

SKY LINK

Russia's Leading 3G Operator



Sky Link is the clear leader in Russia's 3G market. It possesses the largest wireless broadband network, generates **80 percent** of total 3G traffic, and has the highest ARPU level in the country.

As Russia's first and largest 3G operator, Sky Link is delivering an impressive selection of 3G services over its CDMA450 1X and EV-DO Rev. A network to more than **5,000** cities and towns within the Russian Federation, serving up to **70 percent** of the population.

Sky Link's revenues grew by **30 percent** in 2008 to **\$350 million** (USD), enabling the operator to launch new services and grow in terms of both subscriber numbers and ARPU.

Beginning in 2008, Sky Link subscribers in Moscow, St. Petersburg, Yekaterinburg and Chelyabinsk were the first to be able to access 3G broadband data services in Russia using EV-DO Rev. A wireless technology. This CDMA-based wireless broadband technology provides average downlink speeds of **600 to 1,400 kbps** with bursts up to **3.1 Mbps** and average uplink speeds to **500 to 800 kbps** with bursts up to **1.8 Mbps**. This allows subscribers to use video communications, interactive television and other multimedia services which require high-speed data rates.

As of March 2009, Sky Link serviced over 1 million subscribers, representing a healthy **60 percent annual growth** rate. Across the federation, their average monthly average revenue per user (ARPU) is an impressive **\$36.84** (USD). In Moscow, the ARPU is as high as **\$44.20**.

Building on its success, Sky Link is busy leveraging its CDMA450 network to meet its goal of doubling its profits in 2009 by expanding its portfolio of 3G products and services to include:

- Mobile television
- Mobile advertising
- Mobile banking
- Social networking
- Video communications
- Video surveillance
- Unlimited Internet access
- Unlimited live journal access
- Unlimited weekend tariffs

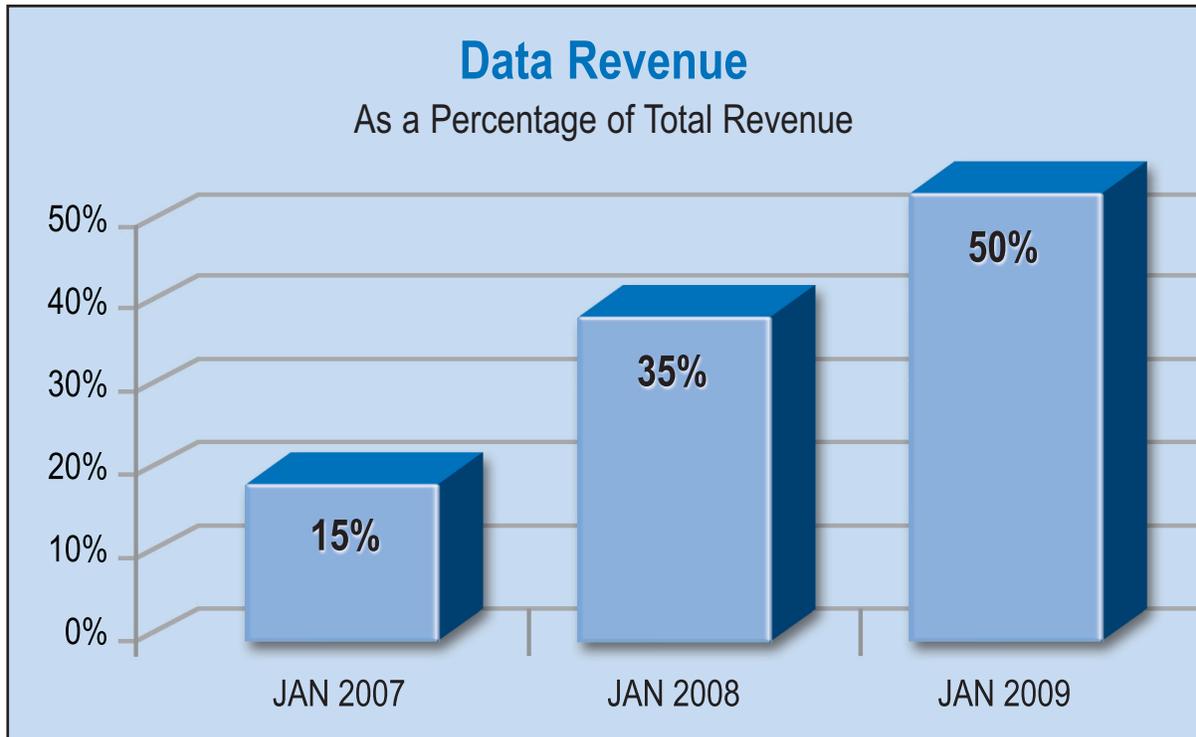
"Since launching EV-DO Rev. A in December 2007, we've seen profits from our high-speed wireless Internet and advanced mobile broadband services increase by 76 percent from Q1 2008 to Q1 2009," remarked Gulnarah Khasyanova, CEO of Sky Link. "We are very pleased with the progress we have made with Rev. A within the past year."



Gulnarah Khasyanova
CEO, Sky Link

The 'unlimited access to content' tariffs accounted for **20 percent** of their new subscriptions when they were introduced in Moscow in early 2009. The company plans to make them available in all its regions in the near future, along with low-cost national and international long distance plans.

Through continued investments in CDMA2000® technology, Sky Link has been able to increase the share of mobile data revenue to **50 percent** of their total revenue, compared to 35 percent in January 2008 and 15 percent in January 2007.



Source: Sky Link, April 30, 2009

Sky Link's data-exchange traffic levels increased by a factor of eight since launching EV-DO in Moscow and St. Petersburg in December 2006. In March 2009, the share of Sky Link's total data-exchange traffic reached more than **90 percent**. In the same month, up to **170 TBs** of data were consumed by their subscribers, reflecting an important shift in how and where people are accessing the Internet. Today, **80 percent** of Sky Link customers utilize laptops and USB interfaces to access the Internet.

Despite having to compete against the much larger mobile subscriber base of the 'big three' Russian mobile operators, Sky Link was able to increase its share in the total market for mobile Internet access (including all access technologies) to **12.5 percent** in 2008, compared to 8.5 percent in 2007.

Resulting from Sky Link's success in Russia, its parent company, Sistema (which owns the largest GSM network in Russia), recently purchased a **74 percent** stake in Shyam Telelink, and plans to invest **\$5 billion** (USD) over the next five years to expand 3G CDMA2000 services throughout India.

The company expects the 3G marketplace to continue to grow rapidly, as corporate and individual subscribers seek cost-effective and convenient mobile voice and data-access solutions.

About CDG

The CDMA Development Group is a trade association formed to foster the worldwide development, implementation and use of 3G and 4G technologies. The more than 140 member companies of the CDG include many of the world's largest wireless carriers and equipment manufacturers. The primary activities of the CDG include development of CDMA2000® features and services, public relations, education and seminars, regulatory affairs and international support. Currently, there are more than 500 individuals working within various CDG subcommittees on CDMA2000-related matters. • For more information about the CDG, visit the CDG website at www.cdg.org. • CDMA2000 is a registered trademark of the Telecommunications Industry Association.