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SISTEMA ANNOUNCES UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND THE FULL YEAR ENDED DECEMBER 31, 2008

Moscow, Russia – 29 April, 2009 – Sistema (the "Group") (LSE: SSA), the largest diversified public corporation in Russia and the CIS, which manages companies operating in the telecommunications, high-tech, oil and energy, radio and aerospace, banking, real estate, retail, mass-media, tourism and healthcare sectors, today announced its unaudited consolidated US GAAP financial results for the fourth quarter and the twelve months ended December 31, 2008.

FOURTH QUARTER HIGHLIGHTS

- **Consolidated revenues of US$ 4.0 billion**
- **OIBDA decreased by 39.1% year on year to US$ 873.2 million with OIBDA margin of 21.7%**
- **Operating income decreased by 63.2% year on year to US$ 319.2 million with operating margin of 7.9%**
- **Net loss of US$ 713.9 million**

FULL YEAR HIGHLIGHTS

- **Consolidated revenues up 24.3% year on year to US$ 16.7 billion**
- **OIBDA up 11.1% year on year to US$ 5.5 billion with OIBDA margin of 32.9%**
- **Operating income was stable year on year and amounted to US$ 3.2 billion with operating margin of 19.0%**
- **Net income of US$ 62.0 million**
- **Total assets up 2.7% year on year to US$ 29.2 billion**

KEY CORPORATE HIGHLIGHTS AFTER THE END OF THE REPORTING PERIOD

- **Acquired controlling stakes in Bashkir Oil and Energy Group for US$ 2.5 billion with help with VTB Bank credit facility of US$ 2.0 billion**
- **Signed an agreement with VTB Bank to sell a stake in Sistema-Hals and restructure debt of Sistema-Hals**
- **Sold 50% of voting shares in MTT to Synterra Group**

- **Successfully repaid a put option in the amount of RUB 4.5 billion (approximately US$ 130 million) on 75% of outstanding RUB 6 billion (approximately US$ 170 million) local bonds**

Leonid Melamed, President and Chief Executive Officer, commented: "Sistema demonstrated strong revenue and OIBDA growth in 2008, both at a Group level and across our business units. Despite the challenging market conditions, our core businesses reported strong operating and financial results. We had already introduced and begun implementing a programme to increasing efficiency levels across the Group prior to the downturn. As a result, our key businesses have increased their profitability levels and maintained or strengthened their leading positions in their respective markets.

The cost optimisation programme has already saved a total of approximately US$ 700 million. Part of our dollar-denominated debt has also been converted into roubles, with the share of ruble-denominated loans increasing year on year from 20% to 35%. This has reduced our dependence on foreign exchange fluctuations. In addition, our capital investment programmes have been reduced by US$ 700 million. We continue to actively manage our investment portfolio and to focus on projects that generate attractive returns on invested capital and healthy cash flows."

FINANCIAL SUMMARY

(US$ millions, except per share amounts)	**4Q 2008**	**4Q 2007**	**Year on Year Change**	**FY 2008**	**FY 2007**	**Year on Year Change**
Revenues	**4,017.4**	4,159.5	(3.4%)	**16,670.8**	13,410.7	24.3%
OIBDA	**873.2**	1,433.0	(39.1%)	**5,489.6**	4,942.1	11.1%
Operating income	**319.2**	866.4	(63.2%)	**3,173.3**	3,194.9	(0.7%)
Net income / (loss)	**(713.9)**	466.8	-	**62.0**	1,571.9	(96.1%)
Basic and diluted (loss)/income per share (US cents)	**(7.7)**	5.0	-	**0.7**	16.9	(96.0%)

GROUP OPERATING REVIEW

Sistema's consolidated revenues declined by 3.4% year on year in the fourth quarter as a result of Russian rouble devaluation, however were up by 24.3% year on year in 2008. Sistema's performance for the full year reflected healthy results across the Group. The businesses outside of the Telecommunications unit accounted for 28.8% of total Group consolidated revenues in the fourth quarter and for 27.6% in 2008, compared to 32.2% and 28.2%, for the corresponding periods in 2007. Organic year on year growth for 2008, when excluding businesses acquired or divested since the end of the fourth quarter of 2007, was 23.1% year on year and amounted to US$ 3.1 billion.

Selling, general and administrative expenses decreased by 7.8% year on year to US$ 874.7 million in the fourth quarter as a result of appreciation of the US dollar in the fourth quarter of 2008, and increased by 45.1% year on year to US$ 3,435.9 million for the full year 2008.

Group OIBDA declined by 39.1% in the fourth quarter, and was up by 11.1% year on year in 2008. The Group OIBDA margin decreased from 34.5% in the fourth quarter of 2007 to 21.7% in the reporting quarter. The Group OIBDA in the fourth quarter was impacted by non-cash losses from asset impairment of US$ 239.4 million, and US$ 162.5 million of provision for doubtful debts. The Group OIBDA margin was lower at 32.9% for the full year 2008, compared to 36.9% for 2007.

Depreciation and amortization expenses decreased by 2.2% year on year in the fourth quarter mainly due to appreciation of the US dollar and were up 32.6% year on year for the full year 2008, following the growth in the depreciable assets of the Group.

Group operating income decreased by 63.2% year on year in the fourth quarter and by 0.7% in 2008, with an operating margin of 7.9% in the fourth quarter and 19.0% for the full year 2008, compared to 20.8% and 23.8% for the corresponding periods of 2007.

Group interest expense was US$ 191.5 million in the fourth quarter and US$ 554.9 million for the full year 2008, compared to US$ 182.9 million and US$ 409.8 million for the corresponding periods of 2007.

The effective tax rate was 43.1% for the full year 2008, compared to 29.4% for the corresponding period of 2007. The increase in the effective tax rate was due to the non-deductible losses from the impairment of long-term assets as well as goodwill and losses incurred by Sistema Hals.

The Group reported a net loss of US$ 713.9 million in the fourth quarter and net income of US$ 62.0 million for the full year 2008, compared to net income of US$ 466.8 million and US$ 1,571.9 million for the corresponding periods of 2007. The Group net loss in the fourth quarter excluding of US$ 239.4 million of non-cash asset impairment losses and a US$ 794.8 million loss from foreign currency exchange amounted to US$ 56.0 million, after adjustment for minority interest.

