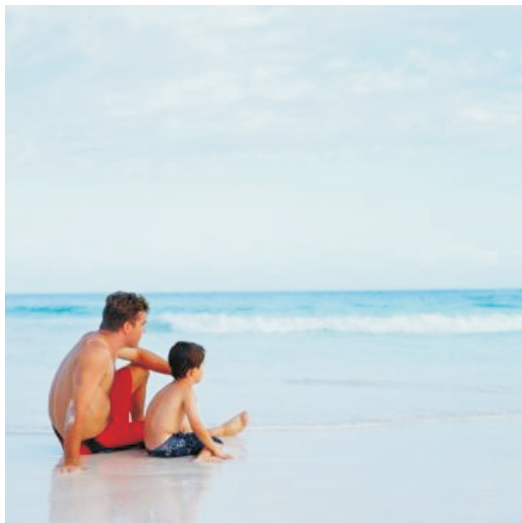
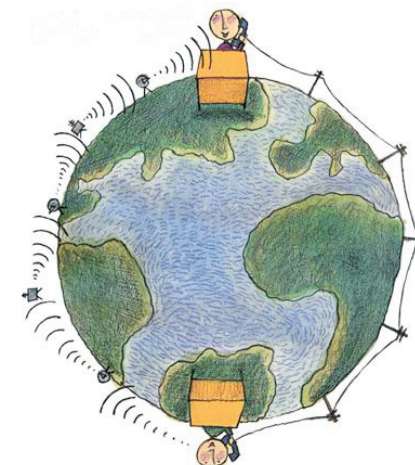


Uralsvyazinform (trademark Utel),
the largest provider of fixed-line, GSM and data
transmission services in the Urals region, Russia



> MANAGEMENT
PRESENTATION



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Valery Chernyshev
Deputy General Director &
CFO

Investor meeting
19th July 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 - about 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
- 4.6 mln subscribers in GSM (Utel)

Optimization of staff numbers

- Number of employees as of 2006 - 30,900 (down 8% for the year)

Stable financial performance (IAS 2006)

Revenue - \$1,252 mln

OIBDA margin - 28%

EBIT margin - 11%

Market cap - \$2.3 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

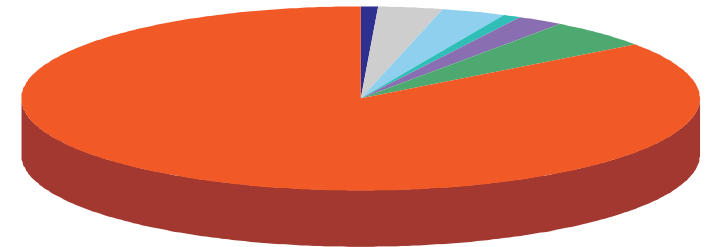
Liquidity

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

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



Liquidity (RTS and MICEX)



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

- Uralsvyazinform (85.1%)
- Dalsvyaz (0.9%)
- Volgatelecom (4.8%)
- Centertelecom (2.9%)
- South Telecom (0.9%)
- North West Telecom (2.2%)
- Sibirtelecom (3.2%)

