

Investor Information: Converting MTS' GDRs into ADRs

Following the increase of the MTS' ADR program (effective February 14th) from the current 23% to 39% of the Company's shares, investors may now convert their additional MTS local shares and GDRs into ADRs. The Bank of New York is serving as a depository for MTS' GDR program and JP Morgan is serving as a depository for MTS' ADR program.

In order to convert MTS' GDRs into ADRs, investors must first instruct their brokers to cancel their GDRs with the Bank of New York. Once Euroclear or Clearstream makes delivery of their GDRs to the Bank of New York, a SWIFT will be sent instructing delivery to JP Morgan's account at ING in Moscow. JP Morgan will then create their ADRs in multiples of 5, due to the ratio. As one GDR consists of 5 MTS shares, these can be converted into ADRs on a 1:1 ratio. Please note that GDRs may also be converted into local shares that are traded in Russia on the MICEX.

GDR Canceling Procedure:

1. Broker contacts Bank of New York and provides the following information by fax:
 - Broker's Euroclear/Clearstream participant number,
 - Number of GDRs to be cancelled and CUSIP/ISPN numbers,
 - Name and account number of client where shares to be delivered,
 - Any other information as necessary (signed certification may be required).
2. Euroclear/Clearstream delivers GDRs to Bank of New York.
3. Bank of New York sends a SWIFT with instructions to deliver shares to JP Morgan, as per broker's instructions.

The Bank of New York's Contact Details (for Brokers):

New York: Sammy Peermal, Vice President: +1 954 255 5137, speermal@bankofny.com
London: James Green, Vice President: +44 (0) 207 964 6080, jgreen@bankofny.com
Moscow: Irina Vakhraneva, Vice President: +7 095 967 3110, ivakhraneva@bankofny.com

The Bank of New York charges up to \$5 per 100 cancelled GDRs, charged to the broker's account at Euroclear/Clearstream. Payment must be received before shares are released.

ADR Issuing Procedure:

1. Broker contacts JP Morgan to confirm headroom.
2. Broker instructs Bank of New York to deliver shares to JP Morgan's account at ING in Moscow to re-register them.
3. Shares delivered to JP Morgan's account at ING with instructions to issue ADRs.
4. ING ensures accuracy of the deposit and instructs JP Morgan to issue the ADRs.

JP Morgan's Contact Details (for Brokers):

Jackie Ridgely, Team Leader, Issuance & Cancellations: +1 302 552 6773, jacqualine.c.ridgely@jpmorgan.com
Carol Clayton, Issuance & Cancellations: +1 302 552 0313, carol.c.clayton@jpmorgan.com
Shirley Mount, Issuance & Cancellations: +1 302 552 0269, shirley.mount@jpmorgan.com

JP Morgan's issuance (and cancellation) fee is \$5 per 100 ADRs, to be paid by the broker at time of issuance.

*For further information, please contact MTS' Investor Relations Department on: +7 495 223 2025
or at: ir@mts.ru.*