

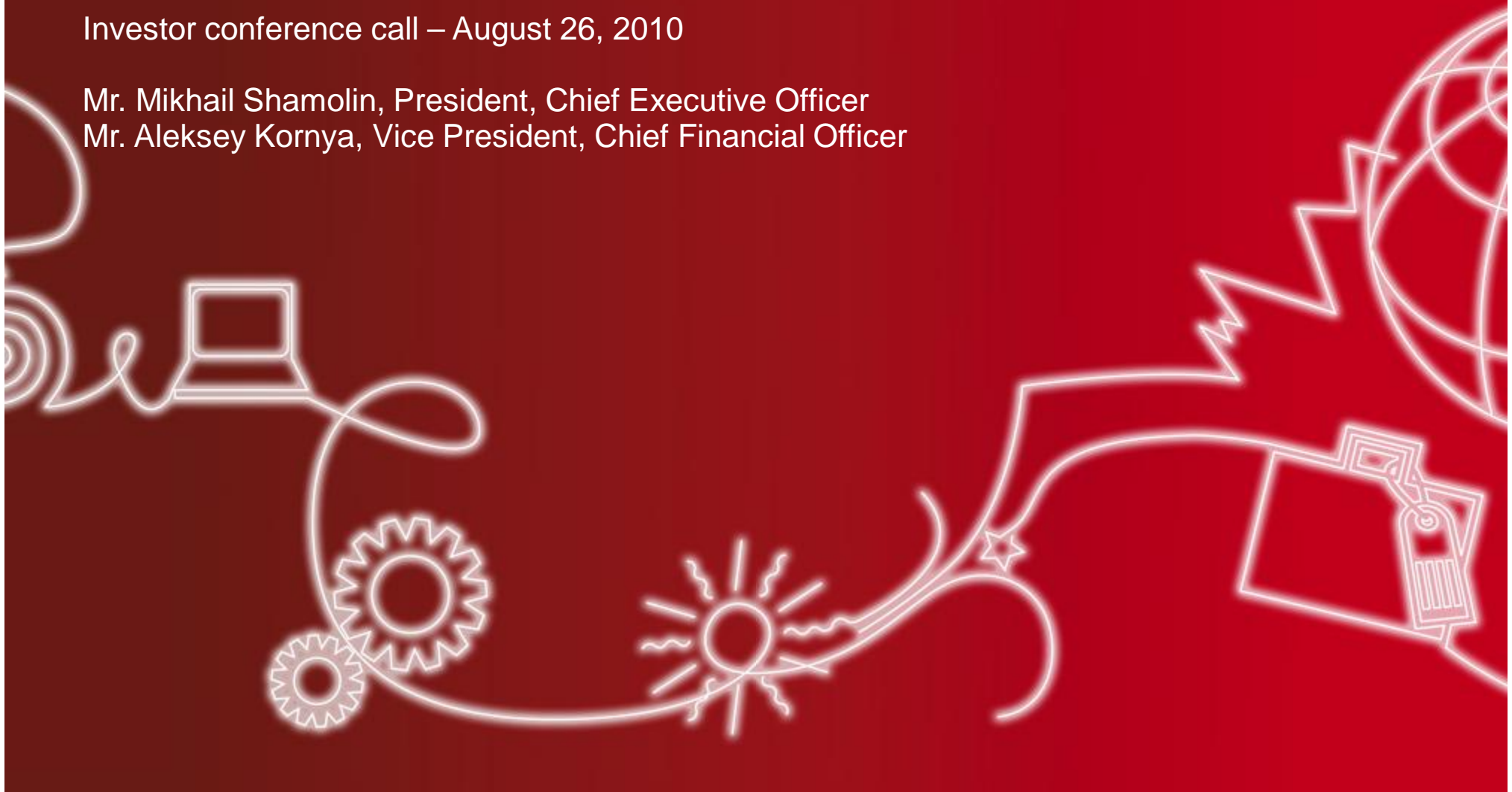
МТС оператор связи 

Group financial results for the second quarter year 2010

Investor conference call – August 26, 2010

Mr. Mikhail Shamolin, President, Chief Executive Officer

Mr. Aleksey Kornya, 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,” 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.

Contents

Financial and corporate highlights

Key financial and operating results

Appendix

- Group highlights for the period
- Group financial highlights
- Amendment of FY 2010 MTS Group Guidance
- Group balance sheet
- Debt obligations and composition
- Group subscriber base dynamics
- Development of MTS retail network
- Group CAPEX
- 3i Strategy

Group highlights for the second quarter 2010 and recent events

Q2 2010 highlights

- § Securing of financing from the Bank of Moscow in the amount of RUB 22 bln in April and further reduction of its annual interest rate from 10.25% to 8.99% in June
- § ADR ratio change from 1:5 to 1:2 ADR per common share effective May 3, 2010
- § Repurchase of Series 01, 02 and 03 ruble-denominated bonds
- § Approval of agreements signed in May by Comstar-UTS, MGTS Finance S.A. and OAO Rostelecom involving the sale of the 25%+1 share of OAO Svyazinvest to OAO Rostelecom for RUB 26 bln
- § Issuance of USD-denominated Loan Participation Notes in the amount of \$750 mln
- § Approval of recommended dividend for FY 2009 of RUB 30.70 bln (\$999.3 mln) or RUB 15.40 per ordinary share (\$1.00 per ADR*) by the Company's Annual General Meeting of Shareholders

Thereafter

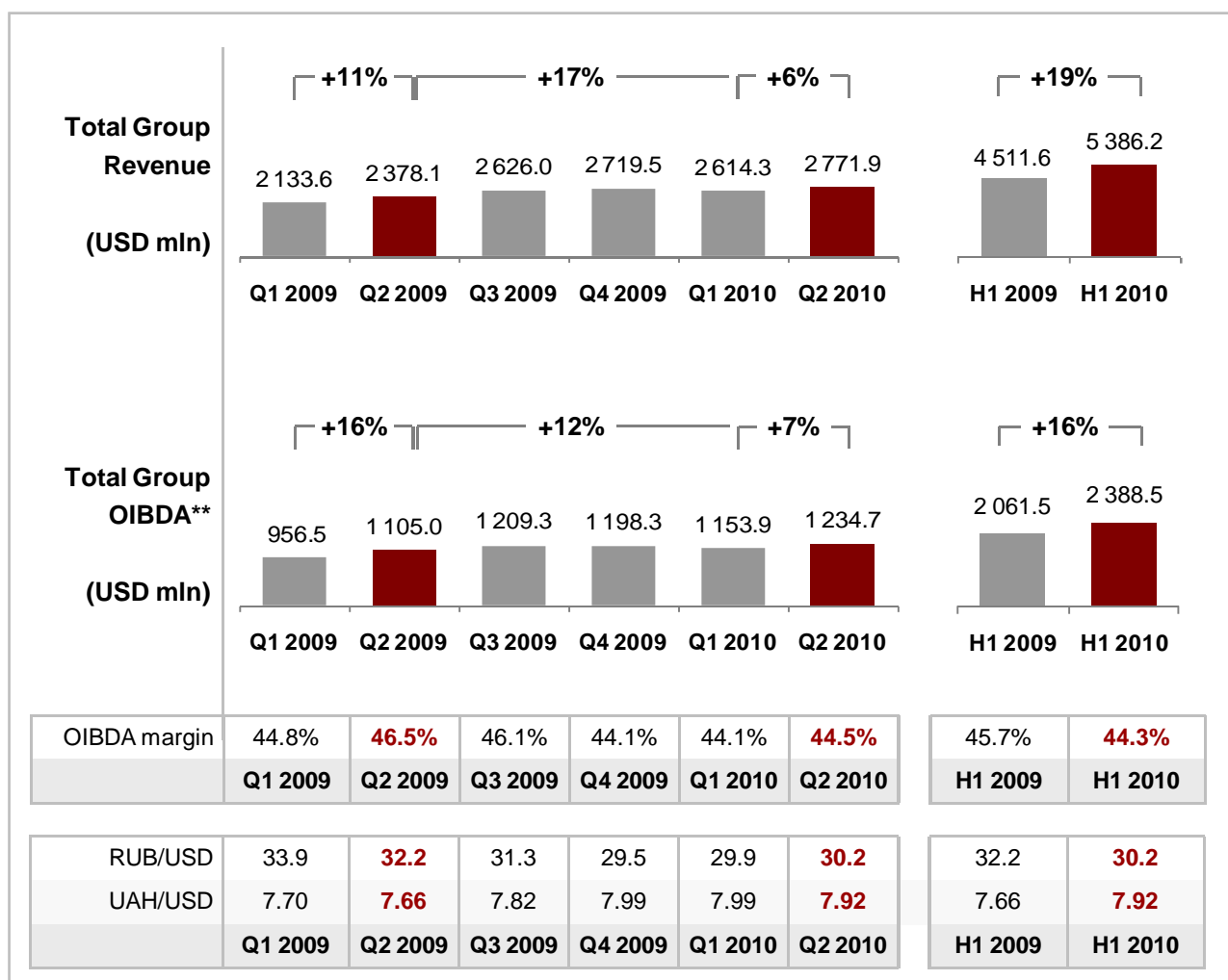
- § Securing of vendor financing in the amount of EUR 300 mln backed by Finnvera
- § Approval of the merger of MTS and Comstar-UTS by the respective Boards of Directors and launch of the Voluntary Tender Offer to acquire up to 9% of Comstar-UTS' ordinary shares
- § Acquisition of a 100% stake in Multiregion, one of the leading groups of broadband and cable TV providers in the Russian regions

Market commentary

- § MTS continues to see sustained macroeconomic volatility in its markets of operations that may impact the financial and operational performance throughout the Group

* According to the Russian Central Bank exchange rate of 30.7193 RUB/USD as of May 11, 2010. The dividend amount is set in Russian rubles by the Board of Directors; U.S. dollar amounts provided for reference using the foreign exchange rates as of May 11, 2010.

