











PROGRESS OF STRATEGY IMPLEMENTATION AND MANAGEMENT INITIATIVES

Investor Presentation

September 2009, Moscow

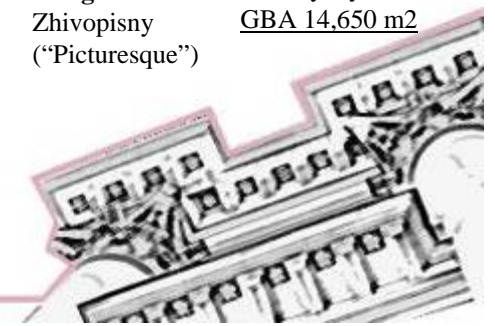
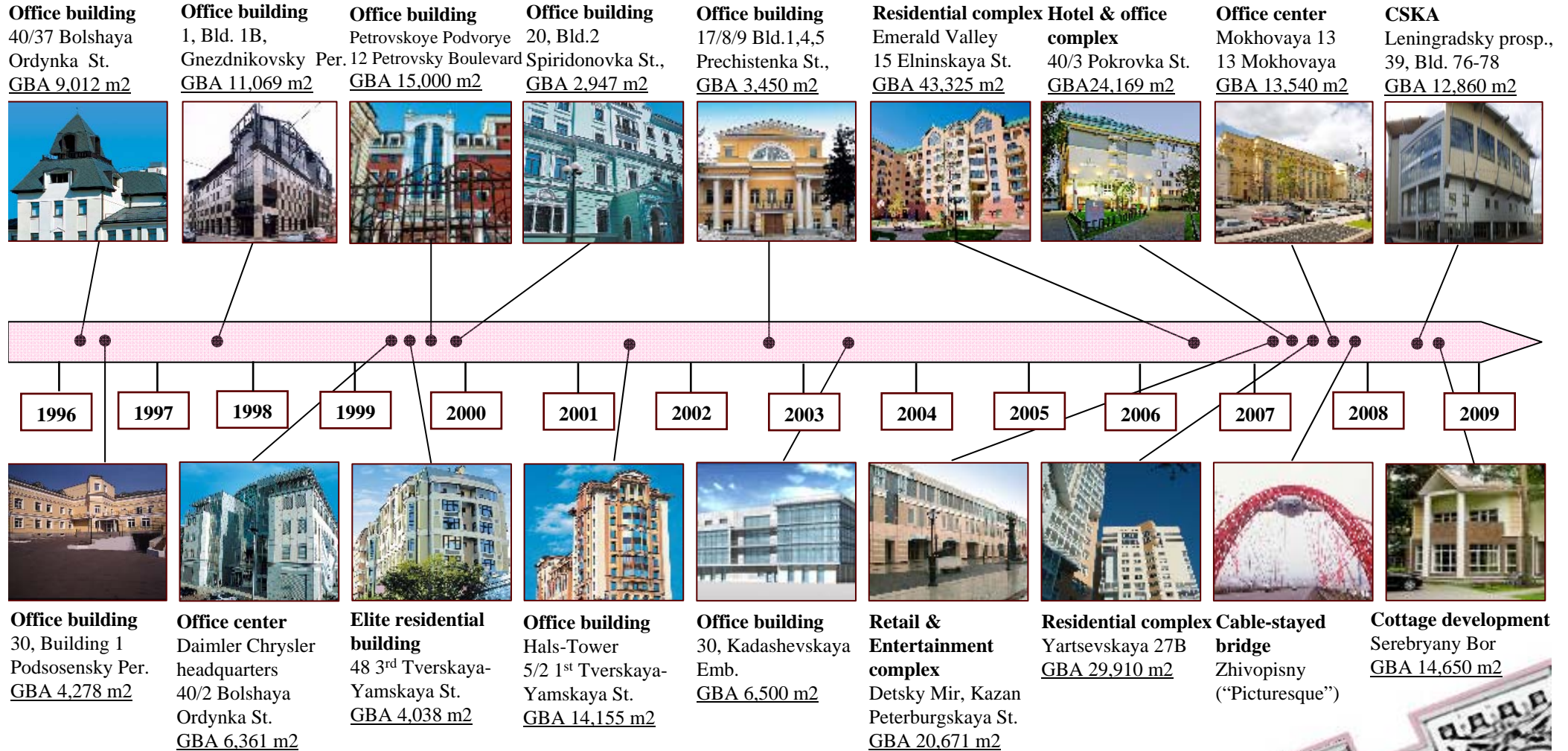


