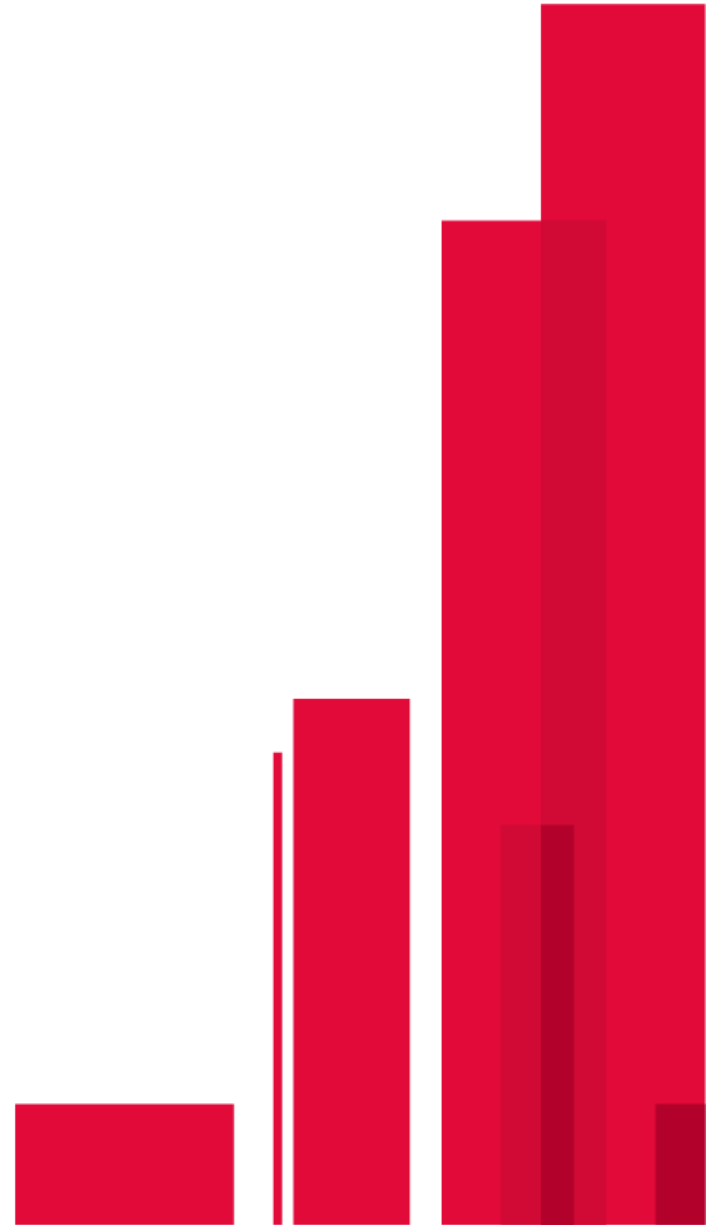


1H 2014 Trading Update



Disclaimer

By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of OJSC LSR Group (“hereinafter – the Company”) or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information in this document has been prepared by the Company solely for use at presentations. This document and its contents may not be distributed, published, reproduced (in whole or in part) by any medium or in any form.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

The information communicated in this document contains certain statements that are or may be forward looking. These statements typically contain the words «anticipate», «believe», «intend», «estimate», «expect», «will» and words of similar meaning. By their nature forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We assume no obligations to update amend or revise the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements. Investment in the Company will also involve certain risks. There maybe additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of revenues, profitability and growth, cost and synergy of our recent acquisitions and restructuring, the timely development and acceptance of new products, the impact of competition and competitive pricing, the ability to obtain necessary regulatory approvals and the ability to fund our future operations and capital needs through borrowing or otherwise, the ability to successfully implement any of our business strategies, the ability to integrate our business and to realize anticipated cost savings and operational benefits from such integration, our expectations about growth in demand for our products and services, the effects of inflation, interest rate and exchange rate fluctuations, and our success in identifying other risk to our business and managing the risk of the aforementioned factors, the condition of the economy and political stability in Russia and the other markets of operations and the impact of general business and global economic conditions.

Under no circumstances shall this document constitute an offer to sell or a solicitation to buy securities in any jurisdiction, including the United States of America, and nothing in this document should be construed as a recommendation or advice to any person to purchase any securities.

The distribution of this presentation in some jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

