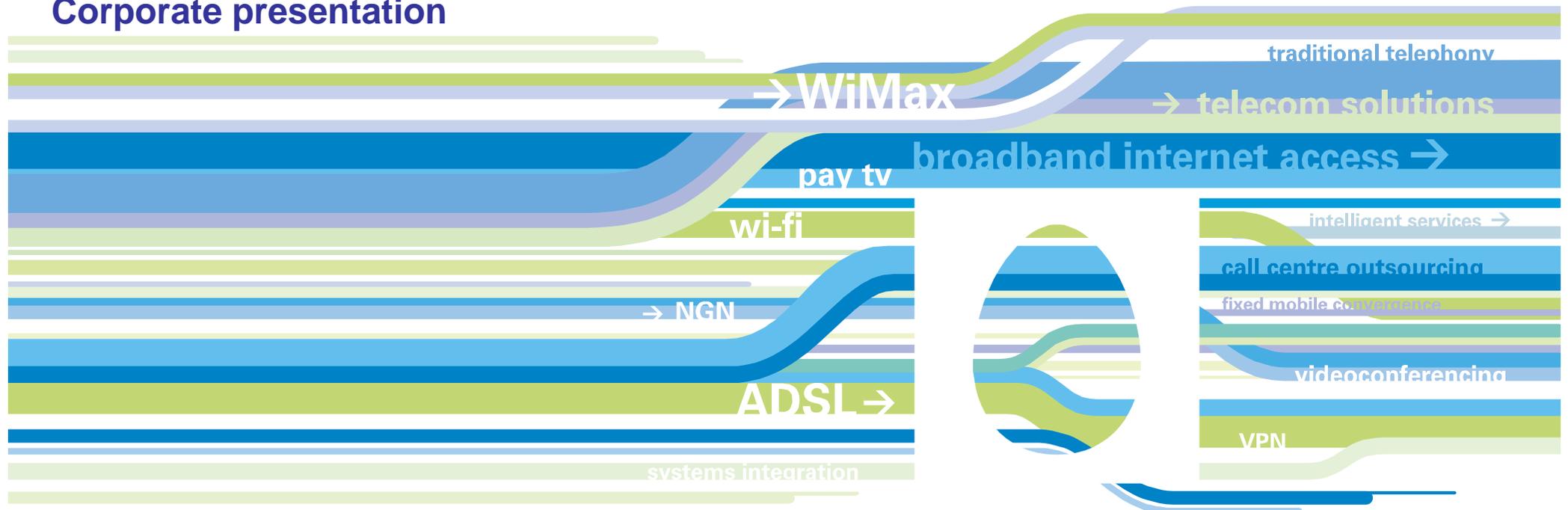


Comstar-UTS

Corporate presentation



Based on 1Q2009 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.



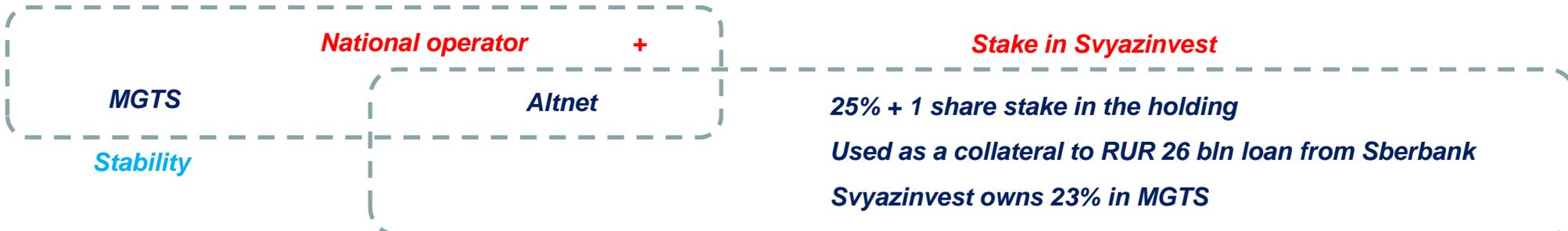
Comstar at a Glance

- 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
- **96%** of total debt is RUR-denominated
- Owner of **25% + 1** share in state-owned Svyazinvest national fixed line incumbent

*1Q2009: 56% and 74% respectively



Investment case



56% revenues
74% of OIBDA

44% revenues
26% of OIBDA

Upside

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



High profitability
Source of cash (regulatory tariff increases)

Potential to increase profitability
Expansion via M&A (11% treasury shares)
Capitalize on low penetration



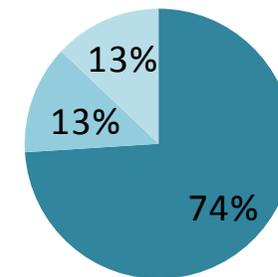


Stable traditional MGTS business provides sustainable cash flows and high profitability, regions drive revenue growth

