



INVESTOR PRESENTATION

February 2008





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SISTEMA-HALS OVERVIEW

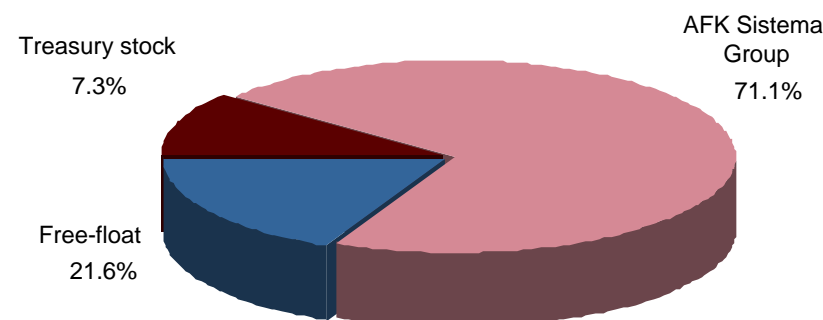
SISTEMA-HALS AT A GLANCE

- A leading Russian property development company engaged in:
 - real estate development
 - project and construction management
 - real estate asset management
 - facility management
- Unique exposure to all areas of the construction industry including residential, commercial, retail and infrastructure
- Expertise and resources to deliver on complex projects
- 30+ projects with a total area of about 300,000 m2 successfully completed.
- Developer of choice for blue-chip companies, such as DaimlerChrysler, Dresdner Bank, Raiffeisenbank and Siemens.
- Significant benefits derived from association with Sistema Group
- Focus on Moscow with current projects in 9 cities across Russia and Ukraine

Key statistics for 9m 2007

Revenues ¹	US\$ 207.6 m
OIBDA excl. non-recurring items ^{1, 2}	US\$ 35.0 m
Properties portfolio valuation ³	US\$ 2.9 bn
Held as investment ⁴	23 properties
Development pipeline ⁴	80 projects
Under consideration	app. 40 projects

Shareholder structure



Note:

- 1 Non-audited financial statements for nine month 2007
- 2 OIBDA represents operating income before depreciation and amortization, excluding non-recurring items
- 3 Beneficial share of Sistema-Hals as of July, 1, 2007 by C&WS&R
- 4 C&WS&R report as of July, 1, 2007

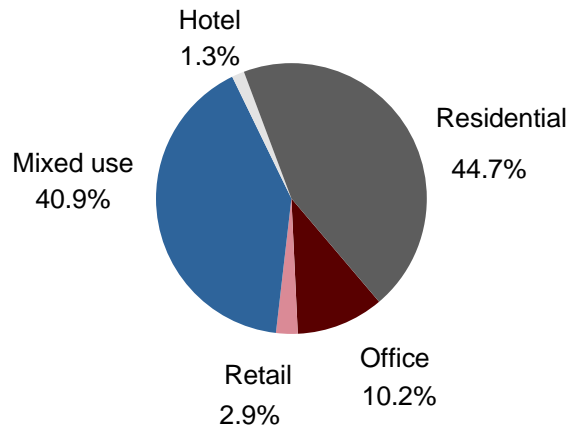
STRONG PIPELINE*

	Number of properties	Market Value mIn USD	GBA ² '000 sqm	OMV ³ mIn USD
Properties held as investment	23	266	135	
Development projects	80	2,616	5,775	
In the course of development	30	1,258	1,600	4,371
Held for future development	50	1,358	4,176	7,967
TOTAL	103	2,882	5,910	12,338

Notes:

- 1 Attributable to Sistema-Hals
- 2 Gross Building Area
- 3 Open Market Value, assuming built and fully let, attributable to Sistema-Hals share

