



АКЦИОНЕРНАЯ ФИНАНСОВАЯ КОРПОРАЦИЯ

СИСТЕМА

Sistema JSFC

Financial results

Q4 and FY 2009

26 April 2010

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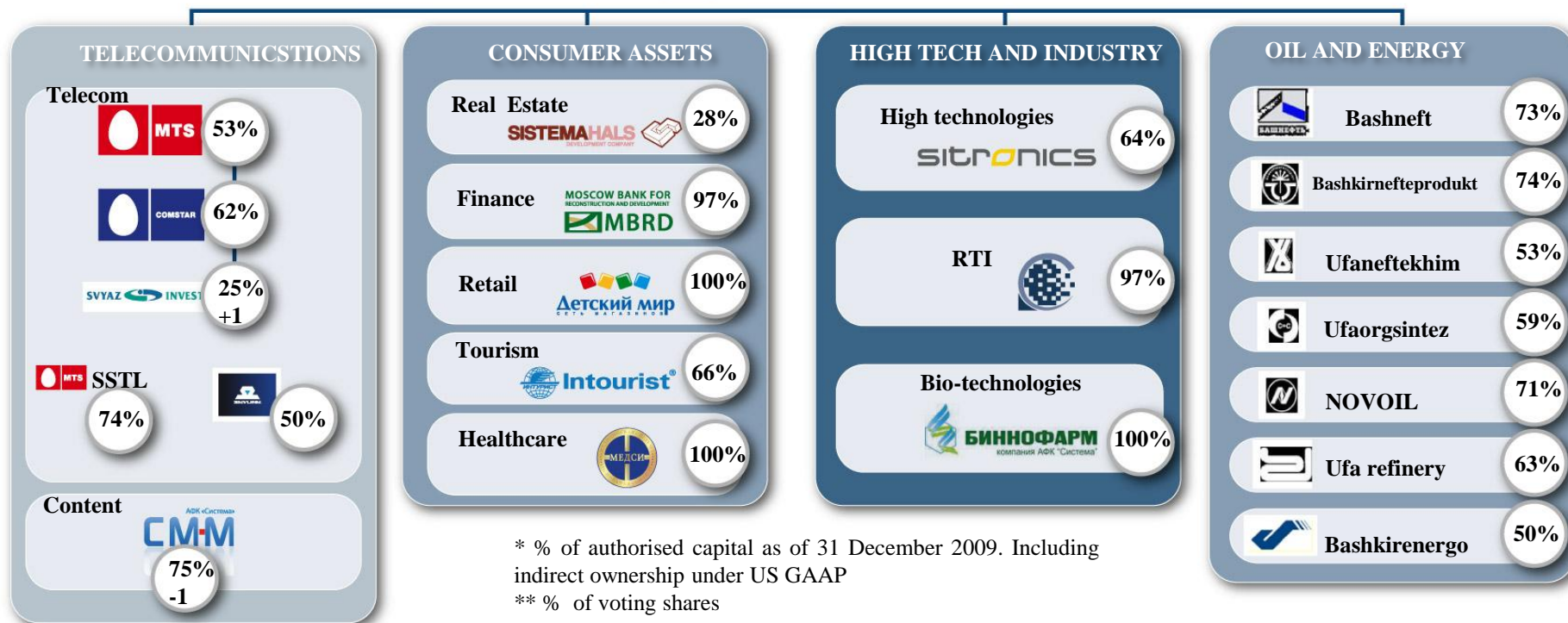


Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within JSFC Sistema. The words “expect”, “estimate”, “intend”, “will”, “could” and similar expressions identify forward-looking statements. We wish to caution you that these statements are only 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. Key events**
2. Q4 2009 financial results
3. Portfolio (consolidated) companies
4. Annex

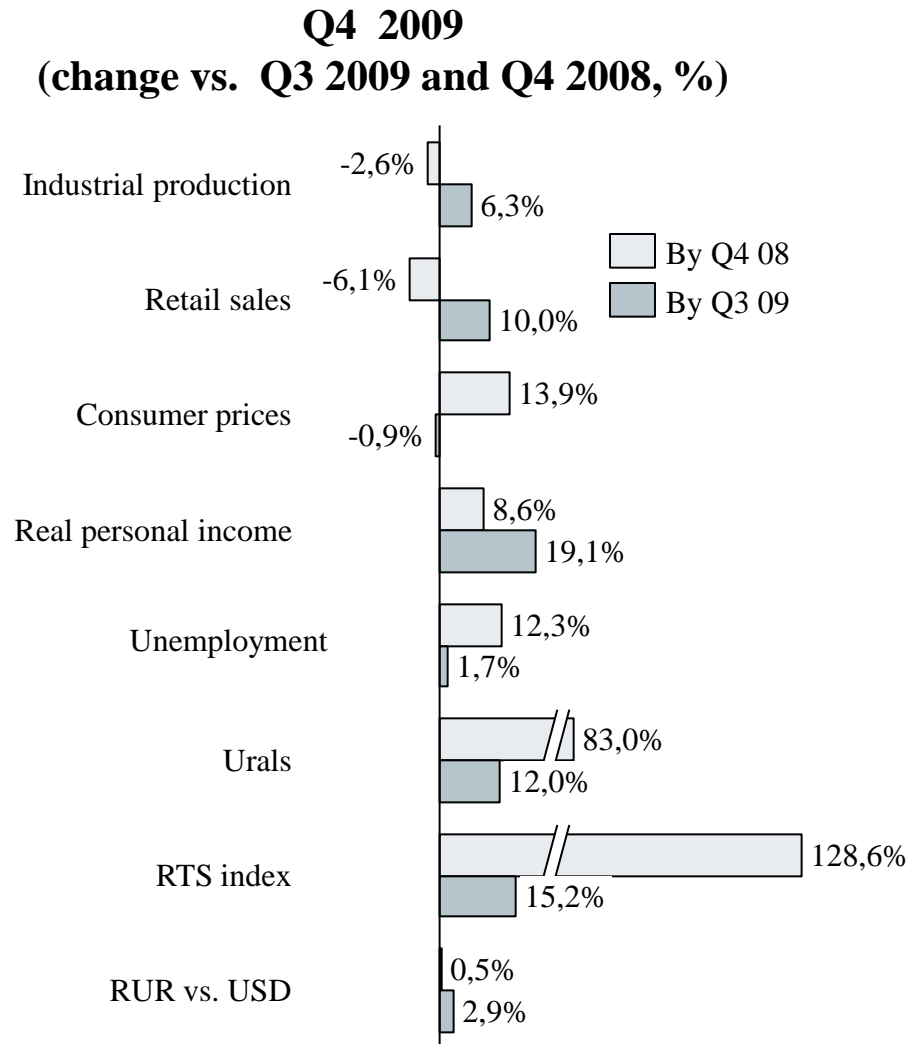
1.1. Sistema JSFC at a glance



- The largest public diversified financial 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 – including leaders in respective markets of presence
- IPO in 2005. Shares and depository receipts of Sistema and key companies are traded on the leading stock exchanges (NYSE, LSE, MICEX, RTS, MSE)

Sistema is focused on generating stable growth of shareholder value.

1.2. Economic environment in Russia in Q4 2009.



1. Industrial production and trade

- The macroeconomic environment in Q4 improved compared to Q3 2009: industrial production increased by 6.3%, retail sales - by 10.0%.

2. Living standards

- In Q4 2009 the consumer prices fell by 0.9%, while the personal incomes increased by 19.1% vs. Q3 2009 .
- Unemployment grew by 1.7%.

3. Financial markets

- The national currency strengthened in Q4 2009 compared to the US dollar by 2.9% .
- RTS index continued its growth (+15.2%), and at the same time the price of Urals oil gained 12.0%.

Sources: Rosstat, CB RF, Bloomberg

In Q4 2009 the key economic indicators improved vs. Q3. The oil price and stock markets demonstrated growth, Russian ruble strengthened.

1.3. Strategic priorities of Sistema JSFC



1. Create additional value for all assets

- Achieve strong and transparent financial results
- Provide high quality asset management – including via partnerships with leading companies
- Diversify risks and attract capital – including via partnerships with leading companies

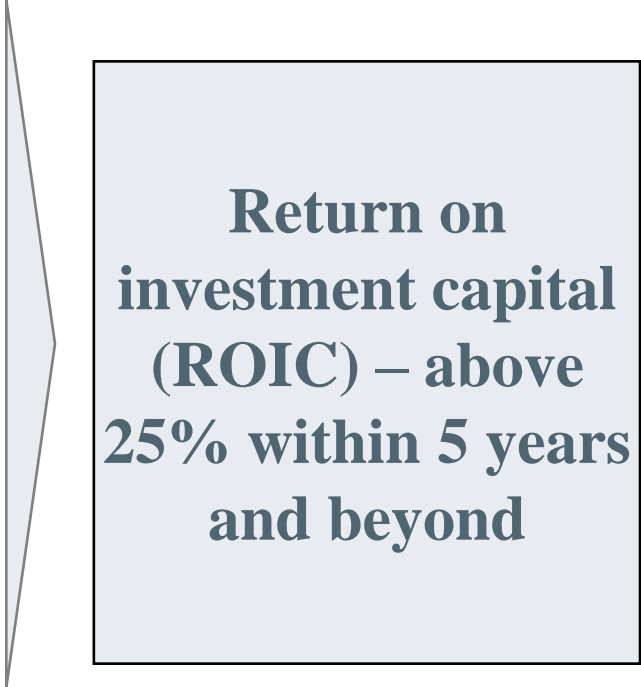
2. Maintain strict financial discipline

- Make investment decisions based on core indicators, such as TSR and ROIC
- Introduce transparent KPIs for all public and non-public companies

3. Simplify the corporate governance structure

4. Enhance portfolio strategy and asset management

5. Follow best IR and corporate governance practices



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

The key priority is to increase shareholder value of the Corporation.

1.4. Key initiatives on strategy implementation



Strategic objectives “5 X 5 > 25”

The most important projects and initiatives	1. Increase asset value	2. Maintain financial discipline	3. Simplify governance structure	4. Portfolio strategy	5. Corporate governance and IR
In the reporting period					
1. Sale of Comstar-UTS share to MTS.	✓		✓	✓	
2. MOU signed by Sistema, Svyazinvest and Comstar-UTS to restructure telecom assets		✓	✓		
3. Completion of the deal to sell controlling share in Sistema-Hals to VTB		✓		✓	
4. Investment agreement signed between Sistema and Rusnano to build 90 nm production facility	✓			✓	
5. Revision of MTS-India strategy		✓			✓
6. Completion of GMP-facility in Zelenograd	✓				
7. Sale of Ufa refineries to Bashneft	✓		✓	✓	✓
7. Strategic priorities are set for NIS GLONASS	✓	✓			
After the reporting period					
1. Share buyout offer made for minority shareholders of Ufa refineries, Bashkirnefteprodukt and Bashkirenergo	✓		✓		
2. Approval of development strategy of oil, energy assets of Sistema JSFC and Sitronics	✓	✓			✓
3. The deal on acquisition of a 49% stake of Russneft is closed	✓			✓	

All the key initiatives were aimed at achieving strategic objectives.

1.5. Development of Sistema JSFC in 2009



Investment portfolio

- MTS – key source of dividends for Sistema
- Consumer assets – growth opportunities, that require financing from the Corporate Center

Financial stability of the Group

- Group's debt at the beginning of 2009 r. - \$10,6 bln, including holding company debt \$2.2 bln
- 65% of Group's debt is denominated in hard currency (USD, EUR)

Macroeconomic environment

- Annual GDP decrease forecast of 2-8%
- Decrease of disposable income by 6%
- Capital markets de facto closed, ruble devalued

- ✓ Acquired control stakes in Bashkirian oil and energy assets – additional source of dividends and equity value growth for Sistema
- ✓ Initiated integration of MTS and Comstar – creation of the platform for long term competitive growth
- ✓ Attracted partner (VTB) in Sistema-Hals – deconsolidation of \$1,2 bln debt.
- ✓ In an environment of virtual closure of the capital markets for most of the companies, Sistema successfully refinanced all of its debt and optimized its debt portfolio.
- ✓ Implemented program of CAPEX optimization for all subsidiaries

- Biggest part of the investment portfolio – mature businesses with healthy dividend flows, minor part – assets under development with growth opportunities
- Stable in economic cycles telecoms are balanced by oil assets
- Oil assets – natural hedge against local ruble devaluation, low correlation with telecoms
- Consolidated debt/OIBDA <3, long term maturity profile of the debt portfolio
- Debt of subsidiaries sits predominantly on subsidiaries' balance sheets, not on the holding company level

Despite the uncertainty of the crisis, 2009 presented new opportunities, including those in acquisitions of assets

Portfolio solutions implemented, debt optimized, anti-crisis programs completed

Balanced investment portfolio, comfortable debt management

Sistema successfully settled key problems of 2009 and used new opportunities to optimize its investment portfolio



1. Key events

2. Q4 2009 financial results

3. Portfolio (consolidated) companies

4. Annex

2.1. 2009 consolidated results.

