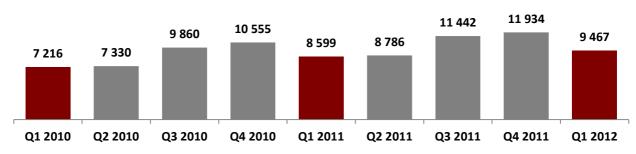


Mobile handset market in Russia, Q1 2012 (MTS estimates)

MTS estimates that during Q1 2012 the sales of handsets in Russia in terms of the units sold increased by 10.1% compared to Q1 2011. Overall 9.5 mln devices were sold.

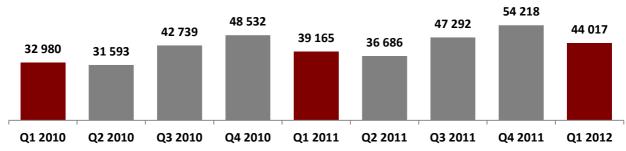
Mobile handset market in Russia in 2010-2012, 000's of units



Source: MTS estimates, preliminary data for Q1 2012

In Q1 2012, the mobile retail market expanded by 12.4% in sales compared to Q1 2011 to reach RUB 44.0 bln.

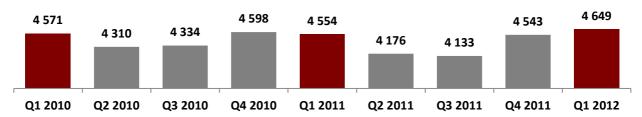




Source: MTS estimates, preliminary data for Q1 2011

The market demonstrated a higher pace of growth in sales in rubles than in units as the share of smartphones in overall handset sales increased. During Q1 2012, the average retail price of mobile phone increased by 2.1% compared to Q1 2011.

Average price of mobile phone in 2010-2012, RUB



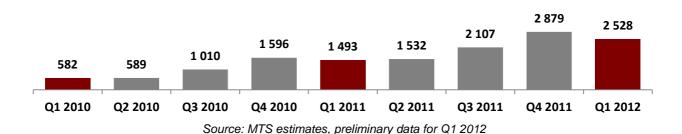
Source: MTS estimates, preliminary data for Q1 2012



Smartphone market in Q1 2012, MTS estimates

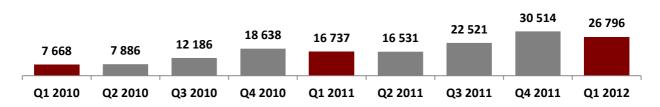
According to our estimates, in Q1 2012, 2.5 mln smartphones were sold, an increase of 1.7 times year-over-year.

Smartphone market in Russia in 2010-2012, 000's of units



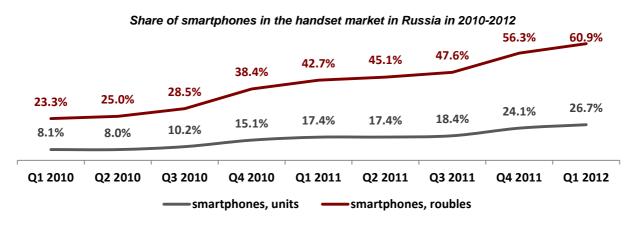
In terms of sales the smartphone market has expanded 1.6 times year-over-year to RUB 26.8 billion.

Smartphone market in Russia in 2010-2012, RUB mln



Source: MTS estimates, preliminary data for Q1 2012

In Q1 2012, smartphones accounted for 26.7% of total handsets sold, an increase of 9.3% year-over-year and of 2.6% quarter-over-quarter. In terms of sales, the share of smartphones went up to 60.9% in Q1 2012, an increase of 18.2% year-over-year and 4.6% quarter-over-quarter.

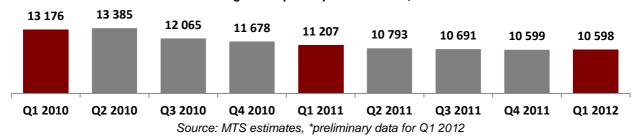


Source: MTS estimates, preliminary data for Q1 2012

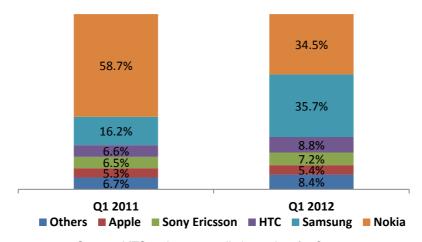


The average smartphone price in Q1 2012 declined by 5.4% compared to Q1 2011.

