



FOR IMMEDIATE RELEASE

October 04, 2006

COMSTAR UTS ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2006

Moscow, Russia – October 04, 2006 – “COMSTAR – United TeleSystems” OJSC (“Comstar UTS”) (LSE: CMST), the leading provider of integrated communications services in Moscow, today announced its unaudited consolidated US GAAP financial results for the three months ended June 30, 2006.

HIGHLIGHTS

- Consolidated revenues for the second quarter of 2006 up by 33% year on year to US\$ 286.6 million
- Net Alternative segment revenues for the second quarter of 2006 up 23% year on year to US\$ 102.8 million
- Net Traditional segment revenues for the second quarter of 2006 up 40% year on year to US\$ 183.8 million
- OIBDA¹ for the second quarter of 2006 up 30% year on year to US\$ 115.0 million
- Operating income for the second quarter of 2006 up 34% year on year to US\$ 88.1 million
- Net income for the second quarter of 2006 almost tripled year on year to US\$ 58.2 million with net income margin expanding to 20.3% compared to 9.9% a year ago

Eric Franke, Chief Executive Officer of Comstar UTS, commented: “Our financial results for the second quarter of 2006 demonstrated sustainable top line revenue growth in both traditional and alternative business segments. Comstar is currently undergoing a major restructuring of the Moscow-based operations and existing relationships within the Group. Our strategic vision is focused on further growth of our top line by capitalizing on the synergies within the Group; cross selling to our existing and new customers of the whole range of our products and services; accelerating regional expansion and introducing of performance-based compensation systems”.

¹OIBDA is defined as operating income before depreciation and amortisation. Please see Attachment A to this statement for a full definition of OIBDA and a reconciliation of OIBDA to operating income.

KEY FINANCIAL INDICATORS

(US\$ million)	2Q 2006	2Q 2005	Growth 2Q'06 vs. 2Q '05	1Q 2006	Growth 2Q'06 vs. 1Q '06
Revenue (net of inter-segment transactions)					
Alternative Segment.....	102.8	83.3	23%	99.5	3%
Traditional Segment.....	183.8	131.6	40%	150.3	22%
Total Consolidated Revenues.....	286.6	214.9	33%	249.8	15%
OIBDA.....	115.0	88.6	30%	102.3	12%
<i>OIBDA margin.....</i>	<i>40.1%</i>	<i>41.2%</i>	-	<i>41.0%</i>	-
Operating Income.....	88.1	65.9	34%	75.4	17%
<i>Operating margin.....</i>	<i>30.8%</i>	<i>30.7%</i>	-	<i>30.2%</i>	-
Net Income.....	58.2	21.3	173%	39.1	49%
<i>Net margin.....</i>	<i>20.3%</i>	<i>9.9%</i>	-	<i>15.7%</i>	-
Total CAPEX ²	82.2	60.5	36%	52.8	56%
<i>CAPEX as % of revenue.....</i>	<i>28.7%</i>	<i>28.2%</i>	-	<i>21.1%</i>	-

Comstar UTS reported 33% year on year consolidated revenue growth to US\$ 286.6 million for the second quarter of 2006, compared to US\$ 214.9 million for the second quarter of 2005. Traditional segment delivered another quarter of solid performance, while Alternative business segment growth benefited from the expanding broadband offering to residential subscribers, which contributed strongly to the overall segment revenue growth. Regional operations added US\$ 9.8 million to the Group revenue. Additionally MGTS received a compensation of US\$ 17.8 million from the federal budget to MGTS for the reimbursement of discounts on installation and monthly fees to certain categories of residential subscribers, such as pensioners and military veterans, granted according to the applicable legislation prior to January 01, 2005. Thus the 33% revenue growth consisted of 21% organic growth, 4% growth from acquisitions and 8% growth from the abovementioned contribution.

Group OIBDA increased by 30% year on year to US\$ 115.0 million for the three months ended June 30, 2006 with OIBDA margin decreasing year on year to 40.1%.

The Group's operating income was up 34% year on year to US\$ 88.1 million with operating margin up year on year to 30.8%. It included federal budget compensation as above and a net gain of US\$ 7.6 million on the disposal of assets, held for sale, namely an MGTS switching center subsequently renovated in cooperation with the co-investor and sold to a third-party. This sale was executed in line with the Company's strategy of divesting non-core assets.

