



URALSVYAZINFORM

Company Presentation

November, 2003

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Chief Financial Officer**

Disclaimer

Certain statements in this presentation are “forward-looking statements”. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

These risks include the risk of changes the Company’s operations and business prospects, the general financial and economic circumstances, relating to regulation of the Russian telecommunications industry and the Russian legislation; the competition and other risks.

Many of these factors are beyond the Company’s ability to control or predict. Given these and other uncertainties, the Company cautions not to place undue reliance on any of the forward-looking statements contained herein or otherwise.

The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as maybe required under applicable Russian federal securities laws.

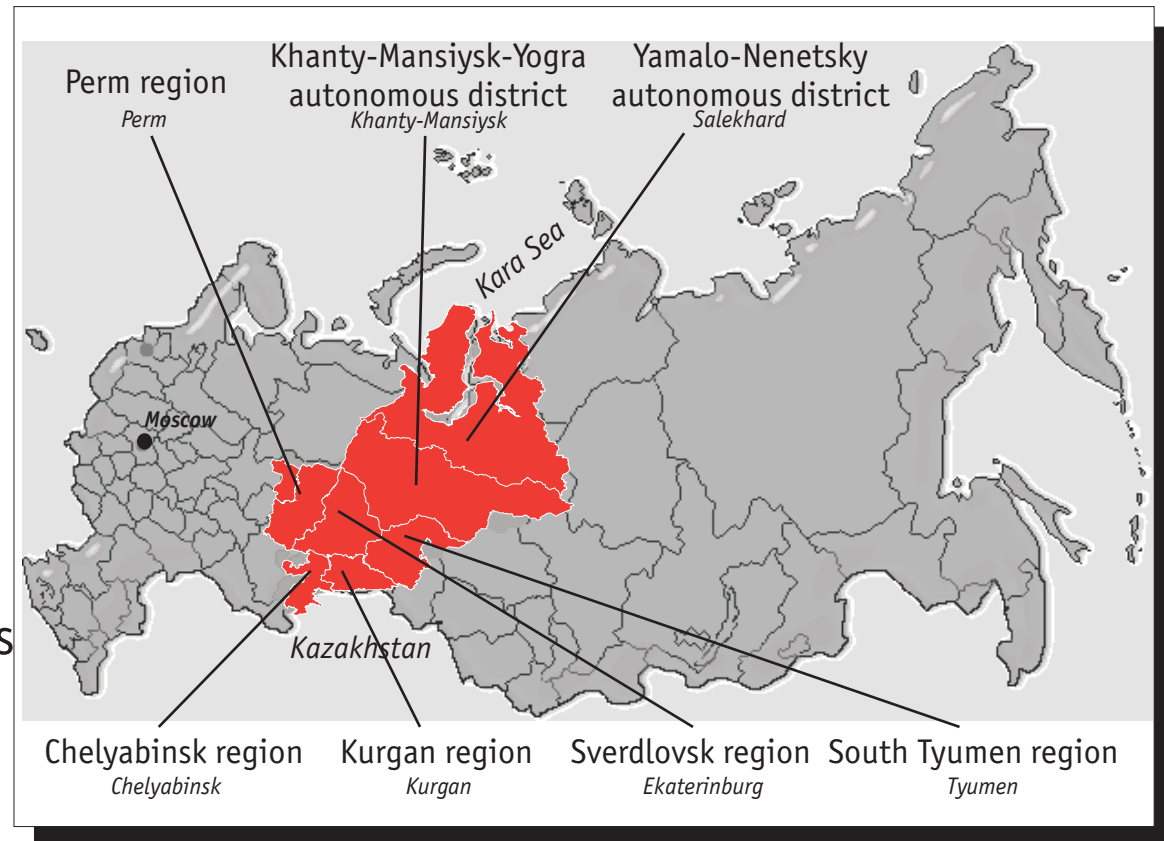
Region

Economic indicators

- Territory - 1,9 mln sq. km
- Population - 15,5 mln (9 % of overall population of Russia)
- Urban population - 80 %
- Industrial output in 2002 - USD39,4 bln (18 % of Russia's overall industrial output)

Natural resources

- Oil (65 % of national reserves / 6 % of world resources)
- Gas (95 % of national reserves / 26 % of world resources)
- Iron (21 %) and manganese (9 %) ore, copper, gold, silver, diamonds



Key Facts

Technical

- Major telecommunications carrier in Urals region / Urals federal district and Perm region
- Overall installed capacity - 4,4 mln lines, including mobile telephony - 1,1 mln lines
- Wire-line subscriber number - 3,1 mln, mobile - 1,0 mln
- Number of employees - 35,6 thous.

Financial

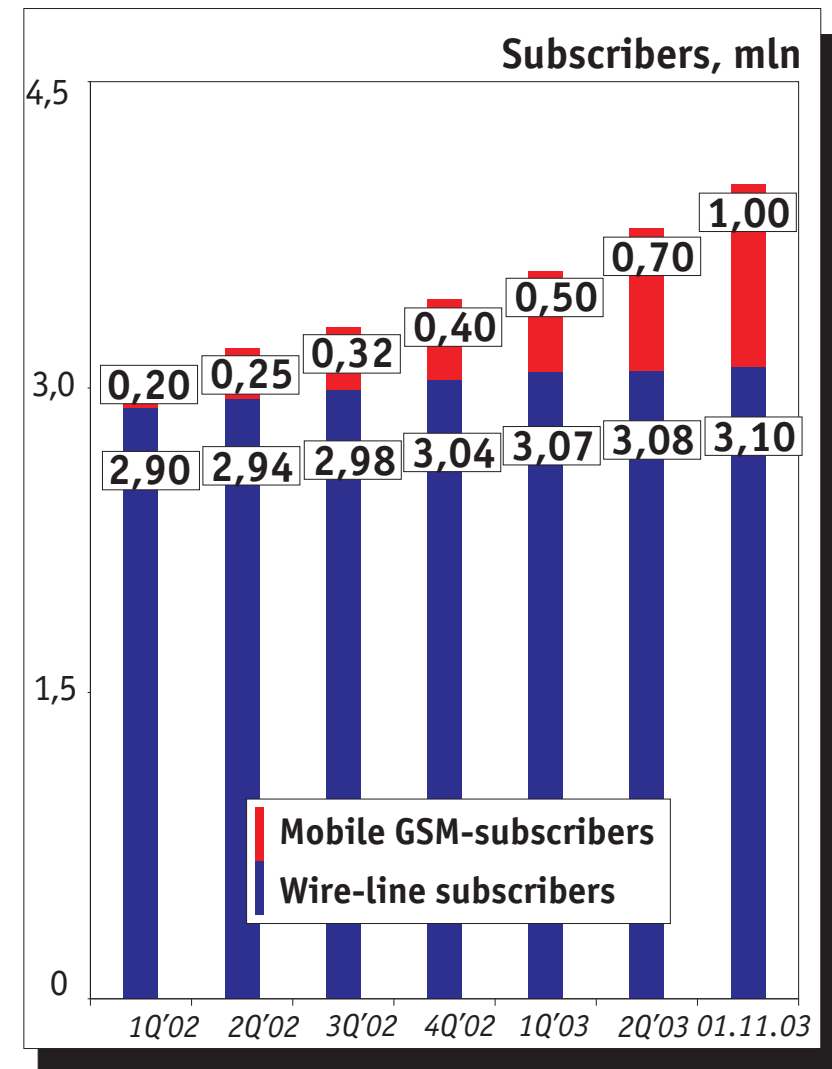
- Revenue'02/IAS - USD564 mn
- EBITDA'02/IAS - USD169 mn
- Capitalization as of 31/10/03 - USD1 165 mn (+150% since of 01/01/03)

USD exchange rate as given here and henceforth: 2001 - RUR 29,5 / 2002 - RUR 31,4 / 2003E - RUR 30,7

Market performance

Local telephony*	<i>Market share</i>
Uralsvyazinform	87
Alternative&departmental operators	13
DLD/ILD telephony*	
Uralsvyazinform	71
Alternative&departmental operators	29
Mobile telephony*	
Uralsvyazinform	55
MTS	26
MegaFon	17
Other	2

