FOR IMMEDIATE RELEASE September 9, 2009

JSC SITRONICS

UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2009

MOSCOW, Russia – September 9, 2009 – JSC SITRONICS ('SITRONICS' or 'the Group') (LSE: SITR), a leading provider of telecommunication, information technology and microelectronic solutions in Russia and the CIS, with a growing presence in other EEMEA emerging markets, today announced its unaudited consolidated US GAAP financial results for the second quarter and six months ended June 30, 2009.

The Group's results for both 2008 and 2009 have been restated to reflect the sale of the distribution businesses on April 13, 2009 according to FASB Statement No. 144 (as amended) entitled "Accounting for impairment or disposal of long-lived assets". The results of the discontinued distribution operations, including the impact of the disposal, are reported in the discontinued operations line of the Group's financial statements for the second quarter and first six months of 2008 and 2009.

SECOND QUARTER HIGHLIGHTS

- Consolidated revenues of US$ 247.1 million
- Telecommunication Solutions revenues of US$ 140.6 million; Information Technologies revenues of US$ 46.2 million; and Microelectronics revenues of US$ 57.0 million
- OIBDA* profit of US$ 21.0 million
- Net profit attributable to SITRONICS of US$ 1.0 million, when excluding US$ 27.6 million impact of sale of distribution business in April 2009
- Total assets of US$ 1.8 billion

SIX MONTH HIGHLIGHTS

- Consolidated revenues of US$ 404.0 million
- Telecommunication Solutions revenues of US$ 246.2 million; Information Technologies revenues of US$ 65.6 million; and Microelectronics revenues of US$ 86.1 million

* OIBDA is defined as operating income before depreciation and amortization. Please see Attachment A to this statement for further information.

- OIBDA profit of US$ 14.1 million
- Net loss attributable to SITRONICS of US$ 40.8 million when excluding US$ 26.2 million impact of sale of distribution business in April 2009
- US$ 476.2 million of new contracts secured since the beginning of 2009

Sergey Aslanian, President of SITRONICS, commented: "The operating environment remained challenging throughout the first half of 2009 but our businesses have continued to outperform with revenues down less than 6% year on year in the second quarter at constant exchange rates. We have now won over US$ 476.2 million of new contracts since the beginning of the year".

"The actions that we have taken to optimize our cost base have enabled us to deliver OIBDA margins of 8.5% in the second quarter and 3.5% for the half year and we generated operating free cash flow for the first six months of the year. When excluding the impact of the sale of our distribution business in April, we actually delivered a net profit in the second quarter."

"We continue to expect to deliver a positive OIBDA result for the full year and we have now successfully refinanced or extended over US$ 300 million of our borrowings since the beginning of the year."

FINANCIAL SUMMARY

(US$ millions)	**Q2 2009**	Q2 2008	**6M 2009**	6M 2008
Revenues	**247.1**	332.0	**404.0**	625.6
OIBDA	**21.0**	19.6	**14.1**	30.4
Net income / (loss) from continuing operations	**3.3**	(12.9)	**(42.3)**	(28.0)
Net income / (loss) from discontinued operations	**(27.6)**	5.3	**(26.2)**	14.3
Net income / (loss) attributable to Sitronics	**(26.6)**	(12.0)	**(66.9)**	(20.2)
Total assets	**1,844.8**	2,192.4	**1,844.8**	2,192.4

OPERATING REVIEW

Group Overview

The Group's consolidated revenues were down 5.8% year on year in constant exchange rates in the second quarter of 2009, and down 18.4% for the first six months of 2009. The decline reflected the overall weakness in the market and the impact of the adverse economic conditions. The reported year on year decline also reflected the significant weakening of the

Group's operating currencies against its US dollar reporting currency. Consolidated revenues were up 57.5% at current exchange rates compared to the first quarter of 2009. The Group has now won a further US$ 476.2 million of new contracts since the beginning of 2009.

