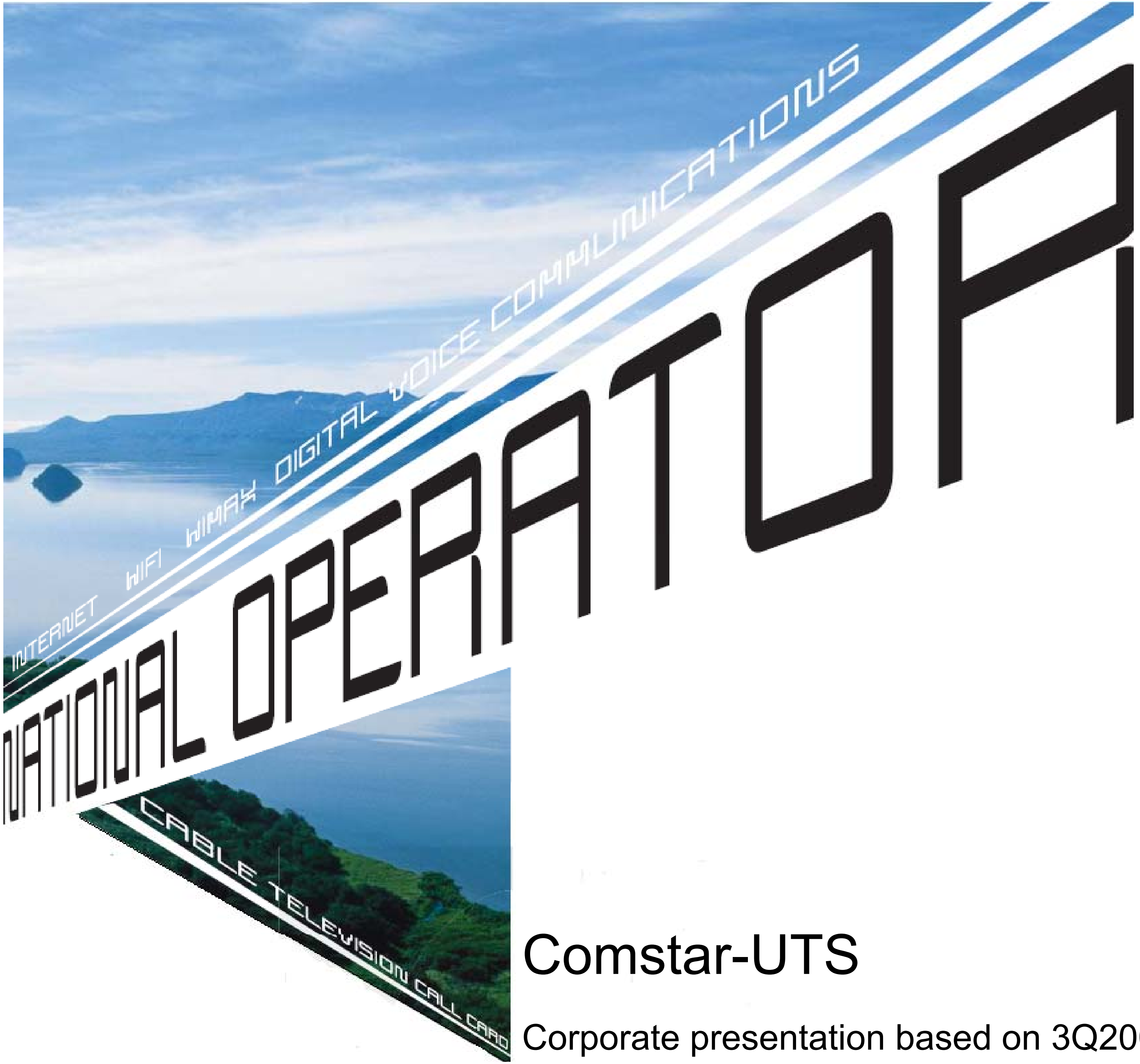


Comstar-UTS

Corporate presentation based on 3Q2009 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.

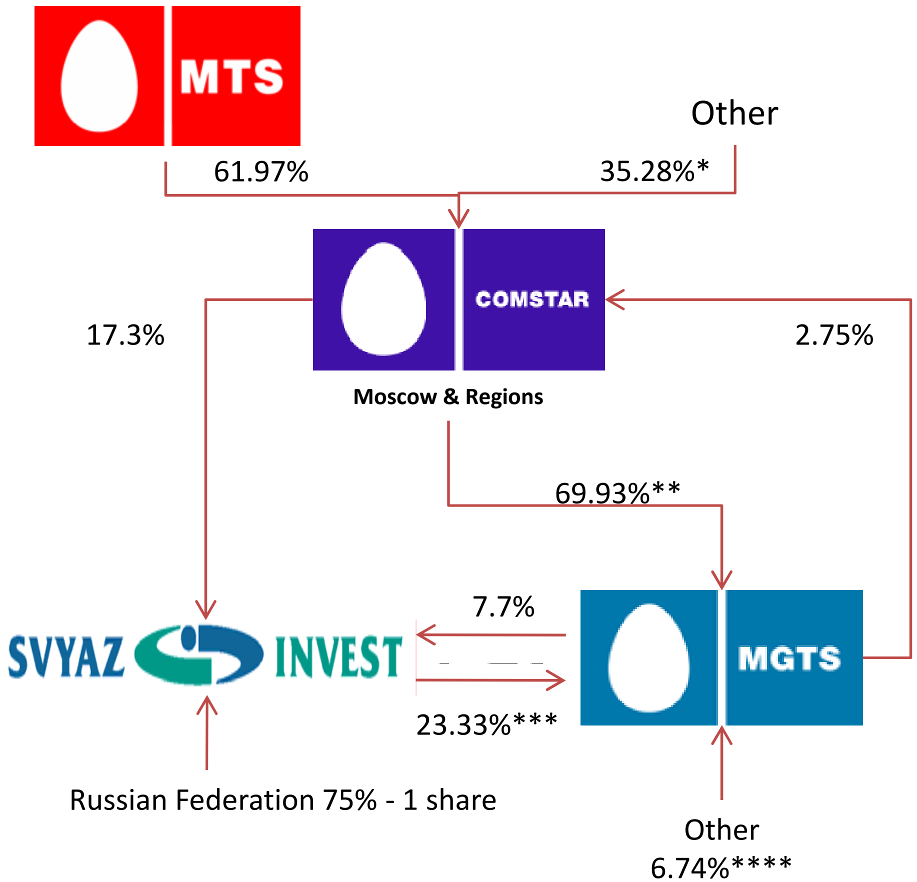
The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.

