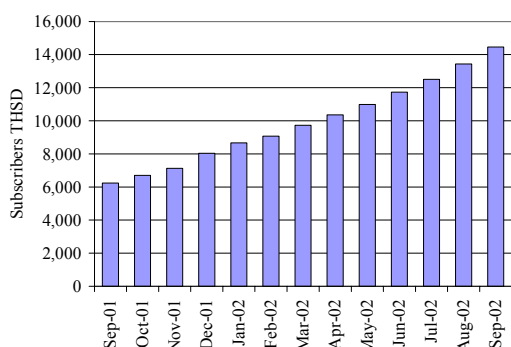


## Russian Cellular Market Update September 2002

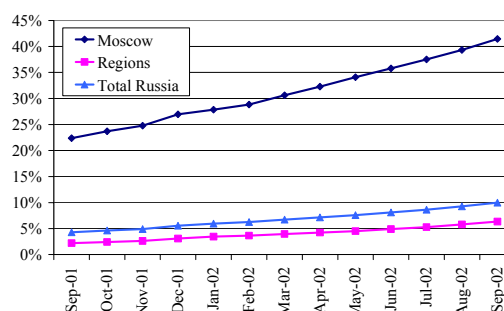
### SUMMARY

As of September 30, 2002 total number of cellular subscribers in Russia reached 14.46 mln, bringing penetration in the country to 10%. Amount of net additions generated in September climbed to 1,030,000 subscribers, which is a 124% 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 September 30, 2002.

#### Subscriber Growth



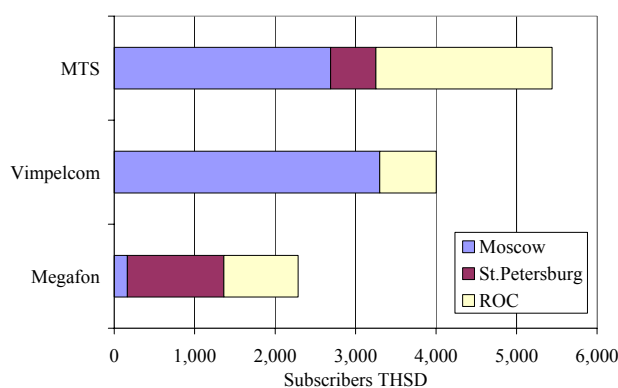
#### Penetration



Source: ACM-Consulting

Moscow-based subscribers accounted for 42.9% of the total Russia customer base. "Big Three" operators (MTS, Vimpelcom and Megafon) enlisted over 11.7 mln customers altogether as of September 30, 2002.

#### Proliferation of Big Three (September 2002)



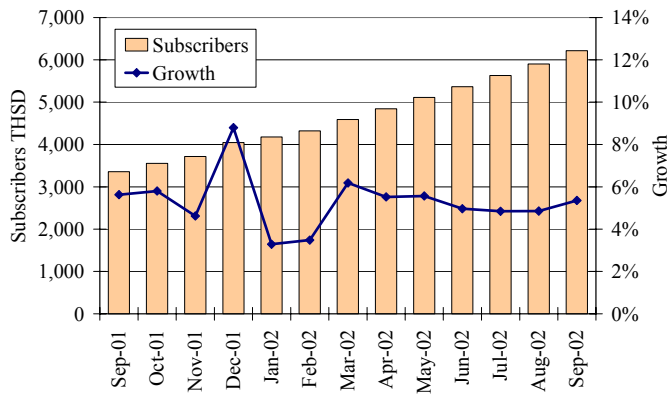
#### Key Developments (September 2002)

- **Vimpelcom obtained license for the whole Northwest region** (including St.Petersburg) and launched new networks in Kursk, Tomsk, and Krasnodar; **MTS** acquired Dontelecom (Rostov) and started networks in Vologda and Tyumen;
- **MTS and Vimpelcom** introduced almost identical tariff plans for "heavy" users: 1,000 minutes of local traffic for \$100;

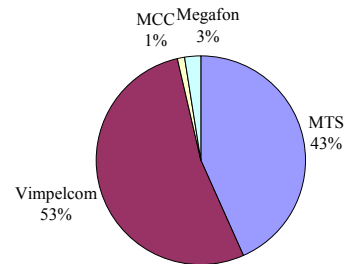
**SUBSCRIBER WATCH**

**Moscow**

**Subscribers & Growth**



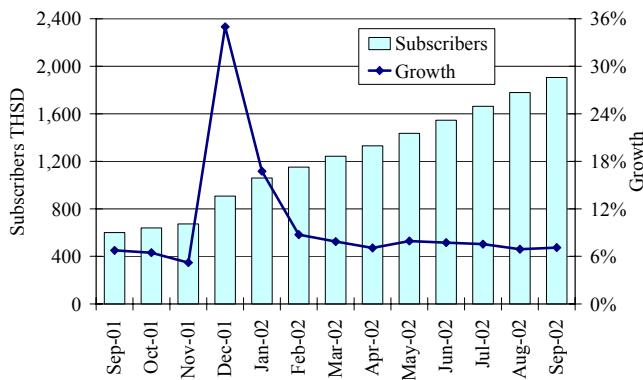
**Breakdown (Sep-02)**



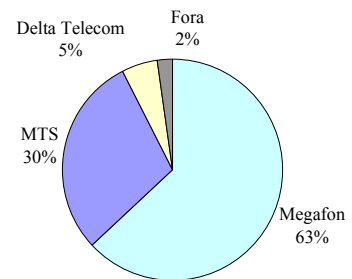
**MegaFon managed to attract 11% of net additions in September breaking 10% threshold for the first time since start of its operations in Moscow.**