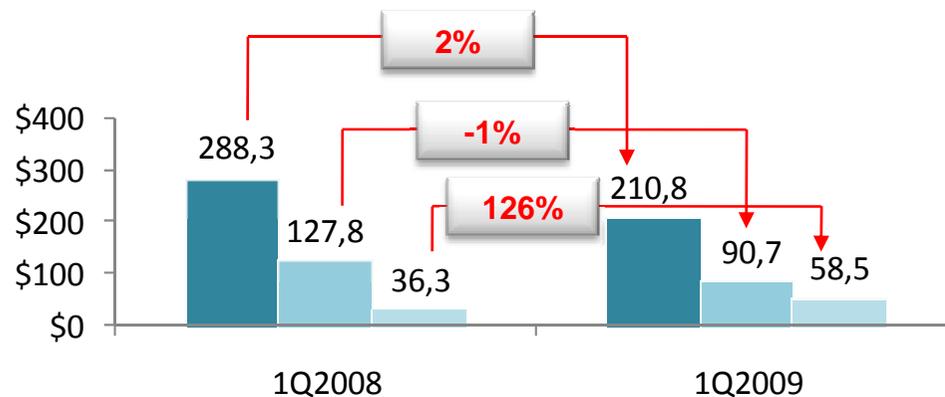
Breakdown of revenues, 1Q2009



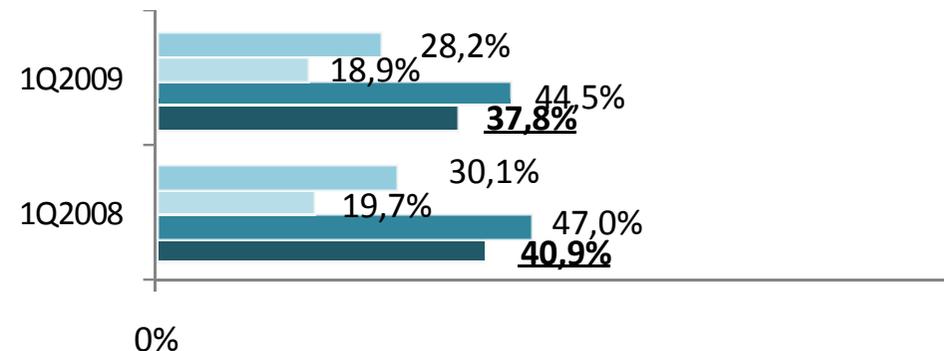
Breakdown of OIBDA, 1Q2009



Revenue growth *



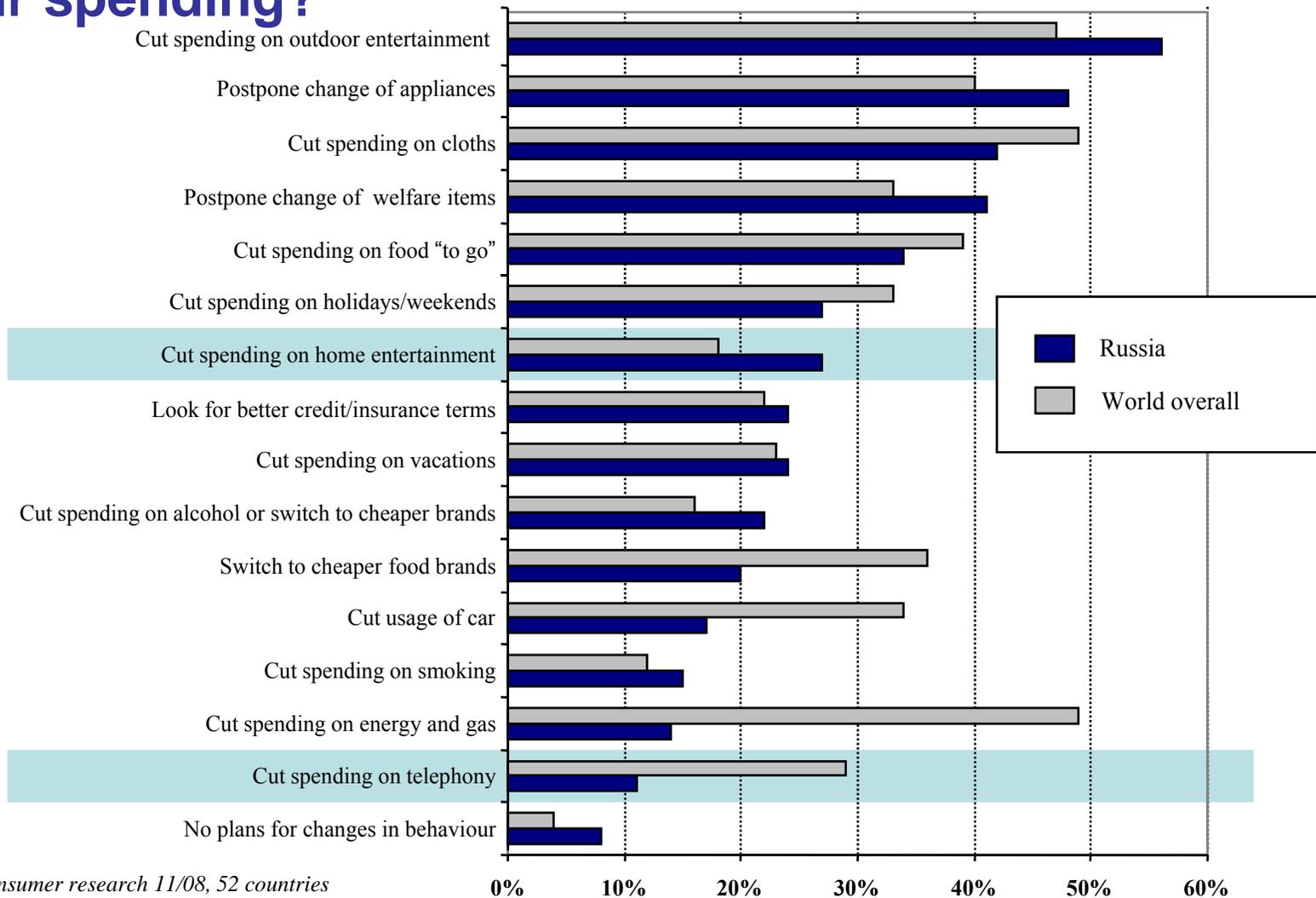
RUR OIBDA margin growth, %



*Revenue in US\$, growth in rubles



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 the 1Q2009

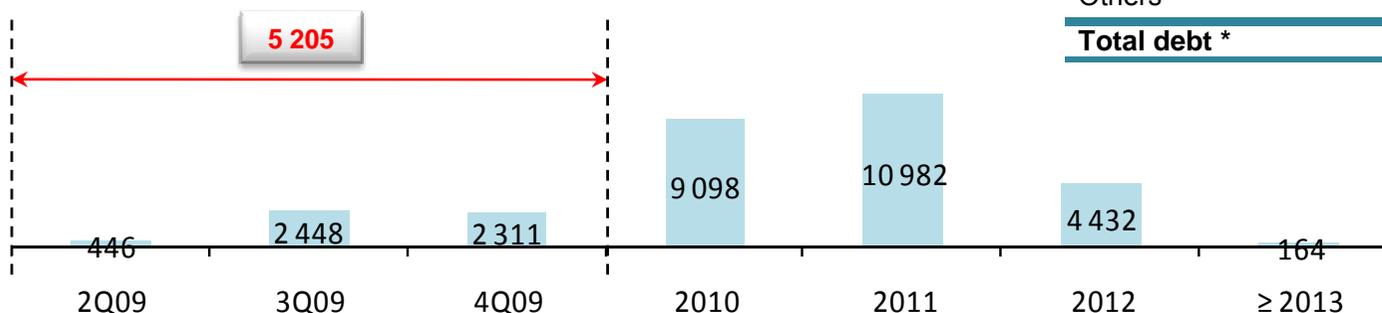
3 months ended March 31, 2009

- RUR 3.5 bln operating cash flow
- RUR 4.0 bln cash and cash equivalents + bank deposits and short-term investments
- RUR 29.9 bln total debt, including leasing
- RUR 2.0 bln cash CAPEX

