FOR IMMEDIATE RELEASE April 29, 2008

JSC SITRONICS

UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED DECEMBER 31, 2007

MOSCOW, Russia – April 29, 2008 – JSC SITRONICS ("Sitronics" or the "Group") (LSE: SITR), a leading provider of telecommunications, information technology and microelectronic solutions in Russia and the CIS, with a growing presence in other EEMEA emerging markets, today announced its unaudited consolidated US GAAP financial results for the fourth quarter and twelve months ended December 31, 2007.

FULL YEAR HIGHLIGHTS

- **Consolidated revenues of US$ 1.62 billion (US$ 1.61 billion in 2006)**
- **Adjusted OIBDA* loss of US$ 70.8 million (profit of US$ 172.3 million in 2006)**
- **Net loss of US$ 233.9 million (profit of US$ 61.3 million in 2006)**
- **Net cash provided by operating activities increased by US$ 147.1 million to US$1.6 million (net cash used of US$ 145.5 million in 2006)**
- **Total assets up 15% year on year to US$ 1.9 billion (US$ 1.6 billion in 2006)**

FOURTH QUARTER HIGHLIGHTS

- **Consolidated revenues up 60.8% quarter on quarter and 7.9% year on year to US$ 605.0 million**
- **Adjusted OIBDA* of US$ 15.3 million compared to adjusted OIBDA loss of US$ 47.6 million in the third quarter and OIBDA of US$ 57.5 million in the fourth quarter of 2006**
- **Net loss of US$ 46.1 million, compared to net loss of US$ 108.0 million in the third quarter and net profit of US$ 24.3 million in the fourth quarter of 2006**

* Adjusted OIBDA is defined as OIBDA adjusted for the options granted to management according to the framework of the previously announced stock option programme. OIBDA is defined as operating income before depreciation and amortization. Please see Attachment A to this statement for a full definition of OIBDA and a reconciliation of OIBDA to operating income.

Sergey Aslanian, President of SITRONICS, commented: “We have delivered on the commitments made in our third quarter results by outperforming our revenue guidance with a 61% sequential quarter on quarter growth in our revenues, and by delivering adjusted OIBDA of US$ 15.3 million in the fourth quarter. Furthermore we delivered net cash from our operating activities and our focus on working capital management enabled us to significantly reduce our net debt at the end of the year. These developments demonstrate a substantial improvement in our operating results. This is the result of the efforts of our new management team, and we expect to see further improvements in 2008.

“2007 was a challenging year for SITRONICS, as we faced rapidly changing market conditions in the second half of the year in several of our core business segments. We introduced a new business strategy in the fourth quarter, with the objective of combining a group of leading companies into a single vertically integrated high-tech Group. We are optimizing our existing product portfolio in all business divisions, in order to focus on fast-growing high margin product segments. We have now signed over US$ 300 million of new business on top of the US$ 150 million of new business that we announced at the time of our third quarter results in December. We are excited about the new opportunities we see in the telecommunications and IT markets in the Middle East, Africa, South-East Asia and India, as well as the partnerships that we have established with a leading Chinese electronics manufacturer. Our goal is to create end-to-end customer solutions and make full use of the synergies between our business divisions.

We expect to see a continued improvement in our ability to deliver high-margin technological solutions over the coming years. We have established achievable goals and the means of measuring our progress towards them. We are focused on delivering on our strategy and executing on our performance targets in 2008.”

FINANCIAL SUMMARY

(US$ millions)	**Q4 07**	Q3 07	Q4 06	**FY 07**	FY 06
Revenues	**605.0**	376.2	560.9	**1,619.6**	1,610.7
Adjusted OIBDA	**15.3**	(47.6)	57.5	**(70.8)**	172.3
Operating income	**(9.6)**	(82.3)	48.7	**(157.6)**	128.2
Net income	**(46.1)**	(108.0)	24.3	**(233.9)**	61.3

OPERATING REVIEW

Group Overview

SITRONICS' revenues were stable year on year for the full year 2007. Under the new management team, SITRONICS delivered revenue growth of 60.8% quarter on quarter in the fourth quarter of 2007, while sales increased by 7.9% year on year for the same period. The Information Technology Solutions and Microelectronic Solutions segments continued to outperform during the fourth quarter, partially due to the robust demand in the Russian microelectronics market, which grew approximately twice as fast as the global markets, as well as the increase in the volume of government orders for research and development projects.