**St. Petersburg**

**Subscribers & Growth**



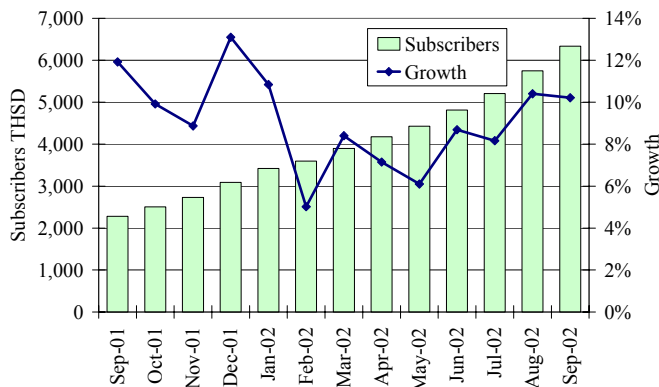
**Breakdown (Sep-02)**



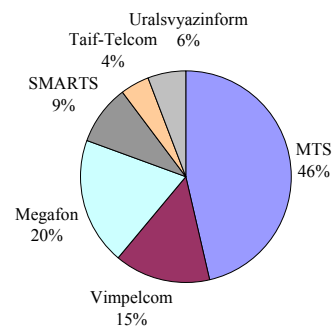
**MTS and MegaFon maintain equilibrium with ~50% of net additions each. New GSM entrants (FORA and Vimpelcom) will not likely join the race until 1Q2003.**

**Rest of Country**

**Subscribers & Growth**



**Breakdown (Sep-02)**



**Regions' share in total subscriber base continues to increase (reached 44% as of September 30).**



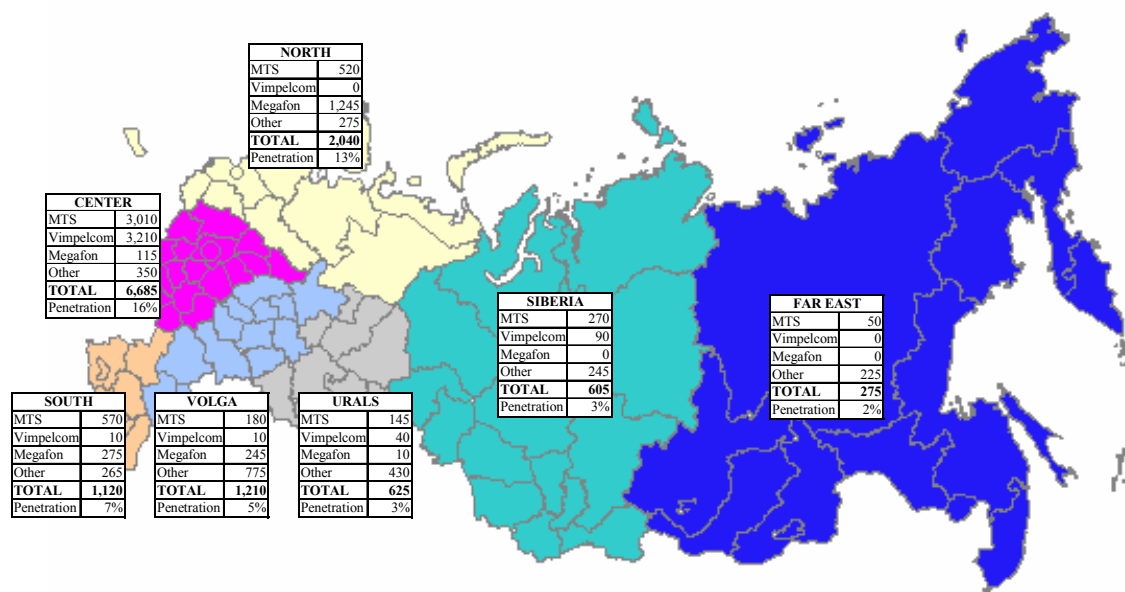
## TOP 5 Regional Operators

Operator	HQ	Standard	Subs (Sep-02)	M-o-M Increase	YTD Net Adds
SMARTS Group	Samara	GSM	433,800	10%	186,507
Uralsvyazinform	Perm	AMPS/GSM/NMT	280,000	149%*	217,951
Taif-Telcom	Tatarstan	GSM	201,437	9%	101,147
StavTeleSot	Stavropol	GSM	148,748	11%	79,214
N.Nov Cellular	N.Novgorod	GSM	126,000	8%	60,028

Source: Company Data, ACM-Consulting

\* Starting September 2002 Uralsvyazinform subscribers include South Urals Cellular Phone and Ermak-RMS as a result of regional consolidation.

## Subscribers by Macro Region (thsd)



Note: Data as of July 31, 2002

## EVENTS TO WATCH

- Deutsche Telecom's possible exit from MTS;
- MTS: UMC deal;
- Vimpelcom: StavTeleSot deal;
- MTS to launch pre-paid tariff plans.

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