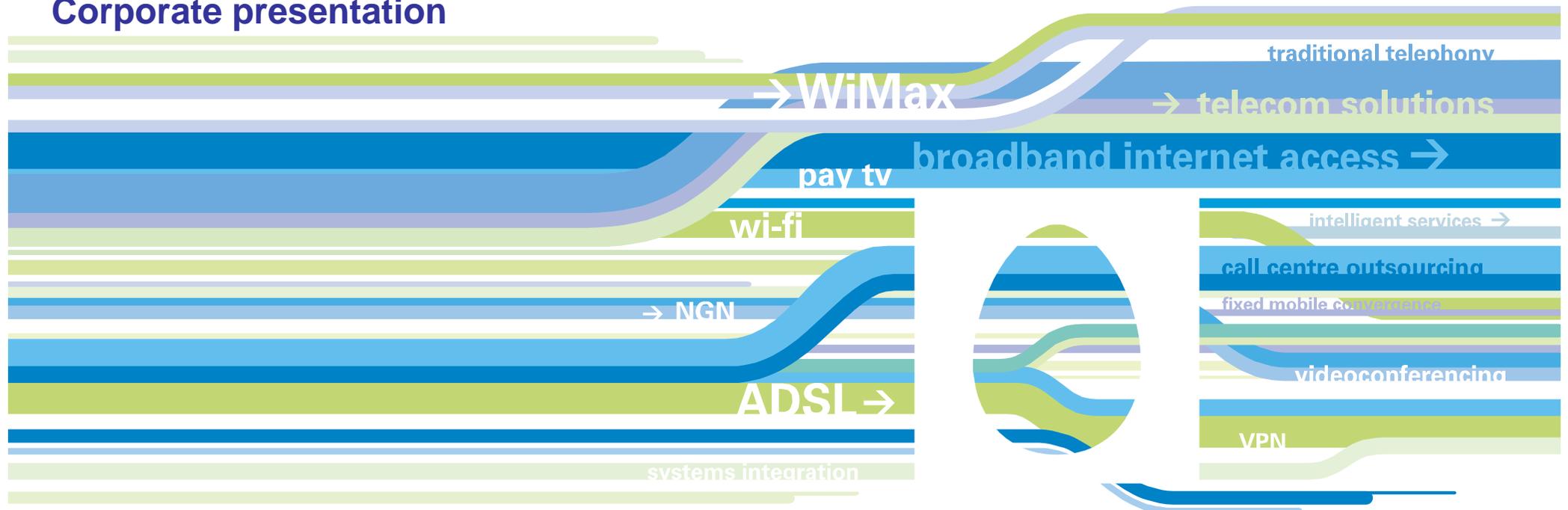


Comstar-UTS

Corporate presentation



Based on 4Q2008 results



Disclaimer

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events revenues or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “predict,” “could”, “plan”, “project,” “will,” “may,” “should” and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, growth in demand for our products; economic outlook and industry trends; developments of our markets; legal trends and the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of revenues, profitability and growth, cost and synergy of our recent acquisitions and restructuring, the timely development and acceptance of new products, the impact of competition and competitive pricing, the ability to obtain necessary regulatory approvals and the ability to fund our future operations and capital needs through borrowing or otherwise, the ability to successfully implement any of our business strategies, the ability to integrate our business and to realize anticipated cost savings and operational benefits from such integration, our expectations about growth in demand for our products and services, the effects of inflation, interest rate and exchange rate fluctuations, and our success in identifying other risk to our business and managing the risk of the aforementioned factors, the condition of the economy and political stability in Russia and the other markets of operations and the impact of general business and global economic conditions.

Neither we, nor any of our respective agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.



Comstar at a Glance

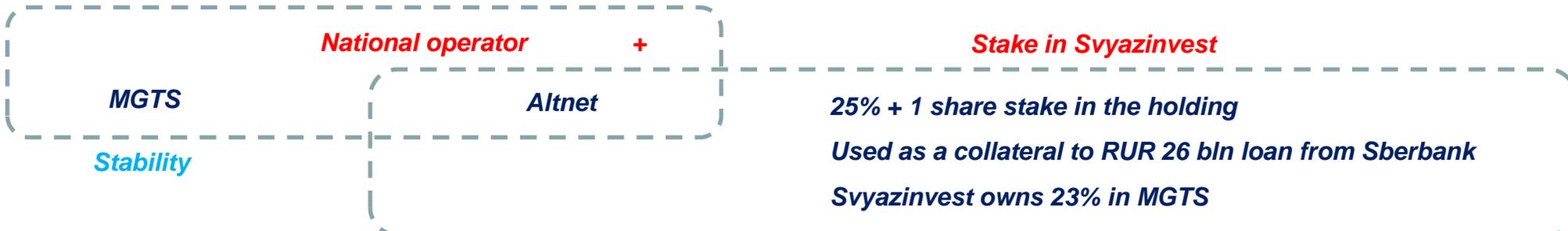
- Operations in **69*** Russian cities with combined population of over **48 mln** people
- **60%** of revenues and **75%** of OIBDA provided by incumbent business
- Revenue 2008 – **US\$ 1.648 mln**, adjusted OIBDA margin 2008 - **41.4 %**
- The leading national broadband provider: ~ **1*** **mln** residential broadband subs + over **2*** **mln** residential pay-TV subs
- The leading integrated fixed-line telecommunications provider for corporates – over **1 mln** active lines
- **99%**** of total debt is RUR-denominated
- Owner of **25% + 1** share in state-owned Svyazinvest national fixed line incumbent

* Incl. STREAM-TV

** Excl. US\$ 263.6 mln obligation under put option, paid out in the 1Q 2009



Investment case



60% revenues

40% revenues

75% of OIBDA

25% of OIBDA



High profitability

Potential to increase profitability

Source of cash (regulatory tariff increases)

Expansion via M&A (11% treasury shares)

Capitalize on low penetration



Upside

Potential to increase the value of the Group as a result of restructuring of ownership

* Incl. STREAM-TV

** Excl. US\$ 263.6 mln obligation under put option, paid out in the 1Q 2009

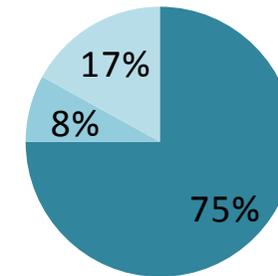


Stable traditional MGTS business provides sustainable cash flows and high profitability, regions drives revenue growth

