



3rd Quarter 2006: Earnings Conference Call

Jean-Pierre Vandromme, CEO
Boris Svetlichny, CFO
Alexey Subbotin, Investor Relations

- Wednesday, November 8, 2006
9:00a.m. (U.S. Eastern Time Zone), 2:00p.m. (London Time), 5:00p.m. (Moscow Time)
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No access code is necessary
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Live Webcast: www.goldentelecom.com/webcast_en

The webcast will also be available for replay on the Internet from November 9, 2006

■ Special note regarding Forward Looking Statements

Statements made in this presentation are forward looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements include those on our corporate strategy, including our plans to expand into the Russian regions and new market segments, our broadband and WiFi strategy and our plans to utilize our Federal Transit Network, the Company's acquisition strategy and the expected benefits of such acquisitions, the development of our broadband, WiFi and fiber optic project, financial forecasts, expected capital expenditures and projected returns from such, our plans to obtain debt financing, the delivery and launch of certain equipment, projections on the growth of the market. It is important to note that such statements involve risks and uncertainties, which may cause outcomes to differ materially from those set forth in these statements.

Such risks and uncertainties include, but are not limited to, the possibility that we are not able to develop our corporate strategy, as we anticipate, to further develop our broadband service offering and implement our Federal Transit Network, the telecommunications environment may not develop as we expect, that we are not able to develop our fiber optic cable project as we expect, that our capital expenditures do not bring the expected returns, that our margins may weaken in the face of competition or adverse regulatory events, that we are unable to attract debt financing and that macroeconomic and political factors may restrict growth in our operating markets.

Additional information concerning factors that could cause results to differ materially from those in the forward looking statements is contained in the Company's filings with the U.S. Securities and Exchange Commission including the Company's quarterly report on Form 10-Q filed during 2006, current reports on Form 8-K filed during 2006, the Company's annual report on Form 10-K for the year ended December 31, 2005.

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■ 3rd quarter 2006 Earnings release

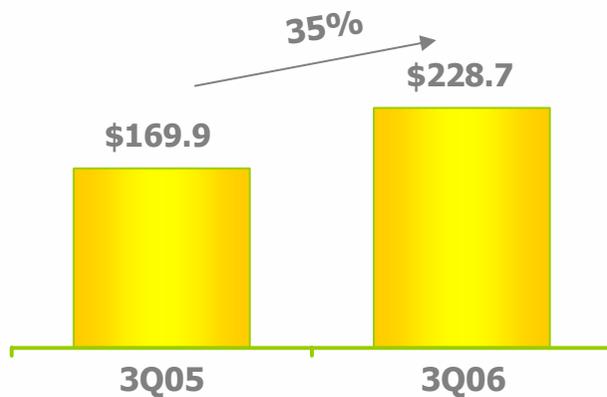
- **Financial Overview**

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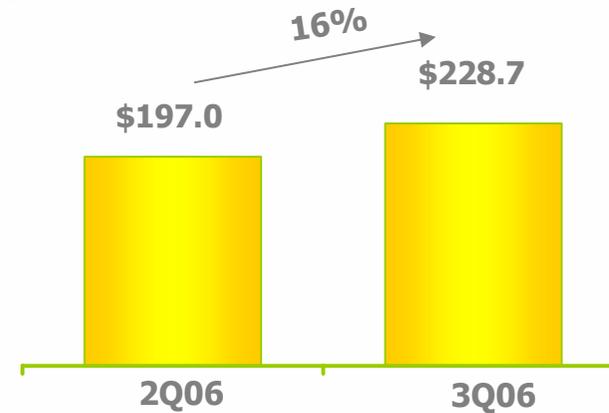
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■ Revenue up 35% y-o-y⁽¹⁾ with strong growth in BCS and COS

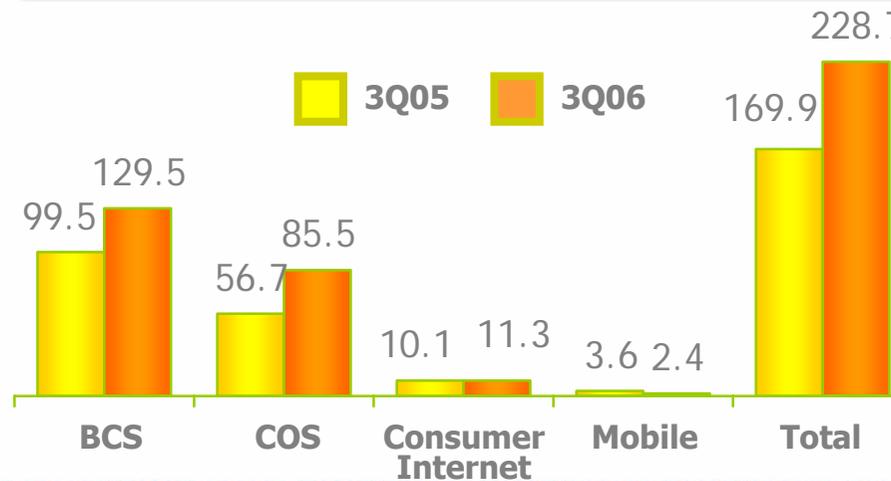
Revenues \$m, y-o-y



Revenues \$m, q-o-q



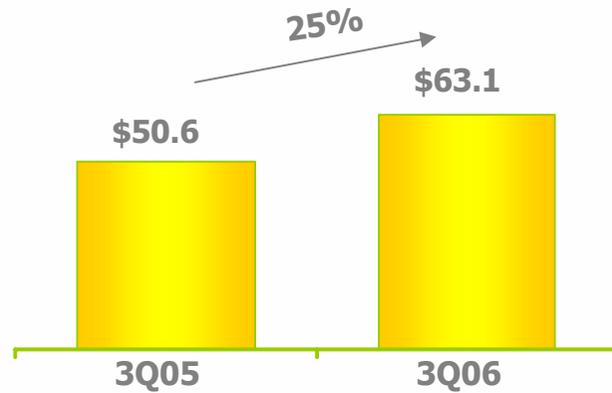
Revenue per line of business \$m, y-o-y



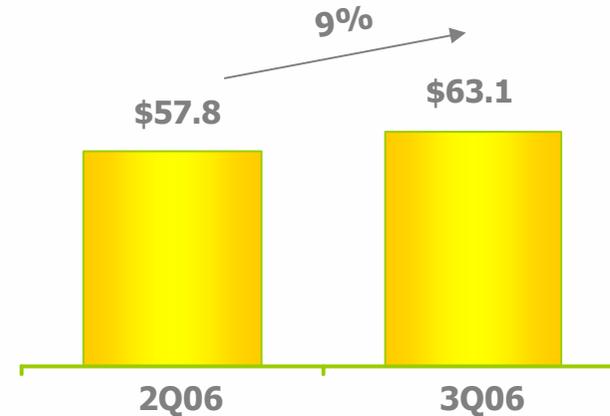
Note (1): y-o-y stands for Year-on-Year, q-o-q stands for Quarter-on-Quarter, BCS - Business and Corporate Services, COS - Carrier and Operator Services