Agenda

1. Operating Results

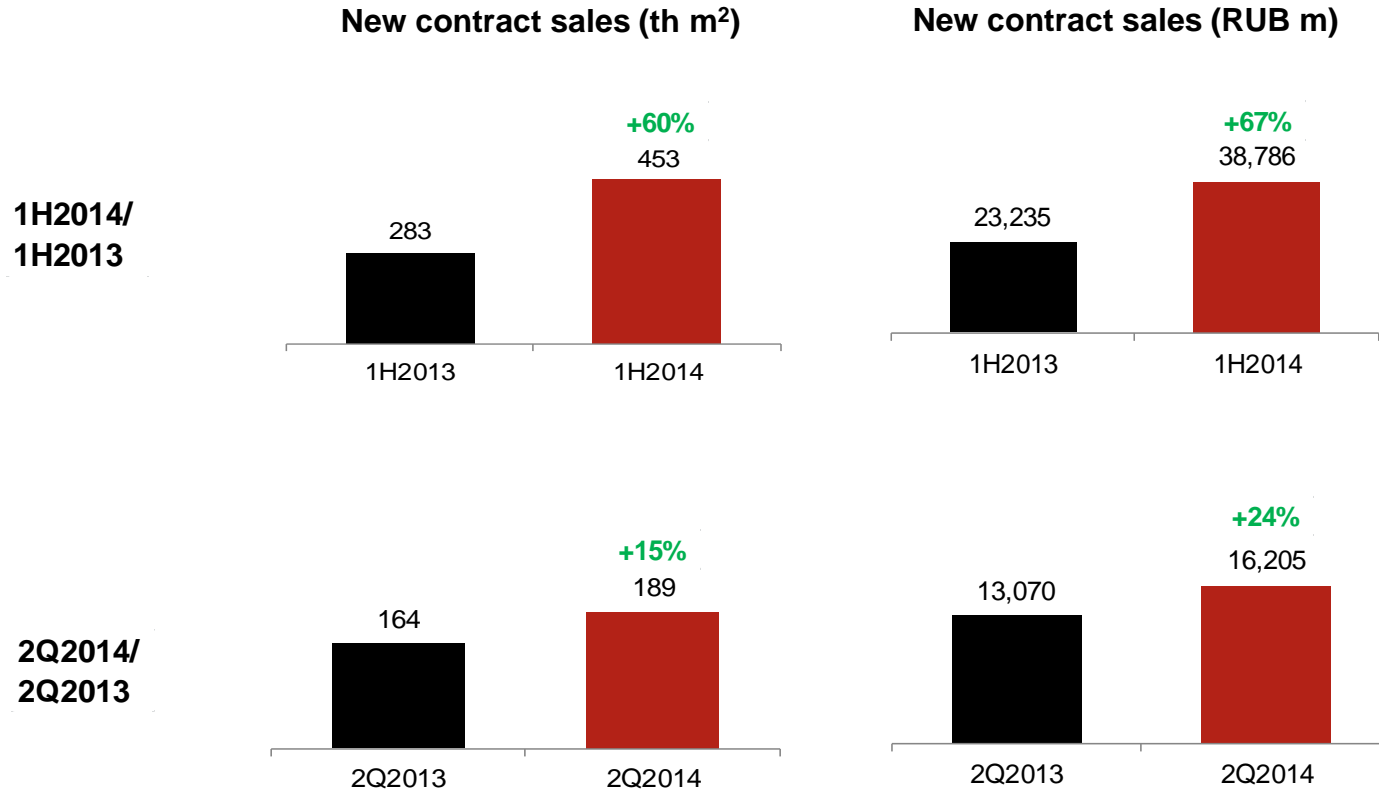
2. Market update

1H 2014 Results Highlights

Operational Highlights

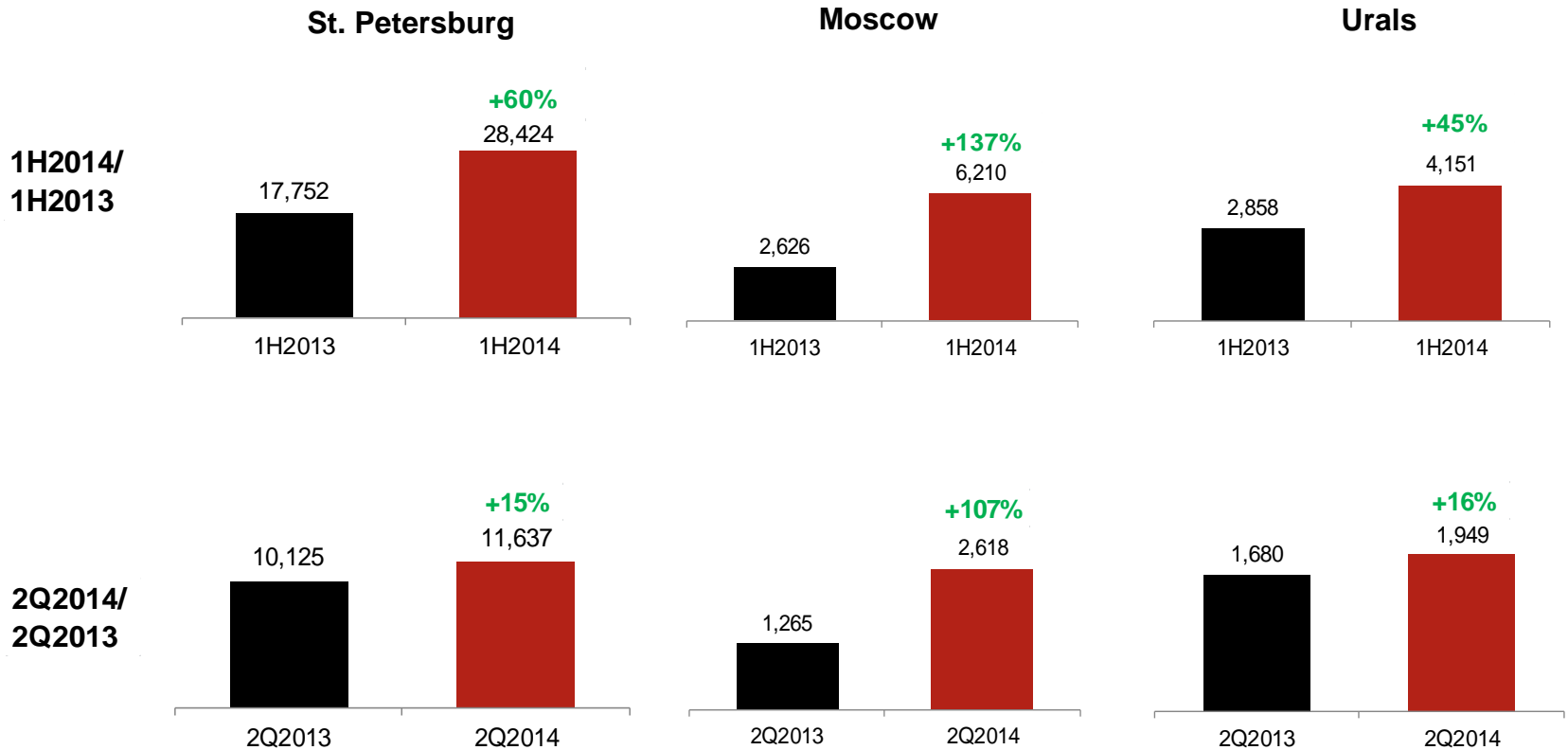
- New contract sales - **453 th m² (+60%)**. Value of the contracts – **RUB 38.8bn (+67%)**,
- The number of new contracts increased to **7,925** in 1H 2014 **(+45%)**,
- **500 th m²** of NSA launched to the market in 1H 2014,
- Two major new projects acquired: **ZiL** in Moscow (**1.6m m²** of NSA) and **Rzhevka** in St.Petersburg (**1m m²** of NSA),
- Construction volume increased by **35%**, up to **513 th m²**,
- Increase in sales of building materials: **cement – 645 th tonnes (+40%)**, **crushed granite - 3.7m m³ (+26%)**, **ready-mix concrete – 744 th m³ (+13%)**, **aerated concrete - 668 th m³ (+28%)**, **brick – 139m units (+66%)**.

Real estate development



Real estate development

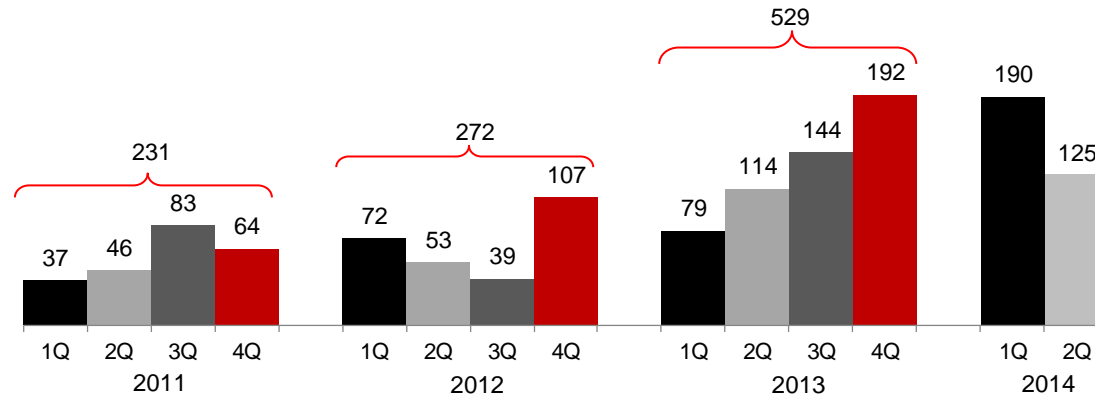
New contract sales (RUB m)