Group financial highlights*



§ Growth in Group revenue due to a positive seasonal increase in usage

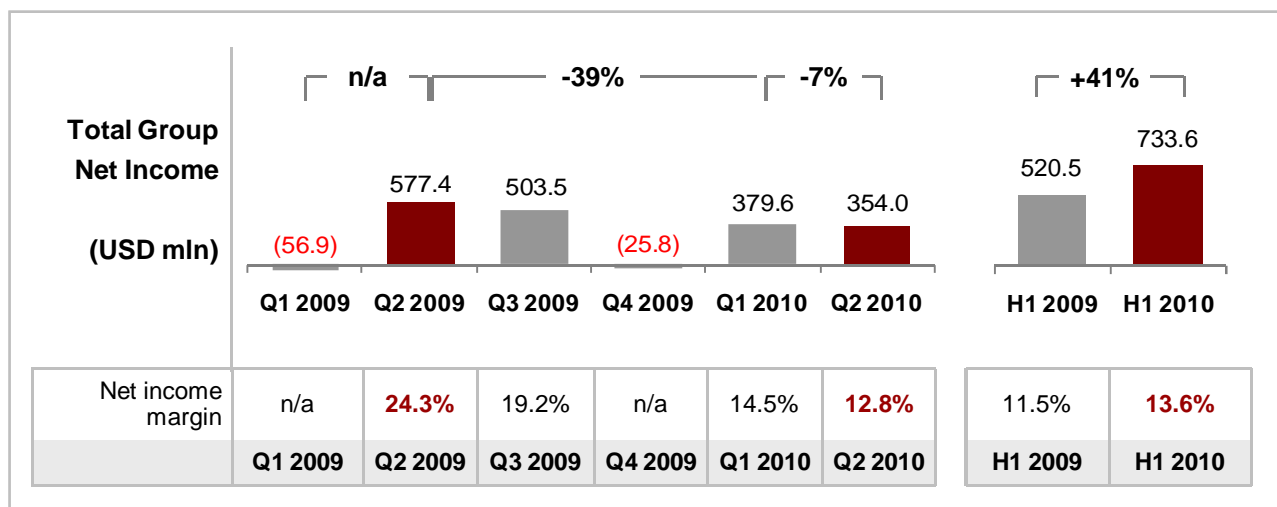
§ OIBDA increase is in line with overall revenue growth

§ Group margin for the period reduced by 1pp due to a change in the fair value of a contingent consideration of Telefon.Ru and Eldorado, retail chains acquired in 2009

* Figures were retrospectively restated, please see appendix for complete details

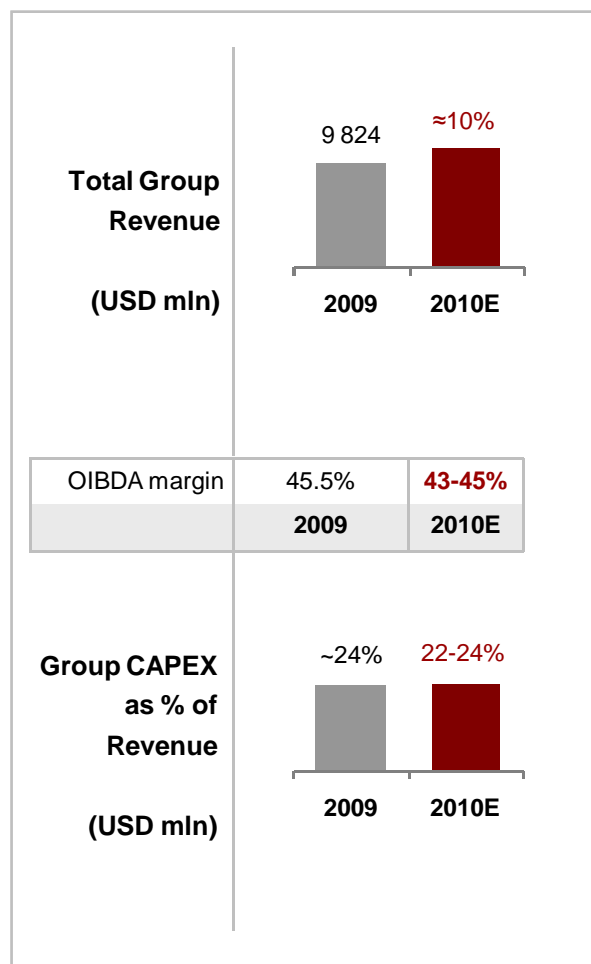
** OIBDA represents operating income before depreciation & amortization, impairment of long-lived assets and goodwill and acquisition related costs.

Group financial highlights



§ Depreciation of the Russian ruble versus the US dollar resulted in a non-cash currency exchange loss of \$57 mln that negatively impacted the bottom line

Amendment of FY 2010 MTS Group Guidance*



*Based on regional currency FOREX rates compared to the US dollar as of June 30, 2010

§ MTS raises revenue guidance for MTS Group to roughly 10% for 2010.

This is predicated on:

- Continued macroeconomic improvement;
- The impact of retail on our top-line revenue growth;
- Sustained increases in usage across all product lines and segments in our Russian business;
- The impact of our recent acquisitions of Eurotel and Multiregion on our business;
- Modest growth in Ukraine; and
- The further development of our networks in our foreign subsidiaries.

§ The guidance for OIBDA margin of 43 – 45% and CAPEX as percent of revenue of 22-24% remains unchanged based on growth of MTS' proprietary retail sales in Russia, competition in MTS' markets of operation and planned investments in LD/ILD and 3G networks

- Final CAPEX figure will depend upon factors including currency volatility, vendor terms, project implementation schedules and other developments MTS cannot accurately predict

Group balance sheet*

Balance sheet (USD mln unless noted)	As of Dec 31, 2009	As of Jun 30, 2010
Cash and cash equivalents	\$2 523.2	\$2 433.5
Short-term investments	\$204.8	\$454.2
Total debt	\$8 350.2	\$7 267.4
Long-term debt	\$6 327.7	\$5 549.5
Short-term debt	\$2 022.5	\$1 717.9
Net debt**	\$5 622.2	\$4 379.7
Shareholders' equity	\$4 350.7	\$4 085.7
Total assets	\$15 749.4	\$15 315.9
LTM OIBDA**	\$4 469.2	\$4 796.2
Net debt/assets	0.4x	0.3x
Net debt/equity	1.3x	1.1x
Net debt/LTM OIBDA**	1.3x	0.9x

§ \$2.4 bln in cash at the end of Q2 2010 in anticipation of further debt repayments and additional corporate needs

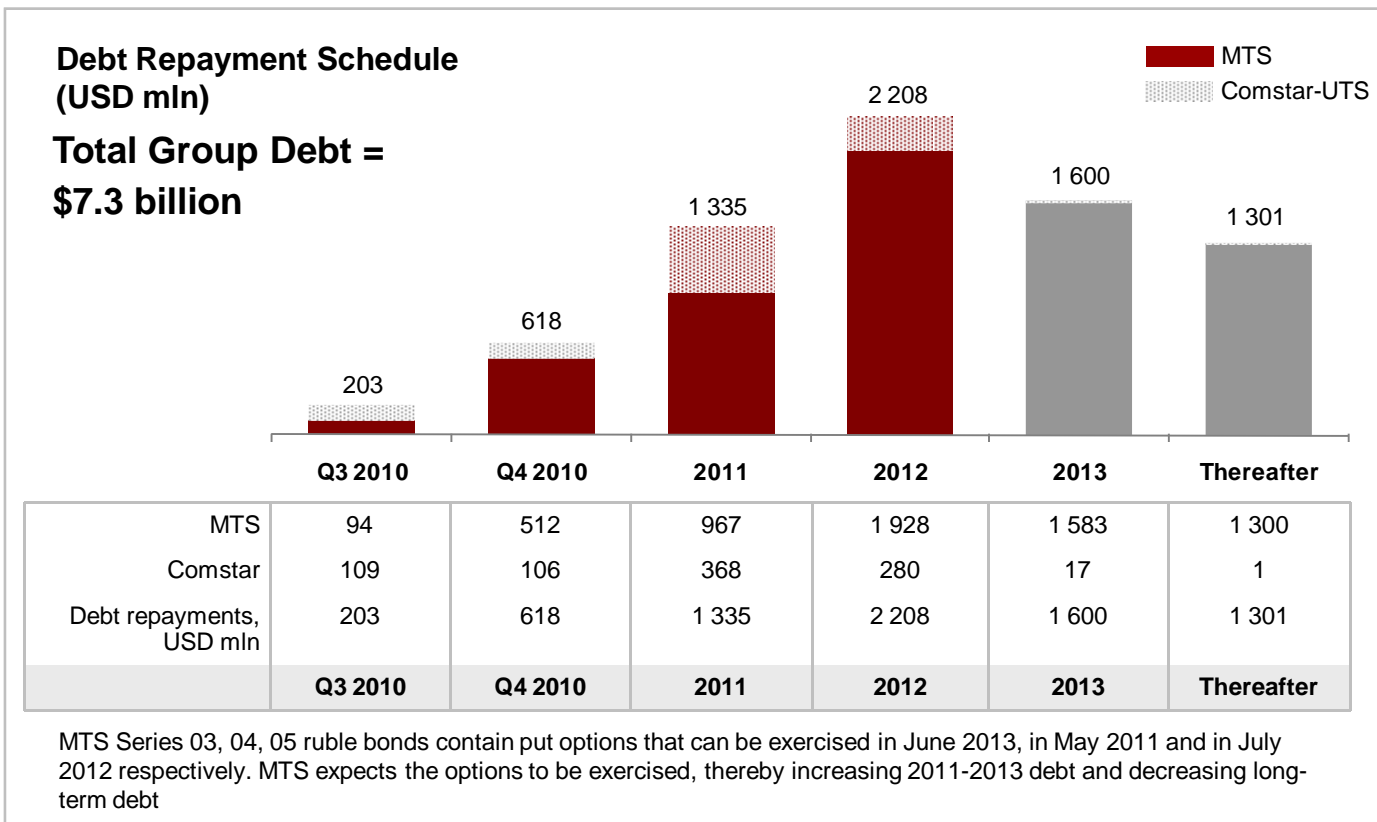
§ Free cash flow** positive in H1 2010 with over \$1.0 bln

§ Decrease in leverage since the beginning of the year through continued optimization of Company's debt portfolio and repurchase of higher-priced debt

* Figures were retrospectively restated, please see appendix for complete details

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

Debt obligations at the end of Q2 2010



§ In April 2010 MTS repurchased Series 01 ruble-denominated bond in the amount of RUB 7.1 bln and Series 02 ruble-denominated bond in the amount of RUB 6.3 bln; in June MTS repurchased Series 03 ruble-denominated bond in the amount of RUB 179.5 mln