Operating expenses, when excluding depreciation and amortization costs, were reduced by 26.6% year on year to US$ 48.5 million in the second quarter, and by 20.4% to US$ 98.3 million for the first six months of the year. The reduction was due to the cost saving measures implemented during the second half of 2008 and first half of 2009. Selling, general and administration expenses, net of stock option expenses and bad debt provisions, were reduced by 30.7% year on year in the second quarter and by 27.0% for the six month period.

SITRONICS therefore reported an increased OIBDA profit of US$ 21.0 million in the second quarter, when compared to a profit of US$ 19.6 million for the same period of 2008, and an OIBDA profit of US$ 14.1 million for the first half of the year compared to a profit of US$ 30.4 million in the first half of 2008. The Group therefore delivered OIBDA margins of 8.5% in the second quarter and 3.5% for the first half of the year, compared to 5.9% and 4.9% for the comparative periods of 2008.

The lower depreciation and amortization charges of US$ 12.7 million in the second quarter and US$ 25.4 million for the six months primarily reflected the impact of currency exchange rate fluctuations.

The Group's net interest expenses increased year on year to US$ 13.5 million from US$ 8.4 million in the second quarter, and to US$ 24.3 million from US$ 14.3 million for the year to date, due to the year on year increase in the Group's debt levels and adverse currency exchange rate movements.

The Group reported a foreign exchange gain of US$ 14.4 million in the second quarter but incurred a foreign exchange loss of US$ 5.1 million during the first six months of 2009, which was primarily due to the difference in the value of the Group's US dollar denominated borrowings between the balance sheet dates.

The Group's results also included a net loss from discontinued operations of US$ 27.6 million in the second quarter and of US$ 26.2 million for the year to date, which included the US$ 25.8 net loss arising from the difference between the book value of the distribution businesses sold in April 2009 and the sale price as well as the losses from the operations for both periods. The transaction did not impact the Group's cash flows.

The Group therefore reported an underlying net profit attributable to Sitronics, when excluding the discontinued operations, of US$ 1.0 million in the second quarter and a net loss of US$ 40.8 million for the first six months of the year, compared to losses of US$ 17.3 million and US$ 34.4 million for the corresponding periods of 2008.

Segmental Review

SITRONICS Telecommunication Solutions

(US$ millions)	**Q2 2009**	Q2 2008	**6M 2009**	6M 2008
Revenues	**140.6**	194.1	**246.2**	349.4
OIBDA	**4.8**	8.1	**3.7**	14.1
Net income (loss)	**(6.9)**	(12.4)	**(22.4)**	(27.3)
Total assets	**943.0**	1,069.7	**943.0**	1,069.7

Revenues were down 13.8% year on year at constant exchange rates in the second quarter and down 16.4% for the first six months of the year. The segment accounted for 56.9% of Group revenues in the second quarter and 60.9% for the half year, compared to 58.5% and 55.8% for the same periods of 2008.

The business reported an OIBDA profit of US$ 4.8 million in the second quarter of 2009, compared to an OIBDA profit of US$ 8.1 million for the respective period of 2008, and an OIBDA profit of US$ 3.7 million for the first six months of 2009, compared to an OIBDA profit of US$ 14.1 million for the first six months of 2008.

The segment businesses have now secured US$ 372.8 million of new contracts since the beginning of 2009.

SITRONICS Telecom Solutions signed two new contracts in April 2009 with a total value of over US$ 64 million to deliver, deploy and support a CRM and Billing System for pan-Indian telecoms operator Sistema Shyam TeleServices. INTRACOM TELECOM also signed a US$ 85 million contract in April to supply radio relay equipment to Sistema Shyam TeleServices. The project is being implemented in cooperation with ZTE and is expected to be completed at the end of 2009.

