FOR IMMEDIATE RELEASE September 9, 2008

JSC SITRONICS

UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2008

MOSCOW, Russia – September 9, 2008 – JSC SITRONICS (SITRONICS or the "Group") (LSE: SITR), a leading provider of telecommunications, information technology and microelectronic solutions in Russia and the CIS, with a growing presence in other EEMEA emerging markets, today announced its unaudited consolidated US GAAP financial results for the second quarter and six months period ended June 30, 2008.

SECOND QUARTER HIGHLIGHTS

- Consolidated revenues up 47% year on year to US$ 481.0 million
- Telecommunication Solutions revenues up 57% year on year to US$ 194.1 million; SITRONICS Information Technologies revenues up 35% year on year to US$ 188.2 million; Microelectronic Solutions revenues up 79% year on year to US$ 91.1 million
- OIBDA* profit of US$ 25.4 million, compared to an OIBDA loss of US$ 27.2 million in the second quarter of 2007
- 77% year on year reduction in net loss from US$ 51.9 million to US$ 12.0 million

HALF YEAR HIGHLIGHTS

- Consolidated revenues up 45% year on year to US$ 926.8 million
- Telecommunication Solutions revenues up 47% year on year to US$ 349.4 million; SITRONICS Information Technologies revenues up 37% year on year to US$ 388.2 million; Microelectronic Solutions revenues up 82% year on year to US$ 160.9 million
- OIBDA[*] profit of US$ 46.0 million, compared to an OIBDA loss of US$ 38.6 million in the first half of 2007
- 75% year on year reduction in net loss from US$ 79.8 million to US$ 20.2 million
- Total assets up 28% year on year to US$ 2.2 billion
- US$ 180 million of new contracts secured since announcement of Q1 results on June 10, 2008

[*] OIBDA is defined as operating income before depreciation and amortization. Please see Attachment A to this statement for a full definition of OIBDA and a reconciliation of OIBDA to operating income.

Sergey Aslanian, President of SITRONICS, commented: "These results mark the third consecutive quarter of improved operating performance and profitability. We have delivered substantial revenue and OIBDA growth, and have continued to enhance our product portfolio and operating efficiency levels in line with our strategic plan. We have won a further US$ 180 million of new contracts since the announcement of our first quarter results in June, and these contracts are being implemented in 2008 and 2009.

"We offer competitive products, for which there is significant demand not only in Russia and the CIS, but also in the Middle East, Asia and Africa. Our geographical range and industry sector experience enables us to enter new markets and provide tailored solutions for market leading companies. Our strategy is also focused on the delivery of large-scale infrastructure projects in cooperation with the public sector, and we have made further progress in this area during 2008.

"We continue to execute our 'Crystal' strategy, which was approved in March 2008. We are committed to further accelerating our progress and continuing to outperform market growth levels, which is why we have accelerated our capital investment programme and now expect to deliver US$ 2 billion of revenues in 2008."

FINANCIAL SUMMARY

(US$ millions)	**Q2 2008**	Q2 2007	*Year on Year change*	**H1 2008**	H1 2007	*Year on Year change*
Revenues	**481.0**	328.3	*46.5%*	**926.8**	638.3	*45.2%*
OIBDA	**25.4**	(27.2)	-	**46.0**	(38.6)	-
Operating income / (loss)	**6.9**	(41.0)	-	**12.2**	(65.7)	-
Net loss	**(12.0)**	(51.9)	*76.8%*	**(20.2)**	(79.8)	*74.7%*
Total assets	**2,179.3**	1,709.1	*27.5%*	**2,179.3**	1,709.1	*27.5%*

OPERATING REVIEW

Group Overview

SITRONICS generated a 46.5% year on year increase in consolidated revenues in the second quarter of 2008 and 45.2% year on year revenue growth in the first half of the year. The Group has won a further US$ 180 million of new contracts since the announcement of the first quarter results on June 10, 2008, and the contracts are being implemented during 2008 and in 2009.

SITRONICS has continued to expand its existing product range across its business segments during the first half of the year, and to implement its strategy to target fast-growing and higher margin market segments.

SITRONICS reported a year on year decrease in operating expenses from US$ 72.5 million in the second quarter of 2007 to US$ 68.7 million in the second quarter of 2008. Operating expenses were largely stable year on year at US$ 127.4 million, compared to US$ 126.0 million for the first half of 2007.