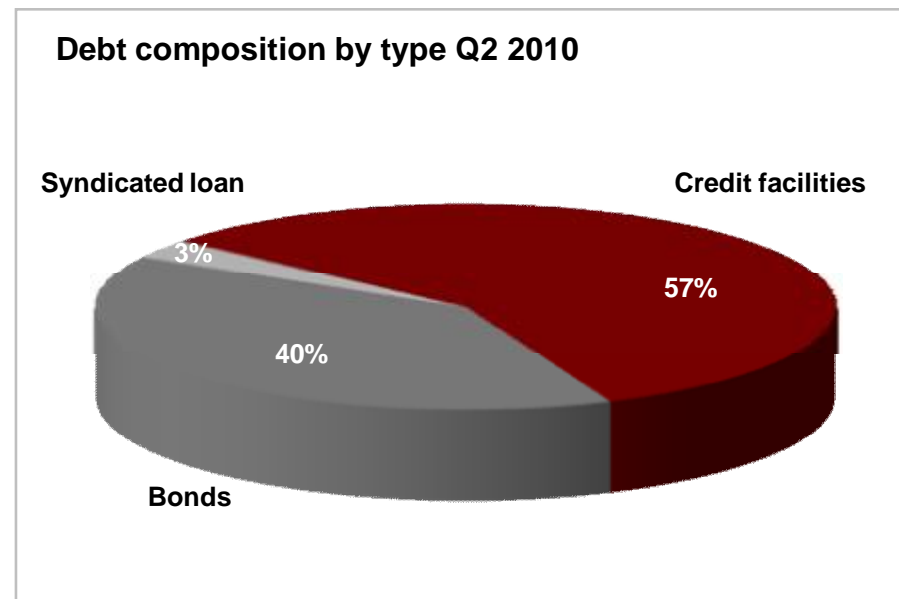
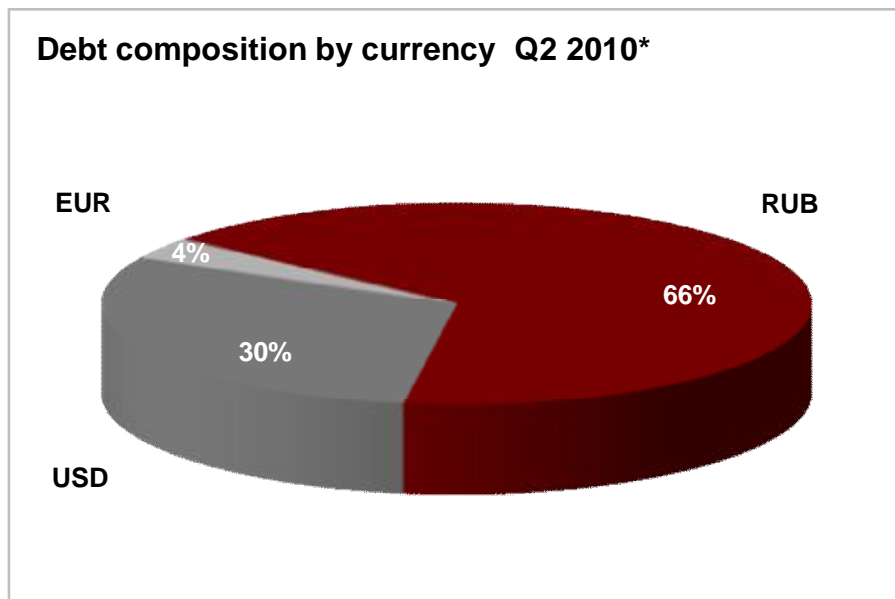
§ In April and May 2010 MTS signed a credit agreement with the Bank of Moscow in the amount of RUB 22 bln, as well as voluntarily repaid RUB 6 bln of a Sberbank loan and EUR 413 mln EBRD, NIB, EIB loan*

§ In June 2010 MTS issued USD-denominated Loan Participation Notes in the amount of \$750 mln with an annual interest rate of 8.625% and a maturity in June 2020

§ In July 2010 MTS secured vendor financing of EUR 300 mln backed by Finnvera, Finland's export credit agency

* European Bank for Reconstruction and Development (EBRD), Nordic Investment Bank (NIB), European Investment Bank (EIB)

Debt composition at the end of Q2 2010



- § Maintaining a balanced currency structure of liabilities with a preference for ruble-denominated funding
- § FY 2010 maturities of credit lines and Eurobond'10 may provide MTS with additional opportunities to balance its currency exposure
- § USD portion of the Company's debt increased from 20% in Q1 2010 to 30% in Q2 2010 following placement of 10-year Loan Participation Notes in the amount of \$750 mln and repurchase of ruble bonds in the amount of RUB 13.6 bln; attracting long-term financing is one of the main goals of the Company's financial strategy

* Debt composition by currency includes FOREX hedging in the amount of \$331 mln as of Q2 2010

Group subscriber base dynamics during the quarter

MTS subscribers (mln unless noted)	Q1 2010	Q2 2010	% change
Russia:			
- mobile	69.08	69.42	0.5%
- households passed, 000s	7 756	7 942	2.4%
- broadband Internet, 000s	1 359	1 437	5.7%
- pay TV, 000s	2 122	2 176	2.5%
Ukraine	17.35	17.52	1.0%
Uzbekistan**	7.38	7.59	2.8%
Turkmenistan	1.90	2.17	14.1%
Armenia	2.11	2.13	0.9%
Belarus***	4.57	4.58	0.2%
Total mobile	102.38	103.41	1.0%

§ Leading position in Russia maintained with a 33%* share of the mobile market

§ Acquisition of Multiregion will help further boost MTS' position in the fixed access space

§ Subscriber growth in each of the Company's markets of operation

§ Relatively underpenetrated CIS markets continue to provide opportunities for further growth

* According to AC&M-Consulting as of June 30, 2010

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

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

Development of MTS retail network and handset distribution

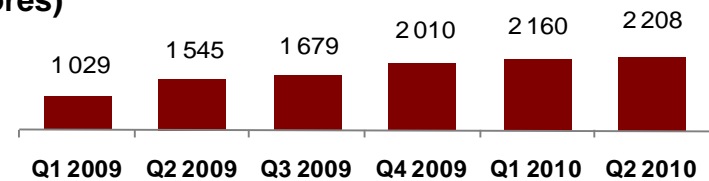
MTS retail network

- § Continued development of own retail network with the opening of 48 new stores during the quarter
- § Launch of 7 flagship stores in Moscow and 3 in the regions bringing the total to 18 stores in Russia
- § Introduction of bundled products with Comstar offering mobile and fixed Internet access at attractive prices

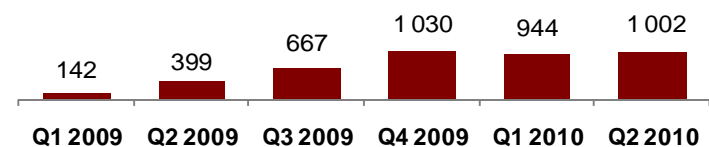
Device distribution

- § Further strengthening of MTS' market share in handset sales with 13.7%** at the end of Q2 2010
- § Expansion of MTS-branded handset portfolio with the launch of MTS QWERTY and MTS 535 models
- § Wider online distribution of devices with the launch of an Internet shop (<http://www.shop.mts.ru/>) in a number of regions in Russia
- § Continued promotional campaigns in partnership with the world's leading device manufacturers – exclusive rights to sell LG Cookie Plus and Nokia 2710
- § Launch of the BlackBerry 9700 model

MTS retail network development (MTS-owned stores)*

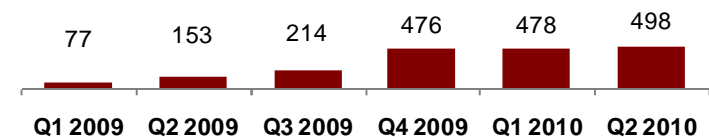


Handset sales through MTS retail network (000s)



Market share**	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
	2.4%	7.0%	9.1%	11.7%	13.1%	13.7%

MTS Connect modem and data tariff sales (000s)



*Does not include franchisee stores

**Market share in terms of number of handsets sold based on MTS estimates



Group CAPEX

CAPEX per country (in USD mln)	Q2 2009	Q1 2010	Q2 2010
Russia	267.9	178.4	248.0
Ukraine	83.2	40.5	36.5
Uzbekistan	136.0	23.9	18.9
Turkmenistan	13.9	4.3	8.4
Armenia	4.3	3.9	3.1
Group	505.3	251.1	314.9
- as % of revenue	21.2%	9.6%	11.4%

§ The Company expects CAPEX to increase in the second half of the year, and at this time maintains its previously stated guidance of a CAPEX-to-Sales ratio of 22-24% for the full year 2010

3i: MTS strategy

Strategic direction	Tactics	Key benefits
<p>Integration</p> <p>New pipelines and customer touch-points</p>	<ul style="list-style-type: none"> ▪ Seamless user experience for all segments ▪ Rapid broadband infrastructure (fixed/3G/LTE) deployment ▪ Integrated sales channels 	<p>Increasing customer lifetime value</p> <p>Generating shareholder returns</p>
<p>Internet</p> <p>Smarter pipelines to capture additional value</p>	<ul style="list-style-type: none"> ▪ Enhanced connectivity ▪ Compelling Internet user experience ▪ Best-in-class content apps and services 	
<p>Innovation</p> <p>Differentiation through product and service mix</p>	<ul style="list-style-type: none"> ▪ Delivery of exclusive devices ▪ Cutting-edge products and services for all customer segments ▪ End-to-end user experience at home, at work and on the move 	

