Group financial results for the fourth quarter and full year 2010

Investor conference call – April 5, 2011

Mr. Andrei Dubovskov, President, Chief Executive Officer
Mr. Alexey Kornya, Vice President, 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,” and 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 undertake or 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, the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies, our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so, strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses, including Comstar-UTS, 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, governmental regulation of the telecommunications industries and other risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management and future growth subject to risks.

2010: Growth in numbers

MTS a step ahead

MTS in 2010

Largest mobile provider

- **+28%** revenue growth from 2009 to 2010*
- **+2.1** mln net mobile subscriber additions in Russia
- **+6 500** 3G base stations installed in Russia and launched LTE networks in Uzbekistan and Armenia

Extensive retail network

- **+323** own stores with a total of **3 500** stores (including franchise stores)
- **5 mln** handsets sold through MTS retail network with **16%**** of market share

Leading alternative provider

- **118** towns serviced through fixed-line network with **40 000 km** of proprietary fiber backbone network
- **2.8 mln** pay-TV subscribers
- **1.8 mln** broadband subscribers
- **10 mln** households passed

* Based on Group revenues in USD, if using purchase method of accounting for acquisition of Comstar-UTS OJSC (non-GAAP measures)
** Market share in terms of number of handsets sold based on MTS estimates, incl. wholesale

MTS a step ahead

Contents

Financial and corporate highlights

Key financial and operating results

Appendix

- Group highlights for the period
- Group financial highlights
- Group capital expenditures
- Group balance sheet
- Debt obligations and composition
- Completion of Comstar merger
- Subscriber base dynamics
- MTS Russia: competitive dynamics in 2010
- MTS Russia: impact on mobile OIBDA margin
- Outlook for 2011
- 3i Strategy

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Group highlights for the fourth quarter 2010 and recent events

Q4 2010 highlights

- Voluntarily repayment of the second tranche of the syndicated loan in the amount of $161.5 mln; the loan was originally signed in April 2006 and carried a 5-year maturity
- Redemption of the $400 mln 2010 Eurobond
- Placement of the series 07 and series 08 ruble-denominated bonds totaling RUB 25 bln
- Transfer of MTS ordinary shares to the “A1” listing on the Moscow Interbank Currency Exchange
- Purchase of 100% stake in Sistema-Telecom for RUB 11.59 bln ($379.01 mln*) from Sistema and its wholly-owned subsidiary
- MTS recognized as the most valuable brand in Russia with a value of $7.753 bln by InterBrand, the world’s leading brand consultancy
- Acquisitions of local alternative operators in Novosibirsk and Saint Petersburg
- Signing of an agreement with Sberbank to open two non-revolving lines of credit for a total amount of RUB 100 bln
- Suspension of operations in Turkmenistan
- Approval of statutory merger of Comstar with MTS by the companies’ respective Extraordinary General Meetings of shareholders

Thereafter

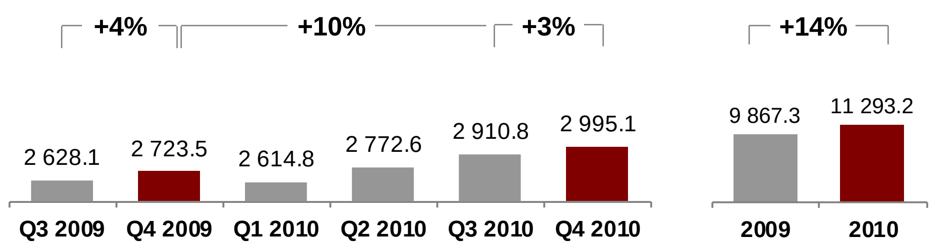
- Completion of share buyback in March 2011 related to the statutory merger of Comstar with MTS
- Appointment of Andrei Dubovskov, former Head of Business Unit MTS Ukraine, as President and CEO of MTS
- Conversion of Comstar ordinary shares into MTS ordinary shares on April 1, 2011 and subsequent completion of the statutory merger of Comstar with MTS

* According to the average exchange rate of 30.57 RUB/USD for the 60-day period from September 4, 2010 to November 4, 2010

Group financial highlights*

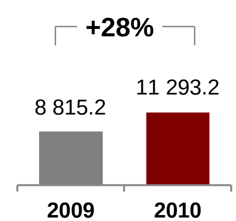
Total Group Revenue

(USD mln)



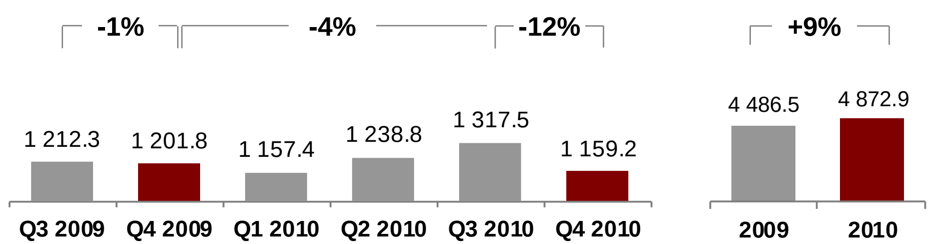
Adjusted Total Group Revenue

(USD mln)



Total Group Adjusted OIBDA**

(USD mln)



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Adjusted OIBDA margin	46.1%	44.1%	44.3%	44.7%	45.3%	38.7%	45.5%	43.1%

- Strong annual revenue growth due to subscriber additions, data revenue growth and handset and data modem sales
- Adjusted annual revenue growth of 29% on the back of acquisition of Comstar if using purchase method of accounting
- Absolute OIBDA dynamic impacted by rising sales and marketing costs, OPEX and on-going retail expansion
- 2010 OIBDA margin in line with guidance; quarterly decline in mobile OIBDA due to higher gross subscriber additions that increased dealer commissions and rising OPEX due to changes in the mix of voice and data traffic on our networks

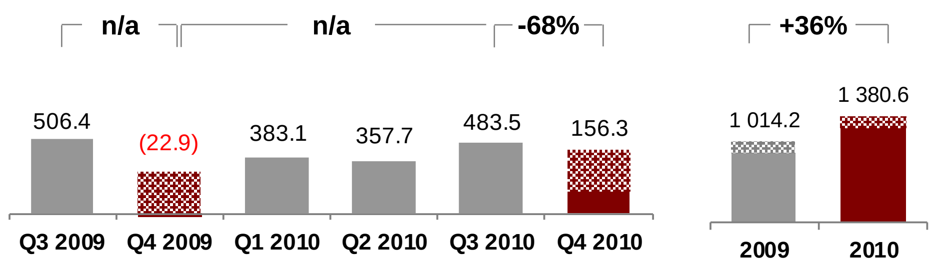
* Figures were retrospectively restated, please see appendix for complete details

** Adjusted OIBDA represents operating income before depreciation & amortization, impairment of long-lived and other assets and acquisition related costs. For further information, please see the Appendix for definitions and reconciliations

Group financial highlights

Total Group Net Income

(USD mln)

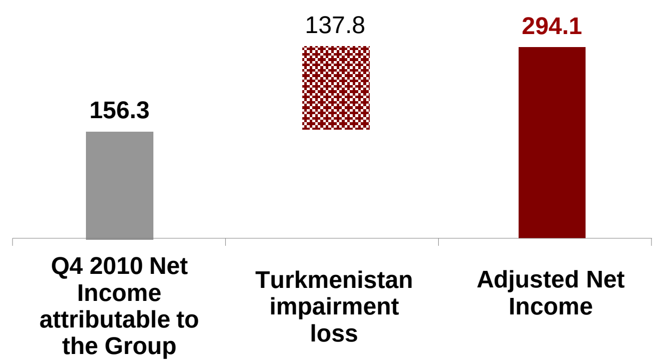


Net income margin	19.3%	**n/a**	14.7%	12.9%	16.6%	**5.2%**	10.3%	**12.2%**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

Q4 2009 and Q4 2010 net income figures adjusted for write-offs

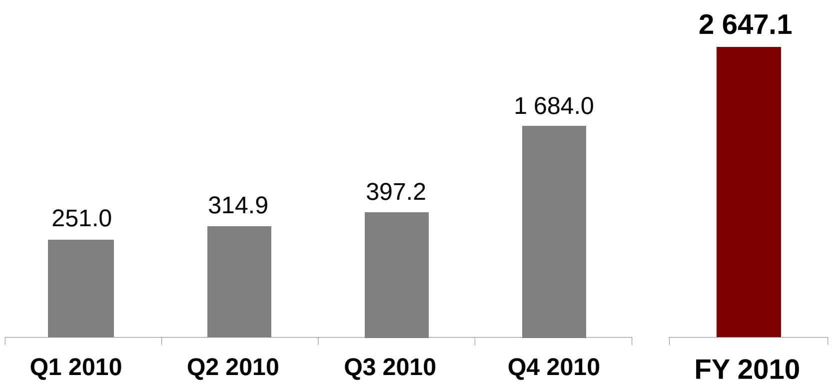
Adjusted Net Income

(USD mln)