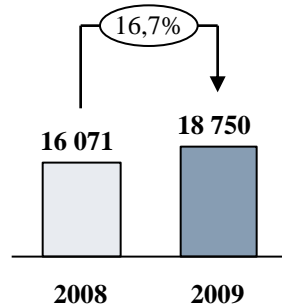


US GAAP, \$ mln

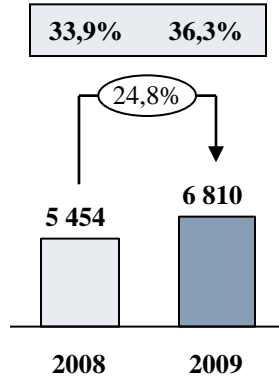
After one-offs

Before one-offs

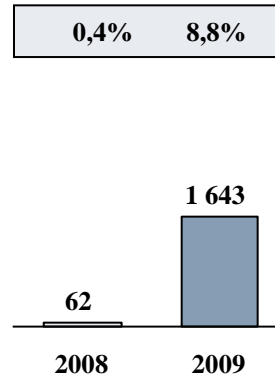
REVENUE



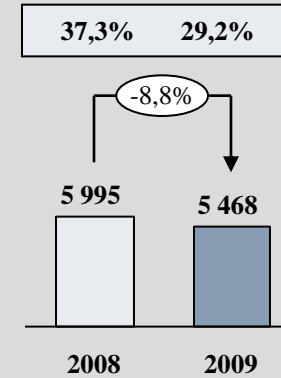
OIBDA



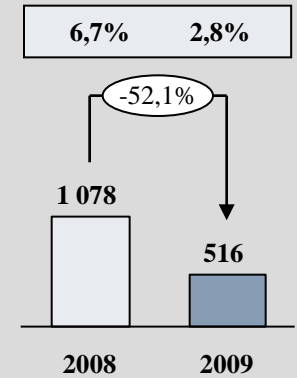
NET INCOME



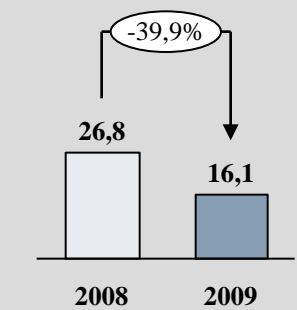
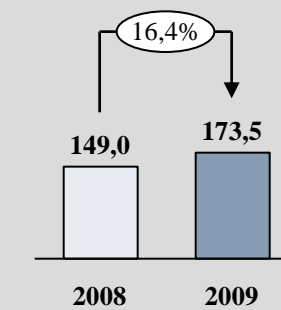
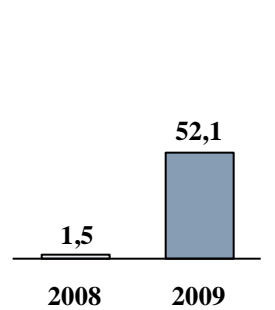
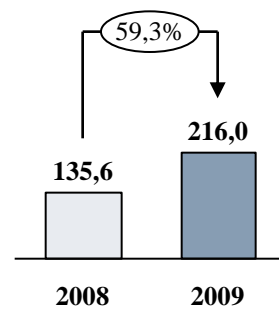
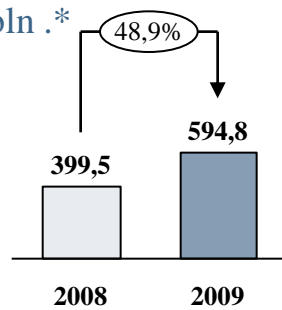
OIBDA



NET INCOME



RUR bln.*



Consolidated financial results were influence by the following key items: consolidation of the Bashkirian oil and energy assets in Q2 2009, complete replacement of the tolling schemes in refining by direct acquisition of oil on the market, one-offs for the total amount of \$1.1 bln on net income level, including write-offs in the Business Units “Telecoms” (Comstar) and Consumer Assets (Sistema-Hals), and also accruals related the acquisition of the oil and energy assets.

* Herinafter the conversion to rubles was done by multiplying the USD GAAP financial results by the US\$/RUB rate. Average US\$/RUB rate: 2009 – 31.7231, 2008. – 24.86.

In 2009 the key financial indicators (after one-off adjustments) demonstrated significant growth compared to 2008.

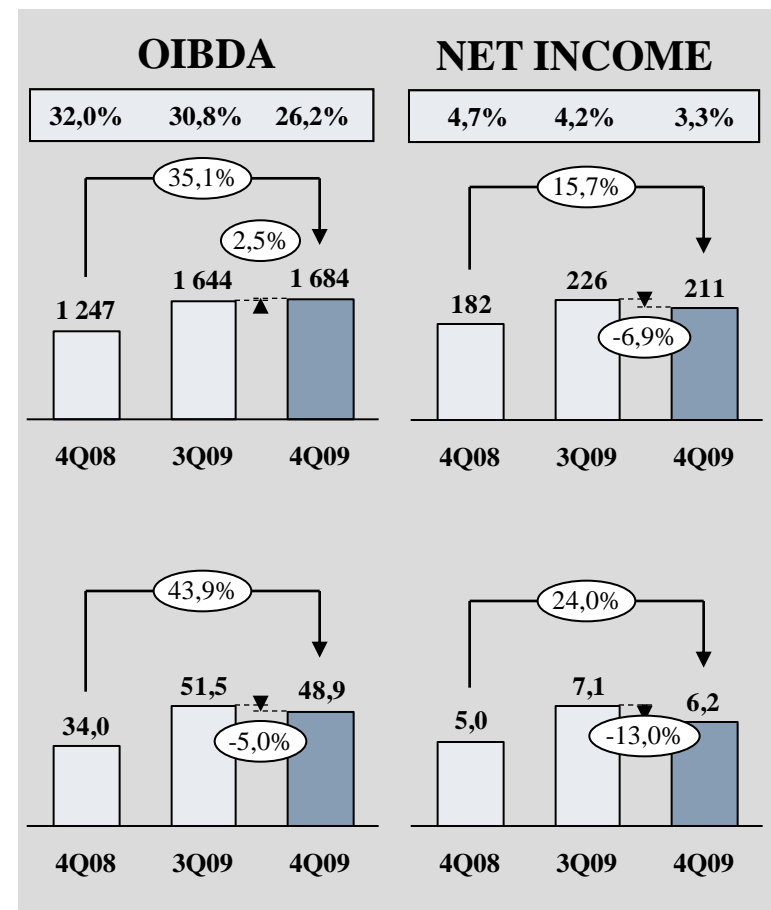
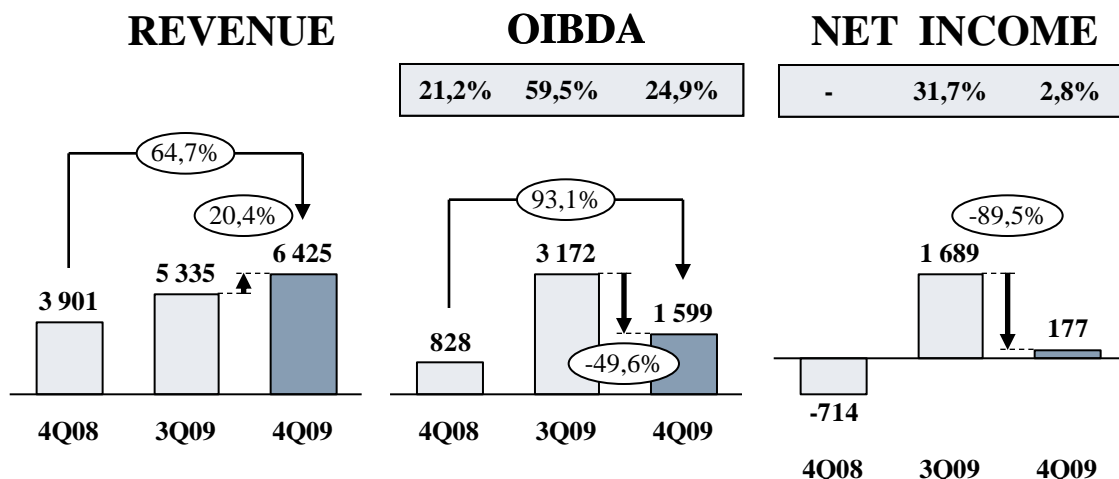
2.2. Q4 2009 consolidated results.



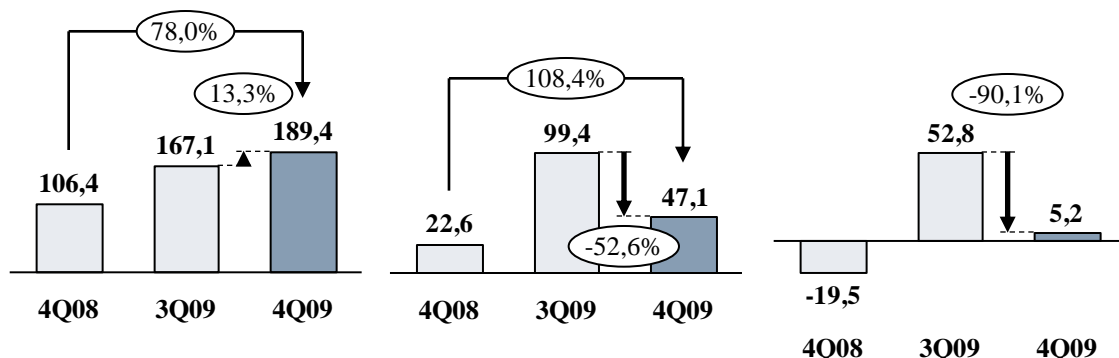
US GAAP, \$ mln

After one-offs

Before one-offs



RUR bln.



Revenue and OIBDA of the Corporation before one-offs increased in Q4 2009 vs. Q3 2009 mainly due to the growth of income from BU Oil&Energy and BU High Tech& Industry. Net income dropped mainly due to increased interest payments and one-offs.

* Average RUB/US\$ rate: Q4 2009 – 29,4729, Q3 2009 – 31,3276, Q4 2008 – 27,27.

In Q4 2009 the key financial indicators (before one-off adjustments) demonstrated growth compared to Q4 2008.

2.3. Non-recurring one-offs in 2009



US GAAP, \$mln

	4Q 2009		2009		Comments
	OIBDA	Net income*	OIBDA	Net income *	
Business Unit Oil & Energy	724	606	2 783	2 575	Gain on acquisition of Bashkirian assets.
Business Unit Telecom Assets	-521	-205	-606	-373	Write-offs relating to impairment of Svyazinvest investment; write-offs of obsolete equipment; other.
Other Business Units, Corporate Centre, etc.	-289	-367	-836	-1 075	Write-offs relating to Sistema-Hals disposal, write-offs in Sitronics Group, provisions in MBRD, and other.
TOTAL	-86	34	1 341	1 127	

* AFK share

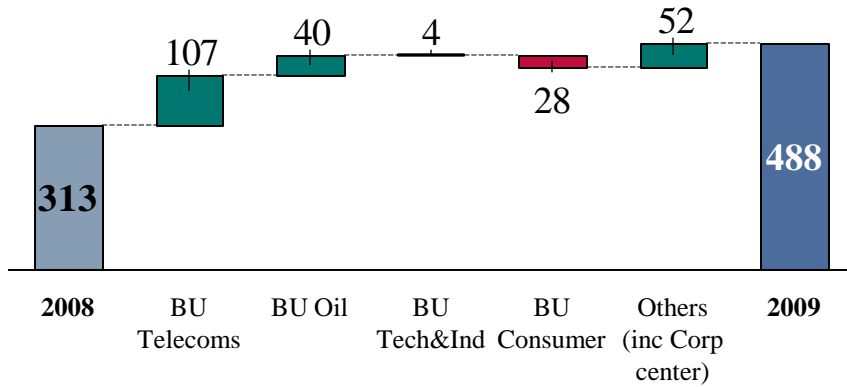
Non-recurring one-offs significantly influenced the Group's financial results for the fourth quarter and full year 2009.

2.4. Group's ROIC (RUR, management accounts)



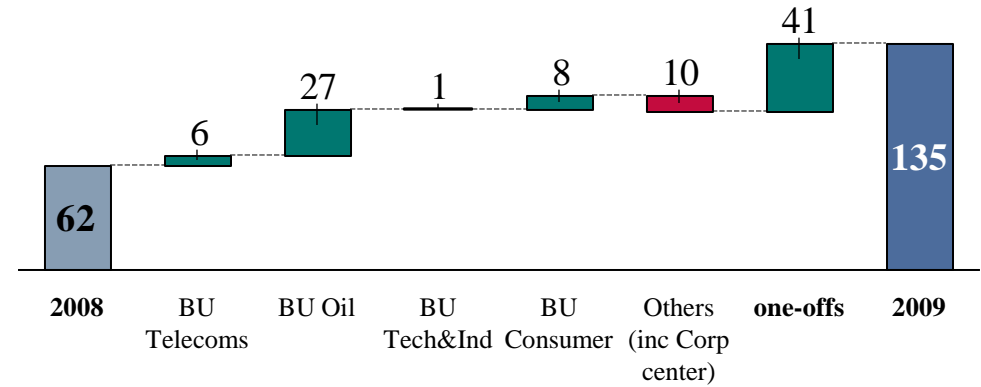
RUB bio

External debt growth in 2009

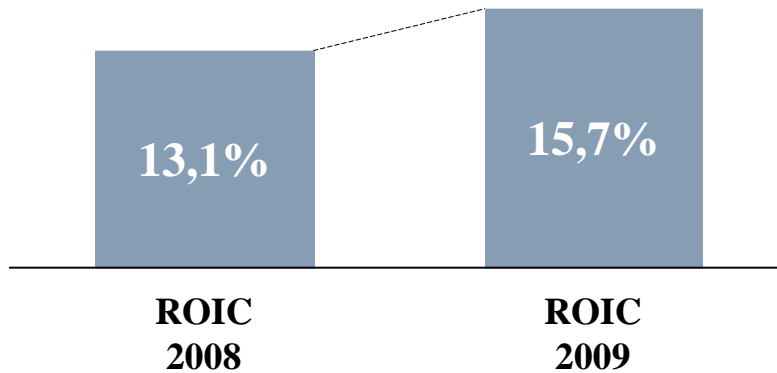


RUB bio

EBIT in 2009



Group's ROIC in 2009



$$\text{ROIC} = \frac{\text{EBIT}^*}{\text{Equity} + \text{Total Debt}}$$

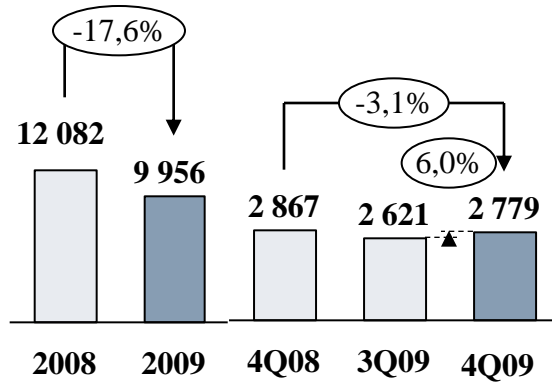
* - including FX gains and amortization on asset revaluation