SITRONICS continued to expand its operations and further diversify its client base in key EEMEA markets during the year, which resulted in an increase in sales to companies not affiliated with the Sistema Group to represent 81.6% of total revenues for the full year 2007, compared to 77.4% in 2006.

In addition to the contracts that were announced on December 6, 2007, SITRONICS won over US$ 300 million of new business between the beginning of the fourth quarter of 2007 and April 29, 2008, which will be implemented in 2008 and future years. These deals include the delivery of IT infrastructure to Warid Telecom in Uganda, the deployment of a back-up emergency and disaster wireless telecommunications network for Syrian public sector organizations, and the provisioning of GMSC (Gateway Mobile Switching Centre) technology-based equipment for MTS-Ukraine.

In terms of the geographical breakdown, approximately 50% of the new contracts in value terms were generated from Russia and the CIS, 30% came from the Middle East, and the remaining 20% were signed in Central and Eastern Europe, North America and other countries.

FINANCIAL REVIEW

SITRONICS reported an adjusted OIBDA of US$ 15.3 million in the fourth quarter of 2007, compared with an adjusted OIBDA loss of US$ 47.6 million in the third quarter, and OIBDA of US$ 57.5 million in the fourth quarter of 2006. SITRONICS continues to optimize its existing product range and implement strategies that target fast-growing product segments where the Group can achieve the highest margins. The Group has introduced a new management team and centralized its sales, marketing, research and development and communication functions, in order to optimize its structure and increase efficiency levels.

SITRONICS reported an OIBDA loss of US$ 101.1 million for the full year 2007, compared with an OIBDA of US$ 172.3 million in 2006. The results were impacted by lower revenues in the Telecommunications Solutions segment, while the level of fixed costs was maintained at the 2006 level, in line with the requirement to service ongoing and new projects and with the expansion of the business in the Middle East and Africa. SITRONICS' full year OIBDA was also impacted by a stock option expense of US$ 30.3 million, as well as by a US$ 47.3 million provision in the Consumer Services and Products* segment that was flagged at the time of the third quarter results and was due to taking a conservative approach to the realization of certain assets.

Depreciation and amortization expenses increased by 28.2% year on year to US$ 56.5 million in 2007, following the investments in increasing capacity for the production of transportation cards and 0.18 micron integrated circuit chips (IC) in Zelenograd by the Microelectronics Solutions segment, as well as the increase in tangible and intangible assets in the Telecommunication Solutions segment. SITRONICS' capital expenditure totaled US$ 236.0 million for the full year 2007.

The Group reported operating losses of US$ 9.6 million in the fourth quarter and US$ 157.6 million for the full year 2007, compared to a loss of US$ 82.3 million in the third quarter of 2007, a profit of US$ 48.7 million in the fourth quarter of 2006 and a profit of US$ 128.2 million for full year 2006.

Net interest expenses increased from US$ 21.0 million in 2006 to US$ 25.5 million for the full year 2007, reflecting the increased level of Group borrowings during the year.

SITRONICS reported a net loss of US$ 46.1 million in the fourth quarter and a net loss of US$ 233.9 million for the full year 2007, compared to a net loss of US$ 108.0 million in the third quarter of 2007, a net profit of US$ 24.3 million in the fourth quarter of 2006 and a net profit of US$ 61.3 million for full year 2006.

The total number of outstanding shares increased to 9,547,087,190 at the end of the period from 7,997,247,990 on December 31, 2006, following the issue of additional shares during the IPO in February 2007. SITRONICS therefore reported a basic and diluted US$ (0.03) loss per share for the full year 2007, compared to US$ 0.01 of earnings per share for 2006.

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* SITRONICS merged its Consumer Electronics and Electronics Manufacturing Services segments into the Consumer Services and Products segment in the fourth quarter of 2007.

Net cash provided by operating activities increased by US$ 147.1 million to US$ 1.6 million from net cash used in operating activities of US$ 145.5 million for the year ended December 31, 2006, as a result of the strict working capital management practices introduced by the new management team. The reduction in accounts receivable and the receipt of additional pre-billed advances allowed the Group to reach positive operating cash flow and significantly improve its overall cash position.

Net cash used in investing activities increased by US$ 11.8 million from US$ 207.4 million in 2006 to US$ 219.3 million in 2007, and was primarily used by the Microelectronic Solutions segment for the increase in its production capacity for the 0.18 micron technology and transportation cards, as well as investments in software development by the Telecommunication Solutions segment, and the purchase of new production lines by the Consumer Services and Products segment.