SISTEMA-HALS AT A GLANCE


-  A leading diversified company in Russian and CIS real estate markets with unique exposure to premium segments operating since 1994
-  Core business is real estate development
-  About 40 successfully completed projects with a total area of 340,000 sq m
-  Portfolio consists of ~80 projects with development pipeline running to 2030
-  The first Russian property developer who announced and started implementing its crisis measures
-  Access to finance resources in turmoil market due to reputable credit history
-  Cooperating with strategic partners who provide additional financing and expertise
-  One of the lowest short term / gross debt ratio in the industry, with the largest portion of ruble denominated debt
-  The first Russian property developer with GDRs listed on main market of LSE
-  As at 1 January 2009, C&WS&R valued Sistema-Hals' share of properties and projects in the portfolio at USD 2,045 million



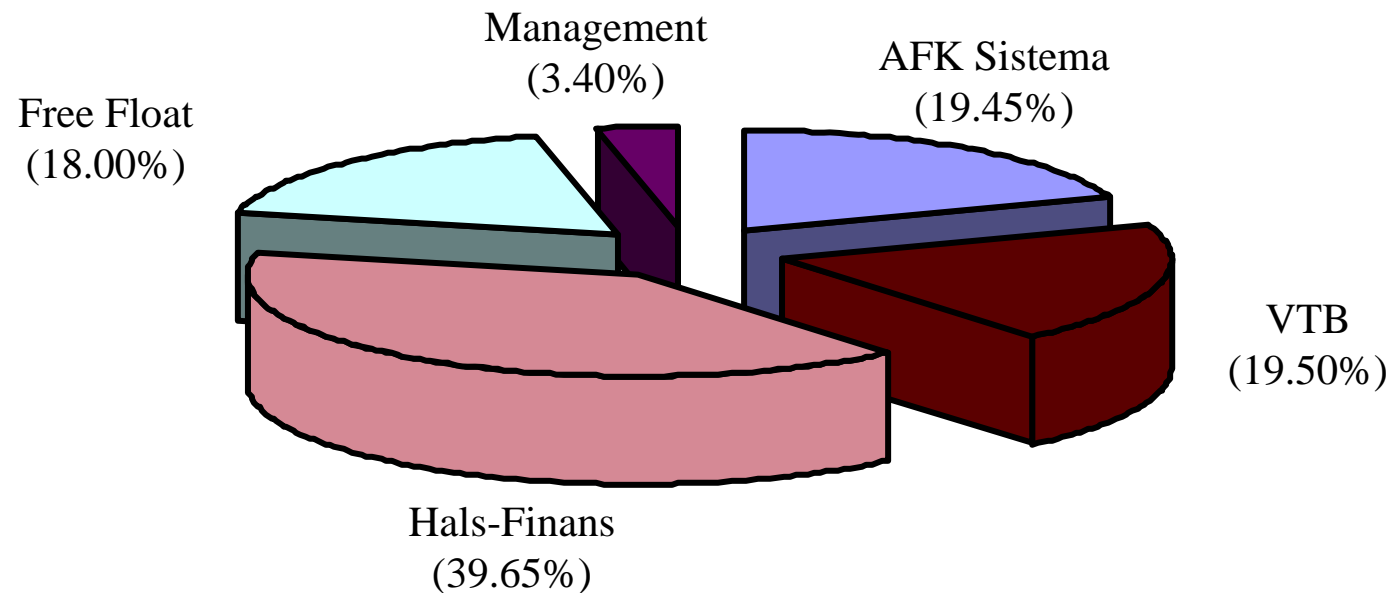
SUCCESSFUL TRACK RECORD



CURRENT SHAREHOLDERS STRUCTURE

-  In April 2009 VTB Bank OJSC acquired 19.5% of the Company's ordinary shares and received an option to redeem additional 31.5% of the shares, subject to regulatory authorities permission. If the option is exercised, VTB Bank OJSC will own 51% of Sistema-Hals