SEGMENTAL OPERATING REVIEW[1]

TELECOMMUNICATIONS BUSINESS UNIT

(US$ millions)	**4Q 2008**	**4Q 2007**	**Year on Year Change**	**FY 2008**	**FY 2007**	**Year on Year Change**
Revenues	**2,867.0**	2,724.9	5.2%	**12,081.5**	9,748.5	23.9%
OIBDA	**1,211.0**	1,265.3	(4.3%)	**5,723.4**	4,892.9	17.0%
Operating income	**691.4**	731.9	(5.5%)	**3,564.9**	3,260.6	9.3%
Net (loss)[2] / income	**(121.4)**	280.2	-	**869.5**	1,179.5	(26.3%)

[1] Here and further, in the comparison of period to period results of operations, in order to analyze changes, developments and trends in revenues by reference to individual subsidiary's revenues, revenues are presented on an aggregated basis, which is revenues after the elimination of intra-segment (between entities in the same segment) transactions, but before inter-segment (between entities in different segments) eliminations, unless accompanied by the word "consolidated". Amounts attributable to individual companies, where appropriate, are shown prior to both intra-segment and inter-segment eliminations and may differ from respective standalone values due to certain reclassifications and adjustments.
[2] Here and further net (loss)/ income for the segments are presented after minority interest.

MTS						
Revenues	**2,418.3**	2,326.4	4.0%	**10,245.3**	8,252.4	24.2%
OIBDA	**1,162.2**	1,126.9	3.1%	**5,140.3**	4,223.4	21.7%
Operating income	**706.2**	643.8	9.7%	**3,203.5**	2,733.8	17.2%
Net income	**113.9**	245.6	(53.6%)	**1,075.4**	1,105.4	(2.7%)
Comstar UTS						
Revenues	**391.9**	401.6	(2.4%)	**1,647.7**	1,481.8	11.2%
OIBDA	**162.1**	149.4	8.5%	**690.1**	618.0	11.7%
Operating income	**120.2**	88.5	35.8%	**494.5**	440.1	12.4%
Net income	**31.2**	30.8	1.1%	**94.5**	26.0	263.2%
SSTL						
Revenues	**4.2**	-	-	**21.9**	-	-
OIBDA	**(28.1)**	-	-	**(39.7)**	-	-
Operating loss	**(40.3)**	-	-	**(68.1)**	-	-
Net loss	**(18.2)**	-	-	**(63.6)**	-	-
Mass Media						
Revenues	**65.4**	41.6	57.2%	**223.9**	130.1	72.2%
OIBDA	**20.5**	11.2	82.5%	**60.6**	21.4	182.8%
Operating income/ (loss)	**2.8**	0.5	416.4%	**(5.8)**	0.2	-
Net income / (loss)	**6.0**	0.1	5273.2%	**(13.6)**	1.2	-

The Telecommunications business unit comprises MTS; Comstar UTS; Sistema Shyam TeleServices Ltd. (SSTL) and Sistema Mass Media. The unit's revenues increased by 5.2% year on year in the fourth quarter and 23.9% in 2008, primarily due to the robust performance of MTS. The Telecommunications business unit accounted for 72.4% of the Group's consolidated revenues for the full year 2008. MTS continued to be the main contributor accounting for 84.3% of the unit's revenues for the full year 2008.

The Telecommunications business unit's OIBDA declined 4.3% year on year in the fourth quarter, but was up 17.0% year on year for the full year 2008, with OIBDA margin of 42.2% in the fourth quarter and 47.4% in 2008, compared to 49.9% and 46.4% for the corresponding periods of 2007.

The Telecommunications business unit reported a net loss in the fourth quarter and its net income decreased 26.3% year on year in 2008 largely as a result of non-cash losses due to the translation of US dollar-denominated debt and losses from the impairment of the investment in MTT.

MTS added approximately 3.9 million subscribers during the fourth quarter of 2008 resulting in the total consolidated base of approximately 95.7 million customers as at December 31, 2008. MTS revenues increased 4.0% year on year in the fourth quarter of 2008 and were up by 24.2% year on year in 2008. This growth reflected an increase in average monthly service revenue per subscriber ("ARPU") in Russia from RUB 247.2 in the fourth quarter of 2007 to RUB 258.3 in the fourth quarter of 2008. Russian subscribers' monthly Minutes of Use (MOU) increased to 218 in the fourth quarter of 2008 from 187 in the previous period of 2007.

MTS' OIBDA rose by 3.1% year on year in the fourth quarter and 21.7% year on year in 2008 due to the robust ARPU growth and the increase in its subscriber base. The OIBDA margin in the fourth quarter was 48.1% and 50.2% in 2008, compared to 48.4% and 51.2% for the corresponded periods in 2007.

Comstar UTS' revenues declined by 2.4% year on year in the fourth quarter, however revenues increased by 11.2% year on year in 2008. This growth reflected the mixed effect of the ongoing growth in fixed-to-mobile traffic, the scaling of the regional business, acquisition of Interlink and Urals Telephone Company, the effects of changes in regulatory tariffs, as well as the significant movement in the Russian rouble / US dollar exchange rate in the fourth quarter of 2008. Comstar UTS' broadband subscriber base increased by 31% year on year to 925 thousand customers in the fourth quarter of 2008. The number of premium residential subscribers in Moscow increased by 14% year on year to 664 thousand, however premium segment ARPU was down year on year in the fourth quarter from RUB 437.2 to RUB 321.0. The number of double-play (Internet & Pay-TV) subscribers increased by 19% year on year to 145 thousand in the fourth quarter of 2008.

Comstar UTS' OIBDA increased by 8.5% year on year in the fourth quarter and was up by 11.7% in 2008. The OIBDA margin improved to 41.4% in the fourth quarter and was 41.9% in 2008, compared to 37.2% and 41.7% in the corresponding periods of 2007.

