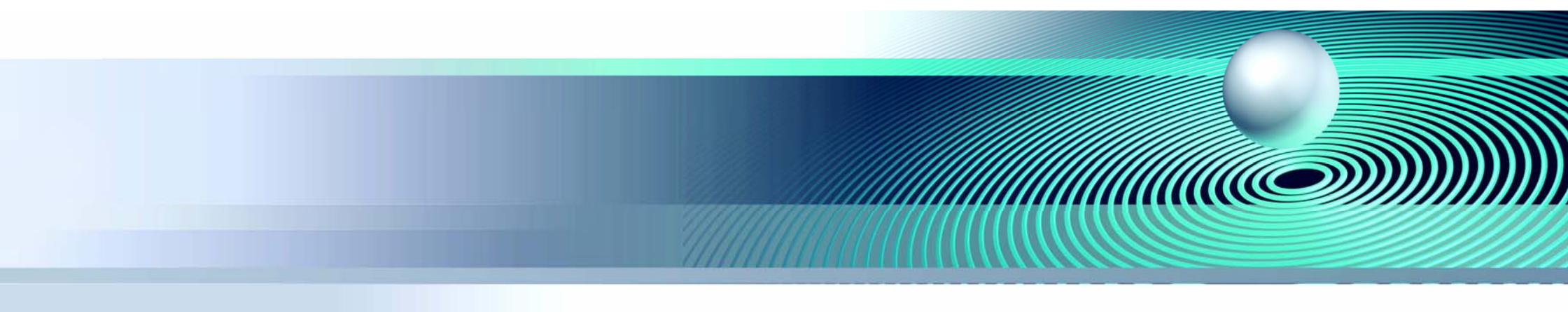
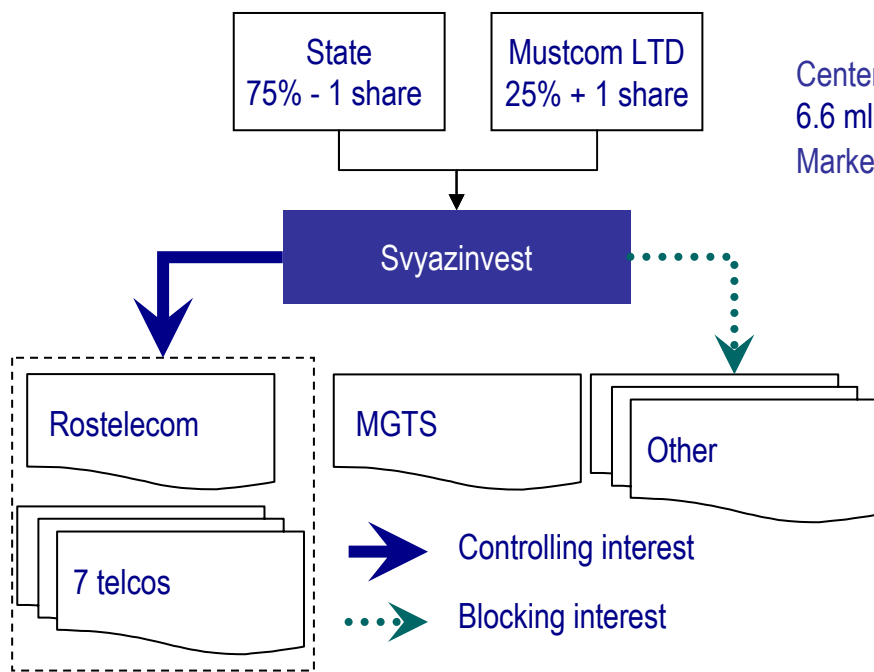
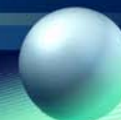


