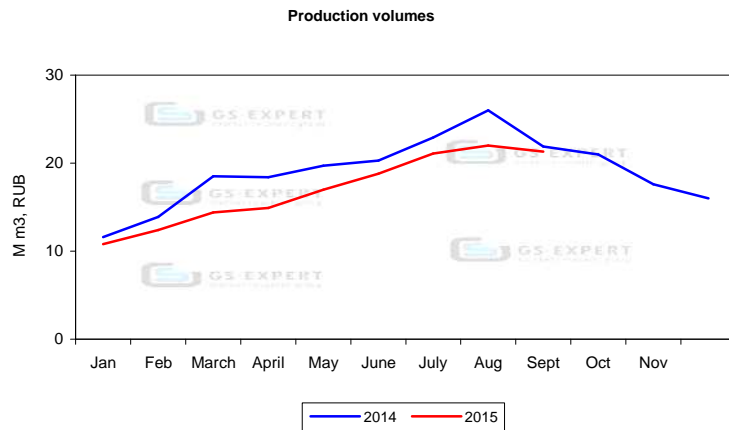


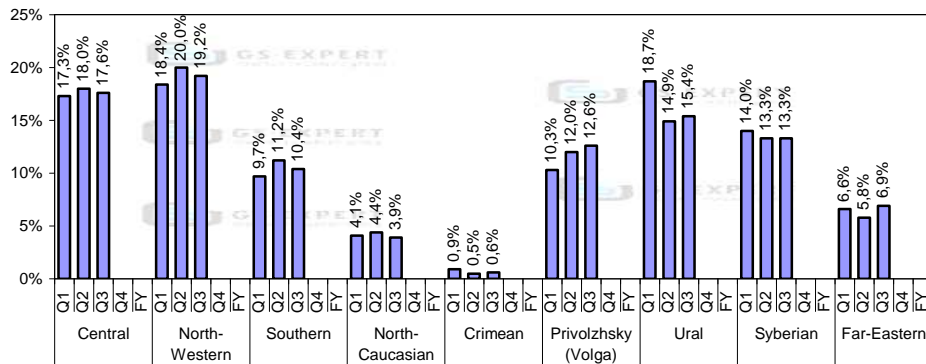
Aggregates market in Russia: results of 9 months 2015

Volume of aggregates production within 9 months 2015 was 152.6 M m³ that amounts 87.1 % year-on-year.



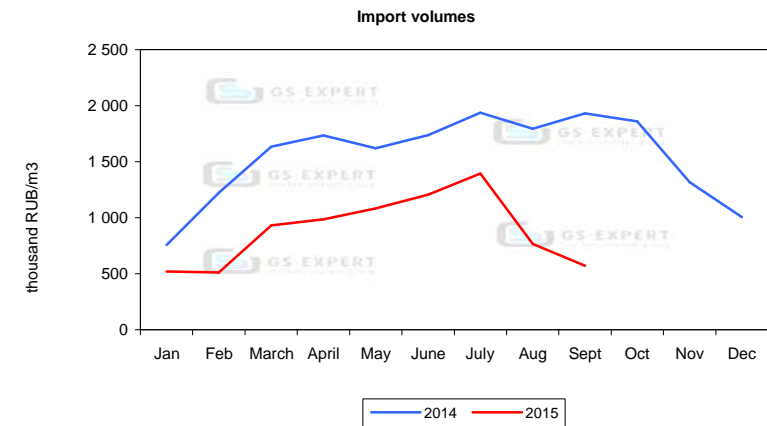
By results of 9 months 2015 growth of aggregates production volumes was observed in only the Crimean and Southern FD. The most intense decrease of production volumes was registered in Far-Eastern FD (-27% y-o-y). The production volumes growth by results of 9 months was fixed in only 17 of 73 producing regions, and by Q3 results – in 25 regions. Following regions are considered to be the leaders by rates of aggregates production volumes growth: Novgorod region, Altay Rep., Chuvashia Rep., Orel region. The most significant production reduction was observed in Tyumen and Magadan regions, Komi Rep., Chechnya, Khakassia, Tuva and Sakha (Yakutia) Republics. Production volumes in these regions fell down more than 40% y-o-y.

Production structure broken by regions

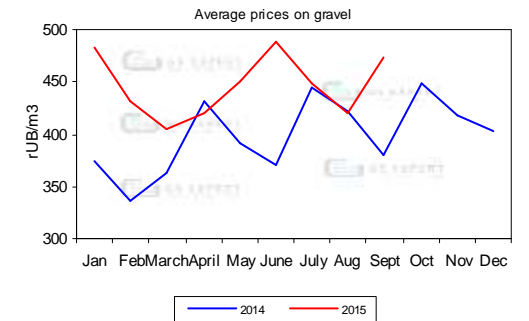
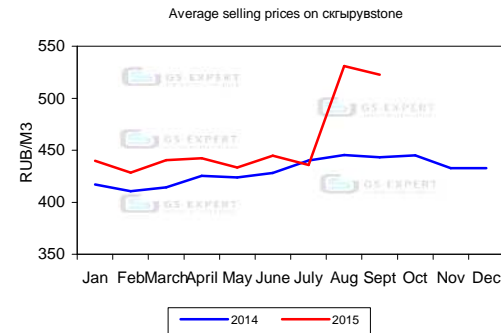


By results of 9 months 2015 aggregates shipment volume by large and medium-sized enterprises by all types of transport was reduced by about 14% y-o-y, volume of aggregates shipment by railway transport reduced by 22.5%. Share of railway transport in shipment structure amounted 57%.

Aggregates import volumes amounted by 8.0 Mm³ (-45% y-o-y). Volume of crushed stone supplies from the Ukraine in this period is estimated at 5.8 Mm³. The significant reduction of imported supplies in Q3 is explained by adoption of Russian government decree №185 of 06.08.2015 "About aggregates import licensing".



Export volume increased by 4.5 times and amounted about 300 thousand m³. Aggregates consumption in Russia within 9 months 2015 amounted 156.3 Mm³ (-15% y-o-y). Stock reserves increased by 4 Mm³ and amounted by 45 Mm³. Average selling price on crushed stone (excluding VAT and cost of delivery) by results of 9 months is estimated at 458 RUB/m³ (+7.0% y-o-y). Average selling prices on gravel amounted 447 RUB/m³ (+14.4%).



Full and detailed information on Russian cement market is presented in the quarterly report "Russian aggregates market monitoring"