



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

# **Sistema JSFC**

Financial Results

3Q 2012

November 21, 2012

**Mikhail Shamolin**

President of Sistema JSFC

**Aleksey Buyanov**

Senior Vice President of Sistema JSFC, Chief Financial Officer

**Anton Abugov**

First Vice President of Sistema JSFC



## 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.



# 3Q 2012: Financial Results

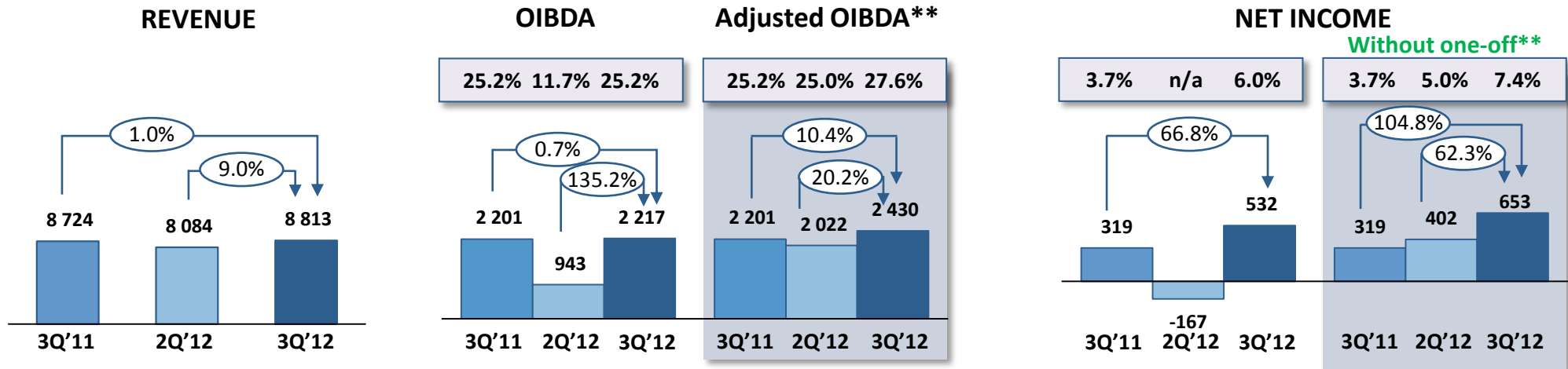
## FINANCIAL HIGHLIGHTS

- **Revenues up 1.0%** YoY to US\$ 8.8 billion; 11.3% in roubles terms
- **Adjusted OIBDA up 10.4%** YoY to US\$ 2.4 billion, with an OIBDA margin of 27.6%. Adjusted OIBDA increased by 21.7% YoY in rouble terms.
- **Net income without one-off up 104.8%** YoY to US\$ 653.2 million, versus US\$ 319.0 million in 3Q 2011
- **Net cash\* at the Hold Co level** amounted to US\$ 152.0 million as of September 30, 2012, compared to net debt of US\$ 433.2 million as of September 30, 2011

## INVESTMENT HIGHLIGHTS

- **Largest investments delivering consistent growth** driven by excellent results from Bashneft and MTS
- **Strong quarter for Consumer and High Tech assets** driven by Detsky mir's successful store expansion and RTI's consolidation of NVision

US GAAP, US\$ mln.



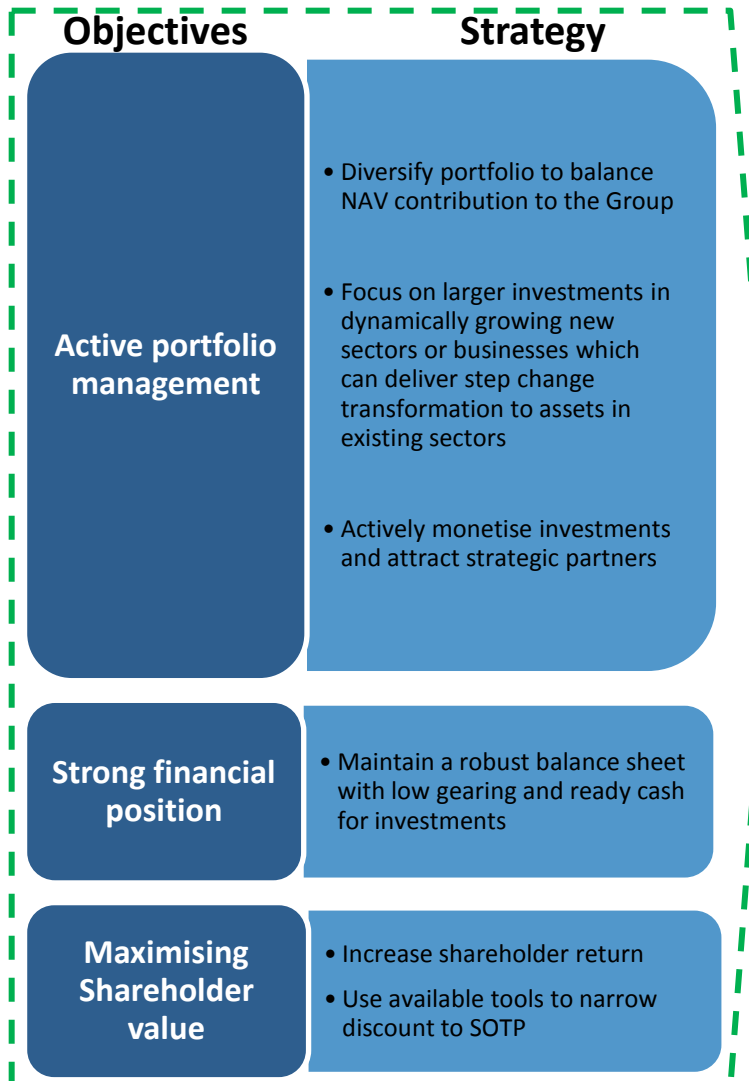
**Strong quarter with significant double digit growth in rouble terms in Revenue, OIBDA and Net Income driven by excellent results in Oil, High Tech and Consumer investments**

\*Including highly liquid deposits.