Compared to 2008, Group's ROIC grew by 2,6% to 15,7% including one-offs

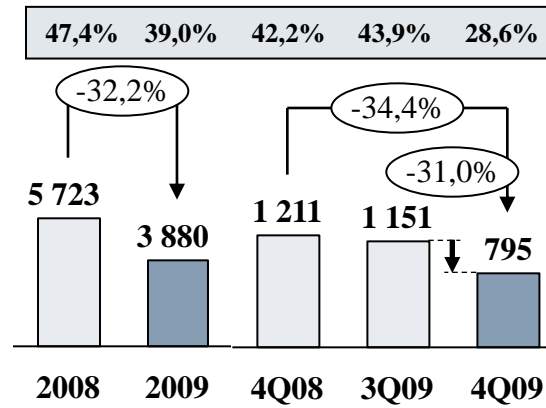
2.5. Telecom Assets Business Unit

US GAAP, \$ mln

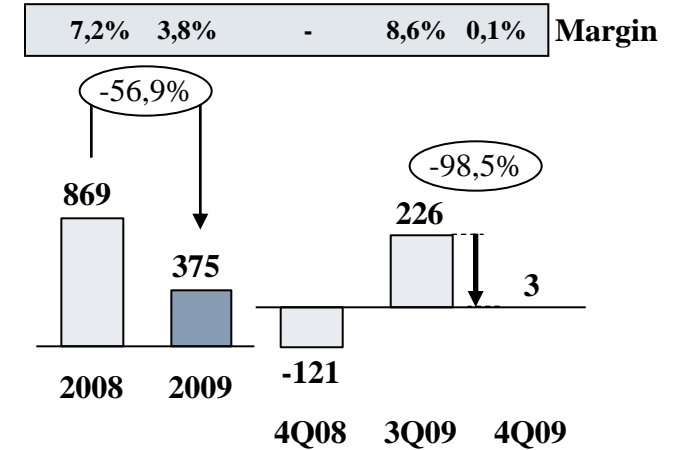
REVENUE



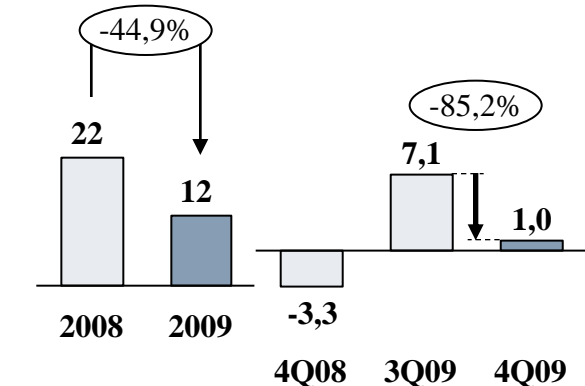
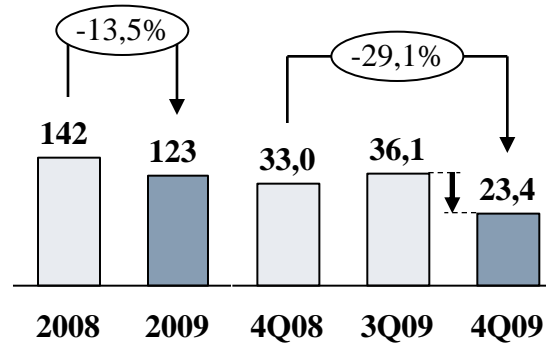
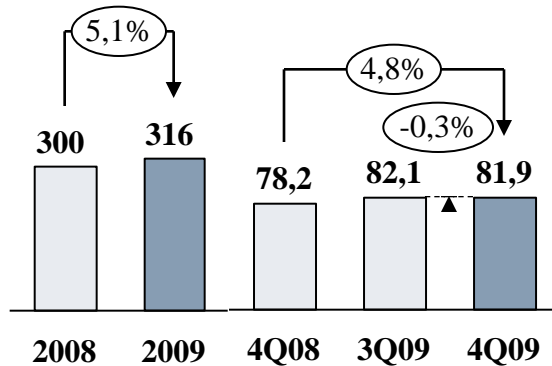
OIBDA



NET INCOME



RUR bln



BU's revenue increased vs. 3Q 2009 mainly due to the growth of subscriber base, strengthening of retail segment, as well as rising RUR rate against US dollar. OIBDA and net income of BU dropped vs. Q3 2009 mostly due to one-off write-offs in MTS.

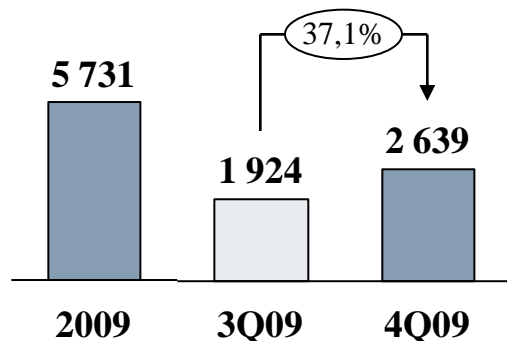
The Business Unit's results in 4Q 2009 were achieved due to its strengthened position on the key markets - voice and data.

2.6. Oil & Energy Business Unit

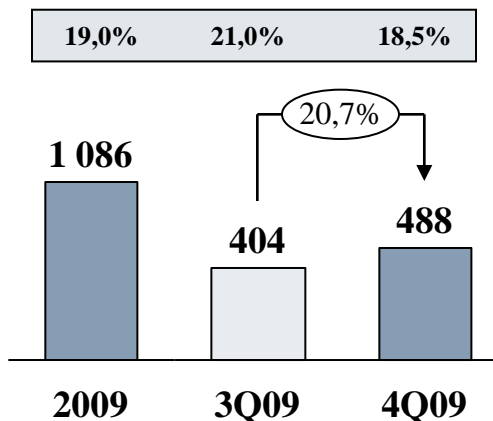


US GAAP, \$ mln

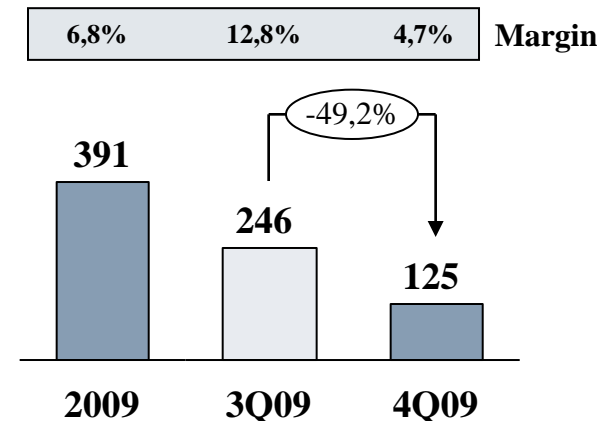
REVENUE*



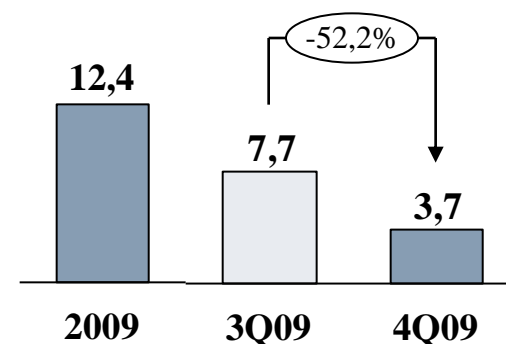
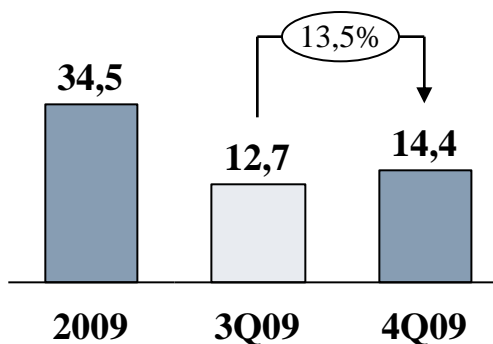
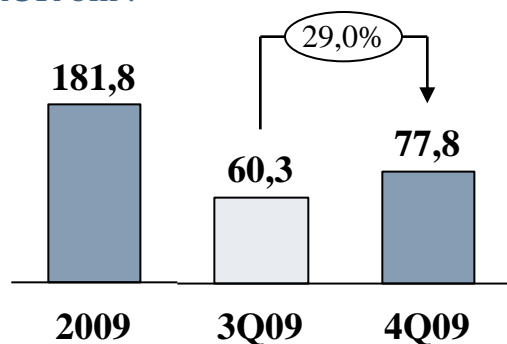
OIBDA**



NET INCOME**



RUR bln .



BU's revenue and OIBDA increased vs. Q3 2009 mainly due to cancellation of tolling in supplies of crude oil to refinery and increase utilization of the refining capacity. BU's net income dropped vs. Q3 2009 mainly due to the increased interest payments and forex changes.

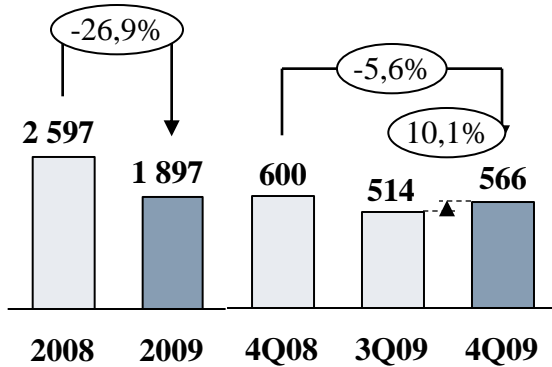
*After acquisition **Before one-off adjustments

The results of Oil&Energy Business Unit improved considerably vs. Q3 2009 due to optimization of commercial operations.

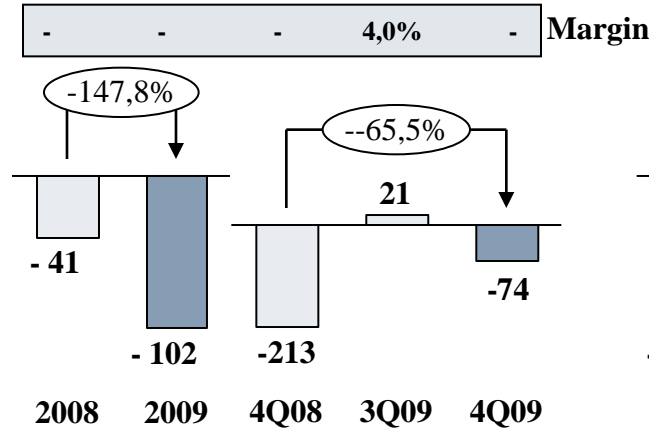
2.7. Consumer Assets Business Unit

US GAAP, \$ mln

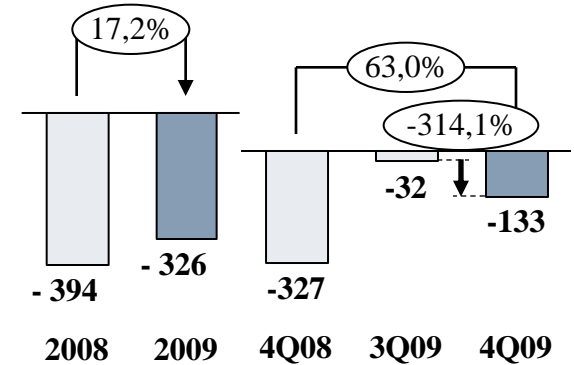
REVENUE



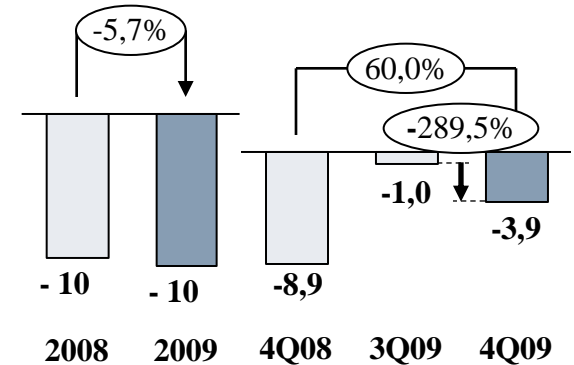
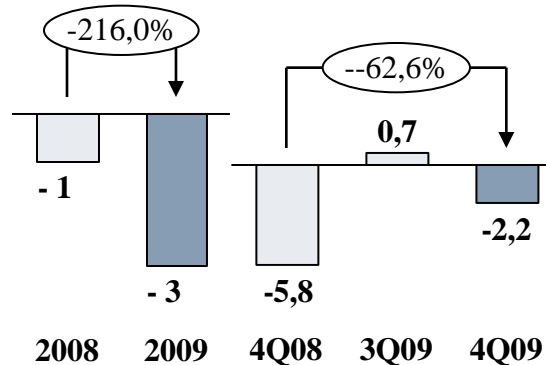
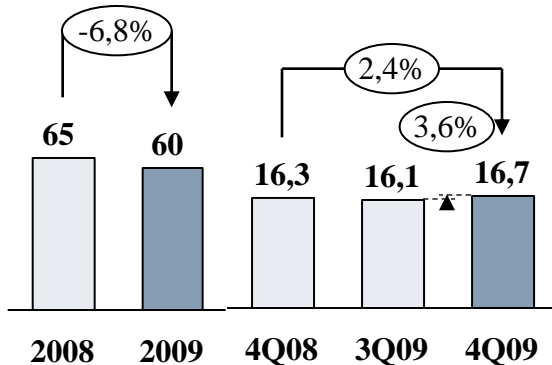
OIBDA



NET LOSS



млрд руб.



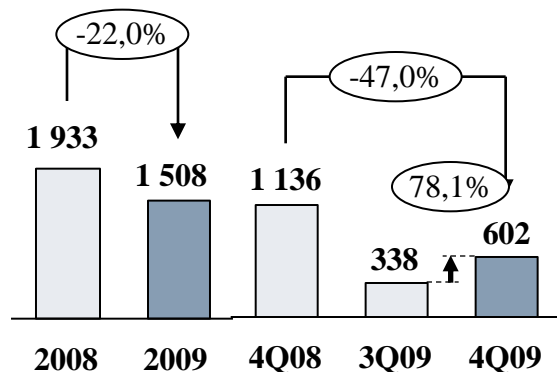
Consumer assets demonstrate development that meets management's plans and expectations. Compared to 3Q09, in 4Q09 revenues were influenced by seasonal reviving in retail and medical services. In 4Q09 MBRR has made provisions that had impact on OIBDA and net income.

Despite the difficult situation in the industry and the fact that the Business Unit comprises businesses under development, in Q4 the revenue increased vs. Q3 2009.

