



FOR IMMEDIATE RELEASE

November 9, 2006

COMSTAR UTS ANNOUNCES THIRD QUARTER 2006 KEY OPERATING DATA

Moscow, Russia – November 9, 2006 – “COMSTAR – United TeleSystems” OJSC (“Comstar UTS”) (LSE: CMST), the leading provider of integrated communications services in Moscow, today announced the key performance indicators for its alternative and traditional fixed line telecommunications business segments for the third quarter ending September, 30 2006.

HIGHLIGHTS

- Broadband Internet subscriber base in Moscow up 58% or 114,535 subscribers year-on-year to the total 313,189 customers. 11,071 net customer additions in September alone compared to 321 and 752 net additions in July and August, respectively, contributed to overall 4% increase in the total subscribers quarter-on-quarter
- “Double play” subscriber base in Moscow has doubled quarter-on-quarter for the second time in 2006 to 58,564 customers
- Completed digitalization of Comstar UTS’s Tyumen subsidiary in September 2006 resulting in 1,157 net customer additions in the regional segment quarter-on-quarter
- Added 36,508 new residential subscribers to MGTS network year-on-year or 7,266 net additions quarter-on-quarter to the total 3.64 million subscribers in Moscow

Eric Franke, Chief Executive Officer of Comstar UTS, commented: “The run rate of new subscriber additions in broadband services increased to over 11,000 in the month of September and was even higher in October, reversing the seasonality trend in the first two months of the third quarter. In September we launched a new marketing campaign: we are targeting the mass market in Moscow with an attractively priced broadband offering while increasing the connection speed for our existing customers. The combined offer of broadband Internet and IPTV services proved to be very successful: “Double Play” subscriber base doubled quarter-on-quarter for the second time in 2006. We are well positioned to lead the future growth in the broadband market by leveraging our extensive network infrastructure in MGTS and targeting 3.56 million residential customers through a direct marketing campaign”.

“In the third quarter of 2006 we delivered first results of the regional rollout strategy: 1,157 net customers additions, which primarily came from our Tyumen subsidiary, and were the result of the successful advertising campaign and the completion of the network digitalization in the subsidiary. In addition to the organic growth in the regions in the third quarter, we announced in October four acquisitions of alternative operators in Armenia and Ukraine, which will be fully consolidated into our results for the fourth quarter of 2006”, – concluded Eric Franke.

KEY PERFORMANCE INDICATORS*

	September 30, 2006	September 30, 2005	Growth 3Q '06 vs. 3Q '05	June 30, 2006	Growth 3Q '06 vs. 2Q '06
ALTERNATIVE SEGMENT					
Moscow					
Residential Subscribers					
Broadband "Stream" Internet.....	313 189	198 654	58%	301 045	4%
<i>Of which "Stream" Internet+TV (double play).....</i>	58 564	-	-	28 556	105%
Dial-up	124 683	232 004	(46%)	140 486	(11%)
Voice	5 571	5 121	9%	5 076	10%
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Total Residential subscribers.....	443 443	435 779	2%	446 607	(1%)
Corporate subscribers	33 467	30 310	10%	32 320	4%
Operators	355	392	(9%)	358	(1%)
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Total	477 265	466 481	2%	479 285	0%
Regions and CIS					
Residential subscribers.....	83 915	-	-	82 871	1%
Corporate subscribers	8 271	-	-	8 153	1%
Operators	46	-	-	51	(10%)
	<hr/>	<hr/>		<hr/>	
Total	92 232	-	-	91 075	1%
TRADITIONAL SEGMENT					
Residential subscribers.....	3 560 620	3 524 112	1%	3 553 354	0%
Corporate subscribers	74 636	75 525	(1%)	75 513	(1%)
Operators	215	198	9%	214	0%
	<hr/>	<hr/>		<hr/>	
Total	3 635 471	3 599 835	1%	3 629 081	0%

* Please see Appendix A for a full set of data

The total number of broadband subscribers in Moscow increased by 114,535 customers, representing a 58% growth year-on-year, and by 12,144 net additions quarter-on-quarter, accounting for 4% growth in the total subscriber base of 313,189 customers. The net additions in broadband subscribers during the quarter were back end loaded with the majority of new subscribers added in September.

The total number of STREAM "double-play" subscribers has more than doubled quarter-on-quarter to 58,564 customers from 28,556 subscribers.

