



## The Next Level

# 3Q 2005 Earnings Release



Jean-Pierre Vandromme, CEO  
Brian Rich, CFO  
Ranjit Singh, IR

### When

Thursday, November 3, 2005

9:00 a.m. (U.S. Eastern Time Zone)

2:00 p.m. (London time)

5:00 p.m. (Moscow time)

### Where to call

U.S.: +1 (800) 288-8974

International: +1 (612) 288-0337

*No access code is necessary*

### To hear a replay of the conference call:

November 3, 5:45 p.m. through November 10, 11:59 p.m.

(U.S. Eastern Time Zone)

U.S.: +1 (800) 475-6701

International: +1 (320) 365-3844

*Enter Access Code: 800754*

### Live Webcast

Please go to: [http://www.goldentelecom.com/webcast\\_en](http://www.goldentelecom.com/webcast_en)

(The web cast will also be available for replay on the Internet from November 7)





# Special Note Regarding Forward Looking Statements

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Statements made in this press release 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 plans to become the leading fixed line operator and full service provider in Russia and the CIS regarding upcoming changes in the telecommunications environment, our focus on high margin customers, our broadband strategy, the Company's acquisition strategy and the expected benefits of such acquisitions, our plans to provide long distance services pursuant to the Russian and Ukrainian long distance licenses, financial forecasts, and the delivery and launch of certain equipment. 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 utilize our long distance licenses will not materialize as expected, the telecommunications environment may not develop as we expect, our broadband strategy will not develop as we expect, we are not able to close transactions as we expect, that our margins may weaken in the face of competition or adverse regulatory events, 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 and current reports on Form 8-K filed during 2005, and the Company's annual report on Form 10-K for the year ended December 31, 2004.

**For additional information please contact:**

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# 3Q-05 Key Highlights

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## Continued Strong Performance

9 Months Ended 2005 versus 9 Months Ended 2004:

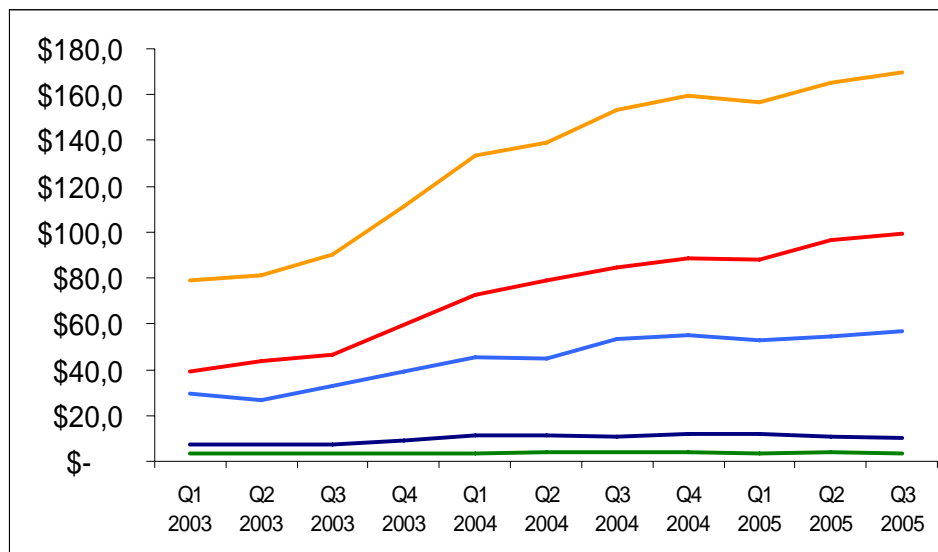


- **21.2%** increase in basic EPS
- **24.1%** increase in operating income
- **22.0%** increase in net income
- **15.8%** increase in consolidated revenues
- **20.1%** increase in BCS revenues
- **41.0%** increase in BCS operating income