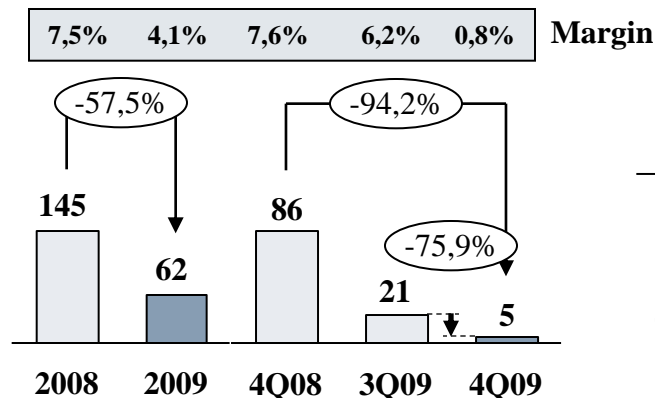
2.8. High Tech & Industry Business Unit

US GAAP, \$ mln

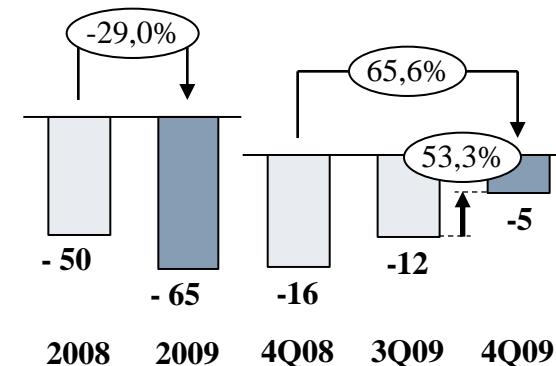
REVENUE



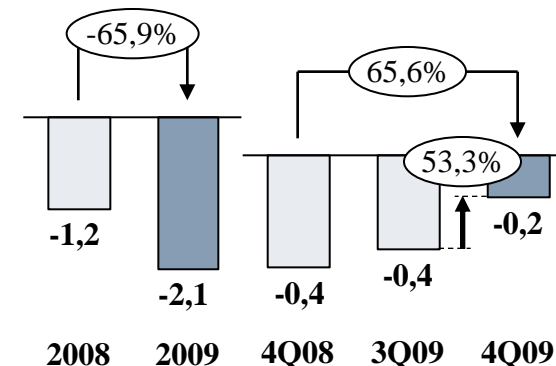
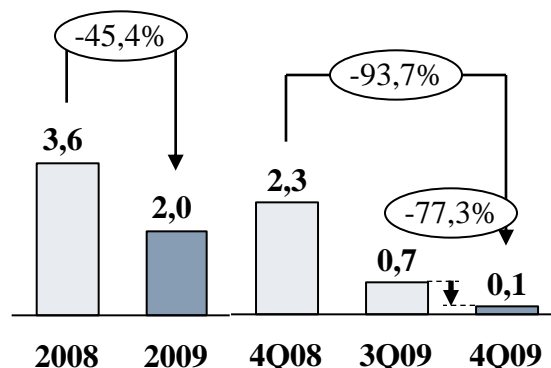
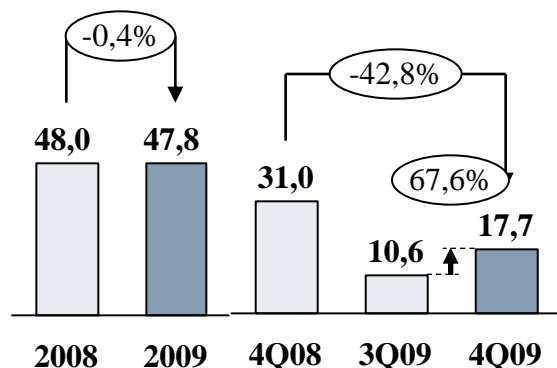
OIBDA



NET LOSS



RUR bln .



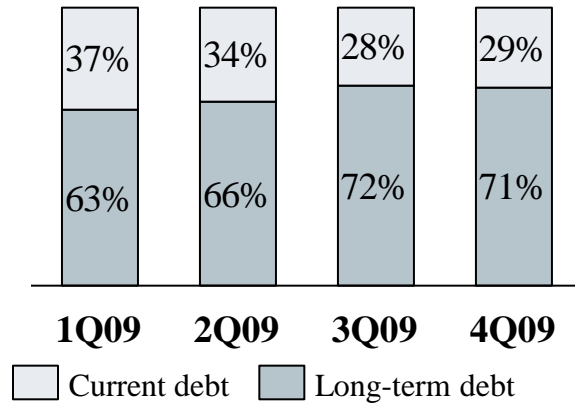
BU's revenue increased vs. Q3 2009 mainly due to seasonal factors. Net loss dropped vs. Q3 2009 mostly due to improvements in operations of RTI and Pharmaceuticals.

In Q4 2009 a seasonal growth of revenue and an insignificant reduction of BU's OIBDA was demonstrated vs. Q3 2009.

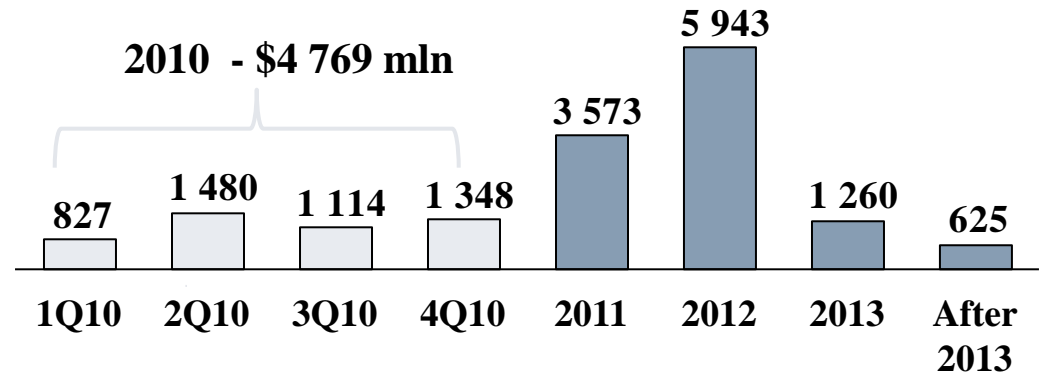
2.9. Debt optimization (Consolidated debt as of 31 December 2009)



INCREASE OF LONG TERM BORROWINGS SHARE (\$ mln)*

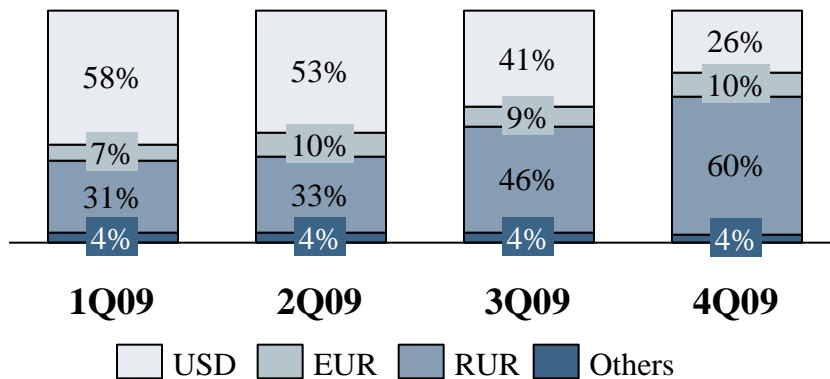


OPTIMAL DEBT MATURITY PROFILE (\$ mln)*

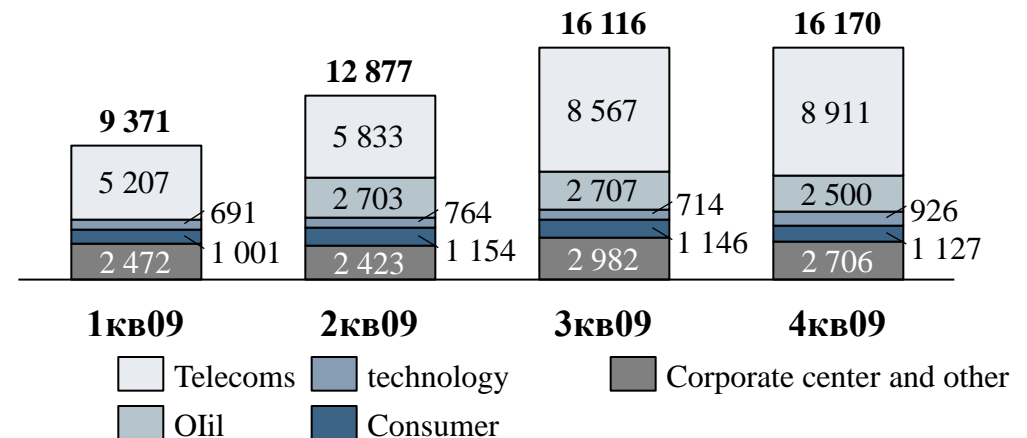


*Source: management accounting

INCREASE OF RUR BORROWING SHARE (%)



DEBT BREAKDOWN BY SEGMENTS (\$ mln)

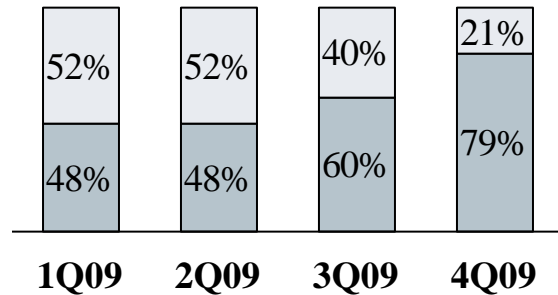


In 2009 Sistema's debt has been optimized. By the year end the debt/OIBDA ratio was 2.4

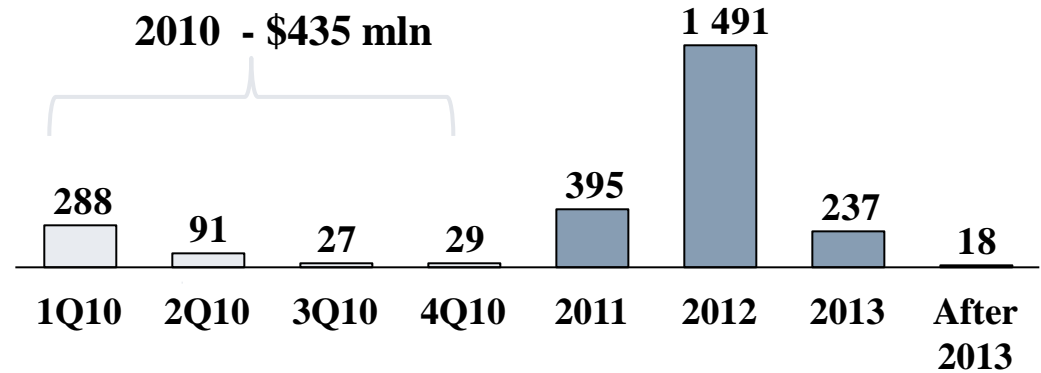
2.10. Corporate Centre debt optimization (as of 31 December 2009).



INCREASE OF LONG TERM BORROWINGS SHARE (\$ mln)*

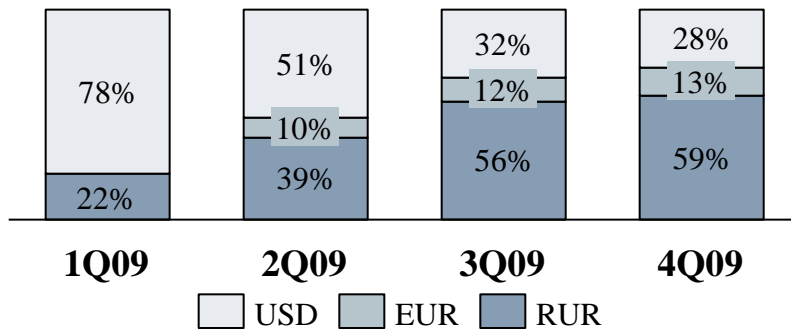


OPTIMAL DEBT MATURITY PROFILE (\$ mln)*

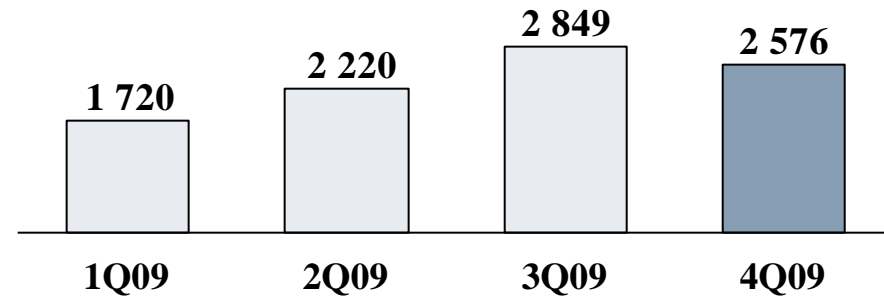


*Source: management accounting

INCREASE OF RUR BORROWING SHARE(%)



CONTROL OF TOTAL DEBT BURDEN (\$ mln)

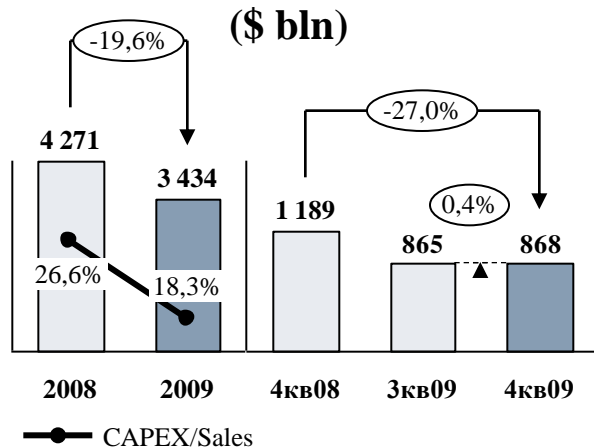


During 2009 maturity profile and FX basket of the Corporate center's debt were optimized

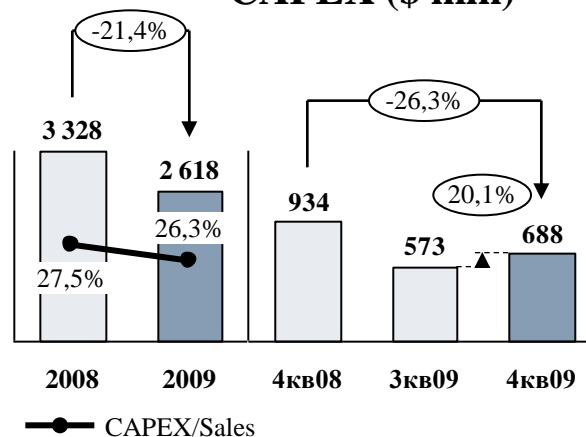
2.11. CAPEX | SG&A in Q4 2009.