Contents

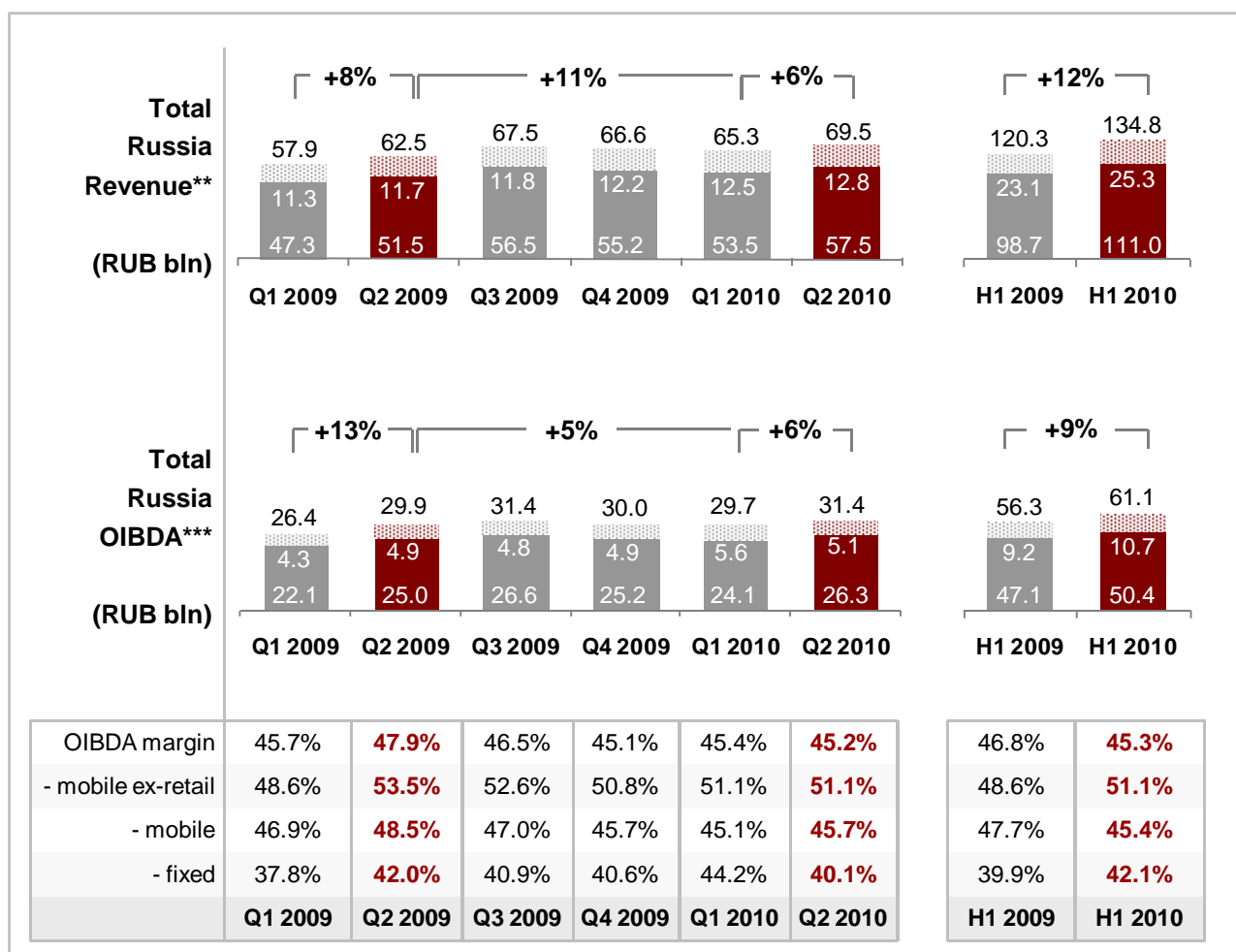
Financial and corporate highlights

Key financial and operating results

Appendix

- Russia
- Ukraine
- Uzbekistan
- Turkmenistan
- Armenia

Russia financial highlights*



§ Revenue increase due to strong seasonal factors

§ Increase in absolute OIBDA reflective of the revenue growth

§ Quarter over quarter improvement in mobile OIBDA margin with continued pressure from retail expansion

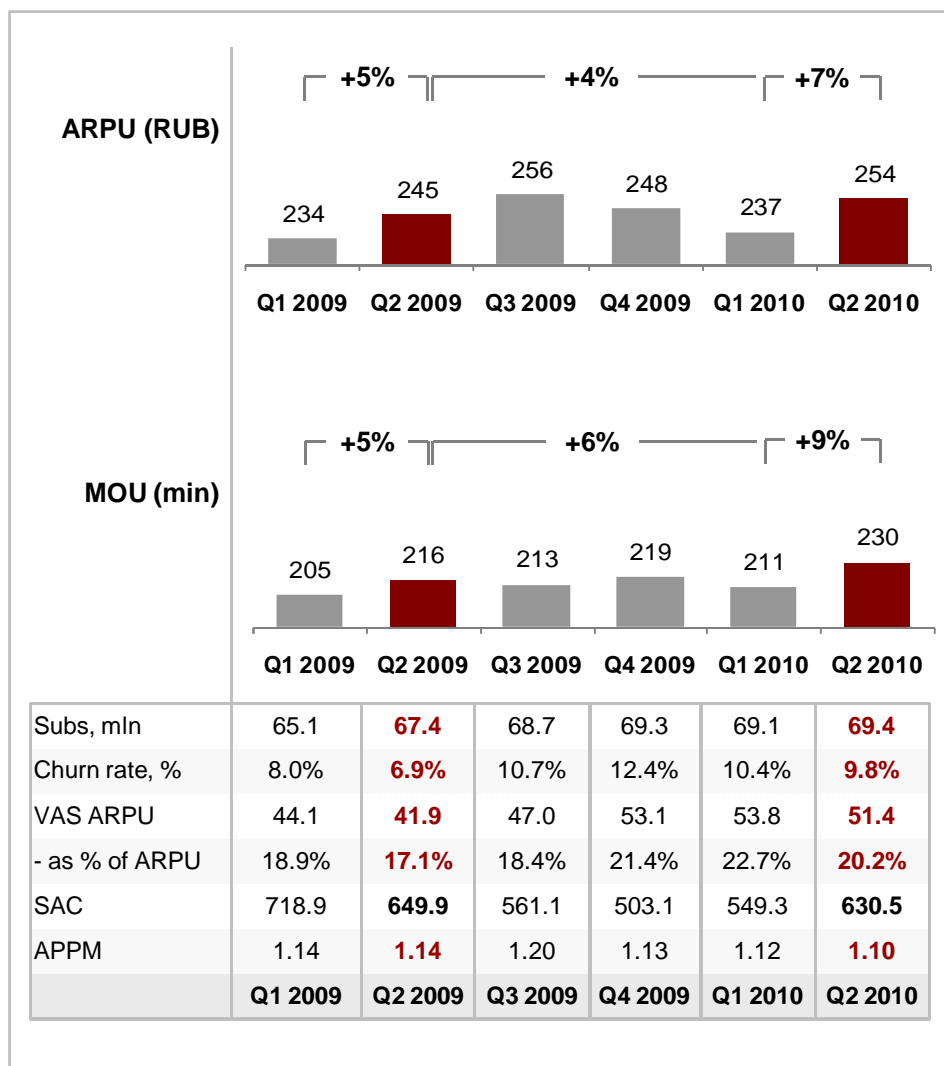
■ Mobile ■ Fixed

* Figures were retrospectively restated, please see appendix for complete details

** Gross of intercompany.

*** OIBDA represents operating income before depreciation & amortization, impairment of long-lived assets and goodwill and acquisition related costs.

Russia mobile operating indicators



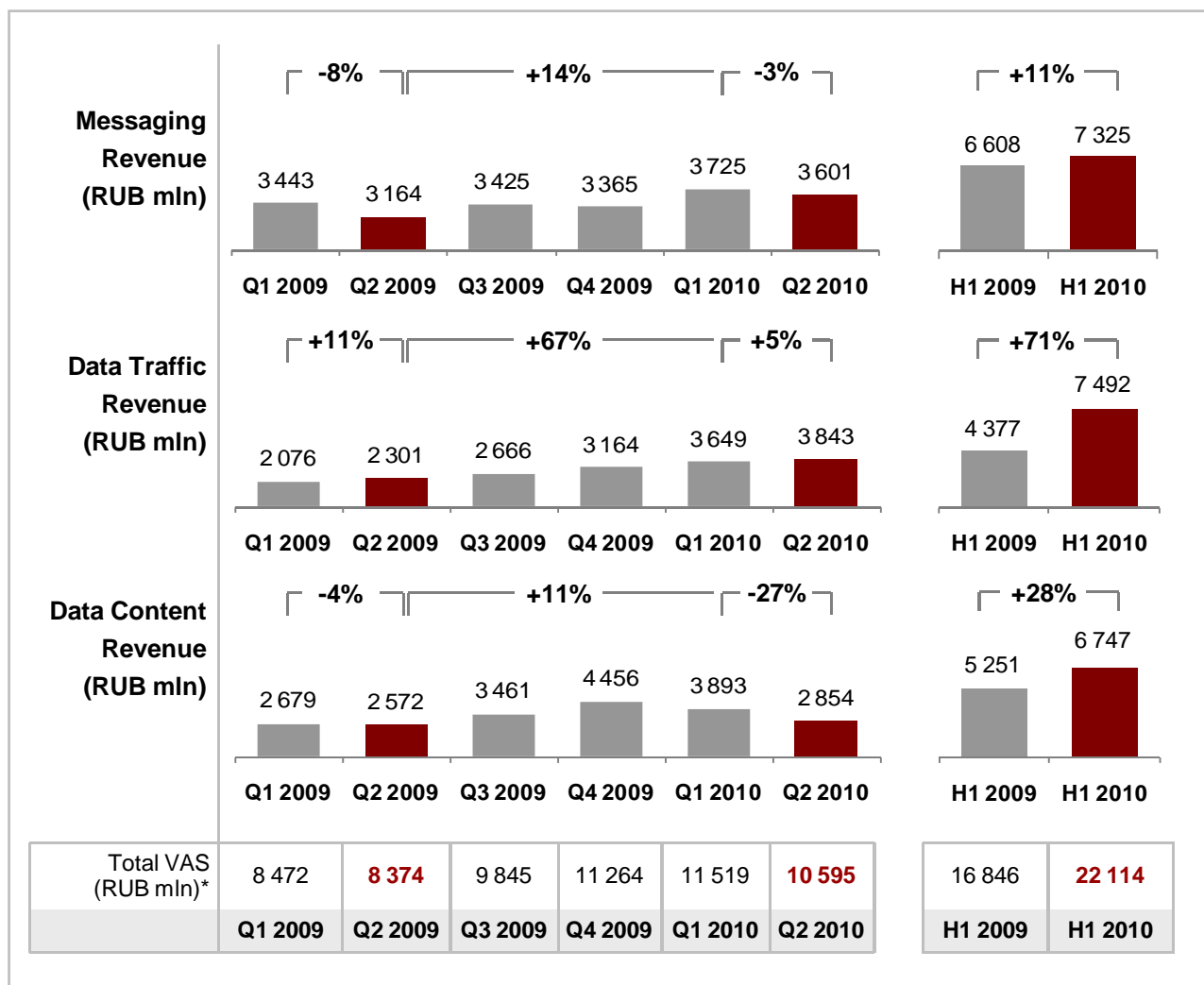
§ ARPU growth due to the increase in overall usage with consumption of higher-value products like roaming and long distance

§ Increase in MOU as result of positive seasonal factors

§ Improvement in the quarterly churn as Company continues to focus on subscriber quality and retention

§ Seasonal decrease in VAS revenues in Q2 2010 with traditionally lower contribution from messaging during the period

