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Press release

Mobile TeleSystems Announces Financial Results for the Third Quarter Ended September 30, 2011

November 21, 2011

Moscow, Russian Federation – Mobile TeleSystems OJSC (“MTS” - NYSE: MBT), the leading telecommunications provider in Russia and the CIS, today announces its unaudited US GAAP financial results for the three months ended September 30, 2011.

Key Financial Highlights of Q3 2011

- Consolidated revenues up 4.7% q-o-q to \$3,275 million
- Consolidated OIBDA¹ up 10.5% q-o-q to \$1,440 million with 44.0% OIBDA margin
- Consolidated net income² of \$362 million
- Free cash-flow³ reached \$1.5 billion for the nine months ended September 30, 2011

Key Corporate and Industry Highlights

- Completion of the dividend payment of RUB 14.54 per ordinary MTS share (approximately \$1.04 per ADR⁴) for the 2010 fiscal year, amounting to a total of RUB 30.05 billion (approximately \$1.08 billion or 78% of US GAAP net income)
- Secondary placement of the series 02 ruble bond on the Moscow Interbank Currency Exchange (“MICEX”) in the total amount of RUB 6.3 billion
- Indicative offer to Sistema JSFC for the acquisition of Sistema Inventure CJSC (“Sistema Inventure”), which directly owns 29% of the voting stock of Moscow City Telephone Network (“MGTS”)
- Acquisition of Altair, the largest cable TV provider and leading broadband provider in Tula for RUB 680.0 million⁵
- Amendment of the Group’s organizational structure and appointments of Mr. Aleksander Popovskiy to the position of Vice President, Chief Operating Officer, Mr. Vadim Savchenko to the position of Vice President, Sales and Customer Service, and Ms. Nataliya Bereza to the position of Vice President, Human Resources
- Appointment of Mr. Vasyl Latsanych to the position of MTS Vice President, Marketing

¹ See Attachment A for definitions and reconciliation of OIBDA and OIBDA margin to their most directly comparable US GAAP financial measures.

² Attributable to the Group.

³ See Attachment B for reconciliation of free cash-flow to net cash provided by operating activity.

⁴ According to the Russian Central Bank exchange rate of 27.8964 RUB/USD as of April 27, 2011. The dividend amount is set in Russian rubles by the Board of Directors; U.S. dollar amounts provided for reference using the foreign exchange rate as of April 27, 2011.

⁵ The price includes assumption of Altair’s net debt.



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- Appointment of Ivan Zolochovsky to the position of General Director of Business Unit “MTS Ukraine” and Kirill Dmitriev to the position of Director of the North-West Macro-Region of MTS in Russia
- Acquisition of TVT, leading provider of cable TV and fixed broadband services in the Republic of Tatarstan, for \$162.9 million⁶

Commentary

Mr. Andrei Dubovskov, President and CEO of MTS, commented, “Group revenue for the quarter increased 13% year-over-year to reach over 3.27 billion US dollars. We delivered solid sequential and annual growth as we see increased consumption in all of our markets of operation. Total revenues in Russia - including mobile, fixed and equipment sales - increased year-over-year by 11% to 81.7 billion rubles. In the mobile segment, we witnessed 13% year-over-year growth up to 69.0 billion rubles due to: higher voice usage and seasonally higher roaming; on-going trend of higher data usage through modems and handsets; attracting higher-value subscribers; strong sales of handsets and accessories; and strong sales of modems and data tariff plans as demand continues to grow for data as we expand our 3G networks.”

Mr. Alexey Kornya, MTS Vice President and Chief Financial Officer, said, “During the third quarter, we realized strong sequential Group OIBDA growth of 11% and year-over-year growth of 9%. For the period we delivered a strong margin of 44.0%. Improvement in OIBDA was most visible in Russia, where OIBDA increased 10% year-over-year to 36.9 billion rubles. This led to a sequential 2.4% improvement in OIBDA for a margin of 45.1%. Seasonal factors, such as increased business activity and roaming, contributed to the growth, but we have also seen improvements in the underlying business stemming from: higher usage of data and value-added services; improvements in our fixed-line business, namely through the on-going the integration of other acquired companies; a sequential reduction in dealer commissions as we have reduced our SIM-card sales, focused sales through our own stores and shifted more commissions to a revenue-sharing structure; and reduce G&A expenses by optimizing headcount and other costs throughout our retail network.”