Ownership Structure

As of 01/07/2007

>

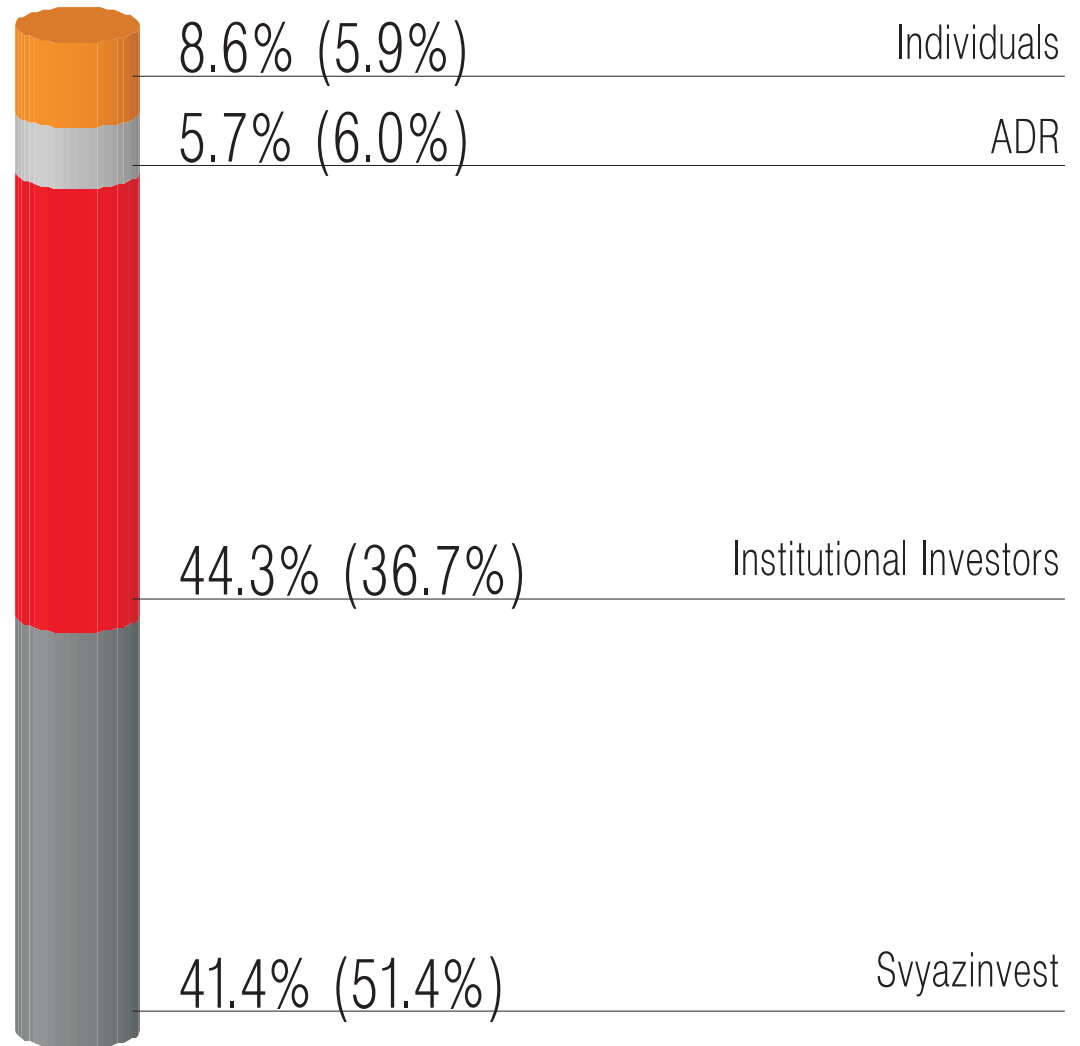
Shares outstanding

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 %

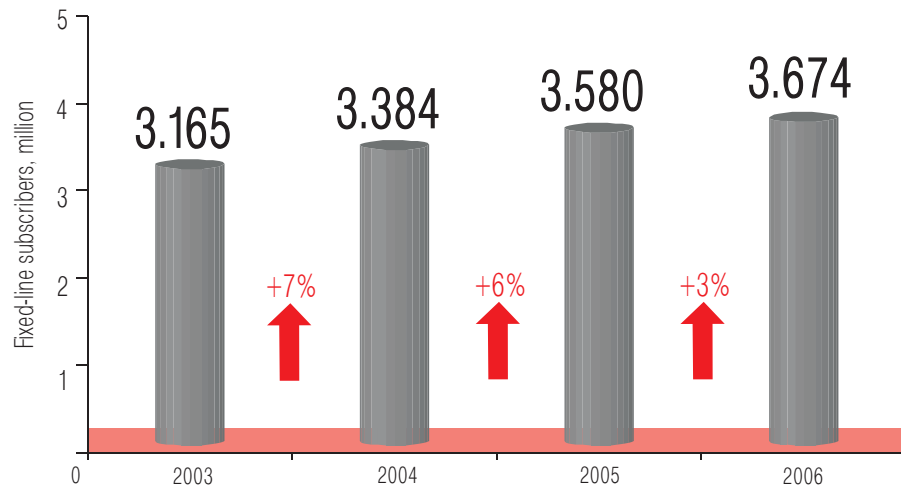
4.6% state-owned stake (ORD) sold
at an auction in the end of February 2007



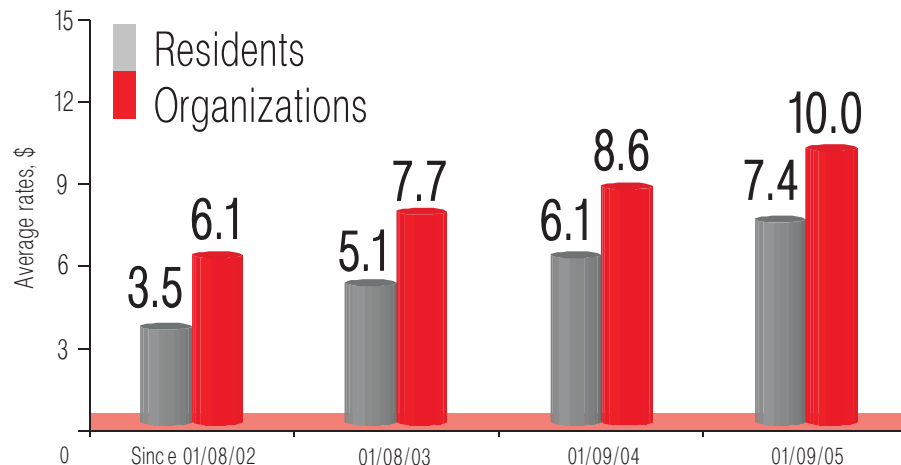
(brackets) - share in voting stock

Fixed-Line Services - Revenue Growth ...