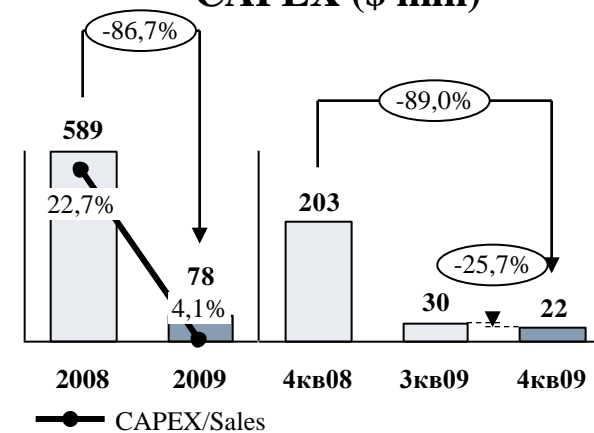
Consolidated CAPEX



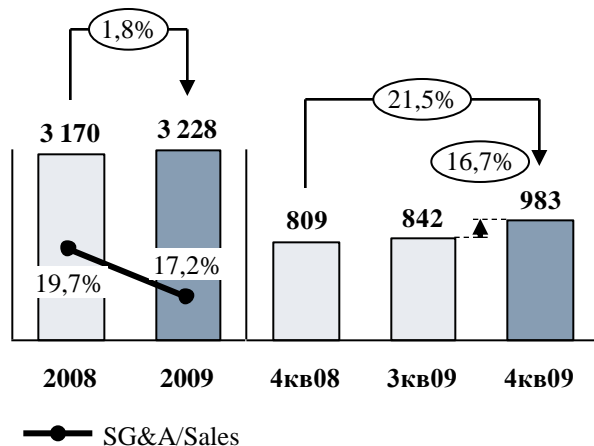
BU Telecom Assets CAPEX (\$ mln)



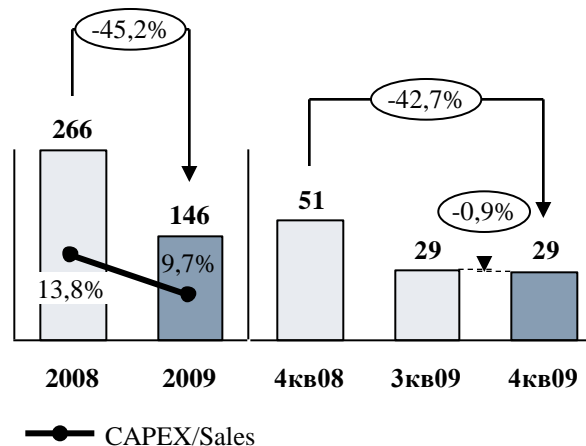
BU Consumer Assets CAPEX (\$ mln)



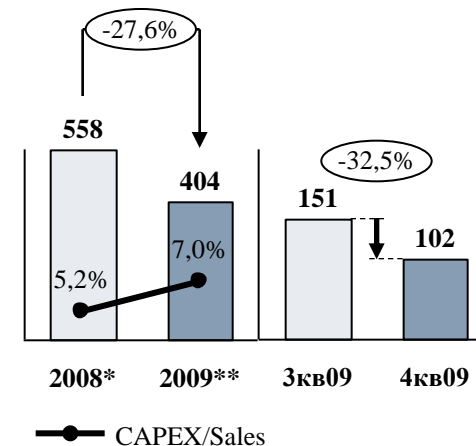
Consolidated SG&A (\$ bln)



BU High Tech & Industry CAPEX (\$ mln)



BU Oil & Energy CAPEX (\$ mln)



* Data - RAS accounting

Cost-cutting programme resulted in considerable reduction of CAPEX and SG&A/Revenue ratio in 2009 vs. 2008.

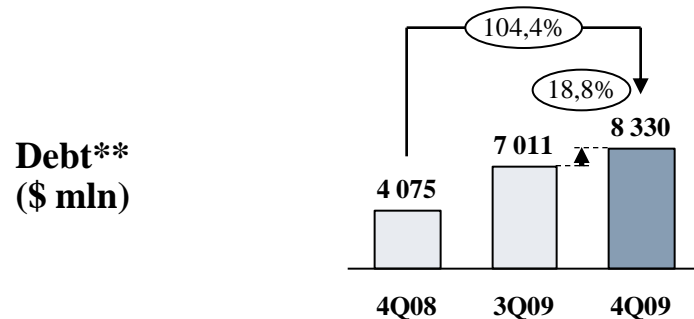
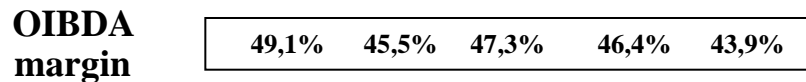
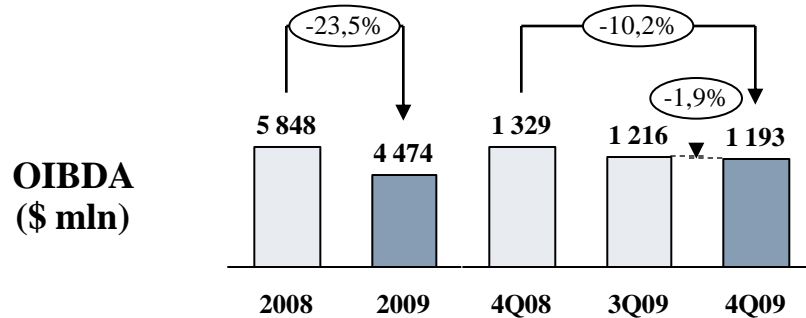
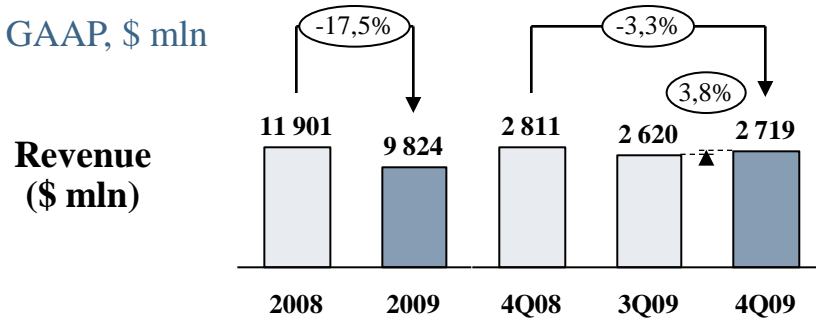


1. Key events
2. Q4 2009 financial results
- 3. Portfolio (consolidated) companies**
4. Annex

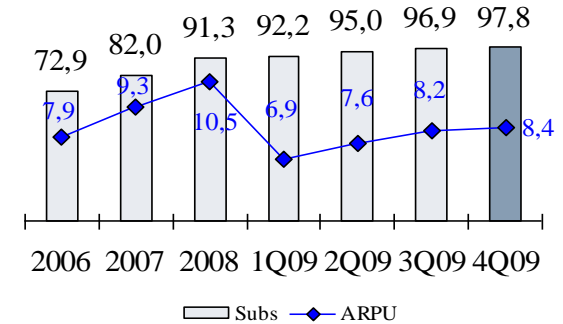
3.1. BU Telecommunication Assets: MTS



US GAAP, \$ mln



Subscribers* (mln.) and ARPU Russia (\$)



Key events in Q4 2009 and onwards

- In October 2009 MTS acquired 50.91% in the equity of Comstar-UTS for RUR 39.15 bln from Sistema JSFC via its subsidiary
- Credit facility lodged for the amount of up to US\$ 1.074 bln guaranteed by the export credit agency of Sweden, EKN, to purchase equipment from Ericsson.
- The stake of MTS in Comstar-UTS increased to 61.97% within a shares swop transaction with a group of investment funds.
- Acquisition of a leading federal backbone operators of Russia, OJSC Eurotel, with the total network spread of 19.5 thousand km.
- Full-fledged 3G network launched in Moscow.

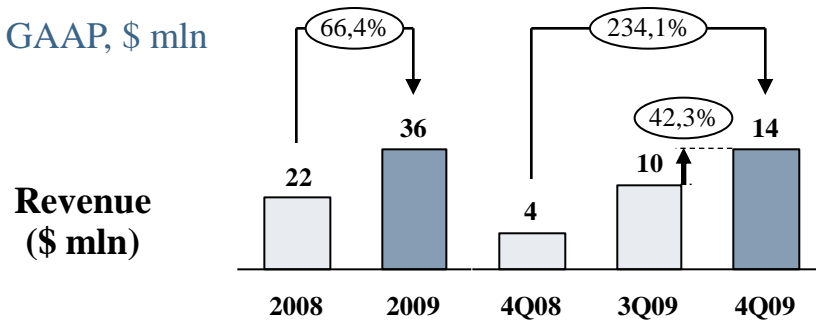
*Net of subscribers in the Republic of Belarus

**Hereinafter the external debt of companies is shown.

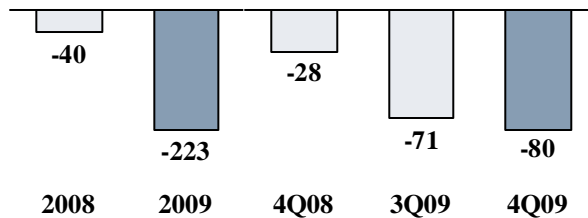
MTS achieved stronger QoQ results in Q4 due to subscriber base growth, seasonality factors and RUR appreciation.

3.2. BU Telecommunication Assets: Sistema Shyam TeleServices Ltd.

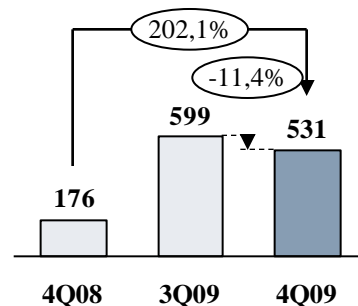
US GAAP, \$ mln



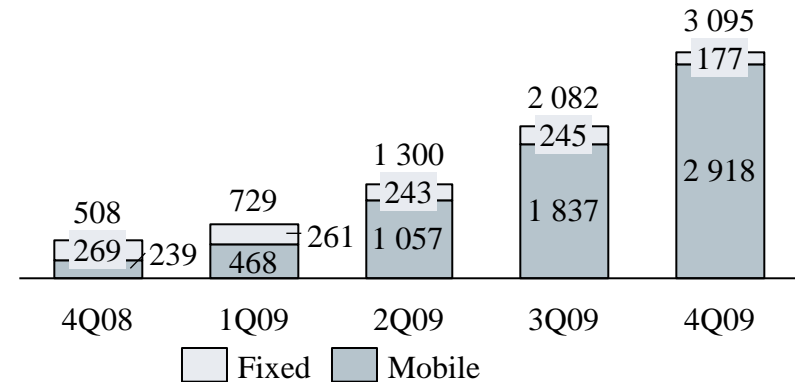
OIBDA (\$ mln)



Debt (\$ mln)



Subscribers – fixed and mobile (ths)



Key events in Q4 2009 and onwards

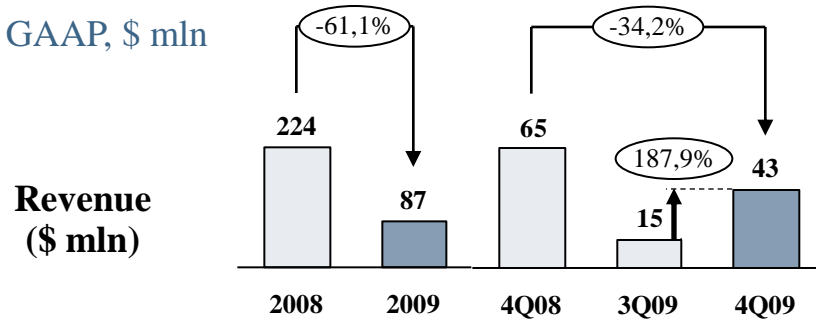
- Business launched in 5 telecom circles (Delhi, Haryana, Mumbai, Maharashtra, Karnataka).
- Implementation of the new strategy that implies proactive development of mobile BB services commenced.
- Mobile BB services launched in 55 largest cities of the country, including all the 5 major metros.
- Total subscriber base exceeded 4 million subscribers.
- Credit for the amount of ca US\$ 110 mln received from the Central Bank of India.
- License requirements on Stage 1 of the pan-Indian telecom network rollout met in all the circles of India.

SSTL's network construction has been in line with the business plan. The subscriber base growth has been ahead of the schedule.

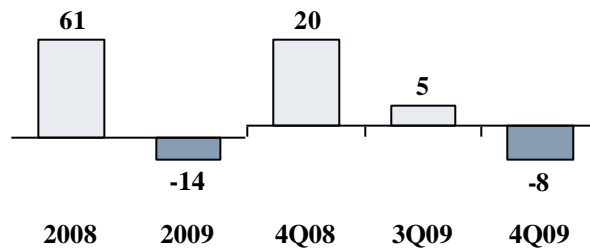
3.3. BU Telecommunication Assets: Sistema Mass Media



US GAAP, \$ mln



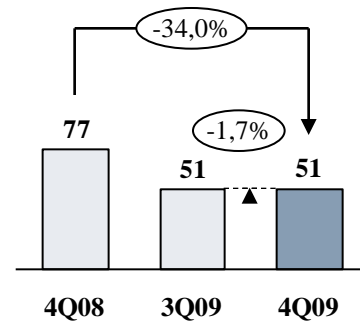
OIBDA (\$ mln)



OIBDA margin

2008	27,0%	-	31,3%	30,3%	-
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Debt (\$ mln)



Key events in Q4 2009 and onwards

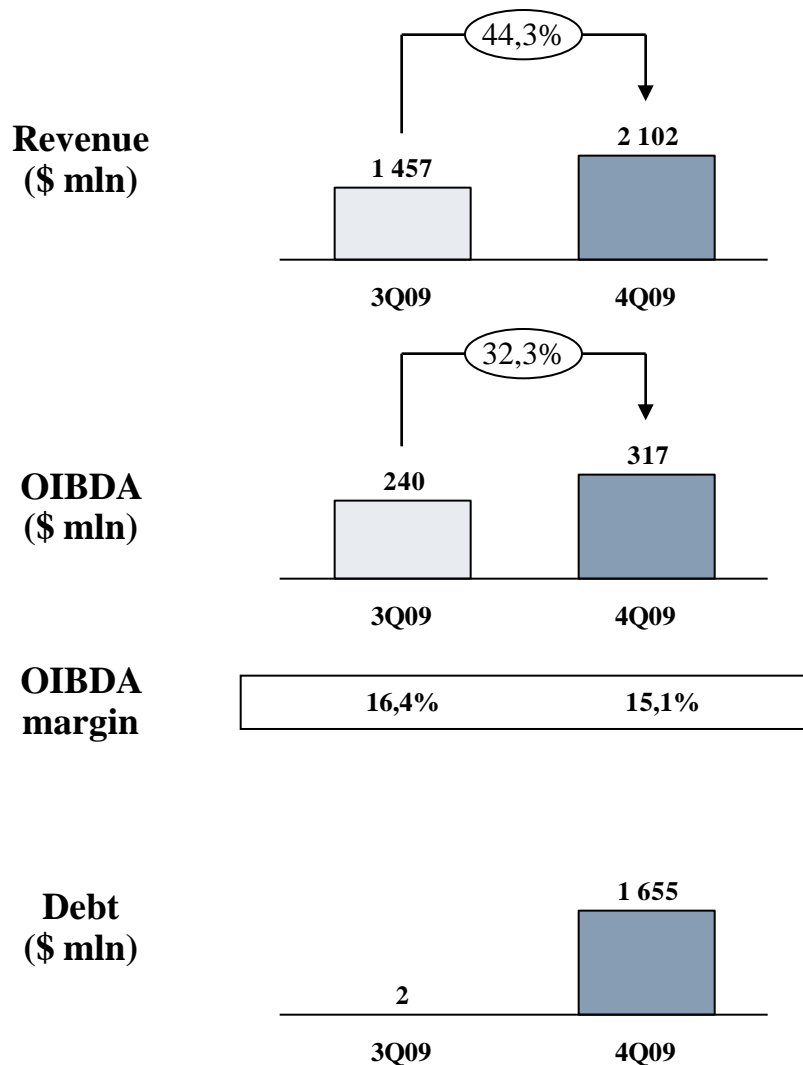
- The new ‘Questions and Answers’ TV channel was launched in the test mode in early October 2009
- The first international project of TV Company STREAM was launched at the end of 2009: full-scale broadcasting of the ‘STREAM.Russian Life’ channel was commenced in the USA in the DISH Network satellite TV operator networks.