Net cash provided by financing activities decreased by US$ 36.3 million from US$ 345.9 million in 2006 to US$ 309.6 million in 2007 and included the repayment of US$ 200.0 million of Eurobonds, the US$ 355.1 million share issue, the US$ 125.0 million loan from Dresdner bank, and the US$ 118.0 million Russian bond issue.

SITRONICS' total debt, excluding capital leases and derivatives, amounted to US$ 512.2 million at the end of 2007, compared to US$ 498.5 million at the end of 2006. Following SITRONICS' strict working capital management, net debt was reduced to US$ 326.8 million by the end of 2007, compared to US$ 408.7 million at the end of 2006.

Outlook

Looking forward, SITRONICS expects to outperform the anticipated market growth of 15% in 2008 and to generate an OIBDA margin of not less than 5% for the full year 2008. Capital expenditure is expected to be substantially lower in 2008 than in 2007, with investments in organic operations of US$ 50 million and yet to be specified additional investments in the 0.13 micron technology and the joint production facilities with ZTE.

The Information Technology Solutions and Microelectronics Solutions segments are expected to continue to perform strongly in 2008, while the Telecommunications Solutions division is expected to continue to show significant improvements throughout 2008.

SEGMENTAL REVIEW

Telecommunication Solutions

(US$ millions)	**2007**	2006
Revenues	**569.8**	708.2
OIBDA	**(74.3)**	148.4
Total Assets	**991**	1,009.5

The Telecommunication Solutions segment develops and manufactures telecommunication systems and provides tailor-made, integrated solutions and professional services to fixed and mobile operators. The division generated 35% (2006: 44%) of total Group revenues in 2007.

The Telecommunications Solutions division's revenue declined 19.5% year on year. At the same time, the segment generated significant growth in the fourth quarter with sales recovering to the level achieved in the same period of 2006. In addition to the new contracts previously announced on December 6, 2007, SITRONICS Telecom Solutions signed US$ 202 million of new business between the beginning of the fourth quarter of 2007 and April 29, 2008, which will be implemented in 2008 and future years. In terms of geographical breakdown, 40% of contracts in value terms were generated from Russia and the CIS, 35% from the Middle East and the remaining 25% from other countries. These agreements included a € 40 million deal with the Syrian Wireless Organization for the deployment of an emergency back-up wireless network for public sector organizations, as well as a contract with MTS-Ukraine (formerly UMC), one of the leading Ukrainian mobile operators, worth US$ 12.0 million for the provision of two new mobile transit exchanges and an upgrade to the overall capacity of its four existing exchanges based on GMSC (Gateway Mobile Switching Centre) technology. The Group strengthened the management team of the Telecommunications Solutions segment with a number of highly experienced industry executives and realigned the product portfolio to focus on end-to-end solutions and innovative products designed by SITRONICS.

Following the end of the reporting period, SITRONICS started the implementation of the FORIS Next Generation Customer Care & Billing Platform for Warid Telecom in Uganda under the existing US$ 22.7 million contract.

The Telecommunications Solutions segment reported an OIBDA loss of US$ 74.3 million for the full year 2007, compared to an OIBDA of US$ 148.4 million in the previous year, as a result of the delays in signing a previously anticipated large scale contract in the Middle East and in the launch of a 3G project, which has been hampered by unanticipated regulatory issues.

Information Technology Solutions

(US$ millions)	**2007**	2006
Revenues	**763.3**	559.4
OIBDA	**21**	21
Total Assets	**252.1**	177.3

The Information Technology Solutions segment is engaged in systems integration, IT consulting, software development and computer hardware distribution. The segment generated 47% (2006: 35%) of total Group revenues in 2007.

The Information Technology Solutions segment‘s revenues were up 36.6% year on year for the full year 2007 as the business continued to demonstrate a strong performance in the fourth quarter, both in the system integration and distribution businesses. During this period, the business successfully delivered IT solutions to the two largest Ukranian banks - Universal and Ukrsotsbank.

The segment reported an OIBDA of US$ 21 million for the full year 2007, in line with the level in 2006, while its OIBDA margin has slightly declined. SITRONICS experienced margin pressure during the period in its distribution business as a result of the increasing competition in the Russian and Ukrainian markets. The segment has significantly increased its market share in the CIS and Russian IT markets in 2007.

