



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

# **Sistema JSFC**

Financial results

2Q2010

15 September 2010

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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.



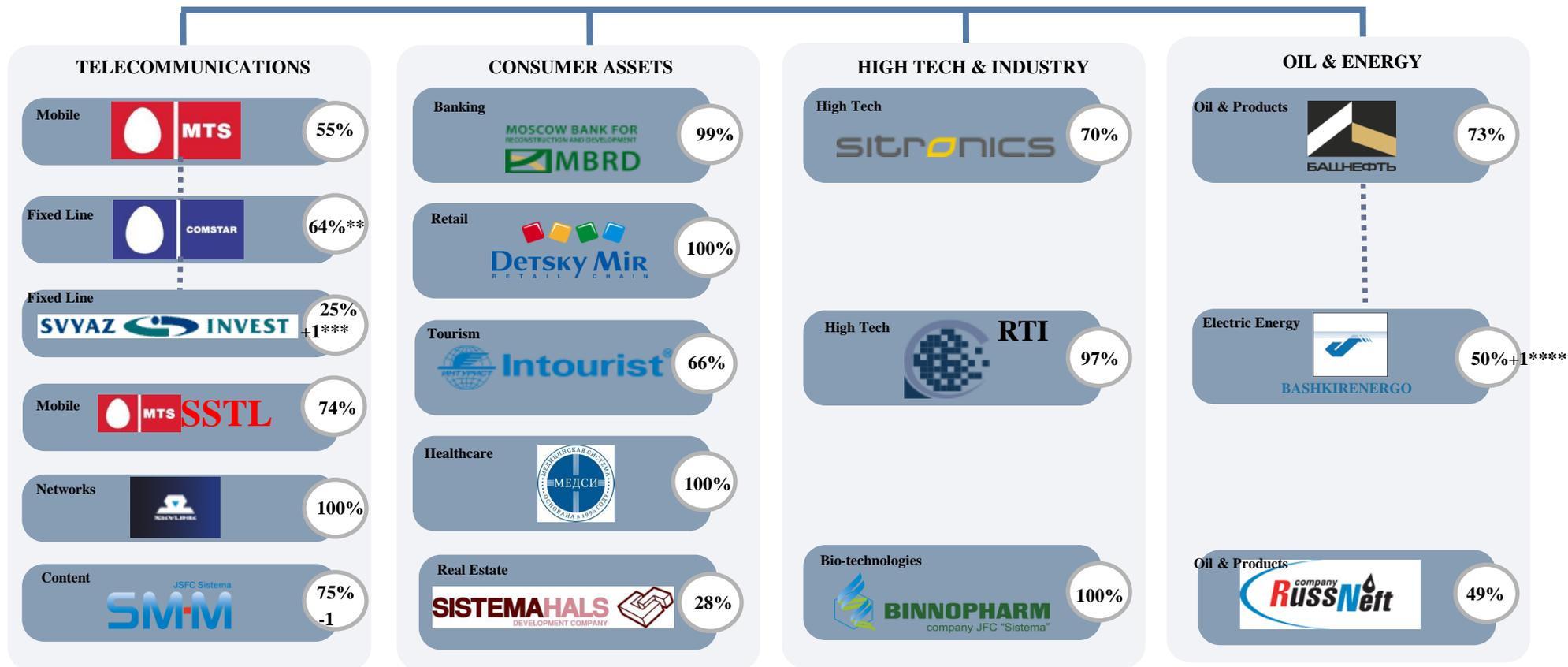
- 1. Company and key markets at a glance**
2. Key events
3. Q2 2010 financial results
4. Business units and portfolio (consolidated) companies
5. Annex

# 1.1. Company overview



- The largest publicly traded diversified financial holding corporation in Russia
- Focused on long-term growth of shareholder value by ensuring high return on invested capital and diversification of investments
- Investment portfolio of unique businesses – combining mature cash generating companies with earlier phase, high-growth companies
- Holding company public since 2005 (depository receipts of Sistema traded on the LSE) and portfolio companies which are privately-held or traded on leading stock exchanges (NYSE, LSE, MICEX, RTS, MSE)

# 1.2. Company at a glance



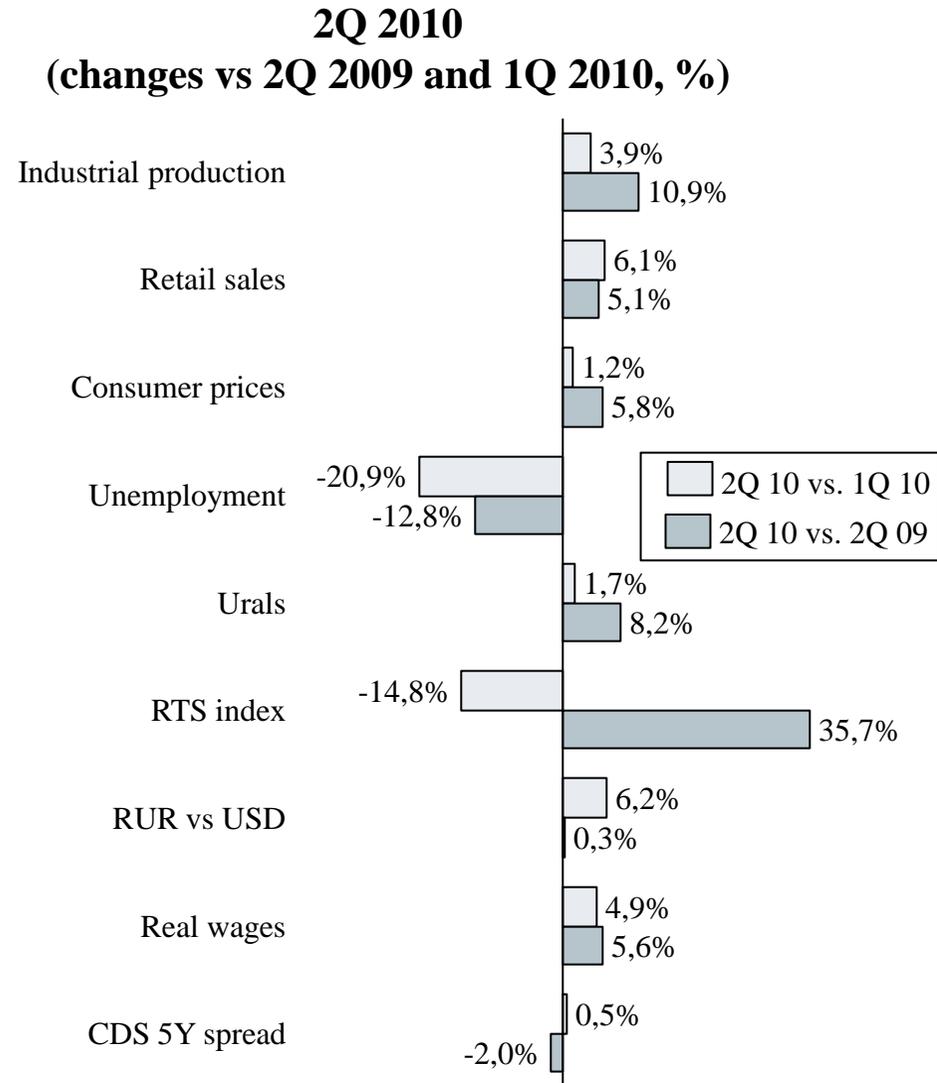
\* % of authorized capital as of 30 June, 2010 including indirect ownership under US GAAP (data may differ from the information provided by the subsidiaries )

\*\* MTS's stake in Comstar

\*\*\* Comstar's stake in Svyazinvest

\*\*\*\* Voting shares

# 1.3. Economic environment in Russia in 2Q 2010



- **Real Growth** - Industrial production, retail sales, real wages and employment all moving in a positive direction
- **Currency Exchange Pressure** - RUR under pressure against USD

### Telecom

- Benefits from real GDP and wage growth
- Negative impact from FX changes

### Oil and Energy

- Stable global demand and stable prices

### Consumer Goods

- Benefits from increased real wages

### High Technology

- Government driving sector (Skolkovo, Glonass)

Sources: Rosstat, CB RF, Bloomberg

**Key indicators suggest sustained recovery - strong in Russia / fragile globally**

# 1.4. Strategic Priorities of Sistema



- To become the leader among Russian companies in terms of efficient capital allocation
- Provide investors a liquid instrument which is diversified across multiple sectors
- Consistent returns that meet or exceed emerging market risk parameters
- Allow public investors to have exposure to the complete Russian investment cycle
  - From early phase, privately held, start-up ventures (normally available only to private equity investors and subject to fees and lock-ups)
  - To mature, publicly-traded and cash generative businesses
- 80/20 targeted portfolio investment between mature cash generating assets and early phase start-ups

# 1.5. Portfolio investment strategy of Sistema



## 1. Screening of investment opportunities

- Across a matrix of geographies and industries of group expertise
- Transactions greater than \$300 million in enterprise value
- Control stakes
- Strong management in place
- Self sustaining debt carrying capacity within 2 years or less

## 2. Execution and closure

- Demonstrated ability to identify and close quickly on special situations
- Access to efficient funding in the capital markets

## 3. Overlay of Sistema management and control

- Best practices in risk control, monitoring and reporting

## 4. Managing growth

- Establishing rigorous milestones and KPI's
- Ultimate focus on TSR and ROIC



**Return on  
investment capital  
(ROIC) – above  
25% within 5 years  
and beyond**

**Proven ability to identify undervalued assets to earn attractive returns**



1. Company and key markets at a glance

**2. Key events**

3. Q2 2010 financial results

4. Business units and portfolio (consolidated) companies

5. Annex

## 2.1. Key events.



### **In the reporting period:**

- Comstar and Rostelecom signed agreement under which Rostelecom acquires from Comstar 25% + 1 share in Svyazinvest for RUR 26 Bln (in line with the 3-sides Memorandum dated November 23<sup>rd</sup> 2009). The transaction is conditional upon the exchange by Sistema of 100% of SkyLink for 23.33% of MGTS
- MTS India subscriber base reaches 5 mln
- Sistema's AGM approves dividends of RUR 0.055 per share (appr. \$0.035 per GDR)
- MTS's AGM approves dividends of RUR 15.4 per share (\$1.0 per ADR)
- Sistema acquires 49% of OAO ANK RussNeft
- Bashneft's AGM approves dividends of RUR 109.65 per share (appr. \$3.5 per share)
- Five top managers of Sistema - Leonid Melamed, Sergey Drozdov, Anton Abugov, Irek Badertdinov and Igor Marchenko - elected as Board Members of OAO ANK RussNeft

### **After the reporting period:**

- MTS makes a voluntary tender offer to buy out remaining minority shareholders of Comstar
- Acquisition of 51% stake in "M2M Telematics"
- SSTL receives 13 bln. rupee (appr. \$280 million) loan from the State Bank of India



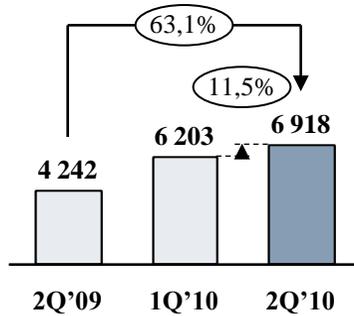
1. Company and key markets at a glance
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# 3.1. 2Q 2010 consolidated results\*

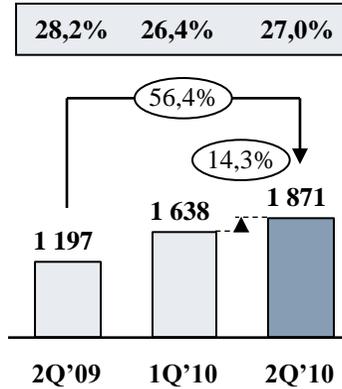


US GAAP, \$m

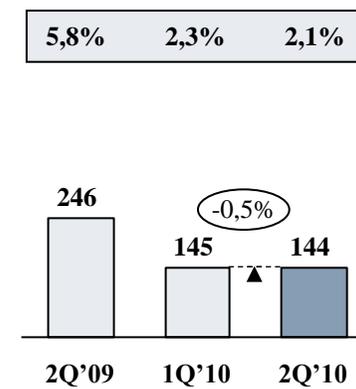
## REVENUE



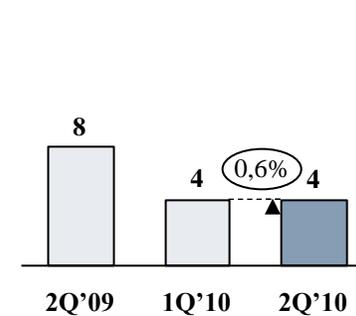
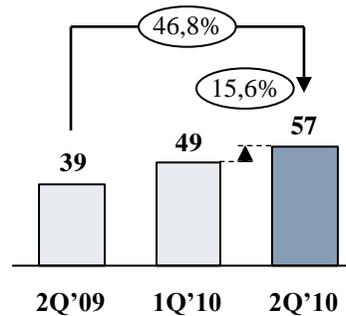
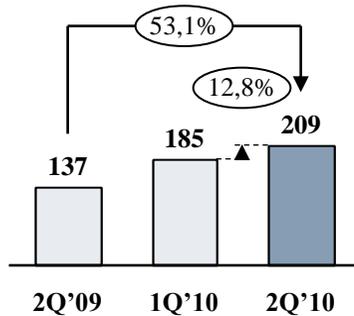
## OIBDA



## NET INCOME



RUR bln\*\*



\* Here and further, comparative financial results for the second quarter of 2009 are presented as reported historically except for MTS results which are presented including consolidated results of Comstar and TS Retail.

