

MOBILE TELESYSTEMS OJSC
Form 6-K
May 29, 2012

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
May 29, 2012

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Commission file number: 333-12032

Mobile TeleSystems OJSC

(Exact name of Registrant as specified in its charter)

Russian Federation

(Jurisdiction of incorporation or organization)

**4, Marksistskaya Street
Moscow 109147
Russian Federation**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

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Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Press release

MTS Acquires Leading Alternative Operator in Moscow

May 29, 2012

Moscow, Russian Federation Mobile TeleSystems OJSC (MTS NYSE: MBT), the leading telecommunications provider in Russia and the CIS, announces that MTS Group, through its subsidiary Moscow City Telephone Network OJSC (MGTS), has acquired a 100% stake in Tascom CJSC (Tascom), a market leader in providing telecommunication services to corporate clients in Moscow and the Moscow region, from Bester Investments Limited, which is owned by the European Bank for Reconstruction and Development (EBRD), its related funds and certain other private investors.

The purchase price paid at the completion of the transaction amounted to \$38.3 million. Additional payment of \$6.9 million is deferred for 12 months and is contingent upon fulfillment of certain agreed requirements. MGTS also assumed net debt of Tascom in the amount of \$9.7 million.

Tascom provides a wide array of telecommunication services to corporate clients, including virtual private networks (VPNs), local and long distance/international calling, broadband Internet, and WiFi access. The Company owns an extensive fiber-optic network (1,100 km in Moscow and in 50 towns of the Moscow region) and a wireless network in pre-WiMax standard.

Alexander Popovskiy, MTS Vice President and Chief Operating Officer, Chairman of MGTS Board, commented, "The acquisition of Tascom, one of the leading players in the Moscow B2B market, is in line with the MTS strategy of building an integrated operator. Given the rising demand for data services in Moscow, we see a significant potential for enhancing the Company's position in Russia's most lucrative market. We are confident that with better standing in the Moscow market, MTS will be able to and attract major clients with presence across Russia offering them nationwide VPNs and strengthen our leadership in the corporate market."

Tascom's financial results will be consolidated in the Company's financial statements beginning from May 28, 2012.

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For further information, please contact in Moscow:

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Learn more about MTS. Visit the official blog of the Investor Relations Department at www.mtsgsm.com/blog/

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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, the Group services over 100 million mobile subscribers. The Group has been awarded GSM licenses in Russia, Ukraine, Uzbekistan, Armenia and Belarus, a region that boasts a total population of more than 230 million. Since June 2000, MTS' Level 3 ADRs have been listed on the New York Stock Exchange (ticker symbol MBT). Additional information about the MTS Group can be found at www.mtsgsm.com.

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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 MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking

statements by terms such as expect, believe, anticipate, estimate, intend, will, could, may or might, and the negative of such terms or similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not undertake or intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company's most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned Risk Factors that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies, our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so, strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures, rapid technological and market change, acquisition strategy, risks associated with telecommunications infrastructure, governmental regulation of the telecommunications industries and other risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management and future growth subject to risks.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOBILE TELESYSTEMS OJSC

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| By: | <i>/s/ Andrei Dubovskov</i> | |
| | Name: | Andrei Dubovskov |
| | Title: | CEO |

Date: **May 29, 2012**