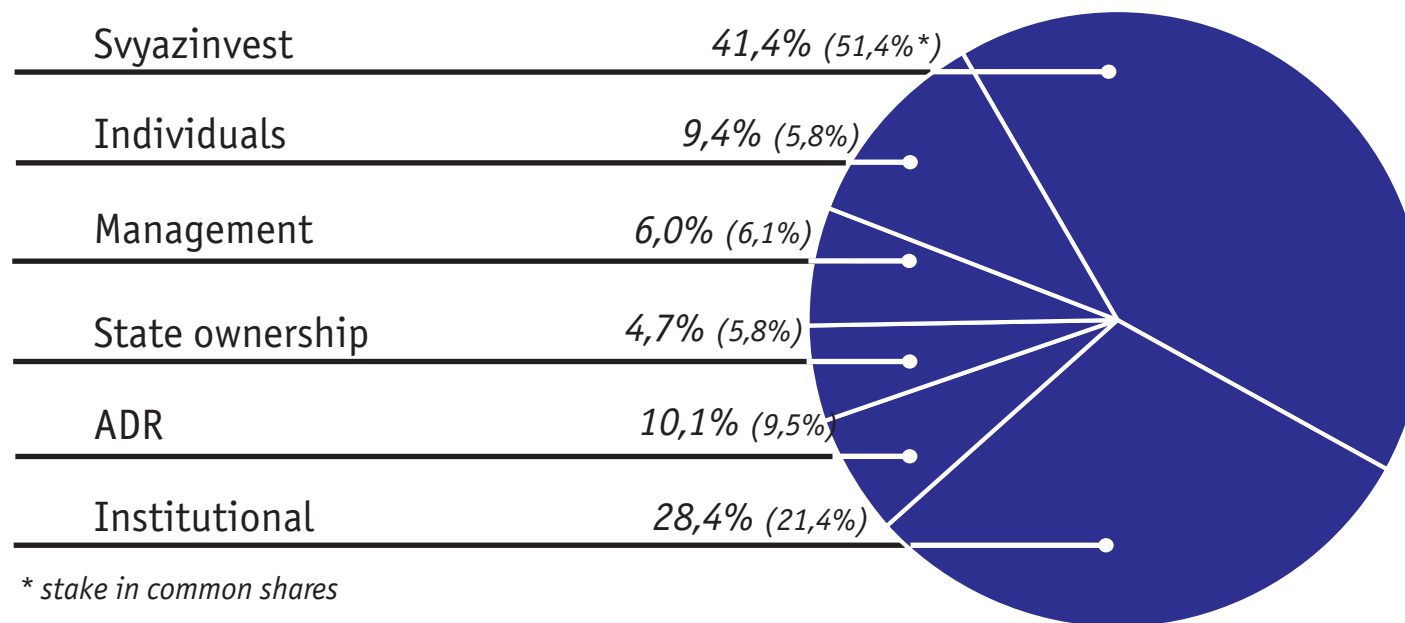
*07/01/03 data. As a percentage of total subscriber number



Ownership structure

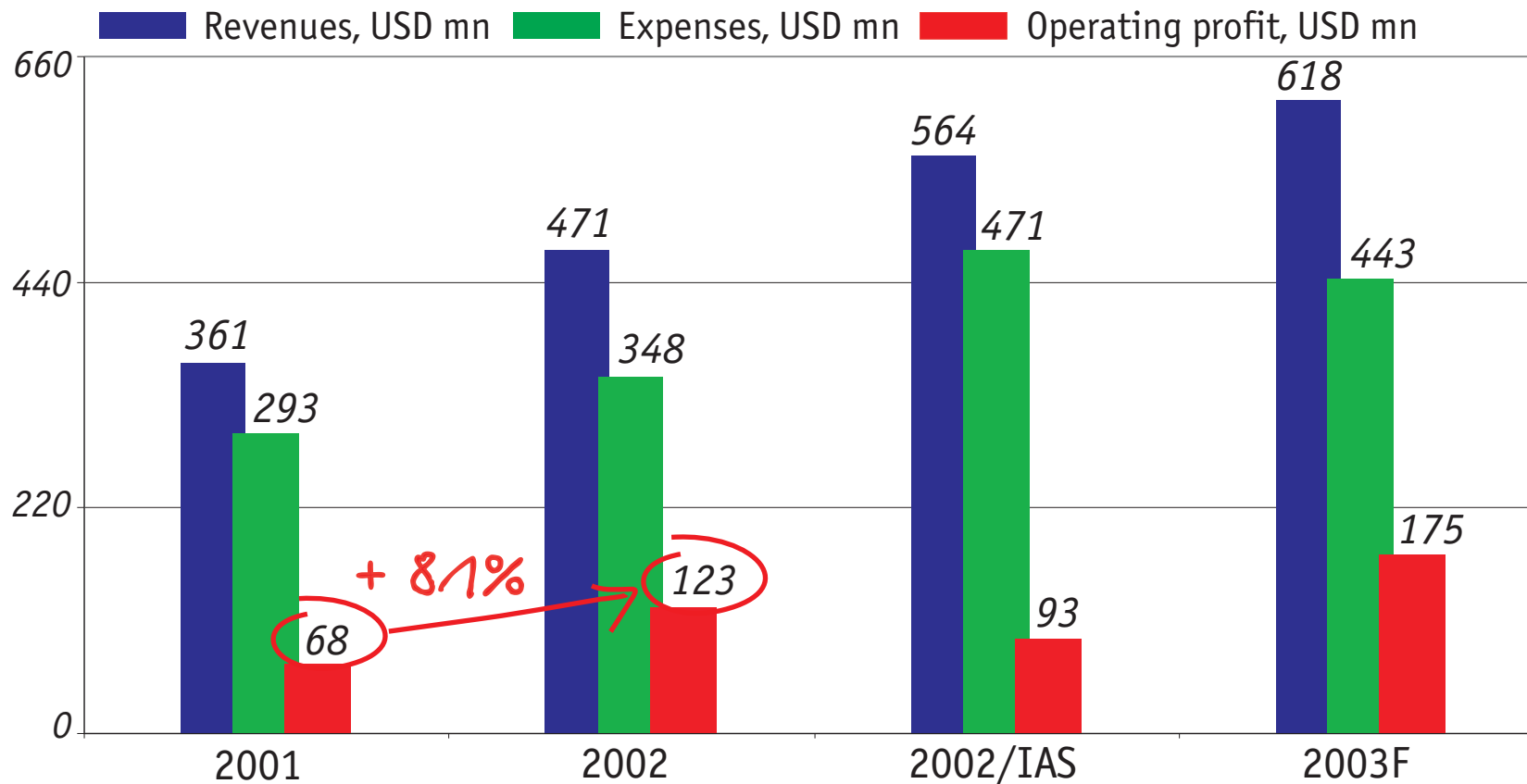
- Book capital - USD 158 mn
- Number of shares - 40 134 723 306 including
common 32 298 782 020 / 80,5 %
preference 7 835 941 286 / 19,5 %
- Number of stockholders - 22 thous.

As of 01/10/03



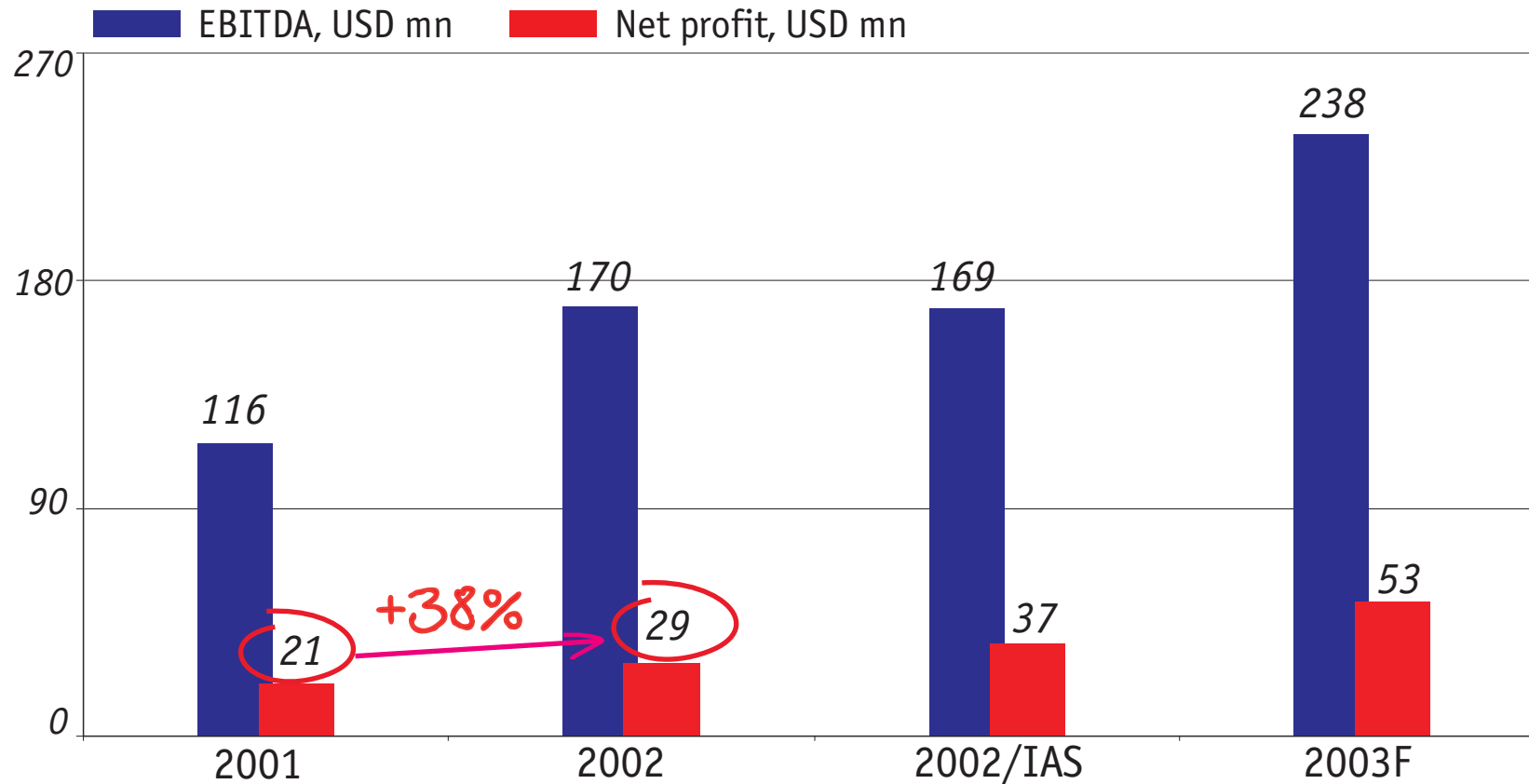
- Free float - 48 %

Financial Performance



- Revenue growth rate has exceeded this of expenses over the last years. As a consequence, operating profit is going up.
Operating margin (RAS): 2001 - 18,8 %, 2002 - 26,1 %, 2003F - 28,3 %

