

MORTGAGE OF NON-LIVING PREMISES AND LEASE TITLE TO THE LAND PLOT

Moscow, Russia – 27 June 2011 - Sistema-hals (LSE, MICEX, RTS: HALS), a major Russian real estate company, announces, that the agreement on the mortgage of non-living premises and the lease title to the land plot between the Company's subsidiary – «Lubyanka – Development» JSC, and VTB Bank has been registered on 23.06.2011.

Balance sheet value of the mortgaged property amounts to about 1,24 billion rubles in accordance with RAS (49% of the subsidiary's balance sheet assets at the last accounting balance sheet date).

Transaction was made for the purposes of securitization related to the Credit agreement between VTB Bank and «Lubyanka – Development» JSC, signed on 27/05/2010 for the purpose of the Central Detsky Mir reconstruction.

Sistema-Hals ("the Company") is one of the leading diversified company in the Russian and CIS real estate market.

The Company was the first Russian property developer to list its shares on the main market of the London Stock Exchange. The Company's shares are also listed on the Moscow Interbank Currency Exchange and the Moscow Stock Exchange and the Russian Trading System Stock Exchange.

Main shareholder of Sistema-Hals is Bank VTB (51.24%); free float is about 18%.

Starting operations in 1994, Sistema-Hals has successfully completed about 40 projects with a total area over 450,000 square metres, including several residential complexes in Kuntsevo, the headquarters of the DaimlerChrysler company, the Hals Tower office building, the headquarters of the Trubnaya Metallurgical Company, the hotel for the MaMaison chain (Orco Property Group).

Sistema-Hals implements the development of the SkyLight complex in Moscow; reconstructs the building of the Central "Detsky Mir" on Lubyanka; constructs LETO shopping center in Saint Petersburg; developments the Project «Multi-function complex with transport terminal as part of Moscow International Business Center «Moscow-City» and fulfils several other projects.

Sistema-Hals has assembled a balanced and diversified portfolio of assets in fast-growing sectors of the market. The Company's strategy is focused on building Class A and B office space, multifunctional retail and office complexes, business-class residential buildings.

For further information please contact:

Elena Balashova
Corporate Secretary
Tel. +7 (495) 725-5555 (ext.3350)
balashovaep@sistema-hals.ru

The information in the press release may contain forward-looking statements regarding future events or the future financial performance of Sistema-Hals. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could", "may" or "might" the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and those actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date thereof or to reflect the occurrence of unanticipated events.