

The logo for Дальсвязь (Dal'svyaz) is written in a stylized, white, cursive Cyrillic font. It is positioned in the upper left quadrant of the slide, set against a background of a blue sky with white clouds and a white orbital path with two yellow dots.

OJSC FETEC

Russian telecommunication network : ESPK
Moscow Interbank Currency exchange: DLSV
ADR: FEE0Y

General Director
Anton Alexeevich Alexeev

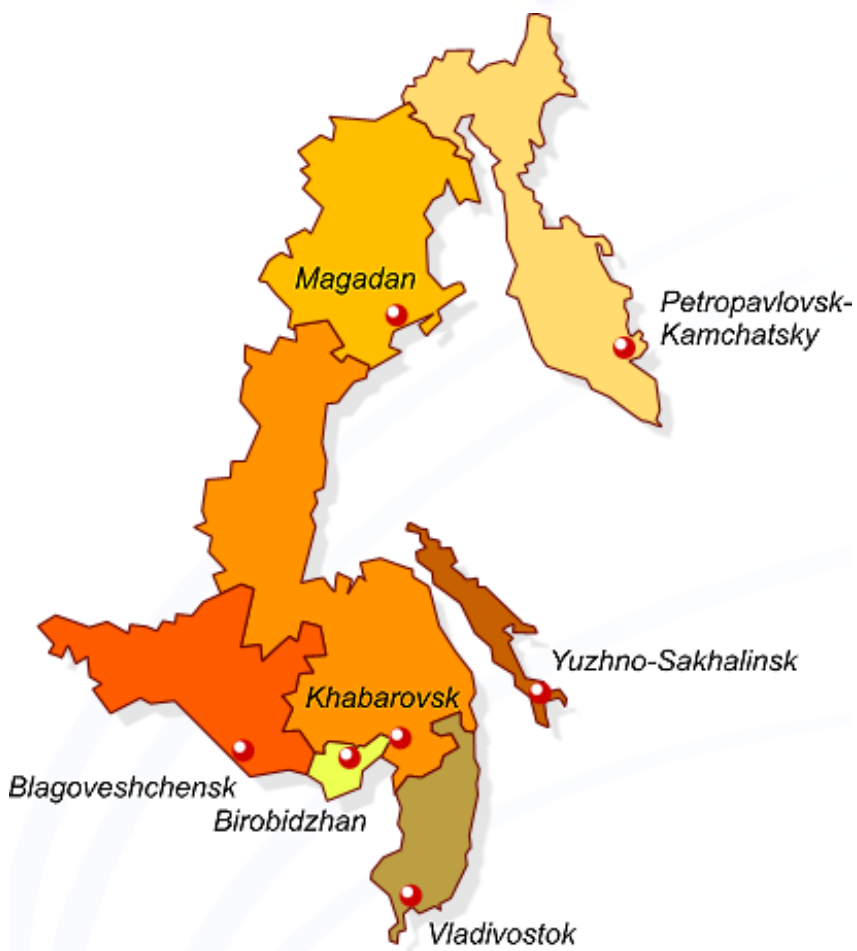
OJSC FETEC: 2004 activity results
According to the International Financial
Reporting Standards
(IFRS)

August 4th, 2005

The statements contained herein and related to the future, are “the statements, containing the future events forecast» in the meaning of this term according to the US security legislation. The presentation contains the information about the future events and financial results, expected by the Company in the future. These statements are the potential risks of the Company and in certain sense they are uncertainty.

The factors, that can influence the Company’s expected results, are: economical activity conditions worsening, valid legislation change, OJSC “Rostelecom” dependence rate increasing in proportion fixing matters of long-distance and international traffic payment dividing; currency exchange rate changing, rate of interest changing, materials and services used by emitter prices changing; political situation in the country changing; military conflicts and emergency situations; activity performing license prolongation impossibility. More detailed description of the Company’s potential risks can be found in the OJSC FETEC quarter and annual reports. Most mentioned factors stand beyond Company’s control or forecast possibilities.

Taking into the consideration the abovementioned, the Company does not advise to unreasonably rely upon any statement contained herein, having the future events forecast. The Company does not bear any liabilities to disclose any changes to this presentation in public, for the purpose of events and circumstances reflecting, happened after this presentation date, or for the purpose of pointing out the unforeseen events, that had happened before, except the cases, when such a disclosure can be demanded in accordance with US security legislation.



Far East


- ✓ Territory – 3.3 mln. Square km.
(20 % of the Russian Federation territory)
- ✓ Population - 6.1 mln. People
- ✓ Urban population – 4.8 mln. People
- ✓ Borders with North Korea, the USA, China and Japan

OJSC FETEC

- ✓ The largest communication operator in the Far East telecommunication market
- ✓ Business range zone – seven Far East regions
- ✓ More than 1.3 mln. subscribers are the Company's customers

OJSC FETEC occupies 51% of Far East telecommunication market:

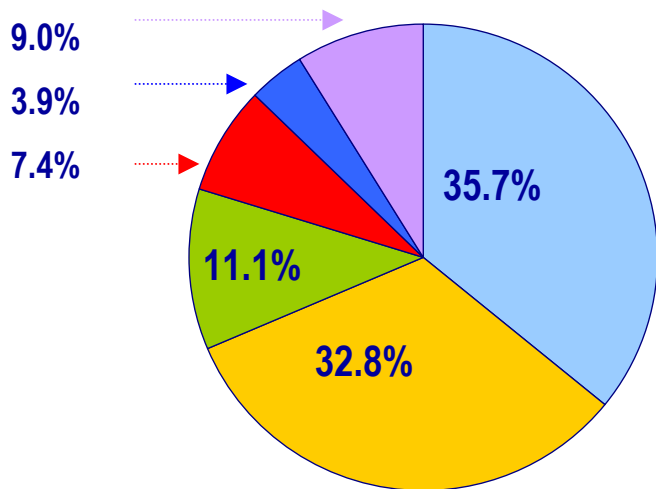
- ✓ Local wire telephony services market – 85 %
- ✓ Long-distance services market – 89.5 %
- ✓ Internet services market – 60 %

	2004 (Mln. rubles)	2003 (Mln. rubles)	
Revenue	8, 933. 5	6, 862. 5	+30. 2%
<i>Revenue from telecom services</i>	<i>8,752. 5</i>	<i>6,728.3</i>	+30. 1%
Operational costs before depreciation	(7,444. 7)	(5, 937.7)	+25. 4%
OIBDA*	1,488. 8	924.8	+ 61. 0
<i>OIBDA margin, %</i>	<i>16.7%</i>	<i>13.5%</i>	+23. 7
Depreciation	915. 3	708. 5	+ 29. 2
Operating profit	573. 5	216. 3	+165. 1%
<i>Operating margin, %</i>	<i>6.9%</i>	<i>3.3%</i>	+ 109.1
Pre-tax profit	1,114. 3	317. 4	+251. 1
Net profit	756. 1	172. 6	+338. 0
<i>Net margin, %</i>	<i>9.0%</i>	<i>2.6%</i>	+246.2

* OIBDA is calculated as income minus operational expenses before amortization

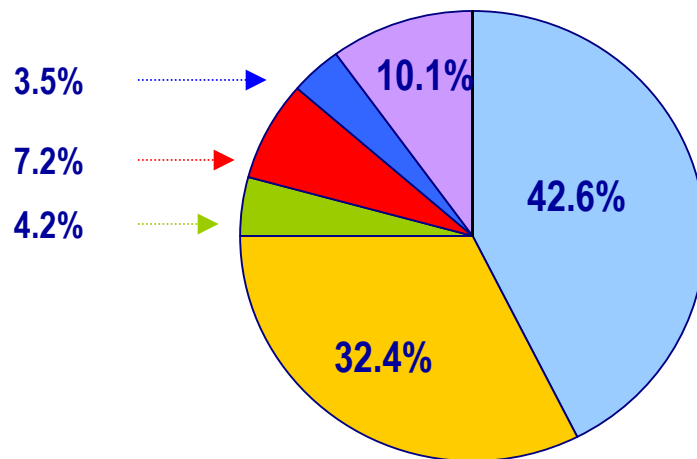
OJSC FETEC income in 2004 comprised 8,933.5 mln. rubles (+30.2%) including communication services income - **8,752.5 mln. rubles (+30.1%)**

2004

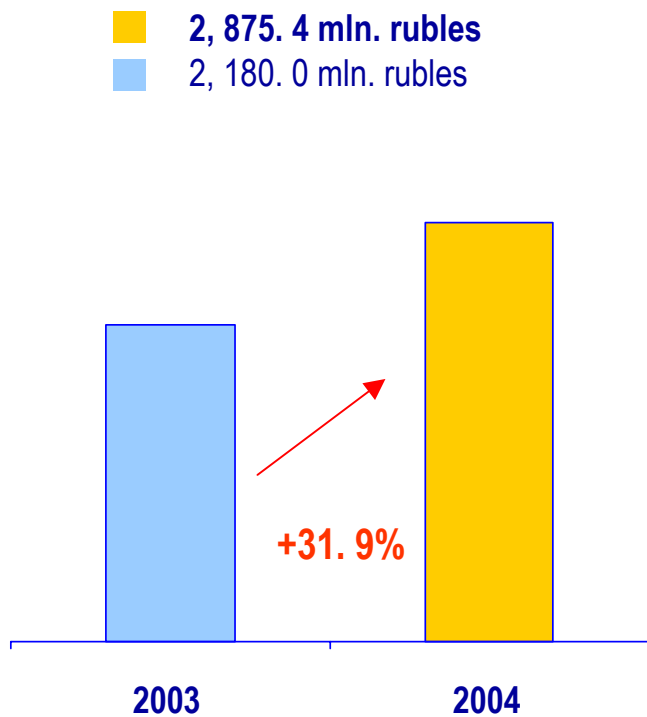


- Long-distance communication
- Local communication
- Services rendered to Russian operators
- New services, including data transmission
- Cellular communication
- Other communication services

2003



- Long-distance communication
- Local communication
- Services rendered to Russian operators
- New services, including data transmission
- Cellular communication
- Other communication services