# Revenues & Operating Income Growth

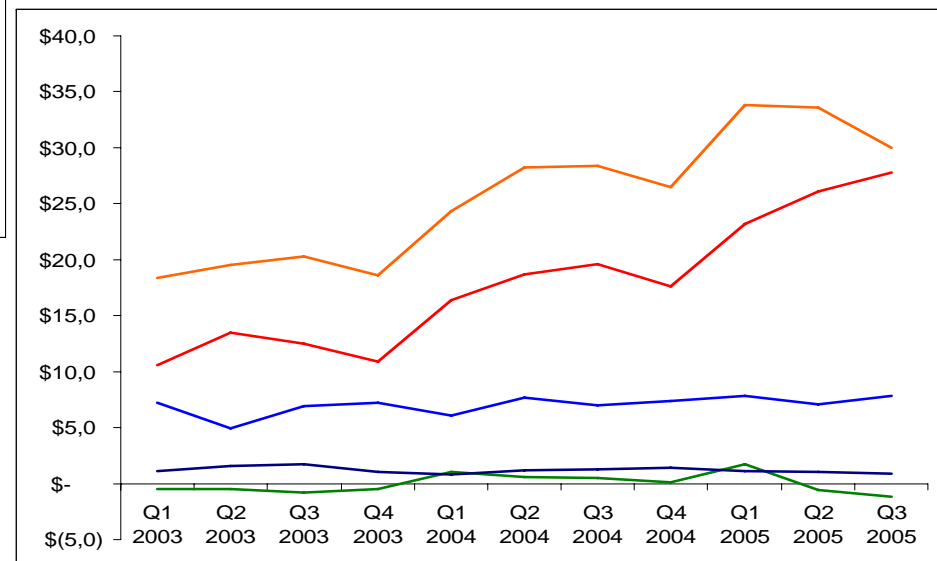
## Revenues Growth by Business Lines



- Consolidated
- Business and Corporate
- Carrier and Operator
- Consumer Internet
- Mobile

Source: Golden Telecom, Inc.