■ EBITDA⁽¹⁾ up by 25% y-o-y, Operating income up by 22% y-o-y

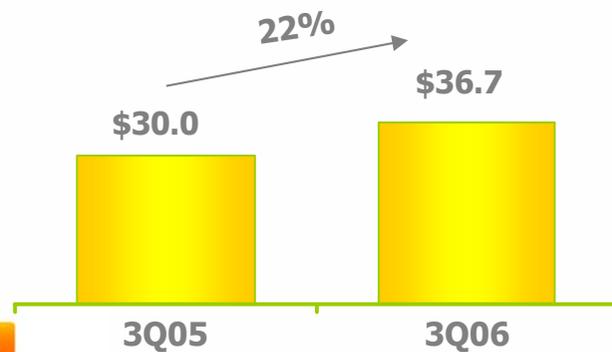
EBITDA \$m, y-o-y



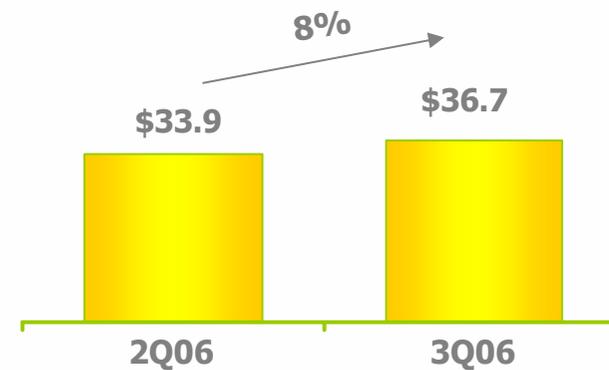
EBITDA \$m, q-o-q



Operating Income \$m, y-o-y



Operating Income \$m, q-o-q



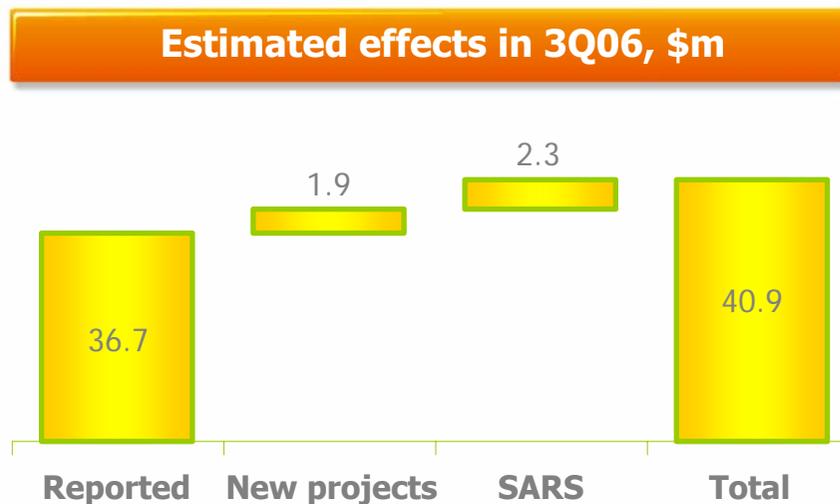
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Note (1): EBITDA – Earnings before interest, tax, depreciation, and amortization. See Appendix for reconciliation to US GAAP

Effect of new projects and SARs on operating income

- In 3Q06 operating costs related to our new projects still without revenues (FTN, WiFi, FMC) were \$1.9m
- \$2.3m accrued for the SARs program in 3Q06



- Our operating margin in 3Q05 was 17.7%. We estimate that the margin in 3Q06 without the effect of new projects and SARs would have been 17.9%

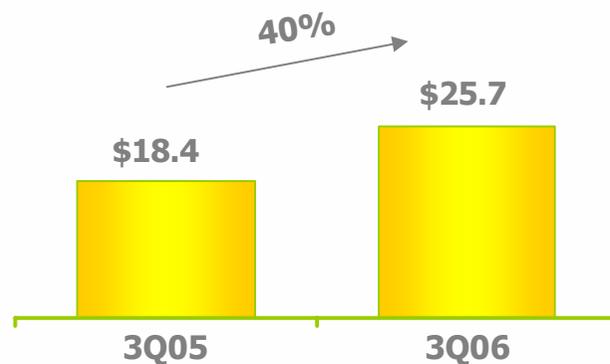
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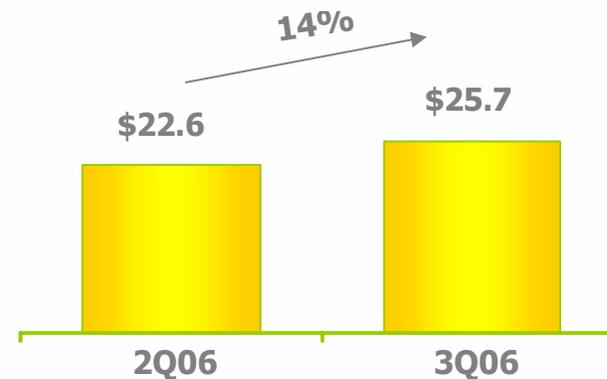
Note: FTN – Federal Transit Network, FMC – Fixed-to-Mobile-Convergence, SARs – Stock Appreciation Rights

Net income up by 40% y-o-y excluding the impact of a change in functional currency

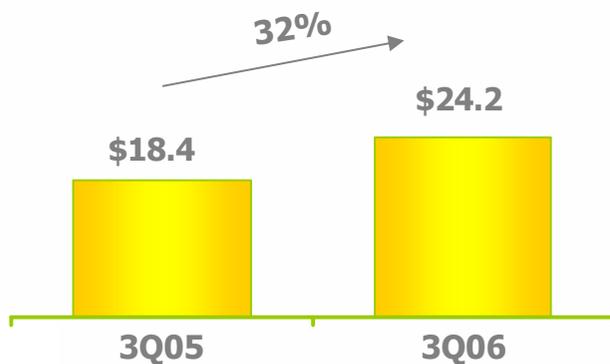
Net Income before changes in the functional currency \$m, y-o-y (1)



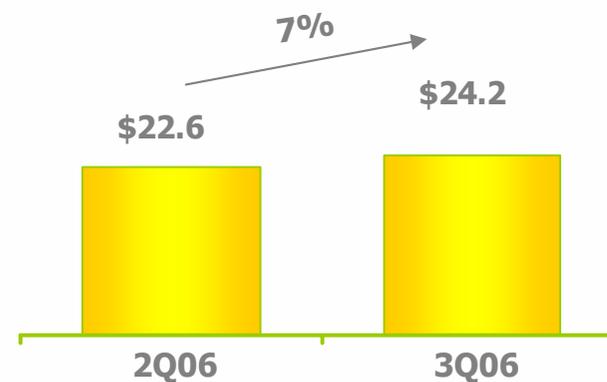
Net Income before changes in the functional currency \$m, q-o-q (1)



Net Income \$m, y-o-y



Net Income \$m, q-o-q



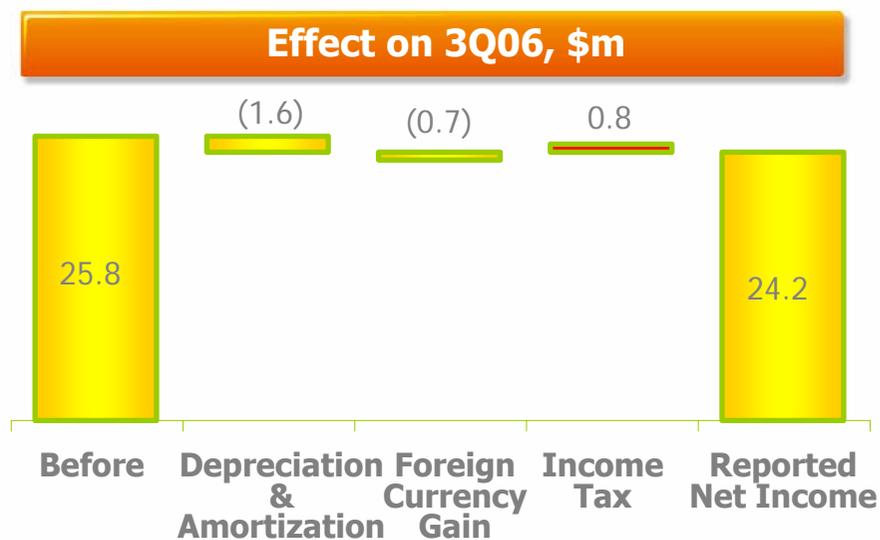
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Note: y-o-y stands for Year-on-Year, q-o-q stands for Quarter-on-Quarter
Note (1): See reconciliation on page 7.

