



JSFC Sistema Corporate Profile

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Moscow

JPMorgan group meeting

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Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within JSFC Sistema. The words “expect”, “estimate”, “intend”, “will”, “could” and similar expressions identify forward-looking statements. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the above-mentioned date or to reflect the occurrence of unanticipated events. Many factors could cause the actual Sistema’s results to differ materially from those contained in our projections or forward-looking statements, including, among others, deteriorating economic and credit conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to Sistema and its operations.



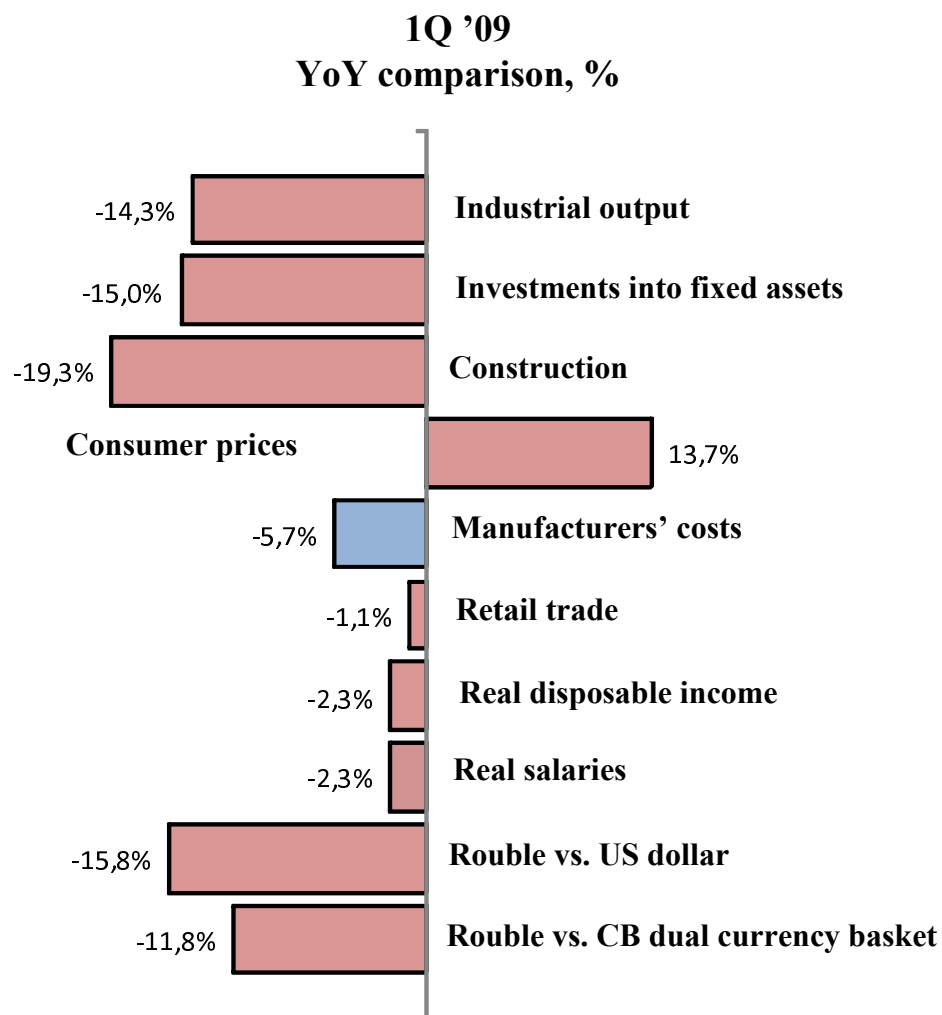
1. Key Events

2. 1Q 2009 Financial Performance

3. Subsidiaries

Appendix

1.2. Macroeconomic Environment in Russia in 1Q 2009



Source: Rosstat, Russian Ministry of Economic Development
* January - March 2009

- Key economic indicators continued to deteriorate impacted by external conditions, contraction of production growth rates, reduction in investment volumes, negative disposable income dynamics and devaluation of national currency.
- Negative impact from external factors partially compensated by reduced rates of inflation and import substitution, thus creating conditions for stabilisation.
- The government is taking active measures to stimulate economic growth and normalise the financial system.
- Limited visibility with regard to forecasts. The above factors are expected to continue negatively impacting business through 2009.

The economic situation in Russia continued to further deteriorate in 1Q 2009, compared to 4Q 2008

1.3. Trends in Sistema's Markets of Presence in 1Q 2009



Telecommunications BU

- Mobile ARPU declined by 7% QoQ to RUB 423
- Reduction in spending on most expensive services – roaming, international and domestic long distance
- Migration of subscribers from higher to less expensive tariff plans
- Increase in share of additional services in ARPU. Market for VAS (mobile internet and RBT) is expected to grow by 39% in 2009

Consumer BU

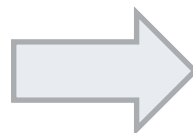
- Children goods market is expected to decline by 10-15% in 2009
- Market volumes for paid medical services are expected to decrease by 14.6%
- Travel packages market is anticipated to decline by 15-20% and hotel occupation rates – by 10-15%
- In 2009 number of outbound tourists is expected to fall by 22%

Technology and Industry BU

- Pharmaceutical market: market volume growth by 31% in rouble terms (increase in cost of medicine) and by 7% in dollar terms
- Reduction in CAPEX and R&D investments by customers to result in the fall of hi-tech revenues

Impact on business

- ! Contraction in effective demand
- ! Migration of demand to product segments with low margin
- ! Retention of customer loyalty to branded products and services



- ! Reduction in anticipated revenues
- ! Reduction in OIBDA margin forecasts
- ! Risk of non-cash losses
- ! Risk of changes in suppliers' conditions
- ! Increased competition for end consumer

Management is taking adequate measures in response to market realities

1.4. Strategic Priorities



✓ **1. To maximize value of ALL assets:**

- Achieve of strong and transparent financial results
- Provide high quality asset management – including through partnerships with leading companies
- Diversify risk and raise capital - including by creating partnerships with leading companies

✓ **2. To maintain strict financial discipline, based on:**

- Priority of TSR and ROIC indicators in making investment decisions
- Transparent system of KPIs for all public and non-public companies

✓ **3. To simplify the corporate management structure**

✓ **4. To optimize the existing portfolio structure and asset management**

✓ **5. To further develop investor relations and best practices of corporate governance**



**Create and
maintain
shareholder
value**

Increase in shareholder value is the key priority for Sistema

1.5. Strategic Development Objectives in Current Market Conditions

Portfolio Optimisation

- ✓ Enter into projects with high ROIC potential
- ✓ Focus on projects with high profitability and growth potential
- ✓ Diversification of investments
- ✓ Projects revision in accordance with new investment criteria

Increase in growth potential of the portfolio value

Operating and Financial Optimisation

- ✓ Optimisation of CAPEX and OPEX
- ✓ Improvement of organization structure
- ✓ FX risk management
- ✓ Debt refinancing aimed at optimising debt structure and attracting additional project financing

Increase in free cash flow

Sistema is consistently implementing its strategy and timely adapting it to changes in market conditions

1.6. Key Events in 1Q 2009 and Following the End of Reporting Period in Light of Strategy



PORTFOLIO OPTIMISATION

- Sistema signed agreements for acquisition of controlling stakes in 6 companies of Bashkir Oil and Energy Group for RUB 66.8 billion with no further payments being made
- Sistema signed agreement with VTB Bank to sell a controlling stake in Sistema-Hals and agreed the terms for the restructuring of Sistema-Hals' debt to VTB
- Sistema exited its shareholding in MTT
- Comstar-UTS completed the consolidation of Comstar-Direct
- MTS acquired Telefon.ru

OPERATING AND FINANCIAL OPTIMISATION

- Sistema appointed Ron Sommer the First Vice President of Sistema and Head of the Telecommunications business unit
- Sistema appointed Alexander Korsik Head of new Oil and Energy business unit
- SSTL launched services under MTS brand, started commercial operations in 4 new circles. The total number of mobile subscribers reached one million

Sistema implemented significant changes to its portfolio in 1Q 2009 and beyond

1.7. Acquisition of Bashkir OEG – Key Considerations



Obtain control in all Bashkir oil group companies

Finance the deal through long-term debt

Improve the structure of Sistema's investment portfolio



Acquired
After the deal

	Bashneft	Ufaneftekhim	NOVOIL	Ufaorgsintez	Ufimski NPZ	Bashkirnefteproduct
Acquired	55.04%	42.24%	60.26%	50.23%	53.68%	47.89%
After the deal	76.52%	65.78%	87.23%	73.02%	78.49%	73.33%

Transaction price - RUB 66.8 billion

No further payments to be made

Sources of financing

- Loan from VTB Bank for 7 year term
- Collateral – acquired shares in BashTEK plus a 17% stake in MTS

- ✓ Long term source of growth of Sistema's shareholder value
- ✓ Increase of ROIC of existing portfolio above the current level
- ✓ Positive impact on Sistema's consolidated financials
- ✓ Diversification of Sistema's investment portfolio and reduction of risks
- ✓ Source of stable cash flows for Sistema in the form of dividends
- ✓ The ability to create additional shareholder value using core competencies of Sistema in the areas of corporate management and increased operating efficiency

The deal is aimed at enhancing the structure of Sistema's investment portfolio and achieving stable growth of its shareholder value