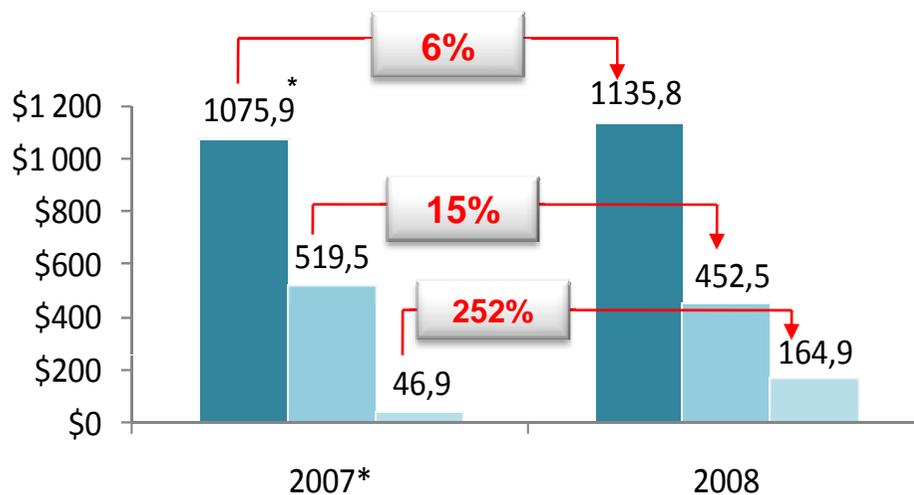
Breakdown of revenues, 12m2008



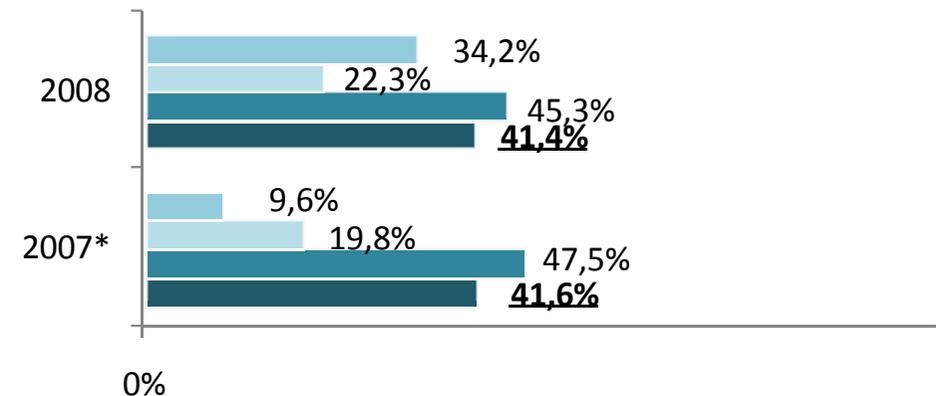
Breakdown of OIBDA, 12m2008



Revenue growth

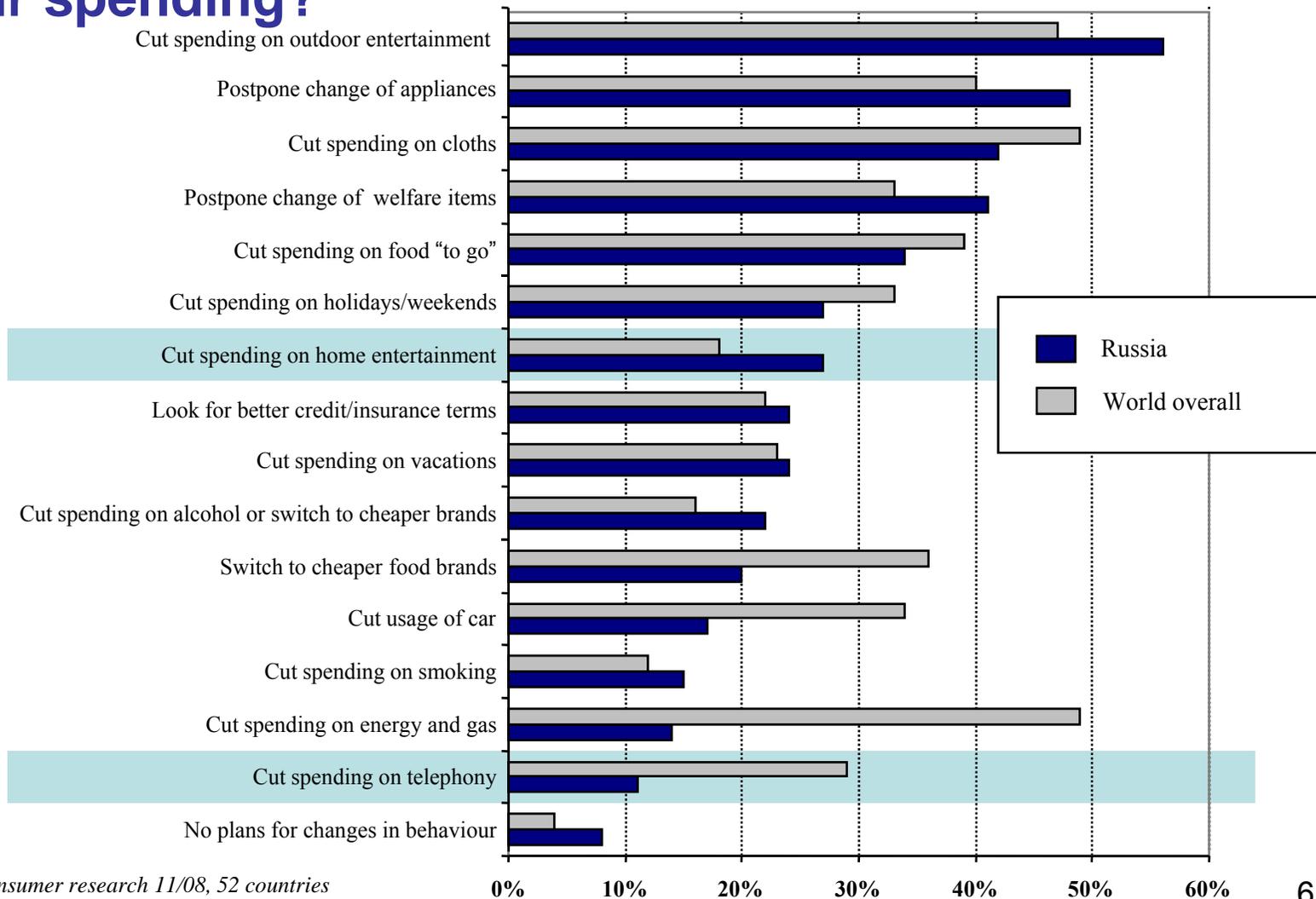


Adjusted OIBDA margin growth, %



* Excl. US\$ 36.5 million compensation from the budget received in 2007

How do you plan to reduce the impact from financial crisis on your spending?