- Strong bottom line performance during 2010 with an annual growth of 50% when adjusted for the non-cash impairment loss of $137.8 mln recorded in the fourth quarter resulting from the suspension of operations in Turkmenistan in December 2010
- Minimal impact from the currency fluctuations during the quarter with a non-cash FOREX loss of $18.7 mln

Group capital expenditures



(in USD mln)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Russia	178.4	248.0	328.1	1 505.6	2 260.0
Ukraine	40.5	36.5	27.4	50.6	154.9
Uzbekistan	23.9	18.9	19.6	95.5	157.9
Turkmenistan	4.3	8.4	17.1	14.6	44.4
Armenia	3.9	3.1	5.0	17.8	29.9
Group	251.0	314.8	397.2	1 684.1	2 647.1
- as % of revenue	9.6%	11.4%	13.6%	56.2%	23.4%

- CAPEX to total revenues for 2010 reached 23% or $2.6 bln mainly as result of the Company’s build out of its 3G and fixed networks in Russia
- Historically, CAPEX is higher during the fourth quarter due to invoicing practices with payments made towards the end of the year
- The substantial increase in the fourth quarter is dictated by the advance payments made to contractors to assure timely construction deadlines and to vendors to secure favorable terms on equipment

Group balance sheet*

Balance sheet (USD mln unless noted)	As of Dec 31, 2009	As of Dec 31, 2010
Cash and cash equivalents	$2 529.0	$927.7
Short-term investments	$206.5	$333.6
Total debt	$8 350.2	$7 160.6
Long-term debt	$6 327.7	$6 403.5
Short-term debt	$2 022.5	$757.1
Net debt**	$5 614.7	$5 899.3
Shareholders' equity	$4 365.7	$4 156.8
Total assets	$15 764.5	$14 478.0
LTM OIBDA**	$4 486.5	$4 872.9
Net debt/assets	0.4x	0.4x
Net debt/equity	1.3x	1.4x
Net debt/LTM OIBDA**	1.3x	1.2x

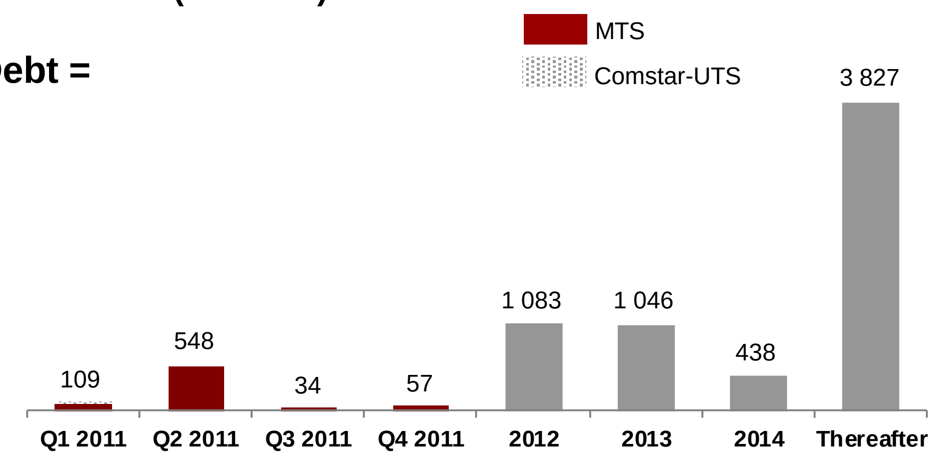
- Reduction in cash position on the back of higher CAPEX when compared to previous year

* Figures were retrospectively restated, please see appendix for complete details
** See reconciliations of net debt, LTM OIBDA and free cash flow to consolidated financial statements in the appendix

Debt obligations at the end of Q4 2010

Debt Repayment Schedule (USD mln)

Total Group Debt = $7.2 bln

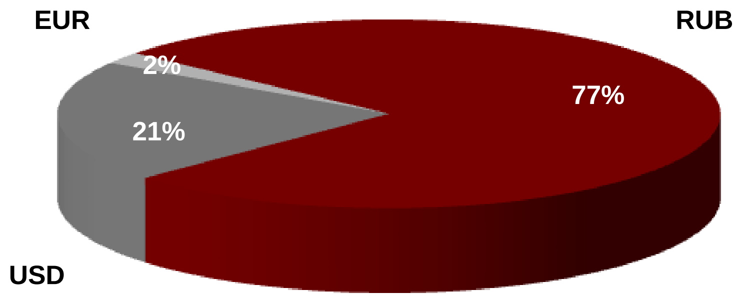


MTS Series 03, 04, 05, 08 ruble bonds contain put options that can be exercised in June 2013, in May 2011, in July 2012 and in November 2015 respectively. MTS expects the options to be exercised

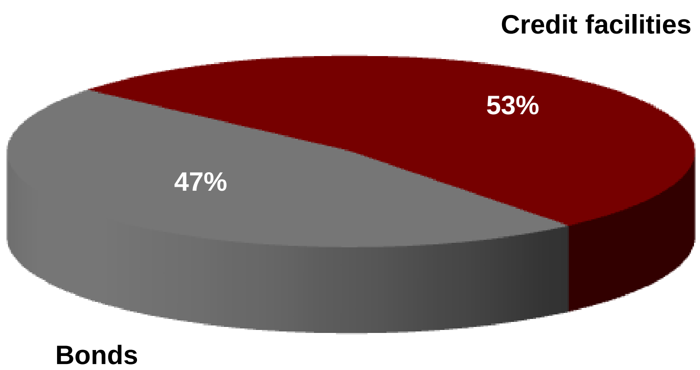
- Voluntarily repayment of the second tranche of the syndicated loan in the amount of $161.5 mln in October 2010; the loan was originally signed in April 2006 and carried a 5-year maturity
- In October 2010 MTS completed the redemption of a $400 mln Eurobond, which was issued in October 2003 and carried a semi-annual coupon rate of 8.375%
- In November 2010 MTS successfully places series 07 and series 08 ruble-denominated bonds totaling RUB 25 bln on MICEX
  - Series 07 in the amount of RUB 10 bln with maturity in 2017 and a semi-annual coupon rate of 8.70%
  - Series 08 in the amount of RUB 15 bln with maturity in 2020 carries a five-year put option and a semi-annual coupon rate of 8.15%
- Opening of the two non-revolving credit lines for a total amount of RUB 100 bln in Sberbank and refinancing the outstanding RUB 53 bln loan to Sberbank in December 2010

Debt composition at the end of Q4 2010

Debt composition by currency Q4 2010*



Debt composition by type Q4 2010



- Debt composition reflective of the Company’s preference for RUB-denominated financing with vendor financing contributing to the USD/EUR portion
- Maintaining a balanced currency structure of liabilities with a preference for ruble-denominated funding
- RUB portion of the Company's debt increased from 63% in Q3 2010 to 77% in Q4 2010 following placement of ruble bonds in the total amount of RUB 25 bln (app. $810 mln) and redemption of the $400 mln Eurobond in October 2010
- By the end of 2010, MTS’ total cost of debt dropped to roughly 8.7%, more than 100 bps less than it was in the beginning of the year
- MTS continues to attract long-term financing and reduce interest expenses on the debt facilities in line with the Company’s financial strategy to optimize its debt portfolio

* Debt composition by currency includes FOREX hedging in the amount of $357 mln as of Q4 2010

Completion of Comstar merger: overview and key milestones

MTS shareholder structure post merger	
JSC Sistema	1 050 165 886
- as %	50.8%
Free float	
- shares on MICEX	238 850 753
- as %	11.6%
- shares on NYSE	777 396 505
- as %	37.6%
Total shares outstanding	2 066 413 144

- Merger of Comstar into MTS allowed the Company to become an integrated telco provider positioned to fully capture the significant growth potential of the Russian market
- This also significantly strengthened MTS' position in Moscow, the most lucrative market in Russia, through control of the Moscow City Telephone Network (MGTS), the leading incumbent fixed-line service provider in the Moscow region

Key remaining steps*

April 2011

May 2011 – July 2011

1	April 1, 2011	Conversion of Comstar shares into MTS ordinaries/ Closing of merger/ Former Comstar shareholders receive all ownership rights inherent to MTS shares, incl. rights to dividend payments
2	end of April	Registration of share issuance report by FSFM
3	beginning of May	Filing of share issuance report with MICEX to list add'l MTS shares
4	beginning of May	MTS AGM record date
5	mid to end of May	Start of trading of add'l shares on MICEX under a separate ticker
6	July 2011	Add'l shares start trading under regular MTSI ticker following ending of required 3-month period

* Schedule may change depending on satisfaction of certain conditions and the receipt of the necessary regulatory approvals from the relevant authorities

