

Cellular Market Central Asia

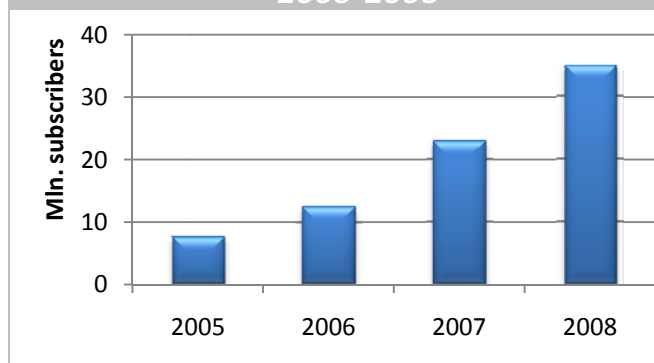
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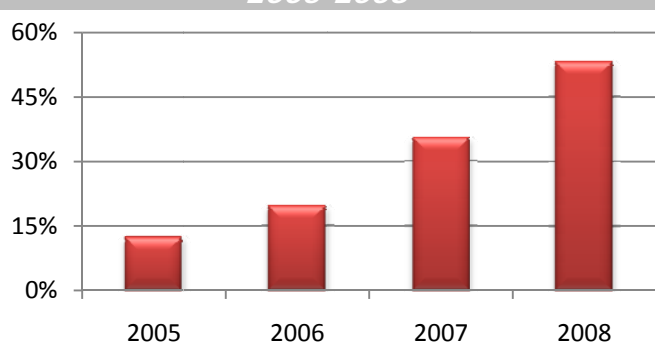
The cellular markets in the Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan has shown strong growth over the last two years. By the end of 2008 the total cellular subscriber base in the region reached 35 mln [by sold SIM-cards] and with a penetration level of 53%. There are 21 cellular operators across different standards. Details: 14 GSM operators (7 UMTS networks), 6 CDMA operators and 1 DAMPS operator]. Two new GSM operators will enter the Kyrgyzstan and Turkmenistan Markets in 2009.

For 2009, according to J'son & Partners estimations, the cellular subscriber base will increase with 8 mln to reach 43 mln subscriber and a penetration level of 65% by the end the year.

*Cellular subscribers, Central Asia
2005-2008*



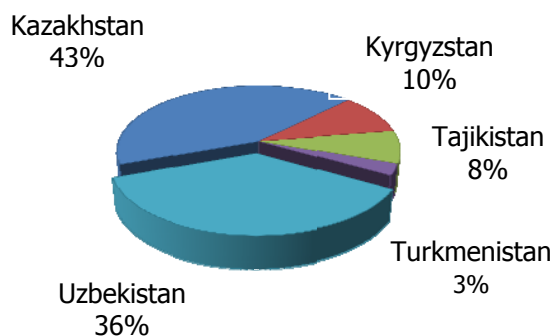
*Cellular Penetration, Central Asia
2005-2008*



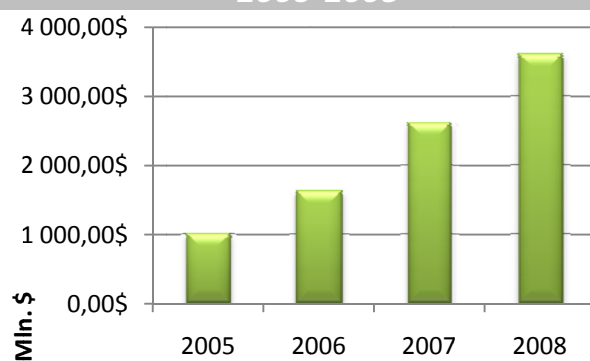
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Kazakhstan and Uzbekistan are the leaders in sold SIM-cards – 15 mln and 12.6 mln, while Turkmenistan takes the last position with 1 mln sold SIM-cards. Kazakhstan and Uzbekistan have 79% of the total subscriber base, with the other three countries have 21% of the total subscribers in the region.

Cellular Subscribers Shares by Countries, %, 2008

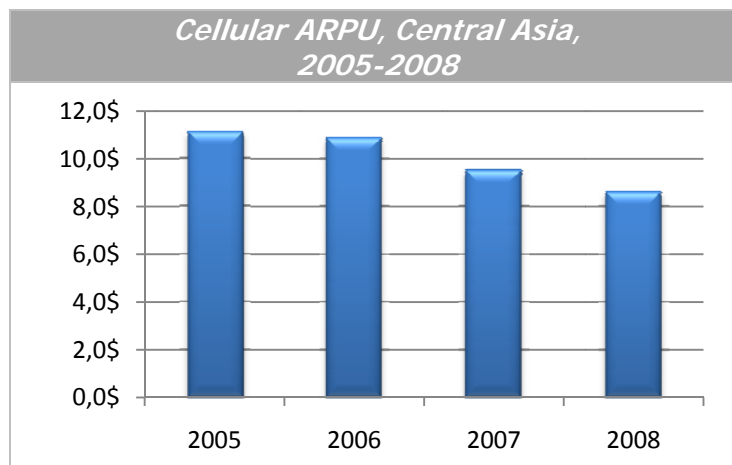


Cellular Revenues, Central Asia, 2005-2008



Source: © J'son & Partners Central Asia

In 2007 the revenues in the region reached \$2,6 bln, with a 90% growth. By the end of 2008 cellular revenue reached \$3,6 bln, while the revenue growth rate decreased by 26% in comparison with 2007 to 64%.



Source: © J'son & Partners Central Asia

The ARPU dynamic in the region is slowly decreasing as penetration increase. In 2007 the ARPU in the region amounted \$9,5, but in 2008 it decreased down to \$8,6.

According to J'son & Partners Central Asia estimations, in 2009 the ARPU level will decrease slightly due to introduction of 3G services which will stabilize overall ARPU across the region .

J'son & Partners forecast that APRU reduction will be lower compared to the same figure in 2008 - 9,6%, as compared to a projected 2.8% in 2009, mainly due to spending on 3G services across several countries.

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