SSTL's revenues decreased by 14.3% quarter on quarter in the fourth quarter of 2008 due to continued decline in fixed line traffic volumes. Shyam's fixed line subscriber base totaled 258 thousand subscribers as at December 31, 2008. SSTL connected 250 thousand mobile customers to its CDMA 800 MHz mobile network in the state of Rajasthan since its launch in September 30, 2008. Mobile ARPU declined to US$ 3.9 in the fourth quarter of 2008 compared to US$ 6.3 in the third quarter as a result of the devaluation of the Indian rupee and the growth in prepaid customers. Mobile subscribers' MOU were 189.3 in the fourth quarter of 2008. SSTL began construction of a CDMA mobile network in five additional telecommunications circles, including Tamil Nadu, Kerala, West Bengal, Bihar and Kolkata. During the fourth quarter SSTL signed a number of interconnect agreements with large telecom operators in these circles for the joint usage of infrastructure.

Sistema Mass Media revenues were up 57.2% year on year in the fourth quarter and 72.2% year on year in 2008 primarily as a result of the robust growth in the Internet and Stream-TV subscribers. The segment more than doubled the total number of programming hours sold to 614 in the fourth quarter, compared to the third quarter of 2008. Stream-TV' subscriber base was up by 9.8% year on year to 1.8 million subscribers as at December 31, 2008, whilst its Internet subscriber base has increased by 74.1% year on year to more than 205 thousand subscribers. Stream-TV ARPU was up to US$ 3.9 (RUB 98) and Internet ARPU increased slightly to US$ 15.1 (RUB 376) in 2008, compared to US$ 3.1 (RUB 78) and US$ 13.9 (RUB 355), respectively, for the full year 2007.

Sistema Mass Media' OIBDA increased by 82.5% year on year in the fourth quarter and nearly tripled year on year for the full year 2008. The OIBDA margin increased to 31.3% in the fourth quarter and to 27.0% in 2008, compared to 27.0% and 16.5% in the corresponding periods of 2007.

In November 2008, Comstar UTS completed the transfer of rights in relation to exercising the put option held by Access Telecommunications Coöperatief U.A. Comstar UTS subsidiary MGTS Finance S.A. thereby acquired 46,232,000 Comstar UTS shares at US$ 10.03 per share for a total cash consideration of US$ 463.6 million.

In November 2008, Comstar UTS exercised its share options allocated under its 2006-2008 incentive programme. The programme was discontinued in April 2008 due to the launch of a new long-term incentive programme. Comstar UTS paid US$ 1.8 million for the repurchase of the shares from the programme participants.

In October 2008, Sistema Mass Media launched film and TV production at Russian World Studios (RWS) in St Petersburg.

In October 2008, MTS and Vodafone signed a strategic, non-equity partnership to provide customers with high quality communications services and to collaborate jointly on future technological developments.

CONSUMER BUSINESS UNIT

(US$ millions)	4Q 2008	4Q 2007	Year on Year Change	FY 2008	FY 2007	Year on Year Change
Revenues	**599.9**	767.8	(21.9%)	**2,596.5**	1,844.5	40.8%
OIBDA	**(197.8)**	193.5	-	**(94.7)**	173.1	-
Operating (loss)/ income	**(202.2)**	193.1	-	**(159.4)**	141.5	-
Net (loss) /income	**(327.4)**	131.6	-	**(394.4)**	65.2	-
Real Estate						
Revenues	**36.2**	244.7	(85.2%)	**362.2**	452.2	(19.9%)
OIBDA	**(159.3)**	120.9	-	**(127.4)**	56.7	-
Operating (loss)/ income	**(167.3)**	114.8	-	**(151.7)**	41.8	-
Net (loss)/ income	**(244.7)**	86.1	-	**(304.1)**	26.6	-
Banking						
Revenues	**192.5**	139.5	38.0%	**725.4**	410.0	76.9%
OIBDA	**(8.2)**	17.7	-	**55.8**	51.7	8.0%
Operating (loss)/ income	**(3.0)**	14.2	-	**41.0**	43.0	(4.7%)
Net (loss)/ income	**(1.9)**	7.5	-	**23.5**	27.6	(14.7%)

Retail						
Revenues	**240.7**	263.5	(8.7%)	**802.0**	597.2	34.3%
OIBDA	**36.3**	45.1	(19.6%)	**16.8**	36.1	(53.5%)
Operating income	**37.7**	40.7	(8.4%)	**2.0**	25.6	-
Net income/ (loss)	**4.5**	29.6	-	**(36.1)**	6.4	-
Tourism						
Revenues	**107.2**	99.1	8.2%	**615.6**	374.0	64.6%
OIBDA	**9.1**	5.2	75.3%	**37.7**	28.0	34.4%
Operating income	**7.4**	7.5	(1.4)	**30.9**	20.4	51.2%
Net (loss) / income	**(6.7)**	3.2	-	**0.8**	10.7	(92.8%)
Healthcare						
Revenues	**35.0**	22.8	53.7%	**124.8**	68.7	81.8%
OIBDA	**(1.9)**	2.9	-	**4.6**	9.6	(51.8%)
Operating income	**(3.0)**	2.7	-	**0.7**	8.0	(91.6%)
Net (loss) / income	**(4.8)**	2.7	-	**(4.3)**	5.0	-

The Consumer business unit comprises Real Estate segment; the Banking segment; the Retail segment; the Tourism segment and the Healthcare segment. The Consumer business unit's revenues declined 21.9% year on year in the fourth quarter and were up 40.8% year on year in 2008.

The Consumer business unit reported OIBDA loss in the fourth quarter of 2008 and for the full year 2008 and was impacted by difficult market conditions primarily in the Real Estate segment.

The Consumer business unit reported a net loss in the fourth quarter of 2008 and for the full year 2008 largely due to foreign currency exchange losses and the increase in operating losses of Sistema-Hals.

Revenues in the Real Estate segment, which comprises Sistema Hals, decreased by 85.2% year on year in the fourth quarter and by 19.9% in 2008 primarily due to a decline in revenues of the development division. In November 2008, Sistema-Hals sold its 51% stakes in PSO «Sistema-Hals» and Organizator LLP. The decrease in revenues of the development division was partially offset by residential property sales during the reporting period.