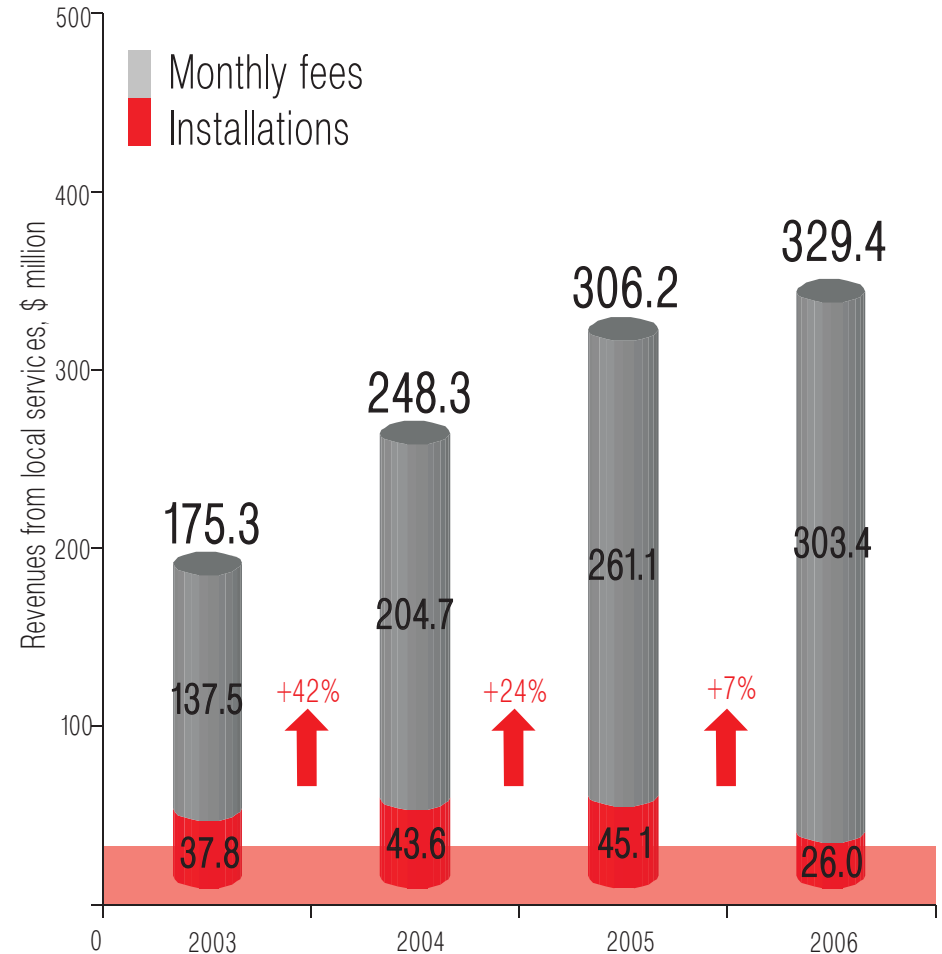
> Main growth drivers: Stable demand for fixed-line services ...



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



Resulted in sustained revenue growth from voice services ...

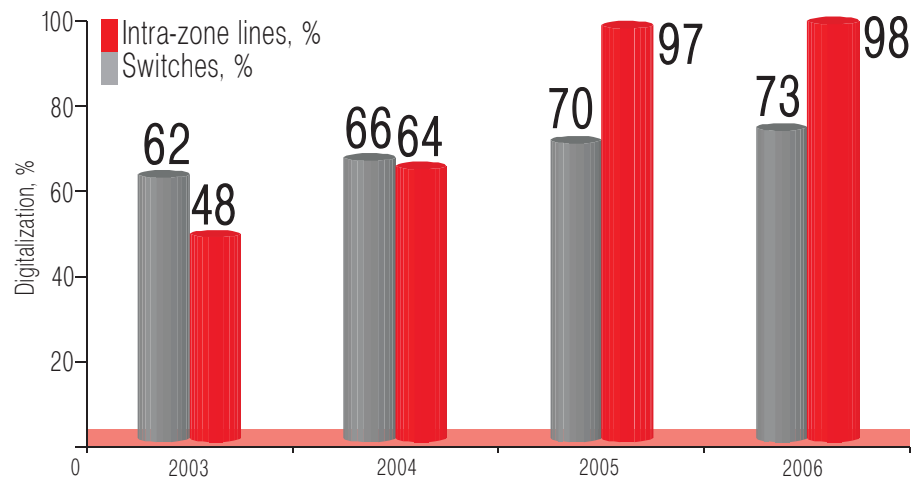


However, the growth potential of voice services will soon be used up ...

Revenue 06-11, CAGR +3-4%

... Focus on Higher Efficiency ...

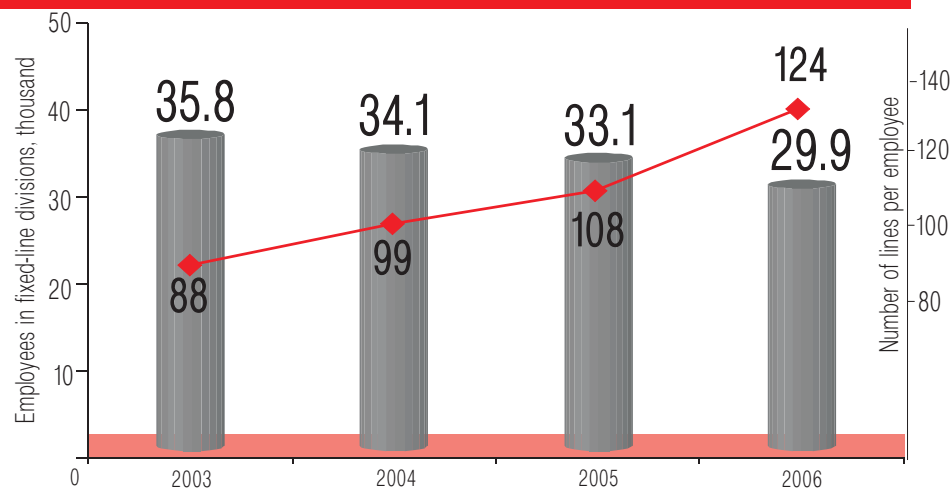
Higher digitalization ...