SITRONICS therefore reported a substantially improved OIBDA result of US$ 25.4 million in the second quarter of 2008, compared to a loss of US$ 27.2 million in the second quarter of 2007, and an OIBDA profit of US$ 46.0 million for the first six months of 2008, compared to a loss of US$ 38.6 million for the first six months of 2007. The Group therefore delivered OIBDA margins of 5.3% and 5.0% for the second quarter and first six months of 2008, respectively.

The OIBDA results for 2008 included US$ 3.4 million of costs arising from the Group's stock option programme in the second quarter and US$ 6.7 million in the first half of the year, with no financial impact on the results for the first half of 2007.

Depreciation and amortization charges increased year on year from US$ 13.8 million to US$ 18.4 million in the second quarter of 2008, and from US$ 27.1 million to US$ 33.8 million in the first half of 2008 reflecting the increased capital expenditure levels. The Group therefore reported operating income of US$ 6.9 million in the second quarter of 2008, compared to a loss of US$ 41.0 million in the second quarter of 2007, and operating income of US$ 12.2 million for the six month period, compared to a loss of US$ 65.7 million in the first half of 2007.

Net interest expense amounted to US$ 8.5 million in the second quarter of 2008 compared to US$ 14.5 million in the second quarter of the previous year, and to US$ 14.5 million in the first half of 2008 compared to US$ 17.7 million for the same period of 2007. The year on year reduction reflected the fact that the results for 2007 included the impact of the early redemption of the US$ 200 million Eurobond issue and payment of interest to maturity thereon.

The Group therefore reported a pre-tax profit of US$ 1.2 million for the second quarter of 2008 compared to a loss of US$ 49.5 million in the second quarter of 2007, and a pre-tax profit of US$ 1.4 million for the first six months of 2008, compared to a loss of US$ 73.8 million for the same period of 2007.

SITRONICS reported a substantially reduced net loss of US$ 12.0 million in the second quarter of 2008 compared to a net loss of US$ 51.9 million in the second quarter of 2007, and a net loss of US$ 20.2 million for the first six months of 2008 compared to a net loss of US$ 79.8 million for the corresponding period of 2007.

SEGMENTAL REVIEW

Telecommunication Solutions

(US$ millions)	**Q2 2008**	Q2 2007	*Year on Year change*	**H1 2008**	H1 2007	*Year on Year change*
Revenues	**194.1**	123.9	*56.7%*	**349.4**	237.3	*47.2%*
OIBDA	**8.1**	(31.6)	-	**14.1**	(43.4)	-
Total Assets	**1,069.7**	947.3	*12.9%*	**1,069.7**	947.3	*12.9%*

Revenues were up 56.7% year on year in the second quarter and 47.2% for the year to date, following the securing of a further US$ 123.2 million of new contracts since the announcement of the Group's first quarter results on June 10, 2008.

The Telecommunication Solutions business reported an OIBDA profit of US$ 8.1 million in the second quarter, compared to an OIBDA loss of US$ 31.6 million for the same period of 2007, and an OIBDA profit of US 14.1 million for the year to date, compared to an OIBDA loss of US$ 43.4 million for the first six months of 2007. The segment is expected to demonstrate a continued improvement in performance during the rest of the year.

SITRONICS continued its expansion into fast growing new markets during the second quarter and completed the first stage of the US$ 22.7 million project to deliver end-to-end information technology infrastructure to Warid Telecom in Uganda. SITRONICS also signed a € 40 million contract with Syrian Wireless Organization to build a new wireless telecommunications network in Syria, and has commenced the delivery of radio relay equipment to pan-Indian operator Shyam Telelink's Rajasthan operation. The total value of the contract with Sistema subsidiary Shyam Telelink is US$ 5.7 million and SITRONICS is currently in negotiations regarding the supply of radio relay equipment to Shyam Telelink's operations in other Indian regions.

INTRACOM TELECOM extended its activities to the Asia Pacific region, and entered the Malaysian market with the supply of its WiBAS Point-to-Multipoint wireless solution to one of the largest local operators. The company also secured a new contract with a well-known operator in South Eastern Europe to support the build out of a new GSM Network. The total value of the two projects is US$ 26 million.