The Banking segment's revenues increased by 38.0% year on year in the fourth quarter and increased by 76.9% year on year in 2008, following the acquisition of Dalcombank and the robust growth of the loan portfolio. The loan portfolio, including leases, increased by 11.3% year on year to US$ 4,938 billion as at December 31, 2008. Interest income received from retail and corporate lending operations more than doubled year on year to US$ 155.7 million in the fourth quarter of 2008.

The Banking segment generated OIBDA loss in the fourth quarter while its OIBDA in 2008 was up by 8.0% year on year to US$ 55.8 million, following the changes in the segment's reserves in accordance with the requirements of the Central Bank of Russia.

Revenues in the Retail segment, which comprises Detsky Mir, the largest children's goods chain of retail stores in Russia, declined by 8.7% year on year in the fourth quarter and increased by 34.3% in 2008. Retail revenues accounted for 93.7% of total revenues in 2008 and amounted to US$ 751.4 million. By year end the network of retail outlets grew by 35 stores year on year to 130 in total with stores located in 49 Russian cities and 2 cities in Ukraine, whilst the aggregate retail space increased by 27.2% year on year to 220,800 square metres.

The Retail segment's OIBDA decreased by 19.6% year on year in the fourth quarter and by 53.5% in 2008.

The Tourism segment's revenues increased by 8.2% year on year in the fourth quarter and increased by 64.6% in 2008 as a result of the rapid growth and strong performance of its tour operating division, particularly on routes to Egypt and Turkey. The segment serviced 269,000 customers in the fourth quarter of 2008 compared to 236,000 in the corresponding period of 2007. The hotel group more than doubled year on year the total number of rooms under management to 5,753 as at December 31, 2008.

The Tourism segment's OIBDA increased by 75.3% year on year in the fourth quarter and by 34.4% in 2008, due to an increase in sales of rooms in its five leased hotel accommodations in Turkey.

The Healthcare Services segment's revenues were up 53.7% year on year in the fourth quarter and nearly doubled for the full year 2008. The total number of visits of medical clinics reached 2 million for the full year 2008. The segment provided 5.4 million medical services in 2008, including preventive and diagnostic, as well as treatment of patients. As at December 31, 2008 the network consisted of 26 medical clinics, including 17 in Moscow and 9 in the regions.

The Healthcare Services segment reported OIBDA loss in the fourth quarter and its OIBDA declined 51.8% year on year in 2008.

TECHNOLOGY & INDUSTRY BUSINESS UNIT

(US$ millions)	**4Q 2008**	**4Q 2007**	**Year on Year Change**	**FY 2008**	**FY 2007**	**Year on Year Change**
Revenues	**768.6**	794.3	(3.2%)	**2,532.4**	2,082.8	21.6%
OIBDA	**71.8**	20.3	254.5%	**180.2**	(56.7)	417.7%
Operating income/ (loss)	**44.1**	1.8	2384.4%	**96.3**	(120.8)	-
Net loss	**(16.0)**	(31.6)	-	**(50.0)**	(164.6)	-

High Technology						
Revenues	**612.3**	603.9	1.4%	**2,000.9**	1,619.6	23.6%
OIBDA	**63.8**	5.3	1113.3%	**135.7**	(102.5)	-
Operating income/ (loss)	**39.7**	(10.7)	-	**61.9**	(158.9)	-
Net loss	**(5.3)**	(35.5)	-	**(41.5)**	(176.8)	-
Radars and Aerospace						
Revenues	**140.6**	168.3	(16.4%)	**471.5**	375.0	25.7%
OIBDA	**8.8**	17.1	(48.2%)	**55.1**	45.9	20.0%
Operating income	**5.7**	12.3	(53.4%)	**47.3**	41.9	12.9%
Net income/ (loss)	**(8.3)**	6.4	-	**5.8**	17.0	(65.7%)
Pharmaceuticals						
Revenues	**7.4**	10.6	(29.7%)	**41.7**	63.0	(33.8%)
OIBDA	**(1.7)**	(2.0)	-	**(12.2)**	(1.3)	-
Operating loss	**(2.2)**	(2.9)	-	**(14.5)**	(4.1)	-
Net loss	**(2.6)**	(3.2)	-	**(15.7)**	(5.5)	-

The Technology and Industry business unit comprises the High Technology segment, including Sitronics, the Radars and Aerospace segment and the Pharmaceuticals segment. The unit's revenues declined 3.2% year on year in the fourth quarter, but increased 21.6% in 2008. The unit contributed 12.5% of the Group's consolidated revenues in 2008. Sitronics accounted for 79% of the unit's revenues in 2008.

The Technology and Industry business unit's OIBDA more than tripled year on year in the fourth quarter and increased substantially from a loss in 2007 for the full year.

The Technology and Industry business unit reported a significantly reduced net loss in the fourth quarter and for the full year 2008 due to the continued improvement in the High Technology segment's performance.

The High Technology segment revenues increased 1.4% year on year in the fourth quarter and by 23.6% in 2008. The Microelectronics Solutions and Information Technology Solutions divisions exhibited a healthy performance year on year, with the Telecommunications Solutions division showing continued growth year on year in top line revenues.

The High Technology segment OIBDA increased substantially to US$ 63.8 million in the fourth quarter of 2008, compared to US$ 5.3 million in the corresponding period in 2007, and amounted to US$ 135.7 million in 2008, compared to a loss for the same period in 2007. The OIBDA margin increased to 6.9% in 2008 compared to negative amount in 2007.

The Radars and Aerospace segment revenues decreased by 16.4% year on year in the fourth quarter but were up by 25.7% year on year in 2008.

The Pharmaceuticals segment's revenues declined 29.7% year on year in the fourth quarter and 33.8% in 2008 as a result of US dollar appreciation and continuing scaling down the low margin business of drugs distribution.

