

## NEWS

### Sistema-Hals opens representative office in Nizhny Novgorod

Sistema-Hals has formed a new subsidiary, Sistema-Hals Privolzhye LLC, to help it implement the Olgino integrated building project in Nizhny Novgorod. Sistema-Hals holds a 99% stake in the Nizhny Novgorod-based company.

### Staff appointments at Sistema-Hals

Sergey Shmakov has been appointed First Vice President for Property Development. Azary Lapidus, who previously held this post, will head the Company Board of Directors' permanent council for operating policy and expert project appraisal.

Andrey Solovyev has been appointed Finance Director and acting Vice President for Finance and Investment. Before joining Sistema-Hals, Mr Solovyev served as Finance Director at ESN Group.

## PROJECTS UPDATES

### Detsky Mir retail and entertainment complex, 5 Teatralny Proyezd, Blg 1

- Detailed design work on retail and entertainment complex currently underway
- Detailed designs for restoration works have been commissioned

### Multi-use Preobrazhensky complex, 12/11 First Bukhvostova St.

- Pre-design report on site development currently being compiled
- Site designs currently being developed

### Class A office centre, 11 Rogozhsky Val

- Urban planning report completed and approved
- Certificate of compliance with urban planning requirements obtained
- Pre-design report has been fully approved

### Class A office centre, 7 Nastasinsky, Blg 1

- Pre-design report approved by the Regulatory Commission of the Moscow Committee for Architecture and Urban Planning
- Use permit obtained

### Apartments, 5 Vsevolzhsky

- Pre-design report approved by the Regulatory Commission of the Moscow Committee for Architecture and Urban Planning
- Use permit obtained

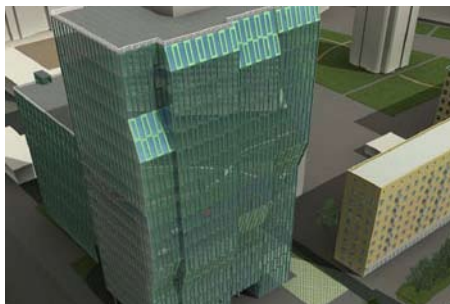
## VIEWS



Leningradsky Towers



Preobrazhensky complex, 12/11 First Bukhvostova St.



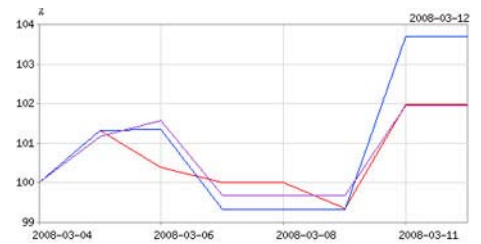
Class A office centre, 11 Rogozhsky Val



Class A office centre, 7 Nastasinsky, Blg 1



Gorki-8



Shares and GDR: London / MICEX  
Indices: RTS / MICEX

## SISTEMA-HALS IN MEDIA

"Stable economic growth and growing household income will lead to a burst of activity in the following sectors: real estate, transportation and the consumer sector. Investors should watch the property development company Sistema-Hals. Its GDR is currently trading below its offering price, but since its IPO in November 2006 the company has doubled the value of its project portfolio, ensuring 20% growth for its securities (target \$12)."

*D-Strikh, No2. February 2008*

"Many new projects were announced in the suburban real estate sector, -says Vladimir Kuznetsov, head of project consulting and analysis at Welhome Real Estate. 'The most interesting of these projects include the start of construction on phase two of the Gorki-8 housing development, situated 19 km from the Moscow city ring road on Rublevskoye Shosse (Sistema-Hals) and, by virtue of its size, the mega-project that Marshall Capital Partners is currently building on a 500ha plot off Simferopolskoye Shosse."

*Kommersant-Dengi, 11 February 2008*

"Among the most rapidly developing office sub-markets, experts single out three business districts: the section of Leningradsky Prospekt (where Capital Partners, Sistema-Hals and Horus Capital are currently building); the Southwest (Yugo-Zapadnaya) area major property developers operating in this sub-market include Sistema-Hals and Forum Properties); and the area between Savelovskaya and Dmitrovskaya metro stations."

*Kommersant, 18 February 2008*

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