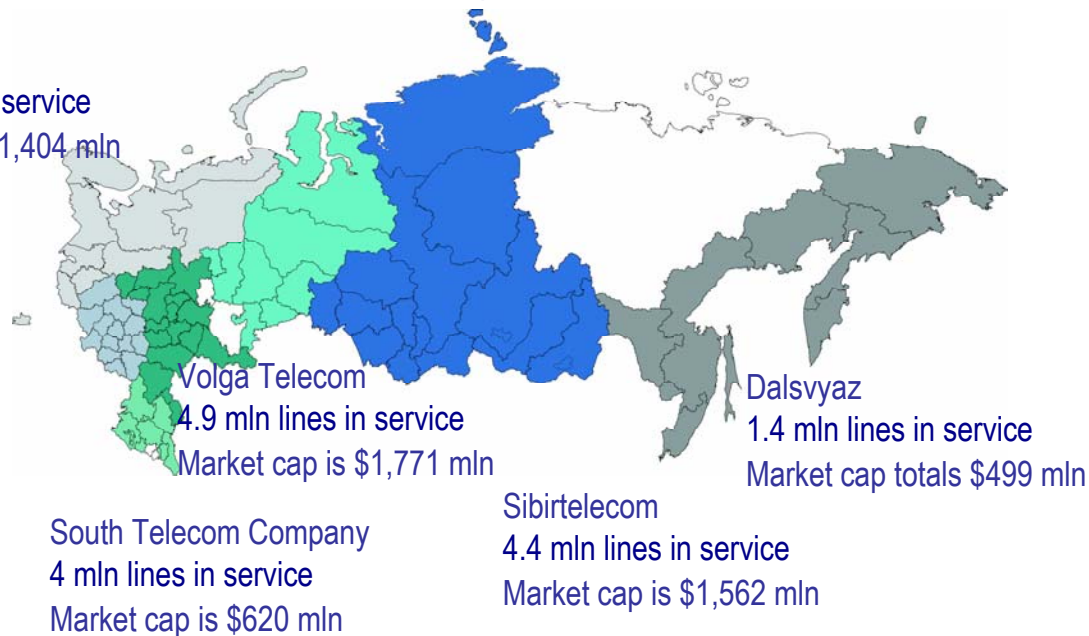
SVYAZINVEST:
INVESTMENT PRIORITIES AND POSSIBILITIES
INTERNATIONAL COOPERATION



SVYAZINVEST: STRUCTURE AND COVERAGE



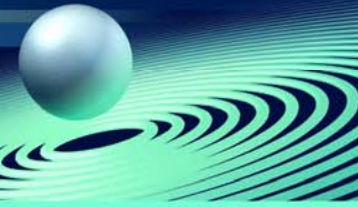
North-West Telecom
 4.4 mln lines in service
 Market cap equals \$1,594 mln
 Uralsvyazinform
 7.5 mln lines in services
 Market cap stands at \$2,409 mln
 CenterTelecom
 6.6 mln lines in service
 Market cap is \$1,404 mln



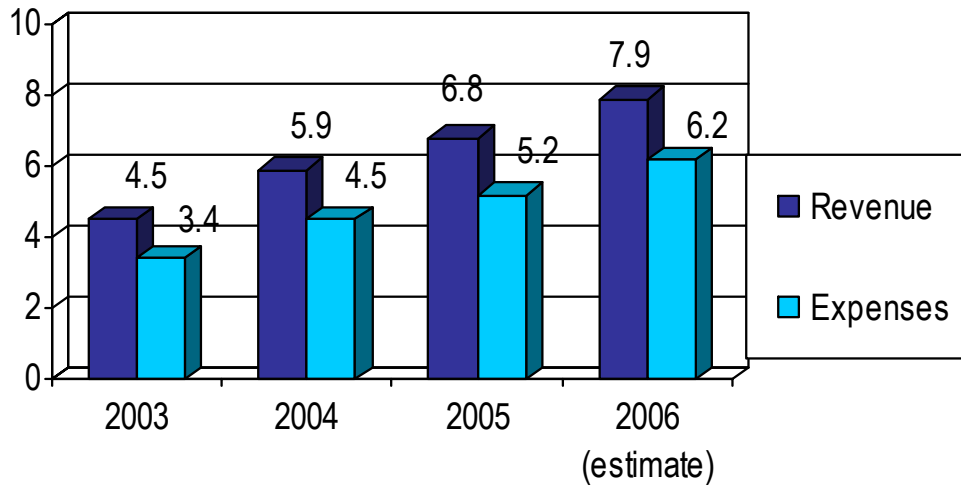
- _ Foundation of Svyazinvest – September 18, 1995
- _ Sale of the company's shares to Mustcom – July 1997
- _ Corporate integration: 72 telecom entities were consolidated into 7 concerns throughout 2000-2002

- _ Rostelecom owns a powerful backbone network spreading all across Russia. The company's network is around 200,000 km long and the company's market capitalization is \$6,242 mln.
- _ At present, the estimated capitalization of Svyazinvest is some \$8 bln.

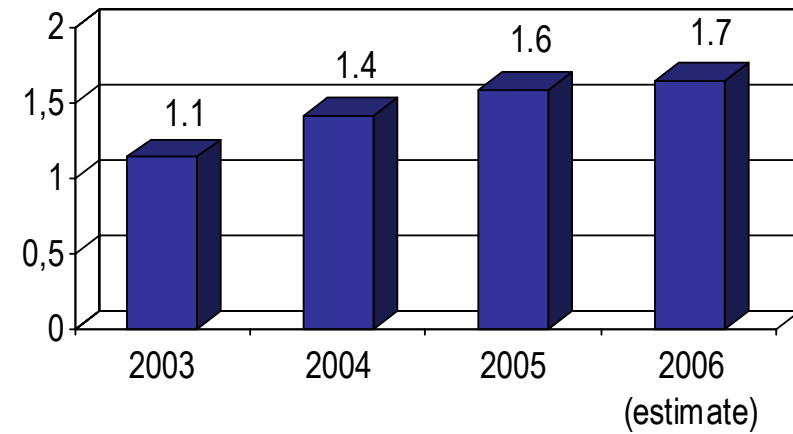
KEY ECONOMIC INDICATORS – STABLE GROWTH



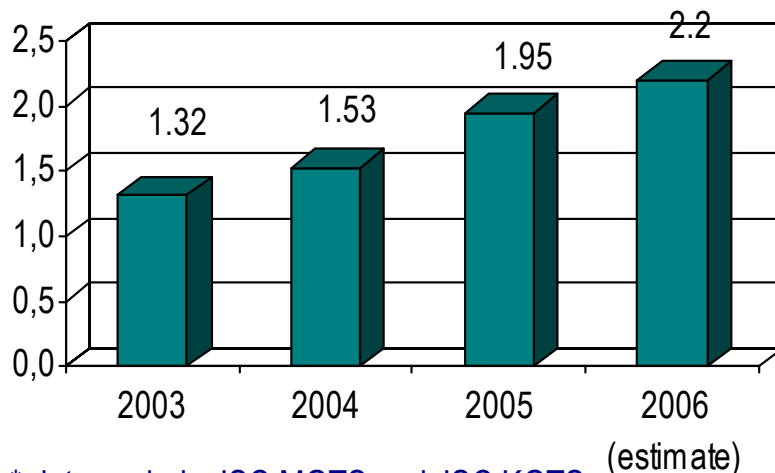
REVENUE AND OPERATING EXPENSES *, USD bln