CORPORATE & OTHER

(US$ millions)	**4Q 2008**	**4Q 2007**	**Year on Year Change**	**FY 2008**	**FY 2007**	**Year on Year Change**
OIBDA[3]	**(75.0)**	(94.7)	-	**(109.1)**	(155.5)	-
Net income	**(107.1)**	476.4	-	**(25.3)**	477.5	-

The Corporate & Other segment comprises the companies that control and manage the Group's interests in its subsidiaries. The segment reported an OIBDA loss of US$ 75.0 million in the fourth quarter and US$ 109.1 million in 2008. The segment also incorporates Sistema's equity participations in other companies, including the Bashkir Oil and Energy Group's assets. The results of these equity participations are included in the net income but below the OIBDA line in the statement of operations. Segment net loss of US$ 25.3 million for the full year 2008 therefore included the US$ 241.9 million proportional share of the Bashkir assets' net income.

Following the acquisition of a controlling stake in Bashkir Oil and Energy Group in April 2009, Sistema expects to consolidate the results of the oil and energy group in the second quarter of 2009 under a separate business unit.

FINANCIAL REVIEW

Net cash provided by operations increased by 92.8% year on year in the fourth quarter and by 40.5% year on year in 2008 to US$ 778.6 million and to US$ 3,825.8 million, respectively, as a result of change in working capital.

Net cash used in investing activities totaled US$ 931.8 million in the fourth quarter and US$ 5,874.8 million for the full year 2008, including US$ 1,189.4 million and US$ 4,270.9 million of capital expenditure, respectively, compared to US$ 1,578.0 million and US$ 3,110.9 million for the corresponding periods in 2007. The Group spent US$ 312.8 million and US$ 1,940.7 million in the fourth quarter and for the full year 2008, respectively, on the acquisition of businesses including US 1,059.1 million spent on purchase of MTS treasury shares, US$ 110.1 million for the acquisition of a 6.79% stake in Comstar UTS, US$ 460.7 million for the purchase of 73.7% in SSTL, US$ 107.5 million for the purchase of a 49.0% stake in Kvazar Micro, US$ 44.6 million for the purchase of a 25.0% stake in Detsky Mir, US$ 51.1 million for the purchase of a 18.0% stake in Sahles and other purchases.

Net cash used in financing activities amounted to US$ 1,123.4 million in the fourth quarter and US$ 3,269.6 million in 2008, compared to US$ 2,173.8 million and US$ 3,378.3 million, respectively, for the correspondent periods in 2007. Major changes in financing in the fourth quarter included two RUB 10 billion bonds each placed by MTS with maturity dates in 2013 and 2015; a RUB 7 billion credit facility received by Sistema-Hals from VTB Bank which is

[3] Adjusted for non-recurring items

repayable in 2 years; a US$ 230 million credit facility signed by Sitronics with Vnesheconombank and a repayment of US$ 125 million credit facility by Sitronics; US$ 159.0 million proceeds received from Skandinaviska Enskilda Bank and proceeds from other loans. Payments to shareholders of subsidiaries amounted to US$ 566.2 million and constituted a major outflow from financing activities.

The Group's cash balances stood at US$ 1,991.3 million as at December 31, 2008, compared to US$ 1,061.7 million as at December 31, 2007. The Group's net debt (short-term and long-term debt minus cash and cash equivalents) amounted to US$ 8,670.4 million as at December 31, 2008, compared to US$ 7,288.0 million as at December 31, 2007.

SIGNIFICANT EVENTS FOLLOWING THE END OF THE REPORTING PERIOD

Telecommunications Business Unit

In April 2009, MTS has acquired a 100% stake in the Eldorado mobile phone retail chain for US$ 22.9 million, of which US$ 5.0 million will be paid after 12 months based on certain performance criteria.

In March 2009, SSTL rebranded its mobile services under MTS brand with the launch of its operations in Tamil Nadu.

In February 2009, MTS acquired the remaining 25.01% stake in Dagtelecom, LLC, for US$ 41.6 million as Glaxen Corp. (BVI) exercised its put option. Purchase price shall be reduced by US$ 12.5 million to offset the loan extended by MTS to Glaxen Corp. in spring 2008. In addition, following the review and assessment of the subsidiary's performance during the period of the joint shareholding of MTS and Glaxen Corp. in Dagtelecom, MTS may potentially pay a premium in the amount not exceeding US$ 10 million.

In February 2009, MTS acquired a 100% stake in Narico Holdings Limited (Cyprus), a sole owner of Telefon.Ru, one of the largest mobile phone and electronics retail chains in Russia, for US$ 60.0 million, including approximately US$ 22.4 million of inventory reserves. Telefon.Ru operates 512 stores in 180 Russian cities.

In February 2009, Comstar UTS commenced the reorganisation of its regional operations, which will be consolidated under Comstar-Regions, Comstar's 100% owned subsidiary, by the end of 2009. Comstar has completed the acquisition of the regional operators of STREAM-TV Group, which were owned by Sistema Mass Media, and provide pay-TV and broadband internet access services in 40 Russian cities with a combined population of over 15 million people. Within the framework of the reorganization, Comstar and STREAM-TV Group's subsidiaries will be consolidated under Comstar-Regions. As a result of consolidation, Comstar-Regions will comprise 6 enlarged branches in 6 macro-regions of Russia – Central, North-West, Southern, Volga, Ural and Siberian Federal Districts. Comstar expects to consolidate Comstar-Regions following the completion of the reorganisation.

In January 2009, MTS secured a EUR 300 million credit facility with Gazprombank for 2.5 years.

In January 2009, Comstar UTS completed the consolidation of a 100% stake in ZAO Comstar-Direct with effect from December 30, 2008.

In January 2009, Shyam Telelink Ltd. was renamed Sistema Shyam TeleServices Ltd., following the decision made at the EGM of shareholders of Shyam.

Consumer Business Unit

In April 2009, Sistema-Hals placed two rouble-denominated bonds for RUB 3 billion and RUB 2 billion maturing in 2014 with the 15% and 12% coupon rates respectively.

In February 2009 Sistema Hals increased its share in Sib-Brok LLC (a project company for the elite apartments in Yalta) from 75% to 100%. The purchase price amounted to US$ 7.8 million.

In February 2009, MBRD increased its stake in Dalcombank to 100%.

In January 2009, MBRD repaid EUR 40 million syndicated loan.

Technology & Industry Business Unit

In April 2009, SITRONICS sold part of its IT distribution division. In line with its stated strategy the company focused on higher margin and less capital intensive businesses.

