



2Q08 Russia Mobile Forecast

Rising ARPU levels will not translate into
improvements in profitability





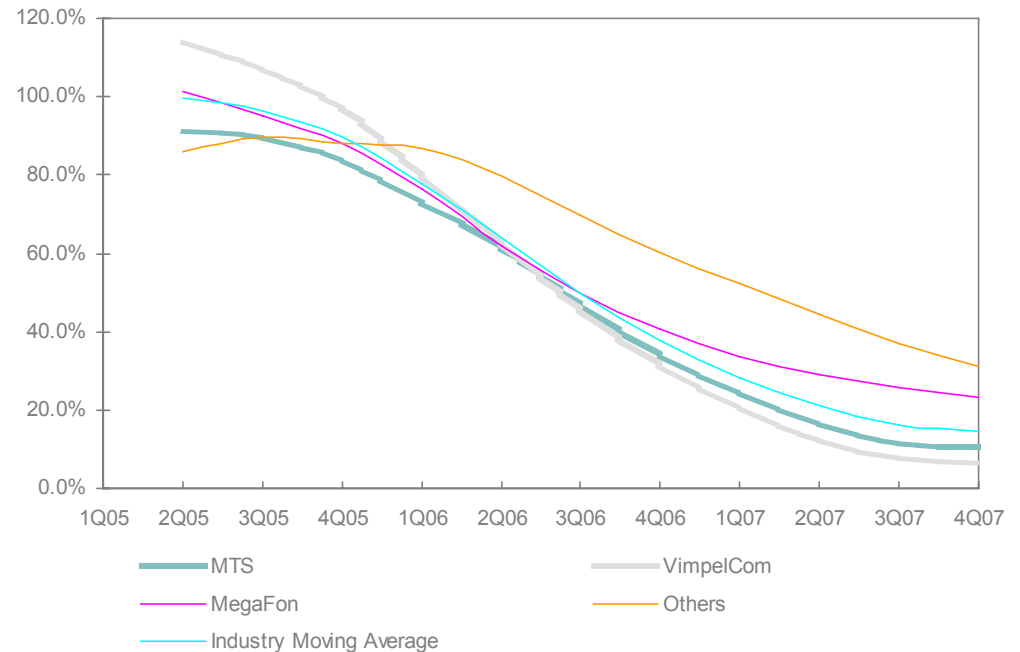
Subscriber growth slows down in Russia

+14.5% subscriber growth over the last four quarters

TOTAL WIRELESS SUBSCRIBERS IN RUSSIA CONTINUE TO INCREASE, BUT AT A DECREASING RATE

- Although the Russian operators continue to enjoy double-digit industry average subscriber growth rates, growth is slowing down
 - The operator-wide subscriber growth averaged 14.5% over the last four quarters (1Q.2007 – 4Q.2007)
 - This is much lower than the average growth of 37.6% for the previous four-quarter period from 1Q.2006 to 4Q.2006
- For the past four quarters, MegaFon has enjoyed higher subscriber growth rates than MTS and VimpelCom