Real estate development: St. Petersburg

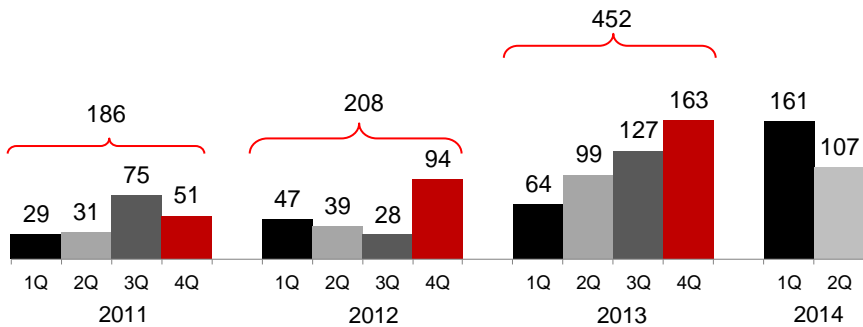
New contract sales in St. Petersburg,
‘000 m²

1H2014/1H2013: **+64%**
2Q2014/2Q2013: **+10%**



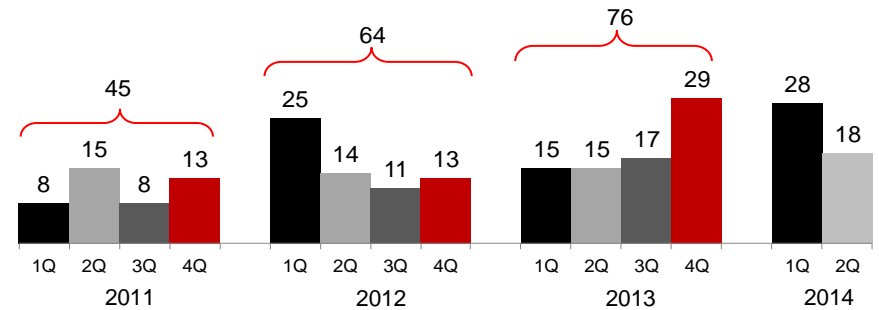
New contract sales in mass market segment,
‘000 m²

1H2014/1H2013: **+65%**
2Q2014/2Q2013: **+8%**



New contract sales in elite segment,
‘000 m²

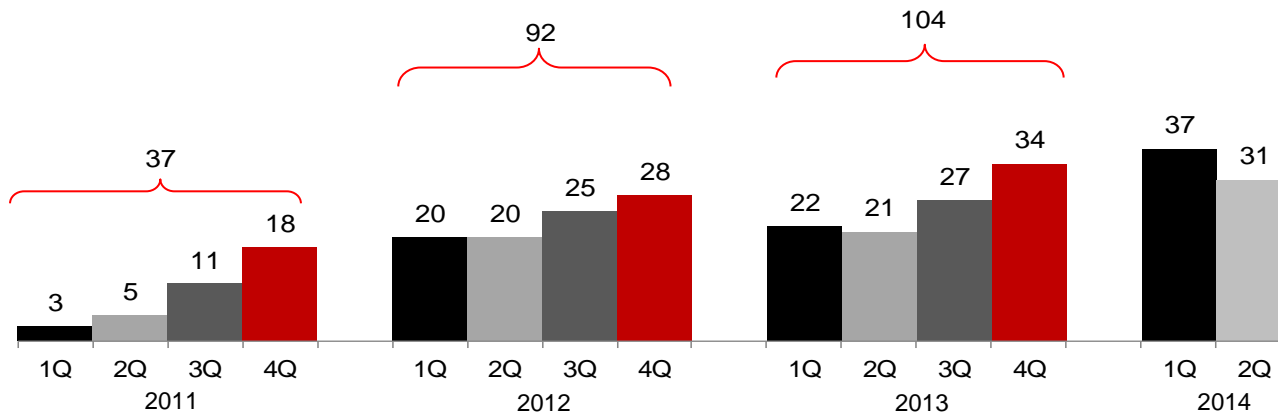
1H2014/1H2013: **+55%**
2Q2014/2Q2013: **+21%**



