FOR IMMEDIATE RELEASE April 24, 2009

JSC SITRONICS

UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2008

MOSCOW, Russia – April 24, 2009 – JSC SITRONICS ('SITRONICS' or 'the Group') (LSE: SITR), a leading provider of telecommunications, information technology and microelectronic solutions in Russia and the CIS, with a growing presence in other EEMEA emerging markets, today announced its unaudited consolidated US GAAP financial results for the fourth quarter and twelve months ended December 31, 2008.

FULL YEAR FINANCIAL HIGHLIGHTS

- Consolidated revenues up 24% year on year to US$ 2.001 billion
- Telecommunication Solutions revenues up 38% year on year to US$ 787.1 million; Information Technologies revenues up 14% year on year to US$ 873.2 million and Microelectronic Solutions revenues up 34% year on year to US$ 291.7 million
- OIBDA* profit of US$ 133.1 million compared to an OIBDA loss of US$ 101.1 million in 2007
- Net profitable excluding foreign exchange losses
- 77% year on year reduction in net loss to US$ 53.9 million, including US$ 55.0 million of foreign exchange losses in 2008
- Net cash flow from operations of US$ 22.1 million
- Total assets up 7% year on year to US$ 2.017 billion
- US$ 926 million of new contracts secured since beginning of 2008

FOURTH QUARTER FINANCIAL HIGHLIGHTS

- Consolidated revenues up 1% year on year to US$ 612.3 million and up 5% year on year at constant exchange rates
- OIBDA profit up almost ten times year on year to US$ 62.5 million
- Net profitable excluding foreign exchange losses
- 83% year on year reduction in net loss to US$ 7.8 million, including US$ 40.8 million of foreign exchange losses in 2008

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* OIBDA is defined as operating income before depreciation and amortization. Please see Attachment A to this statement for further information.

- US$ 266 million of new contracts secured since announcement of Q3 results on December 9, 2008
- Successful refinancing and extension of US$ 400 million of debt in the fourth quarter of 2008 and first quarter of 2009 following securing of US$ 230 million new facility from Vnesheconombank
- Disposal of Information Technologies distribution business in April 2009 for US$ 50 million in line with strategy to focus on higher margin businesses

Sergey Aslanian, President of SITRONICS, commented: "We delivered 24% revenue growth in 2008, which was well above the growth rate for our industry. We have enhanced our business portfolio in line with our strategy to focus on higher margin products, and have expanded into new market segments and geographies. The US$ 266 million of new contracts secured since the announcement of our Q3 results in December demonstrates the demand for products and services despite the challenging market conditions. We have now won over US$ 900 million of new contracts since the beginning of last year. Furthermore, we substantially increased the Group's profitability levels and delivered a full year OIBDA margin of almost 7%. The Group was cash generative for the year and, when excluding the non-cash impact of the reported FOREX losses, the Group was also net profitable for the year."

"We therefore delivered on our promises and already have a committed 2009 order book of US$ 350 million. We continue to provide our solutions to a broad range of clients and to deliver large-scale public sector infrastructure projects. SITRONICS was included in the Russian Government's list of 300 Russian companies entitled to receive state support, which reflects the Group's position as one of the leading players in the technology industry and a valuable and reliable partner of the State."

"We have now sold the part of our IT distribution business that accounted for a third of our revenues in 2008 but is a low margin and capital intensive business. Industry revenues are forecast to decline by more than 20% in Russia in 2009 but SITRONICS will continue to out-perform the market due to our strong competitive position and relationship with the Russian Government. Operating costs will be down year on year following the sale of the distribution business and the measures that we have taken to improve the operating efficiency of the business. The CAPEX budget for 2009 has also been reduced to approximately US$ 60 million, which is one third of the level in 2008."

FINANCIAL SUMMARY

(US$ millions)	**Q4 2008**	Q4 2007	*Year on Year change*	**FY 2008**	FY 2007	*Year on Year change*
Revenues	**612.3**	605.0	*1.2%*	**2,000.9**	1,619.6	*23.5%*
OIBDA	**62.5**	6.4	*878.4%*	**133.1**	(101.1)	-
Net loss	**(7.8)**	(46.1)	*83.1%*	**(53.9)**	(233.9)	*77.0%*
Total assets	**2,016.7**	1,887.3	*6.9%*	**2,016.7**	1,887.3	*6.9%*

OPERATING REVIEW

Group Overview

The Group has successfully expanded its geographical footprint and strengthened its position in high growth markets such as Africa, the Middle East and Asia during 2008. SITRONICS also revised its product portfolio to focus on higher margin products and solutions, which resulted in higher gross margins and OIBDA margins across all business segments for the full year.