The QoQ growth in revenues was mostly driven by the successful marketing actions.

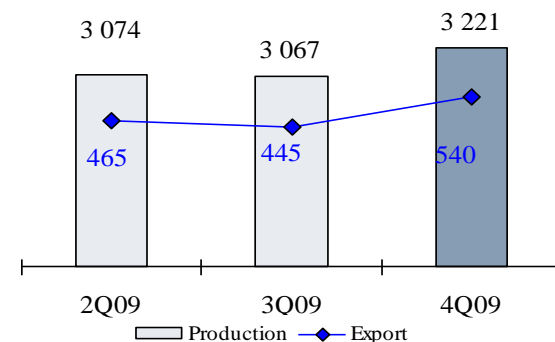
3.4. BU Oil & Energy: Bashneft



US GAAP, \$ mln



Production* and export of crude oil / oil products (th tons)



Key events in Q4 2009 and onwards

- 3 bond issues placed for the total amount of RUR 50 bln.
- Since December 2009 Bashneft has completely withdrawn from the tolling schemes.
- The BoD of Sistema JSFC approved the Sistema JSFC Oil Assets Development Strategy.
- An offer sent to the minority shareholders of Bashneft .
- Bashneft reported highest upstream production growth in the industry - 4,2%

* Including production at the subsidiaries.

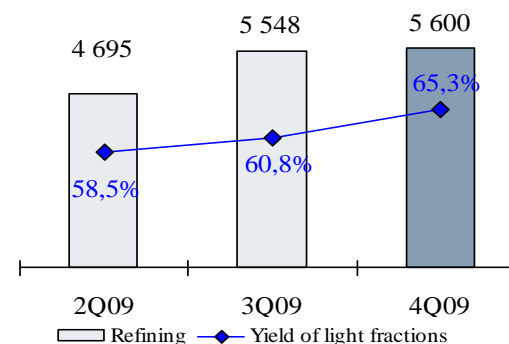
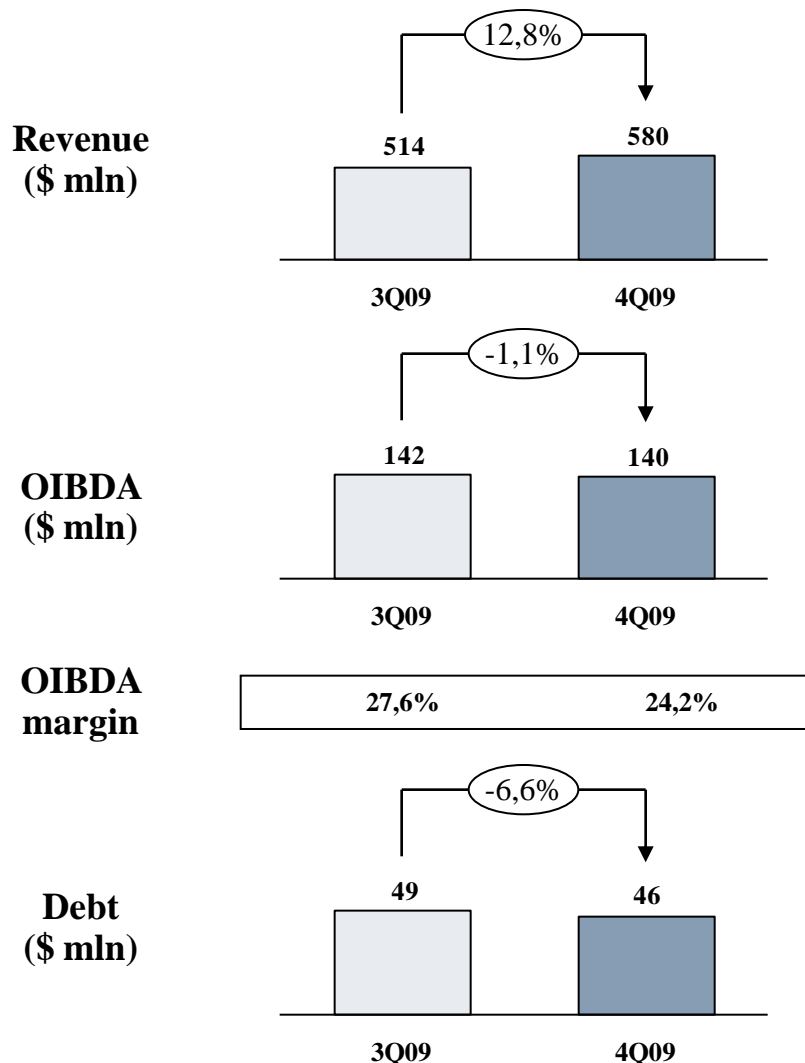
The growth in revenues was mostly driven by improvements in the commercial block and the growth of oil prices.

3.5. BU Oil & Energy: Bashkir Refineries



US GAAP, \$ mln

Refining (ths tons) and Light oils yield (%)



Key events in Q4 2009 and onwards

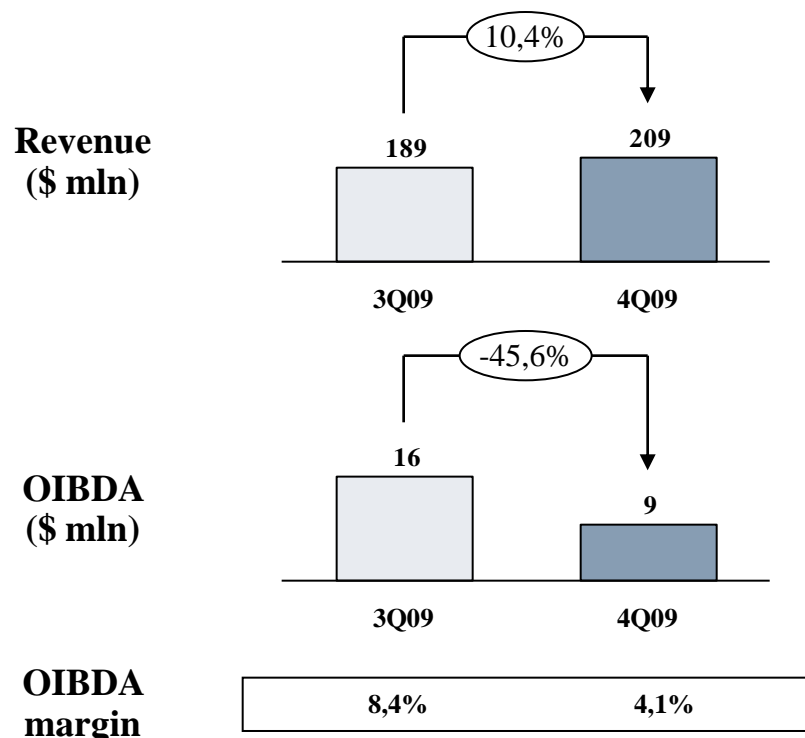
- By abandoning the tolling schemes optimal load of refineries has been achieved.
- Ufaneftekhim – delayed coking unit (1.2 mln tons of raw per annum) launched. Eventually the refining grade increased to 96-98%.

All the key indicators grew mostly due to withdrawal from tolling schemes, increased capacity utilization and a rise in oil processing prices.

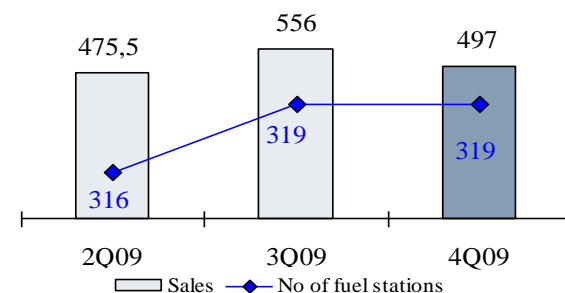
3.6. BU Oil & Energy: Bashkirnefteproduct



US GAAP, \$ mln



Sales volumes per 1 fuel station (tons) and the number of fuel stations



Key events in Q4 2009 and onwards

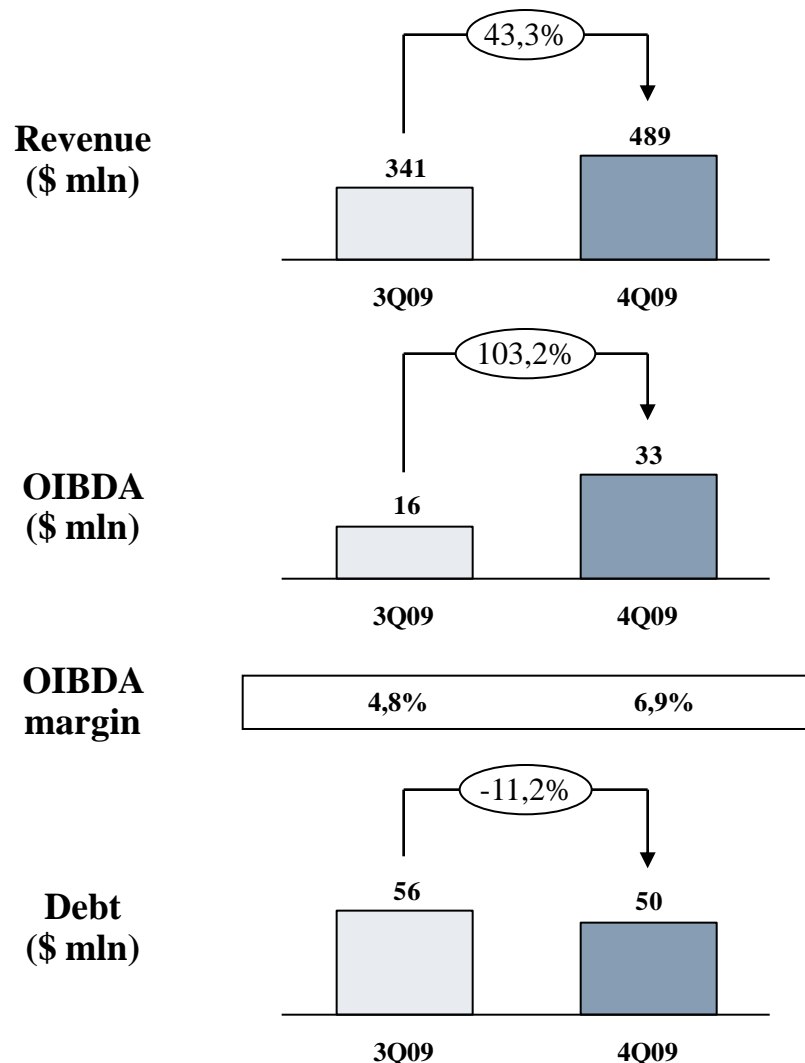
- Commercial function has been started up to drive the efficiencies of sales channels.
- The first in Bashkortostan water transport fuel station opened; design capacity is 570 thousand tons of oil products to be sold per annum.
- The first in Bashkortostan fuel station with an automated service system put in operation.

Revenues grew mostly due to the increased oil products sales volumes. The marginality reduction occurred due to the increased procurement prices.

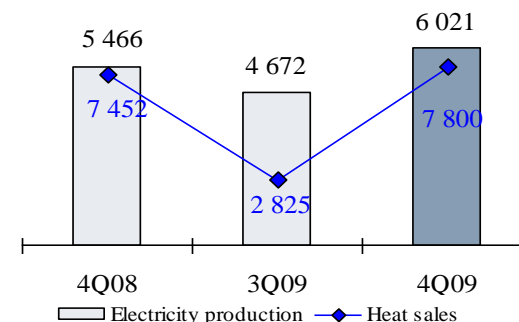
3.7. BU Oil & Energy: Bashkirenergo



US GAAP, \$ mln



Electricity production (mln kW) and sales of heat energy (K Gcal)



Key events in Q4 2009 and onwards

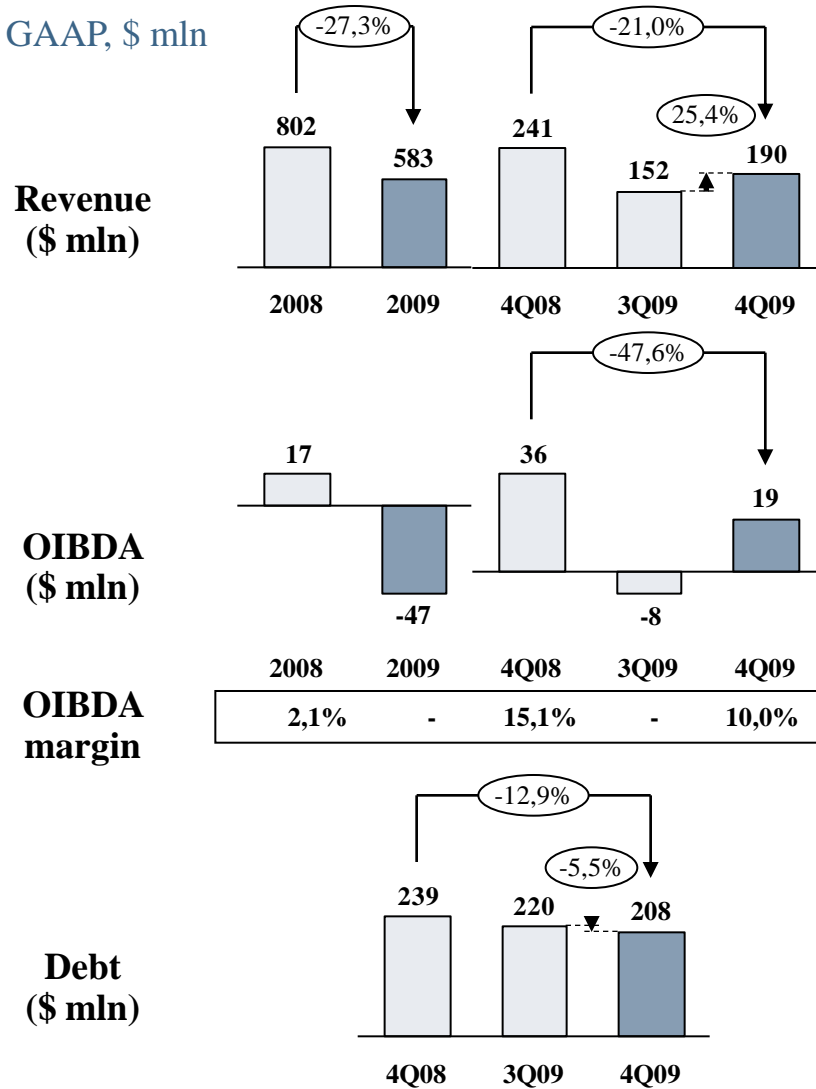
- The construction of the GTES-25P gas turbine electric power station at Ufa Heating and Power Plant #1 of Bashkir Generating Company LLC completed. Its electricity output capacity is 22.5 mW, heat capacity – 26 Gcal per hour.
- The liabilities regarding the payment of the thirteenth coupon on the Series 03 bonds discharged in full, the payment amounting to RUR 166.0 thousand.
- In January 2010 the extraordinary General Shareholder Meeting was held at Bashkirenergo. The EGSM elected the Board of Directors of 13 members. The first session of the BOD elected N.A.Kurapov as the Chairman of the Board.
- The Board of Directors of Sistema JSFC approved the Energy Assets Development Strategy.