\*\* Non-cash one-off item relates to the US\$ 1,079.0 million recognised loss from impairments and provisions with regards to MTS operations in Uzbekistan in 2Q 2012, and recognized loss from impairment of SSTL's assets in the amount of US\$ 213.3 mln. in 3Q 2012



# Delivering on Strategy and Objectives: Key 3Q and Post Period Results



- ✓ Exciting M&A pipeline with clear focus on new growth sectors such as transportation, agriculture, petrochemicals, and existing sectors of oil & gas, consumer, pharma.
- ✓ **SG-trans proposed acquisition:** one of Russia's leading LPG transportation companies  
**Rationale:** Entry into new growing sector; synergies with existing railcar fleet; ability to unlock hidden value within SG-trans; opportunity to create top three player in the sector;
- ✓ **Argos proposed acquisition:** number one oil trading business in Northern Europe  
**Rationale:** Capturing additional value chain in oil & gas investments; logistics - dynamically growing downstream segment;
- ✓ **RTI's acquisition of NVision:** a leading systems integrator in Russia  
**Rationale:** Growing segment of IT services; synergies with existing IT investments and diversification; increases ability to implement larger scale projects;
- ✓ **MTS to acquire a stake in MTS Bank**  
**Rationale:** Consumer finance – a dynamically expanding sector; partnership unlocks synergies between mobile and financial services;
- ✓ **Completed exit from Bashkirenergo** obtaining RUB 11.2 bln in proceeds and grid assets\*.  
**Rationale:** Monetisation of power generation assets due to regulatory uncertainty; maintained upside in distribution in case of privatisation opportunities

- ✓ Cash position of US\$ 1.7 bln. as of 30 September; Low Debt to OIBDA of 1.8;
- ✓ Dividends from subsidiaries: US\$ 377 mln. from Bashneft; US\$ 466 mln. from MTS; US\$ 42 mln. from Russneft in 3Q 2012; MTS dividend guidance upped;
- ✓ Numerous financing options available to carry out M&A.

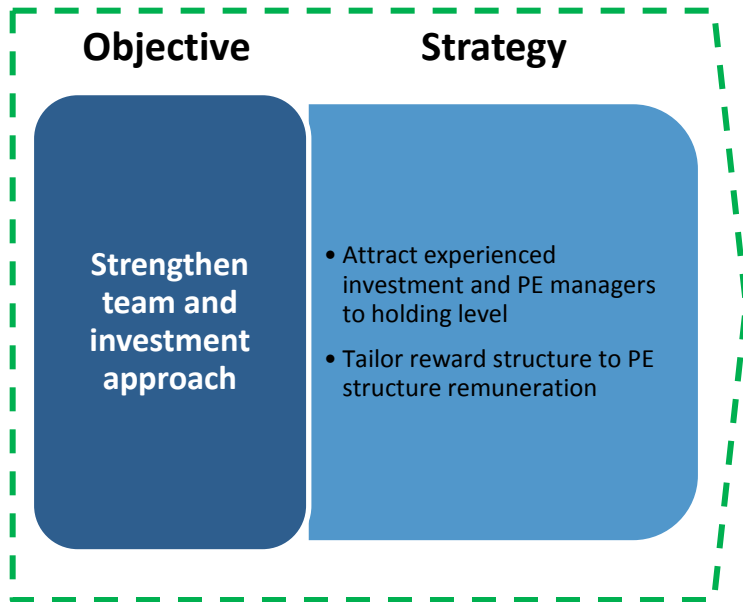
- ✓ Completed US\$ c.150 million buyback; further buybacks depend on M&A activity and SOTP discount.
- ✓ Current discount unjustified considering strong financial performance, excellent execution of strategy and increased diversification of portfolio.
- ✓ Strong dividend outlook for 2012 - management to recommend to BoD a substantially higher dividend

Significant progress on delivering on stated objectives and executing strategy

\*Will be paid till September 29, 2013



# Delivering on Strategy and Objectives: Portfolio Evolution at Hold Co

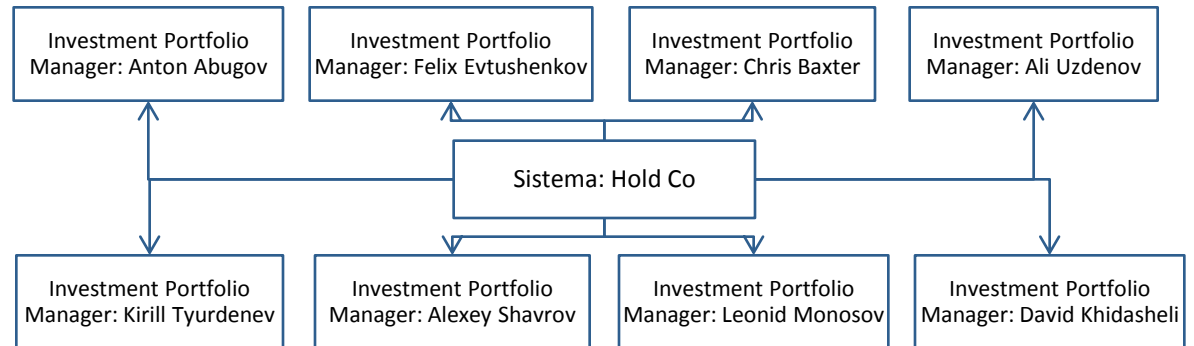


## Key Highlights

- ✓ Assets to be split into eight portfolios each led by a portfolio manager.
- New Appointments\***
- ✓ Appointed Chris Baxter to oversee investments in consumer and pharma sectors; previously at RenCap and BoAML
- ✓ Appointed Kirill Tyurdenev to oversee investments in petrochemicals sector; previously at Sibur and McKinsey
- ✓ Appointed Ali Uzdenov to oversee investments in transportation sector; previously at Bashneft
- ✓ Appointed Alexey Shavrov to oversee investments in hightech sector; previously at Kaskol Group and Cargill Enterprises Russia
- ✓ Appointed Leonid Monosov to oversee real estate portfolio; previously at Moscow City Government and Olympstroy State Corporation

- Clearer internal competition for funds to invest depending on NAV and IRR
- Portfolio to be split based on origination and experience
- Remuneration to reflect PE approach – results and performance driven
- Long term incentive plan to be tied to Sistema’s share price performance and success in investment projects

## New Structure



**Portfolio reshaped to reflect investment approach; attracted new expertise for new sectors**

\* Please see full biographies on the corporate web site [www.sistema.com](http://www.sistema.com)