Russia mobile operating indicators*

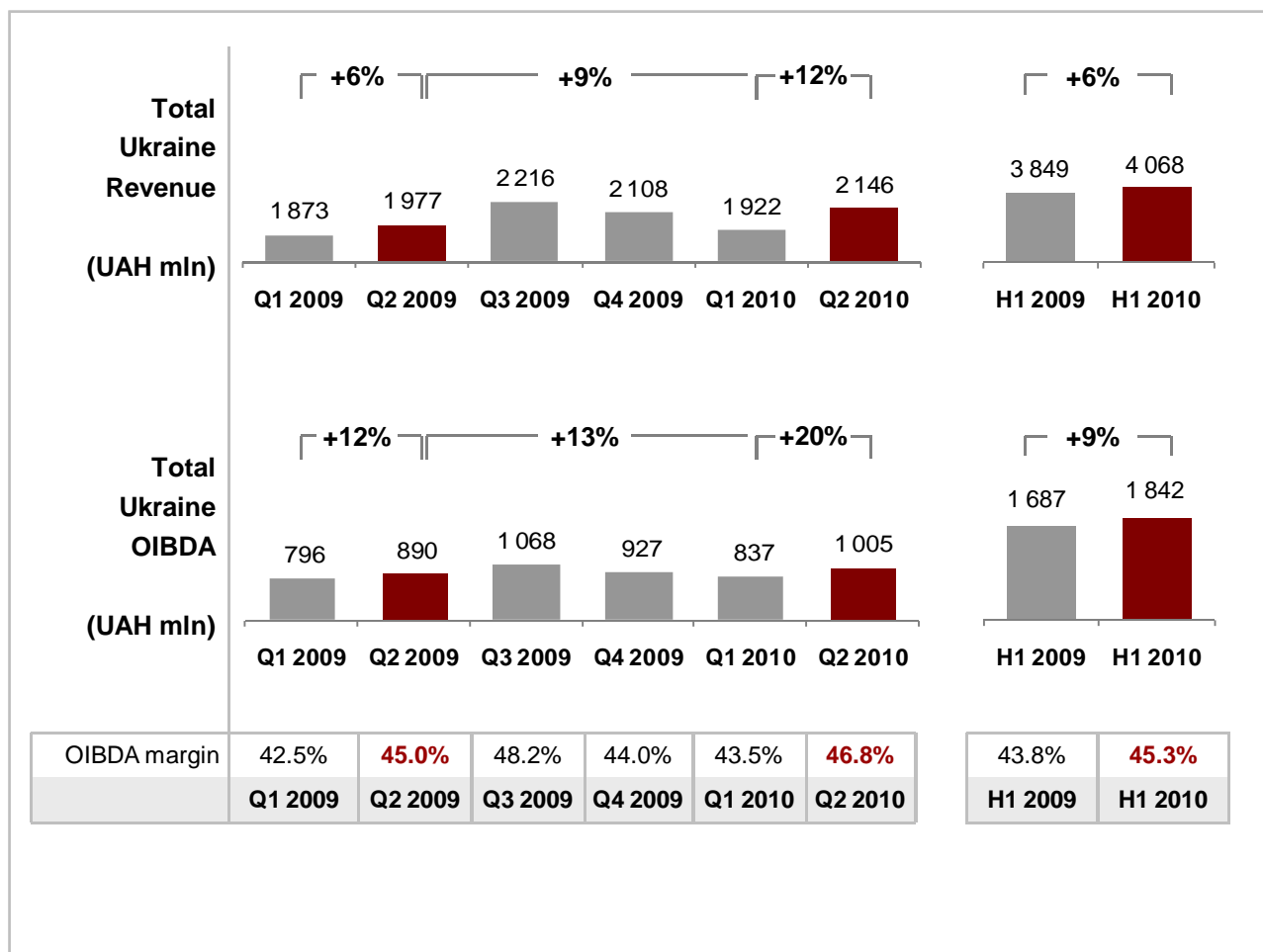


* Does not include revenue from SMS and data bundles, which is included in airtime revenue

Key initiatives in Q2:

- § Expansion of 3G networks both in Moscow and in the regions
- § Continued promotions of USB modems with the *MTS Connect-3* tariff plan
- § Launch of *Super Onliner* tariff plan geared towards mobile Internet users
- § Launch of mobile portal *0.facebook.com*
- § Partnership with a popular Russian social networking site *vKontakte* offering SMS alerts
- § Q2 2010 data content revenue lower due to effect of anti-fraud measures; future periods not likely to be impacted

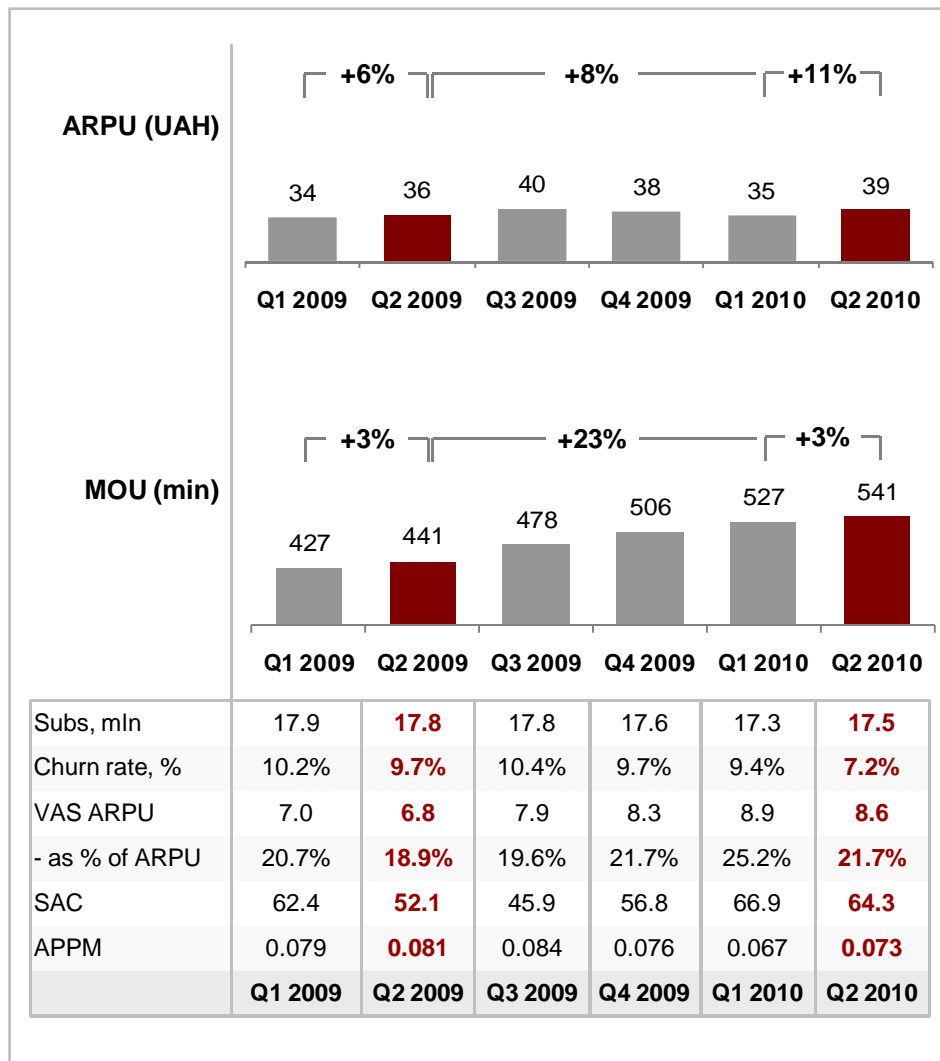
Ukraine financial highlights



§ Revenue performance reflects positive seasonal dynamics

§ OIBDA margin increase due to top-line growth and effective cost controls

Ukraine operating indicators



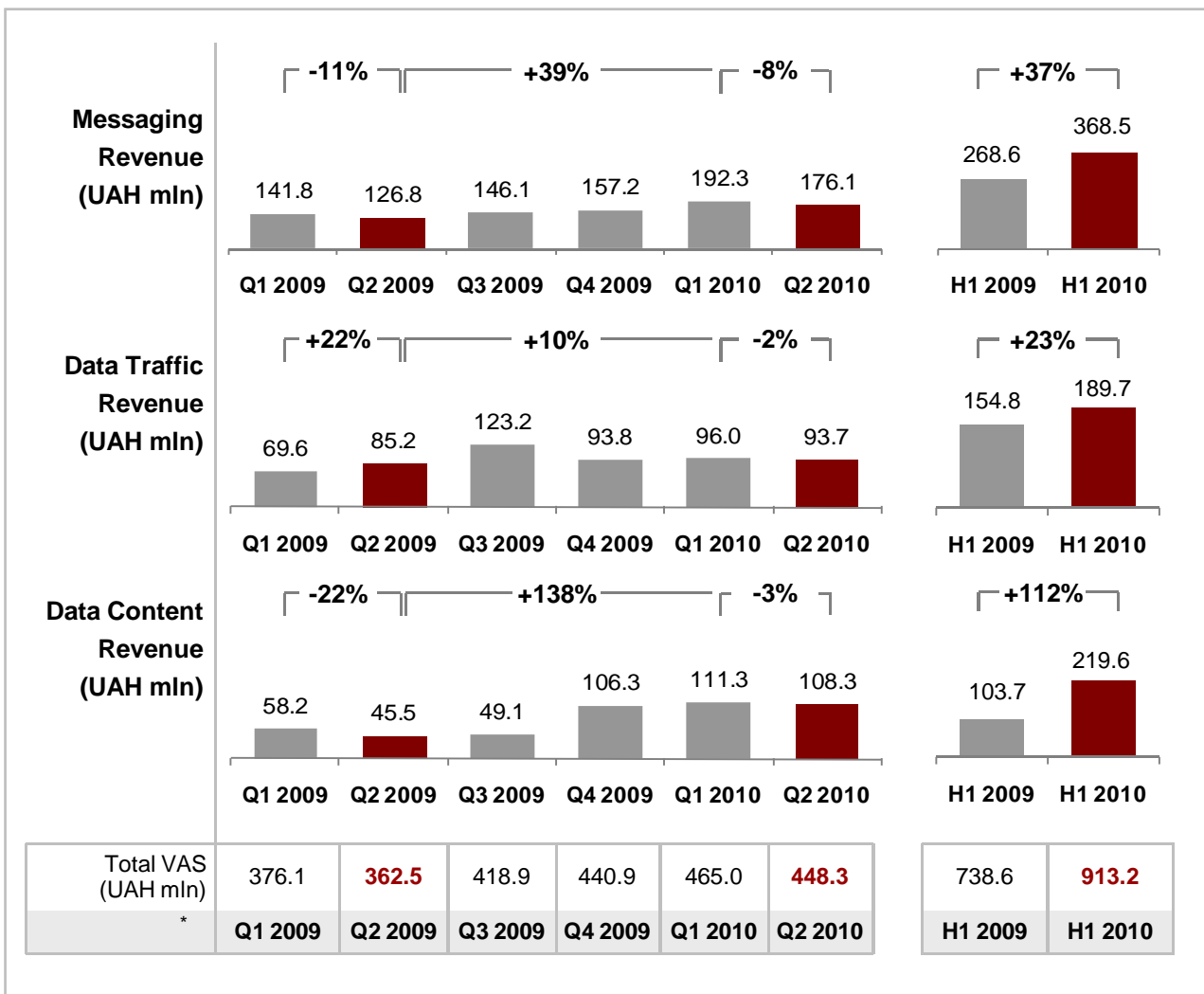
§ ARPU increase in Q2 2010 due to strong seasonal factors

