

02/2002

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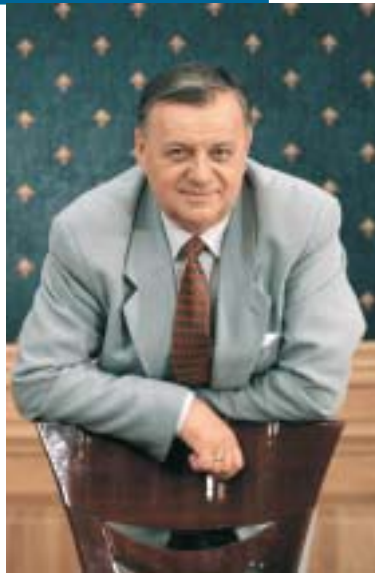
I N V E S T O R R E P O R T

SVYAZINVEST

Svyazinvest reaches agreement with Sberbank

Rostelecom:
the wind of change

Overview of Svyazinvest's financial performance in 1Q02



Ladies and gentlemen:

Our holding is advancing toward its goal of creating large and powerful interregional telecom companies, whose business would be based on a qualitatively different approach to marketing, management, technical and financial policies.

Another landmark event in this process was the approval by the Antimonopoly Ministry of the merger of Svyazinvest operators in the Southern and Central regions of Russia granted in early June. To date, mergers of regional operators in all of the sever super-regions have been approved and the process of formal reorganization of our subsidiaries now goes into the home straight. The final stage of this process will be marked by general shareholder meetings of the merged companies, which would take place before the end of 1Q03.

Alongside the formal process of merging our regional subsidiaries, we are also undertaking corporate reforms aimed at ensuring super-regional companies' adequate performance in a competitive market context and improving management quality. Corporate reforms cover all of the key areas of fixed-line operators' activities, such as finance, economics, marketing, personnel and network development.

The tender for telecom equipment supplies held by Svyazinvest in 2001-2002 was one of the concrete steps toward implementing the holding's new technical development policy. The tender was aimed at the unification of the subsidiaries' equipment, as well as obtaining the best terms and discounts through centralized purchasing. The winners of the tender were well-known manufacturers such as Siemens, NEC, Iskratel, Alcatel, Italtel, Ericsson, Huawei, Lucent Technologies and Nortel Networks.

In a logical follow-up to this policy, Svyazinvest at the end of May signed a general agreement on cooperation with Sberbank. Within the framework of this agreement, the bank will participate in financing the holding's centralized investment program. Joint efforts of Svyazinvest, Sberbank and the leasing company RTK-Leasing allowed us to lower significantly the price of purchased equipment and enabled Svyazinvest to switch to financing its investment needs with long-term borrowed funds denominated in the local currency. This move is bound to increase the efficiency of the holding's operators and lower credit risks.

Naturally, the restructuring of one of the largest sectors of Russia's economy is a very complex process. But we are confident that the reforms we are undertaking will allow our companies to become modern, strong and competitive players in the global telecom market in the near future.

Truly yours,

Valery N. Yashin
Svyazinvest CEO

Svyazinvest

In April 2002 OAO Svyazinvest held a tender for telecommunications equipment for its subsidiaries. The tender proposals were evaluated on the basis of the following criteria: cost, quality, reliability, warranty services, user feedback, financial terms, previous purchases of equipment from a given supplier.

The winners in the tender were Siemens, NEC, Iskratel, Alcatel, Italtel, Ericsson, Huawei, Lucent Technologies and Nortel Networks. The above-mentioned manufacturers will supply a total of 1,650 ports to the holding's subsidiaries in 2002.

The tender allowed Svyazinvest to save up to 20% on telecommunications equipment costs.

Svyazinvest

On April 30, 2002 OAO RTK-Leasing through its Swiss subsidiary RostelecomLeasing AG acquired from AT&T a 95% stake in the US-based telecom holding company RTDC Holdings. The acquisition was made in the interests of Svyazinvest. The US company owns large stakes in a number of Russian mobile operators: Westcom, NCC, MCC, Delta Telecom, Dontelecom, Yeniseitelecom, Baikalwestcom, Uralwestcom, AKOS and Sayan Telecom.

Svyazinvest plans to purchase stakes of mobile operators owned by RTDC at market prices. The targets for purchasing will be determined on a case-by-case basis, considering the economic expediency of acquisitions for the future super-regional operators.

Svyazinvest

On May 27, 2002, Svyazinvest and Sberbank concluded a general five-year cooperation agreement. The agreement sets out key principles of efficient cooperation between the company and the bank, as well as a mechanism for interaction at all levels, from central head-quarters down to regional subsidiaries. The agreement also outlines a unified approach for Sberbank in servicing all Svyazinvest subsidiaries.

Svyazinvest

Annual shareholders meetings of all Svyazinvest subsidiaries took place in the second quarter of 2002. Among other issues, shareholders approved the amount and timing of dividend payouts, elected new Boards and auditors for 2002. They also approved new versions of the companies' corporate charters, regulations on Boards of Directors and Executive Boards and guidelines for conducting general shareholders meetings.

Government

On June 5, 2002, the Antimonopoly Ministry gave the green light to the merger of sixteen Svyazinvest operators with CenterTelecom. By now, all regional telecom mergers in the North-West, Volga, Urals, Siberian, Far East, Southern and Central super-regions have been approved by the regulatory authorities.

The restructuring process will be completed at the end of 1Q03 when general shareholders meetings of the merged companies will take place.