Source: Nielson Online Consumer research 11/08, 52 countries

Spending on telephony are at the bottom of the list of savings



Use of cash in 2008

12 months ended December 31, 2008

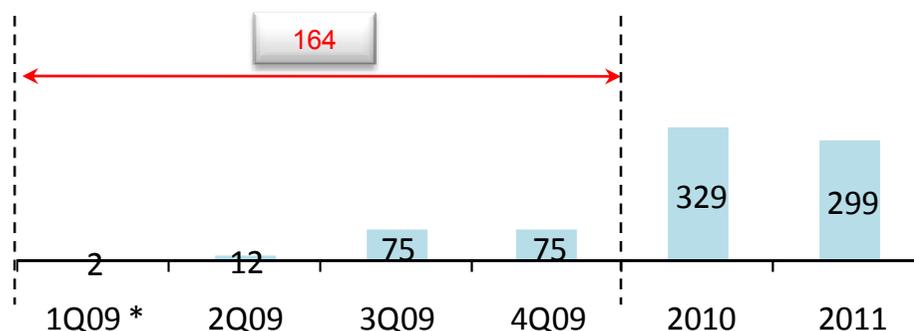
- US\$ 593.6 mln operating cash flow
- US\$ 382.7 mln cash and cash equivalents + bank deposits and short-term investments
- US\$ 952 mln total debt*, including leasing
- US\$ 354 mln cash CAPEX

Debt structure as of December 31, 2008

Debt by currency, excl. leasing US\$ million

Russian Ruble	933
Euro	10
US Dollar	2
Total debt *	945

Debt repayments schedule, mln US\$**

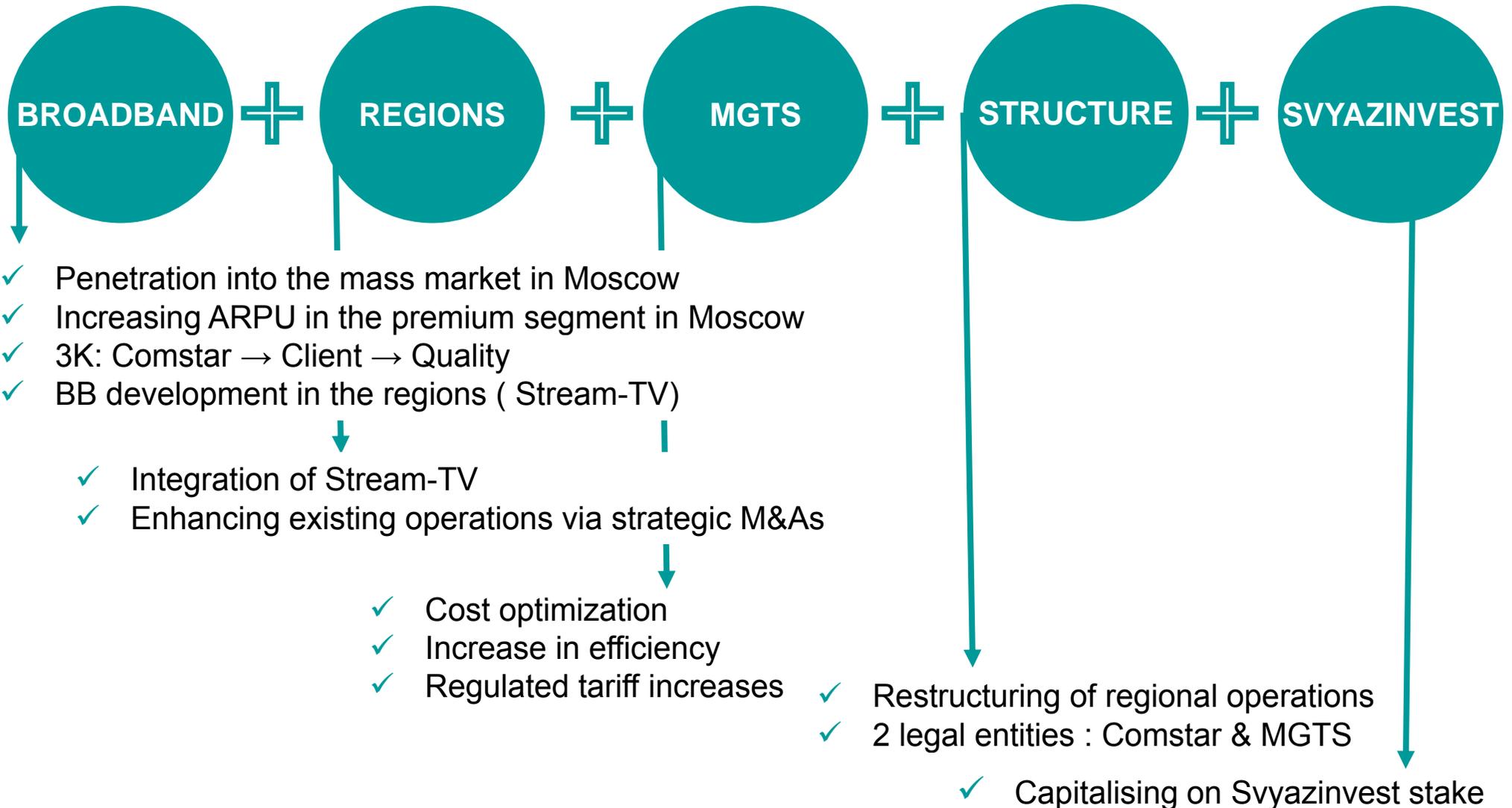


	In the currency of debt, mln	US\$, mln
MGTS Bonds 5th issue	153 RUR	5
MGTS Bonds 4th issue	154 RUR	5
Sberbank credit line facility	26 000 RUR	885
Others	various various	57
Total debt *		952

* Excl. US\$ 263.6 mln of restructured payment under put option execution, paid out in the 1Q 2009