Comstar at a Glance

- Operations in 70 Russian cities with combined population of over 48 mln people
- 56% of revenues$_{9m09}$ and 73% of OIBDA$_{9m09}$ provided by incumbent business in Moscow (MGTS)
- Revenue$_{9m09}$ – US$ 1,073.1 mln, adjusted OIBDA* margin$_{9m09}$ – 41.0 %
- Over 7.5 million households passed, of which 6.2 million are active subscribers
- The leading national broadband provider: ~ 1.2 mln residential broadband subs + over 2 mln residential pay-TV subs
- The leading fixed-line telecommunications provider for corporates – over 1 mln active lines
- >90% of revenues & opex, >80% of capex and 99% of total debt are RUR-denominated
- Owner of 25% + 1 share in state-owned Svyazinvest national fixed line incumbent
- 3% treasury shares

** OIBDA is adjusted for stock-based compensation costs and non-recurring inventory obsolescence charges and other provisions*

Ownership Structure



COMSTAR-UTS: total number of shares 417,940,860 (100% ordinary shares)

MGTS: total number of shares 95,795,050 (79,829,200 ordinary shares +15,965,850 preferred shares)

**incl. free float and 0.5% treasury shares*

***69.96% of ordinary shares + 69.75% of preferred shares*

**** 28.00% of ordinary shares*

***** 2.04% of ordinary shares + 30.25% of preferred shares*

- On October 12, 2009 MTS acquired 51% stake in Comstar from Sistema
- On December 23, 2009 Comstar increases shareholding in MGTS to 69.93% and reduces cross ownership with MGTS to 2.75%, MTS increases its shareholding in Comstar to 61.97%

Comstar becomes part of MTS Group and simplifies its own structure

Operational Structure

Traditional segment in Moscow	Alternative segment in Moscow	Alternative segment in regions and CIS	
MGTS	COMSTAR	COMSTAR	SVYAZ INVEST Join Stock Company Svyazinvest
56% of Group revenues 73% of Group OIBDA	27% of Group revenues 15% of Group OIBDA	17% of Group revenues 12% of Group OIBDA	STATE HOLDING Comstar owns 25%+1 share
>4.8 mln installed lines: •3.6 mln residential, (incl.209 000 mass-market BB users) •763 000 corporate (70 000 accounts) >90% of lines are ADSL compatible >63% of lines are digital >11 000 km combined backbone	>658 000 installed lines •620 000 residential accounts (incl. 603 000 premium BB users) •27 000 corporate accounts	>3.9 mln households passed (59% BB ready) •2.5 mln residential subs: ·2.0 mln pay-TV users ·343 000 BB users •42 000 corporate accounts	•7ILECs + Rostelecom + + Central Telegraph •Owner of the “last mile” in the regions •>35 million installed lines covering 90% of Russia

3Q2009 results proved the resilience of the business

(RUR Million)

	Q3 2009	Q3 2008	*Growth*	Q2 2009	*Growth*	**9m 2009**	9m 2008	*Growth*
Revenues	**11,747**	10,219	*15%*	11,702	-	**34,792**	30,191	*15%*
OIBDA	**4,778**	4,712	*1%*	4,803	*(1%)*	**13,872**	12,610	*10%*
Margin (%)	***40.7%***	*46.1%*		*41.0%*		***39.9%***	*41.8%*	
Adjusted OIBDA*	**5,052**	4,467	*13%*	4,871	*4%*	**14,254**	12,510	*14%*
Margin (%)	***43.0%***	*43.7%*		*41.6%*		***41.0%***	*41.4%*	
Operating Income	**3,389**	3,436	*(1%)*	3,378	-	**9,565**	8,914	*7%*
Margin (%)	***28.8%***	*33.6%*		*28.9%*		***27.5%***	*29.5%*	
Net income attributable to Comstar-UTS	**851**	874	*(3%)*	958	*(11%)*	**2,303**	2,889	*(20%)*
Margin (%)	***7.2%***	*8.6%*		*8.2%*		***6.6%***	*9.6%*	
Cash Capex	**565**	2,526	*(78%)*	500	*13%*	**3,089**	5,791	*(47%)*
% of Revenues	***4.8%***	*24.7%*		*4.3%*		***8.9%***	*19.2%*	

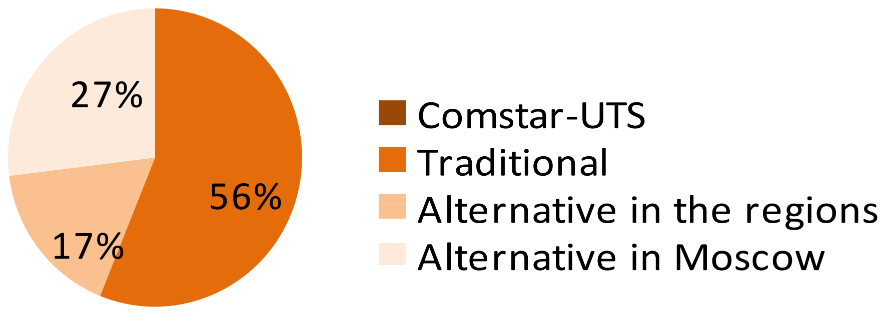
3Q2009 Highlights

- 15% year on year revenue growth in RUR
  - Consolidation of regional operators
  - Growing DLD/ILD and fixed-to-mobile traffic
  - Increase in RUR prices
- 13% year on year adjusted OIBDA* growth
- 3% year on year net income attributable to Comstar-UTS decline in RUR

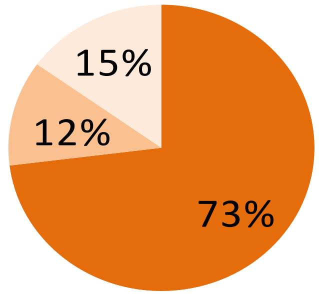
** OIBDA is adjusted for stock-based compensation costs and non-recurring inventory obsolescence charges and other provisions*

