

MOBILE TELESYSTEMS OJSC
Form 6-K
November 29, 2004

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Issuer
November 29, 2004**

**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 ☒

MTS ACQUIRES A MOBILE PHONE OPERATOR

IN THE RUSSIAN FAR EAST

Moscow, Russian Federation November 29, 2004 Mobile TeleSystems OJSC (MTS - NYSE: MBT), the largest mobile phone operator in Russia and the CIS, announces the acquisition of a majority stake in Sibintertelecom, a GSM mobile phone operator in the Chita Oblast and Aginsk-Buryatsk Autonomous District in the Far Eastern part of Russia.

MTS has acquired a 100% ownership in US-based MCT Sibi Corp., a wholly-owned subsidiary of MCT Corp., which owns 93.53% of Sibintertelecom, for \$37.3 million.

Sibintertelecom is the sole GSM mobile phone operator in two regions of Russia with a total population of 1.23 million (1.16 million in the Chita Oblast and 72 thousand in the Aginsk-Buryatsk Autonomous District). The company provides its services to over 100 thousand subscribers. Mobile penetration in these regions is at around 8%, substantially lower than Russia's average penetration of 42.5%. MTS has GSM licenses for both regions but is not yet operational in either of them. This acquisition increases the number of regions where MTS and its subsidiaries operate to 66.

According to unaudited US GAAP numbers, in the first six months of 2004 Sibintertelecom's revenues totaled \$8.0 million, operating income \$5.6 million(1), and net income \$4.2 million. The company's net cash(2) was \$0.8 million as of June 30, 2004. As part of the transaction MTS will assume Sibintertelecom's obligation as of the date of the purchase to pay to MCT Corp. approximately \$3.9 million. The company's average monthly revenue per user (ARPU) was \$28.5 in H1 2004.

Commenting on the acquisition, Vassily Sidorov, President and CEO of MTS, said: This transaction is in line with our strategy of seeking attractive acquisition targets in the regions where we have not yet launched operations. Our purchase of Sibintertelecom enables us to enter two Far Eastern regions ahead of competition, further expanding MTS' geographic reach and immediately placing us in the leading position.

For further information contact:

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(1) Depreciation and Amortization charges for the first six months of 2004 were \$0.1 million.

(2) Net cash is the difference between cash and cash equivalents and short-term investment and the total debt. Total debt is comprised of the current portion of debt, current capital lease obligations, long-term debt and long-term capital lease obligations.
