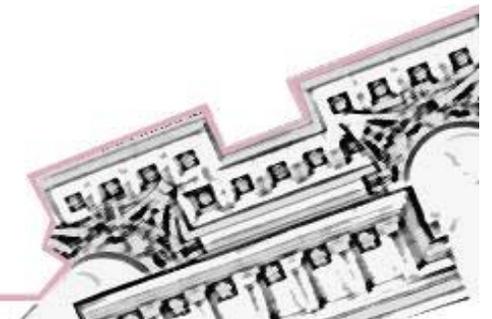
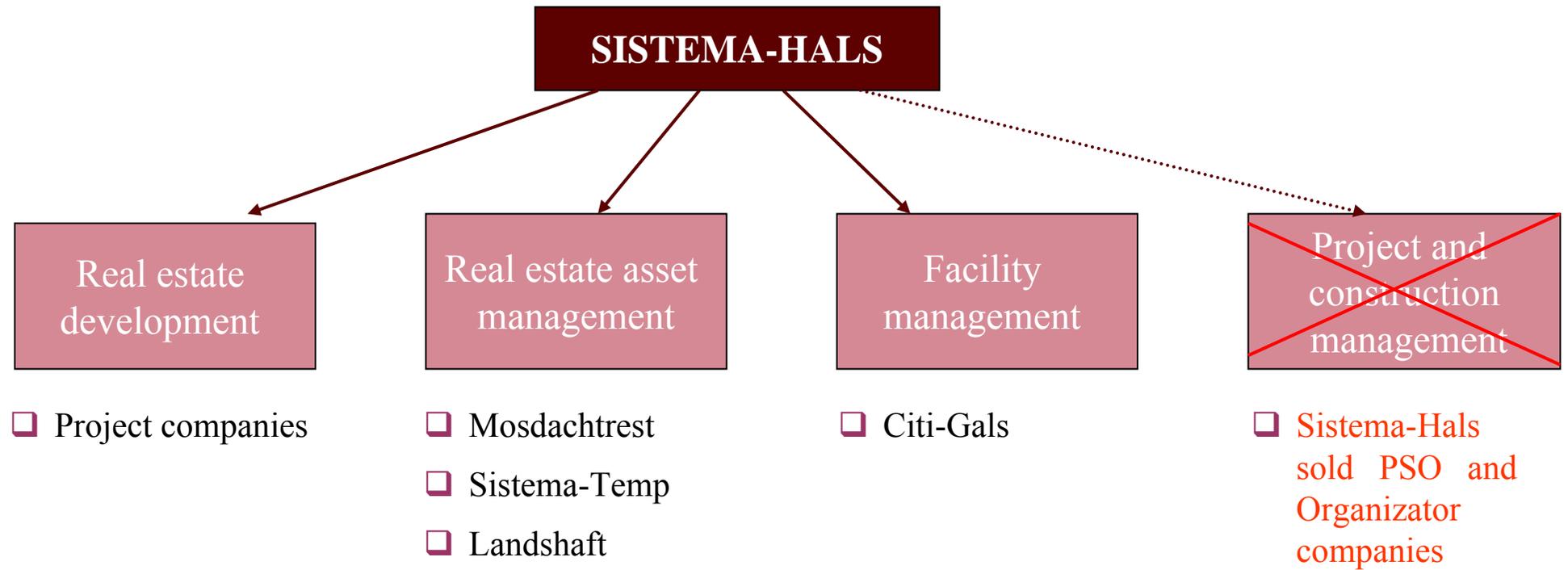