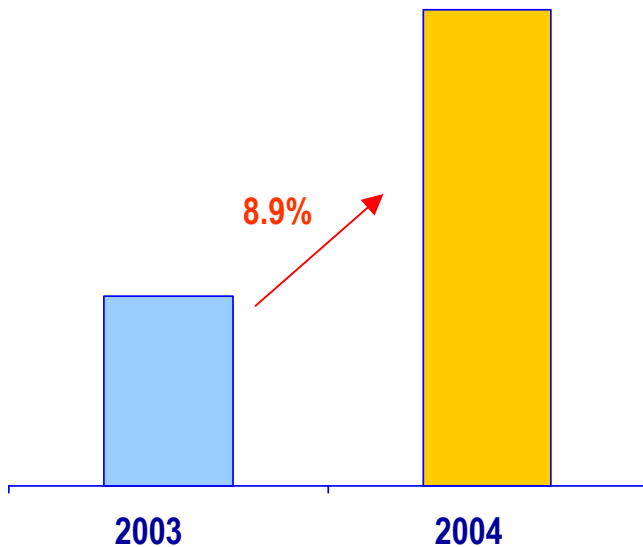


The local telephone communication services income growth up to 2,875.4 mln. rubles was provided by the following factors:

- ✓ Main telephone sets quantity increasing for 155 703 sets;
- ✓ Monthly subscribers fee increasing from November 1st, 2005. The average monthly tariff for the local communication in 2004 comprised 145 rubles (without VAT), in 2003 tariff comprised 126 rubles without VAT;
- ✓ Installation and mounting payment income growth for 62.7%, up to 728.7 mln. rubles.

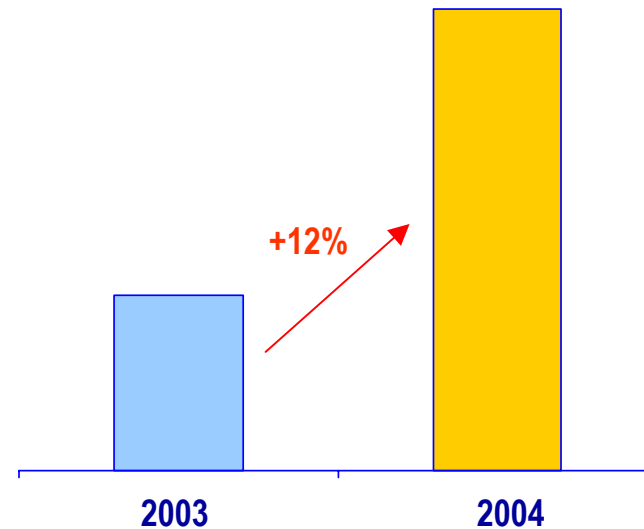
Long-distance and international communication income dynamics

■ 3, 123. 6 mln. rubles
■ 2, 868. 4 mln. rubles



Long-distance and international communication traffic growth dynamics

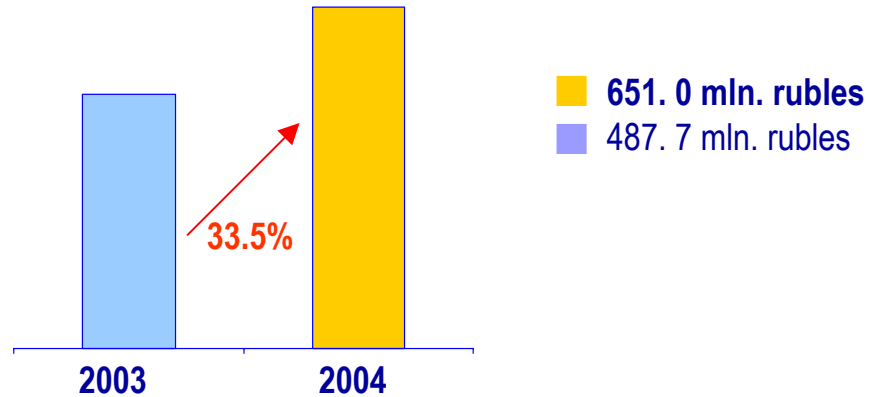
■ 628. 9 mln. min
■ 561. 4 mln. min



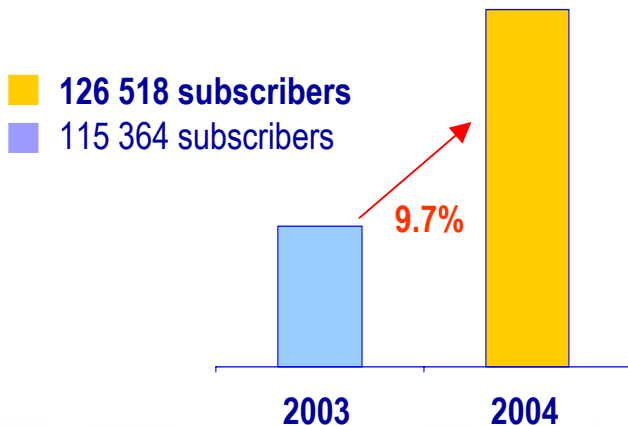
Long-distance and international communication income growth for 8.9% was determined by outgoing pay traffic growth for 12 %

New communication services, data transmission and telematic services income growth + 33.5%