In April 2009, SITRONICS opened a subsidiary in New Delhi, India. The company started its operations in the Indian market in May 2008.

In March 2009, Sitronics redeemed 99% of its RUB-denominated bonds, issued in September 2007 for the total amount of RUB 2.9 billion.

In February 2009, SITRONICS signed a two year agreement with MTS Uzbekistan to supply a MEDIO IN/OCS convergent services platform for over US$ 18 million.

Corporate & Other

In April 2009, Sistema acquired a controlling stake in Bashkir Oil and Energy Group for a total cash consideration of US$ 2.5 billion with a first tranche of US$ 2.0 billion paid upon signing of the agreement and the second tranche in the amount of US$ 500 million to be paid on a deferred basis after 14 months. As a result of this transaction, Sistema now owns a 76.52% stake in ANK Bashneft JSC, a 65.78% stake in Ufaneftechim JSC, a 87.23% stake in Novoil JSC, a 73.02% stake in Ufaorgsintez JSC, a 78.49% stake in Ufimskiy NPZ JSC and a 73.33% stake in Bashkirnefteproduct JSC.

In April 2009, Sistema signed an agreement with VTB Bank to sell a controlling stake in Sistema-Hals. VTB Bank acquired a 19.5% stake in Sistema-Hals for RUB 30 and also received a call option to acquire a further 31.5% stake in the company for RUB 30. Furthermore, both parties have agreed the terms for the restructuring of Sistema-Hals' debt to VTB.

In April 2009, Sistema Board of Directors set the date for the Annual General Meeting of Shareholders ("AGM") for June 27, 2009. The record date for the Company's share and GDR holders entitled to participate in the AGM has been set for May 15, 2009.

In March 2009, Sistema redeemed 75% of its RUB-denominated bonds, issued in March 2008 for the total amount of RUB 4.5 billion.

In March 2009, Sistema sold 50% of voting shares in MTT to Synterra Group. In addition, Synterra Group assumed MTT's intercompany debt obligations to Sistema. The deal is expected to be reached for a total cash consideration of approximately US$ 54 million.

In February 2009, the EGM of shareholders approved the amendments to the Regulation of the Board of Directors, to the Regulation on compensations and reimbursements of members of the Board of Directors and to the Regulation on the Management Board of Sistema regarding indemnification of the members of the Board of Directors and the Management Board for their potential legal and other expenses or losses. The EGM also approved related party transactions in which Mr. Muratov, member of the Management Board, has an interest and Sistema provides a guarantee to Vnesheconombank for US$ 230 million loan arranged between Vnesheconombank and Sitronics.

Conference call information

Sistema management will host a conference call today at 9 am (New York time) / 2 pm (London time) / 3 pm (CET) / 5 pm (Moscow Time) to present and discuss the fourth quarter and full year results.

The dial-in numbers for the conference call are:
UK/International: + 44 20 8515 2301
US: +1 480 629 9723

A replay will then be available for 7 days after the conference call. To access the replay, please dial:
UK/International: + 44 20 7154 2833
US: + 1 303 590 3030

PIN number: 4060094#

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Sistema is the largest public diversified financial corporation in Russia and the CIS, which manages companies serving over 100 million customers in the sectors of telecommunications, high-tech, oil and energy, radio and aerospace, banking, real estate, retail, mass-media, tourism and healthcare services. Founded in 1993, the company reported revenues of US$ 16.7 billion for the full year of 2008, and total assets of US$ 29.2 billion as at December 31, 2008. Sistema's shares are listed under the symbol "SSA" on the London Stock Exchange, under the symbol "AFKS" on the Russian Trading System (RTS), under the symbol "AFKC" on the Moscow Interbank Currency Exchange (MICEX), and under the symbol "SIST" on the Moscow Stock Exchange (MSE).

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Sistema. 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. In addition, there is no assurance that the new contracts entered into by our subsidiaries referenced above will be completed on the terms contained therein or at all. 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. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to Sistema and its operations.

SISTEMA JSFC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

	Three months ended		Years ended	
	December 31, 2008	**December 31, 2007**	**December 31, 2008**	**December 31, 2007**
Sales	$ 3,834,460	$ 4,024,583	$ 15,979,898	$ 13,016,488
Revenues from financial services	182,964	134,874	690,912	394,167
TOTAL REVENUES	4,017,424	4,159,457	16,670,810	13,410,655
Cost of sales, exclusive of depreciation and amortization shown separately below	(1,589,306)	(1,662,018)	(6,614,527)	(5,771,416)
Financial services related costs, exclusive of depreciation and amortization shown separately below	(135,106)	(61,633)	(385,457)	(174,378)
TOTAL COST OF SALES	(1,724,412)	(1,723,651)	(6,999,984)	(5,945,794)
Selling, general and administrative expenses	(874,704)	(949,062)	(3,435,934)	(2,368,554)
Depreciation and amortization	(553,965)	(566,570)	(2,316,295)	(1,747,171)
Provision for doubtful accounts	(162,490)	(5,939)	(270,069)	(122,938)
Loss from impairment	(239,447)	(7,616)	(240,780)	(20,719)
Other operating expenses, net	(118,769)	(118,789)	(269,341)	(231,613)
Equity in net income of investees	(32,486)	(5,234)	4,925	66,007
Gain on disposal of interests in subsidiaries and affiliates	8,078	83,850	29,960	155,069
OPERATING INCOME	319,229	866,446	3,173,292	3,194,942
Interest income	12,879	11,911	72,487	80,405
Change in fair value of derivative instruments	(1,525)	162,179	(47,559)	(145,800)
Interest expense, net of amounts capitalized	(191,479)	(182,944)	(554,912)	(409,826)
Currency exchange and translation (loss)/gain	(794,770)	140,410	(894,529)	289,833
Income from continuing operations before income tax, equity in net income of energy companies in the Republic of Bashkortostan and minority interests	(655,666)	998,002	1,748,769	3,009,554
Income tax expense	(40,173)	(219,460)	(857,462)	(971,766)
Minority interests	(24,323)	(335,064)	(1,019,870)	(1,093,095)
Equity in net income of energy companies in the Republic of Bashkortostan, net of minority interests of US $7,751, US$ (2,208), US $49,017 and US $14,001, respectively	6,280	22,386	192,680	109,855
(Loss)/income from continuing operations	(713,882)	465,864	64,117	1,054,548
Income/(loss) from discontinued operations, net of income tax benefit/(expense) of US$ 6,630, US$ 222 and US$ (8,827), respectively	-	960	(4,194)	(4,612)
Gain from disposal of discontinued operations, net of income tax effect of US$ 280 and US$ 148,809, respectively	-	-	2,053	521,963
NET INCOME	$ (713,882)	$ 466,824	$ 61,976	$ 1,571,899
(Loss)/earnings per share, basic and diluted (US cent per share):	(7.7)	5.0	0.7	16.9