INTRACOM TELECOM signed a contract in April with Santa Rosa Telephone Cooperative, Inc., in Texas in the United States to deploy an IPTV solution for the delivery of High Definition video and Digital Video Recorder services to Santa Rosa's telephony subscribers. The project is expected to be completed by the end of 2009.

SITRONICS Telecom Solutions signed a framework agreement with the Bashenergo power generation and distribution company in June 2009 to provide UTILIS billing system software. The project is expected to be completed by the end of 2009.

Finally, INTRACOM TELECOM's new contract to provide Point-to-Point Microwave equipment services for pan-Indian telecoms operator Sistema Shyam TeleServices is expected to be completed by the end of 2009.

SITRONICS Information Technologies

(US$ millions)	**Q2 2009**	Q2 2008	**6M 2009**	6M 2008
Revenues	**46.2**	39.2	**65.6**	87.1
OIBDA	**11.4**	0.6	**8.9**	(3.8)
Net income (loss) from continuing operations	**8.6**	0.5	**5.9**	(4.8)
Net income (loss) from discontinued operations	**(27.6)**	5.3	**(26.2)**	14.3
Net income (loss)	**(19.0)**	5.7	**(20.3)**	9.5
Total assets	**266.1**	393.6	**266.1**	393.6

Revenues were up 63.5% year on year at constant exchange rates in the second quarter and up 6.1% for the first six months of the year. The segment accounted for 18.7% of Group revenues in the second quarter and 16.2% for the half year, compared to 11.8% and 13.9% for the same periods of 2008.

The business segment reported a year on year increase in OIBDA profit to US$ 11.4 million from US$ 0.6 million for the second quarter, and an OIBDA profit of US$ 8.9 million for the first six months of 2009, compared to an OIBDA loss of US$ 3.8 million for the first six months of 2008.

The business segment reported a year on year increase in OIBDA for both reporting periods and substantially improved OIBDA margins of 24.6% and 13.6% for the two respective periods following the growth in the business and a year on year reduction in operating expenses and resulting improvement in operating efficiency levels.

SITRONICS disposed of a part of the distribution business of its wholly-owned subsidiary, SITRONICS IT B.V, on April 13, 2009. The seven distribution companies were transferred to Melrose Holding for a total consideration of US$ 49.8 million. The book value of the assets was US$ 76.0 million at the date of sale. As a result of the sale and subsequent settlement transactions, the Group therefore reported a loss for discontinued operations of US$ 27.6 million in the second quarter and US$ 26.2 million for the year to date. When excluding the effect of the discontinued operations, the Information Technologies segment was therefore profitable in both the second quarter and for the year to date. The discontinued distribution operations reported US$ 60.8 million of revenues for the first half of the year, compared to US$ 306.1 million for the same period of 2008, and reported an OIBDA profit of US$ 1.3 million for the half year, compared to an OIBDA profit of US$ 15.6 million for the same period of 2008.

US$ 89.7 million of new contracts have now been secured since the beginning of 2009.

SITRONICS signed a contract in May to provide support to Mobile TeleSystems' data processing centre in Siberia. The project is expected to be completed by the end of 2009.

SITRONICS signed a three-year agreement in June to deploy an IT infrastructure for the government of Bashkortostan.

SITRONICS Microelectronics

(US$ millions)	**Q2 2009**	Q2 2008	**6M 2009**	6M 2008
Revenues	**57.0**	91.1	**86.1**	160.9
OIBDA	**12.5**	22.2	**16.4**	33.6
Net income (loss)	**(0.1)**	9.6	**(5.8)**	15.3
Total assets	**532.7**	609.4	**532.7**	609.4

Revenues were down 15.3% year on year at constant exchange rates in the second quarter and down 27.0% for the year to date. The segment accounted for 23.1% of Group revenues in the second quarter and 21.3% for the half year, compared to 27.4% and 25.7% for the same periods of 2008.

