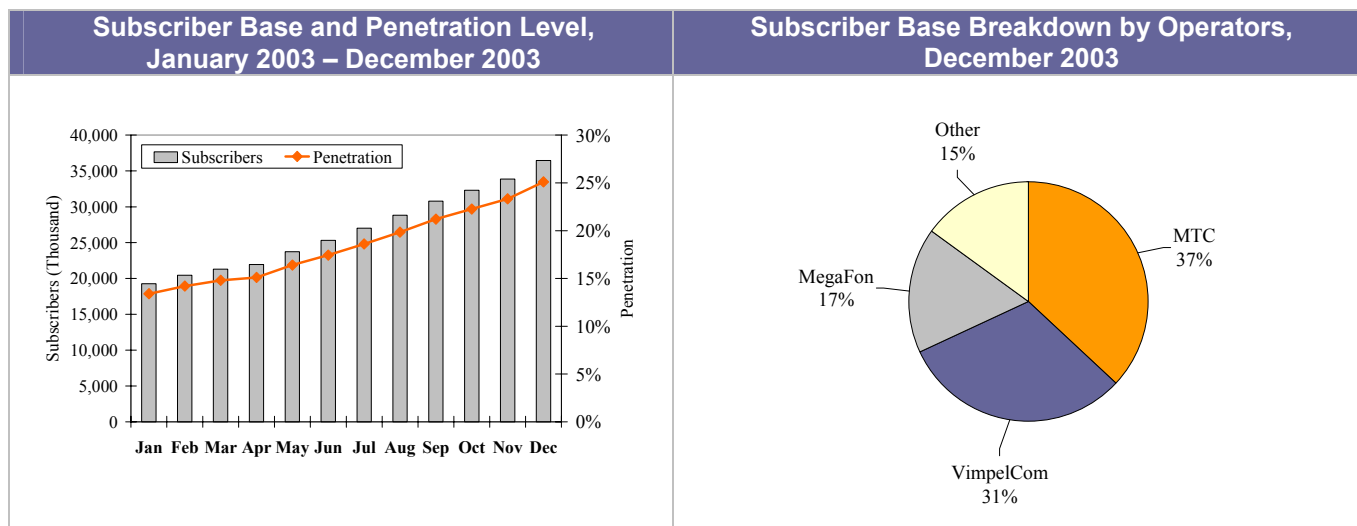


» **Statistics**

In 2003, the cellular market in Russia achieved significant results, growing from 18.03 million subscribers (GSM, TDMA/DAMPS, NMT, IS-95, IMT-MC-450) at year-end 2002 to **36.45 million** at year-end 2003! **The overall penetration in Russia doubled from 12.4% to 25.1%.**

MTS remains the leader with 37% of the Russian cellular subscriber base. VimpelCom and MegaFon have managed to increase their market shares from 29% and 16% to 31% and 17% accordingly.



Sources: J'son & Partners; company data

» **Additions**

December 2003 was a stellar month of the year with the remarkable subscriber base growth – net additions reached almost **2.6 million** subscribers! **The overall number of cellular users in Russia grew by 7.6%.**

**Top-10 Russian Cellular Operators**

	Operator	Total Subs as of December 31	YTD Growth (%)	Moscow Subs as of December 31
1.	MTS	13,370,000	101%	4,940,000
2.	VimpelCom	11,310,000	119%	5,680,000
3.	MegaFon	6,340,335	115%	850,308
4.	Uralsvyazinform*	1,194,500	146%	-
5.	SMARTS	1,142,000	111%	-
6.	N. Novgorod Cellular	368,321	114%	-
7.	Yeniseytelecom**	251,471	228%	-
8.	Yekaterinburg-2000	230,112	189%	-
9.	Dal` Telecom International	205,199	183%	-
10.	Baykalwestcom	184,285	176%	-

Sources: J'son & Partners; company data

\* Consolidated all regions and standards (GSM, TDMA/AMPS, NMT-450, IS-95)

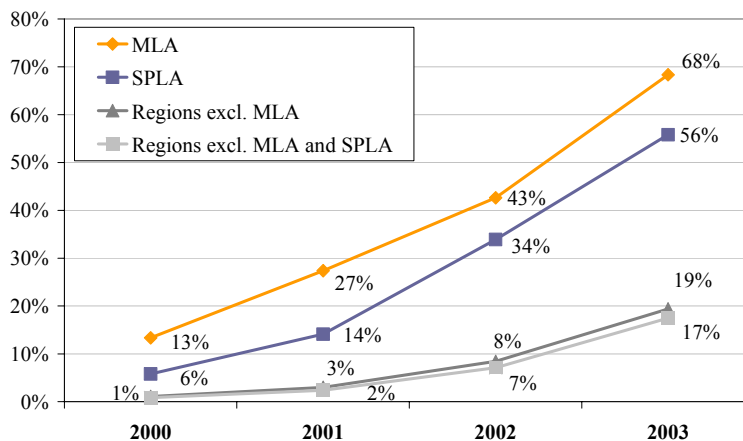
\*\* Including Sayantelecom's subscribers

» **Regional Growth**

In 2003, the regional subscriber base grew more than two times faster than the Moscow Licensed Area one – 130% versus 60%. As of December, 2003, the number of regional subscribers doubled the number of Moscow cellular users reaching 24.8 million.

The Moscow Licensed Area (MLA) remains the leading region with 68.3% penetration as of year-end followed by the St. Petersburg Licensed Area (SPLA) with almost 55.8% penetration.

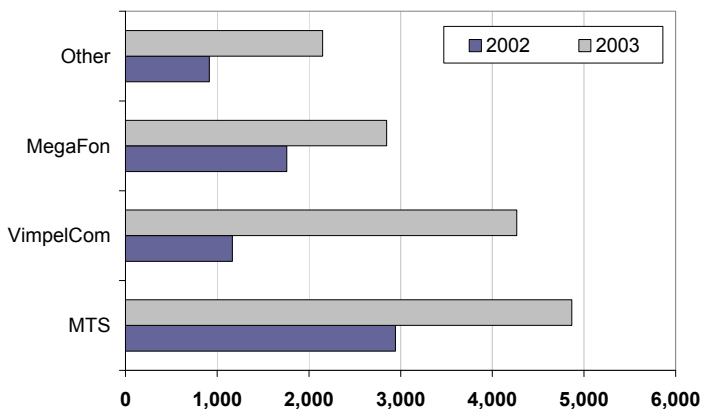
**Regional Penetration Rate in Russia, 2000-2003**



Sources: J'son & Partners; company data

In 2003, MTS captured 34% of all regional net additions, having connected almost 4.9 million new subscribers. Great results were shown by VimpelCom holding the second position in terms of the regional subscriber base growth in 2003 (30%). During the last year the company has managed to increase its regional subscriber additions more than 3.5 times as compared to 2002. MegaFon connected 20% of all new regional subscribers.

**Regional Net Additions in Russia, 2002-2003**



Sources: J'son & Partners; company data

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