

**Information and comments on the issues
submitted for approval of the Annual General Meeting of
Mobile TeleSystems Open Joint Stock Company Shareholders on
June 24, 2004**

The first issue on the agenda:

Procedure for conducting the Annual General meeting of Shareholders

This issue on the agenda for the shareholders' meeting is of organizational nature and relates to the procedure for conducting the shareholders' meeting.

The Counting Commission shall present to participants of the meeting the information about registration of participants of the meeting, satisfaction of quorum and other relevant organizational information.

Within the scope of this issue the participants of the meeting shall adopt a resolution on the election of a chairman of the shareholders' meeting. (The chairman shall be elected from among the persons present at the shareholders' meeting.)

Pursuant to Clause 12.12.2 of MTS OJSC Charter, the Chairman shall perform the following functions:

- conduct the General Meeting of Shareholders;
- ensure compliance with rules of procedure for the General Meeting of Shareholders;
- sign the minutes of the General Meeting of Shareholders.

This issue also includes determination of the procedure for summarizing the results of voting and presentation of resolutions adopted by the Annual General Meeting of MTS OJSC Shareholders with respect to issues on the agenda of the shareholders' meeting.

With respect to this issue it is proposed to decide that the preliminary summarizing of results of voting on issue no. 4 on the agenda of the shareholders' meeting – "Determination of the size of MTS OJSC Board of Directors" and determination of the size of MTS OJSC Board of Directors that will be elected, as well as determination of the number of shares by which the shareholders may vote on agenda item no. 5 will be performed immediately after consideration of agenda item no. 4 – "Determination of the size of MTS OJSC Board of Directors".

It is proposed that the final summarizing of results of voting on all issues on the agenda of the Annual General Meeting of Shareholders and presentation of resolutions adopted with respect of such issues should be performed at the Annual General Meeting of Shareholders on June 24, 2004.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

1. For conducting the meeting to elect the following person _____ as a Chairman of the Annual General Meeting of MTS OJSC Shareholders.
2. Voting results and resolutions adopted by the Annual General Meeting of MTS OJSC Shareholders with respect to issues on the agenda shall be announced at the Annual General Meeting of MTS OJSC Shareholders. To determine the size of MTS OJSC Board of Directors that shall be elected by cumulative voting within the scope of agenda item no. 5 – “Election of members to MTS OJSC Board of Directors” and to determine the number of shares by which the shareholders are entitled to vote, voting on agenda item no. 4 – “Determination of the size of MTS OJSC Board of Directors” as well as preliminary summarizing of voting results and presentation (announcement) of a resolution with respect to this issue shall be performed immediately after consideration of agenda item no. 4 – “Determination of the size of MTS OJSC Board of Directors”. Ballots for voting on item no. 4 – “Determination of the size of MTS OJSC Board of Directors” submitted to the Counting Commission after summarizing preliminary results of voting on this agenda item but before the counting of votes on all agenda items is started shall be taken into account when summarizing final results of voting on all issues on the agenda of the meeting.

The second issue on the agenda:

Formation of MTS OJSC Counting Commission

The issue of formation of the Counting Commission in MTS OJSC is submitted to the Annual General Meeting of MTS OJSC Shareholders. The Counting Commission of MTS OJSC is an independent, standing working body of the General Meeting of MTS OJSC Shareholders. The Counting Commission shall perform functions related to conducting general meetings of MTS OJSC shareholders, including registration of persons to participate in the meetings, explaining issues relating to the exercise by participants of the meetings of their respective rights, counting votes in case of voting on agenda items, preparation of protocols of voting results.

The Counting Commission shall be elected by the Annual General Meeting of Shareholders and shall retain its powers until the next Annual General Meeting of MTS OJSC Shareholders.

Under the existing Russian legislation, the functions of the Counting Commission may be transferred to the organization keeping the register of rights to MTS OJSC securities.

MTS OJSC Board of Directors recommended to entrust the functions of MTS OJSC Counting Commission to MTS OJSC registrar – Registrar NIKoil Open Joint Stock Company (location: 36, bldg. 1, Prospect Mira, Moscow, Russian Federation, OGRN 1027700060607, license: No.10-000-1-00290, date of issue: June 17, 2003, authority that issued the license: The Federal Commission for the Securities Market of the Russian Federation).

Information on the nominee for the Counting Commission is attached.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

MTS OJSC registrar – Registrar NIKoil Open Joint Stock Company (location: 36, bldg. 1, Prospect Mira, Moscow, Russian Federation, OGRN 1027700060607, license: No.10-000-1-00290, date of issue: June 17, 2003, authority that issued the license: The Federal Commission for the Securities Market of the Russian Federation) should be empowered to perform the functions of MTS OJSC Counting Commission.

