

MOBILE TELESYSTEMS OJSC
Form 6-K
July 13, 2010

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
July 13, 2010

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 Launches Voluntary Tender Offer for up to 9% of

Comstar Shares

July 13, 2010

Moscow, Russian Federation Mobile TeleSystems OJSC (MTS NYSE: MBT), the leading telecommunications provider in Russia and the CIS, announces that it has today submitted documentation to COMSTAR United TeleSystems JSC (Comstar - LSE: CMST), a leading supplier of integrated telecommunication solutions in Russia and the CIS, regarding the MTS Voluntary Tender Offer (VTO) to acquire up to 37,614,678 Comstar ordinary shares that MTS does not already own for RUR 220.0 per Comstar share. The number of ordinary shares is equivalent to 9.0% of Comstar s issued share capital, and includes shares underlying Comstar Global Depositary Receipts (GDR s). The launch of the VTO follows the announcement on June 25, 2010 that the Boards of Directors of MTS and Comstar had approved and recommended the merger of MTS and Comstar. The VTO documentation was then filed with the Federal Service for Financial Markets (FSFM), which has now completed its statutory review. MTS currently owns 61.97% of Comstar, or 64.03% when excluding treasury shares, and consolidates Comstar in its financial results.

As announced on June 25, 2010, the implied VTO price per Comstar GDR of USD 7.16(1) represents a 13.1% premium to the three month volume-weighted average trading price of the Comstar GDR on the London Stock Exchange up to the close of trading on June 22, 2010.

The Comstar Board of Directors will now review the VTO documentation and decide upon its recommendation to Comstar shareholders regarding the VTO. Comstar will then deliver the documentation, together with its Board of Directors recommendation, to Comstar ordinary shareholders and, in the case of Comstar GDR holders, via Deutsche Bank (the depositary bank for Comstar s GDR facility). Comstar shareholders who subscribe to the VTO will receive a pro rata cash allocation in the event of over-subscription. The VTO period commences from the moment Comstar received the voluntary offer and will remain open until the end of day on September 21, 2010.

MTS has sufficient available cash, cash equivalents and undrawn financing commitments to purchase the shares in the VTO and has further received a bank guarantee in this respect from Sberbank, as required by the applicable rules regarding VTOs.

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Mikhail Shamolin, President and Chief Executive Officer of MTS, commented: The VTO is part of the overall transaction to merge Comstar into MTS, and we believe that the VTO provides Comstar minority shareholders with an attractive liquidity opportunity at a premium to the average historic trading price of Comstar stock .

The merger will create the largest integrated telecommunications provider in Russia and the CIS, and we believe that the full integration will accelerate the delivery of our 3i strategic goal of realizing growth through increasing customer value by providing our customers with a broad, innovative and bundled offering of mobile and fixed line telephony, high-speed broadband internet access and television services. Not only is this expected to further enhance our competitive position, but it is also expected to streamline our common business processes and further optimize our combined operating and capital expenditure programmes.

Goldman Sachs International is acting as financial advisor to MTS and Latham & Watkins LLP is acting as legal advisor to MTS.

Documentation regarding the MTS Voluntary Tender Offer to acquire Comstar shares is available here:
<http://www.mtsgsm.com/merger/>

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For further information, please visit www.mtsgsm.com or contact:

Joshua B. Tulgan

Director, Investor Relations / Acting Director, Corporate Finance

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(1) Based on the RUR/USD exchange rate of RUR 30.7267 per USD 1 as of June 22, 2010.

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/

Important Information

This press release is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction.

This press release is for informational purposes and shall not constitute an offer to purchase or a solicitation of an offer to purchase with respect to any securities. Any such offer or solicitation will be made only by means of the offer document delivered to Comstar.

The final terms of the VTO will be contained in the offer document delivered to Comstar, which will provide it to Comstar shareholders. Investors and shareholders in Comstar are strongly advised to read the offer document and related materials as soon as they have been published, as these will contain important information. In considering the VTO, Comstar security holders should rely only on the information contained in the offer document.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as relevant persons). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Comstar is a company organized under the laws of the Russian Federation. The VTO is made to all shareholders, including with respect to the shares underlying the GDRs, of Comstar and is made solely pursuant to Russian law and in compliance with the applicable provisions of Section 14(e) of the Securities Exchange Act of 1934 (the Exchange Act), and Regulation 14E thereunder. The Offer is not made or intended to be made pursuant to the provisions of any other law. Accordingly, MTS and the persons acting in conjunction with MTS will not procure any further registrations, authorizations or approvals of the offer document or the VTO by any security supervisory authority or similar institutions. The Offer will be made in the United States by MTS and no one else. The Offer will be subject to disclosure and procedure requirements of Russia which are different from those of the United States.

MTS, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Comstar outside the VTO during the period in which the VTO remains open for acceptance. If such purchases or arrangements to purchase are made they will be made outside the United States and will comply with applicable law, including the Exchange Act.

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The release, publication or distribution of this press release and any other applicable VTO-related documentation in jurisdictions other than Russia, the UK or the US may be affected by the laws or regulations of relevant jurisdictions. Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than Russia, the UK or the US should inform themselves of and observe any applicable requirements.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Such statements may include, but are not limited to, statements about the benefits of the VTO, expected future earnings, revenues, cost savings, operations, business trends and other such statements that are not historical facts, which are or may be based on MTS plans, estimates and projections. These forward-looking statements involve risks and uncertainties, many of which are beyond the control of MTS, that could cause MTS actual results to differ materially from those indicated in any such forward-looking statements. Such statements can be identified, in particular, by terms such as will, expects, believes, is of the opinion, attempts, estimates, intends, assumes, plans and endeavours and similar expressions as they relate to MTS. Such statements are an expression of MTS intentions, views or current expectations with regard to potential future events. They are subject to numerous risks and uncertainties which as a rule are not within MTS sphere of control. Certain factors that could affect MTS intentions, views or current expectations with regard to potential future events are discussed more fully in MTS filings with the U.S. Securities and Exchange Commission, including but not limited to MTS Annual Report on Form 20-F for 2009. It should be noted that the forward-looking statements contained herein may prove to be incorrect and future events and developments may differ materially from the forward-looking statements. MTS undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise, except as is required by law.

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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 103.5 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.

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: **July 13, 2010**