

Below you may download the December and year-end 2005 subscriber figures on Russian and Ukrainian cellular markets. Please note that we have slightly downgraded our November 2004 estimates for total number of subscribers in Russia and upgraded Astelit's (Ukraine) figures for November.

Main highlights for both covered markets:

Russia

MTS remains market leader but the margin between MTS and Vimpelcom narrows. Although Russian operators added significant 6.2 mln new subs to the counter in December, there is a visible slowdown in Y-o-Y market growth rate - there were 8.3 mln net additions reported in December 2004. 2005 was the last year of record-high growth rates as the level of saturation closes in in the major part of the country's regions. Other key points:

- Number of subscribers (valid SIM cards) reached 125.8 mln (up 6.2 mln from November 2005, 51.4 mln from December 2004);
- Penetration jumped to 86.6% (up 4.3% from November 2005, 35.4% from December 2004);
- There were 135 and 118 SIM cards in use per 100 population in Moscow and St.Petersburg respectively as of December 31, 2005;
- MTS won December net additions in the regions and generally in Russia, losing to Vimpelcom in Moscow and St.Petersburg.

Russian Mobile Subscribers

Mobile Subscribers	December 31, 2005	November 30, 2005
Total Russia	125,760,000	119,730,000
Penetration*	86.6%	82.5%
Moscow	22,842,679	22,302,410
Penetration*	134.5%	131.3%
St.Petersburg	7,508,220	7,273,784
Penetration*	118.4%	114.7%
Subscribers outside Moscow and St.Pete	95,409,101	90,153,806
Penetration*	78.3%	74.0%

* Please note that penetration figures are calculated based on official data from 2002 population census (145 mln for Russia, 17 mln for Moscow and 6.3 mln for St.Pete). Reportedly, the population in Moscow License Area reaches as high as 23-25 mln while St.Pete License Area population figure is above 7 mln.

Ukraine

Total number of subscribers in Ukraine almost doubled in 2005. Kyivstar and UMC remain very close rivals with Astelit lagging behind by a margin. Leaders were almost on par in December net additions, though UMC managed to attract a bit larger share of users.

- Number of subscribers (valid SIM cards) reached 30.4 mln (up 3.6 mln from November 2005, 16.5 mln from December 2004);
- Penetration increased to 63.8% (up 7.5% from November 2005, 34.6% from December 2004);

Ukrainian Mobile Subscribers

Mobile Subscribers	December 31, 2005	November 30, 2005
Total number of subscribers	30,379,116	26,823,941
Penetration	63.8%	56.4%

Our estimates for Astelit show significant market share gain in 2005 (9% as of December). However, considering quite liberal churn policy adopted by the company we maintain strong scepticism about the ability of all those subscribers to generate a reasonable revenue for Astelit.