Combination of high profitability and revenue growth

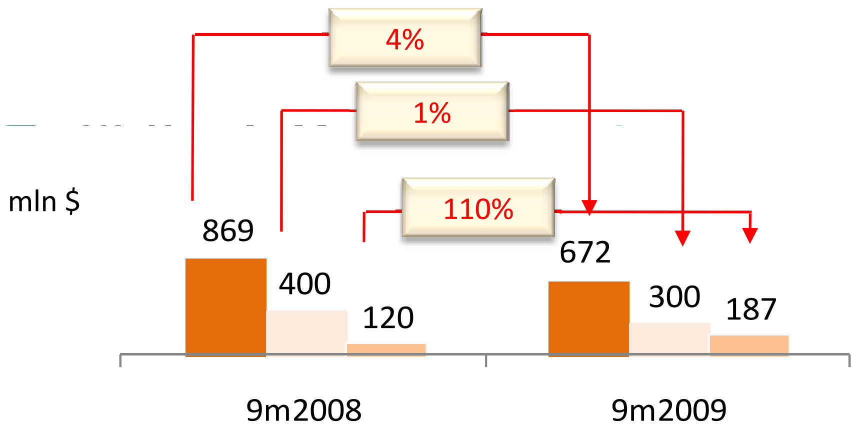
Breakdown of revenues, 9m2009



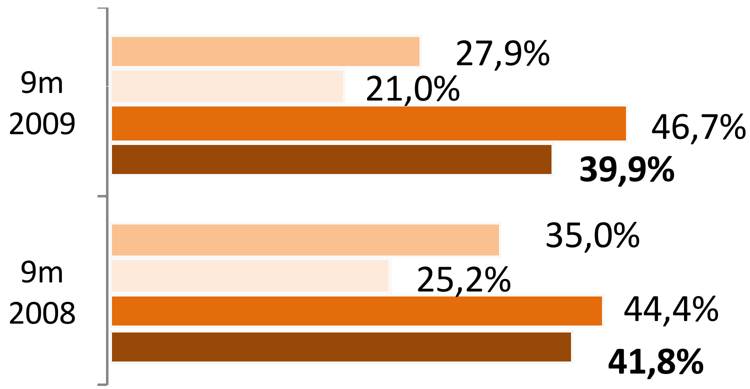
Breakdown of OIBDA, 9m2009



Revenue growth *



RUR OIBDA margin dynamics, %



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

*Revenue in US$ millions, growth in rubles

Liquidity

9 months ended September 30, 2009

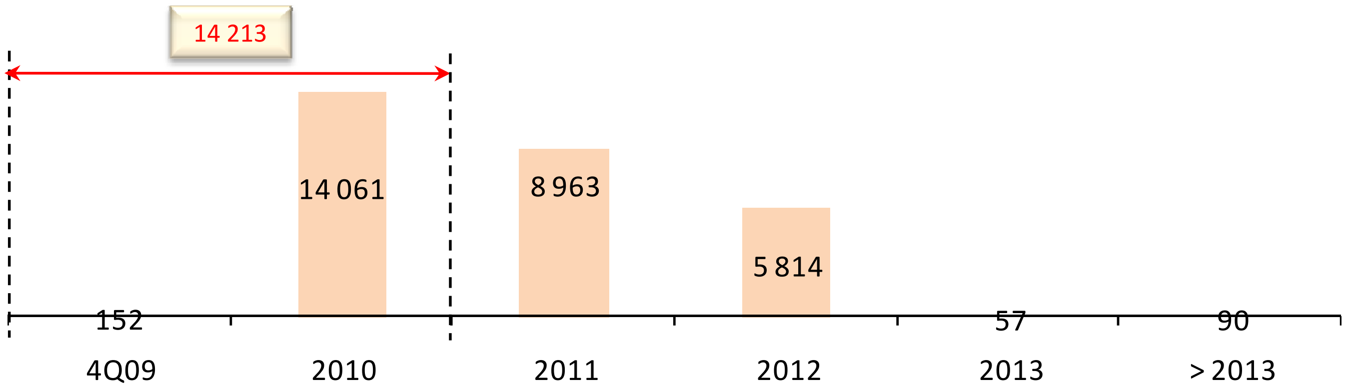
- Operating cash flow RUR 10.5 bln
- Cash, cash equivalents & short-term investments RUR 8.8 bln
- Cash CAPEX RUR 3.1 bln
- Free cash flow RUR 7.4 bln
- Total debt RUR 29.1 bln
- Total debt/OIBDA 1.5
- Net debt RUR 20.3 bln
- Net debt/OIBDA of 1.1

Debt structure as of September 30, 2009

Debt by currency	US$ million
Russian Ruble	957
Euro	1
US Dollar	10
Total debt *	**968**

	In the currency of debt, mln		US$, mln
Sberbank credit line facility	26,000	RUR	864
SMM	1,787	RUR	59
Vendor financing	433	RUR	14
Others		various	31
Total debt *			**968**

Debt repayments schedule *, mln RUR



** RUR/$ = 30.0922 as at September 30, 2009*

Strategy: “5 Angles of Attack” (approved by the BoD in 2007)

- ✓ Penetration into the mass market in Moscow
- ✓ Increasing ARPU in the premium segment
- ✓ 3K: Comstar → Client → Quality
- ✓ BB development in the regions

- ✓ Restructuring of regional operations
- ✓ 2 legal entities : Comstar & MGTS

BROADBAND + REGIONS + MGTS + STRUCTURE + SVYAZINVEST

- ✓ Integration of Stream-TV
- ✓ Enhancing existing operations via strategic M&As

- ✓ Cost optimization & increase in efficiency
- ✓ Regulated tariff increases

- ✓ Capitalizing on Svyazinvest stake

Priorities in crisis (approved by the BoD at the end of 2008)

	Actions	9m09 results
1 Ensure financial stability	• Maximizing cash flows • Optimization of capital investments • Service the debt • Reduction of debt level	• RUR 7.4 bln free cash flow • Cash CAPEX of 9% of revenues • Timely payment of interest • Restructuring of terms of Sberbank loan repayment
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 VAS	• BB subs growth with no promo • Plug-and-play MGTS product • 7% y-o-y residential BB RUR ARPU growth in Moscow
3 Strategic M&A & restructuring	• Acquisition of regional operators • Restructuring of ownership in Svyazinvest	• In progress

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

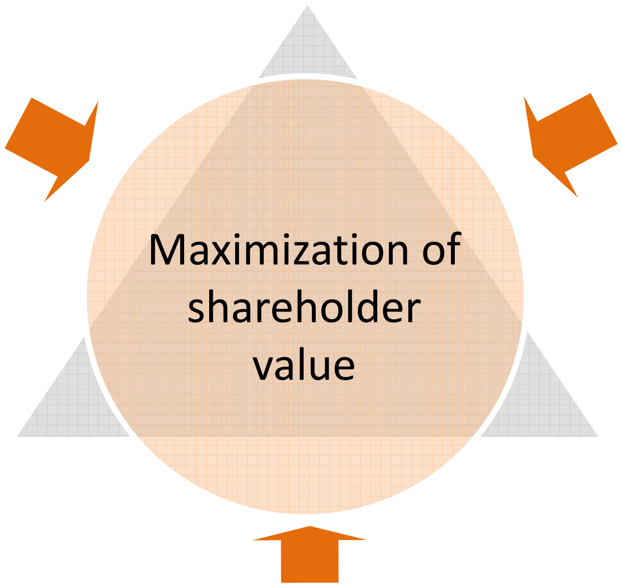
Priorities for 2010 (approved by the BoD at the end of 2009)

<u>Integration</u> with MTS in order to extract synergies

1) Re-branding in alternative segment
2) Cross-sales
3) Convergent offering for the mass-market
4) Optimization of expenses through intercompany outsourcing
5) Streamlining of business-processes

<u>Aggressive expansion</u> on the Russian market, revenue growth

1) Leadership through consolidation of cable-TV and BB assets
2) Green-field
3) Leadership in corporate segment (excl. SVI)
4) Aggressive development on the long-distance market
5) Development of innovative business-models to create growth potential



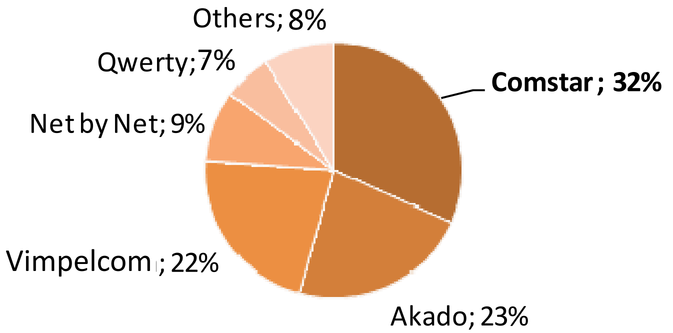
<u>Managing</u> traditional segment (MGTS+SVI) to ensure stable free cash flow generation

1) Increase in ownership in MGTS/completion of SVI ownership restructuring
2) Completion of digitalization/IT optimization
3) Strengthen leadership position on the mass-market broadband
4) Optimization and stabilization of revenues from infrastructure

