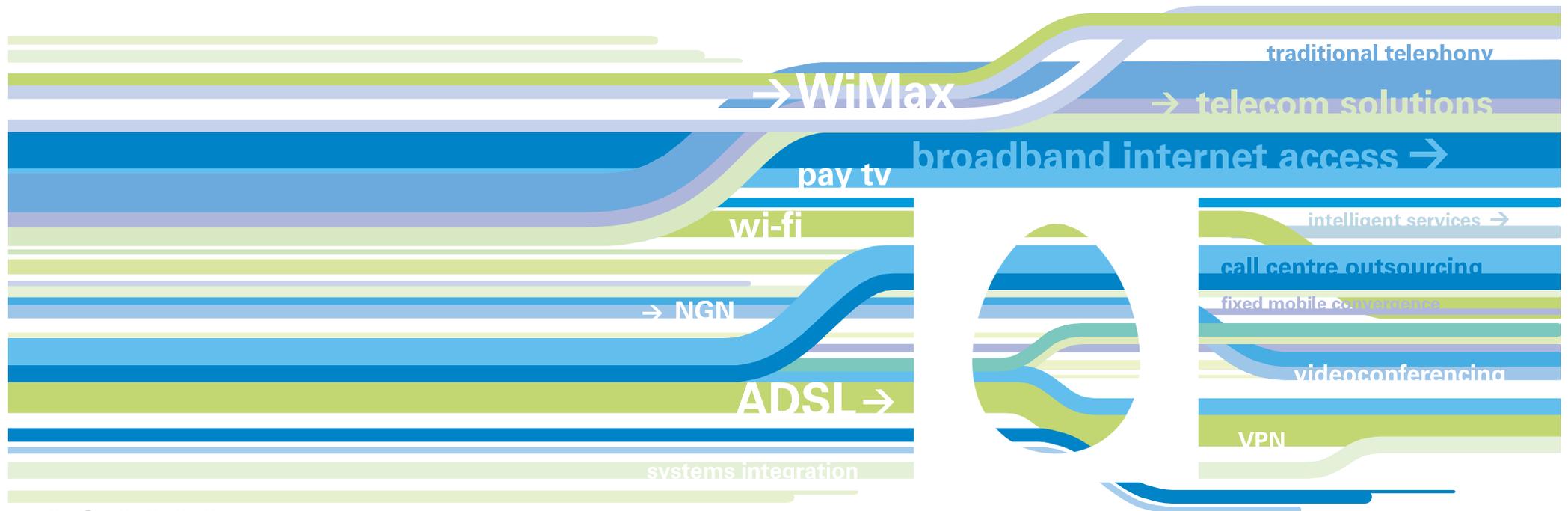




Comstar-UTS

Corporate presentation



2Q2008



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.

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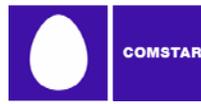
Comstar at a Glance

- The leading combined fixed-line telecommunications company in Moscow
 - - *MGTS incumbent & Moscow AltNet with >5 million active lines & > 11,000 km fiber-optic network*
- Owner of “last mile” access to 3.6 million Moscow households & 97% market share
 - - *Last mile is not unbundled and > 90% ADSL compatible*
- Number 1 residential broadband provider in Moscow
 - - *> 783k subscribers in Moscow & 36% market share as at June 30, 2008*
- Integrated operator providing full spectrum of fixed-line services to corporates
 - - *local, long distance, broadband Internet, WiFi, WiMax, VPN etc*
- Regional expansion
 - - *Focus on priority regions with expansion through selective M&A & development of existing operations & entering DLD/ILD market, 9% of total revenues*
- Owner of 25% + 1 share in state-owned Svyazinvest national fixed line incumbent
 - - *Financial investment with upside as strategic player in privatization process*



Combined Telecom Operator



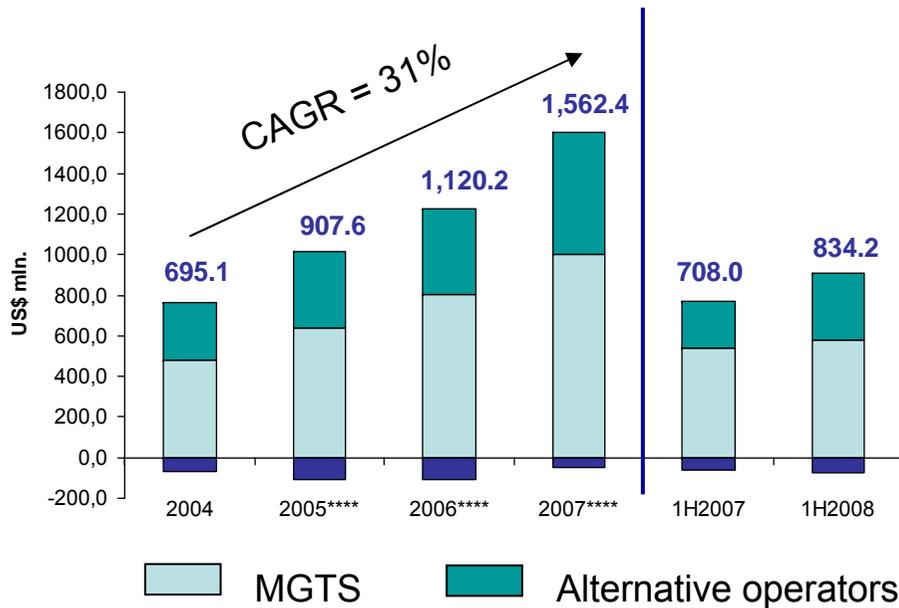
Traditional segment in Moscow	Alternative segment in Moscow	Alternative segment in regions and CIS	STATE HOLDING
 <p>ILEC in Moscow- focus on basic services and infrastructure for the Group)</p> <p>4.8 million installed lines in Moscow (incl. 3.6 million active residential lines=97% of households)</p> <p>More than 90% of lines are ADSL compatible (speed of 10 Mb/sec), FTTC in progress</p>	 <p>CLEC in Moscow</p> <p>0.6 mln installed corporate lines in Moscow</p> <p>0.783 million residential broadband subscribers (incl. MGTS) > 36% market share (together with MGTS)</p>	 <p>CLECs in 5 regions and CIS (Ukraine & Armenia)</p> <p>0.495 million corporate & residential subscribers</p> <p>Incl. 61 thousand broadband subscribers</p> <p>Focus on corporates & High-end residential</p>	<p>Comstar owns 25%+1 share</p> <p>7 ILECs, Rostelecom, Central Telegraph</p> <p>Owner of the “last mile” in the regions</p> <p>>35 million installed lines covering 90% of Russia</p>

Unique combination of fixed-line incumbent with CLECs, Moscow and regional business & high growth and profitability

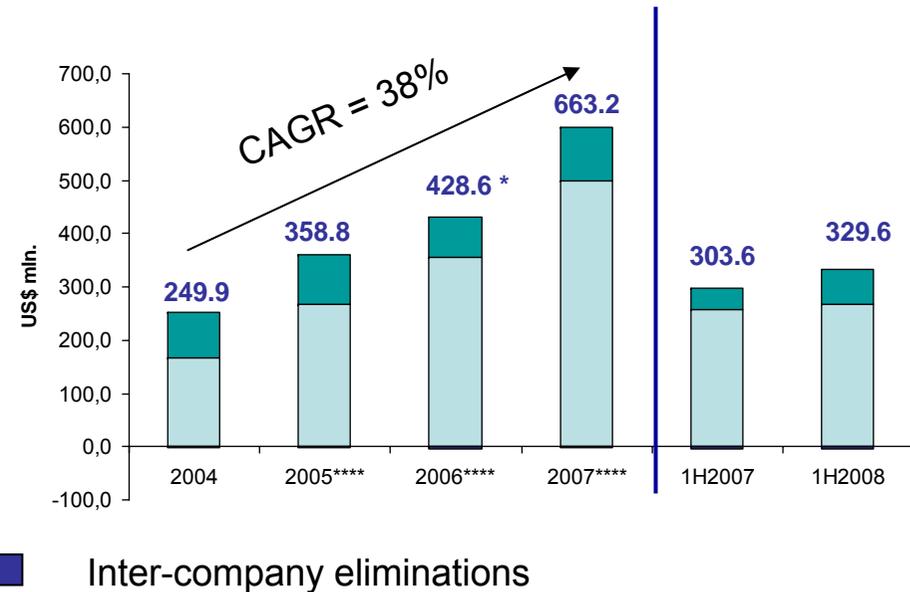


Proven Track Record

Revenues



OIBDA



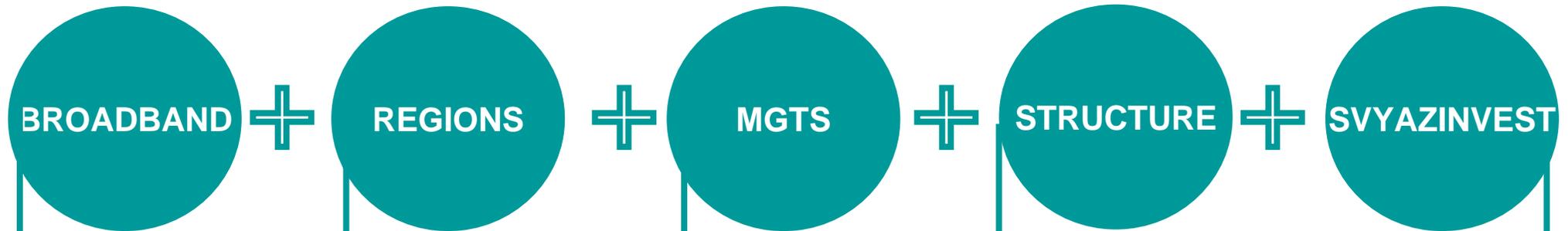
Guidance for 2008:

- Revenue growth by ~15-20%**;
- OIBDA margin ~38-40%***
- CAPEX ~ 25% of revenues

*Excluding US\$ 62.1 million non-recurring stock bonus awards
 ** Excluding US\$ 36.6 million compensation from the budget received in 2007
 *** Before any further regulatory and tariff changes or acquisitions
 **** In accordance with old accounting policy in respect of acquisitions.
 New policy was adopted effective January 1, 2008



Value Drivers



- ✓ Increasing Broadband Market Share & ARPU
- ✓ Selective Modernisation of the “Last Mile”

- ✓ Increasing market share in the regions of presence
- ✓ Expansion into new target regions
- ✓ Entering LD market using own network built in 4Q07
- ✓ Cooperation with sister companies

- ✓ Regulated tariff rebalancing
- ✓ Cost optimization
- ✓ Increase in efficiency

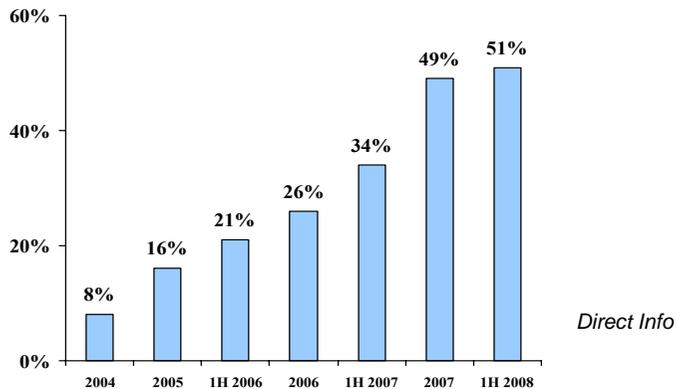
- ✓ Simplifying Organizational Structure
- ✓ Unlocking Operational Potential

- ✓ Capitalising on Svyazinvest stake 6 as a financial investment and through participation in privatization

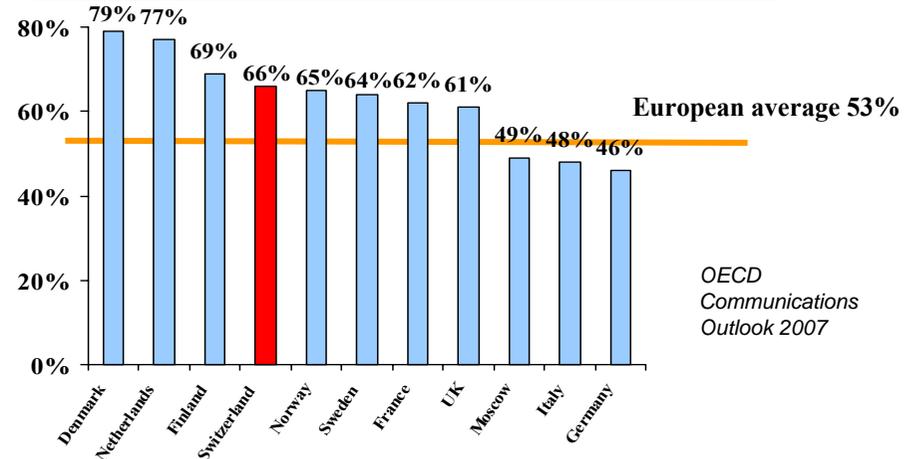


Broadband In Moscow- impressive growth in subscriber base

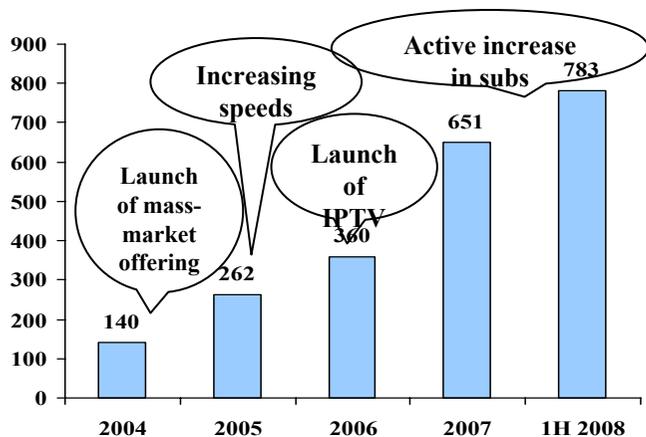
Broadband penetration in Moscow, %



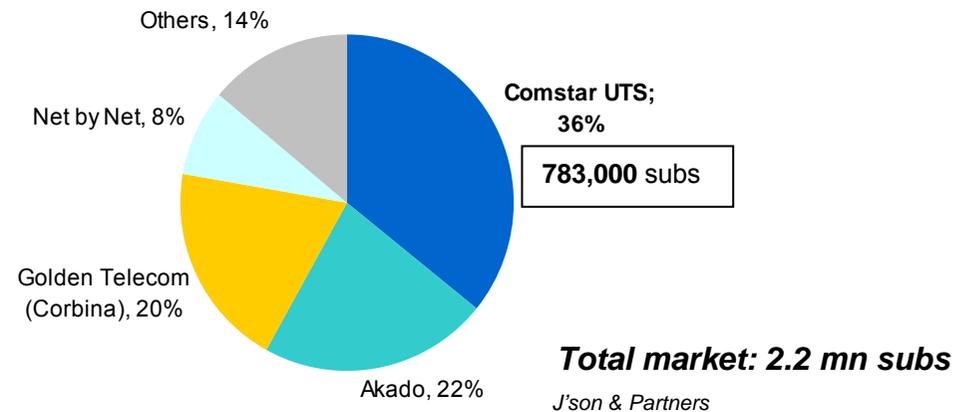
Broadband penetration in Europe 2007, %



Comstar 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)



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



Broadband market in Moscow is close to saturation
Integration of Comstar-Direct into Comstar



- Double - play (Broadband Internet + pay-TV)
- Unique services and content : launch of mobile WiMax (2,5-2,7 Ghz, spectral band 36Mhz , Agreement with Intel), WiFi (Agreement with Fon, up to 25,000 hot spots by the end of 2009), HD TV (Summer 2008)
- Focus on higher tariffs and speeds (up to 24 Mb/sec)
- Premium class service

- Unique Post-paid tariffs, One Bill from MGTS (voice, broadband internet, DLD/ILD etc.)
- Mass-market tariffs
- Servicing mass market segment
- Massive subscription to broadband Internet using IMS technology

