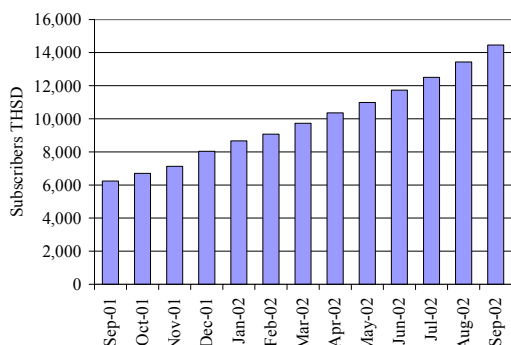


Russian Cellular Market Update September 2002

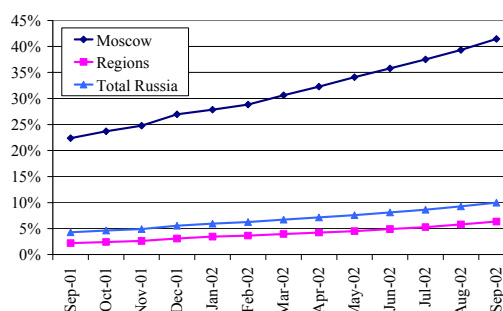
SUMMARY

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



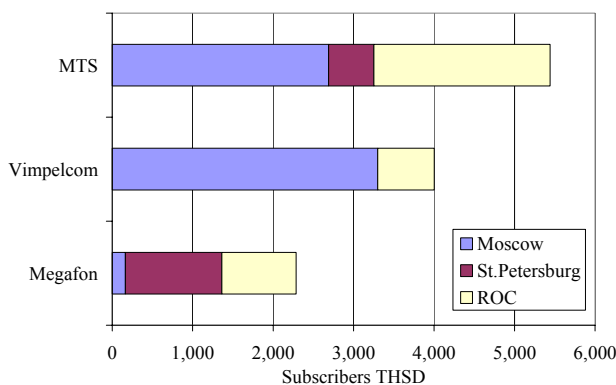
Penetration



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)



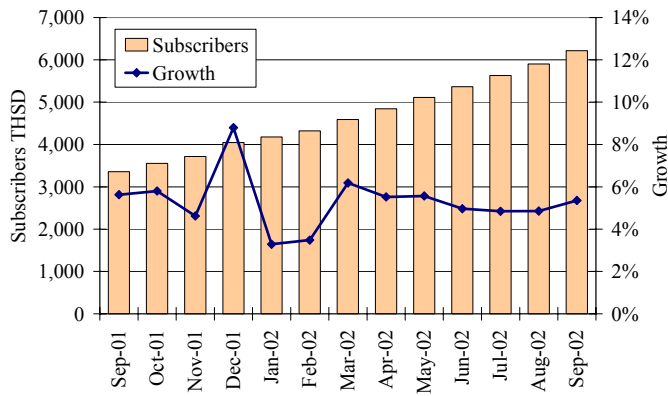
Key Developments (September 2002)

- **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;

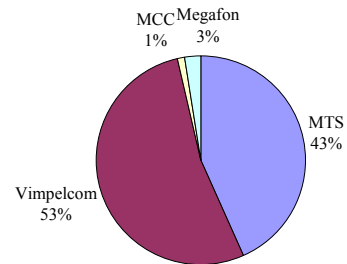
SUBSCRIBER WATCH

Moscow

Subscribers & Growth



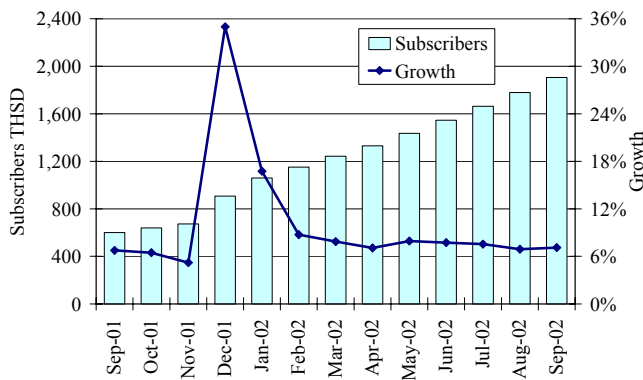
Breakdown (Sep-02)



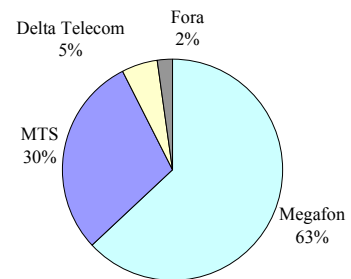
Megafon managed to attract 11% of net additions in September breaking 10% threshold for the first time since start of its operations in Moscow.

