

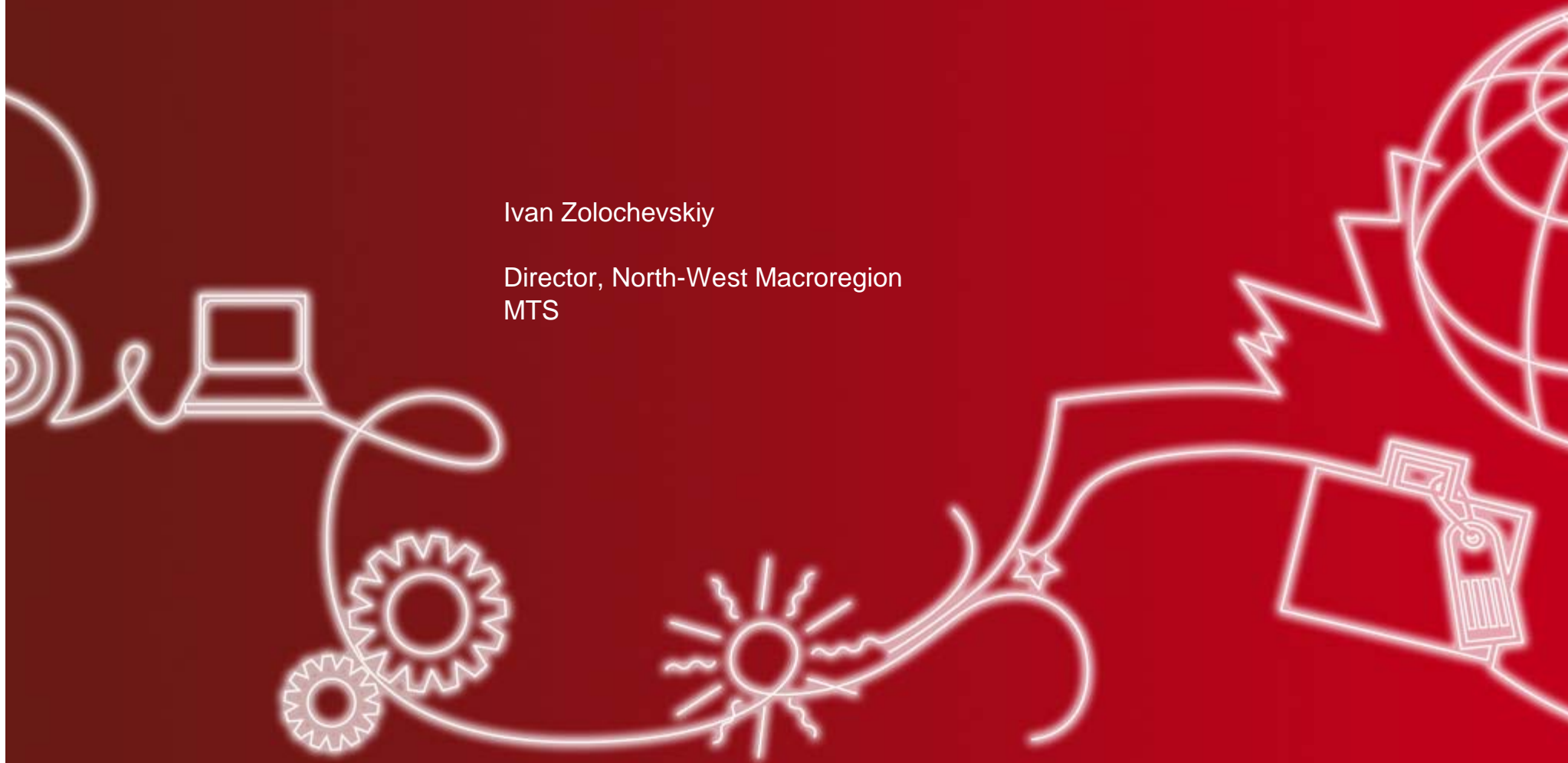
MTS оператор связи



MTS North-West Macroregion

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MTS



MTS North-West Macro-region

Population: 13.98 mln



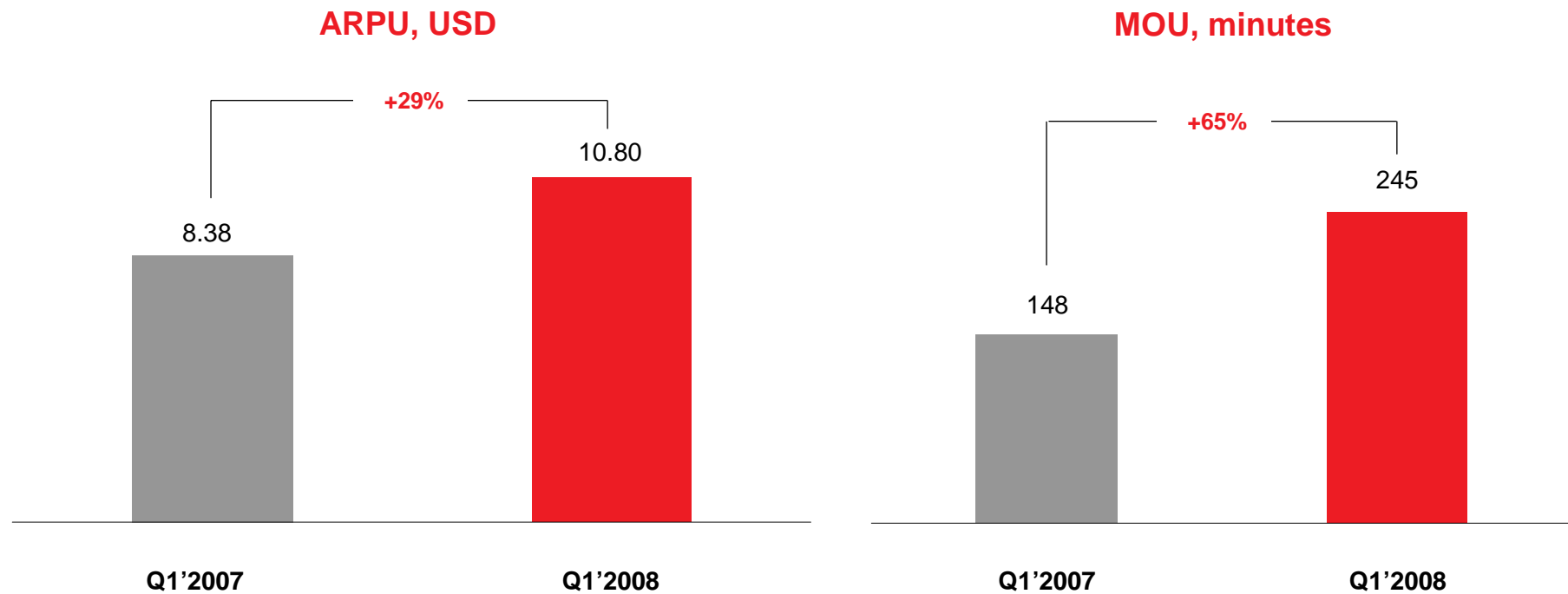
- MTS entered the St. Petersburg market in September 2001, commercial launch on December 11, 2001
- Market share growth to 30.1% by May 2008

North-West Macro-region

Region	Pop (mln)	Penetration* (%)
Archangelsk	1.3	124.5