FINANCIAL RESULTS FOR FULL YEAR 2008 US GAAP

28 April 2009, Moscow

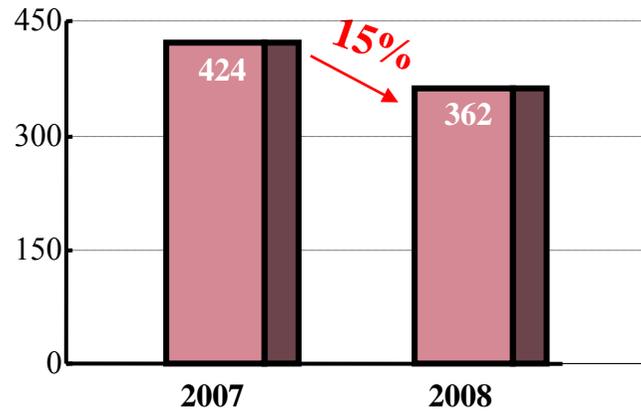


GROUP STRUCTURE



REVENUES FOR FY2008

Revenues

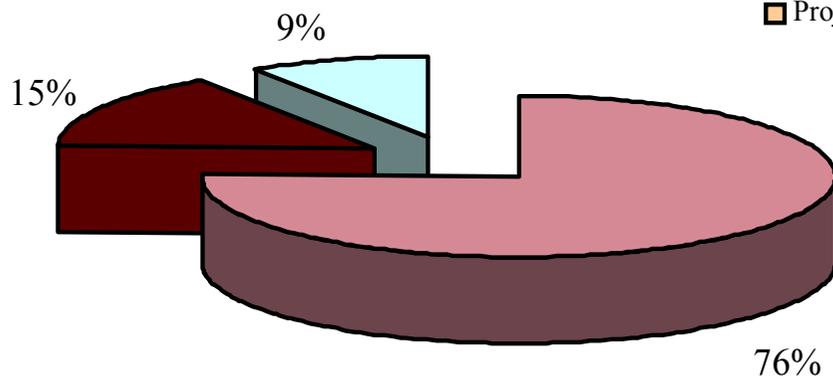


□ In 2008, consolidated revenues decreased by 15% YoY to \$362 mln. due to reduced demand for projects or properties in the deteriorated market situation

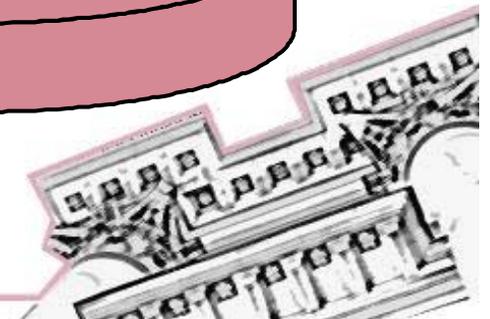
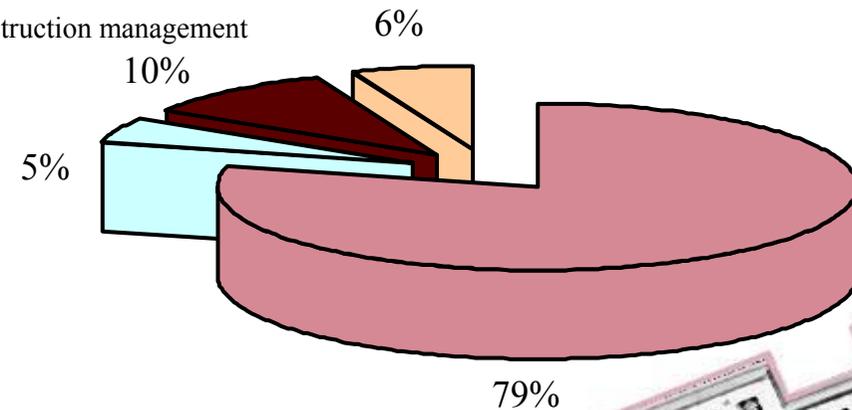
Revenues breakdown

- Real estate development
- Real estate asset management
- Facility management
- Project and construction management

