

May brought additional 1.27 mln of subscribers to Russian mobile networks. The opening of 'summer mobile sales' season in major cities and growth of regional networks resulted in above average net additions.

Starting the present issue we include into our ranking consolidated numbers of cellular subscribers of Siberia Telecom, Svyazinvest subsidiary that controls Eniseytelecom (Krasnoyarsk), Baykalwestcom (Irkutsk), STeK GSM (Kemerovo), Ulan-Ude Cellular Communications and several smaller networks. We believe that the company may consolidate its cellular assets into a single operator pretty soon.

**Top 10 Cellular Operators**

| Company                           | May 31, 2003 | April 30, 2003 |            |
|-----------------------------------|--------------|----------------|------------|
| Total                             | Moscow       | Total          | Moscow     |
| Beeline                           | 10 815 000   | 9 845 000      | 10 215 000 |
| Uraltelecom                       | 3 231 000    | 2 221 000      | 3 330 000  |
| Megafon                           | 2 004 195    | 1 409 000      | 2 320 195  |
| SWANIS Group                      | 153 900      |                | 153 900    |
| UralSvyaznet                      | 153 500      |                | 151 800    |
| Siberia Telecom                   | 134 619      |                | 130 000    |
| Novorod Cellular                  | 133 100      |                | 132 700    |
| Krasnaya Gorka Cellular Communica | 125 299      |                | 125 299    |
| Krasnoyarsk Cellular Commun       | 120 800      |                | 120 700    |
| Samcom                            | 120 000      |                | 120 000    |

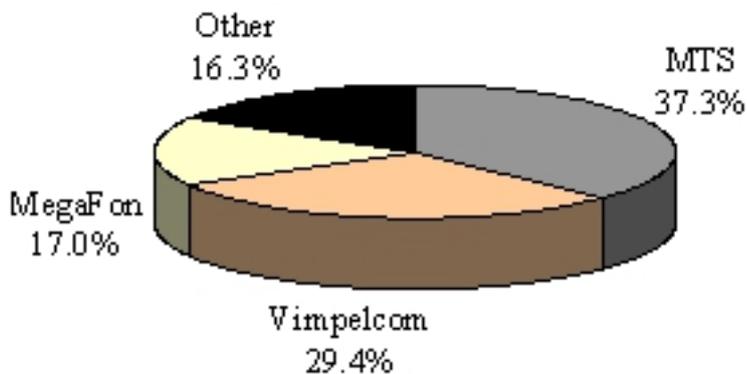
*\*including UMC of Ukraine (1.91 mln) and Belarus subscribers (140,000)*

*\*\* including 6,500 in TT-Mobile (Tajikistan)*

MegaFon enlisted its 4,000,000 subscriber in May while MTS demonstrated impressive growth in regional sales with more than 400,000 new subscribers joining the company in areas outside Moscow.

Vimpelcom announced results of its first month of operations in St.Petersburg. The company attracted more than 25,000 subscribers which is in line with its management projections. Vimpelcom's total subscriber base almost reached 7 mln in May. We expect that the company will enlist its 7,000,000th user in the first week of June.

### Russian Cellular Market Breakdown, May 2003



The chart above includes only Russian subscribers, all CIS networks are excluded from the calculation.

### Moscow Market

Traditionally, many Muscovites start commuting to their summer houses located in areas around Moscow in May, which results in growing share of pre-paid subscriptions of Moscow-based providers. Since cellular became an affordable service for the mass market, it remains a killer application for those commuting to dachas which usually do not have fixed-line phones installed.

This year the growth in subscriptions started early, already in May, with seasonal promotions and active advertising campaigns by all operators. MTS and Vimpelcom were more active and demonstrated better results than MegaFon that lacks a competitive coverage outside Moscow.

**Moscow Net Additions in May 2003**