As part of the new advertising campaign launched on September 1, 2006, Comstar UTS introduced an unlimited tariff plan, "STREAM-First", priced at US\$ 15 per month. This offer targets the mass market customer segment, which still has relatively low penetration levels of Internet broadband services. Starting from November 1, 2006 the Company increased by 3.5 times the monthly traffic volume for prepaid customers on the premium-class tariff plans. The above initiatives led to a higher number of net additions in October 2006 compared to the previous month.

The Company's dial up subscriber base in Moscow continued to migrate to broadband, and was further impacted by seasonality in the third quarter. The total number of residential dial-up subscribers was 124,683 customers, a 11% decline quarter-on-quarter in line with our expectations.

The regional operations segment was added to the Comstar UTS' financial results in the fourth quarter of 2005, hence the Company can not provide a relevant year-on-year comparison.

The number of residential subscribers in the regions increased by 1,044 to 83,915 customers, which represented a 1% growth quarter-on-quarter. It was primarily driven by net additions of voice customers in Tyumen region.

Comstar UTS's traditional business segment demonstrated another quarter of solid performance. The total subscriber base increased by 6,390 subscribers quarter-on-quarter to the total 3,635,471 customers, and by 35,636 subscribers year-on-year. Residential customers represented 98% of the total subscriber base of MGTS.

Comstar-UTS plans to release its third quarter 2006 financial results in the beginning of December 2006.

ALTERNATIVE SEGMENT

Moscow

	September 30, 2006	September 30, 2005	Growth 3Q '06 vs. 3Q '05	June 30, 2006	Growth 3Q '06 vs. 2Q '06
Residential Subscribers					
Broadband "Stream" Internet.....	313 189	198 654	58%	301 045	4%
<i>Of which "Stream" Internet+TV (double play)*.....</i>	<i>58 564</i>	<i>-</i>	<i>-</i>	<i>28 556</i>	<i>105%</i>
Dial-up	124 683	232 004	(46%)	140 486	(11%)
Voice	5 571	5 121	9%	5 076	10%
Total Residential subscribers.....	443 443	435 779	2%	446 607	(1%)
Corporate subscribers	33 467	30 310	10%	32 320	4%
Operators	355	392	(9%)	358	(1%)
Total subscribers	477 265	466 481	2%	479 285	0%
Active telephone lines					
Corporate	137 732	130 655	5%	137 386	0%
Fixed line Operators	121 142	106 111	14%	120 516	1%
Mobile Operators	325 572	323 571	1%	325 572	0%
Residential	8 501	7 925	7%	8 629	(1%)
Total Active Telephone lines.....	592 947	568 262	4%	592 103	0%
Installed capacity (telephone lines)	630 300	628 600	0%	630 300	0%
ADSL and data transmission channels (realized by alternative operators of Comstar-UTS to corporate subscribers in Moscow).....	28 974	24 092	20%	27 912	4%

Regions

	September 30, 2006	June 30, 2006	Growth 3Q '06 vs. 2Q '06
Residential subscribers			
Broadband	421	303	39%
Dial-up	5 672	6 461	(12%)
Voice	77 822	76 107	2%
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Total Residential subscribers.....	83 915	82 871	1%
Corporate subscribers	8 271	8 153	1%
Operators	46	51	(10%)
	<hr/>	<hr/>	
Total Subscribers	92 232	91 075	1%

TRADITIONAL SEGMENT

Moscow

	September 30, 2006	September 30, 2005	Growth 3Q'06 vs. 3Q '05	June 30, 2006	Growth 3Q'06 vs. 2Q '06
Subscribers					
Residential	3 560 620	3 524 112	1%	3 553 354	0%
Corporate	74 636	75 525	(1%)	75 513	(1%)
Operators	215	198	9%	214	0%
	<hr/>	<hr/>		<hr/>	
Total	3 635 471	3 599 835	1%	3 629 081	0%
Active telephone lines					
Residential	3 560 620	3 524 112	1%	3 553 354	0%
Corporate	727 261	725 689	0%	726 668	0%
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Total	4 287 881	4 249 801	1%	4 280 022	0%
Installed capacity (telephone lines)	4 698 883	4 610 323	2%	4 691 883	0%
Access nodes					
Corporate	29 186	31 186	(6%)	29 554	(1%)
Operators	188 378	182 996	3%	184 000	2%
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Total	217 564	214 182	2%	213 554	2%

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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.