SITRONICS launched the FORIS NG OSS/BSS billing solution for Vodafone in the Czech Republic during the quarter, and also implemented pilot WiBAS Point-to-Multipoint system projects for six major telecommunications operators. The total value of these projects with T-Mobile in Slovakia, Globul in Bulgaria, Smart Telecom in Ireland, MTS in Russia, Kazakhtelecom in Kazakhstan, and Mediacom in Poland, is US$ 3.2 million.

In addition, the transfer of MTS Russia subscribers to the FORIS billing system was completed; a Signal Traffic Management system and Fraud Management System were installed for MTS-Ukraine; and an intelligent cellular broadcasting solution was deployed for MTS-Belorussia during the second quarter. SITRONICS also deployed a convergent billing system for Sistema's Stream-TV Group and signed a contract with Comstar-UTS to support is deployment of a data transport network in Moscow.

INTRACOM TELECOM signed a US$ 24 million contract in July, after the end of the reporting period, to supply K-TELECOM, the largest mobile operator in Armenia, with a 2.5G extension to its mobile network, including infrastructure works, installation and integration services.

SITRONICS Information Technologies

(US$ millions)	**Q2 2008**	Q2 2007	*Year on Year change*	**H1 2008**	H1 2007	*Year on Year change*
Revenues	**188.2**	139.1	*35.3%*	**388.2**	284.0	*36.7%*
OIBDA	**6.4**	5.4	*17.9%*	**11.8**	6.5	*82.3%*
Total Assets	**380.5**	192.6	*97.6%*	**380.5**	192.6	*97.6%*

Revenues were up 35.3% year on year in the quarter and 36.7% for the year to date, following continued positive dynamics and the acquisition of new contracts during the periods.

Segment OIBDA consequently increased by 17.9% year on year in the second quarter and by 82.3% in the first half of the year due to higher year on year gross margins.

Segment businesses have signed a total of US$ 51.0 million of new contracts since the announcement of the Group's first quarter results on June 10, 2008.

Kvazar-Micro was integrated under the SITRONICS brand in June 2008 and is now operating as "SITRONICS Information Technologies". The integration and rebranding followed the increase in SITRONICS' stake in Kvazar-Micro to 87% in March 2008.

SITRONICS Information Technologies commenced the final stage of the IT infrastructure project for the State Statistics Committee of Ukraine during the second quarter with the total value of the second stage of the project amounting to US$ 2.7 million. The deployment of the Oracle Siebel CRM system for MTS was initiated, whilst the development of a contact centre for the largest tourism network in Russia "Kuda.ru" was completed.

SITRONICS also implemented an Oracle E-business Suite, a full-scale Enterprise Resource Planning ("ERP") system, for Comstar-UTS during the quarter.

After the end of the reporting period, SITRONICS signed a new contract with leading fixed line telecommunications operator Comstar-UTS to provide equipment for the building of its WiMAX network in Moscow. The project is expected to be completed by the end of the year.

Microelectronics Solutions

(US$ millions)	**Q2 2008**	Q2 2007	*Year on Year change*	**H1 2008**	H1 2007	*Year on Year change*
Revenues	**91.1**	51.0	*78.7%*	**160.9**	88.2	*82.3%*
OIBDA	**22.2**	10.5	*112.2%*	**33.6**	17.3	*94.7%*
Total Assets	**609.4**	275.8	*120.9%*	**609.4**	275.8	120.9%

The Segment's healthy development continued with revenues up 78.7% year on year in the quarter and 82.3% for the year to date, reflecting the successful RFID ticketing technology project for the Moscow Metro and pilot projects for overground transportation networks in Tyumen and Magnitogorsk. RFID ticketing technology projects generated approximately 30% of segment revenues for both the second quarter and year to date.

Segment OIBDA more than doubled year on year in the second quarter and almost doubled for the six month period, with the OIBDA margin increasing year on year from 20.5% to 24.4% in the second quarter and from 19.6% to 20.9% for the year to date. The increase reflected the higher proportion of RFID ticket sales.

In August 2008, the Russian government approved the RUR 27 billion investment into SITRONICS' 0.045-0.065 micron microchip production facility in Zelenograd.

In August 2008, SITRONICS Smart Technologies received licenses from VISA International and MasterCard International for the production of banking cards in Russia. SITRONICS expects to start providing branded payment cards from October 2008.

SITRONICS established the Scientific and Research Institute in September 2008 in partnership with The Russian Academy of Sciences. The Institute will be focused on the applied research and development of high technology products.