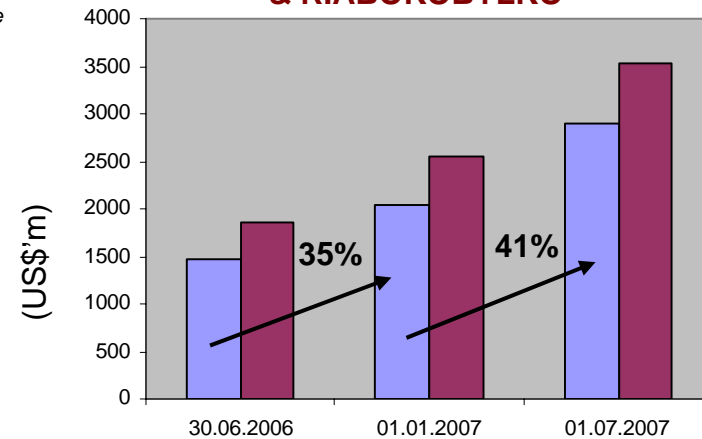
Development portfolio breakdown by property type (GBA)



SISTEMAHALS
DEVELOPMENT COMPANY



CUSHMAN & WAKEFIELD STILES & RIABOKOBYLKO



■ Estimated market value (on 100% equity basis)
■ Market value according to the interest of Sistema-Hals

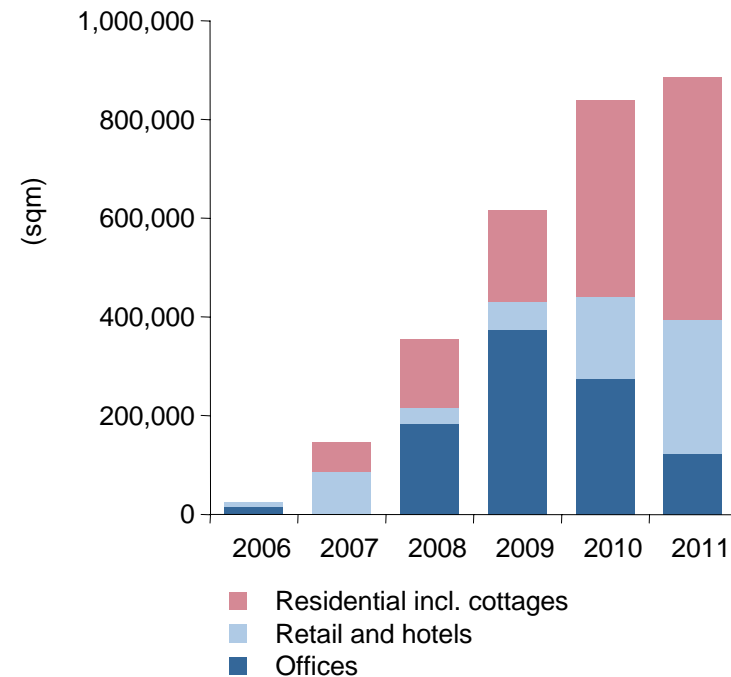
Source: C&WS&R reports as of 30 June 2006, 1 January 2007 and 1 July 2007

* based on C&WS&R report as of 1 July 2007

FOCUS ON RAPID GROWTH

- 30 properties currently in development
- 34 projects in the near term pipeline
- Constant monitoring of opportunities within target markets
- Strong management resource, established internal procedures and vigorous discipline enable to handle planned number of projects at various stages simultaneously