The q-o-q growth of the financial indicators was mostly driven by the increased tariffs and the growth of the heat and electric power sales volumes.

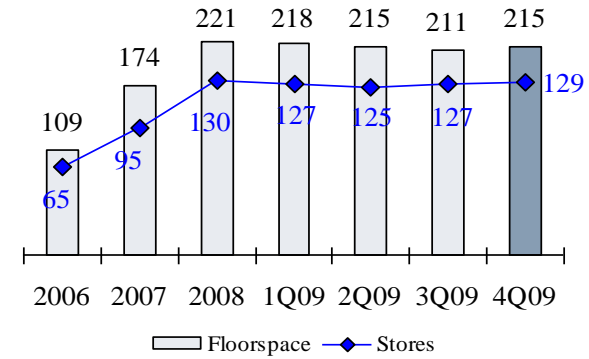
3.8. BU Consumer Assets: Retail



US GAAP, \$ mln



Retail space (thsq.m.) and stores



Key events in Q4 2009 and onwards

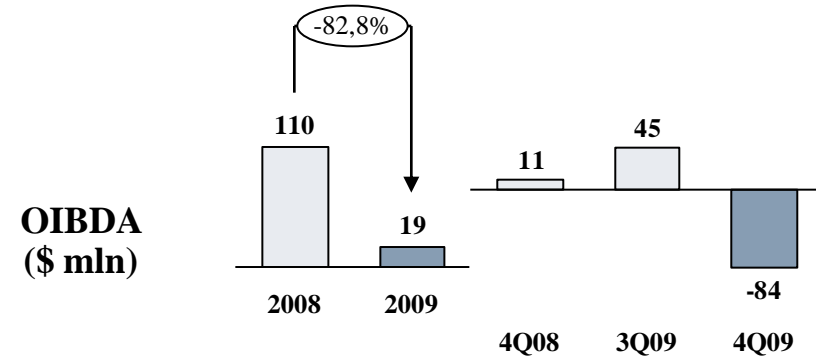
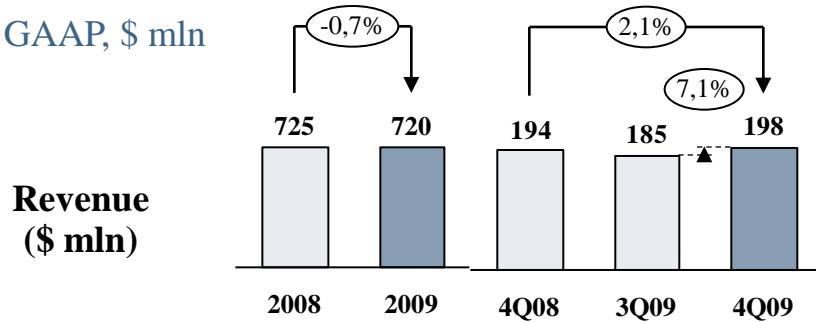
- 40% (\$8.3 mln) of the Raiffeisenbank loan amortized, (\$20.5 mln, subject to repayment in five equal portions from August through December 2009).
- Fully repaid Raiffeisenbank loan in amount of US\$20,5 mln.
- Placement of additional share issue approved in amount exceeding RUR1,6 bio
- Agreement signed with Raiffeisenbank on loan roll-over and new funding in amount of RUR3,5 bio.
- The Board of Directors appointed Alexander Chuikin as the new General Manager of the management company OJSC Detsky Mir-Center.

Detsky Mir is optimizing its retail network and reducing its debt.

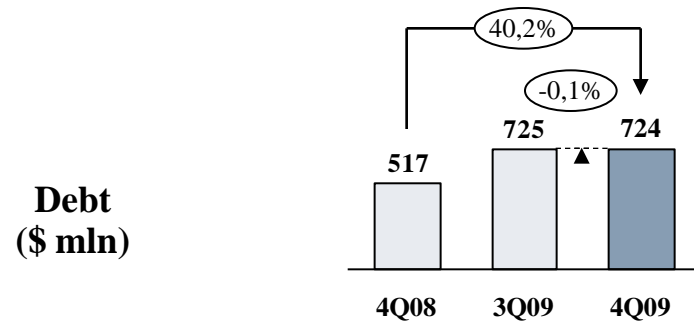
3.9. BU Consumer Assets: Banking



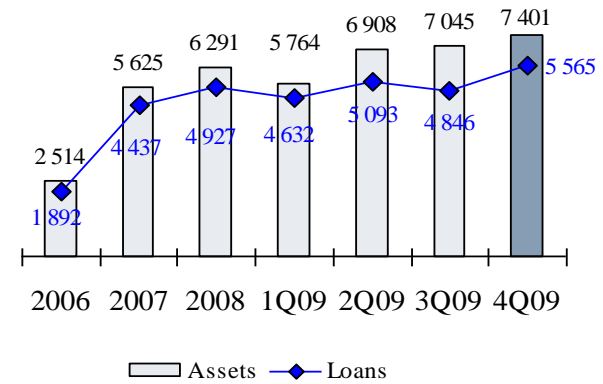
US GAAP, \$ mln



Period	OIBDA margin
2008	15,1%
2009	2,6%
4Q08	5,6
3Q09	24,3%
4Q09	-



Assets and loans* (\$ mln)



Key events in Q4 2009 and onwards

- The equity of MBRD was increased by RUR 1.9 bln compared to 01 November 2009 (exceeded RUR 14 bln), through obtaining a subordinated loan. The loan was granted by Sistema JSFC.
- Mortgage securities placed for the total amount of RUR 2.2 bln.
- The ratio of retail deposits to retail loans increased and amounted to 134.8% compared to 131.4% in Q3 2009
- The Central Bank of the Russian Federation and the Board of Directors of the Moscow Bank of Reconstruction and Development (MBRD) appointed Oleg Kapitonov as the Chairman of MBRD's Management Board .

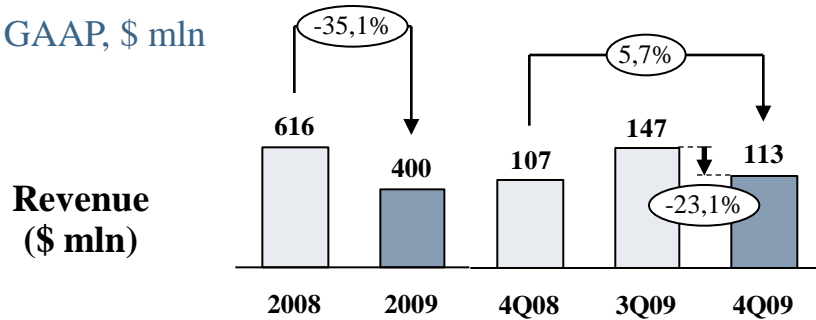
* Including cash in banks

Q4 2009 saw continued steady growth of assets and loans, OIBDA reduced as additional provisions were made.

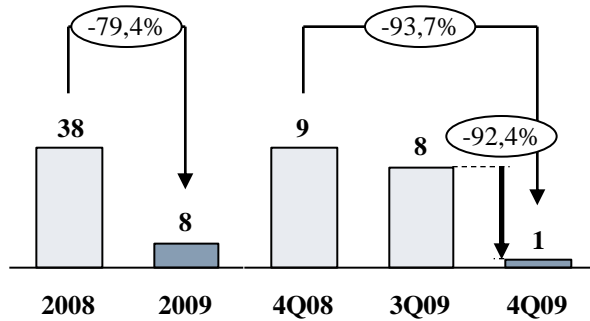
3.10. BU Consumer Assets: Tourism



US GAAP, \$ mln



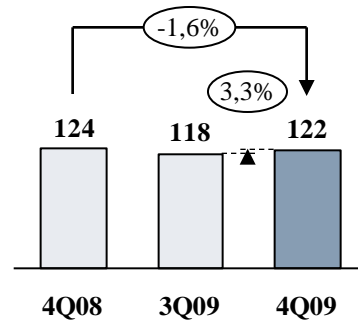
OIBDA (\$ mln)



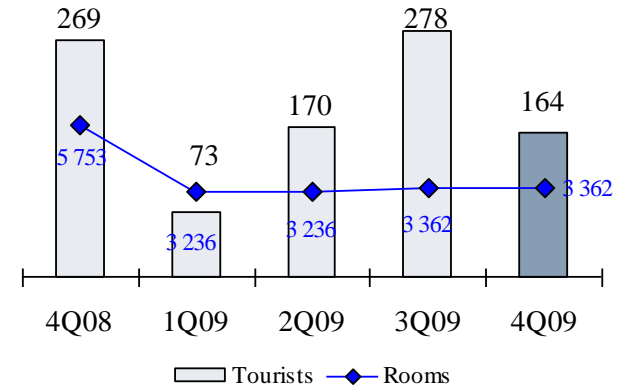
OIBDA margin

6,1%	1,9%	8,5%	5,2%	0,5%
------	------	------	------	------

Debt (\$ mln)



Tourists (ths.)*, owned, managed and rented hotel rooms



Key events in Q4 2009 and onwards

- Agreement signed with MTS on cross-sales of products and services.
- 3 new subsidiaries of NTK Intourist opened in Kazan, Ufa and Nizhny Novgorod, with the appropriate flight programs from these locations formed, the agency network expanded and the client base increased.

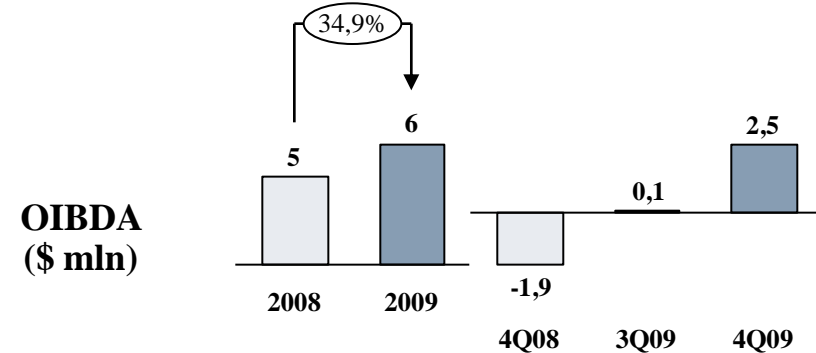
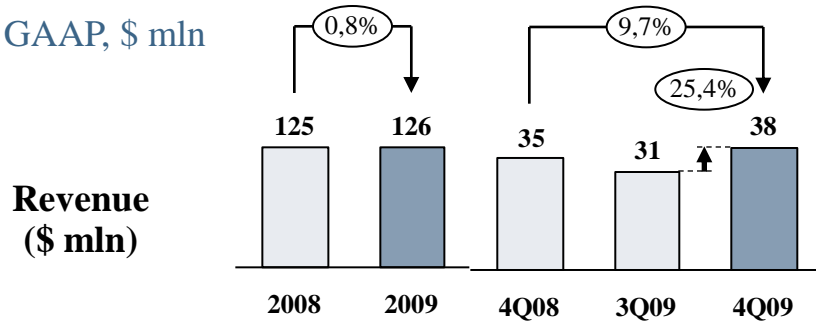
* Including inbound, outbound, internal tourism and transportation services

Intourist's Q4 results were impacted by the combination of the seasonal factor and higher competition with lower package tour prices.

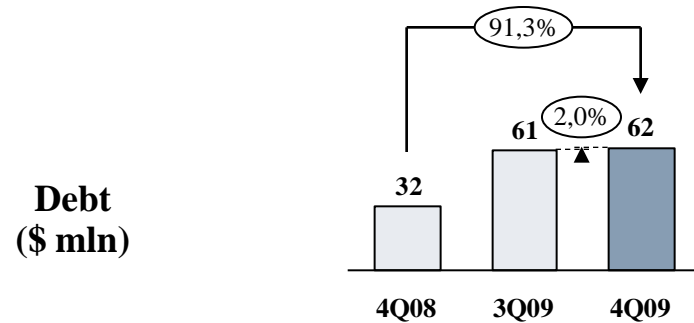
3.11. BU Consumer Assets: Healthcare



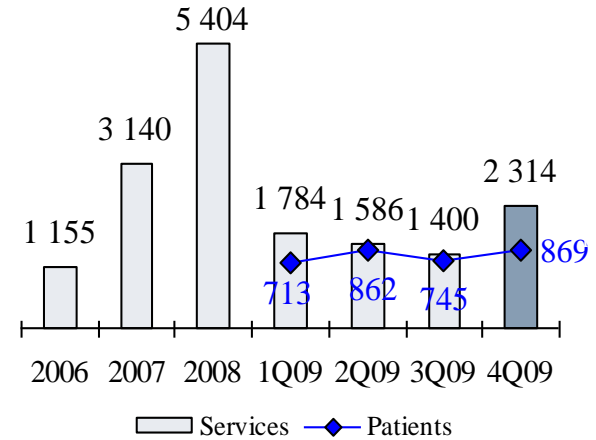
US GAAP, \$ mln



Period	OIBDA margin
2008	3,7%
2009	5,0%
4Q08	-
3Q09	0,4%
4Q09	6,5%



Services and patient visits (ths)



Key events in Q4 2009 and onwards

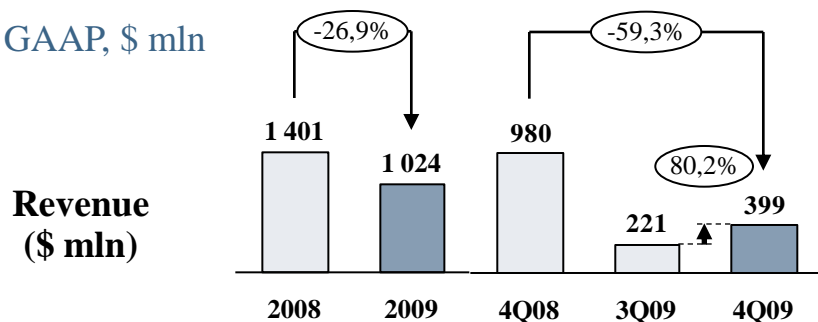
- A luxury unit was opened in the “MEDSI-CENTROSOYUZ” in-patient clinic.
- The healthcare space in Moscow and the regions amounted to 17.9 ths sq. m

It is the seasonality factor and the settlements with the insurance companies that resulted in the QoQ growth of OIBDA in Q4 2009.

