

MOBILE TELESYSTEMS OJSC
Form 6-K
November 01, 2005

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Issuer
November 01, 2005**

**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 CONSOLIDATES OWNERSHIP IN ITS SUBSIDIARY

OPERATING IN TURKMENISTAN

Moscow, Russia November 01, 2005 Mobile TeleSystems OJSC (MTS - NYSE: MBT), the largest mobile phone operator in Russia and the CIS, announces that it has acquired the remaining 49% stake in Barash Communications Technologies, Inc. (BCTI), a U.S. company that is the leading mobile phone operator in the Republic of Turkmenistan.

In line with its strategy of consolidating the Company's ownership in its subsidiaries, MTS acquired the additional 49% stake in BCTI, incorporated in the United States, from the founders of the company for \$18.52 million. MTS purchased the initial 51% controlling stake of BCTI in June 2005 for \$28.05 million.

BCTI's branch in Turkmenistan holds GSM-900/1800 and AMPS licenses for the entire territory of the country (population: 6.6 million(1)). Mobile penetration in Turkmenistan is less than 1% and fixed line penetration is estimated at around 6%(2). The company provides services to approximately 60 thousand subscribers and is the leader of the two GSM providers operating in the country.

We are pleased to consolidate BCTI at an attractive valuation and we are looking forward to developing a successful mobile business in Turkmenistan. We believe that the Turkmen mobile market offers great potential and that MTS possesses the necessary expertise to unlock it, said Vassily Sidorov, MTS President and CEO, adding: The consolidation of our ownership in BCTI provides for the company's complete integration into MTS' unified corporate standards, ensuring that customers in Turkmenistan receive our full range of first rate services.

For further information contact:

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Mobile TeleSystems OJSC (MTS) is the largest mobile phone operator in Russia and the CIS. Together with its subsidiaries, the Company services over 50.36 million subscribers. The regions of Russia, as well as Belarus, Ukraine, Uzbekistan, and Turkmenistan, in which MTS and its subsidiaries are licensed to provide GSM services, have a total population of approximately 233.1 million. Since June 2000, MTS Level 3 ADRs have been listed on the New York Stock Exchange with the ticker symbol MBT. Additional information about MTS can be found on MTS website at www.mtsgsm.com.

(1) According to the National Institute of Government Statistics of Turkmenistan.

(2) According to the World Fact Book of the Central Intelligence Agency.

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 the n 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 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, 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, risks associated with operating in Russia, volatility of stock price, financial risk management, and future growth subject to risks.

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: | Vassily Sidorov | |
| | Name: | Vassily Sidorov |
| | Title: | Acting President/CEO |

Date: **November 01, 2005**