Average smartphone price in Russia, RUB

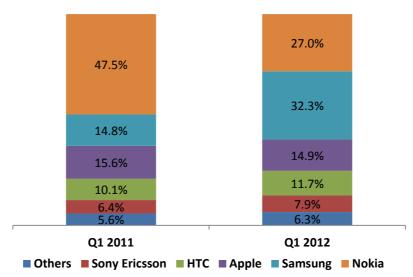


Share of vendors in smartphone market in Russia in 2010-2012, % of units sold



Source: MTS estimates, preliminary data for Q1 2012

Share of vendors in smartphone market in Russia in 2010-2011, % of sales





Source: MTS estimates, preliminary data for Q1 2012

MTS mobile retail network, Q1 2012

In Q1 2011, MTS's retail network continued to deliver on its strategy aimed at increasing the share of smartphones in the sales mix in order to generate more value for the Group's core networks. The share of smartphones in the total number of handsets sold in the MTS retail network has reached 28%, an increase of 11% compared to Q1 2011 and an increase of 2% compared to Q4 2011. This exceeds average market level by 1.3%. The share of MTS-branded smartphones in total sales in Q1 2012 doubled compared to Q1 2011.

Given the focus on promoting sales of smartphones and enhancing overall profitability within the Group, the volume of low-margin wholesale sales continued to decline during the quarter. In Q1 2012, MTS's retail market share (including franchise stores) in terms of units sold was estimated to be roughly 14%.

Sales of smartphones accounted for 64.8% of total sales in the MTS retail network, an increase of 18.5% compared to Q1 2011 and of 2.8% compared to Q4 2011. This exceeds average the market level by 3.9%.

Symbian, Android and Bada smartphones accounted for over 80% of sales.

Sales of smartphones by operating systems in Q1 2012 (in terms of units sold)

OS	% of units sold
Symbian	37.8%
Android	35.1%
Bada	11.3%
Windows Phone	8.2%
IOS	7.3%
MeeGo	0.2
Blackberry	0.1

Source: MTS estimates, preliminary data for Q1 2012

Nokia, Samsung, HTC, Apple and Sony Ericsson were top-5 brands sold in the MTS retail network.

Top 5 most popular models in different pricing categories in the MTS retail network during Q1 2012

<1499 RUB	1 500 – 4999 RUB	5 000 – 9999 RUB	>10000 RUB
Samsung E1080	Nokia C2-01	Samsung S5830 Galaxy Ace*	Nokia N8-00*
Nokia 1616	Samsung C3011	Nokia C5-00 5 MP*	Nokia Lumia 710*
	Samsung S5250 Wave		
Nokia 1280	525	Samsung S5670 Galaxy Fit*	HTC Mozart*
			iPhone 4 16GB
Nokia X1-01	Samsung S3600	Nokia C7-00*	black*
MTS 352	Nokia X2-00	Samsung C6712 Star II Duos	Nokia Lumia 800*

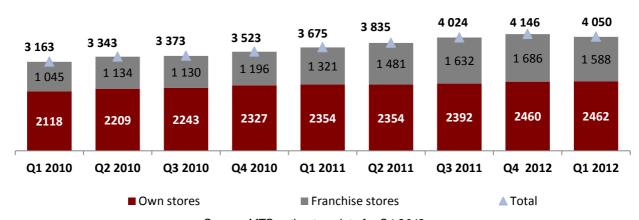
Source: MTS estimates, preliminary data for Q1 2012, (*smartphones)

In Q1 2012, sales of high-speed 14.4 Mbs USB modems increased 7-fold compared to Q1 2011. Sales of Wi-Fi routers grew 5.7 times.



At the end of Q1 2012, MTS retail network comprised 4,050 stores, including franchised outlets. During the quarter MTS continued its optimization of its retail network and closed non-efficient points of sale. At the end of the quarter, MTS had 70 flagship stores.

Number of stores in the MTS retail network



Source: MTS estimates, data for Q1 2012

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

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

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might," and the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not undertake or intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company's most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned "Risk Factors" that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies, our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so, strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures, rapid technological and market change, acquisition strategy, risks



associated with telecommunications infrastructure, governmental regulation of the telecommunications industries and other risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management and future growth subject to risks.

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