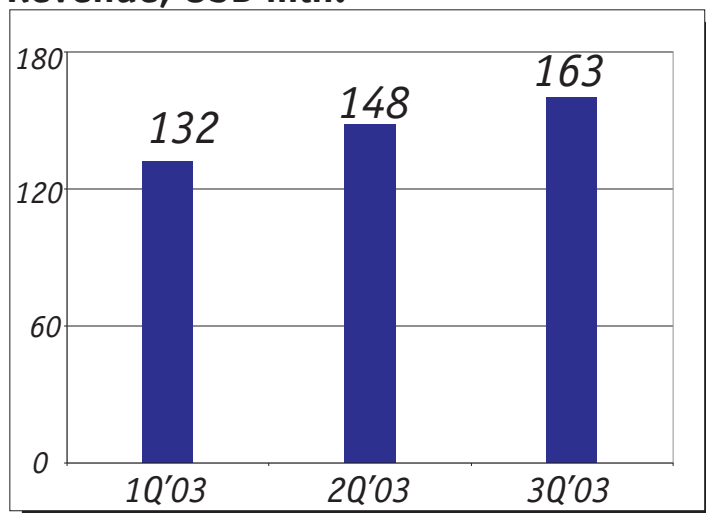
Financial Performance



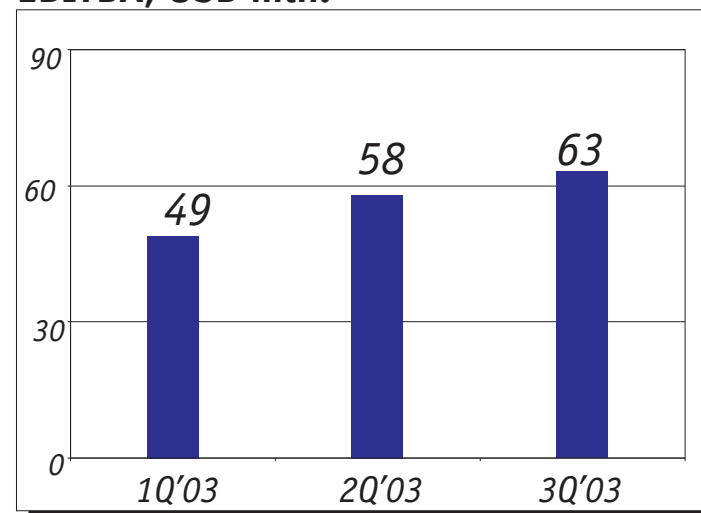
- EBITDA margin: 2001 - 32,1 %, 2002 - 36,1 %, 2003F - 38,5 %
- Net margin: 2001 - 5,8 %, 2002 - 6,2 %, 2003F - 8,6 %

Quarterly Financial Highlights'03/RAS

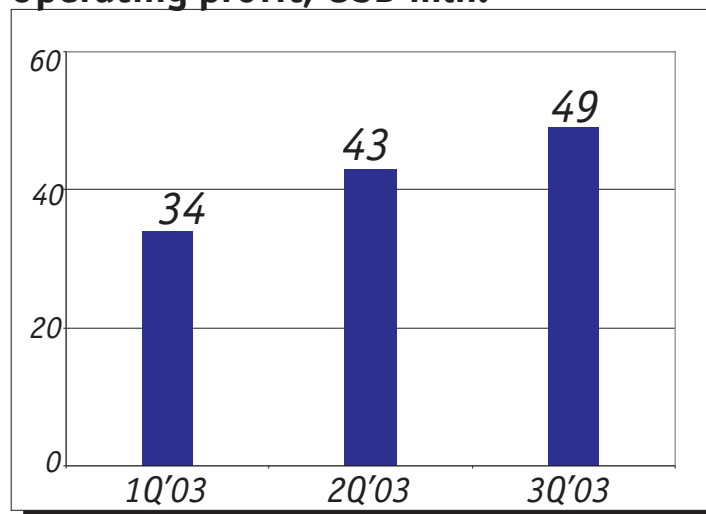
Revenue, USD mln.



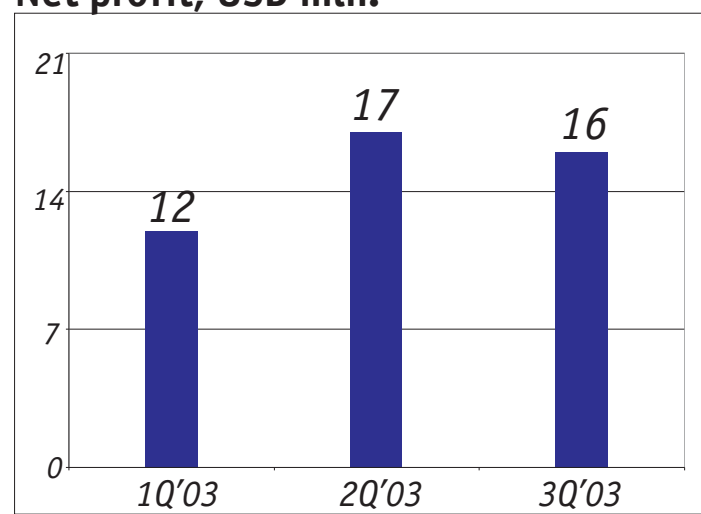
EBITDA, USD mln.



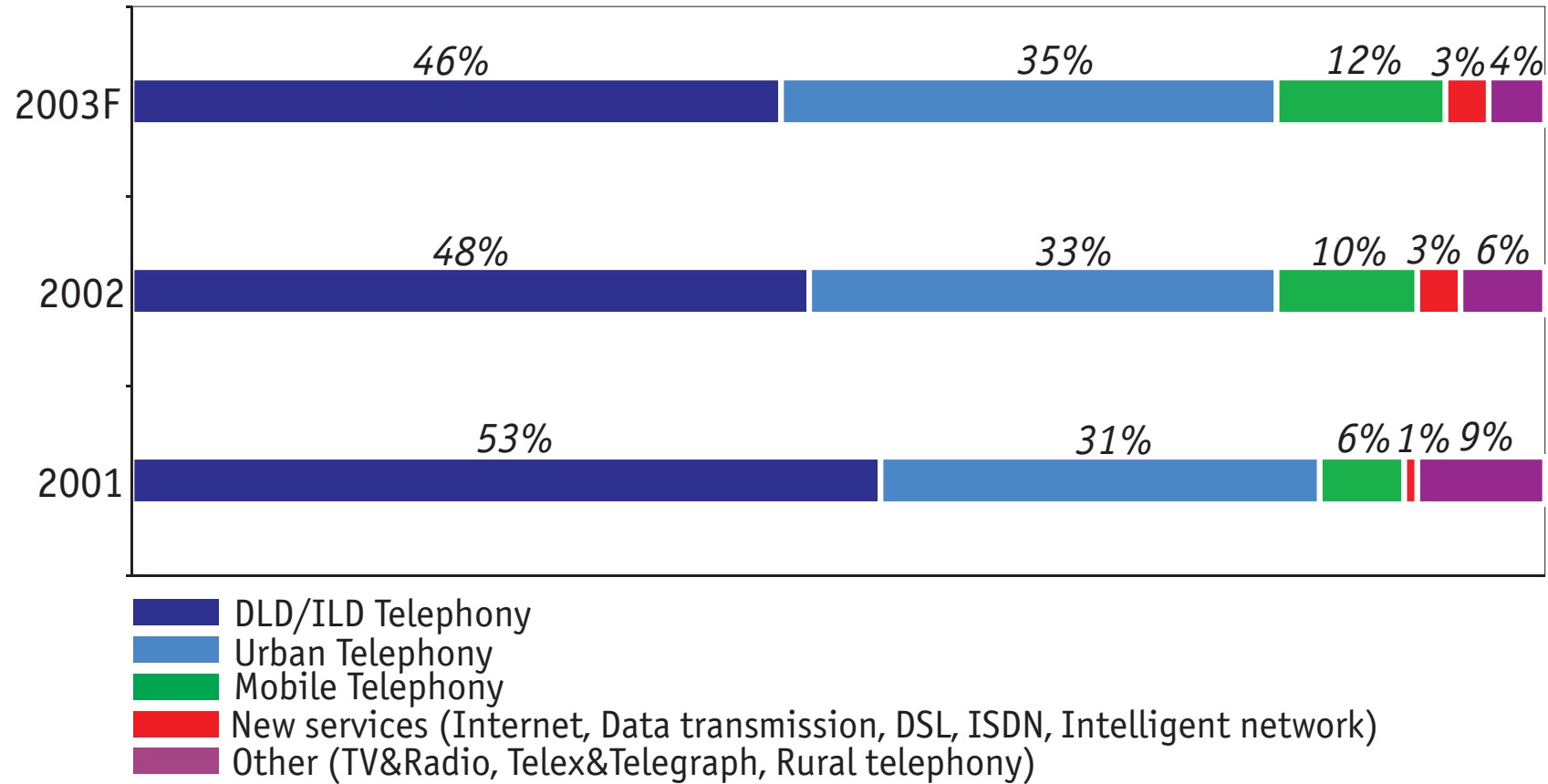
Operating profit, USD mln.