The business segment continued to report a positive OIBDA result. OIBDA decreased year on year from US$ 22.2 million to US$ 12.5 million in the second quarter and from US$ 33.6 million to US$ 16.4 million for the first six months of 2009.

US$ 13.6 million of new contracts have now been secured since the beginning of 2009.

SITRONICS continues to supply RFID tickets for the Moscow Metro, Russian Railways, and a number of transportation companies in large Russian cities with populations exceeding 1 million people, including Kazan and Nizhny Novgorod.

SITRONICS Smart Technologies signed a new contract in June 2009 to deliver RUIM cards to Altel in Kazakhstan. The project is expected to be implemented in one year.

SITRONICS Smart Technologies also won a tender in July 2009 to provide VISA Classic and VISA Platinum banking cards for VTB24. The contract provides for the delivery of cards to VTB24 within one year.

SITRONICS Smart Technologies secured further contracts in July 2009 to deliver 10 million SIM cards to Mobile TeleSystems in Russia and more than 5 million SIM cards to Mobile TeleSystems in Ukraine. The projects are expected to be implemented by the end of the third quarter of 2010. The business also won a tender to supply Megafon, Russia's third largest mobile operator, with SIM cards over one year.

SITRONICS intends to commence the modernization of manufacturing facilities for the production of 90 nanometre microchips in cooperation with the Russian Corporation of Nanotechnologies. The new facilities will be built around the existing Micron plant. This follows the approval by the Russian Corporation of Nanotechnologies in July of a RUR 6.5 billion investment in the project.

FINANCIAL POSITION

Net cash provided by operating activities amounted to US$ 39.2 million for the first six months of 2009, compared to US$ 0.1 million for the same period of 2008.

Net cash used in investing activities amounted to US$ 69.2 million for the first six months of 2009 and included capital expenditure of US$ 51.5 million. This compared with total investments of US$ 226.3 million and capital expenditure of US$ 140.1 million in the first half of 2008.

Net cash flow from financing activities amounted to US$ 79.1 million for the first six months of 2009 and mainly reflected the increase in the Group's total borrowings to US$ 809.9 million from US$ 726.2 million at the end of 2008. The increase in borrowings primarily comprised a US$ 63.9 million loan provided by MDM Bank and US$ 29 million of loans secured by INTRACOM TELECOM in Greece. SITRONICS' weighted average cost of borrowing was approximately 8.9% as at June 30, 2009. SITRONICS repaid, refinanced or extended US$ 221.6 million of loans during the first half of 2009, including the repayment of the US$ 75 million Dresdner Bank loan, as well as 99% of the RUR 3 billion of bonds. US$ 21.2 million of loans from the Greek banks to INTRACOM TELECOM and the US$ 63.9 million MDM loan were repaid after the end of the quarter in July 2009.

The Group's cash and cash equivalents therefore increased to US$ 174.9 million at June 30, 2009, compared to US$ 116.7 million at the end of 2008, and the Group's net debt amounted to US$ 635.0 million at the end of the period, compared to US$ 609.5 million at the end of 2008.

SITRONICS' 3 billion rubles of bonds were included in the Bank of Russia's Lombard List in August 2009. The list comprises Russian infrastructure companies whose securities can be used as collateral to secure loans from The Bank of Russia.

OTHER INFORMATION

Conference call

SITRONICS management will host a conference call today at 4.00 PM Moscow local time, 1.00 PM London local time and 8.00 AM New York local time to present and discuss these results. Participants may dial the following numbers in order to access the call:
UK / International: +44 20 8515 2302
US: +1 480 629 9722

A replay facility will also be made available for 7 days after the call and may be accessed by dialing the following numbers and using the following pin code:

UK / International: +44 20 7154 2833
US: +1 303 590 3030
PIN CODE: 4147191#

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SITRONICS is a leading provider of telecommunication solutions, including software, equipment and systems integration, IT solutions and microelectronic solutions in Russia and the Commonwealth of Independent States with a strong presence in Central and Eastern Europe and a growing presence in the Middle East and Africa.

