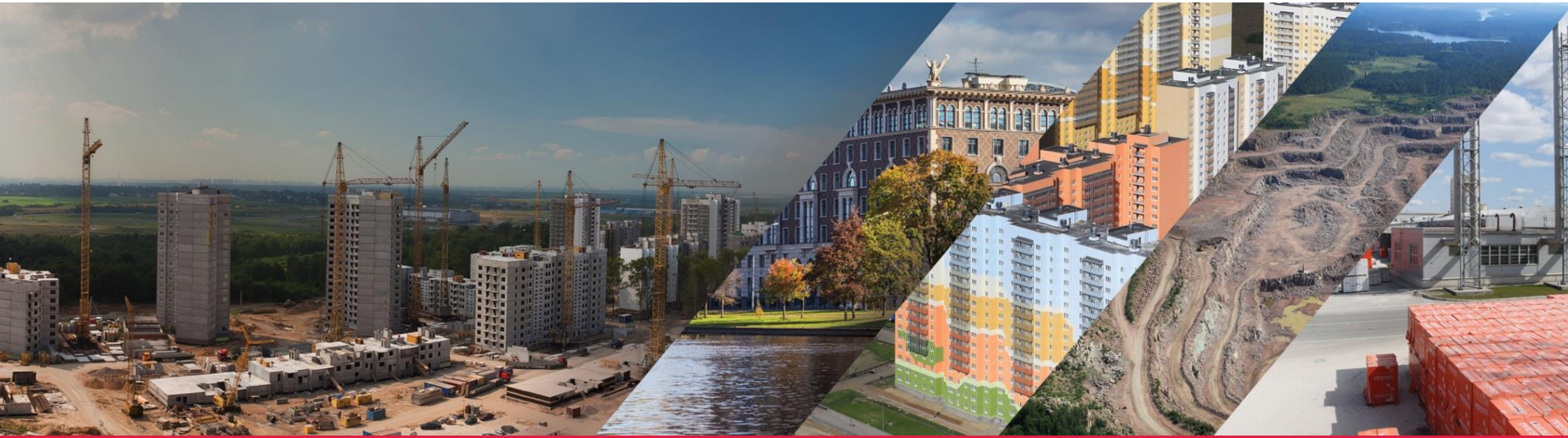

2Q and 1H 2016 Trading Volume Update

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Agenda

2Q and 1H 2016 Trading Volume Update

2Q and 1H 2016 Operating Highlights

Real Estate Development and Construction

New Contract Sales	New contract sales surged by 60% y/y to RUB 37,8 bn and by 32% y/y RUB 16,7 bn in 1H16 and 2Q16, respectively, driven by active market share consolidation, continued Moscow expansion, and new project launches.
Average Price	Average selling price grew by 9% y/y in 1H16 and 14% y/y in 2Q16 on the back of greater Moscow share in the sales mix.
Moscow Expansion	Moscow share in new contract sales continued to break record highs: 47% of total sales in 2Q16.
New Launches	Our new sales launches totaled 322 th m^2 in 1H16, and we stay on track in regards to our full year plans.
Construction	Construction volumes were in line with the budget: 484 th m^2 in 1H and 285 th m^2 in 2Q16.

Building Materials

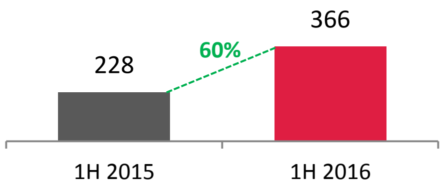
Sales Volume	General economic slowdown resulted in mixed performance of the building materials segment: 2Q16 registered some positive sales trends for crushed granite (+25% y/y), sand (+13% y/y) and aerated concrete (+17% y/y), while ready-mix concrete (-24% y/y), reinforced concrete (-11% y/y) and bricks (-14% y/y) remained subject to overall subdued new construction activity.