# Latest SSTL Developments

## **Licences Auction: consistent with previous strategy – no action**

- SSTL decided not to take part in the CDMA auction: a) licences canceled unjustifiably ; b) set prices too high and harms business case
- Licences currently run to 18<sup>th</sup> January as per Supreme Court extension granted in August
- Curative Petition awaiting review in Supreme Court - seeks to annul cancelation and reverse February ruling

## **Financial Obligations: limited cash out flow and lowering debt**

- Guaranteed debt of US\$ 1.5 bln., mainly provided by local Indian banks. US\$ c750 million put option to Russian Government exercisable only in 2016
- Deleveraging of SSTL using hold co cash; targeting debt < US\$ 1bln. by end of 2012. Remaining lower cost debt to stay on SSTL subject to further developments
- OIBDA loss and operational cash out significantly decreased in Q3, CAPEX halted

## **Outlook: more clarity emerging and exposure to be reduced**

- If licences are withdrawn, Sistema will pursue Indian Government for damages through all legal means possible
- If Curative Petition upheld and cancelation annulled, Sistema will remain in India, but will see a different business model with significantly less cash out compared to previous periods
- No specific M&A plans while legal and regulatory uncertainties remain

**Clear strategy in India - focus on reversing licence decision**



# 3Q 2012 Financial Performance Overview [1]

## KEY HIGHLIGHTS

- **The Group's revenues increased by 9.0% and by 12.5% QoQ** in US dollar and rouble terms, respectively, reflecting increased sales of oil products at Bashneft, the recent consolidation of NVision and expansion of Detsky mir's retail chain.
- **Sistema's consolidated revenues were up 1.0% YoY** the increase in revenue was impacted by a 10.2% YoY rouble depreciation against the US dollar. Group's revenue in roubles was up 11.3% YoY, due to a strong operating growth at Bashneft, an expansion of retail space at Detsky mir and an increase in revenue at MTS Bank.
- **The Group's adjusted OIBDA increased** by 10.4% YoY and by 20.2% QoQ mainly due to high-margin sales of oil products at Bashneft. The OIBDA for 3Q 2012 was impacted by a recognised non-cash one-off loss of US\$ 213.3 mln. relating to the impairment of long-lived assets with regard to SSTL' operations in India.
- **Sistema's consolidated net income without one-offs significantly increased YoY** as a result of net income growth in MTS and Bashneft.

|   | 3Q 2012      | 3Q 2011      | Change      |
|---|--------------|--------------|-------------|
| <b>TOTAL REVENUES</b>   | <b>8 813</b> | <b>8 724</b> | <b>1.0%</b> |
| Cost of sales, exclusive of depreciation and amortization shown separately below                      | (3 312)      | (3 361)      |             |
| Cost related to banking activities, exclusive of depreciation and amortization shown separately below | (107)        | (91)         |             |
| Selling, general and administrative expenses  | (944)        | (964)        |             |
| Depreciation, depletion and amortization  | (789)        | (806)        |             |
| Transportation costs  | (252)        | (233)        |             |
| Provision for doubtful accounts   | (8)          | (24)         |             |
| Loss from impairment and provisions of other assets   | (259)        | (20)         |             |
| Provision for tax and antimonopoly claims in Uzbekistan   | -            | -            |             |
| Taxes other than income tax   | (1 691)      | (1 742)      |             |
| Other operating expenses, net   | (29)         | (176)        |             |
| Equity in results of affiliates   | 11           | 32           |             |
| (Loss)/Gain on disposal of interests in subsidiaries and affiliates                                   | (6)          | 55           |             |
| <b>OPERATING INCOME</b>   | <b>1 428</b> | <b>1 394</b> | <b>2.4%</b> |
| Interest income   | 83           | 45           |             |
| Change in fair value of derivative instruments  | (631)        | (574)        |             |
| Interest expense, net of amounts capitalized  | (317)        | (439)        |             |
| Foreign currency transactions gains/(losses)  | 92           | (219)        |             |
| Income tax expense  | (383)        | (266)        |             |
| Income/(loss) from discontinued operations, net of income tax effect                                  | 14           | 149          |             |
| Non-controlling interest  | (411)        | (326)        |             |
| <b>NET INCOME attributable to JSFC Sistema</b>  | <b>532</b>   | <b>319</b>   | <b>66.</b>  |

**Oil, High Tech and Consumer businesses delivered strong set of results**



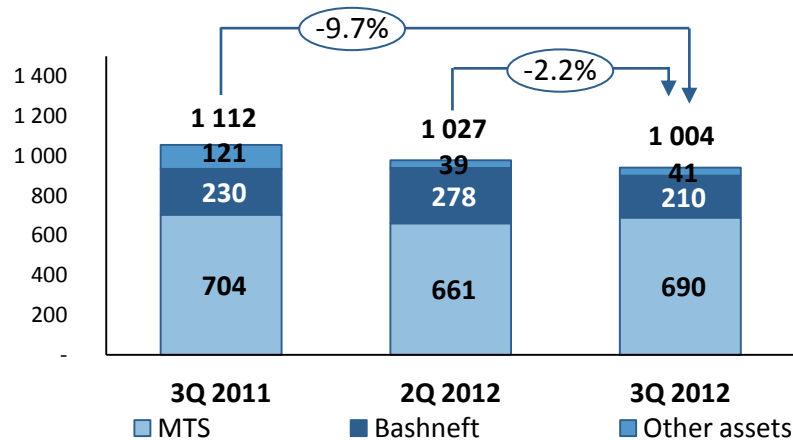
# 3Q 2012 Financial Performance Overview [2]

## FINANCIAL HIGHLIGHTS

- **Group's CAPEX** remained stable in rouble terms and in line with the planned investment programmes of the portfolio companies.
- **Group's SG&A decreased** YoY by 2.1%, but increased by 4.3% QoQ mainly due to the growth in Bashneft's administrative expenses .
- **Hold Co SG&A decreased** by 57.3% YoY, largely due to the shift of annual incentive programme accruals to 4Q 2012.
- Hold Co SG&A / Revenue of 0.32% vs 0.76% in 3Q 2011.