SITRONICS serves over 3,500 clients, maintains offices in 32 countries and exports its products and services to more than 60 countries. SITRONICS has around 10,000 employees of whom approximately 4,500 are involved in research and development.

SITRONICS' key Telecommunication Solutions operations are based in Prague, Czech Republic and Athens, Greece, while the company's IT Solutions and Microelectronics divisions are based in Kiev, Ukraine and Zelenograd, Russia respectively.

SITRONICS generated revenues of US$ 404.0 million for the six months ended June 30, 2009 and had total assets of US$ 1,844.8 million at the end of the period. SITRONICS is majority owned by Sistema, the largest public diversified corporation in Russia and the CIS, which manages fast growing companies operating in the consumer services sector.

SITRONICS has developed strategic alliances in its home markets with Cisco Systems, STMicroelectronics, Infineon and Giesecke & Devrient in relation to certain products and services. SITRONICS has vendor relationships with Siemens, Ericsson, Motorola, ORACLE, Intel, Sun Microsystems and Microsoft. Key customers include Sistema group companies, such as MTS, Comstar-UTS, and also OTE, Cosmote, Vodafone, Ericsson, Arcelor Mittal (formerly Mittal Steel) and TCL.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of SITRONICS. You can *identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other expressions. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, and other factors specifically related to SITRONICS and its operations.*

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2009 (UNAUDITED) AND DECEMBER 31, 2008
(Amounts in thousands of U.S. dollars)

		June 30, 2009		December 31, 2008
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	174,949	$	116,720
Short-term investments		20,738		20,740
Trade receivables, net		450,414		566,326
Other receivables and prepaid expenses, net		123,387		117,276
Inventories, net		176,351		181,763
Restricted cash		459		7,492
Deferred tax assets, current portion		10,729		5,395
Current assets from discontinued operations		-		145,746
Total current assets		957, 027		1,161,458
Property, plant and equipment, net		485,069		499,541
Intangible assets, net		188,847		160,193
Goodwill		86,858		86,858
Inventories, net		23,576		30,768
Long-term investments		10,829		10,441
Long-term trade receivables		65,820		57,269
Deferred tax assets, non current portion		24,989		24,486
Other long-term assets		1,773		2,476
Non-current assets from discontinued operations		-		1,492
TOTAL ASSETS	**$**	**1,844,788**	**$**	**2,034,982**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)
AS OF JUNE 30, 2009 (UNAUDITED) AND DECEMBER 31, 2008
(Amounts in thousands of U.S. dollars, except share amounts or if otherwise stated)

Liabilities and shareholders' equity		June 30, 2009		December 31, 2008
CURRENT LIABILITIES:				
Trade accounts payable	$	251,229	$	324,893
Taxes payable		24,566		25,861
Accrued expenses and other current liabilities		136,891		184,291
Derivative financial instruments		121		241
Short-term loans and notes payable		590,996		403,057
Current portion of long-term debt		21,143		123,436
Deferred tax liabilities, current portion		11,080		10,542
Current liabilities from discontinued operations		-		56,990
Total current liabilities		1 036 026		1,129,311
LONG-TERM LIABILITIES:				
Capital lease obligations		3,120		3,963
Long-term debt		197,806		199,716
Other long-term liabilities		9,692		9,508
Deferred tax liabilities, non current portion		25,721		24,248
Non-current liabilities from discontinued operations		-		13,359
Total long-term liabilities		236,339		250,794
TOTAL LIABILITIES		1,272,365		1,380,105
SHAREHOLDERS' EQUITY:				
Share capital (9,547,087,190 and 9,547,087,190 shares authorized and issued as of June 30, 2009 and December 31, 2008, respectively, with par value of 1 ruble)		335,764		335,764
Treasury stock (745,853,607 and 739,856,026 shares with par value of 1 ruble as of June 30, 2009 and December 31, 2008, respectively)		(51,123)		(50,940)
Shareholders receivable		(9,903)		(9,552)
Additional paid-in capital		427,298		423,999
Accumulated deficit		(287,075)		(220,166)
Accumulated other comprehensive income		2,727		16,096
TOTAL SITRONICS SHAREHOLDERS' EQUITY		417,688		495,201
Noncontrolling interest		154,735		159,676
TOTAL SHAREHOLDERS' EQUITY		572,423		654,877
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	**1,844,788**	$	**2,034,982**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE SECOND QUATER 2009 (UNAUDITED) AND THE SECOND QUATER 2008 (UNAUDITED)

