

**Information on the proposed
MTS OJSC auditor –**

ZAO Deloitte & Touche

Deloitte & Touche

Deloitte in the CIS is a member firm of Deloitte Touche Tohmatsu, an organization of member firms devoted to excellence in providing professional services and advice. With 120,000 people in nearly 150 countries, the member firms of Deloitte Touche Tohmatsu serve over one-half of the world's largest companies as well as large national enterprises, financial institutions, public organizations, and fast-growing companies. Our internationally experienced professionals strive to deliver seamless, consistent services wherever our clients operate. Deloitte Touche Tohmatsu is a Swiss Verein, and each of its national practices is a separate and independent legal entity.

Deloitte has over 1800 local and expatriate professionals working in its offices in CIS countries: in Moscow, St. Petersburg, Kyiv, Minsk, Baku, Tbilisi, Almaty, Astana, Atyrau, Bishkek and Tashkent. In the CIS, Deloitte provides a full range of professional services to both multinational corporations and growth-oriented local firms, including audit, tax, consulting and corporate finance services. Our mission is to help our clients and our people excel.

During a decade and a half of our operations in the CIS, Deloitte & Touche has delivered dozens of successful projects for banks and other financial institutions, state enterprises, energy producers, extractive, metals and manufacturing plants, fast moving consumer goods and retail companies, telecommunications, high tech, mass media, and hospitality businesses.

Audit

We help our clients organize accounting and correctly perform accounting transactions. We transform the financial statements of local companies into those complying with international standards and we carry out audits in accordance with local and International Accounting Standards.

Our audit services include:

- Statutory and international audits (IAS and US GAAP)
- Accounting assistance
- Transformation of financial statements of Russian and CIS enterprises
- Set-up of internal control
- Due diligence reviews
- Diagnostic studies
- Compilation of financial statements
- Reviews of financial statements
- Regulatory compliance evaluation
- Reports on compliance with contractual obligations

- Accounting systems implementation

Financial Advisory Services

Deloitte and Touche is one of the largest providers of financial services both in the CIS and globally. Our Financial Advisory Department offers a wide range of services, including:

- Comprehensive modeling, scenario based analysis and simulation exercises
- Valuation
- Transaction support
- Mergers & acquisitions advisory services and capital raising
- Financial strategies and reorganization
- Real estate advisory services

We provide financial advisory services to local and foreign medium- and large-sized companies and banks, financial and industrial groups, investment funds and other investors. Our team of experienced professionals ensures the highest quality of services rendered.

We will help you understand implications of industry trends for your business, assess potential risks, and develop possible options to eliminate those risks. We can help you successfully deal with the full range of uncertainties in financial investments, resource allocations and planning decisions.

We offer our clients the development of integrated programs aimed at enhancing a group of companies' value, development of growth strategies, entry strategies to new country and industry markets, exit strategies from the business, reorganization plans and other comprehensive financial instruments assisting our clients to create value and make it marketable.

Our work is designed to be effective, timely and specifically focused on the client's complex and nontraditional issues. Recognizing your important deadlines, we coordinate our local efforts and global resources to provide you with critical information and cutting-edge solutions.

Consulting

We provide consulting services which cover every key function within the client's organization: strategy, finance, marketing, operations and distribution, information technology and human resources.

We are strongly committed to industry specialization and conduct a detailed analysis of our clients' businesses to reach an in-depth understanding of their culture and operations. We focus our approach to meet our clients' specific needs and enable them to save costs, improve business profitability and gain competitive advantage. Combining local and international experience, we offer tested and reliable solutions that are globally excellent and locally relevant.

We have performed due diligence related activities on a large number of potential investments for Western clients including five major completed transactions totaling over \$150 million. Several Russian companies appointed us to assist in the sale of all

or a portion of their company to investors. We also worked on public offerings of shares, bonds and depository receipts, acting as the lead advisor.

Our current focus in consulting is on the following services:

- Strategic analysis and planning
- Business plan development
- Economic market analysis
- Financial management and controls
- Cost management and activity based costing
- Performance based management systems
- Business process reengineering, operations review
- Business process outsourcing
- Supply Chain Management
- Customer Relationship Management
- Enterprise risk management
- Information technology systems planning, selection and implementation
- Project management, change management
- Human resources management and organizational restructuring
- Specialized training

We are experienced in strategic technology transformation covering information systems transformation, systems planning and integration, and information technology quality assurance. Our specialists provide enterprise application solutions to clients in a variety of industries. The firm's professionals are prominent in selection and implementation of banking systems.

Tax and Legal Services

We provide advice to companies operating in Russia and other countries of the CIS relating to all aspects of taxation and law. We are working with many multinational corporations to help them structure their inbound investments and to advise them on tax compliance matters. Our tax and legal service experts assist clients to achieve their business and personal objectives with a knowledge of the marketplace that encompasses short and long-term planning for problem-solving and solutions. We can help both established companies and start-ups in this fast-paced emerging marketplace.

Our tax and legal services include:

- Transaction and investment structuring for large, medium sized and small firms
- Corporate taxation advice
- Applications for rulings
- Personal expatriate taxation advice
- Foreign exchange advice
- Accredited representative office tax audits
- Legal assistance in establishing companies, partnerships, joint ventures, trusts and representative offices

- Advice on civil law, company law, labor law, investment law, customs law, antimonopoly law, international law, financial law, etc.
- Preparation and legal analysis of legal documents, such as: contracts, agreements, claims, etc.
- Legalization of all types of deals
- Litigation
- Representation in state and public organizations for the purpose of protecting company interests
- Assistance with issues related to utilization of industrial property rights, and registration of trademark

Services to Russian Companies

We have provided a complete package of services to CIS companies wishing to restructure and present themselves to foreign markets. We have worked with many of the CIS industrial giants to transform their financial statements and accounting systems to international standards.

Services to Foreign Companies and Joint Ventures

We have provided a comprehensive package of services to our international clients and their entities in the CIS; be they subsidiaries, joint ventures, or representation offices.

We provide the local statutory audit of legal entities and representation offices. This local audit can often be combined efficiently with an audit for international reporting purposes. We find that this involves working closely with our international clients and the Russian management of the ventures since many of the concepts involved in international management and financial reporting are foreign to the local management.

We are also assisting these ventures in the definition, installation and adaptation of accounting systems to meet both local and international reporting requirements.

Deloitte & Touche CIS conducts its activities in Russia based on long-time perspective and is committed to helping its clients and its people excel in the CIS market.

Major Clients

Aeroflot
AFK Sistema
Amedia
Bank Avangard
Bank of Development & Reconstruction
Bank Eurofinance
Bank Zenit

K-Cell
Kalina
KamAZ
Kenwood Electronics
Kimberly Clark
Lafarge
Lucent Technologies

BBC
BIN Bank
BJ Services
Bloomberg
Borjomi
Bridgestone
Commercial Bank Austria Creditanstalt
Comstar UTS
Corbina Telecom
CTC Media Inc.
De Beers
DHL
Diners Club
East-Line
EBRD
Equant
Gazprombank
General Motors
Glencore
Golden Telecom
Japan Tobacco International
Huawei
IBM

MBRD
MDM Bank
Merrill Lynch
Microsoft
Monsanto
Mobile TeleSystems
MTU Inform
Norilsk Nickel
Omron
Philip Morris
Probusinessbank
Procter & Gamble
Pyaterotchka
Rockwell International
Rosbank
ru-Net Holdings
Rusagro
Russky Product
Serov Ferroalloys Plant
Sumitomo
Vneshtorgbank
Western Union
World Courier

Russia

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