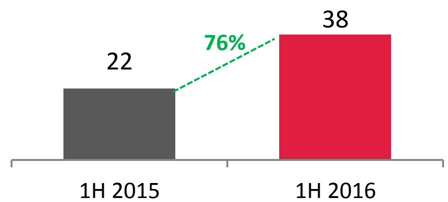
Real Estate Development: Overview

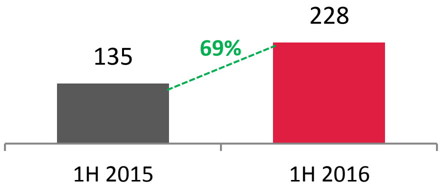
- Share of mortgage sales remained at 34% of new sales contracts thanks to government mortgage subsidy program.
- Average prices went from RUB 96 th per m^2 in 2Q 2015 to RUB 109 th per m^2 in 2Q 2016 (up 14% y/y).

New contract sales (000 m^2) | **New contract sales (RUB bn)** | **Deliveries (000 m^2)**

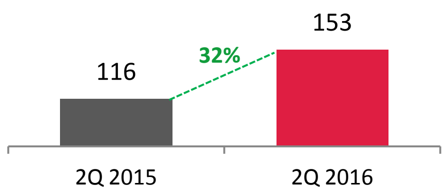
1H 2016/ 1H 2015

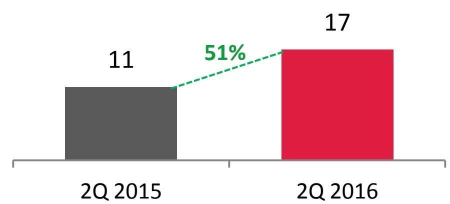


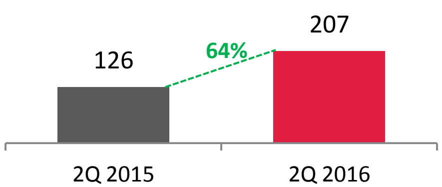




2Q 2016/ 2Q 2015



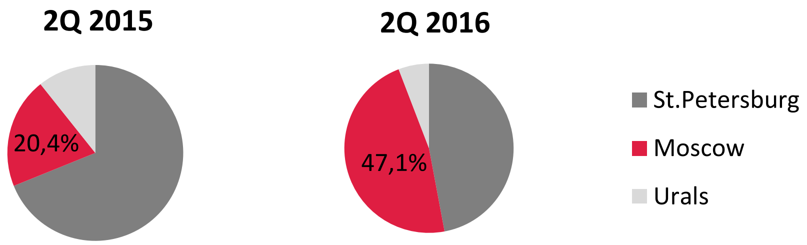




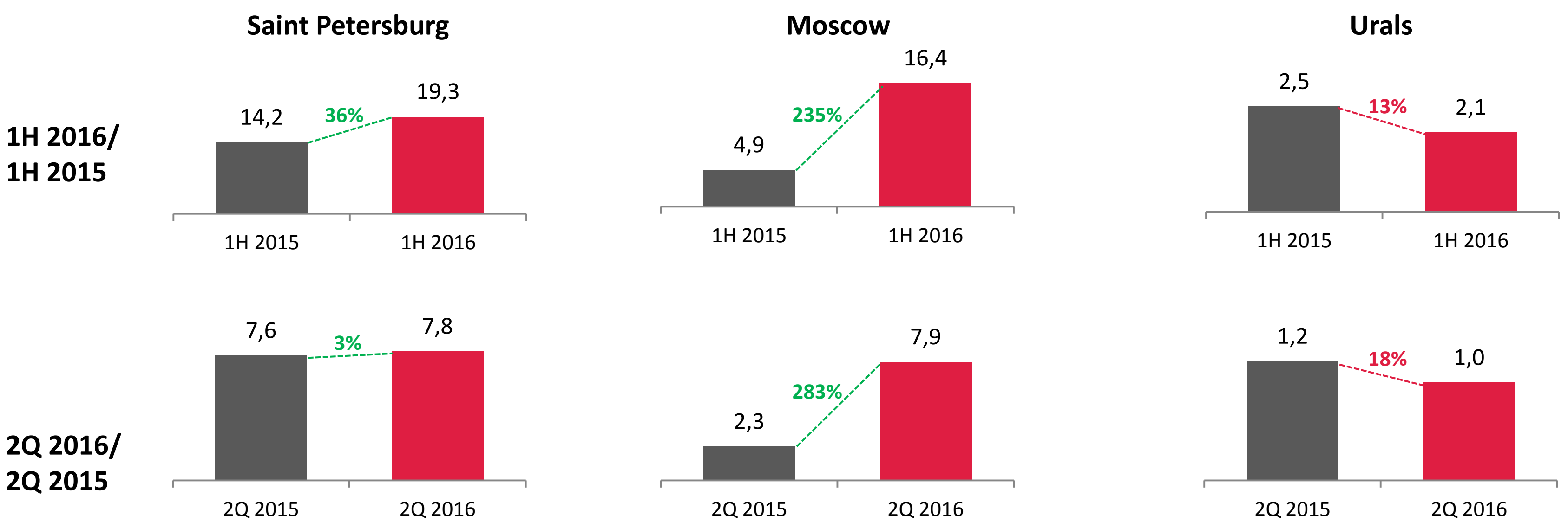
Real Estate Development: Regional Breakdown By Value