The third issue on the agenda:

Approval of MTS OJSC's annual report and annual financial statements, including MTS OJSC's profit and loss statement (account), distribution of MTS OJSC's profit, including payment of dividends.

Under the existing Russian legislation, the said issue should be discussed on an annual basis at annual general meetings of shareholders. The following information is submitted to the Annual General meeting of Shareholders for approval:

- MTS OJSC's annual report;
- MTS OJSC's financial statements for year 2003;
- MTS OJSC's profit and loss statement (account);
- Recommendations of MTS OJSC Board of Directors on distribution of MTS OJSC's profit on the basis of FY 2003 results.

The Conclusion of MTS OJSC Audit Commission and the Report of MTS OJSC's auditor (ZAO Deloitte & Touche CIS) are attached to the above documents.

The text of the resolution on this issue also includes a section dealing with payment of annual dividends on MTS OJSC registered common stock. It is recommended that the amount of annual dividend on MTS OJSC registered common stock should be determined as RUR 3.20217480 per one registered common share in MTS OJSC with the par value of RUR 0.1 each. The total amount of annual dividends should be RUR 6,382,978,727.28. Annual dividends shall be paid out in money within a period specified by MTS OJSC Charter.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

To approve MTS OJSC's annual report for 2003, MTS OJSC's annual financial statements for 2003, MTS OJSC's profit and loss statement (account) for 2003, distribution of MTS OJSC's profit, including the amount of annual dividend on MTS OJSC registered common stock that is determined as RUR 3.20217480 per one registered common share in MTS OJSC with the par value of RUR 0.1 each. The total amount of annual dividends is RUR 6,382,978,727.28. Annual dividends shall be paid out in money within a period specified by MTS OJSC Charter.

The forth issue on the agenda:

Determination of the size of MTS OJSC Board of Directors

In connection with the proposal received from AFK Sistema, which is an MTS OJSC shareholder owing 31.097% of shares in MTS OJSC, dealing with putting issues on the agenda for the Annual General Meeting of MTS OJSC Shareholders, the issue of determination of the size of MTS OJSC Board of Directors is submitted to the General Meeting of Shareholders.

MTS OJSC Board of Directors, in accordance with the proposal of MTS OJSC shareholder AFK Sistema, recommended to the General Meeting of MTS OJSC Shareholders to adopt a resolution to determine the size of MTS OJSC Board of Directors as 9 members.

According to MTS OJSC Charter, the Company's Board of Directors shall consists of 7 (seven) members but the number of members of the Board of Directors may be increased to 9 (nine) members by a resolution of the General Meeting of Shareholders.

After completion of voting on this issue the Counting Commission will summarize preliminary voting results and declare the adopted resolution on the determination of the size of MTS OJSC Board of Directors. In accordance with such resolution the voting on agenda item no. 5 – Election of members to MTS OJSC Board of Directors will be held.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

To determine the size of MTS OJSC Board of Directors as 9 members.

The fifth issue on the agenda:

Election of members to MTS OJSC Board of Directors

The issue of election of members to MTS OJSC Board of Directors is submitted to the General Meeting of Shareholders. The powers of the newly elected Board of Directors shall be effective until the next Annual General Meeting of MTS OJSC Shareholders.

Procedure for adoption of resolutions:

Pursuant to MTS OJSC Charter and the existing law, the members of the Board of Directors shall be elected by cumulative voting. In cumulative voting, each voting share of the Company shall carry a number of votes equal to the total number of members of the Board of Directors.

Procedure for voting on this issue on the agenda depends on the resolution adopted with respect to the previous issue – Determination of the size of MTS OJSC Board of Directors.

For voting on this issue you will be provided with two ballots: one ballot to elect 7 members of the Board of Directors and another ballot to elect 9 members of the Board of Directors.

Upon completion of voting on the previous issue – Determination of the size of MTS OJSC Board of Directors, the Counting Commission of MTS OJSC will summarize preliminary results of voting and will declare the adopted resolution on the determination of the size of MTS OJSC Board of Directors: 7 or 9 members of the Board of Directors. Depending on a declared resolution you will have to vote either by a ballot providing for election of 7 members to the Board of Directors or by a ballot providing for election of 9 members to the Board of Directors.

Difference in ballots with respect to election of BoD members (7 or 9 members) consists in different numbers of persons to be elected to the Board of Directors. The number of shares owned by a shareholder shall be multiplied by such number of persons when voting on the issue of election of BoD members takes place.

A Shareholder may cast all votes carried by the shares owned by him in favor of one candidate or distribute them among several candidates for the Board of Directors. The candidates who receive the greatest number of votes shall be deemed elected to the Board of Directors.

Information on candidates to the Board of Directors is attached.

Draft resolution:

To elect the following persons: _____
to the Board of Directors of Mobile TeleSystems Open Joint Stock Company.