FY2008

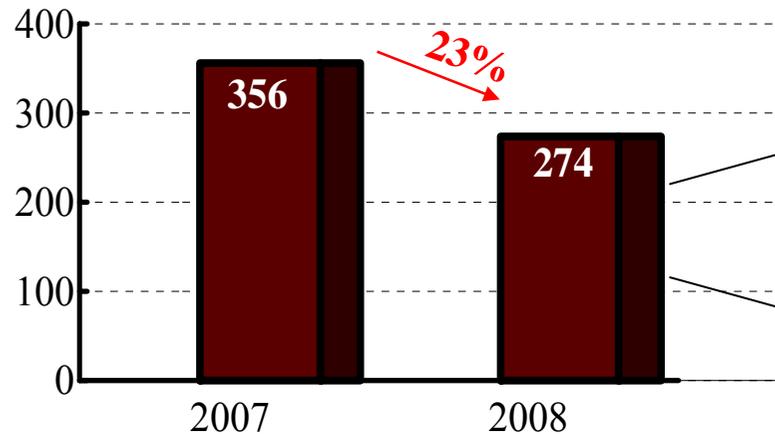


FY2007

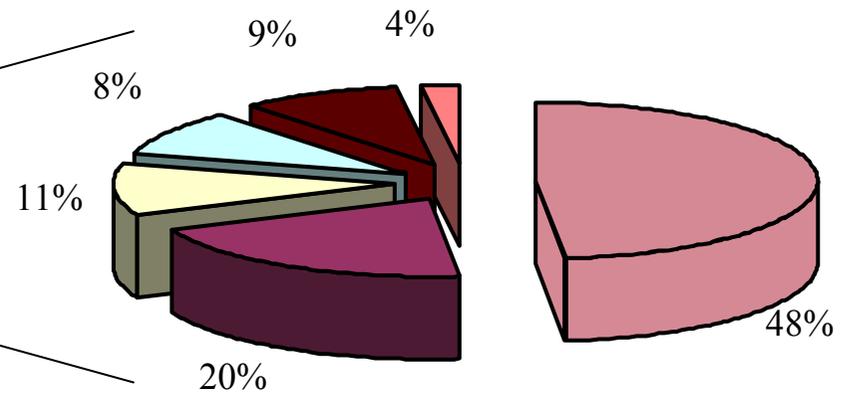


REVENUES BY SEGMENTS - DEVELOPMENT

Real estate development

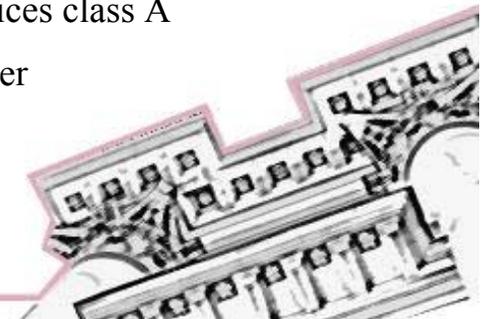


Break down of revenues in Real estate development, FY2008



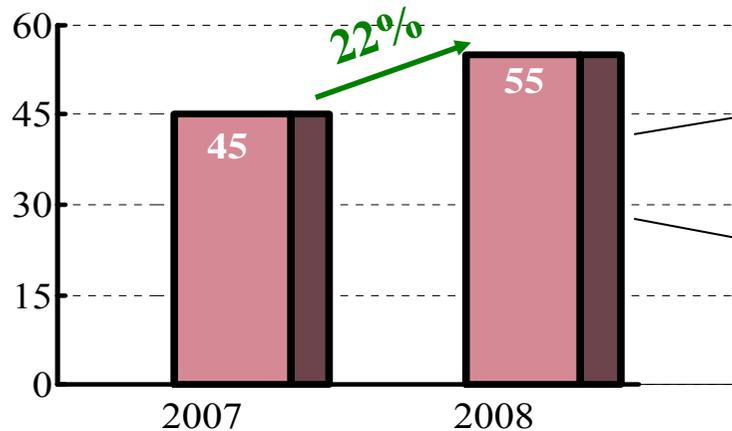
- In 2008, the revenue increased from:
 - construction of class A offices by \$24 mln. (1,394%)
 - construction of residential property by \$69 mln. (108%)
 - construction of class B offices by \$4 mln. (8%)
 - lease of townhouses in Gorki-8 by \$3.5 mln. (57%)
- In 2008, the revenue decreased from:
 - projects sale by \$34 mln. (54%)
 - land plots sale by \$1 mln. (4%)

- Residential apartments
- Offices class B
- Projects sale
- Land plots sale
- Offices class A
- Other