- Moscow share in new contract sales continued to grow, reaching 47% of new contract sales in ruble terms and 36% of pre-sales volume in Q2.
- St. Petersburg new contract sales were supported by launches of mass-market projects.
- Urals new contract sales remained under pressure due to tougher economic conditions in regions.

New contract sales: regional breakdown by value



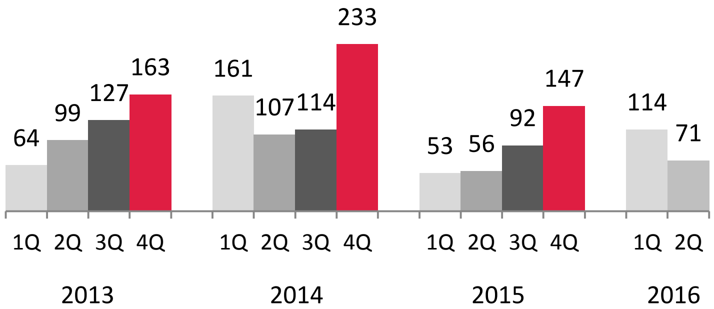
New contract sales: regional breakdown by value (RUB bn)



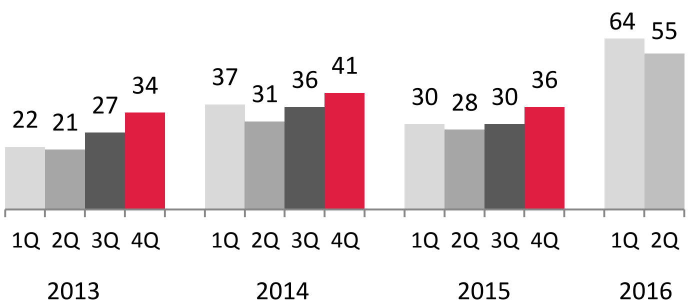
Real Estate Development: Regional Breakdown By Volume

New contract sales: regional breakdown by volume

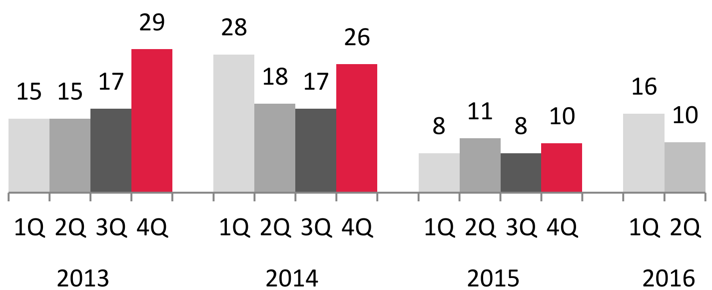
St. Petersburg Mass Market ('000 m²)



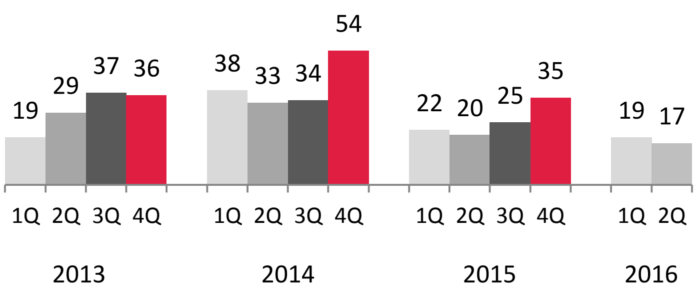
Moscow ('000 m²)



St. Petersburg Elite ('000 m²)