Vologda	1.3	128.1
Kaliningrad	1.0	139.0
Murmansk	0.9	143.7
Novgorod	0.7	125.0
Petrozavodsk	0.7	123.0
Pskov	0.8	114.0
St Petersburg	6.3	155.5
Syktvkar	1.0	119.0
Total	13.99	140.1

* Source: ComNews Research, May 2008

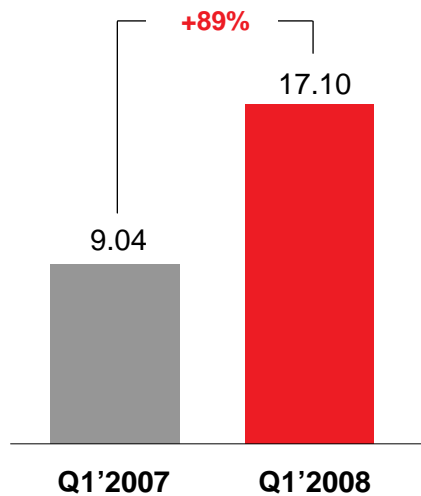
MTS St Petersburg – revenues



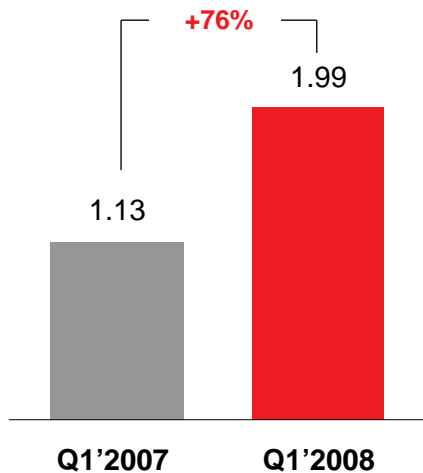
Competitive pricing, effective bundle offers and aggressive marketing policy in business segment have led to significant growth of consumption