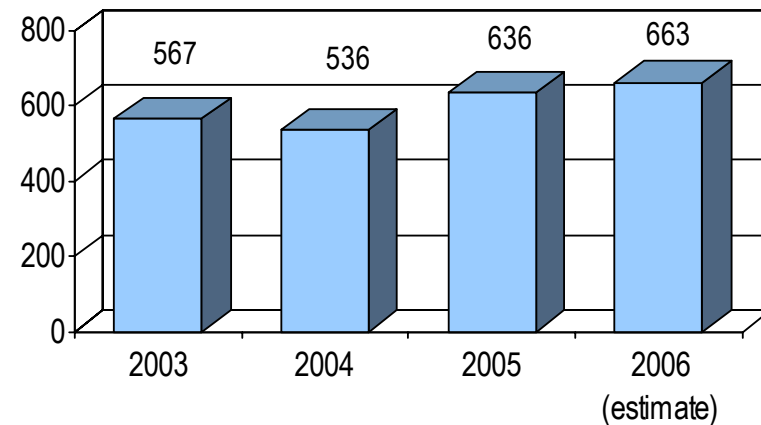
OPERATING INCOME, USD bln



EBITDA, USD bln

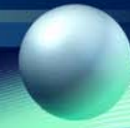


NET PROFIT, USD mln

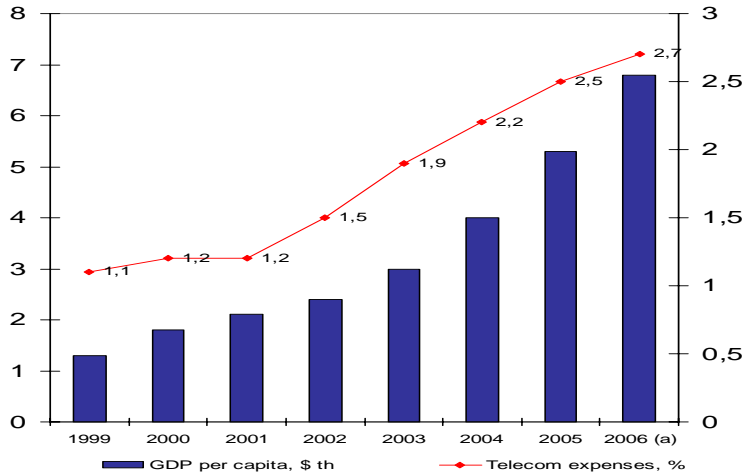


3 * data exclude JSC MGTS and JSC KGTS (estimate)

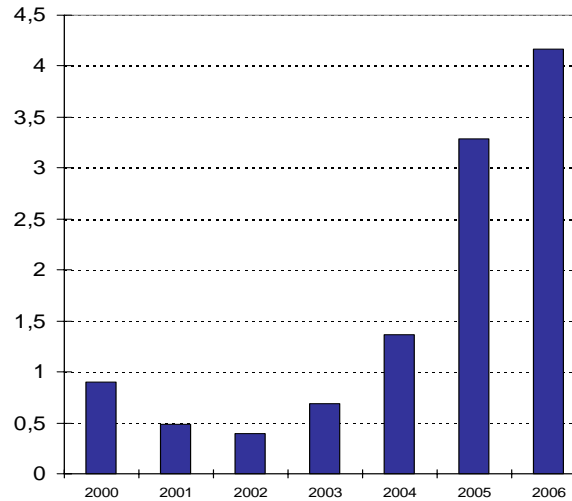
TRENDS ON THE TELECOMMUNICATIONS MARKET



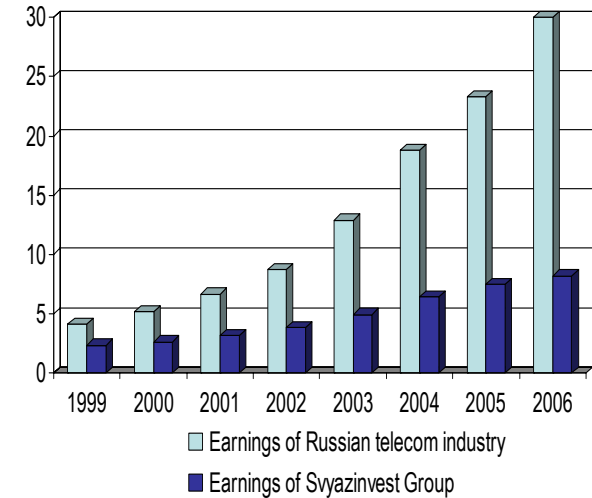
Trends in GDP per capita and telecom expenses



