



JOINT-STOCK FINANCIAL CORPORATION

SISTEMA

Sistema JSFC
Consumer Assets BU
Capital Markets Day

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Disclaimer



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.

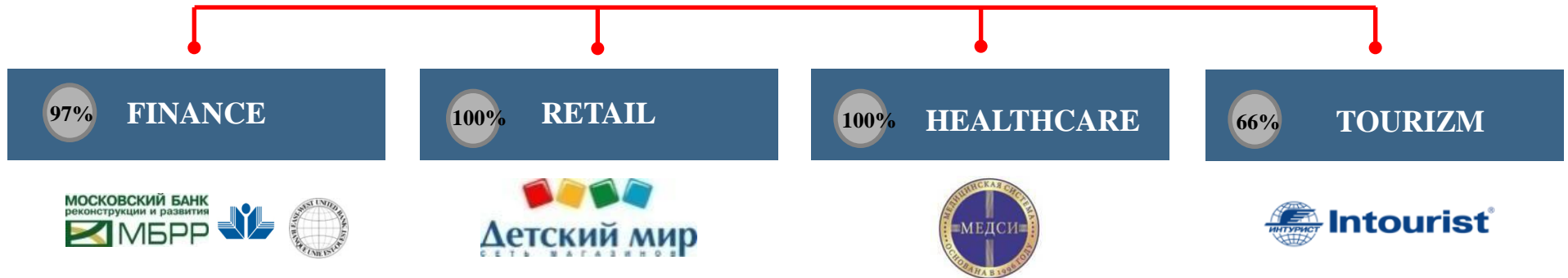


1. Consumer Assets BU at a glance

1.1. Consumer Assets Business Unit Structure



Consumer Assets Business Unit



- Top-25 Russian banking group among peers by net assets measured under RAS at the end of 1H 2009
- Full-service universal banking group with network all over Russia and presence in Luxembourg, most respectful banking jurisdiction in Europe

- The largest children's goods retail network in Russia. 127 stores with total retail space of 217 000 sq.m.
- 95% Detsky Mir brand recognition*
- Modern distribution center "Kryokshino" (Moscow region) since Q1 2009
- 100% owned C-Toys Company, a leading Russian toys importer and distributor

- The first national chain of healthcare centers in Russia
- Moscow - 19 clinics and 1 in-patient hospital
- Regions – 11 clinics and 46 medical points

- Intourist Group is the largest vertically integrated tourist holding in Russia and CIS
- Internationally recognized brand since 1929
- Intourist position in the tour-operating market in Russia and CIS: Leader of inbound market segment in Russia, Top-five company in outbound tourism segment

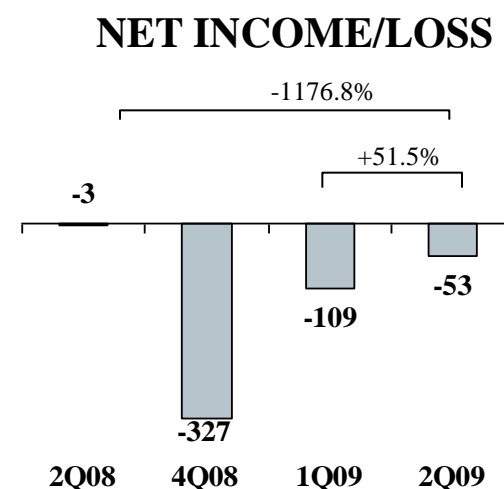
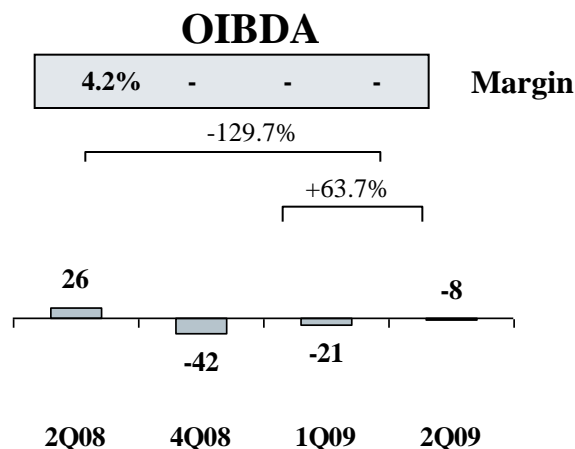
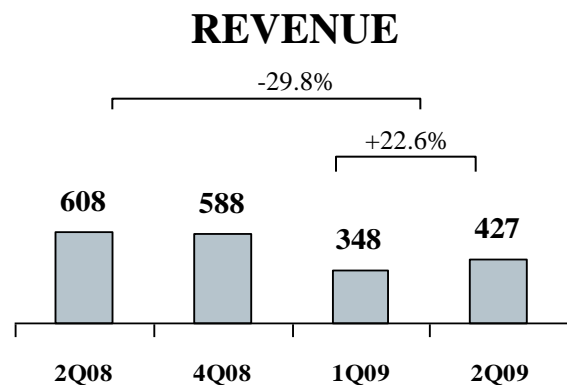
*ACNielsen Moscow 2007

Consumer BU consists of the market leaders in each particular sector.