MTS St Petersburg – VAS revenues

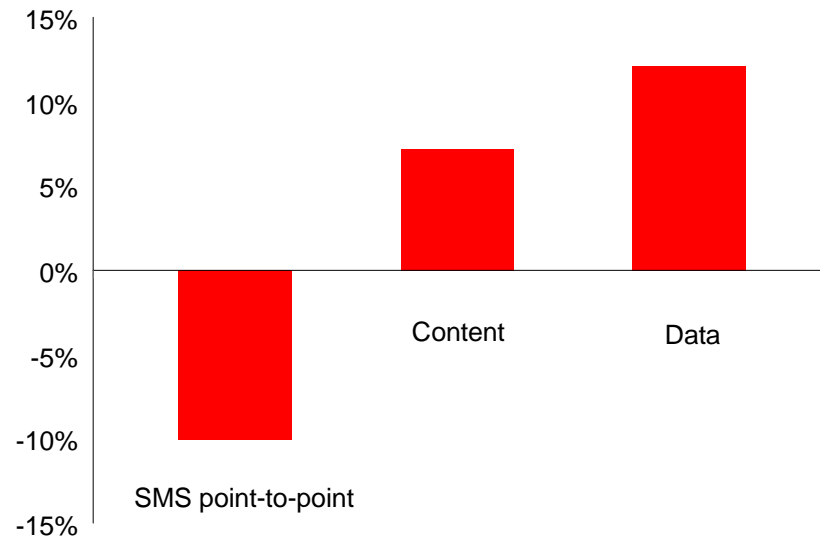
VAS Revenues, USD mln



ARPU from VAS, USD

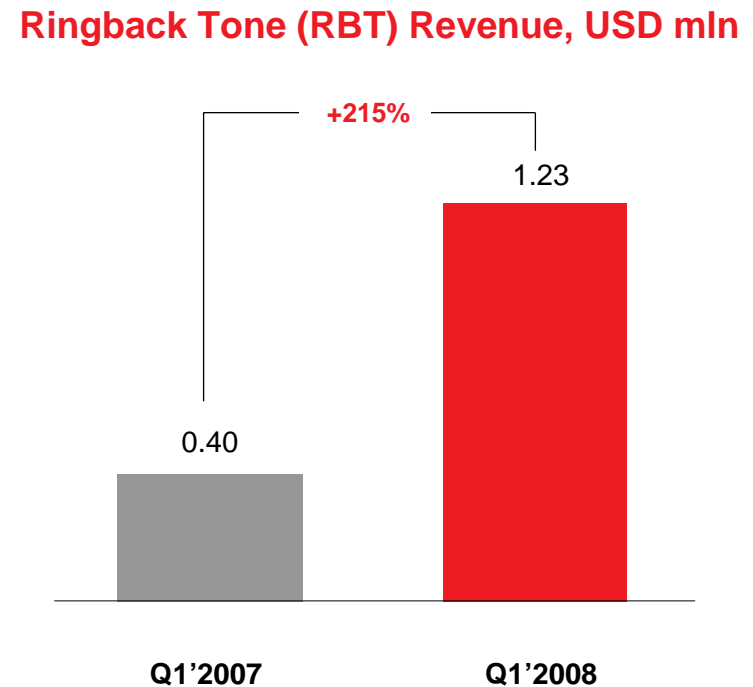


Dynamic of revenue share from SMS, Content and Data in the total revenue from VAS, % (May'07 - May'08)



- St. Petersburg has one of the highest ARPU from VAS in Russia, and has demonstrated a steady growth pattern over the last year
 - *Unlimited Internet at Night* tariff
 - MTS Connect and *Mobile Modem* tariff
 - *Mobil'nie sotrudniki* tariff

MTS St Petersburg – VAS growth



- Over the last year, data traffic in St. Petersburg has increased 472%
- Traffic growth is driven by the deployment of EDGE / GPRS networks and aggressive marketing
- RBT growth is driven by aggressive marketing and competitive advantages of the product

Summary

Current Market Growth

- Aggressive tariffs, marketing and promotion policy
- Loyalty and co-branding programs
- Effective bound offers increasing MOU
- Simplified price-point

Strategy

- Attracting “heavy” users from competitors
- Keeping loyalty of own base
- New services increasing VAS consumption
- Sales forces targeting dealer’s activity

Key drivers for the future

- Improving network coverage and quality
- 3G roll-out
- Unique selling offers for “hard”-user subscriber base
- Alternative marketing communications and promotion channels
- B2B focusing