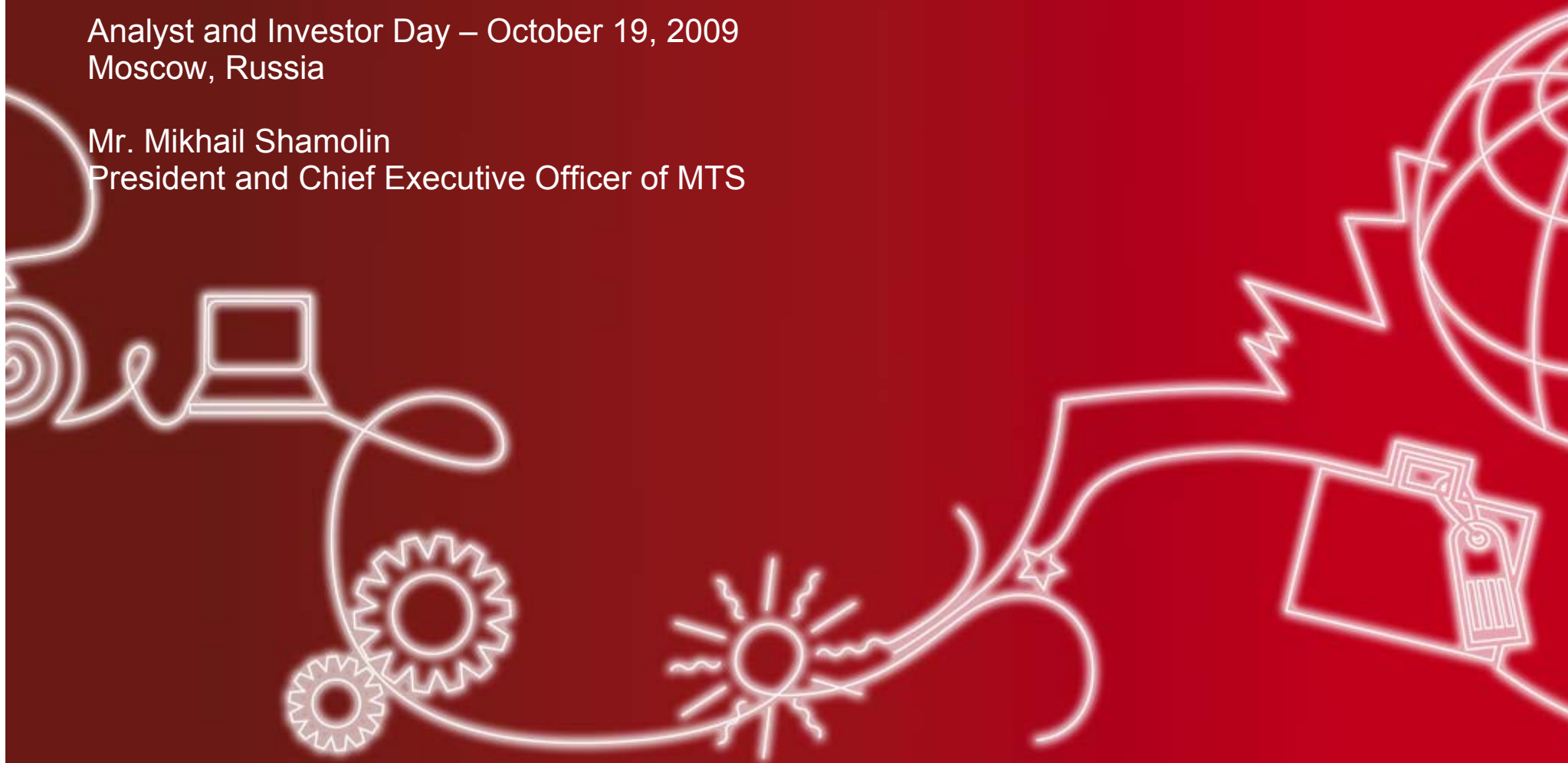


МТС оператор связи 

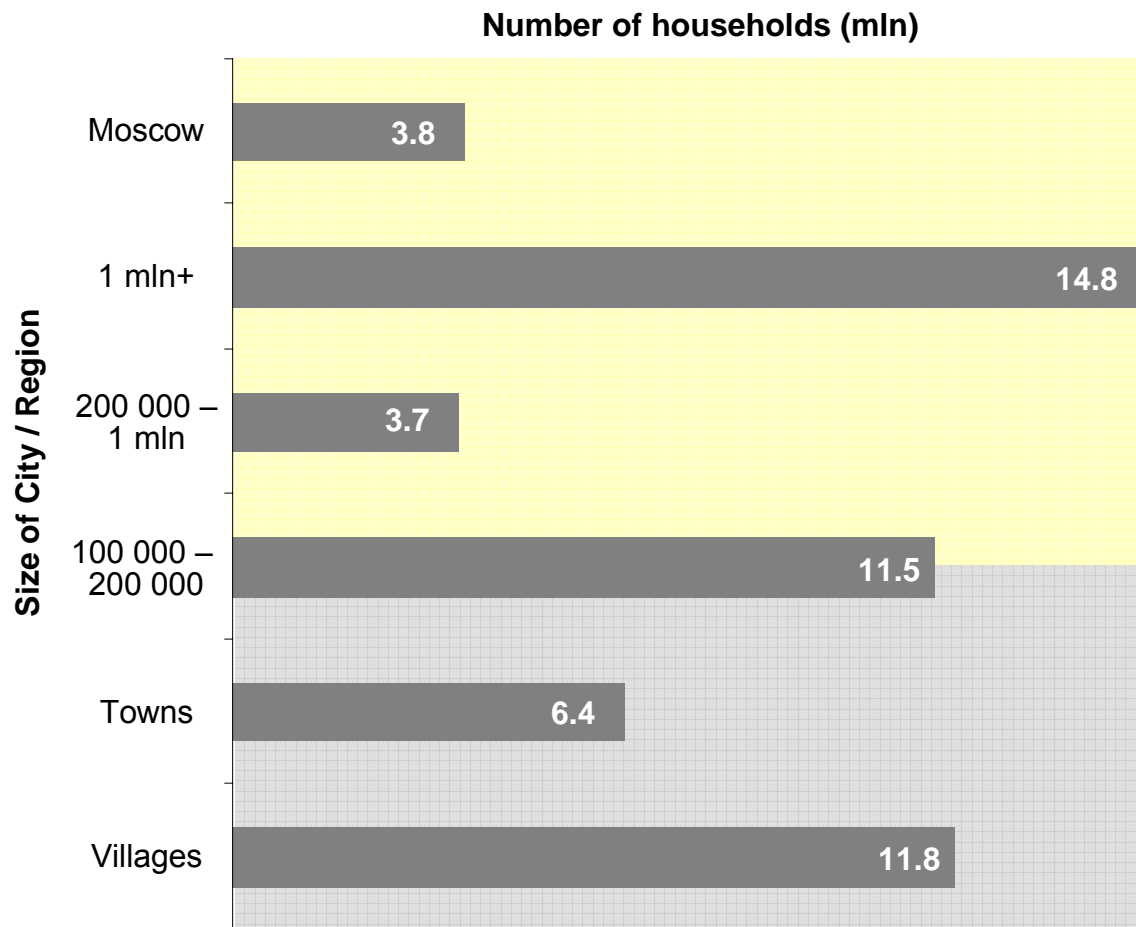
Integration and Management of Comstar

Analyst and Investor Day – October 19, 2009
Moscow, Russia

Mr. Mikhail Shamolin
President and Chief Executive Officer of MTS



Fixed-access services: addressable market in Russia



Current size of market \approx 52 mln HH

Addressable market:

- 150 – 170 cities
- 18 – 20 million households

- Markets with strong potential for development

Additional markets:

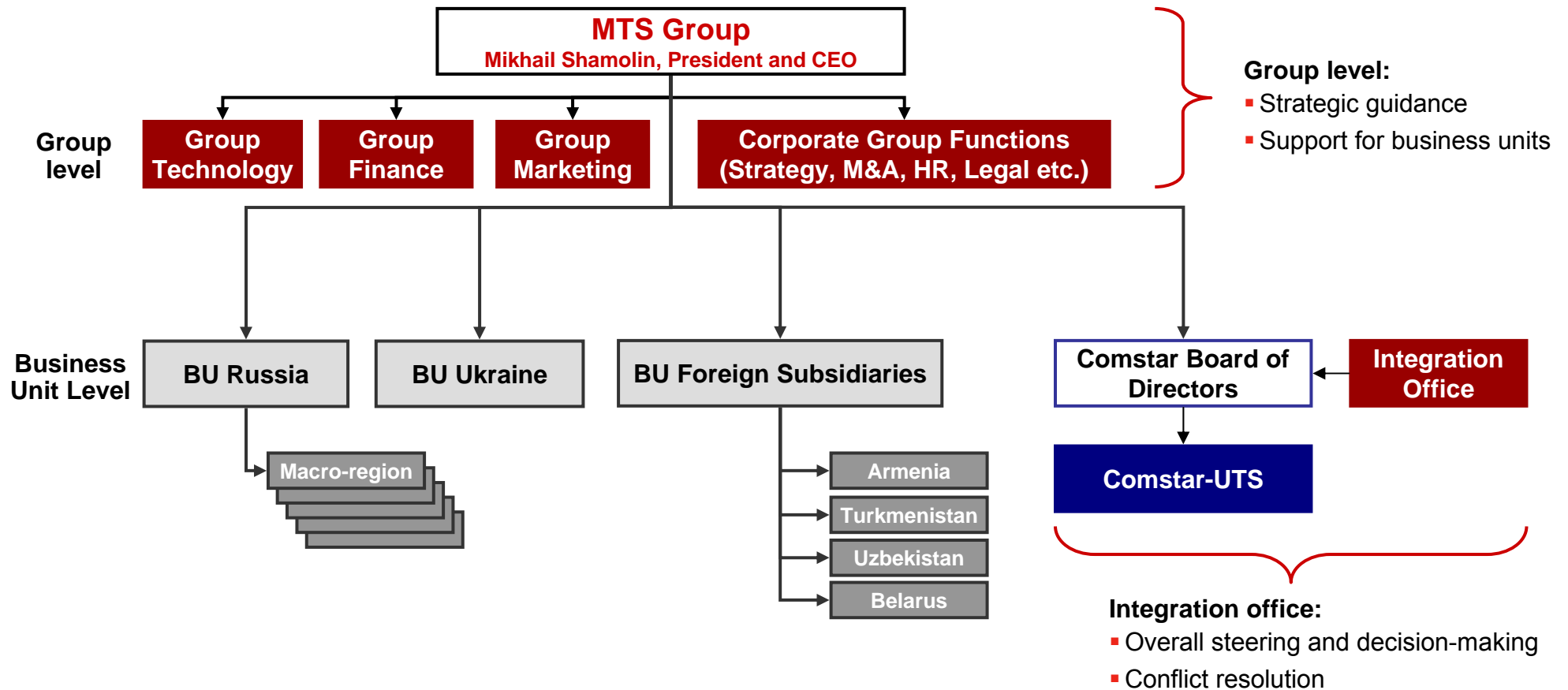
- Low income
- Alternative players have a minor share of the market
- Infrastructure building does not make economic sense