Mr. Dubovskov added, “MTS continues to deliver on its goals. We delivered strong top-line growth through sensible tariffs, higher handset sales and seasonal factors. We have improved the business’s core profitability by significantly reducing commercial expenses by exerting strong control over our distribution channels and moving from fixed-fee to revenue-based dealer commission structures. We have realized incremental savings in other areas of the business through our restructuring and continuous cost optimization. Overall, we believe that our core markets in Russia, Ukraine and the CIS remain very attractive markets. We are only in the beginning of data growth in both fixed and mobile businesses with penetration and usage rising every period. We are actively engaged with our regulators, and we have a clear technological road map for our future development. If sales competition stabilizes in Russia, we believe that the entire market will benefit.”

This press release provides a summary of some of the key financial and operating indicators for the period ended September 30, 2011. For full disclosure materials, please visit <http://www.mtsghsm.com/resources/reports/>.

⁶ MTS also assumed net debt in the amount of \$17.1 million

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Financial Summary

USD million	Q3'11	Q3'10	y-o-y	Q2'11	q-o-q
Revenues	3,274.7	2,910.8	12.5%	3,128.3	4.7%
OIBDA	1,439.9	1,317.5	9.3%	1,302.7	10.5%
- margin	44.0%	45.3%	-1.3pp	41.6%	+2.4pp
Net operating income	852.8	803.7	6.1%	672.2	26.9%
- margin	26.0%	27.6%	-1.6%	21.5%	+4.5pp
Net income	361.8	483.5	-25.2%	367.0	-1.4%
- margin	11.1%	16.6%	-5.5pp	11.7%	-0.6pp

Russia Highlights

RUB mln	Q3'11	Q3'10	y-o-y	Q2'11	q-o-q
Revenues ⁷	81,738.0	73,752.0	10.8%	76,081.2	7.4%
- mobile	68,978.3	61,304.8	12.6%	63,143.2	9.2%
- fixed	14,653.4	13,363.3	9.5%	15,608.8	-6.1%
OIBDA	36,893.3	33,580.6	9.9%	32,484.0	13.6%
- margin	45.1%	45.5%	-0.4pp	42.7%	+2.4pp
Net income	9,585.8	12,804.5	-25.1%	9,888.9	-3.1%
- margin	11.7%	17.4%	-5.7pp	13.0%	-1.3pp

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
ARPU (RUB) ⁸	269.4	261.9	252.1	265.0	288.0
MOU (min)	244	259	249	269	272
Churn rate (%)	13.5%	12.7%	12.0%	11.3%	11.9%

Ukraine Highlights

UAH mln	Q3'11	Q3'10	y-o-y	Q2'11	q-o-q
Revenues	2,498.1	2,303.8	8.4%	2,236.8	11.7%
OIBDA	1,220.7	1,144.0	6.7%	1,083.1	12.7%
- margin	48.9%	49.7%	-0.8pp	48.4%	+0.5pp
Net income	358.9	364.2	-1.5%	323.8	10.8%
- margin	14.4%	15.8%	-1.4pp	14.5%	-0.1pp

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
ARPU (UAH)	41.57	37.59	36.05	38.79	42.20
MOU (min)	541	550	564	586	586
Churn rate (%)	6.6%	8.2%	7.6%	7.0%	8.1%
SAC (UAH)	58.0	68.1	73.0	64.7	64.5
- dealer commission	29.4	32.8	36.1	32.8	35.4
- adv & mktg	17.8	24.9	18.1	18.3	14.7
- handset subsidy	1.3	1.6	9.9	5.1	5.4
- SIM card & voucher	9.5	8.9	8.9	8.6	8.9

⁷ Revenue, net of intercompany.

⁸ ARPU is now calculated 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.

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Uzbekistan Highlights⁹

USD mln	Q3'11	Q3'10	y-o-y	Q2'11	q-o-q
Revenues	112.8	114.9	-1.8%	108.6	3.9%
OIBDA	56.0	64.4	-13.0%	58.1	-3.6%
- margin	49.6%	56.1%	-6.5pp	53.5%	-3.9pp
Net income	11.7	27.6	-57.6%	17.8	-34.3%
- margin	10.4%	24.0%	-13.6pp	16.4%	-6.0pp

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
ARPU (USD)	4.8	4.6	3.9	3.9	3.8
MOU (min)	508	461	402	416	421
Churn rate (%)	7.2%	6.0%	9.2%	6.9%	9.3%
SAC (USD)	7.8	8.1	7.4	7.7	6.5

Armenia Highlights

AMD mln	Q3'11	Q3'10	y-o-y	Q2'11	q-o-q
Revenues	20,746.0	20,903.4	-0.8%	18,697.0	11.0%
OIBDA	11,882.2	11,530.3	3.1%	10,136.2	17.2%
- margin	57.3%	55.2%	+2.1pp	54.2%	+3.1pp
Net income/(loss)	3,397.9	(2,231.5)	n/a	(167.1)	n/a
- margin	16.4%	n/a	n/a	n/a	n/a

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
ARPU (AMD)	3,194.2	2,725.5	2,141.3	2,432.7	2,751.0
MOU (min)	294	294	294	272	293
Churn rate (%)	7.7%	7.0%	6.7%	8.5%	10.0%
SAC (AMD)	6,719.4	3,867.8	6,005.4	8,237.3	7,625.3

⁹ The functional currency in Uzbekistan is the US dollar.