Group subscriber base dynamics during the quarter

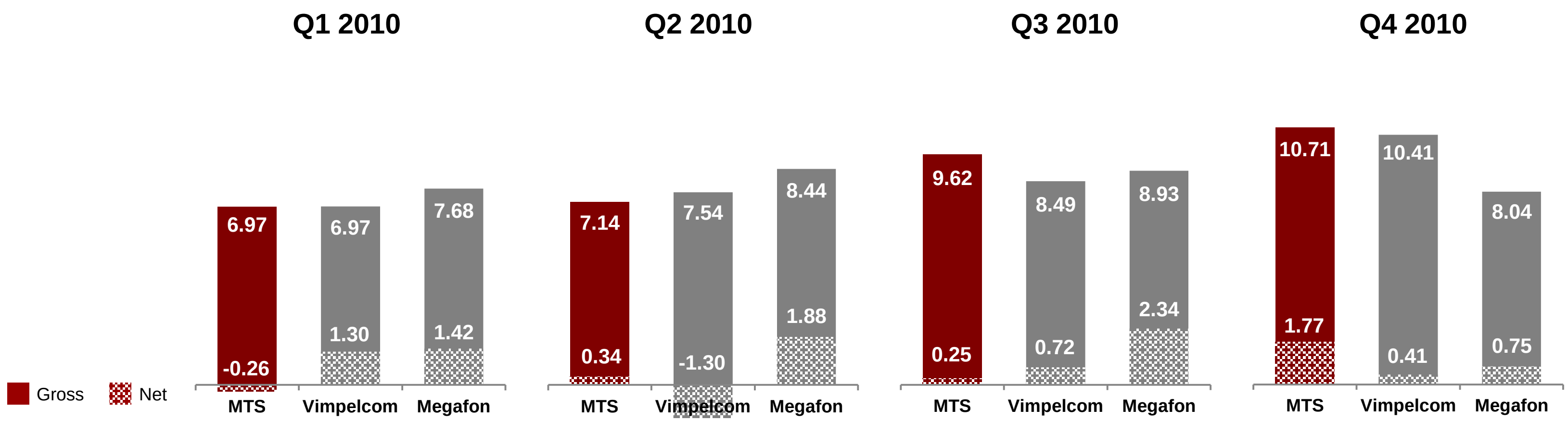
MTS subscribers (mln unless noted)	Q3 2010	Q4 2010	% change
Russia:			
- mobile	69.67	71.44	2.5%
- households passed, 000s**	7 799	9 890	26.8%
- broadband Internet, 000s**	1 466	1 805	23.1%
- pay TV, 000s**	2 028	2 753	35.7%
Ukraine	18.15	18.24	0.5%
Uzbekistan	8.16	8.79	7.7%
Turkmenistan***	2.39	2.42	1.3%
Armenia	2.19	2.46	12.3%
Belarus****	4.64	4.72	1.7%
Total mobile	**105.21**	**108.07**	**2.7%**

* According to AC&M-Consulting as of December 31, 2010
** Starting from Q4 2010, operating indicators of the Company's fixed business now include Comstar-UTS, Multiregion and other acquired alternative operators. For further information, please see the Appendix for definitions and reconciliations
*** MTS operations in Turkmenistan were suspended since December 21, 2010
**** MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated

- In Russia, MTS grew its mobile market share from 32.2% in Q3 2010 to 32.6% in Q4 2010* as the Company undertook initiatives aimed at safeguarding its position in the market in the face of mounting competitive pressures during the course of the year
- The Company acquired a number of alternative operators in the Russian regions over the course of 2010 as it build out its integrated business that contributed to the increase in households passed as well as fixed broadband and pay TV subscribers
- Stable subscriber dynamics in Ukraine with a focus on subscriber quality and stimulation of user activity levels
- Relatively strong subscriber additions in the remaining CIS markets of operation due to their continued development and seasonal New Year's promotions

MTS Russia: subscriber dynamics in 2010

Subscriber additions, mln*

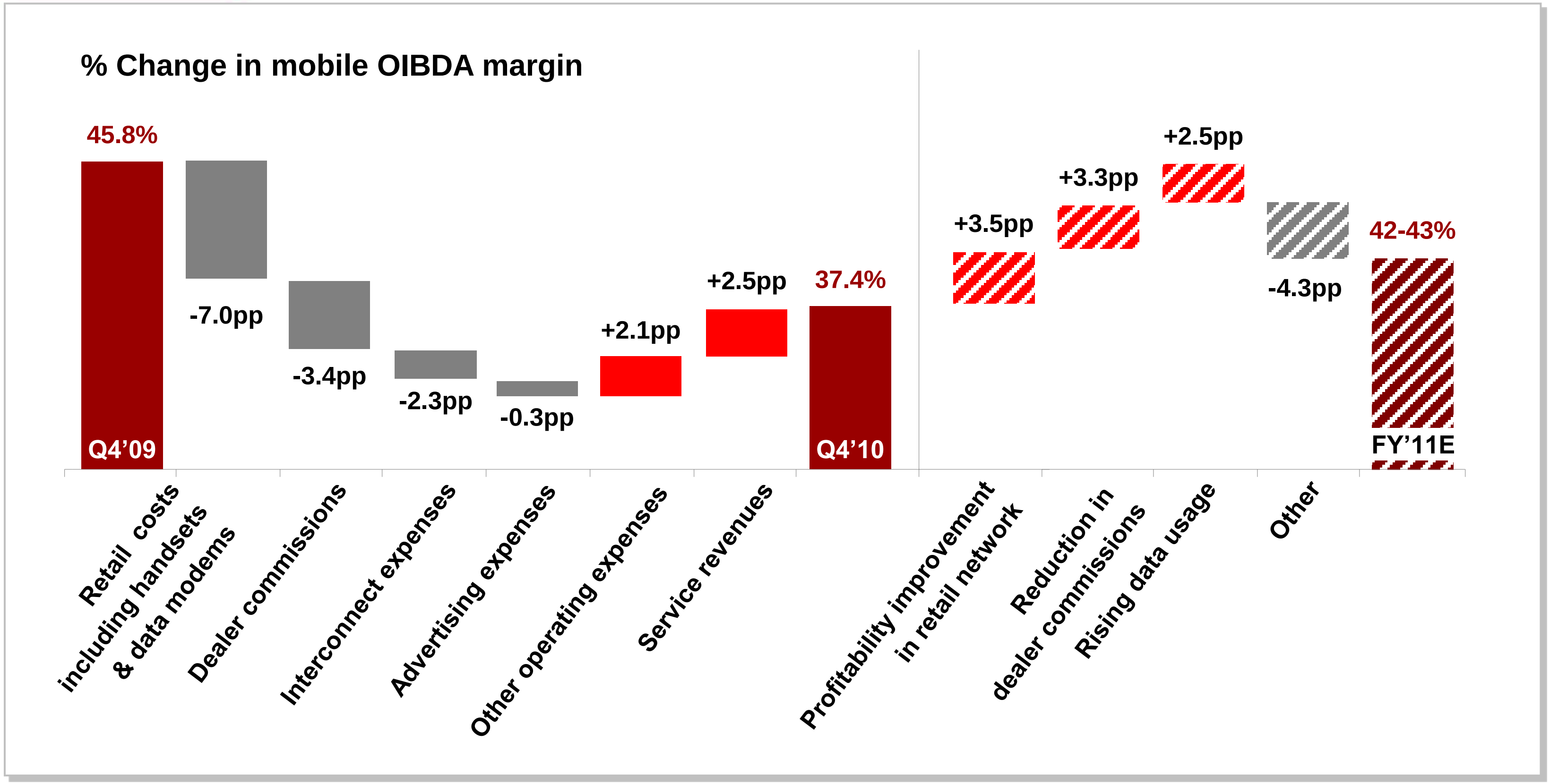


Market share*	32.7%	24.7%	24.4%	32.5%	23.8%	25.1%	32.2%	23.8%	25.8%	32.6%	23.7%	25.8%
	MTS	Vimpelcom	Megafon	MTS	Vimpelcom	Megafon	MTS	Vimpelcom	Megafon	MTS	Vimpelcom	Megafon

- Company's gross additions during H1 2010 reflective of MTS' efforts at stabilizing the market through greater focus on subscriber quality, however, the dynamics of the competitive environment forced the Company to defend its revenue market share
- Going forward, the initiatives undertaken during H2 2010 should lead to normalization of competition in the market in the long term with a gradual return to lower higher quality gross sales in 2011

* Subscriber figures and market share information based on data from AC&M-Consulting and MTS estimates as of December 31, 2010