Net profit, USD mln.

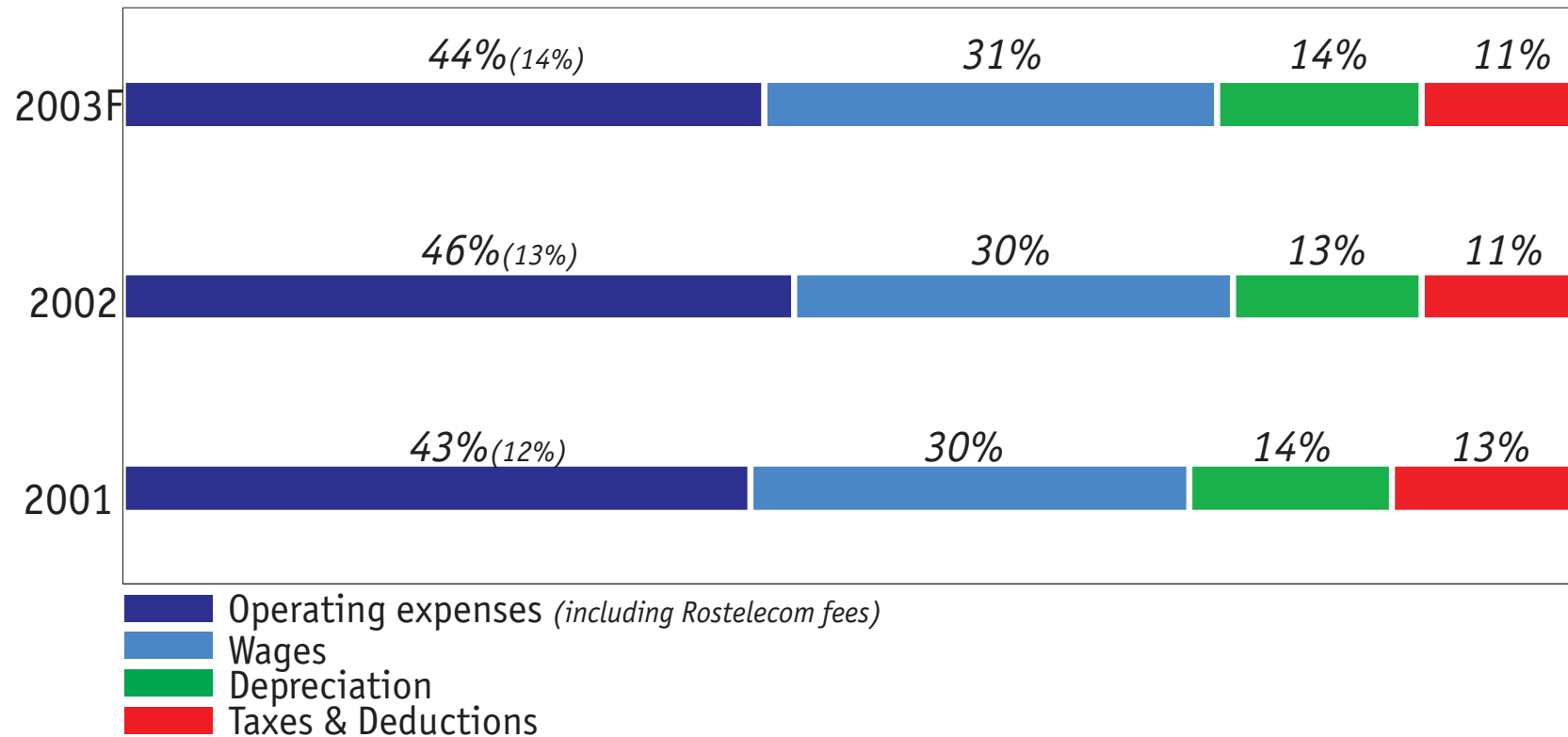


Revenue structure



- Highly profitable services take up a higher share in revenue structure

Expenditure structure



- Plans to increase depreciation deductions, as well as budgets for marketing, advertizing, sales promotion, staff training, R&D

GSM 900/1800

Uralsvyazinform

South-Urals Cellular Phone

Ermak RMS

Total subscribers as of 01.11.03 -
1,0 mln (+119% since
01.01.03)

2003

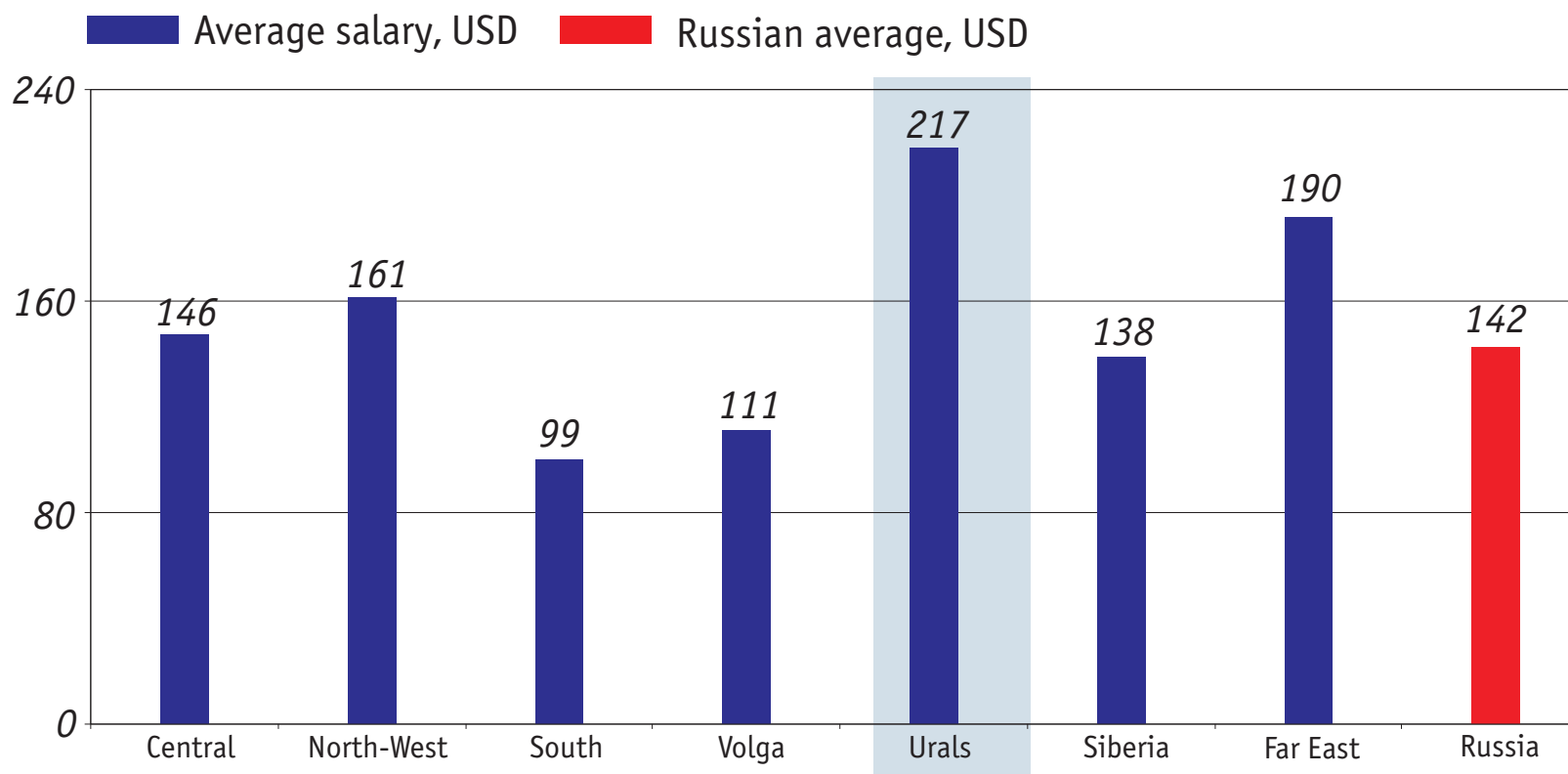
Penetration into mobile market
of Sverlovsk region and
Ekaterinburg



- Prospects - consolidation of mobile business under one brand

On September 24, 2003 an agreement to acquire 33,4% of Tatinkom-T, a mobile operator in Tatarstan was signed. Its subscriber base as of Sept.1, 2003 totaled 120 thousand.