Impact of change in "Functional Currency" in our Russian subsidiaries

- Following our decision to introduce a semi-fixed settlement rate⁽¹⁾ for a majority of customers, which resulted in an increase in revenue of \$5.2m in Q306, we changed our functional currency for our Russian subsidiaries in accordance with US GAAP.
- This change resulted in an increase in property and equipment, intangible assets and goodwill of \$60.6m and consequently depreciation and amortization expense.
- Equity increased by \$55.6m (foreign currency translation adjustment included in "accumulated other comprehensive income"), minority interest by \$1.4m and deferred tax liability by \$6.0m.
- The total impact of the change of functional currency on our results for 3Q06:



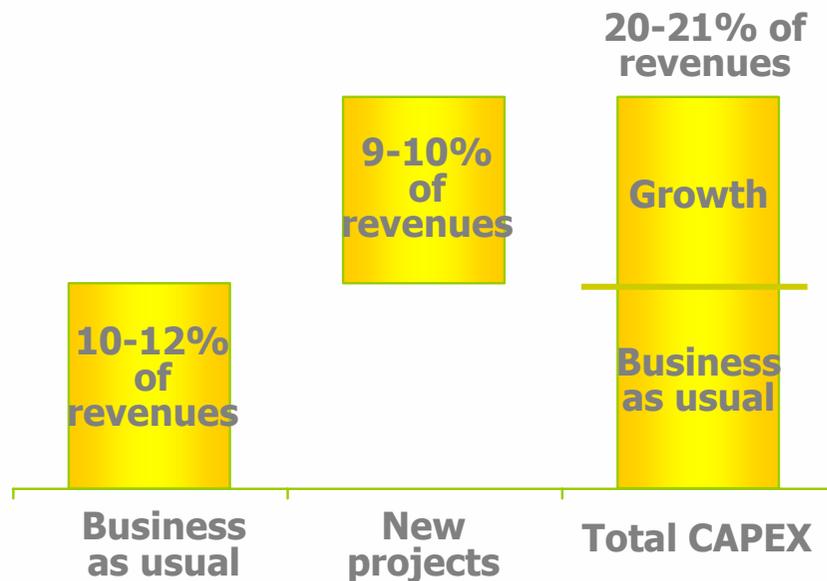
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Note (1): 28.7 RUR to the USD if Central Bank rate below 28.7 and Central Bank rate if above 28.7 RUR.

In line with our strategy we continue to invest in projects with high returns and payback of 3 years

Golden Telecom's Capex⁽¹⁾



- Approximately half of the CAPEX is necessary to sustain growth in line with the market growth rates and maintain, upgrade and develop existing infrastructure
- To gain additional market share we invest in new projects with a target payback period of 3 years and IRR of 25%:
 - FTN – development of Federal Transit Network in Russia (incl. zonal networks in selected regions)
 - FOCL – construction of Fiber Optic Cable Lines in Russia/CIS
 - Broadband – deployment of broadband access (incl. WiFi/WiMax/FTTB/xDSL⁽¹⁾)
 - VoIP – ‘Callmore’ products offering Voice over IP services for internet retail customer
 - FMC – development of Fixed-to-Mobile Convergent offering in Ukraine

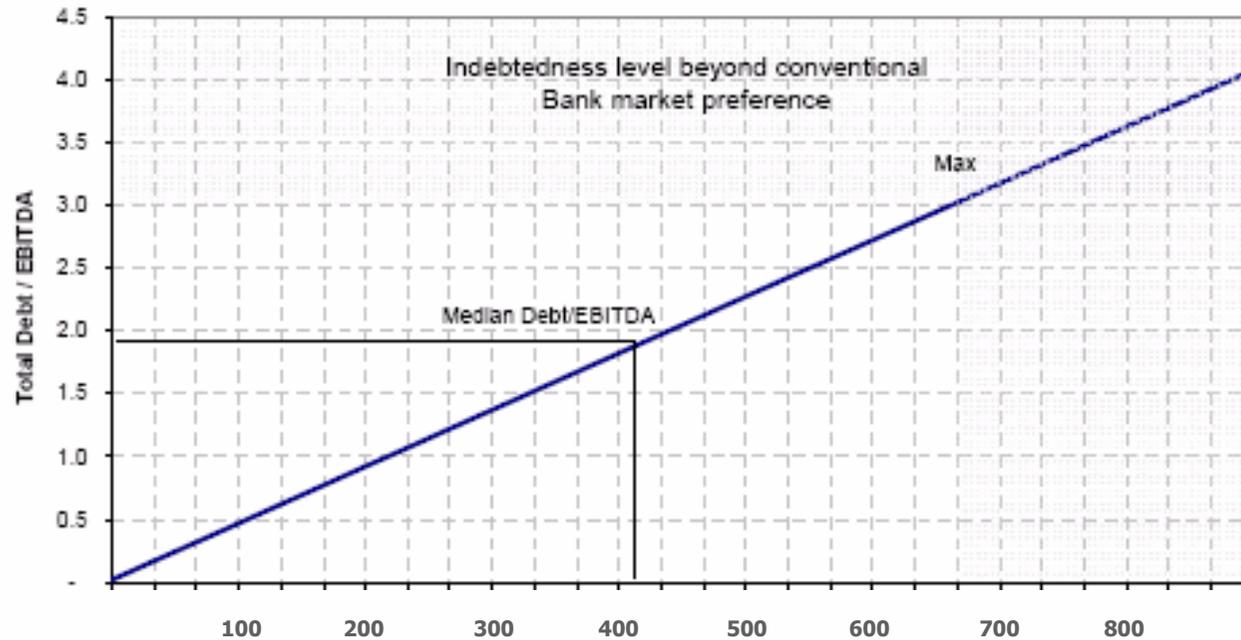
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Note (1): CAPEX - Capital Expenditures, FTTB - Fiber To The Building, xDSL – Digital Subscriber Line

Although Golden Telecom has the debt capacity for \$400-450m we plan to raise \$200m to finance growth

Local bank market norms



- Negotiating \$200m loan
- Strong interest from banks
- Syndicated loan (cost efficient, matches our cash flow requirements)
- S&P rating upgraded to BB. Moody's reviewing its B2 rating