MTS Russia: impact on mobile OIBDA margin



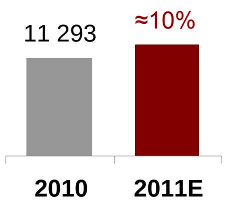
- MTS aims to reduce cost pressures through:
  - Optimization of retail network to increase profitability
  - Reduction of dealer commissions through fewer gross additions
  - Increase data usage through broader 3G network build-out
  - Rebalancing of tariffs to promote higher share of on-net traffic

MTS a step ahead

Outlook for 2011*

Total Group Revenue

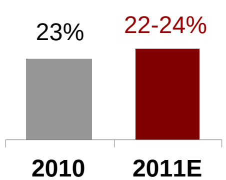
(USD mln)



OIBDA margin	43.1%	**42-43%**
	2010	**2011E**

Group CAPEX as % of Revenue

(USD mln)



*Based on regional currency FOREX rates compared to the US dollar as of April 5, 2011

- Management expects MTS Group revenues to grow by around 10% in 2011 due to:
  - Macroeconomic improvement in core markets
  - Increasing revenues from data traffic and content in line with planned expansion of 3G and fixed-line networks throughout the year
  - Growing contribution from the retail business
  - Usage growth across all product lines and segments in our markets of operation
  - Further development of our businesses in the CIS
- The guidance for OIBDA margin is 42-43% reflective of:
  - Optimization of retail network to increase profitability
  - Reduction of dealer commissions through fewer gross additions
  - Increase data usage through broader 3G network build-out
  - Rebalancing of tariffs to promote higher share of on-net traffic
- CAPEX guidance for the year as percent of revenue of 22-24% based on expected investments in 3G and backbone networks as well as the development of MTS' proprietary retail chain in Russia
  - Final CAPEX figure will depend upon factors including currency volatility, vendor terms, project implementation schedules and other developments MTS cannot accurately predict

3i: MTS strategy

Strategic direction	Tactics	Key benefits
Integration New pipelines and customer touch-points	▪ Seamless user experience for all segments ▪ Rapid broadband infrastructure (fixed/3G/LTE) deployment ▪ Integrated sales channels	Increasing customer lifetime value Generating shareholder returns
Internet Smarter pipelines to capture additional value	▪ Enhanced connectivity ▪ Compelling Internet user experience ▪ Best-in-class content apps and services	
Innovation Differentiation through product and service mix	▪ Delivery of exclusive devices ▪ Cutting-edge products and services for all customer segments ▪ End-to-end user experience at home, at work and on the move	

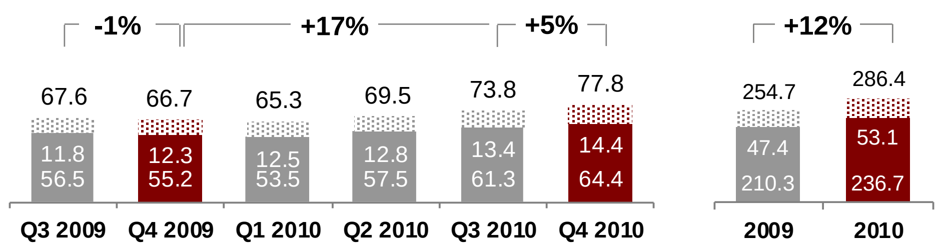
Contents

MTS a step ahead

Russia financial highlights*

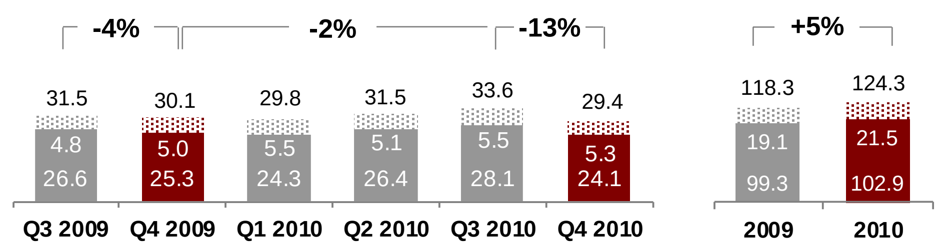
Total Russia Revenue**

(RUB bln)



Total Russia Adjusted OIBDA***

(RUB bln)



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Adjusted OIBDA margin	46.6%	**45.2%**	45.6%	45.3%	45.5%	**37.7%**	46.4%	**43.4%**
- mobile ex-retail	52.6%	**50.8%**	51.1%	51.1%	48.7%	**44.7%**	51.4%	**48.8%**
- mobile	47.2%	**45.8%**	45.3%	45.9%	45.8%	**37.4%**	47.2%	**43.4%**
- fixed	40.9%	**40.6%**	44.2%	40.1%	41.2%	**36.8%**	40.4%	**40.4%**

- Revenue increase in Q4 2010 attributable to the higher contribution from VAS, in particular data traffic revenues, despite a seasonal decline in roaming
- Decrease in OIBDA due to seasonal and competitive factors with higher sales and marketing expenses due to higher gross subscriber additions

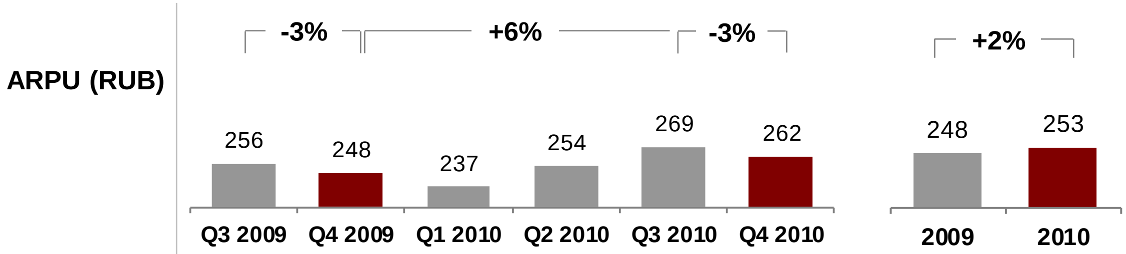
Mobile Fixed

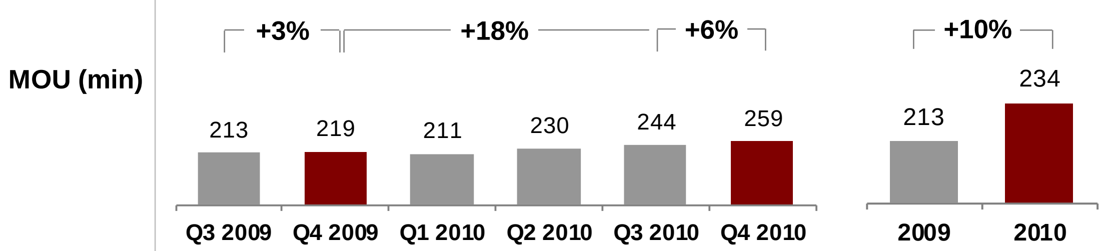
* Figures were retrospectively restated, please see appendix for complete details

** Gross of intercompany

*** Adjusted OIBDA represents operating income before depreciation & amortization, impairment of long-lived and other assets and acquisition related costs. For further information, please see the Appendix for definitions and reconciliations