The sixth issue on the agenda:

Election of members to MTS OJSC Auditing Commission

The issue of election of members to MTS OJSC Auditing Commission is submitted to the Annual General Meeting of Shareholders. The Audit Commission is an independent, standing working body supervising the financial and economic activities of MTS OJSC.

The Audit Commission shall be elected by the General Meeting of Shareholders and shall retain its powers until the next Annual general meeting of MTS OJSC Shareholders.

No more than 3 (three) candidates may be elected to the Audit Commission, as that is the size of the Audit Commission determined by the resolution of the Annual General Meeting of MTS OJSC Shareholders of June 21, 2002.

Information about candidates to the Audit Commission is attached.

Procedure for adoption of resolutions:

Shares owned by members of MTS OJSC Board of Directors or MTS OJSC's executive body (president) cannot participate in voting.

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

To elect as members of MTS OJSC Audit Commission the following persons:

The seventh issue on the agenda:

Approval of MTS OJSC auditor

The issue of approval of MTS OJSC's auditor for auditing financial and economic activities of MTS OJSC is submitted to the General Meeting of Shareholders.

The auditor shall be approved by the Annual General meeting of Shareholders on an annual basis and shall retain its powers until the next Annual General Meeting of MTS OJSC's Shareholders.

Under current legislation, annual statements of an open joint stock company shall be confirmed by an auditor that has no property interests in the company or the company's shareholders.

MTS OJSC's statements for 2002 and 2003 were audited by ZAO Deloitte & Touche CIS.

MTS OJSC Board of Directors recommended to approve ZAO Deloitte & Touche CIS as MTS OJSC's auditor.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

Draft resolution:

To approve auditing company ZAO Deloitte & Touche CIS (location: 4/7 Vozdvizhenka St., Moscow, Russian Federation, OGN 1027700425444) as MTS OJSC's auditor.

The eighth issue on the agenda:

Amendments and additions to the Charter of MTS OJSC

The issue of making amendments and additions to the Charter of MTS OJSC is submitted to the Annual General Meeting of MTS OJSC Shareholders. Necessity in making amendments was caused by new requirements of FCSM of Russia and Russian stock exchanges with respect to increasing the level of corporate governance and information disclosure in Russian public companies.

It is proposed to delete from MTS OJSC Charter a provision about the release of persons who have acquired 30% of shares in MTS OJSC or more from the obligation, in case of sale of shares in MTS OJSC, to propose to all other shareholders of MTS OJSC to redeem the shares.

In case such amendment is not made to MTS OJSC Charter before December 31, 2004, MTS OJSC shares, in accordance with requirements of the Moscow Interbank

Currency Exchange, will be excluded from Quotation List “Á” of the Moscow Interbank Currency Exchange.

Necessity in other amendments is accounted for by FCSM recommendations to augment the level of corporate governance and disclosure of information in Russian public companies.

The draft of proposed amendments and additions to the Charter of MTS OJSC is attached.

Procedure for adoption of resolutions:

A resolution must be adopted by three-fourths majority of votes of shareholders attending the meeting.

Draft resolution:

To make amendments and additions to the Charter of MTS OJSC.

The ninth issue on the agenda

Approval of transactions between MTS OJSC and Open Joint Stock Company Moscow City Telephone Network (OJSC MGTS) in whose completion there is an interest.

The issue of approval of transactions between MTS OJSC and OJSC MGTS, in whose completion there is an interest, is submitted to the Annual Meeting of Shareholders.

In the course of its operations MTS OJSC needs from time to time to enter into various agreements with OJSC MGTS.

Under such agreements with OJSC MGTS, premises for telecommunication equipment and cable duct sections owned by OJSC MGTS are leased, telecom services are provided etc.

Pursuant to the Federal Law “On Joint Stock Companies”, any transaction between MTS OJSC and OJSC MGTS is a transaction in whose completion there is an interest and should be approved by the resolution of the General Meeting of MTS OJSC Shareholders.

The list of transactions between MTS OJSC and OJSC MGTS submitted for approval including amounts and basic terms and conditions of transactions is attached.

Amounts of transactions between MTS OJSC and OJSC MGTS indicated in the Attachment, in accordance with the Federal Law “On Joint Stock Companies”, were determined by the resolution of MTS OJSC Board of Directors of April 29, 2004.

Procedure for adoption of resolutions:

A resolution must be adopted by a simple majority of votes of shareholders attending the meeting.

The following shareholders that are recognized as persons interested in completion of the said transactions will not participate in voting: OJSC AFK Sistema, CJSC Invest-Sviaz-Holding, VAST LLC and other companies affiliated by MTS OJSC.

Draft resolution:

To approve conclusion of interrelated transactions between MTS OJSC and Open Joint Stock Company Moscow City Telephone Network, in whose completion there is an interest, listed in Annex 1. The basic terms and conditions of the said transactions are set forth in Annex 1.