Government

On June 10, 2002 the Federal Securities Commission registered six issues of common shares, six issues of preferred shares and seventy bond issues of Uralsvyazinform to be used for conversion into corresponding securities of the Urals regional telecoms merging with Uralsvyazinform (Uraltelecom, Chelyabinsk Region Svyazinform, Tyumentelecom, Khantymansiiskokrtelecom, and Kurgan Region Electrosvyaz). The mergers are scheduled to be completed in September.

Svyazinvest

On June 27, 2002 Svyazinvest AGM reviewed the holding's 2001 results. Shareholders approved the company's annual report and financial statements, as well as the size and timing of the 2001 dividend payout. The meeting also approved the auditor for 2002 and elected the Board of Directors.

Svyazinvest reaches agreement with Sberbank

Svyazinvest holds annual shareholders meeting



Svyazinvest reaches agreement with Sberbank

On May 27, 2002 Svyazinvest and Sberbank concluded a general cooperation agreement. According to the document, Sberbank will grant Svyazinvest subsidiaries a preferred customer status in the following areas: whole range of cash processing services, short- and long-term lending, long-term investment lending and project finance lending, and plastic card services.

In line with the agreement, Sberbank has opened a R7.1bn credit line for Svyazinvest. The bank will lend R3.9bn of this amount to Svyazinvest for the period of five years to fund centralized equipment purchases by Svyazinvest subsidiaries through RTK-Leasing.

Thanks to this long-term funding, Svyazinvest expects to increase investments into network development from \$685mn last year to \$800mn this year. The holding plans by the end of 2002 to put in operation over 2.4 fixed lines.

Centralized equipment purchases have already enabled Svyazinvest to lower by 20% the average cost of telecom equipment acquired from large manufacturers such as Siemens, Alcatel, Ericsson, NEC, Lucent Technologies, Iskratel and Italtel. At the same time, the amount of purchases has increased by 20-25%.

The agreement with Sberbank turns a new leaf in Svyazinvest's credit policy as the holding plans to dispense with hard currency borrowings going forward. To date about 25-30% of the regional

companies' expenses on telecommunications equipment have been dollar-denominated. Now this amount will be drastically reduced.

Svyazinvest holds annual shareholders meeting

On June 27, 2002 OAO Svyazinvest held its annual shareholders meeting (AGM).

The AGM reviewed the holding's operating results for 2001 and elected the Board of Directors and the company's auditor (ZAO Ernst & Young Vneshaudit) for 2002. Shareholders also approved Svyazinvest's annual report and financial statements for 2001.

The AGM approved a 2001 dividend payout of R35mn.

The following persons were elected to Svyazinvest's new Board of Directors:

Alexander V. Anoshkin – assistant of the Head of Presidential Administration;

Alexander V. Borodin – Head of the Department for industry, construction, transport and communications at the Property Ministry of the Russian Federation;

Anatoly N. Golomolzin – Deputy Minister for anti-monopoly policy and entrepreneurial support;

German O. Gref – Minister of Economic Development and Trade;

David Geovanis – representative of Mustcom Ltd.;

Sergei V. Mitrofanov – Deputy General Director of FAPSI;

Stuart J. Paperin – Executive Vice-President of the Soros Fund;

Leonid.D. Reiman – Minister of Communications and IT;

Valery P. Fatikov – Deputy Chairman of the Russian Federal Property Fund.

The new Board elected Leonid Reiman as Chairman of the Board of OAO Svyazinvest.

Purchase of RTDC demonstrates Svyazinvest's cellular ambitions

Purchase of RTDC demonstrates Svyazinvest's cellular ambitions

Svyazinvest's intention to purchase some cellular assets from RTDC came as a real surprise to the market. Although Svyazinvest owns interests in about 40 regional GSM operators and in dozens of NMT and AMPS/D-AMPS companies through its regional subsidiaries, until recently, anyone could barely conceive of Svyazinvest as a player in the domestic cellular market. The key reason for that is the track record of the holding's regional subsidiaries, most of which have so far preferred to dispose of their cellular assets rather than develop them. The purchase of stakes in several strong regional cellular players apparently signals a U-turn in Svyazinvest's policy with regard to its mobile assets.

Svyazinvest plans by the end of this year to finalize the acquisition of RTDC Holdings' cellular assets from RTK-Leasing, which bought 95% in RTDC from AT&T earlier in May. The holding has signaled its interest in buying stakes in three GSM operators (Eniseitecom, Baikalvestcom, Nizhny Novgorod Cellular Communications (NCC)), one NMT operator (Uralvestcom) and one DAMPS operator (AKOS). Svyazinvest plans to purchase the assets at market prices.

The two regional telecoms that stand to benefit most from the deal are the future consolidated Sibir Telecom and Volga Telecom, who will get full ownership of some of Svyazinvest's best cellular assets. Sibir Telecom currently already owns 51% stakes in Eniseitecom (around 40,000 subscribers, Krasnoyarsk Region) and Baikalvestcom (over 30,000 subscribers, Irkutsk Region). Volga Telecom has a 50% equity stake in NCC (over 100,000 subscribers, Nizhny Novgorod Region). All of these companies are leading players in their respective regional markets, and their full consolidation would undoubtedly benefit Svyazinvest operators both in the short and long term.