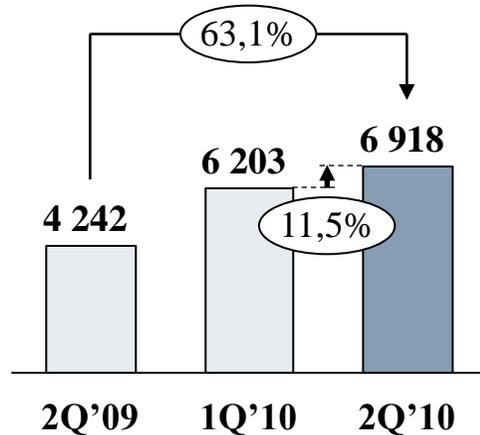
\*\* Hereinafter the conversion to rubles was done by multiplying the USD GAAP financial results by the RUR/USD rate. Average RUR/USD rate: 2Q2010 – 30.2430, 1Q2010 – 29.8903, 2Q2009 – 32.2145.

**Fundamental growth as portfolio of businesses recover from recession**

## 3.2. Consolidated revenue 2Q 2010

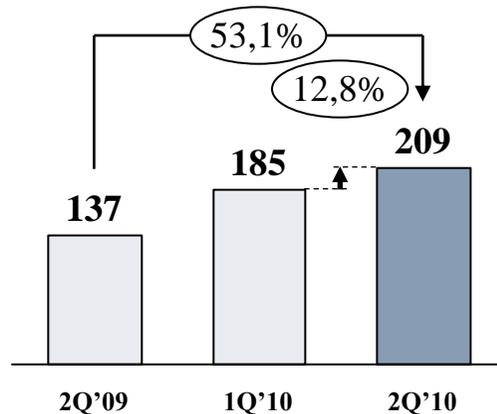


US GAAP, \$m



- Revenue increased YnY and QnQ primarily as a result of the significant growth in the Oil and Energy business unit
- Non-telecommunications businesses, including the Oil and Energy business unit, accounted for 59.1% of the total Group consolidated revenues in 2Q10, compared to 43.8% and 57.5% in 2Q09 and 1Q10 respectively

RUR bln

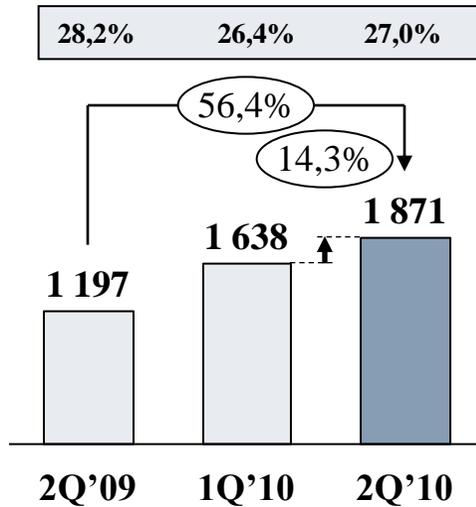


**Top-line growth bolstered by particularly strong performance in Oil and Energy**

# 3.3. Consolidated OIBDA 2Q 2010



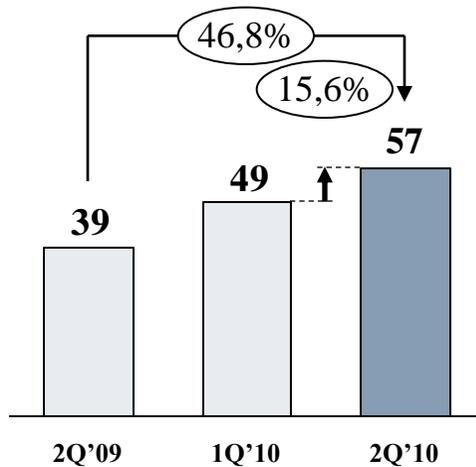
US GAAP, \$m



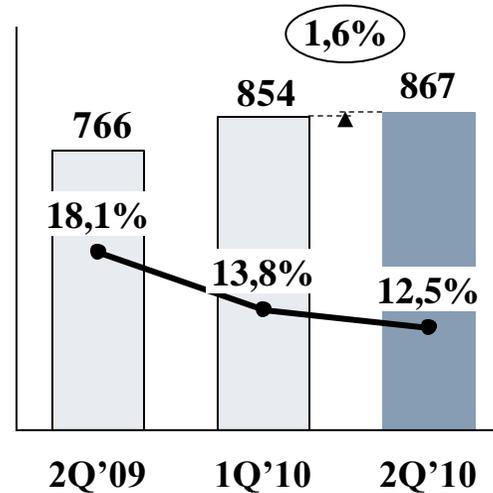
Margin

- OIBDA QnQ growth was due to improvement of the profitability of BashTek (contributed 51% of OIBDA growth in 2Q10) and Telecommunications (contributed 40.5% of consolidated OIBDA growth in 2Q10)
- The Group's OIBDA margin was 27.0% in 2Q10, compared to 28.2% in 2Q09 and 26.4% 1Q10

RUR bln



SG&A optimization  
(US\$ mln)



- Sistema continues to optimize SG&A. In 2Q10 SG&A to sales ratio decreased to 12,5%

● SG&A/Sales    □ SG&A

Margins keep pace with sales growth as operating profitability approaches pre-crisis levels

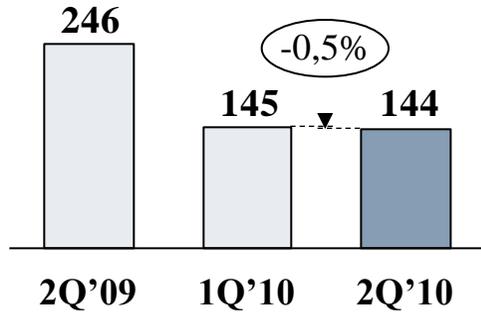
# 3.4. Consolidated net income 2Q 2010



US GAAP, \$m

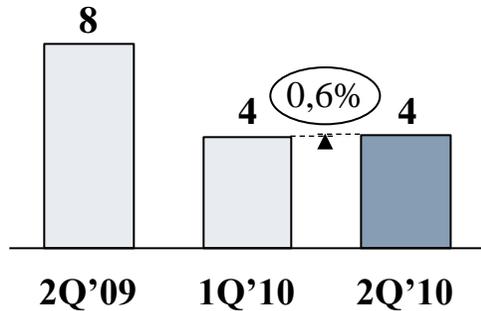
5,8%	2,3%	2,1%
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Margin



- The decrease in net income is mostly due to the foreign exchange loss in the second quarter of 2010 compared to foreign exchange gains recognized in the second quarter of 2009 and in the first quarter of 2010

RUR bln



**Net income in RUR improves, but is impacted in USD due to weakening of RUR**

# 3.5. Investment priorities of the Group in 2010



- The programme “2 I +” is the Group’s strategic priority

## 1. Infrastructure of basic services to the population:

- Communications
- Energy
- Healthcare
- Security

## 2. Info-communications

(high growth potential and replacement of traditional consumer sector formats)

- New services at 3G and broadband
- Navigation
- Pay TV
- Interactive services, including financial services
- + State projects where Sistema has proprietary expertise and synergies with portfolio exist



### Telecom assets

### Oil & Energy

### High tech and Ind.

### Consumer assets

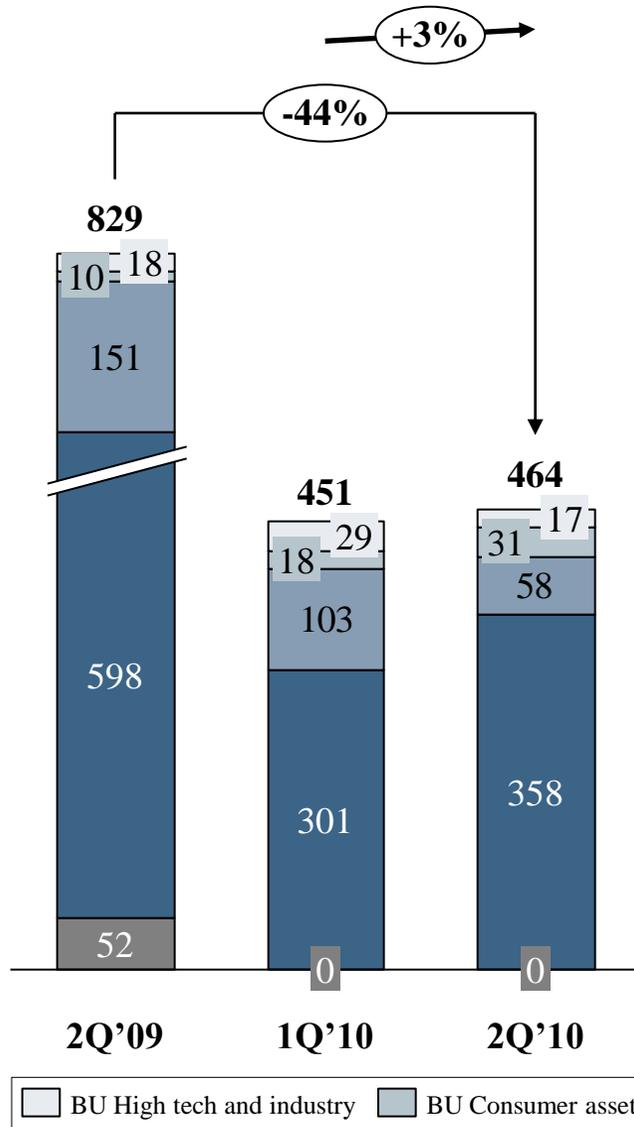
## Key investment projects

- Mobile infrastructure in Russia and CIS
- 3G in Russia
- Fixed line and broadband services
- Pan-Indian infrastructure
- TV content production
- Organic and M&A growth of upstream
- Optimization of refineries
- Enhancement of energy distribution
- GLONASS
- 90 nm chips
- New modern medical center
- IT systems for new banking products



**Investment program focused on infrastructure and info-communications plus projects with the State**

## 3.6. Consolidated CAPEX 2Q 2010



The YnY quarterly decrease of consolidated CAPEX has been driven by:

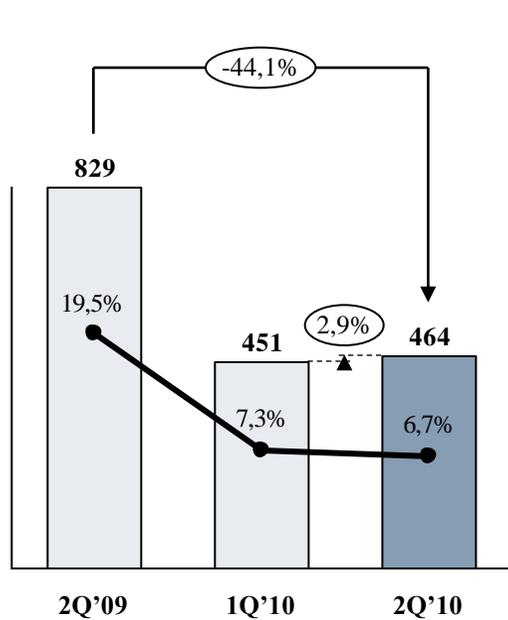
- Optimization of Bashneft's CAPEX according to the new strategy, refocusing of investment on upstream. The company confirms it's full 2010 year cumulative CAPEX guidance ~ RUR 20 bln for both upstream and downstream.
- Optimization of payment schedules in BU "Telecoms", deferral of significant payments from 1H to 2H 2010. MTS has confirmed its full year CAPEX guidance of 22-24% of Revenue.
- Outside of Telecoms and Oil & Energy – continuation of current investment programs with focus on efficiency and high return on invested capital.