Properties planned to be substantially completed



Source: Company data

Development pipeline contains high growth potential

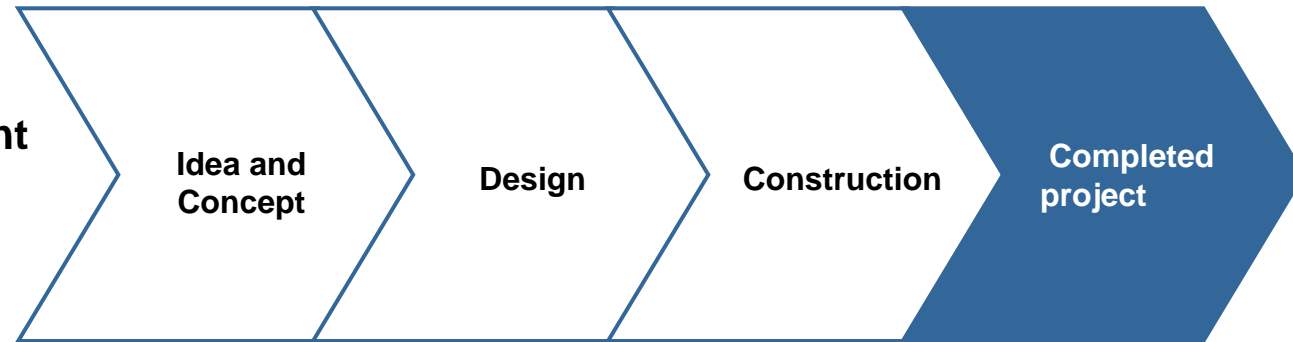


Development pipeline for 2008

	No. of projects	GBA, sq.m '000
Total →	136	10 384
Projects planned to completion →	9	233
Projects under construction →	36	2 220
Projects in design stage →	91	7 931

VALUE CHAIN DRIVEN BUSINESS MODEL

**Development
process
timeline**



- Sourcing new properties for development
- Investments
- Sourcing new projects for construction
- Preliminary design

- Project management
- Feasibility studies*
- Financing
- Technical design*
- Statutory approvals
- Technical design documentation*
- Statutory approvals

- Project management
- Financing
- Appointment of general contractor
- General contractor for construction
- Technical supervisor

- Transfer to Asset Management / Investments for holding or for sale
- Purchase/sale of properties
- Property rental
- Portfolio monitoring and optimization
- Cleaning
- Site repairs and maintenance
- Security

Note:

* Commissioned from third party contractors

STRICT PORTFOLIO CRITERIA

Return-Based Strategy

- Minimum un-leveraged IRR target 20%
- Minimum size of 20,000 sqm

Strict Portfolio Focus

- Class A offices
- Mixed use & retail
- Business class residential and single family houses
- Land development

Maintaining high quality

- Enhancing construction capabilities (partnership with Hebei Construction Group)
- Engaging international contractors and consultants

Alliances with strong financial and strategic partners

- Strategic partnership with reliable partners help boost the profitability of projects through the accumulation of financial resources and shared experiences (Saraya, Apsys)

Disciplined investment approach focused on the most profitable market segments



DEVELOPMENTS VS. RENTAL PROPERTIES

Commercial Properties



Develop and hold premium projects

BUT: sell properties of less than 20,000 sq.m and projects with estimated lower rental income

Residential Properties

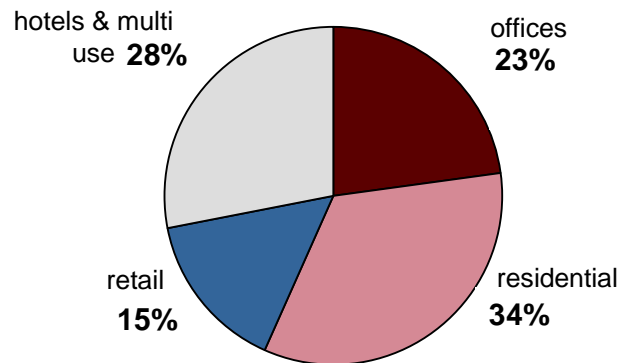


Develop and sell

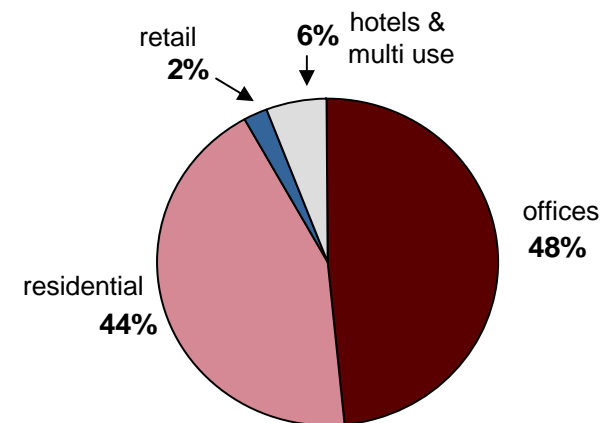
BUT: hold unique assets

Portfolio breakdown by revenue

CURRENT



TARGET



EXPANDING ACROSS THE REGIONS

- Now present in 9 locations across Russia and Ukraine
- We aim to replicate our Moscow experience in other Russian regions and in the CIS



