



Sistema Shyam TeleServices announces addition to its Board of Directors

Focus on expanding business and operations Pan India

May 25, 2009, Gurgaon India: - Sistema Shyam TeleServices (SSTL), a joint venture between Sistema (LSE: SSA) of Russia and Shyam Group of India, today announced additions of new members to strengthen the board. SSTL is the latest entrant in the Indian mobile telephony space. Ron Sommer has been appointed as the Chairman of the Board of SSTL, Sergey Cheremin as the Deputy Chairman, Mikhail Shamolin as Director and Madhukar Saxena as the Independent Director. The expanded board will guide the expansion of SSTL's business and operations in India, as the company looks for a pan India rollout, with license to provide mobile telephony services in 22 circles

Ron Sommer appointed as the Chairman of the Board of SSTL, has held key board positions in his previous roles, and will guide the expansion of SSTL's business and operations in India. Ron Sommer has served in the capacity of CEO in both Sony Deutschland, and Deutsche Telekom AG. **Ron Sommer speaking on his new role said,** *"I am happy to be appointed as the Chairman of the Board of SSTL, and excited at the growth potential in its telecom business. I look forward to working more closely with SSTL's highly accomplished management team."*

"I am glad to be associated with SSTL in my new role. The company is on an exciting growth trajectory in India, with existing operations in Tamil Nadu, Kerala, Rajasthan and the recently launched Kolkata. We look forward to spearhead this growth to eleven circles by the year end, and make MTS a strong player in the mobile telephony segment.", **added Sergey Cheremin, Deputy Chairman of the board of SSTL.** Mr. Cheremin is the Senior Vice President of Sistema, and head of the external relations functions division of the company. He has also acted as the Chairman of the Board of MDRB bank since April 2005.

Mikhail Shamolin appointed as the Director Board of SSTL, is the President and CEO of Mobile TeleSystems OJSC (MTS), Moscow. **Commenting on his new role Mikhail Shamolin added,** *"I am thankful that my candidacy was regarded as trustworthy by the Board of Directors of SSTL. I'm sure that experience of MTS, the largest mobile phone operator in Russia and the CIS, my knowledge of business building and development at emerging markets, will help SSTL, a very prospect company, to occupy deserved positions at a prospect Indian market".*

Mr. Madhukar Saxena who joins as the Independent Director on the Board of SSTL, has held key positions in public sector banks and regulatory bodies. He was a full time member of Securities and Exchange Board of India (SEBI) from 2004-2006. He was the Chairman of the State Level Bankers Committee, for states of Delhi, West Bengal, Manipur and Tripura. He was appointed by Government of India as the concurrent Chairman and Managing Director of United Bank of India and Industrial Investment Bank of India, amongst other key roles in various capacities.

SSTL has license to provide mobile telephony services on a pan India level, covering 22 circles. The company at present provides mobile telephony connections under the MTS brand name, to over 600 towns of Rajasthan, 513 towns of Tamil Nadu, and 247 towns of Kerala. The company has recently launched its operations in Kolkata.

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About Sistema Shyam TeleServices Limited

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. Presently SSTL offers mobile telephony services in the Rajasthan, TamilNadu, Kerala as well as the Kolkata circles. 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 please visit: www.mtsindia.in

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