Current shareholders structure



STRATEGY & PROGRESS OF ITS IMPLEMENTATION⁵

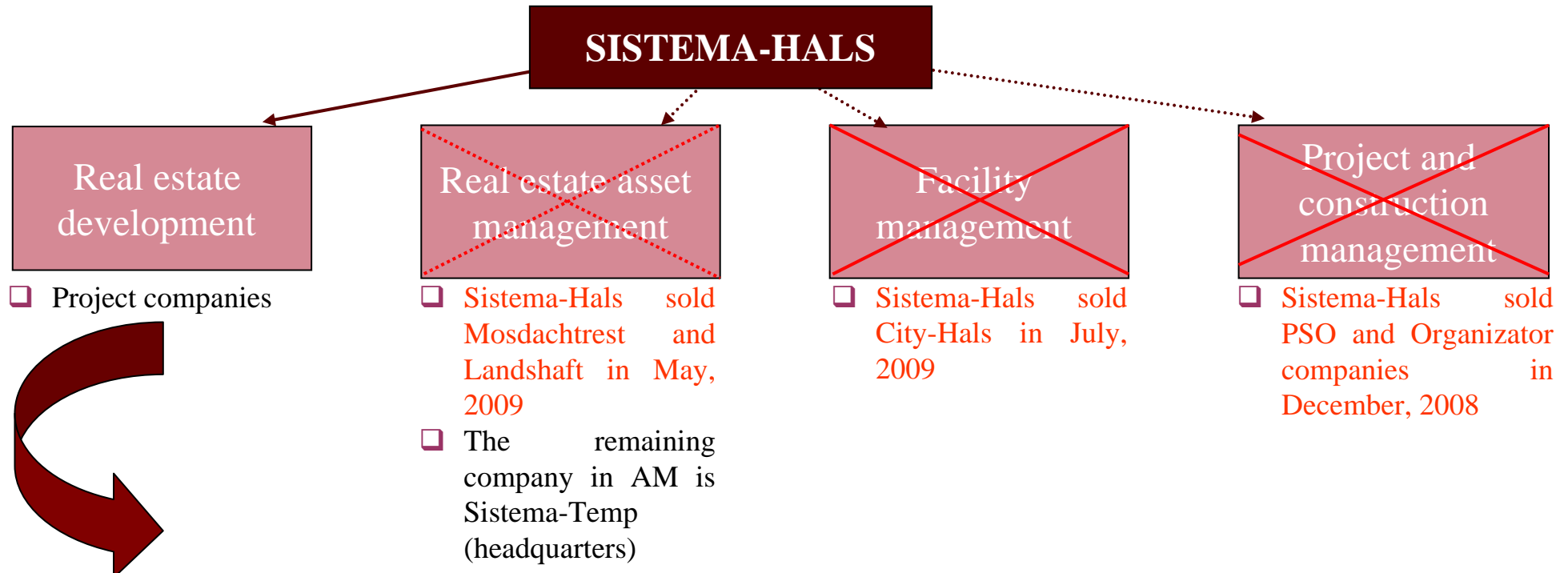
Since December 2008, the management implements the following steps to struggle with tangled financial situation, to survive in current challenging market and to create a good foundation for further thrift:

Strategy and management initiatives	Progress in 1H 2009
1. Focus on development of priority projects, and maintain the remaining part of the portfolio for stable operations in future	✓
2. Consider partial or full divesture of certain projects in order to generate additional cash to finance strategic projects development	✓
3. Attract strategic project partners to develop long-term and capital-intensive projects getting access to additional financing and expertise	-
4. Restructure current debt portfolio	✓
5. Optimize operating and administrative costs	✓

Sistema-Hals is in progress to implement its strategy and management initiatives.