Notes:

- ◆ Cities where Sistema-Hals is currently present (*italics show cities with population of over 1 million people*)
- ◆ Other cities with population of over 1 million people (*considered for future expansion*)

High growth potential is the key driver for regional diversification



EXPANDING ACROSS THE REGIONS

ST. PETERSBURG: regional mall Hals Mart



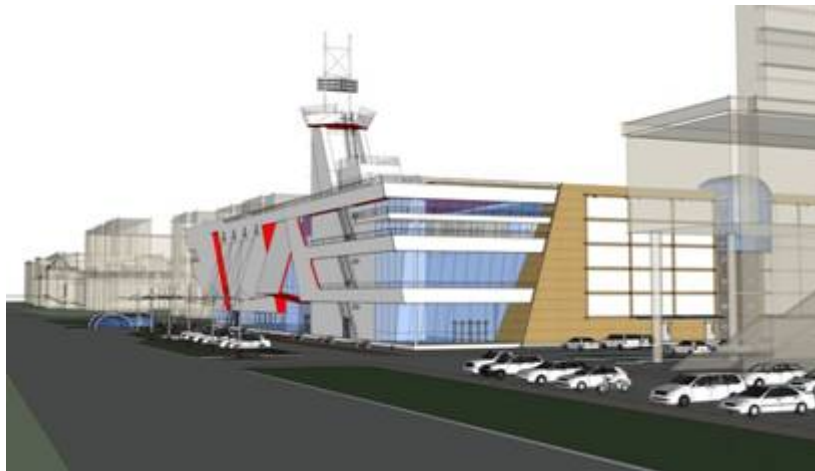
GBA: 104,810 sq.m

KAZAN: retail center



GBA: 20,671 sq.m

KRASNOYARSK: mixed-use property



GBA: 49,600 sq.m

SOCHI: hotel and apartment complex "Camelia"



GBA: 96,069 sq.m





NEW PROJECTS

Khamovniki, 23/7 and 23/5 Lev Tolstoy Street, Moscow

The property comprises more than 2.2 hectares located at 23/7 and 23/5 Lev Tolstoy Street, Moscow, formerly the site of the Khamovniki Experimental Factory of Drinks. Sistema-Hals is planning to build a mixed use office-residential complex with a total area of approximately 70,000 square metres on the site, which will include luxury apartments, three detached mansions, office accommodation, and underground and ground-level car parking, as well as infrastructure.