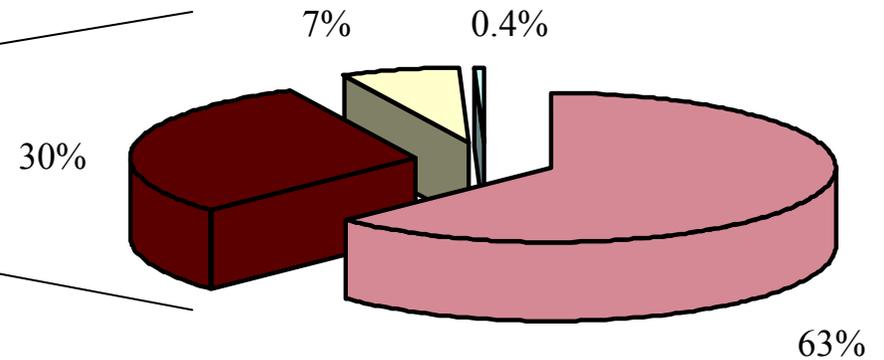


REVENUES BY SEGMENTS - ASSET MANAGEMENT

Asset management

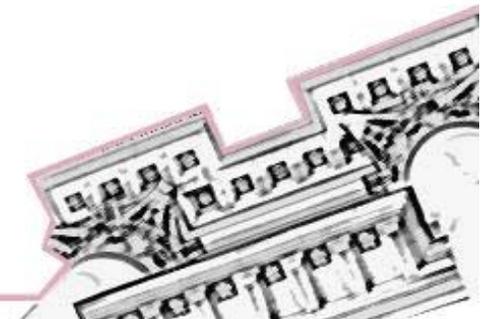


Break down of revenues in Real estate asset management, FY2008



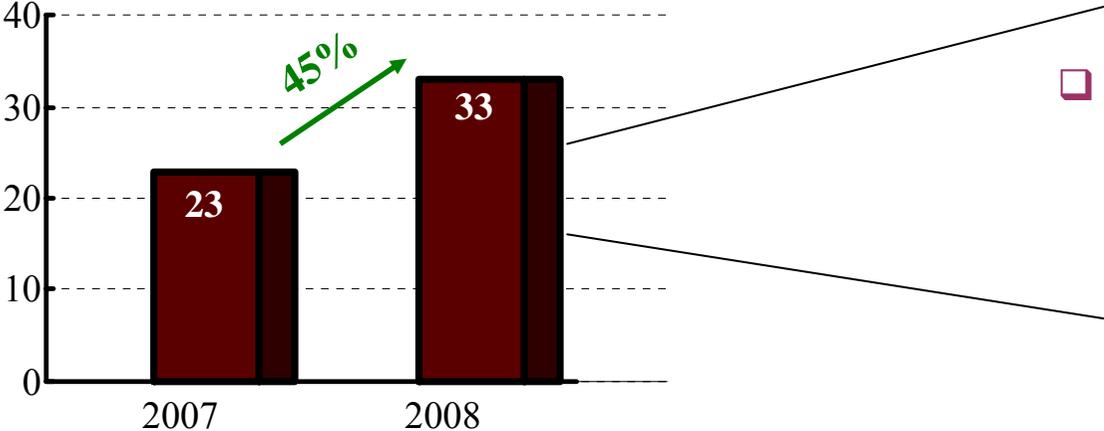
- In 2008, the revenue increased from:
 - sale of rental residential properties by \$9 mln. (38%)
 - leasing cottages by \$5 mln. (38%)
 - utility services by \$2 mln. (146%)
- In 2008, the revenue decreased from:
 - leasing offices and land plots sale

- Cottages (sale)
- Cottages (rent)
- Utilities
- Offices (rent)



REVENUE BY SEGMENTS – FACILITY MANAGEMENT

Facility management

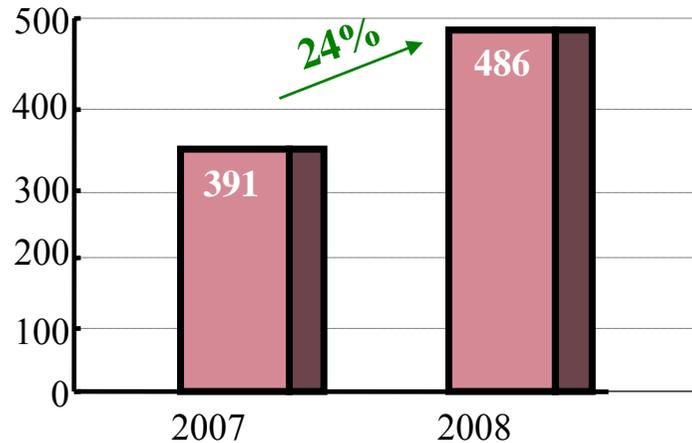


□ In 2008, the revenue grew by \$10 mln. (45%) due to greater proceeds from mainly repairs and maintenance of the offices of AFK Sistema, MTS and Detsky Mir