JSFC SISTEMA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars, except share amounts)

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,991,325	$ 1,061,733
Short-term investments	617,424	909,224
Loans to customers and banks, net	3,176,376	2,764,763
Accounts receivable, net	1,197,644	1,383,731
Prepaid expenses, other receivables and other current assets, net	1,342,473	950,104
VAT receivable	222,356	435,245
Inventories and spare parts	880,198	780,193
Deferred tax assets, current portion	262,989	213,633
Assets of discontinued operations	-	545,863
Total current assets	9,690,785	9,044,489
NON-CURRENT ASSETS:		
Property, plant and equipment, net	10,327,971	10,412,636
Advance payments for non-current assets	219,119	284,396
Goodwill	1,351,202	860,019
Licenses, net	1,174,521	730,636
Other intangible assets, net	1,723,835	1,665,969
Investments in affiliates	1,427,068	1,336,520
Investments in shares of Svyazinvest	1,240,977	1,485,378
Loans to customers and banks, net of current portion	1,402,298	1,468,088
Debt issuance costs, net	42,315	101,904
Deferred tax assets, net of current portion	181,317	108,637
Other non-current assets	377,419	897,986
Total non-current assets	19,468,042	19,352,169
TOTAL ASSETS	$ 29,158,827	$ 28,396,658

JSFC SISTEMA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (continued)
AS OF DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars, except share amounts)

	2008	2007
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,654,035	$ 1,273,487
Bank deposits and notes issued, current portion	3,538,255	2,101,084
Taxes payable	207,366	223,791
Deferred tax liabilities, current portion	70,903	77,893
Subscriber prepayments, current portion	496,775	598,014
Derivative financial instruments	-	140,563
Accrued expenses and other current liabilities	1,430,933	1,357,277
Short-term loans payable	1,465,647	724,905
Current portion of long-term debt	2,234,507	1,517,902
Liabilities of discontinued operations	-	396,132
Total current liabilities	11,098,421	8,411,048
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	6,961,551	6,106,937
Subscriber prepayments, net of current portion	119,722	134,280
Bank deposits and notes issued, net of current portion	803,112	1,401,925
Deferred tax liabilities, net of current portion	505,259	428,030
Postretirement benefits obligation	35,464	42,370
Deferred revenue	115,732	139,984
Total long-term liabilities	8,540,840	8,253,526
TOTAL LIABILITIES	19,639,261	16,664,574
Minority interests in equity of subsidiaries	3,869,499	4,987,220
Commitments and contingencies	-	-
Puttable shares of SITRONICS	92,200	86,100
SHAREHOLDERS' EQUITY:		
Share capital (9,650,000,000 shares issued; 9,278,981,940 and 9,276,092,868 shares outstanding as of December 31, 2008 and 2007, respectively, with par value of 0.09 Russian Rubles)	30,057	30,057
Treasury stock (371,018,060 and 373,907,132 shares as of December 31, 2008 and 2007, respectively, with par value of 0.09 Russian Rubles)	(466,345)	(469,365)
Additional paid-in capital	2,456,140	2,439,069
Retained earnings	3,998,247	4,035,157
Accumulated other comprehensive income	(460,232)	623,846
TOTAL SHAREHOLDERS' EQUITY	5,557,867	6,658,764
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 29,158,827	$ 28,396,658

JSFC SISTEMA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 61,976	$ 1,571,899
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	2,316,295	1,747,171
Gain from disposal of discontinued operations	(2,141)	(521,963)
Loss from discontinued operations	4,282	4,612
Minority interests	1,019,870	1,093,095
Equity in net income of investees	(197,605)	(175,874)
Deferred income tax benefit	(237,006)	(107,501)
Change in fair value of derivative financial instruments	47,559	145,800
Foreign currency transactions gain on non-operating activities	894,539	(289,833)
Debt issuance cost amortization	53,831	26,425
Non-cash compensation to employees of subsidiaries	10,897	155,732
Non-cash expenses associated with asset retirement obligation	6,026	-
Gain on disposal of interests in subsidiaries and affiliates	(29,960)	(155,069)
Gain on sale of real estate investments	(20,530)	(157,989)
Gain on disposal of long term investments	(30,091)	-
Loss from Siemens contract	25,580	-
Loss from impairment	240,780	--
Loss/(gain) on disposal of property, plant and equipment	(4,193)	20,070
Gain on change in fair value of trading securities	(9,525)	-
Amortization of connection fees	(56,719)	(81,536)
Provision for doubtful accounts receivable	237,963	122,995
Provision for VAT	48,374	-
Provision for post-retirement benefits	3,119	-
Allowance for loan losses	19,918	66,107
Inventory obsolescence expense	21,852	53,714
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Trading securities	(44,209)	(48,767)
Loans to banks issued by the Banking segment	(167,864)	(847,891)
Accounts receivable	(95,550)	(184,139)
VAT receivable	164,515	16,476
Other receivables and prepaid expenses	(200,480)	(80,998)
Inventories	(137,152)	(229,594)
Accounts payable	142,813	75,467
Subscriber prepayments	(59,709)	116,421
Taxes payable	(17,303)	(75,240)
Dividends received	26,693	95,033
Accrued expenses, subscriber prepayments and other liabilities	(202,503)	342,540
Postretirement benefit obligation	(8,581)	25,979
Net cash provided by operations	3,825,761	2,723,142