The goal: EBITDA margin at no less than 33%

- 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

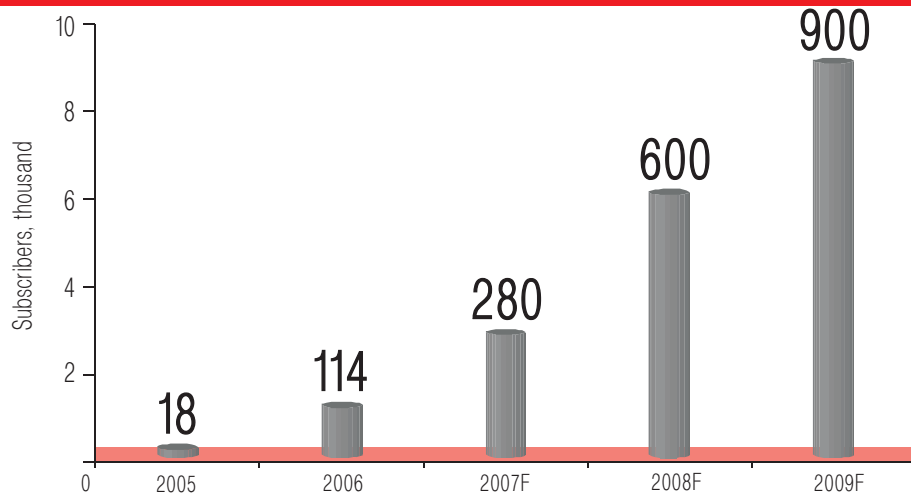
... Optimized headcount



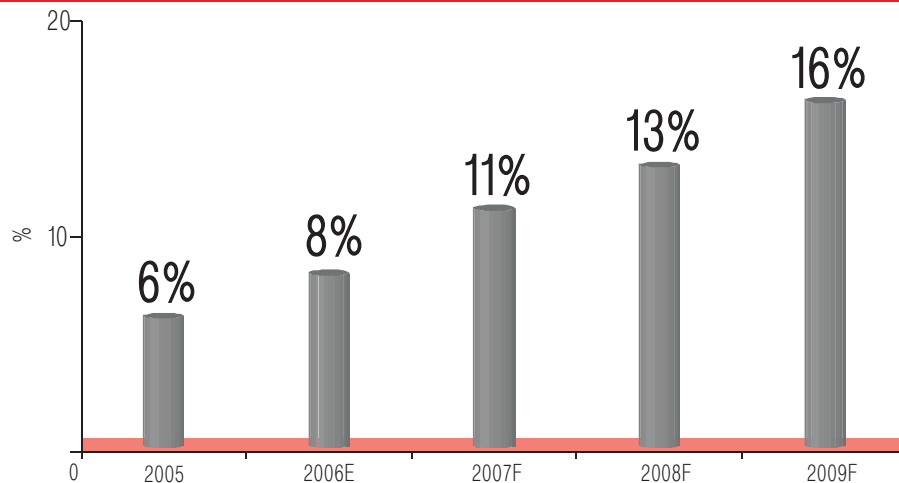
... and Non-Voice Services

>

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

Revenue 06-11, CAGR +30-40%

Tariff Packages

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

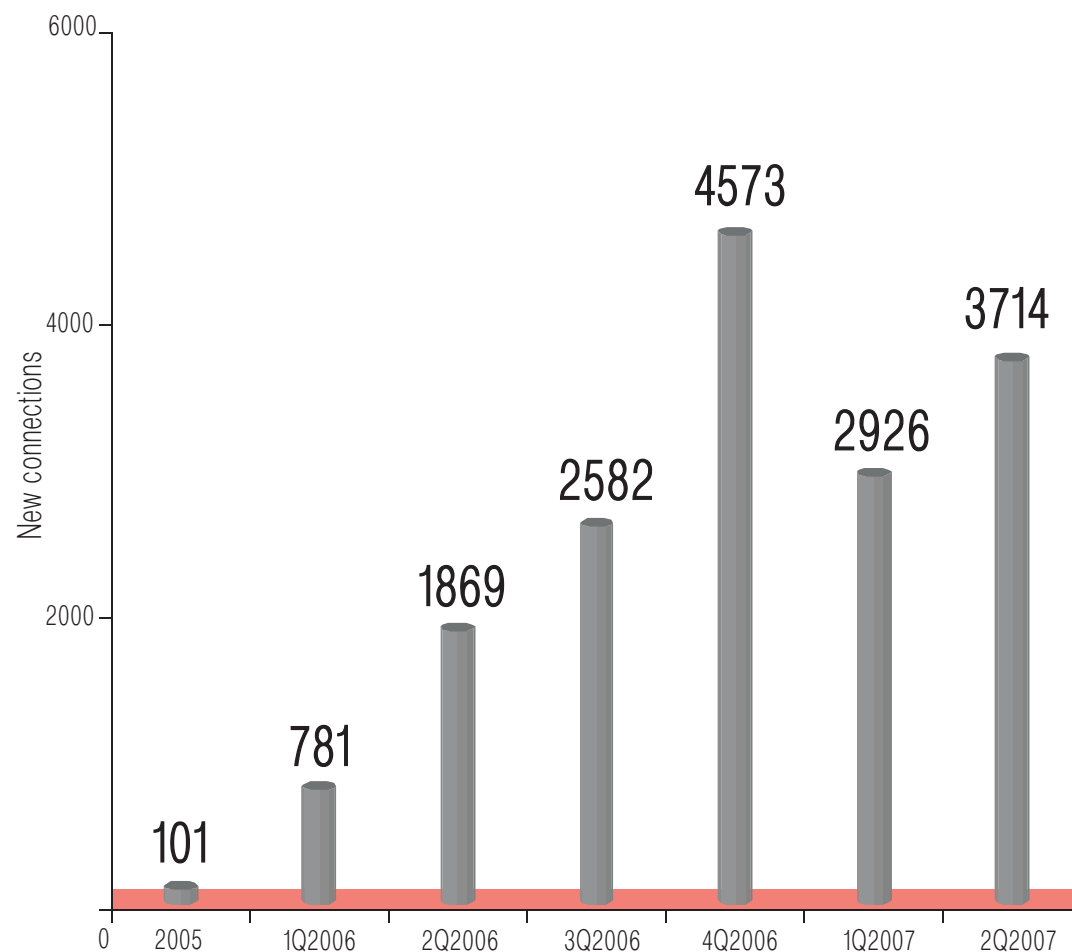
The tariff packages are marketed as:

- 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

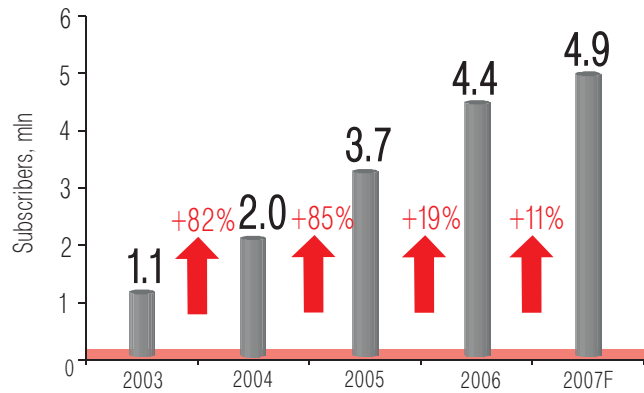


**16.5 thousand packages sold since 2006,
sales totaled about \$2.3 million**

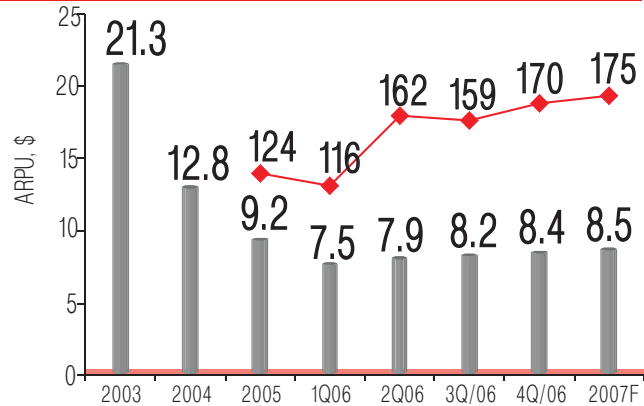
Mobile Business - Continued Leadership

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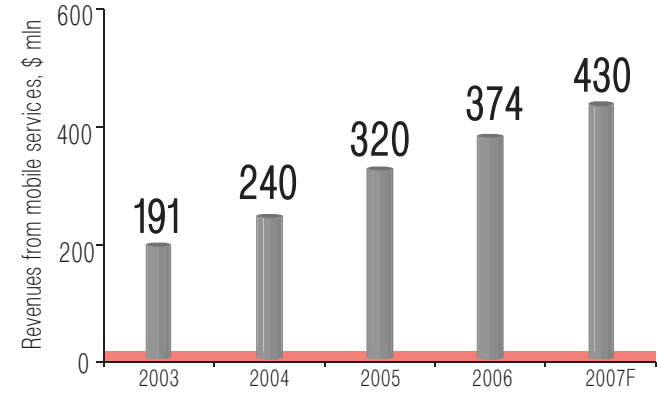
Number of subscribers, mln



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 is about 100%
 Strong financial performance. EBITDA margin at about 45%, revenue up 20% vs 2005
 Re-branding (August 2005) helped retain market share and efficiencies