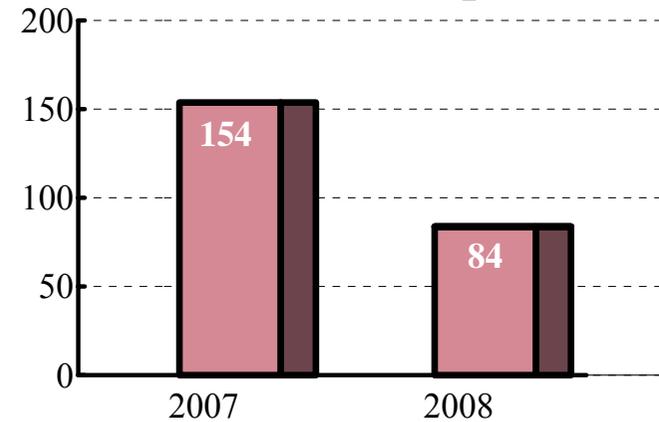
OPERATING AND ADMINISTRATIVE EXPENSES

Operating expenses



- Due to provision for losses on construction contract with Siemens, impairment of real estate investments, and provision for doubtful debts and receivables in the total amount of \$119 mln.

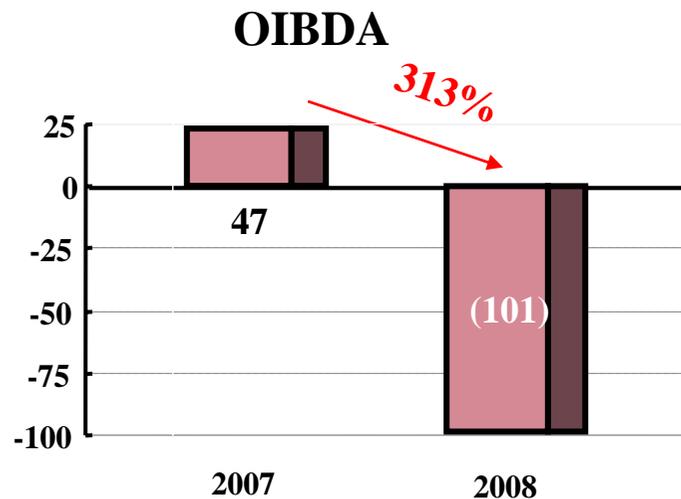
Selling, general and administrative expenses



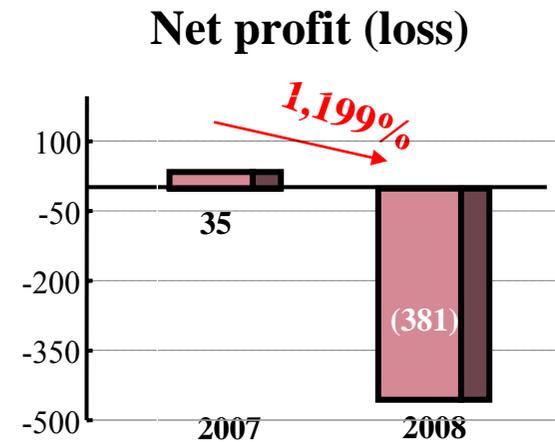
- Due to a one-off non-cash expense under the stock option bonus program for the Company's management and members of the Board of Directors for FY2007
- Due to optimization of advertising, marketing and security expenses in 2008



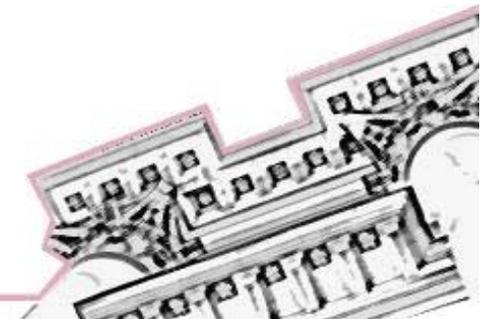
OIBDA AND NET LOSS FOR FY2008



□ In 2008, consolidated OIBDA decreased to \$(101) mln. compared to positive OIBDA in the amount of \$47 mln. for FY2007 mainly due to increase of operating expenses