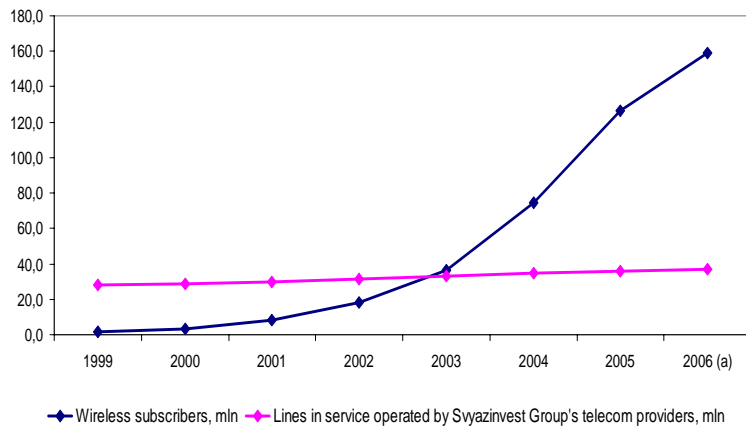
Foreign investments in the industry, \$ bln



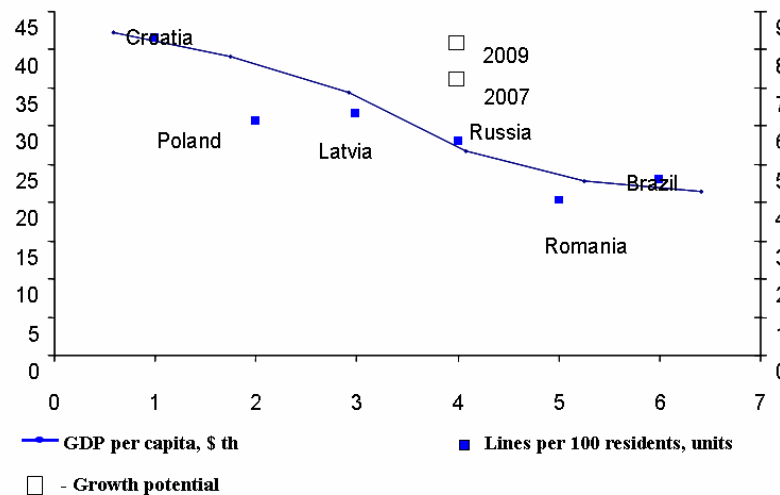
Earnings of Russian telecom industry, \$ bln



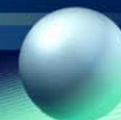
Trends in fixed-line and mobile customer bases



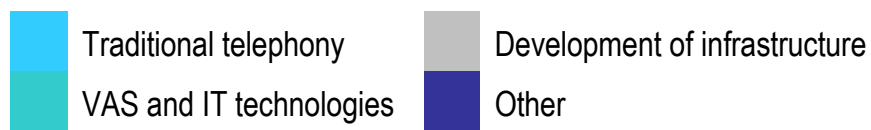
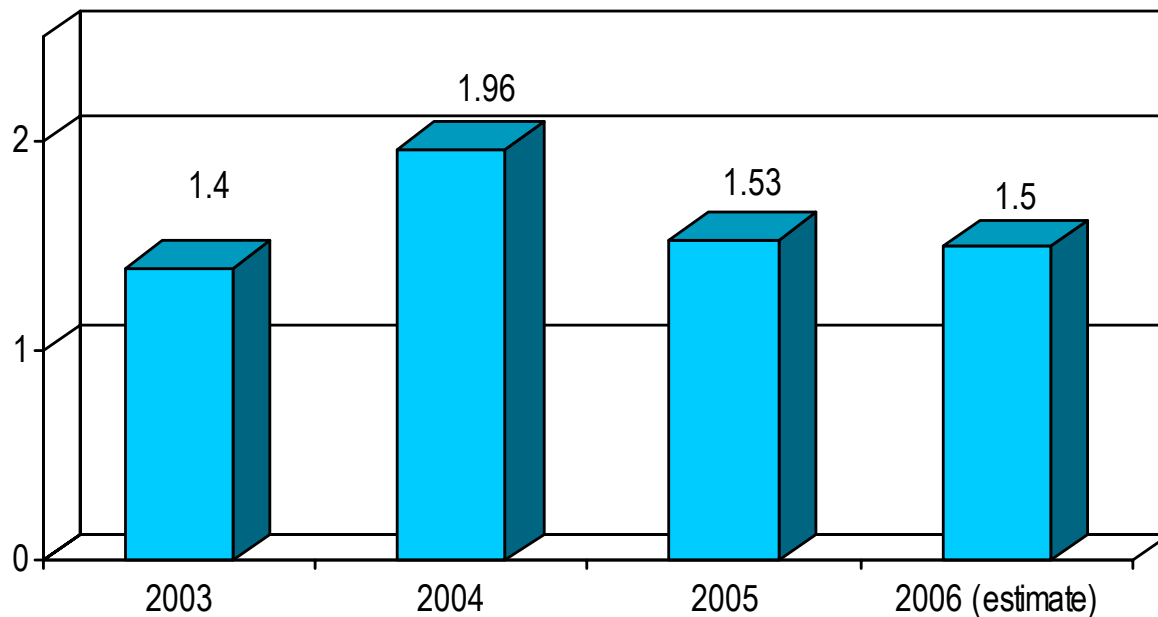
Fixed-line penetration depending on macroeconomic environment