One of the long-term considerations here, which might not yet be apparent in Russia, but has already been driven home to fixed-line operators in Europe, is the importance of exposure to cellular assets as a way of warding off the risk of mobile

cannibalization. Incumbents in Europe's emerging markets, such as Cesky Telecom, recently have suffered from competition with mobile operators even more than from the liberalization of their previously monopolistic markets. Therefore, owning stakes in mobile operators is widely perceived as a means for European operators to prevent their top line erosion as a result of competition with mobile operators. Examples of European operators having exposure to cellular assets include Hungary's MATAV (owns 100% of Westel), Israel's Bezeq (100% of Pelephone), Greece's OTE (59% of CosmOTE), and Poland's TPSA (67% of Centertel). Although it currently appears that mobile operators will directly compete with the fixed-line ones in Russia only in a very distant future, escalating competition in the mobile sector could bring this about much sooner than expected.

At the moment, Svyazinvest is in the process of elaborating a development strategy for its cellular business, which should become an integral part of the holding's long-term vision that has already found its manifestation in the current restructuring of Svyazinvest. Although it might be problematic for Svyazinvest to compete with the "Big Three" (MTS, Vimpelcom and Megafon), over time, Svyazinvest may well become a strong regional niche player on a highly competitive Russian cellular market.

In the meantime, the purchase of RTDC's cellular assets by Svyazinvest has already had a serious impact on the Russian cellular market in that it has effectively dashed the aspirations of the US-based holding company MCT Corp. to become the country's fourth-largest mobile operator. At the beginning of this year, MCT Corp. had equity stakes in 24 regional GSM, AMPS and NMT operators, whose total license area covered 50% of Russia's territory. MCT Corp. failed to pay AT&T for the RTDC stake on time, thus forfeiting the right of purchase, which consequently went to RTK-Leasing. The companies bought by RTK-Leasing represent prime assets on which MCT pinned its hopes in developing its cellular business in Russia. Therefore, the dominance of the "Big Three" on the Russian cellular market is expected to stay unchallenged in the foreseeable future.

Interview of Rostelecom CEO Sergei Kuznetsov



Interview of Rostelecom CEO Sergei Kuznetsov

Could you name the main factors that brought about a significant improvement in Rostelecom's financials in 2001?

— Indeed, Rostelecom posted a net loss for 2000, but managed to turn in a profit of R4.37bn under IAS in 2001. A number of factors made this turnaround possible. First, a highly competent management team has been formed which succeeded in pulling the company out of crisis. Second, tariff increases for Rostelecom approved by the Antimonopoly Ministry gave a boost to the company's top line performance. Moreover, the new management set out the guidelines for Rostelecom's restructuring. Finally, we have been able to resolve a number of issues relating to the company's debt burden.

What were the key areas in which significant changes took place last year?

— As you well know, the Russian government approved in December 2000 the Guidelines for the development of the Russian telecommunications sector through 2010. These guidelines enunciate the key requirements for improving the sector's investment appeal, such as transparency, creation of a level playing field and minimization of cross subsidizing.

All of the above-mentioned issues are of utmost importance for us. Rostelecom's structure of a state-owned monopoly dates back to the Soviet era, and never before has it faced the need to overhaul this tremendous structure. When I first joined the company, I did not even have a deputy in charge of marketing. On the other hand, the total number of my deputies exceeded 30! I could not even remember all their names, let alone efficiently work with them. Therefore, we had to make drastic changes to the management structure, which is still on top of our priorities' list. One of the first things I did was to slash the number of my deputies to ten. In a few months, we built a professional management team.

We also made a point of identifying the key avenues of corporate restructuring. Rostelecom's new strategy includes not just making changes to the company's organizational and economic structure, but also adopting a new approach to marketing. Until recently, the company's marketing and advertising efforts left much to be desired. Customer care was all but non-existent. Today we are actively working to change this both in the regions and in Moscow. We are also making steps aimed at getting access to the modern telecommunications services markets, including a potentially lucrative market for transit traffic between Europe and Asia. Moreover, we need to bolster our position in our traditional market segment, namely, wholesale domestic and international long-distance services.

Rostelecom is currently restructuring its regional branches. When do you plan to complete this process and what impact will it have on Rostelecom's operations?

— You are right, Rostelecom is currently merging its regional subsidiaries. By 2003, we will form 7 super-companies out of existing 17, or one for each federal super-region. Reading the news from our subsidiaries on Rostelecom's corporate website will give you a good idea of the company's future structure. Moreover, our website serves the purpose of bringing home to regional customers the goals of this restructuring, which is being carried out along the same lines as that of Svyazinvest. As you know, regional fixed-line operators are also being merged into the so-called inter-regional companies

that will be operating at the level of federal super-regions.

It is not accidental that the two restructuring processes are taking place in parallel to each other. Recently we signed an agreement with Svyazinvest on developing a plan to enable joint operation of our networks. This document is based on the current principles of cooperation between Svyazinvest and Rostelecom. Obviously, the main goal of such reforms is to prepare Rostelecom for operating in a competitive market environment by creating conditions for a more efficient management of Rostelecom's resources and cost minimization.

Will Rostelecom's rank and file employees be the ones to bear the brunt of this restructuring, as staff cuts are almost certain to follow?

— In the process of restructuring we have already laid off about 5,000 employees. When I first joined the company, Rostelecom's total headcount exceeded 37,000. It must be noted, however, that we were mostly reducing the bloated administrative staff. Layoffs have barely affected technical personnel, which we have no plans of reducing going forward, since the entire technical infrastructure of Rostelecom will remain in place, while changes will only be made to the way the branches are run.

I'd like to mention that our experts have come up with two programs relating to the establishment of a corporate pension fund. Without going into too much detail, I can say that the programs will take into account the interests of those of our employees who are about to retire or will do so in the next few years. Rostelecom has always cared about its professionals, and their pensions will in no way be affected by the restructuring of our regional branches

Has Rostelecom's management taken a different approach to the company's investment policy? What are your plans on network modernization and the introduction of new services?