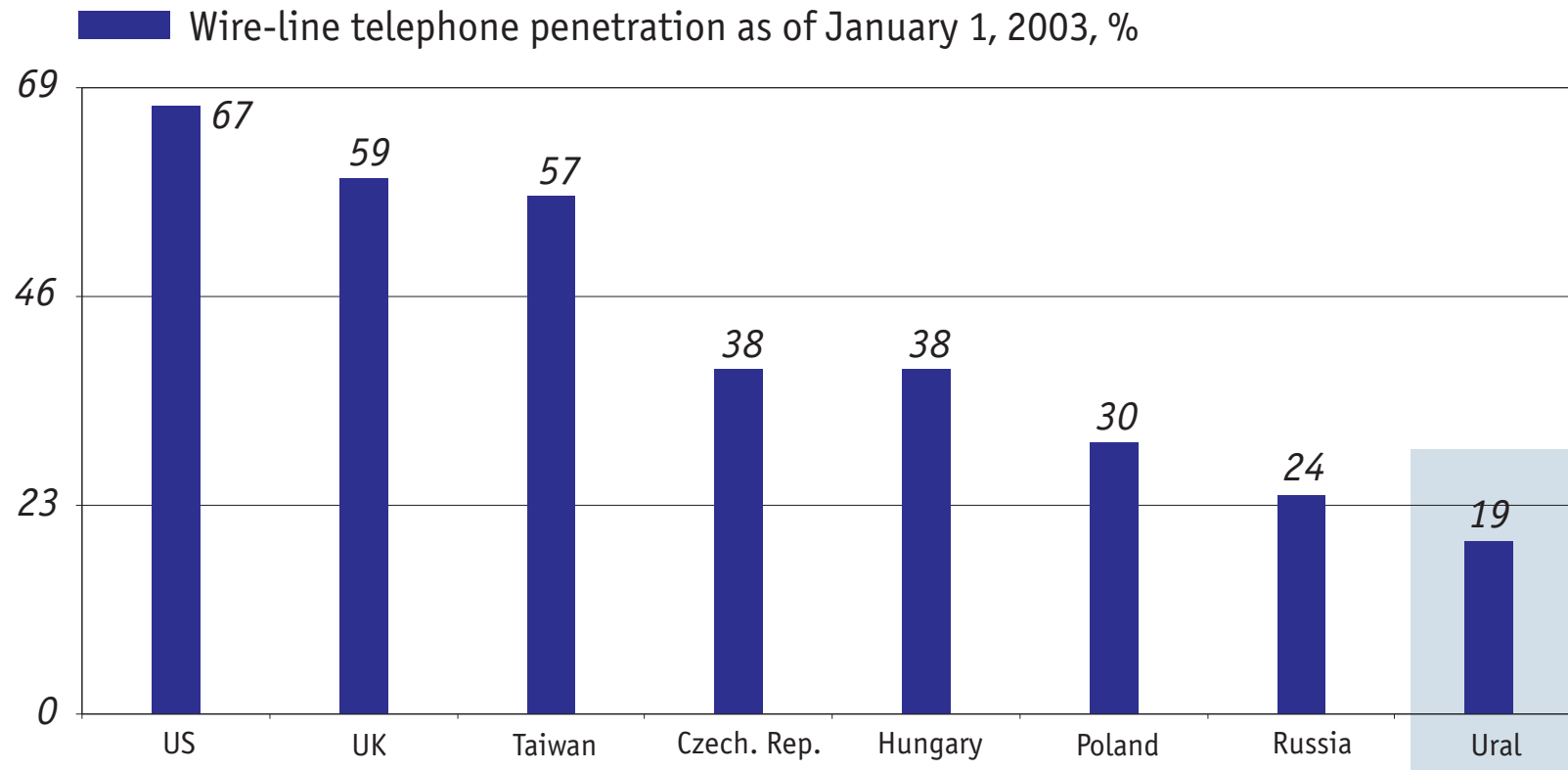
Customer welfare...



- As a region of Russia, Ural ranks first in terms of customers' incomes / income per capita - subsistence wage ratio

According to Goskomstat (State Committee for Statistics) data as of 01.07.2002

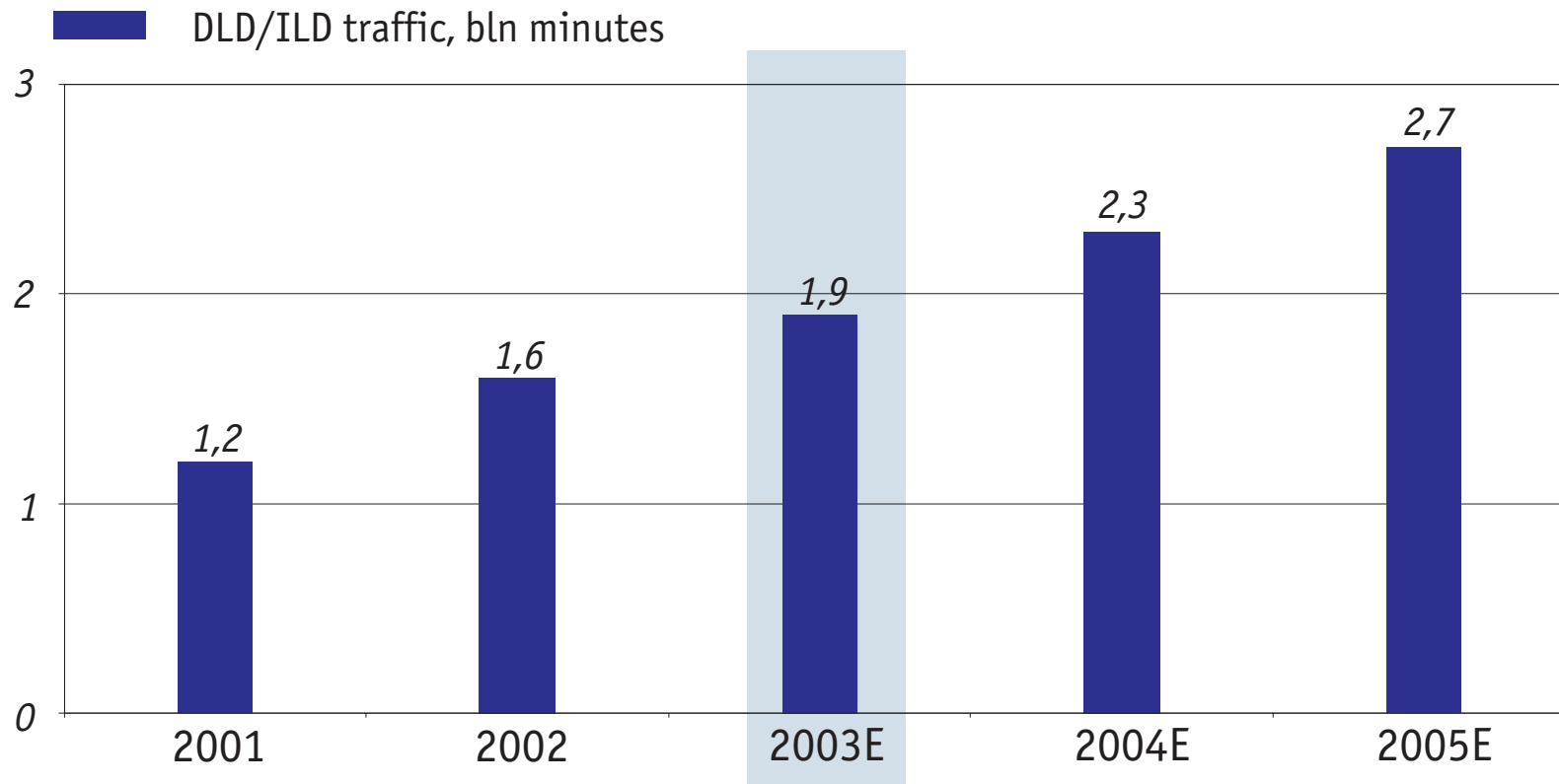
along with pent-up demand for local telephony services ...



- Waiting list as of January 1, 2003 accounts for 538 thous., 90% of which are urban. Each urban account covers installation costs, generating USD190 in revenue