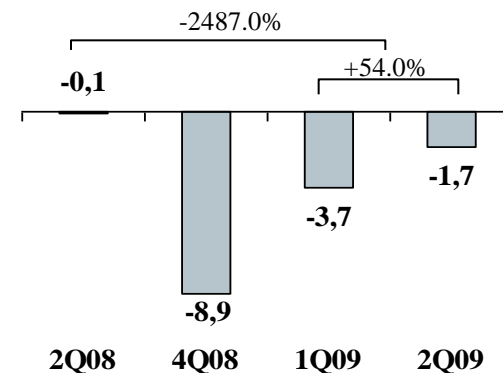
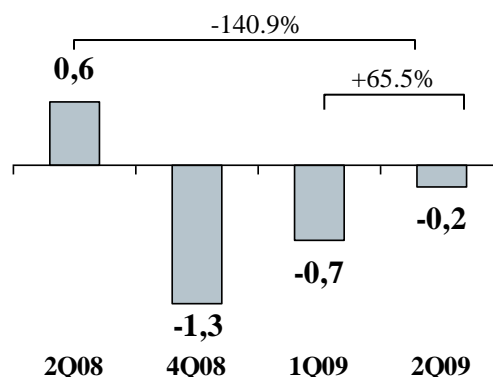
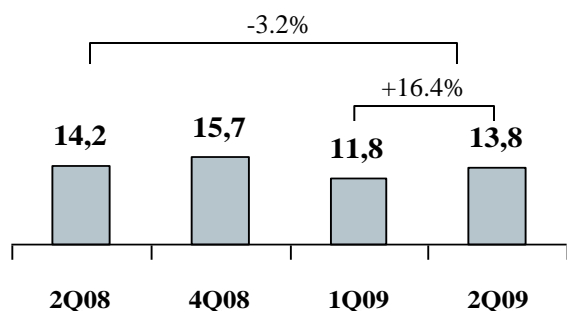
1.2. Consumer Assets BU Key financial highlights



US GAAP, US\$ mln



RUB bln



Consumer business unit's revenues increased by 22.6% q-o-q largely due to the robust performance of the Tourism business. The unit reported reduction in net loss and OIBDA loss in the 2Q 2009 as a result of stronger performance in the Banking, Tourism and Consumer businesses, as well as US \$14.8 mln foreign exchange gain

Consumer unit demonstrated revenues and OIBDA growth against a backdrop of unfavorable market conditions.

1.3. Key developments

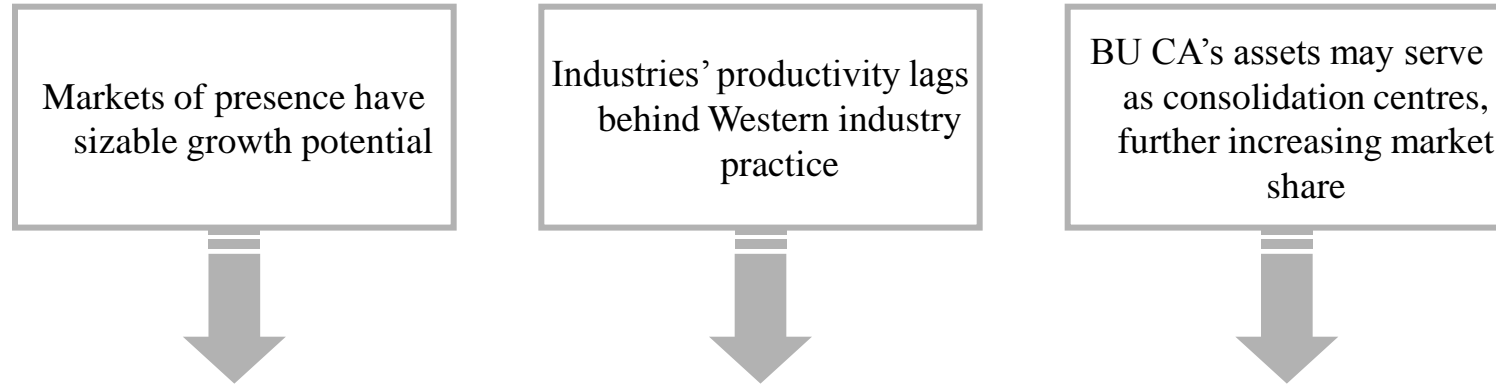


- Russian retail market generally very attractive from growth, structure and profitability points of view
- Leading companies operating in Russian retail markets have large organic and M&A growth potential
- Sistema JSFC assets present in industries, serving retail customers in Russia, handle the crisis fairly well – operate with profitability higher than market average and growing their market share
- “Consumer” assets of Sistema JSFC successfully execute their anti-crisis programs, cutting the costs and exploring and exploiting unique growth opportunities
- BU Consumer Assets continues to develop its assets portfolio to augment and strengthen its market leadership positions, to ensure profitability growth by introducing best practice operations techniques, by capitalizing on market opportunities provided by structural changes and overall growth