— Our investment policy has certainly changed. Today our investment

priorities are based solely on the considerations of profitability. Our investment policy is aimed at modernizing and expanding Rostelecom's network. First of all, we strive to eliminate traffic bottlenecks by increasing network capacity. A good example of this would be the first phase of the new Russia-Kazakhstan fiber-optic line launched at the end of May, which will enable a significant increase in transit traffic volumes to Central Asia. Moreover, Rostelecom has plans for modernizing its secondary network, which will enable the company to offer the entire range of modern services both to wholesale customers and to end users. Importantly, we make a point of funding both current and future investment projects from internally generated cash. This approach is in line with our debt reduction strategy. Nevertheless, we might consider raising external financing, should the need for this arise.

Could you say a few words on Rostelecom's new tariff policy?

— The issue of tariffs is a very important and complex one, and the company has not been addressing it in a proper manner until recently. In particular, international settlement rates remained unchanged for a long period of time, notwithstanding their significant decline on the international market. We have to bear in mind that alternative and international operators choose the cheapest routes for their traffic.

Another pressing issue for us is the elimination of cross-subsidizing. Presently, we are forced to use earnings from profitable services to cover losses incurred because of low domestic tariffs, which are set well below costs. Today the situation has somewhat improved as we have managed to agree with the Antimonopoly Ministry on two 25% hikes in the Integral Settlement Rate on 1 July 2001 and 1 January 2002. The first hike alone boosted our earnings from carrying regional operators' domestic long-distance traffic by 43%.

Clearly, we want to ensure that alternative operators have no incentive to seek contractors abroad. And our main tool in achieving this is our tariffs. This spring I had several meetings with the President of China Telecom. Among other issues, we discussed the problem of high

settlement rates for transit traffic. As a result, we have managed to achieve a bilateral reduction in tariffs between China and Russia by seven times. This enables us to lower tariffs not only in the Far East but also in Moscow in the near future. The contract between Russia and China is only the first step in our strategy of offering competitive pricing to international operators in order to win their traffic.

From the geo-economic standpoint, Russia and China appear best positioned to build a telecommunications bridge between Europe and Asia. Alternative lines carrying transit traffic from Europe to Asia run under two oceans and are serviced by numerous operators, which necessitates reaching separate agreements with each of them. Completion of the Russia-Kazakhstan fiber-optic loop presents us with a serious competitive advantage. But tariffs revision is a very complex issue. We need to negotiate and sign new agreements with 295 external operators. Clearly, we will first approach our principal partners. Also, at the moment we are planning to negotiate mutual lowering of settlement rates with all external operators.

What principles guide your relations with subsidiaries?

— Our relations with about 60 subsidiaries are based solely on the principle of economic expediency. The two key issues we focus on today are whether the subsidiaries' operations are in line with Rostelecom's overall development strategy and whether they are profitable or loss-making. Based on this approach, some of our subsidiaries will be shut down, others will be sold, and a number of subsidiaries will be actively developed. A good example of our efforts in restructuring Rostelecom's subsidiaries is the sale of a 50% stake in Sovintel. The proceeds from the sale will be used for debt repayment, as well as modernization and development of Rostelecom network.

Who are the customers Rostelecom plans to focus on working with?

— At present our main customers are wholesale international and domestic long-distance operators. We will keep our focus on this client group in the future because Rostelecom historically has very strong positions in this sector. It is

unprofitable for us to provide local services today for a number of reasons. One of them is that in this case we will directly compete with the Svyazinvest operators. In Moscow, however, the situation is different. On the basis of our subsidiary – MMT – we currently offer the entire range of modern telecom services. We plan to step up our commercial efforts in the capital. That said, we believe that it is unprofitable for us to work with end users even if they are large corporates.

What are Rostelecom's plans for 2002?

— Our main goal for 2002 is to achieve progress in the implementation of the restructuring program in order to prepare the company for operating in a competitive market environment.

In 2002 we plan to invest about R4.2bn in the modernization and expansion of our network. This will allow Rostelecom to gain access to the strategically important international routes and connect a number of large Russian cities to the company's trunk network. Specifically, we will build links to Kazakhstan, Kaliningrad and state borders with Lithuania and Poland. We will also connect the cities of Kirov and Cheboksary to Rostelecom's trunk network. Furthermore, digital trunk line between Moscow and Saint-Petersburg will be modernized as part of the project to build the Baltic Cable System. We also plan to increase capacity of the Moscow-Novosibirsk and Moscow-Novorossiisk routes. Importantly, these projects will be financed mainly from the company's internally generated cash flows. As a result of these activities, all Russian regions will eventually be joined within a single network.

Also this year we plan to make further efforts in promoting value-added services such as call-centers, free phone services, TV voting, as well as scratch cards STK, STK-plus, STK-Internet (telephone cards for any type of calls, IP-telephony and Internet access) and information services (flight and train schedules, addresses and telephone numbers, etc.).

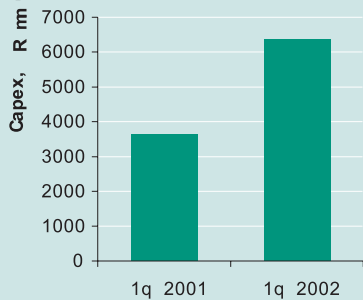
In addition, we will continue to work on reducing our debt burden. This year we plan to cut it to US\$150mn (from US\$255mn in 2001).