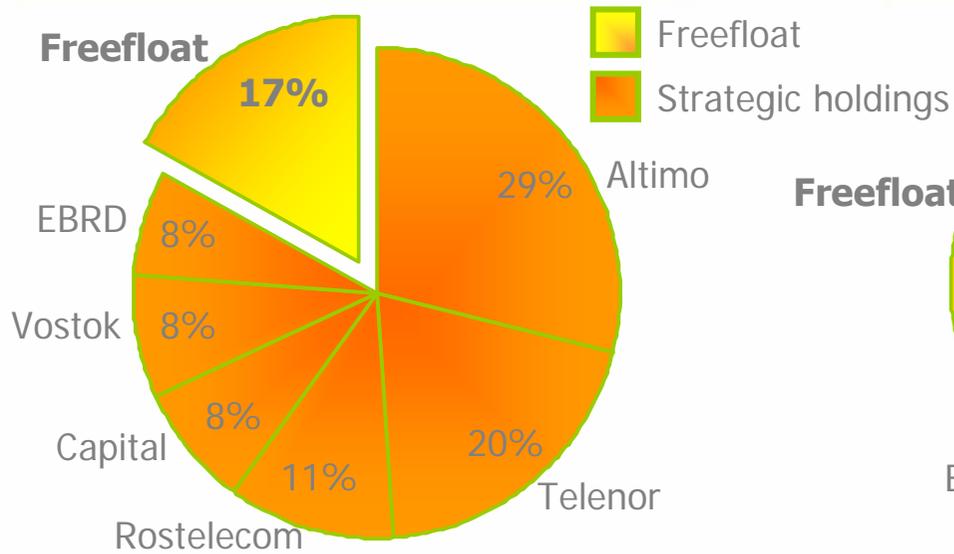
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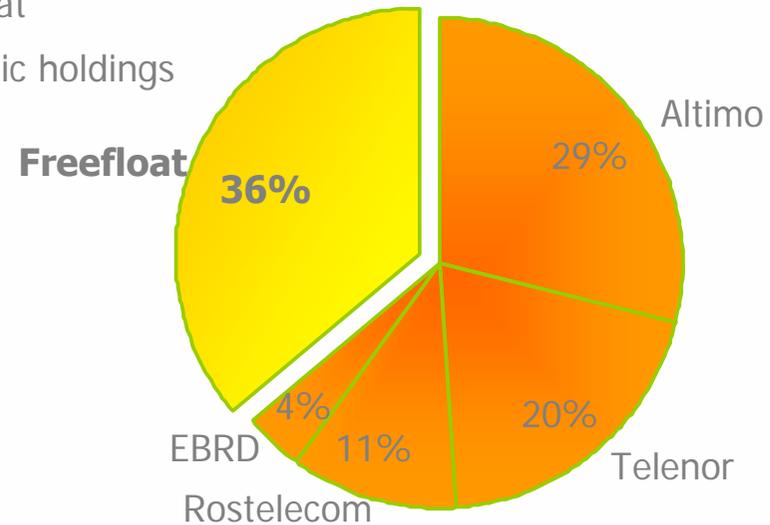
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Increased freefloat had a positive impact on liquidity

Shareholder Structure, Nov 2005

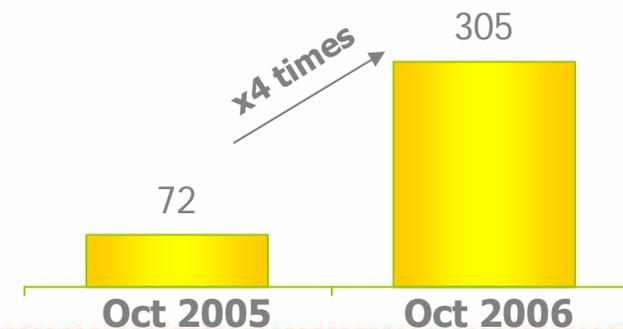


Shareholder Structure, Nov 2006



- Capital and Vostok funds have significantly reduced their stakes through open market sales
- EBRD halved its stake through sales to several institutional investors

Average Daily Trading Volume



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Source: NASDAQ

■ 3rd quarter 2006 Earnings release

- **Strategy Update**

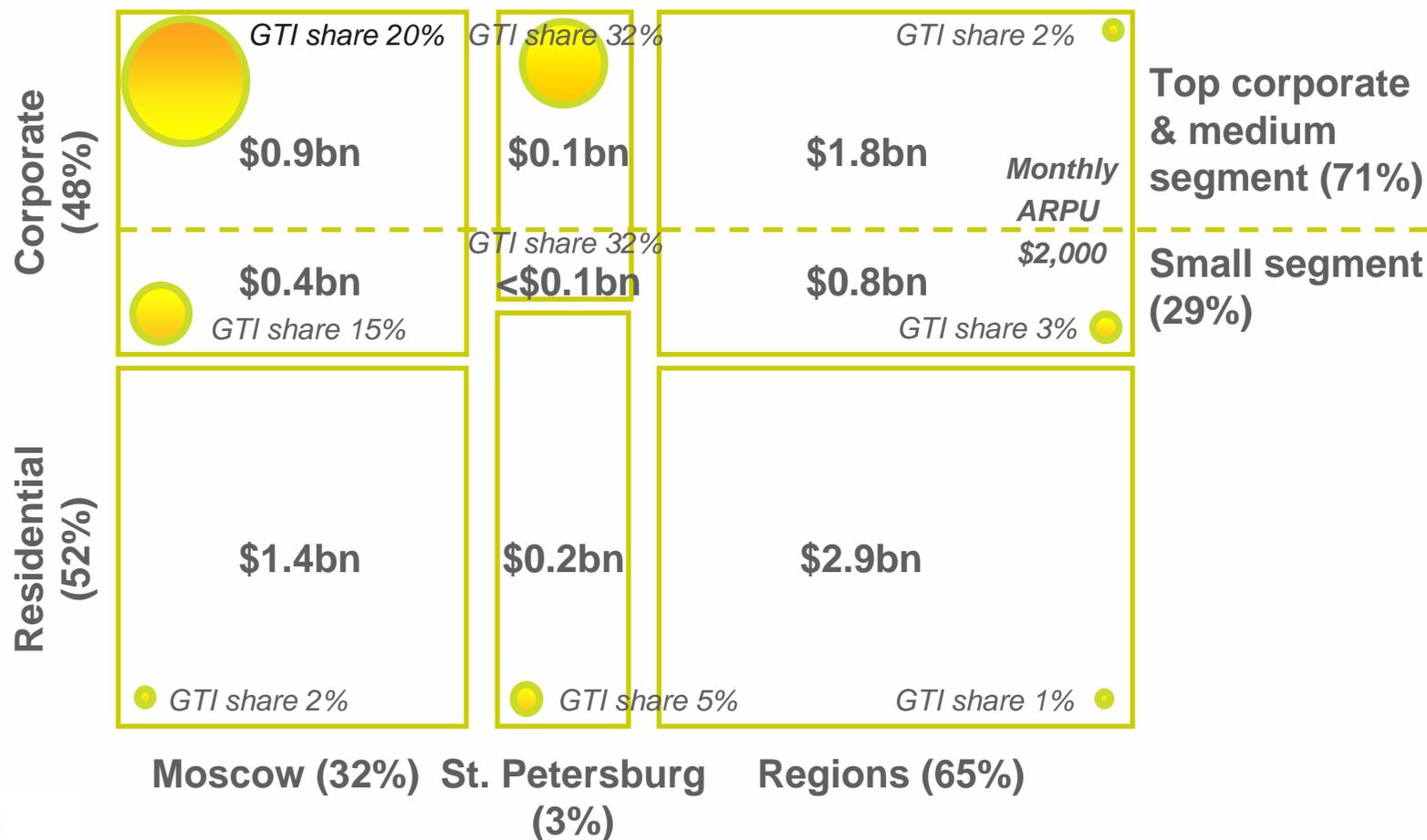
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Corporate segments in Moscow and St. Petersburg are our stronghold