Increase in ARPU

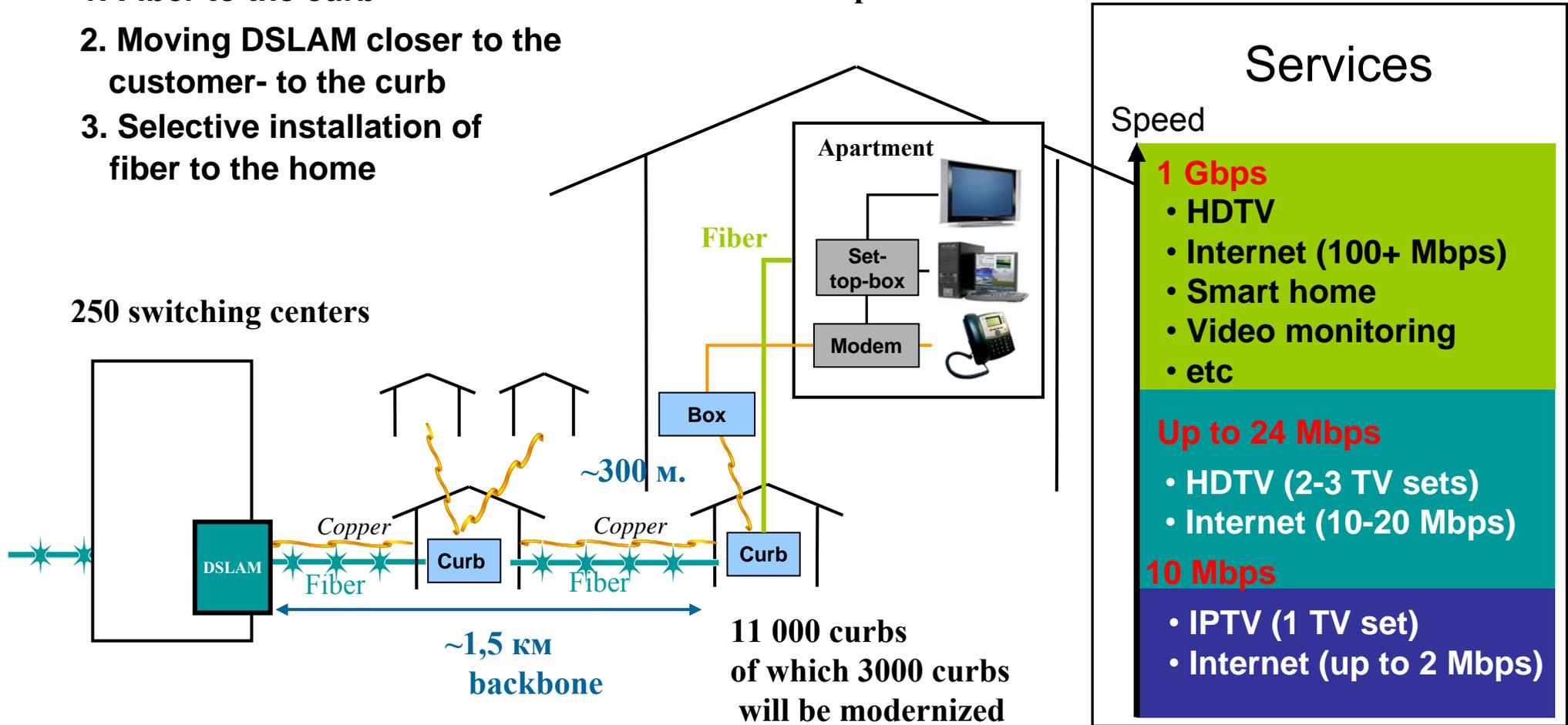
Increase in subscriber base



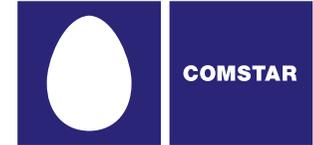
Modernization of the “Last mile”

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

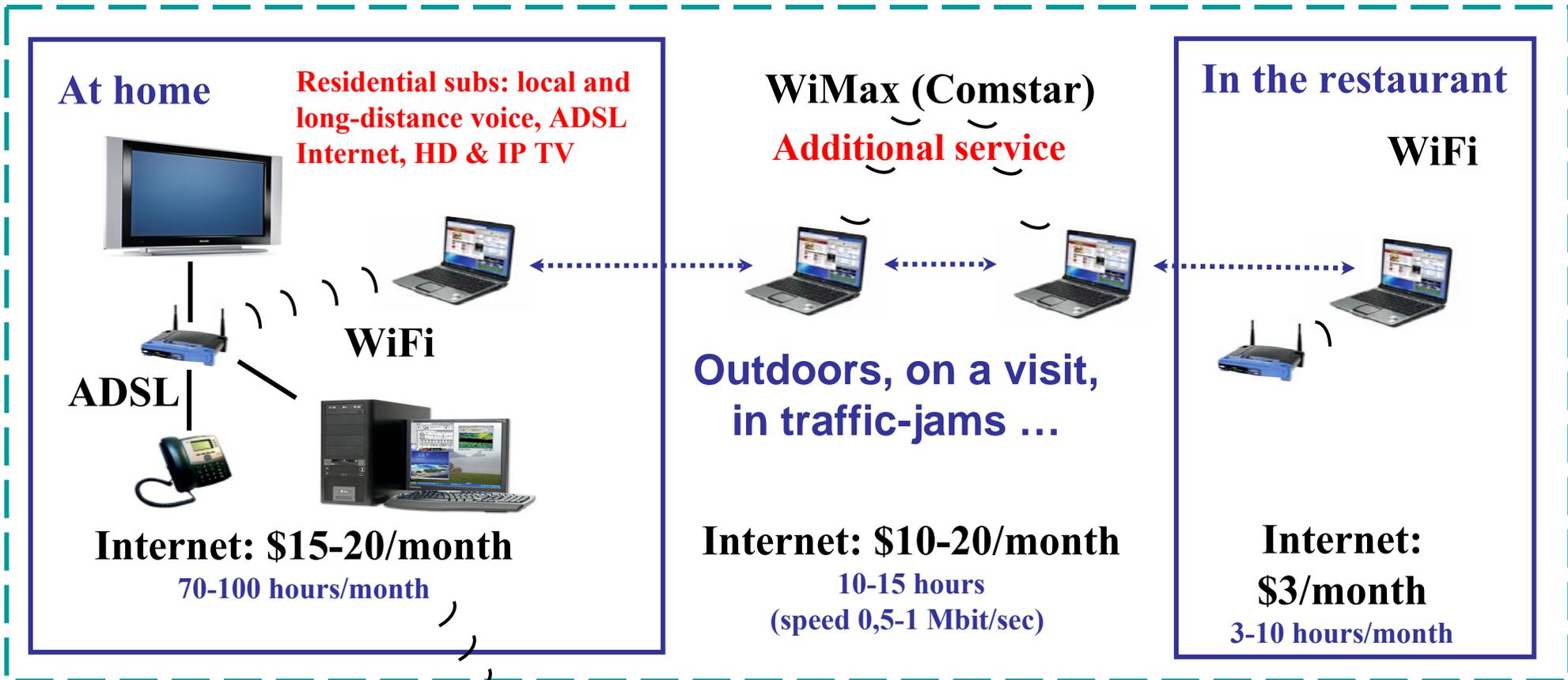
35 000 apartment blocks



Fiber to the Curb (FTTC)- started Sep. '07, CAPEX of up to \$100 million (2008-2009) 9
70-80% of the “last mile” is to be “Speed Up” from 6 Mbps to 24 Mbps by 2010



