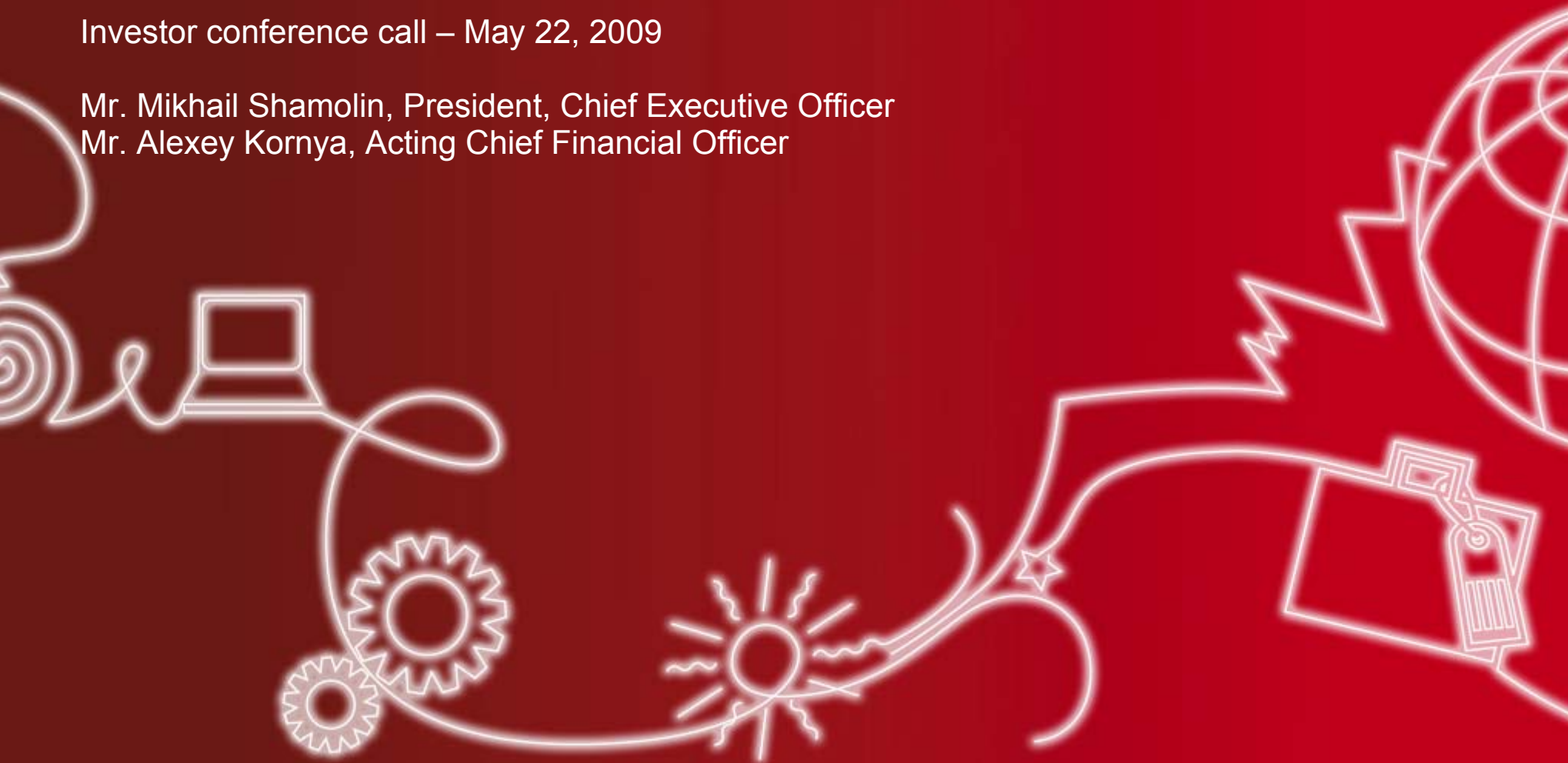


МТС оператор связи 

Group financial results for the first quarter year 2009

Investor conference call – May 22, 2009

Mr. Mikhail Shamolin, President, Chief Executive Officer
Mr. Alexey Kornya, Acting Chief Financial Officer



Safe harbor

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. 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 that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically, the Company’s most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned “Risk Factors,” that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures; rapid technological and market change, acquisition strategy, risks associated with telecommunications infrastructure, risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management, and future growth subject to risks.

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Key financial and operating results

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- Group highlights for the period
- Group financial highlights

Group highlights for the first quarter 2009 and recent events

Q1 highlights

- Acquisition of mobile retailer Telefon.Ru
- Agreement with management team affiliated with *Svyaznoy*, the leading Russian mobile phone retailer, to oversee MTS distribution network
- Acquisition of mobile retailer Eldorado

Thereafter

- Launch of 3G in Armenia
- Placement of a 15 billion ruble bond
- Placement of new syndicated loan facility to restructure \$630 million loan due in Q2 2009
- Announcement of recommended dividend payment for FY 2008 of RUB 39.4 billion (\$1.2 billion*) or RUB 20.15 per ordinary share (\$2.96* per ADR), or the equivalent of 60% of US GAAP net income

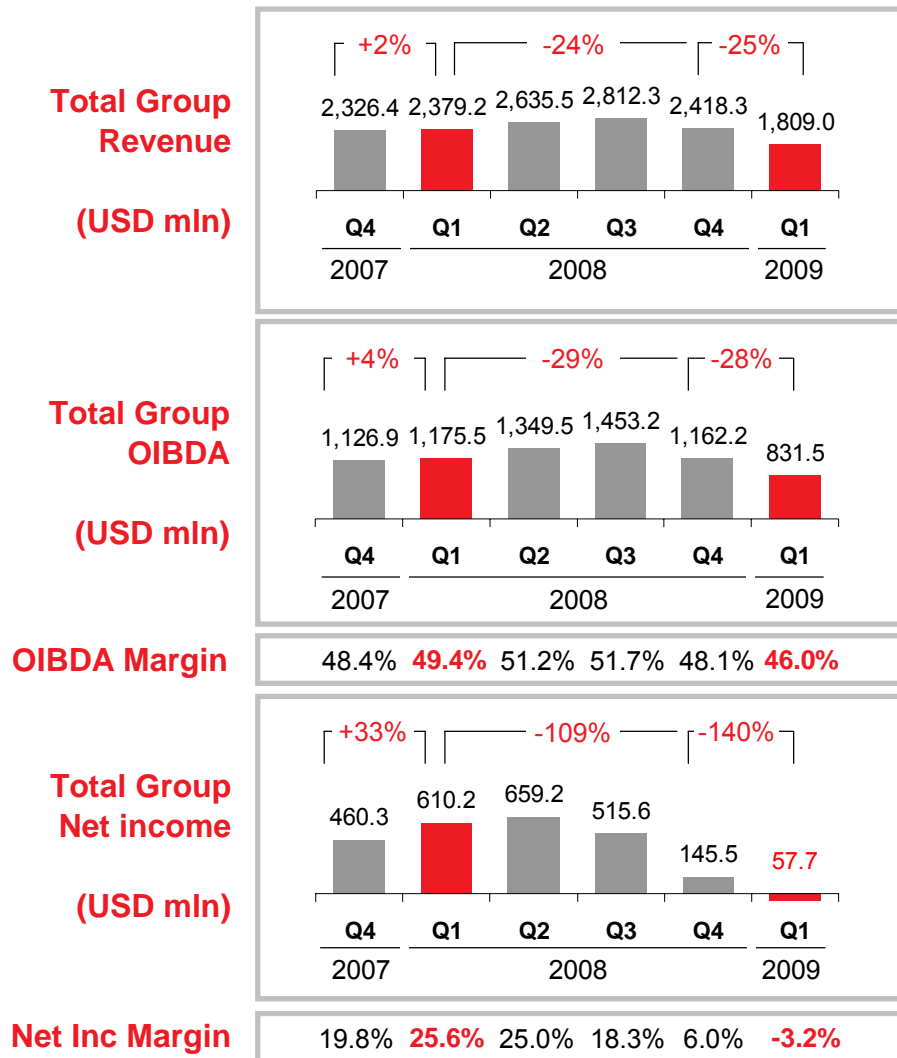
Group financial highlights

- Group revenues down 24.0% y-o-y to **\$1,809.0 million** primarily due to local currency depreciation and seasonal factors
- Consolidated OIBDA down 29.3% to **\$831.5 million** y-o-y with 46.0% OIBDA margin due to currency depreciation and investments in mono-brand retail network
- Consolidated net loss of **\$57.7 million** due to **\$462.4 million** non-cash FOREX losses through US GAAP translation of US dollar-denominated debt

Market commentary

- MTS continues to see sustained macroeconomic volatility in its markets of operations that may impact the financial and operational performance throughout the Group

Group financial highlights



Revenue decline primarily due to local currency depreciation and seasonal factors

OIBDA margin decline due to currency depreciation and investments in mono-brand retail network

