

New Year Sales Started

Sunday, 05 December 2004 18:15

November 2004 brought record high net additions in Russia (3.8 mln). It seems this year operators decided to start Christmas campaign in advance. This could pay off as this Christmas promises to generate absolute maximum number of cellular additions in Russia ever. **Russia**

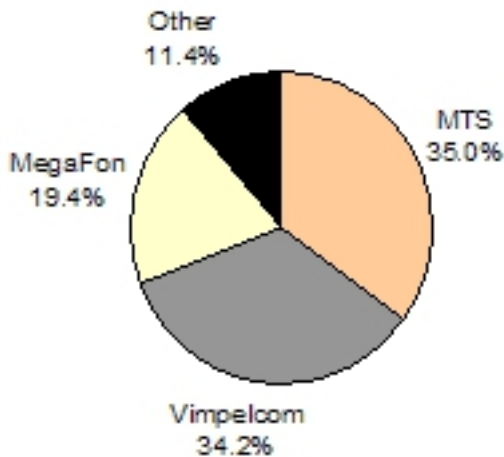
n Mobile Subscribers

Mobile Subscribers	November 30, 2004	October 31, 2004
Total Russia	65,590,000	61,770,000
Penetration	45.2%	42.5%
Moscow	15,634,828	15,105,908
Penetration	92.1%	88.9%
St.Petersburg	5,313,694	5,170,722
Penetration	83.8%	81.6%
Subscribers outside Moscow and St.Pete	44,641,578	41,493,370
Penetration	36.6%	34.1%

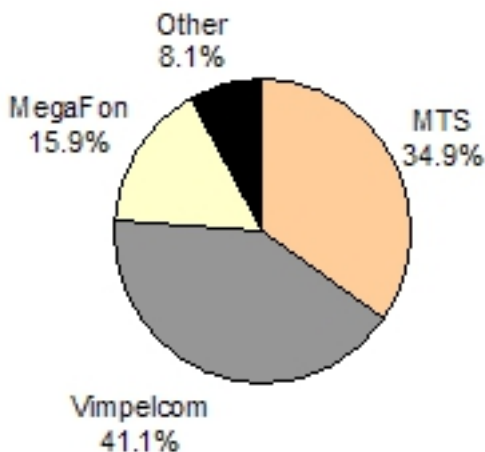
MTS was number one in net sales in St.Petersburg, while Vimpelcom led (for 9 months in a row!!) in regional net additions as well as in total Russia adds!

Russian Cellular

Market Breakdown, November 2004



Russian Net Additions, November 2004



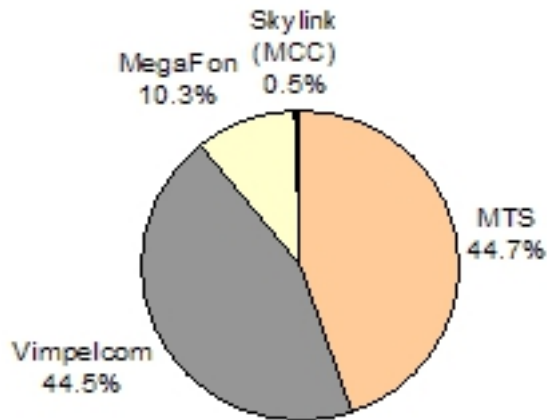
Top 10 Mobile Operators

#	Company	November 30, 2004	October 31, 2004
1	MTS	30,595,000	28,835,000
	Moscow	6,985,000	6,830,000
	Ukraine (UMC)	6,266,000	5,894,000
	Belarus	1,100,000	1,041,000
	Uzbekistan	287,000	264,000
2	Vimpelcom	23,160,000	21,580,000
	Moscow	6,960,000	6,645,000
	Kazakhstan	745,000	702,000
3	MegaFon	12,756,890	12,155,280
	Moscow	1,603,751	1,514,166
	Tajikistan	38,817	34,700
4	Uralsvyazinform	1,937,300	1,867,200
5	SMARTS Group	1,690,640	1,647,000
6	Sibirtelecom	861,600	782,700
7	N.Novgorod Cellular	596,945	554,388
8	Ekaterinburg Cellular Communications	354,572	336,185
9	New Telephone Company	236,800	224,450
10	Skylink	189,000	186,600

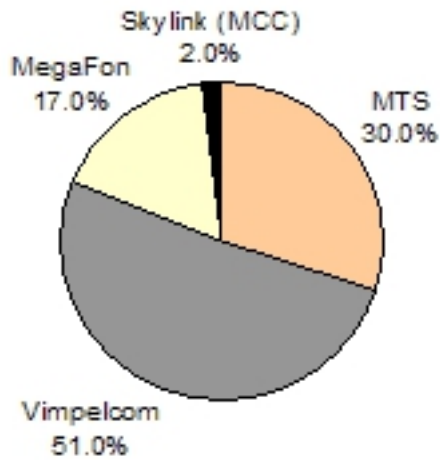
Moscow and St.Petersburg Moscow License Area

Moscow passed 90% penetration mark (!). Vimpelcom grabbed more than half of total November net adds in the capital and came very close to its major competitor - MTS. The company announced that it had completely resolved numbering capacity issue and switched to its original 6-month churn period for pre-paid customers (up from 4 months introduced in June 2004). That translated in stronger than usual net additions for Vimpelcom in November.

Moscow Market Breakdown November 30, 2004



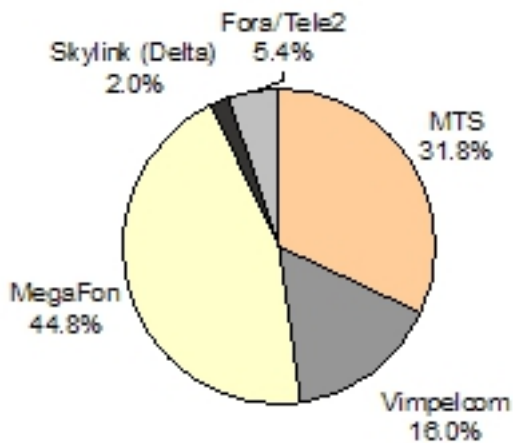
Net Additions in Moscow



St.Petersburg and Leningrad Region

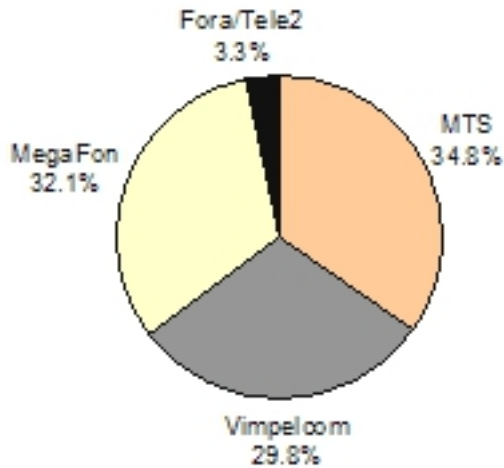
St. Petersburg Market Breakdown

November 30, 2004



Net Additions in St.Petersburg

November 2004



Beyond Russia

Quite by coincidence it turned out that in November Ukraine became an arena for both intensive political clashes and fierce competition between the rival GSM operators who rushed to capitalize on unprecedented subscriber growth. As of November 30, 2004 there were 12.2 mln subscribers or 26% penetration. In November MTS (UMC) returned leadership in net additions - 372k vs. 348k of its major rival Kiyvstar.

MTS continues to lead in Belarus and Uzbekistan both by market share and net additions.

There are a few acquisition deals pending in the CIS (Azerbaijan, Georgia).