**With recovery, particular focus on paring investment back to high ROIC CAPEX**

# 3.7. Business units' CAPEX 2Q 2010

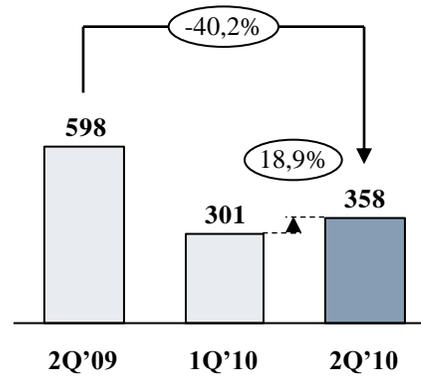


**Consolidated CAPEX**  
(\$ mln)

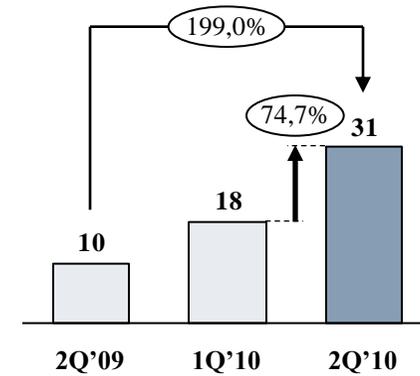


● CAPEX/Sales  
■ CAPEX

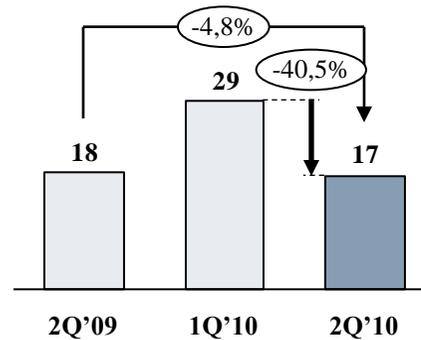
**BU Telecom Assets CAPEX** (\$ mln)



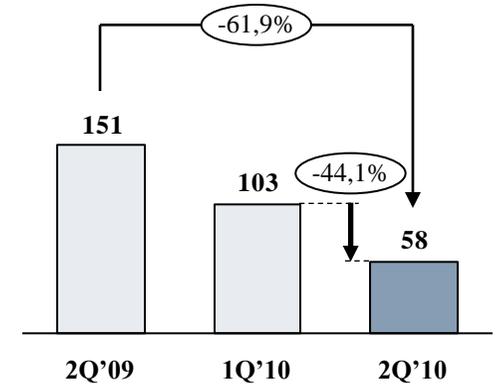
**BU Consumer Assets CAPEX** (\$ mln)



**BU High Tech & Industry CAPEX** (\$ mln)



**BU Oil & Energy CAPEX** (\$ mln)



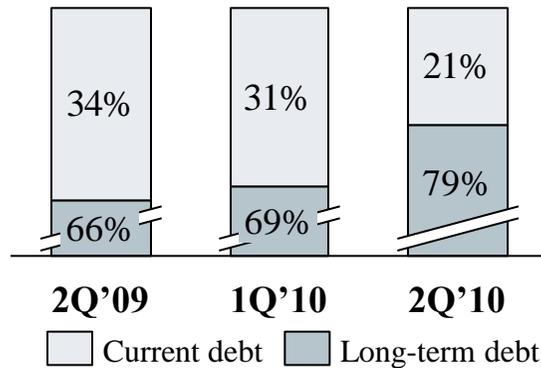
Rate of reinvestment normalized at lower CAPEX/Sales trend-line

# 3.8. Consolidated debt optimization

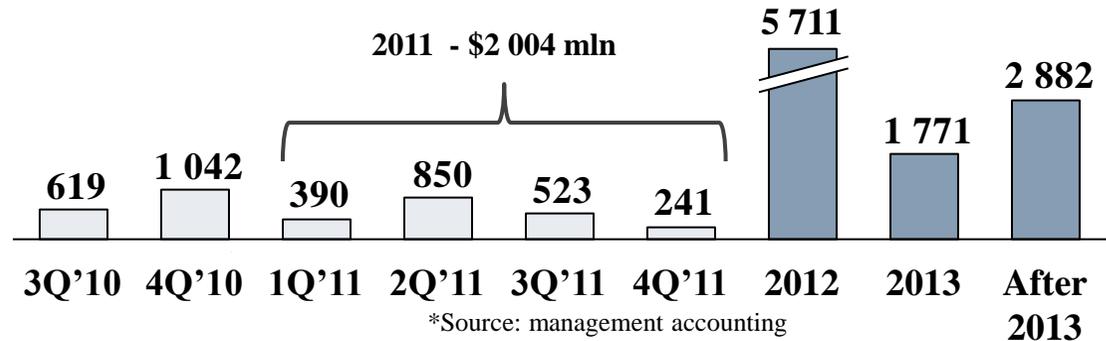


(Consolidated debt as of 30 June 2010)

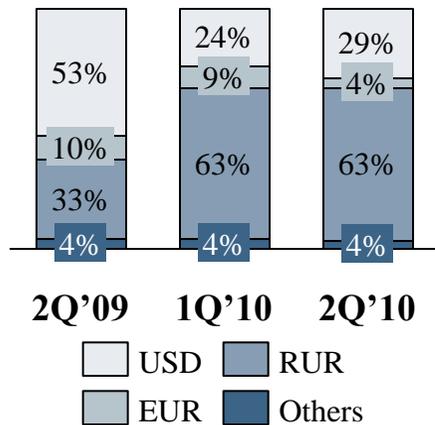
**Lt vs St debt (%)**



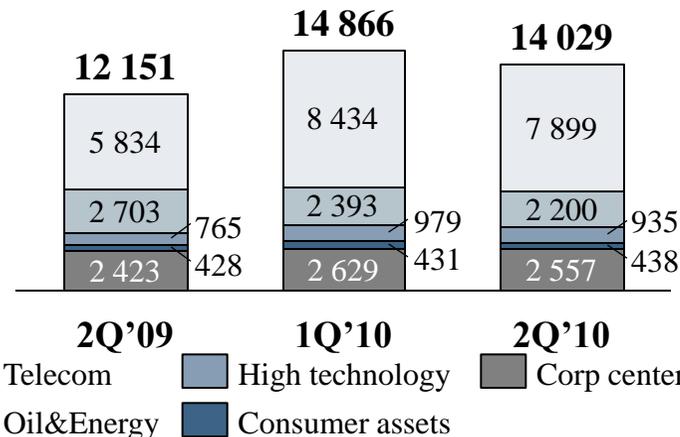
**Debt maturity profile (\$ mln)\***



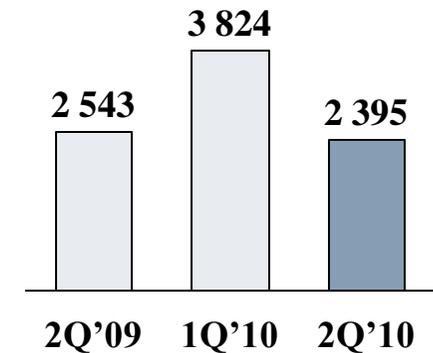
**Debt currency Composition (%)**



**Gross debt breakdown by Segments (\$ mln)**



**Group cash position (\$ mln)**



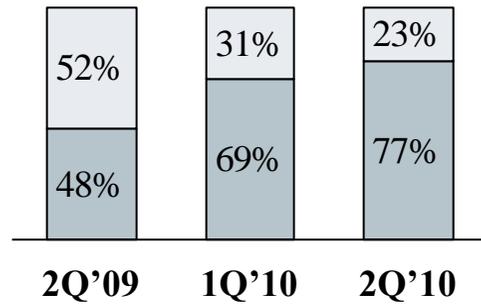
**Consolidated debt to OIBDA ratio reduced from 2.27x in 1Q10 to 2.0x in 2Q10**

# 3.9. Corporate Center debt management

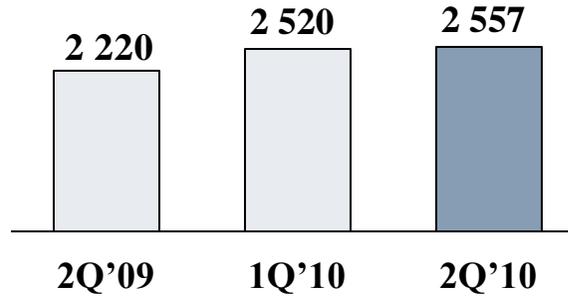
(as of 30 June 2010)



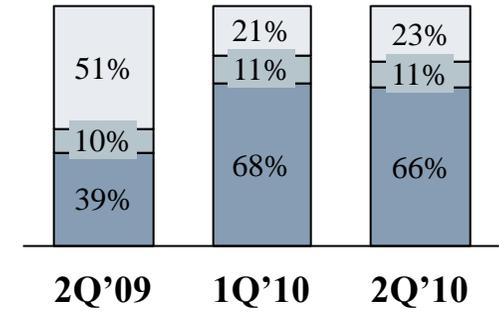
**HoldCo level  
Lt vs St debt (%)**



**HoldCo level  
Gross debt (\$ mln)**



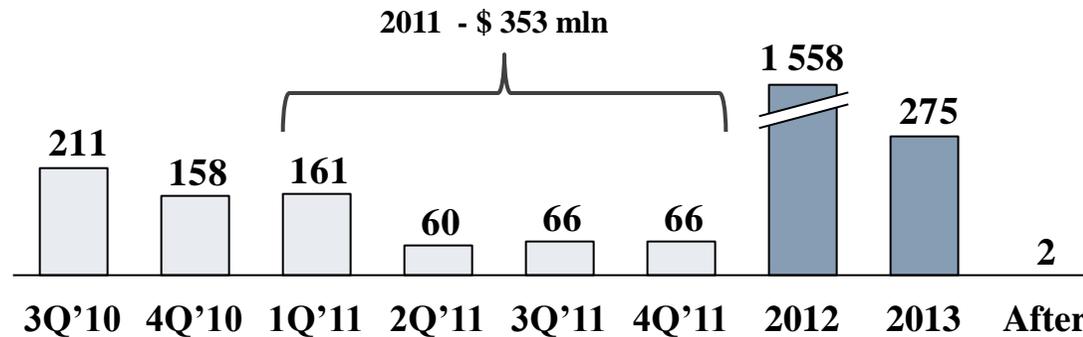
**HoldCo level  
Debt FX basket (%)**



□ Current debt □ Long-term debt

□ USD □ RUR □ EUR

**HoldCo level  
Debt maturity profile (\$ mln)\***



\*Source: management accounting

**Lengthening average maturity and increasing proportion of RUR vs USD debt over the year**



1. Company and key markets at a glance

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5. Annex



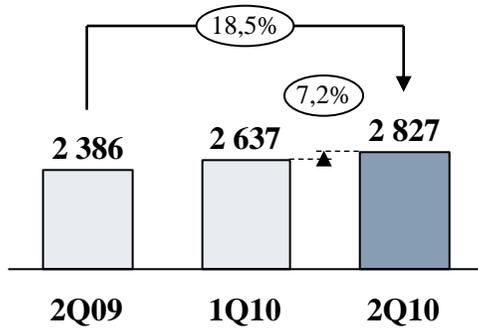
## Business Unit “Telecommunications assets”