1.8. Attracting a partner for Sistema-Hals



Attracting a financial partner in the project

- Transfer of 19.5% stake of Sistema-Hals to VTB. VTB also received a call option to acquire a further 31.5% stake in Sistema-Hals
- Parties have agreed the primary parameters for the restructuring of Sistema-Hals' debt to VTB for the total amount of RUB 23.5 billion that includes Sistema's guarantees for Sistema-Hals' debt to VTB
- Sistema-Hals' minority shareholders have the right to participate in a mandatory buyout, according to the Russian legislation

Optimization of Sistema's investment portfolio structure

- In accordance with Sistema's corporate strategy
- Reduction of Sistema's total debt obligations
 - Deconsolidation of US\$ 1.3 billion of debt (as at 9M 2008)
 - Restructuring of Sistema-Hals debt to Sistema around US\$ 310 million (as at March 2009)
- Maintain presence in the Russian real estate sector

The deal optimizes Sistema debt obligations and secures participation in a sector with huge potential



1. Key Events

2. 1Q '09 Financial Performance

3. Subsidiaries

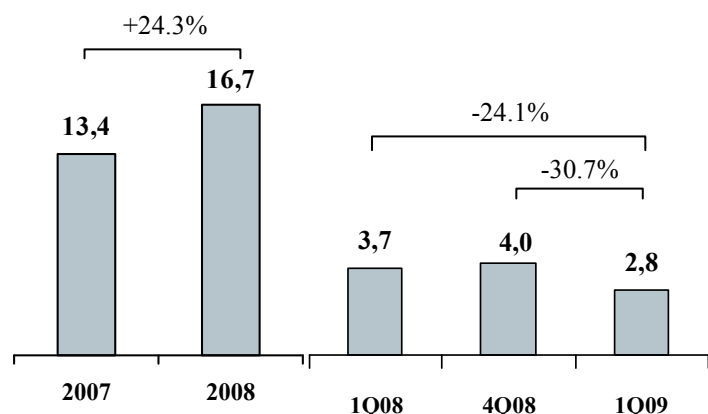
Appendix

2.1. Consolidated Results 1Q 2009 (US\$)

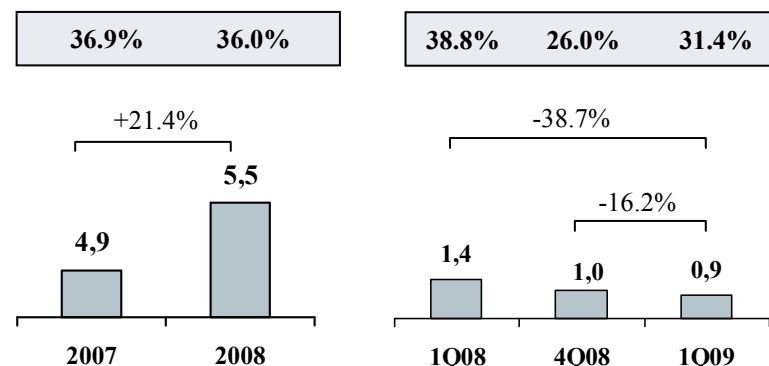


US GAAP, US\$ bln

REVENUE



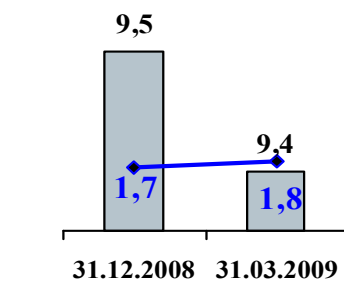
OIBDA



OIBDA margin

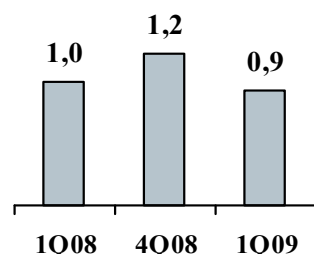
*Here and further the results for 2008 and 2007 are presented before adjustments related to classification of the activity of Sistema-Hals as discontinued operations

DEBT

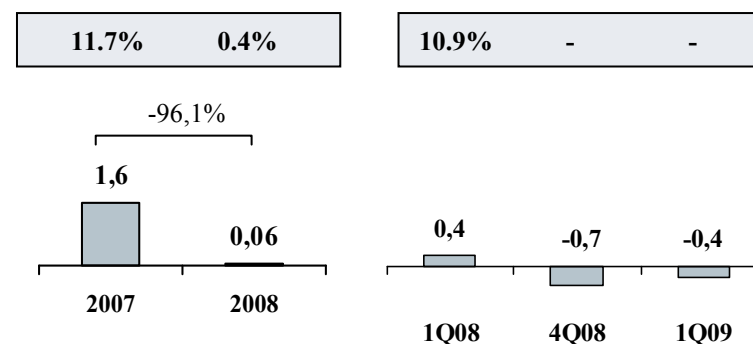


■ Debt
◆ Debt/12M Trailing OIBDA

CAPEX



NET (LOSS) INCOME



Net Income margin

1Q '09 results were impacted by devaluation of Russian ruble and seasonality factors

2.2. Consolidated Results 1Q 2009 (RUB*)



US GAAP, RUB mln

	1Q 2009	1Q 2008	%, RUB	%, US\$
Group				
Revenue	94 026	88 614	6.1%	-24.1%
OIBDA	29 501	34 397	-14.2%	-38.7%
OIBDA margin	31.4%	38.8%	-	-
Telecommunications				
Revenue	73 631	68 623	7.3%	-23.3%
OIBDA	30 597	33 183	-7.8%	-34.1%
OIBDA margin	41.6%	48.4%	-	-
Technology & Industry				
Revenue	9 684	13 450	-28.0%	-48.5%
OIBDA	231	809	-71.5%	-79.6%
OIBDA margin	2.4%	6.0%	-	-
Consumer assets				
Revenue	11 819	9 645	22.5%	-12.4%
OIBDA	- 709	545	-	-
OIBDA margin	-6.0%	5.6%	-	-

Average exchange rate: RUB/US\$ - 33.9308 in 1Q 2009; RUB/US\$ - 24.2601 in 1Q 2008

* Converted into RUB by multiplying US GAAP results by average exchange rate RUB/US\$ for relevant periods.

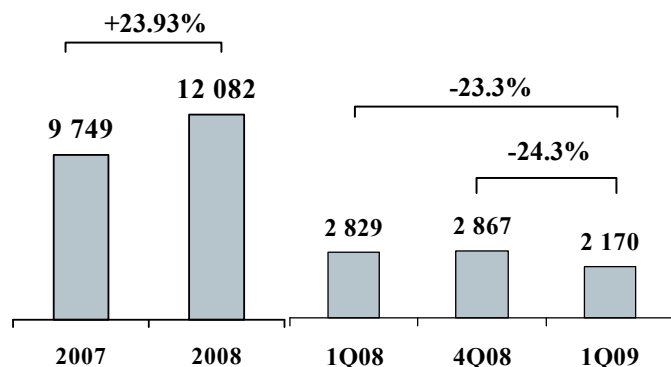
The Group revenues up more than 6% YoY in RUB terms in 1Q 2009

2.3. Business Unit Telecommunications

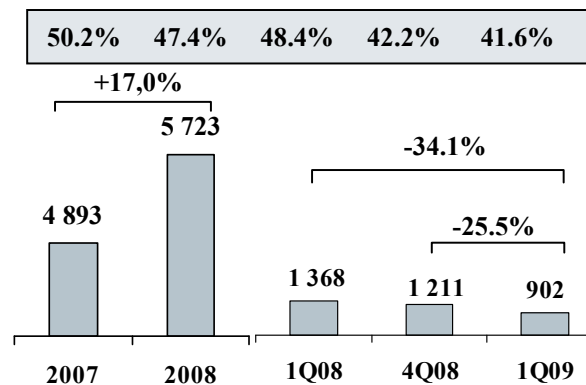


US GAAP, US\$ mln

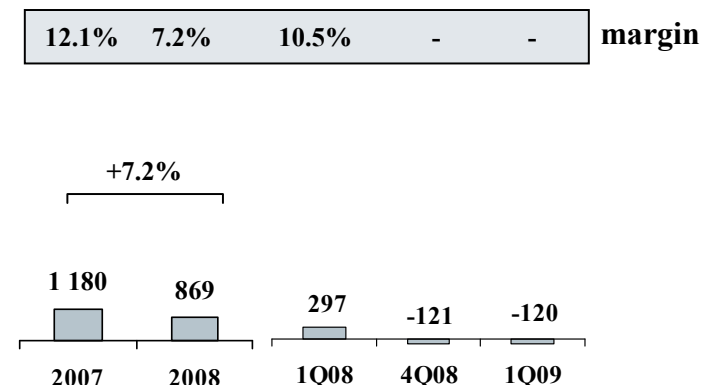
REVENUE



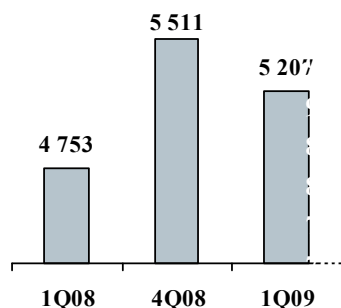
OIBDA



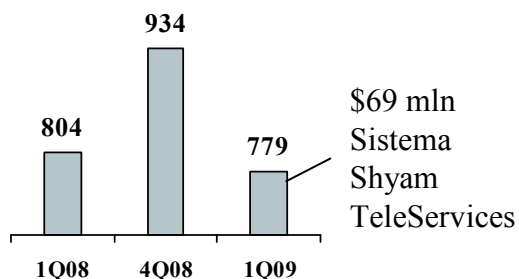
NET INCOME / LOSS



DEBT



CAPEX



- OIBDA margin declined in 1Q'09 YoY following the launch of two large projects: the launch of pan-Indian operator SSTL and the development of MTS mobile retail network.
- The Telecommunications BU reported a net loss in 1Q'09, largely as a result of foreign exchange loss of US\$ 533 mln. Net income excluding losses from foreign exchange was US\$ 193 mln.

