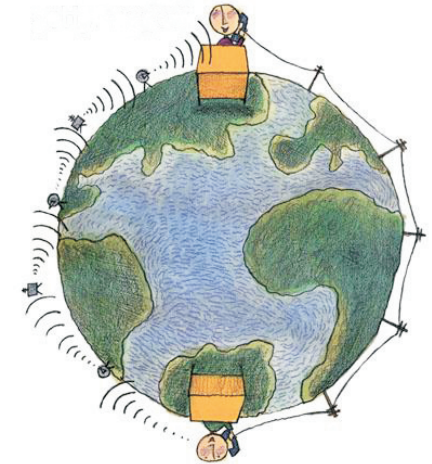
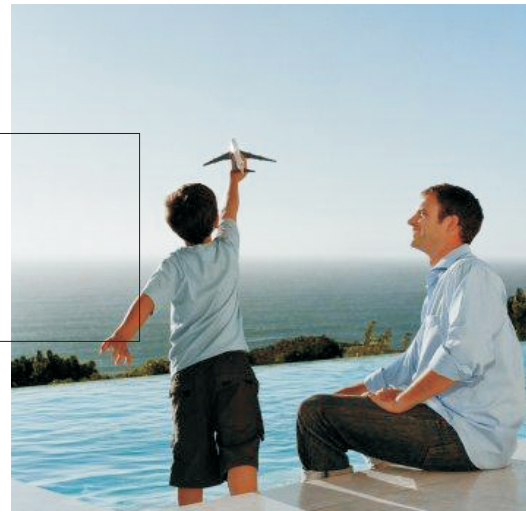


Uralsvyazinform (trademark Utel),
the largest provider of fixed-line, GSM and data
transmission services in the Urals region, Russia



> MANAGEMENT
PRESENTATION



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Elena Neverova
Equity & IR Director

Goldman Sachs
Telecom Conference
October 1-2, 2007



Part 1 - Overview. Main Growth Segments

Part 2 - Financial Review

Part 3 - Strategy and Forecasts

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 in 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 may be required under applicable Russian federal securities laws.

Key Facts & Figures

> The Urals - one of the richest regions of Russia

Population - 15.4 million

Regional telecom market's turnover in 2006 - \$2.3 bln (+22% on 2005)

Telephone penetration

- Fixed telephony - 28%
- Mobile telephony - over 100%

Average monthly public incomes in 2006 - \$527 (34% higher than Russian average)

RGP per capita in 2006 - \$10,657 (76% higher than Russian average)

Leadership in key business segments

Market share as of 2006

- Fixed-line services - 81%
- Mobile services - 43%
- Internet - 49%

Integration of fixed and mobile services

- Consolidation of mobile and data subsidiaries - June 2005
- 3.7 mln subscribers in fixed telephony
- 4.8 mln subscribers in GSM (Utel)

Optimization of staff numbers

- Number of employees as of 1H 2007 - 27,105 (down 16% on 1H 2006)

Stable financial performance (IAS 1H 2007)

Revenue - \$729.7 mln

OIBDA margin - 34%

EBIT margin - 19%

Market cap - \$2.1 bln

Shares

Shares are traded on

- Russian Trading System (RTS) - Level 1 Quotation List
- MICEX - A1 Level Quotation List

Level 1 ADRs for ordinary and preferred shares

- Traded in Open Market segment of Berlin and Frankfurt Stock Exchanges

Credit ratings

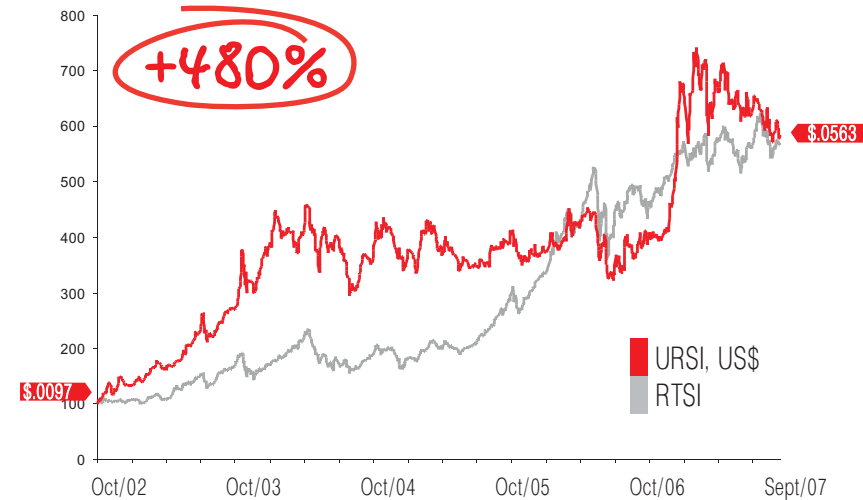
- Standard&Poor's - BB-, Stable
- Fitch Ratings - B+, Stable
- Fitch Ratings - A-(rus) (National)

Ordinary shares are included in MSCI Russia index

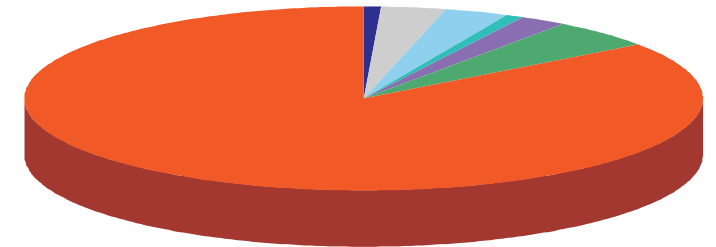
Liquidity

- Average daily volume for the last 6 months - \$ 25.4 mln

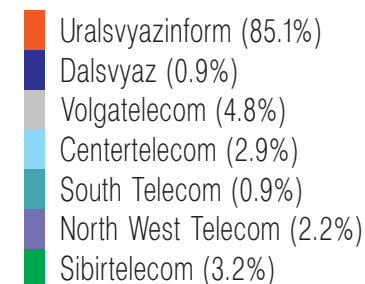
ORD shares (URSI) vs RTS Index, October 02 - September 07



Liquidity (RTS and MICEX)



Trade volumes, as a percentage of MRTs total, January - June 2007



Ownership Structure

As of 01/09/2007

Shares outstanding

Number of shares - **40 134 723 306**

including:

ordinary shares - 80 %

preferred shares - 20 %

52-week min/max (RTS):