Debt structure as of March 31, 2009

Debt by currency	US\$ million
Russian Ruble	848
Euro	13
US Dollar	18
Total debt *	879

Debt repayments schedule **, mln RUR



In the currency of debt, mln US\$, mln

MGTS Bonds 5th issue	153	RUR	4
MGTS Bonds 4th issue	154	RUR	5
Sberbank credit line facility	26,000	RUR	764
Others	various	various	106
Total debt *			879

* RUR/\$ = 34.0134 as at March 31, 2009

** Adjusted for the effect of expected restructuring of STREAM-TV debt payable to SMM ; RUR/\$ = 34.0134 as at March 31, 2009

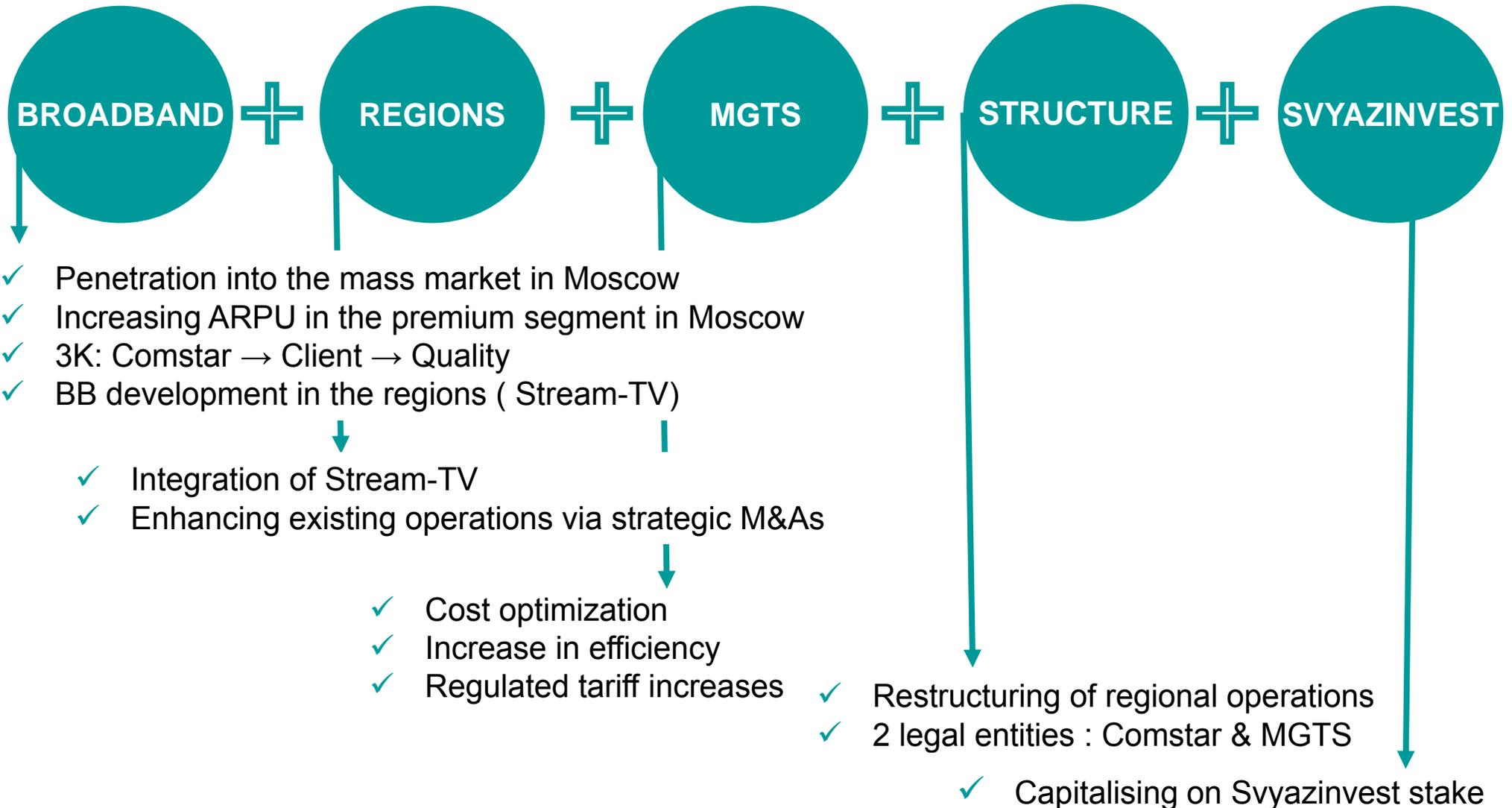


Strategic priorities in crisis

- 1**
Ensure financial stability
 - Maximising cash flows
 - Optimization of capital investments
 - Service the Sberbank credit facility and start quarterly repayments of the body of the loan from September 2009
 - Reduction of debt level
- 2**
Refocus from expansion to optimization
 - Keep and develop the existing subscriber base
 - 3K programme of quality enhancement
 - Selective up-sell of existing subscribers to value added services
- 3**
Strategic M&A
 - Acquisition of regional operators using treasure shares

In current market environment our strategic priorities are moving from active expansion towards maximizing cash flows and integration of the assets