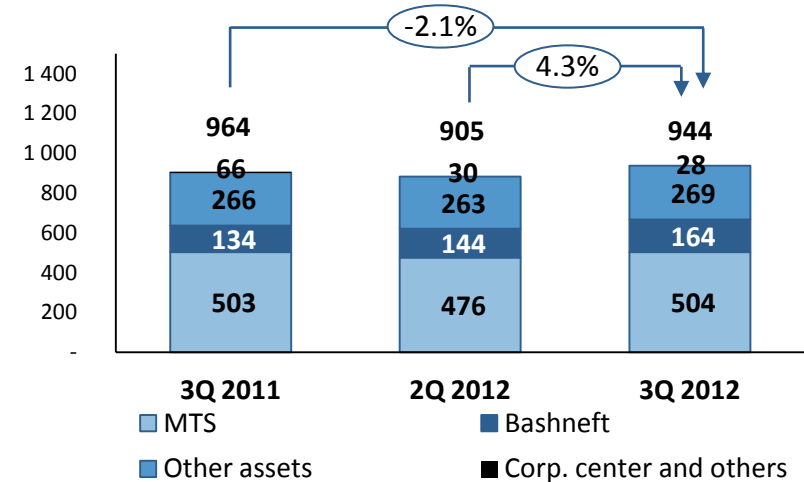
US GAAP, US\$ mln.

### CAPEX BREAKDOWN\*



\*Total Group's CAPEX includes Corp. center capital expenditures

### SG&A BREAKDOWN\*\*



\*\*Total Group SG&A amount presented after intercompany eliminations

**Group's SG&A decreased YoY despite revenue growth**





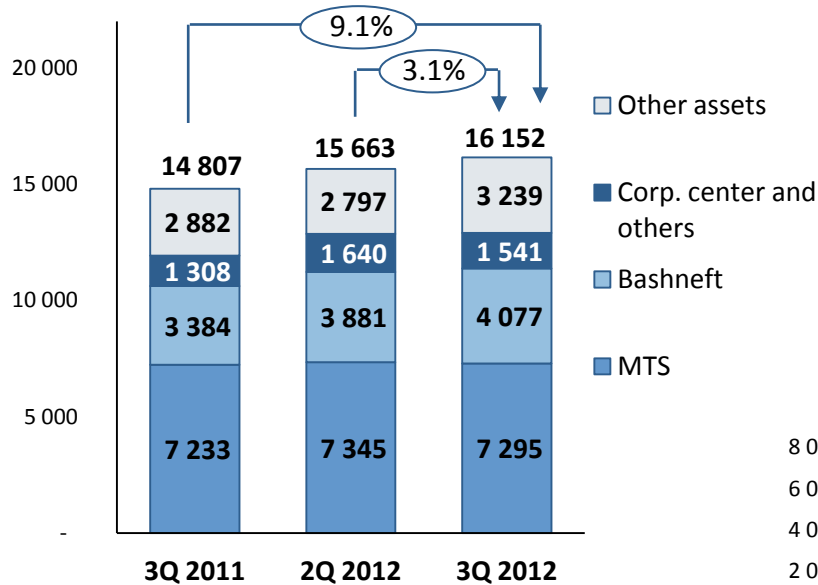
# Consolidated Debt Optimization

## KEY HIGHLIGHTS

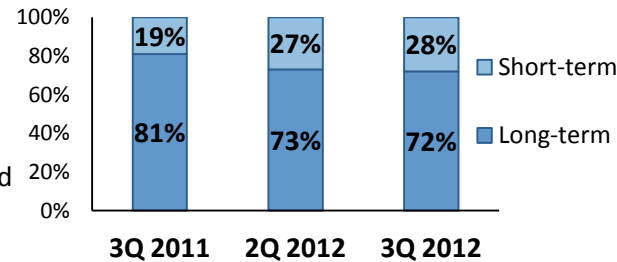
- Group's debt increased by 3.1% QoQ due to rouble appreciation QoQ, the consolidation of NVision and increased debt in Bashneft.
- Currency and term profiles remained stable.

