

**BALANCE SHEET**  
as of December 31, 2007

Organization: <u>Open Joint-Stock Company Sistema-Hals</u>	Form No.1 by OKUD	CODES
Taxpayer Identification Number: _____	Date (year, month, day)	<b>0710001</b>
Business activity: <u>Building</u>	By OKPO	<b>2007, Dec 31</b>
Legal status / form of ownership: <u>Open Joint-Stock Company</u>	By OKVED	<b>29278087</b>
Unit: <u>Thousands of Russian rubles</u>	by OKOPF/OKFS	<b>7706032060/77450100</b>
Place of business (address): <u>35 Bolshaya Tatarskaya St., bldg. 4, 115184 Moscow</u>	by OKEI	<b>1</b>
		<b>45.21.1</b>
		<b>67</b>   <b>16</b>
		<b>384</b>

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REGIONAL AUTHORITY OF THE FEDERAL STATE  
STATISTICAL SERVICE  
FOR THE CITY OF MOSCOW (MOSCOMSTAT)  
*31.03.2008*  
<signed>

Date of approval \_\_\_\_\_  
Date of submission (receipt) \_\_\_\_\_

ASSETS	Line code	Opening balance	Closing balance
1	2	3	4
<b>I. Non-Current Assets</b>			
Intangible assets	110	28	11
Fixed assets (01, 02, 03)	120	21147	33181
Construction in progress (07, 08, 16, 61)	130	3019820	6109212
Long-term financial investment (06, 82)	140	8420988	12260799
other long-term financial investments	145	493	672
<b>Total for Section I</b>	<b>190</b>	<b>11462476</b>	<b>18403875</b>
<b>II. Current Assets</b>			
Inventories	210	81111	312947
including:			
feedstock, materials, and other equivalents	211	3875	1197
expenses on production in progress	213	18039	18039
prepaid expenses	216	59197	300011
Value-added tax on acquired valuable items	220	466500	921460
Accounts receivable maturing within 12 months after the reporting date	240	6993538	11481397
including:			
trade receivables	241	15629	29478
Short-term financial investments	250	12822066	15100988
Cash and cash equivalents	260	136877	62972
<b>Total for Section II</b>	<b>290</b>	<b>20500092</b>	<b>27866064</b>
<b>GRAND TOTAL</b>	<b>300</b>	<b>31962568</b>	<b>46269939</b>

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INTERREGIONAL INSPECTORATE No. 45  
FOR THE CITY OF MOSCOW  
28 MARCH 2008  
CHIEF OF DEPARTMENT  
POGREBNIYAK I.V.

LIABILITIES	Line code	Opening balance	Closing balance
1	2	3	4
<b>III. Capital And Reserves</b>			
Authorized capital	410	404376	560855
Additional paid-in capital	420	17231403	17231403
Undistributed profit (uncovered loss)	470	(313156)	(168492)
<b>Total for Section III</b>	<b>490</b>	<b>17322623</b>	<b>17623765</b>
<b>IV. Long-Term Liabilities</b>			
Loans and credits	510	2374	17291288
Deferred tax liabilities	515	5242	5242
<b>Total for Section IV</b>	<b>590</b>	<b>7616</b>	<b>17296470</b>
<b>V. Short-Term Liabilities</b>			
Loans and credits,	610	9221192	4630680
Accounts payable	620	5021447	6624416
including:	621	359652	352921
trade payables	622	41358	15479
bills payable	623	1525	703
payables to state off-budget funds	624	7703	8516
tax arrears	625	4611208	6246797
other accounts payable	640	1026	13706
Deferred income	650	388664	80902
Provisions for future expenses	690	14632329	11349703
<b>Total for Section V</b>	<b>700</b>	<b>31962568</b>	<b>46269939</b>
<b>GRAND TOTAL</b>	<b>700</b>	<b>31962568</b>	<b>46269939</b>

SUMMARY OF VALUABLE ITEMS RECORDED IN OFF-BALANCE SHEET ACCOUNTS	Line code	Opening balance	Closing balance
Leased fixed assets	910	28322	37404
including assets received under leasing agreements	911	4101	11169
Inventory items accepted for safe custody	920	48	48
Issued securities for liabilities and payments	960	2829617	10793673
Registered high-security forms		2	3
Leased out fixed assets		(4299)	(4936)