Consumer Services and Products

(US$ millions)	**Q2 2008**	Q2 2007	*Year on Year change*	**H1 2008**	H1 2007	*Year on Year change*
Revenues	**7.7**	14.4	*(46.5%)*	**28.3**	28.8	*(1.8%)*
OIBDA	**(3.6)**	(6.8)	*46.6%*	**0.9**	(9.4)	-

Total Assets	**93.2**	229.4	*(59.4%)*	**93.2**	229.4	*(59.4%)*

The restructuring of the Consumer Services and Products division continued in line with the strategy to focus on higher margin products and services and to adapt to the changed market conditions. Revenues were lower year on year due to the discontinuation of sales of certain product lines, but the profitability of the business improved year on year.

Second quarter highlights included the termination of the unprofitable projects, the continuation of the assembly and supply of notebook computers and LCD monitors to leading retailer Depo Computers, and the launch of SITRONICS branded mobile phones.

Outlook

Given the development of the market and the Group's performance, SITRONICS is upgrading its outlook for full year 2008 revenue growth from 'in excess of the forecast market growth of 15%' to 'US$ 2 billion', which would be equivalent to over 23% year on year growth. The Group is also reiterating its outlook for a full year 2008 OIBDA margin of 'at least 5%'. The SITRONICS Information Technologies and Microelectronic Solutions segments are expected to continue to perform strongly during the second half of the year, with the Telecommunication Solutions businesses expected to show continued operating performance improvements moving forward.

FINANCIAL REVIEW

SITRONICS generated a net cash flow from operations in the first half of 2008, compared to US$ 78.2 million of net cash used in operations during the same period of 2007. The positive development reflected the operating performance of the Group and the continued improvement in working capital management.

Net cash used in investing activities amounted to US$ 226.3 million in the first half of 2008, compared to US$ 69.4 million in the first half of 2007 and included capital expenditure of US$ 140.1 million, compared to US$ 67.1 million for the first six months of 2007. The increased capital investment levels reflected the financing of the RFID ticketing project in the Microelectronics division following growing demand from the Moscow Metro; the US$ 116.9 million purchase of 36% of Kvazar-Micro from Melrose Holding Company; additional investments in the 0.18 micron technology development and the 65 nanometres microchip production; the funding of new data center services and the Banking Cards business; and the Group's R&D programmes. Full year 2008 capital expenditure is expected to total up to US$ 200 million.

Cash flow from financing activities amounted to US$ 136.7 million in the first half of 2008, compared to US$ 234.8 million in the first half of 2007, and primarily comprised cash inflow from the US$ 75 million Dresdner Bank one year loan agreement signed in March 2008, US$ 43 million of revolving credit lines secured from HSBC and Sberbank, and US$ 30 million of financing received from Sistema.

Cash and cash equivalents therefore amounted to US$ 103.7 million at the end of the period, compared to US$ 185.5 million at the end of 2007.

The Group's total borrowings increased quarter to quarter to US$ 745.1 million from US$ 729.4 million at the end of the first quarter of 2008 and US$ 564.8 million at the end of 2007. SITRONICS' net debt, excluding capital leases and derivatives, amounted to US$ 641.3 million at the end of the first half of the year, compared to US$ 608.8 million as at March 31, 2008 and US$ 326.8 million at the end of 2007.

INTRACOM TELECOM signed a EUR 150 million syndicated bond loan agreement after the end of the period at the beginning of July 2008. The loan matures in three years with two one year extension periods. The proceeds have been used to refinance existing debt and to provide for the working capital needs of the business.

OTHER INFORMATION

Conference call

SITRONICS management will host a conference call today at 4.00 PM Moscow local time, 1.00 PM London local time and 8.00 AM New York local time to present and discuss these results. Participants may dial the following numbers in order to access the call:

UK / International: +44 (0)20 8609 0582
US: +1 866 928 1925

A replay facility will also be made available for 7 days after the call and may be accessed by dialing the following numbers and using the following pin code:

UK / International: +44 (0)20 8609 0289
US: +1 866 676 5865
PIN CODE: 229685#

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ABOUT SITRONICS

SITRONICS is a leading provider of telecommunication solutions, including software, equipment and systems integration, IT solutions and microelectronic solutions in Russia and the Commonwealth of Independent States with a strong presence in Central and Eastern Europe and a growing presence in the Middle East and Africa.