Russia mobile operating indicators



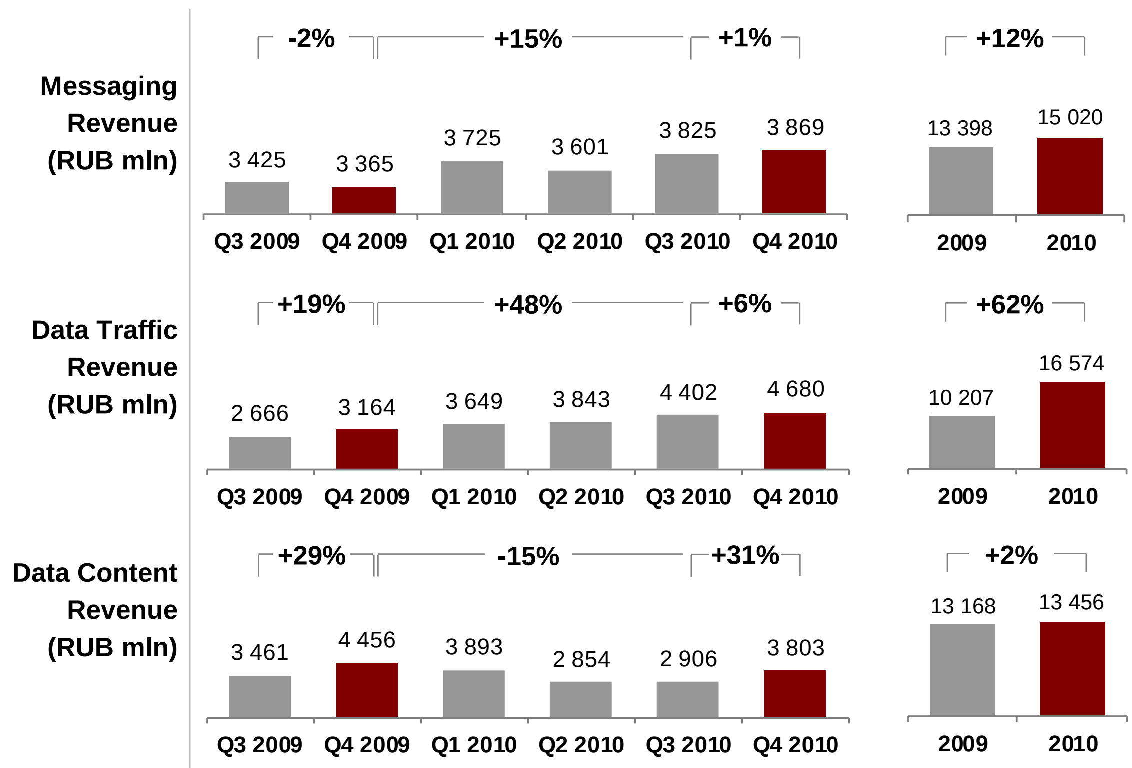


	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Subs, mln	68.7	**69.3**	69.1	69.4	69.7	**71.4**	69.3	**71.4**
Churn rate, %	10.7%	**12.4%**	10.4%	9.8%	13.5%	**12.7%**	38.3%	**45.9%**
VAS ARPU	47.0	**53.1**	53.8	51.4	55.1	**58.4**	47.6	**54.7**
- as % of ARPU	18.4%	**21.4%**	22.7%	20.2%	20.5%	**22.3%**	18.5%	**21.6%**
SAC	552.4	**494.9**	534.4	612.8	508.2	**656.6**	583.4	**581.7**
APPM	1.20	**1.13**	1.12	1.10	1.10	**1.01**	1.21	**1.08**

- ARPU decrease in Q4 2010 due to seasonally low roaming revenues and higher net subscriber additions
- Growth in MOU as result of introduction of tariffs aimed at stimulating usage
- Decline in APPM reflective of the migration of existing subscribers to more attractive newer tariffs as well as a seasonal decrease in roaming

MTS a step ahead

Russia mobile operating indicators*



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Total VAS (RUB mln)*	9 845	11 264	11 519	10 595	11 409	12 669	37 955	46 192

Key initiatives in Q4 2010:

- Launch of new MTS Connect products such as 7.2/14.4 Mbit/s modems and the 3G Wi-Fi router
- Further development of MTS Internet shop and its integration with social networks
- Launch of messaging services including MMS RSS-feeds and SMS notifications from popular social networks
- Launch of MTS branded applications
- Seasonal promotion of the GOOD'ok service

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

Development of MTS retail network and handset distribution

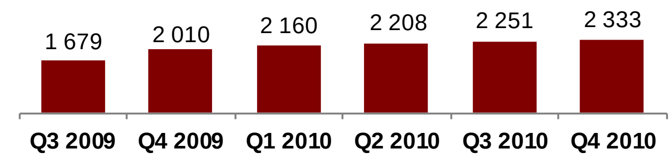
MTS retail network

- Sustained development of MTS retail network with the opening of 82 new stores during Q4 2010
- Launch of 8 flagship stores in the regions bringing the total to 30 stores in Russia

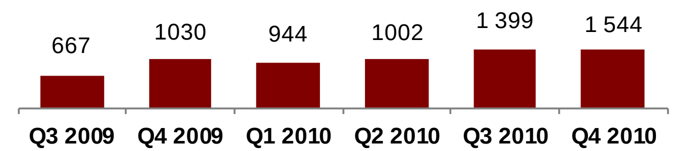
Device distribution

- MTS' market share in handset sales increased to 20.9%** at the end of Q4 2010
- Further development of the Company's handset portfolio with the launch of new exclusive models from HTC, Alcatel, Fly, Asus, LG, Motorola and Nokia
- Introduction of three new handsets to the MTS-branded line: the MTS 916, the MTS 547 and the MTS Basic 140
- Launch of the Huawei SmaKit 7 – the 1st tablet PC to be preloaded with MTS software and exclusively sold through Company's retail network
- Diverse marketing campaigns aimed at stimulating sales of handsets: "Happy Hours," "Golden Age" and various New Year's promotions

Retail network development (MTS-owned stores)*

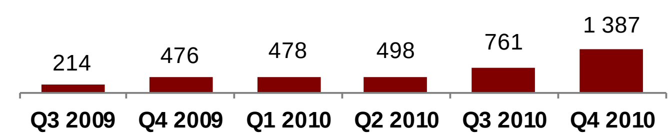


Handset sales through MTS retail network (000s)



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Market share**	9.1%	11.7%	13.1%	13.7%	14.2%	**20.9%**

MTS Connect modem and data tariff sales (000s)

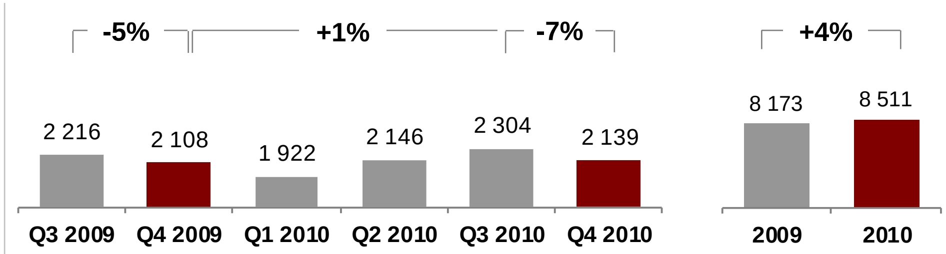


*Does not include franchisee stores
**Market share in terms of number of handsets sold based on MTS estimates, incl. wholesale

Ukraine financial highlights

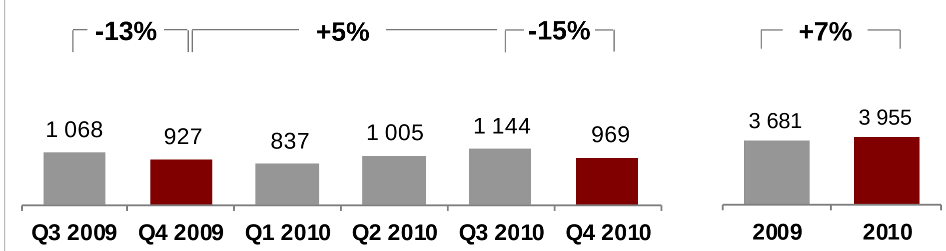
Total Ukraine Revenue

(UAH mln)



Total Ukraine OIBDA

(UAH mln)

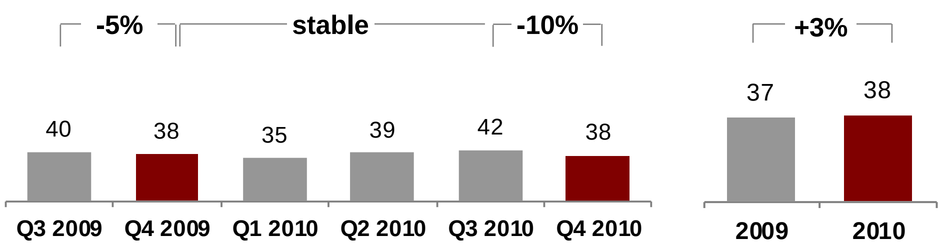


OIBDA margin	48.2%	**44.0%**	43.5%	46.8%	49.7%	**45.3%**	45.0%	**46.5%**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

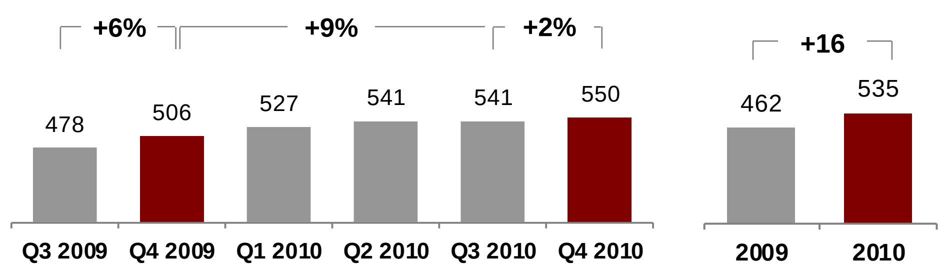
- Seasonal decrease in revenues during the quarter with a negative impact from the reduction in the termination rate
- Decline in OIBDA margin due to lower guest roaming and seasonally high sales and marketing expenses

Ukraine operating indicators

ARPU (UAH)