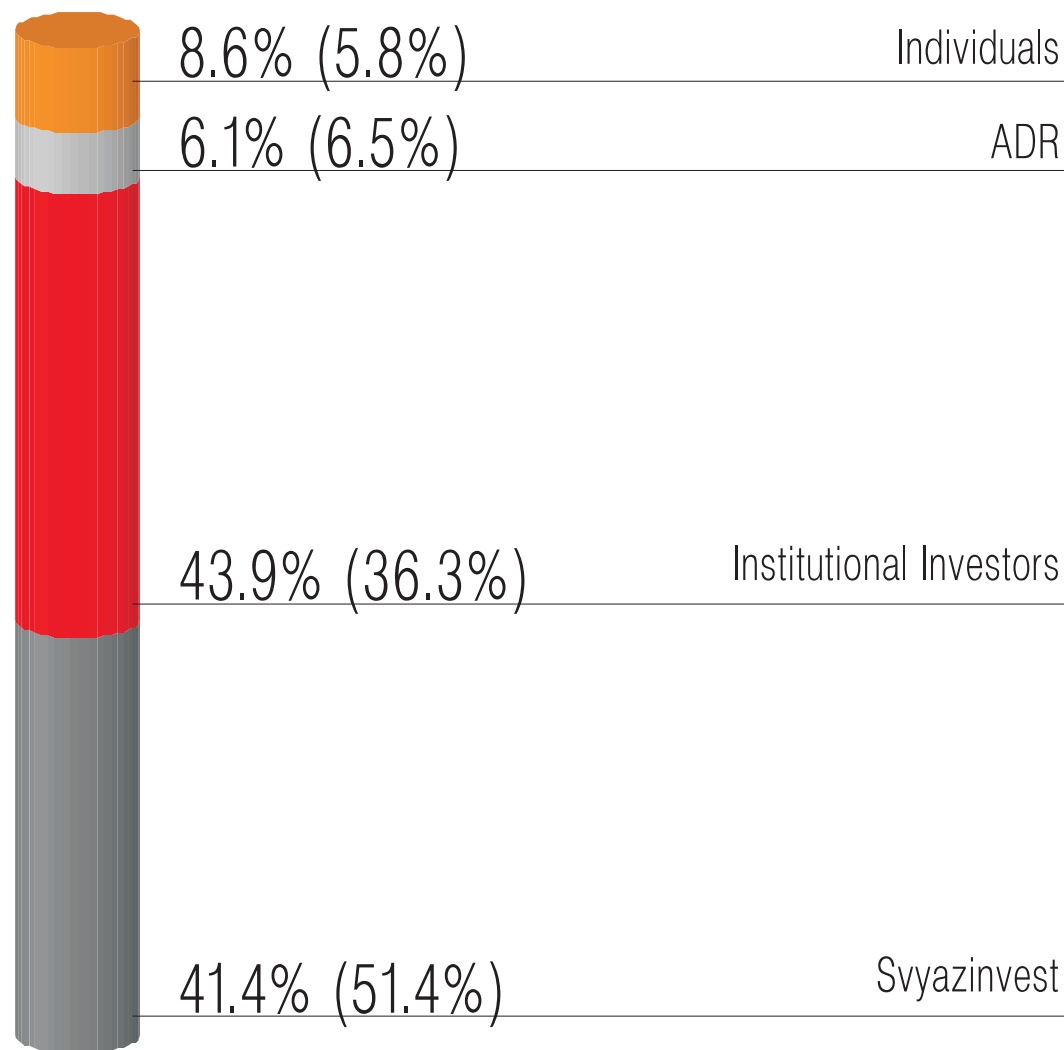
ordinary - \$0.0321/0.0728

preferred - \$0.0240/0.046

Free float - about 55 %

4.6% state-owned stake (ORD) sold

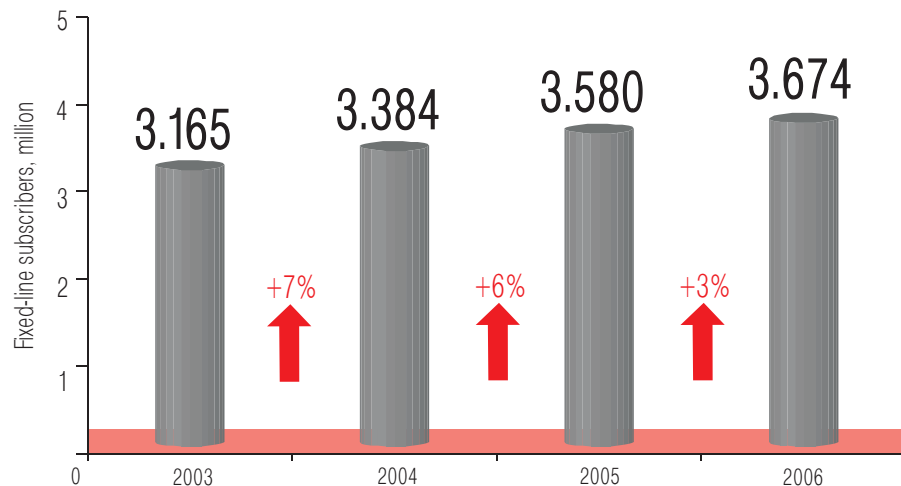
at an auction in the end of February 2007



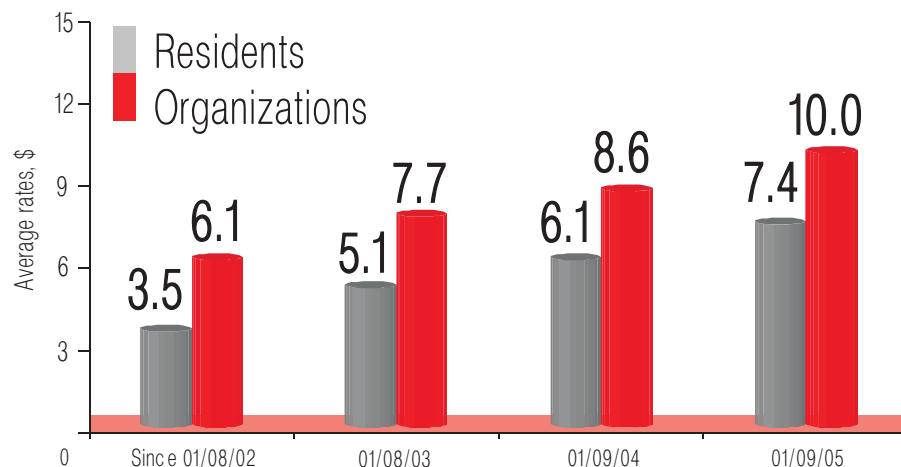
*In (brackets) - share in voting stock

Fixed-Line Services - Revenue Growth ...