In March 2008, SITRONICS acquired a 36% stake in Kvazar-Micro from Melrose Holding Company for US$ 116.9 million. As a result of the transaction, SITRONICS now owns 87% of Kvazar-Micro and Melrose Holding Company owns a 3.07% stake in SITRONICS.

Microelectronic Solutions

(US$ millions)	**2007**	2006
Revenues	**217.2**	122.6
OIBDA	**38.4**	26.4
Total Assets	**486.1**	205.1

The Microelectronic Solutions segment is engaged in the design, manufacturing, assembling, testing and distribution of semiconductor products and components, including the production and distribution of Integrated Circuits, chip modules, Radio Frequency Identification (RFID) tickets, SIM-cards and related solutions. The segment generated 13% (2006: 8%) of total Group revenues in 2007.

The Microelectronic Solutions segment was SITRONICS' best performing business during 2007, with year on year revenue growth of 77.1%. The strong sales growth was fueled by robust demand in the Russian microelectronics market, which grew at approximately double the pace of the global market. A doubling in Russian government orders for research and development projects was made possible by SITRONICS' continued technological leadership in the industry in 2007, including the launch of 0.18 micron EEPROM technology at Mikron's facility in Zelenograd.

The segment generated year on year OIBDA growth of 45.4%, while the OIBDA margin slightly decreased as a result of substantially increased sales of Smart cards with historically lower margins compared to other Microelectronic Solutions products. However, the OIBDA margin was positively impacted by the increase in the volume of R&D projects as a result of new contracts signed with Rosprom - the Russian Federal Agency for Industry.

Following the end of the reporting period, SITRONICS delivered a DSTK platform to MTS Belarus and won two tenders for the delivery of approximately 16 million SIM cards to MTS Russia and Uzbekistan. The segment generated a 14.8% year on year increase in sales of SIM cards in 2007 in the CIS region. SITRONICS expects continued growth in demand for SIM cards beyond 2008 as CIS mobile operators begin the transition to 3G. The segment added to its successful RFID ticketing technology project with the Moscow Metro (subway) with two pilot tenders to provide RFID tickets to Tyumen Transport Company, Mosgortrans and the Moscow city transport authority.

Venture Businesses
Consumer Services and Products

(US$ millions)	**2007**	2006
Revenues	**69.3**	220.3
OIBDA	**(55.4)**	(14.2)
Total Assets	**112.8**	220.8

As part of the ongoing restructuring programme in 2007, the Consumer Electronics and Electronics Manufacturing Services segments were merged into the Consumer Services and Products segment. The new segment manufactures and contracts production of consumer electronics for third party clients, as well as markets consumer electronics under the SITRONICS brand, which are sold by retailers throughout Russia. SITRONICS strengthened the management team, introduced a number of cost reduction programmes and enhanced the quality control systems following a review of its supplier relationships and the supply chain The segment generated 4% (2006: 14%) of total Group revenues in 2007.

The Consumer Services and Products segment's revenues declined year on year as sales of third party branded products and certain SITRONICS-branded products were discontinued.

The segment's OIBDA loss increased in 2007 compared to the previous year, as a result of the ongoing business restructuring which led to US$ 47.3 million of provisions due to the Group's conservative approach in relation to the realization of these assets.

OTHER INFORMATION

Conference call

SITRONICS management will host a conference call today at 4.30 PM Moscow local time, 1.30 PM London local time and 8.30 AM New York local time to present and discuss these results. Participants may dial the following numbers in order to access the call:

UK / International:	+44 (0) 20 8609 0205
US:	+1 703 621 9126
PIN CODE:	*633018#*

A replay facility will also be made available for 7 days after the call and may be accessed by dialing the following numbers and using the following pin code:

UK / International:	+44 (0) 20 8609 0289
US:	+1 866 676 5865
PIN CODE:	*212449* #

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ABOUT SITRONICS

SITRONICS (LSE: SITR) is a leading provider of telecommunication solutions, including software, equipment and systems integration, IT solutions and microelectronic solutions in Russia and the Commonwealth of Independent States, with a strong presence in Central and Eastern Europe and a growing presence in the Middle East and Africa.

SITRONICS serves over 3,500 clients, maintains offices in 32 countries and exports its products and services to more than 60 countries. SITRONICS has over 10,000 employees.