2. Strategy Implementation

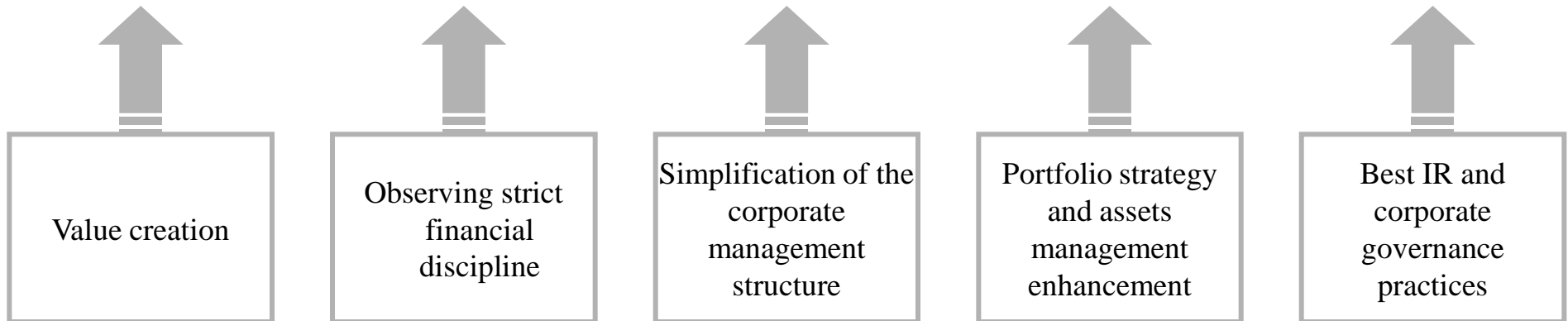
2.1. BU “Consumer assets” strategy



Market windows of opportunity

Achievement of strategic objectives “5 X 5 > 25”

Strategic initiatives



Strategy is to capitalize on market opportunities to create shareholder's value through maximizing business efficiency and development of new products. We aim to build top team of leaders on the market.

2.2. What have we done over the year?



№	Most important strategic projects and initiatives	Applicable assets	Strategic objectives “5 X 5 > 25”				
			1. Value creation	2. Financial discipline	3. Simplification of the management structure	4. Portfolio strategy implementation	5. Corporate governance and IR
1.	Enhancements of top-management teams	Banking group, Medsi	✓	✓		✓	✓
2.	Active partner search for certain assets	Intourist, Detsky Mir	✓	✓		✓	
3.	Reconfiguration of assets	Detsky Mir		✓	✓	✓	✓
4.	Reconfiguration of sales network in assets	All	✓	✓	✓	✓	
5.	Headcount and administrative cost reduction	All	✓	✓		✓	
6.	Debt management	All		✓		✓	
7.	Capex program optimization	All	✓	✓		✓	
8.	Optimization of reporting and control functions	All		✓	✓	✓	✓
9.	New IT systems implementation	Banking group, Detsky Mir	✓	✓		✓	

All of the major projects and initiatives were aimed at meeting the strategic objectives.



3. Business Overview

3.1. Banking Group (financial services) in 2009

Bank is in Top-25 in RF

Target markets : RF (major cities)

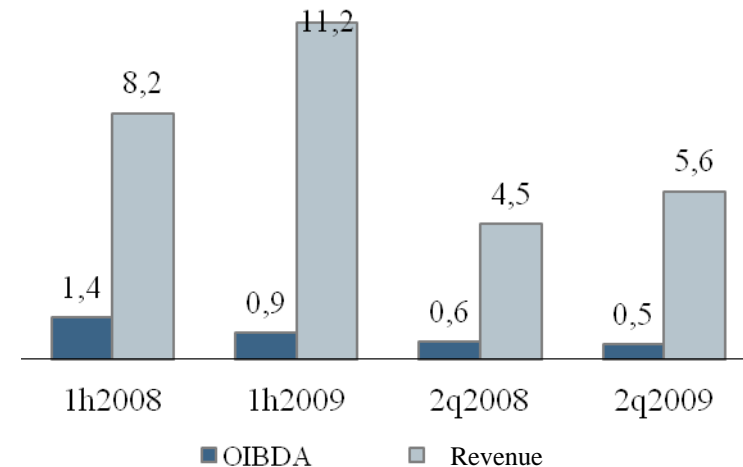
Key products :

- Lending to corporate and retail clients
- Settlement and cash services for the corporate and retail clients
- Products for the financial organizations