** RUR/\$ = 29.38

Value Drivers

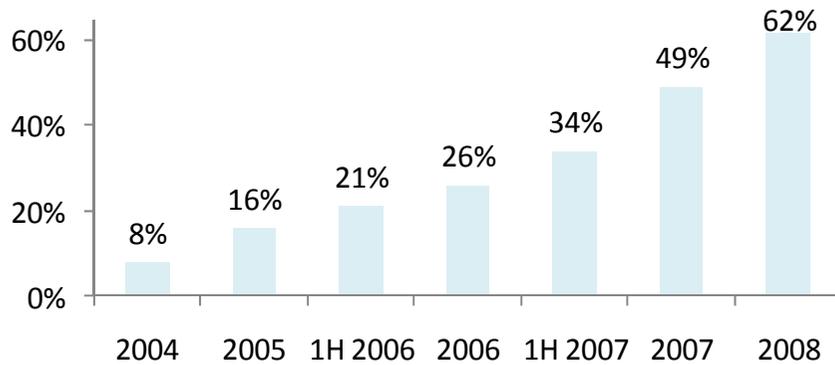


Based on 4Q2008 results



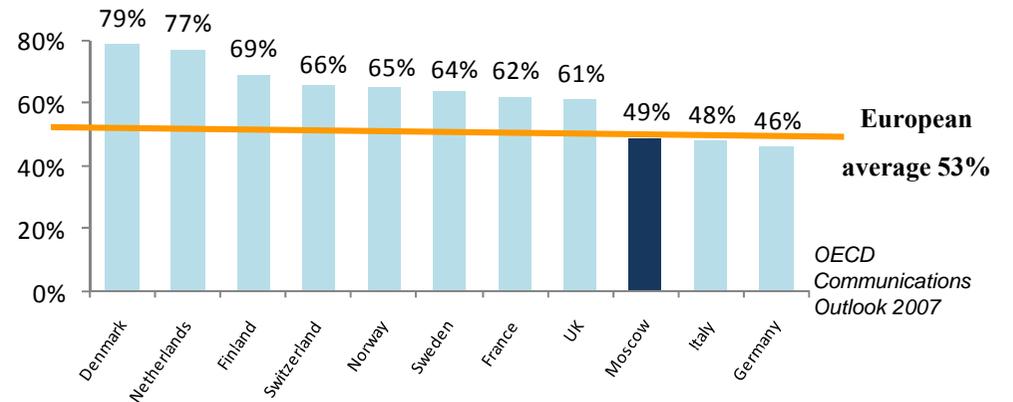
BB In Moscow- impressive subscriber base- platform for VAS

Broadband penetration in Moscow, %

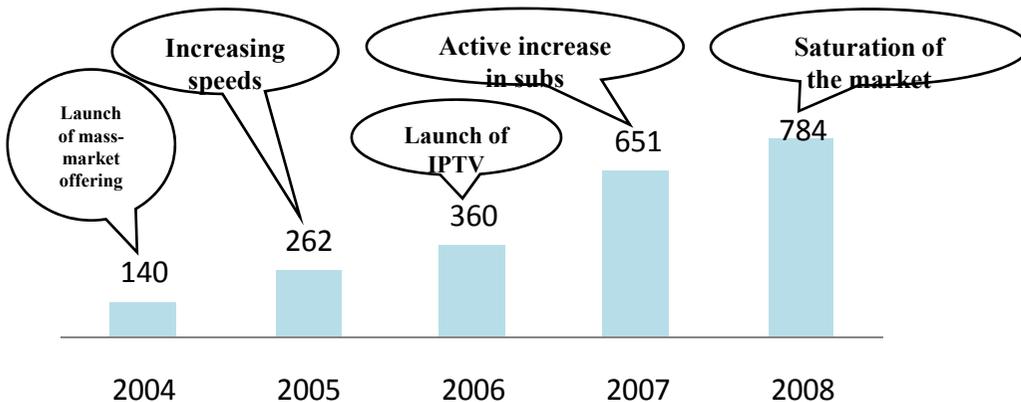


Direct Info

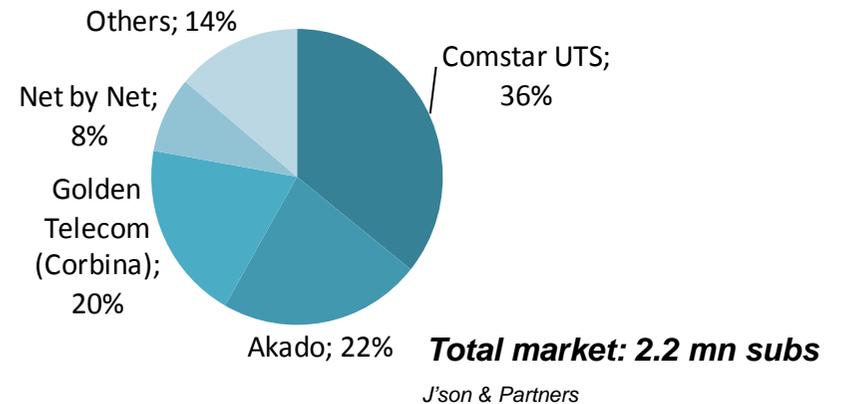
Broadband penetration in Europe 2007, %



Comstar residential subscriber base, '000



Moscow Residential BB Market, 1H2008



Objective in Moscow is to have > 33% of MGTS voice customers (~3.6 million) connected to BB by the end of 2011 (~50% market share)

Based on 4Q2008 results



Moving to the 2nd step of revised Broadband Strategy in Moscow



Residential broadband market in Moscow is close to saturation : SAC growth, tariffs erosion



- BB Internet + pay-TV (current ARPU : US\$ 13.1*)
- VAS : HDTV+ mobile WiMax + WiFi
- Focus on higher tariffs and speeds (up to 24 Mb/sec)



- Voice + BB Internet (current ARPU : US\$ 11.8+US\$ 5.6*)
- Post-paid & mass-market tariffs
- Massive subscription to broadband Internet using IMS technology from Sept. 2009