Revised strategy is aimed at maximization of shareholder value

Residential BB market In Moscow

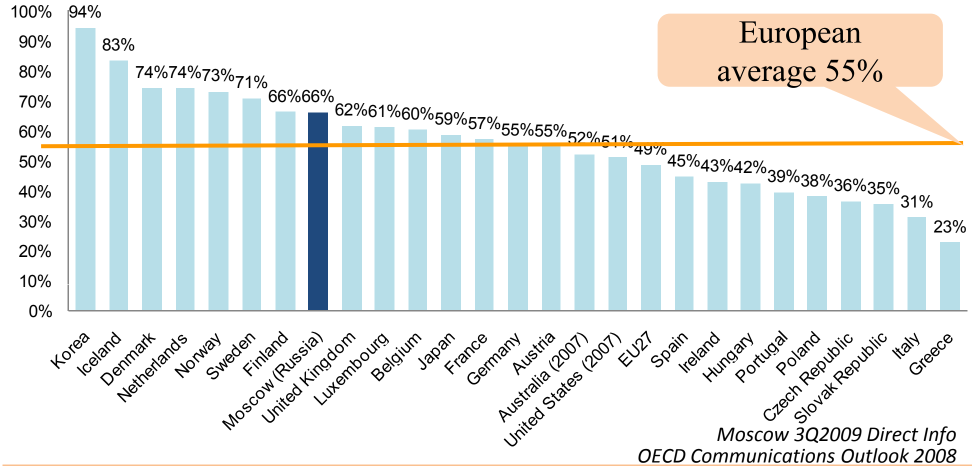
Moscow Residential Fixed-line BB Market, 3Q2009



Total market: 2.6 mn subs

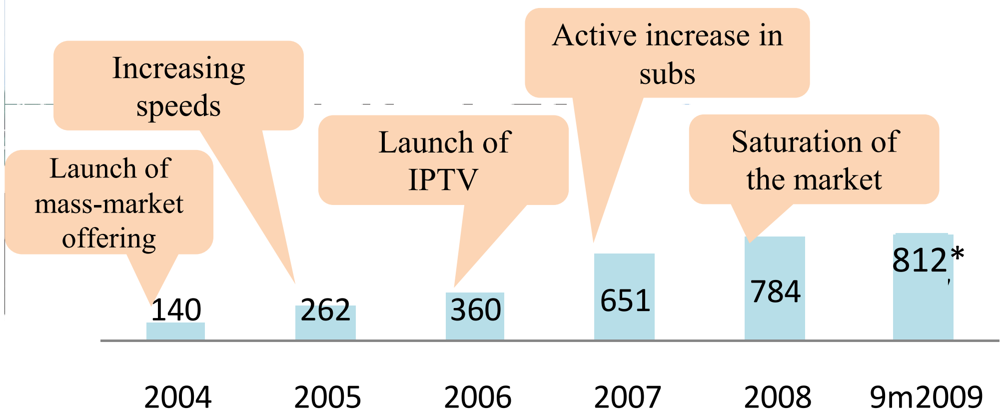
Direct Info

Broadband penetration, %

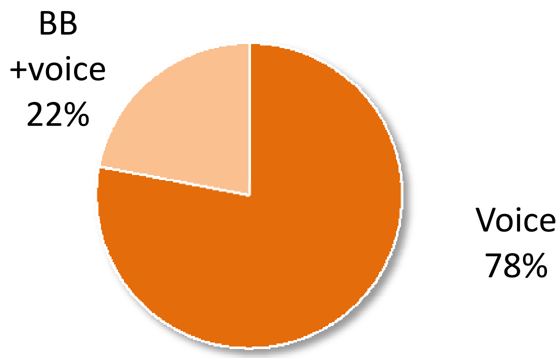


Moscow 3Q2009 Direct Info
OECD Communications Outlook 2008

Comstar residential subscriber base, '000



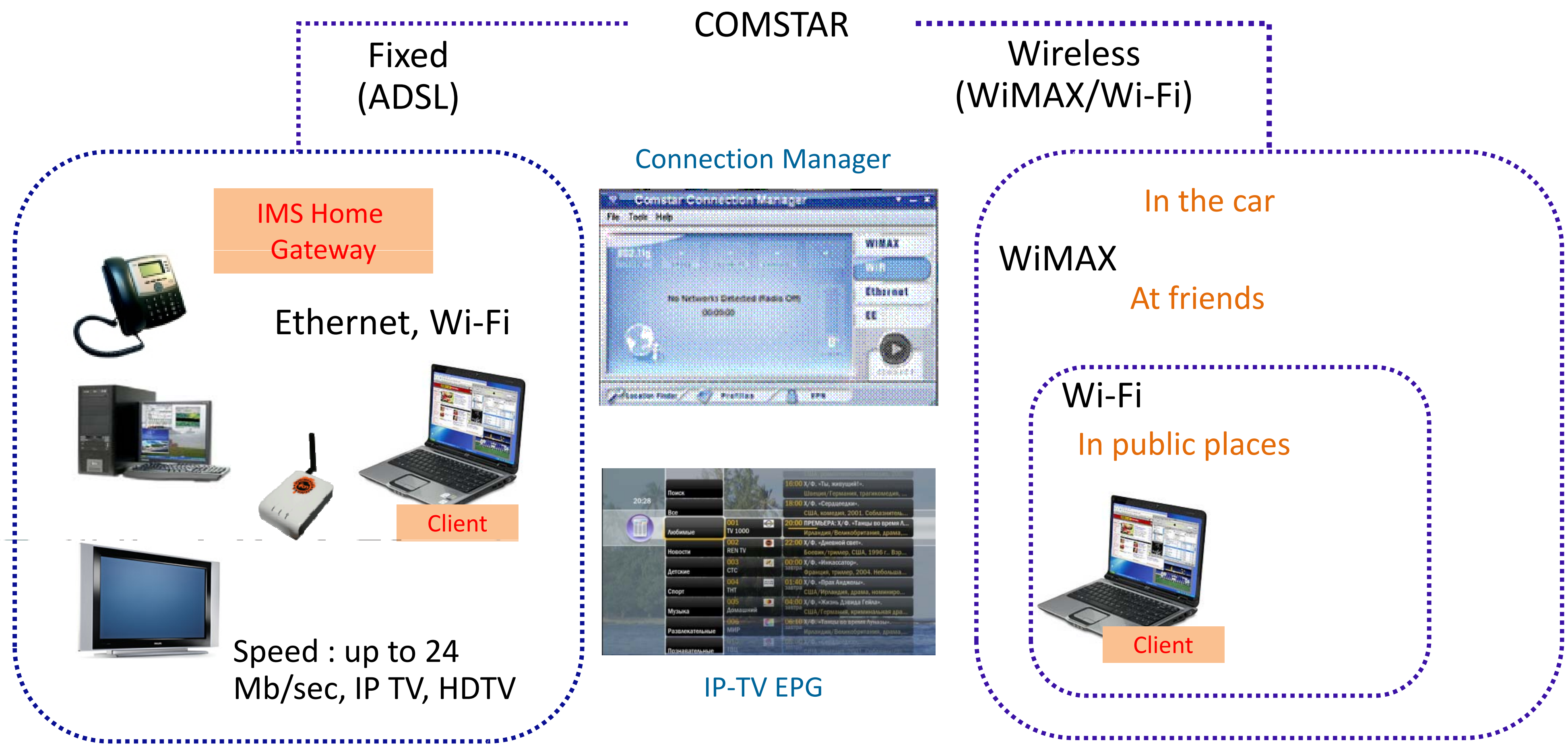
Penetration of BB among MGTS subscriber base, %



Growth in subscriber base is driven by the mass-market segment (MGTS), ARPU development is driven by the premium segment (Comstar)