Chart 1: Subscriber Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages

Source: IEMR



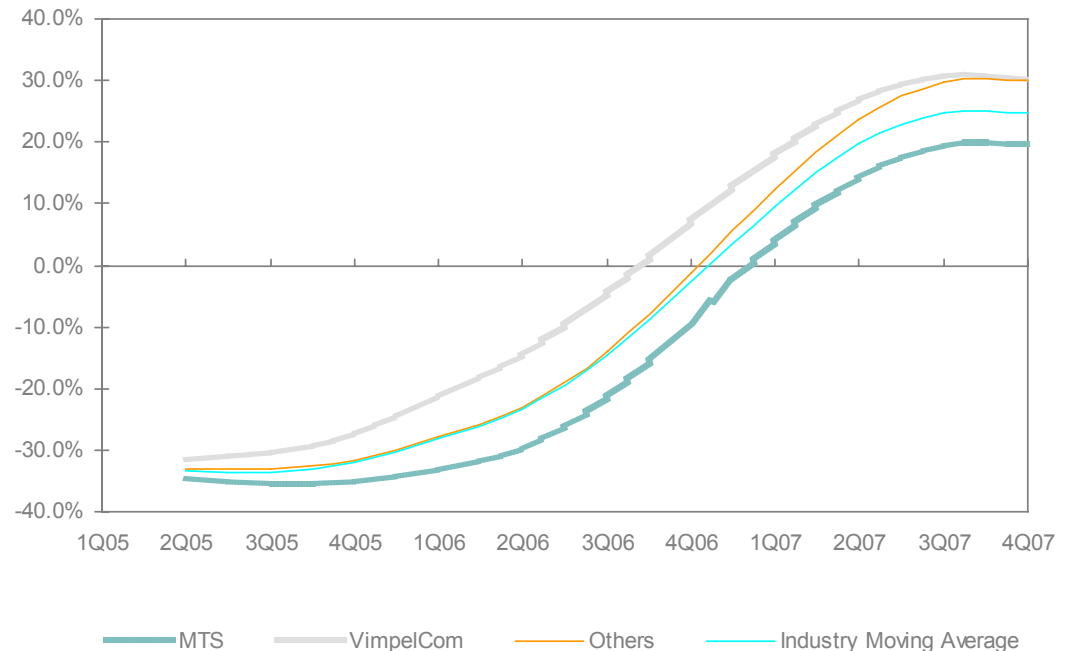
ARPU levels continue to rise

+24.7% average growth over last four quarters

ARPUs, WHICH HAD BEEN DECREASING UNTIL 2006, ARE NOW INCREASING STEADILY

- The operator-wide ARPU growth averaged 24.7% over the last four quarters (1Q.2007 – 4Q.2007)
 - This is significantly higher than the average growth of -2.5% for the previous year (1Q.2006 – 4Q.2006)
- VimpelCom has enjoyed faster ARPU growth than MTS for the last five quarters

