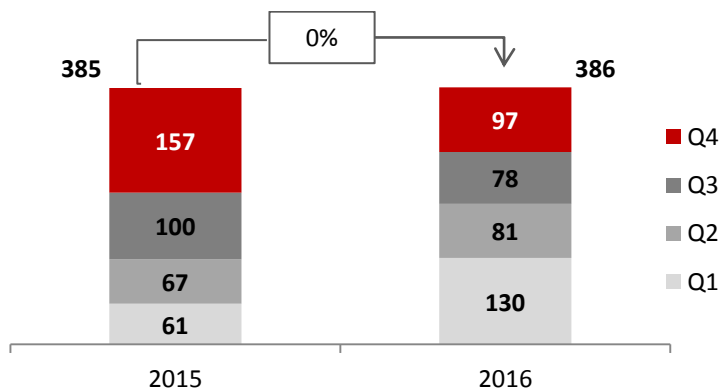


- During the year 336 th sq m were launched to the market including the largest projects in history of our presence in St. Petersburg: Civilization and Tsvetnoy Gorod

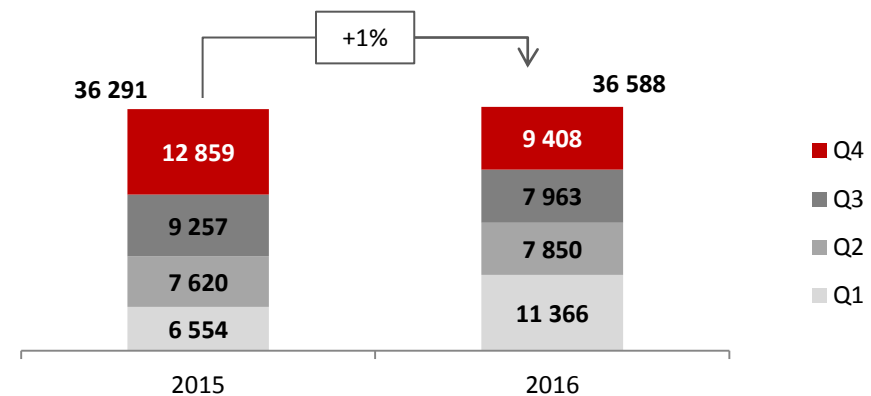
NEW CONTRACT SALES VALUE, BY PROJECT IN ST. PETERSBURG



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



Source: Company

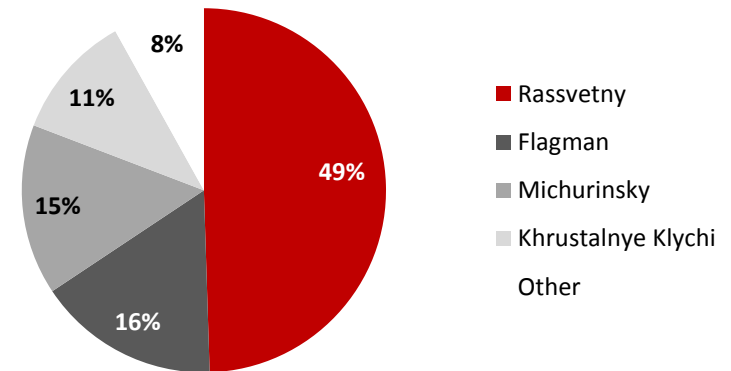


# Real Estate Development: Yekaterinburg

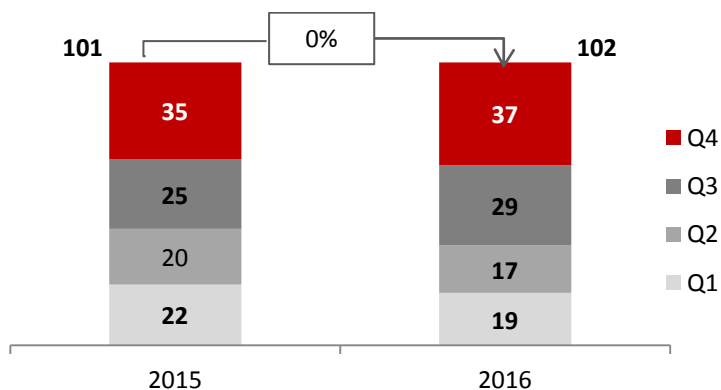


- 4Q sales in Yekaterinburg were the best quarter results in the region since the beginning of 2015, increasing by 6% y/y in volume and 2% y/y in value
- This success resulted from offering smaller, more in-demand apartments and adjusting the prices
- During the year 120 th sq m were launched to the market including Rassvetniy, Rastochnaya and Michurinsky projects

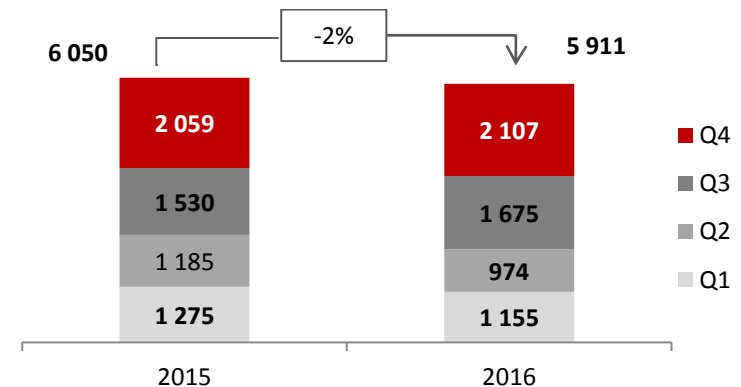