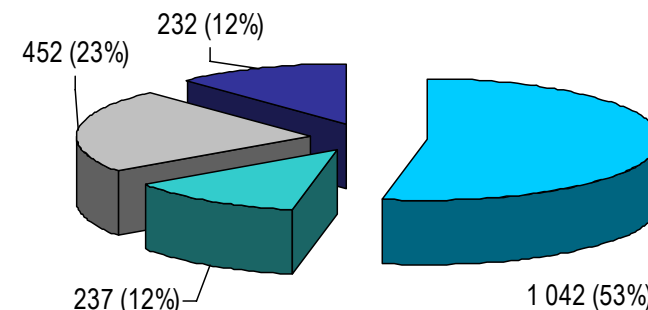
BALANCED INVESTMENT POLICY



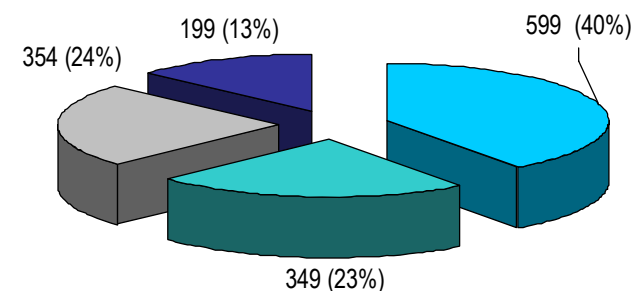
CAPEX, USD bln



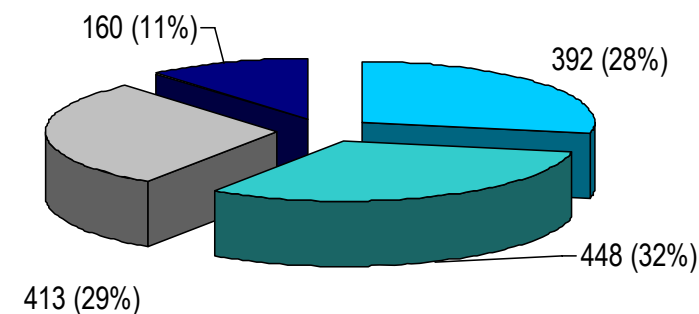
STRUCTURE OF 2004 INVESTMENTS, USD mln



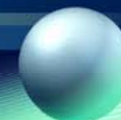
STRUCTURE OF 2005 INVESTMENTS, USD mln



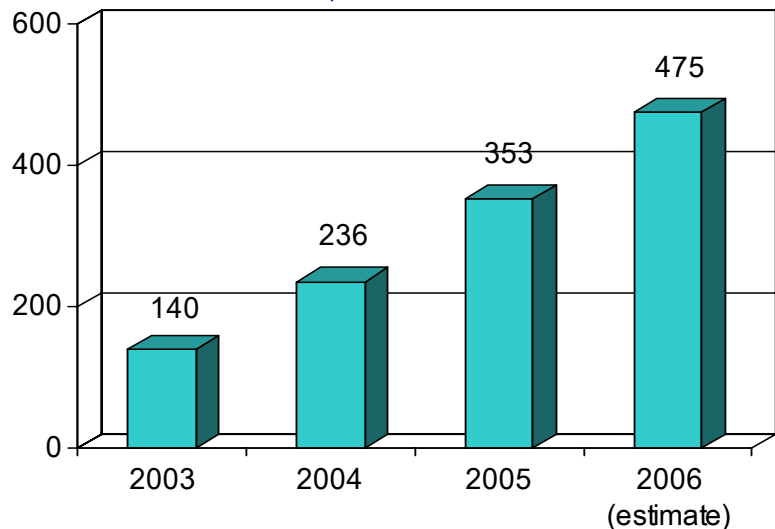
STRUCTURE OF 2006 INVESTMENTS, USD mln



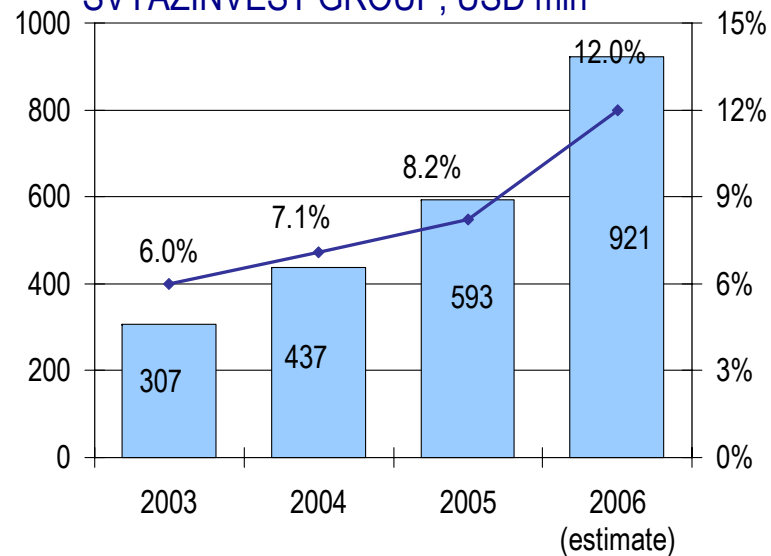
STRENGTHENING MARKET POSITIONS IN VAS SEGMENT



DYNAMICS OF INVESTMENTS IN VAS AND IT TECHNOLOGIES, USD mln



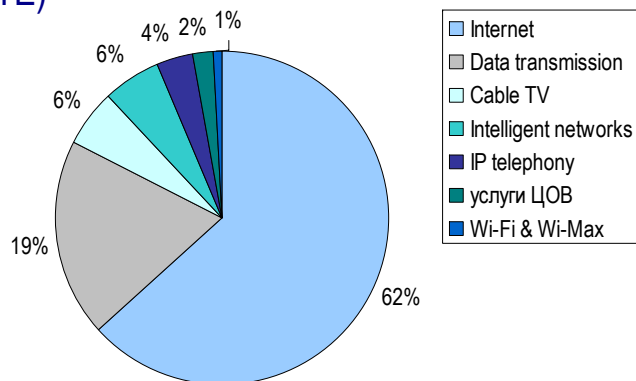
VAS REVENUE IN TOTAL REVENUE OF SVYAZINVEST GROUP, USD mln