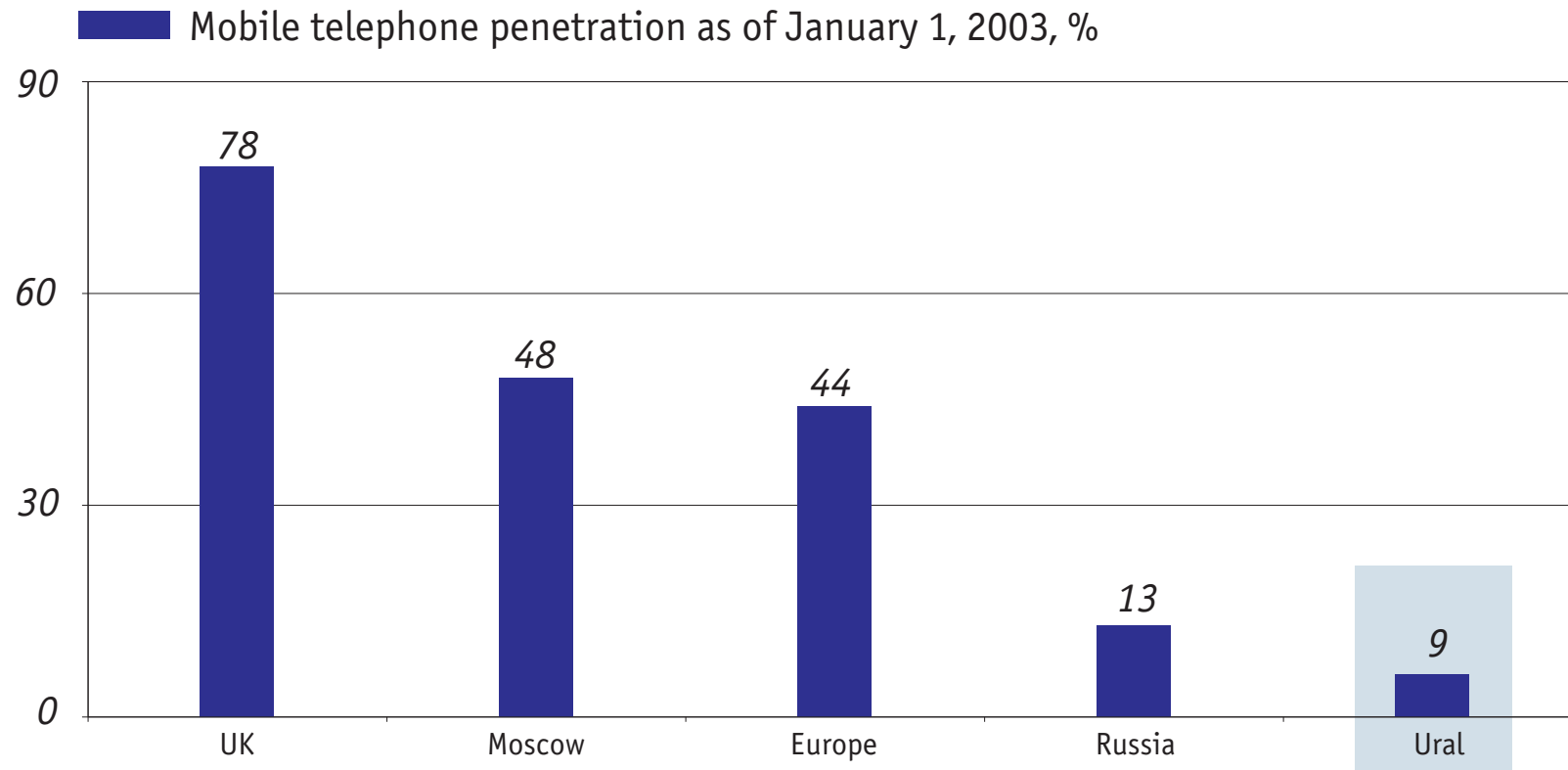
According to GEM Telecom Overview/ING

... DLD/ILD telephony ...



- Healthy DLD/ILD traffic is backed by sustainable growth of foreign direct investment, and development of small and middle-scope businesses. Our revised long-distance tariff policy is another contributor to the traffic growth.

... and mobile telephony ...



- We benefit from strong market potential in Urals region. The subscriber growth rate attained 89% since the beginning of the year, driven by competitive pricing, rising incomes and growing business activity.

**According to ACM Consulting*

... determine investment priorities

- **Capacity extension and network upgrade**
 - *Packet switching network*
 - *Optical broadband access networks*
 - *Intrazone optical and microwave transport networks*
 - *Wireless local loop*

- **Mobile telephony of GSM-900/1800 standard**

- **Internet**

- **Intelligent network**

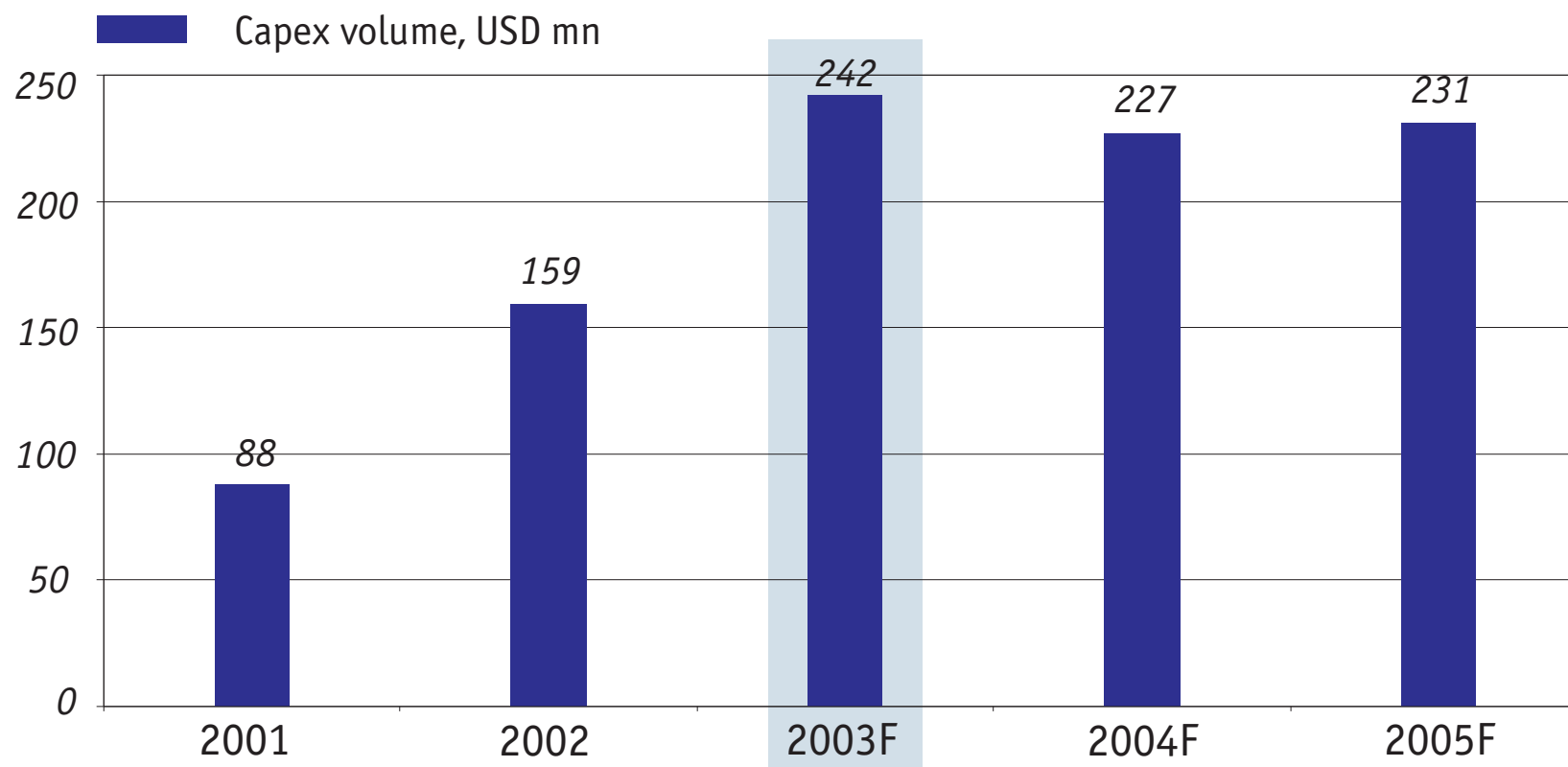
- **Cable TV**

Rapid growth

		2001 Implemented	2002	2003F	2004F	2005F	CAGR 2002-05	2002-05 Plan
Wire-line	Thous. Lines	3 112	+338	+356	+380	+360	10%	+1 434
Mobile/GSM	Thous. Lines	261	+275	+804	+280	+280	63%	+1 639
Intrazone fiber optical links	Thous. Km	1,4	+1,5	+2,1	+2,5	+2,1	64%	+8,2
Intrazone radio microwave links	Thous. Km	2,0	+0,07	+1,1	+1,8	+1,3	33%	+4,3

- Investment structure'2002:
 - DLD/ILD telephony - 15 %
 - Mobile telephony - 20 %
 - Local telephony - 56 %
 - New services - 8 %
 - Other - 1 %

