

Recommendations of MTS OJSC Board of Directors to the Annual General Meeting of MTS OJSC Shareholders regarding the distribution of profit at the end of FY 2012

MTS OJSC FY 2012 PROFIT DISTRIBUTION PROCEDURE

PROFIT AND LOSS STATEMENT

For 2012

Organization: Mobile TeleSystems Open Joint Stock Company

Location: 4 Marksistskaya St., Moscow, Russian Federation

Taxpayer Identification Number: 1027700149124

Type of business activity: telecommunication services, construction, agency business

Unit of measurement: thousands of rubles

Indicator	For the reporting period	For the same period last year
1	2	3
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES		
Revenues (net) from sale of goods, products, works, services		
(less value added tax, excise tax and similar mandatory payments)	270 828 650	246 965 174
Self-cost of goods, products, works, services sold	(142 894 197)	(124 499 378)
Gross profit	127 934 453	122 465 796
Commercial expenses	(33 241 387)	(36 569 705)
Administrative expenses	(24 502 095)	(21 300 598)
Profit from sales	70 190 971	64 595 493
OTHER INCOME AND EXPENSES		
Income from participation in other organizations	9 718 711	23 928 792
Interest receivable	3 944 299	3 791 373
Interest payable	(17 039 868)	(18 009 483)
Other income	10 284 962	2 525 087
Other expenses	(20 764 542)	(12 319 661)
Profit before taxes	56 334 533	64 511 601
Current income tax	(9 633 561)	(9 577 869)
including:		
Fixed tax assets	3 851 185	2 257 587
Deferred tax liabilities	(1 994 773)	(1 443 075)
Deferred tax assets	(1 546 016)	646 795
Tax sanctions of previous years	(210 720)	(8 164)
	42 949 463	54 129 288
NET INCOME FOR THE REPORTING PERIOD		
Basic earning per share, rubles	20,78	26,52
Diluted earnings per share, rubles	20,79	26,52

FUNDS

The Reserve Fund of the Company has been formed to the full extent as required by Russian law and the Charter of MTS OJSC.

DIVIDENDS

The annual dividends on common registered shares of MTS OJSC shall be RUR 14,60 per common registered share of MTS OJSC with a par value of RUR 0,1 each.

The total annual dividends of MTS OJSC shall be RUR 30 168 311 143,00.

The annual dividends shall be paid in cash within the time limit set forth in the Charter of MTS OJSC.

FINAL DISTRIBUTION OF PROFIT AND LOSS

Expense item	Amount
Net income for 2012	RUR 42 949 463 000,00
Amount to be distributed among shareholders as dividends on common registered shares at the end of the financial year	RUR 30 168 311 143,00

Chairman,
MTS OJSC Board of Directors

Ron Sommer

President, MTS OJSC

A.A. Dubovskov

General Accounting Executive, MTS OJSC

A.V. Dvoretiskikh