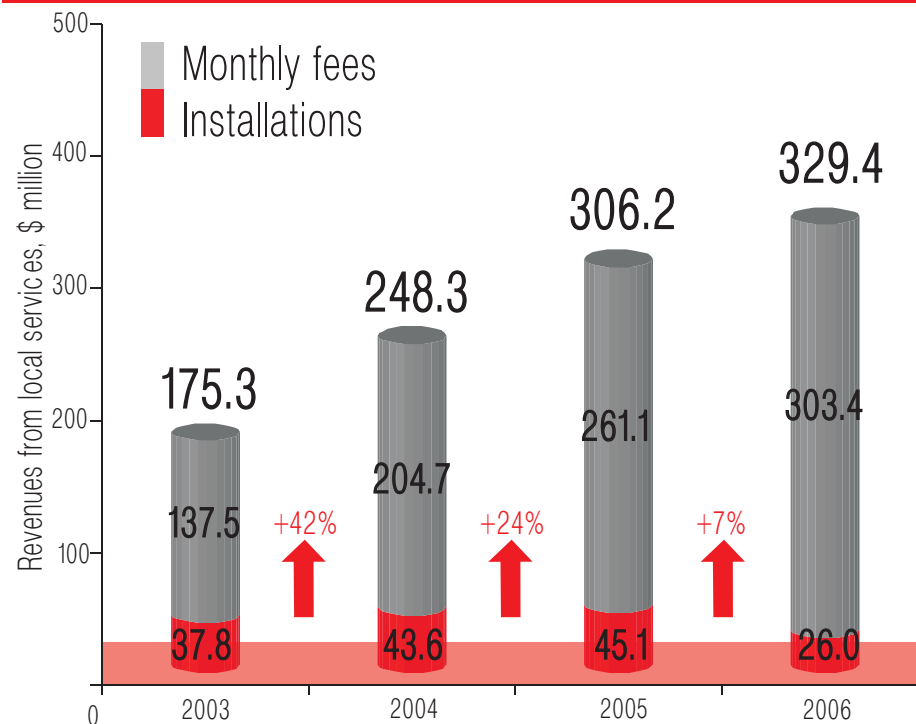
> Main growth drivers: continued demand for fixed-line services ...



... And positive effect of re-balanced tariffs ...



Resulted in sustained revenue growth from voice services ...



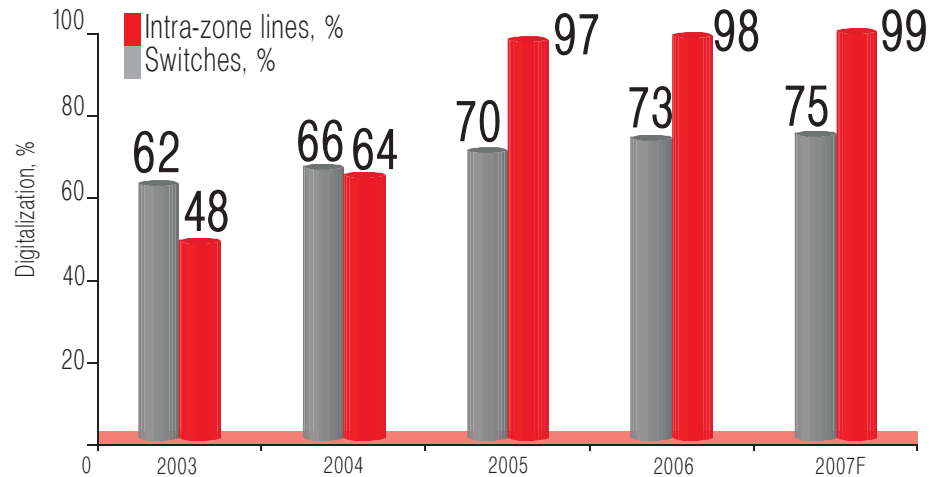
However, the growth potential of voice services will soon be used up ...

2007 Estimate

- Growth of subscriber base less than 1% (3,698 thous.)
- Revenue from local services up 7%

... Focus on Higher Efficiency ...

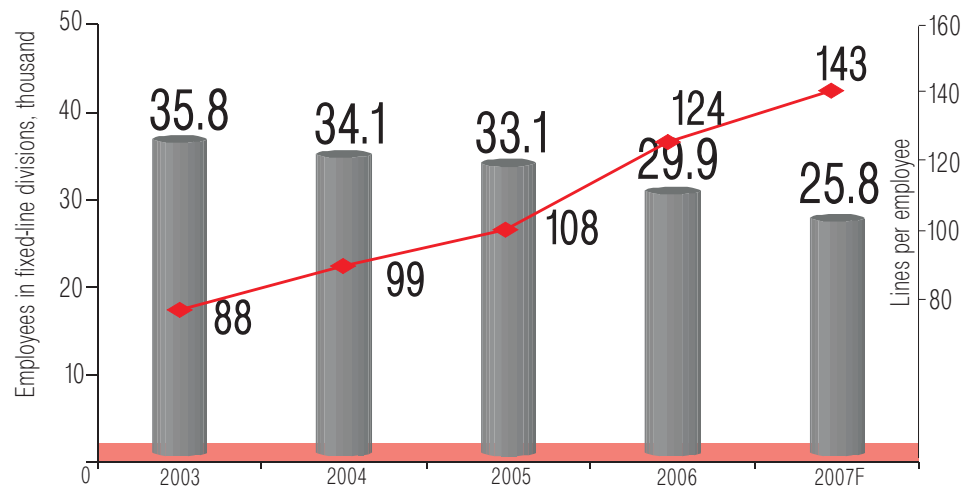
Higher digitalization ...



The goal: EBITDA margin at no less than 30%

- 20% staff reduction by 2009
- Streamline materials, repairs and maintenance
- Strict control of administrative and other expenses
- Control of receivables and lower bad debt reserve
- Lower costs on external Internet traffic
- Optimize sales and customer service costs through service bundling and outsourced functions