US GAAP, US\$ mln

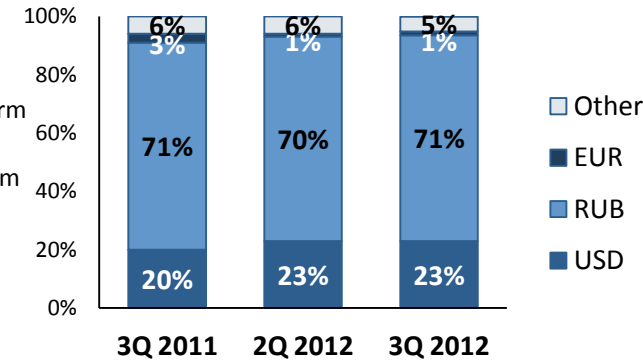
### TOTAL DEBT BY SEGMENT



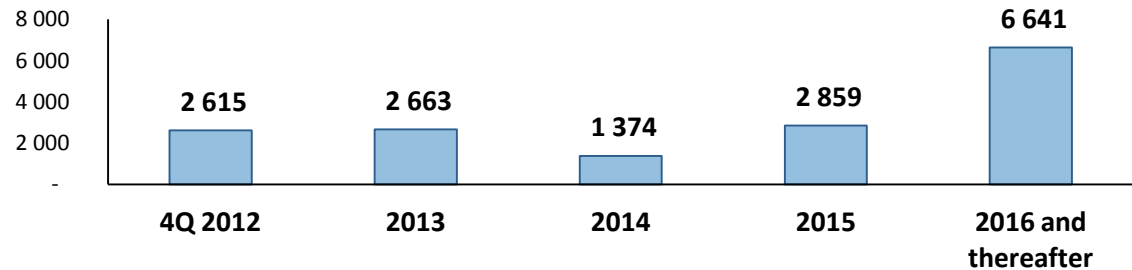
### LONG-TERM VS SHORT-TERM DEBT\*



### DEBT CURRENCY PROFILE\*



### DEBT MATURITY PROFILE\*



**Solid financial position with Group debt /OIBDA of 1.8**

\*Source: management accounts

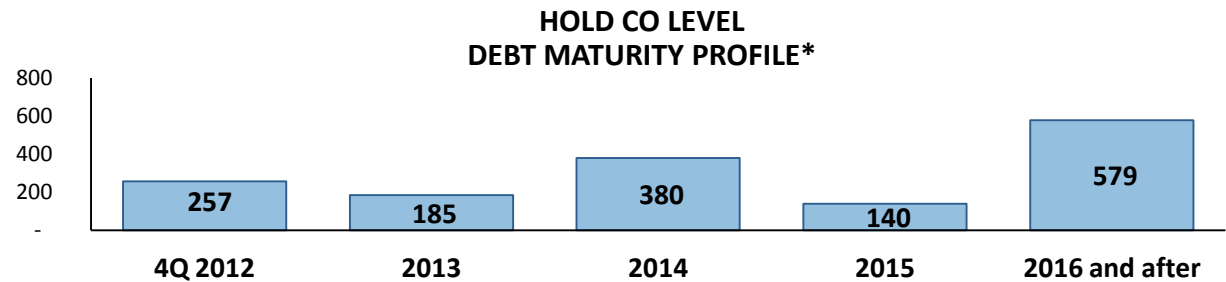
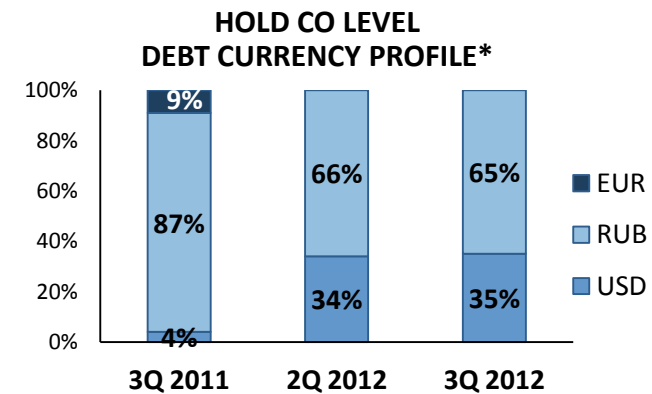
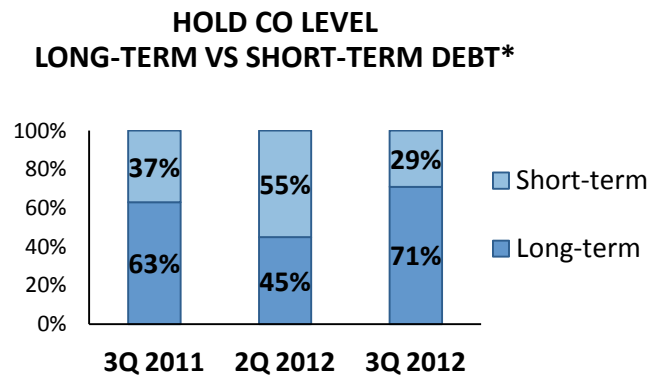
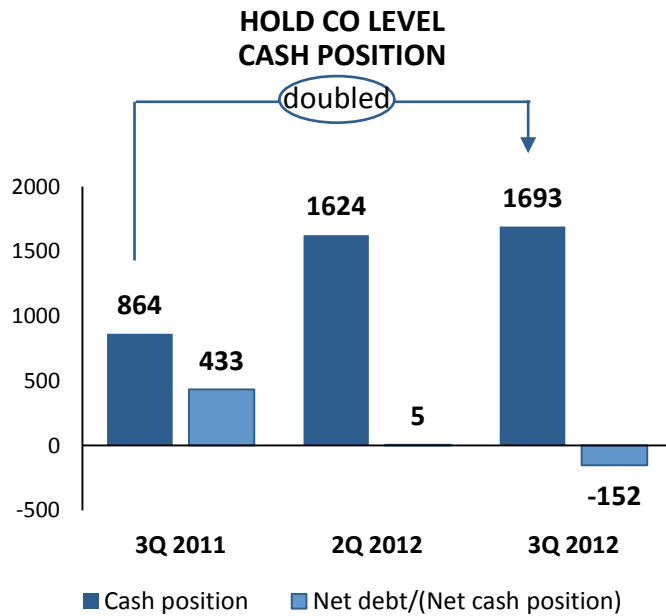


# Corporate Centre Debt Management

## KEY HIGHLIGHTS

- Corporate Centre debt decreased by 6.1% QoQ due to debt repayments made in 3Q 2012, resulting in net cash of US\$ 152.0 mln.;
- Corporate Centre debt is 65% denominated in RUB with no obligations in Euro.

US GAAP, US\$ mln



**Cash position doubled YoY with net cash of US\$ 152 million at end of 3Q 2012**

\*Source: management accounts



## Attachments



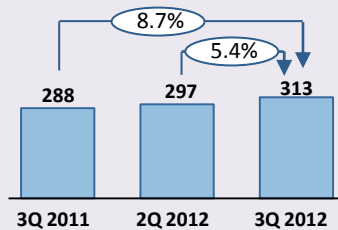
# Assets overview [1]

## MTS



|              | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ    |
|--------------|-------|-------|-------|-------|--------|
| Revenue      | 3 132 | 3 275 | 3 122 | -4.4% | 0.3%   |
| OIBDA        | 1 384 | 1 452 | 299   | -4.7% | 362.7% |
| OIBDA margin | 44.2% | 44.3% | 9.6%  | n/a   | n/a    |
| Debt         | 7 295 | 7 233 | 7 345 | 0.9%  | -0.7%  |

ARPU in Russia (rub.)



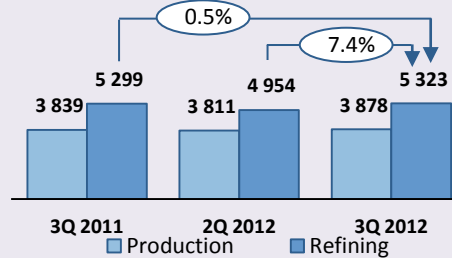
- MTS revenue fell by 4.4% YoY, reflecting the rouble depreciation against the US dollar, while QoQ revenue was stable. MTS' revenues in rouble terms were up 5.4% YoY, due to an increase in ARPU levels and by 3.5% QoQ as a result of positive seasonal roaming effects. OIBDA decreased by 4.7% YoY on the back of rouble depreciation, while OIBDA margin reached 44.2%.
- MTS' subscriber base amounted to 99.2 mln., showing a decline following the suspension of operations in Uzbekistan. The number of households passed reached 11.8 mln. The Pay-TV subscriber base was 2.9 mln. The broadband subscriber base of MTS was 2.2 mln.
- ARPU in Russia grew by 8.7% from 288 RUB in 3Q 2011 to 313 RUB in 3Q 2012. MOU increased by 14.3% to 311 min. in 3Q 2012 vs 272 min. in 3Q 2011.
- In 3Q 2012, MTS resumed its operations in Turkmenistan.
- In 3Q 2012, MTS launched LTE network in Moscow and the Moscow region LTE MVNO on Scartel's network in Kazan.