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CAPEX Highlights

USD mln	Q3'10	Q2'11	Q3'11
Russia	328.1	438.7	642.0
- as % of rev	13.6%	16.1%	22.7%
Ukraine	27.4	11.3	31.7
- as % of rev	9.4%	4.0%	10.1%
Uzbekistan	19.6	62.5	24.9
- as % of rev	17.1%	57.6%	22.1%
Turkmenistan	17.1	n/a	n/a
- as % of rev	30.5%	n/a	n/a
Armenia	5.0	15.0	5.7
- as % of rev	8.8%	30.0%	10.2%
Group	397.2	527.5	704.3
- as % of rev	13.6%	16.9%	21.5%

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Learn more about MTS. Visit the official blog of the Investor Relations Department at www.mtsgsm.com/blog/

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Mobile TeleSystems OJSC ("MTS") is the leading telecommunications group in Russia, Eastern Europe and Central Asia, offering mobile and fixed voice, broadband, pay TV as well as content and entertainment services in one of the world's fastest growing regions. Including its subsidiaries, the Group services over 100 million mobile subscribers. The Group has been awarded GSM licenses in Russia, Ukraine, Uzbekistan, Turkmenistan, Armenia and Belarus, a region that boasts a total population of more than 230 million. Since June 2000, MTS' Level 3 ADRs have been listed on the New York Stock Exchange (ticker symbol MBT). Additional information about the MTS Group can be found at www.mtsgsm.com.

* * *

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 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.

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Attachments to the Third Quarter 2011 Earnings Press Release

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

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 and fixed 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:

Group (USD mln)	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating income	803.7	493.0	563.8	672.2	852.8
Add: D&A and impairment loss	513.8	666.2	562.0	630.5	587.1
Adjusted OIBDA ¹⁰	1,317.5	1,159.2	1,125.8	1,302.7	1,439.9

Russia (USD mln)	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating income	728.1	572.4	576.9	676.9	829.3
Add: D&A	368.4	383.6	417.3	484.0	439.1
OIBDA	1,096.5	956.0	994.2	1,160.9	1,268.4

Ukraine (USD mln)	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating income	59.8	37.7	27.9	49.2	66.3
Add: D&A	85.0	84.5	87.7	86.6	86.8
OIBDA	144.8	122.2	115.7	135.9	153.1

Uzbekistan (USD mln)	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating income	31.5	29.6	22.1	21.3	14.8
Add: D&A	32.9	32.4	34.6	36.8	41.2
OIBDA	64.4	62.0	56.6	58.1	56.0

¹⁰ Adjusted OIBDA results for Q4 2010 do not include long-lived and other assets impairment loss in the amount of \$137.8 million

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Armenia (USD mln)	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating income/ (loss)	8.8	4.6	0.4	4.2	12.3
Add: D&A	22.8	22.8	22.2	22.9	19.9
OIBDA	31.5	27.4	22.7	27.1	32.2

OIBDA margin can be reconciled to our operating margin as follows:

Group	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating margin	27.6%	16.5%	19.2%	21.5%	26.0%
Add: D&A and impairment loss	17.7%	22.2%	19.2%	20.1%	18.0%
Adjusted OIBDA margin ¹¹	45.3%	38.7%	38.4%	41.6%	44.0%

Russia	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating margin	30.2%	22.6%	22.7%	24.9%	29.5%
Add: D&A	15.3%	15.1%	16.4%	17.8%	15.6%
OIBDA margin	45.5%	37.7%	39.1%	42.7%	45.1%

Ukraine	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating margin	20.5%	14.0%	10.8%	17.5%	21.2%
Add: D&A	29.2%	31.4%	33.9%	30.9%	27.7%
OIBDA margin	49.7%	45.3%	44.7%	48.4%	48.9%

Uzbekistan	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating margin	27.5%	25.5%	21.1%	19.6%	13.1%
Add: D&A	28.6%	27.8%	33.0%	33.9%	36.5%
OIBDA margin	56.1%	53.3%	54.1%	53.5%	49.6%

Armenia	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Operating margin	15.3%	8.5%	1.0%	8.4%	21.8%
Add: D&A	39.8%	42.6%	50.0%	45.8%	35.4%
OIBDA margin	55.2%	51.1%	51.0%	54.2%	57.3%

¹¹ Adjusted OIBDA results for Q4 2010 do not include long-lived and other assets impairment loss in the amount of \$137.8 million

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Attachment B

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.