- BB only via a non-discriminatory access
- Pay-TV through satellite only

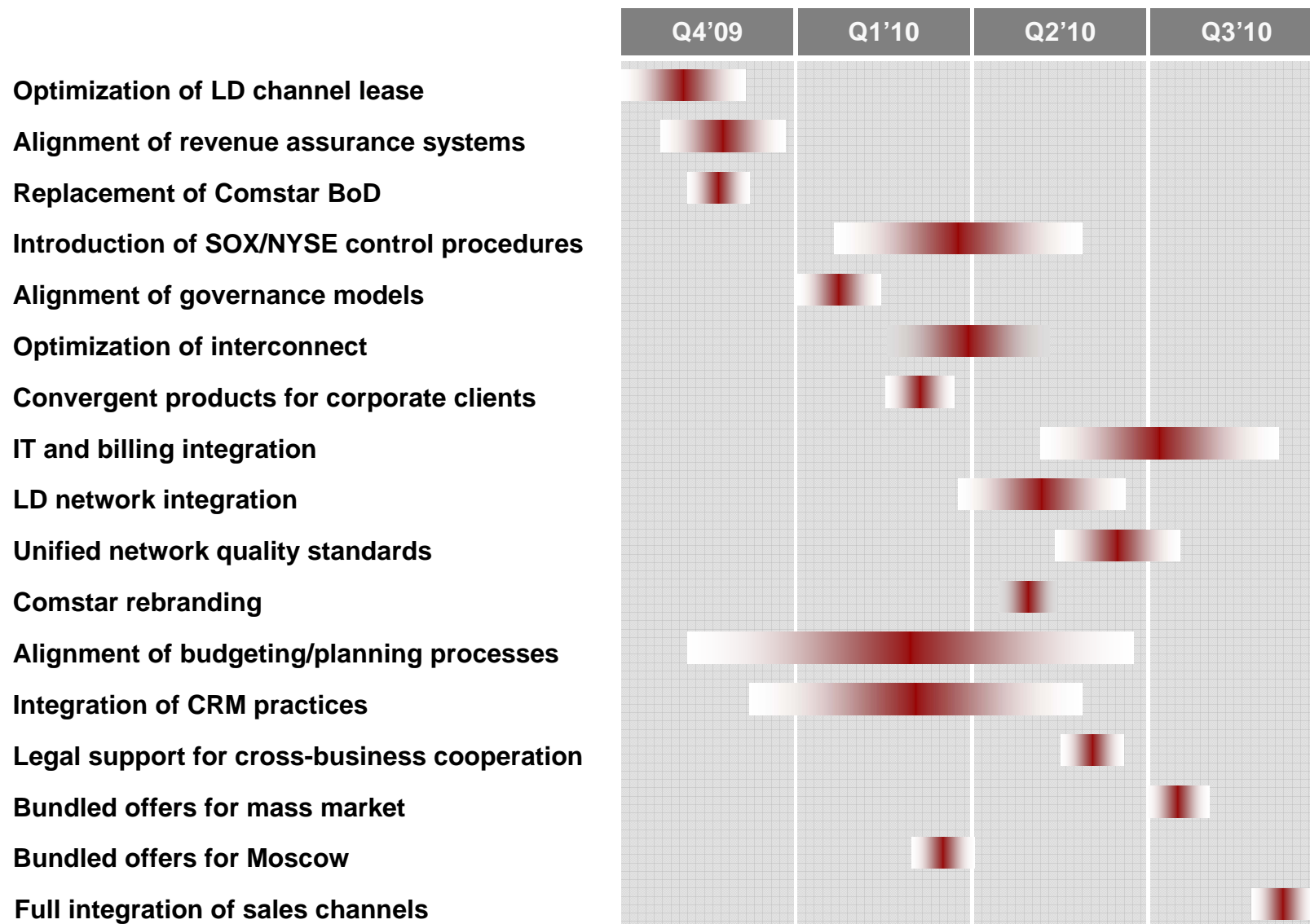
Key business goals of the Comstar integration

Key goals	Key success enablers
<p>1 Continuous focus on market performance</p>	<ul style="list-style-type: none"> ▪ Focused organizational transformation ▪ Avoidance of uncertainty
<p>2 Enable CS to grow fixed BB / TV in regions</p>	<ul style="list-style-type: none"> ▪ Investments for modernization (organic growth) ▪ Investments for M&A ▪ Rebranding
<p>3 Quick wins in convergent revenue synergies</p>	<ul style="list-style-type: none"> ▪ Rebranding ▪ Launch of joint product bundles ▪ Establishment of cross and up-selling in retail and other channels
<p>4 Quick wins in OPEX/CAPEX synergies</p>	<ul style="list-style-type: none"> ▪ LD/ID and interconnect business optimization/integration ▪ Channel lease optimization ▪ Procurement re-organization