§ Growth in usage driven by a seasonal increase in subscriber activity

§ Reduction of churn as result of initiatives aimed at strengthening quality of subscriber base

§ VAS contribution to ARPU decreased due to a seasonal decrease in SMS activity with fewer national holidays during the quarter

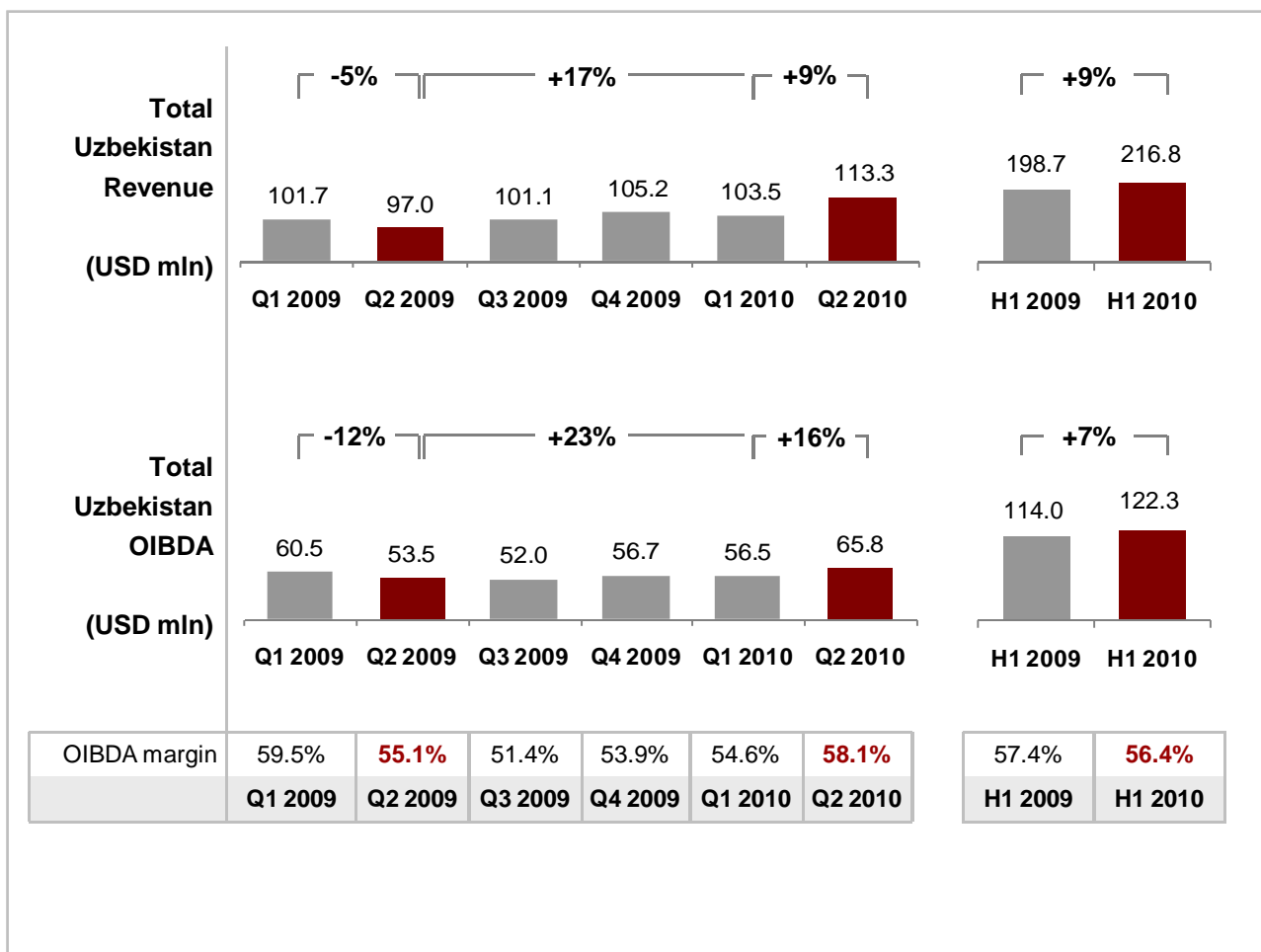
Ukraine operating indicators



Key initiatives in Q2:

- § Launch of *GOOD'OK as a gift* offer providing additional functionality for the popular RBT service
- § Special promotions around Easter holidays
- § Launch of new interactive services
- § New content offers surrounding the World Cup 2010, the Eurovision contest and other cultural events
- § New offers for the *MTS Click* applet users

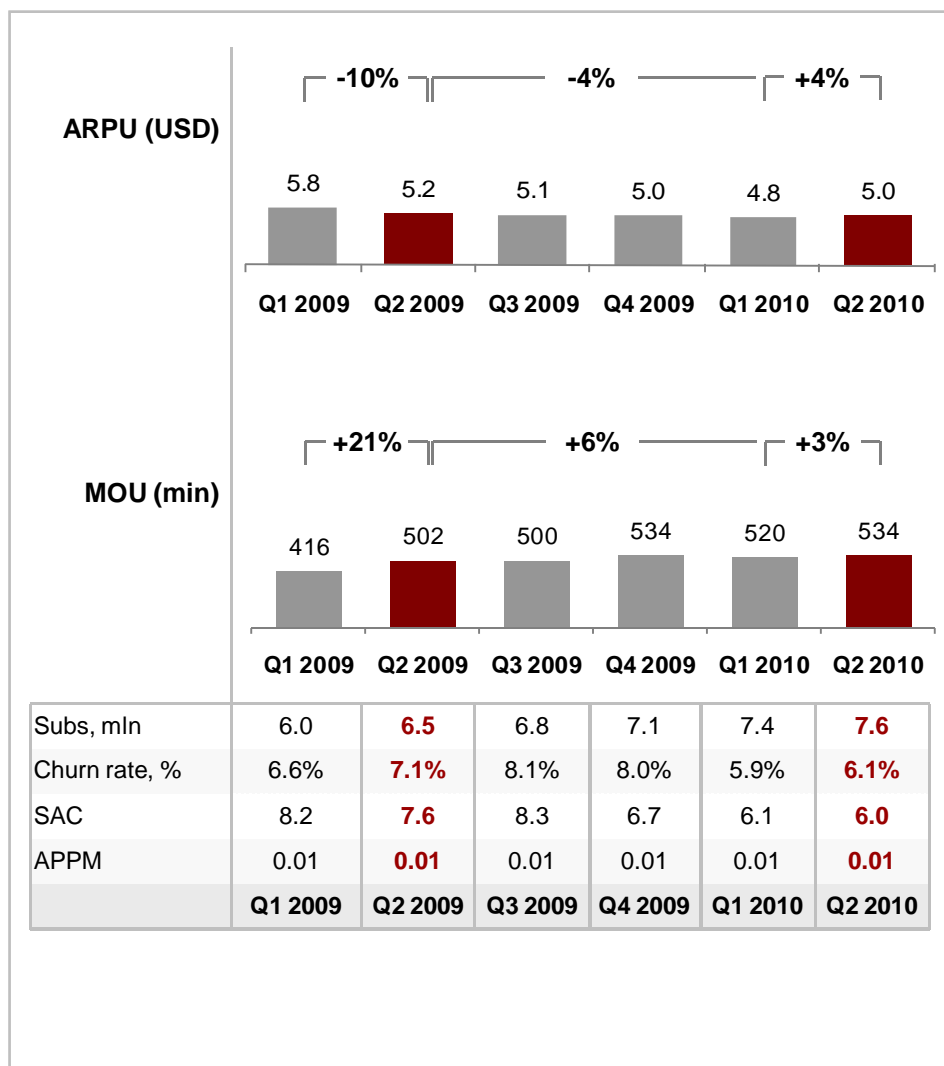
Uzbekistan financial highlights



§ Strong growth during the quarter as result of subscriber additions and relative market stabilization

