МТС оператор связи MTS

Group financial results for the first quarter 2008

Investor conference call – May 20, 2008

Leonid Melamed, President, Chief Executive Officer
Vsevolod Rozanov, Vice President, Chief Financial Officer

Safe harbor

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might” 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 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, 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, risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management, and future growth subject to risks.

Contents

- Group highlights for the period
- 3 + 2 Strategy
- Execution on 3+2 Group Strategy
- Group financial highlights

Financial and corporate highlights

Group highlights for the first quarter 2008

Group financial highlights

- Revenues up 37% Y-o-Y to $2,379 mln
- OIBDA up 30% Y-o-Y to $1,176 mln; OIBDA margin of 49.4%
- Net income up 36% Y-o-Y to $610 mln
- Free cash-flow at $632 mln

Summary of events

- Appointment of Mr. Andrei Dubovskov as the new head of MTS Ukraine
- MTS first Russian company named as BRANDZ™ Top 100 Most Powerful Brands by Millwood Brown and the *Financial Times*
- Consolidation of remaining stake in the Omsk subsidiary
- Redemption of the $400 million Eurobond issued in 2003
- Announcement of recommended dividend payment for FY 2007 of $1.2 billion or $3.12 per ADR

MTS 3+2 Group Strategy

Always delivering more for our customers

Leading communication brand in the CIS

Creating exceptional shareholder value

ROIC > 25%

1	Capture growth potential in core markets	▪ Drive revenue stimulation ▪ Provide unique customer experience ▪ Deliver superior quality
2	Value creation in developing markets	▪ Drive market growth in CIS ▪ Enlarge CIS footprint ▪ Investigate other selective opportunities
3	Development of mobile broadband in CIS	▪ Roll-out 3G in Russia, Uzbekistan and Armenia ▪ Acquire licenses in CIS countries ▪ Offer attractive data services portfolio
+1	Cost efficiency	▪ Focus on cost and process efficiency ▪ Leverage synergies throughout Group ▪ Exploit optimal technology solutions
+2	MTS Group development	▪ Build-up Group organization ▪ Attract and retain best-in-class employees ▪ Nurture distinctive corporate culture

More for our customers | **More for our shareholders** | **More for our employees**

Continued fulfillment of MTS 3+2 Group Strategy

Always delivering more for our customers

Leading communication brand in the CIS

Creating exceptional shareholder value

ROIC = 48.1%

1	Capture growth potential in core markets	▪ Q-on-Q revenue growth over period of seasonal decline ▪ Addition of 2.5 million subscribers in Russia ▪ ARPU stability in spite of seasonal change ▪ Sustained MOU growth in Russia ▪ Value-added service leadership in Russia*
2	Value creation in developing markets	▪ Addition of 1.1 million subscribers outside Russia & Ukraine ▪ Receipt of GPRS license in Turkmenistan
3	Development of mobile broadband in CIS	▪ Imminent launch of HSPA networks in Russia ▪ Market-leading value-added services portfolio in Russia ▪ Launch of CDMA-450 data services in 7 cities in Ukraine
+1	Cost efficiency	▪ OIBDA improvement Q-on-Q ▪ Sustained earnings improvement Q-on-Q and Y-o-Y
+2	MTS Group development	▪ Recognized as BRANDZ™ Top 100 Most Powerful Brands ▪ Expansion of employee remuneration program

*According to ComNews, MTS is the leader in revenue from VAS with 30.9% market share.

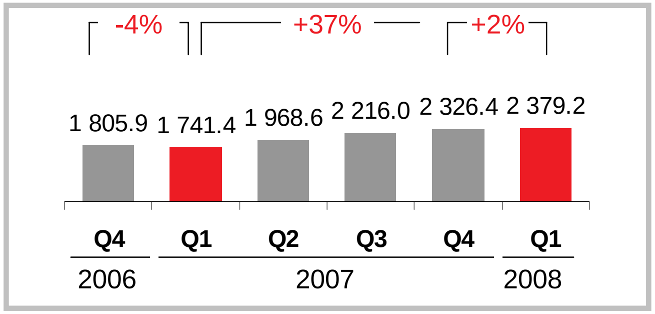
Contents

- Executing on our 3+2 strategy
  - MTS Group: financial highlights
  - MTS Group: strong subscriber growth
  - MTS Group: building the MTS brand
  - MTS Russia: usage growth
  - MTS Russia: growing contribution from VAS
  - MTS Ukraine: growing contribution from VAS
  - MTS Group: executing MTS' mobile-centric approach to broadband

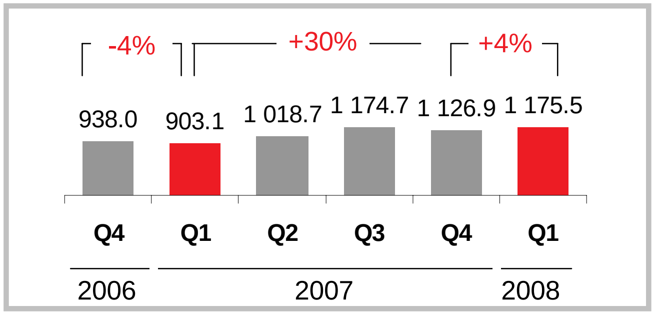
MTS

Group financial highlights

Total Group Revenue (USD mln)

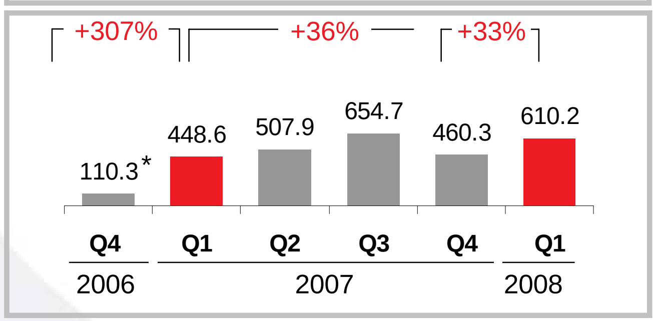


Total Group OIBDA (USD mln)



OIBDA Margin	51.9%	**51.9%**	51.7%	53.0%	48.4%	**49.4%**

Total Group Net income (USD mln)



Net Inc Margin	6.1%	**25.8%**	25.8%	29.5%	19.8%	**25.6%**

Revenue growth driven by subscriber acquisition, increasing voice usage and rising messaging and data adoption in each of our markets of operation despite seasonal revenue pressure

