

News

Value of shares in Sistema-Hals up 35%

According to an appraisal by Cushman & Wakefield Stiles & Riabokobylko (C&WS&R), the value of Sistema-Hals' interest in its properties and projects increased by 35% from 30 June 2006 to 1 January 2007. C&WS&R determined that, as of 1 January 2007, the total market value of a 100% stake in the 88 projects and properties was over US\$2.5bn, of which Sistema-Hals' share (excluding the interests of minority shareholders) was over US\$2bn.

Sistema-Hals included in RUXX index

The RUXX index currently consists of 30 Russian securities are listed on the largest international stock exchanges. Sistema-Hals is the only real estate development company to be included in this index. RUXX is calculated and distributed by Dow Jones & Company.

Residential properties coming online in 2007/early 2008:

- Business-class apartment building at 27V Yartsevskaya St. (29 910 m²)
- Serebryanny Bor-2 housing development (14 650 m²)
- Hals Mart shopping centre, St. Petersburg (103 488 m²)
- Aurora housing development (over 90 hectares)

Commercial projects:

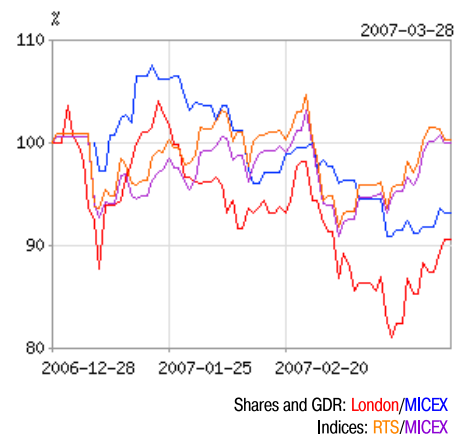
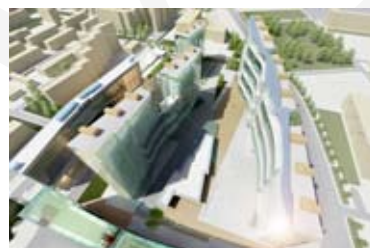
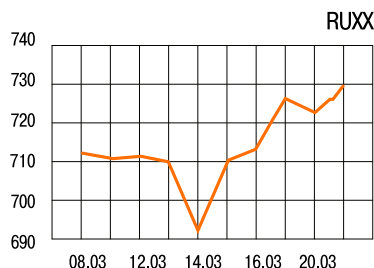
- 43 properties awaiting permits and approvals
- 27 properties at the planning and budgeting stage
- Groundwork under way at 5 sites
- In 2007 construction will begin on 16 office properties with a total area of 270 000 m².

Peking Hotel and Office Complex:

- Property issues have been resolved with the owners and users of residential and non-residential premises within the reconstruction zone
- Engineering services have been re-sited, and dilapidated and hazardous structures have been demolished
- The expert commission on heritage sites has decided not to include Building 2 at Bolshaya Sadovaya St., Property 5, in its list of newly discovered monuments of Soviet architecture
- The Moscow Committee for Architecture and Urban Planning has issued a resolution on the planned property's compliance with existing urban planning requirements and regulations on the use of the land
- A planning contract has been signed

Detsky Mir shopping and entertainment complex, Moscow:

- A permit has been received to use the land plot for building and reconstruction
- An assessment by the Scientific Methodological Council of the Moscow Committee for Cultural Heritage has been passed
- All approvals for the project have been received



Sistema-Hals in the media

"In just over three years at the helm of real estate development company Sistema-Hals, Mr Yevtushenkov has managed to expand its business severalfold, and in November of last year he launched one of the first IPOs by Russian property developers."

Vedomosti, 12 March 2007

"The value of the company's project portfolio was 35% higher than most analysts' appraisal of the company's worth. We therefore believe that current prices do not reflect the increase in the value of the Sistema-Hals portfolio, which indicates the potential for a twofold rise in the company's share price. This news confirms that the company is confidently continuing to implement the business strategy it spelled out to investors before the IPO."

Conclusion of the Aton Investment Group, 26 March 2007

"A new apartment complex being built in Russia in accordance with Law No. 214 'on participation in shared construction' has been approved by the state commission and has been put into operation. Very few companies have proved ready to work under the new rules – only ST Group Region and Sistema-Hals."

Kommersant, 10 March 2007

"Sistema-Hals, the real estate division of Russian consumer goods company Sistema JSFC, will build a mixed-use complex estimated at \$122m (93.6m euro) in Ukraine's southern city of Yalta"

Ukrainian News Digest, 7 March 2007

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More than 60 projects are currently being implemented and about 40 more are being considered.