Consolidated net income for the second quarter of 2006 has almost tripled year on year to US\$ 58.2 million.

Net cash provided by operating activities during the second quarter of 2006 was US\$ 80.1 million. The increase of 48% year on year was primarily related to the

² CAPEX is defined as cash expended for additions of property, plant and equipment and intangible assets, and non-cash additions of property, plant and equipment and intangible assets. Please see Attachment A to this statement for a full definition of CAPEX.

compensation received from the budget, organic business growth and acquisition of subsidiaries in the regions.

Total CAPEX grew by 36% year on year and by 56% quarter on quarter to US\$ 82.2 million for the second quarter of 2006.

Alternative Segment (Moscow and regions)

(US\$ million)	2Q 2006	2Q 2005*	Growth 2Q'06 vs. 2Q '05	1Q 2006*	Growth 2Q'06 vs. 1Q '06
Moscow metropolitan area					
Residential					
Voice.....	0.8	1.1	(27%)	0.9	(11%)
Data and internet					
“Stream” project.....	19.4	9.5	104%	17.3	12%
<i>Of which double play...</i>	<i>0.9</i>	<i>0.0</i>	-	<i>0.4</i>	<i>125%</i>
Other broadband Internet...	0.4	0.2	100%	0.3	33%
Dial-up.....	2.7	4.1	(34%)	3.4	(21%)
Other services.....	0.1	0.0	-	0.0	-
Total.....	23.4	14.9	57%	21.9	7%
Corporate					
Voice.....	19.0	18.4	3%	19.0	0%
Data and internet.....	18.2	15.1	21%	17.8	2%
Value-added services.....	2.8	2.9	(3%)	2.7	4%
Other.....	0.5	0.5	0%	0.5	0%
Total.....	40.5	36.9	10%	40.0	1%
Operators.....	27.3	27.2	0%	27.2	0%
Other revenues	2.3	2.5	(8%)	2.4	(4%)
Other regions of the Russian Federation.....	9.8	2.0	390%	8.2	20%
Total revenues from the Alternative Segment.....	103.3	83.5	24%	99.7	4%
Intersegment revenue.....	(0.5)	(0.2)	150%	(0.2)	150%
Net Alternative Segment Revenue.....	102.8	83.3	23%	99.5	3%

*Revenue breakdown was reclassified for the quarters ended March 31, 2006 and June 30, 2005 for consistency with the current presentation. This reclassification has no impact on the total revenue of Alternative segment for the reported periods.

Alternative segment revenues including inter-segment sales were up 24% year on year to US\$ 103.3 million. Revenue from the residential broadband internet services under the brand Stream doubled year on year to US\$ 19.4 million. The Group’s regional businesses contributed US\$ 9.8 million to total revenues, which represented a 390% growth year on year.

Revenues from residential subscribers grew by 57% year on year to US\$ 23.4 million. This growth reflected continued increase in the residential subscriber base of broadband Internet under the Stream brand, which accounted for 83% of total residential revenues

or US\$ 19.4 million in the second quarter of 2006 compared to 64% or US\$ 9.5 million a year ago. The introduction of the bundled tariff offer in May 2006 has stimulated the growth in new subscribers over a seasonally slow summer period. The total number of broadband subscribers increased by 126,927 to 301,045 customers during the second quarter of 2006, which represented a 73% growth year on year. Average revenue per ADSL line excluding connection fee (ARPL) increased 29% year on year to US\$ 21.6 in the second quarter of 2006 from US\$ 16.7 for the same period last year. It had a positive contribution from the introduction of new tariff plans and additional services such as pay TV, bundled offer (broadband internet and pay TV) and the launch of multimedia services, including gaming portals and radio channels.

Revenues from corporate subscribers in the Alternative segment were up 10% year on year to US\$ 40.5 million. Revenue from data and Internet services was up 21% as a result of growing demand for such services in Moscow.