Consolidated revenues increased year on year in the fourth quarter despite the adverse market conditions, and were up 24% for the full year. The Group has won a further US$ 266 million of new contracts since the announcement of the third quarter results on December 9, 2008, and a total of US$ 926 million of new contracts since the beginning of 2008.

Operating expenses were down 14% year on year to US$ 270.2 million for the full year following the cost saving measures implemented during 2008. Selling, general and administration expenses, net of stock option expenses and bad debt provisions, represented 8.2% of revenues in the quarter and 10.2% for the full year, compared to 8.6% and 11.6% for the respective periods of 2007.

SITRONICS therefore reported a substantially improved OIBDA result of US$ 62.5 million in the fourth quarter, compared to a profit of US$ 6.4 million for the same period of 2007, and an OIBDA profit of US$ 133.1 million for the full year compared to a loss of US$ 101.1 million in 2007. The Group therefore delivered OIBDA margins of 10.2% in the fourth quarter and 6.7% for the full year.

The OIBDA results for the fourth quarter and full year included US$ 5.5 million and US$ 17.4 million of stock option expenses, respectively, and compared with expenses of US$ 5.0 million and US$ 29.0 million for the respective periods of 2007.

The higher depreciation and amortization charges in both the quarter and the full year reflected the increase in intangible assets following the purchase of the remaining 49% stake in Kvazar-Micro, as well as a change in the estimated useful life for Telecommunication Solutions intangible assets and the acquisition of equipment by the Microelectronics Solutions business.

The Group therefore reported US$ 59.3 million of operating income in 2008 compared to an operating loss of US$ 157.6 million in 2007.

After the end of the period, in April 2009, the Group sold the distribution companies in its wholly-owned SITRONICS IT B.V. subsidiary, which was previously known as Kvazar-Micro Corporation B.V. The companies, which are engaged in the distribution of hardware and software in Eastern Europe and the CIS, have been transferred to Melrose Holding Company for a valuation of US$ 50 million and have been deconsolidated from the Group's results with effect from April 2009. The businesses accounted for approximately a third of Group revenues in 2008. The disposal of the companies is in line with the Group's strategy to focus on higher margin and less capital intensive businesses.

Segmental Review

SITRONICS Telecommunication Solutions

(US$ millions)	**Q4 2008**	Q4 2007	*Year on Year change*	**FY 2008**	FY 2007	*Year on Year change*
Revenues	**283.6**	200.4	*41.5%*	**787.1**	569.8	*38.1%*
OIBDA	**28.9**	(17.9)	-	**55.1**	(74.3)	-
Total Assets	**977.1**	991.0	*(1.4%)*	**977.1**	991.0	*(1.4%)*

Revenues were up 42% year on year in the fourth quarter and up 38% for the full year following increased sales of Access/Wireless transmission solutions and convergent billing systems. The segment generated 39% of Group revenues in 2008 compared to 35% in 2007.

The business reported OIBDA profits of US$ 28.9 million in the fourth quarter and US$ 55.1 million for the year, compared to OIBDA losses of US$ 17.9 million and US$ 74.3 million for the respective periods of 2007.

US$ 108.0 million of new contracts have been secured since the announcement of the Group's third quarter results on December 9, 2008.

INTRACOM TELECOM signed two contracts in December with a total value of US$ 45 million to supply point-to-point (INTRALINK) and point-to-multipoint (WiBAS) radio equipment to MTS Russia. The projects are expected to be completed by the end of 2009. SITRONICS signed a framework US$ 28.7 million agreement with MTS Russia in

December to provide technical support for a MEDIO IN/SCP convergent services platform. SITRONICS also signed a two-year US$ 18 million agreement with MTS Uzbekistan in February 2009 to supply a MEDIO IN/OCS convergent services platform. The project is expected to be completed in March 2010.

