

## FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

**Moscow, Russia – 30 June 2011 - Sistema-hals (LSE, MICEX, RTS: HALS)**, a major Russian real estate company, announces that on of after semi-annual reporting for 2011 Company will compile and publish its consolidated financial statements in accordance with international financial reporting standards (IFRS).

Previously Company made use of generally accepted accounting principles (US GAAP) for preparation of consolidated financial statements.

Adoption of new standarts aligned with the changes in the Company's internal accounting policies as well as with entry in the Russian Federation into force of the Federal law «About consolidated financial statements», defining general rules for compilation, presentation and publication of consolidated financial statements in accordance with IFRS.

**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](mailto: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.*