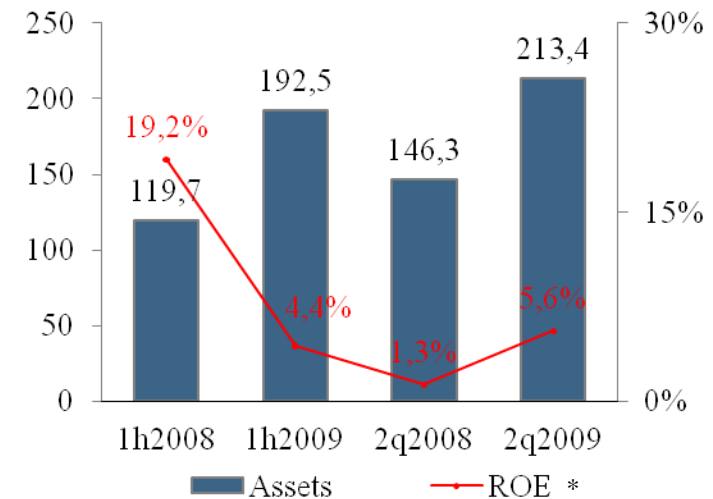
Major events in 2009

- A new CEO Mr. Oleg Kapitonov, formerly founder, co-owner and CEO of Absolut Bank, who led this successful Russian bank over 12 years, hired to provide stronger focus on development.
- In the 4Q the Bank resumed active lending to the small and medium enterprises, applying, similarly to 2005-2008, prudent and conservative approach to the assessment of the borrowers
- Cost cutting resulted in 12 % decrease of the cost/income ratio
- Advance repayment of 75 mln USD syndicated loan and 100 mln USD of Eurobonds
- Pioneer deal in mortgage portfolio securitization of RUR 2.2 bln guaranteed by AHML in August 09

Financial indicators, RUR bln



Operating indicators



* IFRS data (unaudited for 2009)

The Banking Group of Sistema JSFC is successfully handling the crisis in 2009.

3.2. Banking Group (financial services) – development strategy

Strategic goals of the Banking Group for 2010-2014

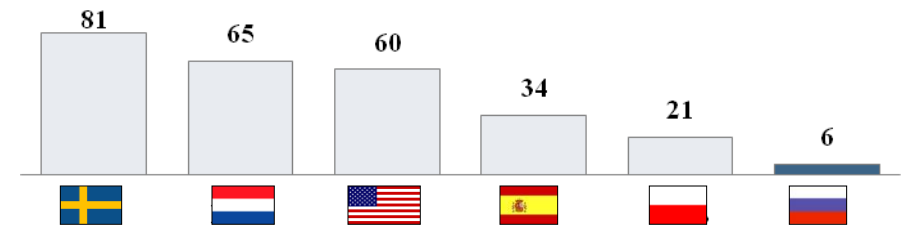
- Capture the most profitable segments of financial services market, which is still heavily underpenetrated by Western standards (banking assets/GPD 62% vs. 150-300% for developed markets)
- Achieve significant development of corporate business
- Provide profitable settlement and commission products to the retail clients, implement i-net banking and other forms of remote services
- Create Private Banking Unit, capable of contributing considerably to profitability of the Banking Group
- Bring cost/income to the level of upper quartile of the market
- Roll-out of modern and scalable IT system
- Potentially: entering the segment of the credit cards for mass segment (the Business-Plan is under consideration)

Bank products vs. GDP, % (RF: '07 , EU:'06)



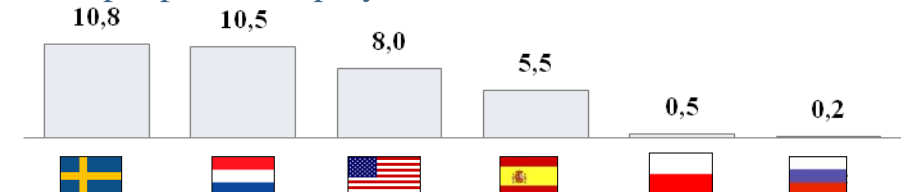
Operations efficiency of payment transactions

Annual Number of transactions per person employed in the sector, thou.



Operations efficiency of retail and SME lending

Credits per person employed in the sector, \$ mln.



Banking Group of Sistema JSFC has considerable potential of the capitalization growth both in terms of volume and efficiency.