Net income down mainly due to \$462 million non-cash FOREX losses through US GAAP translation of US dollar-denominated debt

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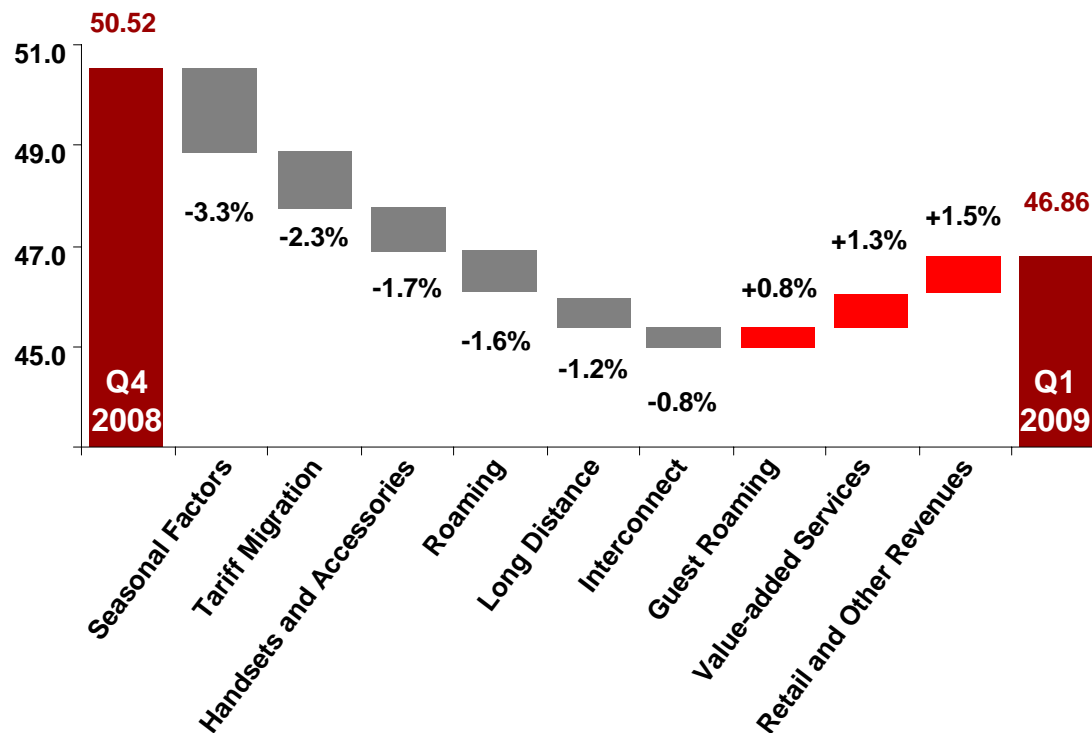
Key financial and operating results

Appendix

- Executing on our 3+2 strategy
 - MTS Russia revenue dynamics
 - MTS Group cost dynamics
 - Group subscriber base dynamics
 - MTS Group currency dynamics
 - MTS Group balance sheet
 - Cash position and debt obligations
 - Dividend payout and policy
 - 3G: network development at MTS
 - MTS Russia retail development

MTS Russia revenue dynamics

Change in MTS Russia revenue
Q4 2008 – Q1 2009
(In RUB bln unless otherwise indicated)

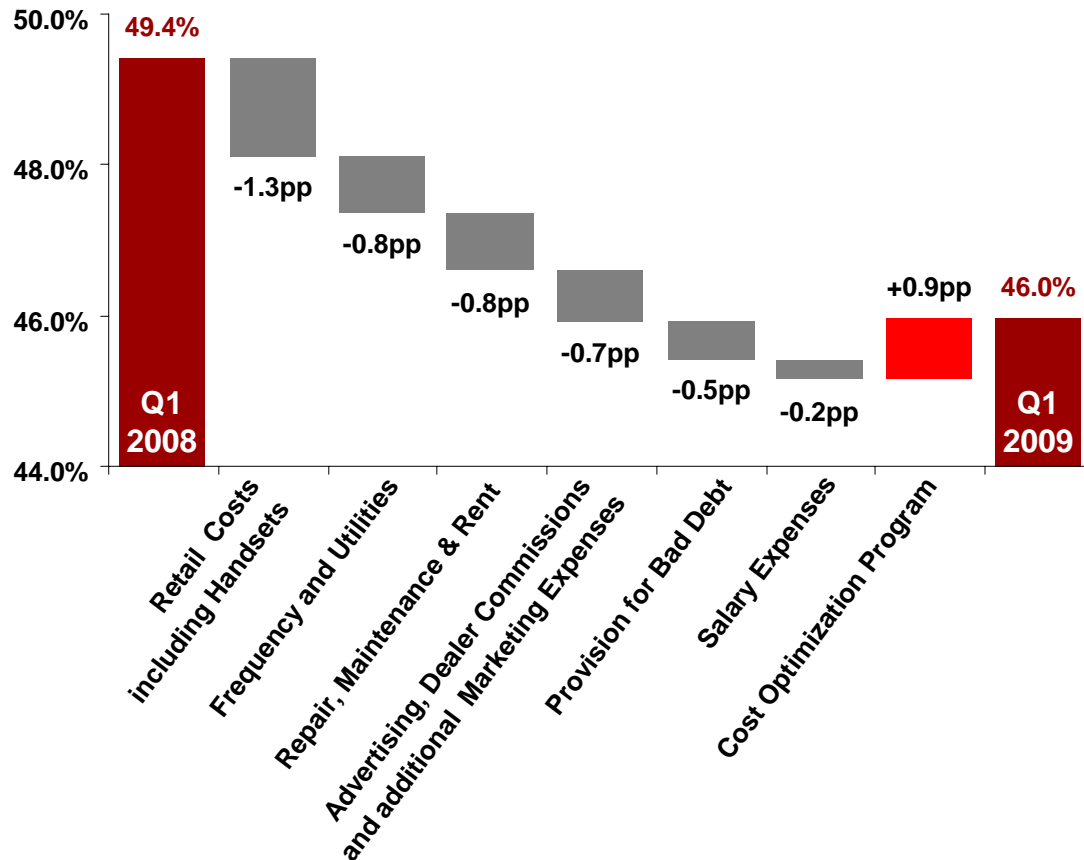


■ Q-on-Q revenue changes due to:

- Seasonality due to fewer calendar and working days
- Less roaming due to less travel by MTS subscribers
- Lower long-distance and off-net calling related to less business activity
- Higher migration to lower-value tariffs as customers economize their spending
- Fewer handsets and accessories due to seasonal post-holiday retail slowdown
- Recovery in guest roaming revenues due to unseasonably low travel to Russia in Q4
- Sustained growth in value-added services
- Higher retail revenues due to acquisitions

MTS Group cost dynamics

% Change in OIBDA Margin
(Q1 2008 vs. Q1 2009)



■ Changing cost base due to:

- Increased retail costs due to expansion of mono-brand network and increase in handset and accessories sales
- Larger bad-debt provision due to conservative enforcement of existing commercial provisions in light of macroeconomic volatility
- Rising temporary marketing expenses due to increased advertising activity and rising dealer commissions in multi-brand distribution
- Increased salaries dating from April 2008
- Higher frequency and utility tariffs
- Higher repair, maintenance, consulting and rent costs due to network expansion and currency fluctuations

- Cost optimization program yielding results through use of proprietary LD/ILD network and reevaluation of G&A expenses

Group subscriber base dynamics during the quarter

MTS subscribers (mln)	YE 2008	Q1 2009	% change
Russia	64.63	65.11	0.7%
Ukraine	18.12	17.94	-1.0%
Uzbekistan*	5.65	5.97	5.7%
Turkmenistan	0.93	1.12	20.4%
Armenia	2.02	2.05	1.5%
Belarus**	4.32	4.42	2.3%
Total	95.66	96.61	1.0%

Russia contributed approx. 480 thousand in net additions on the back of attractive market offers and seasonal campaigns