Rise in OIBDA reflects top-line growth and continuous cost control throughout the organization

Strong bottom-line results through effective financial management

*Reflecting the $320 mln write-off of Bitel LLC

Successful realization of growth with sustained profitability

MTS Group: strong subscriber growth

Group subscriber base dynamics during the quarter

MTS subscribers (mln)	YE'07	Q1'08	% change
Russia	57.43	59.90	+ 4.3%
Ukraine	20.00	19.61	Stable
Uzbekistan*	2.80	3.56	+ 27.1%
Turkmenistan	0.36	0.47	+ 30.6%
Armenia	1.38	1.42	+ 2.9%
Belarus	3.80	3.94	+ 3.7%
Total	**85.77**	**88.88**	**+ 3.6%**

Reduction in Ukraine subscribers reflects Company shift in marketing focus on higher-value subscribers

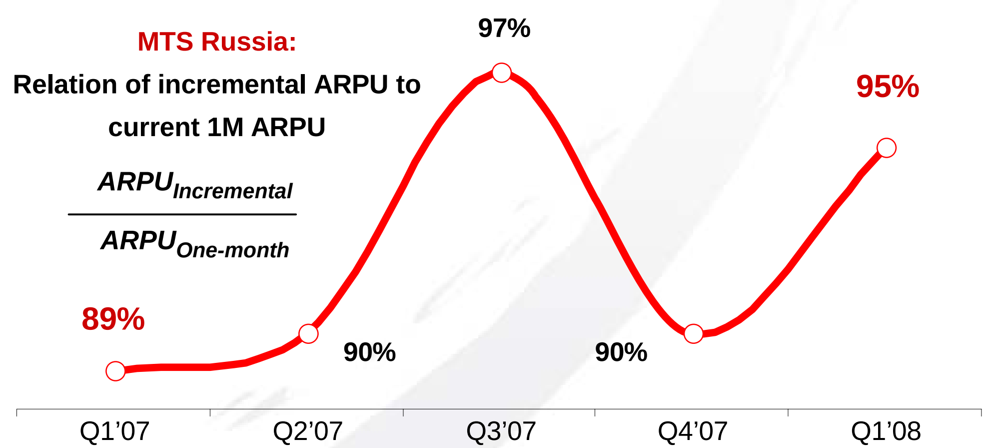
Strong subscriber additions in the Company's CIS markets as MTS is aggressively expanding its networks in lower-penetrated markets

*As of January 1, 2008, MTS adopted its Group-wide six month-churn policy for the market

In Russia, the addition of 2.5 million net subscribers to network reflects strong execution and attractive value propositions in market

Subscriber additions in Russia are overall demonstrating higher incremental value

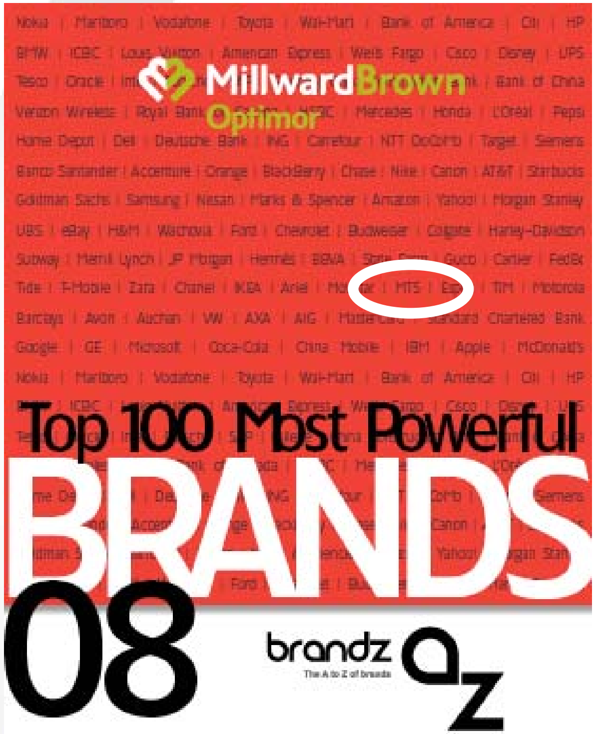
As shown by the graph, incremental ARPUs of new subscriber additions rose 6 percentage points year-over-year in relation to the level of MTS Russia's one-month ARPU:



As MTS primarily serves pre-paid markets, subscriber growth is critical to revenue growth and brand development

MTS Group: building the MTS brand

MTS brand ranked in BRANDZ™ World's 100 Most Powerful Brands



"The new brand has helped to drive MTS' financial performance… re-branding became an important factor in the overall process of the company restructuring"
-"MTS Rings the Changes", Financial Times,
-April 21, 2008

First Russian company to be named among top global brands

- Enters on 89th place with brand valued at $8.077 billion
- Recognition of leadership across the CIS and increasing global relevance

Highest score in Brand Momentum (10 out of 10), measuring short-term growth rate

- Top 10% of all brands in the ranking by the short term growth rate
- Based on market valuations, the brand's risk profile and its growth potential
- Reflection of investment in brand and revenue potential

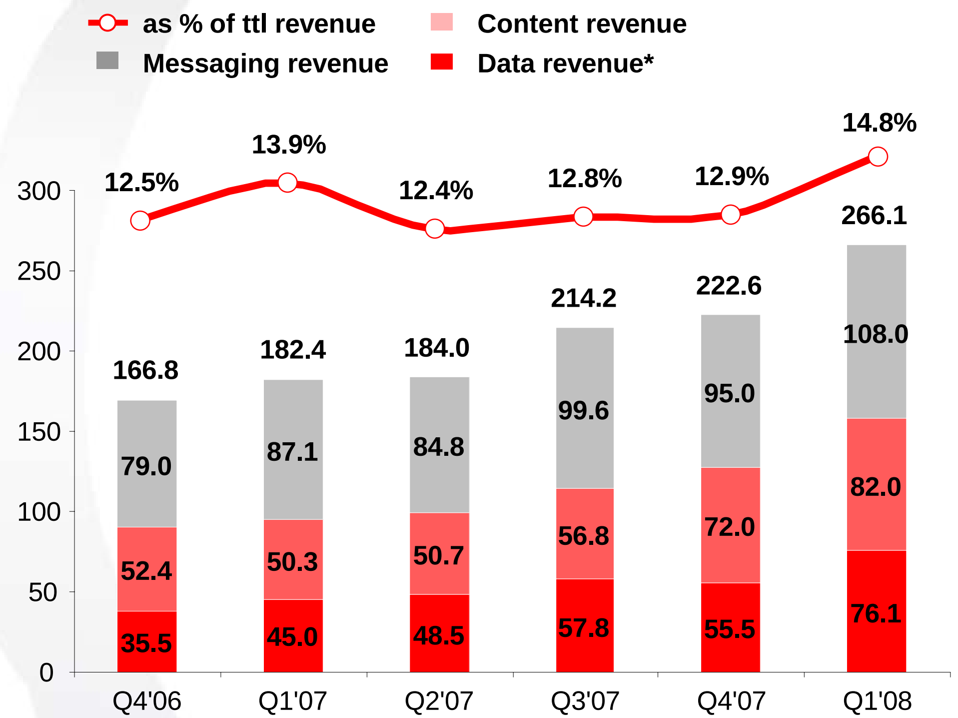
Ranking published by the *Financial Times* and Millward Brown, only brand ranking based on primary research - 1 mln consumers interviewed