Real estate development: Moscow and Urals

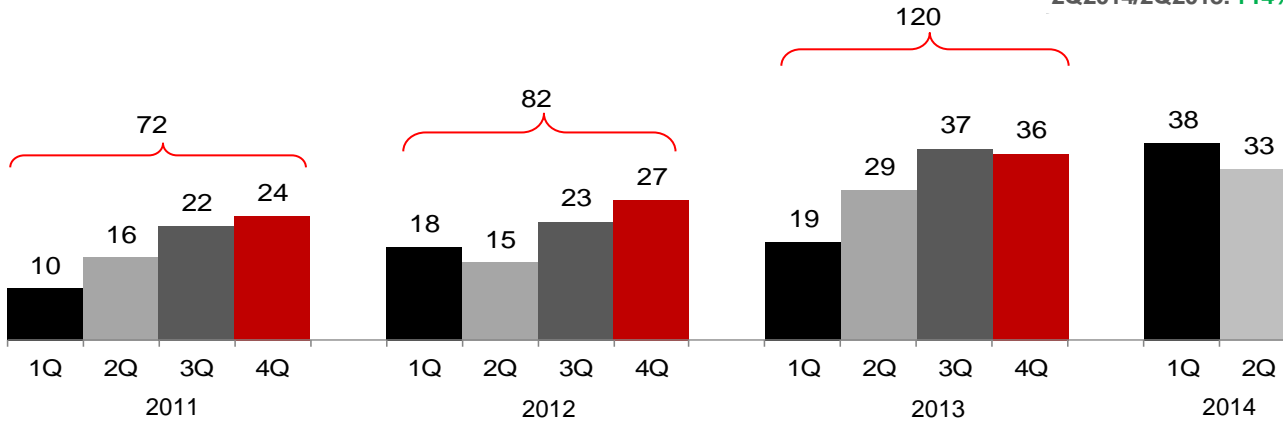
New contract sales in Moscow, '000 m²

1H2014/1H2013: **+58%**
2Q2014/2Q2013: **+47%**



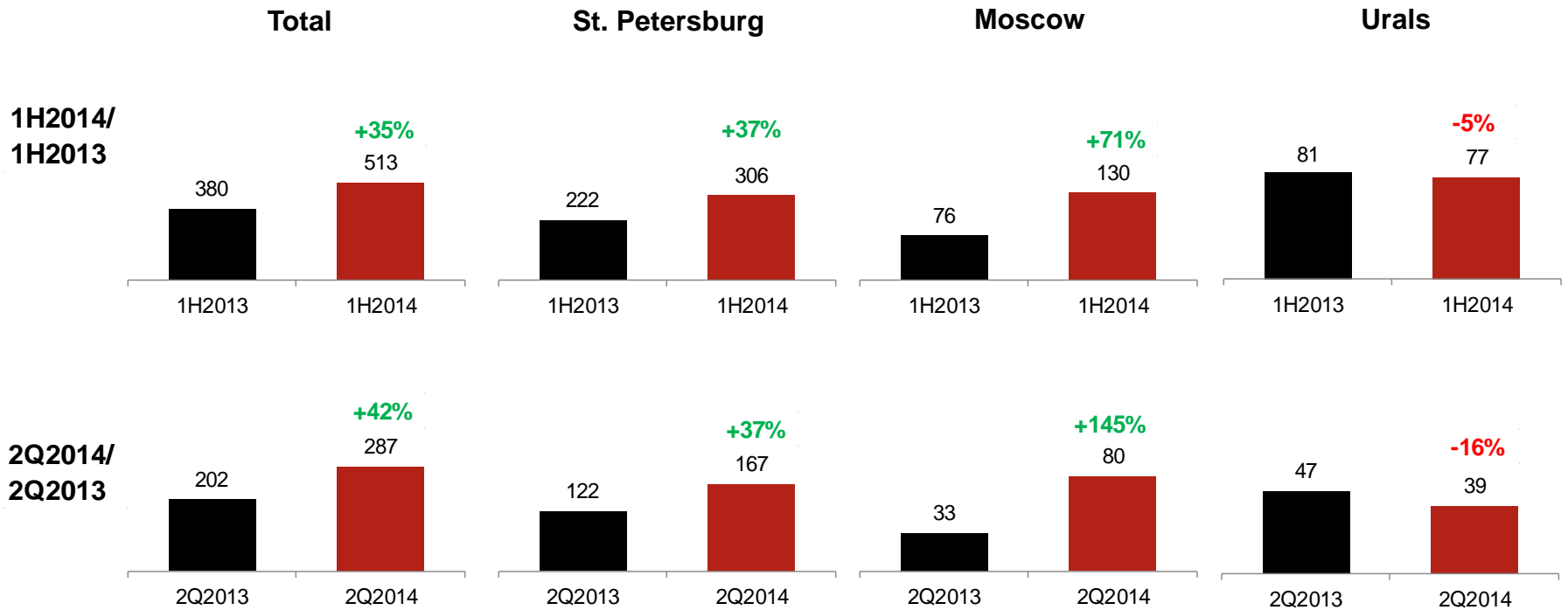
New contract sales in Urals, '000 m²

1H2014/1H2013: **+49%**
2Q2014/2Q2013: **+14%**



Construction

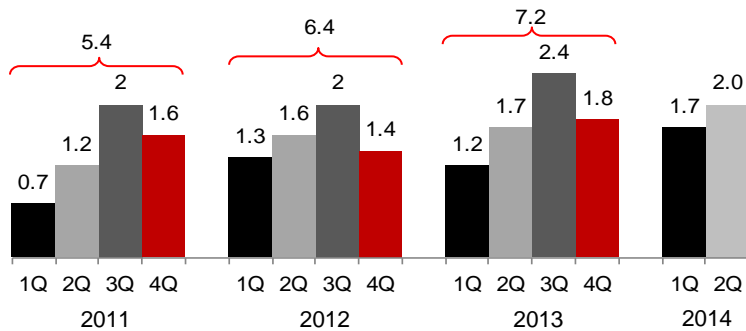
Volume of construction works, '000 m²



Building materials: Aggregates and Ready-Mix Concrete

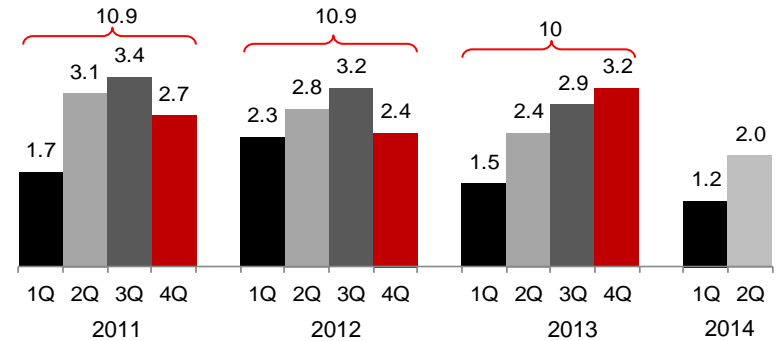
Crushed granite, million m³

1H2014/1H2013: **+26%**
2Q2014/2Q2013: **+19%**



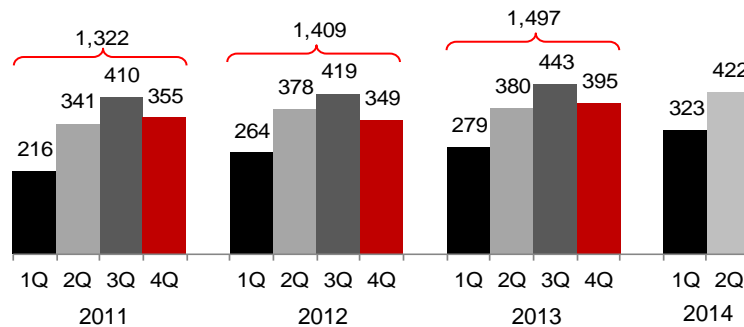
Sand, million m³

1H2014/1H2013: **-21%**
2Q2014/2Q2013: **-20%**



Ready-mix concrete, '000 m³

1H2014/1H2013: **+13%**
2Q2014/2Q2013: **+11%**

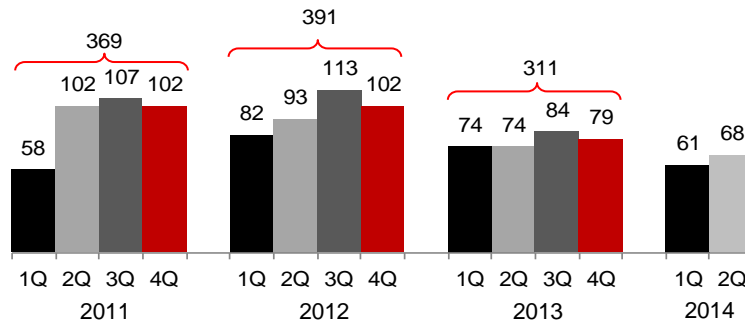