## Operating Income by Business Lines

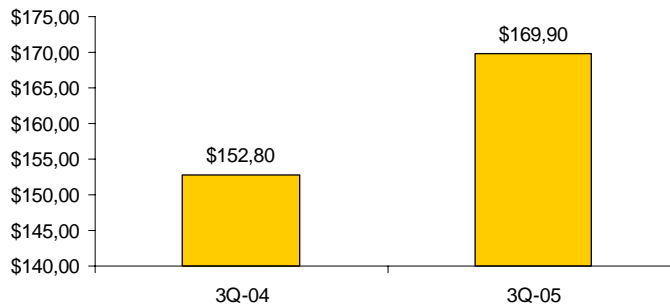




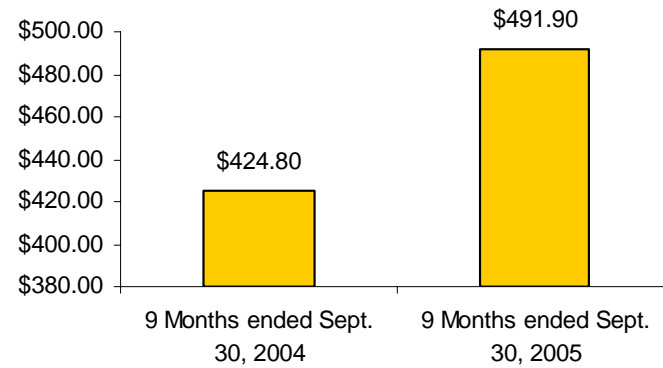
# Continuous Financial Performance



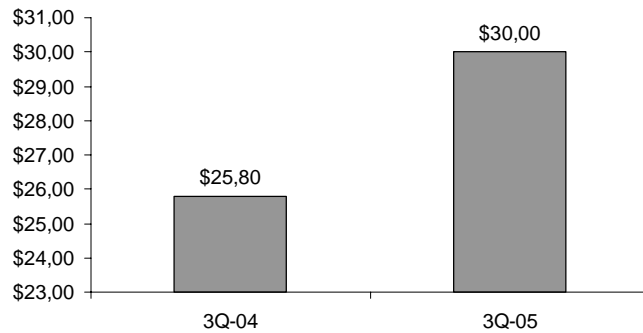
**3Q 2005 Revenues, (in \$mln)**



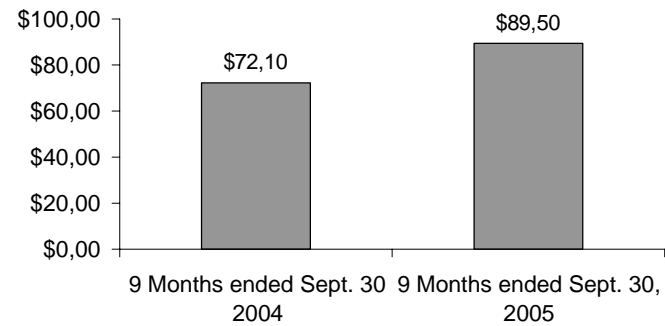
**Through 9 Months 2005 Revenues, (in \$mln)**



**3Q 2005 Operating Income, (in \$mln)**



**Through 9 Months 2005 Operating Income, (in \$mln)**

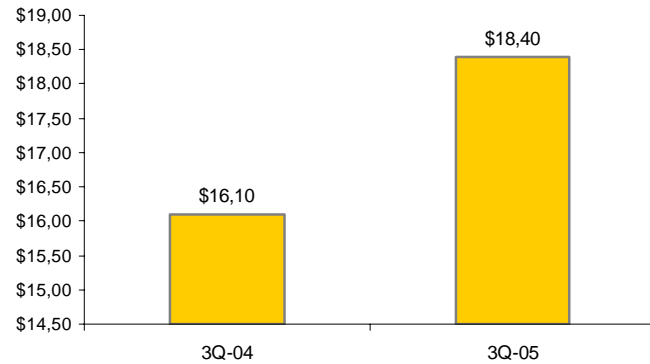


Source: Golden Telecom, Inc.

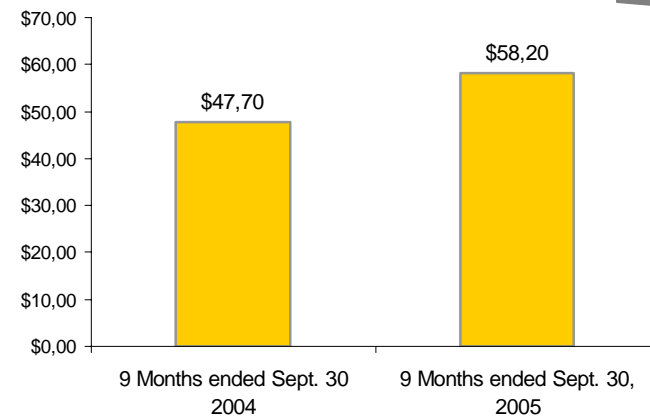


# Continuous Financial Performance

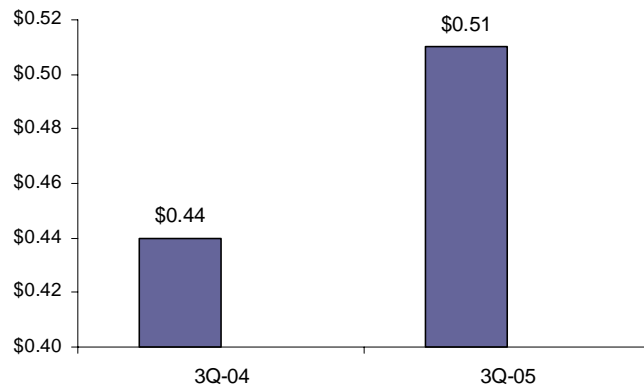
3Q Net Income, (in \$mln)