Seal:

OPEN JOINT-STOCK  
COMPANY  
Registration Number  
1027739002510  
MOSCOW  
Sistema-Hals JSC

<b>Manager</b>	<signed> (Signature)	Felix Vladimirovich Yevtushenkov (Full name)	<b>Chief Accountant</b>	<signed> (Signature)	Vladimir Sergeevich Uzhondin (Full name)
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30 March, 2008

**PROFIT AND LOSS ACCOUNT**  
**For the period from January 1 till December 31, 2007**

		Form No.2 by OKUD	CODES	
		Date (year, month, day)	<b>0710002</b>	
Organization: <b>Open Joint-Stock Company Sistema-Hals</b>		By OKPO	<b>2007, Dec 31</b>	
Taxpayer Identification Number:		INN	<b>29278087</b>	
Business activity: <b>Building</b>		By OKVED	<b>7706032060/774501001</b>	
Legal status / form of ownership: <b>Open Joint-Stock Company</b>		By OKOPF/OKFS	<b>45.21.1</b>	
Unit: <b>Thousands of Russian rubles</b>		by OKEI	<b>67</b>	<b>16</b>
			<b>384</b>	

Parameter		For the reporting period	For the same period last year
Description	Code		
1	2	3	4
<b>I. Ordinary activity revenues and expenses</b>			
Net revenues from sale of goods, products, and services (less value-added tax, excise duties and similar mandatory payments).	010	188137	142728
Costs of sold goods, products, services, works	020	(709142)	(405421)
Gross profit	029	(521005)	(262693)
Profit (loss) from sales	<b>050</b>	(521005)	(262693)
<b>II. Other income and expenses</b>			
Interest receivable	060	1195656 (1731163)	149489 (266279)
Interest payable	070	129959	76805
Income from shareholding	080	6781301	4751363
Other income	090	(5703377)	(4513465)
Other expenses	100	151371	(64780)
<b>Profit (loss) before tax</b>	<b>140</b>	178	197
Deferred tax assets	141	(6156)	(1448)
Current profit tax	150	(727)	-
Tax penalties	180	144664	(66031)
Net profit (undistributed profit (loss) of the reported period)	<b>190</b>	8093	19689
<b>FOR REFERENCE</b>			
Recurrent tax liabilities (assets)			

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 28 MARCH 2008  
 CHIEF OF DEPARTMENT  
 POGREBNYAK I.V.

**BREAKDOWN OF SOME PROFIT AND LOSS ITEMS**

Description	Line code	Reporting period		Same period last year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines and penalties acknowledged or for which a court order/arbitration award has been issued	210	-	-	-	400
Profit (loss) of last years	220	384	2967	11	507
Foreign currency exchange gains /losses	240	1573818	1191977	256414	272955
Written-off statute-barred debts receivable and payable	260	11975	-	19	-

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**Manager**

<signed>  
(Signature)

Felix  
Vladimirovich  
Yevtushenkov  
(Full name)

**Chief  
Accountant**

<signed>  
(Signature)

Vladimir  
Sergeevich  
Uzhondin  
(Full name)

30 March, 2008

**CASH FLOW STATEMENT**  
**January 1 till December 31, 2007**

Organization: <b>Open Joint-Stock Company Sistema-Hals</b>	Form No. 4 by OKUD	CODES
Taxpayer Identification Number: _____	Date (year, month, day)	<b>0710004</b>
Business activity: <b>Building</b>	By OKPO	<b>2007, Dec 31</b>
Legal status / form of ownership: <b>Open Joint-Stock Company</b>	By OKVED	<b>29278087</b>
Unit: <b>Thousands of Russian rubles</b>	By OKOPF/OKFS	<b>7706032060/774501001</b>
	by OKEI	<b>45.21.1</b>
		<b>67</b>   <b>16</b>
		<b>384</b>