Decline in Ukrainian net subscriber numbers inline with market's performance

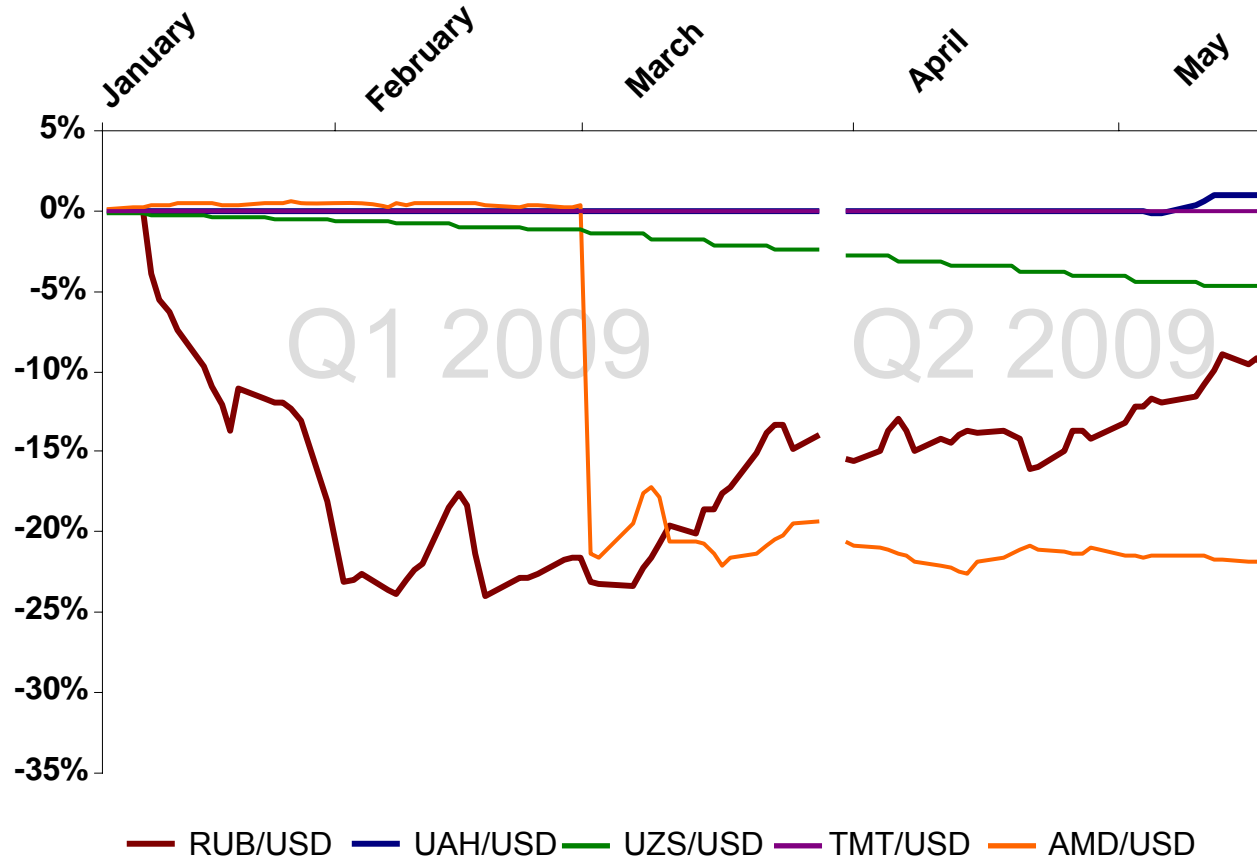
CIS markets continued to show strong subscriber additions as MTS extends coverage and expands its service portfolio through successful tariff launches and marketing campaigns

*As of January 1, 2008, MTS adopted its Group-wide six month-churn policy for the market

**MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated

Currency dynamics Q1 to present

Currency fluctuations vs. USD



Continued volatility of the Russian ruble during Q1 with the Armenian dram sharply declining in March

Stable Ukrainian hryvna during the quarter

Currency depreciation vs. the USD an on-going risk to revenues and earnings

* Through May 21, 2009

Sources: The Central Bank of the Russian Federation, The National Bank of Ukraine, The Central Bank of Armenia, The Central Bank of the Republic of Uzbekistan, The Central Bank of Turkmenistan

Group balance sheet

Balance Sheet in USD mln unless noted	As of 31 Dec 2008	As of 31 Mar 2009
Cash and cash equivalents	\$1 058.8	\$978.5
Short-term investments	\$45.7	\$46.0
Total debt	\$4 075.2	\$4 009.8
Long-term debt	\$2 891.5	\$2 818.5
Short-term debt	\$1 183.7	\$1 191.3
Net debt*	\$2 970.7	\$2 985.3
Shareholders' equity	\$3 934.7**	\$3 571.6
Total assets	\$10 448.3	\$9 683.6
LTM OIBDA*	\$5 140.3	\$4 796.3
Net debt/assets	0.3x	0.3x
Net debt/equity	0.7x	0.8x
Net debt/LTM OIBDA*	0.6x	0.6x

■ Free cash flow* positive for the Q1'09 with \$10.4 million

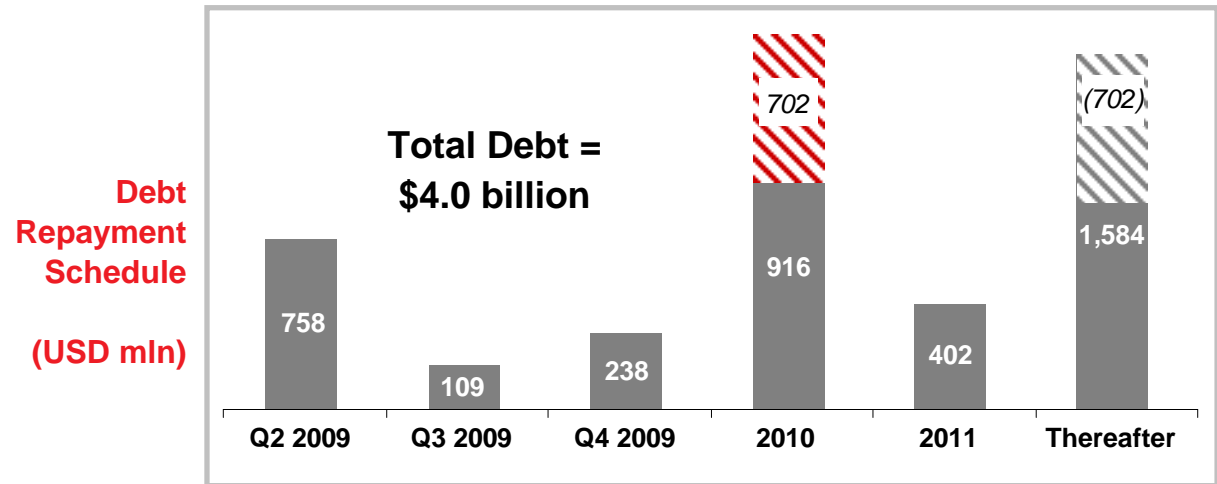
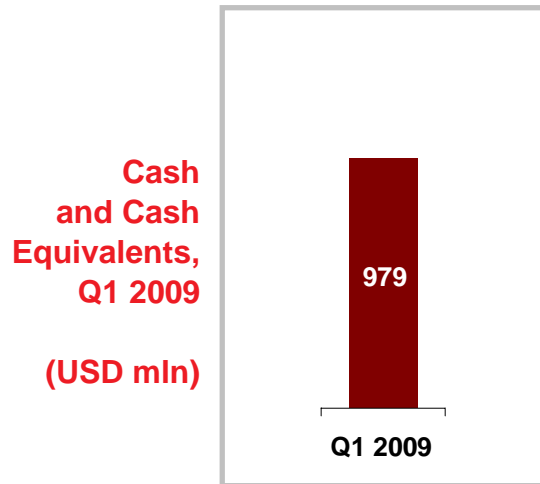
■ In Q1 2009, no ADRs were acquired as part of the Company's share repurchase program

* See reconciliations of net debt, LTM OIBDA and free cash flow to consolidated financial statements in the appendix

** Retrospectively adjusted on EITF Topic D-98 implementation

*** At the exchange rate of 32.3 RUR/1 USD as of the date of placement

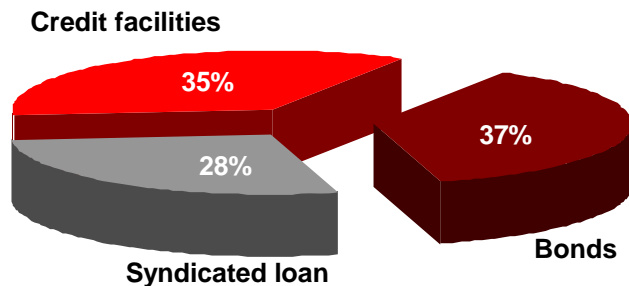
Cash position and debt obligations end of Q1 2009



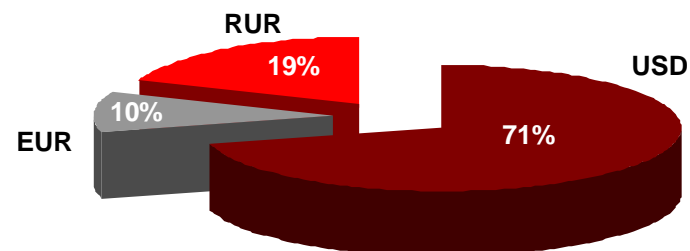
Three of MTS' ruble bonds placed in 2008 contain put options that can be exercised from April through June 2010. MTS expects the options to be exercised, thereby increasing 2010 debt and decreasing long-term debt

- In Q2 2009, MTS placed an additional 15 billion ruble (\$464 million*) bond maturing in 2014 with a two-year put option
- In Q2 2009, MTS placed a new facility to restructure a \$630 million syndicated loan facility due in Q2 2009