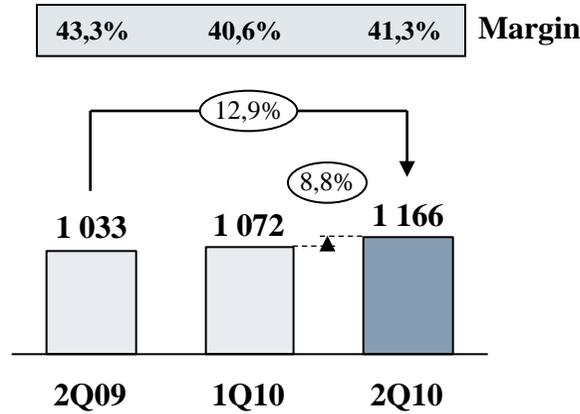
# 4.1. BU Telecom Assets

US GAAP, \$m

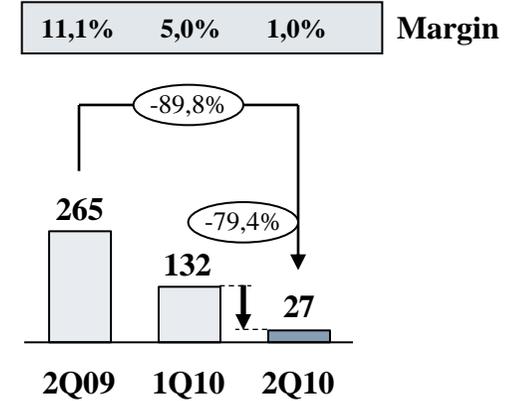
## REVENUE



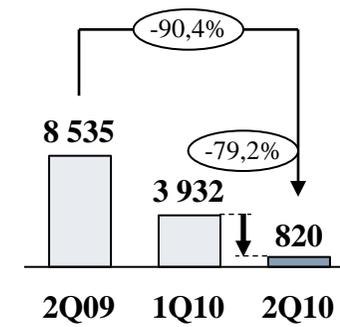
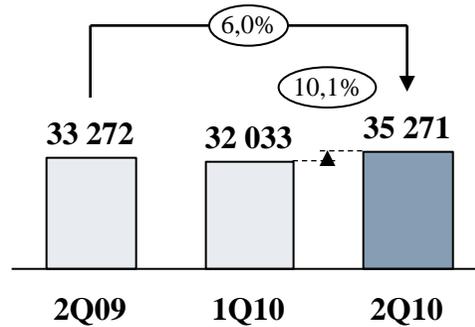
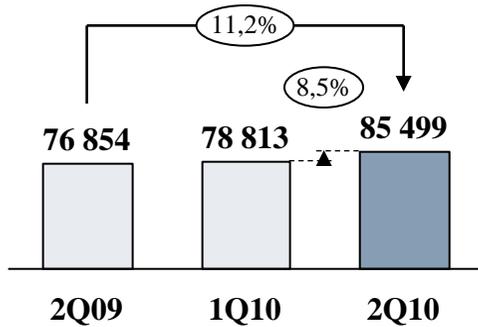
## OIBDA



## NET INCOME



RUR bn



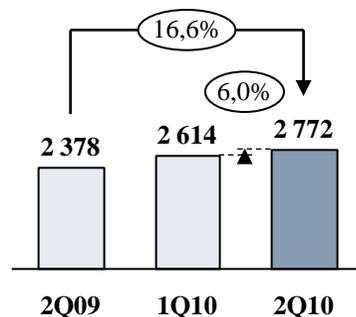
Profitability improves as OIBDA growth exceeds healthy increase to revenues

## 4.2. BU Telecom Assets: MTS

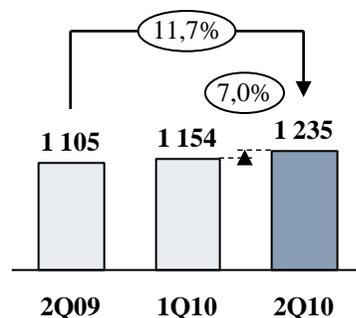


US GAAP, \$m

Revenue  
(\$m)



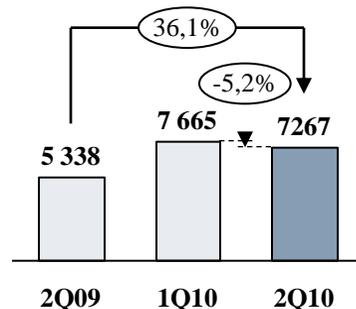
OIBDA  
(\$m)



OIBDA  
margin



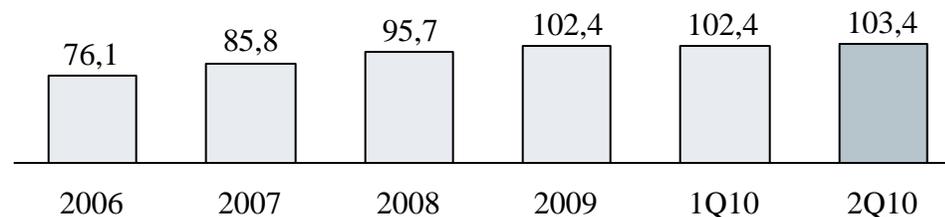
Debt \*\*  
(\$m)



\*Including the subscribers in the republic of Belarus

\*\*Hereinafter the intra-group debt is excluded

Subscribers\* (m)



Key events in Q2 2010 and onwards

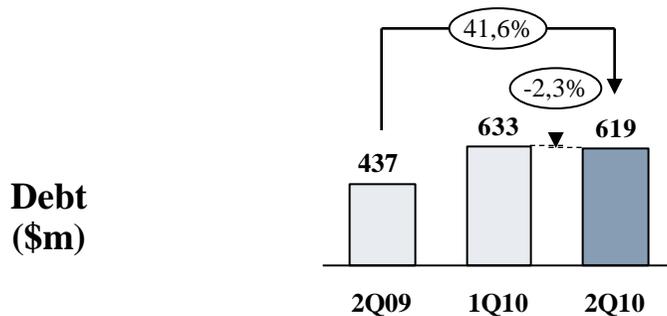
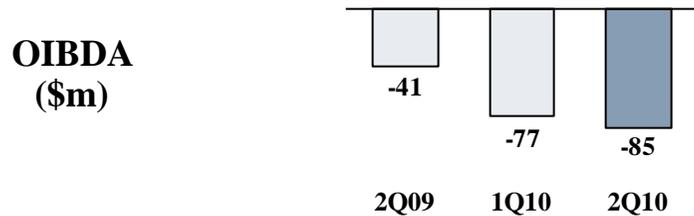
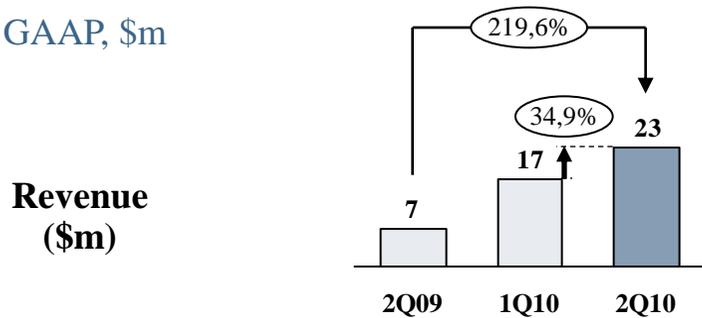
- Securing of financing from the Bank of Moscow in April (RUR 22 bln) and further reduction of its annual interest rate from 10.25% to 8.99% in June 2010
- ADR ratio change from 1:5 to 1:2 ADR per common share in May
- Repurchase of Series 01, 02 and 03 ruble-denominated bonds
- Approval of agreements signed in May 2010 by Comstar-UTS, MGTS Finance S.A. and OAO Rostelecom stipulating the sale of 25%+1 share of OAO Svyazinvest to OAO Rostelecom for RUR 26 bln
- Issuance of USD-denominated Loan Participation Notes (USD 750 mln) with annual interest of 8.625% and a maturity of June 2020
- Approval of recommended dividend for FY 2009 of RUR 30.70 bln (\$999.3 mln) or RUR 15.40 per ordinary share (\$1.00 per ADR) by the Company's AGM
- Securing of vendor financing in the amount of EUR 300 mln backed by Finnvera
- Approval of the merger of MTS and Comstar-UTS by the respective Boards of Directors and launch of the Voluntary Tender Offer to acquire up to 9% of Comstar-UTS' ordinary shares
- Acquisition of a 100% stake in Multiregion, one of the leading groups of broadband and cable TV providers in the Russian regions

Impressive increase in revenue outpaced by an even higher rate of OIBDA growth

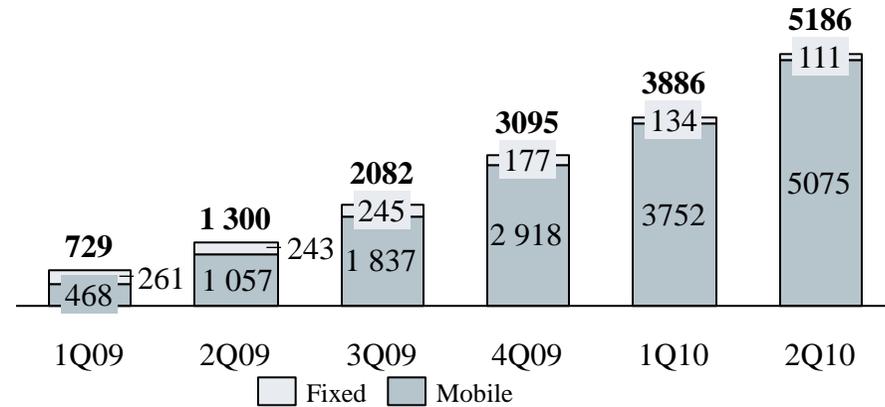
# 4.3. BU Telecom Assets: Sistema Shyam TeleServices Ltd.



US GAAP, \$m



## Fixed and mobile subscribers (K)



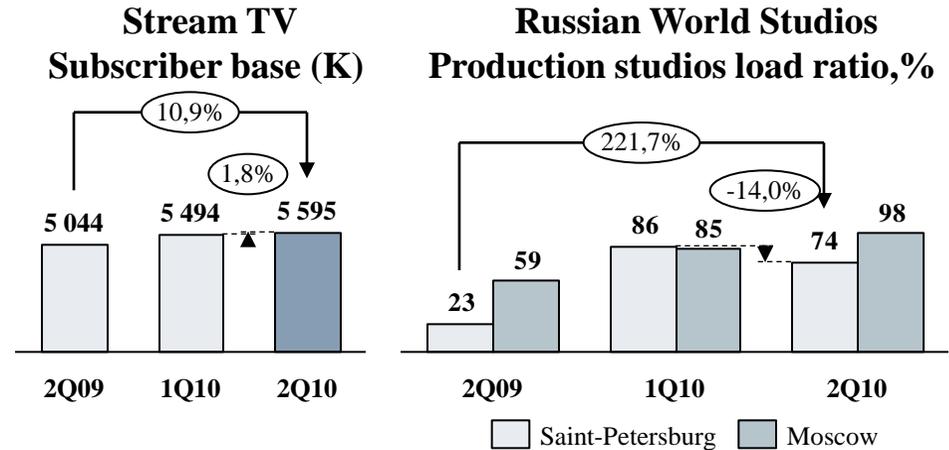
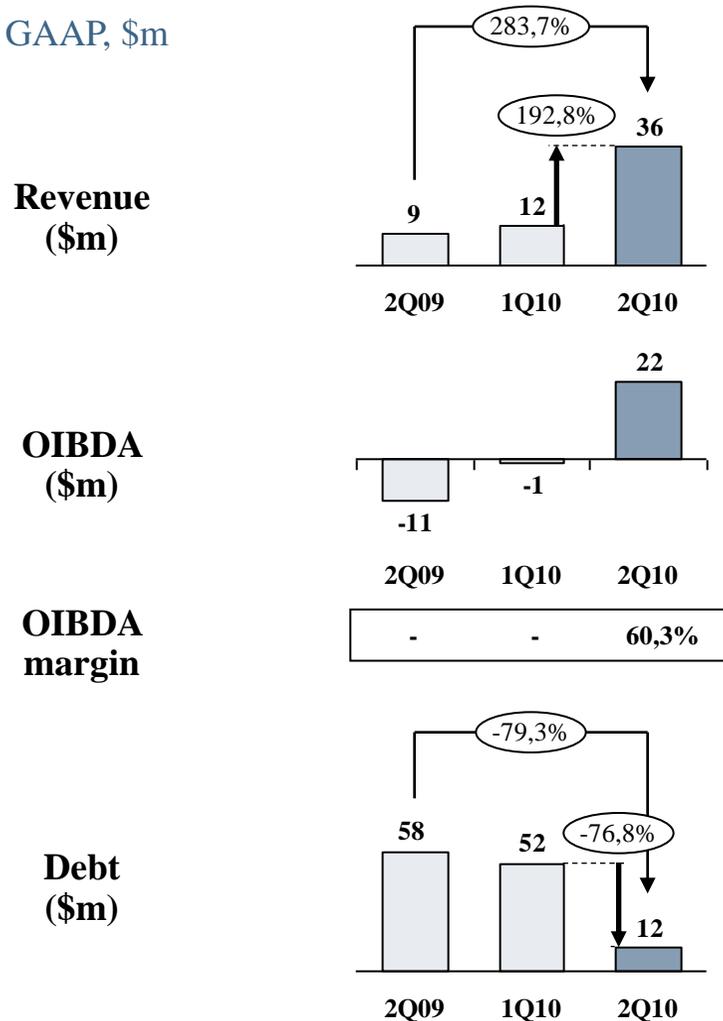
## Key events in Q2 2010 and onwards