St. Petersburg

Subscribers & Growth



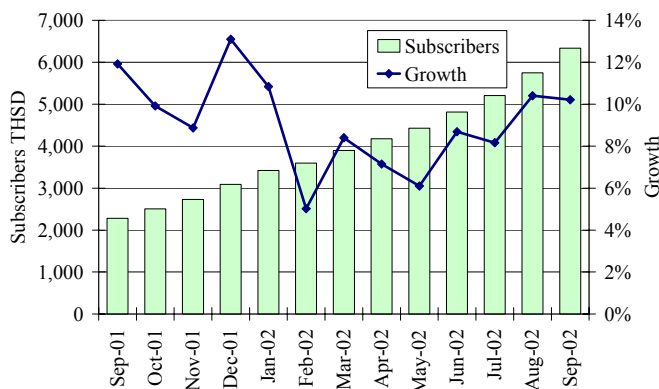
Breakdown (Sep-02)



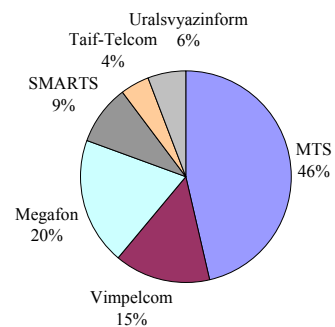
MTS and Megafon maintain equilibrium with ~50% of net additions each. New GSM entrants (FORA and Vimpelcom) will not likely join the race until 1Q2003.

Rest of Country

Subscribers & Growth



Breakdown (Sep-02)



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



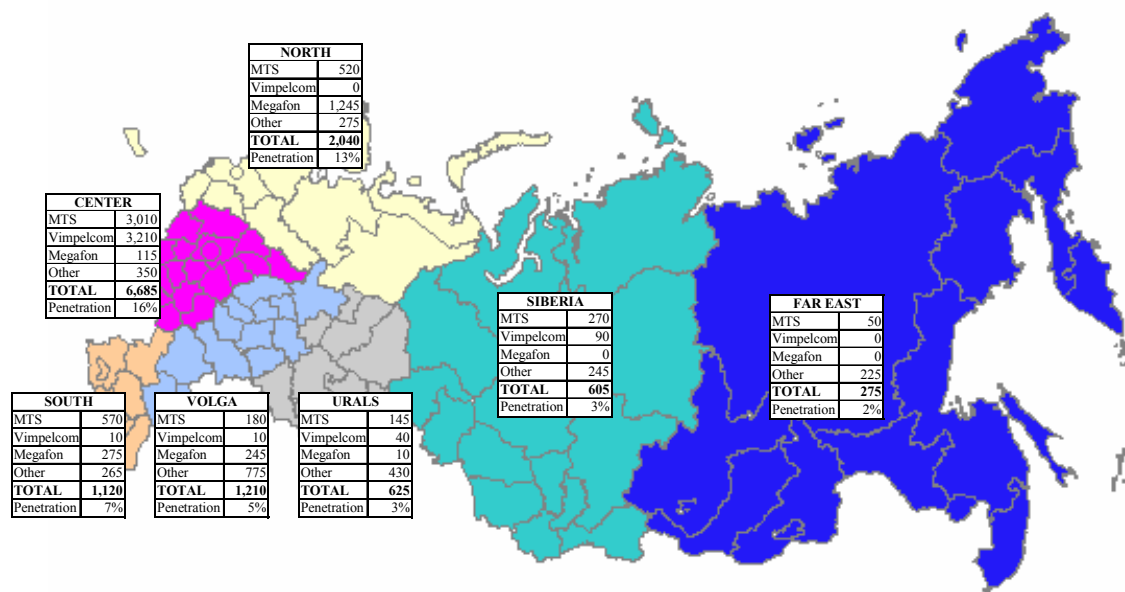
TOP 5 Regional Operators

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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