Item		Over the reporting period	Over the equivalent period of the previous year
Description	Code		
1	2	3	4
<b>Cash balance at the start of the reporting year</b>	010	136877	2967
<b>Cash received from current operations</b>		58394	45882
Cash received from buyers and customers	020	3091007	-
Target financing of customer's building activity	030	1756662	9127956
Other income	110	(5526466)	(21406878)
Cash funds channelled to:	120	(3788224)	(4384144)
payments for purchased goods, services, works, raw materials and other current assets	150	(3788224)	(4384144)
payroll	160	(471505)	(218222)
interest and dividend payments	170	(773966)	(62466)
tax and duties settlements	180	(482682)	(106325)
other expenses	190	(10089)	(16835701)
<b>Net cash from current operations</b>	200	(620403)	(12233040)
<b>Cash flow related to investment activity</b>			
Proceeds from the sale of capital assets and other non-current assets	210	1978	384
Proceeds from sale of securities and other financial investments	220	2110585	1714758
Dividends received	230	129959	76805
Interest received	240	441265	206794
Loans repaid by other companies	250	7278664	363605
Acquisition of subsidiaries	280	-	(7459530)
Acquisition of securities and other financial investments	300	(5363688)	(83743)
Loans granted to other companies	310	(17619787)	(7631120)
<b>Net cash from investment activities</b>	340	(13021024)	(12812047)

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 28 MARCH 2008  
 CHIEF OF DEPARTMENT  
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1	2	3	4
<b>Cash flow related to financial activities</b>			
Proceeds from issue of shares and other equity securities	350	156478	17187537
Proceeds from loans and credits extended to other companies	360	22018949	9157203
Redemption of loans and credits (without interest)	390	(8600625)	(1161566)
Settlement of finance lease liabilities	400	(7280)	(4177)
<b>Net cash from financial activities</b>	430	13567522	25178997
Net growth (reduction) of cash and cash equivalents	440	(73905)	133910
<b>Cash balance at the end of the reporting period</b>	450	62972	136877
Foreign exchange rate differences	460	67473	16541

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**Manager**

<signed>  
(Signature)

Felix  
Vladimirovich  
Yevtushenkov  
(Full name)

**Chief Accountant**

<signed>  
(Signature)

Vladimir  
Sergeevich  
Uzhondin  
(Full name)

30 March, 2008

**STATEMENT OF CHANGE IN EQUITY**  
**For the period from January 1 till December 31, 2007**

	Form No. 3 by OKUD	CODES
	Date (year, month, day)	<b>0710003</b>
Organization: <u>Open Joint-Stock Company Sistema-Hals</u>	By OKPO	<b>2007, Dec 31</b>
Taxpayer Identification Number: _____	INN	<b>29278087</b>
Business activity: <u>Building</u>	By OKVED	<b>7706032060/774501001</b>
Legal status / form of ownership: <u>Open Joint-Stock Company</u>	By OKOPF/OKFS	<b>45.21.1</b>
Unit: <u>Thousands of Russian rubles</u>	by OKEI	<b>67      16</b>
		<b>384</b>

**I. Change in Equity**

Item		Authorize d capital	Additional capital	Reserve capital	Retained profit / uncovered loss	Total
Description	Code					
1	2	3	4	5	6	7
Balance as of December 31 of the year before the previous year	010	59	604662	-	(242546)	362175
Balance as on January 1of the previous year	030	59	604662	-	(242546)	362175
Net profit	032	X	X	X	(66034)	(66034)
Capital increase due to: additional share issue	051	404318	X	X	X	404316
share premium	054	-	17031059	-	-	17031069
Capital decrease due to: Increase of authorized capital	064	-	(404318)	-	-	(404318)
Balance at December 31 of the previous year	070	404376	17231403	-	(308580)	17327199
Revaluation of accounts receivable and payable as of 01.01.2007 according to Russian Accounting Standards No. 3	080	X	-	-	(4577)	(4577)
Balance as of January 1 of the reporting year	100	404376	17231403	-	(313157)	17322622
Net profit	102	X	X	X	144664	144664
Capital increase due to: additional share issue	121	156478	X	X	X	156478
Balance as of December 31 of the reporting year	140	560854	17231403	-	(168493)	17623764

**II. Reserves**

Item		Balance	Received	Used	Balance
Description	Code				
1	2	3	4	5	6
<b>Provisions for deferred expenses:</b> For covering other expenses (reserve description)					
data for the previous year	181	67984	415379	(94700)	388663
data for the reporting year	182	388664	-	(307762)	80902

## REFERENCES

Item		Opening balance	Closing balance
Description	Code		
1	2	3	4
1) Net assets	200	17322623	17623765