3.3. Detsky Mir in 2009

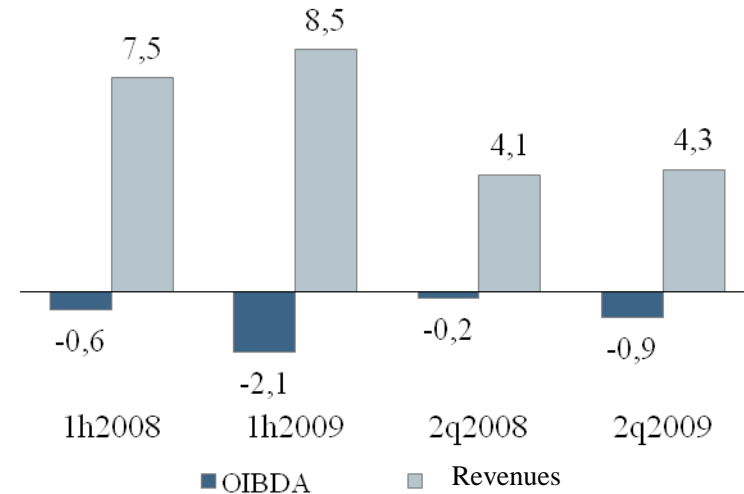
Full range of goods for children of guaranteed quality

- The largest RF retailer in the segment,
- #3 in world by revenues, following Toys'R'Us (US) and Mothercare (UK - worldwide)
- Footprint covering of almost all regions of the RF
- Market share in the RF – over 30%, the closest competitor is 5 times smaller
- 60 mln visitors per annum
- 28 mln checks per annum

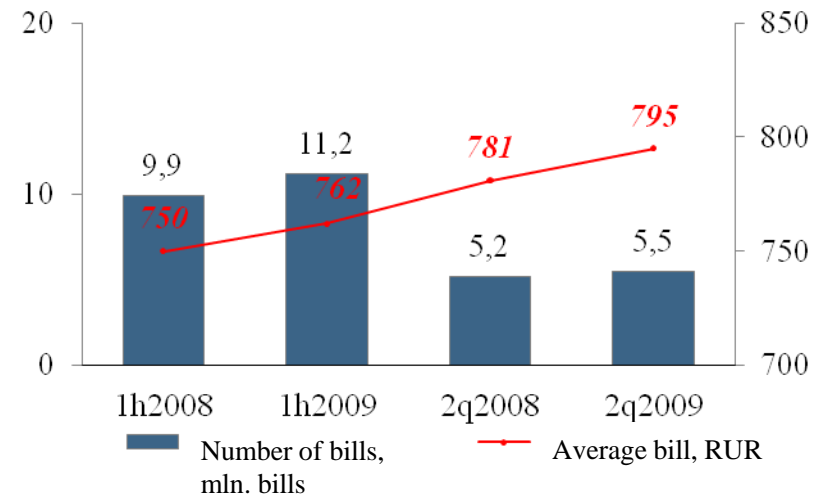
Key events - 2009

- Some of the competitors have gone bankrupt and have left the market
- New Oracle Retail IT system was deployed across the company
- New world-class warehouse with IT system was opened in Krekshino
- Refinanced over RUR 2,168 mln of credit portfolio

Financial indicators, bln RUR



Operating indicators



Detsky Mir is Russia's largest children's goods retail network.

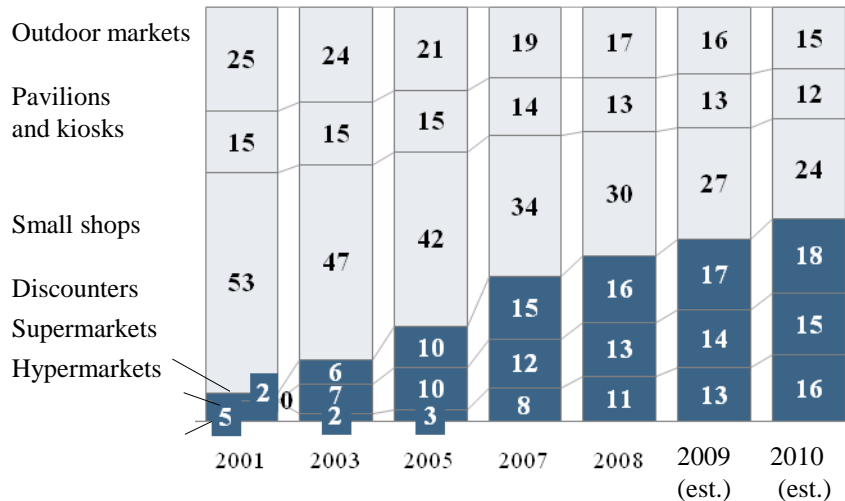
3.4. Detsky Mir – development strategy

Strategic goals for 2010-2014: growth of the clients base and capitalization of the business

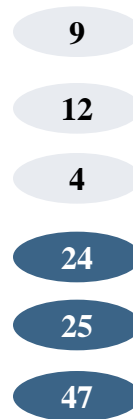
- Capturing vast potential of Russian markets promised by birth rate increase and expected economy turn up
- Significant development of private labels in order to improve OIBTDA levels
- Achievement of target level of revenues by less mature shops (opened in 2007-2009) in 2010-2011
- Capitalizing on the conceptually new opportunities in category and costs management arising thanks to implementation of Oracle Retail
- Under consideration:
 - Development of on-line and catalogue trading in the territories with no footprint
 - Expansion to less populated areas via franchise

