

News Release

“Life Planai Matrrungal” with MTS

Tamil Nadu becomes the first state in the country to get the brand

Chennai, March 26, 2009: Sistema Shyam TeleServices, a joint venture company between Sistema (LSE: SSA) of Russia and Shyam Group of India, today announced the entry of the MTS brand into India with the commencement of its mobile telephony services in Tamil Nadu.

Speaking at the launch, Mr. Srinirao Saripalli, Chief Operating Officer, Sistema Shyam TeleServices said “We are proud to announce our national foray through Tamil Nadu market, which has one of the highest tele-density in the country. The MTS brand will provide our subscribers with superior value offerings and unmatched quality of service.”

The launch marks the entry of MTS services across all major towns in the 31 districts of Tamil Nadu including Chennai. Further, MTS will quickly expand presence to over 580 cities in the next two months, penetrating about 50 to 60% of the population.

As part of its launch in Tamil Nadu, the company intends to make its subscribers, minute millionaires, by offering upto one million minutes of talk time free through its “MCard” that will allow 150 minutes free daily on local calls from MTS to MTS and 10 Free SMS daily to any network in India. Customer would need to buy a MCard worth Rs. 499 through retail and activate on a MTS SIM card to avail the lifetime benefit (the current period of SSTL’ license is 24th January, 2028). This offer will be extended to pre-paid subscribers.

Additionally, SSTS is also introducing host of other schemes such as MSaver 99 and MSaver 30 that will enable MTS to MTS unlimited local calls for Rs 99 and free SMS all day to any one in India after first two SMS.

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About Sistema Shyam Teleservices

Sistema Shyam TeleServices {SSTL} is a joint venture company between Sistema {LSE: SSA} of Russia and Shyam Group of India. Sistema is the majority share holder in this joint venture with 74% stake. SSTL has licenses and spectrum to provide mobile telephony services on the in all 22 circles across the country.

About Sistema Corporation (SSA)

Sistema is the largest public diversified corporation in Russia and the CIS, which manages fast growing companies operating in the telecommunications, consumer services sectors and technology industries and has over 100 million customers. Sistema develops and manages market-leading businesses in selected industries, including telecommunications, technology, banking, real estate, retail, media, tourism and healthcare. Founded in 1993, the company reported revenues of US\$ 12.6 billion for the first nine months of 2008 (unaudited), and total assets of US\$ 32.0 billion as at September 30, 2008 (unaudited). Sistema's shares are listed under the symbol "SSA" on the London Stock Exchange, under the symbol "AFKS" on the Russian Trading System (RTS), under the symbol "AFKC" on the Moscow Interbank Currency Exchange (MICEX), and under the symbol "SIST" on the Moscow Stock Exchange (MSE). For further information, please visit www.sistema.com.

About Shyam Group

Shyam group has diversified interests in telecom, manufacturing, services and fertilizer. Essel Shyam Communications Ltd, a joint venture between Essel and Shyam group, is a leading pan-India VSAT Service Company and is one of the largest in the field of media management and up linking.

More information on MTS in India, available at: www.mtsindia.in

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