Building materials: Reinforced Concrete and Cement

Reinforced concrete, '000 m³

1H2014/1H2013: **-13%**

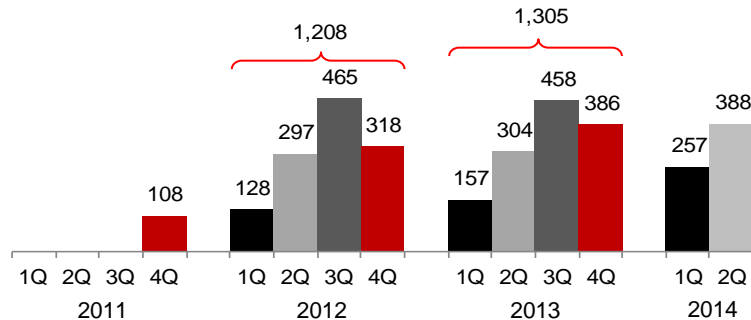
2Q2014/2Q2013: **-8%**



Cement, '000 tonnes

1H2014/1H2013: **+40%**

2Q2014/2Q2013: **+28%**

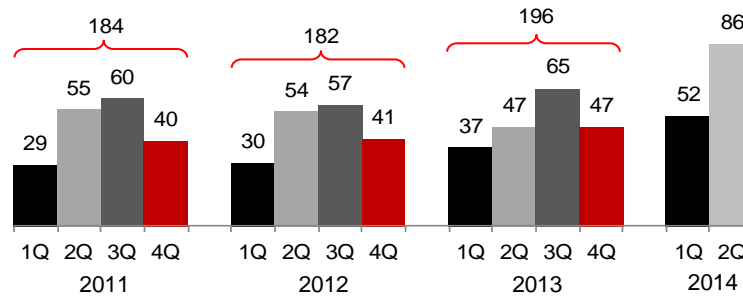


Building materials: Bricks and Aerated Concrete

Bricks, million nf

1H2014/1H2013: **+66%**

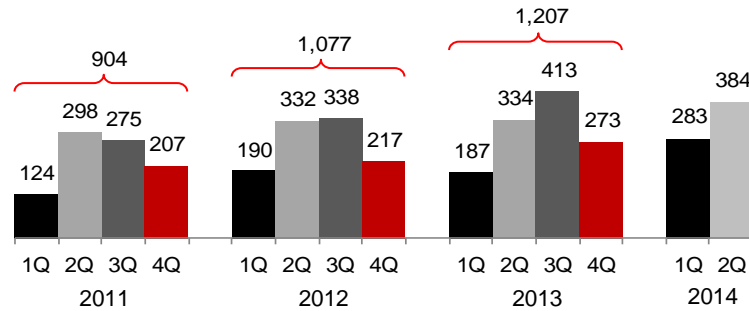
2Q2014/2Q2013: **+85%**



Aerated concrete, '000 m³

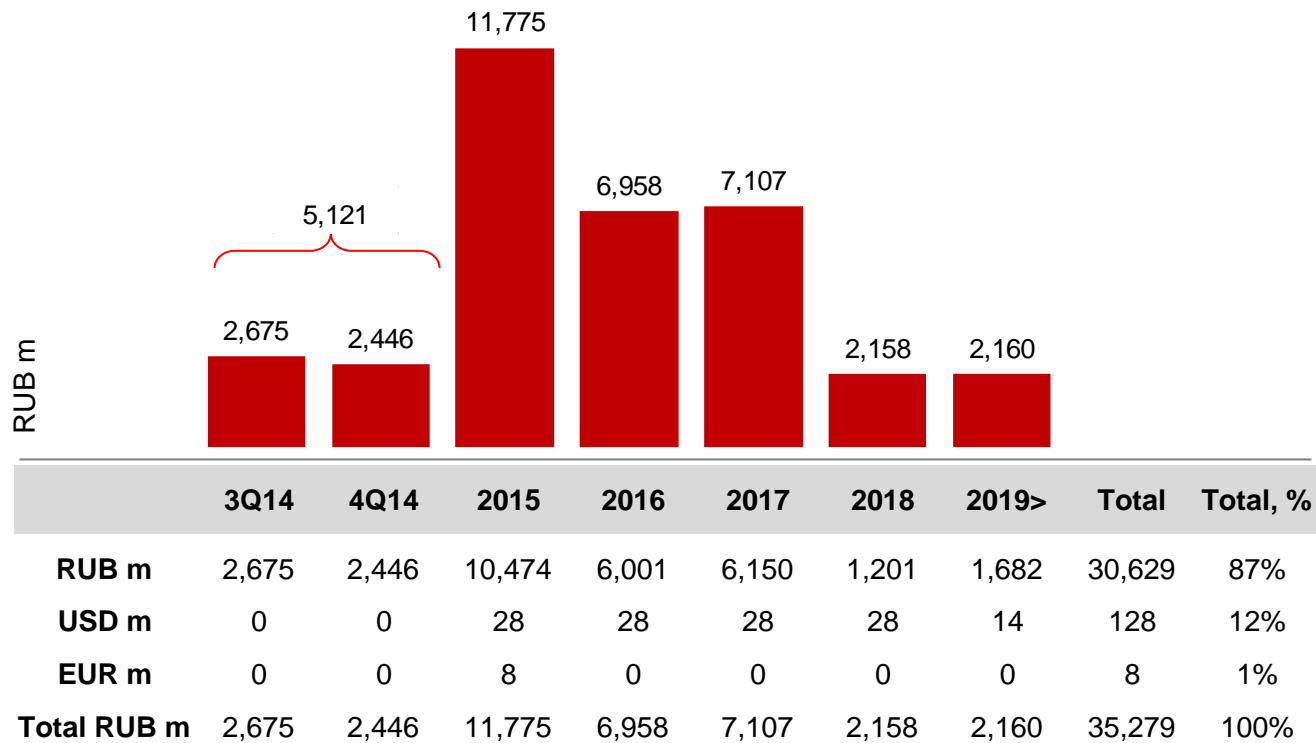
1H2014/1H2013: **+28%**

2Q2014/2Q2013: **+15%**



Debt maturity profile as of 30 June 2014

Total debt: RUB 35,279m*



Note: *excluding finance lease liability and other loans

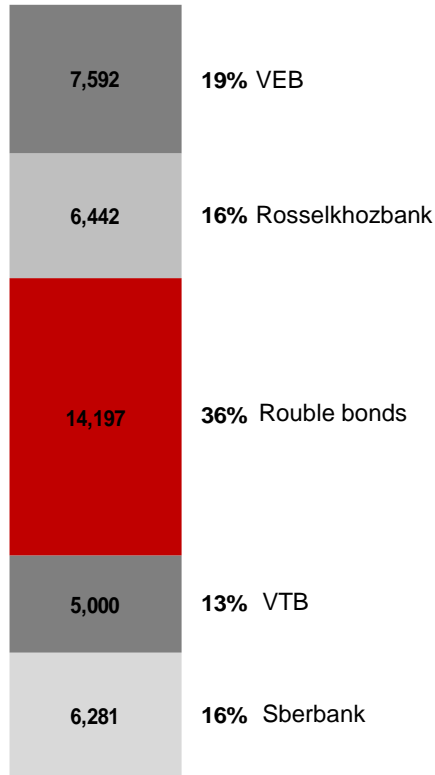
Gross debt by source as of 30 June 2014

Interest Rate (avg) 9.04% p.a.