Successful brand execution strategy to increasingly differentiate MTS from its competitors, leverage scale opportunities and drive future growth

MTS Russia: growing contribution from VAS

VAS structure in Russia

VAS breakdown (in USD mln)



- Overall VAS shows strong dynamic Y-o-Y and Q-o-Q
- Data revenues growing faster than both messaging and content

- Growth in messaging revenues as result of successful marketing campaigns and tariff launches such tariff Red_text that offers favorable SMS rates
- Growth in content by offering innovative services such as the Company’s ring back tone service called Good’ok and an extensive array of services enabling users to download pictures, music files and other content through such Java-based services as the J-Drive portal and Red Box
- Growth in data revenues through EDGE deployment and channel optimization as well as active marketing promotions and tariff offers aimed at stimulating demand in data services such as:
  - Tariff MTS Connect proving easy Internet access to subscribers’ computers;
  - Tariff Onliner designed for active Internet users; and
  - WAP sites – wap.mts.ru and wap.kids.mts.ru – providing users with both educational and entertainment features

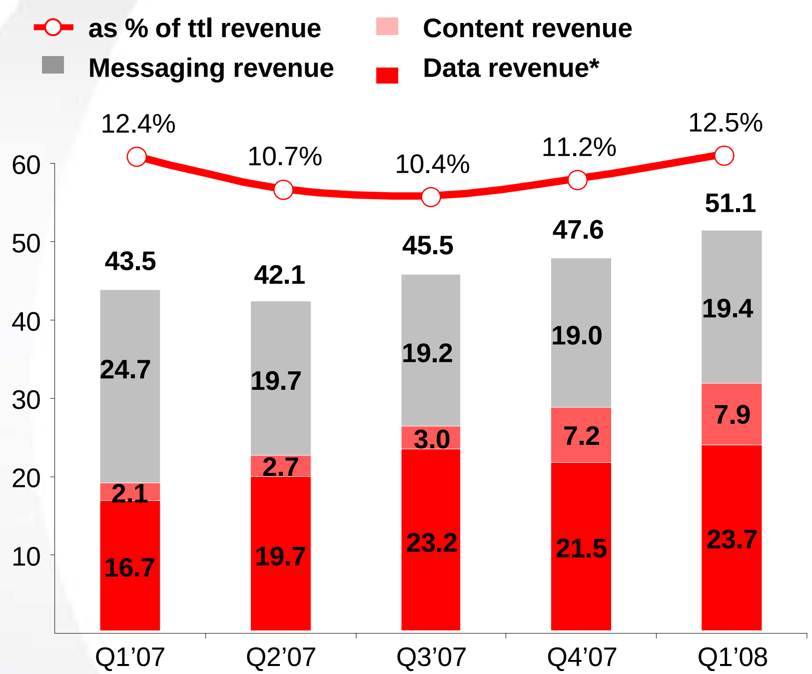
* Includes revenue from data and additional services

Increasing data usage and a market-leading value-added services portfolio showcases potential for adoption of 3G-enabled products and services

MTS Ukraine: growing contribution from VAS

VAS structure in Ukraine

VAS breakdown (in USD mln)



- Steady growth of VAS usage Y-o-Y and Q-o-Q
- Content growth outpacing messaging and data revenues

- Successful in stimulating demand for VAS through targeted marketing campaigns and product launches such as:
  - Hyper Active service
  - Tariff MTS Connect
  - BlackBerry™ service
  - GPRS promotions
  - SMS promotions
- Messaging revenues fell as subscribers switched to voice traffic due to declining per minute charges in a market affected by aggressive competition
- Deployment of CDMA-450 to 7 cities in Ukraine
- BlackBerry™ expected to provide more of an impact as further handsets deliveries will allow the Company to expand the user-base beyond the corporate segment to the high-end individual users and small- and medium-sized enterprises

* Includes revenue from data and additional services

VAS revenues growing in line with network development, marketing initiatives and launch of new popular services

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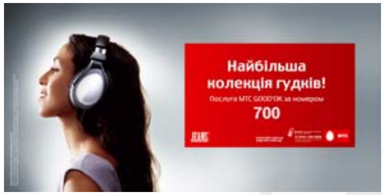
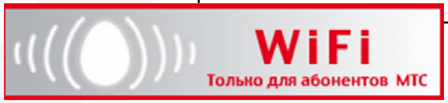
Executing MTS’ mobile-centric approach to broadband

✓ Acquire necessary licenses and frequencies in markets of operation	▪ CDMA-450 licenses in Ukraine (September 2006) ▪ 3G/UMTS licenses in Russia (April 2007) ▪ 3G/UMTS licenses in Uzbekistan (April 2007) ▪ 3G/UMTS frequencies in Armenia (October 2007)

✓ Launch proprietary networks	▪ Coverage of major cities in Ukraine
	▪ HSPA networks in Russia in Summer 2008:
	    ▪ St. Petersburg, Yekaterinburg, Sochi and Kazan
	    ▪ Additional six cities by YE2008
	▪ Network deployment in Uzbekistan in 2009

✓ Roll-out market-leading messaging and data portfolio of products and services	▪ According to ComNews, a leading aggregator of mobile industry data on the Russian market, MTS can claim leadership in the Russian market for value-added service revenue with a 30.9% market share ▪ Launch of CDMA-450 coverage and MTS Connect in 7 cities in Ukraine
✓ Leverage customer relationships and brand value to meet subscribers’ total communications needs	▪ First company in region to commercially launch BlackBerry™ in CIS ▪ Work in partnership with Comstar for join Wi-Fi hot spot deployment ▪ Joint project with Microsoft to bring low-cost HSPA-compatible notebook computers to market