SITRONICS Information Technologies

(US$ millions)	**Q4 2008**	Q4 2007	*Year on Year change*	**FY 2008**	FY 2007	*Year on Year change*
Revenues	**248.1**	303.8	*(18.4%)*	**873.2**	763.3	*14.4%*
OIBDA	**29.9**	11.2	*166.8%*	**52.9**	21.0	*152.3%*
Total Assets	**435.5**	252.1	*72.7%*	**435.5**	252.1	*72.7%*

Full year revenues were up 14% year on year following the implementation of new business applications, the deployment of IT infrastructure for leading telecommunications operators in Russia and Ukraine, and the construction of a WiMAX mobile Internet access network in Moscow for Comstar-UTS. In addition, the installation of a CRM system for Mobile TeleSystems commenced in the second quarter of 2008 and is continuing throughout 2009. Revenues were down year on year in the fourth quarter due to a more flat distribution of revenues between the quarters in 2008 and the delaying of the implementation of a number of new projects.

Segment OIBDA more than doubled year on year in the quarter and for the full year due to the increased sales volumes for the full year, as well as an increased proportion of higher margin system integration revenues and the effects of the ongoing cost reduction programme.

US$ 54.9 million of new contracts have been secured since the announcement of the Group's third quarter results on December 9, 2008.

SITRONICS continued with the implementation of the CDMA mobile network project for MTS Ukraine during the quarter, which has already enabled the provision of high speed wireless internet access based on 3G technology in over 100 Ukrainian towns. SITRONICS launched a new financial data consolidation system in November for System Capital Management, which is the largest financial and industrial group in Ukraine. SITRONICS also signed a contract with MTS in December 2008 to establish a number of data processing centres in Russia. The project is expected to be completed by the end of 2009.

As indicated above, the distribution companies that have been sold have been deconsolidated from the Group's results with effect from April 2009. The businesses accounted for approximately 70% of segment revenues in 2008.

SITRONICS Microelectronic Solutions

(US$ millions)	**Q4 2008**	Q4 2007	*Year on Year change*	**FY 2008**	FY 2007	*Year on Year change*
Revenues	**69.6**	78.5	*(11.4%)*	**291.7**	217.2	*34.3%*
OIBDA	**17.4**	12.3	*41.9%*	**61.7**	38.4	*60.6%*
Total Assets	**544.3**	486.1	*12.0%*	**544.3**	486.1	*12.0%*

Revenues were up 34% year on year in 2008 due to increased demand for microchips from the Russian Government, as well as the successful and expanded contract to provide RFID ticketing technology for the Moscow Metro and a number of other regional transportation companies in Russia. The year on year fall in revenues in the quarter was due to the effect of adverse currency exchange rate fluctuations and a more even distribution of segment revenues in 2008.

The Group established its own in-house production of microchips for RFID cards in the fourth quarter of 2008, which reduced the cost of sales. Segment OIBDA was up 42% year on year in the fourth quarter and up 61% for the full year, with increased OIBDA margins of 25% and 21% for the two respective periods.

US$ 103 million of new contracts have been secured since the announcement of the Group's third quarter results on December 9, 2008. The business wins included a US$ 100 million contract in November 2008 to supply up to 25 million RFID tickets per month to the Moscow Metro.

Consumer Services and Products

(US$ millions)	**Q4 2008**	Q4 2007	*Year on Year change*	**FY 2008**	FY 2007	*Year on Year change*
Revenues	**11.1**	22.3	*(50.4%)*	**48.9**	69.3	*(29.5%)*
OIBDA	**(6.0)**	(2.7)	*(127.3%)*	**(6.1)**	(55.4)	*89.0%*
Total Assets	**49.9**	112.8	*(55.8%)*	**49.9**	112.8	*(55.8%)*

The year on year decrease in revenues reflected the ongoing reorganization of the business into a property management company, whilst the OIBDA loss in the fourth quarter was almost entirely due to the reversing of a US$ 4.5 million gain from the sale of a building in the first quarter of 2008 that was not completed.

FINANCIAL REVIEW

The Group's net interest expenses increased year on year to US$ 38.2 million from US$ 25.5 million in 2007 following the increase in the Group's net debt levels during the year.

The Group incurred foreign exchange losses of US$ 40.8 million in the quarter and US$ 55.0 million for the full year due to the difference in value of the Group's US dollar denominated borrowings between the balance sheet dates. The Group would have reported a net profit for both the quarter and the full year when excluding foreign exchange losses, compared to net losses of US$ 46.1 million and US$ 233.9 million for the fourth quarter and full year 2007.

