

News

Value of Sistema-Hals' share in properties and development projects rises by 30%

C&WS&R determined that as at 1 January 2008 the total market value of 100% ownership of the 103 projects and properties amounted to USD 4,645.3 million. Of this, USD 3,745.9 million was attributable to Sistema-Hals after deducting minority interests.

Sistema-Hals has announced its 2007 annual results

Sistema-Hals' consolidated revenues for the full year 2007 increased by 59.8% year-on-year to USD 452.2 million, compared to USD 282.9 million for the full year 2006, driven by the strong performance of the Real Estate Development division.

Sistema-Hals commences renovation of central Detsky Mir store

When the central Detsky Mir store on Moscow's Lubyanka St. closes on 1 July 2008, Sistema-Hals will commence the planned renovation. The total area of the building is expected to increase from 57,500 sq. m to 74,000 sq. m. The retail floor space will be almost doubled.

22 Rochdelskaya project sold

Sistema-Hals has sold 100% of its holding in this project, which involved the construction of a 13,000 sq. m administrative building located at 22 Rochdelskaya St, Moscow. The sale of the project was in line with the Company's asset management strategy.

Projects updates

Emerald Valley Residential Complex

111A Rublevskoye Shosse
- Casting work on the 8th floor is now under way
- Co-financing contracts have been signed for the construction of 92 of 108 apartments

Elite apartments, Yalta

15 Moskovskaya St.
- The project received a positive report from the state expert assessment committee and also received its construction permit
- Construction of the retaining wall is now under way

Kamelia resort complex, Sochi

89 Kurortnyy Prospekt
- Pre-design work has been completed
- Some Intourist and Kamelia hotel buildings have been demolished; work has begun on the demolition of the main wing of the Intourist hotel

Zdravnitsa- Life Resort townhouse development

Mozhayskoye Shosse, 16 km from Moscow Ring Road
- General plan and site development plan has been approved
- Geological surveys have been completed
- Pond landscaping is under way
- Technical specifications for power supply have been obtained

Serebryanny Bor single-family housing development (Phase III)

- Designs for 23 houses have been completed
- Design specifications for 73 further houses are currently being developed

Views



Emerald Valley Residential Complex



Elite apartments, Yalta



Kamelia resort complex, Sochi

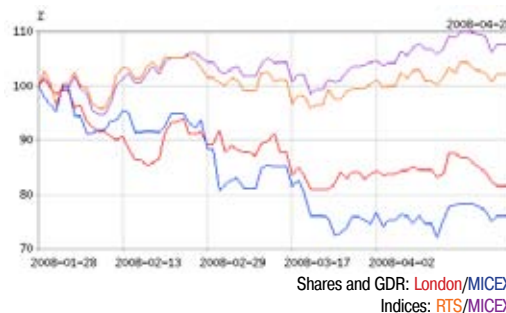


Zdravnitsa - Life Resort townhouse dev.



Serebryanny Bor single-family housing development (Phase III)

Stock price



Sistema-Hals in media

"Judging by the comparative ratios (primarily the ratio of market capitalisation to project portfolio value) the company appears to be undervalued in relation to similar companies operating on the Russian market. Compared to development companies in Eastern Europe, Sistema-Hals has in its favour strong capitalisation, a rate of return that is above average for the industry, and a moderate debt load."

Invest-guru, 28 March 2008

"Nearly 100,000 sq. m of real estate will be built during the renovation of the Peking Hotel in the centre of Moscow." This announcement was made by the principal shareholder of AFK Sistema, Vladimir Evtushenkov. "We plan to build almost 100,000 additional sq. m onto the hotel's main building. Getting the approvals at the various levels is a very lengthy process, but we hope to commence construction in April. Only after the question of this additional space is resolved will we close the hotel for renovation."

Vedomosti, 31 March 2008

"Sistema-Hals is not planning to just be the management company for the Big City project. The developer already controls almost 10 hectares of the site, and by 2012 it intends to increase its land bank to 50 hectares (enough to build around 3.5 million sq. m of new space). Sistema-Hals' President Felix Evtushenkov talked about the company's first development project within the Big City territory which is a 75,000 sq. m office centre located at 7 Fourth Magistralnaya St."

Kommersant, 24 April 2008

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