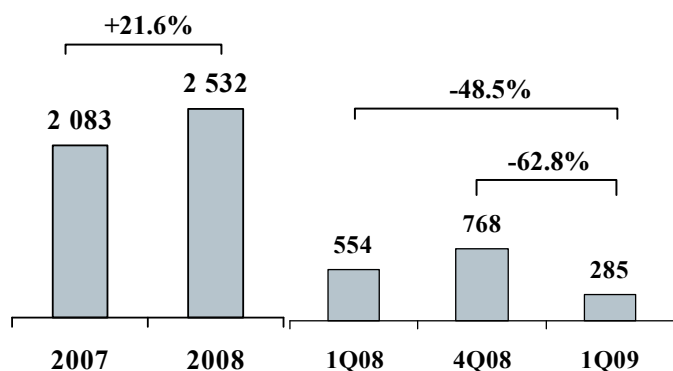
Telecommunications unit continued to develop successfully. BU's OIBDA margin remained high

2.4. Business Unit Technology and Industry

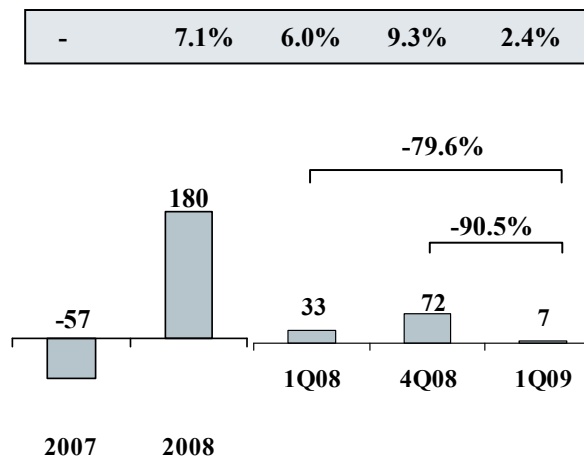


US GAAP, US\$ mln

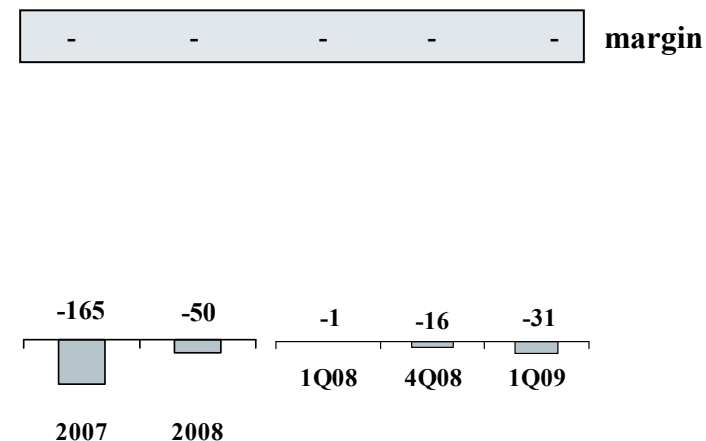
REVENUE



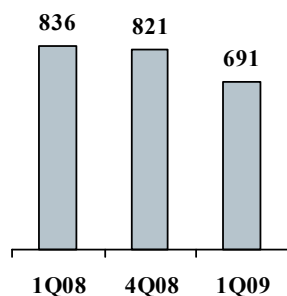
OIBDA



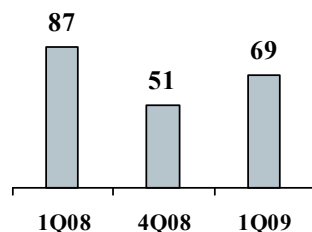
NET INCOME / LOSS



DEBT



CAPEX



- The Radar and Aerospace segment made a significant contribution to the BU's results
- Net income was largely impacted by the ruble devaluation

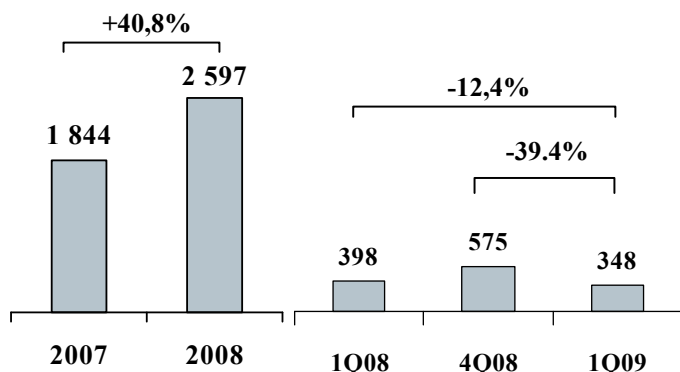
Technology and Industry BU has demonstrated stability against a backdrop of unfavourable market conditions

2.5. Consumer Business Unit

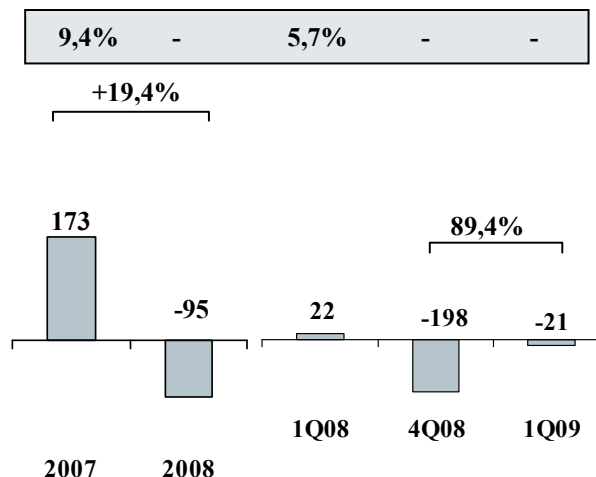


US GAAP, US\$ mln

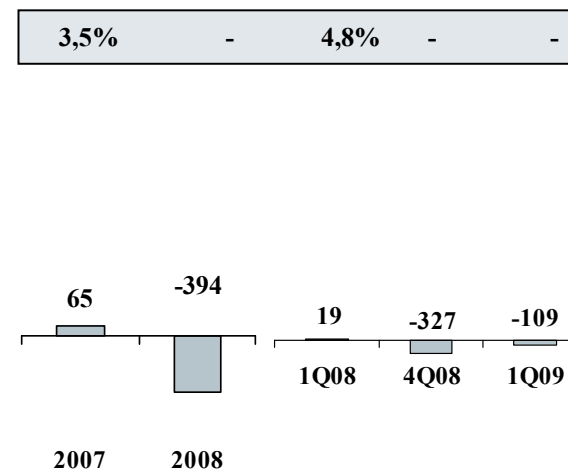
REVENUE



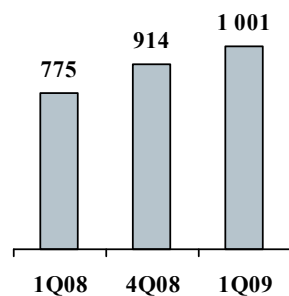
OIBDA



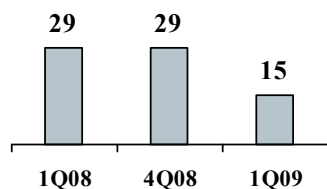
NET PROFIT / LOSS



DEBT



CAPEX



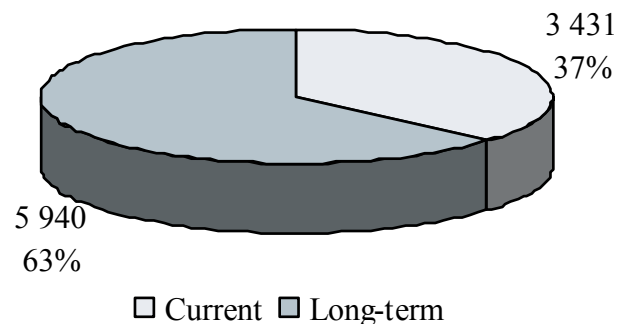
- In 1Q 2009 Sistema-Hals results were excluded from the Group's results (Sistema-Hals results are included in the Group's net income) due to reclassification of business as "Discontinued operations"
- Introduction of anti-crisis measures by subsidiaries allowed to minimise the effect of difficult market conditions