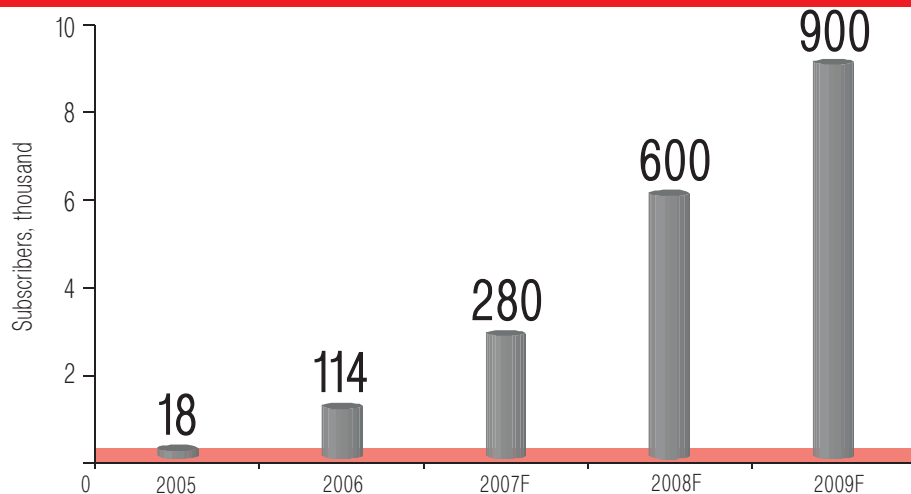
... Optimized headcount



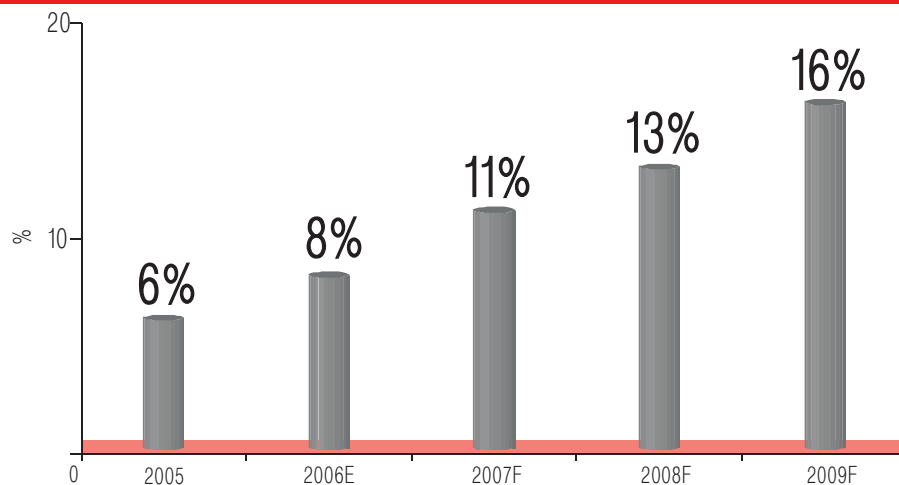
... and Non-Voice Services

>

Subscribers of broadband services (xDSL)



Share of new services in revenue



Growth Components

Strong position in the regional data market - market share of about 50%

Public incomes are growing while the market has huge potential

- Internet penetration has not exceeded 15% of households, PC penetration about 25% of households

Broadband services are likely to surge to 20-30% of households in the next few years

Main competition comes from localized urban-area providers, but xDSL has a number of unquestioned advantages

- High speed (up to 8 Mbps)
- Low cost (from \$0.04 per 1 Mb)
- Individual channel
- Easy installation and setup

Flexible tariffs and tariff packages

ARPU in broadband services is about \$40

2007 Estimate

- Growth of subscriber base +120%
- Revenue from new services +57%

Tariff Packages

Tariff packages are USI's unique offering in the regional market

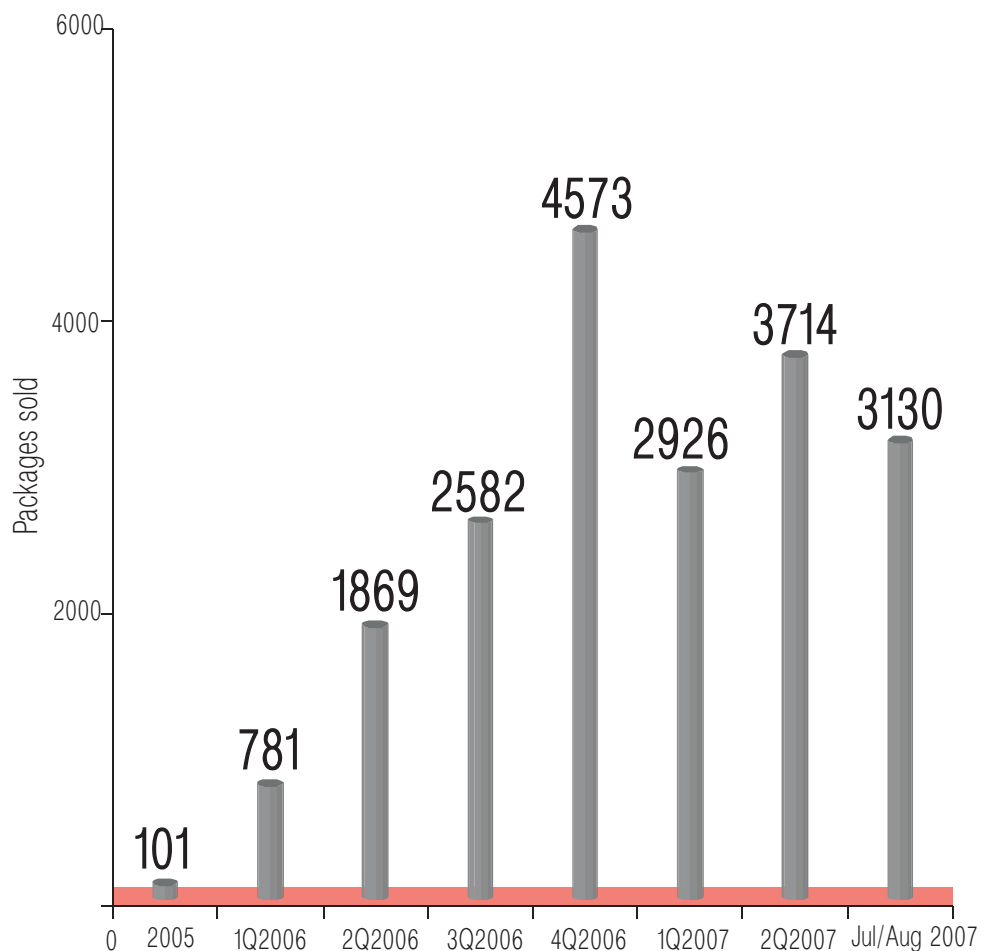
The tariff packages are marketed as:

- A service under a single brand;
- Relying on available last mile (accessing end-users via fixed-line and mobile channels);
- Across the customer mix, with special focus on middle income, corporate and VIP clients

Since 2006 USI has offered 6 types of packages:

- Fixed-line telephone + ADSL Internet connection;
- Fixed-line telephone + mobile contract;
- Fixed-line telephone + ADSL + mobile contract;
- ADSL + mobile contract;
- ADSL + cable TV
- Fixed-line telephone + CDMA

Sales of tariff packages - on the growth



**19.6 thousand packages sold since 2006,
sales totaled about \$2.8 million**

Tariffs in Effect since February 01, 2007

On November 14, 2006 Federal Tariff Service set marginal tariffs for the provision of local telephone services by Uralsvyazinform. Following this decision the company is introducing three tariff plans beginning with February 1, 2007 for about 2.6 million of its fixed-line subscribers. As of March 01, 2007 about 70% of subscribers have chosen one of the three tariff plans (where technically possible).