## BASHNEFT



|              | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ   |
|--------------|-------|-------|-------|-------|-------|
| Revenue      | 4 622 | 4 458 | 4 081 | 3.7%  | 13.3% |
| OIBDA        | 962   | 790   | 704   | 21.7% | 36.6% |
| OIBDA margin | 20.8% | 17.7% | 17.3% | n/a   | n/a   |
| Debt         | 4 077 | 3 384 | 3 881 | 20.5% | 5.0%  |

Oil production and refining ('000 tonnes)

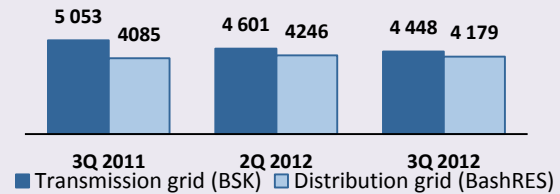


- In 3Q 2012, Bashneft's revenue and OIBDA grew QoQ by 13.3% and 36.6%, respectively, due to higher prices for oil and oil products and increased sales in the domestic market.
- Revenue and OIBDA grew by 3.7% and 21.7% YoY, respectively, due to growth in high-margin sales of oil products.
- In 3Q 2012, oil production increased by 1.8% vs 2Q 2012 and by 1.0% YoY up to 3,878 th.t. of crude oil.
- In 3Q 2012, refining volumes increased by 7.4% vs 2Q 2012 and by 0.5% YoY to 5,323 th.t.
- In August 2012, the Iraq Ministry of Oil and the Consortium comprised of Bashneft (70%) and Premier Oil (30%) initiated the contract for geological exploration, development, and production at Block 12. In November, the contract was signed.
- In July 2012, Bashneft's retail network completed its transition to full compliance with the Euro-5 standard regarding the sales of petrol and diesel fuel.

## BASHKIRENERGO\*

|               | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ   |
|---------------|-------|-------|-------|-------|-------|
| Revenue*      | 99    | 92    | 88    | 6.8%  | 11.8% |
| OIBDA*        | 52    | 39    | 39    | 33.9% | 34.0% |
| OIBDA margin* | 52.9% | 42.2% | 44.1% | n/a   | n/a   |

Grid effective power output, mln. KWT



- Bashkirenergo's revenue increased by 6.8% YoY and 11.8% QoQ due to tariff increases for electricity transmission and growth in electricity productive supply. OIBDA grew by 33.9% YoY and 34.0% QoQ due to revenue growth, a reduction in the company's expenses and reversed provisions for legal proceedings.
- In 3Q 2012 vs 3Q 2011 distribution grid losses in BashRES increased by 0.23 p.p. due to 2.5% growth of output, while transmission grid losses in BSK decreased by 7,023 mln. kWt\*h. due to changes in the cross-flow of transmission lines caused by consumer demand and regime factors.
- In 3Q 2012, transmission grid effective output reduced by 12% YoY reflecting regime factors, however the effective distribution power output was up 2.3% YoY due to the continued investments in the installation of electricity meters at the interface with consumers.

\*On November 7, 2012, Bashkirenergo has been split into JSC Bashkirian Power Grid Company, which combines transmission and distribution grids, and OJSC Bashenergoactiv, which integrates power generation assets. Sistema-Invest obtained a 92.48% voting stake in Bashkirian Power Grid Company. results include operations from transmission and distribution grids only.

Financials in tables are in US\$ mln

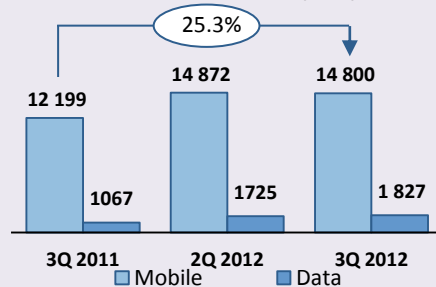


# Assets Overview [2]

## SSTL

|         | 3Q'12 | 3Q'11 | 2Q'12 | YoY  | QoQ   |
|---------|-------|-------|-------|------|-------|
| Revenue | 73    | 72    | 77    | 1.4% | -5.5% |
| OIBDA   | -277  | -100  | -84   | n/a  | n/a   |
| Debt    | 1 537 | 1 400 | 1 403 | 9.8% | 9.6%  |

Mobile subscribers ('000)

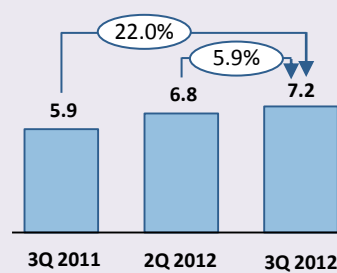


- SSTL's revenue increased by 1.4% YoY following a 25.3% expansion of its mobile subscriber base and was down 5.5% QoQ due to changes in local industry regulations ("Telecom Consumer Protection Regulation" issued by TRAI on March 22, 2012), a depreciation of the local currency against the US dollar and a decline in MOU in the market.
- SSTL reported a higher OIBDA loss in 3Q 2012, due to the recognition of a US\$ 213.3 mln. loss from the impairment of long-lived assets. OIBDA loss without one-off narrowed to US\$ 63.5 mln.
- Total wireless (Voice & Data) subscriber base for the quarter was up 0.2% to 16.6 mln. Data card subscriber base for the quarter was up 5.9% to 1.83 mln. Blended mobile ARPU for the quarter declined by 7.8% to US\$ 1.5 due to regulatory developments and unfavorable exchange rate movement.
- Non-voice revenues from both data and mobile VAS in 3Q 2012 vs. 2Q 2012 declined to US\$ 26.78 mln. and contributed 36.7% of total revenues. The decline was caused by unfavorable exchange rate movement.

