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For Immediate Release

Sistema Shyam TeleServices Ltd Raises A Loan Of USD 200 Mln

~ USD 100 Mln raised each from ICICI and Barclays Bank~

Gurgaon, 29th September 2011 – Sistema Shyam TeleServices Limited (SSTL) that nationally operates its telecom services under the MTS brand with over 13 million wireless customers, today announced raising a loan of rupee equivalent of USD 200 Mln. As part of the process, USD 100 Mln was raised from ICICI Bank and remaining USD 100 Mln was raised from Barclays Bank. This loan has been proportionally secured by Russia's leading bank, Gazprombank through a standby letter of credit and bank guarantee.

According to Sergey Savchenko, Chief Financial Officer of Sistema Shyam Teleservices Ltd. "Given the testing times being faced for financing of the telecom industry in India, raising of USD 200 Mln loan by SSTL is a significant achievement. The money raised is a reaffirmation of the confidence reposed by leading banks in our business strategy. We plan to utilize the raised money to further scale up our telecom operations in the country." **Adding further, Sergey said** "We are thankful to our banking partners i.e. ICICI, Barclay's and Gazprombank for their trust in us."

The entire amount of USD 200 Mln has now been received by SSTL in a single tranche. The 3 year loan is payable in 2014.

About Sistema Shyam TeleServices Ltd

Sistema Shyam TeleServices Ltd. (SSTL) is a venture, involving equity participation by Sistema {LSE: SSA} of Russia, the Russian Federation and the Shyam Group of India. Sistema is the majority shareholder in the company which operates its telecom services under the MTS brand. MTS is well recognized in India and worldwide for its commitment to high quality and innovative telecom solutions. MTS has recently been ranked by Millward Brown as 80th most valuable brand in the world. In a short span of time, MTS in India has secured over 13 million wireless subscribers and under the MBlaze brand provides mobile broadband services to more than 1,000,000 customers in over 200 cities across the country.

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