Consumer business unit performed ahead of management plans

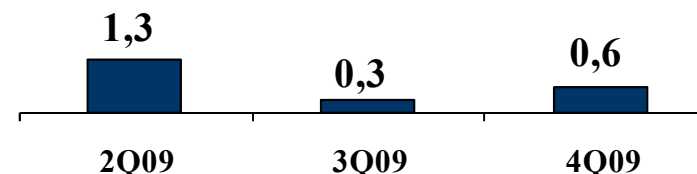
2.6. Debt Profile as at 31 March, 2009



**CURRENT AND LONG-TERM DEBT
(US\$ mln)**

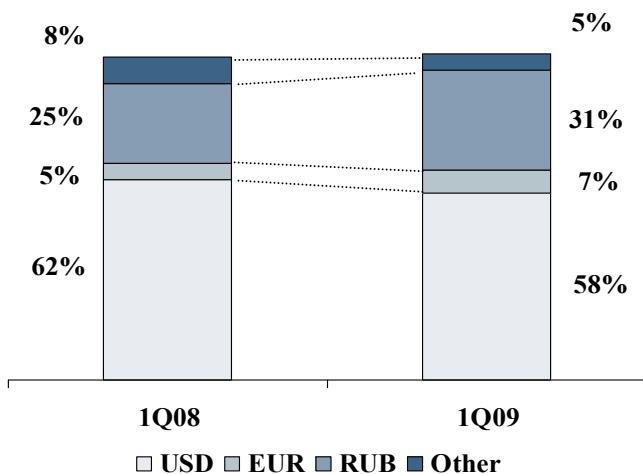


**DEBT MATURITY SCHEDULE IN
2009, (US\$ bln)***

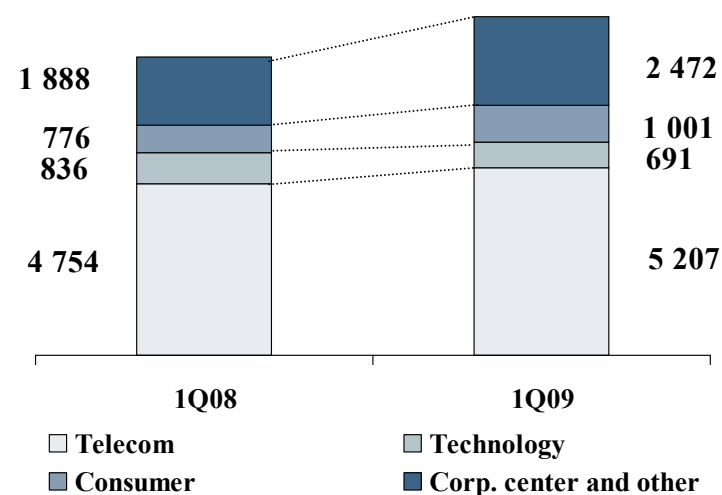


*Source: Management accounts

CURRENCY BREAKDOWN (%)



SEGMENTAL BREAKDOWN (US\$ mln)

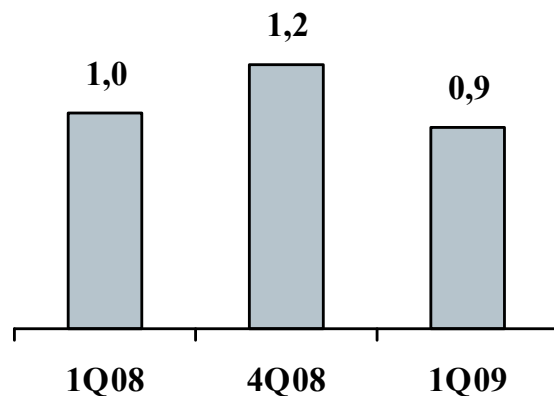


Sistema's consolidated debt is predominantly long-term. It stood at US\$ 9,371 million at the end of quarter

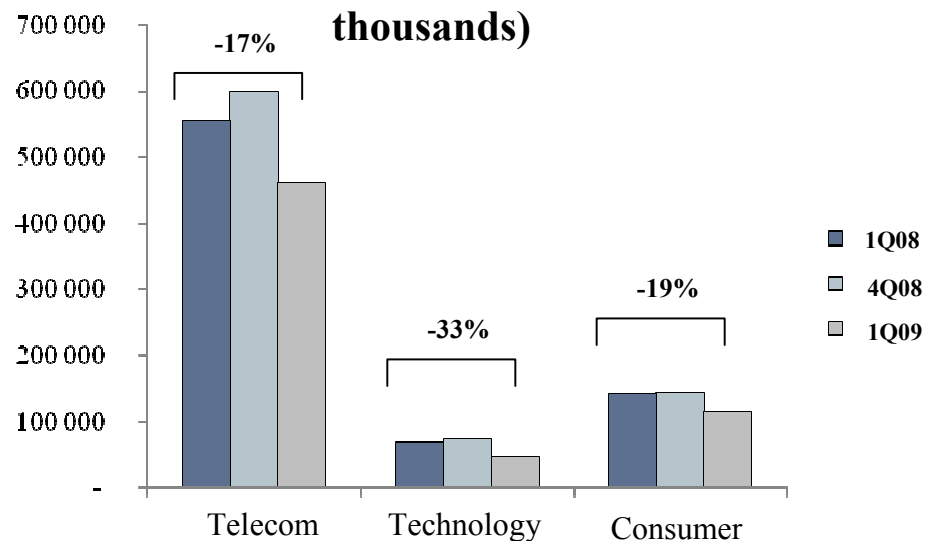
2.7. CAPEX | S,G&A in 1Q 2009



CAPEX (US\$ bln)



S,G&A (US\$ thousands)



- Additional measures taken in 1Q'09 to further reduce investment programmes at subsidiaries
- Actual CAPEX level in 1Q'09 is lower than in 4Q 2008, when the anti-crisis measures were already in force
- Introduced optimisation programme of administrative and management expenses across all business units, as well as the corporate centre

Sistema is taking active measures to optimise investment programmes in business units and the administrative cost base in line with new market realities

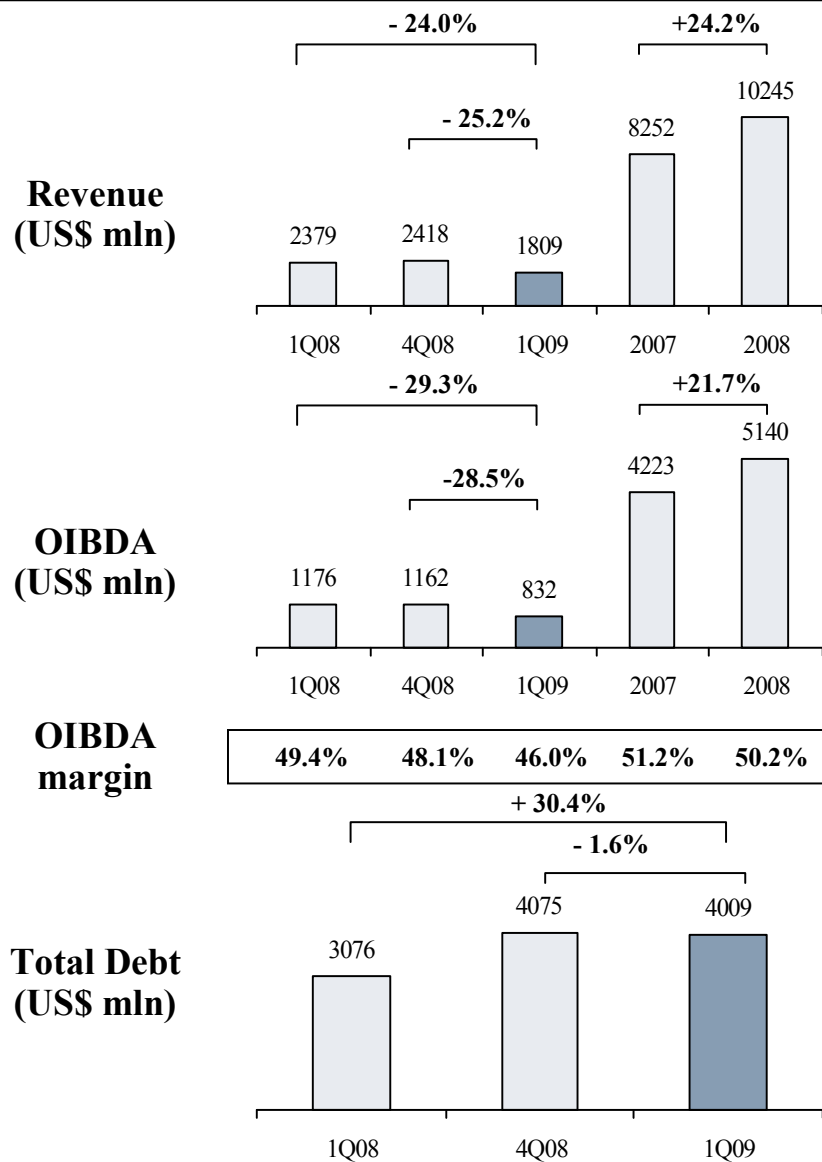


1. Key Events
2. 1Q '09 Financial Performance

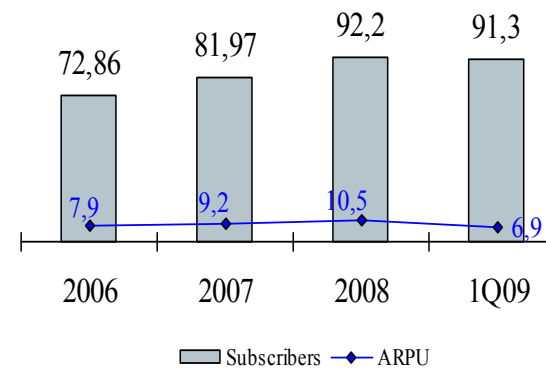
3. Subsidiaries

Appendix

3.1. Business Unit Telecommunications: MTS



Subscribers* (mln) & ARPU Russia (US\$)



