

## News

### Revenue increase at Sistema-Hals

According to the financial results for the first six months of 2007, consolidated revenue for Sistema-Hals were up by 21.7% year-on-year, totalling USD 129.8 million.

### Value of Sistema-Hals' share in real estate properties and development projects increases

According to an independent appraisal conducted by Cushman & Wakefield Stiles & Riabokobylko (C&WS&R), the value of Sistema-Hals' holding in real estate properties and development projects has risen by 41.3%, amounting to USD 2,882.0 million (as of July, 1 2007).

### Sistema-Hals – a rapidly growing company

Sistema-Hals has joined the top 50 fastest growing companies in Russia. It is ranked number 8 in terms of earnings growth (turnover), having become the fastest growing development company in the country (the other developer, PIK, was placed at number 34 on the list). The ranking is published in the Russian RBC magazine.

### Progress report on the current projects

#### “Detsky Mir” retail and entertainment complex (5, Teatralny lane)

- The approval of the city council of the Mayor of Moscow received
- Permission to construct received

#### “Hals Mart” (“Leto”) retail and entertainment complex (Pulkovskoe highway, St. Petersburg)

- Concrete iron columned foundations – constructed
- Backfilling of the foundation – completed
- Concrete-iron assembly structure – 90% installed
- Concrete-iron assembly ceiling for the second storey – 75% installed
- Construction of iron covering – 45% installed
- Monolithic concrete-iron diaphragm plate – 70% completed,
- monolithic concrete-iron elevator shafts – 55% completed
- Construction of exterior engineering systems – in progress

#### “Leningradsky Towers” (39, Leningradsky Avenue)

- Favourable appraisal obtained from Moscow City Expert Review Panel
- Foundation under development with concrete blinding
- Construction work on extra facilities (military barracks, sports complex, parking lot and restaurant) – 80% completed.

#### “Detsky Mir” in Kazan

Held technical opening of the complex

#### “Diplomat” residential complex (39, Michurinsky Avenue)

- Construction work on the underground section fully completed

#### “Primavera” residential complex (4, Nakhimovsky Avenue)

- Construction works in progress on the storeys 7-9
- Partial completion of exterior engineering works

#### “Avrora” villa community (Dmitrovskoye highway)

- 67% of land plots sold

#### “Emerald valley” residential complex (111, Rublevskoe highway)

- 23% of apartments sold

## Actual camera view



“Primavera” residential complex



“Hals Mart” (“Leto”)



Leningradsky Towers



“Diplomat” residential complex



“Detsky Mir” in Kazan



## Sistema-Hals in the media

“Sistema-Hals yesterday announced its second major regional project. Following on its Astrakhan commitment, the company plans to build in Nizhny Novgorod. Felix Evtushenkov, President of Sistema-Hals, informed investors via a telephone conference that the company is to build 2.3 million sqm of properties in Nizhny in 2008-2011. 309 hectares of space have already been acquired under the development in the Prioksky district of the city.”

**Vedomosti. 28 September 2007**

“As of 24 September 2007, the Russian Central Bank has included Sistema-Hals in the list of organizations whose paper and accounts receivable under lending agreements, may be accepted as collateral for Central Bank loans. Sistema-Hals may also act as guarantor for receivables under credit agreements that are used as collateral for Central Bank loans.”

**Prime TASS. 28 September 2007**

“The Orlov tunnel construction project has received favourable appraisal from the Russian Central Expert Review Panel. According to the experts, the project developed by PSO Sistema-Hals has been completed to a high technical standard. The solution it offers allows for an unbroken link between the historic centre of St Petersburg and the north-western area of the city.”

**Nevskoe Vremya. 30 October 2007**

“Sistema-Hals has announced the launch of trading in its ordinary, dematerialised registered shares on RTS. Shares of the development unit of AFK Sistema will be traded immediately on four exchanges, including the LSE, MICEX and MSE. According to analysts, listing on the RTS will allow the company to attract new institutional investors.”

**Business&Financial Markets. 1 November 2007.**

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