SITRONICS' key Telecommunication Solutions operations are based in Prague (Czech Republic), Athens (Greece) and Moscow (Russia), while the company's IT Solutions and Microelectronic Solutions divisions are based in Kiev (Ukraine) and Zelenograd (Russia) respectively.

SITRONICS is majority-owned by Sistema (61.3%), which is the largest diversified holding company in Russia and the CIS. SITRONICS' shares are listed under the symbol "SITR" on the London Stock Exchange, the Russian Trading System (RTS), and the Moscow Stock Exchange (MSE).

SITRONICS has developed strategic alliances in its home markets with Cisco Systems, STMicroelectronics, Infineon and Giesecke & Devrient, in relation to certain products and services. SITRONICS has vendor relationships with Siemens, Ericsson, Motorola, ORACLE, Intel, Sun Microsystems and Microsoft. Key customers include Sistema group companies such as MTS, Comstar UTS and MTT, as well as OTE, Cosmote, Vodafone, Ericsson and TCL.

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 SITRONICS. 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. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any obligation 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, and other factors specifically related to SITRONICS and its operations.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of SITRONICS, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of SITRONICS.

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2007 AND 2006
(Amounts in thousands of U.S. dollars, except share amounts)

	2007	2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 185,486	$ 89,840
Short-term investments	9,489	28,725
Trade receivables, net	616,611	658,498
Other receivables and prepaid expenses, net	145,342	95,806
Inventories and spare parts, net	273,624	250,351
Deferred tax assets, current portion	7,203	6,517
Total current assets	1,237,755	1,129,737
Property, plant and equipment, net	470,074	268,820
Intangible assets, net	100,385	89,813
Long-term investments	3,201	1,728
Long-term trade receivables	36,629	84,105
Restricted cash	9,645	50,544
Deferred tax assets	27,553	19,887
Other	2,054	2,733
TOTAL ASSETS	**$ 1,887,296**	**$ 1,647,367**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2007 AND 2006 (CONTINUED)
(Amounts in thousands of U.S. dollars, except share amounts)

	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 294,067	$ 296,502
Taxes payable	38,613	34,490
Accrued expenses and other current liabilities	159,918	132,872
Derivative financial instruments	52,563	34,317
Short-term loans and notes payable	254,246	157,555
Current portion of long-term debt	175	9,935
Deferred tax liabilities, current portion	9,380	607
Total current liabilities	808,962	666,278
LONG-TERM LIABILITIES:		
Capital lease obligations	877	3,074
Long-term debt	257,821	330,966
Other long-term liabilities	11,776	11,723
Deferred tax liabilities	15,618	10,302
Total long-term liabilities	286,092	356,065
TOTAL LIABILITIES	1,095,054	1,022,343
COMMITMENTS AND CONTINGENCIES	-	-
MINORITY INTERESTS	206,372	177,501
SHAREHOLDERS' EQUITY:		
Share capital (9,547,087,190 and 7,997,247,990 shares authorized and issued as of December 31, 2007 and 2006, respectively, with par value of 1 ruble)	335,764	276,941
Treasury stock (796,776,440 and 748,806,541 shares with par value of 1 ruble as of December 31, 2007 and 2006, respectively)	(53,659)	(27,135)
Shareholder's receivable	(9,256)	(11,102)
Additional paid-in capital	405,801	94,868
Retained earnings	(159,652)	86,564
Accumulated other comprehensive income	66,872	27,387
TOTAL SHAREHOLDERS' EQUITY	585,870	447,523
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 1,887,296**	**$ 1,647,367**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)/ INCOME FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Amounts in thousands of U.S. dollars or if otherwise stated)

	2007	2006
Revenues	$ 1,619,605	$ 1,610,734
Cost of sales, exclusive of depreciation and amortization shown separately below	(1,404,818)	(1,240,899)
Research and development expenses	(44,828)	(27,213)
Selling, general and administrative expenses	(271,955)	(163,805)
Depreciation and amortization	(56,452)	(44,048)
Other operating income/ (expenses), net	867	(6,531)
OPERATING (LOSS)/INCOME	(157,581)	128,238
Interest income	14,397	11,060
Interest expense, net of amounts capitalized	(39,885)	(32,065)
Foreign currency transactions loss, net	(8,850)	(9,002)
Impairment of property, plant and equipment	(1,336)	-
(Loss)/Income before income tax and minority interests	(193,257)	98,231
Income tax expense	(27,398)	(32,288)
(Loss)/ Income before minority interests	(220,655)	65,943
Minority interests	(13,274)	(4,629)
NET (LOSS)/ INCOME	**$ (233,929)**	**$ 61,314**
Translation adjustment, net of minority interests of $16,281 and $7,900, respectively, and income tax effect of $nil	39,654	28,401
Comprehensive (loss)/ income	$ **(194,275)**	**$** **89,715**
Weighted average number of common shares outstanding	8,511,003,404	6,225,013,990
Earnings per share, basic and diluted, USD:	(0.027)	0.01