Net cash provided by operating activities amounted to US$ 22.1 million for the full year 2008, compared to US$ 1.6 million for the full year 2007.

Net cash used in investing activities amounted to US$ 281.6 million for the full year compared to US$ 219.3 million in 2007, and included capital expenditure of US$ 180.0 million in 2008 compared to US$ 236.0 million in 2007. The investments included the US$ 107.5 million acquisition of the remaining 49% of Kvazar-Micro, the financing of the enlarged RFID ticketing project, the development of the 0.18 micron technology and 65 nanometre microchip production, and the Group's ongoing R&D programmes.

Net cash flow from financing activities amounted to US$ 213.5 million for the full year 2008 and mainly reflected the increase in the Group's total borrowings to US$ 733.2 million from US$ 512.2 million. The borrowing level was largely unchanged from US$ 745.4 million at the end of the third quarter of 2008.

SITRONICS secured a US$ 230 million loan from Vnesheconombank in November 2008, which was partly used to refinance the US$ 200 million Dresdner bank loans in the fourth quarter of 2008 and the first quarter of 2009, and the US$ 84.0 million of loans in the Czech Republic in December 2008. The Group also redeemed 99% of the RUR 3 billion bond issue in March 2009, and has extended its RUR 600 million Sberbank credit facility during the first quarter of 2009.

The Group's cash and cash equivalents decreased to US$ 125.7 million from US$ 185.5 million during the year but were up from US$ 105.4 million as at September 30, 2008. Group net debt, excluding capital leases and derivatives, increased to US$ 607.5 million in 2008 from US$ 326.8 million in 2007 but was down from US$ 640.0 million at the end of the third quarter of 2008.

Outlook

Part of the IT distribution business that accounted for a third of Group revenues in 2008 has been sold, in line with the Group's strategy to focus on higher margin and less capital intensive businesses. Industry revenues are forecast to decline by more than 20% in Russia in 2009 but SITRONICS will continue to out-perform the market due to its strong competitive position and relationship with the Russian Government. Operating costs are expected to be down year on year following the sale of the distribution business and the measures taken to improve the operating efficiency of the business. The CAPEX budget for 2009 has been reduced to approximately US$ 60 million, which is one third of the level in 2008.

OTHER INFORMATION

Conference call

SITRONICS management will host a conference call today at 4.00 PM Moscow local time, 1.00 PM London local time and 8.00 AM New York local time to present and discuss these results. Participants may dial the following numbers in order to access the call:

UK / International: +44 (0)20 8515 2302
US: +1 480 629 9678

A replay facility will also be made available for 7 days after the call and may be accessed by dialing the following numbers and using the following pin code:

UK / International: +44 (0)20 7154 2833
US: +1 303 590 3030
PIN CODE: 4060210#

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

Irina Lanina
Vice President, Corporate Communications
Tel: +7 495 225 0030
lanina@sitronics.com

Shared Value Limited
Tel: +44 (0) 20 7321 5010
sitronics@sharedvalue.net

ABOUT SITRONICS

SITRONICS is a leading provider of telecommunication solutions, including software, equipment and systems integration, IT solutions and microelectronic solutions in Russia and the Commonwealth of Independent States with a strong presence in Central and Eastern Europe and a growing presence in the Middle East and Africa.

SITRONICS serves over 3,500 clients, maintains offices in 32 countries and exports its products and services to more than 60 countries. SITRONICS has over 11,000 employees of whom approximately 4,500 are involved in research and development.

SITRONICS' key Telecommunication Solutions operations are based in Prague, Czech Republic and Athens, Greece, while the company's IT Solutions and Microelectronic Solutions divisions are based in Kiev, Ukraine and Zelenograd, Russia respectively.

SITRONICS generated revenues of US$ 2,000.9 million for the twelve months ended December 31, 2008 and had total assets of US$ 2,016.7 million at the end of the period. SITRONICS is majority owned by Sistema, the largest public diversified corporation in Russia and the CIS, which manages fast growing companies operating in the consumer services sector.

SITRONICS has developed strategic alliances in its home markets with Cisco Systems, STMicroelectronics, Infineon and Giesecke & Devrient in relation to certain products and services. SITRONICS has vendor relationships with Siemens, Ericsson, Motorola, ORACLE, Intel, Sun Microsystems and Microsoft. Key customers include Sistema group companies, such as MTS, Comstar-UTS and MTT, and also OTE, Cosmote, Vodafone, Ericsson, Arcelor Mittal (formerly Mittal Steel) and TCL.