** incl. 603 000 thousand premium segment subs and 209 000 mass-market segment subs*

Unique bundling in Moscow



Combination of different technologies already creates unified communications space

Digitalization of MGTS

Analog->TDM

- Equipment obsolescence
- Regulatory compliance
- Savings on labor
- Release of real estate
- VAS impact is minimal
- No BB impact

Analog->NGN

- Equipment obsolescence
- Regulatory compliance
- Savings on labor
- Centralization of equipment
- Release of real estate
- VAS impact is minimal
- No BB impact

Analog->IMS (from 2010)

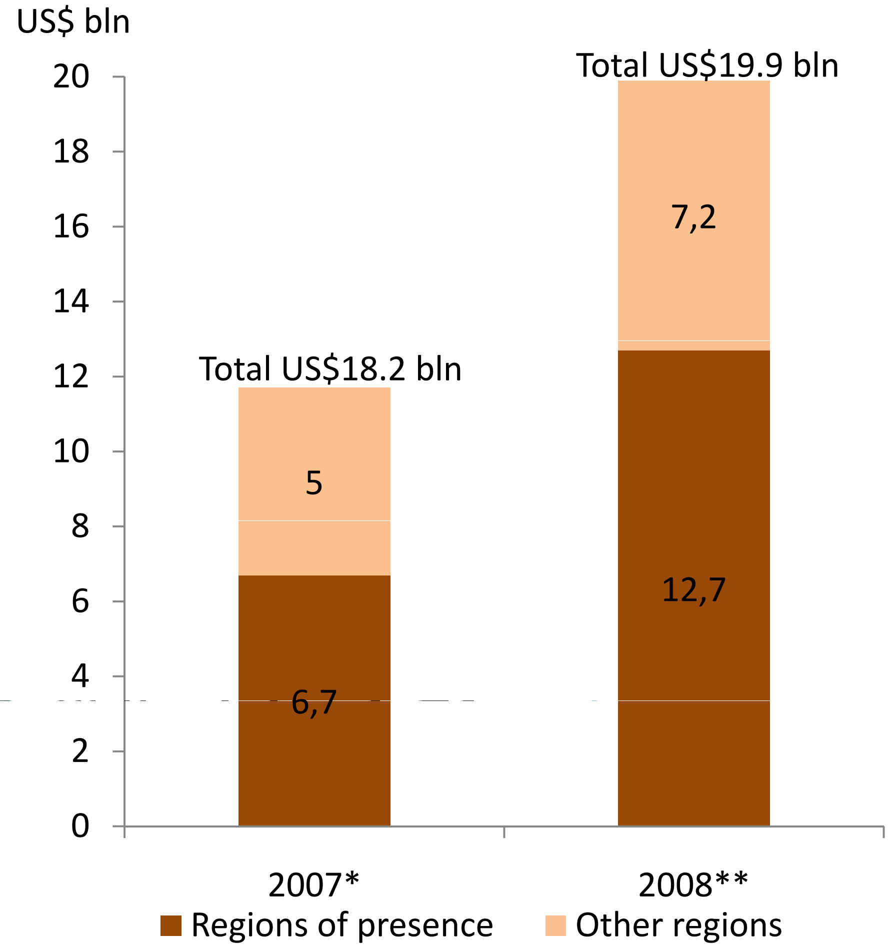
- Equipment obsolescence
- Regulatory compliance
- Savings on labor
- Centralization of equipment
- Release of real estate
- BB connectivity as by product
- Major VAS development

Cost saving

Major service impact

Development reached the point of revolutionary step – full IP connectivity to home with voice over the broadband

Increase in regional presence



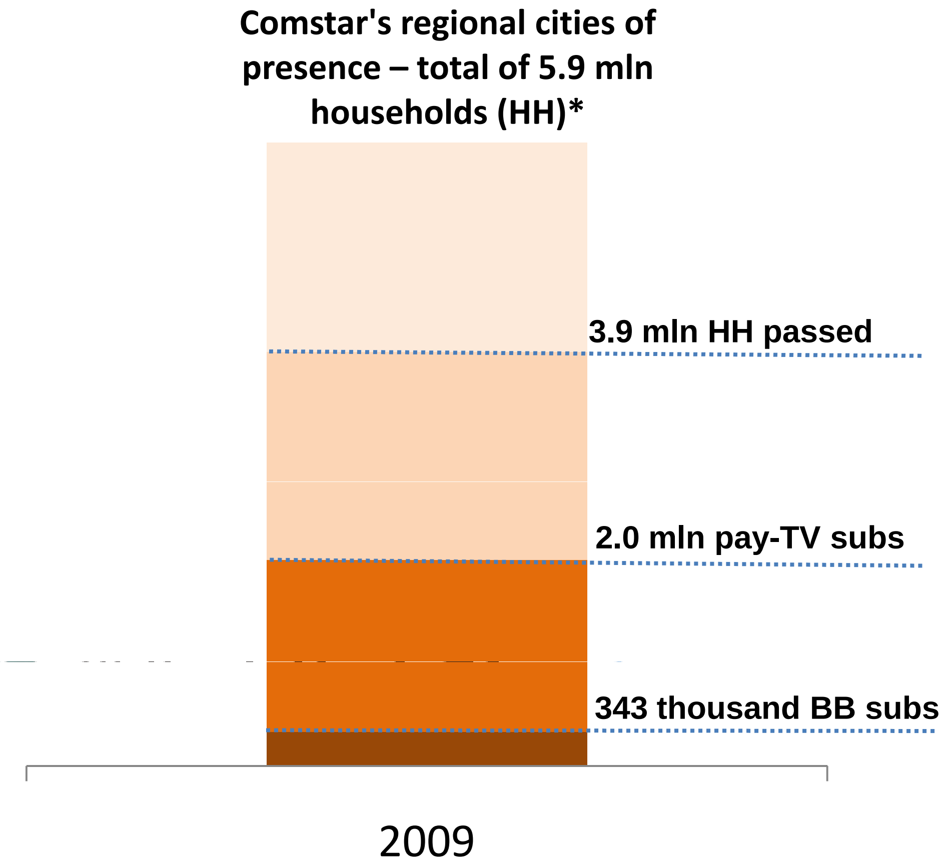
- In 2007 Comstar was present on the territory covering 36% of the total fixed-line market
- In 2008 Comstar significantly increased its presence – to 64% of the market due to:
  - Penetration to DLD/ILD market
  - Significant increase of its share on the alternative market in the regions
- In 2009 Comstar was present in 70 cities with combined population of over 48 million people (incl. regional cities with presence on the residential market with combined 5.9 million households)

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

** Direct Info, Mincomsvyaz*

*** Comstar estimates based on Mincomsvyaz data*

Regional BB development



- 59% of HH passed are BB ready
- Network modernization will increase the capacity of BB networks to 80% of HH passed
- Green field will allow to cover a significantly higher number of cities
- Reasonable in parallel with M&A with business case developed for each target market to identify comparative economics

Network modernization increases the BB networks capacity. M&A and 'green field' activities will allow us to reach maximum coverage

** Cities where Comstar has the last mile to the homes*

Investment Case

- ✓ National fixed-line provider with operations in 70 cities of Russia with combined population of >48 mln people
- ✓ Low exposure to forex risks – all business in RUR
- ✓ Unique combination of
  - ✓ Regulated and non-regulated business
  - ✓ High profitable incumbent business and growing altnet business
  - ✓ Wire-line and wire-less technologies creating seamless telecommunication space
  - ✓ Balanced mix of customer types (residential, corporates, operators)
- ✓ Sell SI stake/Increase the stake in MGTS