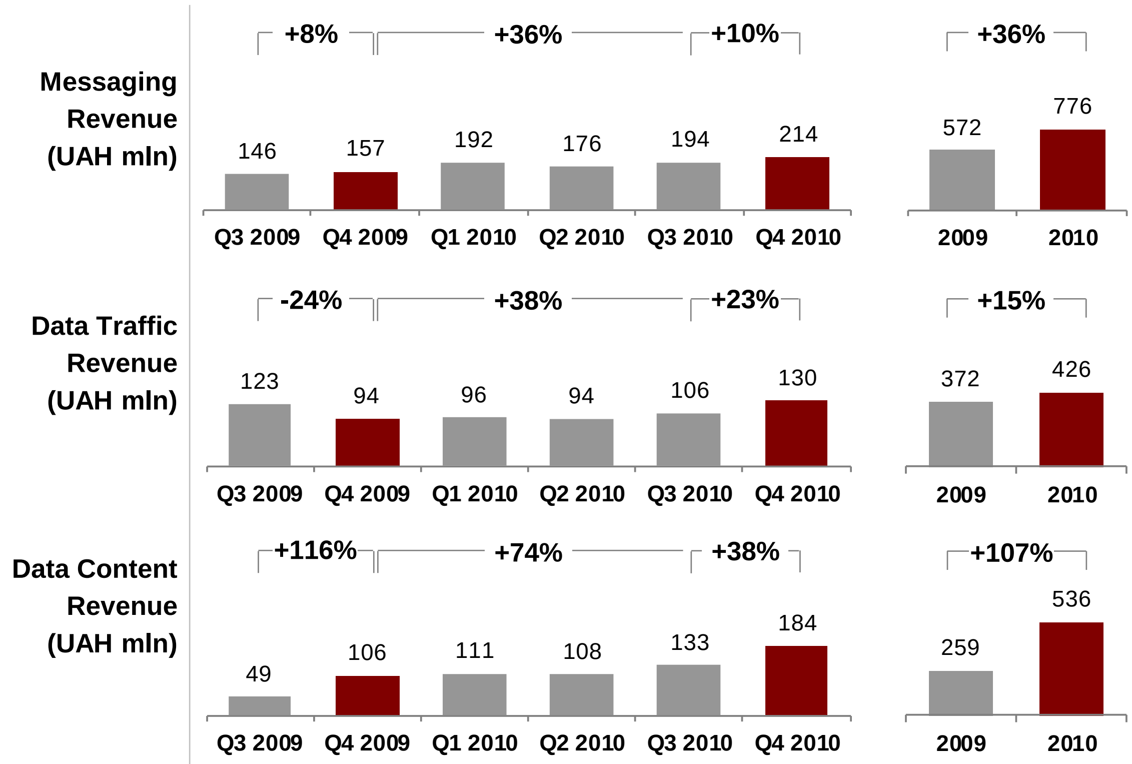
MOU (min)



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Subs, mln	17.8	**17.6**	17.3	17.5	18.2	**18.2**	17.6	**18.2**
Churn rate, %	10.4%	**9.7%**	9.4%	7.2%	6.6%	**8.2%**	40.0%	**31.0%**
VAS ARPU	7.9	**8.3**	8.9	8.6	9.1	**12.54**	7.47	**9.71**
- as % of ARPU	19.6%	**21.7%**	25.2%	21.7%	21.9%	**33.4%**	20.2%	**25.5%**
SAC	45.9	**56.8**	66.9	64.3	58.0	**68.1**	54.0	**64.1**
APPM	0.084	**0.076**	0.067	0.073	0.077	**0.068**	0.080	**0.071**

- Decrease in ARPU in line with seasonal factors
- MOU growth as result of promotional campaigns aimed at stimulating usage
- Decline in annual churn rate reflective of the Company's focus on subscriber quality

Ukraine operating indicators



Total VAS (UAH mln)	419	**441**	465	448	488	**685**	1 598	**2 086**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

Key initiatives in Q4 2010:

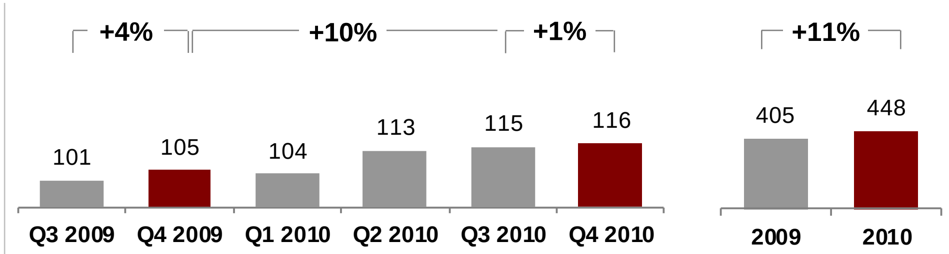
- Expansion of the "SMS Package” service functionality
- Launch of new internet service “Unlimited internet with Opera Mini”
- Diverse content offerings, related to New Year and Christmas holidays
- Promotion of various branded content-services through MTS-Click

a step ahead

Uzbekistan financial highlights

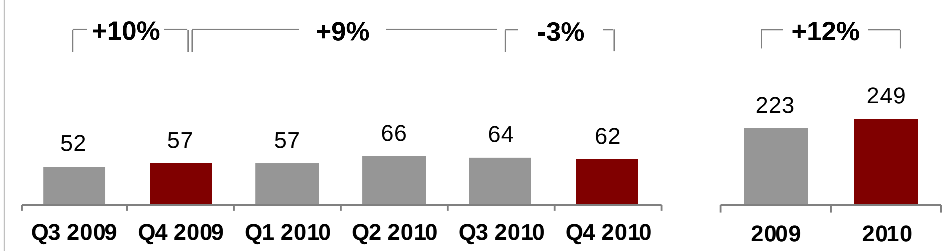
Total Uzbekistan Revenue

(USD mln)



Total Uzbekistan OIBDA

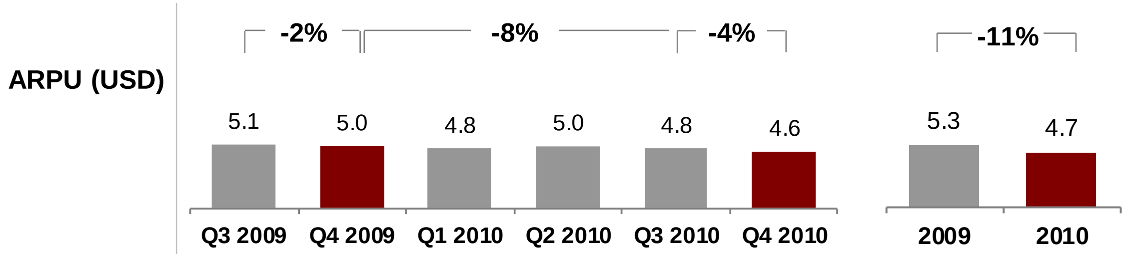
(USD mln)

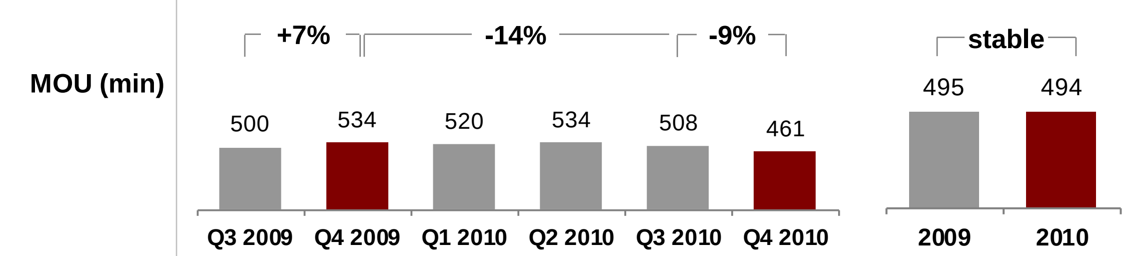


OIBDA margin	51.4%	53.9%	54.6%	58.1%	56.1%	53.3%	55.0%	55.5%
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

- Revenue increase on the back of continued subscriber growth and expansion of product portfolio
- Decrease in OIBDA margin in Q4 2010 reflective of high subscriber additions with a resulting increase in sales and marketing expenses