Combination of Wire-line + Wire-less Internet



Separate service



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

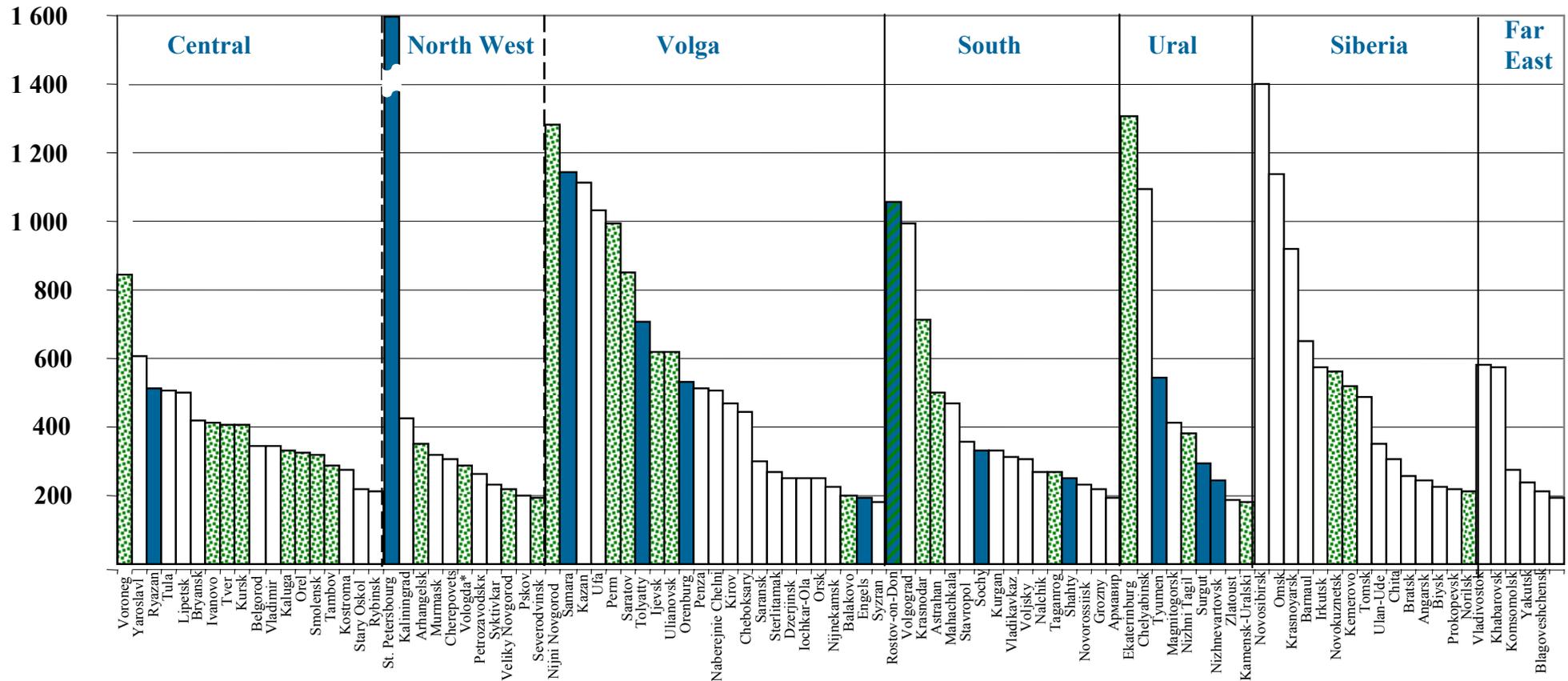


Comstar Regions of Presence in Russia

Cities with population, more than 200k

Current presence of Comstar
 Current presence of STREAM-TV

Regions



Regional operations cover 39 cities with population exceeding 200 thousand people



Consolidation of Stream-TV

- Stream-TV Group - the largest pay-TV operator in Russia (17% market share)
 - ▶ 3.6 million households passed
 - ▶ **1.8 million active pay-TV subscribers**
 - ▶ **200 thousand broadband subscribers**
 - ▶ 30% of the network has already been modernized to enable the provision of triple-play services (VoIP, internet and pay-TV)
 - ▶ Revenues in 2007 US\$ 89.8 million
 - ▶ OIBDA margin in 2007 24.6%

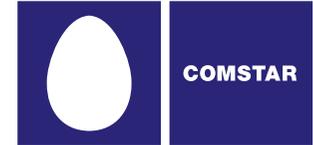
Step 1 - Comstar takes STREAM-TV under management control from September 4, 2008

Step 2 - independent valuation by E&Y

Step 3 - acquisition of STREAM-TV

Step 4 - integration of STREAM-TV into Comstar's regional branches

Comstar regional coverage increases to 67 cities with combined population of over 30 mln people



Driving Regional Expansion

Comstar' revenue outside Moscow:



\$600 mln

>\$90 mln

>\$200 mln

>\$300 mln

\$39 mln

\$128 mln

2006

2007

2011

Extended regional strategy
(depends on Shareholders' decisions)

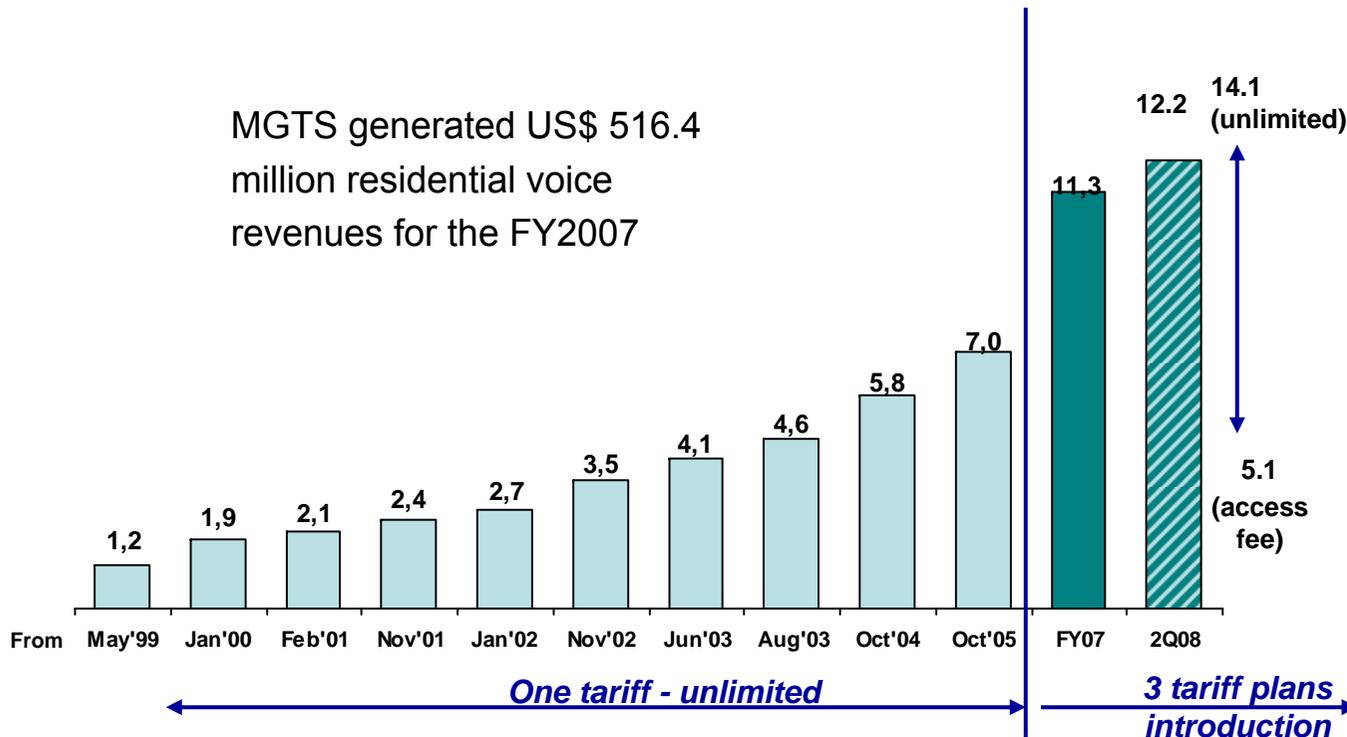
- 3. Entering the DLD/ILD segment
- 2. Expansion into the target regions (M&A)
 - Acquisition of RTC in 2007 (revenue₀₇ ~ 20 mln)
 - Acquisition of DTN in 2007 (revenue₀₇ ~ 60 mln)
 - Consolidation of STREAM-TV from 2009 (revenue₀₇ ~ 90 mln)
- 1. Increasing market share in the regions of presence
 - Rapid expansion into Moscow suburb region & St. Petersburg



Regulated Tariff Rebalancing - Residential

Growth in Regulated Tariffs (US\$)

MGTS generated US\$ 516.4 million residential voice revenues for the FY2007



Residential Subscriber Mix

- 3 tariff plans were introduced on February 2007
- 3.596 million active residential lines
- Subscriber base, breakdown by tariff plan as at June 30, 2008

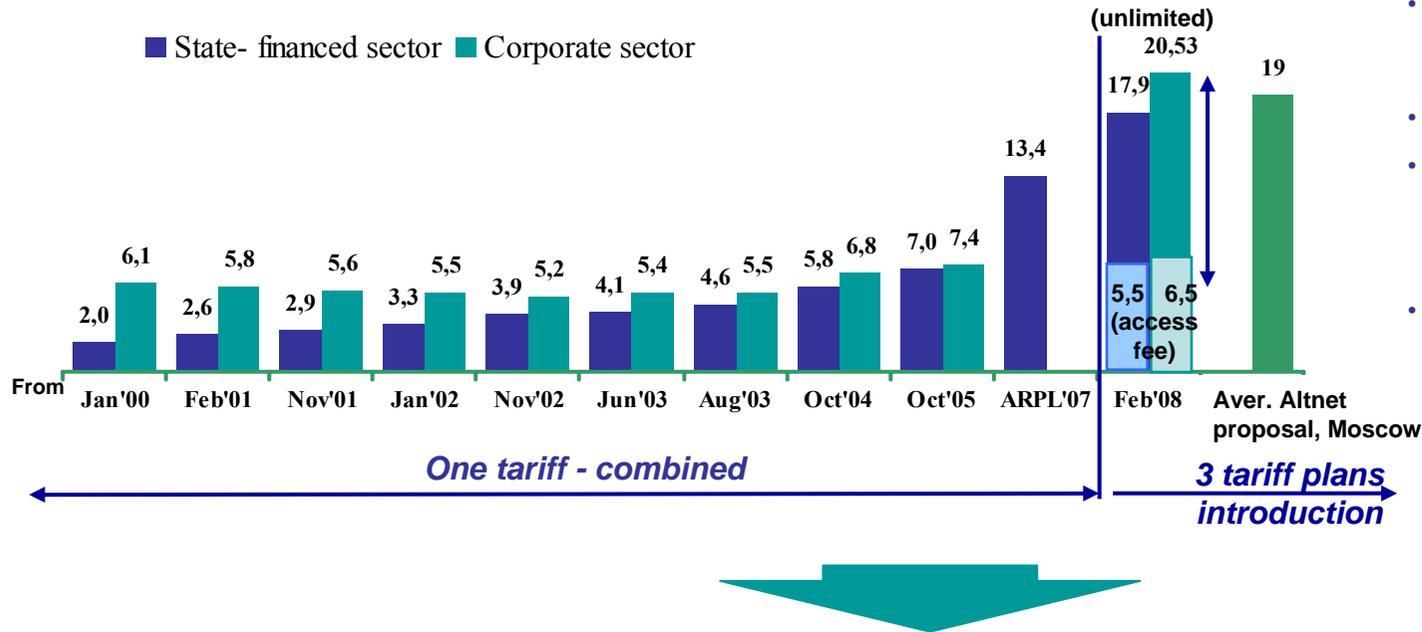
Time-based tariff plan (RU 125 + RU 0.28 per minute)	27%
Combined tariff plan (RU 229 for 450 minutes then RU 0.23 per minute)	22%
Unlimited time tariff plan (RU 345 per month)	51%