Debt composition by type Q1 2009



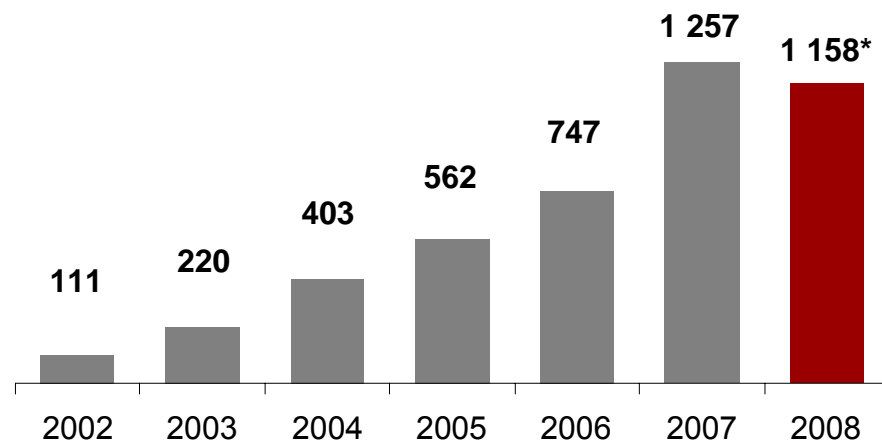
Debt composition by currency Q1 2009



* At the exchange rate of 32.3 RUB/USD as of the date of placement

Dividend payout and policy

Dividend payment history, 2002-2008 (USD mln)



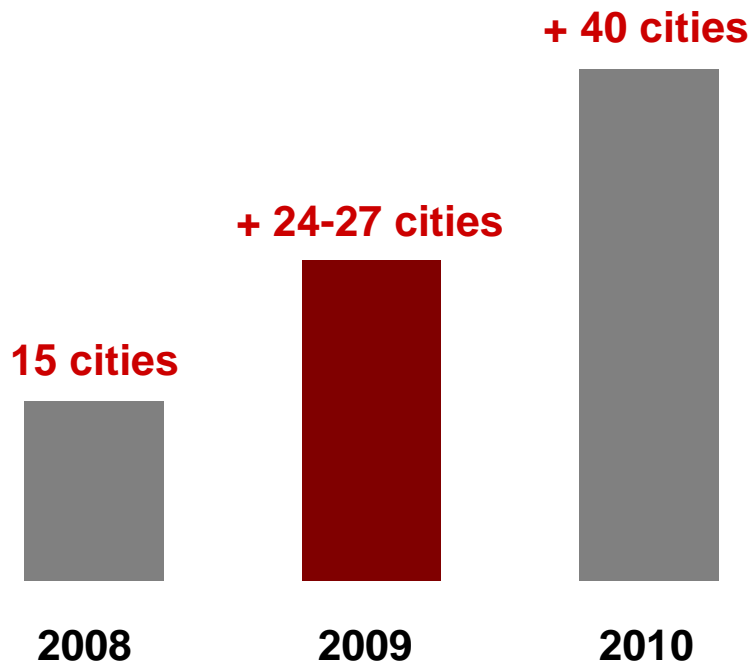
- As part of its commitment to total shareholder return, MTS strives to reward its shareholders as is reflected in the Company's formal dividend policy that stipulates a minimum payout of 50% of US GAAP net income
- Given its solid performance in 2008 and sound financial management, MTS is only one of few companies in Russia and the CIS to pay out a dividend

	2002	2003	2004	2005	2006	2007	2008*
RUB per share	1.7	3.2	5.8	7.6	9.7	14.8	20.2
USD per ADR	0.3	0.6	1.0	1.4	1.9	3.1	3.0
Dividend yield	2.4%	2.4%	3.2%	4.1%	3.3%	4.0%	8.0%
% of net income	40%	43%	41%	50%	69%	60%	60%

*Dividend amount recommended by MTS' Board of Directors for approval at the Company's Annual General Meeting of Shareholders on June 25, 2009

3G: network development at MTS

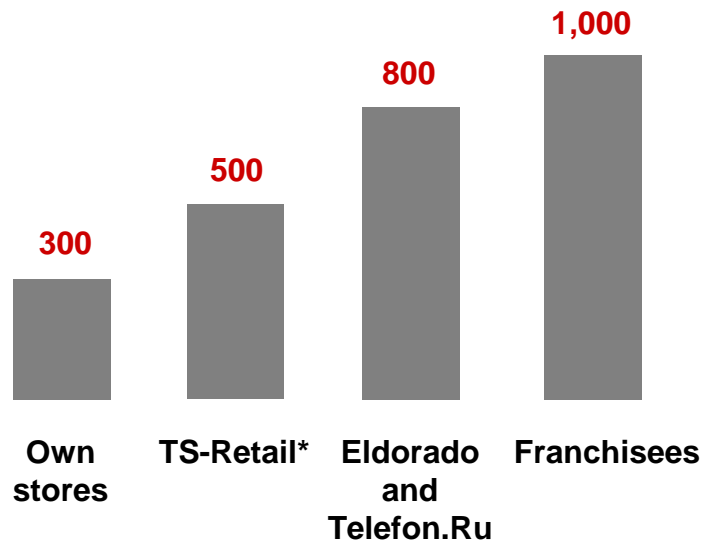
MTS Russia: network launch plan



- Full commercial HSPA-enabled networks launched:
 - First network in St. Petersburg, May 2008
 - A total of 15 cities in 2008, including Kazan, Nizhny Novgorod, Novosibirsk, Sochi, Vladivostok and Yekaterinburg
 - 10 cities already launched in 2009, including Samara, Kaliningrad, Krasnodar, Rostov and Omsk
- 2010: HSPA-enabled networks launched in all regions of Russia
- 2009: Commercial launch in Armenia (Q2)
- 2008: Commercial launch in Uzbekistan (Q4)
- 2007: CDMA-450 EV-DO Rev A launch in Ukraine
 - Over 150 cities covered to date

MTS Russia Retail development

MTS Russia: \approx 2,600 stores as of April 30, 2009



- Development of monobrand retail network:
 - Acquisitions of mobile retailers – Telefon.Ru and Eldorado
 - Agreement with management team affiliated with Svyaznoy, the leading Russian mobile phone retailer, to oversee MTS distribution network
 - Further optimization activities and potential acquisitions of best in class retailers
 - Conclusion of direct agreements with equipment vendors
 - Benefiting from Vodafone partnership by gaining insight on best practices
 - Short-term risk to subscriber market share given the ongoing changes in marketplace

- Moving to monobrand retail is a sign of further development in line with the developed markets model aimed at building greater customer loyalty and offering more personalized service:
 - Better quality of subscribers, higher loyalty and lower churn
 - More personalized customer service and better tailored products through bundles with customized handsets
 - Reduction in SAC in absolute terms due to lower churn and savings on brand promotion

* TS-Retail was established in November 2006 by MTS to develop its proprietary retail network. MTS has a 25% stake in the company and accounts for the investment under the equity method.

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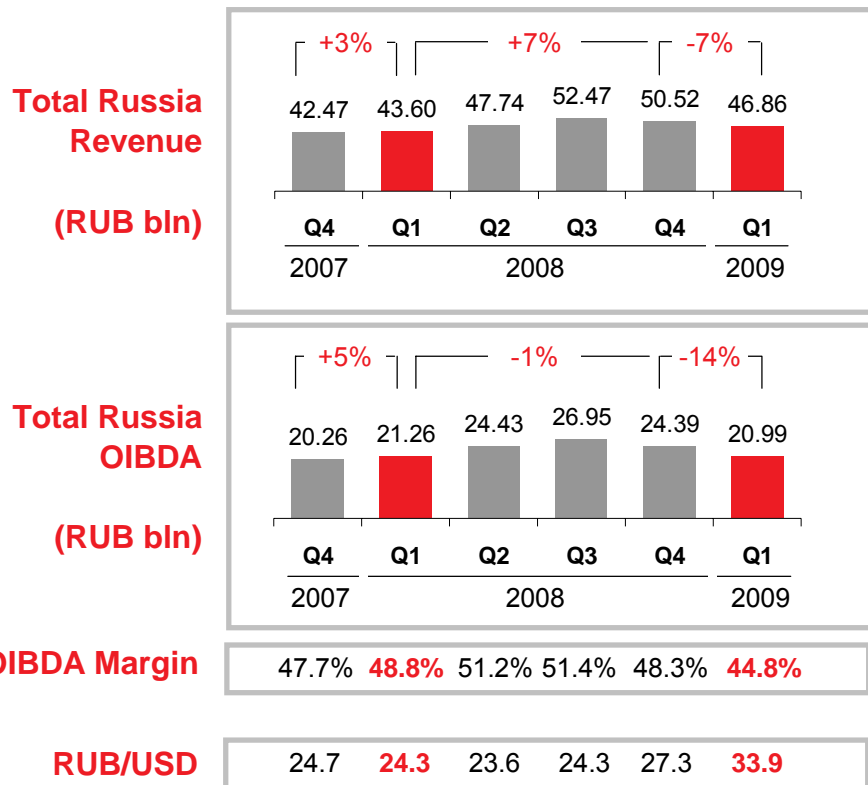
Key period developments