JSFC SISTEMA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

		2008		2007
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for purchases of property, plant and equipment		(3,171,719)		(2,753,186)
Payments for purchases of intangible assets		(1,099,181)		(309,300)
Payments for purchases of businesses, net of cash acquired		(1,940,700)		(1,459,149)
Proceeds from sale of subsidiaries, net of cash disposed		224,784		636,683
Payments for purchases of long-term investments		(24,369)		(154,000)
Payments for purchases of short-term investments		(178,532)		(693,340)
Payments for purchases of other non-current assets		(155,090)		(247,676)
Proceeds from sale of other non-current assets		282,370		203,442
Decrease (Increase) in restricted cash		343,218		(242,761)
Proceeds from sale of property, plant and equipment		232,743		58,440
Proceeds from sale of long-term investments		30,091		20,000
Proceeds from sale of short-term investments		529,157		328,600
Net increase in loans to customers of the Banking segment		(947,605)		(1,141,701)
Net cash used in investing activities		(5,874,833)		(5,753,948)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Principal payments on)/proceeds from short-term borrowings, net		667,214		(621,820)
Net increase in deposits from customers of the Banking segment		1,224,980		1,932,427
Net decrease in promissory notes issued by the Banking segment		256,223		(69,237)
Proceeds from long-term borrowings, net of debt issuance costs		4,353,464		2,448,502
Debt issuance costs		(7,883)		(43,173)
Principal payments on long-term borrowings		(2,651,447)		(396,304)
Principal payments on capital lease obligations		(7,849)		(7,870)
Proceeds from capital transactions of subsidiaries		131,000		678,841
Proceeds from issuance of stock options				5,554
Proceeds from sale of treasury shares		3,020		16,383
Payments to purchase treasury stock				(161,709)
Payments to shareholders of subsidiaries		(600,314)		(385,374)
Dividends paid		(98,795)		(17,942)
Net cash provided by financing activities	$	3,269,613	$	3,378,278
Effects of foreign currency translation on cash and cash equivalents	$	(290,949)	$	115,880
Increase IN CASH AND CASH EQUIVALENTS	$	929,592	$	463,352
CASH AND CASH EQUIVALENTS, beginning of the period		1,061,733		598,381
CASH AND CASH EQUIVALENTS, end of the period	$	1,991,325	$	1,061,733
CASH PAID DURING THE PERIOD FOR:				
Interest, net of amounts capitalized	$	(452,904)	$	(422,656)
Income taxes		(1,088,312)		(1,189,487)

SISTEMA JSFC AND SUBSIDIARIES
UNAUDITED SEGMENTAL BREAKDOWN
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

For the year ended December 31, 2008	Telecommu-nications	Technology& Industry	Consumer Assetss	Corporate and Other	Total
Net sales to external customers [a]	12,069,329	2,076,157	2,500,489	24,835	16,670,810
Intersegment sales	12,184	456,291	96,018	36,138	600,631
Equity in net income of investees	15,876	(3)	(10,948)	241,867	246,792
Interest income	72,707	9,588	10,273	67,702	160,270
Interest expense	258,026	59,540	98,033	172,738	588,337
Net interest revenue [b]	-	-	51,726	-	51,726
Depreciation and amortization	2,158,424	83,904	64,699	9,268	2,316,295
Operating income	3,564,994	96,320	(159,362)	(118,350)	3,383,602
Income tax expense	803,175	22,432	31,439	416	857,462
Investments in affiliates	365,285	814	79,266	980,785	1,426,150
Segment assets	17,478,564	2,584,473	9,113,070	3,444,267	32,620,374
Indebtedness [c]	5,510,790	821,473	2,102,484	2,226,958	10,661,705
Capital expenditures	3,328,370	265,981	588,684	87,865	4,270,900

[a] – Interest income and expenses of the Banking segment are presented as revenues from financial services in the Group's consolidated financial statements.
[b] – The Banking segment derives a majority of its revenue from interest. In addition, management primarily relies on net interest revenue, not the gross revenue and expense amounts, in managing that segment. Therefore, only the net amount is disclosed.
[c] – Represents the sum of short-term and long-term debt
[d]- Excluding dividends received by the Corporate segment from the Group's subsidiaries in amount of US$ 592.8 million.

For the year ended December 31, 2007	Telecommu-nications	Technology& Industry	Consumerg	Corporate and Other	Total
Net sales to external customers [a]	9,737,934	1,813,769	1,814,508	44,444	13,410,655
Intersegment sales	10,608	269,027	29,958	16,587	326,180
Equity in net income of investees	78,437	(66)	26	123,856	202,253
Interest income	52,587	21,103	9,862	61,114	144,666
Interest expense	196,601	49,697	31,471	145,879	423,648
Net interest revenue [b]	-	-	51,708	-	51,708
Depreciation and amortization	1,632,350	63,196	43,231	8,394	1,747,171
Operating income	3,260,597	(120,821)	141,549	(163,881)	3,117,444
Income tax expense	896,676	39,555	42,982	(7,447)	971,766
Investments in affiliates	438,198	2,425	50,921	843,465	1,335,009
Segment assets	16,740,266	2,315,437	8,289,191	3,415,018	30,759,912
Indebtedness [c]	4,477,448	617,205	1,779,588	1,610,503	8,484,744
Capital expenditures	1,912,969	260,802	907,823	29,346	3,110,940

[a] – Interest income and expenses of the Banking segment are presented as revenues from financial services in the Group's consolidated financial statements.
[b] – The Banking segment derives a majority of its revenue from interest. In addition, management primarily relies on net interest revenue, not the gross revenue and expense amounts, in managing that segment. Therefore, only the net amount is disclosed.
[c] – Represents the sum of short-term and long-term debt
[d]- Excluding dividends received by the Corporate segment from the Group's subsidiaries in amount of US$ 378.9 million.

Attachment A

Non-GAAP financial measures. This press release 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.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. Our 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:

	4Q 2008	**4Q 2007**	**2008**	**2007**
Operating Income	**319.2**	866.4	**3,173.3**	3,194.9
Depreciation and Amortization	**554.0**	566.6	**2,316.3**	1,747.2
OIBDA	**873.2**	1,433.0	**5,489.6**	4,942.1