Russian telecommunications market in 1Q02

Russian telecommunications market in 1Q02

According to the State Statistics Committee, in the first quarter of this year, the aggregate volume of telecom services in Russia grew by 11.5% y-o-y in real ruble terms to R59bn. Although this represents a slowdown from the 19.9% growth rate posted by the telecom market for the full year 2001, a comparison of this growth rate with that of GDP over the period (3.7%) shows that the sector growth elasticity still remains high at above 3X. The share of telecom services in GDP in 1Q02 increased marginally from last year's 2.2% to 2.6%.

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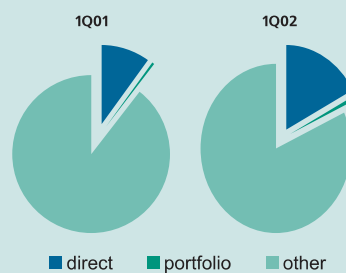


According to the Telecommunications Ministry's data, traditional operators in 1Q02 saw their revenues going up by 29% y-o-y in nominal ruble terms, whereas alternative operators' revenue in 1Q02 grew at a considerably faster pace of 40.8% y-o-y. This is hardly surprising, given that they are working in the non-tariff-regulated segments of the market. In the first quarter, incumbents continued to cede market share to the aggressive alternative operators. According to the State Statistics Committee, the latter accounted for 51.2% of all telecommunications services provided in 1Q02, compared with 50.2% for the full year 2001. Alternatives' share in revenues from households, however, stood at only 33%, as they prefer to focus on the more lucrative corporate segment of the telecommunications market.

Growth in traditional operators' revenue mainly reflects an increase in the tariffs on local services that went into effect

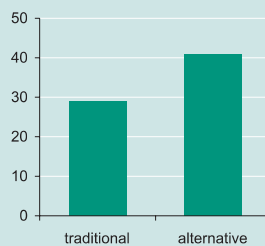
from 1 January 2002 (in particular, tariffs charged to households were hiked by 24% on average). During 1Q02, tariffs on local telecom services charged to households grew by 18%, which is higher than in any other paid services segment during the period (for instance, utilities tariffs grew by only 8.8%).

Investment breakdown



Expansion of the fastest-growing cellular and Internet segments of the domestic telecommunications industry continues to be fuelled by an upsurge in demand. The latter, in turn, is stimulated by the ongoing increase in the population's real disposable income (up 8.7% y-o-y) on the back of overall economic growth and the ruble's appreciation against the US dollar. Another factor behind growing demand is increasing competition in both sectors, which puts downward pressure on tariffs.

Revenue growth of traditional and alternative operators in 1Q02 (y-o-y), %



During 1Q02, the number of mobile subscribers in Russia grew by 29% to 10.5mn, implying penetration of 7%, compared with 5.3% at the end of last year. In y-o-y terms, growth amounted to an impressive 158%, which is higher than last year's 129%. The pickup in cellular growth is attributable to the fact that the major national cellular operators (MTS, Vimpelcom, and

Megafon) proceed full steam ahead with their regional expansion. Notably, during 1Q02, the number of mobile subscribers in the regions grew by 49%, compared with only 12% in the Moscow License Area.

1Q02 investment dynamics (y-o-y)



Under some estimates, pending demand in the regions warrants cellular penetration of up to four times the current levels. The lack of competition, however, has so far stunted the development of regional cellular markets. Nevertheless, the situation is bound to change as the "Big Three" increase their regional footprint. According to the Telecommunications Ministry's estimates, the number of cellular subscribers would nearly double this year to 14mn-15mn. In 1Q02, combined revenues of Russia's two largest mobile operators, MTS and Vimpelcom, grew by 55% y-o-y to \$382.4mn.

During 1Q02 the number of active Internet users increased by 12.6% to 4.8mn. The number of new dial-up subscriptions during the first quarter increased by 5% to 536,300. The share of traditional operators' revenues from Internet in total revenue, however, remained a minuscule 2%.

Investments in the telecom sector in 1Q02 grew by 74.2% y-o-y to R6.36bn, reflecting improving financial position of domestic operators. Foreign investment in the sector amounted to \$180mn, or 4.7% of total foreign investment in Russia, an increase of 88% y-o-y. The bulk of this amount, however, is represented by the so-called "other" investments, which include trade loans and other forms of financing technically considered investments by the State Statistics Committee. Direct investments accounted for only 10% of this amount (\$17.9mn), increasing by 15.5% from 1Q01, while portfolio investments stood at \$1mn, up 25% y-o-y.

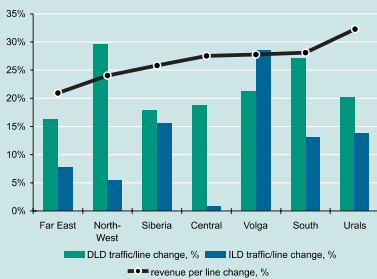
Overview of Svyazinvest's financial performance in 1Q02

Overview of Svyazinvest's financial performance in 1Q02

Svyazinvest delivered a solid financial performance in 1Q02, even despite the fact that the first quarter is traditionally considered the weakest period for telecom companies. The holding's consolidated revenues (including those of Rostelecom) in the first quarter grew by 30% y-o-y in nominal ruble terms to R26.4bn. EBITDA increased by 29% to R8.7bn, while net income soared by 130% y-o-y to R4.5bn.