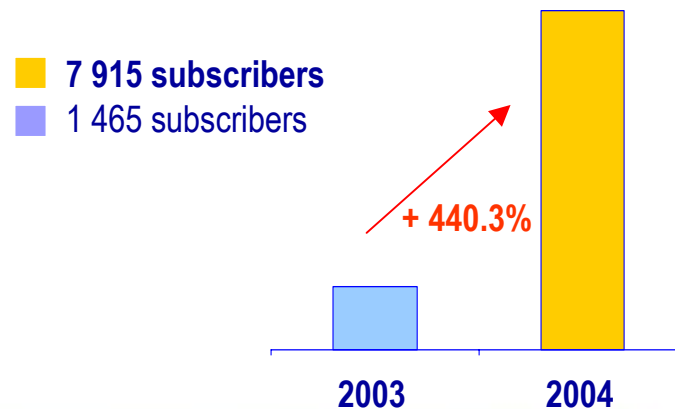
New communication services, data transmission and telematic services income dynamics



Internet dial-up access users quantity growth dynamics

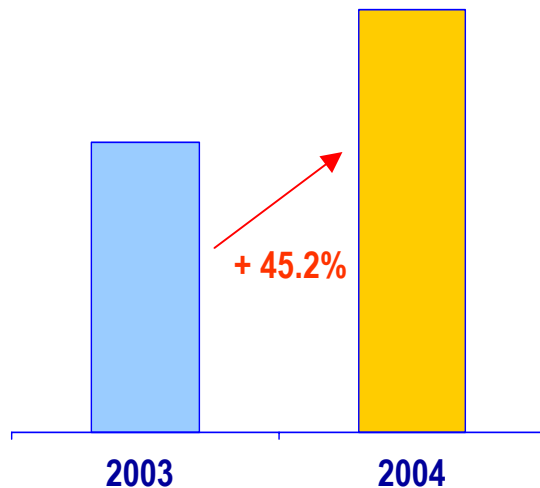


Dalsvyaz - DSL users quantity growth dynamics



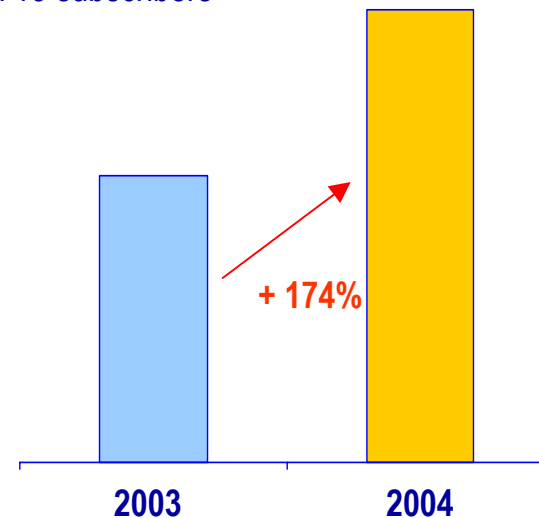
Cellular communication services income dynamics

■ 340.5 mln. rubles
■ 234.5 mln. rubles



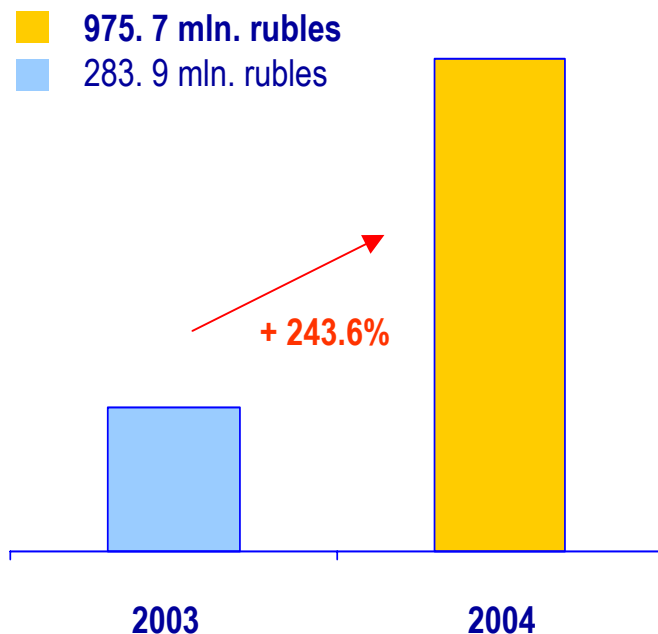
Cellular communication users increment dynamics