Revenue 06-11, CAGR +14-16%

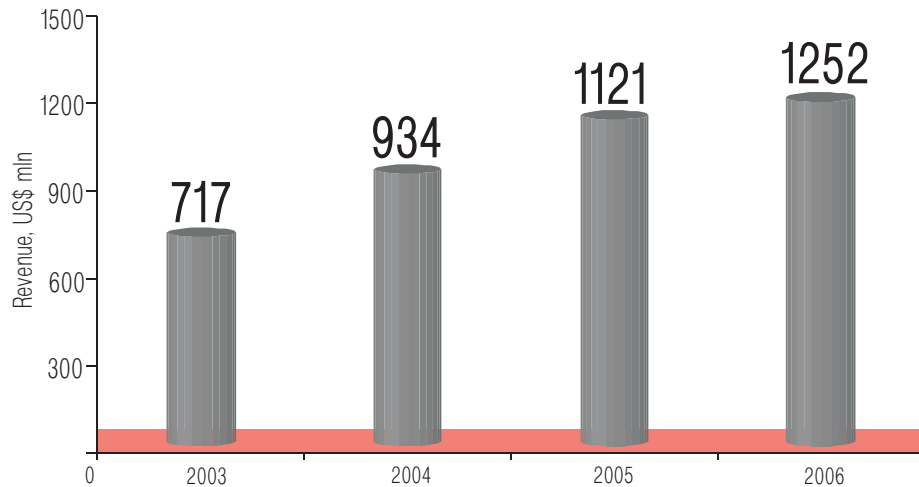


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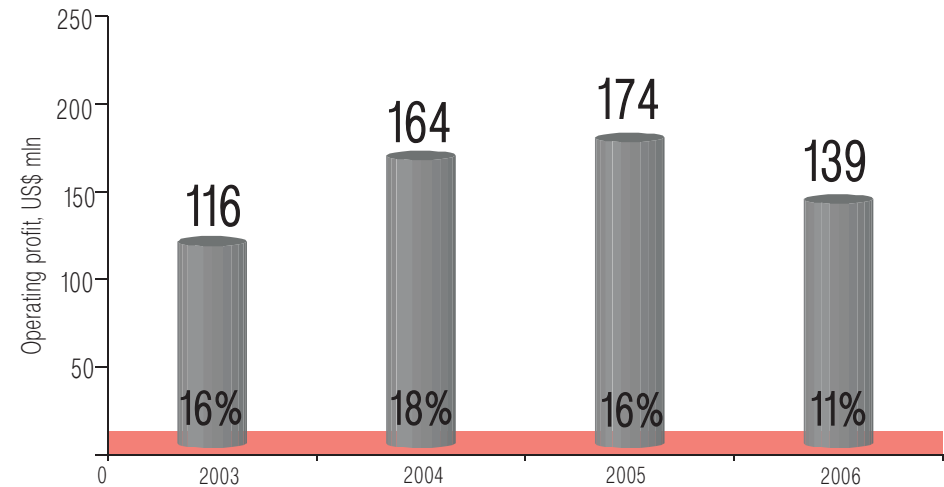
Key Financial Data 2003-2006