Traditional Segment (Moscow)

(US\$ millions)	2Q 2006	2Q 2005	Growth 2Q'06 vs. 2Q '05	1Q 2006	Growth 2Q'06 vs. 1Q '06
Residential					
Voice	84.9	54.7	55%	64.7	31%
Payphones.....	0.4	1.9	(79%)	0.3	33%
Additional telecommunications services.....	3.0	3.0	0%	2.6	15%
Other.....	0.6	1.4	(57%)	0.5	20%
Total	88.9	61.0	46%	68.1	31%
Corporates					
Voice.....	34.3	33.4	3%	33.5	2%
Access node / Trunk rental	12.3	10.7	15%	10.2	21%
Additional telecommunication services	4.0	4.4	(9%)	3.0	33%
Other.....	2.3	0.7	229%	4.2	(45%)
Total	52.9	49.2	8%	50.9	4%
Operators.....	67.8	50.4	35%	56.6	20%
Total revenues from the Traditional Segment.....	209.6	160.6	31%	175.6	19%
Intersegment revenue.....	(25.8)	(29.0)	(11%)	(25.3)	2%
Net Traditional Segment Revenue.	183.8	131.6	40%	150.3	22%

Traditional segment revenues including inter-segment sales were up 31% year on year to US\$ 209.6 million.

Residential subscriber revenues in the segment were up 46% year on year to US\$ 88.9 million, including the compensation from federal budget of US\$ 17.8 million to MGTS for the discounts granted to certain categories of residential subscribers of MGTS prior to January 1, 2005. This payment was recognized as revenue upon cash collection.

Residential subscriber revenues in the traditional segment benefited from an increase in regulated tariffs. Monthly subscription fee for residential subscribers was raised in

October 2005 from RUR 170 (or approximately US\$ 6.3³) to RUR 200 (or approximately US\$ 7.4³).

Corporate subscriber revenues were up 8% year on year to US\$ 52.9 million primarily driven by the increase in line rentals.

Revenues from operators grew by 35% year on year to US\$ 67.8 million largely due to the increase in number of access nodes and increased unregulated tariffs for using MGTS infrastructure.

RECENT EVENTS FOLLOWING THE END OF THE REPORTING PERIOD

In August 2006, Eric Franke was appointed the Chief Executive Officer of Comstar UTS. He joined Comstar UTS to further strengthen the Company's position in the regions, expand its brand portfolio, improve its operational efficiency and transparency and grow its shareholders' value. Mr. Franke has previously held the position of the First Vice President and Chief Operating Officer of OJSC "Mobile TeleSystems".

In September 2006, Wolfgang Breuer was appointed the Chief Technology Officer of Comstar UTS. Mr. Breuer heads the technology division of Comstar UTS' corporate center, where he is responsible for standardizing of all technological resources of the Group, the development of the infrastructure of Comstar UTS' subsidiaries and the support of regional acquisitions. Mr. Breuer was previously the President and CEO of the Croatian division of T-Mobile, a German mobile communications operator owned by Deutsche Telekom.

In September 2006, we announced the appointment of Vladimir Malyavin as General Director of MTU-Intel, subsidiary of Comstar UTS, providing broadband Internet services and pay-TV under the Stream brand. Mr. Malyavin has previously served as the General Director of CJSC Makomnet, Moscow telecom operator.

On September 15, 2006, the Extraordinary General Meeting of shareholders approved the share option program for the Board of Directors and the senior management of Comstar UTS.

On September 25, 2006, the Board of Directors of Comstar approved the share buyback of up to 4.5% of the total number of shares outstanding in the form of GDRs to be completed by the end of 2009.

In August 2006, MGTS submitted for approval to the Federal Service for Tariffs (FST) new tariff plans. These plans include a) an unlimited tariff; b) a time-based tariff, which consists of a subscription fee and per minute tariff; c) combined tariff, which includes a subscription fee, prepaid minutes and per minute tariff which is charged when the prepaid minutes limit is exceeded. Per minute tariff is applicable only to the outgoing calls. The Company is required to start offering time-based tariffs to its residential and corporate subscribers by the end of 2006. The structure of new tariffs is defined by the Resolution #637 of the Government of the Russian Federation adopted on October 24, 2005.

³ At June 30, 2006 exchange rate.

CONFERENCE CALL INFORMATION

The Company's management will discuss its second quarter 2006 results during a conference call today at 5 PM (Moscow time). To participate in the conference call, please dial in on the following numbers:

UK: **+44 20 7806 1963**

US: **+1 718 354 1391**

International: **+44 20 7806 1963**

A replay facility will also be made available and can be accessed using the numbers below:

UK: **+44 20 7806 1970**

US: **+1 718 354 1112**

International: **+44 20 7806 1970**

The replay access pin code is **2415917#**

The slide presentation will be available for download on Comstar UTS' website <http://www.comstar-uts.com/invest/presentations/> starting from 4.45 PM (Moscow time) today, on October 04, 2006.