Value Drivers

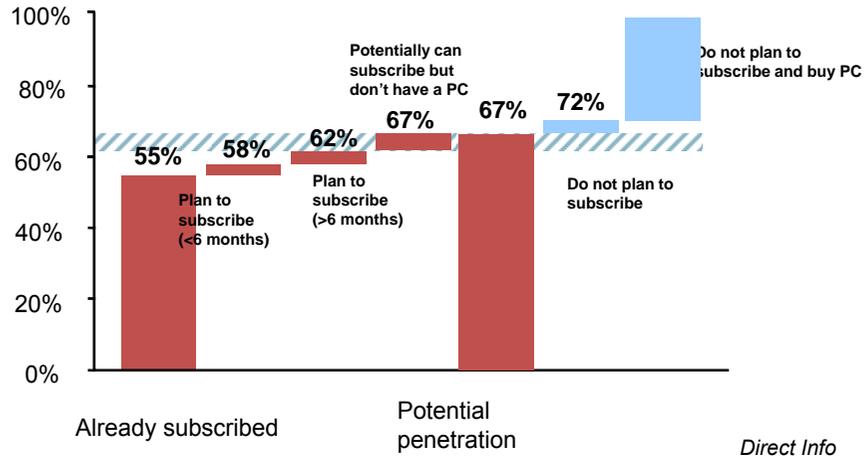


Based on 1Q2009 results

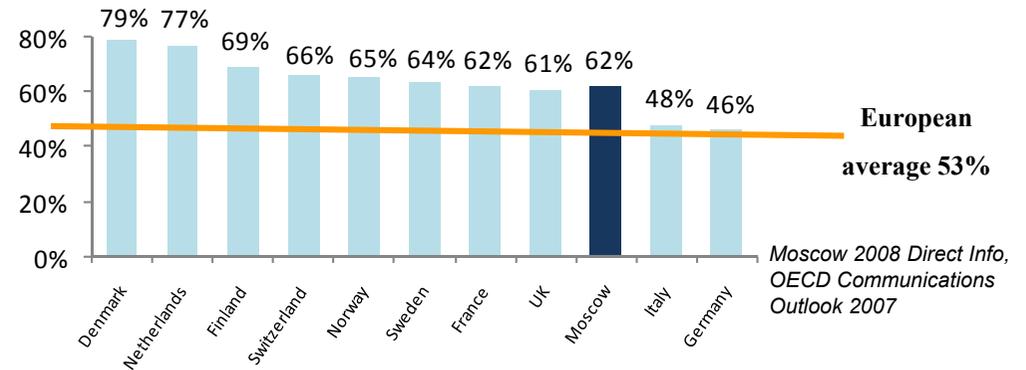


BB In Moscow- platform for VAS

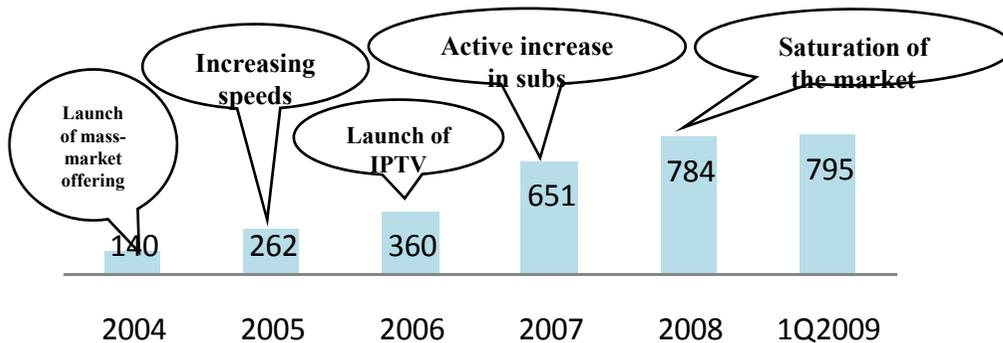
Broadband potential in Moscow, %



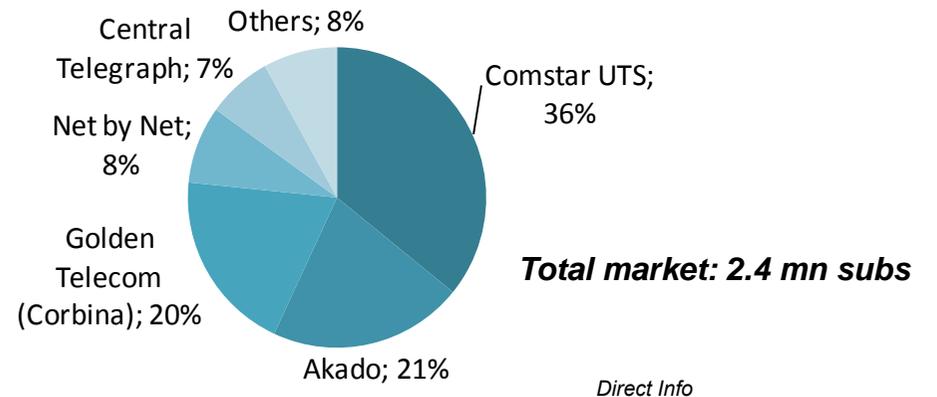
Broadband penetration in Europe, %



Comstar residential subscriber base, '000



Moscow Residential BB Market, 2008



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 1Q2009 results

BROADBAND

REGIONS

MGTS

STRUCTURE

SVYAZINVEST



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



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



- Voice ARPU : RUR 299* = US\$ 8.8
- BB Internet + pay-TV ARPU : RUR 342* = US\$ 10.1
- VAS : HDTV+ mobile WiMax + WiFi
- Focus on higher tariffs and speeds (2.5 - 20 Mb/sec)

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



- Voice ARPU : RUR 299* = US\$ 8.8
- BB Internet ARPU : RUR 231* = US\$ 6.8
- Post-paid & mass-market tariffs
- Focus on lower tariffs and speeds (up to 3 Mb/sec)