MTS continues to pursue its mobile-centric broadband strategy

Contents

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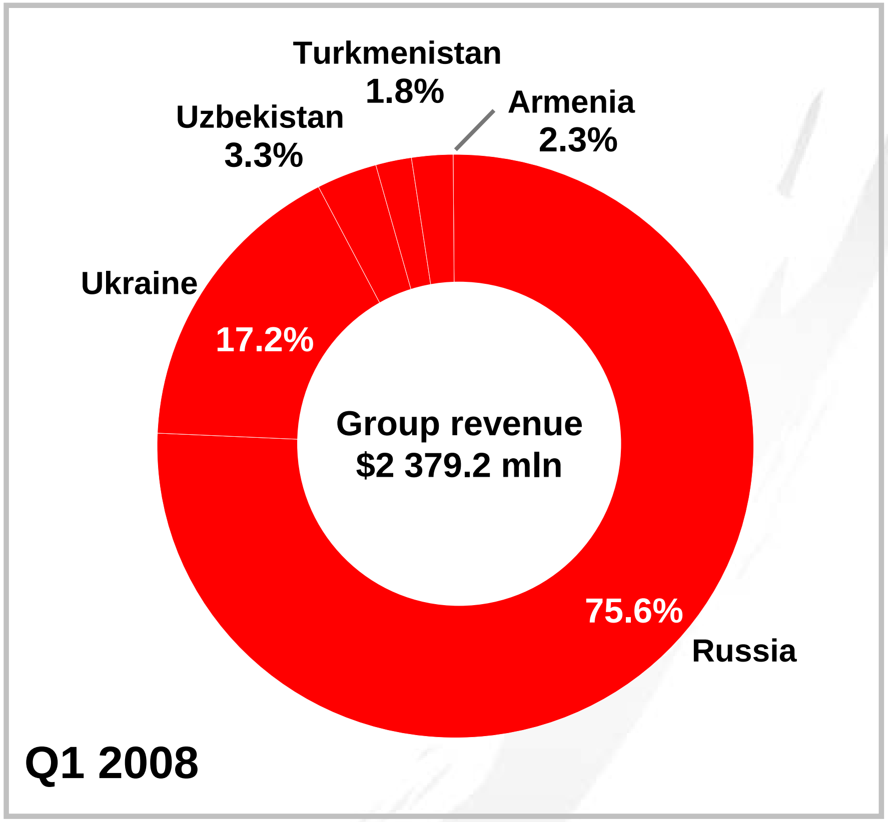
Group revenue

Revenue contribution per country*



*Percentages indicated do not equal 100% due to rounding

Core operations in Russia provide the backbone for the Group's revenue structure

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Group balance sheet

Balance Sheet in USD mln unless noted	As of 31 Dec 2007	As of 31 Mar 2008
Cash and cash equivalents	$634.5	$552.5
Short-term investments	$15.8	$15.8
Total debt	$3 401.7	$3 076.2
Long-term debt	$2 688.4	$2 610.1
Short-term debt	$713.3	$466.1
Net debt*	$2 751.4	$2 507.9
Shareholders' equity	$5 442.9	$5 742.6
Total assets	$10 966.7	$11 125.2
LTM OIBDA*	$4 223.4	$4 495.8
Net debt/assets	0.3x	0.2x
Net debt/equity	0.5x	0.4x
Net debt/LTM OIBDA*	0.7x	0.6x

*See reconciliations of net debt, LTM OIBDA and free cash flow to consolidated financial statements in the appendix

Balance sheet provides ample opportunity to raise additional capital, if required

Free cash flow* positive in Q1 2008 with $632 million

LTM ROIC = 48.1%

In Q1 2008, a total of 5,086,300 ADRs were acquired as part of the Company's share repurchase program

MTS' ability to generate free cash flow and its underleveraged balance sheet provide ample room to finance its corporate needs

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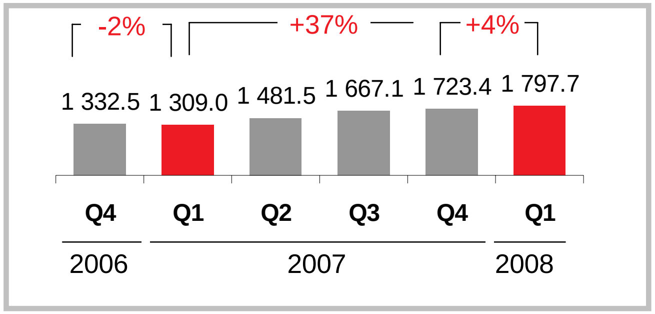
Russia financial highlights

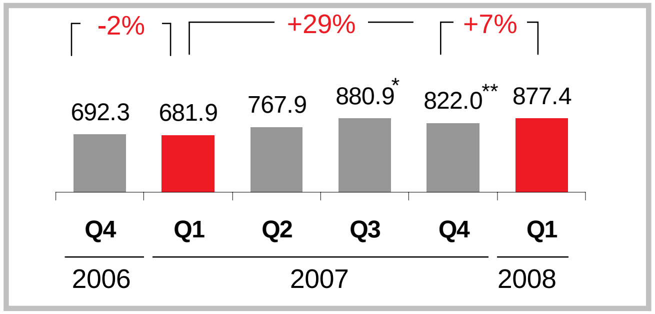
Total Russia Revenue

(USD mln)



Total Russia OIBDA

(USD mln)



OIBDA Margin						
	52.0%	**52.1%**	51.8%	52.8%	47.7%	**48.8%**

* Including intercompany of $2.2 mln

** Including intercompany of $0.4 mln

Revenue grew on the back of rising voice usage, higher messaging, greater data adoption, and healthy subscriber additions in spite of seasonality in usage patterns

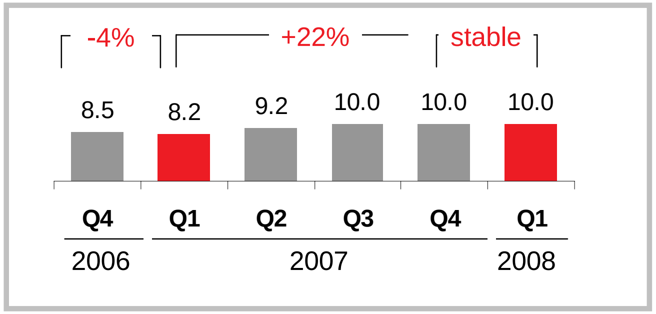
Strong OIBDA growth despite costs associated with accommodating new subscribers on our network and rising interconnect costs

