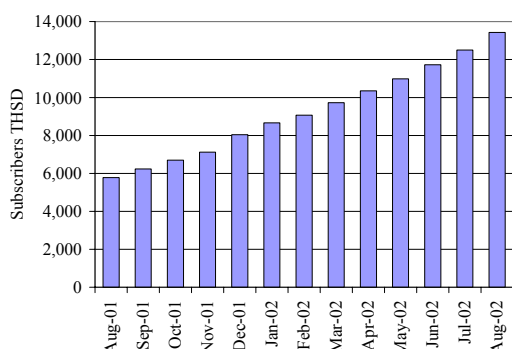


Russian Cellular Market Update August 2002

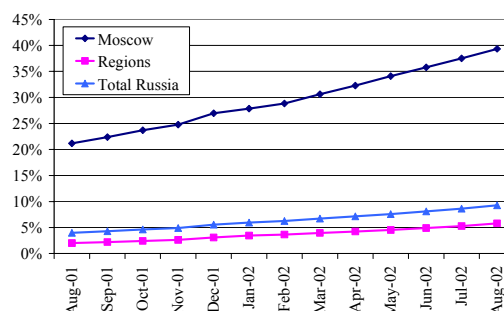
SUMMARY

As of August 31, 2002 total number of cellular subscribers in Russia reached 13.4 mln, bringing penetration in the country to 9.3%. Amount of net additions generated in August climbed to 930,000 subscribers, which is 132% increase compared to the same period of the last year. The share of GSM customers continues to grow and accounts for over 90% of all cellular subscribers as of August 31, 2002.

Subscriber Growth



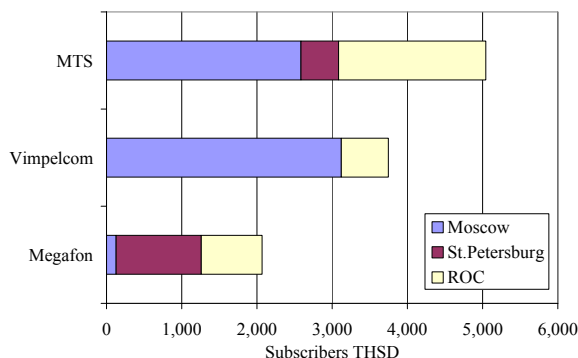
Penetration



Source: AC&M, Company data

Moscow-based subscribers accounted for over 44% of the total Russia customer base. “Big Three” operators (MTS, Vimpelcom and Megafon) enlisted over 10.9 mln customers altogether as of August 31, 2002.

Proliferation of Big Three (August 2002)



Key Developments (August 2002)

- MTS and Vimpelcom released 2Q financial results

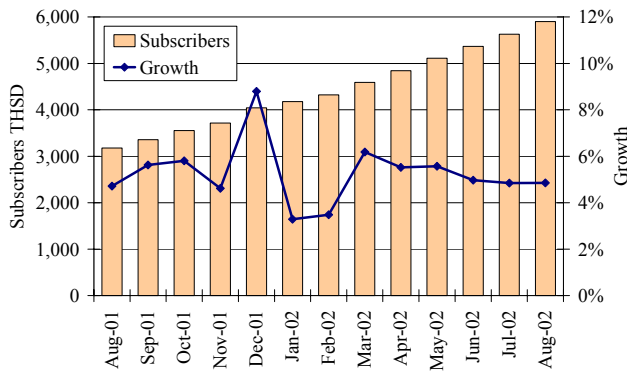
Company	Revenues, USD mln	2Q'02 EBITDA, USD mln	EBITDA margin	Net Income, USD mln
MTS	316.3	162.0	51.0%	66.8
Vimpelcom	173.4	71.8	41.4%	21.9

- Vimpelcom launched new networks in Tatarstan, Omsk and Orel; MTS received GSM 900 license in Saratov region and applied for other Volga regions; Megafon started operations in Volgograd.