Key financial and operating results

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- Ukraine
- Uzbekistan
- Turkmenistan
- Armenia

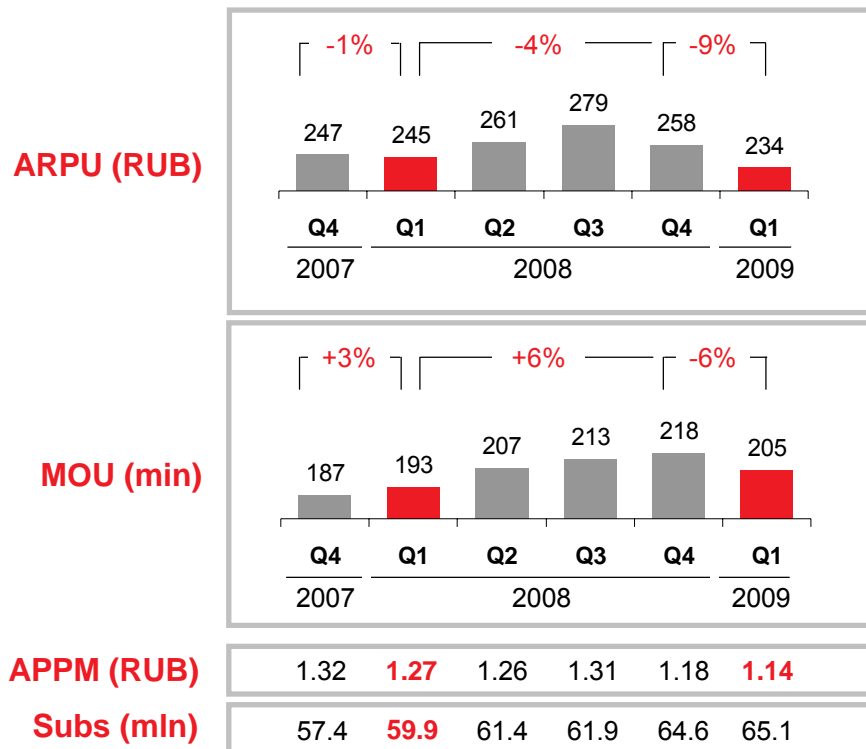
Russia financial highlights



Year-on-year revenue growth in spite of macroeconomic pressures on demand, currency volatility and aggressive competitive developments

OIBDA performance affected by currency-related cost pressures, increased competition and investments in monobrand retail network

Russia operating indicators



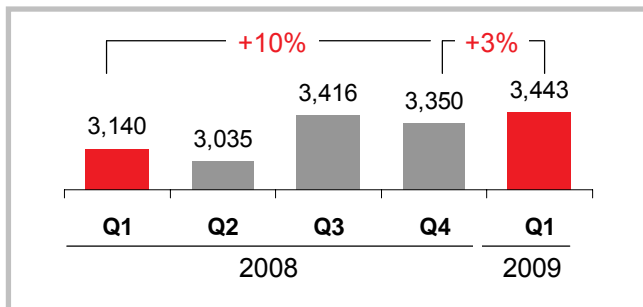
ARPU decline due to less consumption of higher-value products like roaming and long-distance as well as lower-quality subscribers entering the network

Seasonal usage decline due to fewer working calendar days, less business activity and weaker demand dynamics

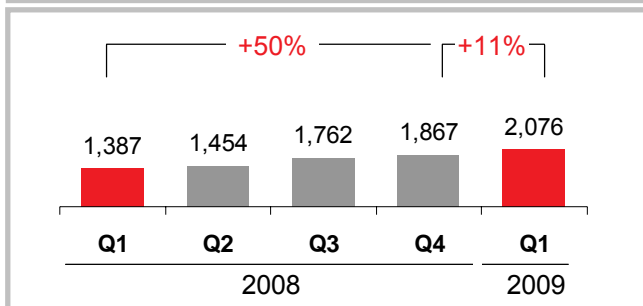
APPM stabilization toward end of period following decline in consumption of higher-value products

Russia operating indicators

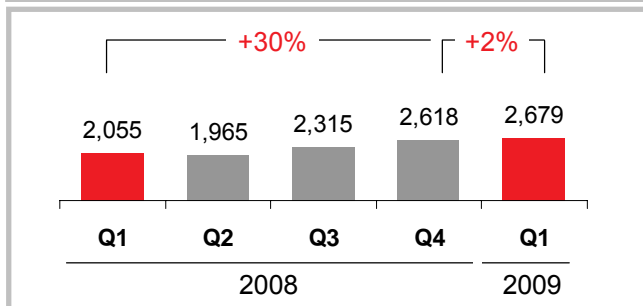
Messaging Revenue (RUB mln)



Data Traffic Revenue (RUB mln)



Data Content Revenue (RUB mln)



Total VAS (mln) *

Q1 2008	6 942
Q2 2008	6 773
Q3 2008	7 804
Q4 2008	8 178
Q1 2009	8 472

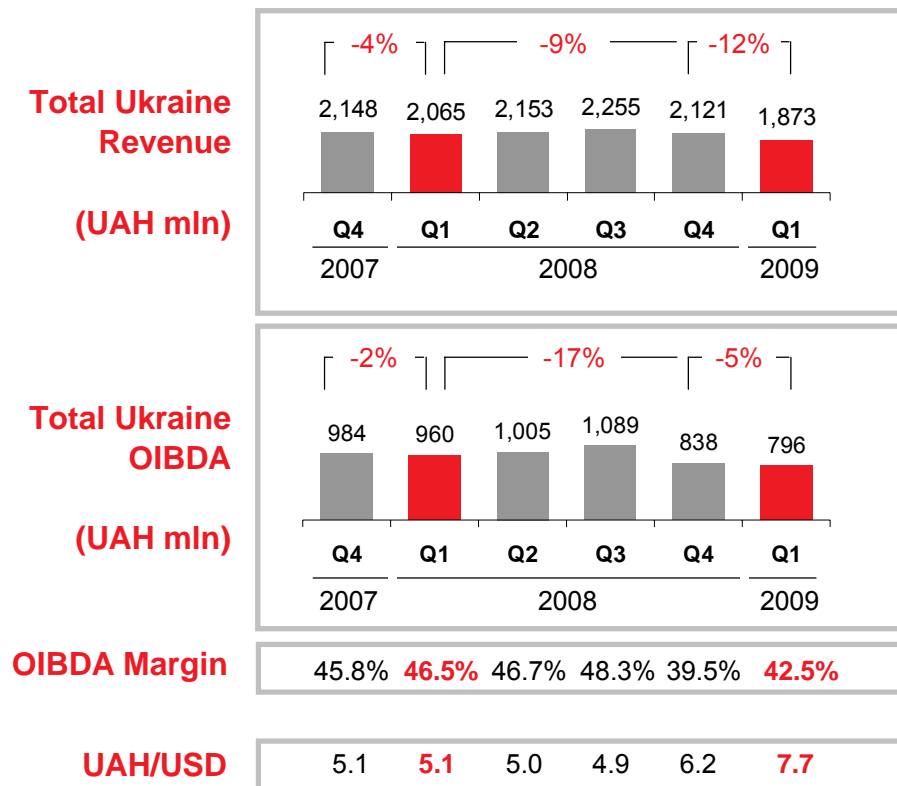
Resilient growth of VAS revenues as the Company launches 3G networks across Russia and introduces attractive VAS products and offers

Key initiatives in Q1:

- Expansion of 3G networks to additional cities
- Further lowering of *MTS Connect* pricing
- Launch of *MySpace* mobile version on MTS WAP portal
- Enhancement of MMS functionality, increasing permitted message size and adaptation to phone model
- Development of MTS' Wi-Fi network in Moscow to over 850 new hotspots
- *Unlimited Internet at Night* promotion
- Launch of *MTS Catalog* application for smartphones

* Does not include revenue from SMS and data bundles, which is included in airtime revenue.