By 2010 the market share in the modern formats in Russia will still be only 50%

Share of the retail sector, %

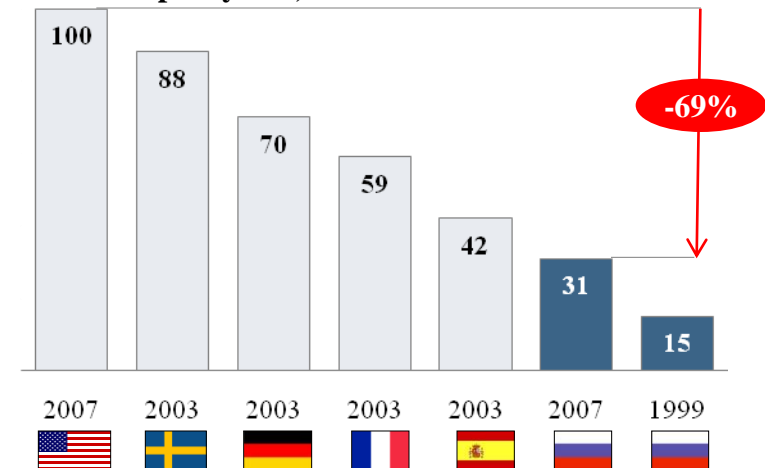


Forecast CAGR 2007-2010



Productivity of labor in retail in Russia is significantly behind developed countries

Productivity level vs. that in the developed countries over the past years, %



There are objective reasons for the business of Detsky Mir to successfully grow.

3.5. Medsi in 2009



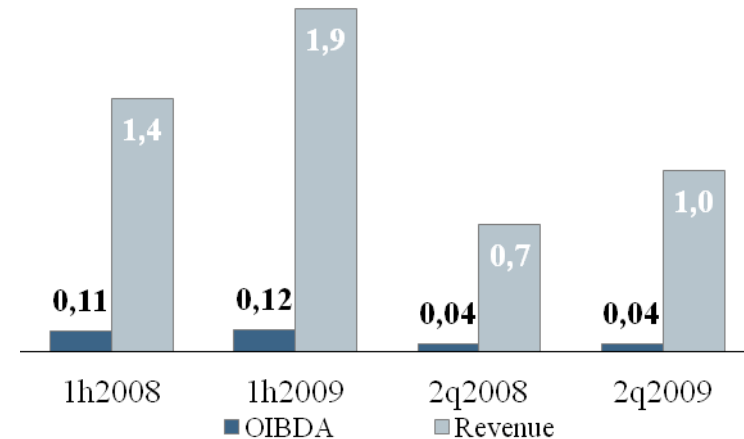
Leader on non-consolidated market of private medicine services by sales and number of facilities

- Market share of private medical services – 1.7% RF, 3.7% Moscow
- Market share grew in 2009 despite crisis
- Revenues more than 4 bln. rub in 2009
- More than 3 mln visitors
- More than 30 facilities offering full range of services (including full fledged hospital)

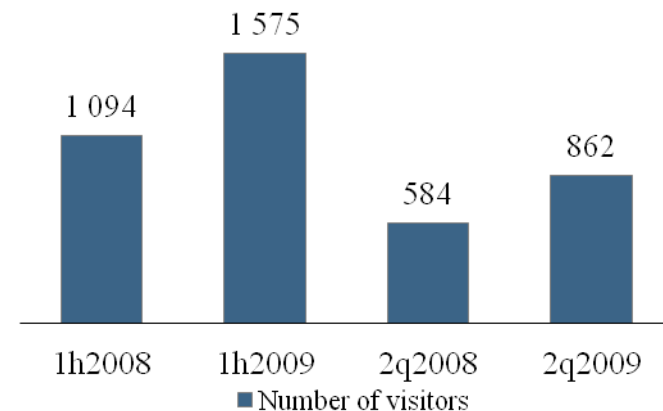
Key events in 2009

- New CEO Mr. Igor Salita, with strong experience in building network businesses, hired to lead development
- New polyclinics opened in Perm and Kazan
- Acquired full scale hospital Centrosoyuz (medical area 10 th m², 150 beds)
- Opened new diagnostic centre – hospital with total area of 6 th m² near Belorusskaya metro station
- Launched new investment projects - polyclinics in Mytishi and Schelkovo

Financial indicators, Bln RUR



Operating indicators



Medsi successfully captures new market share while sustaining profitability.