After the introduction of 3 tariff plans MGTS drives ARPU by various marketing activities & provision of bundled (voice + broadband) services



Regulated Tariff Rebalancing - Corporate

Monthly Subscription Fee (US\$) – State – Financed and Corporate Sectors



Regulated Voice Tariffs, Feb. 2008

- MGTS generated US\$ 167.6 million voice revenues from corporate subscribers for the FY2007
- 768 thousand active corporate lines
- Starting from February 1, 2008 3 tariff plans are implemented for State-financed Sector and Corporate Subscribers of MGTS instead of previously used combined tariff plan
- Subscriber base, breakdown by tariff plan as at June 30, 2008

Per minute based tariff plan	5%
Combined tariff plan	83%
Unlimited time tariff plan	12%

Upside potential from the introduction of 3 tariff plans from February 2008

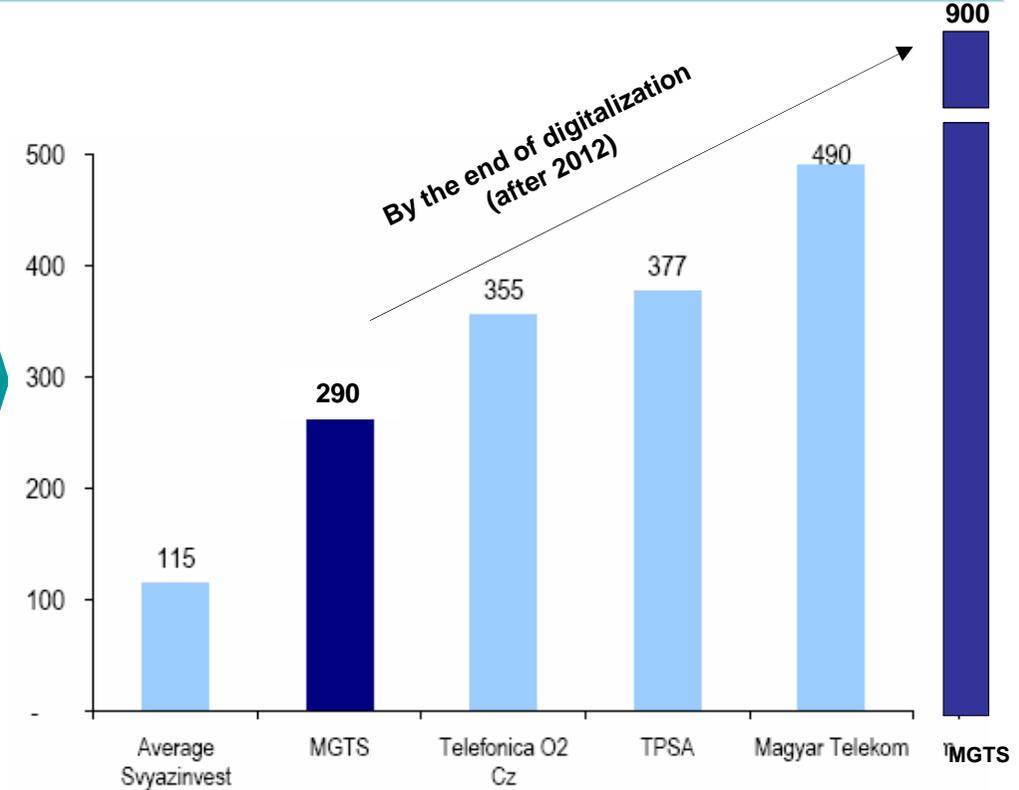


Unlocking Operational Potential

- Management by processes
- Comstar focus:
 - ▶ Strategy
 - ▶ Regions (M&A, Greenfield)
 - ▶ Sales to corporate subscribers
- MGTS focus :
 - ▶ Network modernization & maintenance
 - ▶ Mass market sales
- Comstar – Direct focus:
 - ▶ High-value broadband sales
- Outsourcing of non-core functions

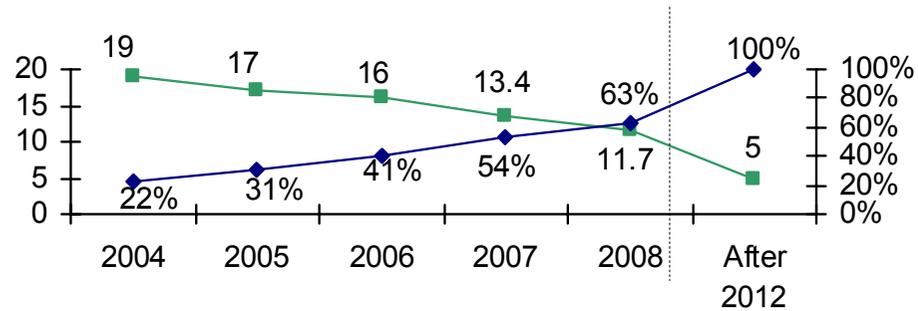


Lines / Employees



Potential for Significant headcount reduction

Number of MGTS Employees, 000*



* End of period ■ employees ◆ % of lines digitalized

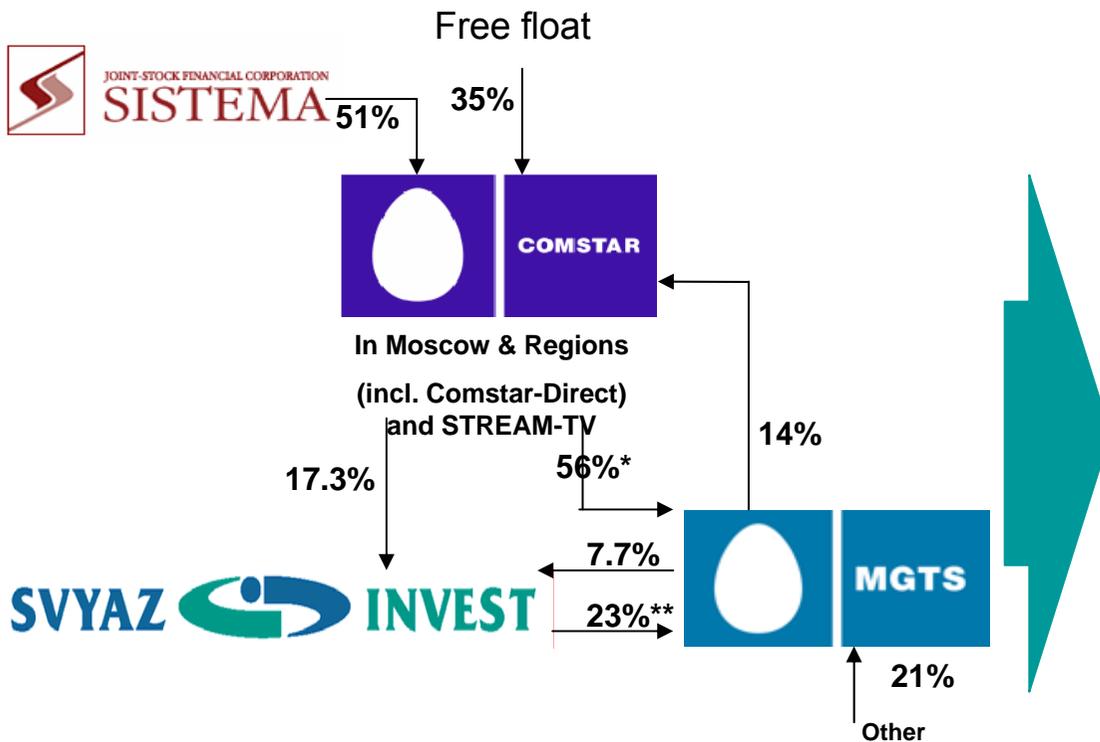
Source: Analysts reports, Company data FY2007