Attachment A

NON-GAAP FINANCIAL MEASURES

This results statement includes financial information prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), as well as other non-GAAP financial information. The non-GAAP financial information should be considered as an addition to, but not as a substitute for, information prepared in accordance with US GAAP.

OIBDA is operating income before depreciation and amortisation, and the OIBDA margin is defined as OIBDA as a percentage of net revenues. These measures are included in this results statement in order to provide additional information regarding the Group's ability to meet future debt service payments, capital expenditure and working capital requirements, and as a metric to evaluate profitability. OIBDA is not a measure of financial performance under US GAAP, and is not an alternative to net income as a measure of operating performance, or to cash flows from operating activities as a measure of liquidity. While depreciation and amortisation are considered operating costs under US GAAP, these items primarily represent the non-cash current period allocation of costs arising from the acquisition or development of long-term assets in prior periods. OIBDA is commonly used as a criterion for evaluation of operating performance by credit and equity investors and analysts. The calculation of OIBDA may be different from the calculation used by other companies and comparability may therefore be limited. OIBDA can be reconciled to the Group's consolidated statements as follows:

	2Q 2006		1Q 2006		2Q 2005	
	US\$ 'mln	% of operating revenues	US\$ 'mln	% of operating revenues	US\$ 'mln	% of operating revenues
Operating profit.....	88.1	30.7%	75.4	30.2%	65.9	30.6%
Add: Depreciation and amortisation.....	26.9	9.4%	26.9	10.8%	22.7	10.6%
OIBDA.....	<u>115.0</u>	<u>40.1%</u>	<u>102.3</u>	<u>41.0%</u>	<u>88.6</u>	<u>41.2%</u>

ARPL (Monthly Average Revenue per Line), a non-US GAAP financial measure, is calculated for the relevant period by dividing Comstar UTS' Stream service revenue, including broadband internet, pay TV and bundled offering excluding connection fee, for that period by the average monthly number of the Comstar UTS' broadband subscribers during the period and by the number of months in the period. Reconciliation of ARPL to service revenues, the most directly comparable US GAAP financial measure, is presented below. We believe that ARPL provides useful information to investors because it is an indicator of the performance of the Company's business operations and assists management in budgeting. The Company also believes that ARPL provides management with useful information concerning usage and acceptance of the Company's services. ARPL should not be viewed in isolation or as an alternative to other figures reported under US GAAP.

Average revenue per ADSL line (Residential Segment)

	2Q 2006	1Q 2006	2Q 2005	1Q 2005
Revenue from Stream, residential subscribers, excluding connection fee (US\$).....	19,129,882	16,430,486	8,042,884	5,762,700
Average monthly number of Stream broadband subscribers.....	294,699	266,842	160,383	117,641
ARPL (US\$).....	21.6	20.5	16.7	16.3

CAPEX (Capital Expenditures) is cash expended for purchases of property, plant and equipment and intangible assets, and non-cash additions of property, plant and equipment and intangible assets. CAPEX can be reconciled to the Group's consolidated statements as follows:

	2Q 2006		1Q 2006		2Q 2005	
	US\$ 'mln	% of operating revenues	US\$ 'mln	% of operating revenues	US\$ 'mln	% of operating revenues
Purchases of property, plant and equipment.....	68.6	23.9%	51.2	20.5%	56.0	26.1%
Purchases of intangible assets.....	12.4	4.3%	0.8	0.3%	4.5	2.1%
Non-cash additions of property, plant and equipment and intangible assets.....	1.2	0.5%	0.8	0.3%	—	—
CAPEX.....	82.2	28.7%	52.8	21.1%	60.5	28.2%

Attachment B**“COMSTAR – United TeleSystems” OJSC
CONSOLIDATED AND COMBINED INCOME STATEMENTS**

