



FOR IMMEDIATE RELEASE

May 12, 2006

FIRST QUARTER 2006 KEY OPERATING DATA

Moscow, Russia – May 12, 2006 – COMSTAR – United TeleSystems (Comstar UTS) today announced the key operating data for its alternative and traditional fixed line telecommunications business segments for the first quarter of 2006.

HIGHLIGHTS

(31 March 2006 compared to 31 December 2005)

- 3.62 million traditional fixed line subscribers and 4.7 million installed lines by end of the quarter
- 5% increase in total number of active subscribers in Moscow to 500,657
- 14% increase in broadband Internet subscribers in Moscow to 283,307
- Doubling of ‘Stream TV’ Moscow broadband pay-TV subscriber base to 14,300

Semyon Rabovsky, Chief Executive Officer, commented: “We continued to grow our overall subscriber base during the quarter, which is a seasonally slower period of the year, with a particularly strong performance in the Moscow market. Our broadband internet and pay-TV offerings have benefited from the integrated ‘Stream’ triple play branding, and both grew rapidly in the quarter as a result of both up-selling existing dial-up customers, as well as new sales. Our outlook for the year remains positive and we expect to see strong demand for our services in Moscow and further growth in our total subscriber base, with a particular emphasis on rolling out our broad range of services outside Moscow.”

Traditional Fixed Line Telecommunications

		31 March 2006	31 December 2005
Subscribers			
	Residential	3 543 711	3 536 479
	Corporate	76 087	76 042
	Operators	213	213
Total		3 620 011	3 612 734
Active telephone lines			
	Residential	3 543 711	3 536 479
	Corporate	727 070	728 329
Total		4 270 781	4 264 808
Installed capacity (telephone lines)		4 677 083	4 637 383
Access nodes (lines rented)			
	Corporate	30 793	30 846
	Operators	184 572	182 049
Total		215 365	212 895

Alternative Fixed Line Telecommunications (Moscow)

		Moscow	
		31 March 2006	31 December 2005
Total subscribers		500 657	475 959
Residential Subscribers			
	Broadband	283 307	249 542
	Dial-up	164 948	182 350
	Voice	6 045	5 764
	Pay-TV	14 271	6 691
Total		468 571	444 347
Corporate subscribers		31 709	31 170
Operators		377	442
Active telephone lines			
	Corporate	136 366	134 985
	Fixed line Operators	115 534	112 038
	Mobile Operators	325 572	325 572
	Residential	8 312	8 260
Total		585 783	580 855

Installed capacity (telephone lines)	628 600	628 600
ADSL and data transmission channels	27 495	26 814

Alternative Fixed Line Telecommunications (Regional)

		Regional	
		31 March 2006	31 December 2005
Total Subscribers		57 264	55 767
Residential subscribers			
	Broadband	96	43
	Dial-up	8 058	7 745
	Voice	41 912	41 096
		<hr/>	<hr/>
Total		50 066	48 884
Corporate subscribers		7 145	6 847
Operators		53	36

For further information, please visit www.comstar-uts.com or contact:

Comstar UTS
 Veniamin Kofman
 Tel: +7 495 956 2170
kofman_vl@comstar-uts.ru

Shared Value Limited
 Matthew Hooper
 Tel. +44 (0) 20 7321 5023
comstar@sharedvalue.net

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 4.2 million subscribers at December 31, 2005. 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 combined operating revenues of US\$ 907.6 million for the full year 2005 and Comstar UTS' assets totalled US\$ 1.64 billion at December 31, 2005. 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.