Fixed Line Telecom Market in Russia in 2005, 100%=\$ 8.5bn⁽¹⁾



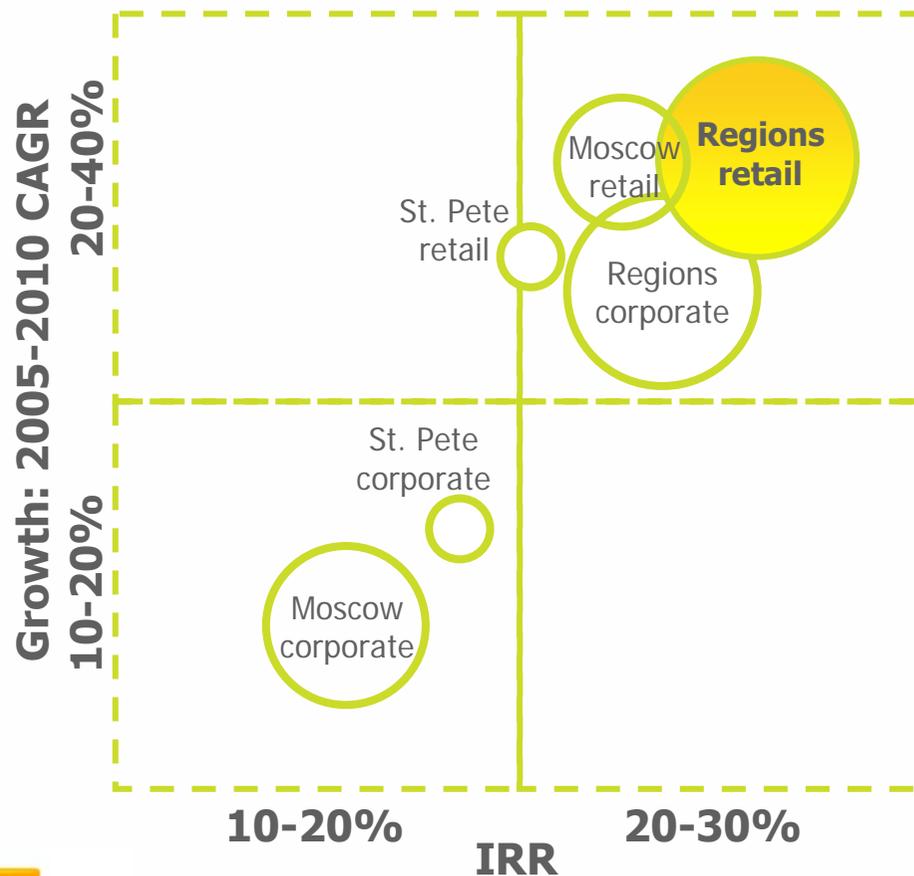
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Note (1): Excluding wholesale revenues
 Source: iKS Consulting, J'son & Partners, Management estimates

Strategy: retail and regions are growing fastest

Market segments



Main Assumptions

- Market segmentation (between retail and corporate will not change)
- Growth assumptions by segment:

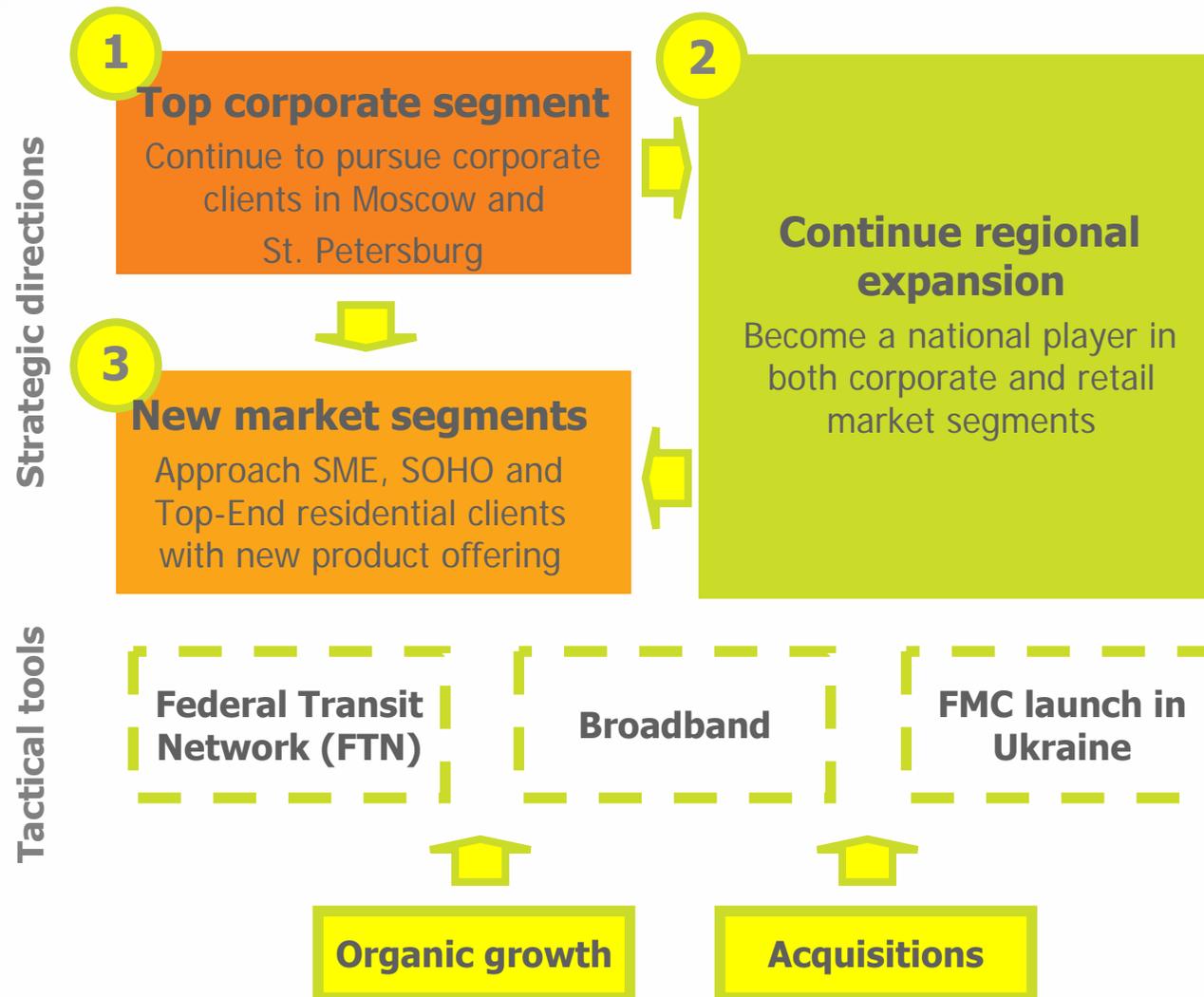
	Corporate	Retail
Moscow	15%	35%
Northwest region	20%	35%
Other Russia	25%	40%

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Note: CAGR – Compounded Annual Growth Rate
Source: Management estimates

Three-fold strategy: expansion into new market segments and regions based on success in the top corporate market



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1

Golden Telecom strengthened its leading position in Moscow by growing at 32% year-on-year

Our Corporate Clients

Moscow Aerostar Hotel	ABN-Armo Bank	ABB	Alfa-Bank	AVON	TNK BP	Cisco Systems
Canon	Deutsche Bank	Citibank	Fiat	Europay	IBM	Motorola
Chevron	BOSCH	Coca-Cola	Echo Moscow	Ernst & Young	PEPSI	Nestle
BASF	JP Morgan	Marriot	Mars	Sony	VISA	Microsoft
Auchan	Kaspersky Lab	Lukoil	Mary Kay	McDonald's	Beeline	Tetra Pak
Ikea	Phillip Morris	Pfizer	Reebok	Sberbank	MTC	Xerox
Alcatel	Radisson	P&G	Siemens	Renault	Nortel Networks	Texaco