■ 32 098 subscribers
■ 11 715 subscribers



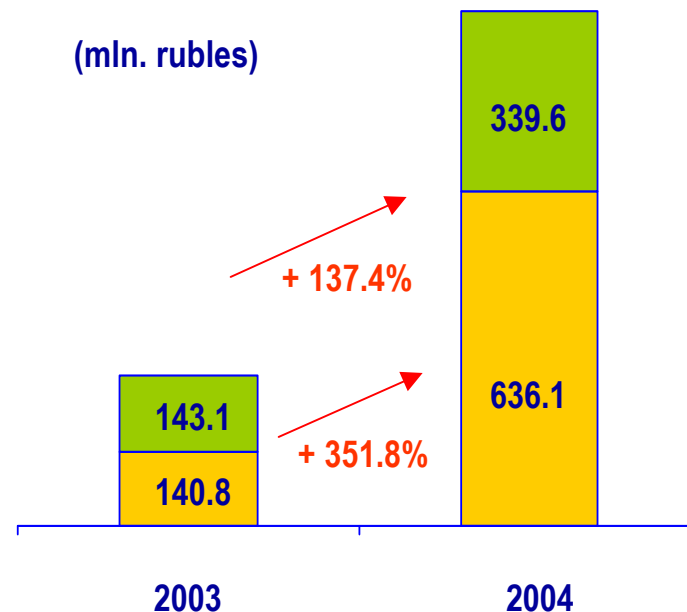
As for December 31st, 2004 OJSC FETEC provided cellular communication services of G SM standard - 900 / 1800 in Kamchatsky region and G SM -900 in Magadan region

Russian communication operators services provision income growth dynamics



Russian communication operators services provision income growth dynamics

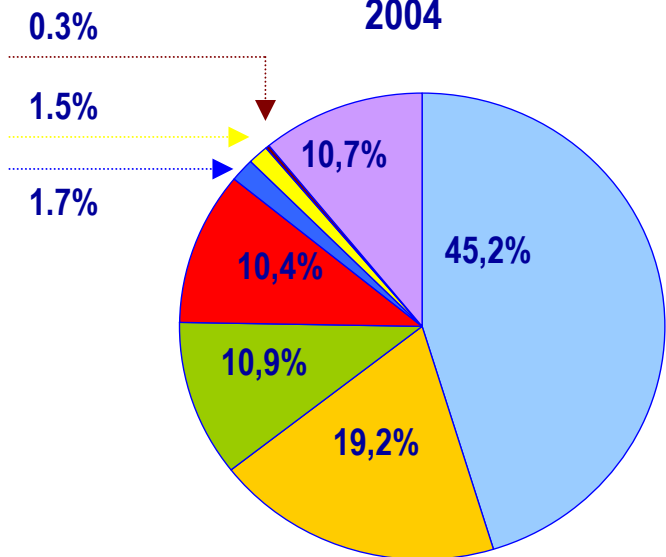
- At the expense of services range widening and unified working rules with Russian communication operators introduction
- At the expense of new calculation system with OJSC "Rostelecom" introducing



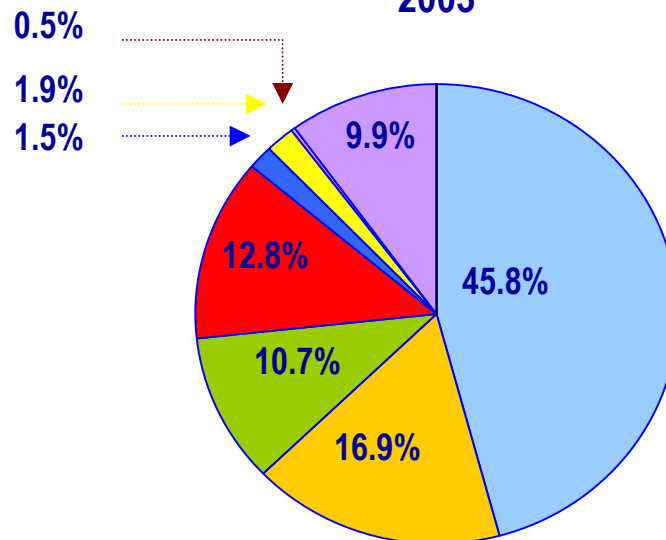
Income growth rate is higher than expenses growth rate. Income structure

Due to the expenses control program, income growth in 2004 (+30.2%) exceeded the expenses growth (+25.8%). The expenses amount comprised **8,360.0 mln. rubles**.

2004



2003

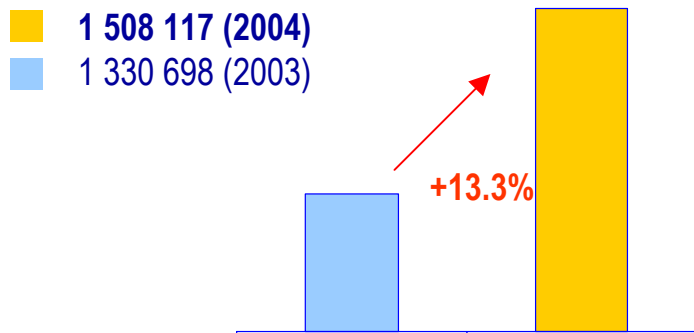


- Salary, social and other payments
- Expenses connected with traffic transmission
- Wear and amortization
- Material, repair, servicing, public facilities
- Taxes (including VAT)
- Doubtful debts reserve fund establishment expenses
- Fixed assets replacement expenses
- Other operational expenses

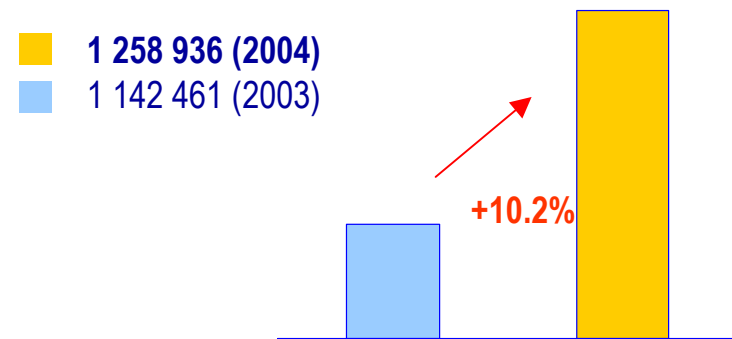
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In 2004 the capital investments increased for 12% in comparison with 2003 and comprised **1,317.6** mln. rubles. Main investments directions: 77.1 % - traditional telephony development, 8.9 % - data transmission nets building, 4.1 % - new services development.