Urals ('000 m²)



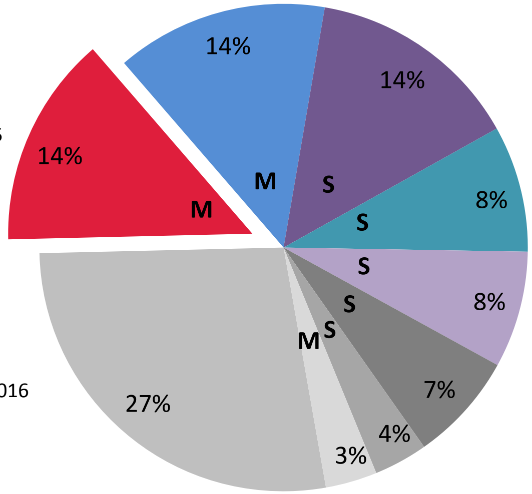
Real Estate Development: Project Breakdown in 2Q

- LSR brought a total 173 th m^2 of new housing in Q2 in Zilart, Luchi, Civilization, Tsvetnoy Gorod and other projects.
- ZILART becomes best-selling project in sales portfolio and enjoys increasing demand; two new lots which were launched in Q2 already sold near 40%.
- Luchi continues to be a strong driver of Moscow sales; prices increased 10% in March-June.
- Civilization sold 35% more than expected for 1H.

2Q volume new contract sales by project

ZILART
Land plot – 65 ha
Total NSA – 979 th m²
Start of pre-sales – Sep 2015
Completion – 2025

CIVILIZATION
Land plot – 60 ha
Total NSA – 824 th m²
Start of pre-sales – March 2016
Completion – 2026



LUCHI
Land plot – 39 ha
Total NSA – 476 th m²
Start of pre-sales – Feb 2016
Completion – 2022

NOVAYA OKHTA
Land plot – 104 ha
Total NSA – 780th m²
Start of pre-sales – May 2013
Completion – March 2021

M – Moscow **S – Saint Petersburg**

Other ZILART Luchi Novaya Okhta Kalina Park Yuzhnaya Aquatoria Civilization Europa City Donskoy Olymp

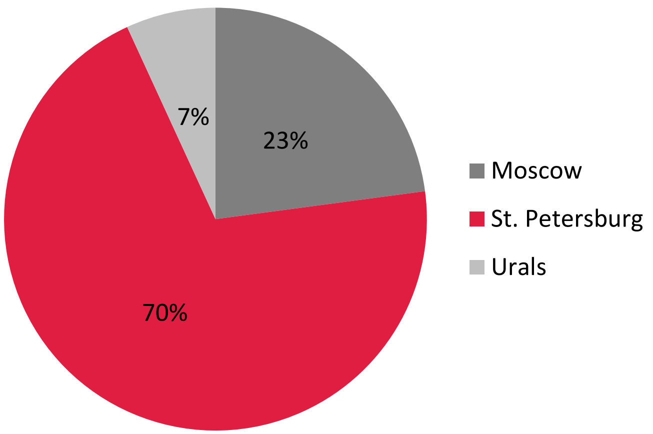
Real Estate Development: Key Launches in 2H 2016

- New sales launches to the market in all three cities will total ~900 thousand m^2 in 2016.
- Tsvetnoy Gorod, ZILART and Civilization will launch new lots in 2H.