Net debt can be reconciled to our consolidated balance sheets as follows:

USD mln	As of Dec 31, 2010	As of Sep 30, 2011
Current portion of debt and of capital lease obligations	757.1	1,087.0
Long-term debt	6,392.6	6,155.7
Capital lease obligations	10.9	7.0
Total debt	7,160.6	7,249.7
Less:		
Cash and cash equivalents	927.7	1,473.3
Short-term investments	333.6	108.8
Net debt	5,899.3	5,667.6

Last twelve month (LTM) OIBDA can be reconciled to our consolidated statements of operations as follows:

USD mln	Three months ended Dec 31, 2010	Nine months ended Sep 30, 2011	Twelve months ended Sep 30, 2011
	A	B	C=A+B
Net operating income	493.0	2,088.9	2,581.9
Add: depreciation and amortization	528.3	1,779.6	2,307.9
Add: impairment loss of long-lived and other assets	137.8	-	137.8
Adjusted OIBDA¹²	1,159.2	3,868.4	5,027.6

¹² Adjusted OIBDA results for Q4 2010 do not include long-lived and other assets impairment loss in the amount of \$137.8 million

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Free cash-flow can be reconciled to our consolidated statements of cash flow as follows:

USD mln	For nine months ended Sep 30, 2010 ¹³	For nine months ended Sep 30, 2011
Net cash provided by operating activities	2,755.7	2,988.4
Less:		
Purchases of property, plant and equipment	(725.5)	(1,308.3)
Purchases of intangible assets	(237.6)	(202.2)
Proceeds from sale of property, plant and equipment	6.0	20.8
Proceeds/(purchases) of other investments	839.8	7.5
Investments in and advances to associates	(1.5)	3.0
Acquisition of subsidiaries, net of cash acquired	(154.1)	(57.3)
Free cash-flow	2,482.8	1,451.9

¹³ Free cash flow was retrospectively adjusted for nine months ended Sep 30, 2010



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Attachment C

Definitions

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.

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.

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

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



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MOBILE TELESYSTEMS
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(Amounts in thousands of US dollars except per share amount)

	Nine months ended		Three months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Net operating revenue				
Service revenue	\$8 644 778	\$7 867 837	\$3 018 807	\$2 745 741
Sales of handsets and accessories	692 175	430 330	255 905	165 020
	9 336 953	8 298 167	3 274 712	2 910 761
Operating expenses				
Cost of services	(1 982 266)	(1 647 325)	(676 329)	(569 586)
Cost of handsets and accessories	(696 651)	(432 935)	(263 661)	(155 874)
Sales and marketing expenses	(679 930)	(563 134)	(218 374)	(207 414)
General and administrative expenses	(1 882 178)	(1 720 593)	(590 909)	(597 327)
Depreciation and amortization expense	(1 779 562)	(1 472 184)	(587 104)	(513 828)
Provision for doubtful accounts	(85 720)	(81 423)	(23 734)	(23 515)
Impairment of long-lived assets	(13 328)		(1 977)	
Other operating expenses	(128 431)	(139 041)	(59 802)	(39 547)
Net operating income	2 088 887	2 241 532	852 822	803 670
Currency exchange and transaction gain	(112 182)	38 906	(191 320)	18 822
Other income / (expenses):				
Interest income	40 249	57 400	13 271	19 704
Interest expense, net of capitalized interest	(489 566)	(631 381)	(157 676)	(189 585)
Other income	31 179	27 357	11 751	15 235
Total other expenses, net	(418 138)	(546 624)	(132 654)	(154 646)
Income before provision for income taxes and noncontrolling interest	1 558 567	1 733 814	528 848	667 846
Provision for income taxes	(407 107)	(380 216)	(136 830)	(141 007)
Net income	1 151 460	1 353 598	392 018	526 839
Net income attributable to the noncontrolling interest	(100 965)	(129 222)	(30 178)	(43 328)
Net income attributable to the Group	1 050 495	1 224 376	361 840	483 511
Weighted average number of common shares outstanding, in thousands - basic and diluted	1 964 899	1 916 869	1 988 917	1 916 869
Earnings per share - basic and diluted	0.53	0.64	0.18	0.25



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MOBILE TELESYSTEMS
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

