

MOBILE TELESYSTEMS OJSC
Form 6-K
November 16, 2010

FORM 6-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
November 16, 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 Issues Ruble-Denominated Bonds

November 16, 2010

Moscow, Russian Federation Mobile TeleSystems OJSC (MTS NYSE: MBT), the leading telecommunications provider in Russia and the CIS, has completed the placement of Series 07 and Series 08 ruble-denominated bonds totaling RUB 25 billion on November 16, 2010. The bonds will be listed in the A1 quotation list on the Moscow Interbank Currency Exchange (MICEX).

The Series 07 bond in the amount of RUB 10 billion was placed with a semi-annual coupon rate of 8.70% and a 2017 maturity. The Series 08 bond in the amount of RUB 15 billion carries a semi-annual coupon rate of 8.15% with a 2020 maturity and a five year put option.

The placement was 1.6 times oversubscribed. Both issues had a wide distribution of more than 70 investors.

Commented Alexey Kornya, Vice President and Chief Financial Officer of MTS, In spite of volatile market conditions, the placement witnessed high demand with around 100 orders totaling more than RUB 41 billion received. On the back of this demand the initial marketing ranges were moved downward and the order books were closed at the lower ends of the new ranges a8.15% and 8.70% respectively.

He continued, This was a pioneering placement. The coupon rate on the five-year bond was the lowest when compared to the peers and to the issuers with the similar rating, which we see as market recognition of MTS credit quality. The seven-year placement indicates that markets are open for private, high-quality issuers seeking long-term financing; previously only quasi-sovereign issuers had managed to place seven year bonds.

Lead Arrangers of the bonds were VTB Capital, Gazprombank, the Bank of Moscow and Sberbank. Funds raised through the placement will be used for debt portfolio optimization and other corporate needs.

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For further information, please contact in Moscow:

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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) 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 105.2 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

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

Date: **November 16, 2010**