Chart 2: ARPU Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages



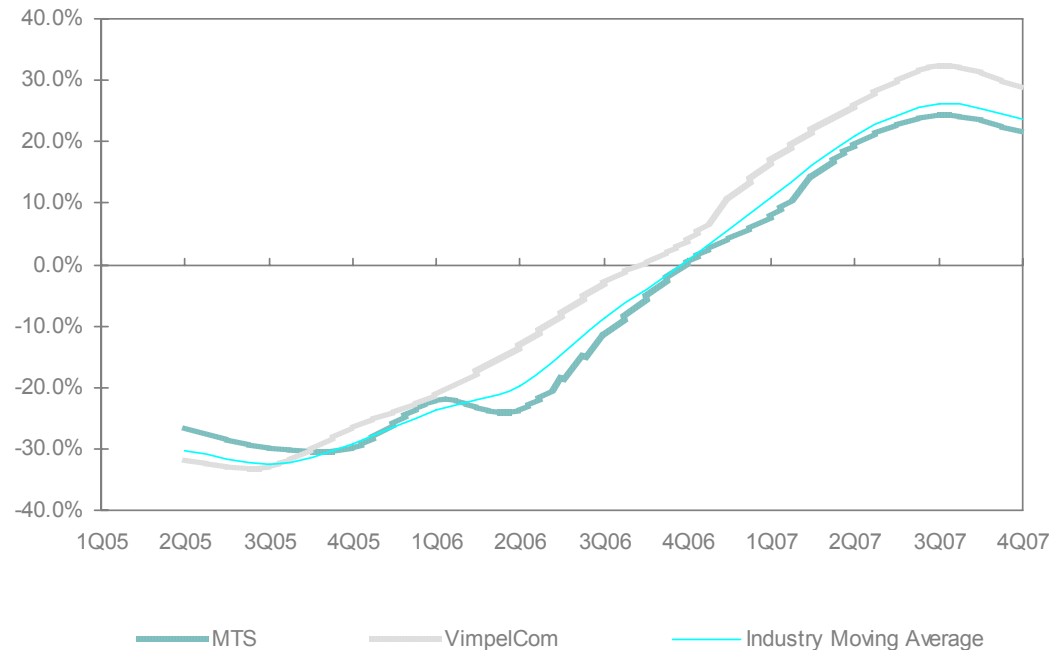
Positive data ARPU growth continues

+23.8% operator-wide average over last four quarters

WE EXPECT DATA ARPUs IN RUSSIA TO CONTINUE GROWING

- Like in many other countries around the world, data ARPUs in Russia are rising
 - The industry average data ARPU growth over the last four quarters was 23.8%
 - The operator-wide average data ARPU in 2007 was US\$1.70
- We expect VimpelCom to continue to enjoy higher data ARPUs than MTS
 - We forecast that VimpelCom's monthly data ARPU will reach US\$2.33 in 2010 while MTS will have US\$1.31

Chart 3: Data ARPU Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages

Source: IEMR

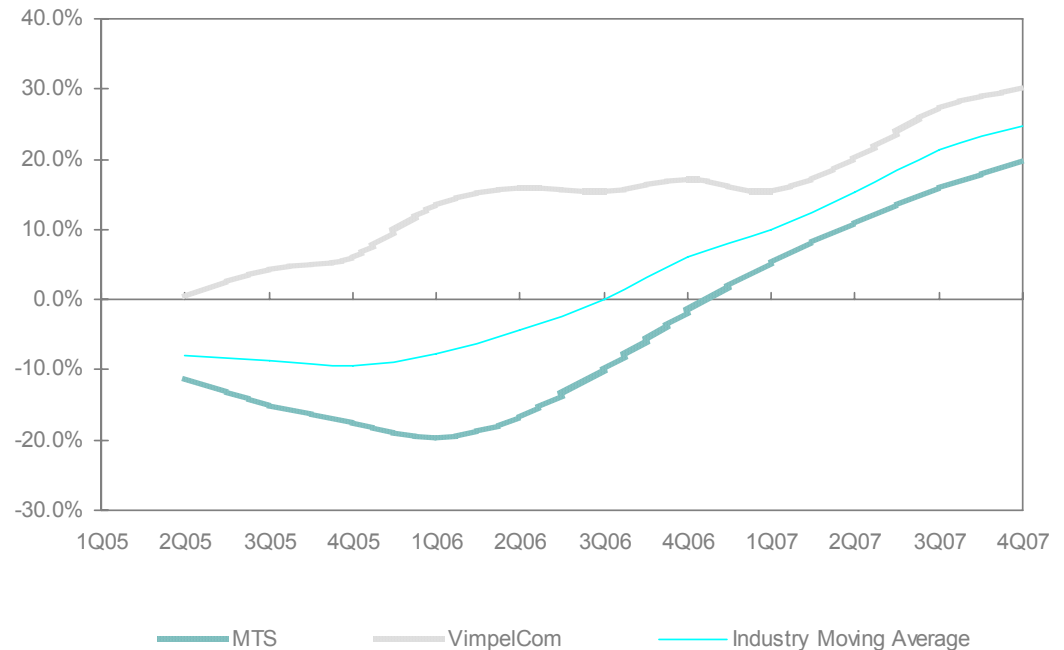


Minutes of Use per Subscriber continue to increase in Russia

THE AVERAGE MINUTES OF USE PER SUBSCRIBER IN RUSSIA ARE INCREASING

- The industry average MOU/Sub growth over the past four quarters was 24.7%
- Both MTS and VimpelCom have enjoyed an increasing MOU/Sub growth rate over the last four quarters
- Overall, our model predicts that the average MOU/Sub in Russia will continue to increase over the next three years, and it will reach 186 minutes per month in 2010 (up from 107 minutes in 2007)

Chart 4: MOU/Sub Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages



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