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FEDERAL TAX SERVICE  
INTERREGIONAL INSPECTORATE  
No. 45  
FOR THE CITY OF MOSCOW  
TAX INSPECTOR  
KOLESNIKOVA L.V.  
<signed>

<b>Manager</b>	<signed> (Signature)	Felix Vladimirovich Yevtushenkov (Full name)	<b>Chief Accountant</b>	<signed> (Signature)	Vladimir Sergeevich Uzhondin (Full name)
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30 March, 2008

**ANNEX TO THE BALANCE SHEET**  
**For the period from January 1 till December 31, 2007**

		Form No. 5 by OKUD	CODES	
		Date (year, month, day)	<b>0710005</b>	
Organization: <b>Open Joint-Stock Company Sistema-Hals</b>		By OKPO	<b>2007, Dec 31</b>	
Taxpayer Identification Number:		INN	<b>29278087</b>	
Business activity: <b>Building</b>		By OKVED	<b>7706032060/774501001</b>	
Legal status / form of ownership: <b>Open Joint-Stock Company</b>		By OKOPF/OKFS	<b>45.21.1</b>	
Unit: <b>Thousands of Russian rubles</b>		by OKEI	<b>67</b>	<b>16</b>
			<b>384</b>	

**Intangible Assets**

Item		At the beginning of the reporting year	Received	Retired	At the end of the accounting period
Description	Code				
1	2	3	4	5	6
Intellectual property (exclusive rights to the results of intellectual property)	010	47	-	-	47
including:					
those of the possessor of the right to computer programs, data bases	012	37	-	-	37
those of the owner of a trade mark, service mark, name of origin of goods	014	10	-	-	10

Item		At the beginning of the reporting year	At the end of the accounting period
Description	Code		
1	2	3	4
Amortization of intangible assets – total	050	-	35
including:			
the right of use of Traffic Quota software	051	-	34
trade mark	052	-	2
	053	-	-

**Fixed assets**

Item		At the beginning of the reporting year	Received	Retired	At the end of the accounting period
Description	Code				
1	2	3	4	5	6
Buildings	070	393	-	-	393
Machinery and equipment	080	15899	20591	(3343)	33146
Transportation vehicles	085	14475	-	(4735)	9740
Production stock and implements	090	4054	975	(120)	4909
Other fixed assets	100	325	-	( 265)	60
<b>Total</b>	<b>130</b>	<b>35147</b>	<b>21566</b>	<b>(8464)</b>	<b>48248</b>

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 INTERREGIONAL INSPECTORATE No. 45  
 FOR THE CITY OF MOSCOW  
 28 MARCH 2008  
 TAX INSPECTOR  
 KOLESNIKOVA L.V.  
 <signed>