- During the reporting period the total number of subscribers crossed the 5 mln. mark. As of today it exceeds 6 mln., while the number of mobile data subscribers exceeded 200,000
- Incremental market share in India reached 3% (vs 1% 1Q10), market share in the circles of SSTL operations reached 6% (vs 2% 1Q10)
- Highest incremental market share growth was in West Bengal (incl. Kolkata) with 8% growth and Karnataka with 6.4% growth. Incremental market share in Rajasthan increased to 23% and in recently launched Maharashtra circle to 54%

**Network roll-out proceeds as planned while growth of subscriber base is ahead of schedule**

# 4.4. BU Telecom Assets: SMM

US GAAP, \$m



## Key events in Q2 2010 and onwards

- Subscriber base of Stream TV increased 1.8% vs 1Q 2010 to 5,6 mln
- Sales of television content increased by 4,6 times vs 1Q 2010
- In-house produced content and content with all rights reached 1,052 hours
- High load ratio of production studios (Moscow studio load factor of 98%)
- New management team for Maxima

**OIBDA turns positive on top of significant growth in revenues from the film distribution division and organic growth at STREAM TV**



## Business Unit “Oil and Energy”



Bashneft



Ufaneftekhim



Novoil



Ufa refinery



Ufaorgsintez



Bashkirnefteproduct



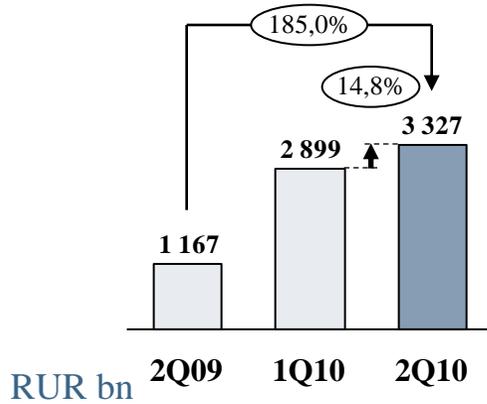
Bashkirenergo

# 4.5. BU Oil&Energy

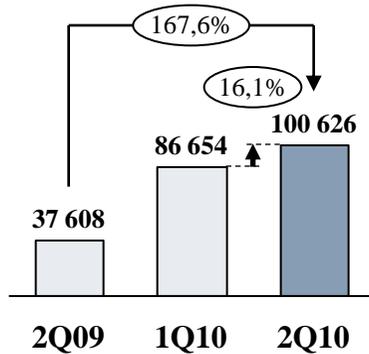


US GAAP, \$m

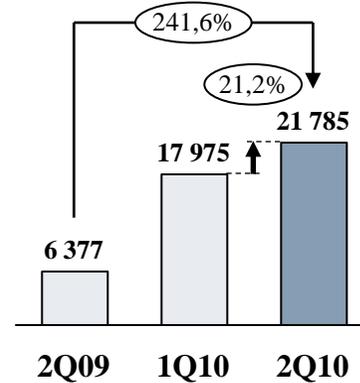
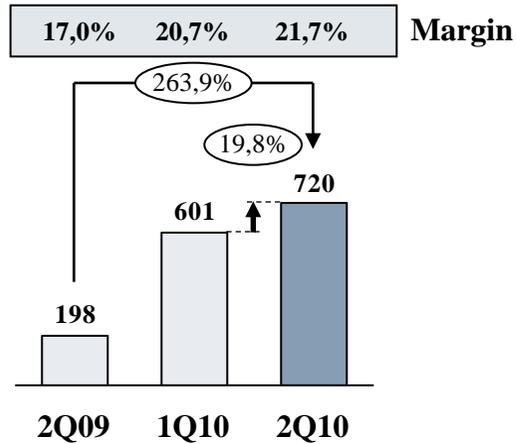
## REVENUE



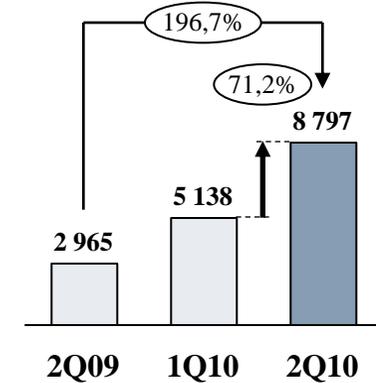
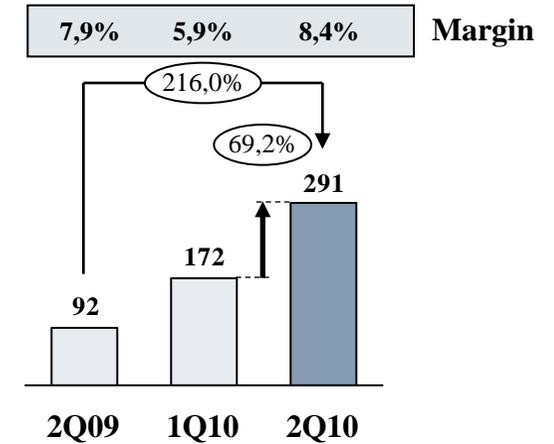
RUR bn



## OIBDA\*



## NET INCOME



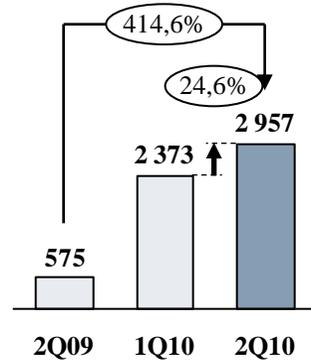
**Strong results across all measures due to outstanding performance of oil and refining businesses**

# 4.6. BU Oil&Energy: Bashneft

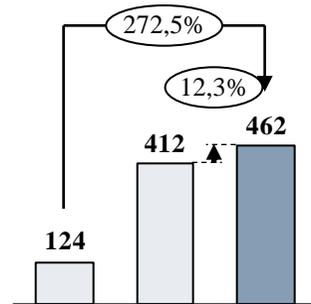


US GAAP, \$ m

**Revenue (\$m)**



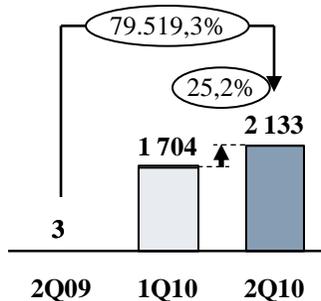
**OIBDA (\$m)**



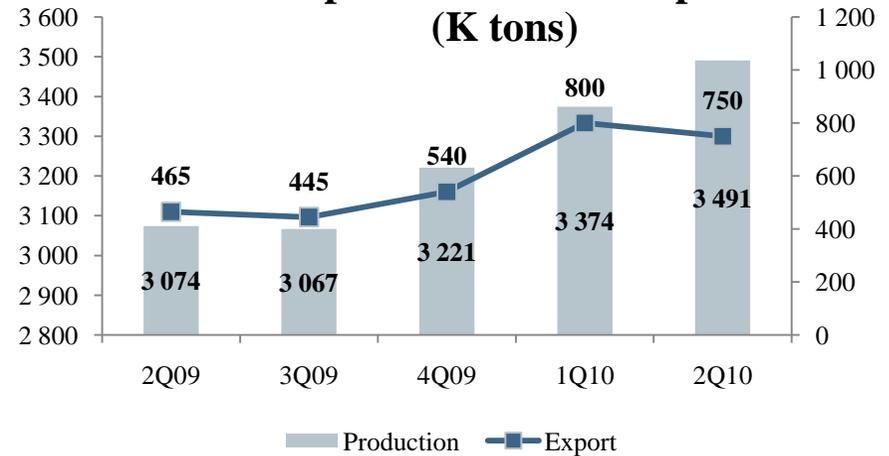
**OIBDA margin**

Quarter	OIBDA margin
2Q09	21,6%
1Q10	17,4%
2Q10	15,6%

**Debt (\$m)**



**Oil production\* and export (K tons)**



## Key events in Q2 2010 and onwards

- During 2Q2010 6 licenses were acquired – the exploration and production license for Ulkanovskiy field was acquired at auction. Total recoverable C1+C2 reserves of the acquired fields include 2.03 mln tons, C3 reserves include 0.7 mln tons
- Increased volume of oil production is a result of better reservoir management, well intervention and drilling
- The company completes first western reserve audit, Miller & Lents estimate 3P reserves at 2,132 million barrels

\* Including production by subsidiaries

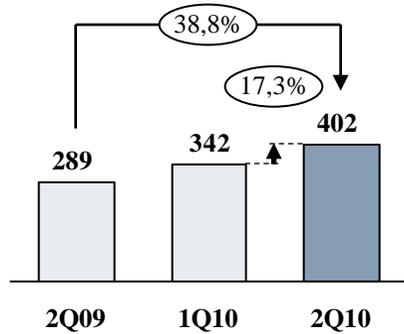
**Growth in top-line from continued reservoir pressure optimization and well work-overs**