Uzbekistan operating indicators



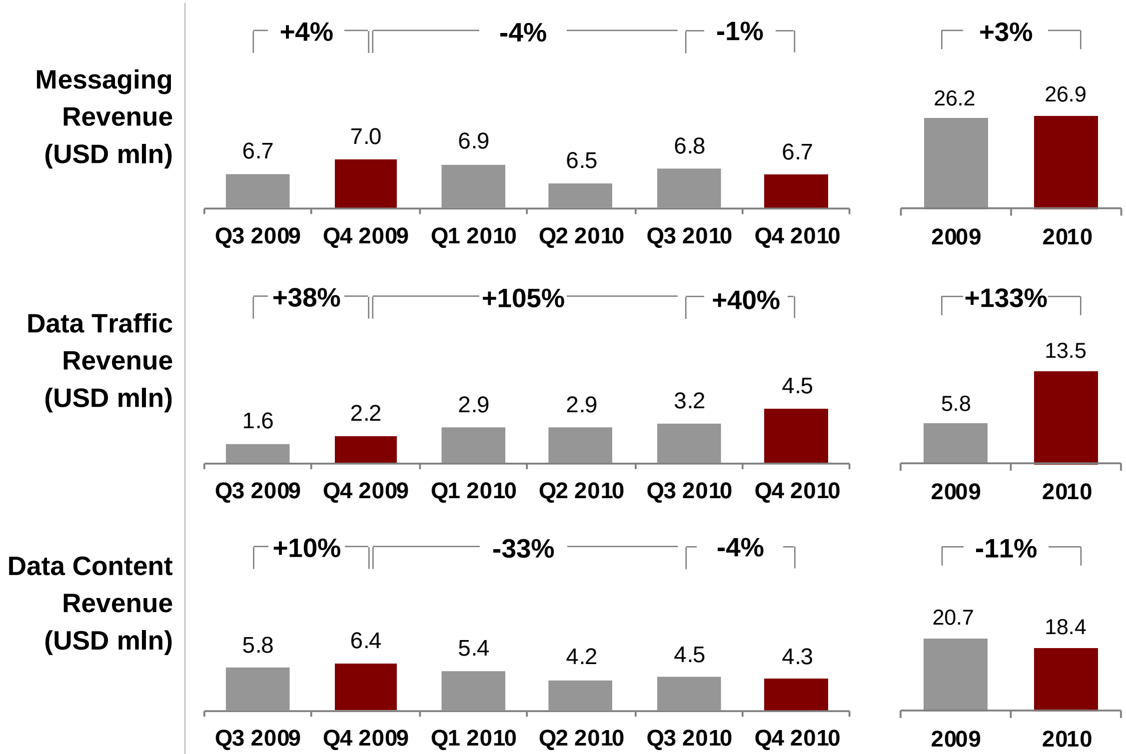


Subs, mln	6.8	**7.1**	7.4	7.6	8.2	**8.8**	7.1	**8.8**
Churn rate, %	8.1%	**8.0%**	5.9%	6.1%	7.2%	**6.0%**	30.2%	**24.7%**
SAC	8.3	**6.7**	6.1	6.0	7.8	**8.1**	7.7	**7.2**
APPM	0.01	**0.01**	0.01	0.01	0.01	**0.01**	0.01	**0.01**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

- Decline in ARPU in Q4 2010 as result of further dilution of subscriber base with mass market users
- MOU reduction due to the increased share of lower-value mass market subscribers
- Solid subscriber growth with 676 thousand in net additions in Q4 2010

MTS a step ahead

Uzbekistan operating indicators



Total VAS (USD mln)	16.2	**17.9**	17.5	15.9	16.8	17.8	60.9	**68.0**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

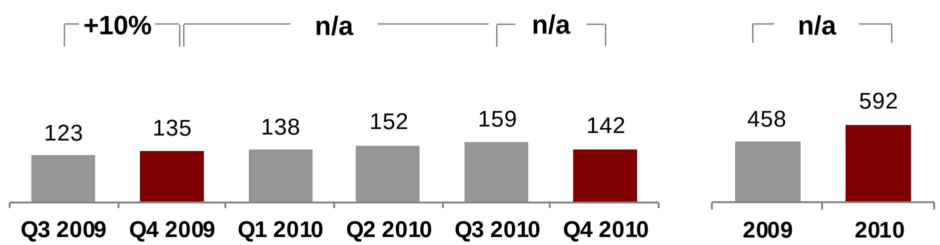
Key initiatives in Q4 2010:

- Launch of MTS Uzbekistan MMS-portal offering entertainment content
- Prolongation of successful campaign “All Included” aimed at stimulating internet usage
- Introduction of initiatives aimed at boosting key corporate client loyalty through launch of attractive internet tariff plans
- Improvement to GOOD’ok service functionality

Turkmenistan financial highlights

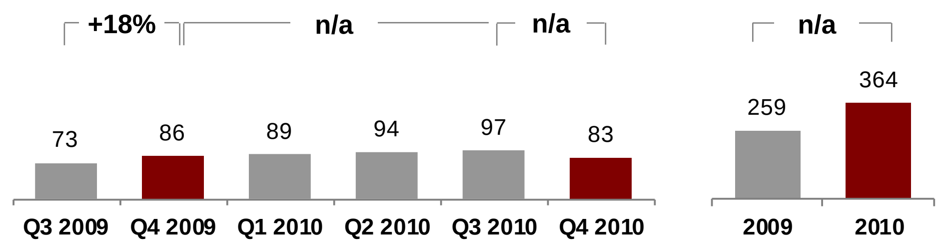
Total Turkmenistan Revenue

(TMT mln)



Total Turkmenistan Adjusted OIBDA*

(TMT mln)

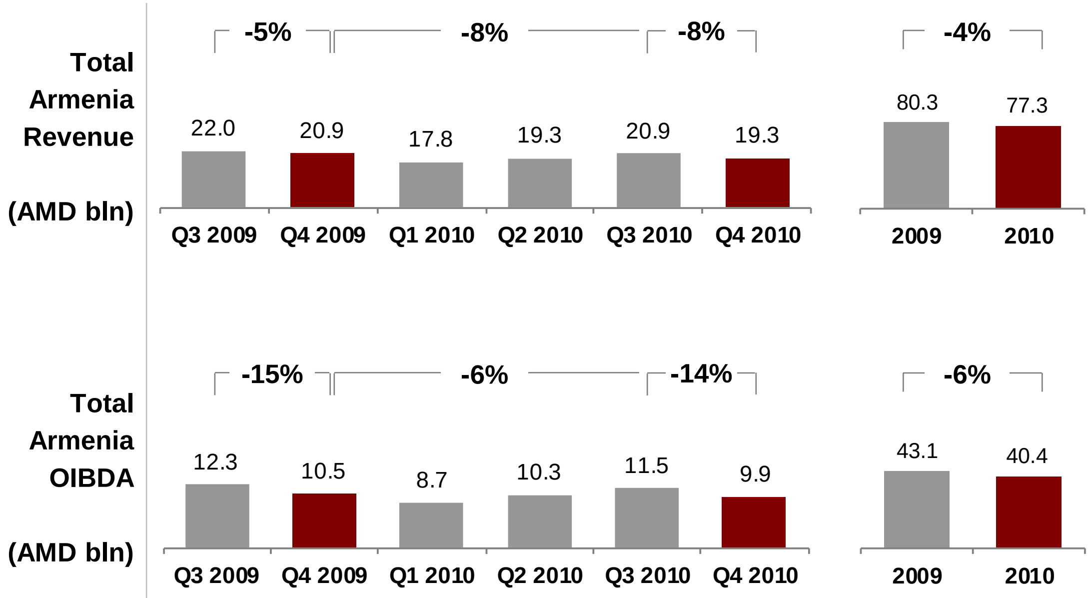


Adjusted OIBDA margin	59.5%	**63.7%**	64.4%	62.0%	61.1%	**58.8%**	56.6%	**61.5%**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

- The Company suspended its operations in the country starting from December 21, 2010 in compliance with the notice from the Ministry of Communications
- Decline in revenues reflective of the difficulties MTS encountered towards the end of the year
- Absolute OIBDA decline is reflective to the top-line dynamics

*Adjusted OIBDA represents operating income before depreciation & amortization, impairment of long-lived and other assets and acquisition related costs. For further information, please see the Appendix for definitions and reconciliations

Armenia financial highlights



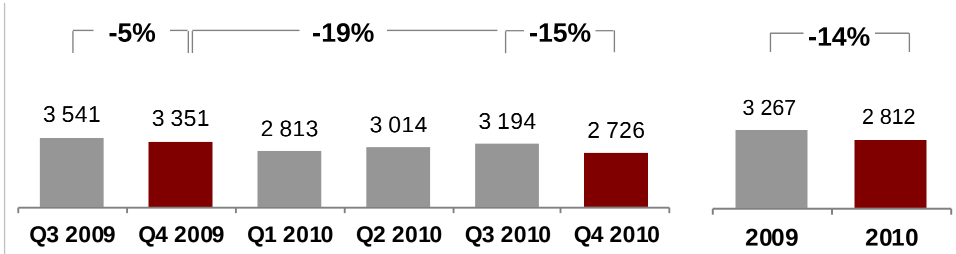
OIBDA margin	55.8%	**50.0%**	48.8%	53.5%	55.2%	**51.1%**	53.7%	**52.3%**
	Q3 2009	**Q4 2009**	**Q1 2010**	**Q2 2010**	**Q3 2010**	**Q4 2010**	**2009**	**2010**

- Decline in Q4 2010 revenues due to seasonal factors
- OIBDA decline as result of increased operating expenses as well as seasonally high sales and marketing costs

