

PRESS RELEASE – September 5, 2012

MTS CONTINUES WITH TELESTE TO EXPAND THEIR NATIONWIDE DIGITAL TV INFRASTRUCTURE

The largest Russian telecom operator strengthens its digital TV service delivery with Teleste

TURKU, FINLAND – 6 September 2012 – Teleste, a leading technology and engineering service provider of broadband video and service platforms, and Mobile TeleSystems OJSC ("MTS"), the leading telecommunications provider in Russia and the CIS, announced new supplemental deployments of Teleste Luminato video headend platform and Teleste Broadcast Manager service management system to MTS nationwide digital TV headend network.

Development of fixed broadband network and digital services is one of the core areas MTS seeks to concentrate. The company has a goal to convert all its networks in digital format during 2012-2013 to enable operator's subscribers in all regions of Russia to use advanced packages of TV channels, additional services and high definition content. In order to meet the objective, MTS selected Teleste as a supplier of digital video headend equipment last year and now, few months later, tens of headends are installed and serving subscribers with high quality video content.

Due to reliable operation and easy and fast commissioning of the newly installed headends, MTS is already now able and ready to move forward with the digitalisation program, and expand to new cities which will be also equipped with Teleste headend platforms. Further, the existing Teleste headends will be supplemented with additional Luminato equipment to enrich subscribers' service selection with tens of additional channels.

"We are very pleased with the progress we have had and how our plans have realized. The short timeframe from selecting Teleste as our provider to the situation where the new services were available to subscribers in the planned extent has exceeded our expectations. Our decision to carry out this project with Teleste has proved to be successful. When deciding about expanding to new locations, we didn't hesitate to continue with Teleste", states Boris Tomilin, the Chief of TV Division in Fixed Network Development Department, MTS OJSC.

"We are impressed by the management and efficiency of MTS in implementing the nationwide project in such a short time. And, it is great to notice that also we have been able to fulfill the requirements set by MTS all the way from headend functionality to installations and delivery times. The best indication of a satisfied customer, along with positive feedback, is continuing projects. We are delighted to move forward with MTS and do our utmost best to guarantee successful project", comments Jukka Rinnevaara, the president and CEO of Teleste.

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Mobile TeleSystems OJSC ("MTS") is the leading telecommunications group in Russia, Eastern Europe and Central Asia, offering mobile and fixed voice, broadband, pay TV as well as content and entertainment services in one of the world's fastest growing regions. Including its subsidiaries, as of December 31, 2011, the Group serviced over 100 million mobile subscribers in Russia, Ukraine, Uzbekistan, Armenia and Belarus, a region that boasts a total population of more than 230 million. The Group's fixed business, as of December 31, 2011, had a total of 11.433 million households passed, 2.152 million broadband Internet and 2.987 million pay-TV subscribers.

MTS has been listed on the New York Stock Exchange since July 2000 and trades under the ticker MBT. The Company's shares have been listed locally on Moscow Interbank Currency Exchange (MICEX) since November 2003 under the symbol MTSI. Additional information about the MTS Group can be found at www.mtsgsm.com.

Teleste is an international technology group founded in 1954, which is specialised in broadband video and data communication systems and services. The group is active in two business segments, Video and Broadband Solutions and Network Services; in both fields, we are among the global leaders. Video is at the core of our business activities, with a focus on the processing, transmission and management of video and data for operators and public authorities who provide multiple video-related information, entertainment and security services to end-users. Video and Broadband Solutions business segment has the emphasis on product solutions for broadband access networks, video service platforms and video surveillance applications. Network Services segment deliver comprehensive network service solutions including new construction, rebuilding, upgrading, planning and maintenance services of cable networks. In 2011 the group's net sales totalled EUR 183,6 million and the group employed 1319 persons at the year-end. The company has approximately 30 offices world-wide and over 90% of Teleste's net sales are generated outside Finland. The company is listed on the NASDAQ OMX Helsinki Ltd. www.teleste.com for more information.