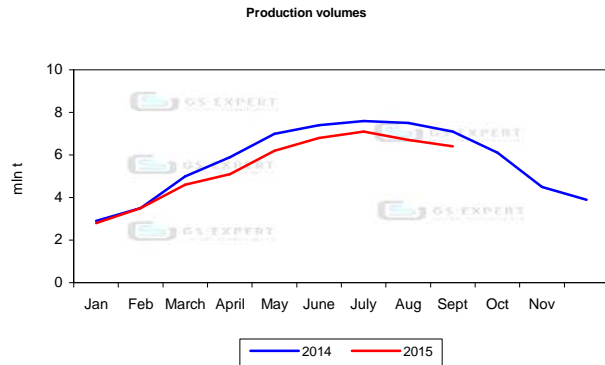


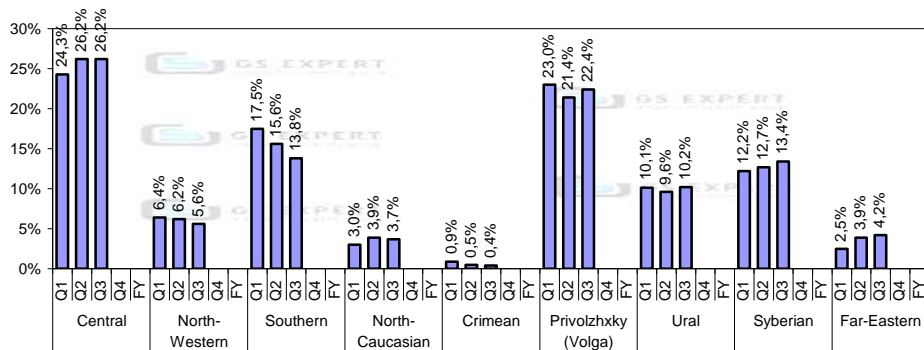
Cement market in Russia: results of 9 months 2015

Volume of cement production in Russia within 9 months 2015 was 49.2 Mt that amounts 90.7% year on year.



By results of 9 months 2015 the growth of cement production volumes was registered in only 2 of 9 Federal districts: in the Crimean (+78% to the same period of 2014) and in the Southern (+4%) districts. The production volumes growth was fixed in 14 of 41 regions. Significant growth of cement production in Jan-Sept 2015 was observed in Dagestan Republic (growth in 13.5 times y-o-y), Kaluga region (2.2 times), Crimea Republic (1.8 times), Rostov region (1.5 times), Penza region (1.4 times). The most intense decrease of production volumes was registered in Samara region (-47%) and Mordovia republic (-46%).

Structure of production by districts

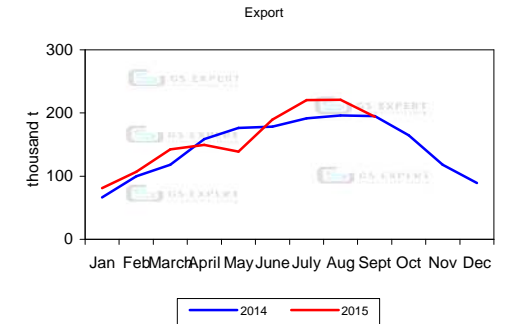
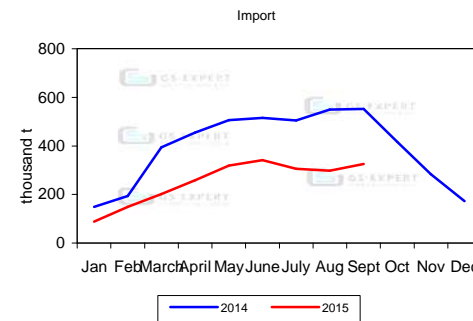


Cement production growth was fixed on only 25 of 62 cement plants. All enterprises of Eurocement Group holding except Voronezh branch, LLC "Peterburgcement" (LSR-Cement before) and LLC "Sengilevsky cementny zavod" showed the significant decrease of production volumes. Also production indicators were reduced by HC "Sibirskiy cement" (-11% y-o-y), Sebyakovcement (-4%), Vostokcement (-3%), Gornozavodskcement (-9%) and Iskitimcement (-6%).

Among cement plants the leaders by rates of production growth were LLC "Sengilevsky cementny zavod" (growth in 35.7 times y-o-y), LLC "Buinaksky cementny zavod" (growth in 13.2 times), CJSC "Heidelbergcement-Volga" (growth in 2.7 times), branch "Ferzikovo" of JSC "Lafarge Cement" (growth in 2.2 times), JSC "Bakhchisaraysky combinat "Stroyindustriya" (growth in 1.8 times).

Volumes of cement shipment by large and medium-sized enterprises by all types of transport were reduced by 8.5% to the same period of the previous year; volumes of cement shipment by railway transport declined by 12.9%.

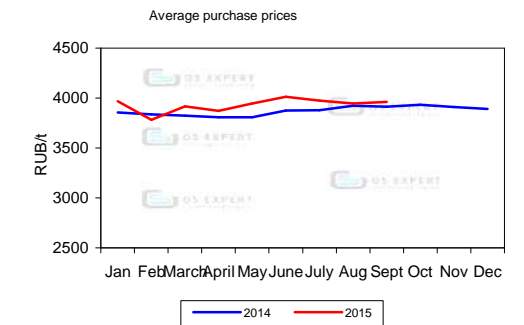
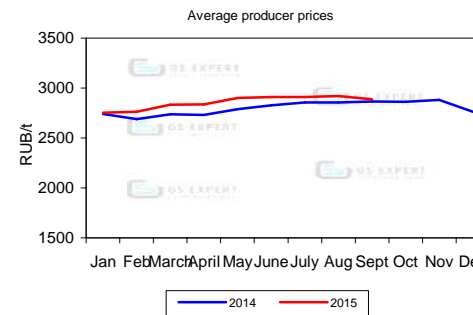
Volumes of cement import by results of 9 months 2015 amounted to 2.3 Mt (-40% y-o-y). The share of import from Belarus amounted 46%. Cement export increased by 4% y-o-y to 1.4 Mt. The major direction of supplies - Kazakhstan (71%).



Cement consumption in Russia by results of 9 months declined by more than 11% y-o-y to 50.4 Mt. Stock reserves of cement of large and medium-sized enterprises reduced for 360 kt. Decrease of cement consumption volumes was observed in all Federal districts except the Crimean district.

Over 9 months 2015 average producer price on cement (excluding VAT and cost of delivery) amounted 2 858 RUB/t (+2.5% y-o-y).

Average purchase price on cement (including VAT, cost of delivery, distribution and intermediary expenses) over 9 months 2015 increased by 1.9% y-o-y and amounted to 3 931 RUB/t.



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