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**Cisco and Sitronics Form Regional Alliance to Address Telecommunications Market in Russia, CIS and other key Emerging Markets**

*Initial focus on telecommunications operators, as MGTS in Russia is confirmed as first joint customer to implement joint IP Next Generation Network (IP-NGN) solution*

**London, UK, and Moscow, RUSSIA, November 27, 2006** – Cisco® and Sitronics JSC, the leading technology company in Russia & CIS, today announced a regional alliance to address the rapidly expanding telecommunications market in Russia and CIS countries (RCIS) and other emerging markets, such as Central and Eastern Europe (CEE); and Middle East and Africa (MEA).

Cisco and Sitronics will focus on providing advanced communication solutions in countries that are undergoing major economic and social transformation. This includes Information and Communications Technologies (ICT) planning and implementation to increase the productivity of businesses, ramp up connectivity and find new ways to educate the populace.

“The ability to connect countries and communities in a way that is replicable across multiple regions, in alignment with government policies and beneficial to both the population and the economy, is a major area of focus for Cisco.” commented Paul Mountford, President of Emerging Markets Theatre for Cisco, “The go-to-market model developed by Cisco and Sitronics will help telecoms operators increase their profitability and market reach, as well as help improve broadband penetration which, at present, is around 11 percent for the regions in question.”

Initially focused on migrating existing public switched telephone network (PSTN) infrastructure to an IP network platform, the modernization solution offered will be built around Sitronics’ IP-NGN soft-switching and OSS portfolio, and Cisco’s core routing and



switching products, including the CRS-1 Carrier Routing System. The solution is already being successfully implemented by the leading Russian telecommunications operator, MGTS that has 4.3 million subscribers in the Moscow region.

“The advanced solution for our network modernization is based on NGN technology developed by Cisco and Sitronics. It’s the optimal solution for our company,” commented Alexei Goltsov, MGTS CEO, “Their collaboration helps MGTS offer its subscribers advanced telecom services in a short timeframe.”

In addition to the PSTN Modernization solution, Cisco and Sitronics are also investigating potential engagements in additional areas of technology, such as IPTV, wireless broadband and managed services.

“The competitive challenges in developing markets can differ significantly. That is why the creation of strong working relationship with Cisco will ensure our continued growth in the region,” commented Mr Evgeni Utkin, CEO at Sitronics, “Sitronics is a unique technology company that, geographically, covers the entire Russia and CIS region, as well as the developing markets of Southern Europe and Middle East. The alliance demonstrates Cisco's and Sitronics’ commitment to the Emerging Markets theatre.”

#### **About Cisco**

Cisco, (NASDAQ: CSCO), is the worldwide leader in networking that transforms how people connect, communicate and collaborate. Information about Cisco can be found at <http://www.cisco.com>. For ongoing news, please go to <http://newsroom.cisco.com>. Cisco equipment in Europe is supplied by Cisco Systems International BV, a wholly owned subsidiary of Cisco Systems, Inc

#### **About Sitronics**

JSC SITRONICS, headquartered in Moscow, Russia, is a leading provider of telecommunications solutions, IT solutions and microelectronic solutions in the CIS region with a rapidly growing presence in other EEMEA markets. The company is controlled by JSFC Sistema. SITRONICS reported revenues of \$699.4 million for the first half of 2006 and had total assets of \$1,547 million as of June 30, 2006. Main segments of SITRONICS operations are: Telecommunication Solutions, IT Solutions, Microelectronic Solutions, Consumer Electronics and Electronics Manufacturing Services. SITRONICS’ subsidiaries are based in Russia and other CIS countries, Eastern Europe, Middle East, Africa and North America. Information about Sitronics can be found at <http://www.sitronics.com>.

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