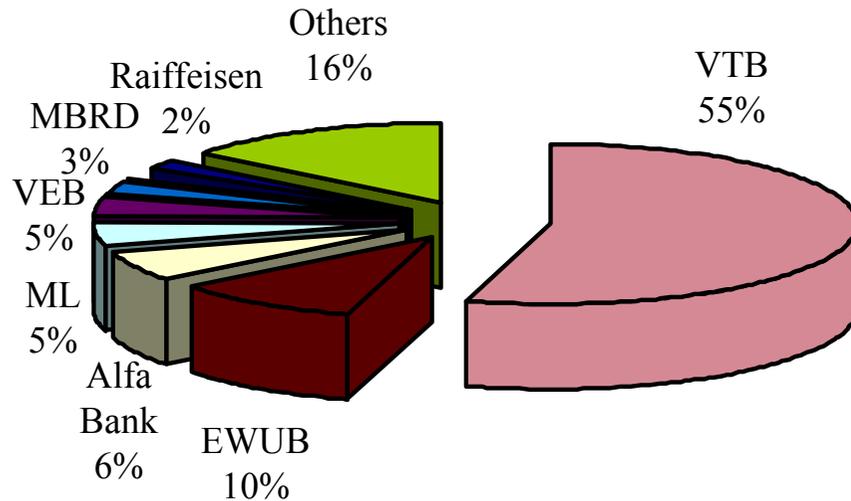


□ In 2008, the Company recognized net loss in the amount of \$381 mln. compared to net profit of \$35 mln. in 2007

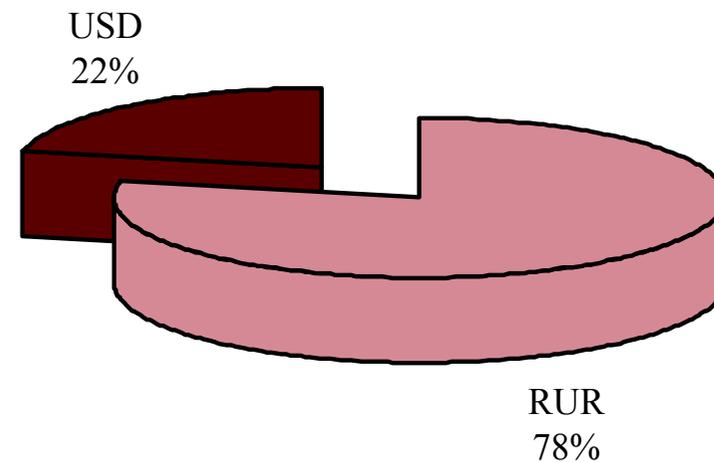


DEBT STRUCTURE AS OF DECEMBER 31, 2008

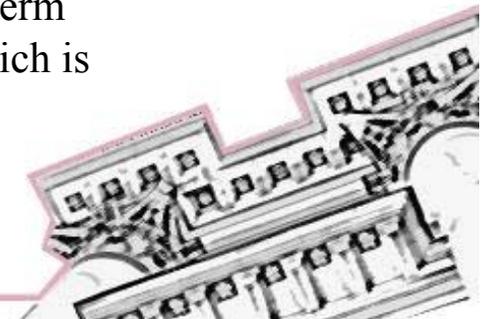
Major creditors as of
31 December 2008



Debt currency as of
31 December 2008

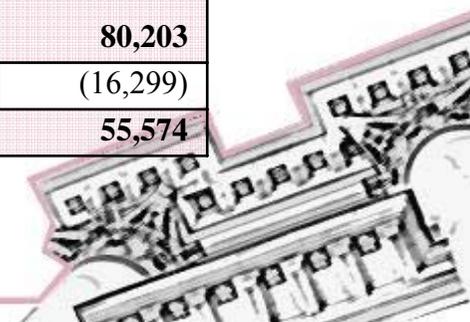


- As of December 31, 2008 gross debt amounted to \$1,466 mln., out of which short-term debt stood at \$414 mln. including ~ \$310 mln. of internal debt to AFK Sistema, which is subject to restructuring



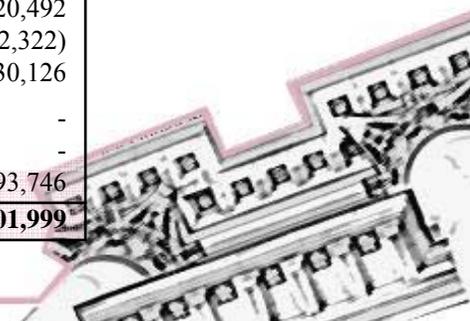
CONSOLIDATED P&L STATEMENT (US GAAP)