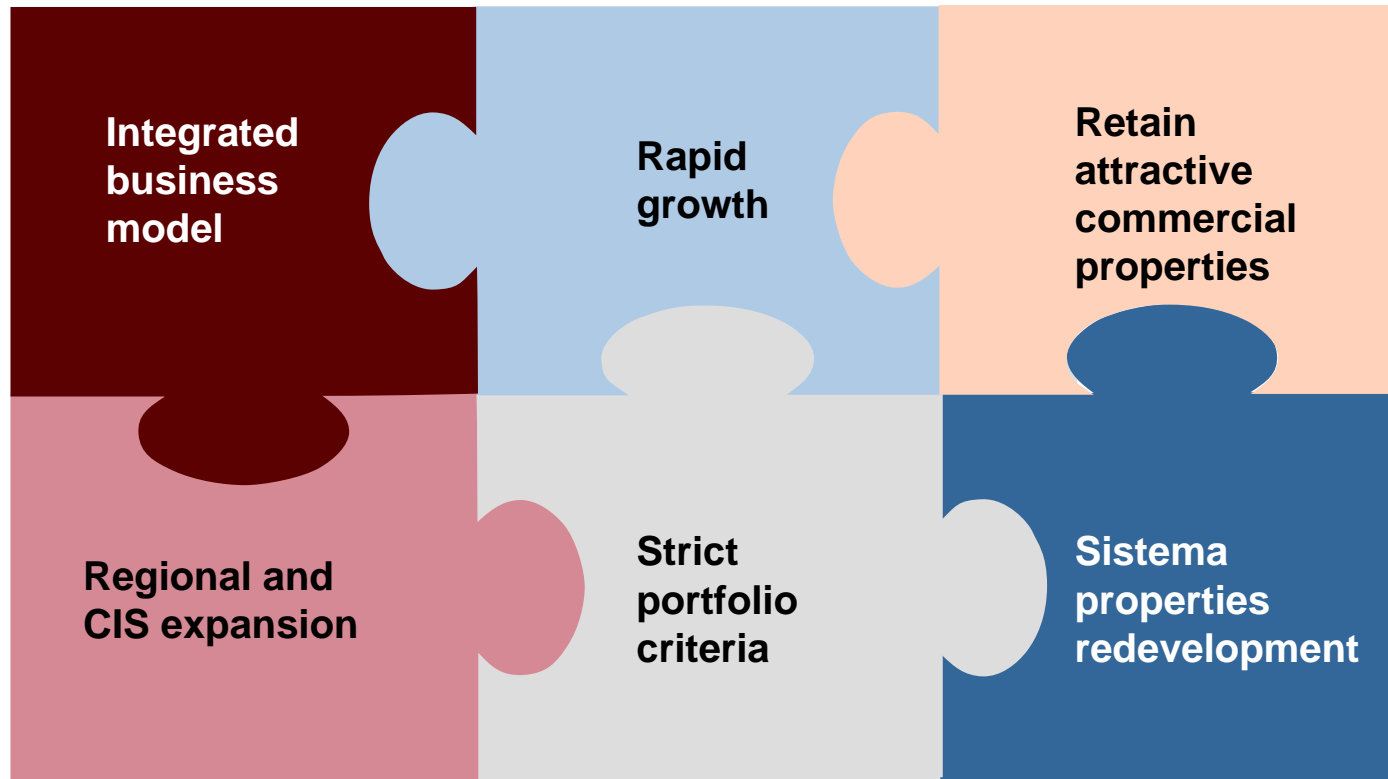
Gorky 8, Rublevo-Uspensky Highway, Moscow region

The property represents a land plot of 9 hectares on the Rublevo-Uspensky Highway with more than 70 townhouses and a retail mall on it (app. 35,000 square metres).

Gorky 8, Second phase

Sistema-Hals is planning to construct a mega villa community, situated between two other Sistema-Hals developments (Landschaft and Gorki-8). The development is located on the Rublevo-Uspenskoye Highway (10-17 km from the MKAD ring road totalling 61 hectares).

STRATEGY HIGHLIGHTS



Sistema-Hals aims to become the largest real estate developer and a leading real estate asset portfolio manager, in Russia and elsewhere in the CIS



DEVELOPMENT AND CONSTRUCTION PROJECTS FOR 2008

2008: RESIDENTIAL PROJECTS

Key ongoing projects

Michurinsky Prospect, 39



Location:
Moscow, Russia

GBA:
43,029 sq.m

Total investments:
US\$ 37.0 m



Dnepropetrovskaya 25A



Location:
Moscow, Russia

GBA:
32,971 sq.m

Total investments:
US\$ 36.0 m



2008: RESIDENTIAL PROJECTS

Key ongoing projects

Nakhimovsky Prospect, 4



Location:
Moscow, Russia

GBA:
42,218 sq.m

Total investments:
US\$ 29.0 m



Serebryanny Bor, 3



Location:
Moscow, Russia

GBA:
21,234 sq.m

Total investments:
US\$ 46.3 m



2008: COMMERCIAL PROJECTS

Key ongoing project

Regional mall Hals Mart ("LETO")



Location:

St. Petersburg, Russia

Land plot:

17.7 hectares

GBA:

104,810 sq.m

Total investments:

US\$ 135.0 m



Strategic Partnership Agreement With Apsys. Will each control 50% of a joint venture.



