



MTS connects Kerala's length and breadth in just 4 months

- *Expands coverage to all 14 districts of the state in less than four months of operations*
- *Integrates all 681 cell sites in the state to provide mobile telephony service to 425 towns*

Kochi, August 3, 2009: MTS, the telephony brand of Sistema Shyam TeleServices Limited (SSTL), a joint venture between Sistema (LSE: SSA) of Russia and Shyam Group of India, today announced enhanced network capacity that will enable its mobile telephony services to be available across all the 14 districts of Kerala, covering 425 towns. This marks the completion of Phase One of MTS India's network roll-out in Kerala, which has been completed in less than four months of its operations in the state. MTS was recently also recognized as the "***Most Successful New Telecom Operator***" at the Infocomm CMAI National Telecom Awards held in July 2009.

Commenting on the achievement, said **Mr. Srinirao Saripalli, Chief Operating Officer, Kerala & Tamil Nadu, Sistema Shyam TeleServices**, "*I am extremely happy and proud of completing this mammoth task in such a short span of time. I would like to thank our customers for their unflinching confidence in MTS. Our rapid expansion reiterates our commitment to provide superior coverage and unmatched quality of service.*"

MTS continues to achieve incremental growth in its subscriber-base and coverage in Kerala by offering value-for-money tariff plans, quality service and investing significantly in network expansion. With all the 681 cell sites of Kerala integrated, MTS services will now be available to a population of 53%, and over 45% of the geography of Kerala.

MTS, which marked its foray into the Indian telecom space with the launch of services in Rajasthan, rapidly expanded its presence to five more circles including Tamil Nadu, Kerala, Kolkata, West Bengal and Bihar in quick succession, serving over 1.35 million satisfied MTS customers across the country.



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 a 73.71% equity stake, along with the Shyam Group, holding a 23.79% stake and the rest 2.5% being public partake. SSTL has spectrum to provide mobile telephony services in all the 22 circles across the country. In a recent development, SSTL tied up with Mobile TeleSystems OJSC of Russia to bring the globally acclaimed telecom brand-MTS-to India. MTS is the 8th largest telecom brand in the world and has a subscriber base of close to 100 million globally. It has recently been voted as the 71st ranked brand out of 100 top global brands in the world by Millward Brown.

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