(Amounts in thousands of US dollars)

	As of September 30, 2011	As of December 31, 2010
CURRENT ASSETS:		
Cash and cash equivalents	\$1 473 335	\$927 694
Short-term investments	108 841	333 594
Trade receivables, net	852 495	798 102
Accounts receivable, related parties	2 295	2 673
Inventory and spare parts	264 867	319 956
VAT receivable	197 572	164 761
Prepaid expenses and other current assets	582 273	569 823
Total current assets	3 481 678	3 116 603
PROPERTY, PLANT AND EQUIPMENT	7 749 516	7 971 830
INTANGIBLE ASSETS	2 591 672	2 817 701
INVESTMENTS IN AND ADVANCES TO ASSOCIATES	108 271	241 792
OTHER INVESTMENTS	123 087	128 582
OTHER ASSETS	164 431	201 534
Total assets	\$14 218 655	\$14 478 042
CURRENT LIABILITIES		
Accounts payable	811 342	629 077
Accrued expenses and other current liabilities	1 654 431	1 715 970
Accounts payable, related parties	111 998	52 984
Current portion of long-term debt, capital lease obligations	1 087 022	757 110
Total current liabilities	3 664 793	3 155 141
LONG-TERM LIABILITIES		
Long-term debt	6 155 739	6 392 629
Capital lease obligations	6 965	10 873
Deferred income taxes	216 398	292 070
Deferred revenue and other	340 035	383 582
Total long-term liabilities	6 719 137	7 079 154
Total liabilities	10 383 930	10 234 295
Redeemable noncontrolling interests	86 942	86 944
SHAREHOLDERS' EQUITY:		
Common stock: (2,096,975,792 shares with a par value of 0.1 rubles authorized and 2,066,413,562 shares issued as of September 30, 2011 and 2,096,975,795 shares with a par value of 0.1 rubles authorized and 1,993,326,138 issued as of December 31, 2010 (777,396,505 of which are in the form of ADS as of September 30, 2011 and December 31, 2010)	50 814	50 558
Treasury stock (77,496,725 and 76,456,876 common shares at cost as of September 30, 2011 and December 31, 2010, respectively)	(992 141)	(1 054 926)
Additional paid-in capital	341 032	
Accumulated other comprehensive income	(961 148)	(771 957)
Retained earnings	4 888 819	4 901 140
Total shareholders' equity attributable to the Group	3 327 376	3 124 815
Noncontrolling interest	420 407	1 031 988
TOTAL SHAREHOLDERS' EQUITY	3 747 783	4 156 803
Total liabilities and shareholders' equity	\$14 218 655	\$14 478 042



a step ahead

Press release

MOBILE TELESYSTEMS CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(Amounts in thousands of US dollars)

	Nine months ended	
	September 30, 2011	September 30, 2010*
Net cash provided by operating activities	2 988 440	2 755 693
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of subsidiaries and non-controlling interests, net of cash acquired	(57 274)	(154 099)
Purchases of property, plant and equipment	(1 308 321)	(725 500)
Purchases of intangible assets	(202 191)	(237 557)
Proceeds from sale of property, plant and equipment and assets held for sale	20 775	5 974
Purchases of short-term investments	(439 242)	(535 509)
Proceeds from sale of short-term investments	690 870	450 964
Purchase of other investments	(15)	(6 292)
Proceeds from sale of other investments	7 485	846 080
Investments in and advances to associates	3 000	(1 450)
Decrease in restricted cash	(1 197)	1 972
Net cash used in investing activities	(1 286 110)	(355 417)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Acquisition of noncontrolling interests in existing subsidiaries and subsidiaries from related parties	(189 114)	(346 726)
Contingent consideration paid on acquisition of subsidiaries	(13 532)	
Proceeds from issuance of notes	227 542	750 000
Repurchase of common stock	(67)	
Proceeds from issuance of common stock	13 442	
Repayment of notes	(49 409)	(462 403)
Notes and debt issuance cost	(1 320)	(20 989)
Capital lease obligation principal paid	(7 445)	(2 187)
Dividends paid	(1 239 828)	(496 085)
Proceeds from loans	386 245	507 635
Loan principal paid	(203 895)	(2 702 730)
Net cash used in financing activities	(1 077 381)	(2 773 485)
Effect of exchange rate changes on cash and cash equivalents	(79 308)	5 617
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:	545 641	(367 592)
CASH AND CASH EQUIVALENTS, at beginning of period	927 694	2 529 010
CASH AND CASH EQUIVALENTS, at end of period	1 473 335	2 161 418

*Figures were restated due to retrospective consolidation of Sistema Telecom