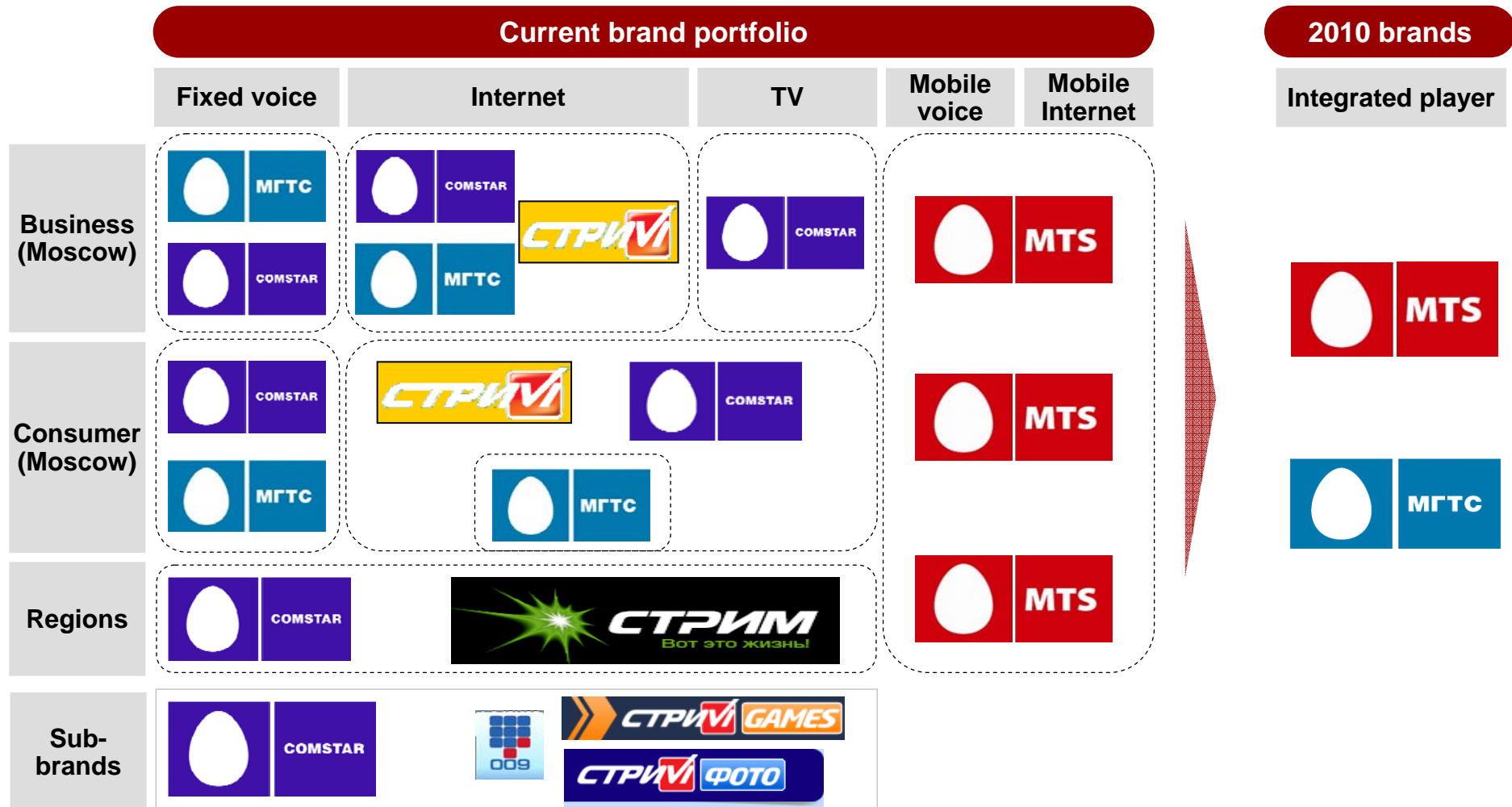
MTS structure: management of Comstar as a separate business unit