§ Sequential OIBDA growth reflects top-line growth

Uzbekistan operating indicators

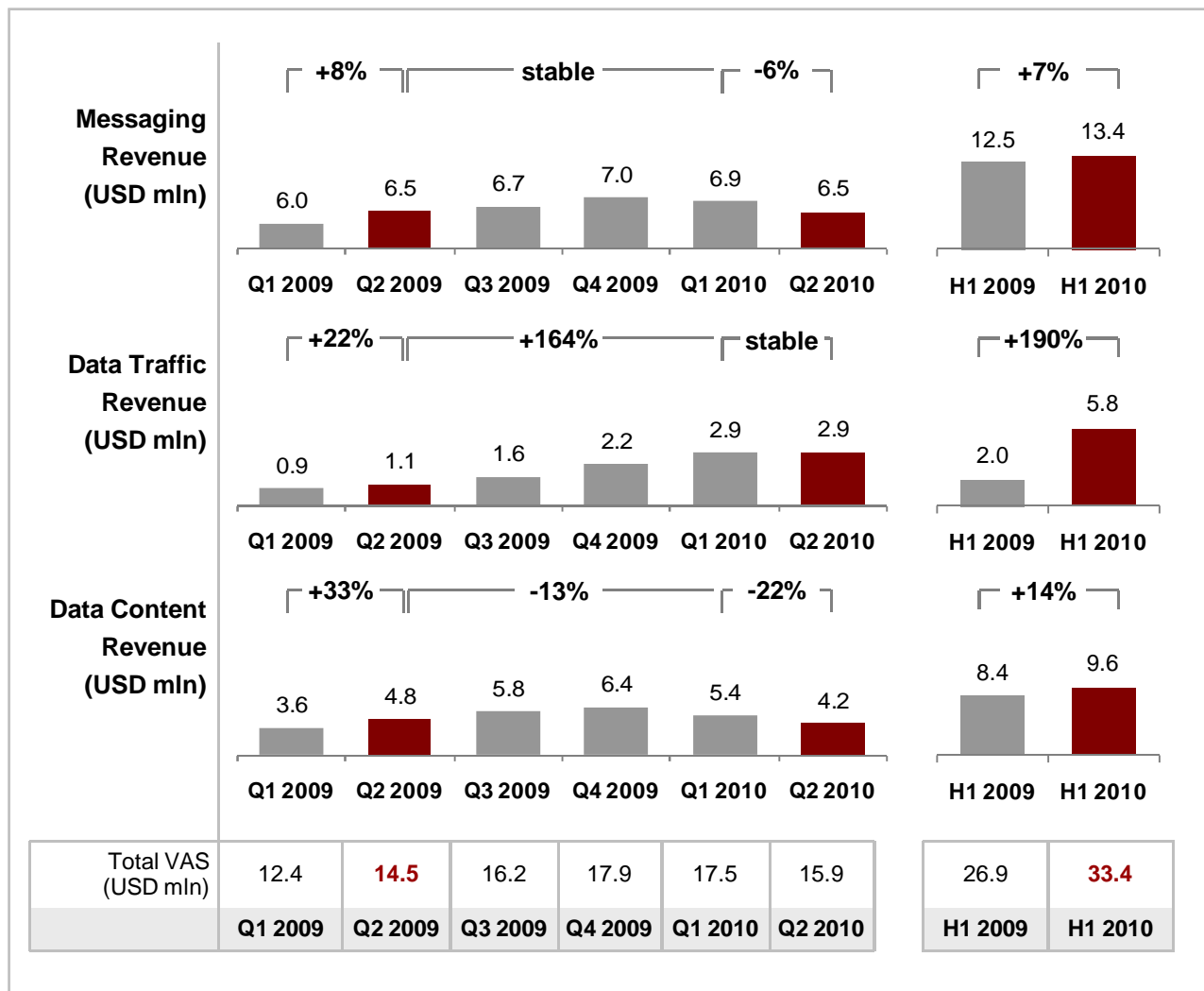


§ Sequential rise in quarterly ARPU due to seasonal usage factors

§ Slight increase in usage due to period-specific promotions

§ Over 500 thousand in net subscriber additions in H1 2010

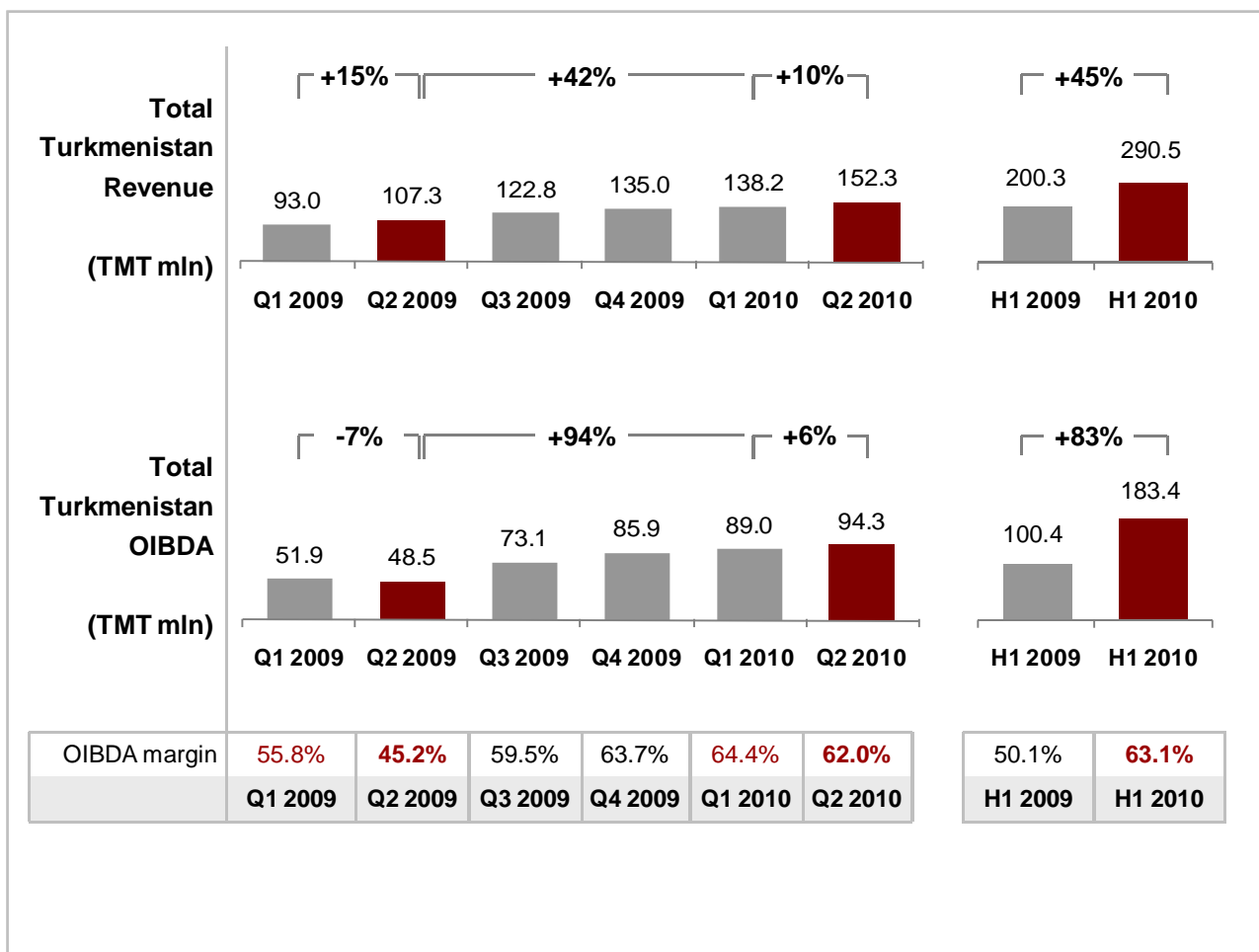
Uzbekistan operating indicators



Key initiatives in Q2:

- § Launch of *Corporate GOOD'OK* service
- § Launch of *My Number* service
- § Special SMS offers around the World Cup 2010
- § Promotion of SMS/MMS services with the launch of *Bonuses from MTS* offer
- § Introduction of price adjustments for the Mobile TV service

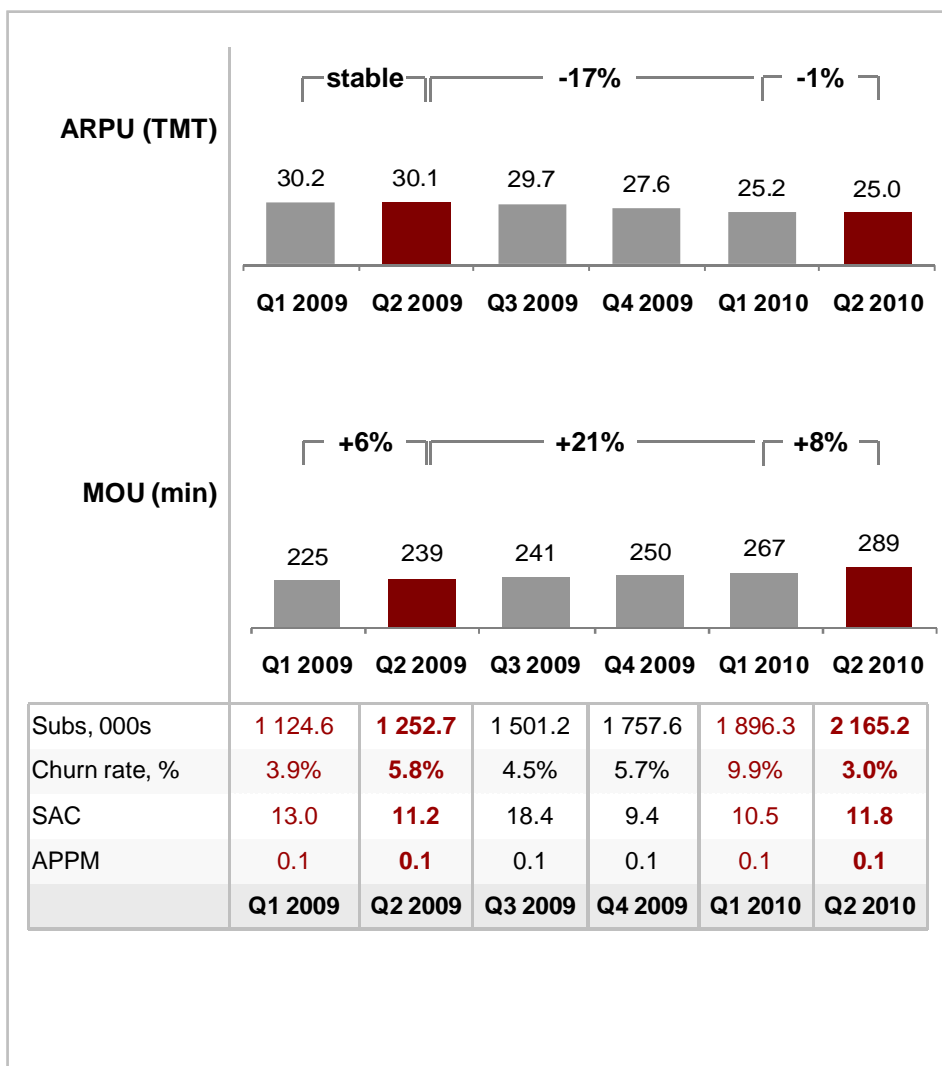
Turkmenistan financial highlights



§ Increase in revenue due to strong subscriber additions and continued market development

§ OIBDA growth reflective of the positive top-line dynamic and a stable competitive environment