Continued growth in Russia with a sequential improvement in margin

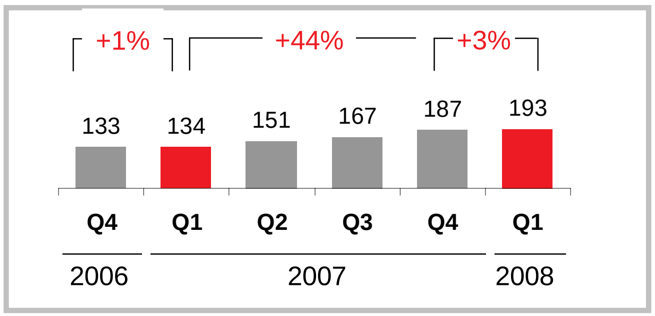
Key financial and operating results

Russia operating indicators

ARPU (USD)



MOU (min)



APPM (US¢)	6.4	**6.1**	6.1	6.0	5.3	**5.2**
Subs (mln)	51.2	**51.5**	52.7	54.4	57.4	**59.9**

Stable ARPU with incoming 2.5 million net subscribers added exhibit higher incremental ARPU

Healthy MOU dynamics due to introduction of tariff plans and marketing campaigns aimed at stimulating voice and data usage

Continued strong subscriber additions during the quarter

Voice usage remains the major contributor to the overall revenue growth though messaging and data revenues are growing in significance

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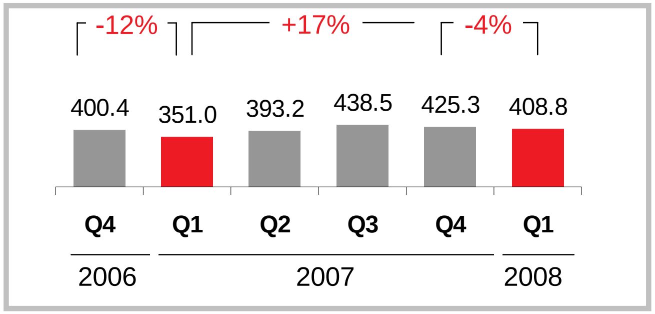
Ukraine financial highlights

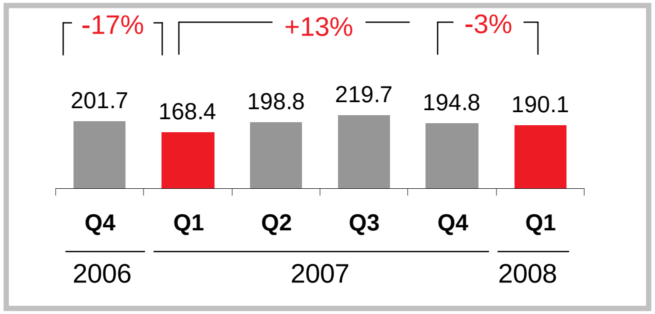
Total Ukraine Revenue

(USD mln)



Total Ukraine OIBDA

(USD mln)



OIBDA Margin	50.4%	**48.0%**	50.6%	50.1%	45.8%	**46.5%**

Seasonal decline in revenue reduced, as initiatives to increase usage prove successful

VAS revenues increase, with sequential growth in both GPRS and content

Sequential improvement in OIBDA margin despite inflationary pressures

More targeted sales and marketing expenditures in line with the maturity of the market

Improving revenue and OIBDA dynamics

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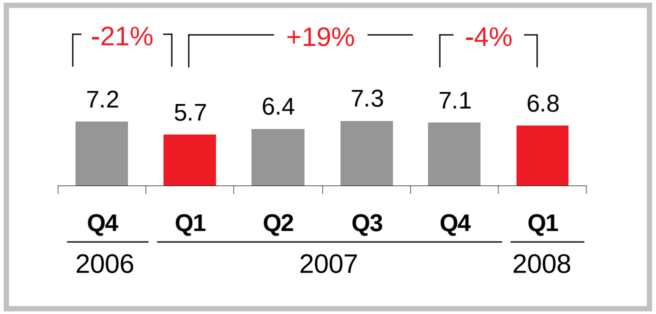
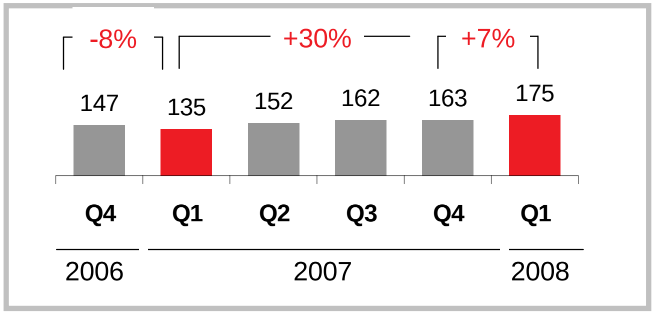
Ukraine operating indicators

ARPU (USD)



MOU (min)



APPM (US¢)	4.9	**4.2**	4.2	4.5	4.4	**3.9**
Subs (mln)	20.0	**20.8**	19.8	19.9	20.0	**19.6**

Increase in ARPU of 19% year-over-year, on the back of of significantly improved usage only partially offset by the decline in APPM as pricing in the market stabilizes

An overall 30% increase year-over-year and a sequential increase of 7% in MOU, as stimulation efforts in both postpaid and prepaid segments pay off

APPM decline slows to 7% in Q108, down from 14% in Q107.