NEW CONTRACT SALES VALUE, BY PROJECT IN YEKATERINBURG



NEW CONTRACT SALES, TH SQ M



NEW CONTRACT SALES, RUB BN



Source: Company

# Building Materials

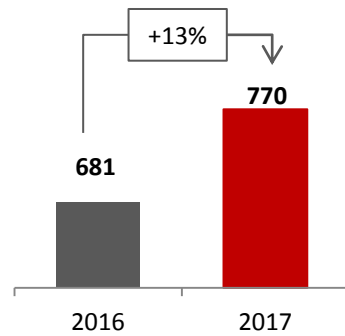


- Aggregates' sales dynamics continued to be supported by supplies to long-term infrastructure projects
- Ready-mix concrete and reinforced concrete remained under pressure from the general decline in early cycle construction activity
- Aerated concrete sales demonstrated steady growth dynamics due to ongoing market share consolidation

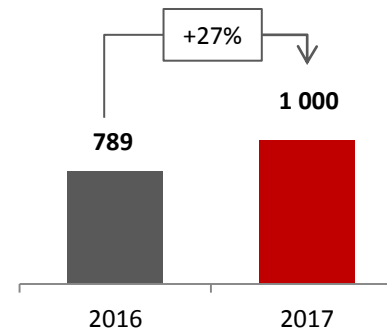
Sales by product	4Q 2015	4Q 2016	Change, %	12M 2015	12M 2016	Change, %
Crushed granite, th cbm	1 180	1 450	23%	5 374	6 312	17%
Sand, th cbm	1 715	1 872	9%	8 144	8 742	7%
Ready-mix concrete, cbm	210	224	7%	1 027	879	(14%)
Reinforced concrete, th cbm	70	60	(15%)	283	256	(10%)
Bricks, mn units	75	69	(8%)	348	317	(9%)
Aerated concrete, th cbm	288	295	3%	1 304	1 385	6%