<u>After MTS/SSA deal:</u>

- \+ Branding
- \+ Backbone
- \+ Bundling

Contacts

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E-mail: ir@comstar-uts.ru

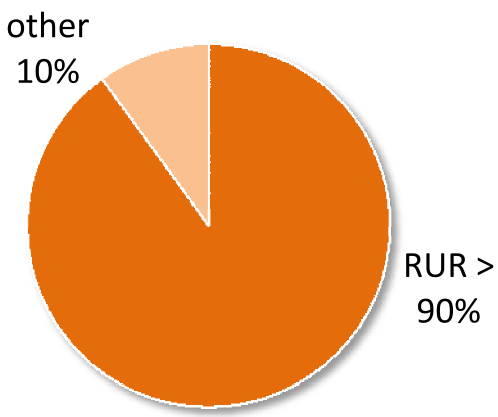
Appendix. Income Statement

	(RUR Million)				(US$ Million)			
	3Q2008	**3Q2009**	**9m2008**	**9m2009**	**3Q2008**	**3Q2009**	**9m2008**	**9m2009**
Revenues	10,219	**11,747**	30,191	**34,792**	421.6	**375.1**	1,255.8	**1,073.1**
Y-o-Y Growth	*7.6%*	***15.0%***	*8.0%*	***15.2%***	*13.3%*	***(11.0%)***	*16.2%*	***(14.5%)***
Adjusted OIBDA*	4,467	**5,052**	12,510	**14,254**	185.0	**161.1**	520.7	**439.8**
Margin (%)	*43.7%*	***43.0%***	*41.4%*	***41.0%***	*43.9%*	***42.9%***	*41.5%*	***41.0%***
Operating Income	3,436	**3,389**	8,914	**9,565**	142.3	**108.1**	370.8	**295.4**
Margin	*33.6%*	***28.8%***	*29.5%*	***27.5%***	*33.8%*	***28.8%***	*29.5%*	***27.5%***
Net income attributable to Comstar-UTS	874	**851**	2,889	**2,303**	36.4	**26.9**	120.4	**69.5**
Margin	*8.6%*	***7.2%***	*9.6%*	***6.6%***	*8.6%*	***7.2%***	*9.6%*	***6.5%***
Cash Capex	2,526	**565**	5,791	**3,089**	105.4	**18.0**	241.2	**93.2**
% of Revenues	*24.7%*	***4.8%***	*19.2%*	***8.9%***	*25.0%*	***4.8%***	*19.2%*	***8.7%***

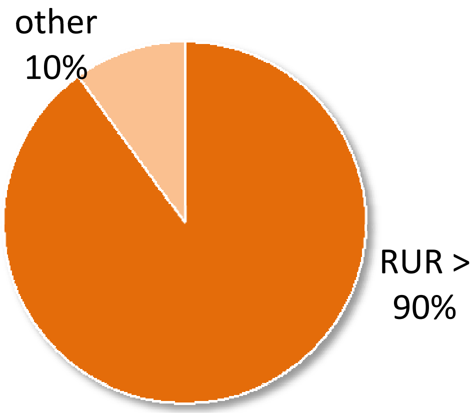
** OIBDA is adjusted for stock-based compensation costs and non-recurring inventory obsolescence charges and other provisions*

Appendix. Resilience to forex movements

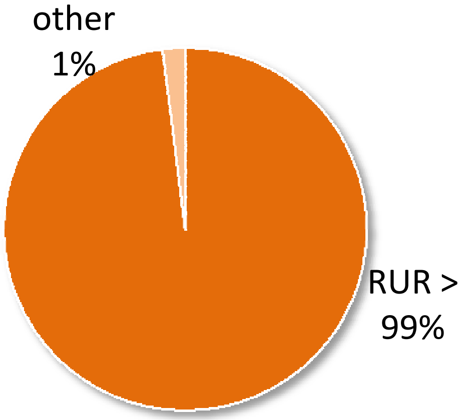
Revenue breakdown



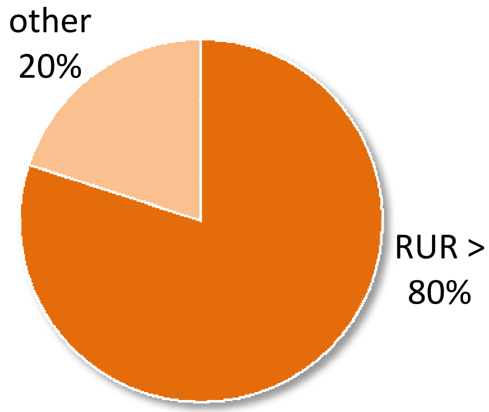
Operating expenses breakdown



Total debt breakdown



CAPEX breakdown



Appendix. Segmental Breakdown

	(RUR Million)				(US$ Million)			
	3Q2008	**3Q2009**	**9m2008**	**9m2009**	**3Q2008**	**3Q2009**	**9m2008**	**9m2009**
Revenue								
Traditional segment in Moscow (MGTS)	7,008	**7,332**	20,890	**21,788**	289.4	**234.2**	869.2	**671.9**
Alternative segment in Moscow (Comstar & Comstar-Direct)	3,540	**3,363**	9,646	**9,713**	145.3	**107.4**	400.3	**299.8**
Alternative segment in the regions & CIS (Comstar)	1,099	**2,055**	2,891	**6,072**	45.3	**65.7**	120.2	**187.3**
Intersegment Sales	(1,428)	**(1,003)**	(3,235)	**(2,781)**	(58.4)	**(32.2)**	133.9	**(85.9)**
Total Revenue	10,219	**11,747**	30,191	**34,792**	421.6	**375.1**	1,255.8	**1,073.1**
OIBDA								
Traditional segment in Moscow (MGTS)	2,915	**3,515**	9,267	**10,183**	121.6	**112.2**	386.9	**314.2**
Alternative segment in Moscow (Comstar & Comstar-Direct)	1,425	**639**	2,430	**2,043**	57.9	**20.3**	99.6	**63.2**
Alternative segment in the regions & CIS (Comstar)	422	**632**	1,011	**1,697**	17.4	**20.2**	42.1	**52.1**
Effect of eliminations and other consolidation adjustments	(50)	**(8)**	(98)	**(51)**	(2.0)	**(0.3)**	(4.1)	**(1.4)**
Total OIBDA	4,712	**4,778**	12,610	**13,872**	194.9	**152.4**	524.5	**428.1**