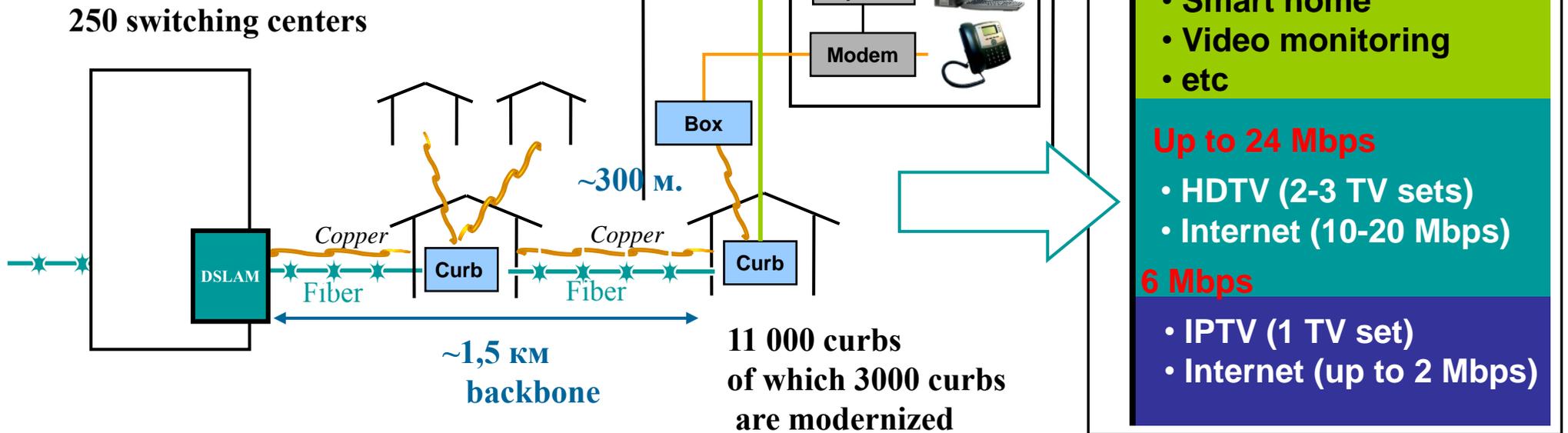
- Increase in subscriber base**
- 2011: 50% of total subscriber base**



Modernization of MGTS “Last mile”

35 000 apartment blocks

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



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

Based on 1Q2009 results



Be with Comstar and stay on-line!

ADSL At home

Update



In the car

COMSTAR WiMAX

•300 – 700 RUR / month for 1 – 7.5 Gb/month + 0.5 – 3 RUR/Mb

In public places

At friends

Wi-Fi

Wi-Fi

• Wi-Fi or roaming 100-200 RUR/hour

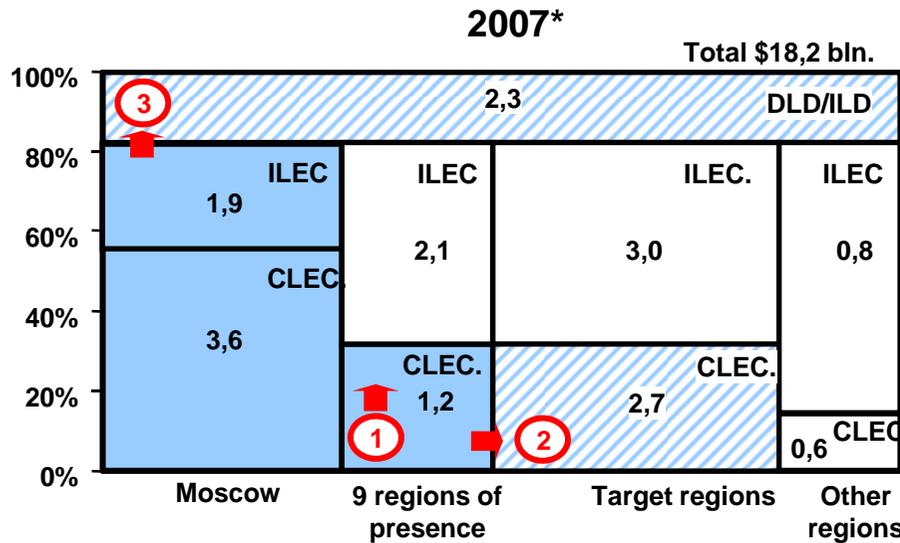
• Wi-Fi – FON free or 30 RUR/month for the router

- Premium segment Internet 390 - 1180 RUR/month (average traffic 10 Gb/sub)
- Mass-market segment Internet 111 - 444 RUR/month or 20 RUR/month + 9 – 36 RUR/day
- IPTV 110-450 RUR/month

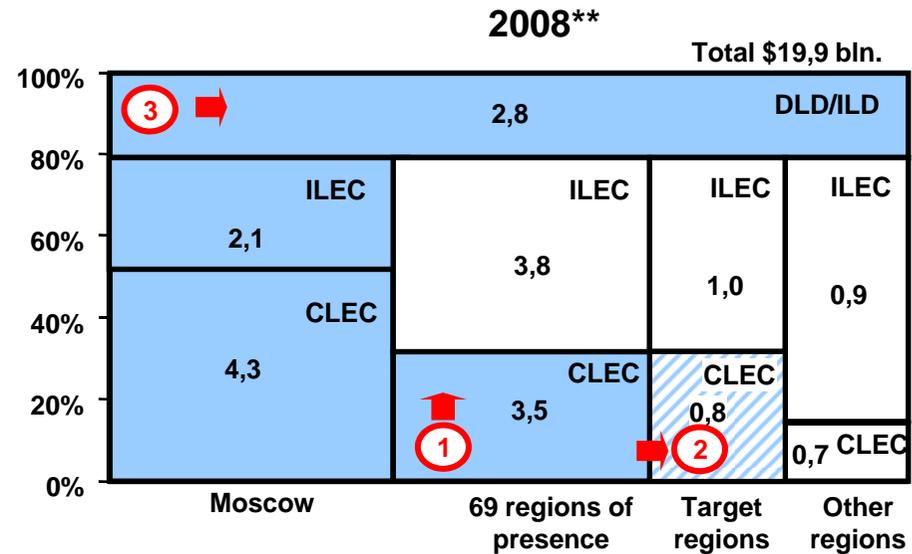
The unified communications space that we are creating across Moscow enables users to remain securely connected at all times – at home, at work and on the move