SITRONICS serves over 3,500 clients, maintains offices in 32 countries and exports its products and services to more than 60 countries. SITRONICS has over 11,000 employees of whom approximately 4,500 are involved in research and development.

SITRONICS' key Telecommunication Solutions operations are based in Prague, Czech Republic and Athens, Greece, while the company's IT Solutions and Microelectronic Solutions divisions are based in Kiev, Ukraine and Zelenograd, Russia respectively.

SITRONICS generated revenues of US$ 926.8 million for the six months ended June 30, 2008 and had total assets of US$ 2.2 billion at the end of the period. SITRONICS is majority owned by Sistema, the largest public diversified corporation in Russia and the CIS, which manages fast growing companies operating in the consumer services sector.

SITRONICS has developed strategic alliances in its home markets with Cisco Systems, STMicroelectronics, Infineon and Giesecke & Devrient in relation to certain products and services. SITRONICS has vendor relationships with Siemens, Ericsson, Motorola, ORACLE, Intel, Sun Microsystems and Microsoft. Key customers include Sistema group companies, such as MTS, Comstar UTS and MTT, and also OTE, Cosmote, Vodafone, Ericsson, Arcelor Mittal (formerly Mittal Steel) and TCL.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of SITRONICS. You can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other expressions. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, and other factors specifically related to SITRONICS and its operations.

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2008 (UNAUDITED) AND DECEMBER 31, 2007
(Amounts in thousands of U.S. dollars, except share amounts or if otherwise stated)

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 103,708	$ 185,486
Short-term investments	919	9,489
Trade receivables, net	665,061	616,611
Other receivables and prepaid expenses, net	173,360	145,342
Inventories and spare parts	236,012	210,490
Restricted cash	8,222	7,525
Deferred tax assets, current portion	6,160	7,203
Total current assets	1,193,442	1,182,146
Property, plant and equipment, net	586,886	470,074
Intangible assets, net	233,478	100,385
Inventories and spare parts, net	61,216	63,134
Long-term investments	12,873	3,201
Long-term trade receivables	55,556	36,629
Restricted cash	1,295	2,120
Deferred tax assets, long-term portion	32,777	27,553
Other long-term assets	1,747	2,054
TOTAL ASSETS	**$ 2,179,270**	**$ 1,887,296**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)
AS OF JUNE 30, 2008 (UNAUDITED) AND DECEMBER 31, 2007
(Amounts in thousands of U.S. dollars, except share amounts or if otherwise stated)

	June 30, 2008	December 31, 2007
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 342,423	$ 294,067
Taxes payable	38,384	38,613
Accrued expenses and other current liabilities	187,739	159,918
Derivative financial instruments	-	52,563
Short-term loans and notes payable	602,628	254,246
Current portion of long-term debt	183	175
Deferred tax liabilities, current portion	11,298	9,380
Total current liabilities	1,182,655	808,962
LONG-TERM LIABILITIES:		
Capital lease obligations	749	877
Long-term debt	142,239	257,821
Other long-term liabilities	10,914	11,776
Deferred tax liabilities	48,444	15,618
Total long-term liabilities	202,346	286,092
TOTAL LIABILITIES	1,385,001	1,095,054
MINORITY INTERESTS	196,632	206,372
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS' EQUITY:		
Share capital (9,547,087,190 shares authorized and issued as of June 30, 2008 and December 31, 2007, with par value of 1 ruble)	335,764	335,764
Treasury stock (796,776,440 shares with par value of 1 ruble as of June 30, 2008 and December 31, 2007)	(57,456)	(53,659)
Shareholder's receivable	(11,451)	(9,256)
Additional paid-in capital	416,711	409,724
Retained earnings	(183,736)	(163,565)
Accumulated other comprehensive income	97,805	66,862
TOTAL SHAREHOLDERS' EQUITY	597,637	585,870
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,179,270**	**$ 1,887,296**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2008 (UNAUDITED) AND 2007 (UNAUDITED)
(Amounts in thousands of U.S. dollars or if otherwise stated)