Simplifying Organizational Structure

Now

Objective



- Two operating companies: MGTS & Comstar
- Integration of Comstar-Direct and STREAM-TV
- Turning regional subsidiaries into branches & re-branding

Comstar-Direct is being consolidated under Comstar ***

*67% of voting shares

**28% of voting shares

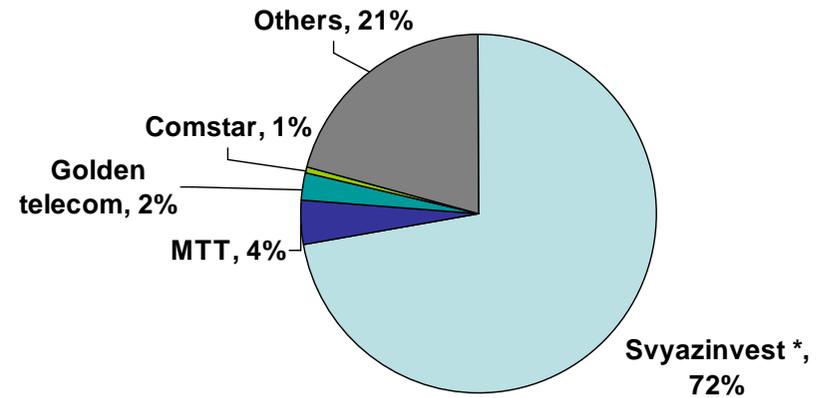
*** Consolidation is expected to be completed by the end of 008



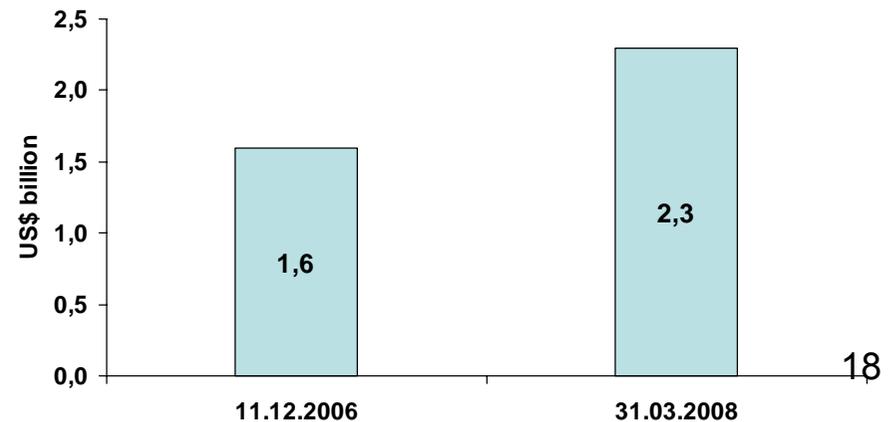
Capitalizing on Svyazinvest Investment

- 25% +1 share acquired for US\$ 1.3 billion plus call and put option in December 2006
- Call (exercised in December 2007) and put (2 year) option agreement with Seller for 11% of Comstar shares currently held by MGTS Finance
- 2 seats on the Board of Directors
- **Successful financial investment**
- Upside option as **Strategic Player in privatization process**

Russian regional market (excl. Moscow), US\$, 2007



Market value of stake in Svyazinvest **

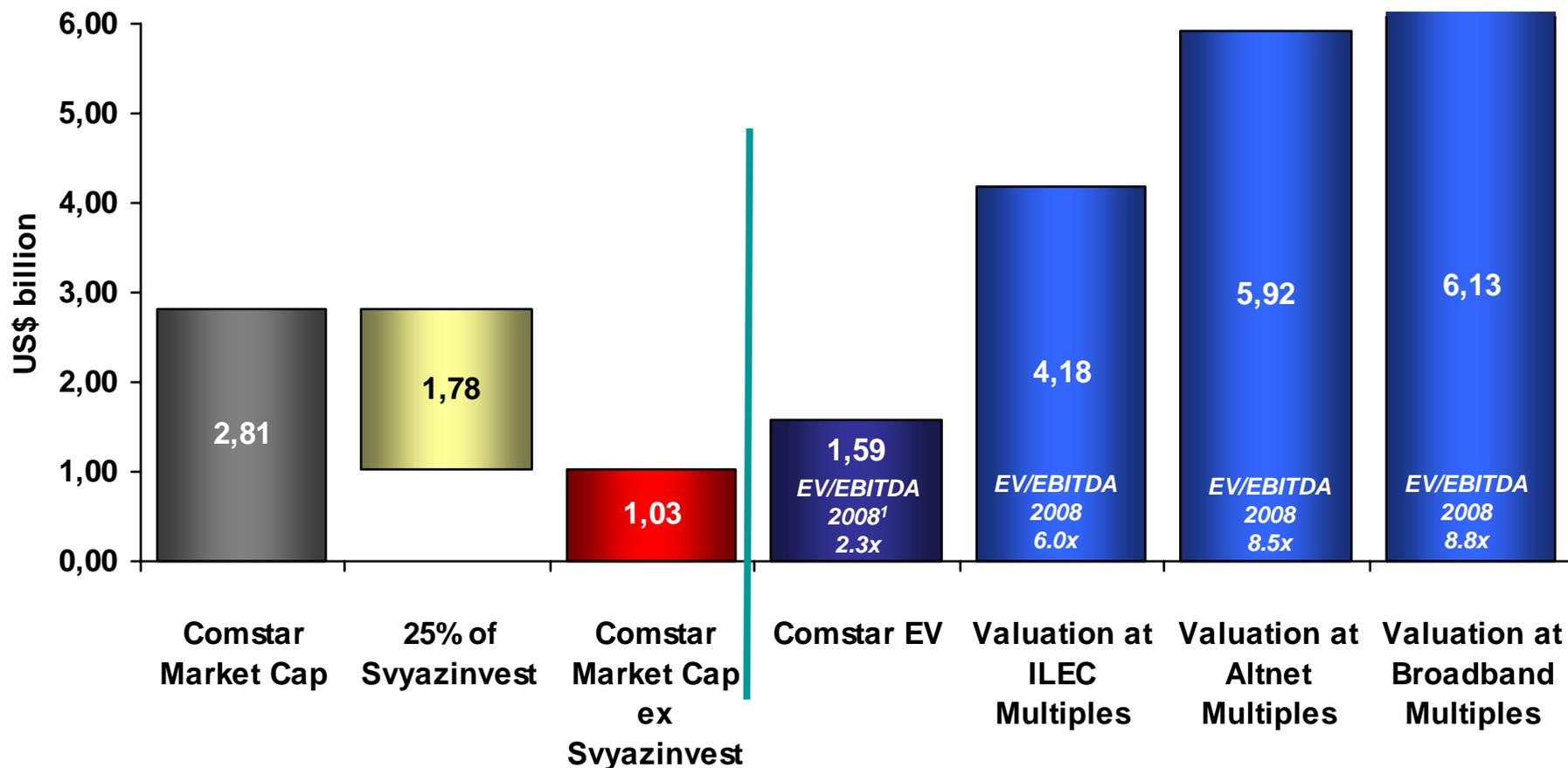


* Including Rostelecom 21.6%

** Calculated as sum of market caps of listed underlying subsidiaries of Svyazinvest



The Unique Investment Opportunity



¹Source: Consensus (Morgan Stanley, URALSIB, Goldman Sachs, Deutsche UFG, Troika Dialog, UniCredit Aton, Alfa Bank, ING, Renaissance Capital, UBS, Merrill Lynch, Veles capital, Credit Suisse, FIM, MDM Bank, JPMorgan, Citi, HSBC, Raiffeisen, Metropol, Lehman Brothers, Bank of Moscow). All data as at 01 September 2008



Investment Case

- Unique combination of
 - ▶ incumbent and alternative service provider
 - ▶ broadband growth potential and expansion into the regions
 - ▶ balancing growth & profitability
- Substantial synergies and efficiency gains to be extracted from integration of the companies of the Group
- Simplification of structure unlocks significant value
- Upside potential from 25% stake in Svyazinvest



