

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
Mobline	3 221 000	2 221 000	3 330 000
Megafon	1 004 195	809 000	820 195
SWANIS Group	33 900		15 900
UralSvyaznet	159 500		101 800
Siberia Telecom	134 619		130 000
Novorod Cellular	133 100		112 700
Krasnaya Gorka Cellular Communica	119 799		115 200
Krasnodar Cellular Commun	109 800		106 700
Samcom	105 000		104 000

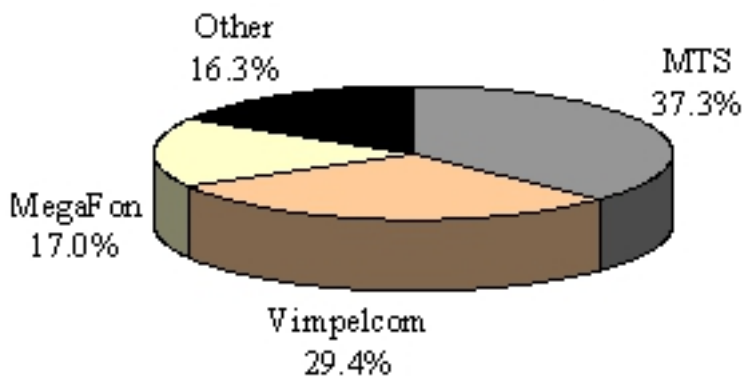
**including UMC of Ukraine (1.91 mln) and Belarus subscribers (140,000)*

*** 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