		Six month ended June 30,		
		2008		2007
Revenues	$	926,827	$	638,319
				-
Cost of sales, exclusive of depreciation and amortization shown separately below		(753,473)		(550,866)
Research and development expenses		(21,144)		(19,227)
Selling, general and administrative expenses		(111,802)		(106,486)
Depreciation and amortization		(33,771)		(27,148)
Other operating expenses, net		5,586		(310)
OPERATING INCOME/ (LOSS)		12,223		(65,718)
Interest income		2,253		10,785
Interest expense, net of amounts capitalized		(16,767)		(28,526)
Foreign currency transactions gain		3,672		9,631
Income/ (Loss) before income tax and minority interests		1,381		(73,828)
Income tax expense		(15,080)		(2,069)
Loss before minority interests		(13,699)		(75,897)
Minority interests		(6,472)		(3,940)
NET LOSS	**$**	**(20,171)**	**$**	**(79,837)**
Translation adjustment, net of minority interests of $12,726 and 4,536, respectively, and income tax effect of nil		30,943		6,304
Comprehensive income/(loss)	$	10,772	$	(73,533)
Weighted average number of common shares outstanding		8,750,310,750		8,750,760,971
Loss per share, basic and diluted, USD:		(0.001)		(0.008)

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2008 (UNAUDITED) AND 2007 (UNAUDITED)
(Amounts in thousands of U.S. dollars)

	Six month ended June 30, 2008	2007
OPERATING ACTIVITIES:		
Net loss	$ (20,171)	$ (79,837)
Adjustments to reconcile net loss to net cash provided by/ (used in) operations, net of impact of acquired subsidiary:		
Depreciation and amortization	33,771	27,148
Minority interests	6,472	3,940
Gain from disposal of property, plant and equipment	(3,657)	(1,450)
Deferred income tax	4,196	534
Bad debt expense	116	8,972
Loss on early extinguishment of debt	-	8,225
Stock based compensation	6,669	-
FIN 48 effect	(1,404)	-
Foreign currency transactions gain on non-operating activities, net	(10,881)	-
Changes in operating assets and liabilities:		
Trade receivables	(22,028)	119,170
Other receivables and prepaid expenses	(13,057)	(93,597)
Inventories and spare parts	(4,588)	3,513
Accounts payable	36,273	(75,274)
Taxes payable	(3,884)	(13,782)
Accrued expenses and other current liabilities	(7,724)	14,271
Net cash provided by / (used in) operating activities	$ 103	$ (78,167)
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(113,935)	(47,085)
Proceeds from disposals of property, plant and equipment	5,583	2,618
Purchases of intangible assets	(26,169)	(19,980)
Purchases of businesses, net of cash acquired	(92,900)	(8,397)
Increase in other restricted cash	831	3,112
Purchases of short-term investments	(577)	(917)
Proceeds from sales of short-term investments	9,330	1,233
Purchases of long-term investments	(8,454)	-
Net cash used in investing activities	$ (226,291)	$ (69,416)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2008 (UNAUDITED) AND 2007 (UNAUDITED)
(Amounts in thousands of U.S. dollars)

	Six month ended June 30,	
	2008	**2007**
FINANCING ACTIVITIES:		
Proceeds from short-term borrowings	$ 442,679	$ 147,001
Principal payments on short-term borrowings	(124,286)	(23,160)
Principal payments on long-term borrowings	(174,820)	(199,526)
Principal payments on capital lease obligations	(2,343)	(1,691)
Debt issuance costs	(750)	-
Payments for early retirement of debt	-	(8,225)
Proceeds from issuance of common stock	-	356,378
Repurchase of common stock	(3,797)	(36,000)
Net cash provided by financing activities	$ 136,683	$ 234,777
Effects of exchange rate changes on cash and cash equivalents	7,727	374
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**$ (81,778)**	**$ 87,568**
CASH AND CASH EQUIVALENTS, beginning of the year	**$ 185,486**	**$ 89,840**
CASH AND CASH EQUIVALENTS, end of the year	**$ 103,708**	**$ 177,408**
CASH PAID DURING THE YEAR FOR:		
Interest, net of amounts capitalized	(8,738)	(19,487)
Income taxes	(16,223)	(25,779)
NON-CASH ITEMS:		
Equipment acquired under capital lease	1,324	-

Attachment A

Non-GAAP financial measures. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. Our OIBDA may not be similar to OIBDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. OIBDA can be reconciled to our consolidated statements of operations as follows:

(US$ 000's)	**2Q 2008**	2Q 2007	**H1 2008**	H1 2007
Operating Income / (Loss)	**6,945**	(41,022)	**12,223**	(65,719)
Depreciation and Amortization	**18,411**	13,810	**33,771**	27,148
OIBDA	**25,356**	(27,212)	**45,994**	(38,571)