

Russian mobile market grew by record 1.8 mln users in September 2003 fueled mainly by strong growth in regions. Moscow and St.Petersburg together added about 600 thousand of new subscribers while regional networks attracted the remainder bringing penetration of mobile services to 20.9%.

If the trend persists, there will be over 35 mln of cellular users in Russia by year-end 2003.

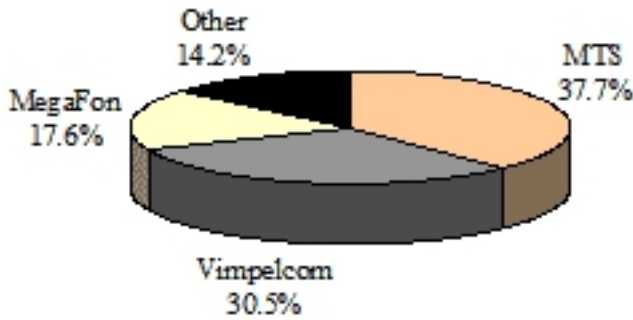
Top 10 Cellular Operators

Company	September 30, 2003		August 31, 2003	
	Total	Moscow	Total	Moscow
Beeline	1,800,000	1,200,000	1,700,000	1,100,000
Vimpelcom	1,250,000	850,000	1,025,000	750,000
VEON	1,100,000	700,000	1,000,000	650,000
SMART S Group	700,000	450,000	650,000	415,000
U.S. Cellular	600,000	400,000	550,000	350,000
Sibers Telecom	405,000	270,000	380,000	250,000
Novorod Cellular	350,000	230,000	320,000	210,000
Kaliningrad Cellular	250,000	160,000	230,000	150,000
Telecom International	200,000	130,000	180,000	120,000
City Telephone Company	150,000	100,000	140,000	90,000

* including **UMC of Ukraine (2.55 mln)**, **MTS Belarus subscribers (310,000)** and recently **acquired Tomsk Cellular Communications (195,000)**

** including **9,000 in TT-Mobile (Tajikistan)**

Russian Cellular Market Breakdown



Penetration in Moscow and St.Petersburg is significantly higher compared to the rest of the country so it comes as no surprise that the cellular growth finally spilled over to regions.

Russian Mobile Subscribers

Mobile Subscribers	Sep. 30, 2003	Aug. 31, 2003
USSR	20.9%	19.6%
Penetration	20.9%	19.6%
Moscow	10,326,000	9,700,000
Penetration	40.8%	38.1%
St.Petersburg	1,123,000	971,000
Penetration	49.2%	42.2%

Vimpelcom has won the September race for new users in St.Pete for the first time since launching its network in the region. The company earned 34% of net additions followed by MTS (29%) and MegaFon (25%).

Moscow Market

Vimpelcom's Moscow client base grew over 5 mln with 190 thsd of new users added in September. The company leads in Moscow followed by MTS (4.49 mln) and MegaFon (0.756 mln).

MegaFon managed to attract a significant portion of net additions for the second month in a row. The company outperformed MTS thanks to its popular O'Lite tariff plan. MTS explains the slowdown in net additions by a high churn rate on its contract tariff plans resulted from

switching of its contract users to the company's pre-paid tariffs started two month ago.

Moscow Net Additions, August 2003