<i>(US\$ thousands)</i>	Unaudited Three months ended June 30,		Unaudited Six months ended June 30,	
	2006	2005	2006	2005
Operating revenues.....	\$ 286,559	\$ 214,886	\$ 536,398	\$ 419,444
Operating expenses, net.....	(206,027)	(154,787)	(380,491)	(296,544)
Other operating gains.....	7,616	5,806	7,616	5,806
Operating profit.....	88,148	65,905	163,523	128,706
Interest income.....	13,423	1,387	21,831	3,592
Interest expense	(3,577)	(3,793)	(10,385)	(8,022)
Currency transaction gain / (loss), net.....	4,428	(2,989)	9,847	(908)
Income before income taxes, income from affiliates and minority interests.....	102,422	60,510	184,816	123,368
Income tax expense.....	(19,329)	(18,428)	(35,933)	(33,916)
Income from affiliates.....	788	92	1,413	92
Minority interests.....	(25,653)	(20,849)	(52,929)	(39,978)
Net income.....	\$ 58,228	\$ 21,325	\$ 97,367	\$ 49,566

**“COMSTAR – United TeleSystems” OJSC
CONSOLIDATED BALANCE SHEETS**

<i>(US\$ thousands)</i>	Unaudited June 30, 2006	Audited December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 650,057	\$ 74,639
Short-term investments	377,217	116,134
Trade receivables, net	115,306	78,310
Other receivables and prepaid expenses.....	80,079	80,572
Inventories and spare parts	33,015	26,881
Assets held for resale	–	15,260
Deferred tax assets, current portion.....	16,276	13,432
Total current assets.....	1,271,950	405,228
Property, plant and equipment, net.....	1,282,615	1,144,149
Intangible assets, net	154,304	55,355
Long-term investments	27,577	30,510
Restricted cash.....	2,272	2,272
Deferred tax assets, long-term portion	7,136	3,847
Total assets.....	\$ 2,745,854	\$ 1,641,361

“COMSTAR – United TeleSystems” OJSC
CONSOLIDATED BALANCE SHEETS (continued)

<i>(US\$ thousands)</i>	Unaudited June 30, 2006	Audited December 31, 2005
Liabilities and shareholders' equity:		
Current liabilities:		
Accounts payable.....	\$ 25,692	\$ 28,707
Deferred connection fees, current portion.....	42,603	42,598
Subscriber prepayments.....	48,810	41,228
Accrued expenses and other current liabilities.....	49,085	43,409
Taxes payable.....	19,852	17,837
Debt, current portion.....	105,002	86,617
Capital lease obligations, current portion	13,475	14,050
	<hr/>	<hr/>
Total current liabilities.....	304,519	274,446
Long-term liabilities:		
Deferred connection fees, net of current portion.....	115,528	110,514
Debt, net of current portion.....	44,069	102,184
Capital lease obligations, net of current portion	23,334	30,765
Post-retirement obligations	12,989	16,216
Property, plant and equipment contributions.....	109,293	102,746
Deferred tax liabilities, long-term portion	36,492	9,005
	<hr/>	<hr/>
Total long-term liabilities.....	341,705	371,430
	<hr/>	<hr/>
Total liabilities.....	646,224	645,876
	<hr/>	<hr/>
Minority interests	524,670	516,114
Shareholders' equity:		
Share capital	23,900	18,982
Treasury stock.....	(3,929)	(3,929)
Additional paid-in capital.....	1,069,950	100,051
Retained earnings.....	448,040	352,647
Accumulated other comprehensive income.....	36,999	11,620
	<hr/>	<hr/>
Total shareholders' equity.....	1,574,960	479,371
	<hr/>	<hr/>
Total liabilities and shareholders' equity.....	\$ 2,745,854	\$ 1,641,361

“COMSTAR – United TeleSystems” OJSC
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

(US\$ thousands)