Interest Rate (avg) 8.87% p.a.

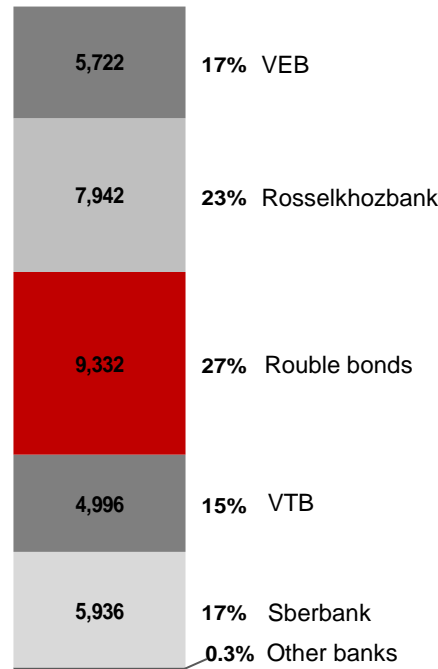
Interest Rate (avg) 8.80% p.a.

RUB 39,511m



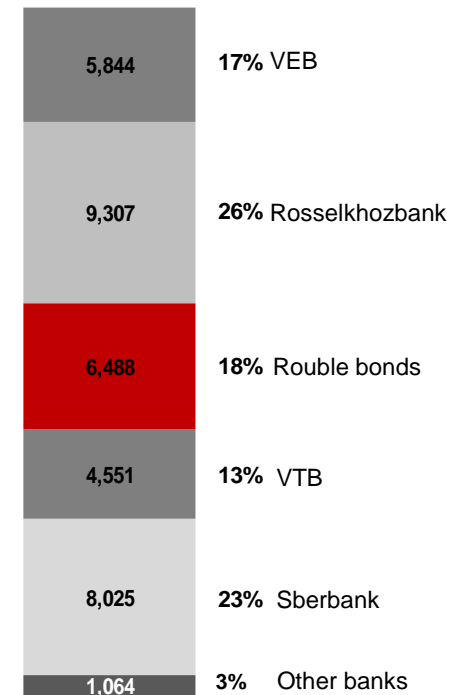
31 December 2012

RUB 34,022m



31 December 2013

RUB 35,279m



30 June 2014

Note: 1) excluding finance lease liability and other loans
Source: Company

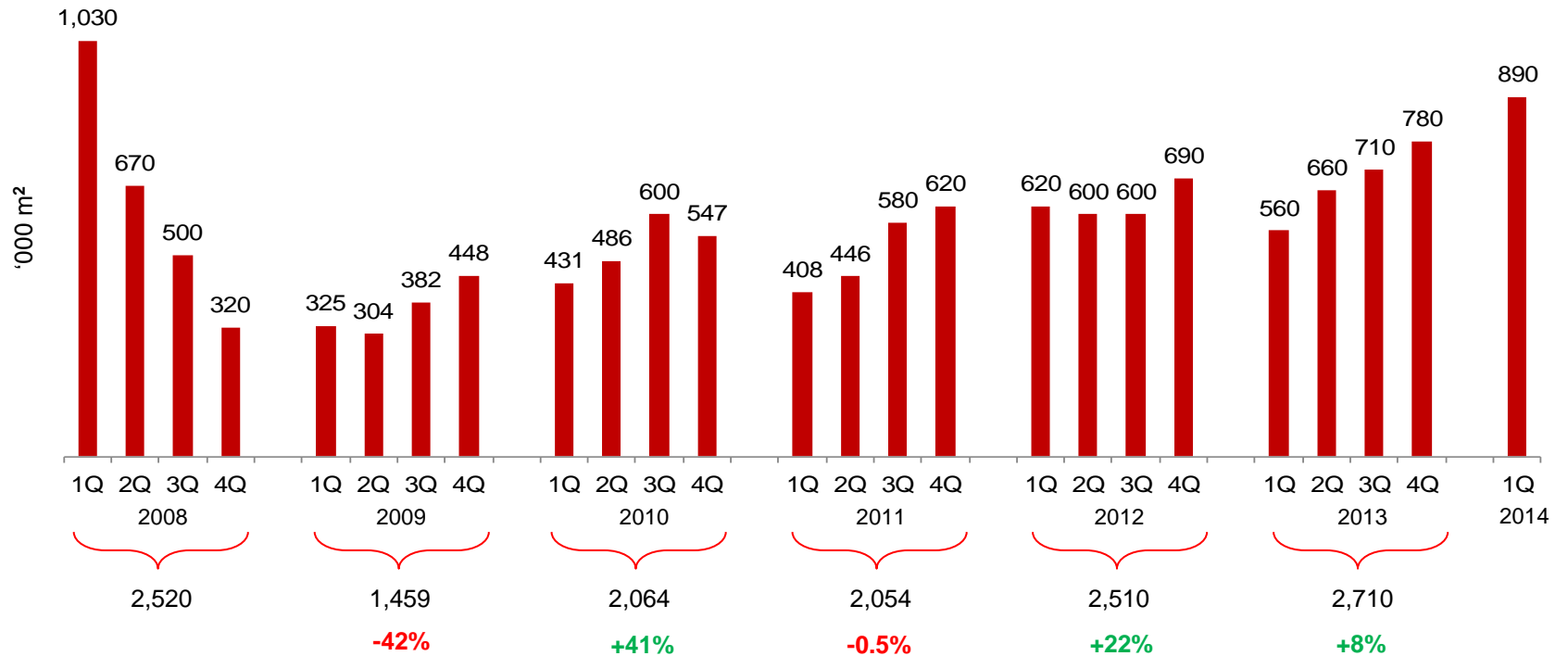
Agenda

1. Operating Results

2. Market update

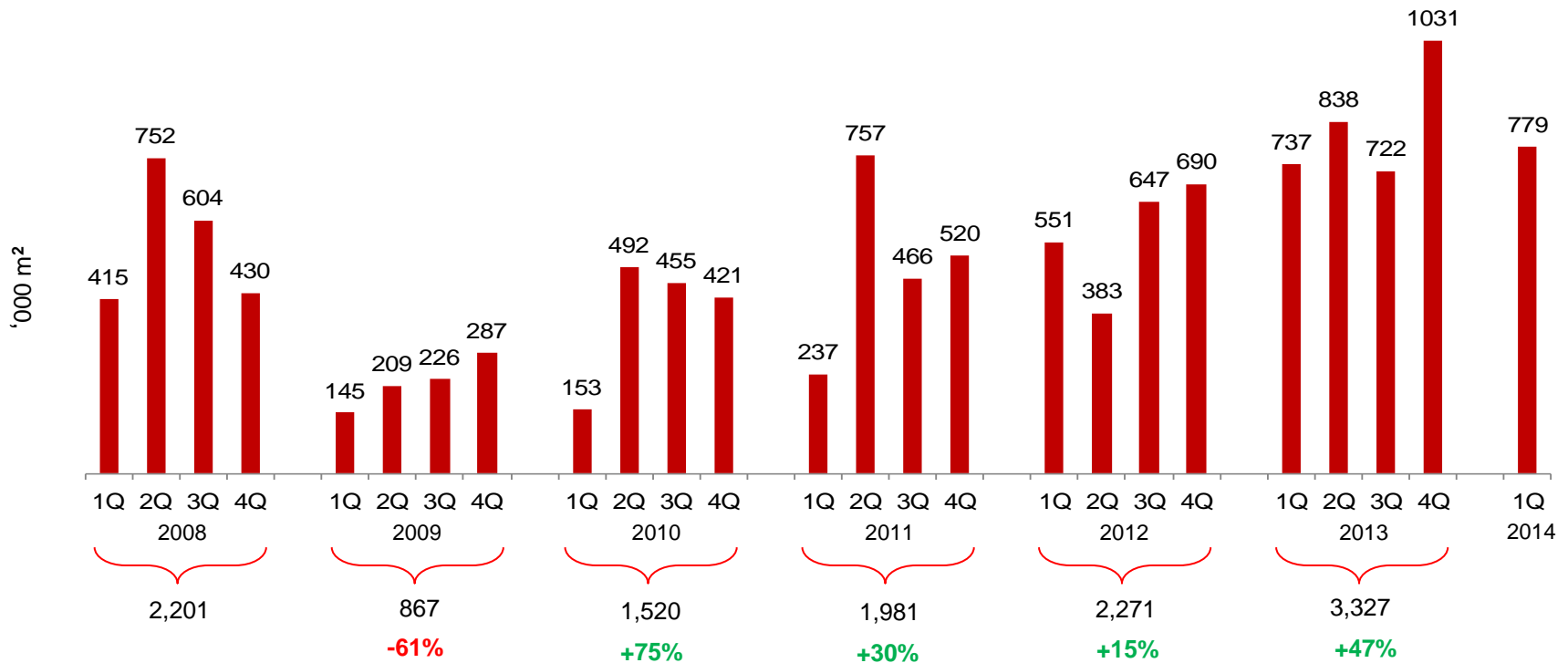