Installation fee

\$165
(\$220 until Feb01/06)

Monthly charges

- Fixed charges (line rentals) - \$4.8 (Urals) / \$6.7 (North)
- Variable charges (local calls) - see table below

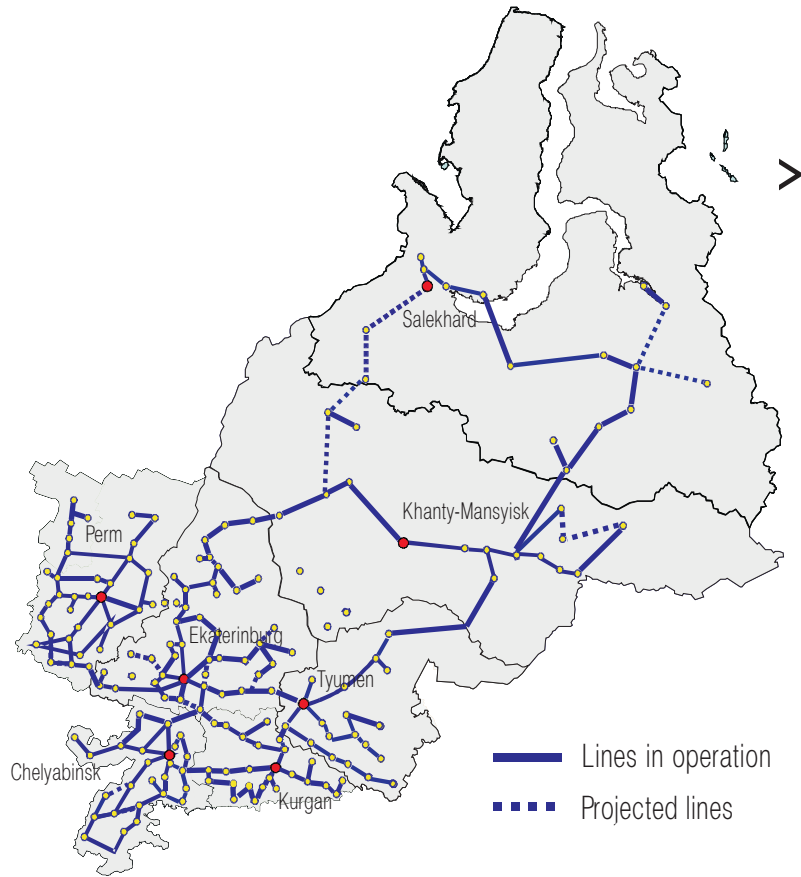
Variable charges	Time-billed	Combined	Unlimited
Current subscriber base distribution, %	50%	15%	35%
Line rentals	0	\$3.3	\$6.1
Pre-paid minutes	-	360	unlimited
Charge per 1 minute	¢ 0.9	¢ 0.7	-
Total monthly charges			
Urals	\$4.8 + ¢0.9 per 1 min	\$8.1 + ¢0.7 per 1 min	\$10.9
Northern regions	\$6.7 + ¢0.9 per 1 min	\$10.0 + ¢0.7 per 1 min	\$12.7

Unlimited tariff to amount \$8.5 on average if per-minute billing is unavailable

Organizations

- Fixed charges (line rentals) - \$6.3 (Urals) / \$8.9 (North)
- Call charges - ¢0.9 per 1 min (Urals) / ¢1.4 per 1 min (North)
- Unlimited tariff to amount \$11.1 on average where per-minute capability is unavailable

High Level Digitalization - An Important Competitive Strength



- Intra-zone market is driven by growing traffic exchange between mobile and fixed networks

2007 Estimate

- Revenue from intra-zone services up 30%

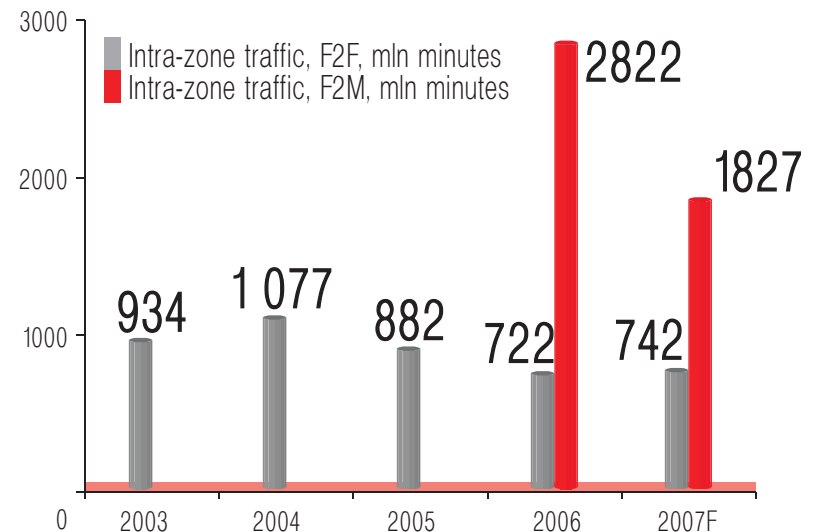
Network development

Intra-zone lines

2002	Capacity installed					2003-07	Total
	In operation	2003	2004	2005	2006		
5.0	+4.5	+5.1	+1.7	+0.5	+0.4	+12.2	17.2

Thous. Km

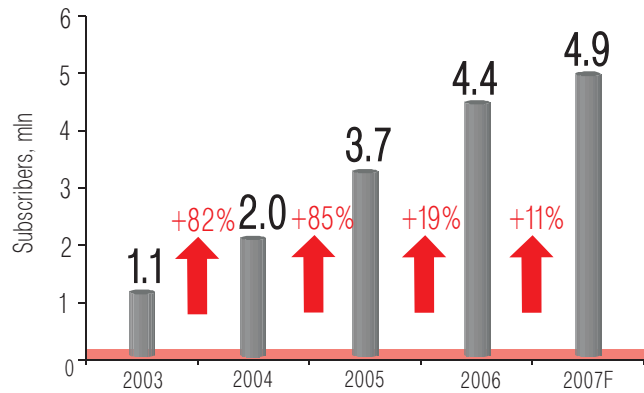
Intra-zone traffic, million minutes



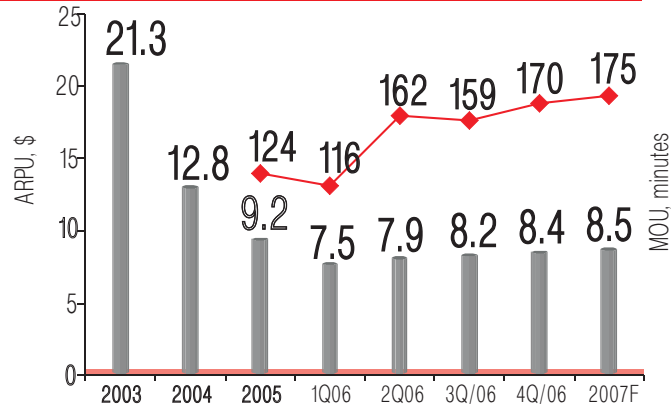
Mobile Business - Continued Leadership

>

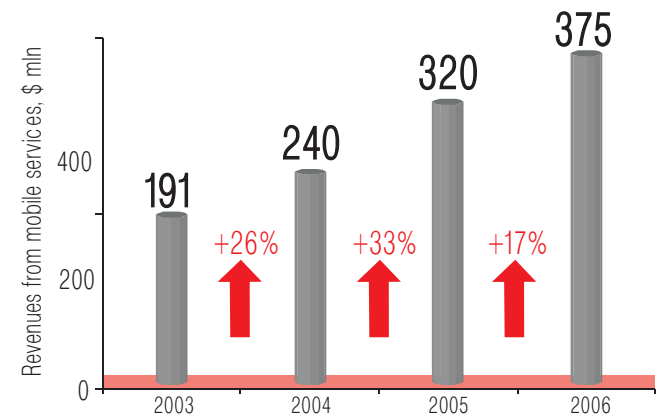
Number of subscribers, mln



ARPU & MOU



Revenues, \$ mln



Sustainable market share despite competition

Market share, Urals region, %

	2003*	2004*	2005*	2006*	2006**
Utel	38	30	29	29	44
MTS	33	30	28	28	20
MegaFon	20	20	17	16	18
Vimpelcom	3	14	20	20	11
Motiv	6	6	6	7	7