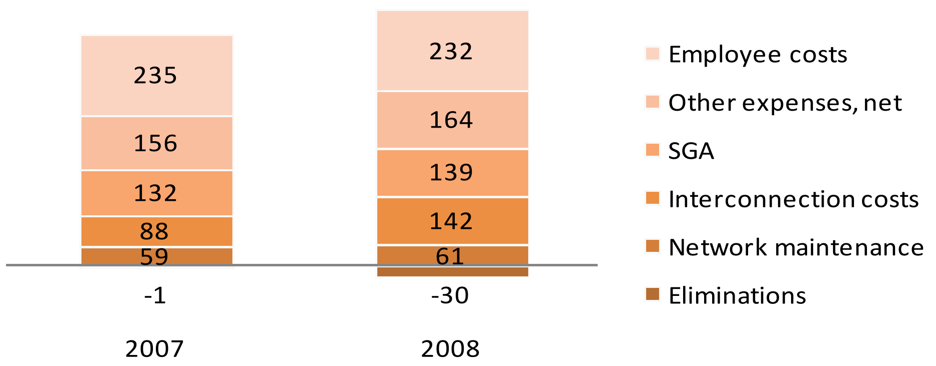
Appendix. Operating highlights

	Q3 2009	Q3 2008	*Change*	Q2 2009	*Change*
Traditional segment in Moscow (MGTS)					
Residential					
Number of subscribers / active lines (*000s*)	3,604	3,578	*1%*	3,600	*0%*
incl. BB subscribers	*209*	*105*	*99%*	*182*	*15%*
ARPU *(RUR)*	325	289	*12%*	326	*0%*
Corporates					
Number of subscribers *(000s)*	70	90	*-22%*	70	*0%*
incl. BB subscribers	*30*	*31*	*-3%*	*32*	*-6%*
ARPU (excl. revenue from points of interconnect) *(RUR)*	6,437	4,490	*43%*	5,442	*18%*
Alternative segment in Moscow					
Residential subscribers					
Number of subscribers *(000s)*	620	727	*-15%*	632	*-2%*
incl. BB subscribers	*603*	*688*	*-12%*	*609*	*-1%*
ARPU *(RUR)*	445	311	*43%*	416	*7%*
Corporate subscribers					
Number of subscribers *(000s)*	27	29	*-7%*	28	*-4%*
incl. BB subscribers	*16*	*21*	*-24%*	*17*	*-6%*
ARPU *(RUR)*	14,966	11,462	*31%*	13,833	*8%*
Alternative segment in the regions & CIS					
Residential subscribers					
Number of subscribers (000s)	2,552	498	*412%*	2,535	*1%*
incl. pay-TV subscribers	*1,959*	*150*	*1206%*	*1,953*	*0%*
incl. BB subscribers	*343*	*61*	*462%*	*324*	*6%*
ARPU *(RUR)*	149	226	*-34%*	149	*0%*
Corporate subscribers					
Number of subscribers *(000s)*	42	41	*2%*	42	*0%*
incl. BB subscribers	*19*	*16*	*19%*	*18*	*6%*
ARPU *(RUR)*	4,395	4,134	*6%*	4,319	*2%*
Total number of households passed (000s)	**7,536**	**3,797**	***98%***	**7,518**	***0%***
Total number of broadband internet subscribers (000s)	**1,220**	**922**	***32%***	**1,182**	***3%***
Total number of pay-TV subscribers (000s)	**2,087**	**298**	***600%***	**2,086**	***0%***

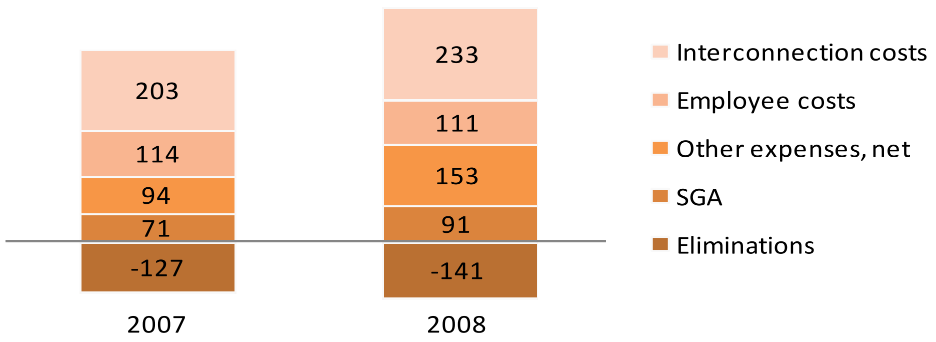
Appendix. Segmental Operating Expenses & Employees

	2007	2008	9m2009
#Employees *			
Traditional segment	13,777	10,434	9,998
Alternative segment in Moscow	2,154	2,231	2,059
Alternative segment in the regions & CIS	1,084	2,878	5,656
Average salary			
Traditional segment	$ 956	$ 1,257	$ 1,098
Alternative segment in Moscow	$ 2,179	$ 2,583	$ 2,331
Alternative segment in the regions & CIS	$ 1,340	$ 1,099	$ 782
Average monthly revenue per Employee			
Traditional segment	$ 6,729	$ 9,071	$ 7,467
Alternative segment in Moscow	$ 17,506	$ 19,405	$ 16,177
Alternative segment in the regions & CIS	$ 3,602	$ 4,775	$ 3,680

Traditional Segment, mln US$

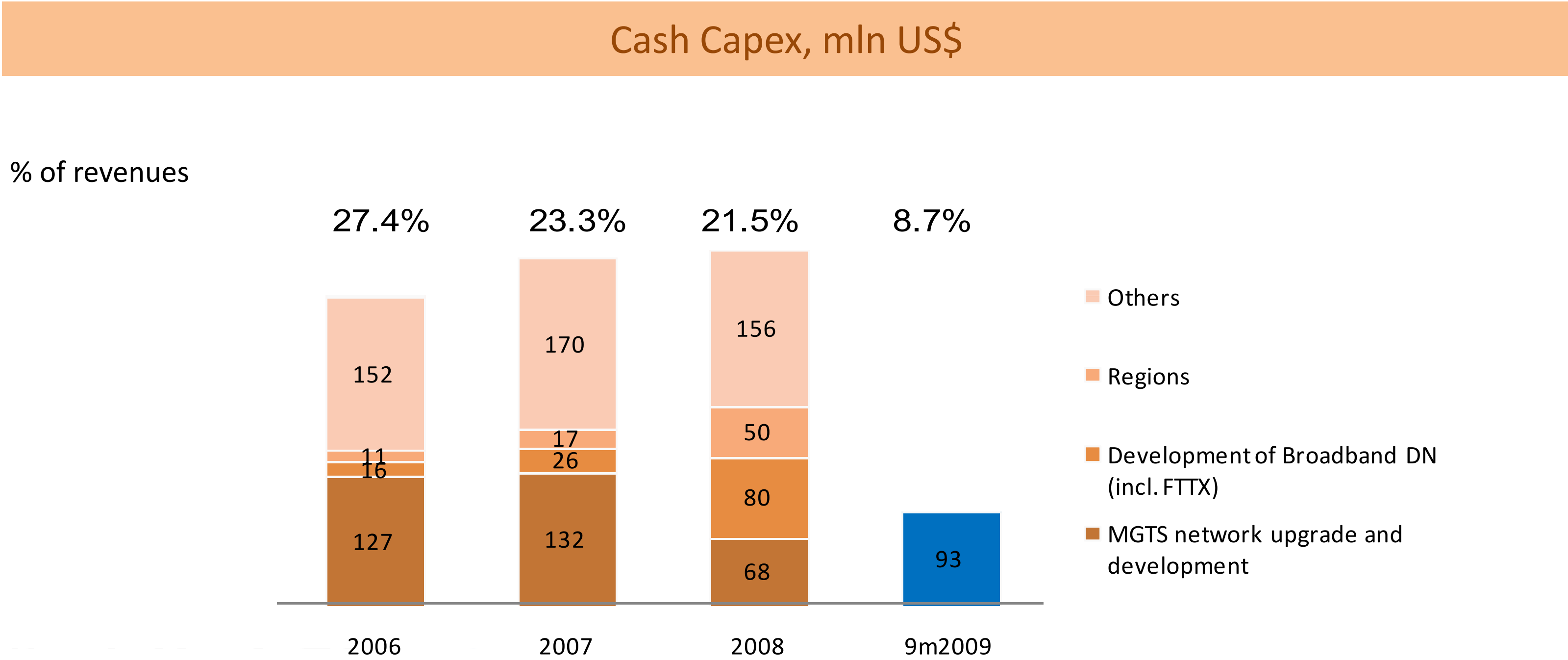


Alternative Segment, mln US$



* At the end of period

Appendix. Capital Expenditure Development



CAPEX levels are expected to be in 2009 at approximately 8% of Group revenues, incl.