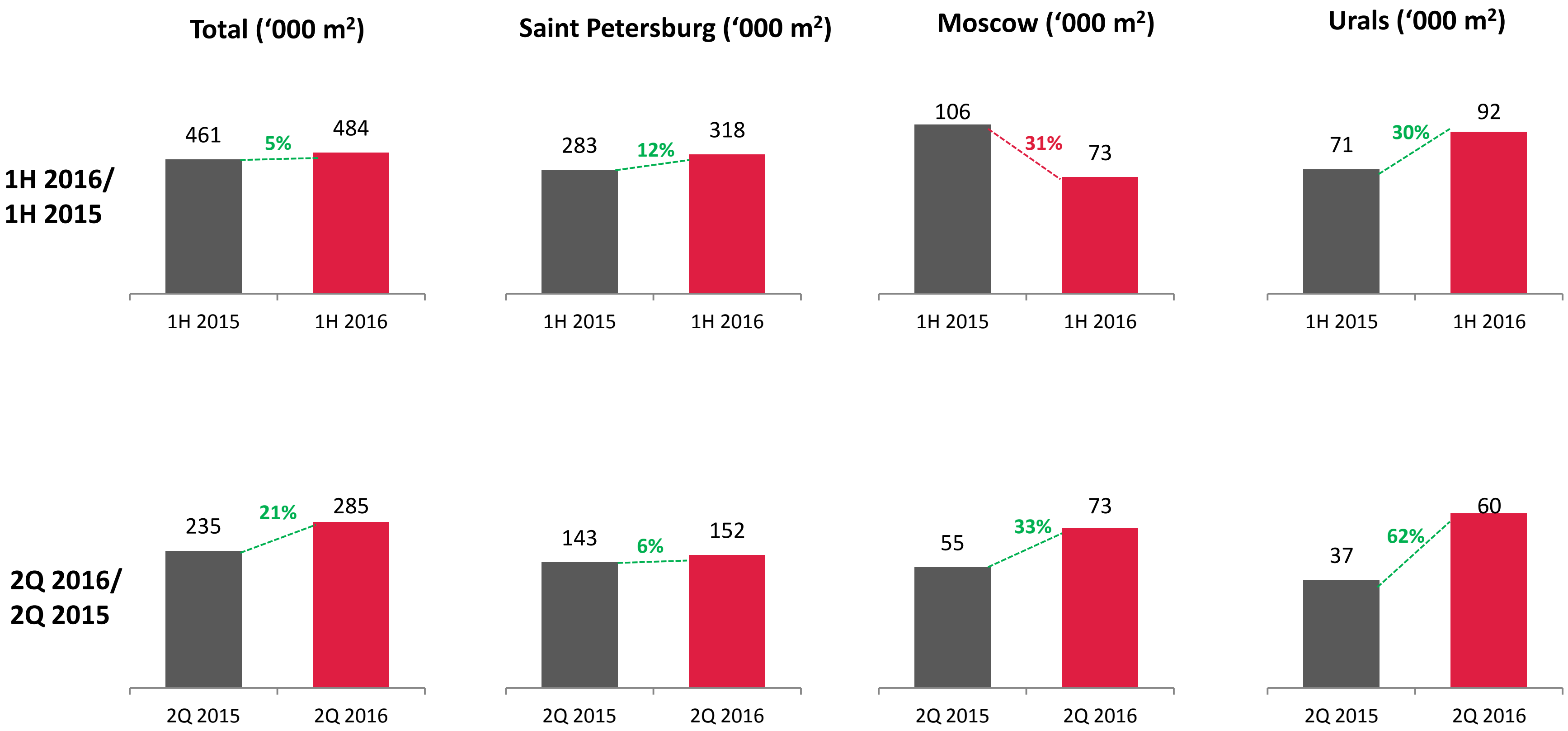
2H key new launches by project

Project	New launches (th. m^2)
St.Petersburg	**341**
Novaya Okhta / Tsvetnoy Gorod	186
Shuvalovsky	55
Civilization	44
Kalina-Park	42
Europa City	13
Moscow	**110**
ZILART	65
Luchi	31
Nakhabino Yasnoe	13
Urals	**34**
Rassvetniy	11
Michurinskiy	23
TOTAL	**484**