* In terms of subscriber numbers, ICM Consulting, Company data
 ** In revenue terms, Company data

- Regional mobile market is almost fully saturated. Mobile phone penetration exceeded 100%
- Strong financial performance. EBITDA margin at about 45%, revenue up 20% vs 2005
- Re-branding (August 2005) helped retain market share and efficiencies

2007 Estimate

- Revenue from mobile services up 24%

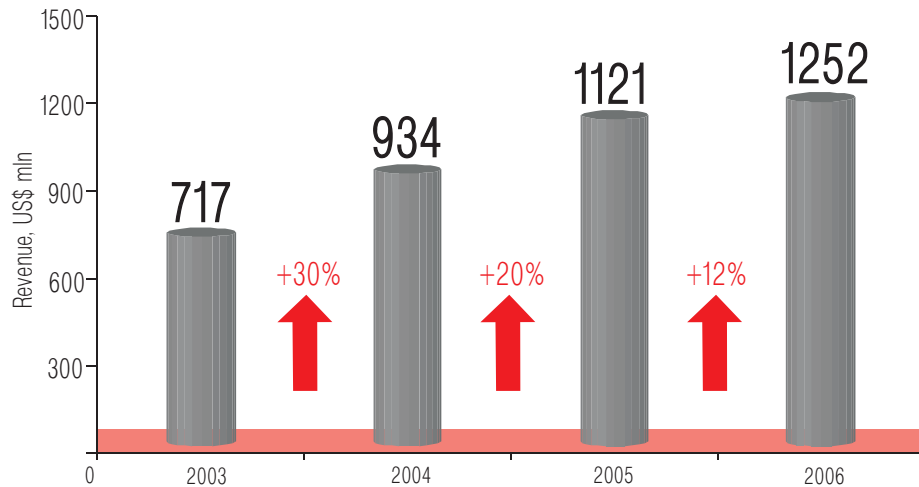


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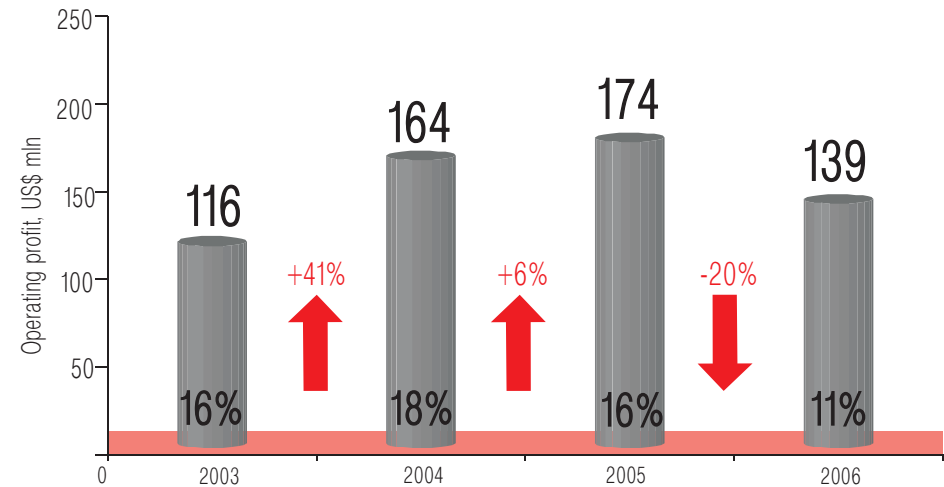
Key Financial Data 2003-2006