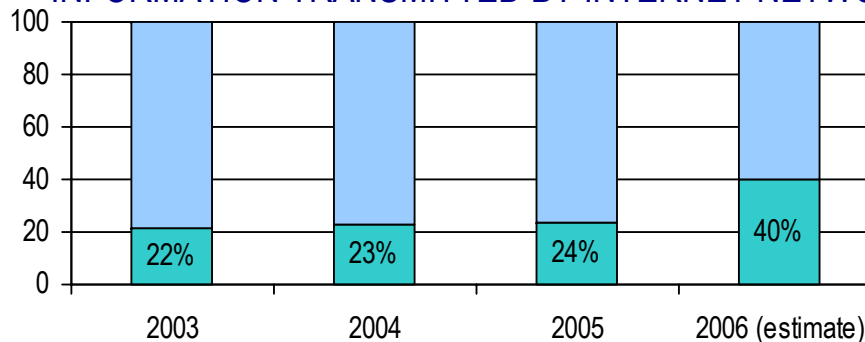
+ 48 %

According to our estimates, VAS earnings are projected to surge 48% in 2006.

VAS REVENUE BREAKDOWN AT SERVICES (ESTIMATE)

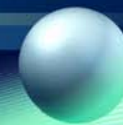


SHARE OF INTERNET TRAFFIC VIA xDSL CHANNELS IN TOTAL INFORMATION TRANSMITTED BY INTERNET NETWORK, %



by dedicated xDSL channels | Internet traffic based on other technologies

COMPANIES OF SVYAZINVEST GROUP UNDER NEW REGULATION CONDITIONS



New conditions and challenges:

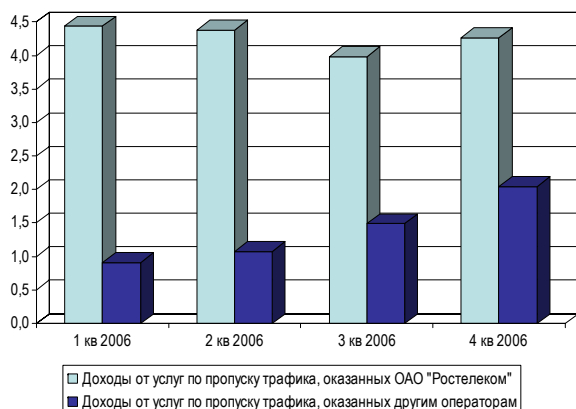
- _ Liberalization of the LD market
- _ New interconnect regulations (incl. tariff regulation)
- _ CPP introduction

Major risks and threats:

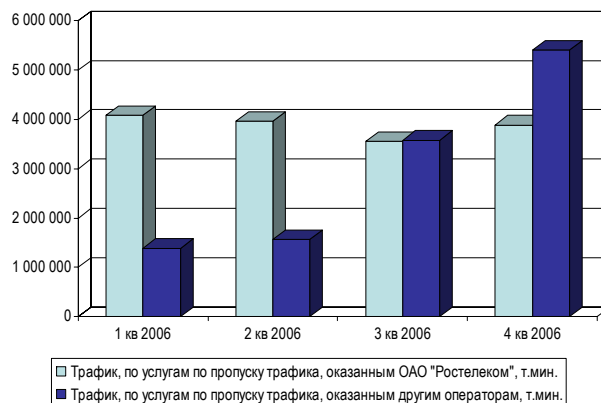
- _ Loss in market share
- _ Decline in telecom tariffs
- _ Subscribers switching from fixed-line operators

OPERATORS SHOW COMPETITIVE EDGE IN NEW CONDITIONS

RTOs' revenue from traffic merger and transmission, Rb bln



RTOs' traffic transmission services, th min

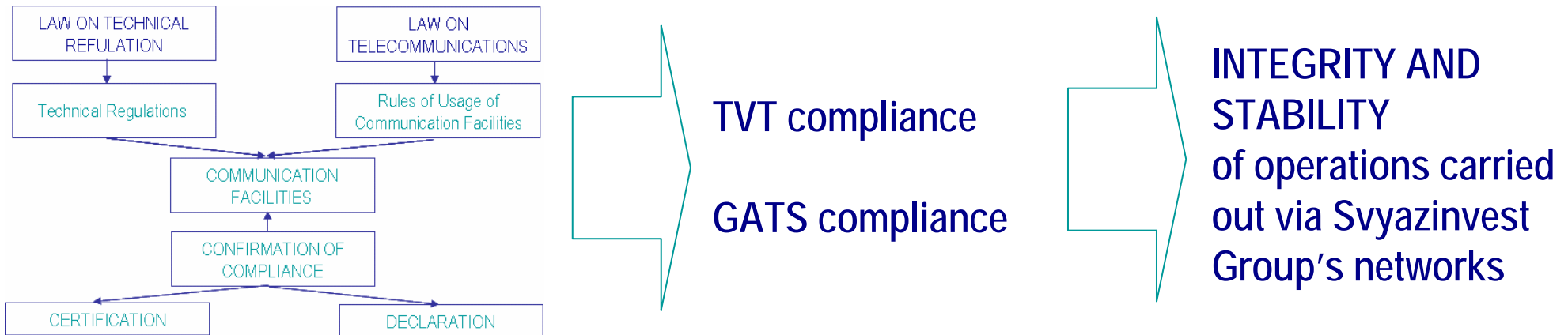
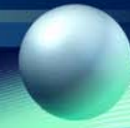