Growth in the overall revenue of regional operators (including those not participating in the sector restructuring) outpaced that of the entire holding company, standing at 35% y-o-y in ruble terms, and also exceeded last year's 29% y-o-y increase. Total 1Q02 revenue of regional operators amounted to R21.4bn. Local telephony and long-distance segments remained the two key contributors to regional operators' top line and accounted for 44.3% and 40.9% of total revenue, respectively. Much the same way as last year, local revenue growth in 1Q02 was occurring on the back of tariff hikes and rebalancing, whereas the increase in traffic volumes continued to fuel LD revenue.

ILD, DLD traffic and revenue per line dynamics, 1Q02 (y-o-y)

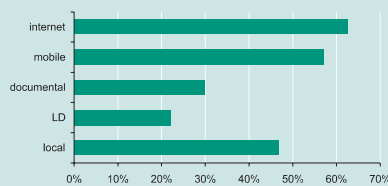


In 1Q02, growth in local revenue per line amounted to 40.6% y-o-y

in ruble terms. Average quarterly revenue per line from local services for the regional operators stood at R345, ranging from R261.4 in the Southern super-region to R428.4 in the Far East.

The key driver behind local revenue growth was the hike in tariffs on local services that took place on 1 January 2002. Importantly, the pattern of local tariff hikes in 1Q02 attested to the regulators' commitment to the proclaimed goal of tariff rebalancing, which they started implementing last year. Starting January 2002, the average weighted tariff was hiked by 25% in ruble terms for households, 14% for government organizations, and 5% for business customers. The move is positive in that it allows operators to further reduce the subsidization of the loss-making local services provided to households at the expense of keeping tariffs for business customers artificially high.

Revenue growth, 1Q02 (y-o-y)



The second major revenue driver for the regional operators was the long-distance segment, which saw revenue increase of 22% y-o-y in ruble terms in 1Q02 on the back of strong growth in long-distance traffic volumes, both domestic and international. In the first quarter, DLD and ILD traffic per line grew by 21.4% and 10.7%, respectively, to 91min/line (DLD) and 6.1min/line (ILD).

Revenues from Internet and cellular services accounted for only a minuscule share of regional incumbents' total

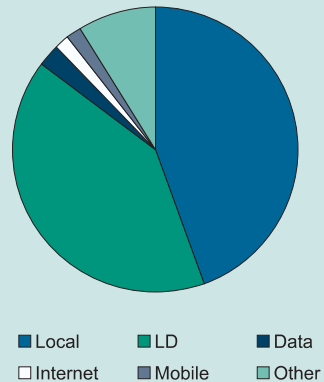
revenue in 1Q02 – 1.95% and 1.77%, respectively.

In an encouraging development, regional telecom operators' costs in the first quarter continued to lag behind revenue growth. In y-o-y terms, operating costs in 1Q02 grew by 27% to R15.7bn, compared with the 35% revenue increase. The key cost drivers for regional telecoms were salary growth and the 25% increase in the linear component of the Integral Settlement Rate (ISR), the basis for calculating Rostelecom's charges for DLD traffic carriage.

As a result of costs lagging behind revenues, regional operators' average EBITDA margin expanded from 34% in 1Q01 to 36% in 1Q02. The best EBITDA margin was observed at the Volga (40%), North-West and Urals (37%), and Central (34%) super-regional telecoms. Regional operators' total EBITDA in the first quarter grew by 35% y-o-y to R5.8bn. Net income soared by 126% to R3.3mn.

In 1Q02, regional operators continued to demonstrate improvement in their efficiency indicators. Quarterly revenue per employee increased by 38% in ruble terms to R62,000, while revenue per line grew by 29% to R779. The overall number of lines installed increased by 4.7% to 27.7mn.

Revenue breakdown, 1Q02



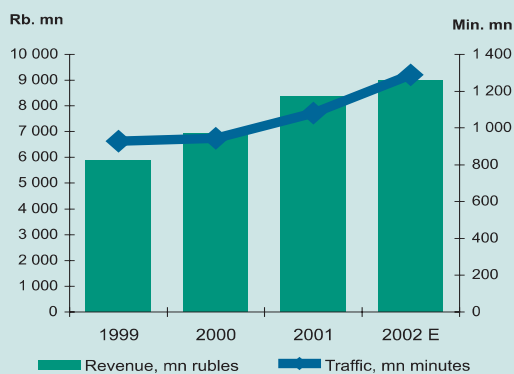
ROSTELECOM: THE WIND OF CHANGE

ROSTELECOM: THE WIND OF CHANGE

The year 2001 was a landmark one for Rostelecom in many respects. In the spring of last year, the company saw a change in management, which started putting a serious effort into dragging Rostelecom out of the quagmire of inefficient administration and, consequently, deteriorating financial and market position. The new management team headed by General Director Sergei Kuznetsov was successful in negotiating a long-awaited increase in the linear component of the Integral Settlement Rate (ISR), on the basis of which regional operators' payments for DLD traffic carriage are calculated. Moreover, new management launched a number of drastic restructuring, cost-cutting and marketing initiatives that boosted the company's profitability. New management's efforts were assisted by strong growth in long-distance traffic volumes, which became a major revenue driver for Rostelecom last year.

Investors were closely monitoring new developments at Rostelecom, and market reaction to those did not take long to translate into share price growth. The turnaround took place in October of last year, by which time the stock lost 90% of its value since end-March 2000 (when it was at a historical maximum of \$4.5) to hit rock bottom at 45 cents, underperforming the RTS Index by 60% during the period. By end-April 2002, the stock nearly quadrupled in value to \$1.65. Although the negative market sentiment toward the telecom sector has brought Rostelecom down to \$1.13 since then, company stock still outperformed the RTS by 20% between October 2001 and July 2002.