Sales of new apartments

Sales of new apartments in St. Petersburg



Supply of new apartments

Supply of new apartments in St. Petersburg

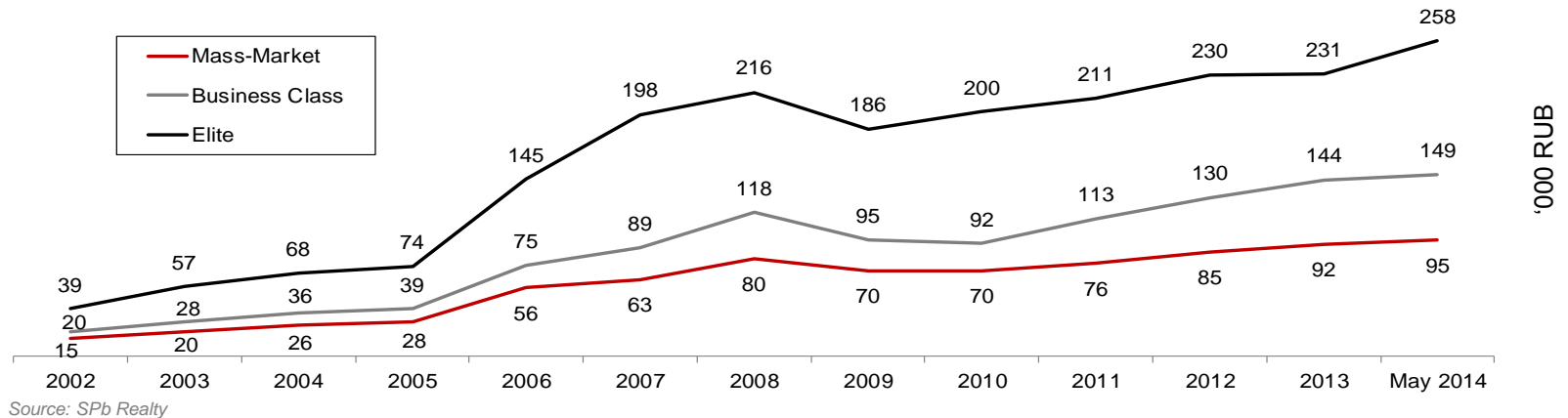


Source: SPb Realty

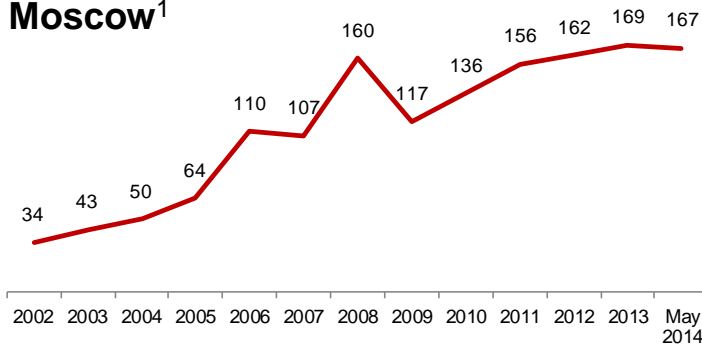
Note: Supply of new housing (apartments) represents residential projects at different stages of development which are offered for sale for the first time during the reported period