## Appendix

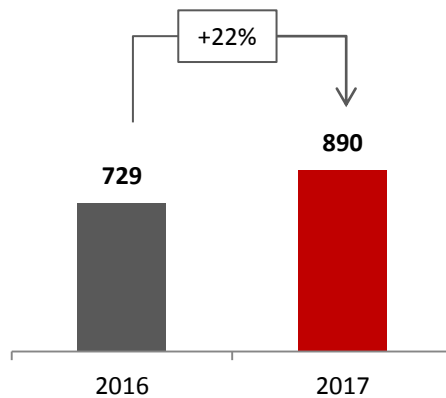
### New contract sales (th sq m)



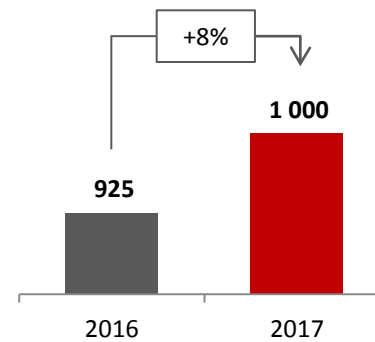
### Completions (th sq m)



### New launches (th sq m)



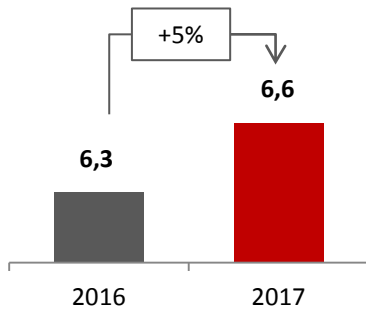
### Construction (th sq m)



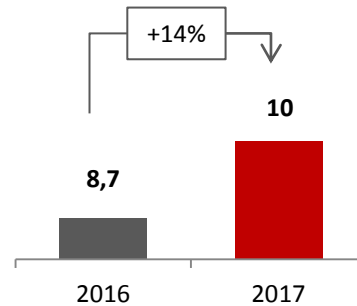
# Operating Guidance 2017: Building Materials



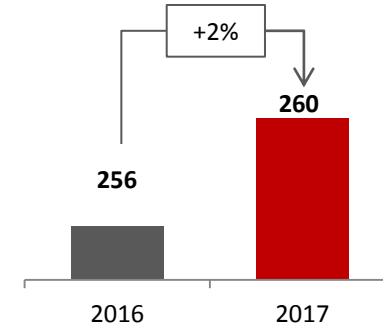
**Crushed granite (mn cbm)**



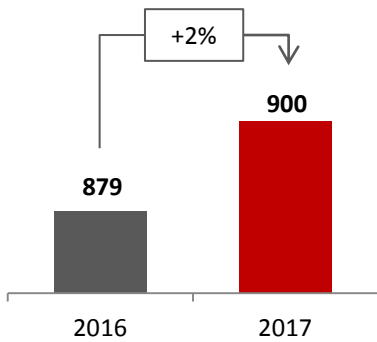
**Sand (mn cbm)**



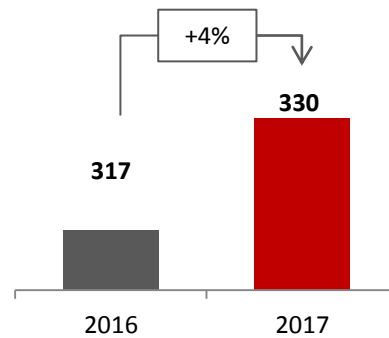
**Reinforced concrete (th cbm)**



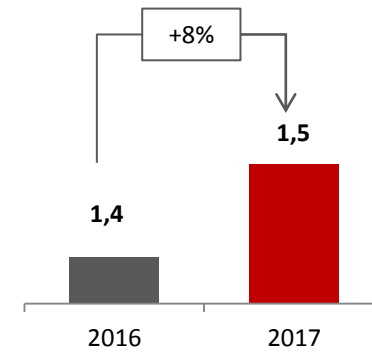
**Ready-mix concrete (th cbm)**



**Bricks (mn units)**



**Aerated concrete (mn cbm)**



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