Additional opportunities from introduction of CPP:

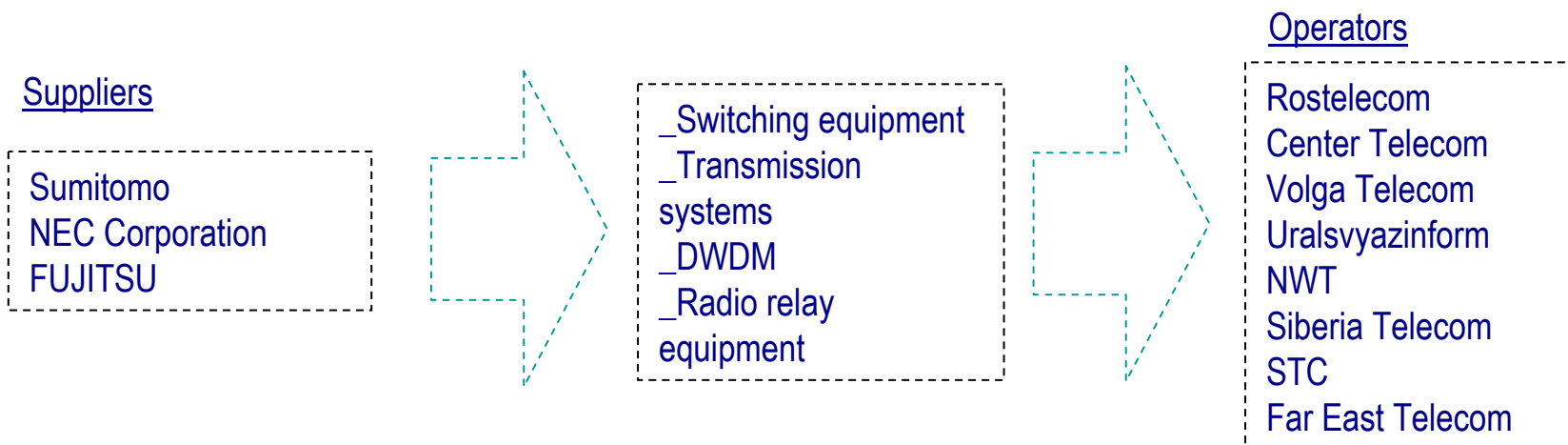
_ RTOs' incremental revenue from zonal services, July 01– December 31, 2006
ESTIMATE: \$219 mln

_ RTOs' incremental financials, July 01– December 31, 2006
ESTIMATE: \$ 80 mln

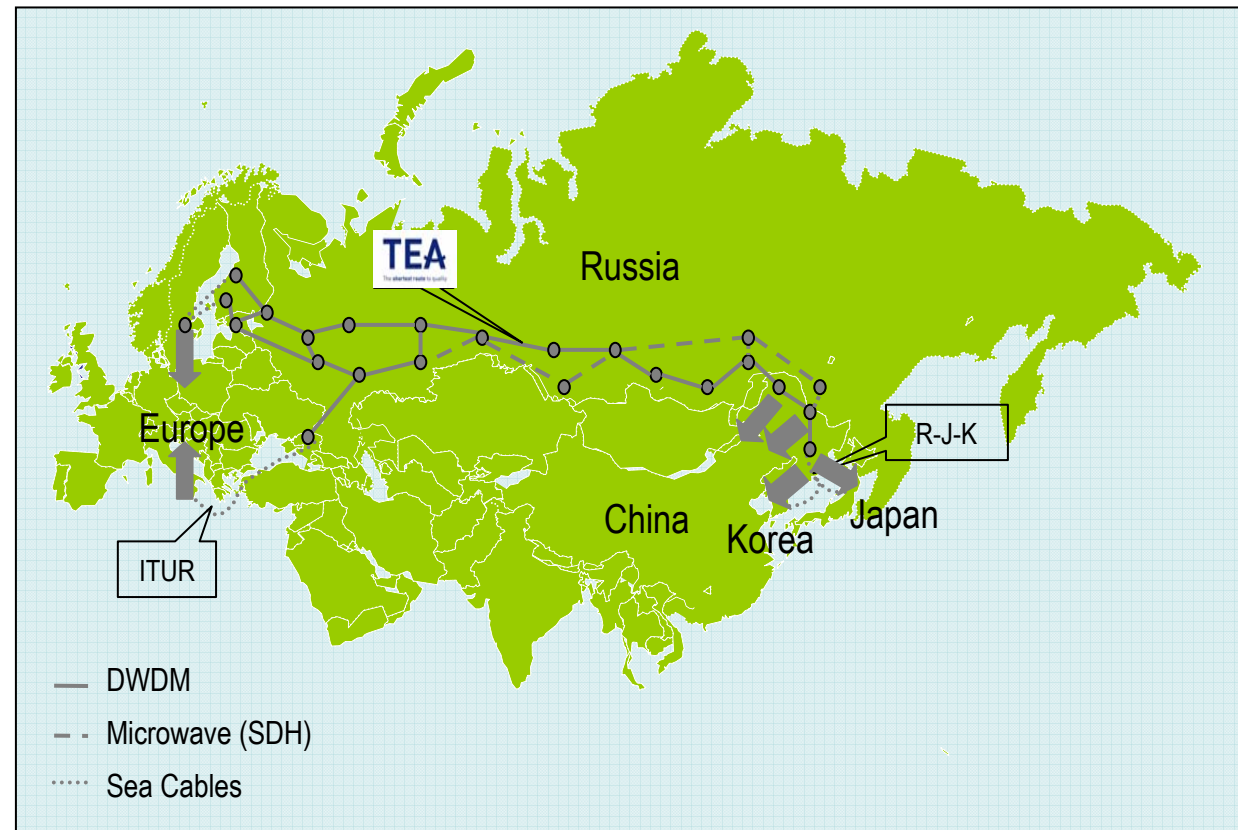
TRANSPARENT CONDITIONS OF OPERATIONS ON THE TELECOM MARKET: RELATIONS IN EQUIPMENT SUPPLIES