## SISTEMA MASS-MEDIA

|         | 3Q'12 | 3Q'11 | 2Q'12 | YoY    | QoQ    |
|---------|-------|-------|-------|--------|--------|
| Revenue | 13    | 30    | 20    | -56.3% | -34.7% |
| OIBDA   | 0.1   | 10    | 2     | -98.8% | -92.5% |
| Debt    | 39    | 49    | 41    | -21.4% | -6.3%  |

Stream TV subscriber base (mln.)

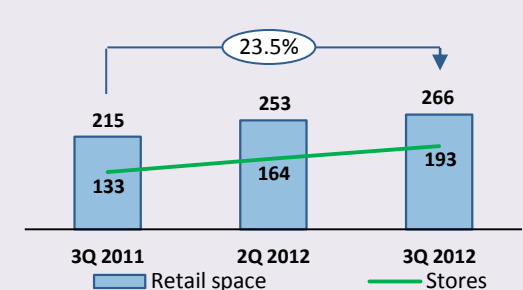


- Revenue decreased YoY and QoQ by 56.3% and 34.7% respectively, as a result of the changes in the schedule for production of the TV-series at Russian World Studios (RWS). Debt decreased by 21.4% YoY.
- SMM's OIBDA fell mainly due to the decrease in revenues, as well as a result of recognised losses following the closure of a film studio in Moscow. SMM's net income grew significantly due to a recognised gain from the sale of Moscovia TV channel.
- As of September 30, RWS library increased by 25.4% YoY and amounted to 1,712 hours.
- Stream-TV subscriber base in 3Q 2012 increased by 22.0% YoY to 7.2 mln. customers, while share of revenue from advertising in Stream-TV grew by 5.4% YoY and amounted to 15.9%.
- In 3Q 2012, SMM continued the business restructuring and closed its film studio in Moscow. This will enable the company to increase production capacity at St. Petersburg film studio.

## DETSKY MIR

|         | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ   |
|---------|-------|-------|-------|-------|-------|
| Revenue | 231   | 209   | 174   | 10.7% | 33.1% |
| OIBDA   | 20    | 15    | -1    | 37.9% | n/a   |
| Debt    | 137   | 141   | 117   | -2.8% | 16.9% |

Retail space ('000 sq.m.) and number of outlets



- Detsky mir's revenue was up 10.7% YoY and 33.1% QoQ mainly due to the expansion of retail space, group's revenue in roubles increased by 20% YoY.
- Like-for-like sales in roubles grew by 4.0% YoY.
- OIBDA increased by 37.9% YoY to US\$ 20 mln. due to the increased sales and gross margins, while share of administrative expenses to revenue continued to decrease. In 3Q 2012, Detsky mir reported net income of US\$ 9 mln.
- In July 2012, Detsky mir acquired Early Learning Centre (ELC) franchise in Russia.
- As at the end of 3Q 2012, the retail network included 193 stores located in 86 cities of Russia and Kazakhstan, whilst the aggregate retail space was 266 th.sq.m. In 3Q 2012, the retail network grew by 29 new stores (including 19 ELC franchise stores).

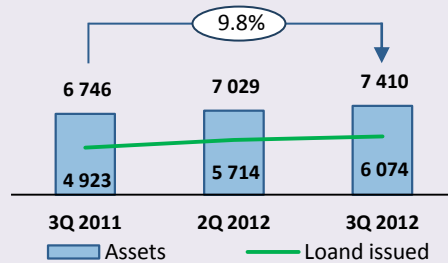


# Assets Overview [3]

## MTS BANK MTS Bank

|         | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ  |
|---------|-------|-------|-------|-------|------|
| Revenue | 174   | 132   | 170   | 31.7% | 2.3% |
| OIBDA   | -8    | -21   | -7    | n/a   | n/a  |

Assets and issued loans (US\$ mln)

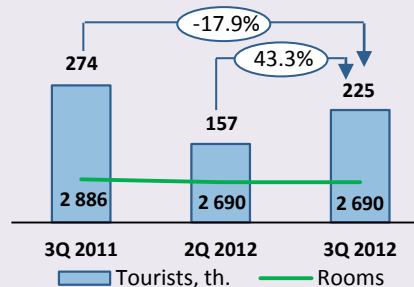


- Bank's revenues increased by 31.7% YoY driven by growth in the Bank's consumer loan portfolio and the MTS-Money project. In the reporting period, the loan portfolio from joint projects with MTS increased by 69% QoQ and reached US\$ 149 mln.
- MTS Bank reported an OIBDA loss in the amount of US\$ 8 mln. due to increased interest expenses on individual deposits and higher loan provisions.
- The loans portfolio, excluding leases, as of the end of 3Q 2012 grew by 11.4% up to US\$ 5,968 mln., compared to US\$ 4,832 mln. in 3Q 2011.
- The interest income from retail and corporate clients transactions grew by 7.5% vs 2Q 2012 up to US\$ 146.3 mln.
- In September 2012, MTS Bank completed the consolidation of Dalcombank and opened two new branches: Far Eastern branch and Irkutsk branch. At the end of 3Q 2012 the number of bank branches was 153.

## INTOURIST

|         | 3Q'12 | 3Q'11 | 2Q'12 | YoY    | QoQ    |
|---------|-------|-------|-------|--------|--------|
| Revenue | 24    | 61    | 23    | -60.1% | 6.3%   |
| OIBDA   | 5     | 51    | 2     | -89.3% | 195.8% |
| Debt    | 76    | 103   | 84    | -25.9% | -8.5%  |

Tourists ('000), rooms owned, managed and rented

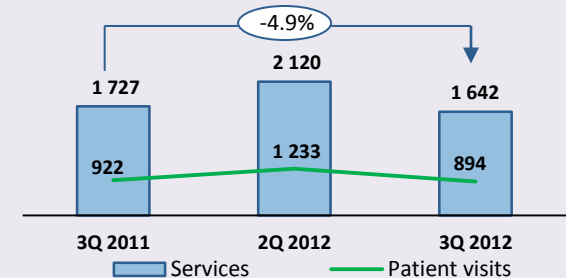


- Intourist's revenue in 3Q 2012 decreased YoY due to the change in accounting for tour operating and retail sales businesses following the transaction with Thomas Cook in 3Q 2011 - these businesses are accounted by using the equity method.
- Revenues were up 6.3% QoQ due to a seasonal increase in hotel sales, as well as the company's active marketing campaign.
- Intourist's OIBDA improved QoQ in the reporting period as a result of increased income from JV and growth in sales.
- Number of tourists in JV decreased YoY reflecting the shift in the company's focus to high-margin and less risky European destinations. The number of tourists increased by 43.3% QoQ as a result of seasonal effect.
- The number of rooms owned, managed and rented was stable QoQ.