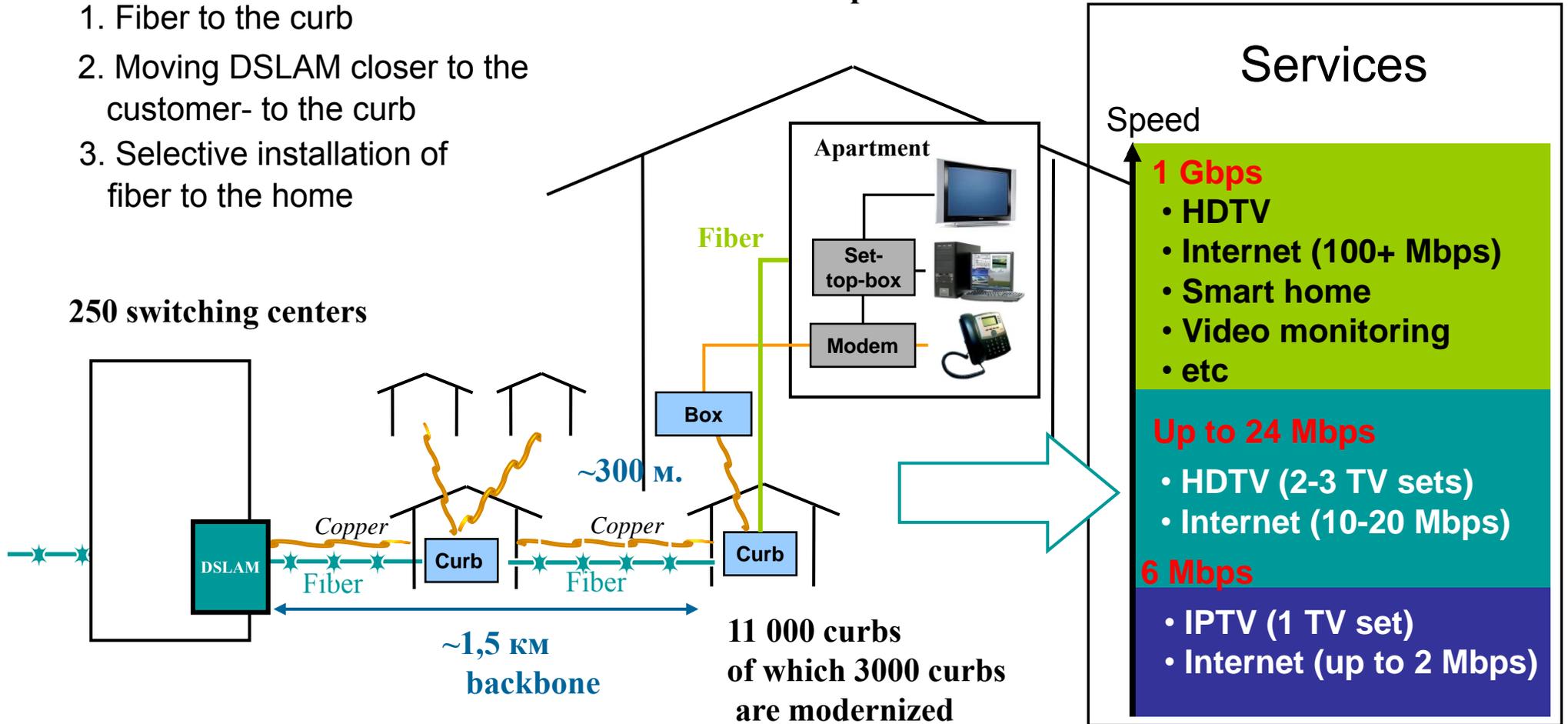
- Increase in ARPU
- 2011: 50% of total subscriber base

- Increase in subscriber base
- 2011: 50% of total subscriber base

Modernization of MGTS “Last mile”

1. Fiber to the curb
2. Moving DSLAM closer to the customer- to the curb
3. Selective installation of fiber to the home

35 000 apartment blocks



70-80% of the “last mile” was “Sped Up” from 6 Mbps to 24 Mbps by the end of 2008

Based on 4Q2008 results



Be with Comstar and stay on-line!

ADSL At home

Update

- Fixed payment (300-400 RUR/month)

Connection Manager

At friends

- Wi-Fi – FON
- Free (or 50 RUR/hour)

In the car

WiMAX

In public places • 0.5-2 RUR/MB

Wi-Fi

- Wi-Fi or roaming
- 100-200 RUR/hour

Growing number of ADSL subscribers, already using WiFi access at home, will get access to the Internet everywhere from Comstar

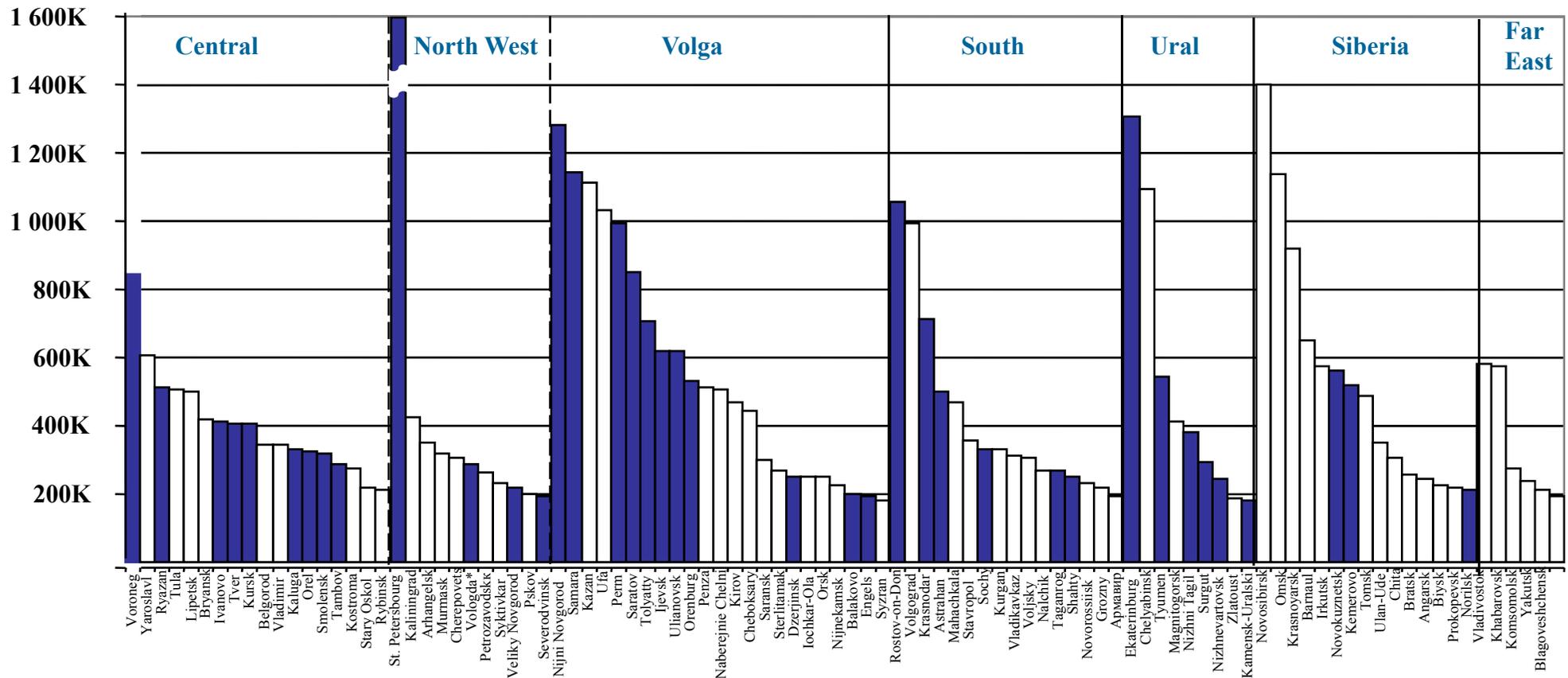
Based on 4Q2008 results



Comstar Regions of Presence in Russia

Cities with population, more than 200k

Regions



Regional operations cover 69 cities with combined population exceeding 30 mln people