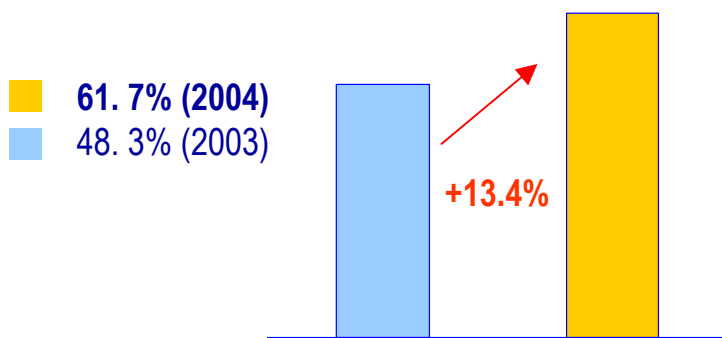
Net mounted capacity (numbers)



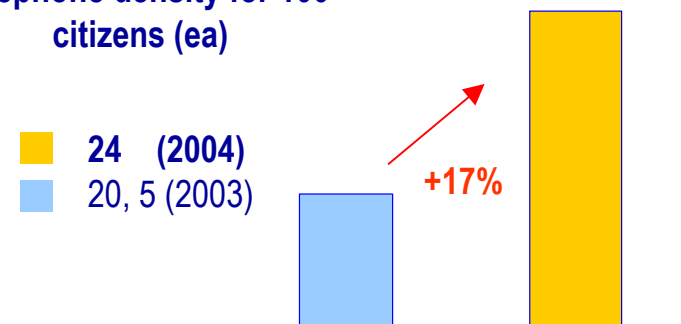
Net used capacity (numbers)

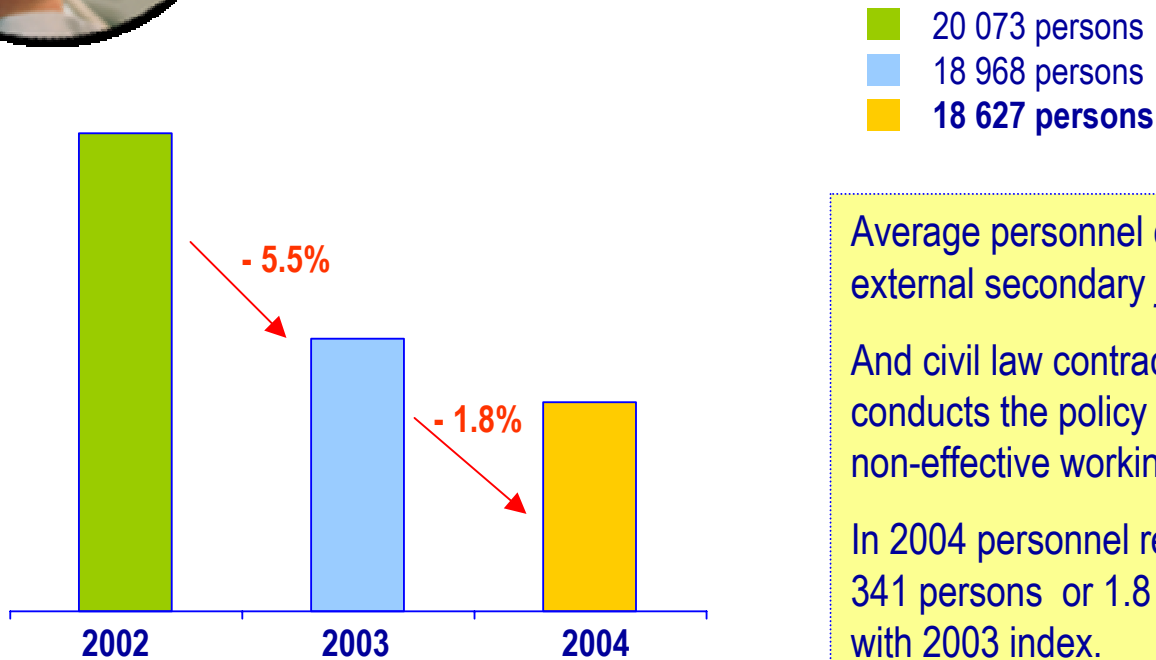


Digitalization level (%)



Telephone density for 100 citizens (ea)





Average personnel capacity, including external secondary job employees.

And civil law contractors OJSC FETEC conducts the policy of non-profitable and non-effective working placed reducing.