Contacts

For additional information please visit

www.comstar-uts.com

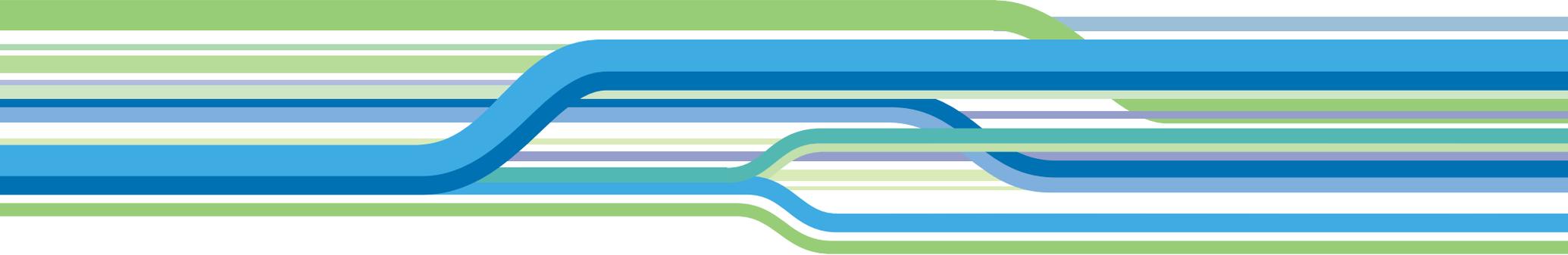
**or contact Masha Eliseeva
Head of Investor Relations**

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E-mail: ir@comstar-uts.ru



Appendix





Income Statement

(US\$ Million)	2006**	2007**	1H2007	1H2008
Revenues	1,120.2	1,562.4	708.0	834.2
<i>Y-o-Y Growth</i>	23.4%	39.5%	32.0%	17.8%
OIBDA (excl. Stock Bonus Awards)	428.6	663.2	303.6	329.6
<i>Margin</i>	38.3%	42.5%	42.9%	39.5%
Operating Income (excl. Stock Bonus Awards)	297.7	485.3	228.5	228.4
<i>Margin</i>	26.6%	31.1%	32.3%	27.4%
Net Income (excl. Stock Bonus Awards and change in fair value of call and put option less minority share)	178.1	125.1	75.3	74.2
<i>Margin</i>	15.9%	8.0%	10.6%	8.9%
Capex	306.5	345.4	142.8	135.8
<i>% of Revenues</i>	27.4%	22.1%	20.2%	16.3%

1H 2008 Highlights

- 17.8% year on year revenue growth
- 39.5% OIBDA margin
- US\$ +9.8 million change in fair value of call and put option less minority share

*Excluding US\$ 62.1 million non-recurring stock bonus awards in the 4Q2006

**In accordance with old accounting policy in respect of acquisitions. New policy was adopted effective January 1, 2008



Segmental Breakdown

Revenue (US\$ Million)	FY 2006 **	Q1 2007	Q2 2007	Q3 2007**	Q4 2007**	FY 2007 **	Q1 2008	Q2 2008
Traditional segment in Moscow (MGTS)	802.2	247.3	291.4	278.5	295.2	1,112.5	289.2	292.5
Alternative segment in Moscow (Comstar & Comstar-Direct)	388.6	101.1	107.6	113.1	130.7	452.5	127.8	127.2
Alternative segment in the regions & CIS (Comstar)	39.2	11.6	11.6	11.8	92.7	127.7	36.3	38.6
Intersegment Sales	-109.7	-31.1	-31.5	-31.2	-36.5	-130.3	-36.3	-41.1
Total Revenue, net of intersegment transactions	1,120.2	328.9	379.2	372.2	482.1	1,562.4	417.0	417.3
OIBDA (US\$ Million)								
Traditional segment in Moscow (MGTS)	356.0	114.4	151.1	139.9	145.9	551.3	136.4	130.7
Alternative segment in Moscow (Comstar & Comstar-Direct) *	74.7	17.1	22.4	20.1	16.8	76.1	25.0	16.7
Alternative segment in the regions & CIS (Comstar)	4.0	0.7	1.4	1.2	36.8	40.2	10.9	13.7
Effect of eliminations and other consolidation adjustments	-6.1	-1.9	-1.8	-1.5	-2.2	-7.6	-2.0	-1.8
Total OIBDA *	428.6	130.4	173.2	159.7	200.0	663.2	170.2	159.3

*Excluding US\$ 62.1 million non-recurring stock bonus awards in the 4Q2006

**In accordance with old accounting policy in respect of acquisitions. New policy was adopted effective January 1, 2008

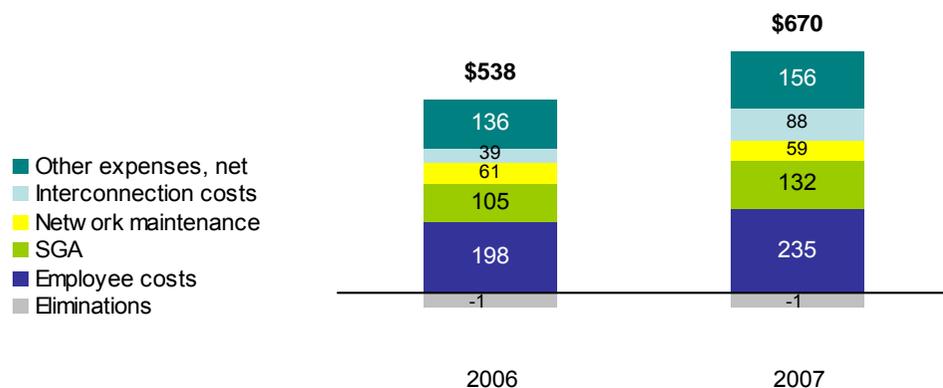


Segmental Operating Expenses* & Employees

	2006***	1Q2007	2007***	1Q2008	2Q2008
#Employees **					
Traditional segment	15,621	15,532	13,777	12,970	12,459
Alternative segment in Moscow	2,353	2,189	2,154	2,109	2,098
Alternative segment in the regions & CIS	1,181	1,327	1,084	2,257	2,246
Average salary					
Traditional segment	\$ 787	\$ 1,248	\$ 956	\$ 1,246	\$ 1,164
Alternative segment in Moscow	\$ 1,896	\$ 2,704	\$ 2,179	\$ 2,725	\$ 2,842
Alternative segment in the regions & CIS	\$ 762	\$ 1,139	\$ 1,340	\$ 1,146	\$ 1,034
Revenues per Employee					
Traditional segment	\$ 51,352	\$ 15,922	\$ 80,749	\$ 22,298	\$ 23,479
Alternative segment in Moscow	\$ 165,159	\$ 46,166	\$ 210,076	\$ 60,583	\$ 60,652
Alternative segment in the regions & CIS	\$ 33,222	\$ 8,729	\$ 117,819	\$ 16,067	\$ 17,204

Traditional Segment (\$m)

Alternative Segment (\$m)



* Excluding US\$ 62.1 million Stock Bonus Awards

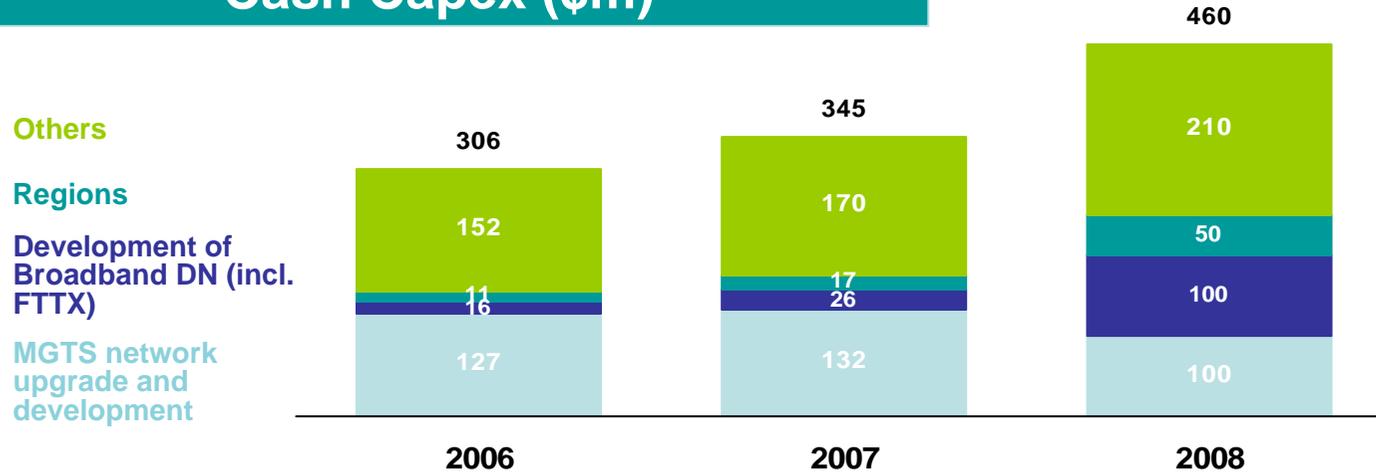
** At the end of period

*** In accordance with old accounting policy in respect of acquisitions. New policy was adopted effective January 1, 2008