Cooperation with Japanese equipment suppliers



TRANSIT BETWEEN EUROPE AND ASIA – THE SHORTEST AND MOST RELIABLE TRANSCONTINENTAL ROUTE



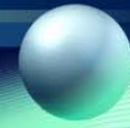
_ Rostelecom offers high-speed connections to Europe with points of presence in London, Stockholm and Frankfurt.

_ In 2004 Rostelecom completed the upgrade of its backbone network – Moscow-Khabarovsk and Moscow-Novorossiysk.

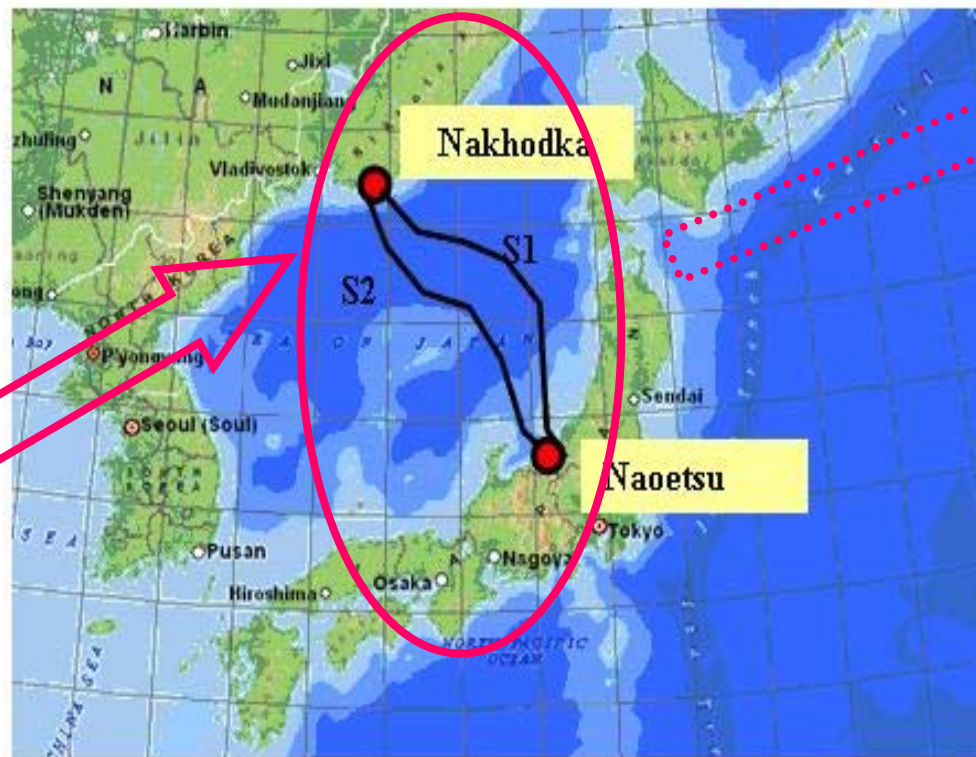
_ The operator paved the way for transiting heavy traffic between Europe and Asia using Rostelecom's network Transit between Europe and Asia (TEA).

_ Traffic exchange with KDDI and Japan Telecom was organized through FFOTL Russia-Japan-Korea (RJK).

RUSSIAN-JAPANESE CABLE SYSTEM - A STRATEGIC AREA FOR ROSTELECOM



_In 2006, a trilateral agreement was signed between Rostelecom, KDDI and NEC Corporation



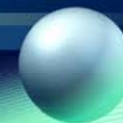
_ Building an optic underwater cable system on the route Nakhodka-Haoetsu (Japan).

_ The total length of underwater cable is 1,800 km (900km x 2 routes).

_ Transmission capacity is - 640 Gb/sec.

_ The system is based on DWDM 10 Gb/sec technology.

_ Commercial service is to be launched in Q108.



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