According to IFRS*

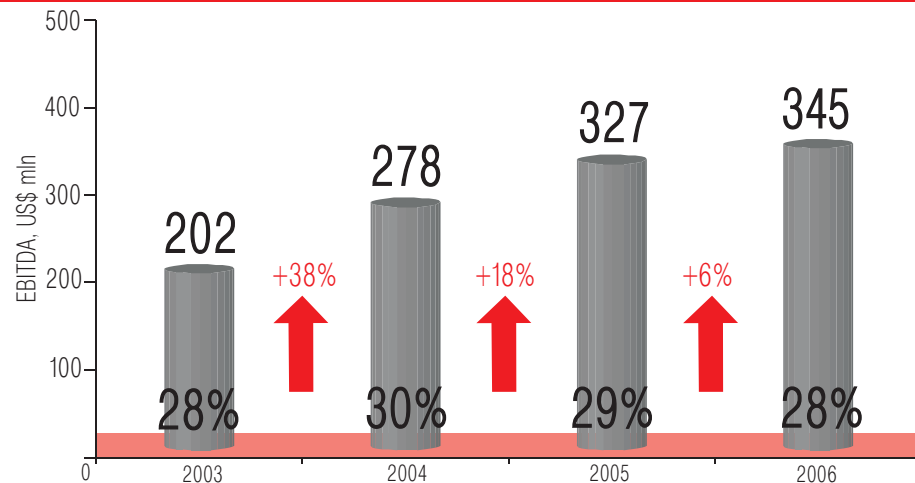
Revenues



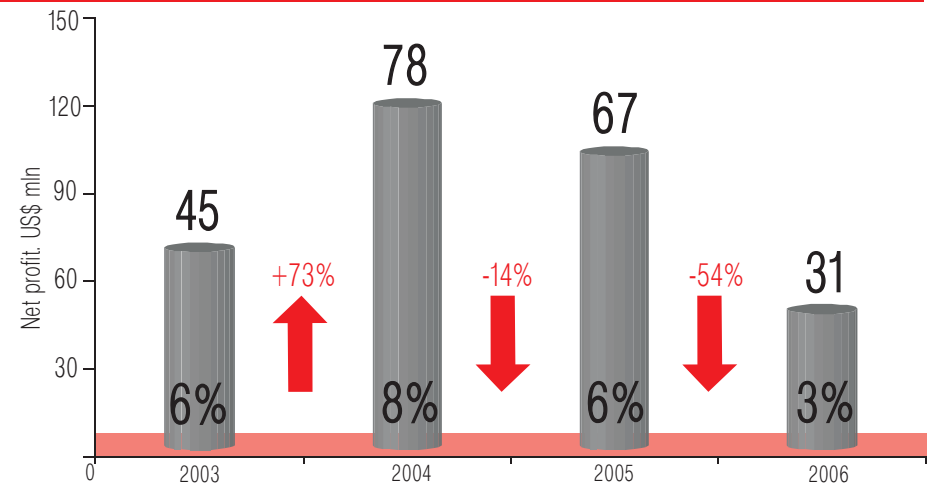
Operating profit, EBIT margin



EBITDA, EBITDA margin



Net profit, Net margin



1H 2007 Highlights

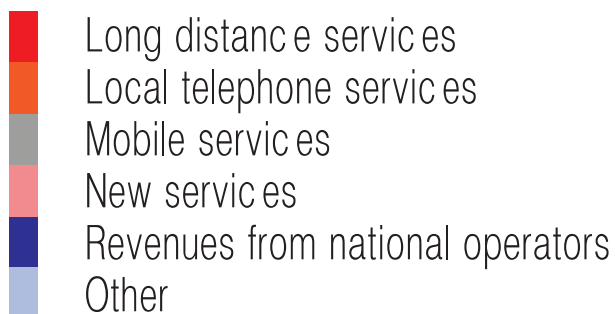
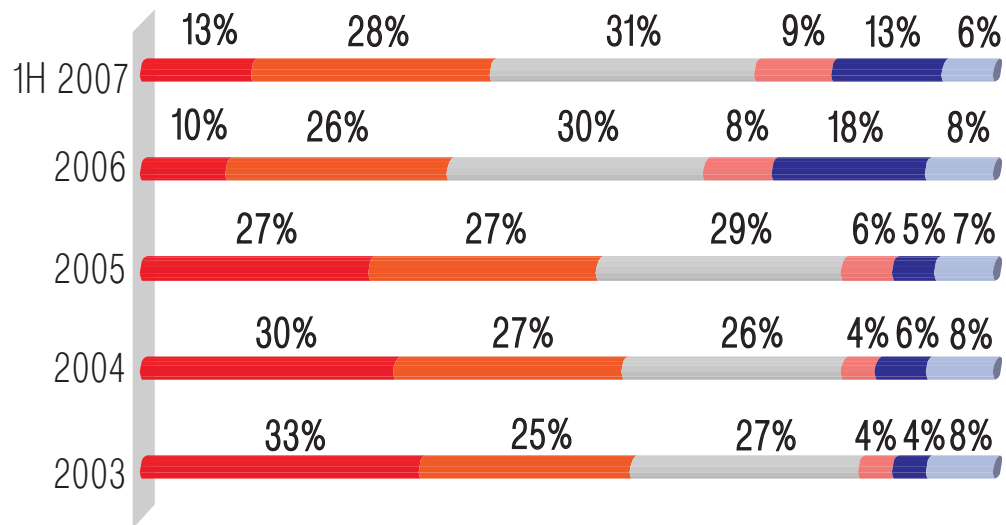
In accordance with
International Accounting Standards

	\$ million*		
	1H 2007	1H 2006	%
> Revenue	729.7	571.3	+27.7
OIBDA	244.8	186.2	+31.4
OIBDA margin	33.5%	32.6%	
Operating profit	135.9	87.5	+55.3
Operating margin	18.6%	15.3%	
Pre-tax profit	98.0	50.2	+95.3
Net profit	53.0	32.0	+65.4
Net margin	7.3%	5.6%	

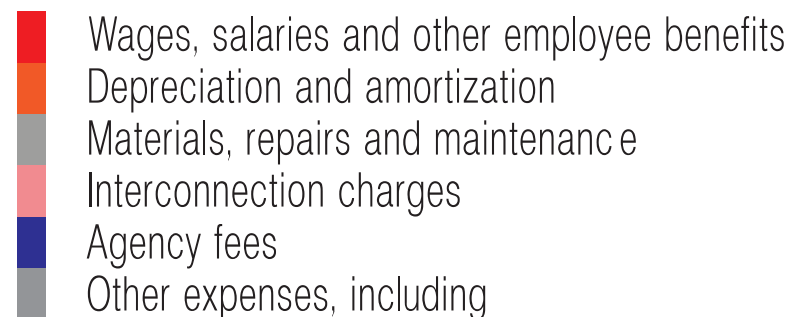
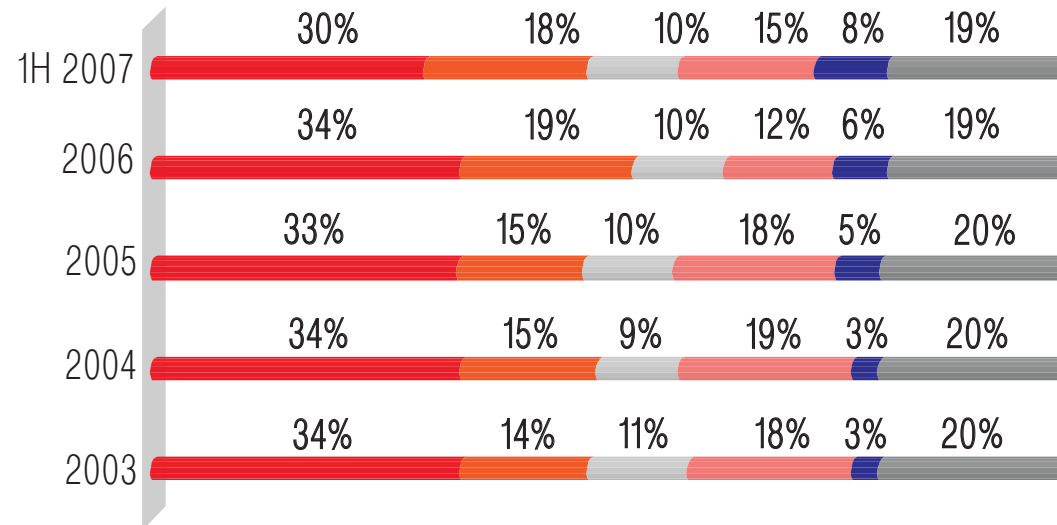
* Solely for information purposes, all items are re-calculated in US dollars at the following rates:
1H 2007 - RUR 26.1, 1H 2006 - RUR 27.5