2008: OFFICE BUILDINGS

Key ongoing project

Leningradsky towers

- Valued by C&WS&R at US\$ 105.4 million¹
- GBA: 110,070 sq.m
- Siemens Towers will consist of two class A office towers
 - the first tower will be Siemens Russian headquarters
 - Siemens has agreed to a forward purchase of one tower as well as a development fee
 - the second tower is intended for rental on the commercial office market and includes underground parking
 - the two towers will include 739 secure parking spaces
- Estimated completion: Q4 2008



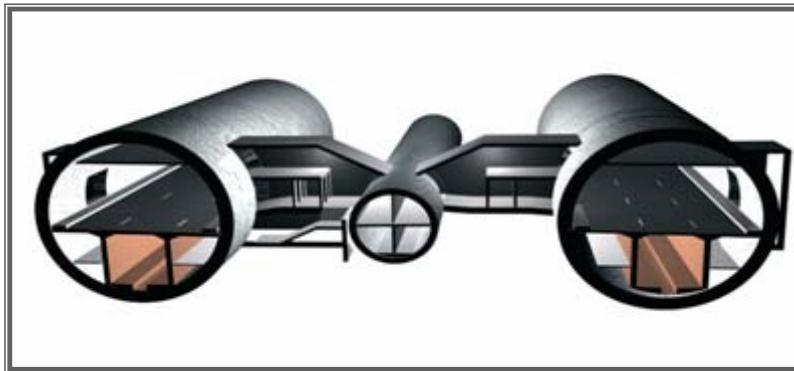
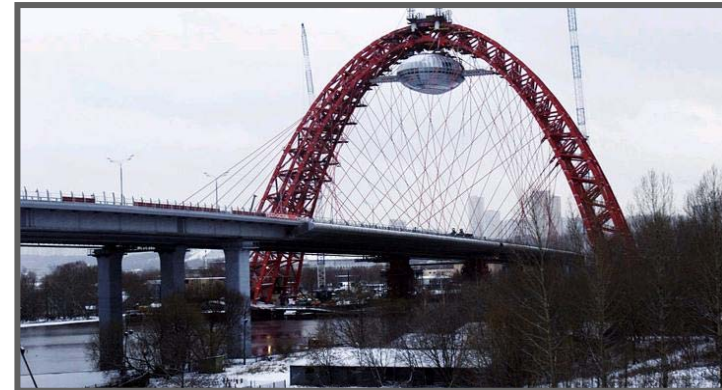
¹ Source: C&WS&R report as of 1 July 2007



2008: INFRASTRUCTURE AND TRANSPORTATION PROJECTS

Moscow's largest radial highway "Zvenigorodskoe"

- Zvenigorodskoe highway connects the city center with the MKAD;
- **The aggregate cost:** approximately US\$ 1.3 bn;
- **The Krasnopresnensky Prospect involves the construction of:**
 - cable bridge over the Moscow river
 - sophisticated tunnel system able to accommodate automobile traffic, as well as the metro system;
- **Our role:** We act as the construction manager and technical supervisor for the construction work