2H new launches by region



Construction

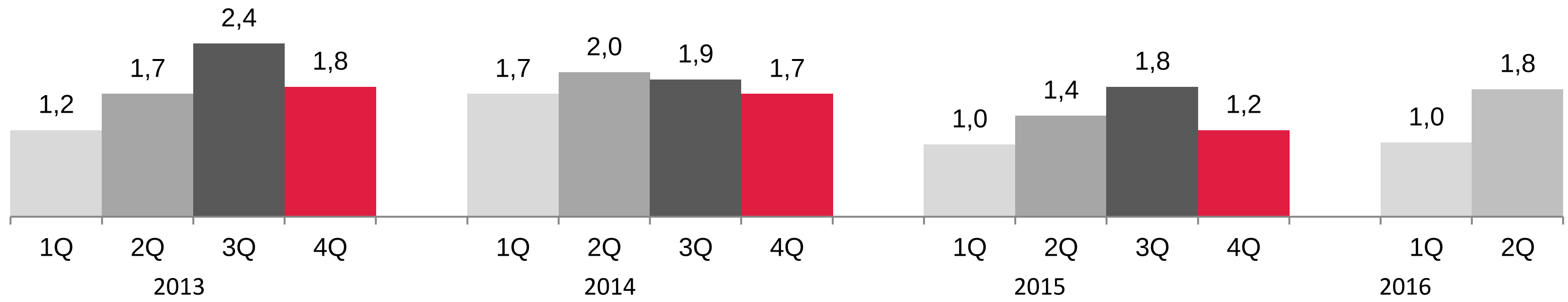


Aggregates

- Crushed granite and sand were supported by supplies to M-11 highway construction.
- Positive trend should continue as the contracts for M-11 contract is signed for the whole year.

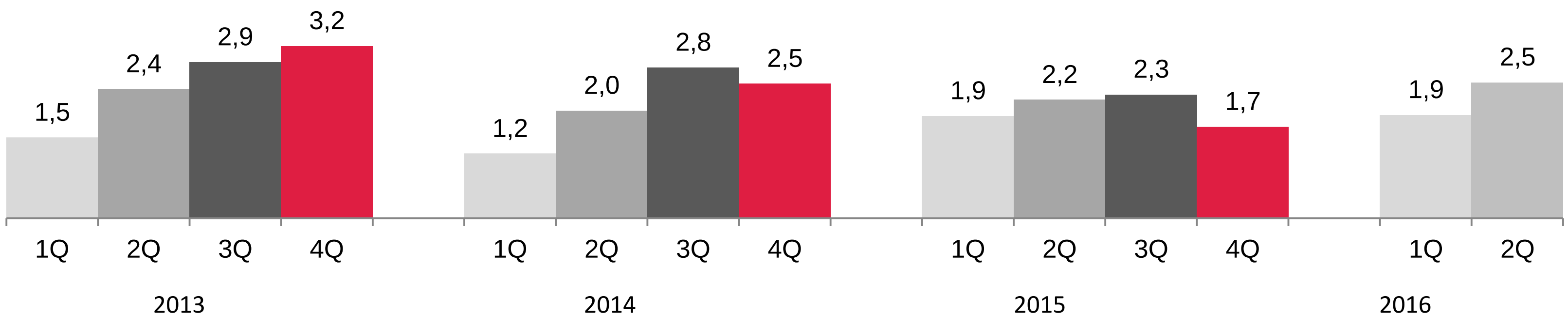
Crushed granite (m m³)

1H2016/1H2015: **+16%**
2Q2016/2Q2015: **+25%**



Sand (m m³)

1H2016/1H2015: **+7%**
2Q2016/2Q2015: **+13%**

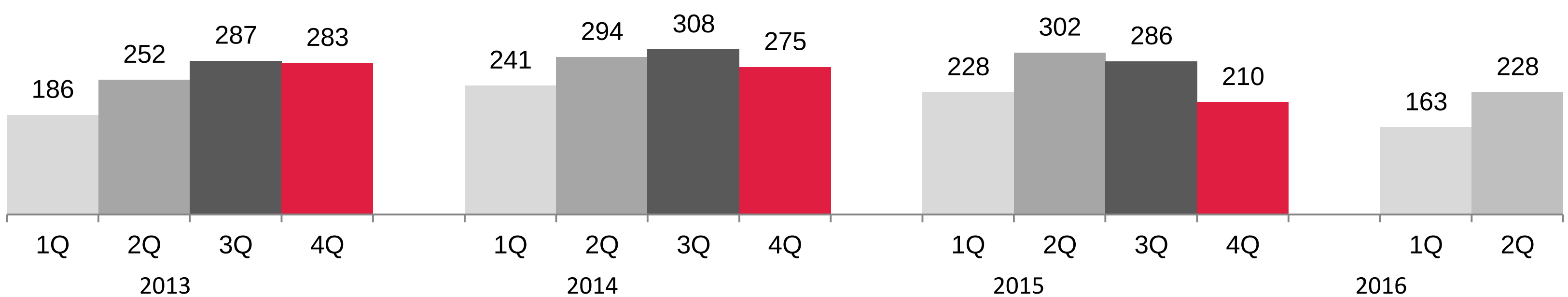


Ready-Mix Concrete and Reinforced Concrete

- Ready-mix concrete was strongly affected by intensifying competition and the lack of new projects.