## MEDSI

|              | 3Q'12 | 3Q'11 | 2Q'12 | YoY   | QoQ   |
|--------------|-------|-------|-------|-------|-------|
| Revenue      | 46    | 47    | 47    | -0.7% | -1.4% |
| OIBDA        | 8     | 7     | 6     | 13.4% | 50.2% |
| OIBDA margin | 18.1% | 15.8% | 11.9% | n/a   | n/a   |
| Debt         | 71    | 68    | 67    | 4.1%  | 6.5%  |

Services and patient visits ('000)



- Medsi's revenue slightly decreased YoY and QoQ in 3Q 2012 reflecting rouble depreciation against the US dollar. Medsi's revenue in roubles increased by 9.4% YoY.
- OIBDA and OIBDA margin grew YoY due to a decrease in the operating expenses despite growth in revenues.
- The amount of services and patient visits (excluding SUE assets) decreased by 4.9% and 3.0%, respectively, due to changes in the insurance companies' policies whereby their list of services were reduced, while average cheque increased by 12.8% YoY to 1.7 th. RUB.
- As of September 30 2012, Medsi managed 34 clinics and 79 medical posts (total floor space of the healthcare facilities - over 80 th. sq. m.).
- In the third quarter of 2012, Medsi continued the integration process of SUE assets. SUE transferred the management of its four medical clinics to Medsi during the reporting period.



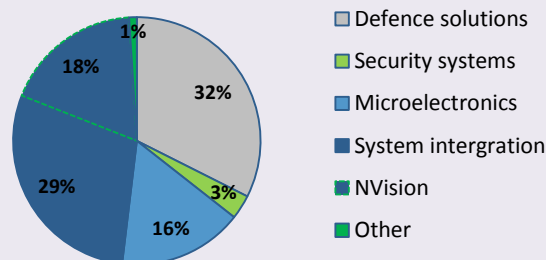
# Assets Overview [4]

## OJSC RTI

RTI consolidates SITRONICS, NVision Group and RTI Systems and is comprised of five principal business units (“BU”) – Defence Solutions BU, Comprehensive Security Systems BU, Telecom Solutions BU, Microelectronics Solutions BU and System Integration BU.

|                     | 3Q'12 | 3Q'11 | 2Q'12 | YoY    | QoQ    |
|---------------------|-------|-------|-------|--------|--------|
| <b>Revenue</b>      | 465   | 464   | 366   | 0.2%   | 27.2%  |
| <b>OIBDA</b>        | 34    | 44    | 7     | -21.6% | 422.6% |
| <b>OIBDA margin</b> | 7.4%  | 9.4%  | 1.8%  | n/a    | n/a    |
| <b>Debt</b>         | 1 319 | 1 093 | 1 046 | 20.6%  | 26.0%  |

Revenue by business segments

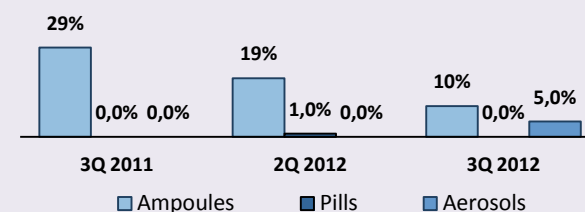


- RTI’s revenue increased YoY and QoQ, mainly as a result of the recent consolidation of NVision Group, as of September 14, 2012, and the partial completion of defence contracts in the reporting period instead of 4Q 2012. Excluding the deconsolidation of INTRACOM TELECOM, RTI’s revenue would increase by 23% YoY. Importantly, NVision’s share of the consolidated segment’s revenue, for only two weeks of the quarter, reached 18%.
- Reduction in OIBDA and OIBDA margin YoY was mainly as a result of the completion of high-margin contracts for MTS in the comparable quarter last year, as well as the deconsolidation of INTRACOM TELECOM. OIBDA increased by more than five times QoQ due to the earlier than expected completion of work for government contracts in the reporting quarter instead of 4Q 2012 and as a result of the consolidation of NVision Group.
- RTI’s debt increased by 20.6% YoY and 26.0% QoQ as a result of NVision Group consolidation and increased liabilities of the credit arrangements for state defense orders fulfillment.
- In September 2012, RTI Group and NVision Group Managing Company LLC completed the transaction, involving strategic combination of RTI Group’s and CJSC NVision Group’s information and communication technologies assets.
- In August 2012, RTI completed buyout of SITRONICS’ shares and consolidated 100% of SITRONICS’ shares under a squeeze-out procedure.

## BINNOPHARM

|                     | 3Q'12 | 3Q'11 | 2Q'12 | YoY    | QoQ    |
|---------------------|-------|-------|-------|--------|--------|
| <b>Revenue</b>      | 24    | 15    | 16    | 58.3%  | 53.6%  |
| <b>OIBDA</b>        | 15    | 1     | 4     | 942.0% | 315.4% |
| <b>OIBDA margin</b> | 61.2% | 9.3%  | 22.6% | n/a    | n/a    |
| <b>Debt</b>         | 12    | 8     | 7     | 51.6%  | 78.6%  |

Utilization rate of new Zelenograd production facility



- Revenue grew by 58.3% YoY and 53.6% QoQ in 3Q 2012 reflecting the increased sales through distribution channels. OIBDA demonstrated significant growth YoY and QoQ, and its OIBDA margin was up to 61.2% in the reporting period reflecting an increase in Regevac B vaccine supplies for government contracts.
- In July 2012, Binnopharm signed a cooperation agreement with Panacea Biotech to produce a vaccine against Haemophilus influenza (HIB infection) at Binnopharm facilities.
- In July 2012, Binnopharm resumed production of aerosol products, including production of Salbutamol aerosol for inhalation.



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

IR Department  
Tel. +7 (495) 692 11 00  
[www.sistema.com](http://www.sistema.com)  
[ir@sistema.ru](mailto:ir@sistema.ru)