Item		At the beginning of the reporting year	At the end of the accounting period
Description	Code		
1	2	3	4
Fixed assets depreciation - total	140	13599	15067
including:			
buildings and facilities	141	21	84
machinery, equipment, and transportation vehicles	142	11508	12178
other	143	2470	2805
Capital assets received in lease – total	160		
including:		9924	14941
office at: 35 Bolshaya Tatarskaya St., bldg. 4, Moscow	161		
Premises, 41 sq.m., city of Kazan	162	-	462
MITSUBISHI Langer car, VIN JMBSRCS3A6U012381	163	456	456
MITSUBISHI Langer car, VIN JMBSRCS3A6U011912	164	456	456
MITSUBISHI Langer car, VIN JMBSRCS3A6U012277		456	456
MITSUBISHI Langer car, VIN JMBSRCS3A6U011915		456	456
MITSUBISHI Langer car, VIN JMBSRCS3A6U011913		456	-
AUDI A6 car, VIN WAUZZZ4F26N168764		1502	1502
AUDI A6 car, VIN WAUZZZ4F06N171551		1463	1463
Air conditioner, indoor unit FHC45+BYC125K		64	64
Air conditioner, indoor unit FHC45+BYC125K		64	64
Air conditioner, outdoor unit RY100FY		85	85
Wall-mounted control panel BRG1C517		3	3
Air conditioner, indoor unit FTX25J		16	16
Air conditioner, indoor unit FTK35J		17	17
Air conditioner, outdoor unit 4MX80H		98	98
Air conditioner, indoor unit FTX35J		35	35
Air conditioner, indoor unit FTK25J		15	15
Air conditioner, indoor unit FTK25J		15	15
Air conditioner, indoor unit FTX35J		17	17
Air conditioner, outdoor unit 4MK90H		96	96
Air conditioner, indoor unit FTX25J		16	16
Air conditioner, outdoor unit RX25J		28	28
Air conditioner, indoor unit FTX35J		17	17
Air conditioner, outdoor unit RX35J		38	38
Drain pump S12750		12	12
Drain pump S11820		14	14
Drain pump S11820		7	7
Drain pump S11820		7	7
Drain pump S11820		7	7
Drain pump S11820		7	7
Drain pump S11820		7	7
Drain pump S11820		14	14
Electrical switchboard 12424 with automatic circuit breaker		4	4
Air conditioner, indoor unit FTX25J		32	32
GAZ 3102 car, reg. No. K729PA24		130	130
Office, 78 sq.m., city of Krasnoyarsk		3510	3510
MITSUBISHI car, VIN 4MBSRDJ1A7E702829		-	1260
MITSUBISHI car, VIN 4MBSRDJ1A7E702830		-	1260
Audi A6 C6 car, limousine, VIN WAUZZZ4F87N075152		-	2471
Audi A6 C6 car, limousine, VIN WAUZZZ4F37N086575		-	2532
WL Ecomaster		-	88
Coffee machine SOLIS master 5000		-	-
Mercedes-500 car		4301	-
Mercedes-320 car		3534	-
FORD Tourneo car, VIN WFOHXXTPHSC07384		622	622
Chevrolet Niva car, VIN X9L21230060116801		322	322
Mercedes-500 car, VIN WDD2211711A049571		-	4301

### Financial Investments

Indicator		Long-term		Short-term	
Name	Code	At the beginning of the reporting year	At the end of the accounting period	At the beginning of the reporting year	At the end of the accounting period
1	2	3	4	5	6
Contribution to charter (share) capital of other organizations, total	510	8420988	12260799	-	-
including that of subsidiaries and affiliates	511	8420988	12260799	-	-
Securities of other companies, total	520	-	-	820542	-
including debt securities (bonds, notes)	521	-	-	820542	-
Loans granted	525	-	-	4827743	13354108
Certificates of deposit	530	-	-	6338738	367823
Other	535	-	-	835044	1379057
<b>Total</b>	540	8420988	12260799	12822066	15100988
<b>FOR REFERENCE:</b>					
For debt securities: the difference between the initial and nominal value is charged to the financial result of the accounting period	590	-	-	23	-

### Accounts receivable and payable

Item		At the beginning of the reporting year	At the end of the accounting period
Description	Code		
1	2	3	4
<b>Accounts receivable</b>			
short term liabilities, total	610	6993538	11461397
including:			
trade receivables	611	15629	29478
advances paid	612	925187	1005636
other	613	6052722	10426282
<b>Total</b>		6993538	11461397
<b>Accounts payable</b>			
short term liabilities, total	640	14632329	11349703
including:			
trade payables	641	359652	352921
advances received	642	19949	5387
taxes payable	643	7703	8516
credits	644	9192613	-
loans	645	28579	4630680
other	646	5023833	6352199
long term liabilities, total	650	2374	17291228
including:			
credits	651		17291228
loans	652	2374	-
<b>Total</b>	660	14634702	28640931

**Ordinary expenses (cost element breakdown)**

Item		At the beginning of the reporting year	At the end of the accounting period
Description	Code		
1	2	3	4
Payroll costs	720	470409	287152
Allocations to social needs	730	43408	34330
Depreciation	740	7491	5494
Other expenses	750	187834	78446
Total on expense items	760	709142	405421
Change of balance (growth [+], reduction [-]):			
of production in progress	766	240814	56402
of provisions for deferred expenses	767	(307762)	320680

Seal:

OPEN JOINT-STOCK  
COMPANY  
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MOSCOW  
Sistema-Hals JSC

<b>Manager</b>	<signed> (Signature)	Felix Vladimirovich Yevtushenkov (Full name)	<b>Chief Accountant</b>	<signed> (Signature)	Vladimir Sergeevich Uzhondin (Full name)
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30 March, 2008