Ukraine financial highlights

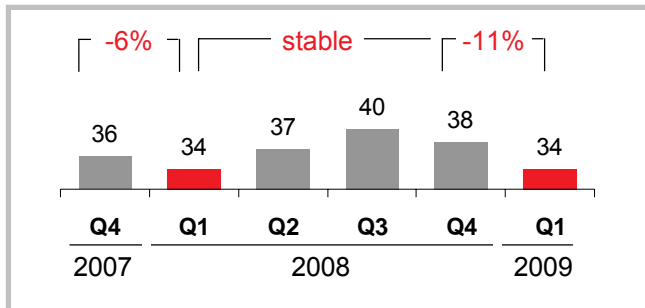


Top-line dynamic reflective of seasonal trends and weaker demand dynamics due to the macroeconomic environment and depreciation of the hryvna in Q4 2008

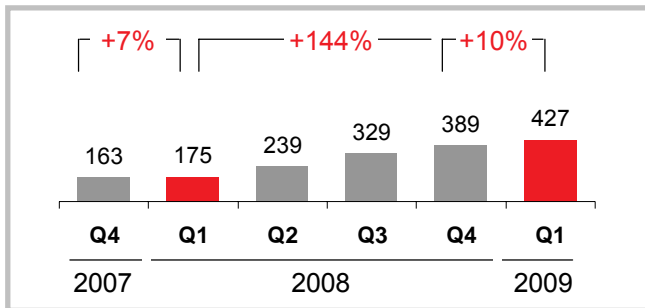
Sequential OIBDA decrease less than rate of revenue due to optimization of costs and renegotiation of non-hryvna-based contracts

Ukraine operating indicators

ARPU (UAH)



MOU (min)



APPM (UAH)

0.22	0.20	0.15	0.12	0.10	0.08
------	-------------	------	------	------	-------------

Subs (mln)

20.0	19.6	19.1	18.1	18.1	17.9
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Sequential decline in ARPU due to macroeconomic-related factors and seasonal demand dynamics; ARPU stable y-o-y, as MOU increases have offset declines in APPM

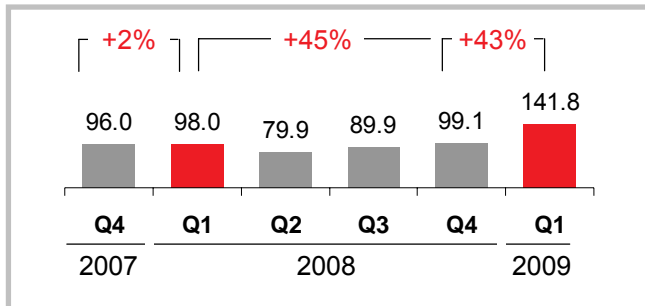
Sustained MOU growth due to continuing efforts to drive usage

APPM decreased as usage continued to increase with subscribers controlling their spending due to economic instability that led to an overall revenue decline

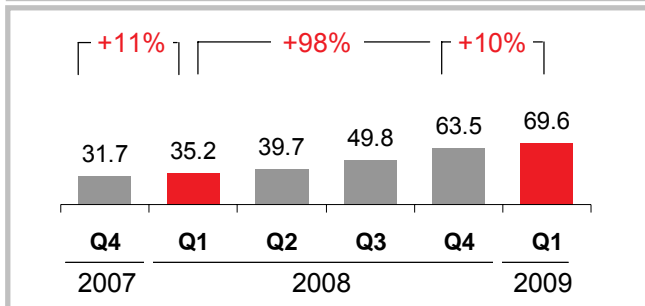
Subscriber dynamics in-line with market

Ukraine operating indicators

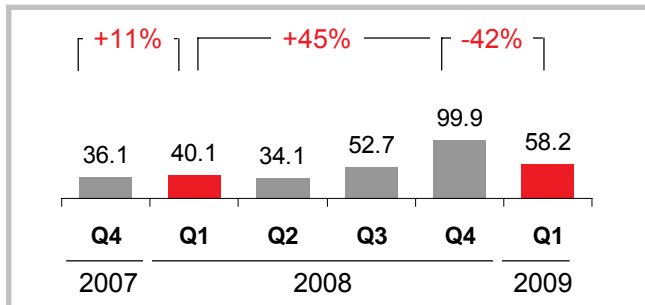
Messaging Revenue (UAH mln)



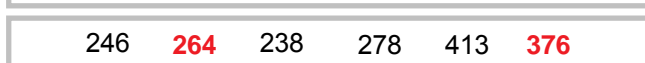
Data Traffic Revenue (UAH mln)



Data Content Revenue (UAH mln)



Total VAS (mln)*



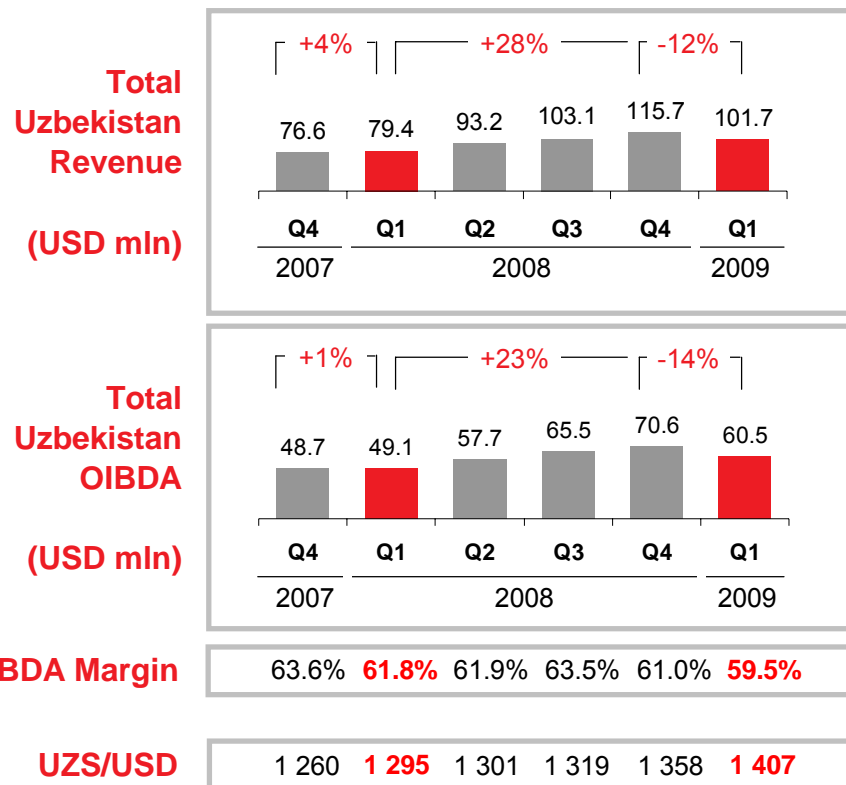
* Does not include revenue from SMS and data bundles, which is included in airtime revenue.

Sustained growth in messaging and content services through the continual expansion of our VAS portfolio, improvements in network quality and expansion of our CDMA-450 data network

Key initiatives in Q1:

- Launch of *MTS Connect Manager* application for mobile internet services
- SMS game *Love Is* promotion
- Content and SMS promotions surrounding New Year holidays and Valentine's day
- WAP pay per click game promotion for Women's day
- Launch of location-based service *MTS Compass*, providing addresses of the nearest cinemas, clubs, restaurants, ATMs, etc.
- Try&Buy promotion to all new *Good'OK* ring-back tone subscribers
- Launch of *MTS Click* premium content offerings, including mp3s, java games, pictures, etc.

Uzbekistan financial highlights

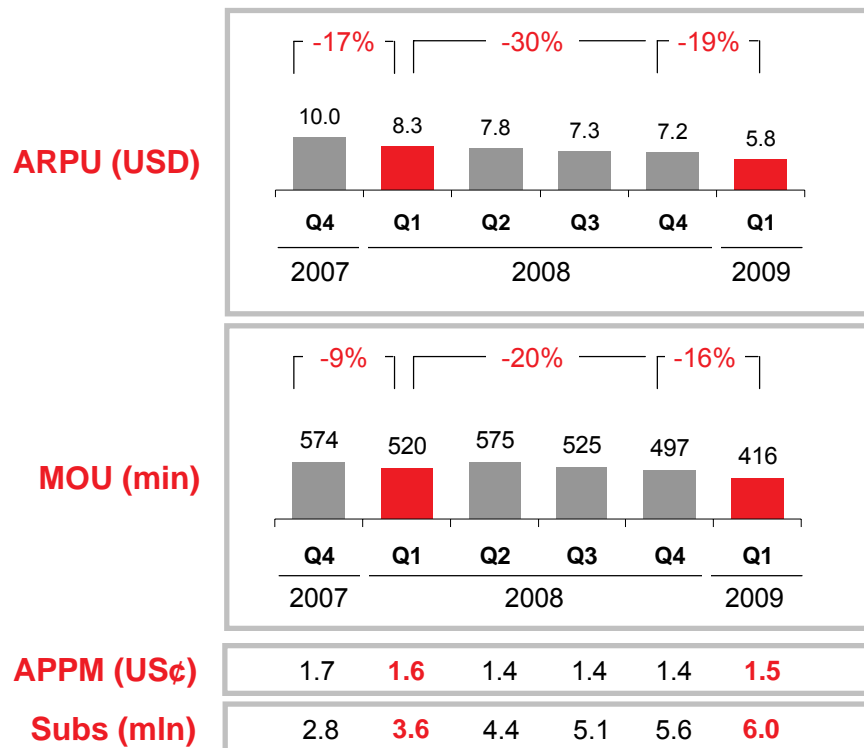


Revenue performance inline with rising penetration and seasonal factors

OIBDA decrease due to seasonal factors and increasing expenses associated with network expansion and 3G deployment

* The functional currency in Uzbekistan is the US dollar.