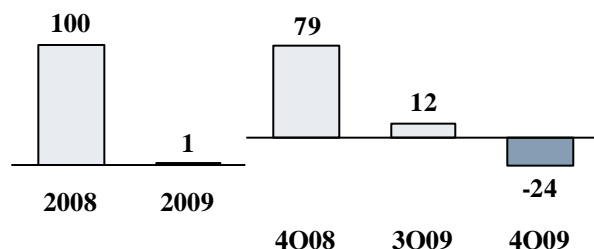
3.12. BU High Technology and Industry: Sitronics



US GAAP, \$ mln



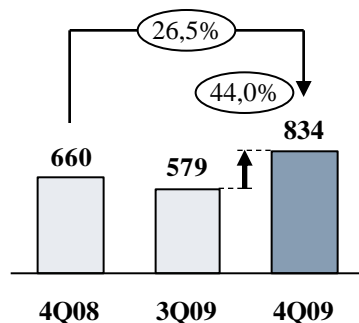
OIBDA (\$ mln)



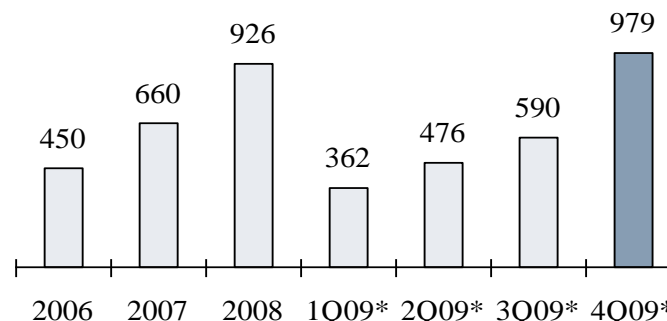
OIBDA margin

Period	OIBDA margin
2008	7,2%
2009	0,1
4Q08	8,1%
3Q09	5,2%
4Q09	-

Debt (\$ mln)



Contracts signed (\$ mln)



* As of the date of announcing the financial results for the respective period, since the beginning of the year.

Key events in Q4 2009 and onwards

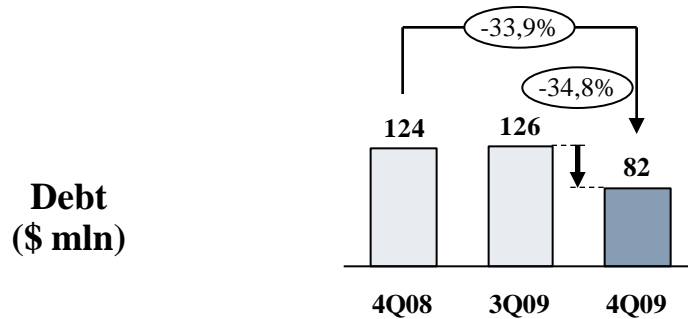
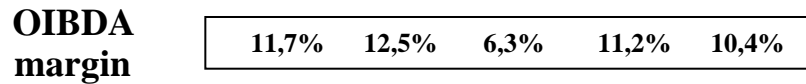
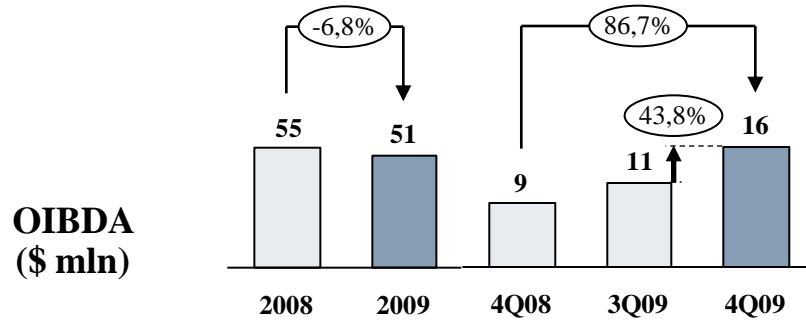
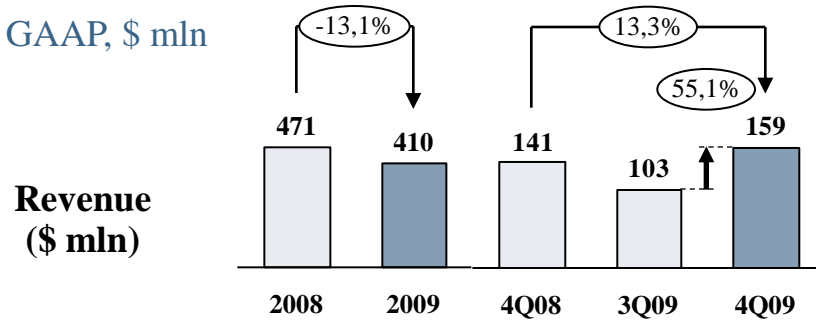
- Investment agreement between RUSNANO and Sistema JSFC signed to set up serial production of ICs on the basis of a nano-electronic technology with 90 nm design rules on 200 mm plates.
- Revised development strategy of Sitronics approved.
- US\$ 230 mln two-year loan agreement signed with the Bank of Moscow; the new credit facility will be used to refinance the loan provided by Vnesheconombank.

The results of SITRONICS were affected by the overall deterioration of the market situation. The company continues to effectively manage its debt.

3.13. BU High Technology and Industry: Radars and Aerospace



US GAAP, \$ mln



Key events in Q4 2009 and onwards

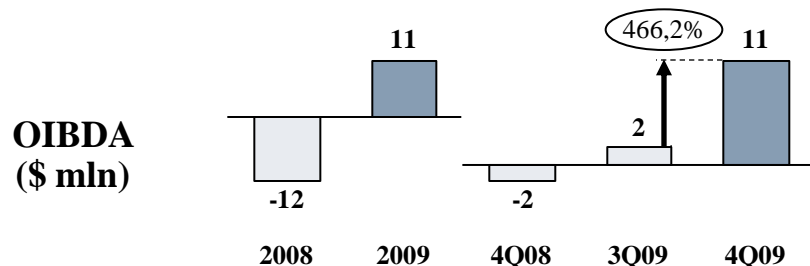
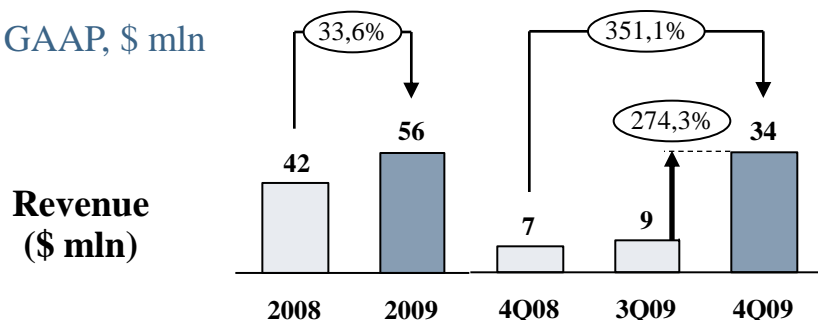
- Cooperation agreement signed by Concern RTI-Systems and the General Headquarters of internal troops of the Russian Ministry of Internal Affairs.
- Contract base increased with Ministry on Extraordinary Situations and Ministry of Defense of the Russian Federation

The QoQ growth in the revenues of RTI Systems occurred due to expansion of the contracts base.

3.14. BU High Technology and Industry: Pharmaceuticals

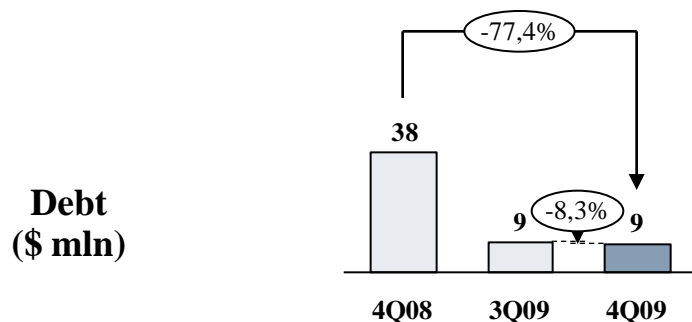


US GAAP, \$ mln



OIBDA margin

Year/Quarter	OIBDA margin
2008	-
2009	19,4%
4Q08	-
3Q09	21,0%
4Q09	31,7%



Key events in Q4 2009 and onwards

- The construction of the new biotech facility at Zelenograd completed; the facility hosted the meeting on the pharmaceutical industry development issues chaired by the Chairman of the RF Government and participated by vice-prime ministers, ministers and heads of the RF subjects.
- The hepatitis B adult vaccine supply contract fulfilled.
- Infant conservative-free hepatitis B vaccine registered.

Binnopharm successfully launched manufacturing at the new facility in Zelenograd.



1. Key events
2. Q4 2009 financial results
3. Portfolio (consolidated) companies

4. Annex

4.1. Consolidated financial results – Q4 2009



US GAAP, \$ mln

PROFIT AND LOSS REPORT	4Q 2009	4Q 2008	2009	2008
Revenue	6 425	3 901	18 750	16 071
Depreciation	732	554	2 491	2 316
OIBDA	1 599	828	6 810	5 454
<i>margin</i>	24,9%	21,2%	36,3%	33,9%
Operating Income	866	274	4 319	3 138
<i>margin</i>	13,5%	7,0%	23,0%	19,5%
Net Income/Loss	177	-714	1 643	62
<i>margin</i>	2,8%		8,8%	0,4%
BALANCE SHEET			31.12.2009	31.12.2008
Assets			42 011	29 177
Total Debt			16 170	10 662
Cash and equivalents			3 845	1 982
Short-term financial investment			1 211	631
CASH FLOWS	4Q 2009	4Q 2008	2009	2008
Cash flow from operations	276	779	3 022	3 826
Cash flow from investment	-666	-752	-6 423	- 4 480
Cash flow from financial activities	-1 213	943	5 208	1 875
CAPEX	868	1 189	3 434	-4 271

4.2. Indicators by segment, 2009



(US\$ '000)	Telecom Assets	High Tech and Industry	Consumer Assets	Oil and Energy*	Corporate Center etc.	TOTAL
External sales	9,948,871	1,186,046	1,866,814	5,729,349	18,736	18,749,816
Intragroup sales	7,085	322,410	29,965	1,298	14,131	374,889
Depreciation	1,864,168	68,027	52,440	498,191	7,714	2,490,514
Interest expenses	632,603	78,022	151,039	218,745	343,170	1,423,579
Operating income/ (loss)	2,016,268	(6,408)	(153,945)	3,370,611	670,911	5,897,436
Profits tax	551,403	(4,943)	5,310	114,667	80,231	746,668
Assets value**	18,794,884	2,806,649	10,205,498	12,806,809	3,648,072	48,261,913
External Debt	8,910,702	926,239	1,127,454	2,500,349	2,713,388	16,178,132
CAPEX	2,617,655	333,523	78,220	403,529	1,489	3,434,416

* Data for Q2, Q3 and Q4 2009

** Before eliminating intragroup settlements.

4.3. Consolidated results – 2009 (USD)



US GAAP, \$ mln

		4Q 2009	3Q 2009	2Q 2009	1Q 2009
<i>Telecom Assets</i>	Revenue	2 779	2 621	2 386	2 170
	OIBDA	795	1 151	1 033	902
	Net Income	51	226	265	-119
	Debt	8 911	8 567	5 834	5 207
<i>High Tech and Industry</i>	Revenue	602	338	342	227
	OIBDA	5	21	32	4
	Net Income	-5	-12	-16	-31
	Debt	926	714	764	691
<i>Consumer Assets</i>	Revenue	566	514	427	389
	OIBDA	-74	21	9	-57
	Net Income	-133	-32	-53	-109
	Debt	1 127	1 146	1 154	1 001
<i>Bashkir Oil and Energy Group</i>	Revenue	2 639	1 924	1 167	
	OIBDA	1 212	2 463	194	
	Net Income	771	2 143	20	
	Debt	2 500	2 707	2 703	
<i>Sistema JSFC</i>	Revenue	6 425	5 335	4 248	2 742
	OIBDA	1 599	3 172	1 185	854
	Net Income	177	1 689	173	-395
	Debt	16 170	16 116	12 877	9 371

Sistema JSFC demonstrates sustained growth in all the key indicators.

4.4. Consolidated results – 2009 (RUR)



Mln RUR

		4Q 2009	3Q 2009	2Q 2009	1Q 2009
<i>Telecom Assets</i>	Revenue	81 898	82 124	76 854	73 631
	OIBDA	23 423	36 062	33 272	30 597
	Net Income	1 493	7 086	8 535	-4 054
	Debt	269 497	257 811	182 534	177 092
<i>High Tech and Industry</i>	Revenue	17 733	10 580	11 004	7 719
	OIBDA	148	652	1 037	122
	Net Income	-162	-368	-509	-1 068
	Debt	28 013	21 491	23 921	23 519
<i>Consumer Assets</i>	Revenue	16 689	16 117	13 757	13 201
	OIBDA	-2 172	651	275	-1 939
	Net Income	-3 916	-1 005	-1 698	-3 689
	Debt	34 099	34 483	36 099	34 055
<i>Bashkir Oil and Energy Group</i>	Revenue	77 774	60 287	37 608	
	OIBDA	35 716	77 174	6 235	
	Net Income	22 727	67 122	660	
	Debt	75 621	81 447	84 572	
<i>Sistema JSFC</i>	Revenue	189 366	167 126	136 859	93 024
	OIBDA	47 114	99 375	38 170	28 977
	Net Income	5 211	52 914	5 576	-13 419
	Debt	489 038	484 960	402 929	318 741

In the national currency, the core consolidated indicators demonstrated a YoY growth.



АКЦИОНЕРНАЯ ФИНАНСОВАЯ КОРПОРАЦИЯ

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