2008: LAND DEVELOPMENT

Project due for completion in 2008

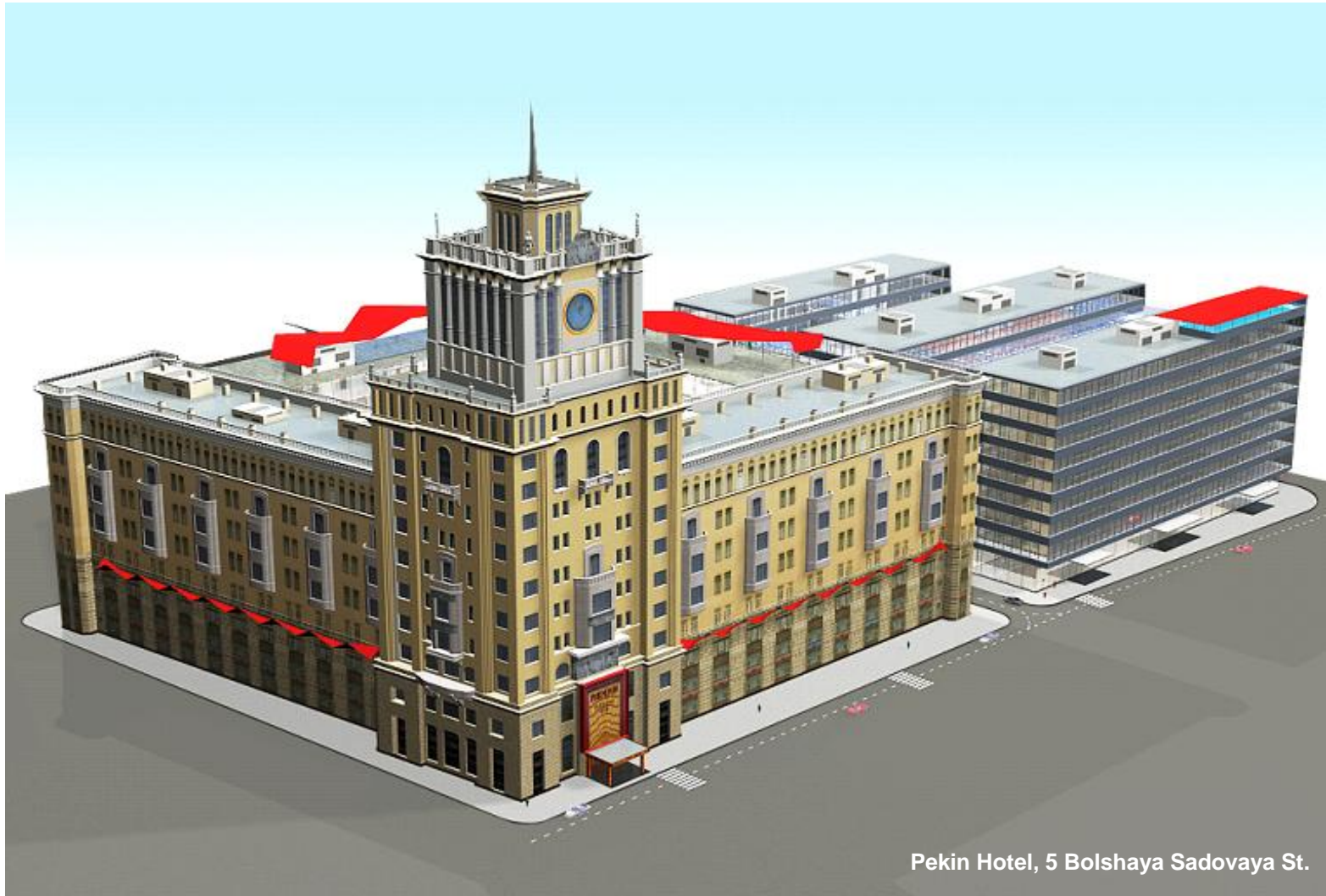
Avrora

- Location: 18th kilometre of Dmitrovskoe¹ highway, Mitishinsky district, village Stepan'kovo, Moscow region, Russia
- The total property comprises a 93.05 ha land site. Currently vacant land, which is being divided into 147 separate land plots, provided with access and utilities, for residential development by the individual purchasers.
- Riverside land plot with a total area of 14.55 ha is held for development of a yacht-club



¹Source: C&WS&R report as of 1 July 2007





9M2007 PERFORMANCE OVERVIEW

FINANCIAL AND OPERATING HIGHLIGHTS

(USD, million)	9m 2007	9m 2006
Revenues	207.6	161.2
Operating expenses, incl.:	(279.3)	(106.0)
Stock-based compensation	(98.0)	-
Operating income/(loss)	(71.8)	55.7
OIBDA	(63.0)	60.0
OIBDA excl. non-recurring items	35.0	60.0
Net income/(loss)	(77.7)	34.4

- Sistema-Hals consolidated revenue for the first nine month of 2007 increased by 28.8% year-on-year to USD 207.6 million
- The number of projects in the Company's portfolio increased by 17% to 103

- The value of the Company's stake in the property and projects increased by more than 97% in the period from June 30, 2006 to July 1, 2007 according to C&WS&R valuation



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