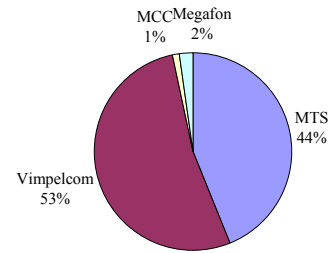
SUBSCRIBER WATCH

Moscow

Subscribers & Growth



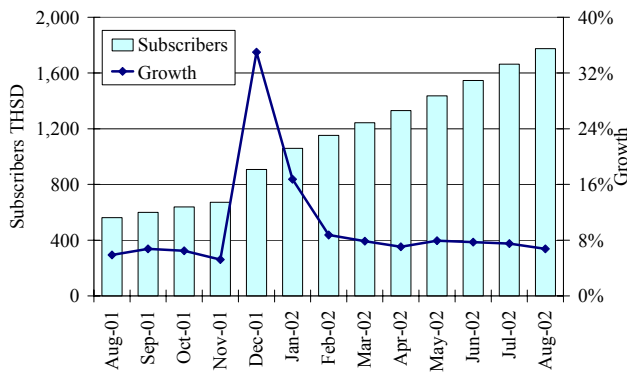
Breakdown (Aug-02)



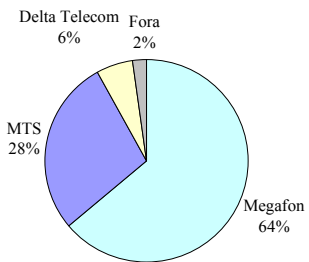
Subscriber growth in Moscow slowed down in August mainly due to seasonal reasons. Nevertheless, it is still by far the biggest among Russian regions.

St. Petersburg

Subscribers & Growth



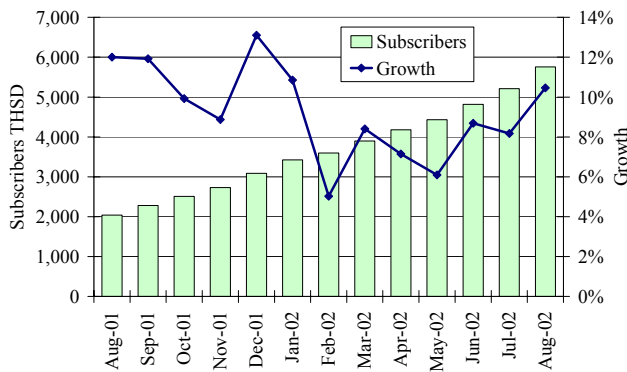
Breakdown (Aug-02)



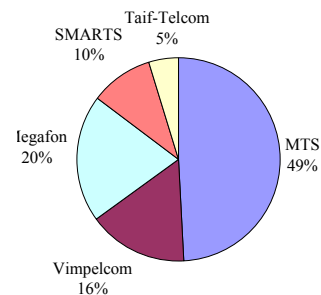
Steady growth. MegaFon attracts ~60% of net additions while MTS has ~40%. Subscription bases of Delta Telecom and Fora are effectively frozen.

Rest of Country

Subscribers & Growth



Breakdown (Aug-02)



With commissioning of new networks, regions show a stable increase in both relative and absolute terms.

TOP 5 Regional Operators

Operator	Originating Region	Standard	Subs (Aug-02)	M-o-M Increase	Net Adds From Year-end 2001
SMARTS Group	Samara	GSM	395,196	8%	147,903
Taif-Telcom	Tatarstan	GSM	184,292	11%	84,002
StavTeleSot	Stavropol	GSM	134,000	9%	64,466
Uralsvyazinform	Perm	AMPS/ GSM/ NMT	117,000	19%	51,028
Tatincom	Tatarstan	AMPS	110,000	6%	47,951

Source: Company Data, AC&M

EVENTS TO WATCH

- Deutsche Telecom's possible exit from MTS;
- Vimpelcom: St. Petersburg license and StavTeleSot deal completed;
- Megafon to start operations in Tatarstan.

For more information please contact

Anton Pogrebinsky

Phone: +7 095 923-5480

E-mail: ap@acm-consulting.com

© 2002 Advanced Communications & Media Ltd.

All information provided is by Advanced Communications & Media Ltd. unless expressly specified otherwise. This report is based upon information sources that AC&M consider reliable. Although AC&M undertook all possible efforts to verify the information from public and non-public sources, we are not in a position to accept any responsibility as for the accuracy of the information herein. This memorandum is for information purposes only and by no means should be considered as an advice for investment decisions or any other transactions, involving the companies mentioned herein.



11/2a Armyansky Pereulok
Moscow 101960
Russia

Phone/fax: +7-095-923-5480
E-mail: info@acm-consulting.com
<http://www.acm-consulting.com/>