Uzbekistan operating indicators

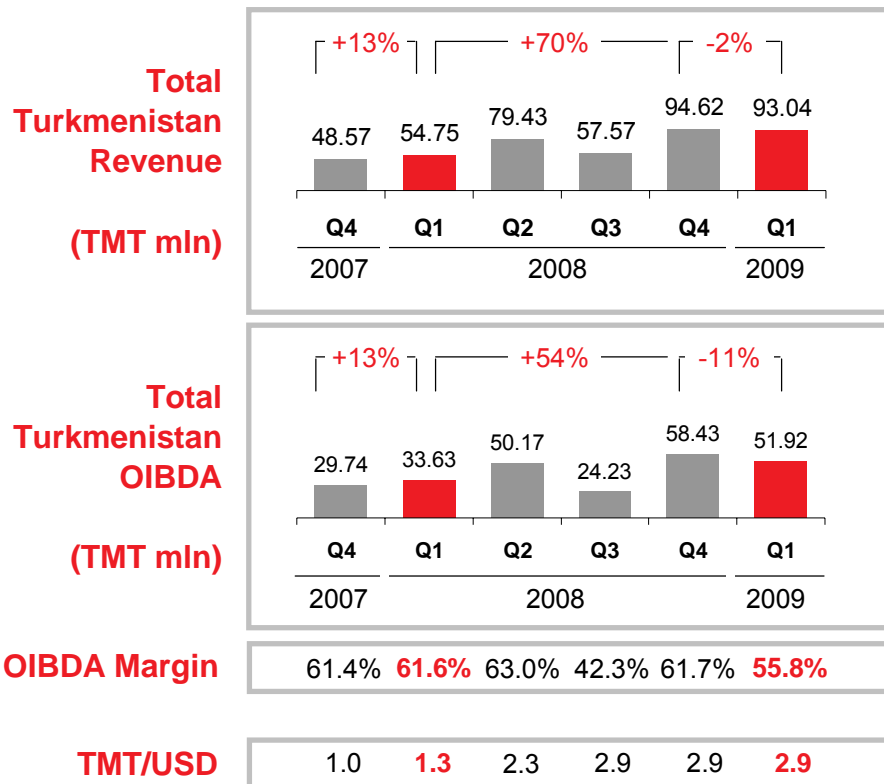


ARPU decline due to seasonal factors and increasing number of lower-ARPU customers

Usage decreasing through addition of lower-value subscribers added on entry-level tariff plan *Welcome*

* The functional currency in Uzbekistan is the US dollar.

Turkmenistan financial highlights*

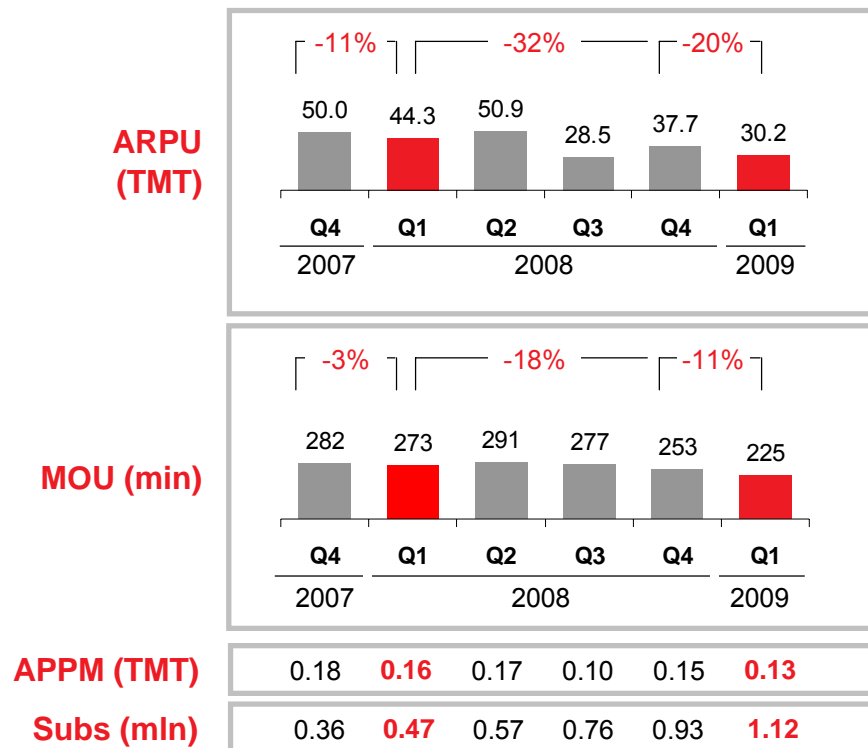


Top-line effected by seasonality and the overall economic slowdown

OIBDA dynamics due to adjustments to currency changes and on-going expansion of network coverage

* On January 1, 2008, the Central Bank of Turkmenistan raised the official exchange rate of the Turkmenistan Manat to the US dollar from 5,200 to 6,250. On May 1, 2008, another decree established the official exchange rate at 14,250 TMT per 1 USD. On January 1, 2009, the Central Bank of Turkmenistan announced redenomination of the Turkmenistan Manat at the rate of 5,000 to 1. We have adjusted our historical results to the denominated rate for comparative purposes.

Turkmenistan operating indicators*



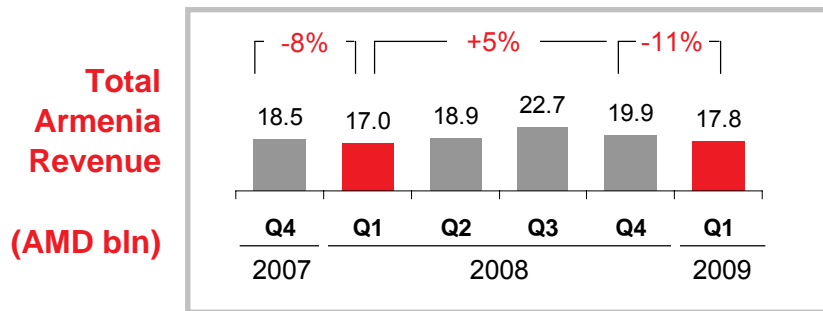
ARPU decline indicative of rising penetration

Decreasing MOU due to further dilution of subscriber base by lower-value subscribers

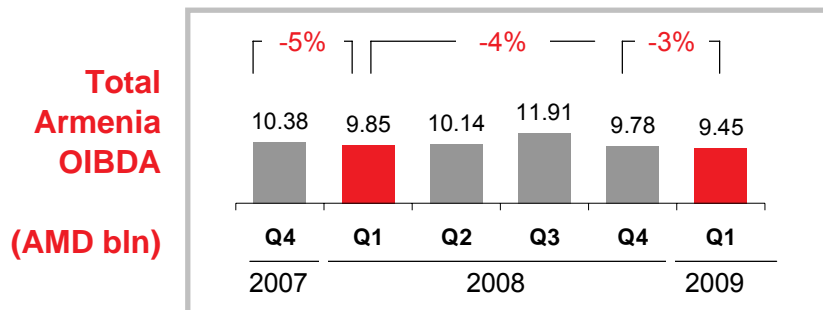
1 million subscribers milestone reached in Q1

* On January 1, 2009, the Central Bank of Turkmenistan announced redenomination of the Turkmenistan Manat at the rate of 5,000 to 1. We have adjusted our historical results to the denominated rate for comparative purposes.

Armenia financial and operating highlights



Seasonal revenue dynamics exacerbated by macroeconomic volatility



OIBDA dynamics mirror revenue performance and indicative of expanding network

OIBDA Margin	56.2%	57.9%	53.7%	52.5%	49.1%	53.0%
Subs (mln)	1.4	1.4	1.5	1.8	2.0	2.1
ARPU (AMD)	5 047	4 033	4 331	4 594	3 486	2 914
MOU (min)		157	183	202	205	172
AMD/USD	317.4	307.9	307.2	302.3	306.0	325.8

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- A red L-shaped line that starts to the right of the "Appendix" header, extends horizontally to the right, then turns 90 degrees downwards and extends vertically to the right, ending to the left of the list items.
- Group
 - Russia
 - Ukraine
 - Uzbekistan
 - Turkmenistan
 - Belarus
 - Reconciliation

Group revenue

Revenue contribution per country

in USD mln	Q1'08	Q4'08	Q1'09
Russia	1 797.7	1 855.5	1 383.2
Ukraine	408.8	353.9	243.2
Uzbekistan	79.4	115.7	101.7
Turkmenistan	43.8	33.2	32.6
Armenia	55.2	65.0	55.1
Intercompany	(5.6)	(5.0)	(6.8)
Group revenue	2 379.2	2 418.3	1 809.0

