

MegaFon Announces its First Smartphone with Intel Inside®

MegaFon Mint Brings High-Performance Android* Experience to Mobile Users in Russia

MOSCOW, Aug. 22, 2012 – Intel Corporation and MegaFon, one of Russia's fastest- growing mobile operators, today announced the general availability of the MegaFon Mint, the first high-performance smartphone with Intel Inside for Russia. The device will be available to customers across MegaFon's retail stores and online starting Aug. 22 at a retail price of 17,990 Rubles (about US\$550).

The MegaFon Mint is based on Intel's Smartphone Reference Device, which includes the Intel® Atom[™] processor Z2460 with Intel® Hyper-Threading Technology and HSPA+ Intel® XMM[™] 6260 platform. Together these Intel solutions help to ensure fact data download speeds and a quick and responsive user experience, all while maintaining great battery life – up to 5 hours of 3G browsing, 45 hours of audio playback and 8 hours of talk time on a single charge¹.

"Russia's customers acknowledge MegaFon as a valued telco provider and a great national retailer for handsets, smartphones, tablets and other self-branded innovative hi-tech devices," said Mikhail Dubin, MegaFon vice president. "MegaFon client devices and telco service have always meant the best quality and sustainability at reasonable prices. We consider the MegaFon Mint a real technology breakthrough. It is a highly attractive device, and I'm sure end customers will value it."

The MegaFon Mint features a sleek, matte black casing and a 4.03-inch high-resolution LCD touchscreen for crisp text and vibrant images. The device's 1.6 GHz Intel® Atom[™] Processor, 400 MHz graphics clock and support for full 1080p HD video provide users with an immersive gaming and video experience. The Mint also comes equipped with an 8-megapixel camera delivering advanced imaging capabilities that includes burst mode to take 10 pictures in under a second. Intel and MegaFon worked closely to customize the Android*-based smartphone that includes a host of MegaFon applications and services.

"Our engagement with MegaFon is a step forward in accelerating the adoption of Intel® architecture across new mobile market segments and geographies," said Christopher McGuire, general manager of reference devices for Intel's Mobile and Communications Group. "We look forward to our continued collaboration with MegaFon and to bringing consumers in Russia new device experiences enabled by Intel technology."

Said Dmitri Konash, Intel regional manager in Russia and CIS countries: "We are extremely pleased to bring this new product to market together with MegaFon. We look forward to our long-term cooperation to provide Russian consumers with great products that offer a unique experience."

About Intel

Intel (NASDAQ: INTC) is a world leader in computing innovation. The company designs and builds the essential technologies that serve as the foundation for the world's computing devices. Additional information about Intel is available at <u>newsroom.intel.com</u> and <u>blogs.intel.com</u>.

MegaFon is a Russian telecommunication service provider. Established in May 2002, MegaFon has become the first operator with a network covering all regions of Russia. The Company and its subsidiaries have licenses to operate in all of the Russian regions and in Tajikistan. With over 64 million active subscribers, MegaFon manages the most sophisticated and technologically advanced digital and fixed line network in the country. MegaFon was the first in Russia to launch 3G for commercial operations and is currently in the number one position among all operators in the provision of mobile Internet, and in the number two position as to the number of active subscribers in Russia. In 2012, MegaFon became one of the first operators to launch a 4G network in the LTE standard in Russia. As a result of a re-alignment in the shareholder base as of April 24, 2012, MegaFon has two principal shareholders, companies in the AF Telecom Group (50%) and the TeliaSonera Group (35.6%) while the remaining 14.4% is held by a wholly owned subsidiary of the Company. MegaFon is an active sports sponsor and is the Mobile General Partner of the XXII Winter Olympic Games and XI Paralympic Games to be held in Sochi in 2014.

Intel is a trademark of Intel Corporation in the United States and other countries.

* Other names and brands may be claimed as the property of others.

1 Performance and battery life estimates are based on internal Intel testing using the Intel Atom processor Z2460 Smartphone Reference Design and are provided for informational purposes only. Any difference in system hardware or software design or configuration may affect actual performance. Final figures may vary based on final OEM device implementation and usage.