

MOBILE TELESYSTEMS OJSC
Form 6-K
January 11, 2011

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
January 11, 2011

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

Ad Hoc Notice

January 11, 2011

Moscow, Russian Federation Mobile TeleSystems OJSC (MTS NYSE: MBT), the leading telecommunications provider in Russia and the CIS, announces that an international arbitration tribunal (Tribunal) constituted under the rules of the London Court of International Arbitration (LCIA) has rejected application of MTS wholly owned subsidiary, MTS Finance S.A. (MTS Finance), to correct an award it issued on November 11, 2010 with regards to arbitration commenced by Nomihold Securities Inc. (Nomihold) in early 2007. Accordingly, the award stating that MTS Finance is required to honor Nomihold 's option to sell MTS Finance the remaining 49% stake in Tarino Limited for \$170 million, plus interest, \$5.88 million in dividends that Tribunal ruled were payable to Nomihold under the option agreement, and to compensate it for related costs, is now a final award. MTS Finance is currently considering its legal options.

As previously disclosed by MTS, MTS Finance acquired a 51% stake in Tarino Limited from Nomihold at the end of 2005. Tarino Limited was believed at that time to be the indirect owner, through its 100% owned subsidiaries, of Bitel, a Kyrgyz GSM mobile phone operator. In March 2007, MTS wrote off the costs relating to the acquisition of Bitel in the amount of \$150 million and a liability of \$170 million was recorded with an associated charge to non-operating expenses to account for potential liability with respect to the option for the remaining 49% of Tarino, as noted in MTS annual financial statements for year ended 31 December, 2006.

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For further information, please contact in Moscow:

Joshua B. Tulgan

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Acting Director, Corporate Finance

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Mobile TeleSystems OJSC

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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 , Company) 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 106.3 million mobile subscribers in Russia, Ukraine, Uzbekistan, Turkmenistan, 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 other 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, including Comstar-UTS, 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

By:	/s/ Mikhail Shamolin	
	Name:	Mikhail Shamolin
	Title:	CEO

Date: **January 11, 2011**