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Amounts in thousands of U.S. dollars)

		2007		2006
OPERATING ACTIVITIES:				
Net (loss)/ income	$	(233,929)	$	61,314
Adjustments to reconcile net income to net cash provided by/ (used in) operations, net of impact of acquired subsidiary:				
Depreciation and amortization		56,452		31,148
Minority interests		13,274		4,629
Gain from disposal of property, plant and equipment		87		(275)
Gain on disposal of subsidiary		(3,204)		-
Deferred income tax		3,931		(6,622)
Provision for doubtful accounts		54,859		7,776
Debt retirement cost		6,344		-
Stock options / non-cash compensations		20,402		-
Fin 48 effect		3,257		-
Impairment of property, plant and equipment		1,335		-
Changes in operating assets and liabilities:				
Trade receivables		69,823		(82,014)
Other receivables and prepaid expenses		(34,846)		(19,981)
Inventories and spare parts		(14,077)		(21,501)
Prepaid rent		-		-
Trade accounts payable		2,804		7,485
Taxes payable		2,755		(24,504)
Accrued expenses and other current liabilities		52,300		(102,984)
Net cash provided by/ (used in) operating activities	$	1,567	$	(145,529)
INVESTING ACTIVITIES:				
Purchases of property, plant and equipment		(203,130)		(82,276)
Proceeds from disposals of property, plant and equipment		3,084		3,918
Purchases of intangible assets		(32,853)		(5,496)
Purchases of businesses, net of cash acquired		(44,709)		(57,520)
Cash deposited for acquisition of Intracom Telecom		39,630		(46,100)
Increase/(Decrease) in other restricted cash		1,269		(2,339)
Purchases of short-term investments		(4,121)		(163,694)
Proceeds from sales of short-term investments		23,651		146,084
Purchases of long-term investments		(2,081)		-
Net cash used in investing activities	$	(219,260)	$	(207,423)

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006 (CONTINUED)
(Amounts in thousands of U.S. dollars)

	2007	2006
FINANCING ACTIVITIES:		
Debt issuance costs	$ (1,310)	$ (1,835)
Dividends paid to minority shareholders of subsidiaries	-	(1,586)
Proceeds from stock options exercised	5,554	-
Payments for early retirement of debt	(6,344)	-
Proceeds from issuance of common stock	355,123	240,257
Repurchase of common stock	(36,000)	(40,926)
Proceeds from short-term borrowings	288,453	167,636
Principal payments on short-term borrowings	(215,129)	(217,648)
Proceeds from long-term borrowings	122,626	204,424
Principal payments on long-term borrowings	(200,288)	(1,478)
Principal payments on capital lease obligations	(3,106)	(2,934)
Net cash provided by financing activities	309,579	345,910
Effects of foreign currency translation on cash and cash equivalents	3,762	13,523
INCREASE IN CASH AND CASH EQUIVALENTS	**95,648**	**6,481**
CASH AND CASH EQUIVALENTS, beginning of the year	89,840	83,359
CASH AND CASH EQUIVALENTS, end of the year	**185,486**	**89,840**
CASH PAID DURING THE YEAR FOR:		
Interest, net of amounts capitalized	(32,582)	(16,346)
Income taxes	(25,521)	(54,294)
NON-CASH ITEMS:		
Equipment acquired under capital lease	60	3,458

<u>Attachment A</u>

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

(US$ 000's)	**4Q 2007**	4Q 2006	**2007**	2006
Operating (Loss)/Income	**(9,553)**	48,745	**(157,581)**	128,238
Depreciation and Amortization	**15,938**	8,797	**56,452**	44,048
OIBDA	**6,385**	57,542	**(101,129)**	172,286
Adjustment – stock options granted to management	**8,947**	-	**30,287**	-
OIBDA Adjusted	**15,332**	57,542	**(70,842)**	172,286