Improvements in the activity of the subscriber base more than offset a small decline in overall subscriber count

Successfully stimulating demand in voice and value added services

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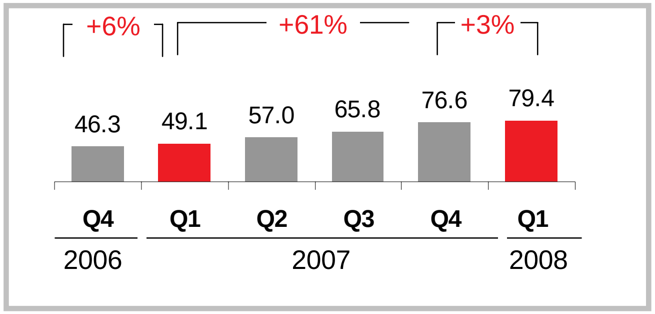
Uzbekistan financial highlights

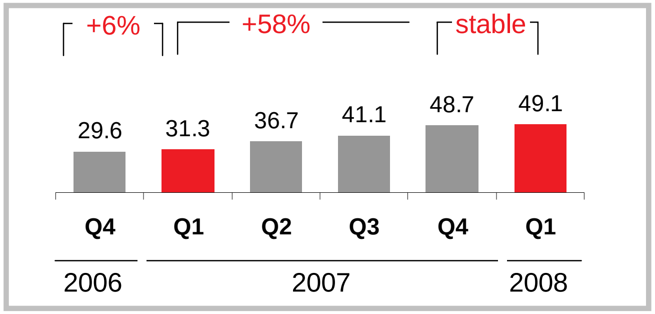
Total Uzbekistan Revenue

(USD mln)



Total Uzbekistan OIBDA

(USD mln)



OIBDA Margin	64.0%	**63.7%**	64.4%	62.5%	63.6%	**61.8%**

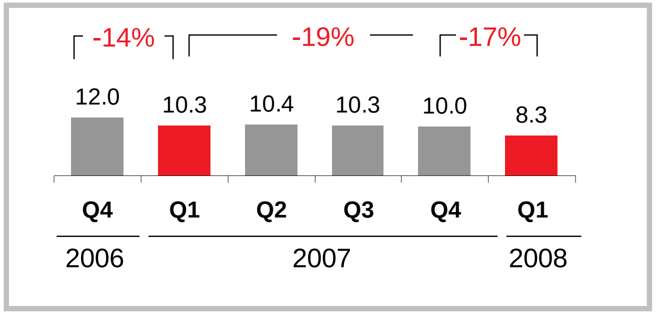
Revenue growth driven by strong subscriber additions as we extend our network in the market

OIBDA remains strong through cost control and operation efficiency though margin decline related to seasonality

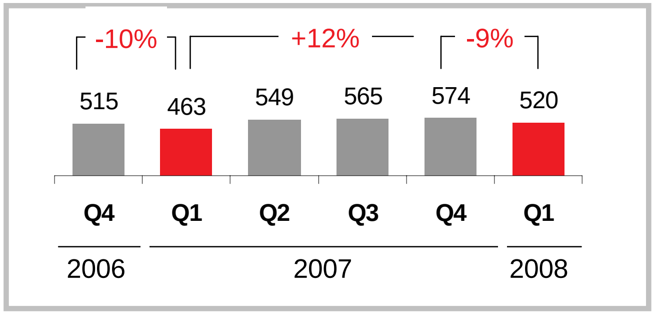
Profitable growth in a rapidly developing market

Uzbekistan operating indicators

ARPU (USD)



MOU (min)



APPM (US¢)	2.3	**2.2**	1.9	1.9	1.7	**1.6**
Subs (mln)	1.4	**1.7**	1.9	2.3	2.8	**3.6**

ARPU decline related to adoption of MTS Group six-month churn policy

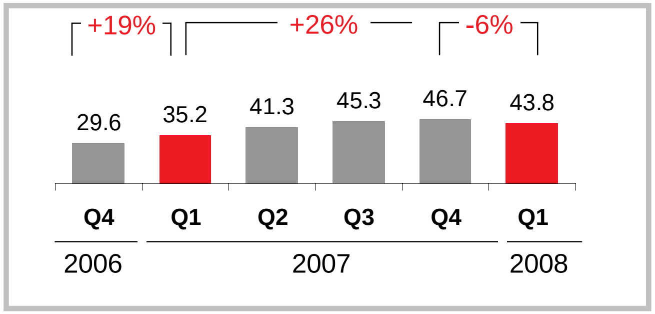
MOU impacted by change in churn policy and lower seasonal usage

Operating indicators remain strong in a expanding market

Turkmenistan financial highlights*

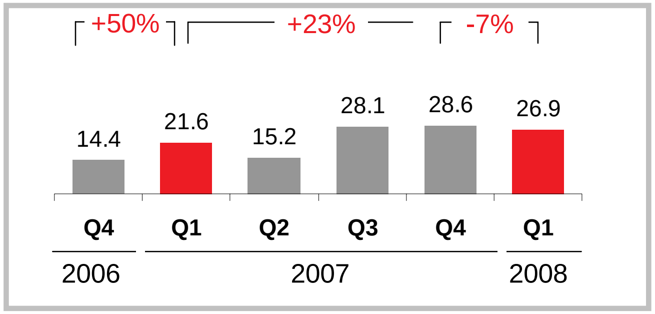
Total Turkmenistan Revenue

(USD mln)



Total Turkmenistan OIBDA

(USD mln)



OIBDA Margin	48.5%	**61.2%**	36.8%	62.0%	61.4%	**61.6%**

Revenue growth affected by change in official exchange rate*

Slight decrease in OIBDA on the back of revenue decline during the quarter and a rise in the sales and marketing expenses

*** On January 1, 2008, the Central Bank of Turkmenistan raised the official exchange rate of the Turkmenistan Manat to the US dollar from 5,200 to 6,250. On May 1, 2008, another decree was passed that established the official exchange rate at 14,250 Manat per 1 USD.**

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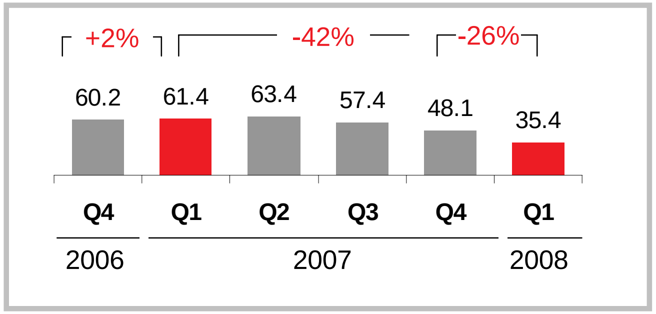
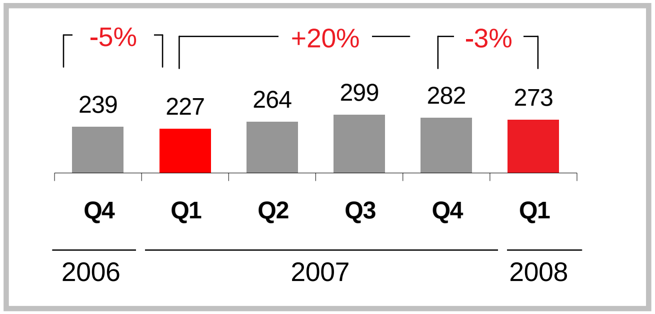
Turkmenistan operating indicators*