1. FOCUS ON DEVELOPMENT



<i>USD mln</i>	Budget FY2009	Fact 1H 2009
To develop properties	290	60
To maintain properties	30	15



BUSINESS CLASS RESIDENTIAL BUILDINGS

New construction site at Elninskaya 28-30

Total GBA: 58,404 sq m

Progress today:

- under complex reconstruction of the whole residential area in Kuntsevo district, Moscow;
- permission documentation received; construction may start anytime

Residential buildings at Rublevskoye Highway, Michurinsky Prospekt, Nakhimovsky Prospekt, Dnepropetrovskaya Street

Total saleable living area: 60,744 sq m

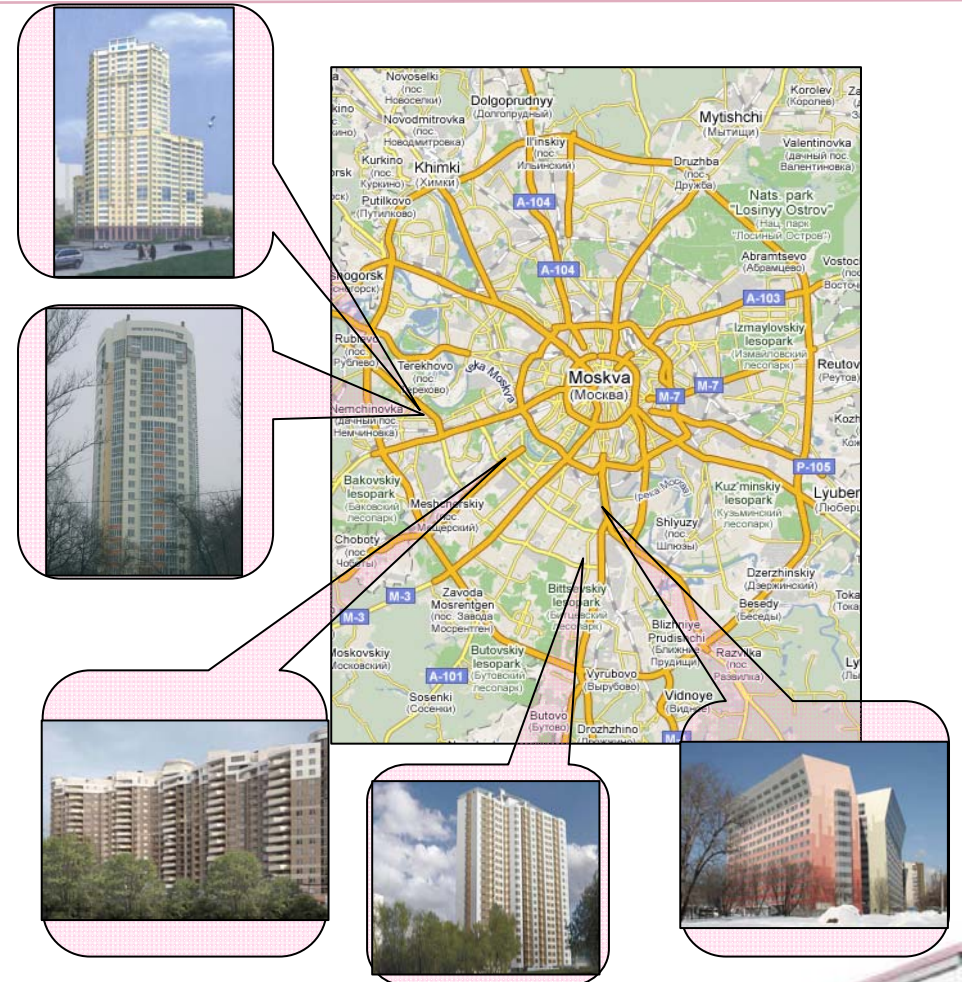
Sold saleable living area: 82%

Completion period: 3Q2009

Progress today:

- construction of buildings is completed; façade work finished;
- now conducting area improvements

The residential construction is in line with schedule.