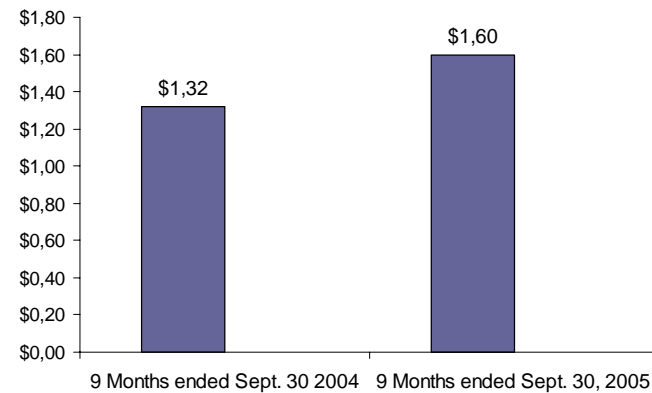
Through 9 Months 2005 Net Income, (in \$mln)



3Q EPS (Basic)



Through 9 Months 2005 EPS (Basic)

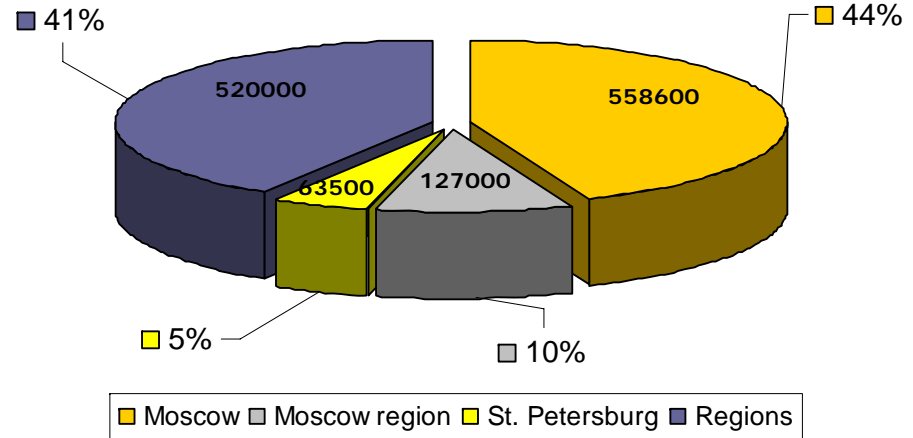


Source: Golden Telecom, Inc

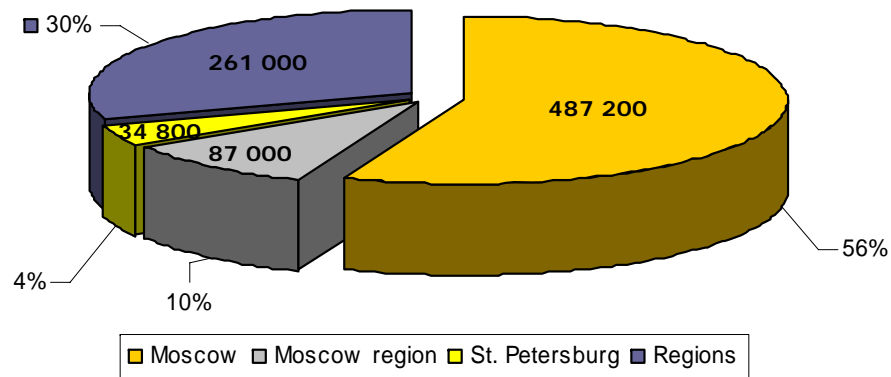


# Broadband Market Statistics

Market Structure Forecast total Year End 2005/  
New Connections Geographical Split