ARPU (USD)



MOU (min)



APPM (US¢)	25.2	**27.0**	24.0	19.2	17.1	**13.0**
Subs (thou)	183.8	**198.7**	235.2	289.3	356.3	**465.8**

Subscriber growth having a dilutive effect on ARPU with incoming low ARPU mass market subscribers

Decline in MOU caused by rising prices on consumer goods curbing subscribers' spending on wireless services

Company's market share remains high at 85% with strong subscriber growth

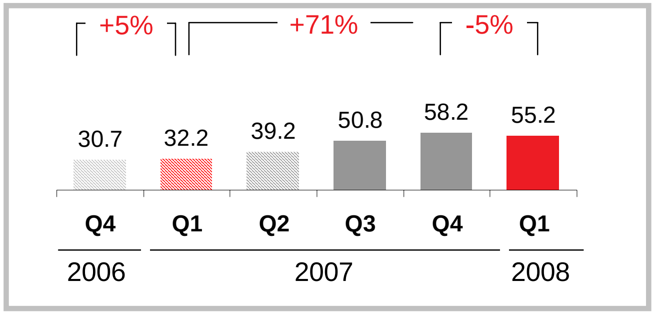
*** On January 1, 2008, the Central Bank of Turkmenistan raised the official exchange rate of the Turkmenistan Manat to the US dollar from 5,200 to 6,250. On May 1, 2008, another decree was passed that established the official exchange rate at 14,250 Manat per 1 USD.**

Measured growth as MTS' network expands

Armenia financial and operating highlights*

Total Armenia Revenue

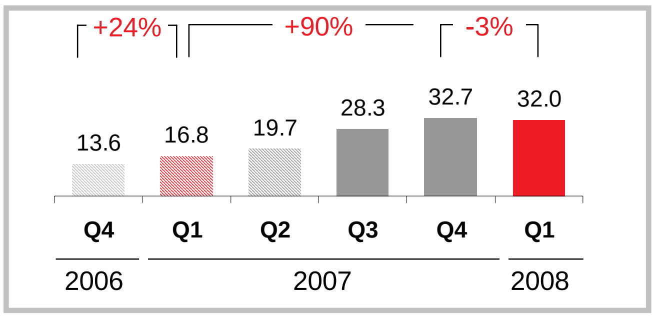
(USD mln)



Revenue decline due to lower seasonal usage

Total Armenia OIBDA

(USD mln)



OIBDA margin improvement through effective management of costs

	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
OIBDA Margin	44.3%	**52.1%**	50.2%	56.1%	56.2%	**57.9%**
Subs (mln)**					1.4	**1.4**
ARPU (USD)**					15.8	**12.8**

Based on unaudited management reports

Consolidated as of September 14th, 2007

****Operational indicators like ARPU, MOU and subscriber data not available until Q4 when MTS Armenia adopted MTS Group policies on calculating figures and accounting for subscribers**

Contents

MTS

Group revenue

Revenue contribution per country

in USD mln	Q1'07	Q4'07	Q1'08
Russia	1 309.0	1 723.4	1 797.7
- contribution	*75.2%*	*74.1%*	*75.6%*
Ukraine	351.0	425.3	408.8
- contribution	*20.2%*	*18.3%*	*17.2%*
Uzbekistan	49.1	76.6	79.4
- contribution	*2.8%*	*3.3%*	*3.3%*
Turkmenistan	35.2	46.7	43.8
- contribution	*2.0%*	*2.0%*	*1.8%*
Armenia*	-	58.2	55.2
- contribution	-	*2.5%*	*2.3%*
Intercompany	(2.9)	(3.9)	(5.6)
Group revenue	**1 741.4**	**2 326.4**	**2 379.2**

* Consolidated as of September 14th, 2007

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Group OIBDA

OIBDA and margin per country

in USD mln	Q1'07	Q4'07	Q1'08
Russia	681.9	822.0**	877.4
- margin	*52.1%*	*47.7%*	*48.8%*
Ukraine	168.4	194.8	190.1
- margin	*48.0%*	*45.8%*	*46.5%*
Uzbekistan	31.3	48.7	49.1
- margin	*63.7%*	*63.6%*	*61.8%*
Turkmenistan	21.6	28.6	26.9
- margin	*61.2%*	*61.4%*	*61.6%*
Armenia*	-	32.7	32.0
- margin	-	*56.2%*	*57.9%*
Group	**903.1**	**1 126.9**	**1 175.5**
- margin	***51.9%***	***48.4%***	***49.4%***

* Consolidated as of September 14th, 2007
** Including intercompany of $0.4 mln

MTS

Group net income

Quarterly net income and margin per country

in USD mln	Q1'07	Q4'07	Q1'08
Russia	362.2	343.7	494.4
- margin	*27.7%*	*20.0%*	*27.5%*
Ukraine	63.8	75.5	86.5
- margin	*18.2%*	*17.7%*	*21.2%*
Uzbekistan	16.8	31.0	32.2
- margin	*34.3%*	*40.4%*	*40.5%*
Turkmenistan	5.6	2.8	13.3
- margin	*15.9%*	*6.1%*	*30.3%*
Armenia*	-	7.3	(16.2)
- margin	-	*12.5%*	-
Group	**448.6**	**460.3**	**610.2**
- margin	***25.8%***	***19.8%***	***25.6%***

*Consolidated as of September 14th, 2007

Group CAPEX

CAPEX per country

in USD mln	Q1'07	Q4'07	Q1'08
Russia	110.3	490.1	204.8
- as % of revenue	*8.4%*	*28.4%*	*11.4%*
Ukraine	109.5	168.9	108.8
- as % of revenue	*31.2%*	*39.7%*	*26.6%*
Uzbekistan	2.7	12.6	11.3
- as % of revenue	*5.5%*	*16.4%*	*14.2%*
Turkmenistan	1.4	27.2	15.5
- as % of revenue	*4.0%*	*58.3%*	*35.3%*
Armenia*	-	14.0	2.0
- as % of revenue	-	*24.0%*	*3.7%*
Group	**223.9**	**712.9**	**342.4**
- as % of revenue	***12.9%***	***30.6%***	***14.4%***