Significant events in 1Q'09

- Placement of the fourth issue of RUB 15 bln bonds
- Acquisition of "Eldorado" mobile retail chain
- Launch of 3G network in Armenia
- Agreement to join MTS-branded retail mobile chain by top management of "Svyaznoy"
- Acquisition of Telefon.ru retail chain

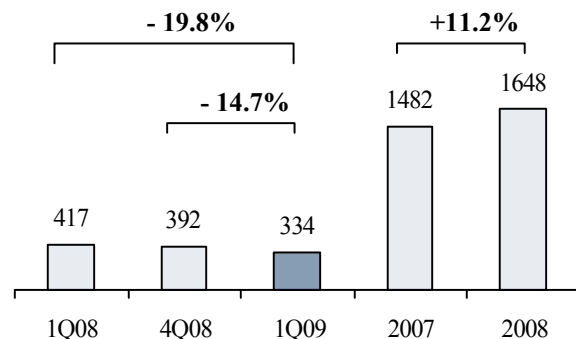
*Not including subscribers in Belarus

**Here and further the external debt of companies is given

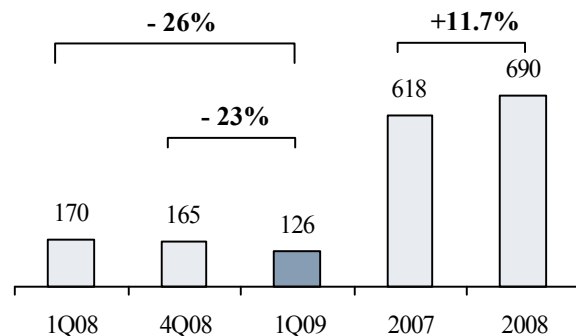
3.2. Business Unit Telecommunications: Comstar UTS



**Revenue
(US\$ mln)**



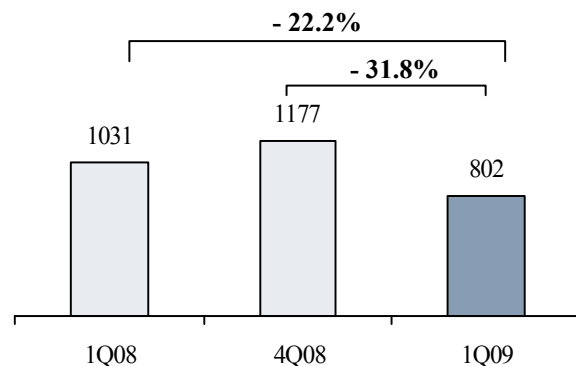
**OIBDA
(US\$ mln)**



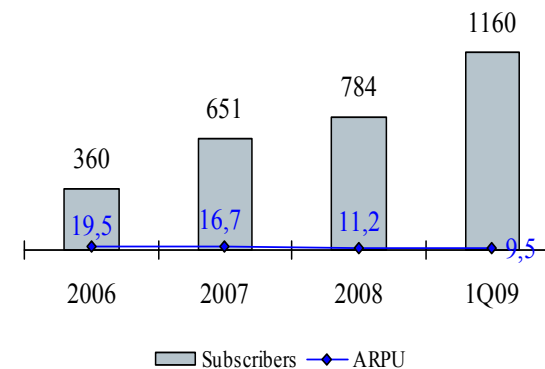
**OIBDA
margin**

40.8%	42.1%	37.8%	41.7%	41.9%
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**Total Debt
(US\$ mln)**



Subscribers (thousands) & ARPU (US\$)



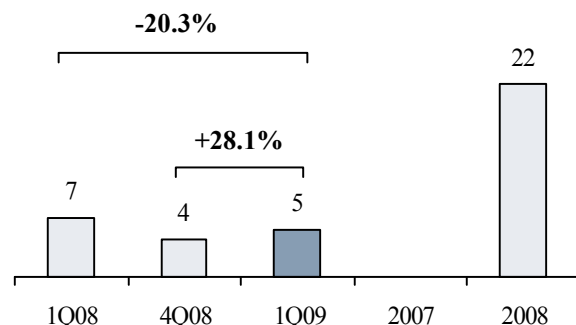
Significant events in 1Q'09

- Testing of WiMAX mobile network in Moscow, commercial launch on 1 May 2009
- Start of full-scale reconstruction of the regional business and creation of 'Comstar-Regions', 100% subsidiary of Comstar-UTS
- Launch of anti-crisis limited Internet tariffs in Moscow
- Completion of the acquisition of regional operators of STREAM-TV Group

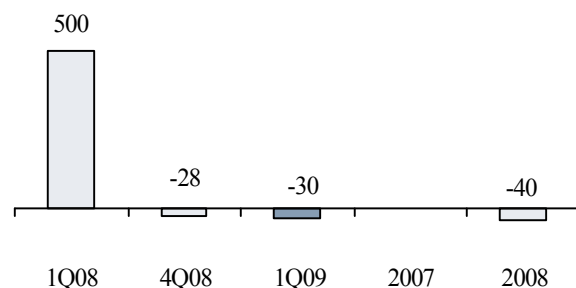
3.3. Business Unit Telecommunications: Sistema Shyam Teleservices



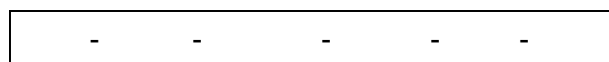
Revenue (US\$ mln)



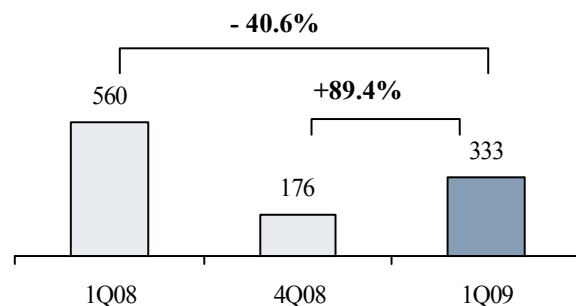
OIBDA (US\$ mln)



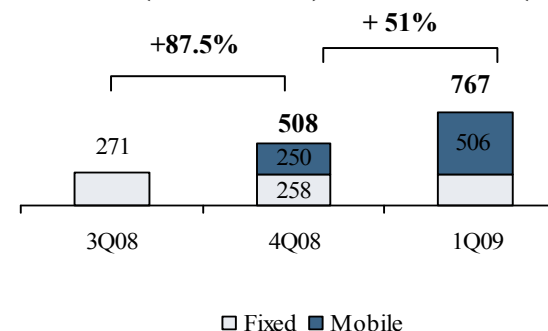
OIBDA margin



Total Debt (US\$ mln)



Subscribers (thousands) and ARPU (US\$)



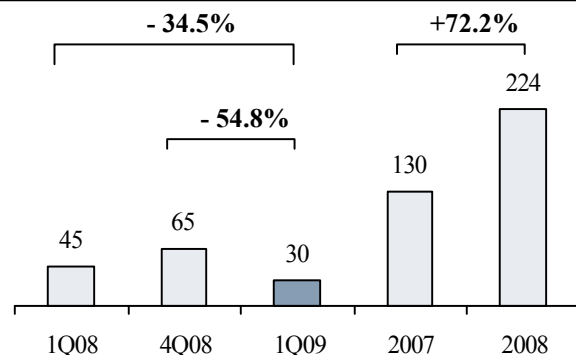
Significant events in 1Q'09

- Shyam Telelink renamed Sistema Shyam TeleServices
- Further successful launch of pan-Indian operations: mobile services launched in Chennai, Tamil Nadu and Kerala
- MTS brand launched on the Indian telecommunications market
- MTS India mobile subscriber base exceeded 500,000 subscribers (in 1Q'09) and 1 million in May 2009
- Signed agreement with the national distributors UTL and BrightPoint
- Received US\$ 150 mln local financing
- Moved corporate HQ to Gurgaon

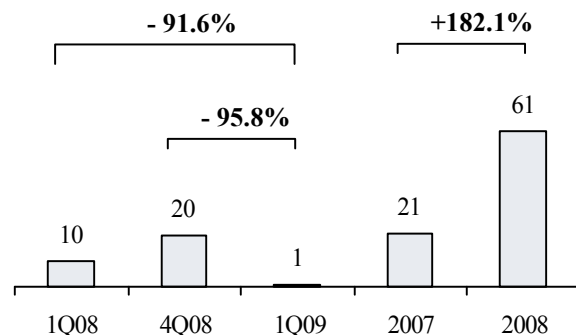
3.4. Business Unit Telecommunications: Sistema Mass Media