# 4.7. BU Oil&Energy: Refineries

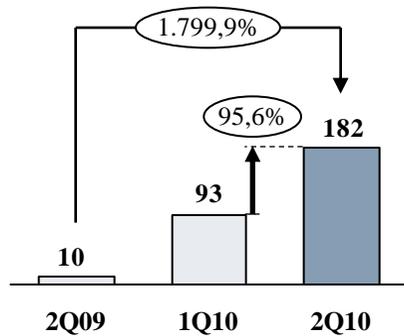


US GAAP, \$ m

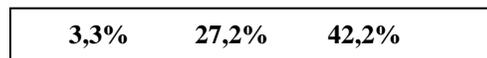
**Revenue (\$m)**



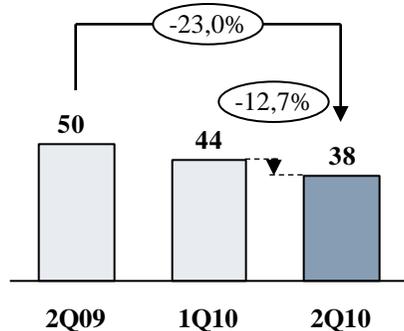
**OIBDA (\$m)**



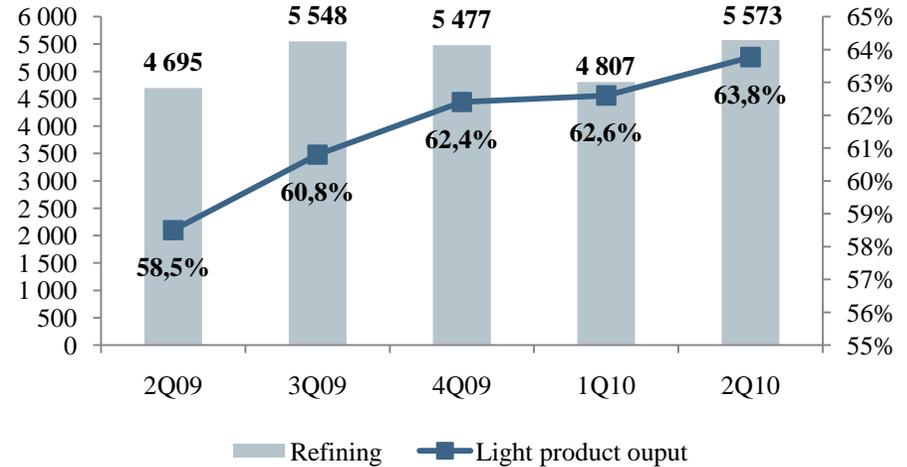
**OIBDA margin**



**Debt (\$m)**



**Refining (K tons) and light product yield (%)**



## Key events in Q2 2010 and onwards

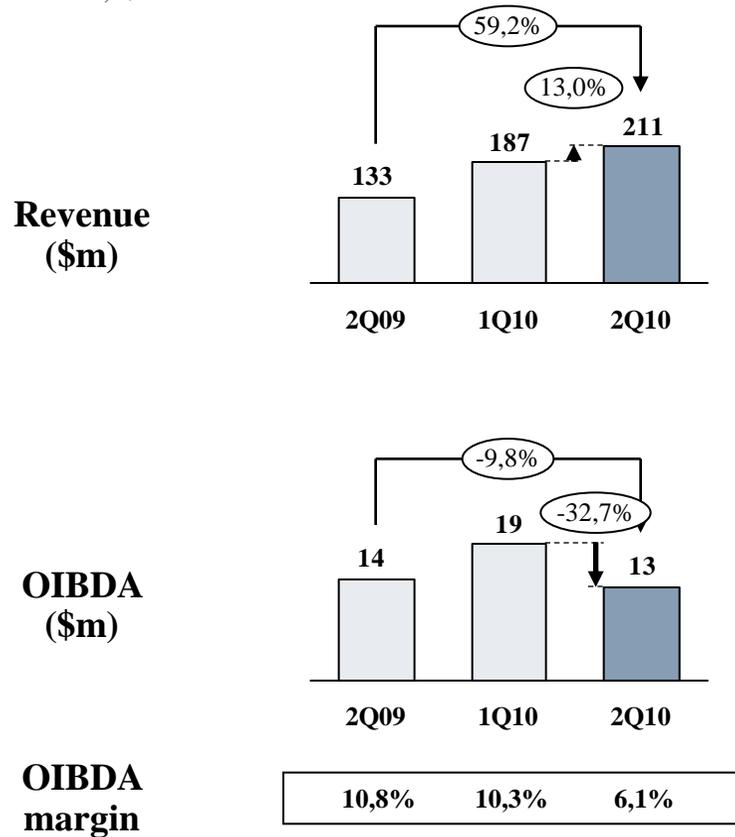
- The delayed coker unit modernisation was completed, which enabled processing depth and yield of light products to increase by 4% compared to 2Q 2009

**Operating margin grew by over 10x in the last year**

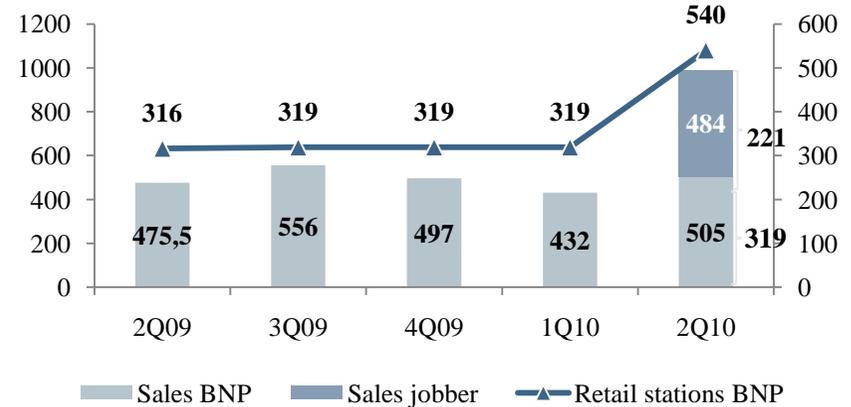
# 4.8. BU Oil&Energy: Bashkirnefteproduct



US GAAP, \$m



Sales per retail station (tons) and the number of retail stations



## Key events in Q2 2010 and onwards

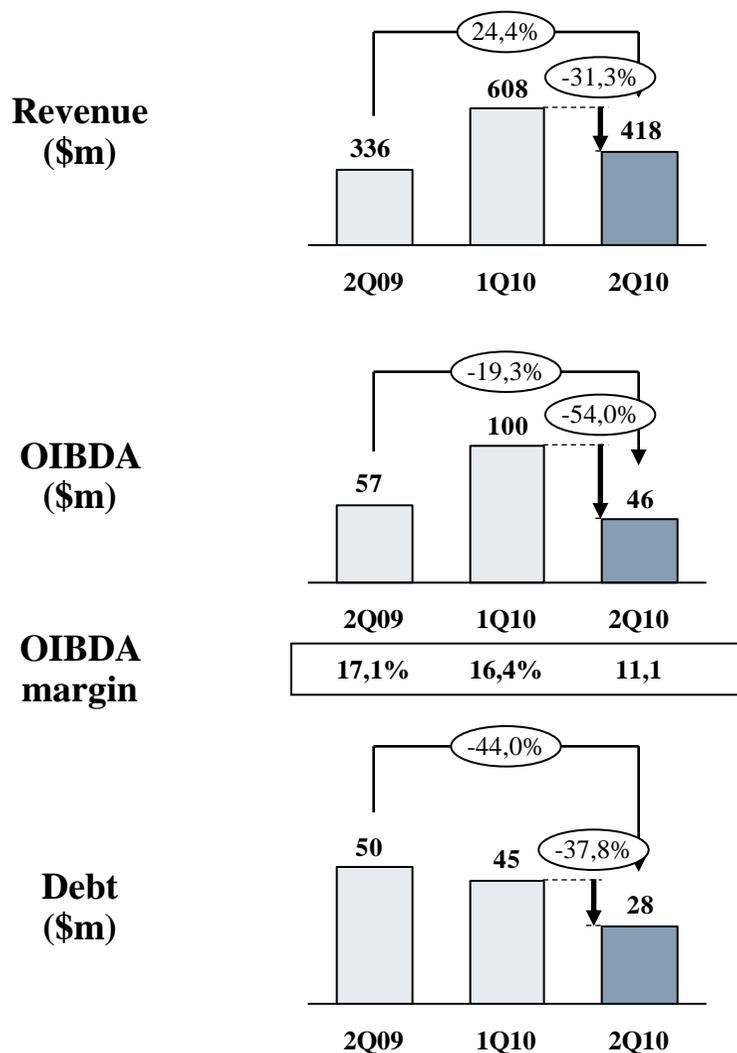
- Stores at 5 retail stations rebuilt
- Jobber sales program was initiated (22 partnership retail stations sold 21 K tons of diesel oil and 86 K tons of petrol)
- Under the program initiated by the Russian Ministry of Energy and the Russian Ministry of Agriculture 29.5 K tons of diesel oil and 1.4 K tons of petrol were sold to agricultural producers at discounted prices

Margins average downward due to added sales by jobbers

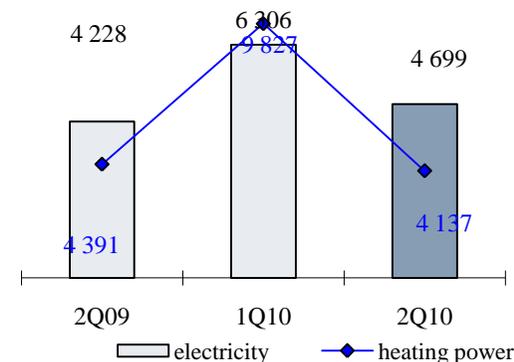
# 4.9. BU Oil&Energy: Bashkirenergo



US GAAP, \$ m



Electric power generation (kW m) and heating power supply (ths. Gcal)



## Key events in Q2 2010 and onwards

- New members of BoD are elected at AGM
- 220kV transmission line at Ufimskaya-Amet is activated
- First phase of Zaural CCTP expansion is activated

Decline in volumes due to seasonality and reduction of margins as a result of increase in oil & gas prices



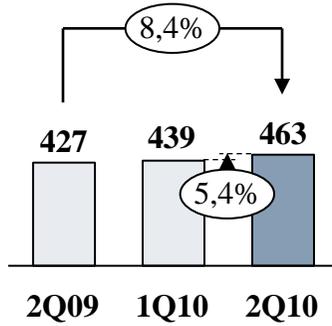
## Business Unit Consumer Assets



# 4.10. BU Consumer Assets

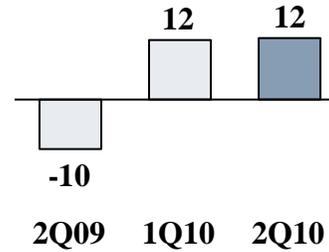
US GAAP, \$m

## REVENUE

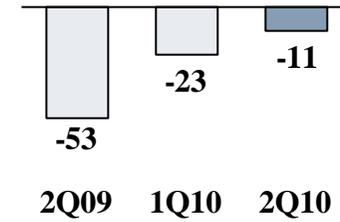


## OIBDA

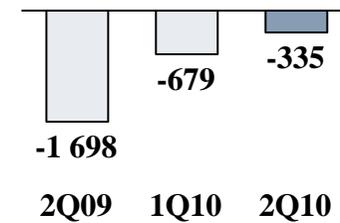
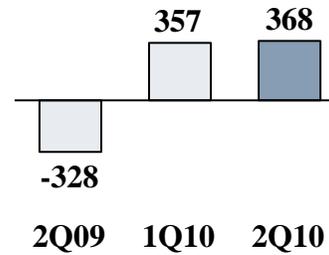
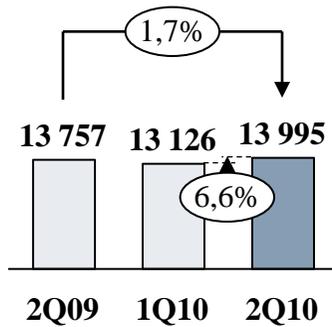
-	2,7%	2,6%	Margin
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## NET LOSS