Key Financial Data

Revenue structure



Expenses structure

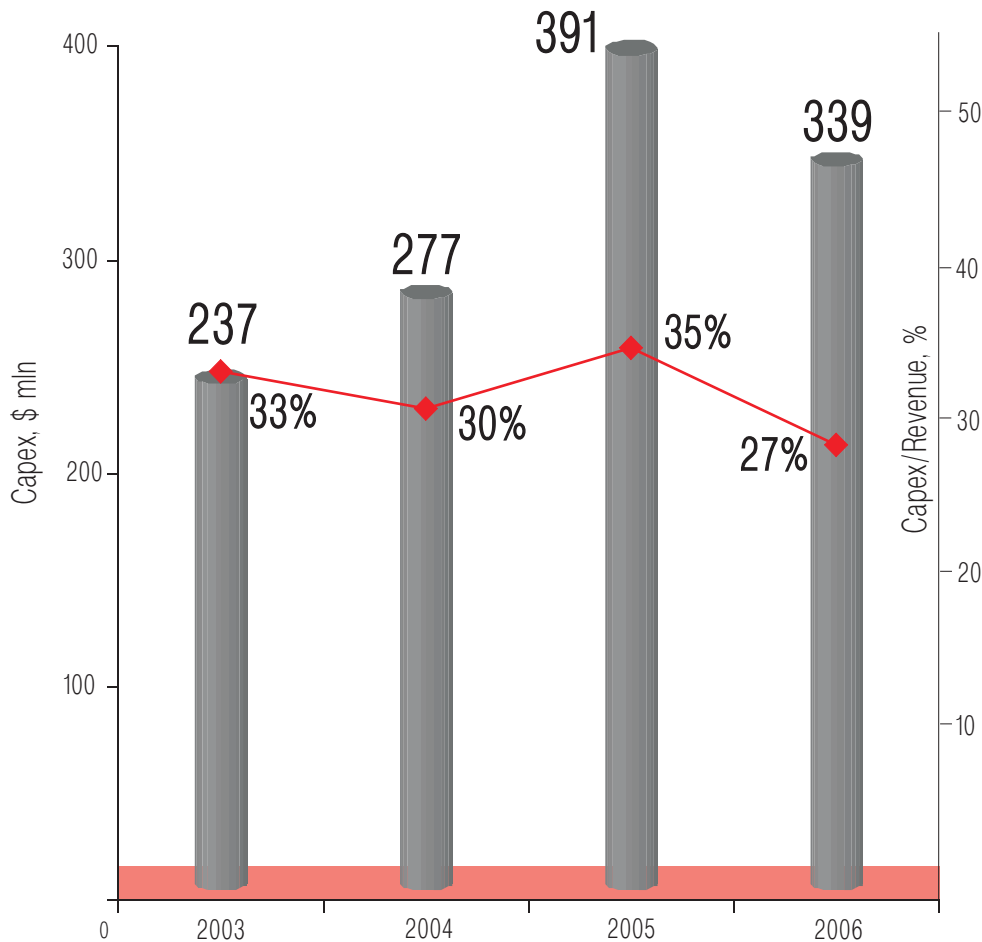


(As of 1H 2006)

- Taxes - 3%;
- Lease of premises - 2%;
- Advertising - 2%;
- Fire insurance and other security services - 2%
- Insurance - 1%;
- Other expenses - 9%

Optimization of Capex

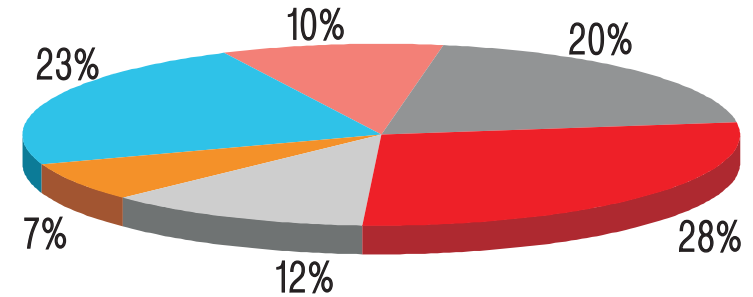
Capex and Capex/Revenue



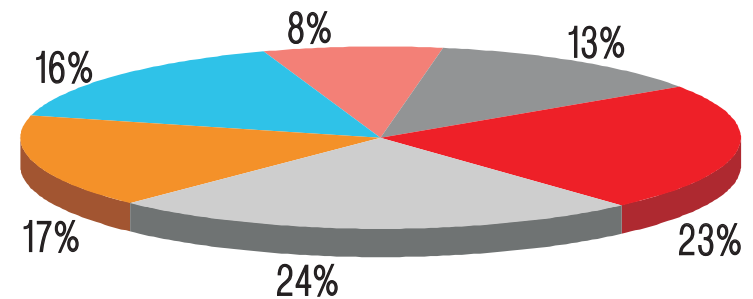
- Planned Capex 2007 (RAS) - RUR 7,078.9 mln (RUR 6,893.0 mln as of 2006)

Capex breakdown

2006



2007F



- Fixed-line telephony
- Mobile services
- Data transmission and new services
- IT
- Intra-zone lines and infrastructure
- Other, including Building and Construction - 4%



Telecom Market

Market segmentation

	2006	2007	2008	2009	2010	2011
Local services	20%	18%	17%	16%	15%	14%
Long-distance/intra-zone services	18%	17%	15%	14%	13%	12%
Mobile services	42%	45%	48%	48%	49%	51%
Internet and data transmission	8%	9%	10%	11%	13%	14%
Interconnection and termination	7%	5%	5%	4%	4%	4%
Other	5%	5%	6%	6%	6%	6%
TOTAL, RUR billion	61,8	70,7	81,9	91,7	101,1	110,6

Market share of Uralsvyazinform

	2006	2007	2008	2009	2010	2011
Local services	80%	82%	80%	77%	74%	74%
Long-distance/intra-zone services	34%	44%	43%	42%	41%	41%
Mobile services	43%	39%	40%	41%	42%	42%
Internet and data transmission	49%	58%	60%	69%	70%	69%
Interconnection and termination	96%	96%	95%	94%	93%	92%
Other	29%	20%	17%	14%	16%	17%
TOTAL, market share	52%	52%	50%	51%	51%	50%

By 2011 mobile services are expected to become the main driver in the telecom market. Internet and local services are likely to have equal shares although with inverse growth trends. Therefore, in 2007-11's the company will mainly invest in mobile communications and converged networks.

Strategic Initiatives

Retain market share of 50%

Develop broadband networks through:

- Usage of up-to-date technology (FTTx, xDSL, Wi-Fi, WiMAX)
- Migration toward IMS-architecture
- Dynamic service bundling
- Increasing services range with IPTV

Increase subscriber base of Broadband through:

- Optimized pricing
- Offering higher bandwidth and
- New technology (VDSL2, Wi-Fi, WiMAX, ADSL2)

Add subscribers in mobile services

Encourage usage of service packages

Increase operational efficiencies

- Reduce staff numbers
- Reduce costs for external Internet traffic
- Streamline material expenses, repairs and maintenance costs, and security
- Optimize sales costs through bundling and outsourcing

Reduce debt

- Effectively use property through leasing and sale
- Reorganization of subsidiaries

by 2011



Retain market share of traditional services and increase the share of Broadband market



EBITDA margin not less than 36%
Net margin not less than 11%



Debt/EBITDA at - 1.8

Targets and Forecasts

IFRS	2007	2009
Revenue	About \$ 1.5 bln	Not less than \$ 1.8 bln
OIBDA margin	30%	Not less than 33%
Mobile services subscribers	4.9 mln	5.6 mln
Market share of mobile services*	40%	Not less than 40%
Market share of new services*	58%	Not less than 60%
Share of new services in total revenue	11%	About 16%
Broadband Internet subscribers	Not less than 250 thous	About 900 thous

*Market share in revenue terms



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Ticker symbols
RTS - URSI/URSIP
ADR - UVYZY/UVYPY

Press releases and other corporate information can be found on www.uralsviazinform.com,
as well as in Reuters and Bloomberg systems.