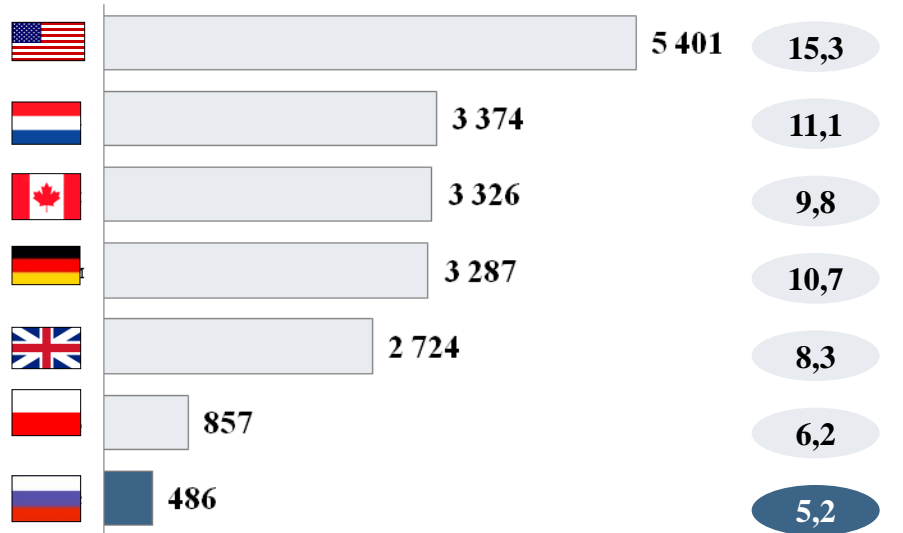
3.6. Medsi – development strategy



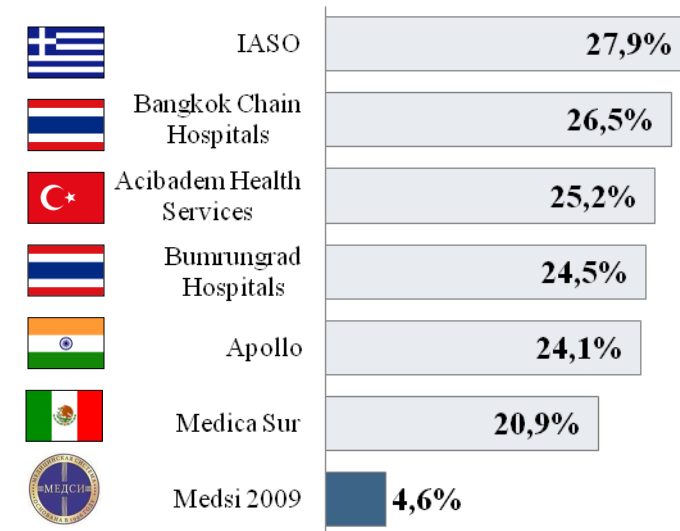
Strategic goals for 2010-2014

- Protect and strengthen market leadership position
- Consolidate the assets into one operating company with flat management structure
- Improve operational efficiency through overhead cost reduction
- Re-equip existing facilities and expand on high margin markets, such as surgery and high-tech diagnostics
- Develop direct sales channel to address retail clients
- Roll-out 3rd generation MIS system
- Continue Regional expansion

Healthcare system revenues in 2007, USD per capita



Emerging markets healthcare services companies EBITDA margin, 2007



Healthcare services market is one of the most attractive for investments in Russia.

3.7. VAO Intourist (tourism and hotel management) in 2009



One of market leaders (top 3 with 4-5% market share) in Russia

Target markets

- RF, CIS, Egypt, Turkey, Spain, France, UK, USA, Israel, China, Japan

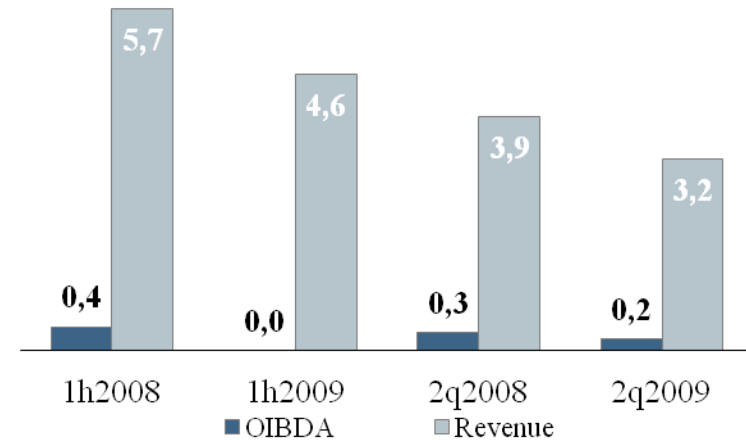
Key products

- Inbound tourism for Western Europe and US residents
- Outbound tourism for Russian citizens
- Domestic tourism
- Hotel management