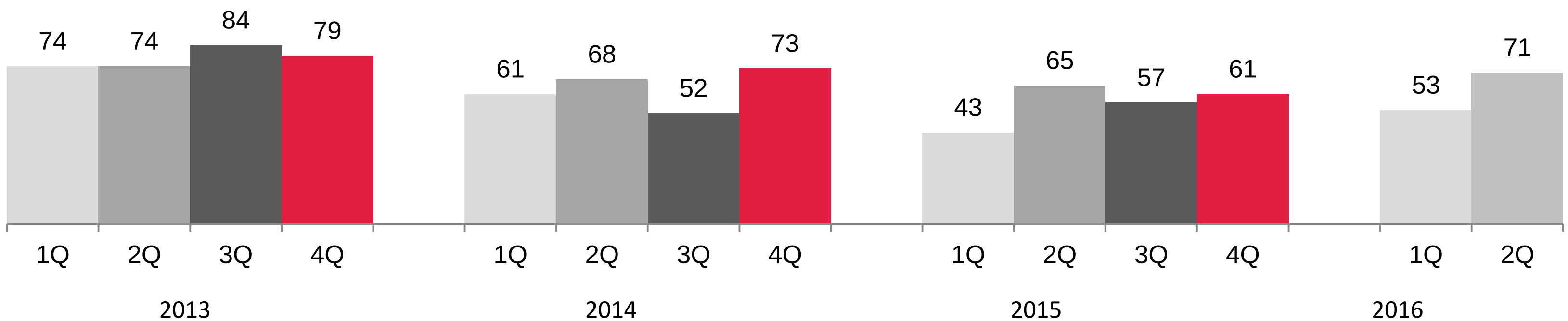
Ready-mix concrete (m m^3)

1H2016/1H2015: **-26%**
2Q2016/2Q2015: **-24%**



Reinforced concrete (m m^3)

1H2016/1H2015: **-6%**
2Q2016/2Q2015: **-11%**

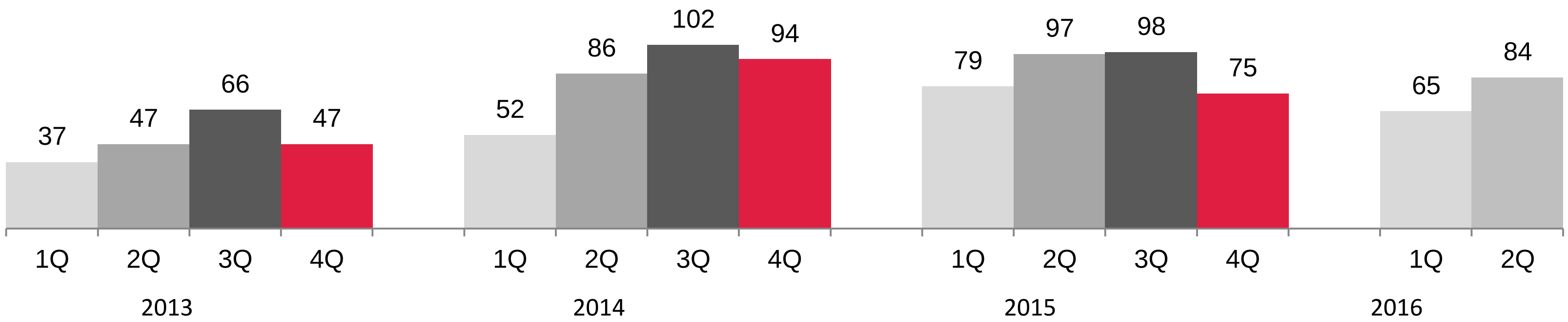


Bricks and Aerated Concrete

- Brick sales affected by high base effect, slowdown in deliveries due to colder winter, as well as slowdown of construction.
- Supplies to ZILART should support sales in 2H.
- Marketing campaigns for aerated concrete helped break Q2 sales targets.