* Consolidated as of September 14th, 2007

MTS

Russia: operating indicators

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU	8.2	10.0	10.0
Post-paid ARPU*	28.0	26.1	24.3
Pre-paid ARPU*	4.4	5.1	5.1
ARPU ex guest roaming	8.0	9.9	9.9
ARPU from VAS	1.1	1.2	1.4
VAS as % of ARPU	13%	12%	14%
Minutes of Usage (MOU)	134	187	193
Post-paid MOU	456	569	563
Pre-paid MOU	98	139	143
SAC per gross new subscriber	26.2	26.6	29.5
Dealer commission	12.7	11.5	15.9
Advertising & marketing	13.5	15.1	13.6
Churn	6.1%	5.1%	4.8%

*Does not include guest roaming or interconnect

MTS

Ukraine: operating indicators

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU	5.7	7.1	6.8
Post-paid ARPU	30.3	32.9	32.3
Pre-paid ARPU	3.7	4.7	4.5
ARPU ex guest roaming	5.6	6.9	6.7
ARPU from VAS	0.7	0.8	0.9
VAS as % of ARPU	13%	11%	13%
Minutes of Usage (MOU)	135	163	175
Post-paid MOU	398	466	468
Pre-paid MOU	114	135	149
SAC per gross new subscriber	11.2	12.7	13.8
Dealer commission	3.4	4.2	3.4
Advertising & marketing	5.6	6.0	8.4
Handset subsidy	0.6	1.1	0.6
SIM card & voucher cost	1.5	1.4	1.4
Churn	7.8%	14.4%	10.3%

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Uzbekistan and Turkmenistan: operating indicators

Uzbekistan

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU*	10.3	10.0	8.3
Minutes of Usage (MOU)*	463	574	520
SAC per gross new subscriber*	4.1	4.8	7.0
Churn*	16.8%	13.5%	2.8%

*The Company moved from a 2-month to a 6-month churn policy in Q1'08

Turkmenistan

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU	61.4	48.1	35.4
Minutes of Usage (MOU)	227	282	273
SAC per gross new subscriber	47.7	19.7	14.8
Churn	6.1%	5.5%	5.0%

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Armenia and Belarus: operating indicators

Armenia*

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU	n/a	15.8	12.8
Minutes of Usage (MOU)	n/a	n/a	n/a
SAC per gross new subscriber	n/a	15.2	26.7
Churn	n/a	10.1%	8.0%

* Consolidated as of September 14th, 2007

Belarus

US$ unless noted	Q1'07	Q4'07	Q1'08
ARPU	9.3	8.8	8.1
Minutes of Usage (MOU)	423	500	508
SAC per gross new subscriber	14.9	16.3	14.8
Churn	6.8%	5.6%	5.1%

MTS owns a 49% stake in Mobile TeleSystems LLC, a mobile operator in Belarus, which is not consolidated

Reconciliation

MTS

Non-GAAP financial measures. **This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.**

Return on Invested Capital (ROIC) **is measured as (net income + interest expense + depreciation expense) / closing (equity + minority interest + long-term financial obligations).**

Operating Income Before Depreciation and Amortization (OIBDA)**. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. OIBDA may not be similar to OIBDA measures of other companies, is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. OIBDA can be reconciled to our consolidated statements of operations as follows:**

US$ mln	Q1 2007					Q4 2007						Q1 2008					
	Group	RUS	UKR	UZB	TUR	Group	RUS	UKR	UZB	TUR	ARM*	Group	RUS	UKR	UZB	TUR	ARM*
Operating income	597.2	463.6	92.9	23.6	17.2	643.8	469.3	106.7	35.2	22.9	9.7	704.6	562.5	85.4	35.1	21.9	(0.3)
Add: depreciation and amortization	305.9	218.3	75.5	7.7	4.4	483.0	352.7	88.1	13.5	5.7	23.0	470.9	314.9	104.8	13.9	5.1	32.2
OIBDA	903.1	681.9	168.4	31.3	21.6	1126.9	822.0**	194.8	48.7	28.6	32.7	1175.5	877.4	190.1	49.1	26.9	32.0

* Consolidated as of September 14th, 2007

** Including intercompany of $0.4 mln

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

	Q1 2007					Q42007						Q1 2008					
	Group	RUS	UKR	UZB	TUR	Group	RUS	UKR	UZB	TUR	ARM*	Group	RUS	UKR	UZB	TUR	ARM*
Operating margin	34.3%	35.4%	26.5%	48.0%	48.8%	27.7%	27.2%	25.1%	45.9%	49.1%	16.7%	29.6%	31.3%	20.9%	44.3%	50.0%	(0.5%)
Add: depreciation and amortization as a percentage of revenues	17.6%	16.7%	21.5%	15.7%	12.4%	20.7%	20.5%	20.7%	17.6%	12.3%	39.5%	19.8%	17.5%	25.6%	17.6%	11.6%	58.5%
OIBDA margin	51.9%	52.1%	48.0%	63.7%	61.2%	48.4%	47.7%	45.8%	63.6%	61.4%	56.2%	49.4%	48.8%	46.5%	61.8%	61.6%	57.9%

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

	As of Dec 31, 2007	As of Mar 31, 2008
Current portion of LT debt and of capital lease obligations	713.3	466.1
LT debt	2686.5	2607.5
Capital lease obligations	1.9	2.5
Total debt	3401.7	3076.2
Less:		
Cash and cash equivalents	(634.5)	(552.5)
ST investments	(15.8)	(15.8)
Net debt	2751.4	2507.9

FCF can be reconciled to our consolidated balance sheets as follows:

US$ mln	For the three months ended Mar 31, 2007	For the three months ended Mar 31, 2008
Net cash provided by operating activities	736.1	991.5
Less:		
Purchases of property, plant and equipment	(206.5)	(281.0)
Purchases of intangible assets	(17.4)	(61.4)
Proceeds from sale of property, plant and equipment	-	23.2
Purchases of other investments	-	(21.2)
Investments in and advances to associates	-	-
Acquisition of subsidiaries, net of cash acquired	-	(19.4)
Free cash-flow	512.2	631.7

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

US$ mln	Year ended Dec 31, 2007	Three months ended Mar 31, 2007	Nine months ended Dec 31, 2007
	A	B	C=A-B
Net operating income	2733.8	597.2	2136.6
Add: depreciation and amortization	1489.6	305.9	1183.7
OIBDA	4223.4	903.1	3320.3
OIBDA for the three months ended March 31, 2008			1175.5
LTM OIBDA at March 31, 2008			4495.8

Contact information

For further information

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