Turkmenistan operating indicators

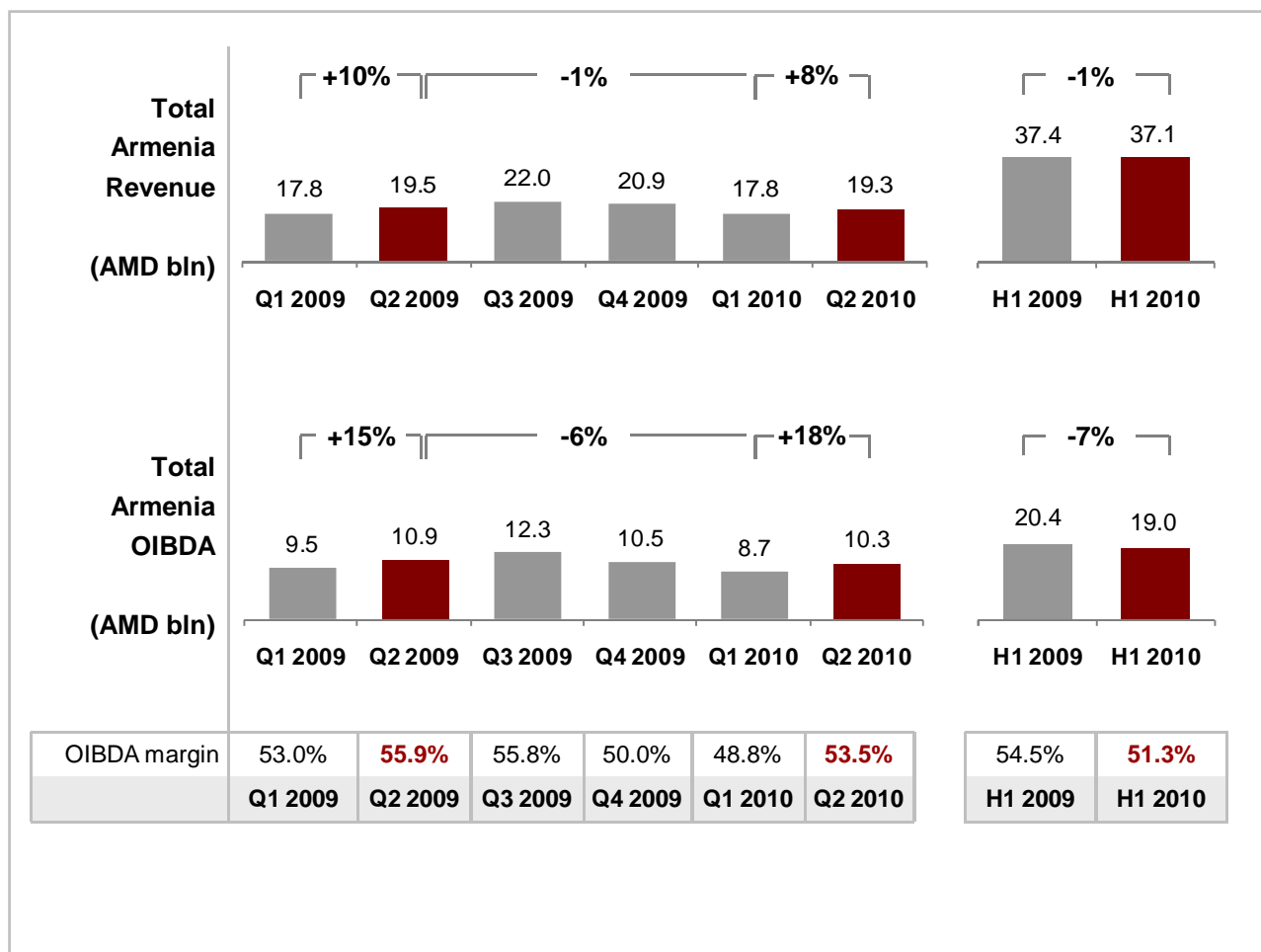


§ ARPU decline in line with market development as lower-value customers enter the subscriber base

§ Sequential growth in usage as new tariffs are introduced aimed at stimulating subscriber activity

§ Strong subscriber base growth with over 400 thousand in net additions since the beginning of the year

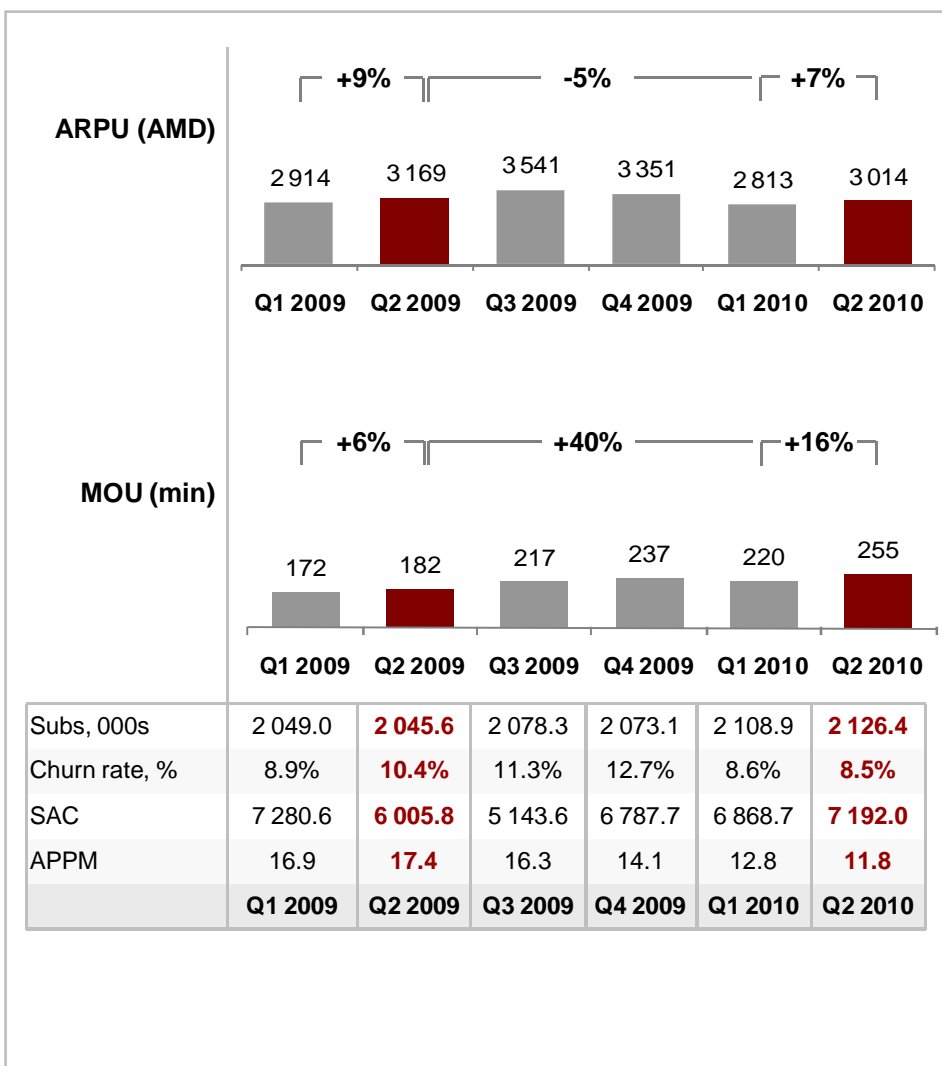
Armenia financial highlights



§ Revenue growth during the quarter reflects positive seasonal dynamics with increases in ARPU and MOU

§ OIBDA performance in line with the revenue growth and stable quarter over quarter operating expenses

Armenia operating indicators



§ ARPU increase due to seasonal factors

§ Positive seasonal effect on usage with attractive portfolio of products and services on offer

§ APPM decline in line with market as competitive pressures increase

Contents

Financial and corporate highlights

Key financial and operating results

Appendix

- Definitions and reconciliations

Appendix – Definitions and Reconciliations

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

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:

USD mln	Q2 2009						Q1 2010						Q2 2010					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating income	650.5	605.6	29.2	31.9	14.3	9.2	676.1	660.4	11.2	32.0	27.1	-0.5	754.6	704.6	35.8	37.5	28.7	4.2
Add: D&A	454.5	322.8	87.1	21.6	2.7	20.3	477.8	332.4	93.5	24.5	4.2	23.1	480.1	333.4	91.1	28.3	4.4	22.7
OIBDA	1105.0	928.4	116.3	53.5	17.0	29.5	1153.9	992.8	104.8	56.5	31.2	22.6	1234.7	1 038.1	126.8	65.8	33.1	26.9

	Q2 2009						Q1 2010						Q2 2010					
	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM	Group	RUS	UKR	UZB	TUK	ARM
Operating margin	27.4%	31.2%	11.3%	32.8%	37.9%	17.5%	25.9%	30.2%	4.7%	30.9%	55.9%	-1.0%	27.2%	30.7%	13.2%	33.1%	53.7%	8.3%
Add: D&A as a % of revenues	19.1%	16.6%	33.8%	22.3%	7.3%	38.4%	18.2%	15.2%	38.8%	23.7%	8.5%	49.8%	17.3%	14.5%	33.6%	25.0%	8.3%	45.2%
OIBDA margin	46.5%	47.8%	45.1%	55.1%	45.2%	55.9%	44.1%	45.4%	43.5%	54.6%	64.4%	48.8%	44.5%	45.2%	46.8%	58.1%	62.0%	53.5%

Appendix – Definitions and Reconciliations

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.

USD mln	As of Dec 31, 2009	As of Jun 30, 2010
Current portion of LT debt and of capital lease obligations	2,022.5	1,717.9
LT debt	6,326.8	5,548.6
Capital lease obligations	0.9	0.9
Total debt	8,350.2	7,267.4
Less:		
Cash and cash equivalents	2,523.2	2,433.5
ST investments	204.8	454.2
Net debt	5,622.2	4,379.7

Appendix – Definitions and Reconciliations

Free cash flow is represented by net cash from operating activities less cash used for certain investing activities. Free cash flow is commonly used by investors, analysts and credit rating agencies to assess and evaluate our performance over time and within the wireless telecommunications industry. Because free cash flow is not based in US GAAP and excludes certain sources and uses of cash, the calculation should not be looked upon as an alternative to our Consolidated statement of cash flows or other information prepared in accordance with US GAAP.

USD mIn	For six months ended Jun 30, 2009	For six months ended Jun 30, 2010
Net cash provided by operating activities	1,565.9	1,682.8
Less:		
Purchases of property, plant and equipment	(1,024.6)	(434.2)
Purchases of intangible assets	(186.0)	(131.7)
Proceeds from sale of property, plant and equipment	1.4	4.3
Proceeds/ (purchases) of other investments	(0.3)	2.9
Investments in and advances to associates	2.0	0.1
Acquisition of subsidiaries, net of cash acquired	(146.3)	(31.7)
Advanced payment on acquisition of Metrocom	-	(11.1)
Purchase of notes receivable of Sistema Telekom, related party	-	(42.4)
Free cash flow	212.1	1,039.0

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

USD mIn	Six months ended Dec 31, 2009	Six months ended Jun 30, 2010	Twelve months ended Jun 30, 2010
	A	B	C = A + B
Net operating income	1,349.4	1,430.7	2,780.1
Add: depreciation and amortization	971.9	957.8	1,929.7
Add: long-lived assets impairment loss and acquisition related costs	86.4	-	86.4
OIBDA	2,407.7	2,388.5	4,796.2

Appendix – Definitions and Reconciliations

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.

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.

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.

Appendix – Treatment of Comstar-UTS acquisition and consolidation of TS Retail

Because Comstar-UTS and TS Retail were acquired from JSC Sistema, the majority owner of MTS, Comstar and TS Retail, the acquisitions were accounted for as transactions between entities under common control. Similar to a pooling of interest, whereby the assets and liabilities of Comstar and TS Retail were recorded at Sistema's carrying value, MTS' historical financial information was recast to include the acquired entities for all periods presented.



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