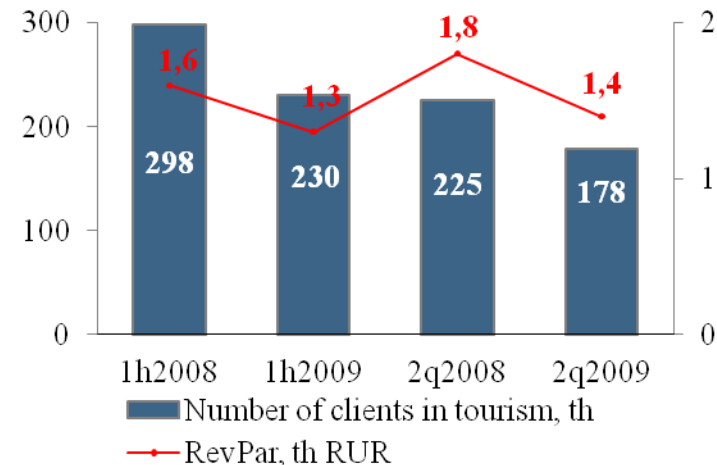
Key events in 2009

- New marketing strategy in outbound tourism and transport services helped Intourist to achieve almost 100% capacity utilization of air fleet for the most popular destinations (Egypt, Turkey) whilst maintaining reasonable margin levels and increasing the number of sits
- Efficient management of own sales network expanded at the expense of competitors leaving the markets resulted in market share growth 2009 vs. 2008, whilst keeping the EBITDA margins over other large players
- Timely completed repayment of over USD 10 mln portion of syndicated credit
- New team hired to develop Intourist Hotel Group business

Financial indicators, bln RUR



Operating indicators



VAO Intourist augments its market presence in 2009 regardless of the crisis.

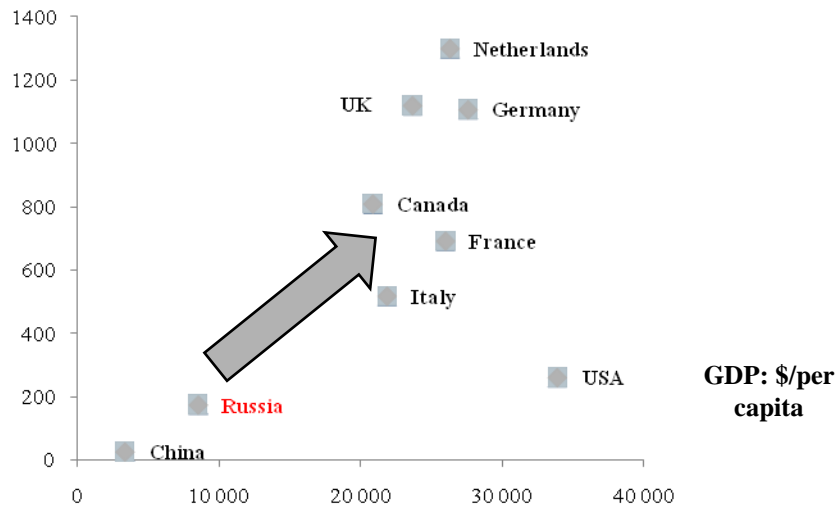
3.8. VAO Intourist (tourism and hotels): strategic perspectives



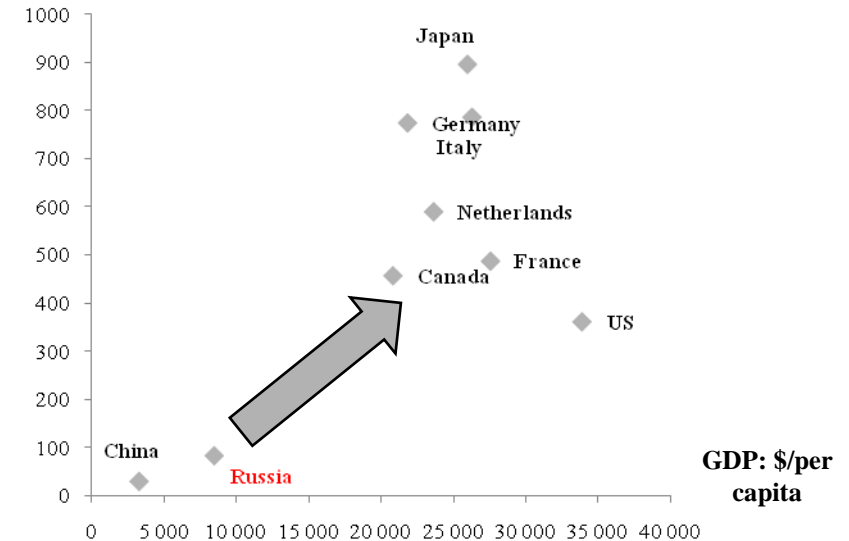
Intourist' strategic goals in 2010-2014

- Form an alliance with a leading global tour operating company to build a national leader in outbound, inbound travel and domestic travel
- Improve operational efficiency further learning from local and international experience of partners and new management
- Build the largest retail network of travel stores under own, highly recognizable in Russia brand
- Grow organically capitalizing on the currently of the largest captive retail networks in Russia
 - Continue capturing market share at the expense of the players, leaving the market or the ones struggling to survive in crisis

Outbound travel, USD per capita



Inbound travel, USD per capita



We expect fast growth of our market segment following post crisis recovery.



THANK YOU!
YOUR QUESTIONS, PLEASE

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