**Revenue
(US\$ mln)**



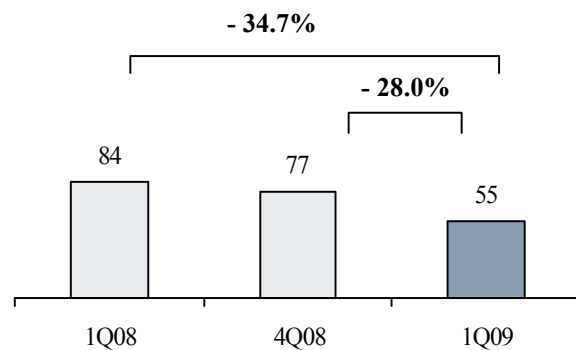
**OIBDA
(US\$ mln)**



**OIBDA
margin**

22.5%	31.3%	2.9%	16.5%	27.0%
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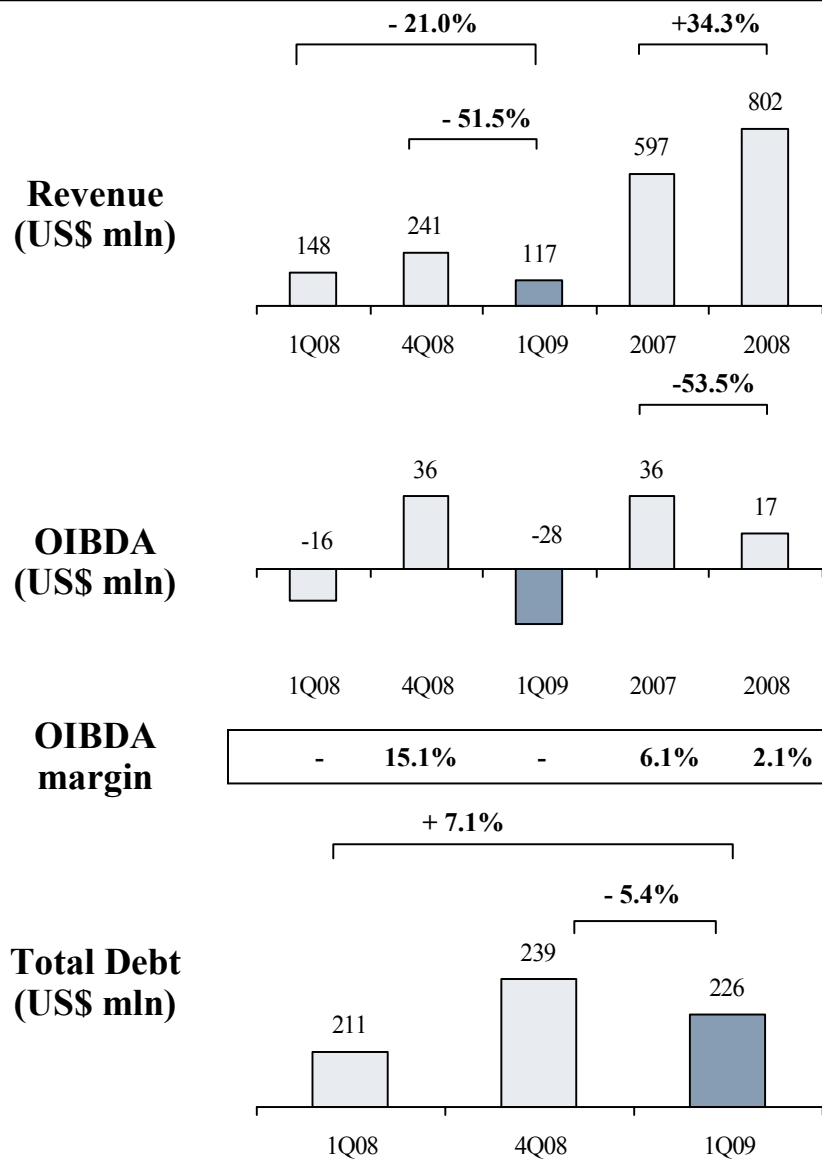
**Total Debt
(US\$ mln)**



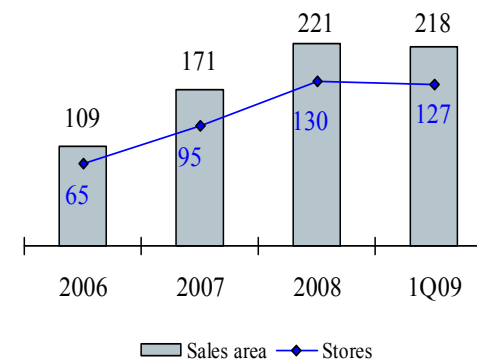
Significant events in 1Q'09

- Completed reorganisation of Comstar-Direct together with Comstar UTS
- Sold Stream-TV to Comstar UTS at a loss of RUB 351.6 mln
- Awarded “The Opening of the Year” by CPS for the launch of the first stage of RWS St Petersburg

3.5. Business Unit Consumer Assets: Retail



Sales area (thousands m²) and stores



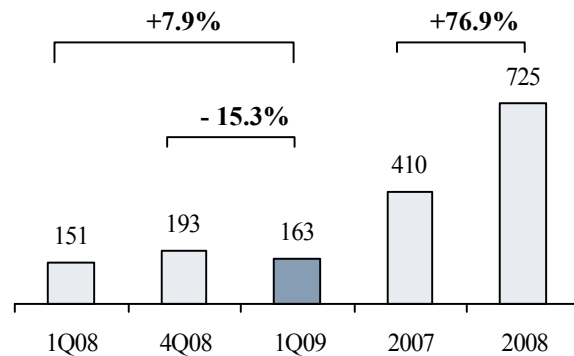
Significant events in 1Q'09

- Opened two new stores in Moscow in TC Metropolis and TRC Megapolis, with a total retail space of 3,500 m². Closed three stores in St Petersburg, Naberezhnye Chelny and Shakhty; relocated one store in Moscow. As of 31 March 2009, the total number of stores in the network was 127, with a total retail space of 21,400 m²
- Opened new Krekshino warehouse complex in the Moscow region in April 2009 with total area of 21,400 m²

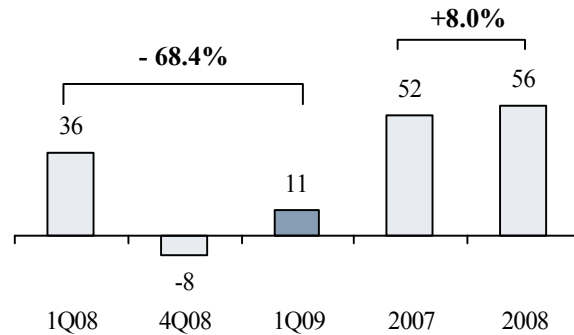
3.6. Business Unit Consumer Assets: Finance



**Revenue
(US\$ mln)**



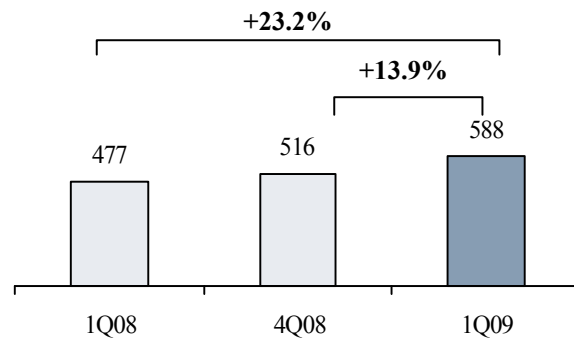
**OIBDA
(US\$ mln)**



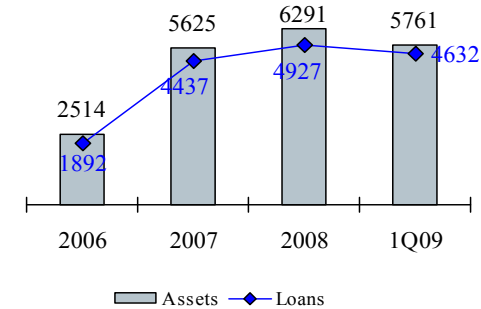
**OIBDA
margin**

24%	-	7.0%	12.6%	7.7%
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**Total debt
(US\$ mln)**



Assets and Loans (US\$ mln)



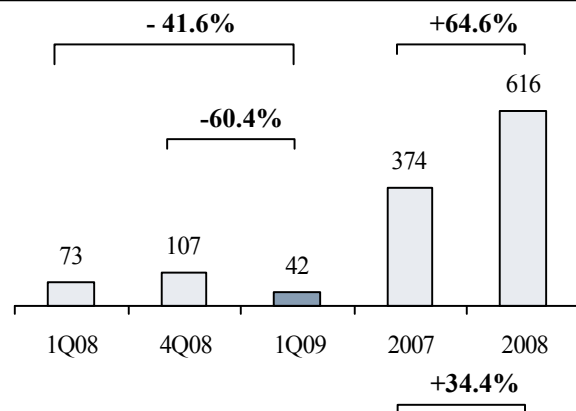
Key events in 1Q 2009

- MBRD increased its stake in Dalkombank to 100%
- MBRD repaid EUR 40 mln syndicated loan
- MBRD placed RUB 5 bln bond
- Accredited by Deposit Insurance Agency

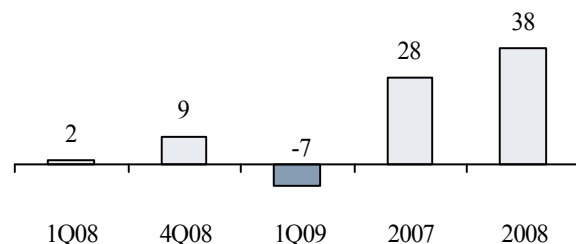
3.7. Business Unit Consumer Assets: Tourism