According to IFRS*

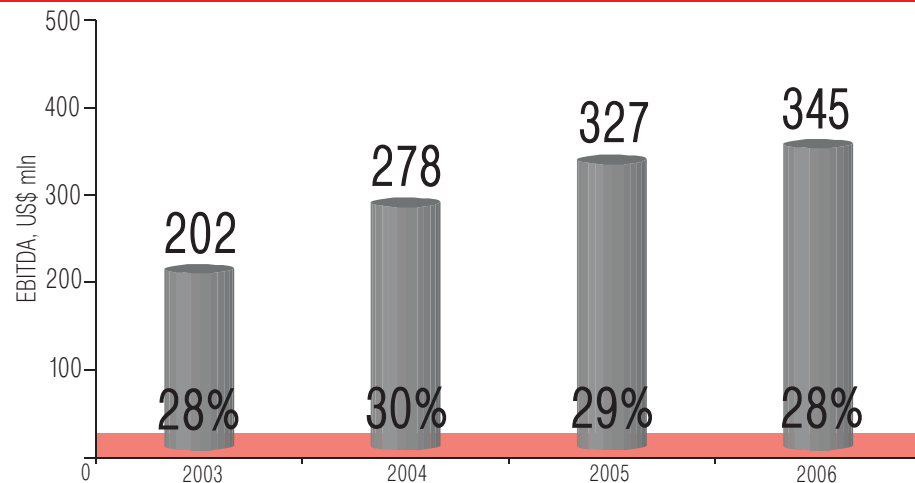
Revenues



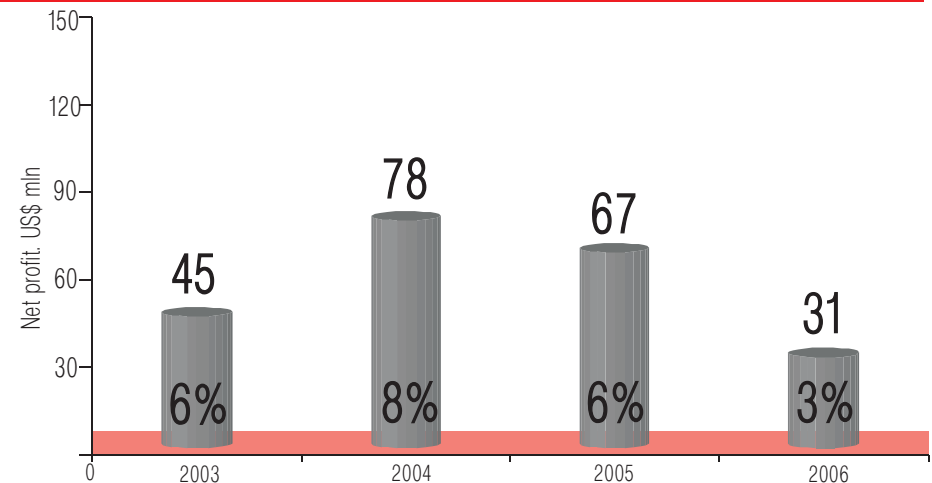
Operating profit, EBIT margin



EBITDA, EBITDA margin

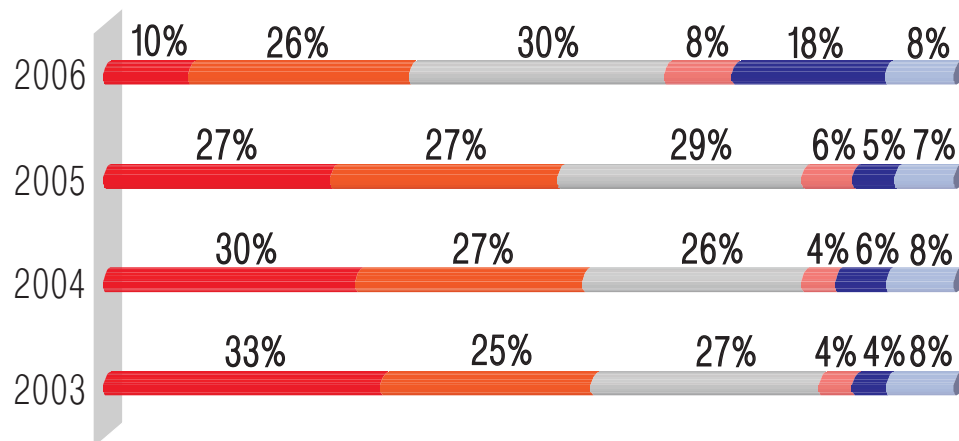


Net profit, Net margin



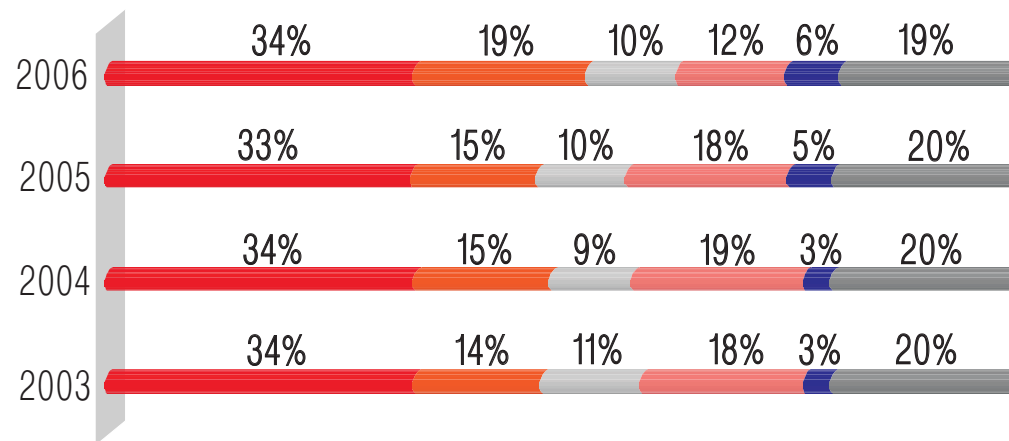
Key Financial Data

Revenue structure



- Long distance services
- Local telephone services
- Mobile services
- New services
- Revenues from national operators
- Other

Expenses structure



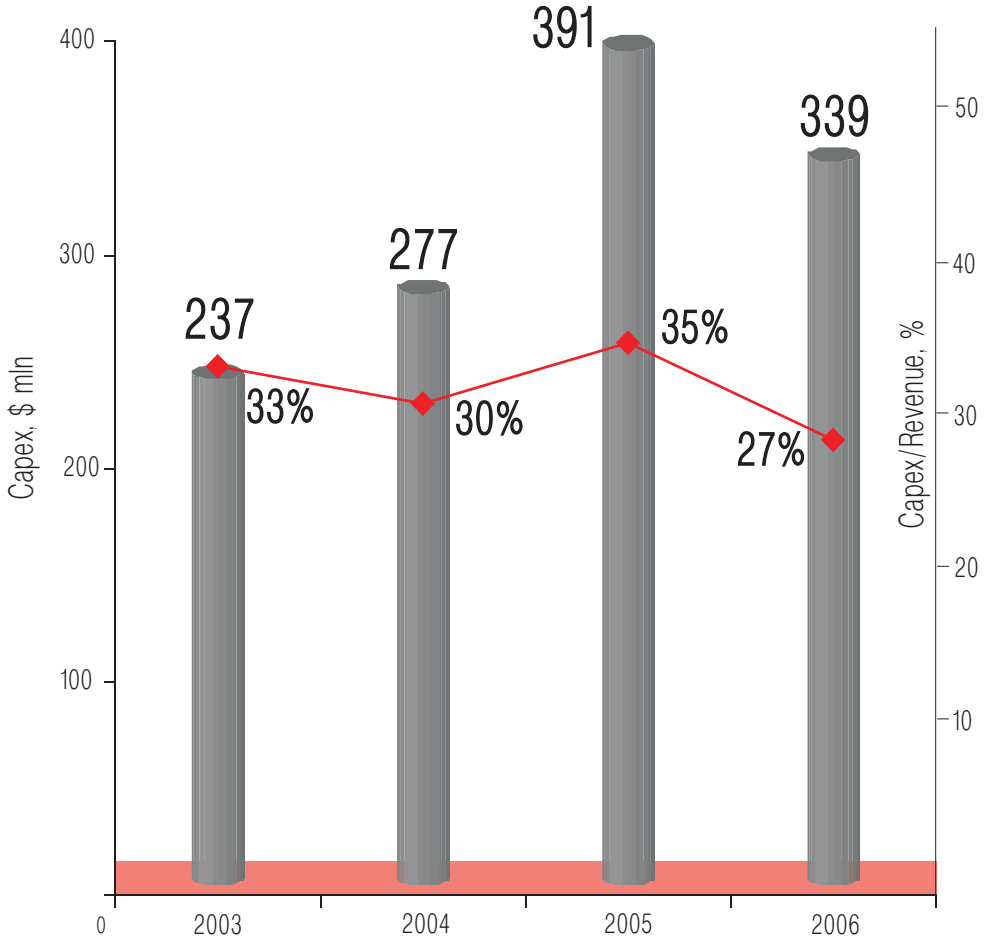
- Wages, salaries and other employee benefits
- Depreciation and amortization
- Materials, repairs and maintenance
- Interconnection charges
- Agency fees
- Other expenses, including