Capex

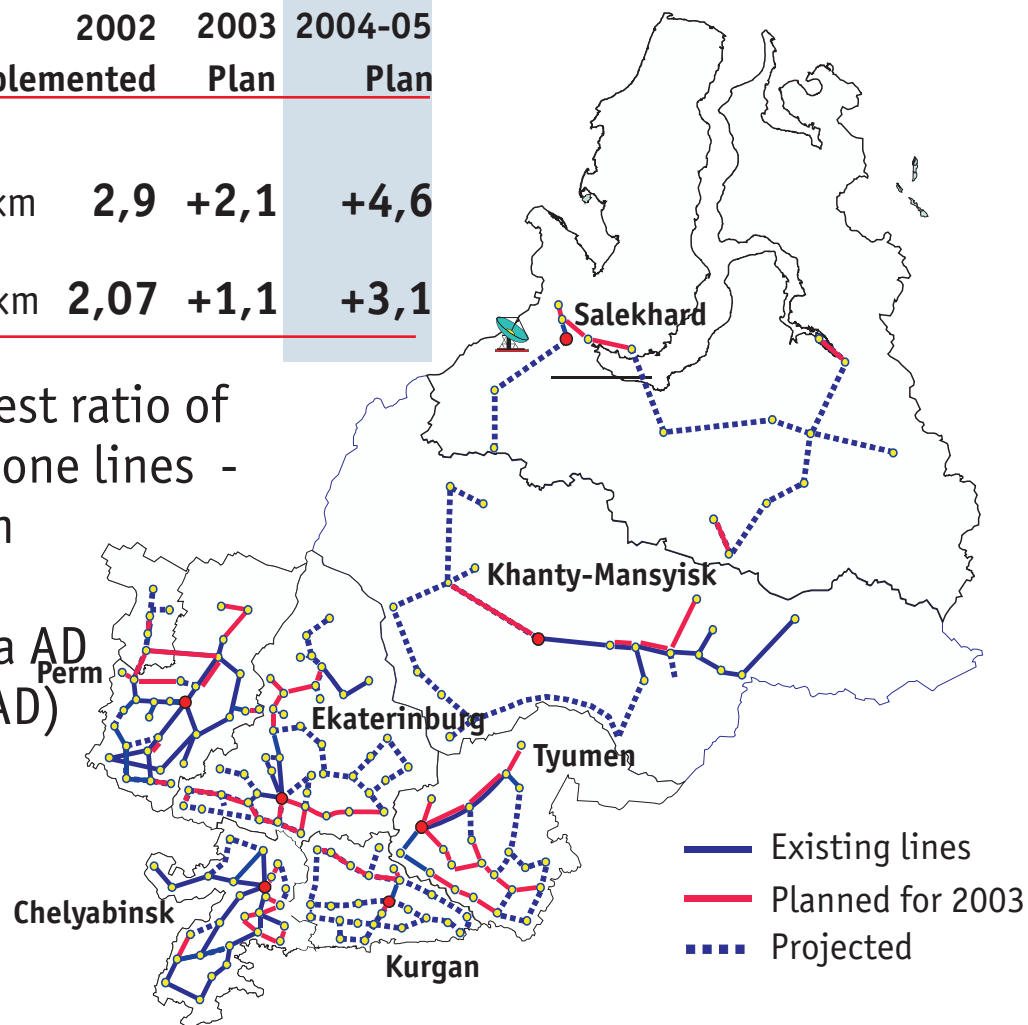


- Priority investment regions - Sverdlovsk region, Tyumen region including Khanty-Mansyisk-Yogra and Yamalo-Nenetski autonomous districts.

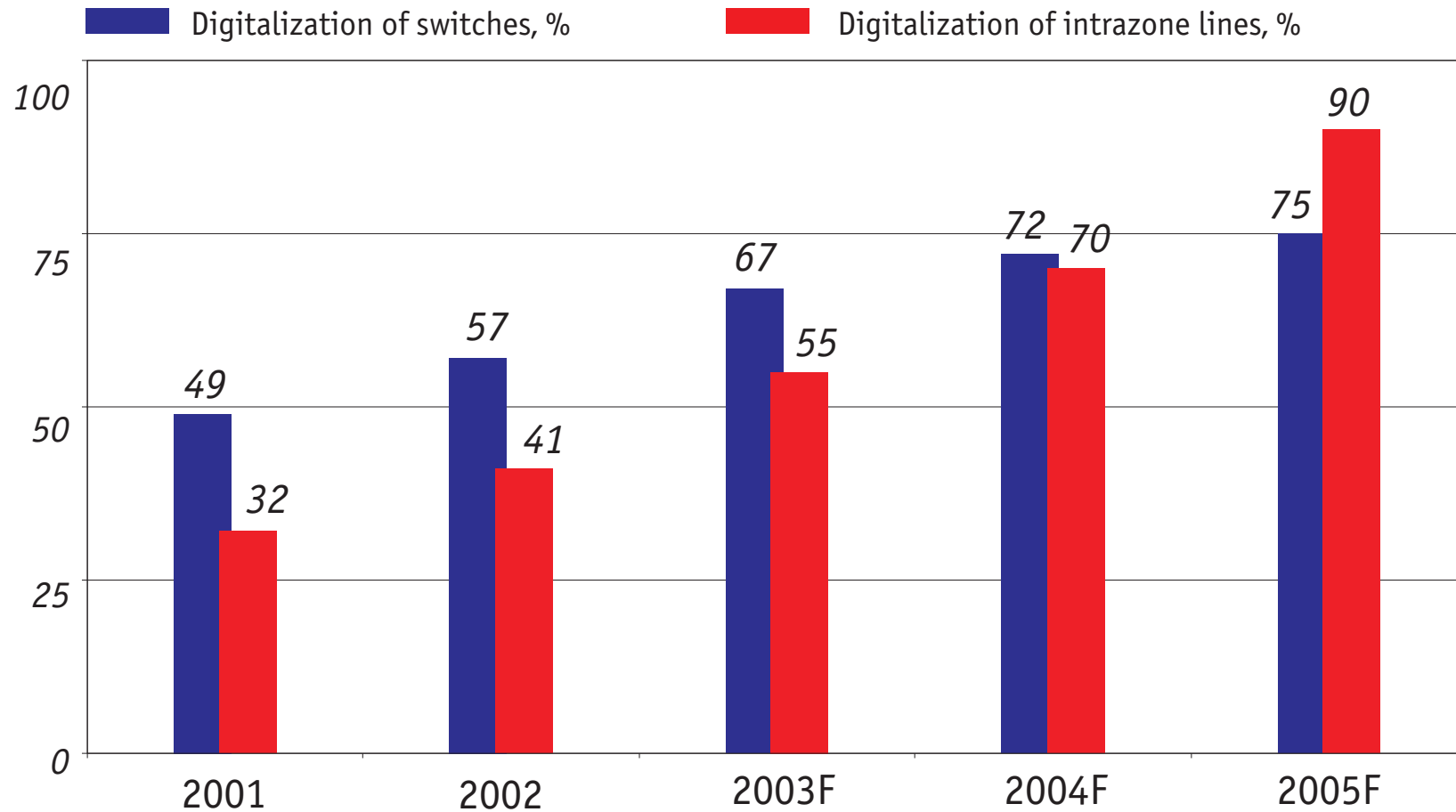
Digital transport network

		2002	2003	2004-05
		Implemented	Plan	Plan
Intrazone fiber optical links	Thous km	2,9	+2,1	+4,6
Intrazone radio microwave links	Thous km	2,07	+1,1	+3,1

- Regions with the highest ratio of investment into intrazone lines - Sverdlovsk and Tyumen regions (including Khanty-Mansyisk-Yogra AD and Yamalo-Nenetski AD)