Capital Expenditure Development

Cash Capex (\$m)



Comments

- Modernization of the last mile is expected to be completed by the end of 2009
- Long-distance network development has been completed in the 4Q of 2007
- Starting from 2007 network development reconstruction is based on NGN Technology, thus leapfrogging one generation in technology

Capex to Sales Ratio (%)*



*Excluding US\$ 36.6 million and US\$ 26 million compensation from the budget in 2007 and 2006 respectively



Cash Flow Statement

(US\$ Million)	2006	2007	1H2007	1H2008
Net cash provided by operations	288.7	488.4	201.5	274.2
Net cash provided by investing activities	-1,767.0	-859.9	-81.7	34.9
Net cash provided by / (used in) financing activities	1,550.9	403.6	-24.9	-92.1
Effects of foreign currency translation of cash and cash equivalents	2.0	11.2	0.6	11.8
Cash and cash equivalents at the beginning of the period	62.0	136.6	136.6	179.8
Cash and cash equivalents at the end of the period	136.6	179.8	232.1	408.5
FCF	-17.7	142.9	58.6	138.4



Balance Sheet

(US\$ Million)	2006	2007	1Q2008	2Q2008
Assets	3,537.6	4,630.3	4,971.5	4,975.0
<i>Current Assets</i>	<i>445.1</i>	<i>941.7</i>	<i>1,114.9</i>	<i>1,056.9</i>
<i>Long-term assets</i>	<i>3,092.5</i>	<i>3,688.7</i>	<i>3,856.6</i>	<i>3,918.2</i>
Liabilities	1,470.6	1,774.4	1,886.5	1,837.5
<i>Current Liabilities</i>	<i>1,140.9</i>	<i>465.3</i>	<i>521.0</i>	<i>461.5</i>
<i>Long-term liabilities</i>	<i>329.7</i>	<i>1,309.1</i>	<i>1,365.5</i>	<i>1,376.0</i>
Minority Interests	496.7	765.0	845.3	865.3
Shareholder's equity	1,570.2	2,090.9	2,239.7	2,272.2

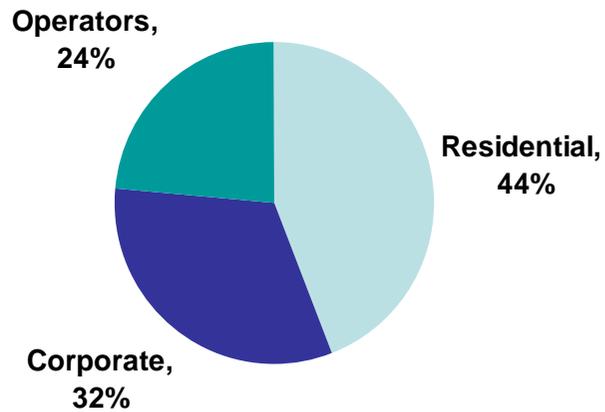
● 1H 2008 Highlights

- Cash and cash equivalents of US\$ 408.5 million
- Short-term investments of US\$ 264.2 million
- Total debt of US\$ 967.6 million
- Net debt of US\$ 559.1 million
- Net debt minus short-term investments of US\$ 294.9 million
- Total debt/OIBDA of 1.48
- Net debt/OIBDA of 0.86

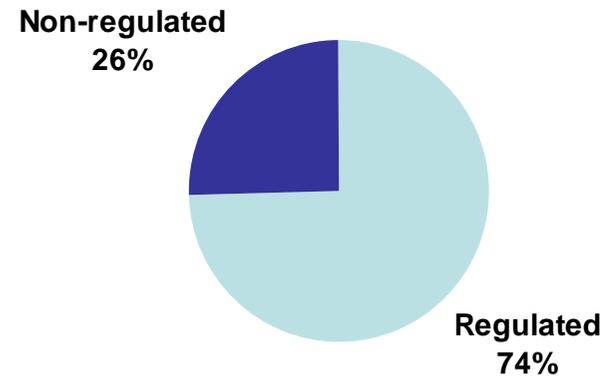


Revenue Composition, 2007

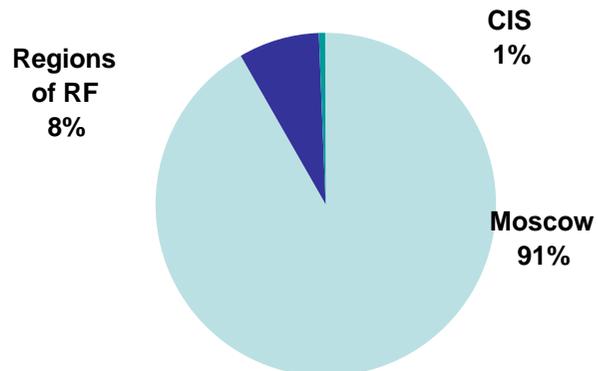
By customer segments



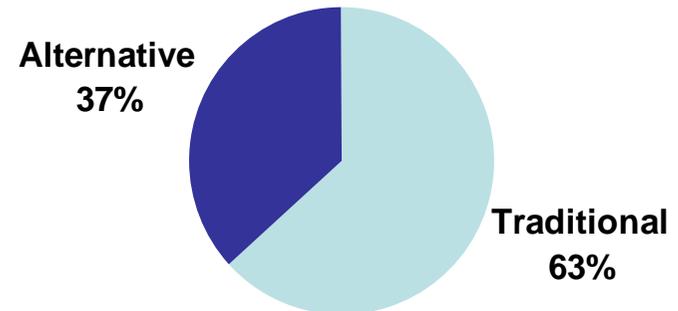
Regulated/non-regulated



Geographical



Traditional / Alternative

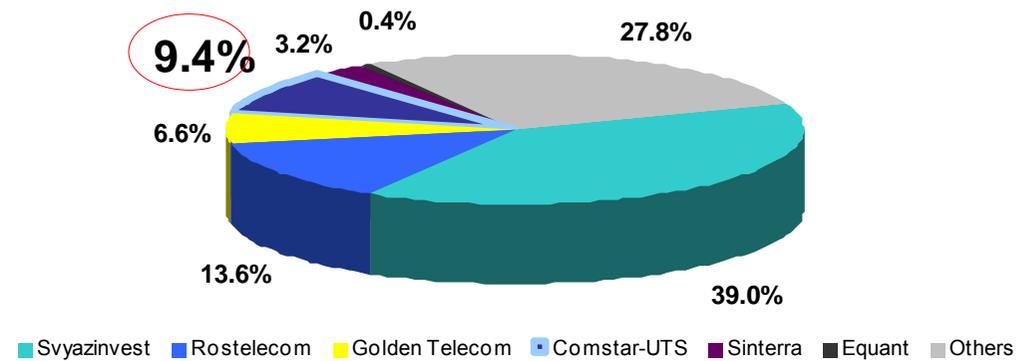
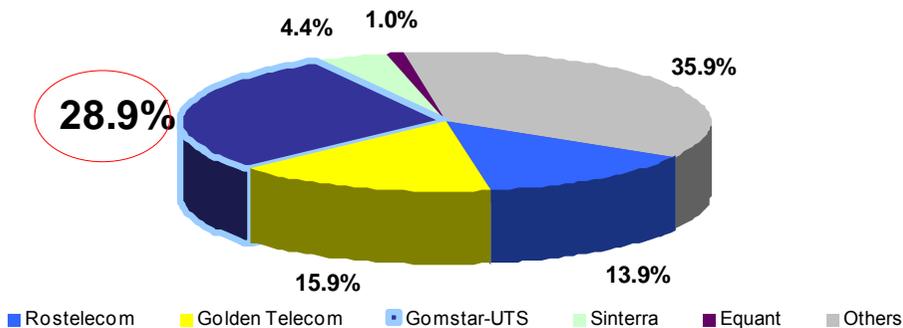




Comstar's position on telecom market

Comstar share on Moscow fixed-line market, in revenue terms, 2007

Comstar share on Russian fixed-line market (incl. Moscow), in revenue terms, 2007



**Comstar-UTS is the leading fixed-line operator in Moscow with 28.9% market share
52.6% of the fixed-line market in Russia is controlled by Svyazinvest (incl. Rostelecom)**

Development of Telecom sector in Russia

Development of Russian Telecom industry

Telecom industry share in the structure of GDP, %