(USD '000)	2008	2007	Changes, %	2006
Revenues	361,957	423,645	(14.6)	282,899
<i>Real estate development</i>	274,314	356,045	(23.0)	206,155
<i>Asset management</i>	54,525	44,830	21.6	26,805
<i>Facility management</i>	33,118	22,770	45.4	10,009
Operating expenses, incl,:	(486,429)	(391,040)	-	(199,903)
Cost of sales	254,647	222,509	14.4	(151,476)
Selling, general and administrative expenses	84,339	153,980	(45.2)	(41,283)
Depreciation and amortization	23,980	14,551	64.8	(7,144)
Other operating expenses	220,043	-	n/a	-
OIBDA	(100,498)	47,156	-	90,140
Operating (loss)/income	(124,472)	32,605	-	82,996
Other expenses, net	(10,419)	(1,597)	552.4	(372)
Interest income	12,026	14,162	(15.1)	4,255
Interest expense, net of amounts capitalised	(82,722)	(12,695)	551.6	(7,554)
(Loss)/gain on foreign currency transactions	(138,410)	15,158	-	(1,930)
(Loss)/income from affiliates	(11,446)	214	-	-
Gain on sale of a subsidiary	1,012	113	795.6	-
(Loss)/income from continuing operations before income tax and minority interests	(354,432)	47,960	-	80,203
Income tax expense	(15,257)	(11,449)	33.3	(16,299)
Net (loss)/income	(381,097)	34,681	-	55,574



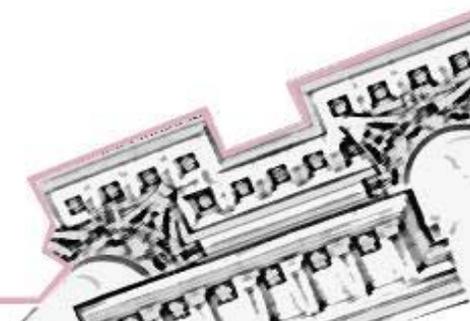
CONSOLIDATED BALANCE SHEET (US GAAP)

(USD '000)	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
ASSETS			
Cash and cash equivalents	58,328	37,538	261,952
Trade receivables, net	127,123	207,073	34,741
Other receivables, net	32,106	31,740	9,771
Deposits, loans receivable and investments in debt and equity securities	62,787	129,021	164,855
Costs and estimated earnings in excess of billings on uncompleted contracts	192,824	119,040	13,081
REAL ESTATE INVESTMENTS, NET			
Real estate developed for sale	866,131	856,883	270,892
Income producing properties, net	345,179	155,736	59,541
Total	1,211,310	1,012,619	330,433
Buildings used for administrative purposes, plant and equipment, net	11,185	9,828	5,477
Development rights and other intangible assets, net	29,674	33,191	40,035
Investments in associates and JVs	78,119	48,955	2,799
Debt issuance costs net of accumulated amortization	1,680	36,866	-
Deferred tax assets	14,620	11,014	-
TOTAL ASSETS	1,895,742	1,755,090	901,999
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Payables to suppliers and subcontractors	84,960	57,546	33,477
Billings in excess of costs and estimated earnings on uncompleted contracts	14,387	31,664	25,363
Accrued expenses and other liabilities	83,537	62,551	25,130
Taxes payable	16,263	10,824	3,899
Loans and notes payable	1,466,387	977,837	377,967
Deferred tax liabilities	38,256	32,324	21,504
TOTAL LIABILITIES	1,703,790	1,179,083	489,572
MINORITY INTERESTS	34,024	27,060	18,681
SHAREHOLDERS' EQUITY			
Share capital	20,492	20,492	20,492
Treasury stock	(1,600)	(1,576)	(2,322)
Additional paid-in capital	527,280	529,910	430,126
Accumulated other comprehensive income	(12,446)	-	-
(Accumulated deficit) / Retained earnings	(375,798)	121	-
TOTAL SHAREHOLDERS' EQUITY	157,928	548,947	393,746
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,895,742	1,755,090	901,999



CONSOLIDATED CASH FLOW STATEMENT (US GAAP)

(USD '000)	2008	2007	2006
NET CASH USED IN OPERATING ACTIVITIES	(167,647)	(161,342)	41,237
NET CASH USED IN INVESTING ACTIVITIES	(364,797)	(606,043)	-252,708
NET CASH PROVIDED BY FINANCING ACTIVITIES	552,707	549,656	457,827
Effects of foreign currency translation on cash and cash equivalents	(7,333)	1,175	5,234
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	12,930	(216,554)	251,590
CASH AND CASH EQUIVALENTS, beginning of the period	45,398	261,952	10,362
CASH AND CASH EQUIVALENTS, end of the period	58,328	45,398	261,952



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