Russian fixed-line market, US\$ billion



* DirectInfo, Minsvyaz



** Comstar estimates

- In 2007 Comstar's regions of presence covered 36% of the market
- In 2008 – 64% by:
 - entering DLD/ILD market
 - significant expansion of regional presence

- Current presence Comstar
- Target segments
- Development in current regions of presence
- Expansion into new target regions
- Development of DLD/ILD business

In 2008 Comstar entered DLD/ILD market and significantly increased the number of regions of presence

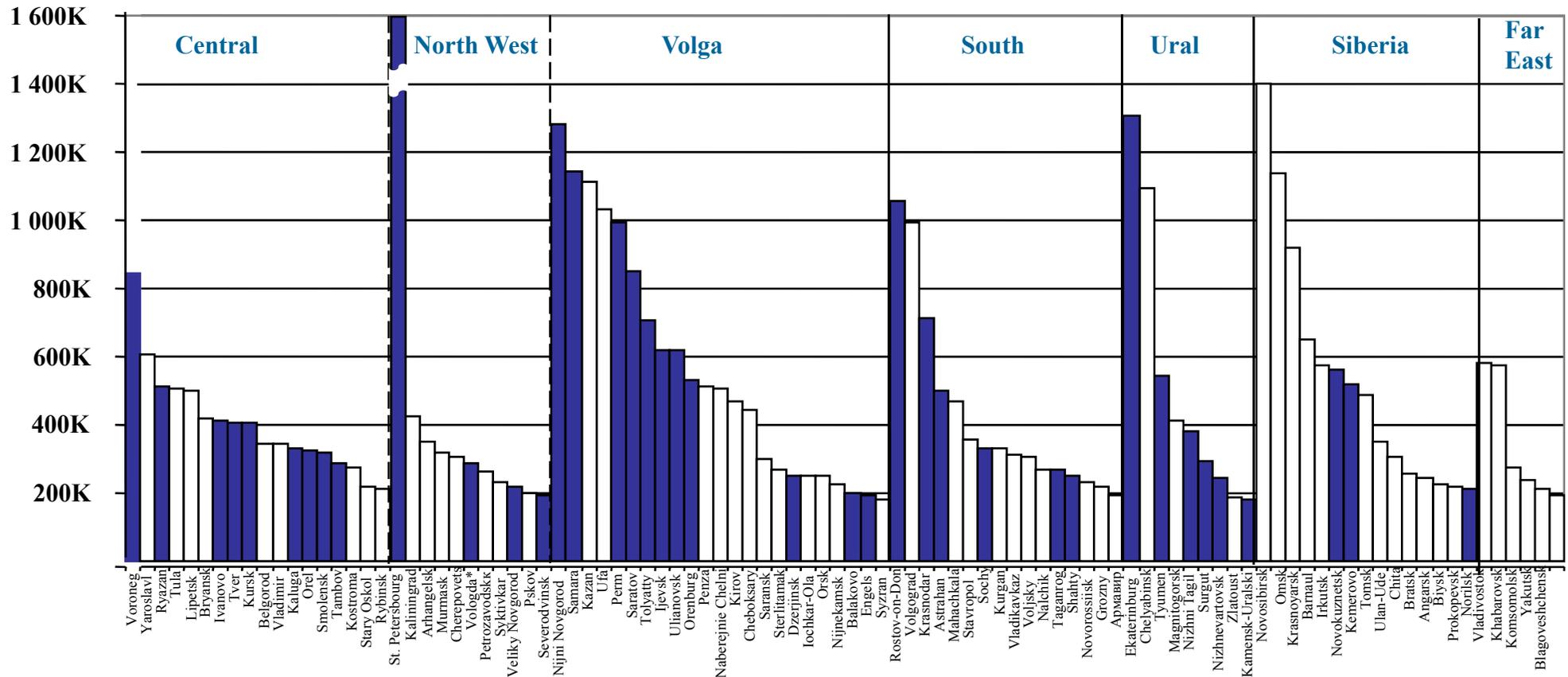
Based on 1Q2009 results



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 (excl. Moscow)

Based on 1Q2009 results



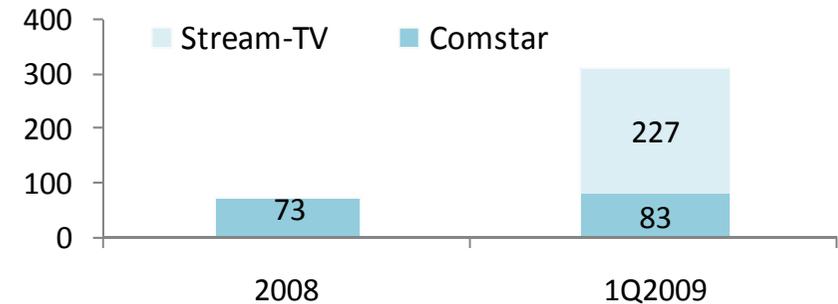
Acquisition of Stream-TV

- 3.6 million households passed
- 1.8 million active pay-TV subscribers**
- 227 thousand broadband subscribers**
- 30% of the network has already been modernized
- Revenues in 2008 ~ US\$ 118 million
- OIBDA margin in 2008 ~ 16%
- ~ 4000 employees
- Comstar acquired STREAM-TV operators during the 1Q 2009 using funds from Sberbank credit facility
- Independent valuation by E&Y: enterprise value – RUR 6.75 bln of which approx. 50% in RUR debt

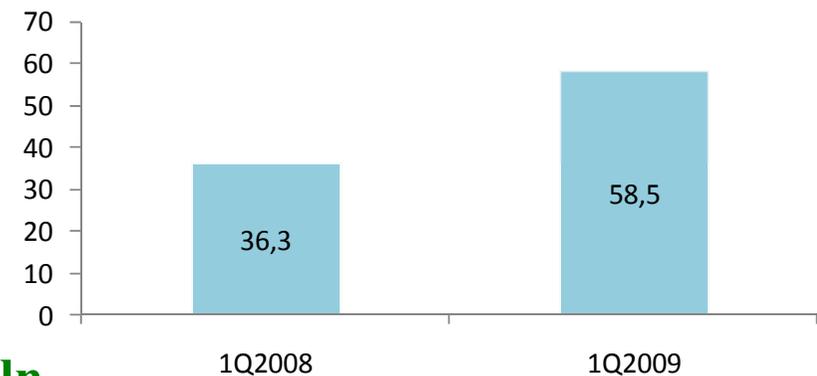


**Comstar total broadband base increased to over 1 mln residential subs,
Pay - TV – to over 2 mln residential subs**

Residential BB subs outside Moscow, '000



Comstar revenue outside Moscow, mln US\$





BB and pay-TV development in the regions

Long-term strategy

- BB network- moving from Docsis to Ethernet
- Modernization of Cable-TV network in order to up-sell to BB and increase ARPU
- Goal - 90% of Cable-TV network - Internet-ready (FTTx) (CAPEX up to US\$ 60 mln)
- Expansion of Cable-TV network in cities of presence