RUR m

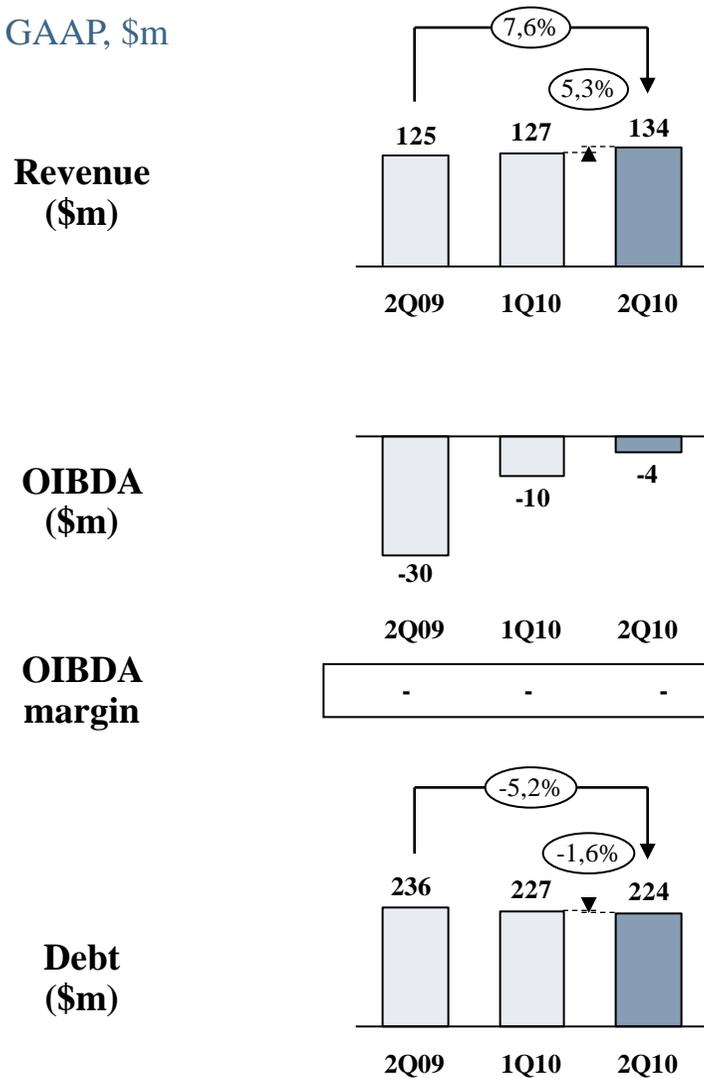


Continued focus on operations closes the gap as net losses approach zero

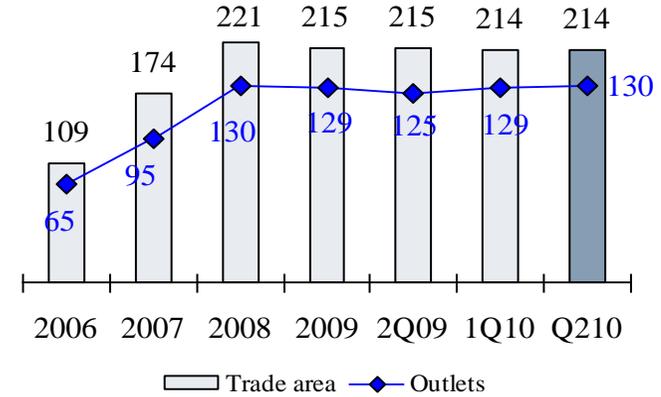
# 4.11. BU Consumer Assets: Retail



US GAAP, \$m



## Stores trade space (thousand sq.m.) and number of outlets



## Key events in Q2 2010 and onwards

- A.Chuikin was appointed as General Director
- Additional shares issued to JSFC Sistema for the consideration of RUR 1,616.8 mln (USD 53.4 mln)
- Number of stores increased 4% to 130 vs 2Q 2009
- The Rechnoy Vokzal store was opened in Moscow

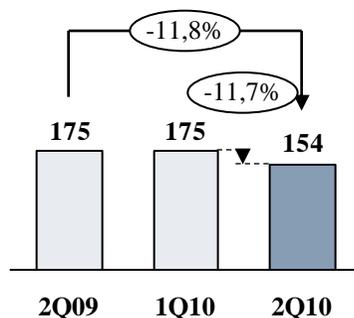
**OIBDA approaching neutral state as product range adjustments, new mark-up policies and SG&A reductions take hold**

# 4.12. BU Consumer Assets: Finance

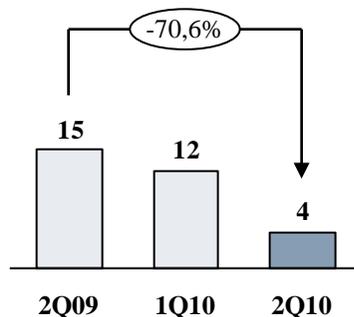


US GAAP, \$m

Revenue\*  
(\$m)



OIBDA  
(\$m)

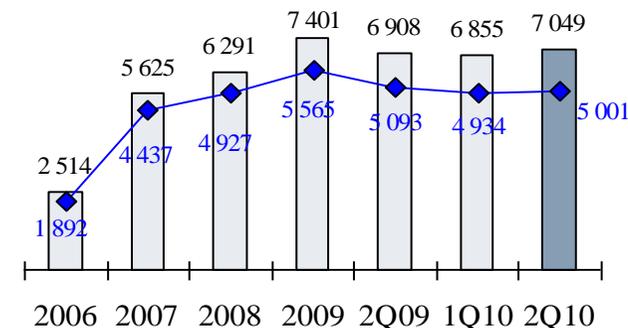


OIBDA  
margin

8,7%	7,0	2,9%
------	-----	------

\* According to ASC (Accounting Standards Codification) 605, including ASC 940 and 942 - Financial services

Assets and loans\* (\$m)



Assets — Loans to customers and banks

## Key events in Q1 2010 and onwards

- Registration of MBRD shares issue with the Central bank of Russia (RUR 5,15 bln)
- Acceleration of development of Colvir IT platform: 1<sup>st</sup> pilot branch was switched to standby mode
- Mortgage program development completed (launched in main plus 8 other branches on August 1)
- DalComBank: plastic card program (Visa/Mastercard) launched
- National rating agency (NRA) confirmed “AA” rating

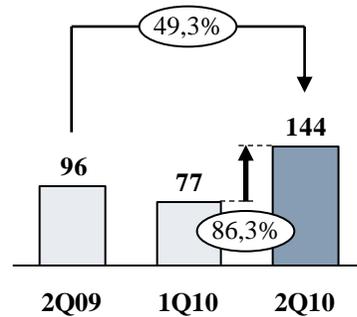
Revenues decline as yield curve flattens, and OIBDA decreases due to added loan provisions

# 4.13. BU Consumer Assets: Tourism

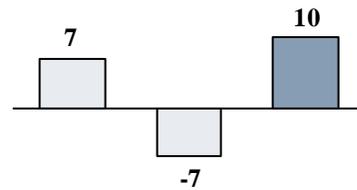


US GAAP, \$m

**Revenue (\$m)**



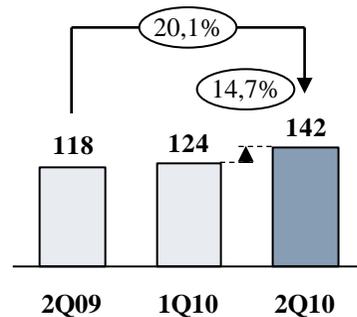
**OIBDA (\$m)**



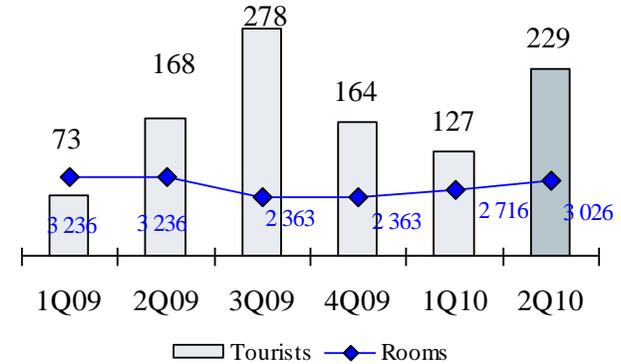
**OIBDA margin**

2Q09	1Q10	2Q10
7,2%	-	7,0%

**Debt (\$m)**



**Tourists (thousands)\*, rooms owned, managed and rented**



**Key events in 2Q 2010 and onwards**

- In April, Intourist redeemed the Series 01 bonds issue with the total par value of RUR 1bn, and on May 25, 2010 the company placed Series 02 bonds in the amount of RUR 2bn.
- In May, Intourist assumed the management of Maxim Resort Hotel, a 5-star hotel in Turkey.
- In June, Intourist awarded “Tour operator of the year” in the “Leaders of Russian Economy” program
- In July Intourist announced the opening of luxury boutique hotel Principe Forte dei Marmi in Italy. Investment totaled EUR 25 mln and construction was completed in three years

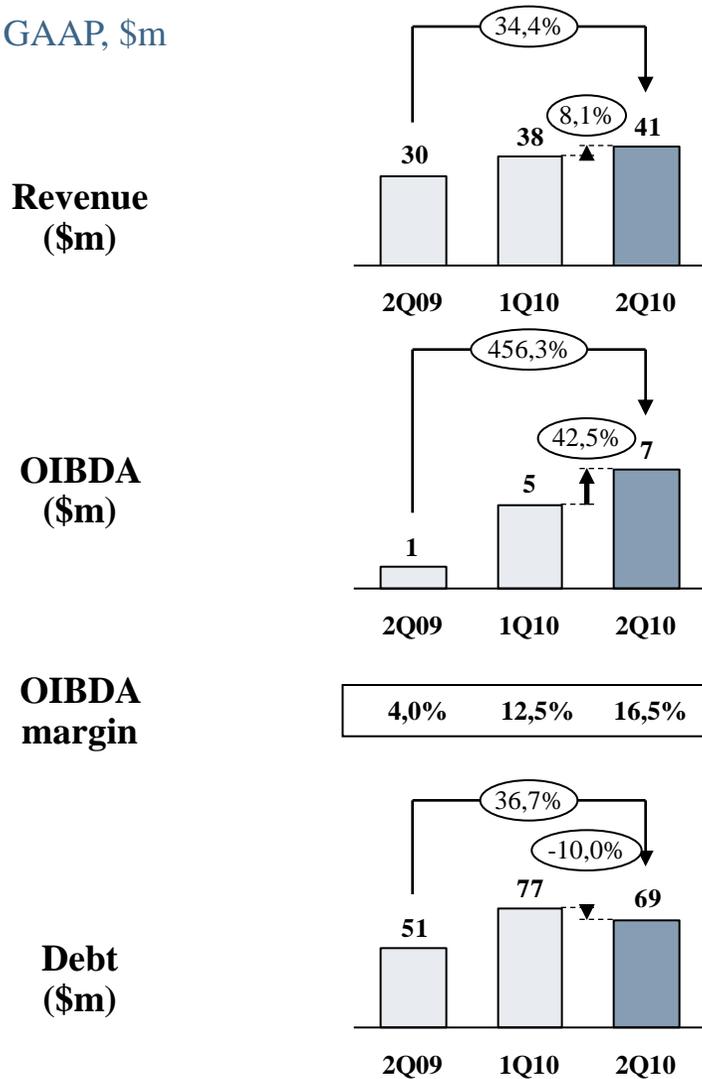
\* Including outbound, inbound, domestic tourism and transport services.

**YnY growth is driven by the recovery of the market, and strong QnQ results due to the beginning of high travel season**

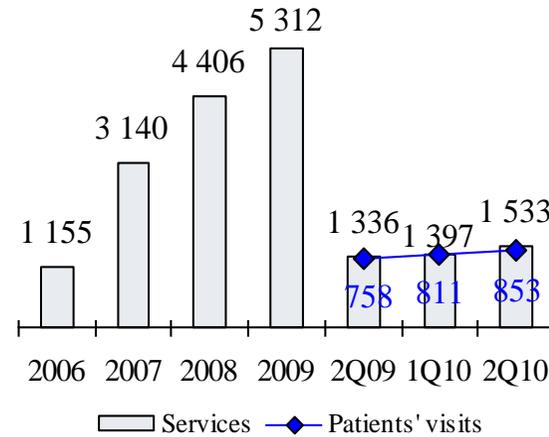
# 4.14. BU Consumer Assets: Healthcare



US GAAP, \$m



## Services and patient visits (thousands)



## Key events in Q2 2010 and onwards

- Increase of patients' visits by 12.5% and services provided by 14.7% comparing to 2Q09
- Average cheque increase by 19.4% to \$47.6 comparing to 2Q09
- Revenue per sq.m. increase comparing to 2Q09 by 23.4%

