

Recommendations of MTS OJSC Board of Directors to the Annual General Meeting of MTS OJSC Shareholders regarding the distribution of profit at the end of FY 2011

MTS OJSC FY 2011 PROFIT DISTRIBUTION PROCEDURE

PROFIT AND LOSS STATEMENT

For 2011

Organization: Mobile TeleSystems Open Joint Stock Company

Location: 4 Marksistskaya St., Moscow, Russian Federation

Taxpayer Identification Number: 1027700149124

Type of business activity: telecommunication services, construction, agency business

Unit of measurement: thousands of rubles

Indicator	For the reporting period	For the same period last year
1	2	3
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES		
Revenues (net) from sale of goods, products, works, services		
(less value added tax, excise tax and similar mandatory payments)	246 965 174	216 130 036
Self-cost of goods, products, works, services sold	(123 778 406)	(98 043 205)
Gross profit	123 186 768	118 086 831
Commercial expenses	(36 569 705)	(33 089 665)
Administrative expenses	(21 300 598)	(19 083 182)
Profit from sales	65 316 465	65 913 984
OTHER INCOME AND EXPENSES		
Income from participation in other organizations	23 928 792	8 174 937
Interest receivable	3 791 373	4 384 057
Interest payable	(20 323 164)	(19 580 884)
Other income	2 525 087	4 852 145
Other expenses	(12 319 661)	(26 932 072)
Profit before taxes	62 918 892	36 812 167
Current income tax	(9 577 869)	(10 958 673)
including:		
Fixed tax assets	2 257 587	3 866 812
Deferred tax liabilities	(1 124 533)	(275 233)
Deferred tax assets	646 795	1 802 966
Tax sanctions of previous years	(8 164)	(97 812)
NET INCOME FOR THE REPORTING PERIOD	52 855 121	27 283 415
Basic earning per share, rubles	25,89	13,69
Diluted earnings per share, rubles	25,89	13,20

FUNDS

The Reserve Fund of the Company has been formed to the full extent as required by Russian law and the Charter of MTS OJSC.

DIVIDENDS

The annual dividends on common registered shares of MTS OJSC shall be RUR 14,71¹ per common registered share of MTS OJSC with a par value of RUR 0,1 each.

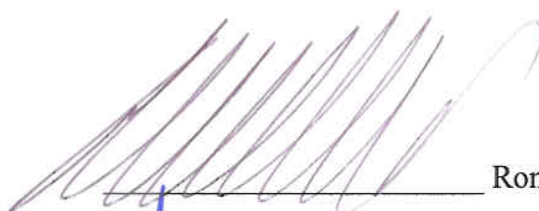
The total annual dividends of MTS OJSC shall be RUR 30,396,943,497.00.

The annual dividends shall be paid in cash within the time limit set forth in the Charter of MTS OJSC.

FINAL DISTRIBUTION OF PROFIT AND LOSS

Expense item	Amount
Net income for 2011	RUR 52,855,121,000.00
Amount to be distributed among shareholders as dividends on common registered shares at the end of the financial year	RUR 30,396,943,497.00

Chairman,
MTS OJSC Board of Directors



Ron Sommer

President, MTS OJSC



A.A. Dubovskov

General Accounting Executive, MTS OJSC



I.R. Borisenkova



¹ - USD exchange rate for March 23, 2012: RUR 29,2447