Priorities of development during the crisis

- Development on the existing subscriber base
- Up-sell Pay-TV users to BB on the modernized network
- Optimizing ARPU and penetration of Cable-TV network
- Optimizing content and employee costs

Main task during the crisis- maximizing cash flows and preparing for active development after the end of the crisis

Based on 1Q2009 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
(RUR)						
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 March 31, 2009	28%		6%		6%	

Combined Tariff Plan

	Residential Subs		Independent Corporate Subs		State-Funded Org.	
	New	Old	New	Old	New	Old
(RUR)						
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 March 31, 2009	21%		80%		82%	

Unlimited Tariff Plan

	Residential Subs		Independent Corporate Subs		State-Funded Org.	
	New	Old	New	Old	New	Old
(RUR)						
Line Rental	135	125	160	160	145	136
Unlimited connection	245	220	342	342	331	302
Share of subs as of March 31, 2009	51%		14%		12%	

1Q2009 statistics

	# of lines, 000s	Voice revenue*, mln RUR
Residential Subs.	3,595	2,539
Independent Corporate Subs.	513	487
State-Funded Org.	252	243

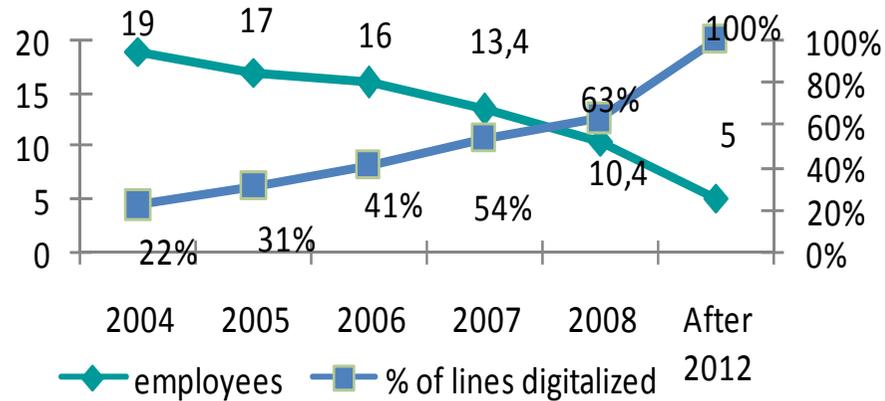
* Excl. CPP revenues and additional services

Based on 1Q2009 results

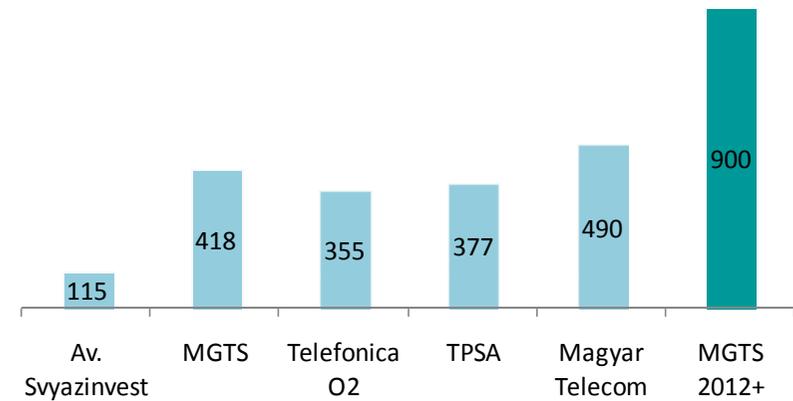


Cost control programme

Number of MGTS Employees, 000*



Lines / Employees**



* End of period

**Source: Analysts reports, peer group results-based on 2007, Company data FY2008 (calculated as active residential+corporate lines/employees, total installed lines/employee=465)

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

Based on 1Q2009 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 in cash)
- 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 by 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

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Head of Investor Relations**

Phone: +7 985 997 08 52

E-mail: ir@comstar-uts.ru

Based on 1Q2009 results



Appendix



Income Statement

	(US\$ Million)		(RUR Million)	
	1Q2008	1Q2009	1Q2008	1Q2009
Revenues	417.0	334.4	10,114	11,343
<i>Y-o-Y Growth</i>	26.8%	-19.8%	X	12.2%
OIBDA	170.2	126.4	4,134	4,291
<i>Margin</i>	40.8%	37.8%	40.9%	37.8%
Operating Income	121.3	82.2	2,949	2,798
<i>Margin</i>	29.1%	24.6%	29.2%	24.7%
Net Income	54.1	12.6	1,312	494
<i>Margin</i>	13.0%	3.8%	13.0%	4.4%
Cash Capex	43.4	59.7	1,052	2,024
<i>% of Revenues</i>	10.4%	17.8%	10.4%	17.8%

1Q2009 Highlights

- 12% year on year revenue growth in RUR
- 37.8% OIBDA margin
- RUR 799 million forex losses primarily at MGTS Finance S.A. on USD-denominated promissory notes related to the obligation under the put option which were fully repaid in the first quarter of 2009