**Revenue
(US\$ mln)**



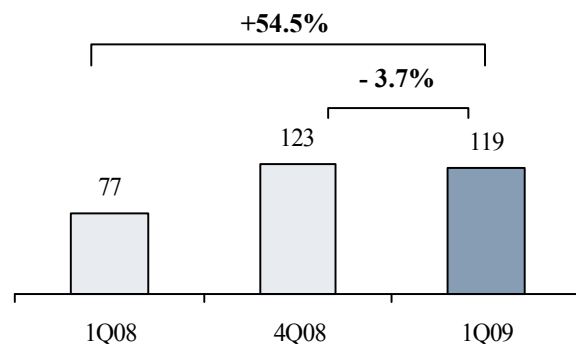
**OIBDA
(US\$ mln)**



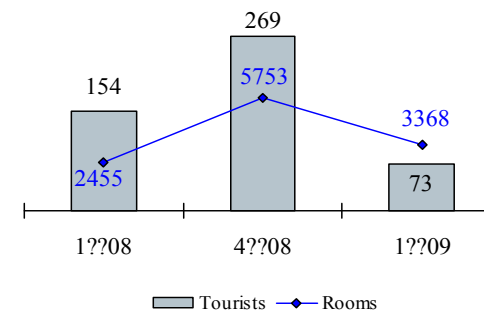
**OIBDA
margin**

2.5%	8.5%	-	7.5%	6.1%
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**Total debt
(US\$ mln)**



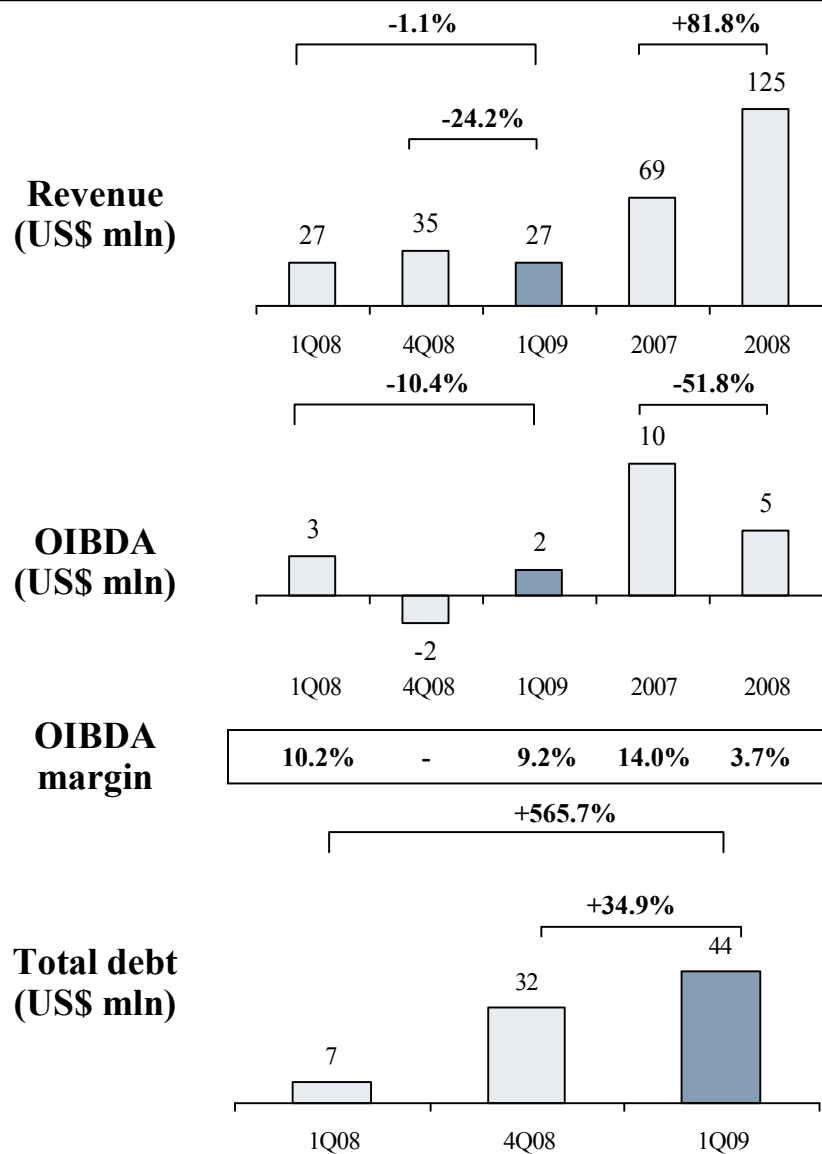
Number of Tourists ('000) and Number of hotel rooms under management



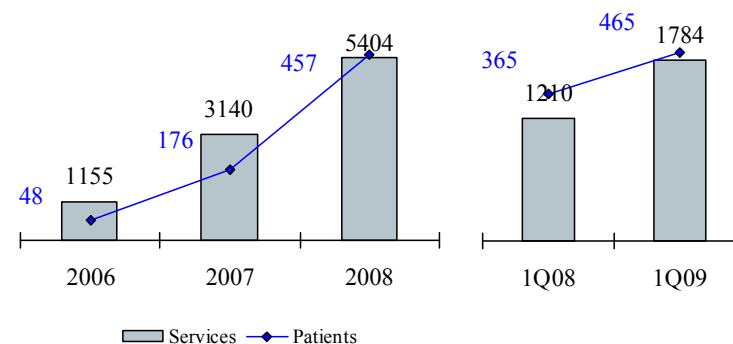
Key events in 1Q'09

- Intourist, for the third consecutive year, tops the annual ratings of “The Largest Tourist Companies in Russia”, prepared by Turinfo
- Intourist completed acquisition of 74% stake in RossTour, the leading network of travel agents in the Urals region
- Intourist developed the concept for the future development of the Altai Tourist Health Complex
- Intourist received the status of “Evrovidenye-2009” tour operator

3.8. Business Unit Consumer Assets: Healthcare



Services and patients ('000)



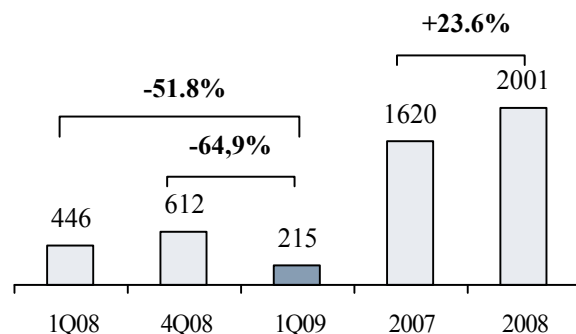
Key events in 1Q 2009

- Opened a multi-profile outpatient clinic at Centrsoyuz Hospital
- Opened new clinic in Perm
- Initiated survey of consumer preferences in paid medical services sector

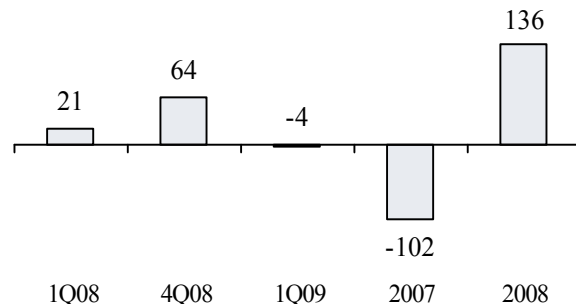
3.9. Business Unit Technology and Industry: Sitronics