- Our clients include leading multinational companies, banks and hotels
- Diverse product portfolio:
 - IPVPN
 - MEN
 - Data Networking
 - Call centers
 - Collocation
- Highly skilled and experienced sales force
- Long standing relationships with major business and trade center operators
- One Stop Shop solution in Russia, Ukraine, Kazakhstan and Uzbekistan

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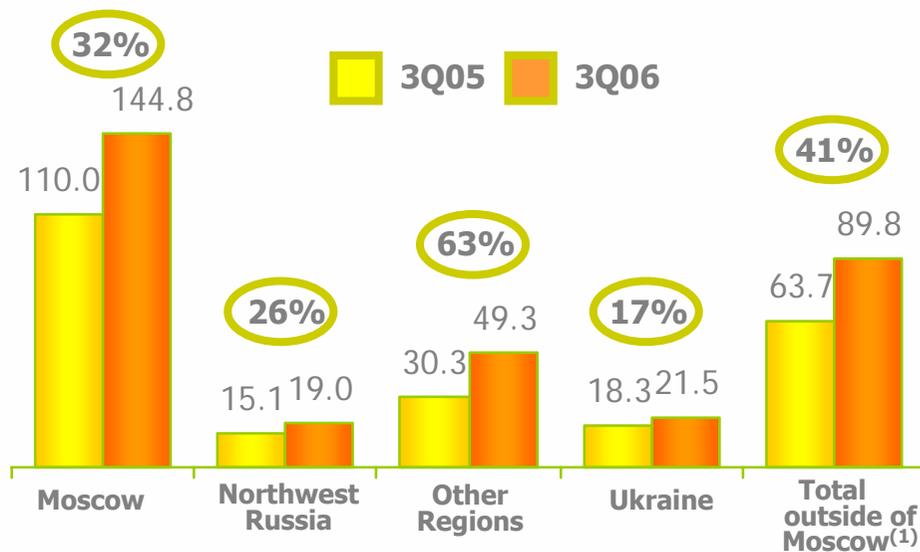
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Note: BCS - Business Customers Solutions, IPVPN – Internet Protocol Virtual Private Network, MEN – Metropolitan Ethernet Network

2

In other regions of Russia the revenues grew by 63% which is twice the market growth rate

Regional revenue growth, y-o-y



- Historically, Golden Telecom enjoys wide geographical presence
- Organic growth is the main driver of business development in the regions with focus on most profitable market segments
- Golden Telecom connects clients to its network and as a result obtains access to the end-users

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Note (1): before eliminations

2

Top-20 cities constitute half of the fixed-line market in Russia with Golden Telecom already present in 17 of them

City	Population, m	GRP capita 2004, \$ 'k	Fixed Line market value 2005, \$m	GTI Market Share 2005, %
Moscow	10.0	7.6	3,258	12%
St. Petersburg ⁽¹⁾	4.6	3.0	675	11%
Novosibirsk	1.4	2.0	123	5-8%
N. Novgorod	1.3	2.0	177	14%
Ekaterinburg	1.3	2.3	129	11%
Samara	1.2	2.7	97	15%
Omsk	1.1	1.9	56	-
Kazan	1.1	2.7	79	2%
Chelyabinsk	1.1	2.1	82	-
Rostov-on-Don	1.1	1.4	67	1%
Ufa	1.0	2.2	79	5-8%
Volgograd	1.0	1.7	69	3-5%
Perm	1.0	2.8	75	-
Krasnoyarsk	0.9	3.2	62	26%
Saratov	0.8	2.0	78	2%
Voronezh	0.8	1.5	61	15%
Krasnodar	0.6	1.6	82	15%
Vladivostok	0.6	2.0	73	8%
Khabarovsk	0.6	2.8	60	8-10%
Kaliningrad	0.5	1.8	36	15%
Top 20 Cities	32.1		5,418	10-12%
Total Russia	143.0	4.1	10,400	9%

- Technical presence in 165 cities across Russia
- More than 80 commercial points presence
- Fragmented competition with limited geographic coverage
- Support expansion of our Moscow customers
- Quality of our market share – highest growth potential




Note (1):
Source:

Includes Leningradskaya oblast'
iKS Consulting, IMF, management estimates

2

Golden Telecom has proven record of successful deal execution and integration of acquired companies

Golden Telecom's acquisition strategy

- Structured approach to acquisitions:
 - Strategic fit
 - Valuable resources (last mile access, frequencies, etc.)
 - Synergies (local presence of a target coupled with Golden Telecom's presence in Russia/CIS)
- Tailored due diligence process
- Proven track record of successful integration
- Currently our target universe is comprised of 50 cities with 4-8 sizeable alternative operators in each
- Organic expansion as an alternative market entry scenario

Sakhalin Telecom

Sep 2005

Acquired 60%

\$5.0m

Binar

Apr 2006

Asset purchase

\$0.3m

Sochi Telecom

Oct 2005

Acquired 100%

\$3.0m

Kubtelecom

Jun 2006

Acquired 74%

\$10.1m

Rascom

Nov 2005

Acquired 54%

\$11.1m

Telcom

Aug 2006

Acquired 100%

\$1.7m

Tatintelcom

Mar 2006

Acquired 70%

\$4.0m

S-Line

Oct 2006

Acquired 75%

\$7.5m

TTK

Apr 2006

Acquired 100%

\$3.8m

Corus ISP

Oct 2006

Acquired 100%

\$1.2m

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With access to 1.3m businesses and 143m people via its FTN Golden Telecom plans to capture 20% of the DLD/ILD market



Federal Transit Network

- 4 ILD switches
- 7 DLD switches
- 88 interconnection points



- Presently, the DLD/ILD market in Russia is estimated at \$2.5-3.0bn
- Golden Telecom has been providing DLD/ILD services to its clients connected to our network. In 2005, the revenues comprised \$232m (8% market share)
- On October 31, 2006, in a formal letter Rossvyaznadzor required confirmation of ICN agreements with 3 additional zonal operators which previously were not on the list

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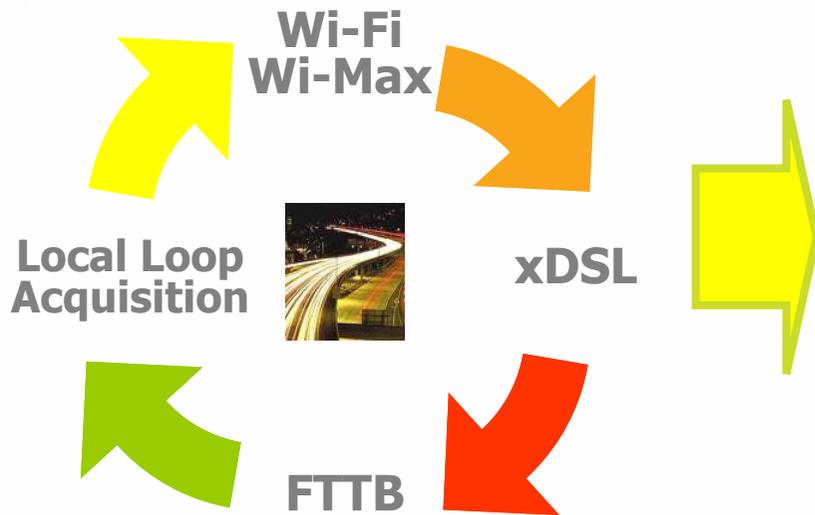
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Note (1): ICN stands for interconnection, DLD – Domestic Long Distance, ILD – International Long Distance
Source: IKS Consulting