	Unaudited Three months ended June 30,		Unaudited Six months ended June 30,	
	2006	2005	2006	2005
Operating activities:				
Net income.....	\$ 58,228	\$ 21,325	\$ 97,367	\$ 49,566
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortisation.....	26,880	22,675	53,759	44,702
(Gain)/loss from disposal of fixed assets and assets held for resale and other non-cash items, net.....	(1,232)	(4,888)	(2,077)	(4,888)
Deferred taxes.....	(1,355)	3,681	(1,361)	2,356
Income from affiliates.....	(788)	(92)	(1,413)	(92)
Foreign currency transactions (gain)/loss on non-operating activities.....	(1,147)	3,351	(5,508)	884
Postretirement benefits.....	(3,624)	3,451	(3,995)	4,067
Minority interests.....	25,653	20,849	52,929	39,978
Provision for doubtful debts.....	3,424	1,466	6,111	2,715
Inventory obsolescence charge.....	263	–	1,013	–
Changes in operating assets and liabilities:				
Trade receivables.....	(17,902)	4,633	(38,564)	(13,010)
Other receivables and prepaid expenses.....	1,712	(14,810)	608	(9,919)
Inventories and spare parts.....	(5,774)	(2,301)	(6,074)	(2,909)
Accounts payable.....	(2,323)	(13,700)	233	(10,743)
Deferred connection fees.....	(2)	5,622	(2,341)	10,266
Subscriber prepayments.....	2,619	2,207	4,577	2,346
Taxes payable.....	(1,235)	378	1,181	3,869
Accrued expenses and other current liabilities.....	(3,265)	382	3,603	11,430
Net cash provided by operations.....	80,132	54,229	160,048	130,618
Investing activities:				
Purchases of property, plant and equipment.....	(68,601)	(56,045)	(119,750)	(88,933)
Proceeds from sale of property, plant and equipment and assets held for resale.....	22,946	261	24,935	261
Proceeds from property insurance recovery.....	–	1,928	–	1,928
Purchases of intangible assets.....	(12,439)	(4,499)	(13,227)	(4,499)
Acquisition of subsidiaries, net of cash acquired.....	(7,812)	–	(12,456)	–
Acquisition of minority interests.....	(4,414)	–	(137,025)	–
Purchases of short-term investments.....	(332,949)	(46,547)	(385,422)	(73,755)
Proceeds from sale of short-term investments.....	89,806	12,693	137,649	37,042
Decrease in restricted cash.....	–	(849)	–	1,435
Net cash used in investing activities.....	(313,463)	(93,058)	(505,296)	(126,521)

“COMSTAR – United TeleSystems” OJSC
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(continued)

(US\$ thousands)

	Unaudited Three months ended June 30,		Unaudited Six months ended June 30,	
	2006	2005	2006	2005
Financing activities:				
Proceeds from issuance of common stock.....	–	–	977,009	–
Contributions from the controlling shareholder	–	6,995	–	6,995
Proceeds from borrowings.....	8,688	75,415	158,838	89,977
Principal payments on borrowings.....	(40,862)	(31,819)	(208,616)	(95,786)
Principal payments on capital lease obligations.	(1,943)	(1,415)	(8,438)	(2,155)
Dividends and other distributions to shareholders.....	–	(2,733)	–	(2,733)
Net cash provided by / (used in) financing activities.....	(34,117)	46,443	918,793	(3,702)
Effects of foreign currency translation on cash and cash equivalents.....	780	(875)	1,873	(957)
Increase / (decrease) in cash and cash equivalents	(266,668)	6,739	575,418	(562)
Cash and cash equivalents, beginning of the period	916,725	60,135	74,639	67,436
Cash and cash equivalents, end of the period.....	\$ 650,057	\$ 66,874	\$ 650,057	\$ 66,874

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Comstar UTS is a leading provider of integrated communications services in Moscow and the Moscow region in terms of revenues and subscribers and also offers communications services in other regions of Russia and the Commonwealth of Independent States. Comstar UTS had 3.6 million subscribers in its traditional segment of the business, 479.2 thousand subscribers in its alternative segment in Moscow and 91.1 thousand subscriber in its alternative segment in the regions at June 30, 2006. Comstar UTS offers voice, data and Internet, pay-TV and various value-added services to corporate, operator and residential subscribers, using its alternative and traditional fixed-line networks. Comstar UTS had consolidated operating revenues of US\$ 286.6 million for the second quarter of 2006 and Comstar UTS' consolidated assets totalled US\$ 2.7 billion at June 30, 2006. Comstar UTS ordinary shares are listed on the Moscow Stock Exchange and on the London Stock Exchange under the symbol "CMST".

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Comstar UTS. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might", the negative of such terms or other similar expressions. Comstar UTS wishes to caution you that these statements are only predictions and that actual events or results may differ materially. Comstar UTS does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of Comstar UTS, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries Comstar UTS operates in, as well as many other risks specifically related to Comstar UTS and its operations.