



Press Release

MTS Crosses One Million Subscriber Base in Rajasthan

Jaipur, 13 July, 2009: Sistema Shyam TeleServices Ltd (SSTL), a joint venture company between Sistema {LSE: SSA} of Russia and Shyam Group of India, today announced reaching a subscriber mark of one million for its telephony brand **MTS** in Rajasthan. With this milestone, SSTL has further strengthened its presence in the state, where it recently re-launched services under the MTS brand name. The company achieved a steady incremental growth in its customer-base and coverage by offering value-for-money tariff plans, quality service and investing significantly in network expansion.

Mr. Harsh Chandra, Chief Operating Officer - Rajasthan, SSTL, said “We have doubled our subscriber base from five lakhs to one million in six months. This achievement is a reflection of the speed and spirit of MTS to revolutionize the market. It reaffirms the phenomenal success of the globally acclaimed service quality and competitively priced offerings of MTS. We have earmarked significant investments to augment our network infrastructure and marketing programs. Going forward, our next milestone is to increase our coverage to over 900 towns and over 13,000 villages, in the journey of becoming the leading telecom service provider in Rajasthan. It is our endeavor to provide better value to our customers, enhance service quality and reach out efficiently to all our subscribers.”

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

MTS provides mobile telephony services in six other countries, and has a subscriber base of close to 100 million globally.

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 recently been voted as the 71st ranked brand out of 100 top global brands in the world by Millward Brown.

For further details visit: www.mtsindia.in

Press contacts:

Reet Gwari

Corporate Communications

Sistema Shyam TeleServices Ltd

Mobile: +91 9899753252

reet-gwari@mtsindia.in