- maintenance CAPEX (up to 2% of revenues)
- investments in subscriber acquisition and up-selling
- selective regional development projects

Appendix. Cash Flow Statement & Balance Sheet

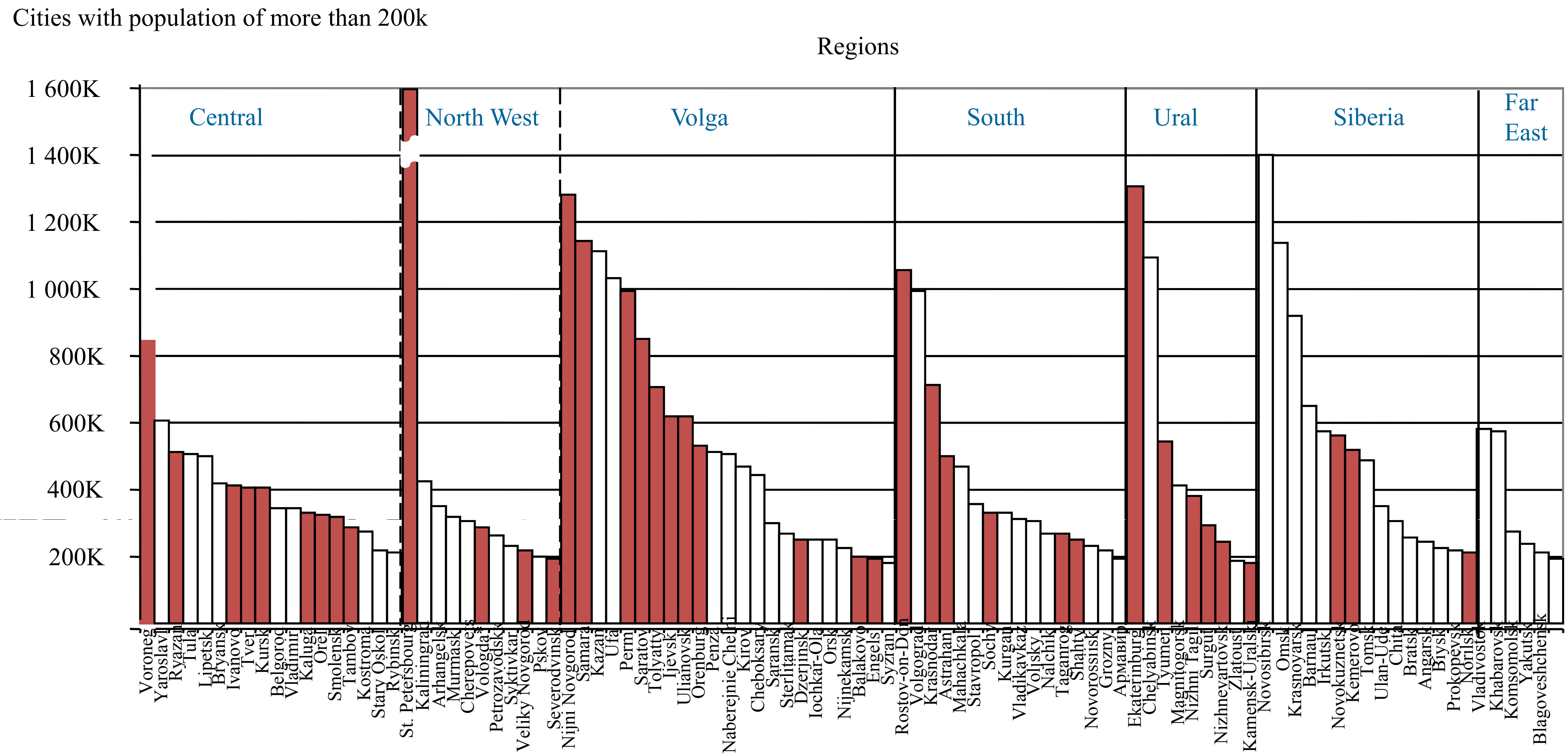
	(RUR Million)				(US$ Thousand)			
	3Q2008	3Q2009	9m2008	9m2009	3Q2008	3Q2009	9m2008	9m2009
Net cash provided by operations	3,713	**3,698**	10,277	**10,466**	153,737	**117,796**	427,911	**319,162**
Net cash provided by/(used in) investing activities	(3,830)	**(4,059)**	(3,017)	**2,595**	(156,254)	**(129,538)**	(121,397)	**65,430**
Net cash used in financing activities	(1,012)	**(358)**	(3,220)	**(10,282)**	(42,840)	**(11,415)**	(134,940)	**(302,194)**
Effects of foreign currency translation of cash and cash equivalents	-	**(12)**	-	**14**	(28,303)	**5,660**	(16,541)	**8,962**
Cash and cash equivalents at the beginning of the period	9,582	**5,345**	4,413	**1,821**	408,487	**170,831**	179,794	**61,974**
Cash and cash equivalents at the end of the period	8,453	**4,614**	8,453	**4,614**	334,827	**153,334**	334,827	**153,334**
FCF (Net cash provided by operations less Cash Capex)	**1,187**	**3,133**	**4,486**	**7,377**	**48,312**	**99,784**	**186,689**	**225,989**

	(RUR Million)		(US$ Million)	
	12/31/2008	9/30/2009	12/31/2008	9/30/2009
Assets	**123,152**	**118,127**	**4,191.7**	**3,925.5**
Current Assets	*19,810*	*17,611*	*674.3*	*585.2*
Long-term assets	*103,342*	*100,516*	*3,517.4*	*3,340.3*
Liabilities	**58,358**	**49,088**	**1,986.4**	**1,631.2**
Current Liabilities	*25,344*	*20,936*	*862.7*	*695.7*
Long-term liabilities	*33,014*	*28,152*	*1,123.7*	*935.5*
Shareholder's equity	**64,794**	**69,039**	**2,205.3**	**2,294.2**

Appendix. Glossary

ADSL.....................................	Asymmetric digital subscriber line
ADSL2+..................................	ADSL technology using the ITU G.992.5 standard. Allows for downstream speed of up to 24 Mbps.
Docsis....................................	Data Over Cable Service Interface Specifications
Ethernet.................................	Packet based transmission protocol primarily used in LANs
FTTB......................................	Fiber-to-the-Building
HFC..	Hybrid Fiber-Coaxial
MMDS....................................	Microwave Multipoint Distribution System

Regions: current presence



Regional operations cover 69 cities

with combined population exceeding 30 mln people* (excl. Moscow)

** Incl. cities where Comstar has the last mile to the homes and cities where Comstar has corporate clients*