Based on 4Q2008 results



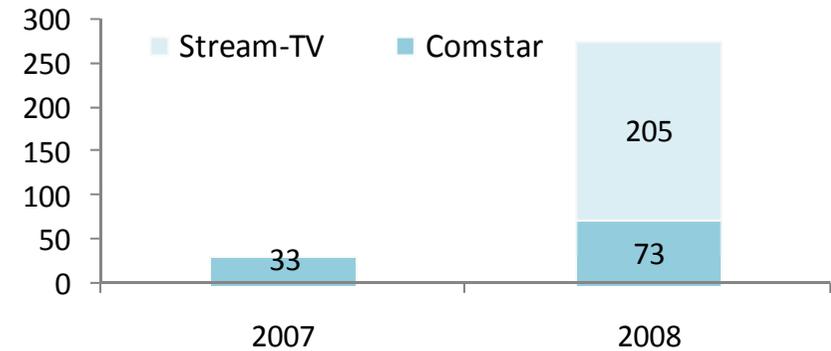
Acquisition of Stream-TV

- 3.6 million households passed
- **1.8 million active pay-TV subscribers (ARPU ~ RUR 123)**
- **200 thousand broadband subscribers (ARPU ~ RUR 376)**
- 30% of the network has already been modernized
- Revenues in 2008 ~ US\$ 118 million
- OIBDA margin in 2008 ~ 16%
- ~ 4000 employees
- Comstar acquires STREAM-TV operators during the 4Q 2008 and January 2009 using funds from Sberbank credit facility
- Independent valuation by E&Y: enterprise value – RUR 6.75 bln
- Will be consolidated into Comstar financials from 2009

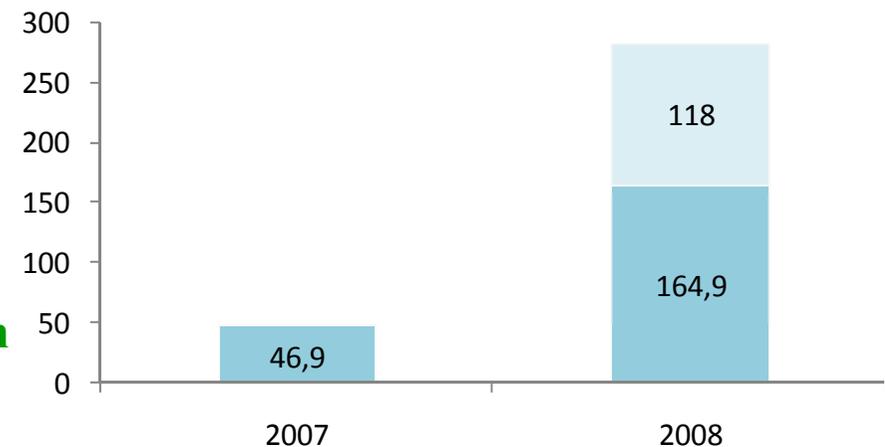
Comstar total broadband base increased to over 1 mln residential subs,

Pay - TV – to over 2 mln residential subs

Residential BB subs outside Moscow, '000



Revenue outside Moscow, mln. US\$



Based on 4Q2008 results



MGTS tariff increase from March 01, 2009

Per-Minute Tariff Plan

	Residential Subs		Independent Corporate Subs		State-Funded Org.	
	New	Old	New	Old	New	Old
(RUB)						
Line Rental	135	125	160	160	145	136
Local connection fee per minute	0.30	0.28	0.30	0.28	0.30	0.28
Share of subs as of Sept 30, 2008	28%		5%		5%	

Combined Tariff Plan

	Residential Subs		Independent Corporate Subs		State-Funded Org.	
	New	Old	New	Old	New	Old
(RUB)						
Line Rental	135	125	160	160	145	136
Fee for basic limit of 450 minutes per month	120	104	120	104	120	104
Fee per additional minute	0.28	0.24	0.28	0.24	0.28	0.24
Share of subs as of Sept 30, 2008	22%		84%		84%	

Unlimited Tariff Plan

	Residential Subs		Independent Corporate Subs		State-Funded Org.	
	New	Old	New	Old	New	Old
(RUB)						
Line Rental	135	125	160	160	145	136
Unlimited connection	245	220	342	342	331	302
Share of subs as of Sept 30, 2008	51%		11%		11%	

12m2008 statistics

	# of lines, 000s	Voice revenue*, mln US\$
Residential Subs.	3 614	420
Independent Corporate Subs.	494	78
State-Funded Org.	253	38