(Amounts in thousands of U.S. dollars or if otherwise stated)

		2Q 2009		2Q 2008
Revenues	$	247,113	$	331,984
Cost of sales exclusive of depreciation and amortization shown separately below		(177,589)		(246,315)
Research and development expenses		(5,628)		(9,479)
Selling, general and administrative expenses		(45,691)		(59,239)
Depreciation and amortization		(12,741)		(18,409)
Other operating income, net		2,798		2,605
OPERATING INCOME		8,262		1,147
Interest income		4,162		1,141
Interest expense		(17,628)		(9,541)
Foreign currency transaction gains, net		14,358		2,701
Other non-operating losses		(695)		-
Income / (loss) from continuing operations before income tax		8,459		(4,552)
Income tax expense		(5,121)		(8,372)
INCOME / (LOSS) FROM CONTINUING OPERATIONS	$	3,338	$	(12,924)
(Loss)/ income on discontinued operations		(27,627)		5,328
NET LOSS		(24,289)		(7,596)
Less: net income attributable to the noncontrolling interest		(2,340)		(4,422)
NET LOSS ATTRIBUTABLE TO SITRONICS	$	(26,629)	$	(12,018)

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2009 (UNAUDITED) AND 2008 (UNAUDITED)

(Amounts in thousands of U.S. dollars unless otherwise stated)

	Six month ended June 30, 2009	2008
Revenues	$ 404,043	$ 625,629
Cost of sales exclusive of depreciation and amortization shown separately below	(291,653)	(471,800)
Research and development expenses	(11,243)	(21,144)
Selling, general and administrative expenses	(88,030)	(108,128)
Depreciation and amortization	(25,401)	(33,765)
Other operating income, net	1,001	5,799
OPERATING LOSS	(11,283)	(3,409)
Interest income	5,501	2,399
Interest expense	(29,768)	(16,727)
Foreign currency transaction (losses) / gains, net	(5,055)	3,506
Other non-operating losses	(695)	-
Loss from continuing operations before income tax	(41,300)	(14,231)
Income tax expense	(1,034)	(13,723)
LOSS FROM CONTINUING OPERATIONS	(42,334)	(27,954)
(Loss)/ Income on discontinued operations	(26,154)	14,255
NET LOSS	$ (68,488)	$ (13,699)
Less: net loss / (income) attributable to the noncontrolling interest	1,579	$ (6,472)
NET LOSS ATTRIBUTABLE TO SITRONICS*	$ (66,909)	$ (20,171)
Translation adjustment, net of noncontrolling interest of $ (3,451) and $12,726, respectively, and income tax effect of $nil	(13,369)	30,943
COMPREHENSIVE (LOSS) / INCOME	$ (80,278)	10,772
Weighted average number of common shares outstanding, basic and diluted	8,807,198,028	8,750,310,750
Loss per, basic and diluted, USD:	(0.008)	(0.001)

*Net income (Noncontrolling interests)
Until December 31, 2008, Sitronics reported net income attributable to noncontrolling interest as a deduction in arriving at consolidated net income. With effect from January 1, 2009, Sitronics has adopted the new mandatory provisions FASB Statement No. 160 (As Amended) "Noncontrolling Interests in Consolidated Financial Statements", which requires that consolidated net income be reported to include the amounts attributable both to the parent and to the noncontrolling interest. Sitronics has therefore reported net income before the amounts attributable to the noncontrolling shareholders of its subsidiaries, and the latter amounts (previously referred to as "minority interests") are separately disclosed. All comparative financial information has been restated in accordance with this new policy.