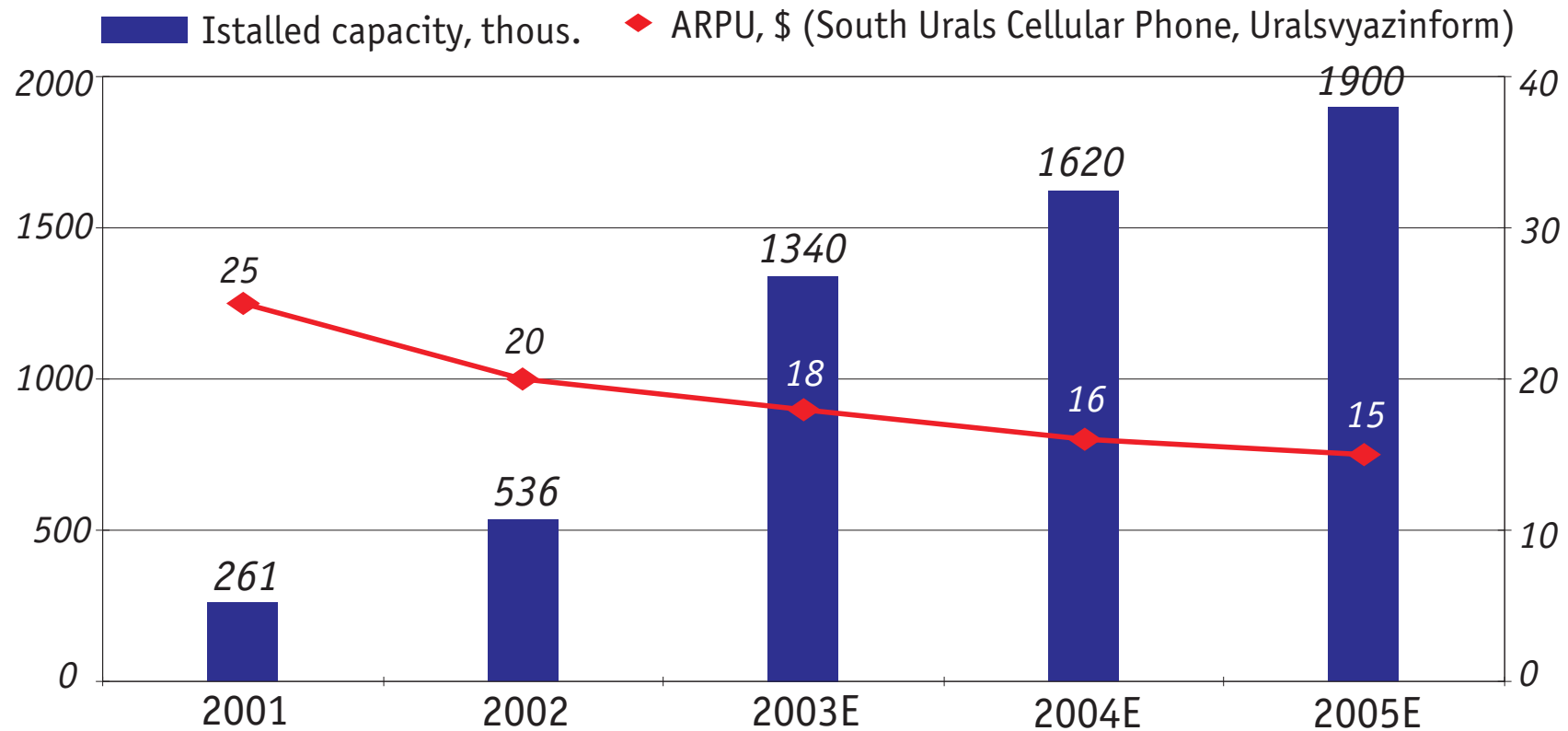


Digitalization



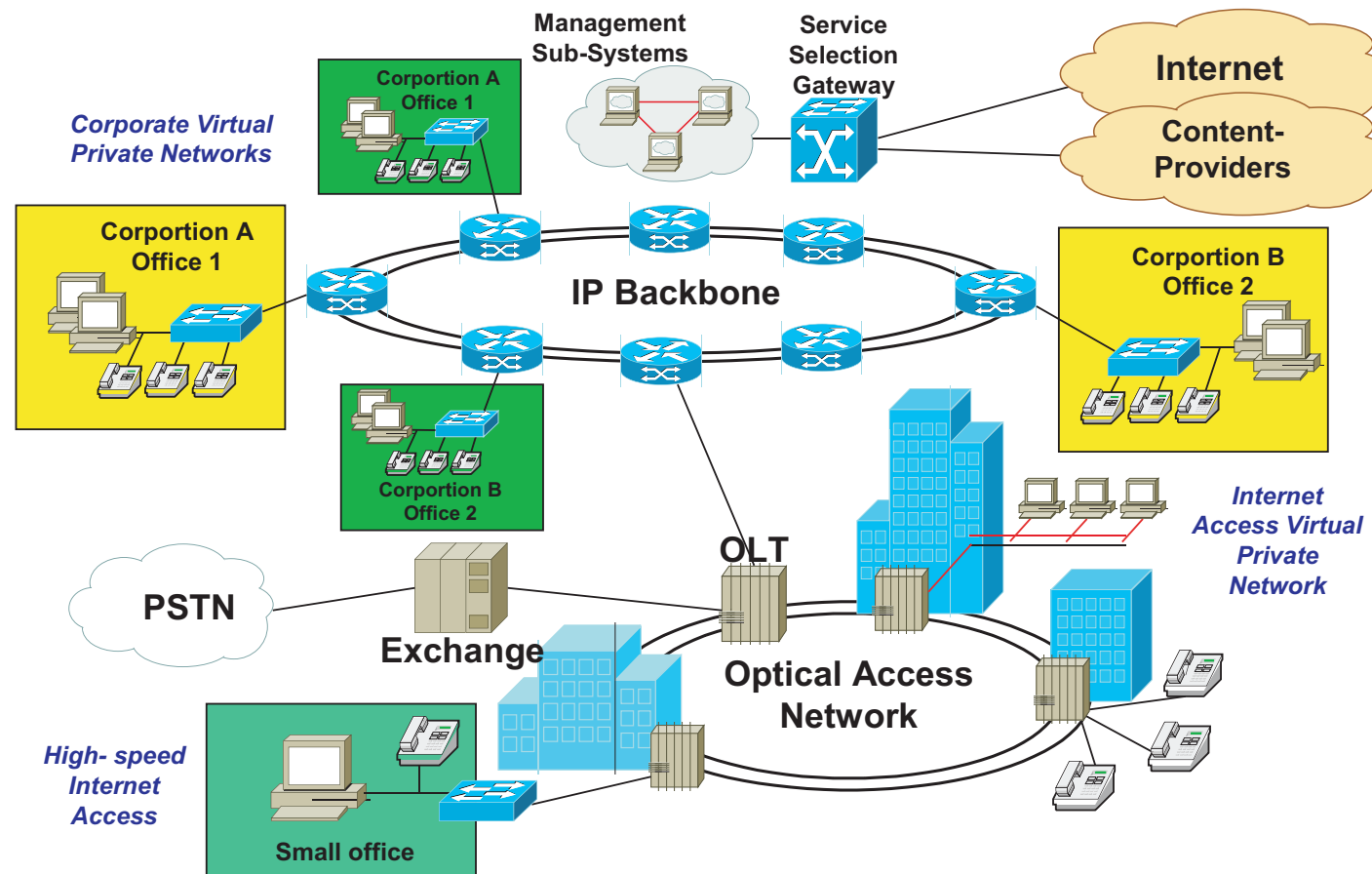
- We expect high rate of digitalization of intrazone lines

Development: GSM 900/1800



- The company plans to protect and expand its market share in mobile business through aggressive marketing and highly competitive pricing

Multiservice network



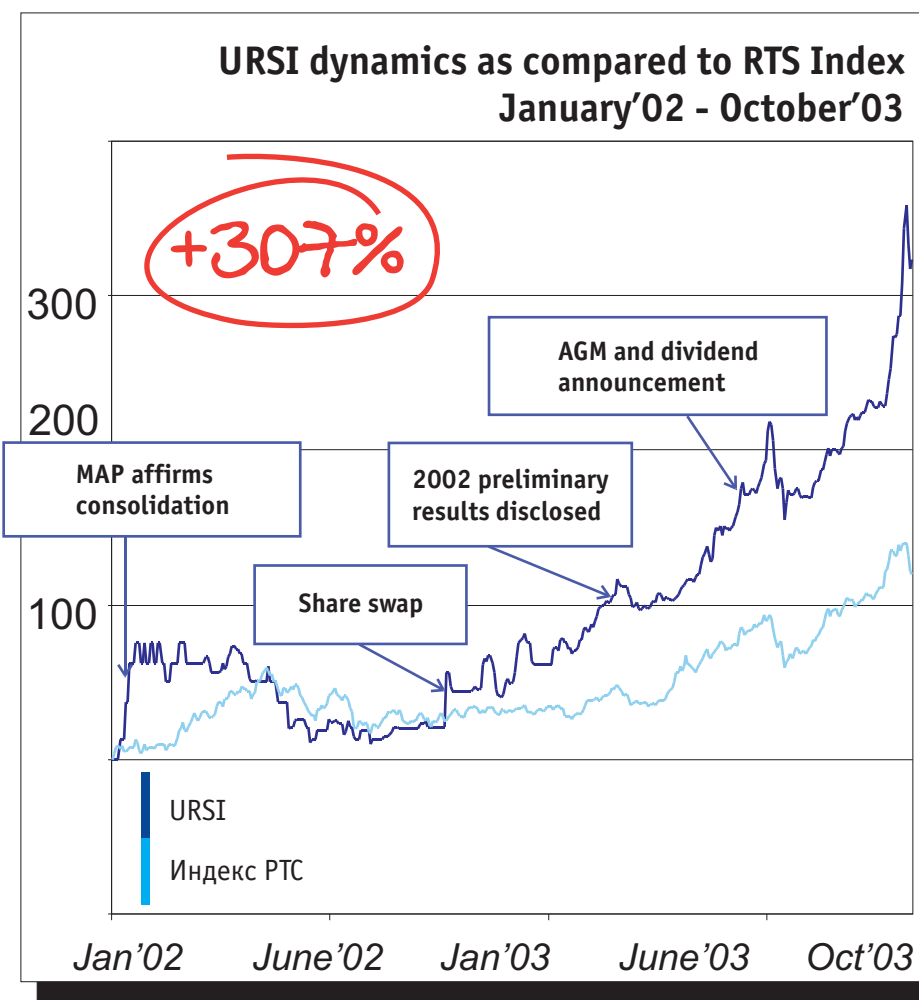
- Further network development is based on optical access technology

Development strategy

- **Total Consumer Satisfaction policy**
- **Broadening of services array**
- **Enhancement of existing networks**
- **Prioritizing on highly profitable services**
- **Reduction of costs through introduction of up-to-date technologies, optimization of management structure and number of employees**
- **Elaboration of economically feasible tariff policy based on activity based costing**
- **Providing for capitalization growth and shares' liquidity**

Stock performance

- **Shares are traded on:**
Russian Trading System (RTS) -
RTS A1-Level Quotation List
Moscow Interbank Currency Exchange -
MICEX A1-Level Quotation List
- **Level 1 ADR program**
for common and preference shares
- **ADR are traded on:**
Berlin Stock Exchange
Frankfurt Stock Exchange
NewEX Burse AG
- **Credit ratings:**
Standard&Poors - "B", Stable
Fitch Ratings - "B+", Positive
- **Corporate governance score:**
Standard&Poors - "6,1"
- **State owned shares sale:**
The state owned shares of the
Company (4,7%) are expected to
be sold in 2004



MSCI Indices:

*Since May 30, 2003 shares are included in
MSCI Russia and MSCI Telecommunications indices*

Why Uralsvyazinform

- **Vigorous business activity and solvent demand for telecommunications services in the region**
18 % of Russia's overall industrial output
- **Total consumer satisfaction policy**
Over 4,0 mln. Subscribers
- **Own mobile business and promotion of HVA-services**
1,0 mln. Mobile subscribers
- **Aggressive investment policy targeted at highly profitable technologies**
Approximately USD200 mln. Annually (2003-05)
- **High economic efficiency and financial stability**
Operating profit'02 growth - 81%
- **Effective management**
Corporate governance score: "6,1" (Standard&Poors)
- **Company is striving to meet world standards of information transparency and corporate governance**

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Ticker symbols

Russian Trading System - URSI

ADR - UVYZY, UVYPY

You may find additional information and updates on our corporate web-site at www.uralsviazinform.com, or at company's page URSI_RU at Bloomberg