Market Structure as of 1H-2005 /Geographical

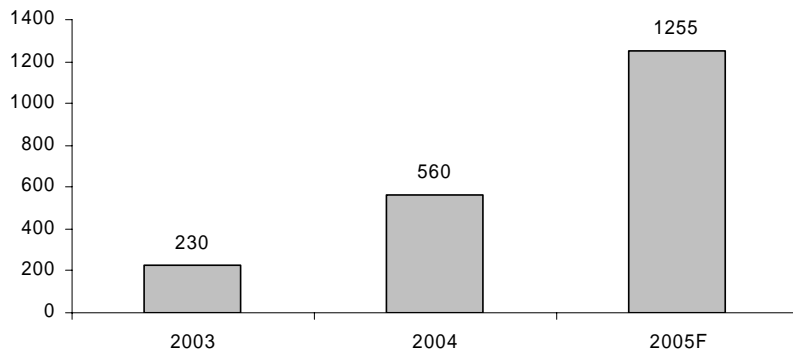


Source: J'son & Partners

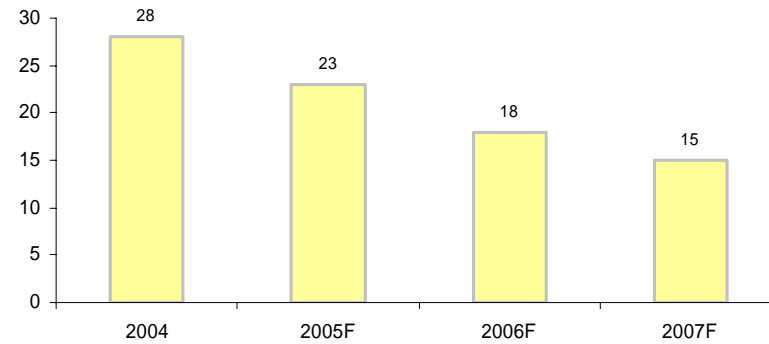


# Broadband Market Forecast

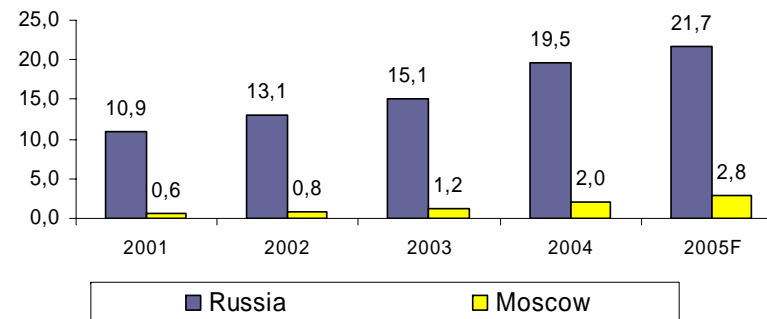
**Broadband Access 2003-2005 Russia  
(per 1,000 households)**



**Russian Broadband ARPU, USD**



**Number of computers, mln.**



Sources: J'son & Partners, Direct-Info, and Ministry of Telecommunications, Russia





# Federal Transit Network Opportunities

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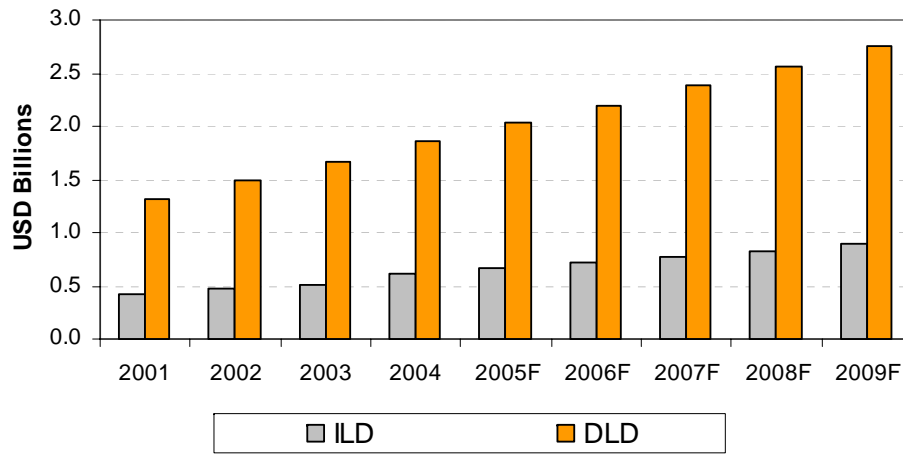
- To develop Golden Telecom into the leading fixed line operator and full service provider in Russia and the CIS.
- To utilize the Long Distance License received May 3, 2005 to grow our business and achieve our objectives.