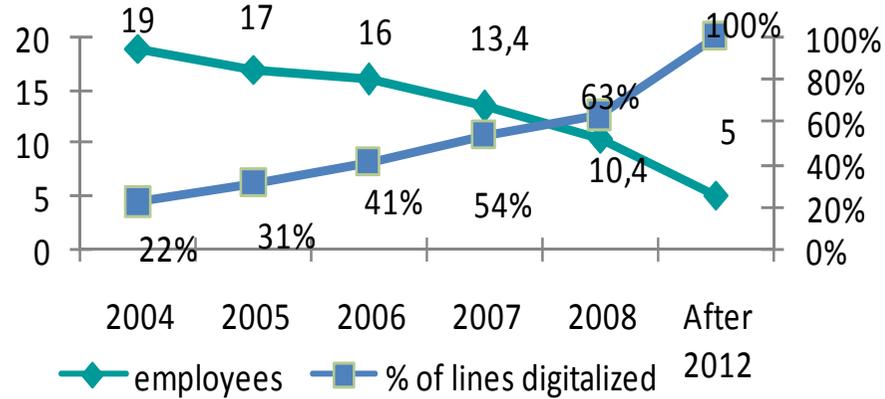
*Excl. CPP revenues

Based on 4Q2008 results

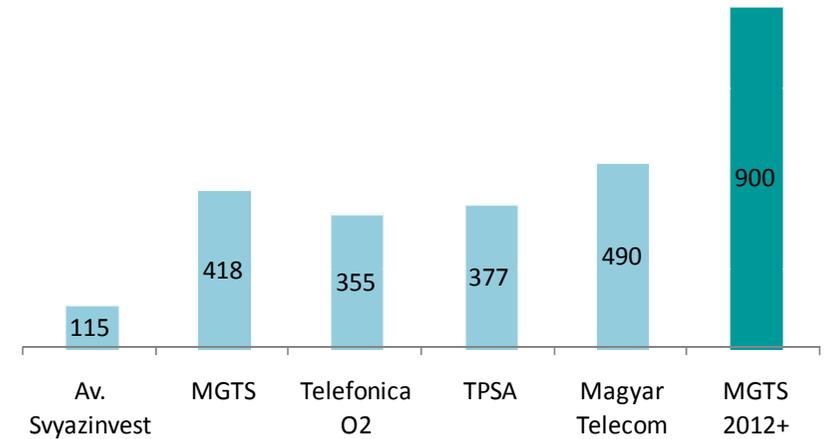


Cost control programme

Number of MGTS Employees, 000*



Lines / Employees**



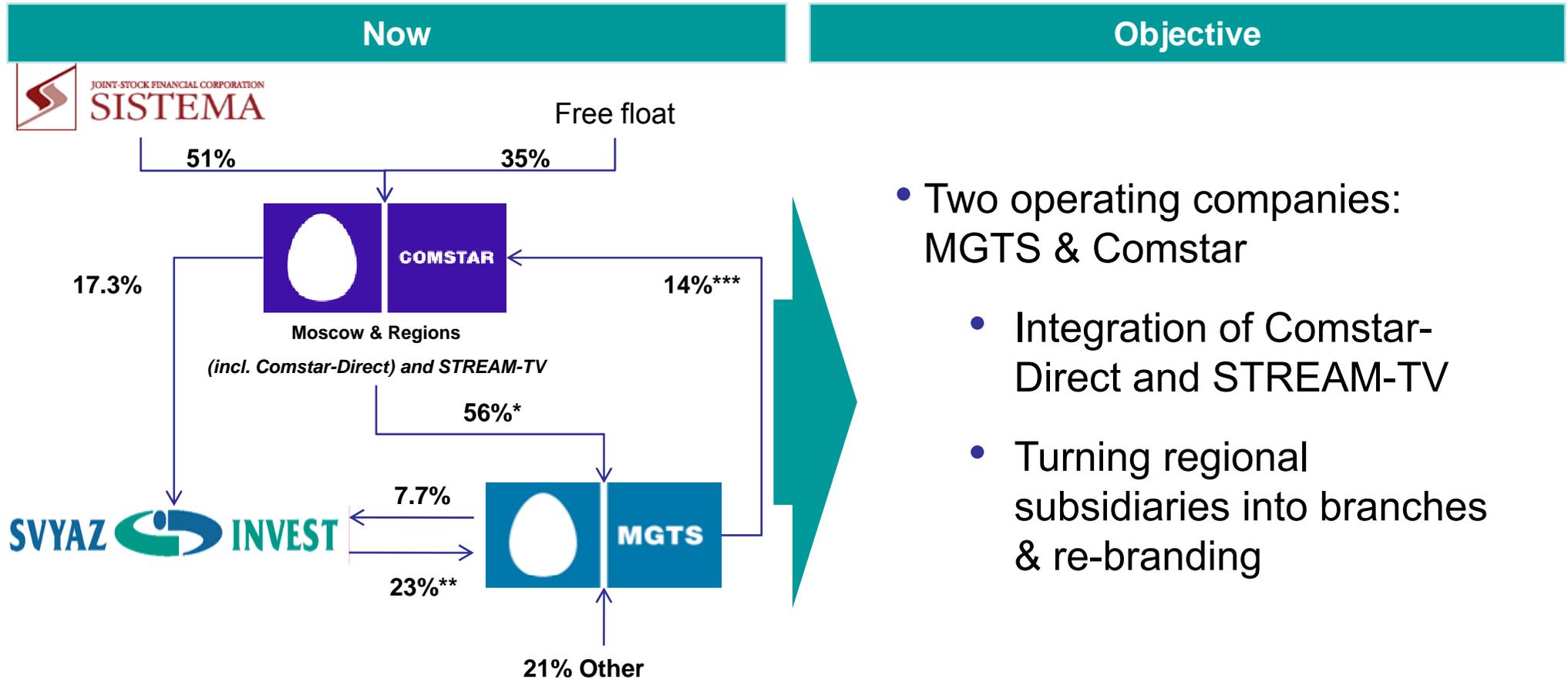
Objective is to maintain the level of profitability exceeding the peer group

* End of period

**Source: Analysts reports, Company data FY2008, peer group results-based on 2007



Simplifying Organizational Structure



Ultimate goal is to have 2 legal entities: Comstar & MGTS

*67% of voting shares

**28% of voting shares

*** treasury shares

Based on 4Q2008 results

BROADBAND

REGIONS

MGTS

STRUCTURE

SVYAZINVEST



SVYAZ INVEST

- 7 ILECs + Rostelecom + Central Telegraph
- Owner of the “last mile” in the regions
- >35 million installed lines covering 90% of Russia
- In Dec. 2006 Comstar acquired 25% +1 share in Svyazinvest from Access Industries for US\$ 1.3 billion + call & put option for 11% of Comstar shares held by MGTS Finance (US\$ 141.4 mln)
- Call was exercised in Dec. '07 and Comstar received US\$ 322.2 mln in cash; Access Industries became the owner of 11% of Comstar shares
- Put was exercised in August '08 and Comstar paid US\$ 463.6 mln on March 26, 2009 (in 5 monthly instalments); MGTS Finance became the owner of 11% of Comstar shares on November 26, 2008 (treasury shares)



Investment Case

- ✓ National fixed-line provider with operations in 69 cities of Russia with combined population of >48 mln people
- ✓ Unique combination of
 - ✓ incumbent and alternative service provider
 - ✓ broadband growth potential and expansion into the regions
 - ✓ balancing double digit growth in ruble terms & high profitability



Contacts

For additional information please visit

www.comstar-uts.com

**or contact Masha Eliseeva
Head of Investor Relations**

Phone: +7 985 997 08 52

E-mail: ir@comstar-uts.ru

Based on 4Q2008 results



Appendix



Income Statement

(US\$ Million)	2007	2008
Revenues	1 481,5	1 647,7
<i>Y-o-Y Growth</i>	32,3%	11,2%
Adjusted OIBDA	601,3	682,6
<i>Margin</i>	41,6%	41,4%
Operating Income	456,8	493,8
<i>Margin</i>	30,8%	30,0%
Net Income	43,8	179,6
<i>Margin</i>	3,0%	10,9%
Capex	345,4	354,0
<i>% of Revenues</i>	23,3%	21,5%

2008 Highlights

- 11.2% year on year revenue growth
- 41.4% adjusted OIBDA margin
- US\$ -15.6 million change in fair value of put option less minority share