**Consistent revenue and OIBDA growth as business expansion continues and patients' visits increase**



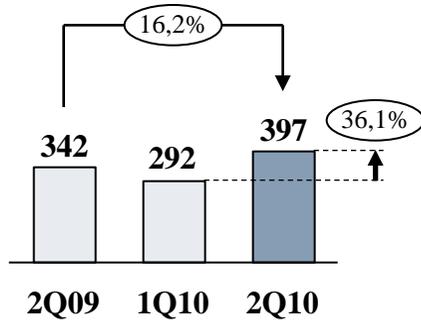
## Business Unit High Tech and Industry



# 4.15. BU High Tech and Industry

US GAAP, \$m

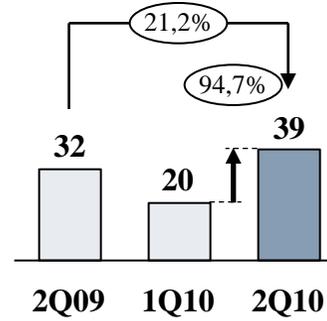
## REVENUE



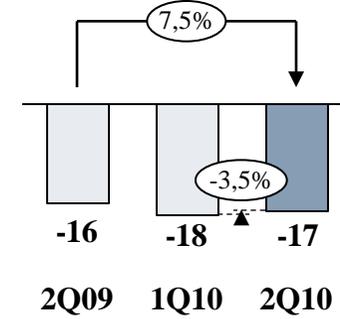
## OIBDA

9,4%	6,9%	9,8%
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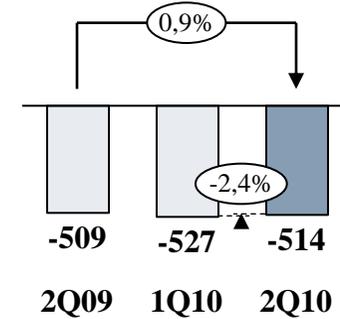
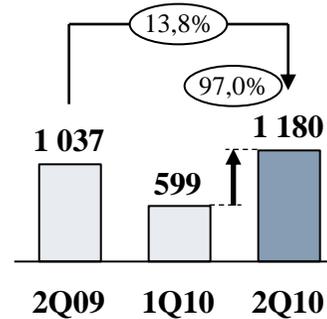
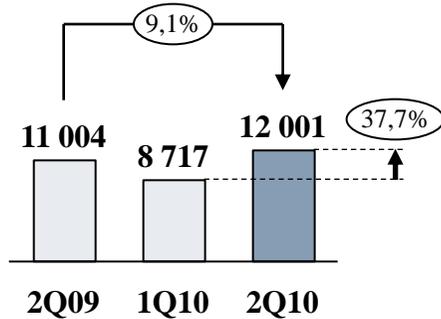
Margin



## NET LOSS



RUR m



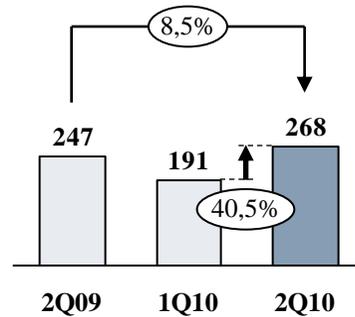
Operating margins strengthening as OIBDA doubles over period

# 4.16. BU High Tech and Industry: SITRONICS

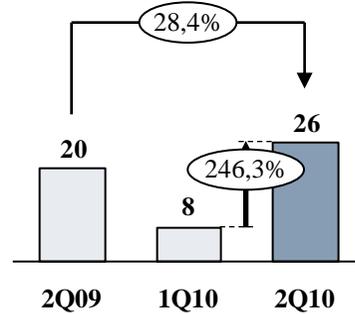


US GAAP, \$m

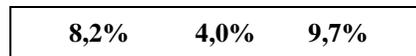
**Revenue (\$m)**



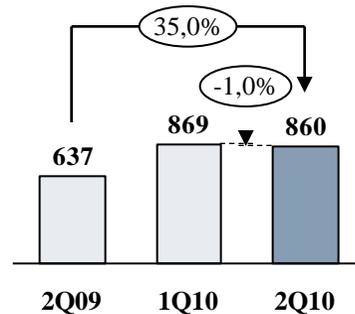
**OIBDA (\$m)**



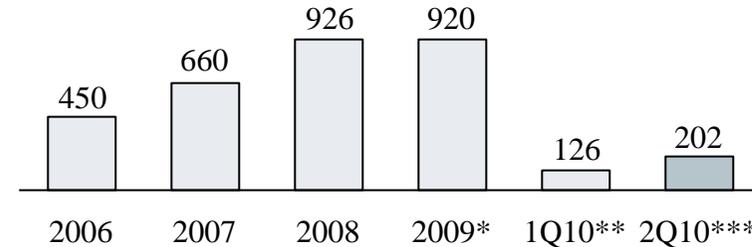
**OIBDA margin**



**Debt (\$m)**



**Contract revenues (\$million)**



\* Until FY 2009 results were announced (April 22, 2010)  
 \*\* Since FY2009 financial results were announced (April 22, 2010)  
 \*\*\* Since 1Q10 financial results were announced (June 2, 2010)

## Key events in 2Q 2010 and onwards

- In April, SITRONICS acquired the remaining 35% of shares in LLC SITRONICS Smart Technologies (SST) from Giesecke&Devrient GmbH for RUR 101.9 million
- In June, SITRONICS placed RUR 2 billion non-convertible interest-bearing series BO-01 three-year bonds with a put option exercisable in two years following the fourth coupon payment. The annual coupon rate is 11.75% for the first four semi-annual coupon payments
- In July, INTRACOM TELECOM division of SITRONICS won a €3.4mln contract to supply WiBAS Point-to-Multipoint systems to Rolaware (broadband services provider in Greece)
- 1st stage of the project «Republic of Bashkortostan E-Government. 1st phase» was completed. It resulted in the first full-scale law documents system in Russia that is used for inter-agency work in the Russian Federation
- In August, SITRONICS Smart Technologies won a tender for card personalization and blank card delivery services for Sberbank

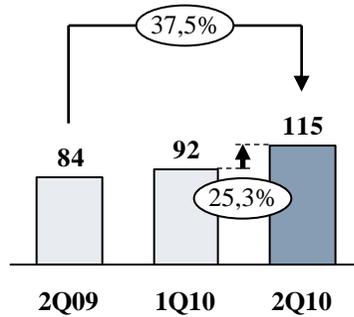
**Notable sales growth in Information Technologies and Microelectronics**

# 4.17. BU High Tech and Industry: Radars and Aerospace

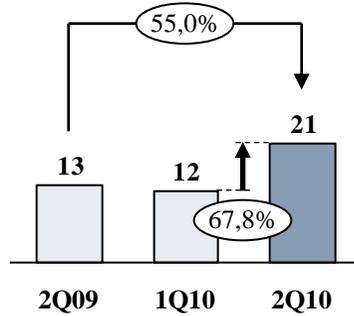


US GAAP, \$m

**Revenue  
(\$m)**



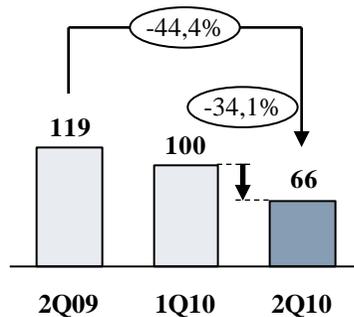
**OIBDA  
(\$m)**



**OIBDA  
margin**

2Q09	16,0%
1Q10	13,4%
2Q10	18,0%

**Debt  
(\$m)**



## Key events in Q2 2010 and onwards

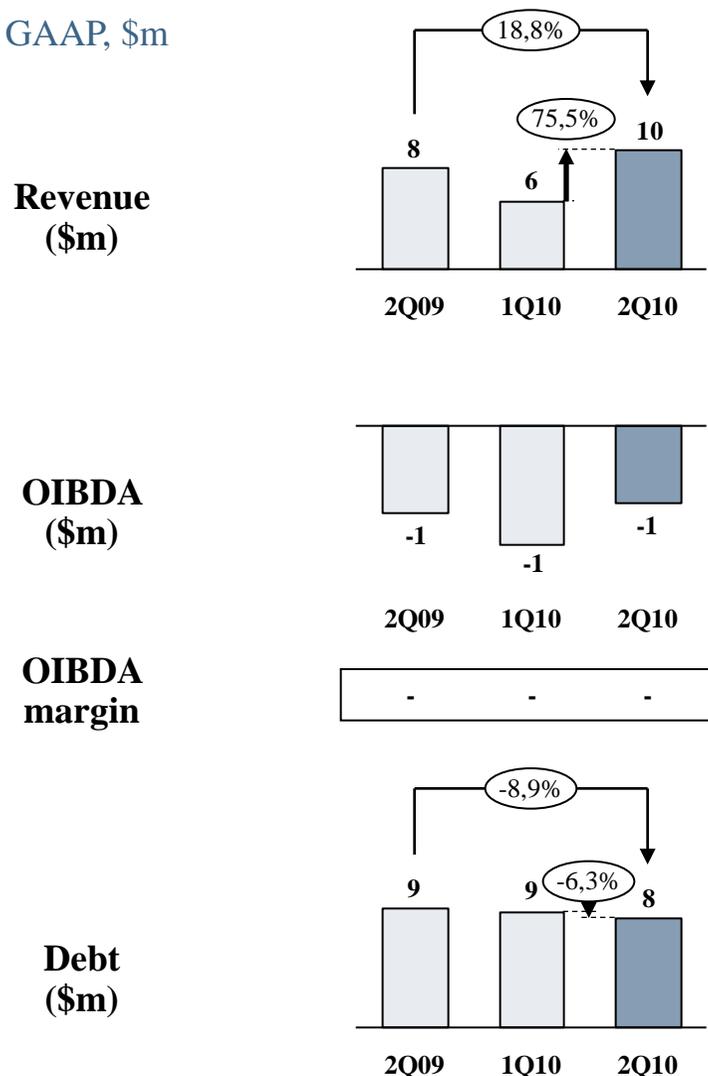
- Development design office “DDO Planet” - a subsidiary of RTI - won a tender for development and design work amounting to RUR 90 mln
- Yaroslavl Radio Plant awarded best social partnership practices

**OIBDA margins of 18% achieved this quarter**

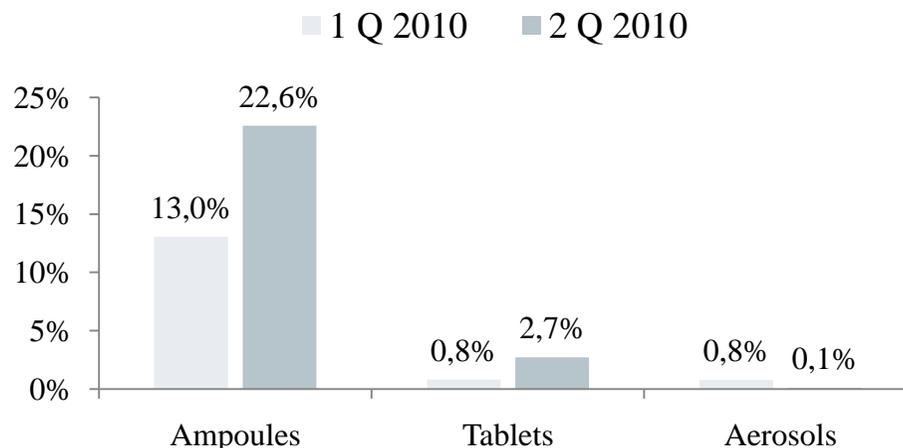
# 3.18. BU High Tech and Industry: Pharmaceuticals



US GAAP, \$m



## Utilization of new Zelenograd production facility



## Key events in Q2 2010 and onwards

- The Company won a tender for production of Hepatitis B vaccine for children. Appr. 4 million doses required under the tender contract produced and delivered
- Strategic agreements with Biology and Chemistry Departments of Moscow State University were signed
- New capsule production line for generic Noben production (own brand) was launched

**Utilization of new Zelenograd factory ramps up, while alliances with key educational and research centers are created**



1. Company and key markets at a glance
2. Key events
3. Q2 2010 financial results
4. Business units and portfolio (consolidated) companies
- 5. Annex**

## 5.1. BU “Oil and Energy” ownership structure reconciliation



Significant entities	JSFC Sistema effective ownership interest	
	June 30, 2010	December 31, 2009
Bashneft	73%	73%
Novoil	71%	71%
UNPZ	64%	63%
Ufaneftekhim	59%	53%
Ufaorgsintez	63%	59%
BNP	59%	74%
Bashkirenergo	50%+1*	50%+1*
Russneft	49%	0%

\* Voting shares



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

**THANK YOU!**

**Leonid MELAMED**  
President of Sistema JSFC

**Alexey BUYANOV**  
Senior Vice President of Sistema JSFC, Head of Finance and Investment

**Anton ABUGOV**  
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September 15, 2010