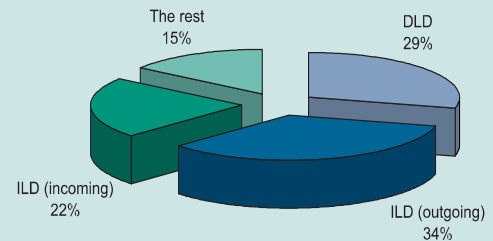
Dynamics of international outgoing traffic and revenue



Rostelecom's revenue last year grew by 4% in US dollar terms to \$837mn largely on the back of the much-needed 25% hike in the linear component of the ISR in July 2001 (which was followed by another one in January 2002). Notably, the company had not been able to negotiate an increase in the linear component of the ISR since 1996, which brought Rostelecom's share in DLD tariff to end users down to 11% (in contrast, international LD carriers enjoy no less than a 30%-40% share in end-user tariff).

Rostelecom was also a major beneficiary of a surge in LD traffic volumes last year on the back of growing population income and continued elimination of bottlenecks due to network modernization. Rostelecom's total domestic long-distance traffic (DLD) in 2001 increased by 25% y-o-y, while outgoing international long-distance traffic grew by 15%. This year, the company expects DLD traffic to grow at the same rate of 25% and outgoing ILD growth to accelerate to 19%.

Rostelecom revenue breakdown by service



Although Rostelecom's revenue growth rate in 2001 appears to be only marginally above the previous year's 3%, it still looks impressive considering the tough regulatory environment in which the company's has to operate. Rostelecom's difficult position could have well resulted in a revenue decline last year, were it not for the management's ability to improve revenue-sharing terms with regional operators, as well as its timely marketing initiatives.

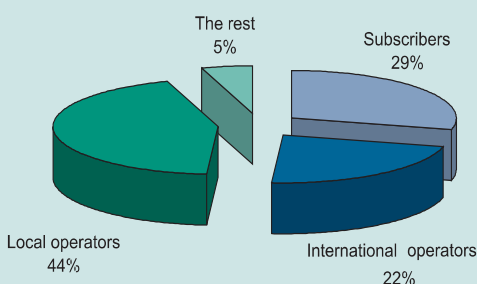
When analyzing Rostelecom's position, it has to be borne in mind that the company's de-jure long-distance monopoly does not protect it from alternative operators, who are trading freely on Rostelecom's turf. For instance, Rostelecom is losing its most lucrative corporate market share in Moscow, where 46% of the company's total revenue is generated, to alternative operators, who get access to corporate end users through leasing or building their own last mile access networks. Rostelecom had much less flexibility in tariff setting than the alternative operators, since its previous management did not pay enough attention to the issue of tariff rebalancing. As a result, Rostelecom's DLD minutes in Moscow last year grew by only 10% (compared with overall 25% growth in DLD volumes), whereas outgoing ILD traffic posted a decline of 5%. Aware of this chink in its armor, the company last year made a number of steps aimed at recovering its positions. In particular, in Moscow Rostelecom lowered in June 2001 its ILD tariffs in key directions (US, Europe) while negotiating with the Antimonopoly Ministry an increase in DLD tariffs for households and government organizations in an attempt to rebalance tariffs.

Rostelecom's another weak spot, namely, the loss of market share in the lucrative incoming ILD segment, stems from the fact that alternative operators find ways of terminating incoming ILD voice traffic on their networks bypassing Rostelecom. Rostelecom in the past failed to negotiate the mutual lowering of settlement rates with its international counterparts in line with global tendencies.

Not surprisingly, international operators started looking for cheaper ways to terminate their traffic to Russia and were readily accommodated by domestic alternative operators. As a result, last year Rostelecom's revenue from international operators declined by 20% y-o-y to \$187mn.

The issue of negotiating new settlement rates with international operators with a view of lowering them in exchange for securing greater traffic volumes is high on new management's priorities list. Importantly, such agreements work both ways, as the lowering of its settlement rates enables Rostelecom to pay less for termination of its traffic on the counter party's network. The first concrete step in this direction was the signing in May of an agreement with China Telecom on a mutual lowering of settlement rates. The move has already allowed Rostelecom to slash tariffs on calls to China by 33% from Moscow and by 63% from Siberia starting June 2002. Apart from expecting an increase in traffic volumes, both parties also hold out hope that the introduction of new settlement rates would help them secure contracts for traffic transit from Europe to Asia. The Europe-Asia transit traffic market holds much promise for Rostelecom, should the latter succeed in establishing even a modest presence in it. It is important that Rostelecom's Moscow-Khabarovsk route now has a backup in the form of a trunk line built by the national operator in Kazakhstan. Up to now, the absence of such a backup was considered one of the biggest hurdles in the way of getting transit traffic contracts.

Rostelecom revenue breakdown by service



One of the most positive news from Rostelecom last year was the company's improved profitability, brought about by a combination of revenue increase and management efforts aimed at minimizing costs and boosting the efficiency of current operations. Operating expenses excluding depreciation fell by 5% in dollar terms last year to \$519mn, with the 21% decrease in administrative costs (to \$92mn) being one of the major factors as it accounted for 82% of the total cost reduction. Management has proclaimed further cost reduction one of its key priorities in the future. For instance, Rostelecom's branch network restructuring currently underway, which is taking place much along the lines of Svyazinvest's reorganization, should see the creation of 7 regional branches on the basis of 17 existing ones and is expected result in cost savings of up to 20%.