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 SITRONICS. You can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other expressions. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, and other factors specifically related to SITRONICS and its operations.

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 125,695	$ 185,486
Short-term investments	7,379	9,489
Trade receivables, net	675,794	616,611
Other receivables and prepaid expenses, net	122,432	145,342
Inventories, net	198,980	210,490
Restricted cash	7,492	7,525
Deferred tax assets, current portion	5,395	7,203
Total current assets	1,143,167	1,182,146
Property, plant and equipment, net	499,644	470,074
Intangible assets, net	160,201	100,385
Goodwill	86,858	-
Inventories, net	30,768	63,134
Long-term investments	10,441	3,201
Long-term trade receivables	58,650	36,629
Restricted cash	-	2,120
Deferred tax assets, non current portion	24,486	27,553
Other long-term assets	2,476	2,054
TOTAL ASSETS	**$ 2,016,691**	**$ 1,887,296**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2008 AND 2007 (CONTINUED)
(Amounts in thousands of U.S. dollars, except share and per share amounts)

	2008	2007
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 365,458	$ 294,067
Taxes payable	26,482	38,613
Accrued expenses and other current liabilities	188,166	159,918
Derivative financial instruments	241	52,563
Short-term loans and notes payable	410,055	254,246
Current portion of long-term debt	123,436	175
Deferred tax liabilities, current portion	10,542	9,380
Total current liabilities	1,124,380	808,962
LONG-TERM LIABILITIES:		
Capital lease obligations	3,963	877
Long-term debt	199,716	257,821
Other long-term liabilities	9,507	11,776
Deferred tax liabilities, non current portion	24,248	15,618
Total long-term liabilities	237,434	286,092
TOTAL LIABILITIES	1,361,814	1,095,054
MINORITY INTERESTS	159,676	206,372
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS' EQUITY:		
Share capital (9,547,087,190 and 9,547,087,190 shares authorized and issued as of December 31, 2008 and 2007, respectively, with par value of 1 ruble)	335,764	335,764
Treasury stock (739,856,026 and 796,776,440 shares with par value of 1 ruble as of December 31, 2008 and 2007, respectively)	(50,940)	(53,659)
Shareholder's receivable	(9,552)	(9,256)
Additional paid-in capital	423,999	409,724
Accumulated deficit	(220,166)	(163,565)
Accumulated other comprehensive income	16,096	66,862
TOTAL SHAREHOLDERS' EQUITY	495,201	585,870
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,016,691**	**$ 1,887,296**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars unless otherwise stated)

		2008		2007
Revenues	$	2,000,940	$	1,619,605
Cost of sales, exclusive of depreciation and amortization shown separately below		(1,597,615)		(1,404,818)
Research and development expenses		(39,094)		(44,828)
Selling, general and administrative expenses		(230,882)		(271,955)
Depreciation and amortization		(73,769)		(56,452)
Other operating (expenses) / income, net		(248)		867
OPERATING INCOME / (LOSS)		9,332		(157,581)
Interest income		4,387		14,397
Interest expense		(42,589)		(39,885)
Foreign currency transactions losses		(54,994)		(8,852)
Other non-operating losses		-		(1,336)
Loss before income tax and minority interests		(33,864)		(193,257)
Income tax expense		(15,264)		(27,398)
Loss before minority interests		(49,128)		(220,655)
Minority interests		4,764)		(13,274)
NET LOSS	**$**	**(53,892)**	**$**	**(233,929)**
Translation adjustment, net of minority interests of ($10,927) and $15,785, respectively, and income tax effect of $nil		(50,616)		38,991
Unrecognized actuarial gains, net of minority interests of $237 and $466, respectively, and income tax effect of $nil		246		484
COMPREHENSIVE LOSS	**$**	**(103,784)**	**$**	**(194,454)**
Weighted average number of common shares outstanding, basic and diluted:		8,774,622,491		8,511,003,404
Loss per share, basic and diluted, USD:		(0.01)		(0.03)

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE 4 QUATER 2008 AND 4 QUATER 2007
(Amounts in thousands of U.S. dollars unless otherwise stated)