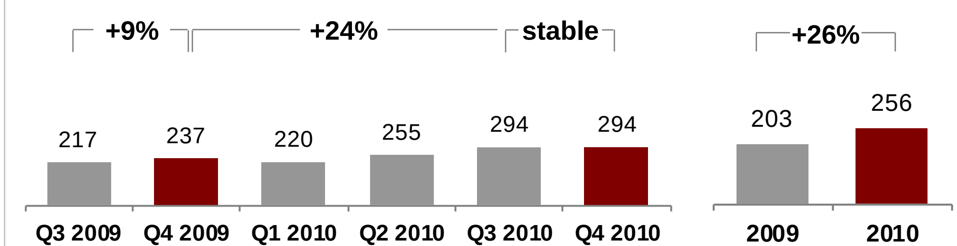
MTS a step ahead

Armenia operating indicators

ARPU (AMD)



MOU (min)



	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2009	2010
Subs, mln	2 078.3	**2 073.1**	2 108.9	2 126.4	2 192.3	**2 461.0**	2 073.1	**2 461.0**
Churn rate, %	11.3%	**12.7%**	8.6%	8.5%	7.7%	**7.0%**	43.6%	**30.4%**
SAC	5 143.6	**6 787.7**	6 868.7	7 192.0	6 719.4	**3 867.8**	6 318.6	**5 695.3**
APPM	16.3	**14.1**	12.8	11.8	10.9	**9.27**	16.09	**10.99**

- ARPU decline in Q4 2010 due to increasing competition with introduction of new voice and data tariffs
- MOU maintained at a high level
- Decrease in APPM due to launch of new tariffs to increase voice and data consumption

Contents

Appendix – Definitions and Reconciliations

MTS a step ahead

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:

	Q4 2009						Q3 2010						Q4 2010					
USD mln	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating income	617.2	581.3	22.9	32.0	26.9	5.2	803.7	728.1	59.8	31.5	29.4	8.8	493.0	572.4	37.7	29.6	(113.5)	4.6
Add: D&A and impairment loss	584.6	441.5	93.1	24.7	3.2	22.1	513.8	368.4	85.0	32.9	4.7	22.8	666.2	383.6	84.5	32.4	142.8	22.8
Adjusted OIBDA*	1 201.8	1 022.8	116.0	56.7	30.2	27.2	1 317.5	1 096.5	144.8	64.4	34.1	31.5	1 159.2	956.0	122.2	62.0	29.3	27.4

	Q4 2009						Q3 2010						Q4 2010					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating margin	22.7%	25.7%	8.7%	30.5%	56.8%	9.5%	27.6%	30.2%	20.5%	27.5%	52.6%	15.3%	16.5%	22.6%	14.0%	25.5%	(228.0%)	8.5%
Add: D&A and impairment loss	21.4%	19.5%	35.3%	23.5%	6.8%	40.5%	17.7%	15.3%	29.2%	28.6%	8.5%	39.8%	22.2%	15.1%	31.3%	27.8%	286.8%	42.6%
Adjusted OIBDA margin	44.1%	45.2%	44.0%	53.9%	63.7%	50.0%	45.3%	45.5%	49.7%	56.1%	61.1%	55.2%	38.7%	37.7%	45.3%	53.3%	58.8%	51.1%

*Adjusted OIBDA represents operating income before depreciation & amortization, impairment of long-lived and other assets and acquisition related costs. For further information, please see the Appendix for definitions and reconciliations

Appendix – Definitions and Reconciliations

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

	2009**						2010					
USD mln	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating income	2 555.9	2 353.4	120.2	133.8	79.0	33.2	2 734.6	2 672.7	144.5	130.7	(28.3)	17.1
Add: D&A and impairment loss	1 930.6	1 392.0	352.0	88.9	12.0	85.6	2 138.3	1 418.4	354.2	118.0	156.0	91.4
Adjusted OIBDA*	4 486.5	3 745.3	472.3	222.7	91.0	118.8	4 872.9	4 091.1	498.6	248.7	127.8	108.4

	2009**						2010					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating margin	25.9%	29.1%	11.5%	33.0%	49.1%	15.0%	24.2%	28.4%	13.5%	29.2%	(13.6%)	8.2%
Add: D&A and impairment loss as a % of revenues	19.6%	17.3%	33.6%	22.0%	7.5%	38.7%	18.9%	15.0%	33.0%	26.4%	75.1%	44.1%
Adjusted OIBDA margin	45.5%	46.4%	45.0%	55.0%	56.6%	53.7%	43.1%	43.4%	46.5%	55.5%	61.5%	52.3%

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, 2009	As of Dec 31, 2010
Current portion of LT debt and of capital lease obligations	2,022.5	757.1
LT debt	6,326.8	6,392.6
Capital lease obligations	0.9	10.9
Total debt	8,350.2	7,160.6
Less:		
Cash and cash equivalents	2,529.0	927.7
ST investments	206.5	333.6
Net debt	5,614.7	5,899.3

*OIBDA results for FY 2009, FY 2010 do not include long-lived and other assets impairment loss and acquisition related costs - $86.4 mln in Q4 2009, $137.8 mln in Q4 2010

Appendix – Definitions and Reconciliations

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 the year ended Dec 31, 2009	For the year ended Dec 31, 2010
Net cash provided by operating activities	3,592.2	3,617.2
Less:		
Purchases of property, plant and equipment	(1,942.4)	(1,914.3)
Purchases of intangible assets	(385.9)	(732.8)
Proceeds from sale of property, plant and equipment	28.6	6.8
Proceeds/ (purchases) of other investments	43.4	749.7
Investments in and advances to associates	2.0	(2.9)
Acquisition of subsidiaries, net of cash acquired	(270.5)	(195.1)
Free cash flow	1,067.4	1,528.6

Appendix – Comstar operating highlights

MTS a step ahead

USD mln	Q4 2010	Q4 2009	Y-o-Y	Q3 2010	Q-o-Q
Traditional segment in Moscow (MGTS)					
Residential					
Number of subscribers / active lines (000s)	3,615	3,608	*stable*	3,610	*stable*
incl. BB subscribers	336	246	*37%*	311	*8%*
ARPU (RUR)	355	335	*6%*	349	*2%*
Corporates					
Number of subscribers (000s)	66	70	*-6%*	66	*stable*
incl. BB subscribers	29	32	*-9%*	30	*-6%*
ARPU (excl. revenue from points of interconnect) (RUR)	7,493	6,485	*16%*	7,249	*3%*
Alternative segment in Moscow					
Residential subscribers					
Number of subscribers (000s)	541	607	*-11%*	578	*-6%*
incl. BB subscribers	525	601	*-13%*	561	*-6%*
ARPU (RUR)	625	549	*14%*	580	*8%*
Corporate subscribers					
Number of subscribers (000s)	29	27	*7%*	29	*stable*
incl. BB subscribers	14	15	*-7%*	15	*-7%*
ARPU (RUR)	13,029	14,737	*-12%*	13,322	*-2%*
Alternative segment in the regions & CIS					
Residential subscribers					
Number of subscribers (000s)	3,661	2,606	*40%*	2,623	*40%*
incl. pay-TV subscribers	2,661	1,996	*33%*	1,917	*39%*
incl. BB subscribers	863	378	*128%*	519	*66%*
ARPU (RUR)	204	150	*36%*	162	*26%*
Corporate subscribers					
Number of subscribers (000s)	73	52	*40%*	62	*18%*
incl. BB subscribers	38	26	*46%*	30	*27%*
ARPU (RUR)	3,177	3,579	*-11%*	3,272	*-3%*
Total households passed, 000s	9,890	7,502	32%	7,799	27%
Total BB subs, 000s	1,805	1,298	39%	1,466	23%
Total pay-TV subs, 000s	2,753	2,124	30%	2,028	36%

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.

Appendix – Treatment of the acquisition and consolidation TS-Retail, Metro-Telecom and Sistema Telecom

Because TS-Retail, Metro-Telecom and Sistema Telecom were acquired from JSC Sistema, the majority owner of MTS, TS-Retail, Metro-Telecom and Sistema Telecom the acquisitions were accounted for as transactions between entities under common control. Similar to a pooling of interest, whereby the assets and liabilities of TS-Retail, Metro-Telecom and Sistema Telecom were recorded at Sistema's carrying value, MTS' historical financial information was recast to include the acquired entities for all periods presented.

Appendix – Adjusted OIBDA definition

According to the SEC definition Sec. 103 EBIT and EBITDA, measures that are calculated differently than those described as EBIT and EBITDA in the materials should not be characterized as "EBIT" or "EBIDTA." Instead, the titles of these measures should clearly identify the earnings measure being used and all adjustments. MTS reports adjusted OIBDA due to its treatment of the impairment of long-lived and other assets and acquisition-related costs that relates to Q4 2009 and Q4 2010.

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