COMMERCIAL PROJECTS

Leto shopping mall:

- ❑ developed new project architectural, engineering and landscaping concept;
- ❑ started design development;
- ❑ obtained technical conditions for water supply and sewage;
- ❑ started utility networks relocation preparatory works;
- ❑ common construction works are 95% done

Leningradsky Towers:

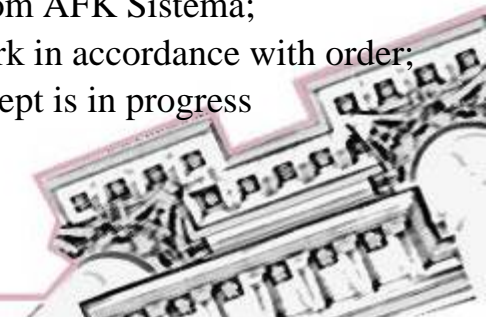
- ❑ completed construction of concrete monolithic frames for both towers (floors 1-28);
- ❑ extended required permits;
- ❑ terminated the Framework Investment Agreement initially signed with Siemens in July 2003;
- ❑ paid a lump-sum settlement of €18 million;
- ❑ significantly optimized the budget;
- ❑ project will be developed at Sistema-Hals' own discretion

Kamelia multifunctional hotel complex:

- ❑ developed new project architectural, engineering and landscaping concept;
- ❑ started design development;
- ❑ obtained technical conditions for water supply and sewage;
- ❑ started utility networks relocation preparatory works

Detsky Mir shopping mall:

- ❑ Sistema-Hals acquired 100% of Detsky Mir at Lubyanka from AFK Sistema;
- ❑ preparatory work in accordance with order;
- ❑ marketing concept is in progress




2. RECENT PROJECTS DIVESTURE

 PSO and Organizator companies, 51% (December, 2008)

- Project and construction management

 Narvskaya warehouse, 50% (February, 2009)

 Mosdachtrest, 58% (May, 2009)

- Kraskovo, Klyazma, Zagoryanka, Trudovaya, Krasnaya Pakhra, Opalikha, Barvikha, Zhavoronki, Zaveti Ilyicha, Udelnoe, Zdravnitsa, Zdravnitsa Life, Serebryany Bor, Kuchino, Skhodnya cottages

 Landshaft, 100% (May, 2009)

- Zhukovka, Landshaft, Profalyans, Merkuriy, Geokom land plots

 City-Hals, 100% (July, 2009)

- Facility management

 Aurora land plots




 Minority stakes

TOTAL: ~140 mln USD*

** Including disposed liabilities. Excluding further acquisitions of a 25% stake in Yalta elite project and a 100% stake in Detsky Mir at Lubyanka.*



3. ATTRACT STRATEGIC PARTNERS – 1H 2009

-  Given the global liquidity crisis and aggravated situation on the real estate market, we have not managed to attract strategic partners in 1H 2009
-  Nevertheless, Sistema-Hals is continuously looking for other opportunities to attract financing and to develop our projects
-  We do believe that fundamentally the real estate sector in Russia is strong and the companies with a pragmatic approach to managing their construction programmes and preserving capital will overcome the current difficulties and will ultimately be well placed for further growth in medium and long term as economic situation improves in Russia and globally

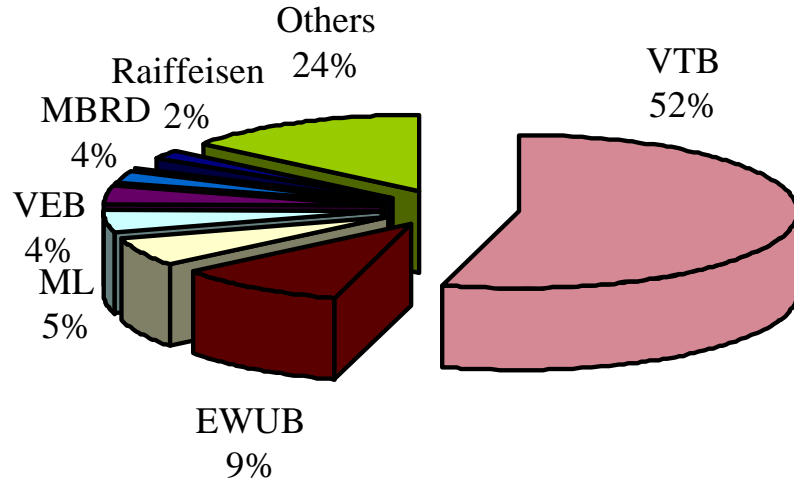
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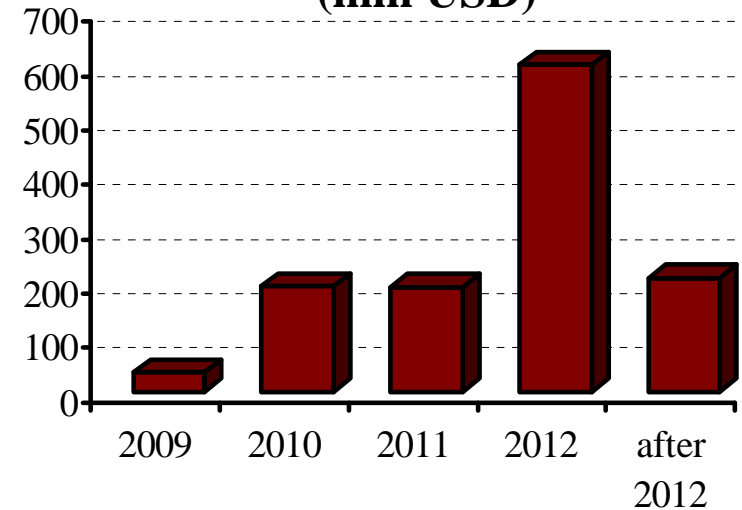
4. RESTRUCTURE CURRENT DEBT PORTFOLIO