Segmental Breakdown

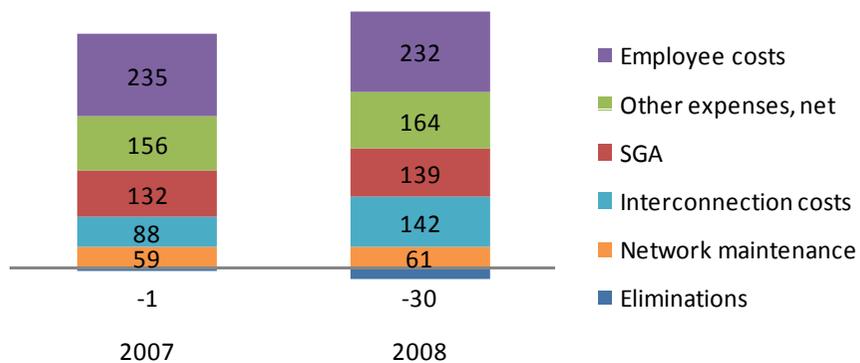
Revenue (US\$ Million)	(US\$ Million)		(RUR Million)	
	1Q2008	1Q2009	1Q2008	1Q2009
Traditional segment in Moscow (MGTS)	288.3	210.8	6,992	7,152
Alternative segment in Moscow (Comstar & Comstar-Direct)	127.8	90.7	3,100	3,077
Alternative segment in the regions & CIS (Comstar)	36.3	58.5	879	1,984
Intersegment Sales	-35.4	-25.6	-857	-869
Total Revenue	417.0	334.4	10,114	11,343
OIBDA (US\$ Million)				
Traditional segment in Moscow (MGTS)	135.4	93.8	3,286	3,180
Alternative segment in Moscow (Comstar & Comstar-Direct)	25.0	17.2	611	582
Alternative segment in the regions & CIS (Comstar)	10.9	16.3	264	560
Effect of eliminations and other consolidation adjustments	-1.1	-0.9	-28	-31
Total OIBDA	170.2	126.4	4,134	4,291



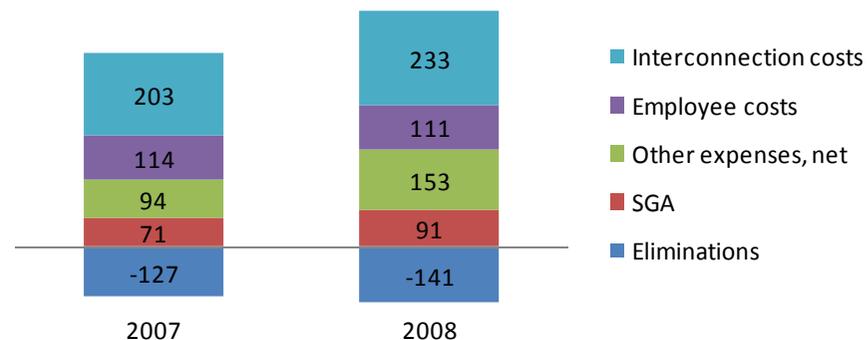
Segmental Operating Expenses & Employees

	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 US\$



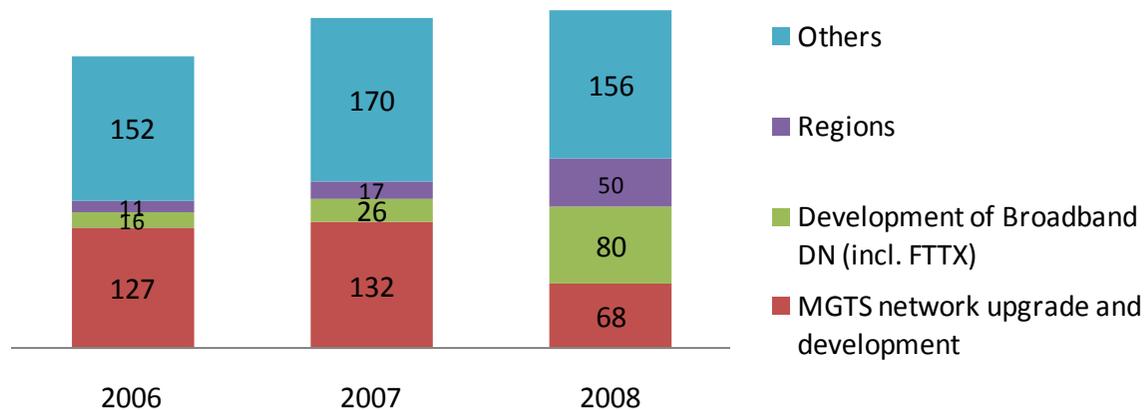
Alternative Segment, mIn US\$



* At the end of period

Capital Expenditure Development

Cash Capex, mln US\$



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)	(US\$ Million)		(RUR Million)	
	1Q2008	1Q2009	1Q2008	1Q2009
Net cash provided by operations	148.4	99.2	3,598	3,460
Net cash provided by/(used in) investing activities	-69.4	201.7	-1,683	6,871
Net used in financing activities	-9.9	-270.2	-240	-9,261
Effects of foreign currency translation of cash and cash equivalents	9.9	-6.6	0	38
Cash and cash equivalents at the beginning of the period	179.8	62.0	4,413	1,821
Cash and cash equivalents at the end of the period	258.9	86.1	6,088	2,929
FCF (Net cash provided by operations less Cash Capex)	105.0	39.5	2546.0	1436.0



Balance Sheet

(US\$ Million)	(US\$ Million)		(RUR Million)	
	1Q2008	1Q2009	1Q2008	1Q2009
Assets	4,191.7	3,410.9	123,152	116,017
<i>Current Assets</i>	674.3	398.2	19,810	13,544
<i>Long-term assets</i>	3,517.4	3,012.7	103,342	102,473
Liabilities	1,986.4	1,492.9	58,358	50,781
<i>Current Liabilities</i>	862.7	527.8	25,344	17,954
<i>Long-term liabilities</i>	1,123.7	965.1	33,014	32,827
Shareholder's equity	2,205.3	1,918.0	64,794	65,236

1Q2009 Highlights

- Cash and cash equivalents of US\$ 86 million (RUR 2,929 million)
- Short-term investments of US\$ 31 million (RUR 1,046 million)
- Total debt of US\$ 878 million (RUR 29,881 million)
- 96% of total debt is in RUR
- Net debt of US\$ 762 million (RUR 25,906 million)
- Total debt/OIBDA of 1.7
- Net debt/OIBDA of 1.5