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Group OIBDA

OIBDA and margin per country

in USD mln	Q1'08	Q4'08	Q1'09
Russia	877.4	897.1*	620.2
<i>- margin</i>	48.8%	48.3%	44.8%
Ukraine	190.1	142.0	103.4
<i>- margin</i>	46.5%	40.1%	42.5%
Uzbekistan	49.1	70.6	60.5
<i>- margin</i>	61.8%	61.0%	59.5%
Turkmenistan	26.9	20.5	18.2
<i>- margin</i>	61.6%	61.7%	55.8%
Armenia	32.0	31.9	29.1
<i>- margin</i>	57.9%	49.1%	52.9%
Group	1 175.5	1 162.2	831.5
<i>- margin</i>	49.4%	48.1%	46.0%

* Including intercompany of \$8.1 mln

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Group net income

Quarterly net income and margin per country

in USD mln	Q1'08	Q4'08	Q1'09
Russia	494.4	70.3	(107.8)
Ukraine	86.5	27.6	12.5
Uzbekistan	32.2	34.6	30.7
Turkmenistan	13.3	12.6	10.5
Armenia	(16.2)	0.4	(3.7)
Group	610.2	145.5	(57.7)
<i>- margin</i>	25.6%	6.0%	-3.2%

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Group CAPEX

CAPEX per country

in USD mln	Q1'08	Q4'08	Q1'09
Russia	204.6	451.4	394.7
Ukraine	109.0	139.4	146.0
Uzbekistan	11.3	41.0	87.4
Turkmenistan	15.5	20.2	11.1
Armenia	2.0	24.8	6.5
Group	342.4	676.6	645.6
<i>- as % of revenue</i>	14.4%	28.0%	35.7%

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Russia: operating indicators

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	10.1	9.5	6.9
ARPU ex guest roaming	10.0	9.4	6.8
ARPU from VAS	1.6	1.6	1.3
VAS as % of ARPU	16%	17%	19%
Minutes of Usage (MOU)	193	218	205
SAC per gross new subscriber	29.5	24.4	21.9
Dealer commission	15.9	11.7	11.5
Advertising & marketing	13.6	12.7	10.4
Churn	4.8%	6.4%	8.0%

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Ukraine: operating indicators

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	6.8	6.4	4.4
ARPU ex guest roaming	6.7	6.2	4.2
ARPU from VAS	0.9	1.3	0.9
VAS as % of ARPU	13%	20%	21%
Minutes of Usage (MOU)	175	389	427
SAC per gross new subscriber	13.8	8.2	8.1
Dealer commission	3.4	1.0	4.6
Advertising & marketing	8.4	5.7	2.3
Handset subsidy	0.6	0.2	0.1
SIM card & voucher cost	1.4	1.2	1.1
Churn	10.3%	10.8%	10.2%

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Uzbekistan and Turkmenistan: operating indicators

Uzbekistan

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	8.3	7.2	5.8
Minutes of Usage (MOU)*	520	497	416
SAC per gross new subscriber*	7.0	8.7	8.2
Churn*	2.8%	5.7%	6.6%

*The Company moved from a 2-month to a 6-month churn policy in Q1'08

Turkmenistan

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	35.4	13.2	10.6
Minutes of Usage (MOU)	273	253	225
SAC per gross new subscriber	14.8	3.4	4.5
Churn	5.0%	4.2%	3.9%

Armenia and Belarus: operating indicators

Armenia

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	13.1	11.4	9.0
Minutes of Usage (MOU)	n/a	205	172
SAC per gross new subscriber	26.7	14.8	22.7
Churn	8.0%	7.0%	8.9%

Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ

Belarus*

in USD unless noted	Q1'08	Q4'08	Q1'09
ARPU	9.0	9.8	6.5
Minutes of Usage (MOU)	508	476	458
SAC per gross new subscriber	14.8	19.4	14.3
Churn	5.1%	4.6%	4.6%

*MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated

Appendix – Definitions and Reconciliations

Non-GAAP financial measures. This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP. Due to the rounding and translation practices, US dollar and functional currency margins, as well as other non-GAAP financial measures, may differ.

Return on Invested Capital (ROIC) is measured as (net income + interest expense + depreciation expense) / closing (equity + minority interest + long-term financial obligations).

Operating Income Before Depreciation and Amortization (OIBDA). OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. OIBDA may not be similar to OIBDA measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. OIBDA can be reconciled to our consolidated statements of operations as follows:

USD mln	Q1 2008						Q4 2008						Q1 2009					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating income	704.6	562.5	85.4	35.1	21.9	(0.3)	706.2	587.0	41.3	50.7	17.3	9.8	464.2	378.4	22.4	40.6	15.4	7.4
Add: depreciation and amortization	470.9	314.9	104.8	13.9	5.1	32.2	456.0	310.1	100.7	19.9	3.2	22.1	367.3	241.8	81.0	19.9	2.9	21.7
OIBDA	1175.5	877.4	190.1	49.1	26.9	32.0	1 162.2	897.1*	142.0	70.6	20.5	31.9	831.5	620.2	103.4	60.5	18.2	29.1

	Q1 2008						Q4 2008						Q1 2009					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating margin	29.6%	31.3%	20.9%	44.3%	50.0%	(0.5%)	29.2%	31.6%	11.7%	43.8%	52.2%	15.1%	25.7%	27.4%	9.2%	40.0%	47.0%	13.5%
Add: depreciation and amortization as a percentage of revenues	19.8%	17.5%	25.6%	17.6%	11.6%	58.5%	18.9%	16.7%	28.4%	17.2%	9.5%	34.1%	20.3%	17.5%	33.3%	19.6%	8.8%	39.4%
OIBDA margin	49.4%	48.8%	46.5%	61.8%	61.6%	57.9%	48.1%	48.3%	40.1%	61.0%	61.7%	49.1%	46.0%	44.8%	42.5%	59.5%	55.8%	52.9%

* Including intercompany of \$8.1 mln.

Appendix – Definitions and Reconciliations

Net debt represents total debt less cash and cash equivalents and short-term investments. Our net debt calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare our periodic and future liquidity within the wireless telecommunications industry. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

USD mln	As of Dec 31, 2008	As of Mar 31, 2009
Current portion of LT debt and of capital lease obligations	1 183.7	1 191.3
LT debt	2 888.5	2 816.5
Capital lease obligations	3.0	2.0
Total debt	4 075.2	4 009.8
Less:		
Cash and cash equivalents	(1 058.8)	(978.5)
ST investments	(45.7)	(46.0)
Net debt	2 970.7	2 985.3

Free cash flow is represented by net cash from operating activities less cash used for certain investing activities. Free cash flow is commonly used by investors, analysts and credit rating agencies to assess and evaluate our performance over time and within the wireless telecommunications industry. Because free cash flow is not based in US GAAP and excludes certain sources and uses of cash, the calculation should not be looked upon as an alternative to our Consolidated statement of cash flows or other information prepared in accordance with US GAAP.

USD mln	For three months ended Mar 31, 2008	For three months ended Mar 31, 2009
Net cash provided by operating activities	991.5	760.0
Less:		
Purchases of property, plant and equipment	(281.0)	(547.6)
Purchases of intangible assets	(61.4)	(97.9)
Proceeds from sale of property, plant and equipment	23.2	0.2
Proceeds/ (purchases) of other investments	(21.2)	-
Investments in and advances to associates	-	0.5
Acquisition of subsidiaries, net of cash acquired	(19.4)	(104.8)
Free cash flow	631.7	10.4

Appendix – Definitions and Reconciliations

LTM OIBDA can be reconciled to our consolidated statements of operations as follows:

USD mln	Nine months ended Dec 31, 2008	Three months ended Mar 31, 2009	Twelve months ended Mar 31, 2009
	A	B	C = A + B
Net operating income	2 498.9	464.2	2 963.1
Add: depreciation and amortization	1 465.9	367.3	1 833.2
OIBDA	3 964.8	831.5	4 796.3

Appendix – Definitions and Reconciliations

Average monthly service revenue per subscriber (ARPU). We calculate our ARPU by dividing our service revenues for a given period, including interconnect, guest roaming fees and connection fees, by the average number of our subscribers during that period and dividing by the number of months in that period.

Average monthly minutes of usage per subscriber (MOU). MOU is calculated by dividing the total number of minutes of usage during a given period by the average number of our subscribers during the period and dividing by the number of months in that period.

Subscriber. We define a “subscriber” as an individual or organization whose account shows chargeable activity within sixty one days in the case of post-paid tariffs, or one hundred and eighty three days in the case of our pre-paid tariffs, or whose account does not have a negative balance for more than this period.

Churn. We define our “churn” as the total number of subscribers who cease to be a subscriber as defined above during the period (whether involuntarily due to non-payment or voluntarily, at such subscriber’s request), expressed as a percentage of the average number of our subscribers during that period.

Subscriber acquisition cost (SAC). We define SAC as total sales and marketing expenses and handset subsidies for a given period. Sales and marketing expenses include advertising expenses and commissions to dealers. SAC per gross additional subscriber is calculated by dividing SAC during a given period by the total number of gross subscribers added by us during the period.

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