Major creditors as of 30 June 2009

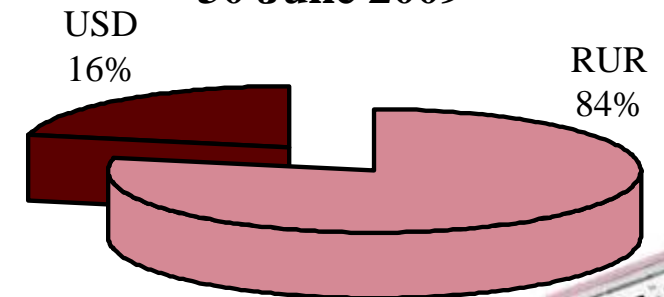


Debt maturity as of 30 June 2009 (mln USD)



- As of 30 June 2009 gross debt amounted to ~1.49 bln USD
- The biggest creditor is VTB, which is one of Sistema-Hals major shareholders and considering to exercise option and to increase its stake up to 51%
- The largest portion of debt is rouble denominated – 84%
- One of the lowest short term debt to gross debt ratio in the industry
- The biggest amount of debt is due in 2012, which could be further extended or restructured



Debt currency as of 30 June 2009



4. RESTRUCTURE CURRENT DEBT PORTFOLIO



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-  Sistema-Hals has relatively good access to credit facilities in turmoil market due to reputable credit history and support from major shareholders
-  In 1H 2009, Sistema-Hals implemented several steps to restructure its current debt:
 - February - Sistema-Hals extended loan from Alfa-Bank
 - April - the Company issued and fully placed two rouble bond public offerings in the amount of 5 bln roubles maturing in 2014
 - June - Sistema-Hals fully paid Alfa-Bank loan
 - June - VTB opened new rouble credit facilities for Sistema-Hals in the amount of 60 mln USD
 - June - VTB provided the Company with a grace period for all interest payments from Feb 2009 till Feb 2010
 - July-August – partially paid the loan from Raifeisenbank and extended the remaining portion till December 2010

Sistema-Hals has been successfully restructuring its debt since December last year, decreasing short term debt and increasing rouble denominated one.








5. OPTIMIZE ADMINISTRATIVE COSTS



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In 1H2009, Sistema-Hals optimized SG&A by 81.1% to 8.2 mln USD compared to 43.4 mln USD in 1H2008, including:

-  payroll expenses and other employee-related costs (↓86%) due to
 - new motivation program
 - decreased headcounts
-  consulting services (↓87%)
-  repairs and maintenance (↓88%)
-  renting expenses (↓80%)
 - moving all subsidiaries to the headquarters
 - renting empty offices
-  advertising and marketing (↓97%)

Sistema-Hals plans further measures to optimize its expenses.



CONTACTS

For further information, please contact:

Ulyana Denga
Director for Investor Relations
Sistema-Hals
Tel.: +7 (495) 785-7742 (ext 1275)
Cell: +7 (903) 2626-529
denga@sistema-hals.ru