In 2004 personnel reducing comprised 341 persons or 1.8 % in comparison with 2003 index.

Registered capital comprises 1 267 503 220 rubles, is divided for 95 581 421 ordinary shares and 31 168 901 preferential shares

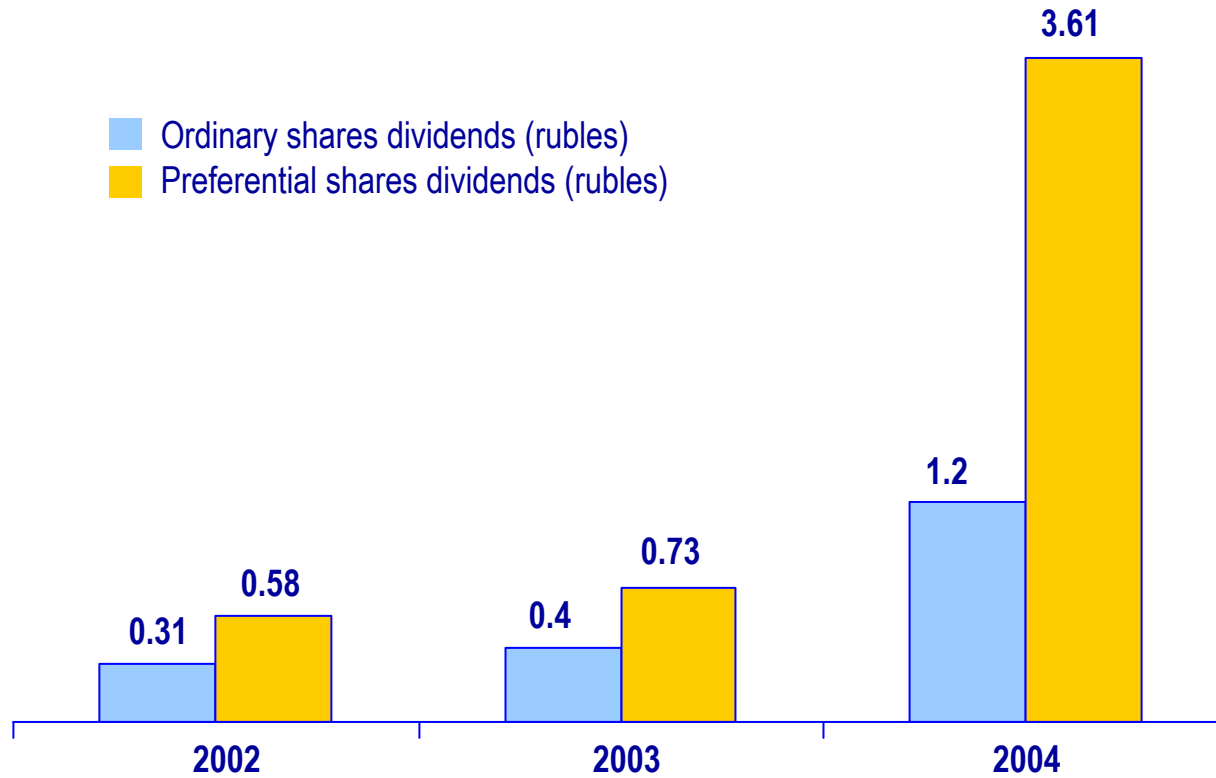
✓The Company's shares are circulating in Russian Trading System. The ordinary shares trading volume in Russian Trading System for the 1 quarter 2005 increased for 2.2 times in comparison with 1 quarter of 2004 and comprised 1. 8 mln. USD (1 quarter 2004 – 806 USD);

✓Company's shares are circulating in Moscow Interbank currency exchange. OJSC FETEC shares trade on Moscow Interbank currency exchange started in June 2004. Since January 2005 OJSC FETEC shares were listed and started circulation in Moscow Interbank currency exchange in "B" list;

✓Since 2001the ADR program of first level is conducted by the Company. ADR depository bank is JP Morgan. The trading is done on the USA kerb market . 1 ADR is secured by 30 OJSC FETEC ordinary shares. ADR quantity in circulation is up to 1 274 418 ea;