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

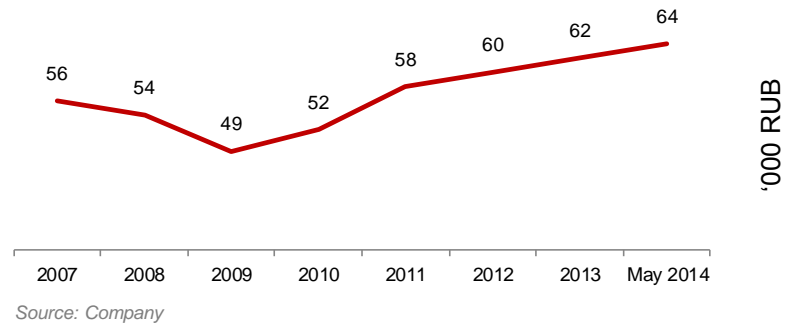
St. Petersburg



Moscow¹



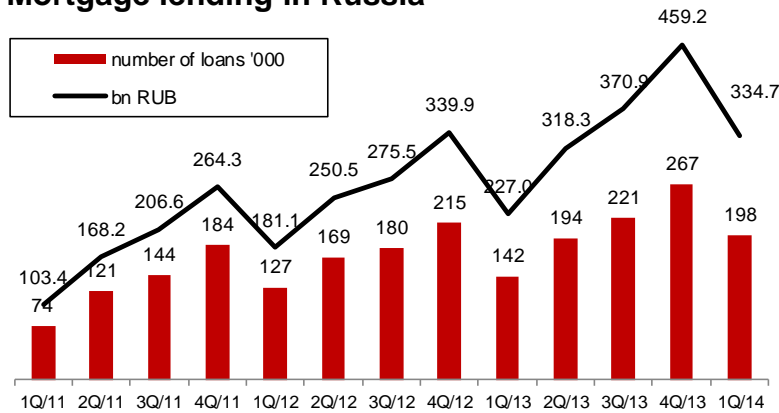
Yekaterinburg



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

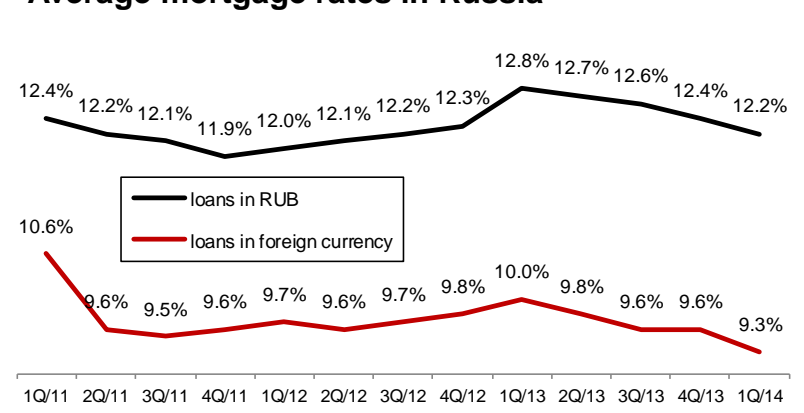
Mortgage lending

Mortgage lending in Russia



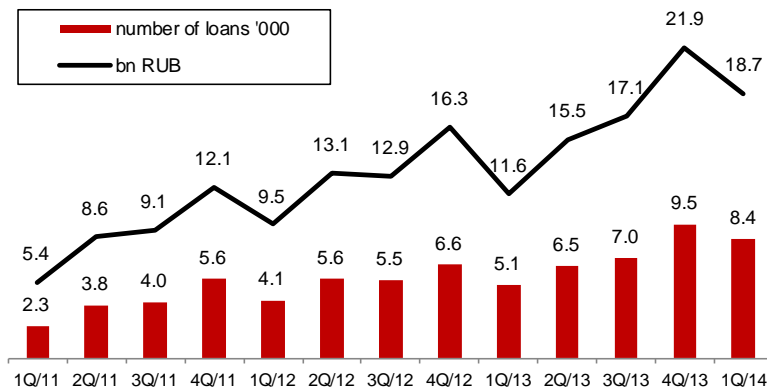
Source: CBR

Average mortgage rates in Russia



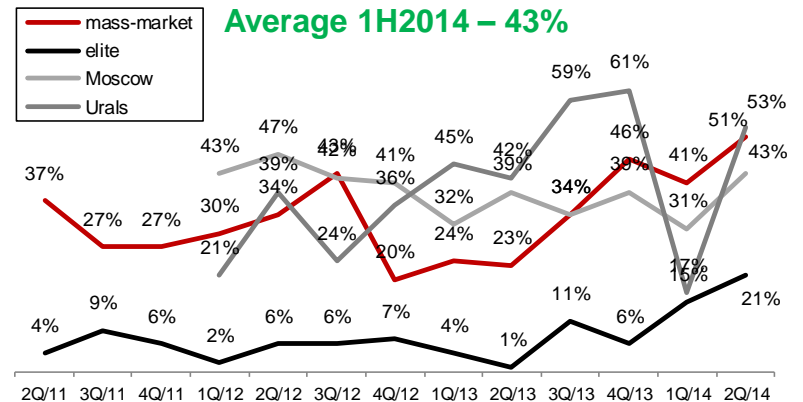
Source: CBR

Mortgage lending in St. Petersburg



Source: SPb Mortgage Agency

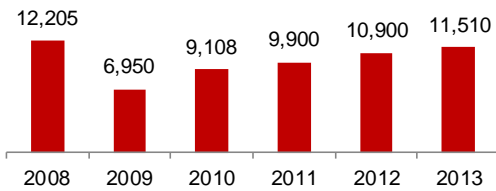
LSR mortgage sales in Regions by number of deals



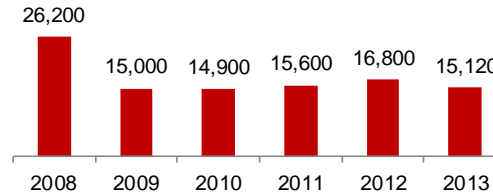
Source: Company

Building materials market volumes in St. Petersburg and the Leningrad region

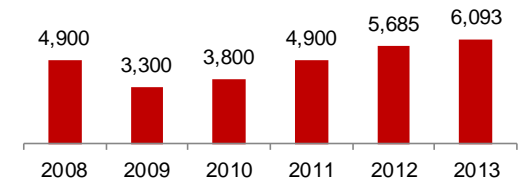
Crushed granite, '000 m³



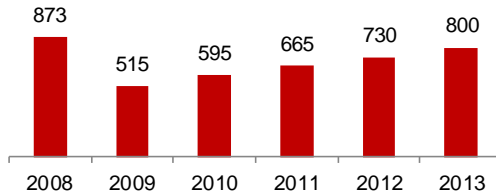
Sand, '000 m³



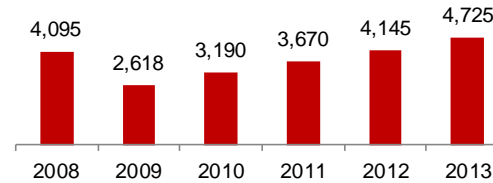
Ready-mix concrete, '000 m³



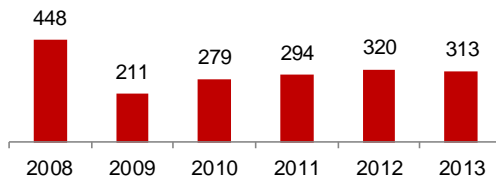
Reinforced concrete, '000 m³



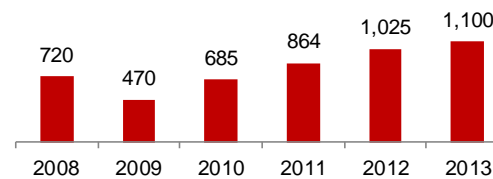
Cement, '000 tonnes



Bricks, million nf



Aerated concrete, '000 m³



Contacts

LSR Group Investor Relations

Yuri Ilyin
36 Kazanskaya Street,
St Petersburg
190031, Russia

Phone: +7 812 326 9329
Mob: +7 921 906 7777
Email: ilyin@lsrgroup.ru