# The Market Forecast



**ILD/DLD Market Forecast**

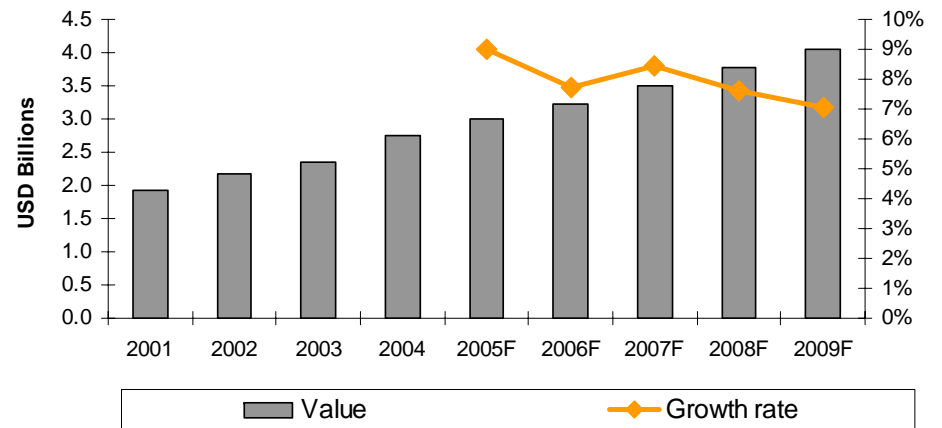


ILD – International Long Distance  
DLD – Domestic Long Distance

Source: IKS-Consulting



**ILD/DLD Market Forecast**





# Federal Transit Network Implementation

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## ■ Construction

- 7 Long Distance + 4 International Long Distance Switches
- ATM and Frame Cell Backbone
- 88 Points of Interconnection
- Long Distance Channels + Local Last Miles

## ■ Interconnection



- With International Carriers
- With Zonal and Local Russian Operators
- With Other Russian FTN Operators
- With Russian Mobile Operators



# FTN Project Status

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- **Location Agreements in all regions have been signed**
- **27 Points of Interconnection are ready for Rossvyaznadzor commission**
- **80% of communication channels have been ordered, the remaining 20% will be ordered by the end of November 2005**
- **In the beginning of November, Ericsson AXE-10 equipment will be delivered – the estimated launch is December 2005**
- **By mid-November 2005 the new Nortel Passport 7440 and 7480 equipment will be delivered – the estimated launch is the end of December 2005**
- **The interconnection with incumbent Svyazinvest companies is subject to and dependent upon pending regulatory acts yet to be released by the Ministry of Telecommunication of the Russian Federation.**



# Acquisitions

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- **60%** of OOO Joint Venture Sakhalin Telecom Limited (**ST**), a fixed line alternative operator in the Far East region of Russia. Golden Telecom now owns **83%** of Sakhalin Telecom.
  - Owns 25 km fiber-based network
  - 20,000 ABC numbers available, 2,500 in service
  - Radio access network, incl. some Wi-Fi spots deployed
  
- **100%** of ZAO Sochitelecom (**Sochitelecom**), a fixed line alternative operator in the Krasnodar region of Russia. Sochitelecom controls over **85%** of the local Internet access market.
  - Over 17,000 dial-up IP customers
  - Focus on largest hotels and business centers
  
- **100%** of **Antel Rascom Ltd.**, a British Virgin Islands company that owns a **49%** interest in ZAO Rascom.
  - Provides capacity for Golden Telecom traffic needs on the Company's busiest route between Moscow and St. Petersburg
  - Secures an international gateway for Golden Telecom traffic through a Russia to Finland link.