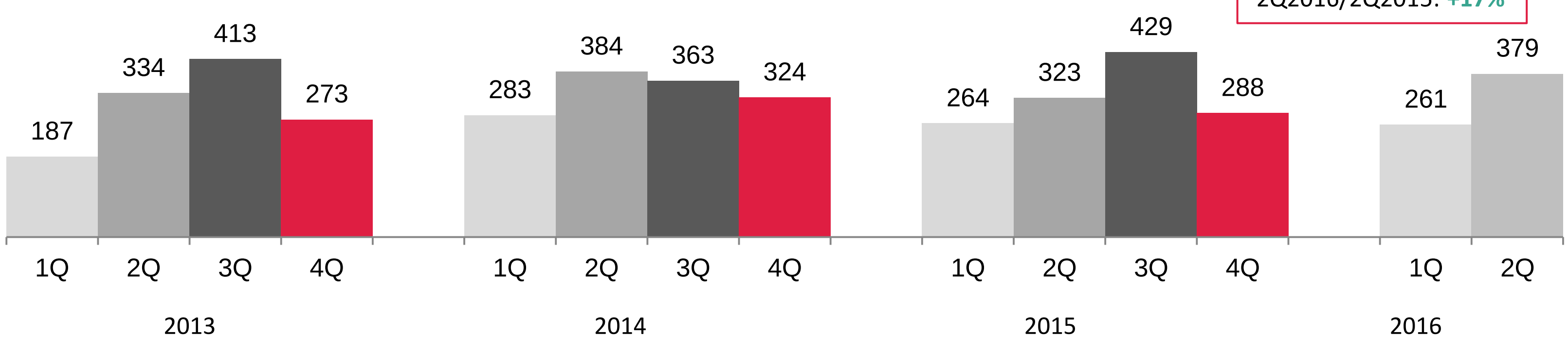
Bricks (m units)

1H2016/1H2015: **-15%**
2Q2016/2Q2015: **-14%**



Aerated concrete (m m^3)

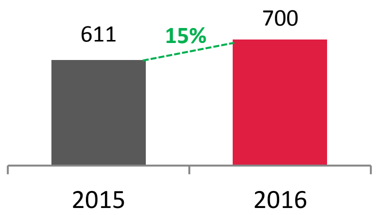
1H2016/1H2015: **+9%**
2Q2016/2Q2015: **+17%**



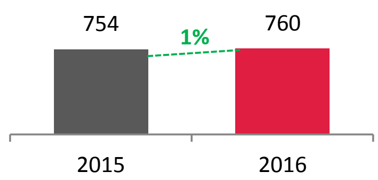
Operating Guidance 2016

- We fully reiterate our sales guidance for full year 2016 for real estate development and construction.
- We revised our guidance for reinforced concrete down 12% to 250 th m^3.

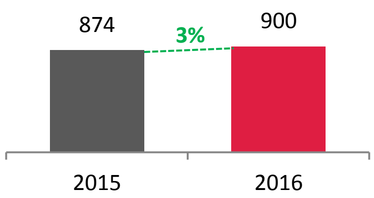
New contract sales (000' m^2)



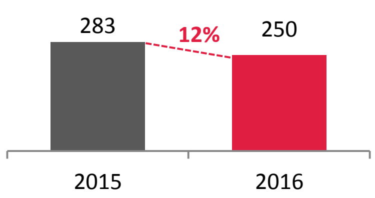
Completions ('000 m^2)



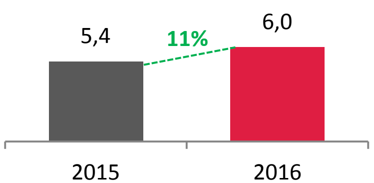
Construction ('000 m^2)



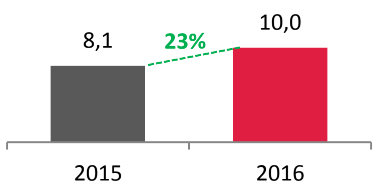
Reinforced concrete (th m^3)



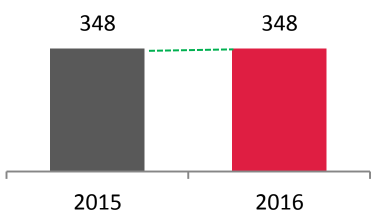
Crushed granite (m m^3)



Sand (m m^3)



Bricks (m units)



Aerated concrete (m m^3)