Segmental Breakdown

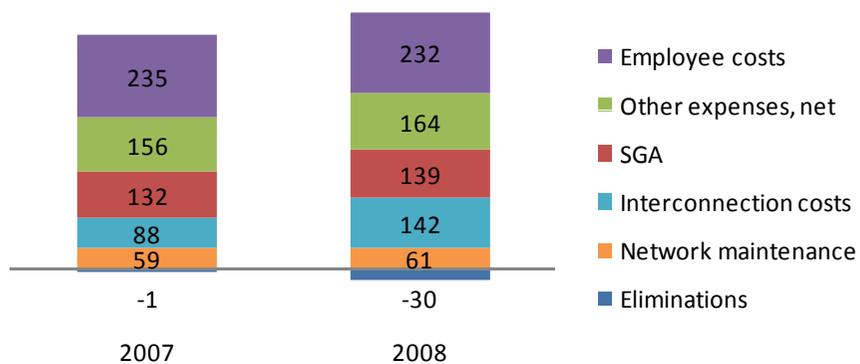
Revenue (US\$ Million)	2007	2008
Traditional segment in Moscow (MGTS)	1 112,5	1 135,8
Alternative segment in Moscow (Comstar & Comstar-Direct)	452,5	519,5
Alternative segment in the regions & CIS (Comstar)	46,9	164,9
Intersegment Sales	-130,3	-172,6
Total Revenue	1 481,5	1 647,7
Adjusted OIBDA (US\$ Million)		
Traditional segment in Moscow (MGTS)	511,4	514,5
Alternative segment in Moscow (Comstar & Comstar-Direct)	89,7	115,8
Alternative segment in the regions & CIS (Comstar)	4,5	56,5
Effect of eliminations and other consolidation adjustments	-4,2	-4,1
Total OIBDA	601,3	682,6



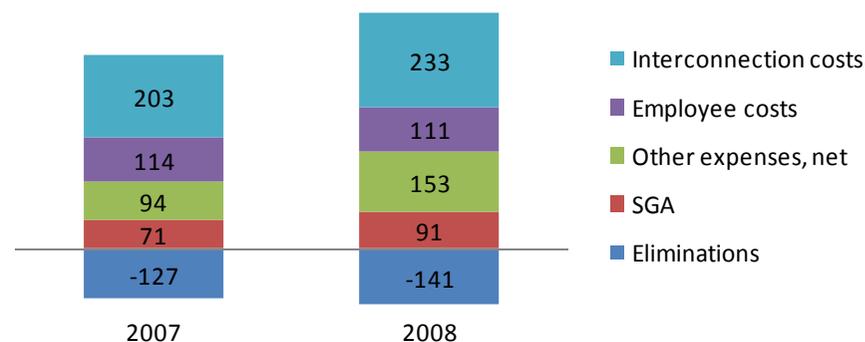
Segmental Operating Expenses & Employees

	2007	2008
#Employees *		
Traditional segment	13 777	10 434
Alternative segment in Moscow	2 154	2 231
Alternative segment in the regions & CIS	1 084	2 878
Average salary		
Traditional segment	\$ 956	\$ 1 257
Alternative segment in Moscow	\$ 2 179	\$ 2 583
Alternative segment in the regions & CIS	\$ 1 340	\$ 1 099
Average monthly revenue per Employee		
Traditional segment	\$ 6 729	\$ 9 071
Alternative segment in Moscow	\$ 17 506	\$ 19 405
Alternative segment in the regions & CIS	\$ 3 602	\$ 4 775

Traditional Segment (\$mIn)



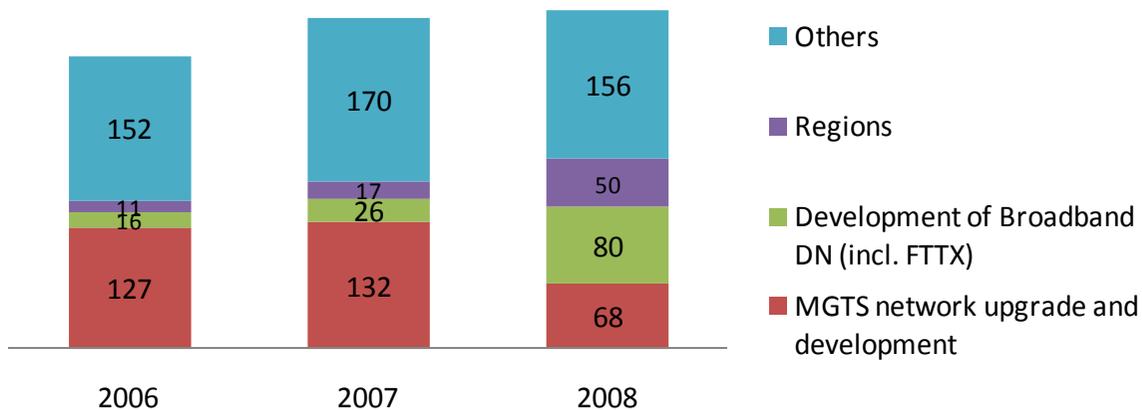
Alternative Segment (\$mIn)



* At the end of period

Capital Expenditure Development

Cash Capex (\$mIn)



CAPEX levels are expected to be in 2009 at approximately 6% of Group revenues, incl.

- maintenance CAPEX
- investments in subscriber acquisition and up-selling
- selective regional development projects



Cash Flow Statement

(US\$ Million)	2006	2007	2008
Net cash provided by operations	288,7	488,4	593,6
Net cash provided by investing activities	-1 767,0	-859,9	-303,3
Net cash provided by / (used in) financing activities	1 550,9	403,6	-154,8
Effects of foreign currency translation of cash and cash equivalents	2,0	11,2	-61,4
Cash and cash equivalents at the beginning of the period	62,0	136,6	179,8
Cash and cash equivalents at the end of the period	136,6	179,8	253,9
FCF	-17,7	142,9	239,6



Balance Sheet

(US\$ Million)	2006	2007	2008
Assets	3 537,6	4 630,3	4 136,1
<i>Current Assets</i>	<i>445,1</i>	<i>941,7</i>	<i>647,2</i>
<i>Long-term assets</i>	<i>3 092,5</i>	<i>3 688,7</i>	<i>3 488,9</i>
Liabilities	1 470,6	1 774,4	1 872,7
<i>Current Liabilities</i>	<i>1 140,9</i>	<i>465,3</i>	<i>731,2</i>
<i>Long-term liabilities</i>	<i>329,7</i>	<i>1 309,1</i>	<i>1 141,4</i>
Minority Interests	496,7	765,0	703,9
Shareholder's equity	1 570,2	2 090,9	1 559,6

2008 Highlights

- Cash and cash equivalents of US\$ 253.9 million
- Short-term investments of US\$ 128.7 million
- Total debt of US\$ 1 215.2 million incl. US\$ 263.6 mln obligation under put option, paid in the 1Q09
- 99% of total debt is in RUR (excl. US\$ 263.6 mln obligation under put option, paid in the 1Q09)
- Net debt of US\$ 961.2 million incl. US\$ 263.6 mln obligation under put option, paid in the 1Q09
- Net debt minus short-term investments of US\$ 832.5 million
- Total debt/OIBDA of 1.76
- Net debt/OIBDA of 1.39