

Cellular Subscriptions Soar in July

Thursday, 07 August 2003 15:44

July added 1.75 mln to the counter of cellular subscribers in Russia which is a record monthly growth to date. As of July 31, 2003 Russian operators served 26.88 mln users. Regional networks continue to outperform Moscow increasing the growth pace. **Top 10 Cellular Operators**

Company	July 31, 2003	June 30, 2003	
Total	Moscow	Total	Moscow
Beeline	1,750,000	1,600,000	1,300,000
Vimpelcom	1,600,000	1,550,000	1,455,000
MTS	1,500,000	1,450,000	1,350,000
SMART-S Group	1,400,000	1,350,000	1,270,000
U.S. Cellular	1,300,000	1,250,000	1,150,000
Sibiana Telecom	1,200,000	1,150,000	1,080,000
Beeline (Moscow)	1,100,000	1,050,000	1,000,000
Onet Cellular Communications	1,000,000	950,000	900,000
Beeline (Moscow) on	900,000	850,000	800,000
Beeline (Moscow)	800,000	750,000	700,000

**including UMC of Ukraine (2.2 mln) and Belarus subscribers (210,000)*

*** including 8,100 in TT-Mobile (Tajikistan)*

MTS, the prominent market leader, is approaching 10 mln milestone in Russia. The company

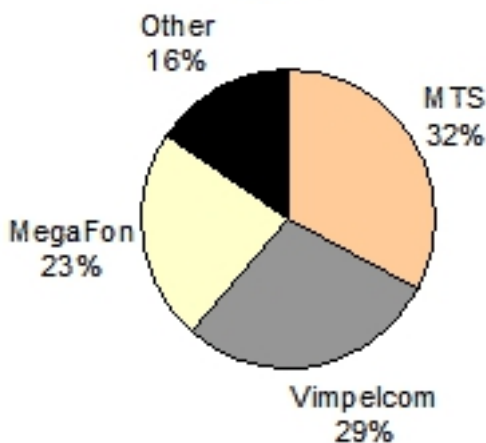
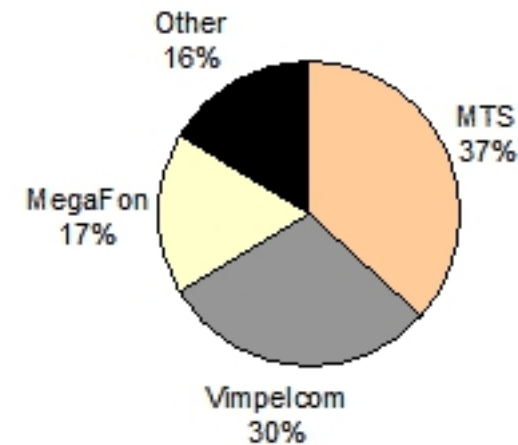
also controls Ukrainian Mobile Communications with 2.2 mln users and has a JV in Belarus that enlisted 210,000 users by the end of July.

On August 6 Vimpelcom announced that it has reached 8 mln subscribers. Recently launched network in St.Petersburg attracted 23% of new subscribers in July which is a good result for the new market entrant. Vimpelcom now has more than 80,000 subs in St.Pete and the region.

MegaFon, third-largest Russian operator, also did a good progress in July attracting 23% of all new users in the country. It is likely that the company may break through 5 mln in August.

Please note that we did not consolidate SibChallenge subscriber base into MTS numbers despite the recently announced acquisition. We plan to start the consolidation as soon as the deal is officially closed.

Russian Cellular Market Breakdown, July 2003
Shares in Net Additions, July 2003



Moscow Market

In Moscow the most significant news of the month is MegaFon's leap from 8% to 16% in net additions. Vimpelcom retains its leading position with MTS following the race.

MCC, the market outsider, is about to launch its IMT-MC network in 450 MHz under SkyLink brand.

Moscow Market Breakdown, July 2003 Moscow Net Additions in July 2003