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2009 (UNAUDITED) AND 2008 (UNAUDITED)
(Amounts in thousands of U.S. dollars)

		Six month ended June 30, 2009		2008
OPERATING ACTIVITIES:				
Net loss	$	(68,488)	$	(13,699)
Adjustments to reconcile net loss to net cash provided by operations:				
Depreciation and amortization		25,401		33,771
Gain on disposal of property, plant and equipment		(190)		(3,657)
Loss on sale of subsidiaries		26,155		-
Deferred income tax		(3,438)		4,196
Bad debt expense		10,869		116
Stock based compensation		3,085		6,669
Fin 48 effect		417		(1,404)
Foreign currency transactions loss/(gain) on non-operating activities, net		16,020		(10,881)
Changes in operating assets and liabilities:				
Trade receivables		97,529		(22,028)
Other receivables and prepaid expenses		(9,719)		(13,057)
Inventories		(676)		(4,588)
Accounts payable		(15,633)		36,273
Taxes payable		(682)		(3,884)
Accrued expenses and other current liabilities		(41,492)		(7,724)
Net cash provided by operating activities	$	39,158	$	103
INVESTING ACTIVITIES:				
Purchases of property, plant and equipment		(10,265)		(113 935)
Proceeds from disposal of property, plant and equipment		1,379		5,583
Purchases of intangible assets		(41,212)		(26 169)
Proceeds from disposal of intangible assets		190		-
Purchases of businesses, net of cash acquired		-		(92 900)
Proceeds from disposal of business		1,458		-
Cash disposed on sale of subsidiary		(10,455)		-
Change in restricted cash		6,689		254
Purchases of short-term investments		(18,699)		9,330
Proceeds from sales of short-term investments		2,611		(8,454)
Purchases of long-term investments		(926)		-
Net cash used in investing activities	$	(69,230)	$	(226,291)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2009 (UNAUDITED) AND 2008 (UNAUDITED)
(Amounts in thousands of U.S. dollars)

	Six month ended June 30, 2009	2008
FINANCING ACTIVITIES:		
Proceeds from short-term borrowings	$ 285,414	$ 442,679
Principal payments on short-term borrowings	(200,331)	(124,286)
Principal payments on long-term borrowings	-	(174,820)
Principal payments on capital lease obligations	(5,827)	(2,343)
Debt issuance costs	-	(750)
Repurchase of common stock	(183)	(3,797)
Net cash provided by financing activities	$ 79,073	$ 136,683
Effects of exchange rate changes on cash and cash equivalents	253	7,727
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ 49,254**	**$ (81,778)**
CASH AND CASH EQUIVALENTS, beginning of the period	**$ 125,695**	**$ 185,486**
CASH AND CASH EQUIVALENTS, end of the period	**$ 174,949**	**$ 103,708**
CASH PAID DURING THE YEAR FOR:		
Interest, net of amount capitalized	(23,027)	(8,738)
Income taxes	(4,068)	(16,223)
NON-CASH ITEMS:		
Equipment acquired under capital lease	(4,657)	(1,324)

Attachment A

Non-GAAP financial measures. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. Our OIBDA may not be similar to OIBDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. OIBDA can be reconciled to our consolidated statements of operations as follows:

(US$ 000's)	**Q2 2009**	Q2 2008	**6M 2009**	6M 2008
Operating Income / (Loss)	**8,262**	1,147	**(11,283)**	(3,409)
Depreciation and Amortization	**12,741**	18,409	**25,401**	33,765
OIBDA	**21,003**	19,556	**14,118**	30,356