Integration timeline: key initiatives in 2009 – 2010

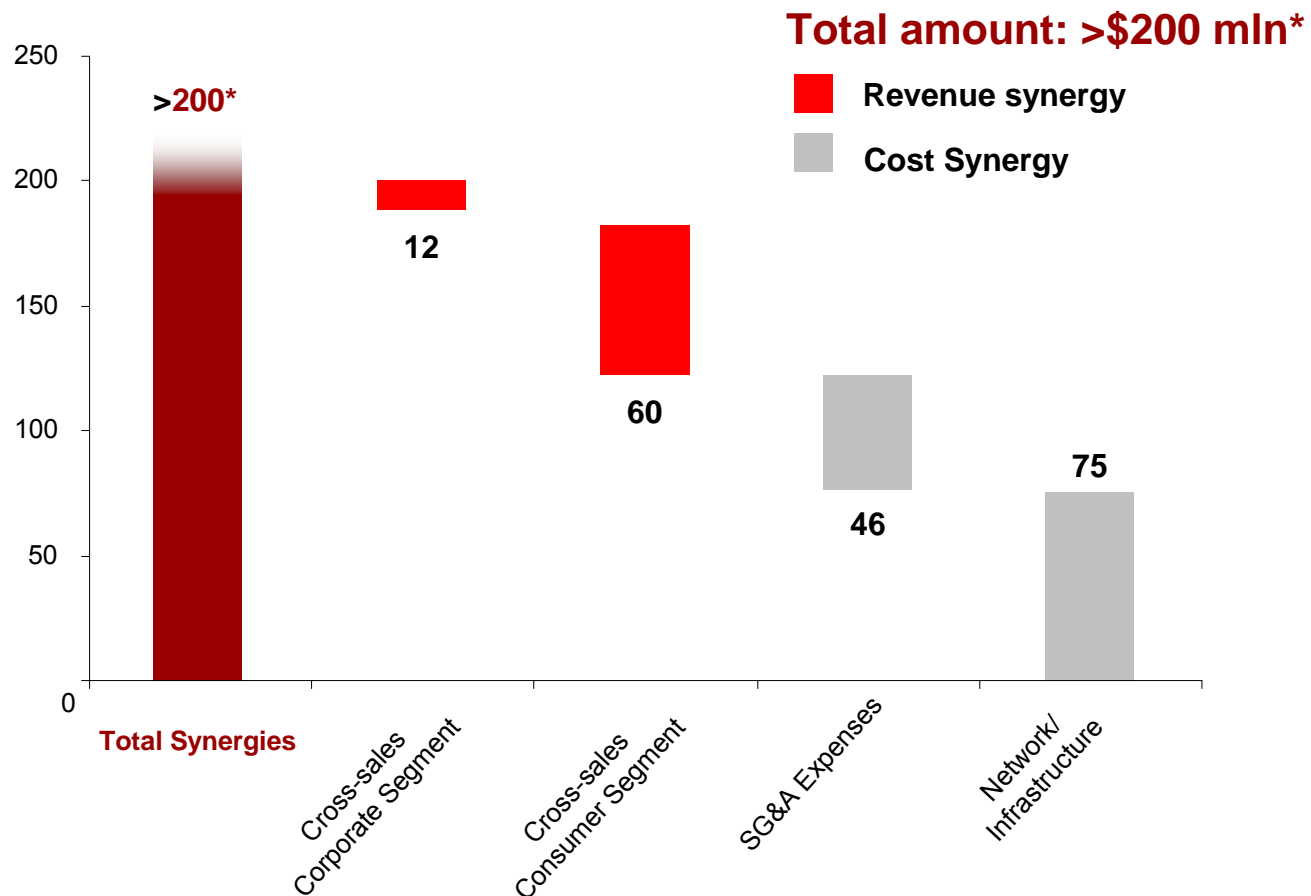


Rationalizing brand portfolio to stimulate growth



Key synergies through ownership of c. 51% of Comstar

Breakdown of estimated synergies by type (in USD mln)



Management approach to Comstar

Gradual functional integration	Regional broadband growth
Moscow and regions of Comstar presence	Regions without Comstar presence
<ul style="list-style-type: none"> ▪ Step-by-step approach on a project-basis ▪ Focus on: <ul style="list-style-type: none"> ▪ Brand ▪ Products (bundles, convergent solutions) ▪ Infrastructure build-out and sharing ▪ Shared administrative resources 	<ul style="list-style-type: none"> ▪ Leverage assets to drive regional broadband penetration <ul style="list-style-type: none"> ▪ Promote services under MTS brand ▪ Utilize Comstar content ▪ Provide access to MTS core network ▪ Use MTS sales and distribution networks
Realize long-term defensive and cost synergies	Realize long-term revenue and cost synergies

Key benefits

- Avoid disruptions to core business and cash-generating functions
- Use other examples of integration to ensure best-fit approach for MTS + Comstar
- Leverage scale and scope of MTS footprint with depth of Comstar activities
- Strive to meet customer needs and desires
- Provides most flexibility to manage legal and governance issues