**Revenue
(US\$ mln)**



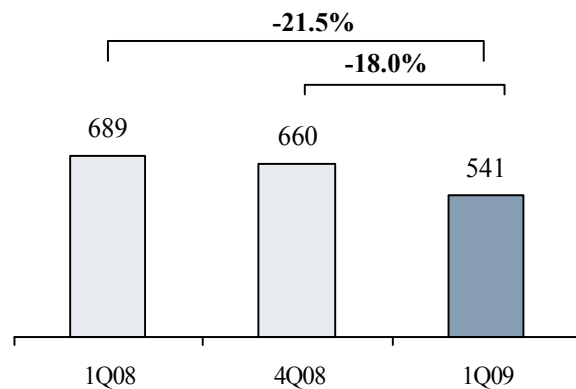
**OIBDA
(US\$ mln)**



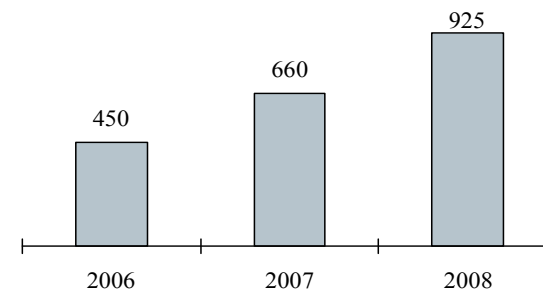
**OIBDA
margin**

Period	OIBDA margin
1Q08	4.6%
4Q08	10.4%
1Q09	-
2007	-
2008	6.8%

**Total debt
(US\$ mln)**



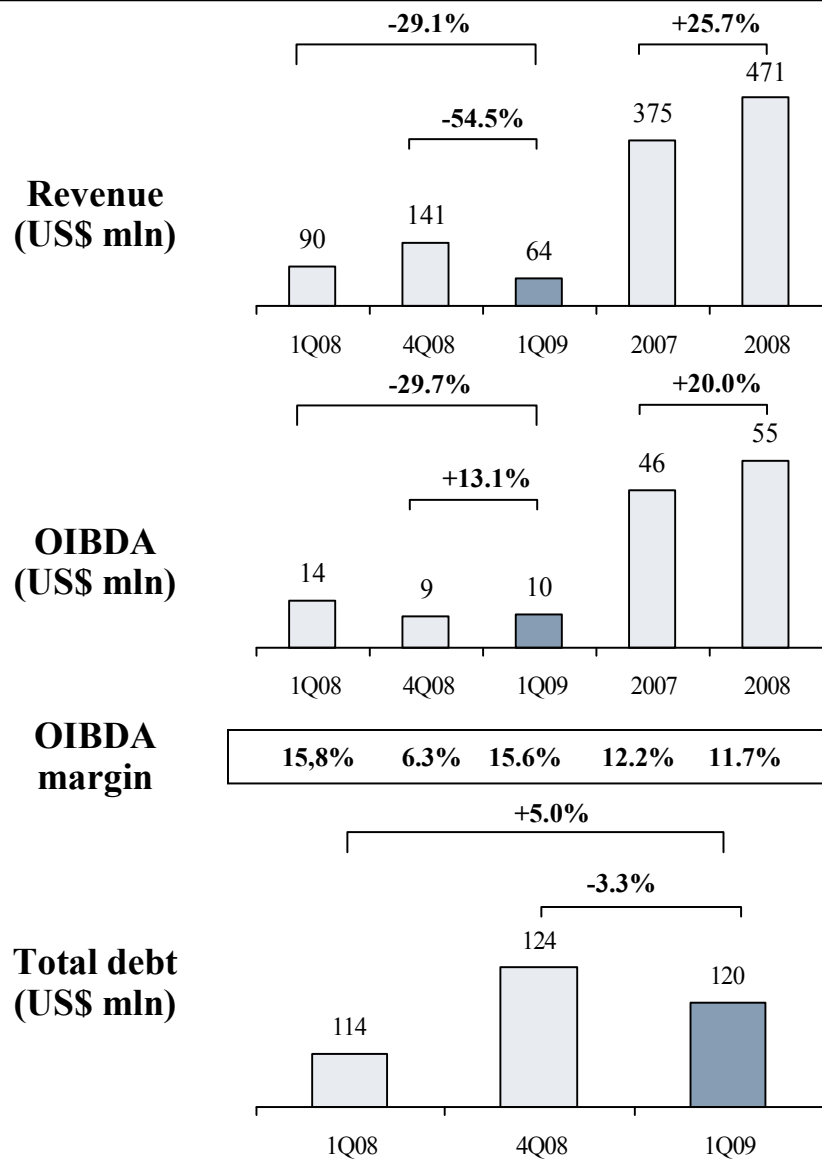
Volume of Signed Contracts (US\$ mln)



Key events in 1Q'09

- 'NIIME and Mikron', part of Sitronics Microelectronic Solutions, confirmed its compliance with ISO 9001:2000
- EastWind, part of Sitronics Microelectronic Solutions, obtained a new certificate of compliance for its EastWind Billing System
- Sitronics bought back RUB 3 bln bonds
- Sitronics repaid US\$ 75 mln loan to Dresdner Bank AG

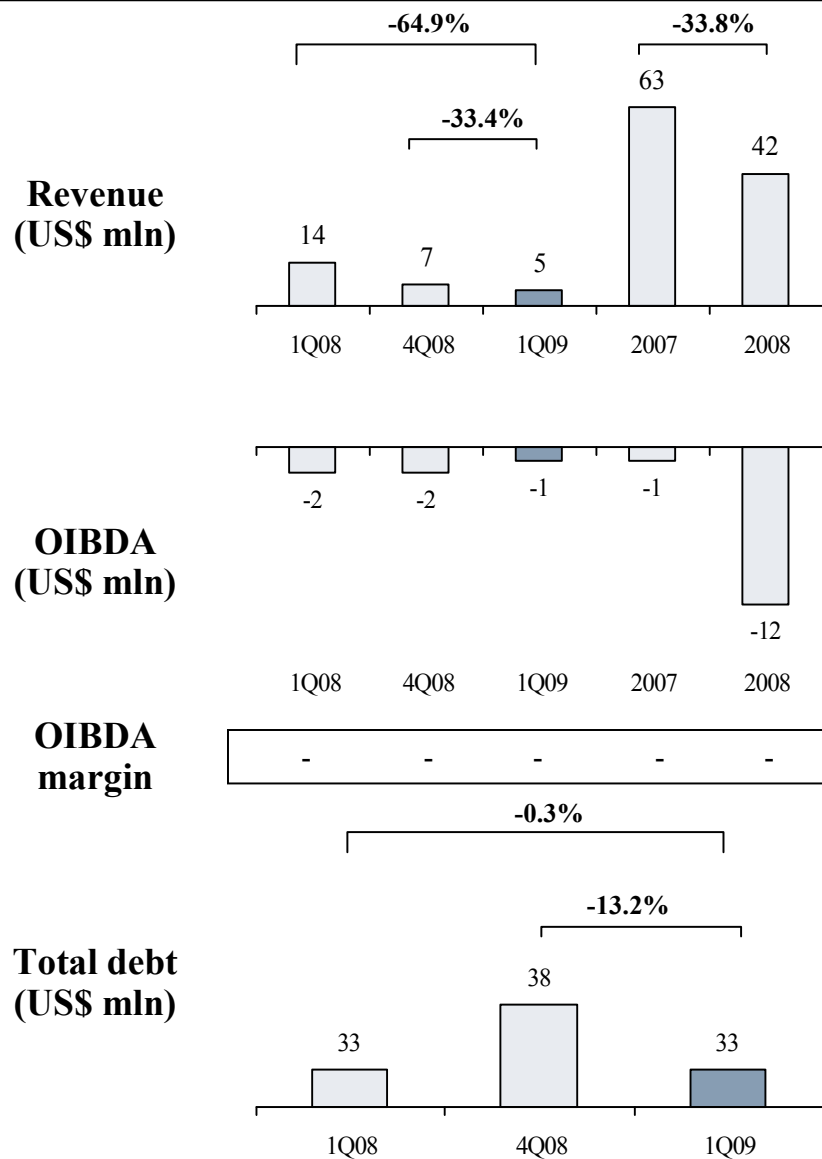
3.10. Business Unit Technology and Industry: RTI



Key events in 1Q 2009

- First stage of the Siberian regional management centre for crisis situations (SRCUKS) opened in Krasnoyarsk
- Lekhtusi: carried out complex tests for radar system
- Armavir: commenced operations of radar for the Russian Space Agency
- GLONASS project: won RUB 67.9 mln of total Federal Geodesy and Cartography tenders for the creation of digital navigation maps

3.11. Business Unit High Technology: Pharmaceuticals



Key events in 1Q'09

- Construction of Zelenograd production and logistics centre on time
- Signed agreement with Moscow Endocrine Factory to produce medicine at the State Medicine Preparation Plant
- Reduced the import volumes of Chinese proprietary medicine and increased, as a result, the share of drug substances



1. Key Events
2. 1Q Financial Performance
3. Subsidiaries

Appendix

Appendix – 1Q'09 Consolidated Financial Highlights



US GAAP, US\$ million

PROFIT AND LOSS	1Q'09	1Q'08	2008	2007
Revenue	2,771	3,653	16,671	13,411
Depreciation and Amortisation	435	558	2,316	1,747
OIBDA	869	1,418	5,490	4,942
<i>Margin</i>	31.4%	38.8%	32.9%	36.9%
Operating Income	435	860	3,173	3,195
<i>Margin</i>	15.7%	23.6%	19%	23.8%
Net Income	-395	399	62	1,572
<i>Margin</i>	-	10.9%	0.4%	11.7%
BALANCE SHEET	31.03.2009		31.12.2008	21.12.2007
Total Assets	27,123		29,628	28,397
Total Debt	9,371		9,495	8,350
Cash and cash equivalents	1,420		1,948	1,062
Short-term Investments	875		716	909
CASH FLOW	1Q09	1Q08	2008	2007
Cash Flows from Operating activities	869	863	3,826	2,723
Cash Flows from Investing activities	(1,425)	(1,646)	(5,875)	(5,754)
Cash Flows from Financing activities	111	732	3,270	3,378
CAPEX	873	980	(4,271)	(3,111)

Appendix – 1Q '09 Segmental Note



(US\$, thousands)	Telecommunications	Technology and Industry	Consumer Assets	Corporate and Other	TOTAL
External Sales	2,168,761	250,682	343,655	5,018	2,768,116
Internal Sales	1,263	34,730	4,673	2,436	43,102
Depreciation and Amortisation	408,679	15,300	9,031	1,760	434,770
Interest Expense	113,450	15,729	9,759	64,384	203,322
Operating Income/Loss	493,070	-8,492	-29,918	-11,211	443,449
Income Tax Expense	-14,305	8,595	8,376	7,559	10,225
Segment Assets	15,687,401	2,287,419	8,388,371	3,518,747	29,881,938*
Indebtedness	5,206,549	691,456	1,001,216	2,471,822	9,371,043
Capital expenditure	778,701	69,154	15,347	9,499	872,701

* Before intercompany eliminations



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