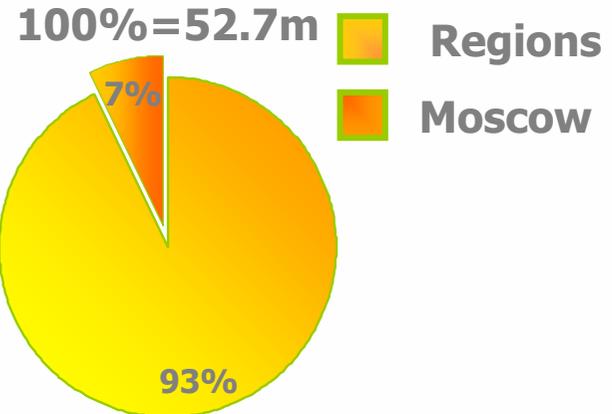
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Golden Telecom offers variety of technological solutions to address the growing demand for broadband access in Russia

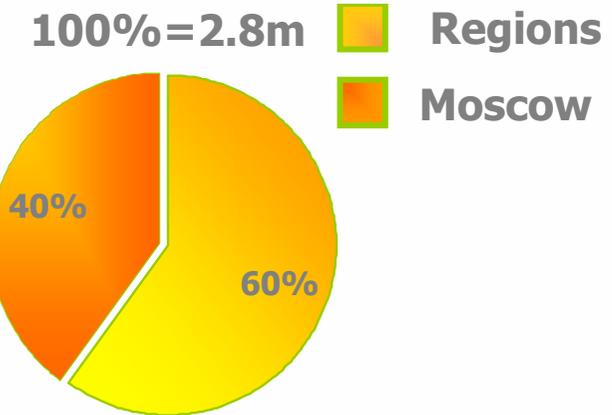
Broadband solutions



Households in Russia



Broadband subscribers



3

Each broadband access technology has its distinctive features

	xDSL	Wireless	Fiber
Speed	<512k	<54Mbit (shared bandwidth)	100Mbit+
TV	1 channel only	No	Yes
HDTV	No	No	Yes
Mobility	No	Yes	No
Install	Medium	Plug & Play	Medium
SAC	\$100-150	\$100-150	\$250-300
Players	Incumbents	None	Corbina, Centel, Home Networks
			

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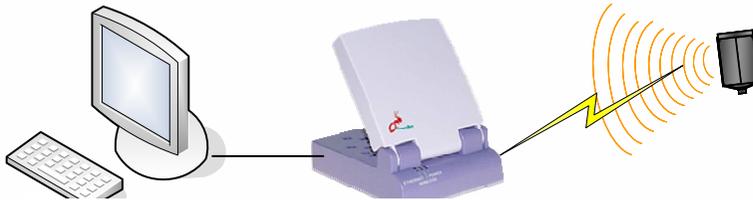
Source: Management estimates

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Golden Telecom plans to capture 20% of the broadband market in Moscow with its Golden WiFi

Golden WiFi network in Moscow

- More than 5,300 WiFi nodes deployed. The largest WiFi network in Europe
- The installed nodes cover 600,000 apartments. Target area – one-third of 3.9 m households
- Presently in testing mode. Commercial launch planned for 1Q07

