

Russian mobile networks enlisted 1.6 mln new subscribers in August, which represents a slight decline from July numbers (1.75 mln) reflecting traditionally weak sales in the last summer month. **Top 10 Cellular Operators**

Company	August 31, 2003		July 31, 2003	
Total	Moscow	Total	Moscow	
Beeline	1,000,000	350,000	950,000	2,270,000
MTS	500,000	150,000	500,000	1,100,000
Megafon	412,745	133,643	333,643	653,450
Uraltelecom	100,000	30,000	100,000	100,000
Telecom	60,000	18,000	60,000	60,000
Beasatel	50,000	15,000	50,000	50,000
Novgorod Cellular	40,000	12,000	40,000	60,000
Ural Cellular	30,000	9,000	30,000	30,000
Stavropol Cellular	20,000	6,000	20,000	20,000
Samara	15,000	4,500	15,000	20,000

\* including **UMC of Ukraine (2.4 mln)** and **MTS Belarus subscribers (250,000)**

\*\* including **8,500 in TT-Mobile (Tajikistan)**

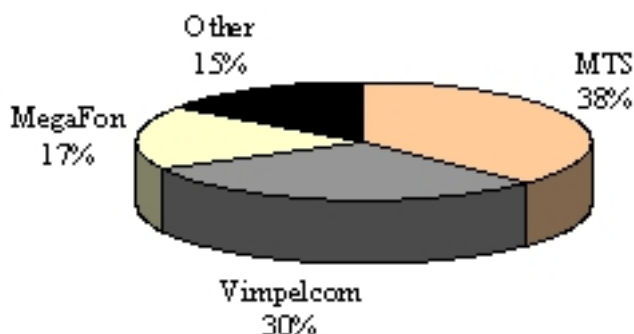
MTS finally completed SibChallenge deal (135,000 subscribers) and also acquired Primtelefon (91,000 subs) - a strategic asset for MTS providing access to Far Eastern territories. We have included both companies into MTS subscriber base displayed in the table above. With these

transactions closed, only a few attractive independent cellular operators left in the country.

**Russian Mobile Subscribers**

Mobile Subscribers	Aug. 31, 2003	July 1, 2003
Russia	6,450,000	6,350,000
Penetration	19.6%	19.5%
Moscow	2,870,000	2,505,000
Penetration	58.1%	55.9%
St Petersburg	2,971,000	2,841,000
Penetration	72.2%	71.1%

**Russian Cellular Market Breakdown**



**Moscow Market**

MegaFon demonstrated strong growth in subscriptions for the second month in a row thanks to the new (and heavily promoted) O'Lite pre-paid tariff plan. Vimpelcom was again a winner in Moscow while MTS slowed down the pace. Nevertheless, we believe that MTS will be able to restore its share in net additions soon.

**Moscow Net Additions, August 2003**