(As of 2007)

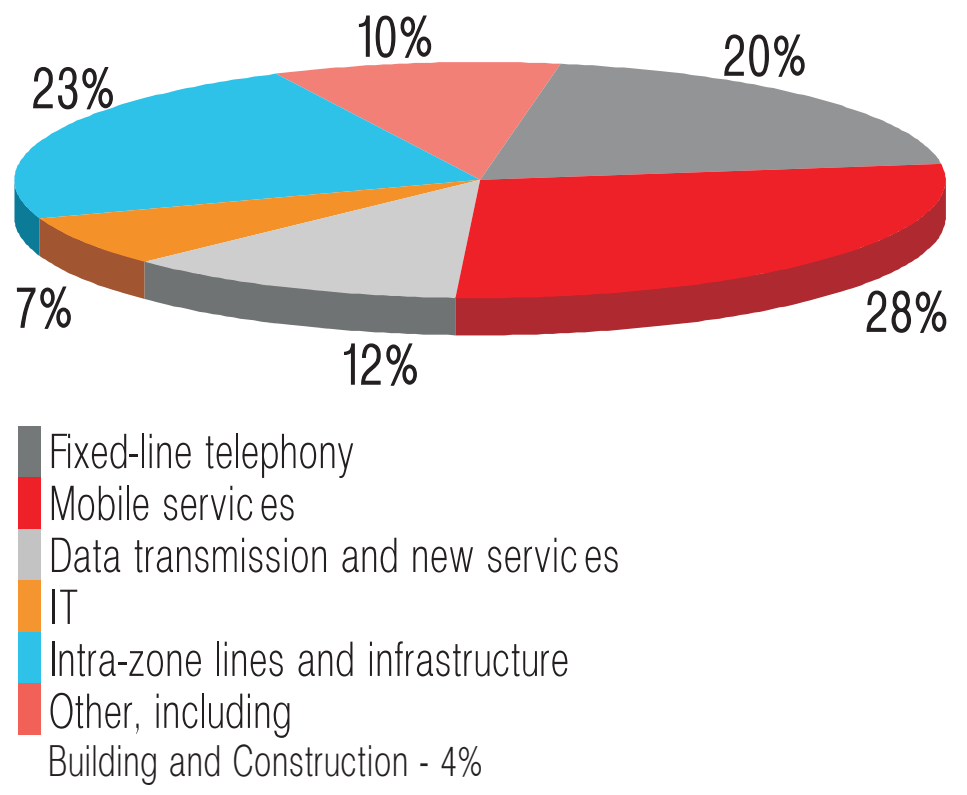
- Taxes - 3%;
- Lease of premises - 2%;
- Advertising - 2%;
- Fire insurance and other security services - 2%
- Insurance - 1%;
- Charitable contributions - 1%;
- Other expenses - 10%

Optimization of Capex

Capex and Capex/Revenue



Structure of Capex, 2006



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/Equity at - 1.8

Strategy - Fixed & DATA

>

Services

NGN services, incl:

- Call management
- Single Number service
- Videoconferencing
- Content servers

Service bundling and new tariff plans

DSL Internet

IP TV roll-up

Content services

Customers benefit from

**New offers for
corporate sector**

**Unified billing and
customer service**

**Launching new services on the mass
market will make them affordable
for the general public and help to streamline
the costs for providing them**

**Retain the current market share of traditional services
while aiming to increase the share of broadband services to 70%**

Strategy - Mobile Services

>

Focus

Mobile and fixed synergy

- Single brand
- Development of service packages
- Integrated client base and CRM systems
- Integrated distribution networks
- Development of NGN platform

Encourage usage

- New tariff plans and packages
- Coverage extension

Cost control

Development of value-added services

Effects

Increased profitability

Optimized Capex

Sustained leadership

Better customer loyalty
and retention

Increased segment efficiency and
protection of market share in a highly saturated market

Public Targets and Forecasts

	2006	2007F
Revenue	RUR 33.9 bln	RUR 38.8 bln
Expenses	RUR 26.2 bln	RUR 30.0 bln
OIBDA margin	34%	34%
Net profit	RUR 2.1 bln	RUR 3.1 bln
Capex	RUR 6.9 bln	RUR 6.7 bln
Mobile services subscribers	4.4 mln	4.9 mln
Market share of mobile services*	43%	Not less than 40%
Market share of new services*	49%	58%
Share of new services in total revenue	8%	11%
Broadband Internet subscribers	115 thous	Not less than 280 thous

*Market share in revenue terms



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

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