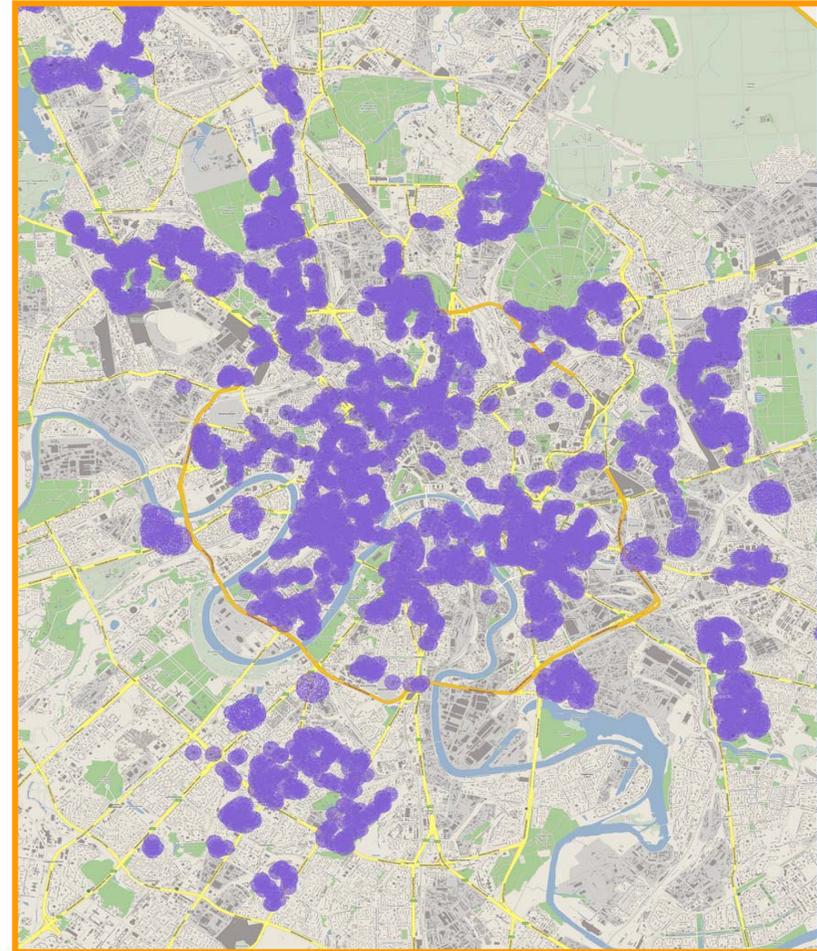


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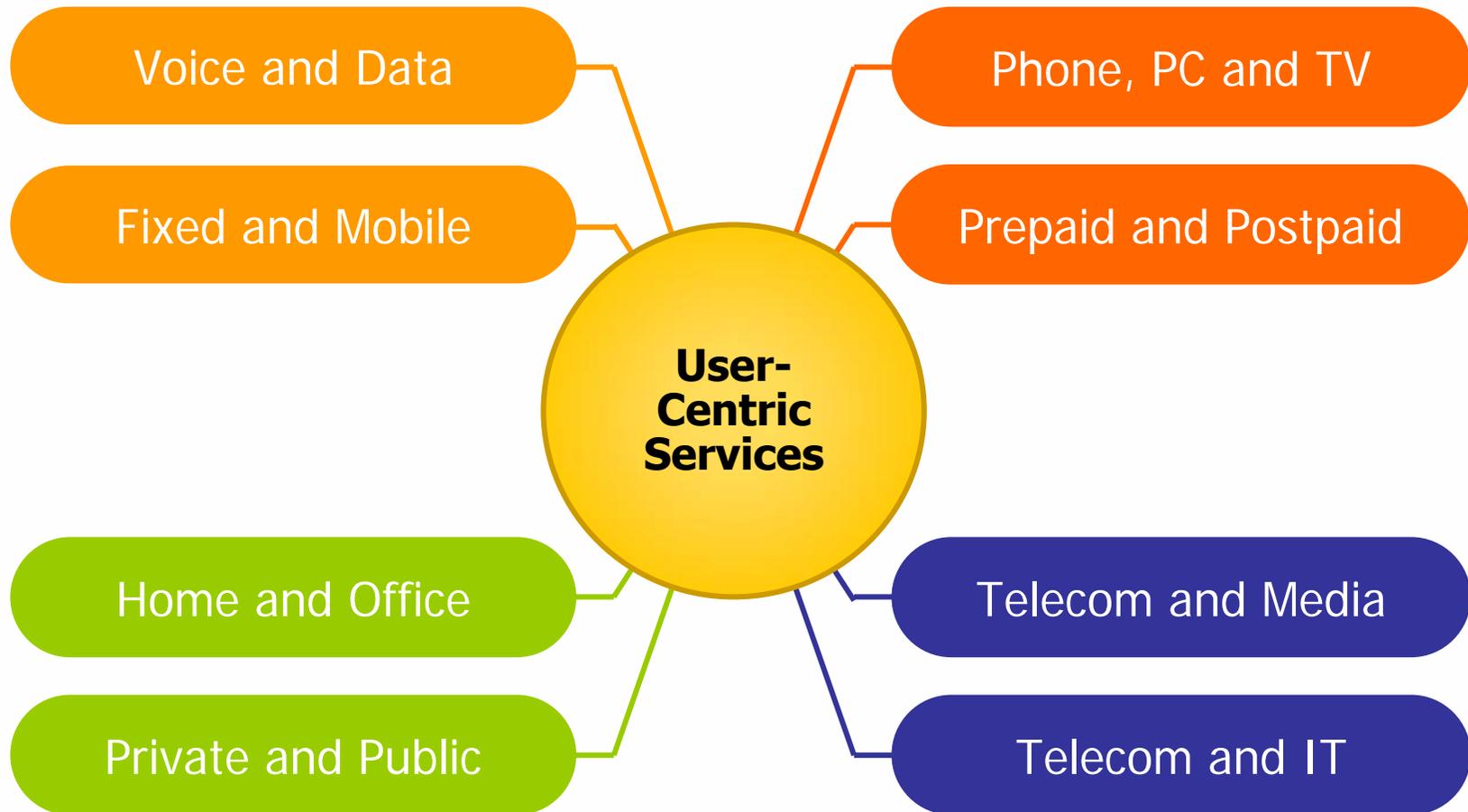
- SmartAnt helps to boost signal strength

Coverage area in the city



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Convergence is changing the industry shifting focus from service providers onto service users



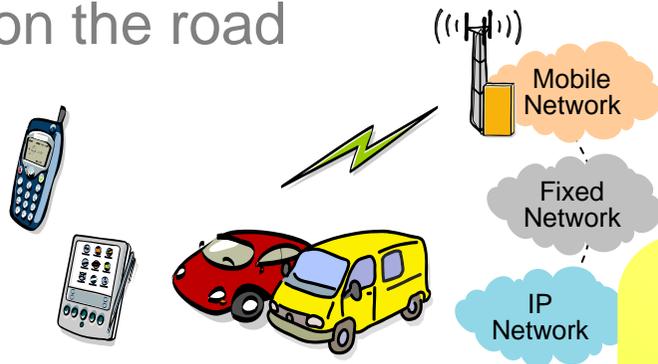
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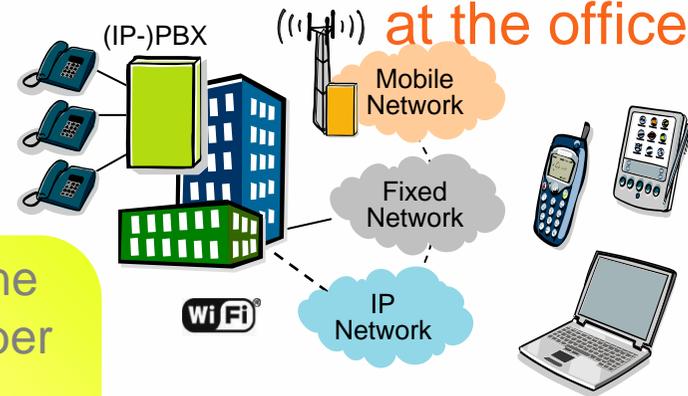
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Golden Telecom plans to capture 5% of the Ukrainian mobile market with its FMC offering

on the road

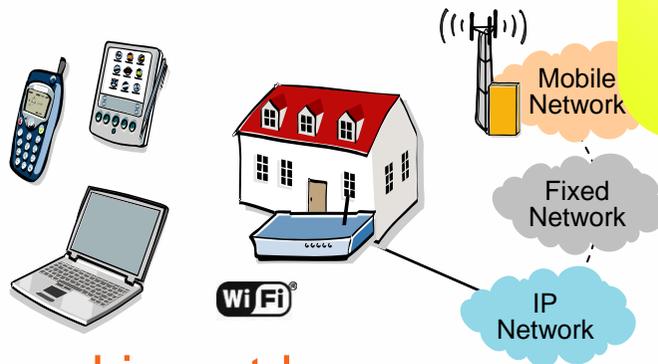


at the office

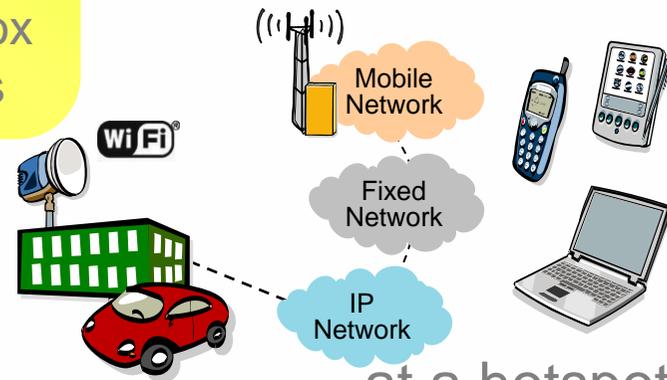


ONE phone
ONE number
ONE bill
ONE VPN
ONE mailbox
Less costs

working at home



at a hotspot



Note: VPN - Virtual Private Network

Golden Telecom is ready for entry into new market segments

Product	Traditional: New:	Dial-Up Wireless	DLD/ILD VoIP	
Brand				
Distribution channel	Direct:	Sales force		
	Indirect:	Distributors (ROL) + Internet		
Payment	“Wallet” - Concept <ul style="list-style-type: none">• One contact point for all Golden Telecom services• Use of all available options to deposit money• Secure proprietary algorithm			



Note: ROL – is the brand which Golden Telecom uses for its dial up services

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- **Appendix**

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Reconciliation of consolidated EBITDA to consolidated net income (unaudited)

	Three Months Ended		
	<u>9/30/05</u>	<u>6/30/06</u>	<u>9/30/06</u>
EBITDA ¹	50.6	57.8	63.1
Depreciation and amortization	20.6	23.9	26.4
Operating Income	<u>30.0</u>	<u>33.9</u>	<u>36.7</u>
Other income (expense):			
Equity in earnings of ventures	0.7	0.3	0.3
Foreign currency gain (loss)	(0.2)	0.7	0.1
Interest income, net	0.7	0.1	0.1
Total other income	<u>1.2</u>	<u>1.1</u>	<u>0.5</u>
Income before income taxes and minority interest	31.2	35.0	37.2
Income taxes	<u>12.0</u>	<u>11.4</u>	<u>11.1</u>
Minority interest	<u>0.8</u>	<u>1.0</u>	<u>1.9</u>
Income before cumulative effect of a change in accounting principle	<u>18.4</u>	<u>22.6</u>	<u>24.2</u>
Cumulative effect of a change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>
Net Income	<u>\$ 18.4</u>	<u>\$ 22.6</u>	<u>\$ 24.2</u>

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