	4Q 2008	4Q 2007
Revenues	$ 612,303	$ 605,043
Cost of sales, exclusive of depreciation and amortization shown separately below	(472,777)	(521,573)
Research and development expenses	(9,793)	(15,060)
Selling, general and administrative expenses	(61,869)	(64,913)
Depreciation and amortization	(24,034)	(15,939)
Other operating (expenses) / income, net	(5,407)	2,887
OPERATING INCOME / (LOSS)	38,423	(9,555)
Interest income	1,330	1,368
Interest expense	(12,182)	(8,320)
Foreign currency transactions losses	(40,818)	(8,561)
Other non-operating income	-	35
Loss before income tax and minority interests	(13,247)	(25,033)
Income tax income/(expense)	3,363	(14,652)
Loss before minority interests	(9,884)	(39,685)
Minority interests	2,112	(6,426)
NET LOSS	**$ (7,772)**	**$ (46,111)**

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

	2008	2007
OPERATING ACTIVITIES:		
Net loss	$ (53,892)	$ (233,929)
Adjustments to reconcile net loss to net cash provided by/ (used in) operations:		
Depreciation and amortization	73,769	56,452
Minority interests	4,764	13,274
Loss from disposal of property, plant and equipment	534	87
Gain on disposal of subsidiaries	(5,871)	(4,585)
Deferred income tax	(925)	5,050
Bad debt expense	8,999	54,859
Loss on early extinguishment of debt	-	7,644
Stock based compensation	13,583	20,402
FIN 48 effect	3,644	3,257
Other non-operating losses	-	1,336
Foreign currency transactions loss / (gain) on non-operating activities, net	46,123	(1,119)
Changes in operating assets and liabilities:		
Trade receivables	(159,918)	98,145
Other receivables and prepaid expenses	8,930	(36,921)
Inventories and spare parts	16,394	(4,377)
Accounts payable	93,980	(20,323)
Taxes payable	(8,545)	429
Accrued expenses and other current liabilities	(19,463)	41,886
Net cash provided by operating activities	$ 22,106	$ 1,567
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(128,311)	(203,130)
Proceeds from disposals of property, plant and equipment	7,224	3,084
Purchases of intangible assets	(51,647)	(32,853)
Purchases of businesses, net of cash acquired	(107,470)	(44,709)
Proceeds from disposal of business	1,164	-
Cash withdrawn for acquisition of Intracom Telecom	-	39,630
Decrease in other restricted cash	2,110	1,269
Purchases of short-term investments	(4,147)	(4,121)
Proceeds from sales of short-term investments	8,624	23,651
Purchases of long-term investments	(9,194)	(2,081)
Net cash used in investing activities	$ (281,647)	$ (219,260)

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in thousands of U.S. dollars)

		2008		2007
FINANCING ACTIVITIES:				
Proceeds from short-term borrowings	$	1,128,575	$	288,453
Principal payments on short-term borrowings		(926,599)		(215,129)
Proceeds from long-term borrowings		197,849		122,626
Principal payments on long-term borrowings		(177,625)		(206,632)
Principal payments on capital lease obligations		(7,472)		(3,106)
Debt issuance costs		(1,190)		(1,310)
Proceeds from stock options exercised		3,810		5,554
Proceeds from issuance of common stock		-		355,123
Repurchase of common stock		(3,800)		(36,000)
Net cash provided by financing activities	$	213,548	$	309,579
Effects of exchange rate changes on cash and cash equivalents		(13,798)		3,760
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**$**	**(59,791)**	**$**	**95,646**
CASH AND CASH EQUIVALENTS, beginning of the year	**$**	**185,486**	**$**	**89,840**
CASH AND CASH EQUIVALENTS, end of the year	**$**	**125,695**	**$**	**185,486**
CASH PAID DURING THE YEAR FOR:				
Interest, net of amounts capitalized		(30,750)		(32,582)
Income taxes		(47,097)		(25,521)
NON-CASH ITEMS:				
Equipment acquired under capital lease		(11,881)		60
Amounts due for purchase of long-lived assets		38,865		3,225

Attachment A

Non-GAAP financial measures. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. Our OIBDA may not be similar to OIBDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. OIBDA can be reconciled to our consolidated statements of operations as follows:

(US$ 000's)	**Q4 2008**	Q4 2007	**FY 2008**	FY 2007
Operating Income / (Loss)	**38.423**	(9.555)	**59.332**	(157.581)
Depreciation and Amortization	**24.034**	15.939	**73.769**	56.452
OIBDA	**62.457**	6.384	**133.101**	(101.129)