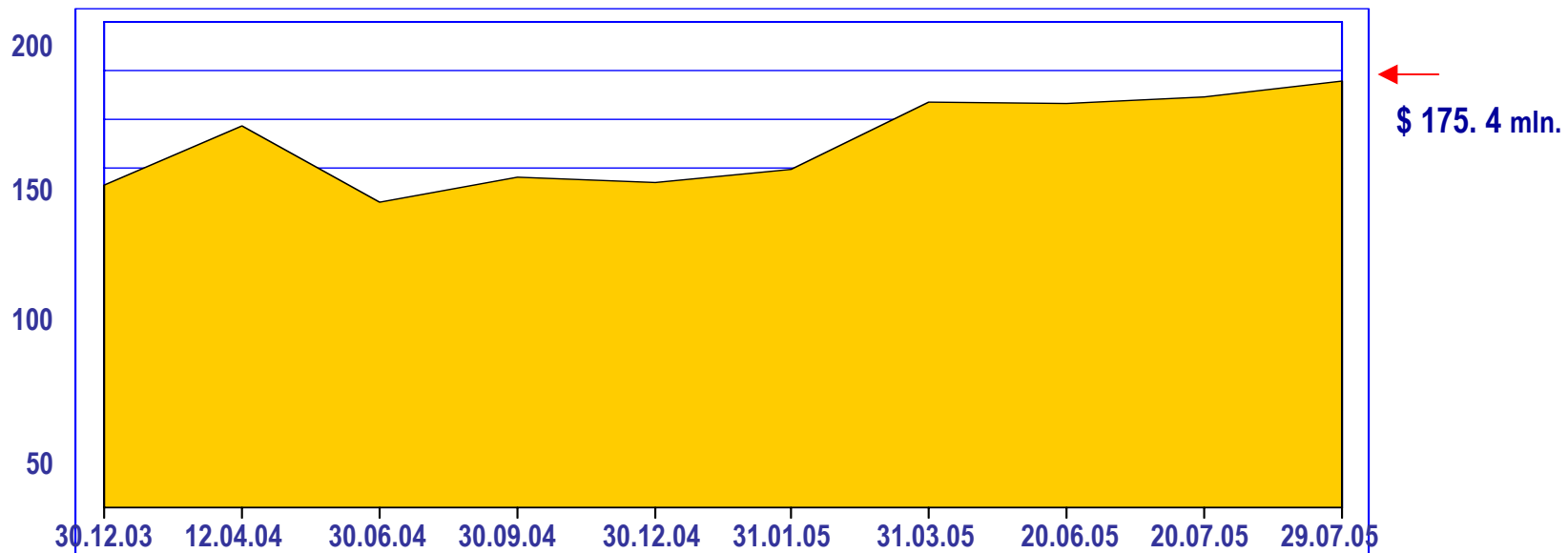
✓OJSC FETEC main shareholder is OJSC "Svyazinvest" (owns 50.6 % of voting shares, 38.1 % from Company's registered capital). Foreign investors have more than 25 % of the Company's registered capital;

The accounting statement according to IFRS is being made since 2002 (www.dsv.ru / part "To the investors and to the shareholders).



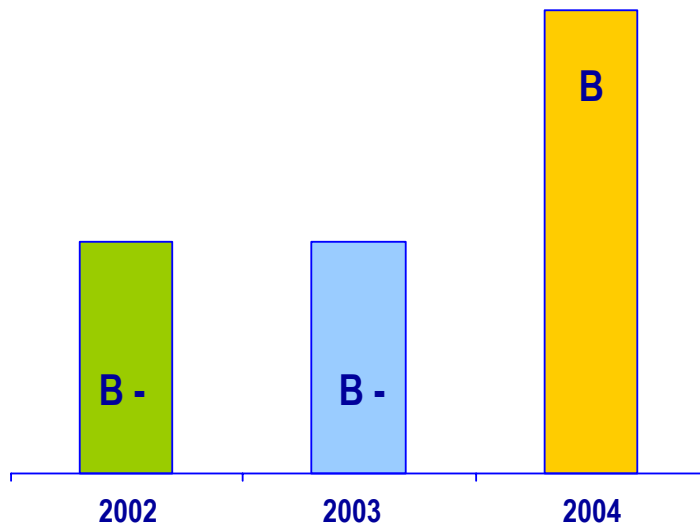
Capitalization on Russian Trading System, December 31st, 2003 – July 30th, 2005 (Russian Trading System)

\$, mln. USD

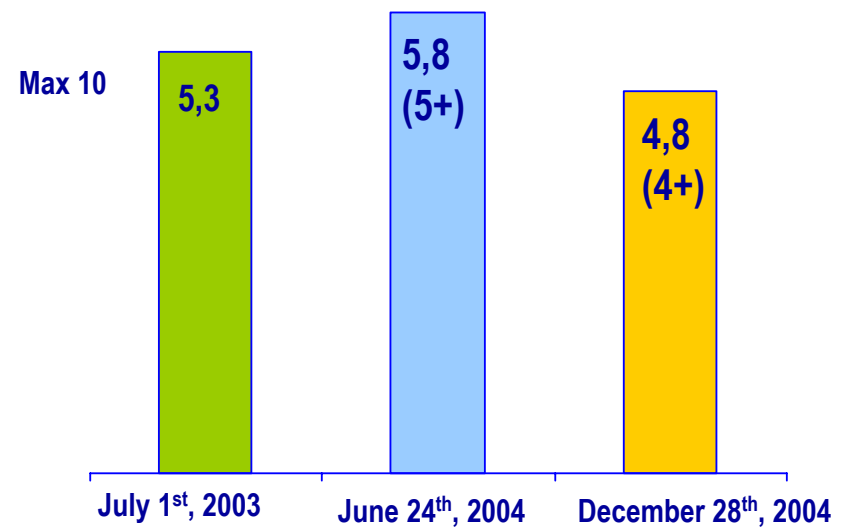


OJSC FETEC capitalization according to Russian Trading System data as for the end of 2004 exceeded 133.7 mln. USD and as for the end of July, 2005 increased for **30 %** and came up to **175.4 mln. USD**.

Credit rating – Fitch Ratings



Corporate management rating Standard & Poor's



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Thank you for your attention!