Importantly, the company also pursued a rather stringent staff cuts policy. Between April 2001 and January 2002, staff

was reduced by 12% to 32,500 employees mainly at the expense of administrative personnel. This, however, was not a cost-cutting measure per se, as the freed up funds went toward motivating the remaining staff. The company plans to cut staff to below 30,000 by the end of this year.

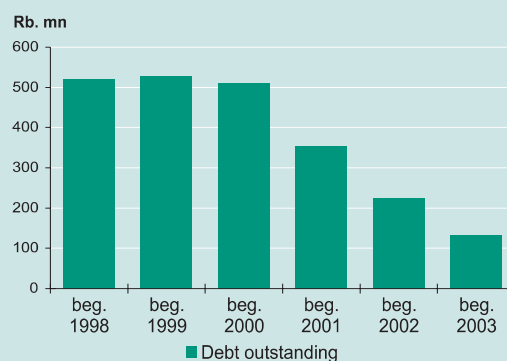
The company's EBITDA margin last year expanded by four percentage points to 38%. As far as the company's bottom line performance is concerned, although the \$150mn net profit compares favorably with the previous year's loss of \$58mn, \$110mn of this amount was due to a deferred tax gain. Cash flow from operations grew 5% y-o-y to \$210mn.

Improved financial situation allowed Rostelecom to reduce debt burden, while the company also moved to restructure the remaining debt. After reducing the debt burden more than in half over the last two years to \$225mn, the company plans to slash it further to below \$150mn by the end of 2002. While the company mostly relies on internal cash flow to make debt prepayments, they will also be assisted by the funds from the sale of its 50% stake in Sovintel. Among other debt-relieving measures, Rostelecom is nearing the completion of talks with the Finance Ministry on restructuring over \$100mn in government loan guarantees.

Reconsideration of the company's investment policy and abandonment of unprofitable projects resulted in a major capex reduction last year – from the initially targeted \$143mn to \$82mn. This year, Rostelecom plans to increase its investment allocations to about \$130mn for network modernization, including increase in digitalization and throughput capacity. Importantly, capex would be financed mostly from internal sources.

To sum up, Rostelecom's new management demonstrated last year that it is capable of getting things done. Its key aim at the moment is further increase in transparency and efficiency of capital use through the development of a unified accounting policy and implementation of new budgeting methodology. But the key to unlocking Rostelecom's value is a coherent strategy aimed at protecting and bolstering the company's positions in the most lucrative segments of the long-distance market.

Rostelecom debt dynamics



Companies' profiles

1Q 2002 Results

CenterTelecom

RTS ticker	ESMO	tel.	+7095 209 3849
Web	www.esmr.ru	fax.	+7095 209 2829
Sales	3690.3 mn Rub	Lines in service	5.4 mn
EBITDA	1249.4 mn Rub	Digitalization	26.5%
Net profit	407.1 mn Rub	Penetration	11.5%
Capex	504.8 mn Rub	Employees	74 400

Uralsvyazinform

RTS ticker	URSI	tel.	+73422 905 863
Web	www.uralsviainform.com	fax.	+73422 343 336
Sales	3280.7 mn Rub	Lines in service	2.9 mn
EBITDA	1228.5 mn Rub	Digitalization	45.2%
Net profit	359.4 mn Rub	Penetration	15.0%
Capex	471.3 mn Rub	Employees	36 200

Southern Telecom

RTS ticker	KUBN	tel.	+78612 531 969
Web	www.stcompany.ru	fax.	+78612 530 207
Sales	2334.9 mn Rub	Lines in service	3.1 mn
EBITDA	771.9 mn Rub	Digitalization	26.3%
Net profit	1045.7 mn Rub	Penetration	15.3%
Capex	395.9 mn Rub	Employees	45 000

Far East Telecom

RTS ticker	ESPK	tel.	+74232 228 545
Web	www.es.primorye.ru	fax.	+74232 225 201
Sales	1202.2 mn Rub	Lines in service	1.0 mn
EBITDA	283.4 mn Rub	Digitalization	29.4%
Net profit	76.6 mn Rub	Penetration	16.2%
Capex	119.7 mn Rub	Employees	20 100

North West Telecom

RTS ticker	SPTL	tel.	+7812 312 0381
Web	www.nwtelecom.ru	fax.	+7812 325 8323
Sales	2319.6 mn Rub	Lines in service	3.2 mn
EBITDA	856.9 mn Rub	Digitalization	28.0%
Net profit	297.8 mn Rub	Penetration	15.7%
Capex	150.4 mn Rub	Employees	30 600

Sibirtelecom

RTS ticker	ENCO	tel.	+73824 191 169
Web	www.es-nso.ru	fax.	+73824235 445
Sales	2775.2 mn Rub	Lines in service	3.3 mn
EBITDA	819.5 mn Rub	Digitalization	34.2%
Net profit	304.9 mn Rub	Penetration	15.6%
Capex	232.8 mn Rub	Employees	51 700

VolgaTelecom

RTS ticker	NNSI	tel.	+78312 342 210
Web	www.viainform.nnov.ru	fax.	+78312 306 768
Sales	2495.1 mn Rub	Lines in service	3.7 mn
EBITDA	1005.2 mn Rub	Digitalization	30.3%
Net profit	454.6 mn Rub	Penetration	17.0%
Capex	475.3 mn Rub	Employees	52 800

Rostelecom

RTS ticker	RTKM	tel.	+7095 973 9920
Web	www.rt.ru	fax.	+7095 973 3005
Sales	4986.1 mn Rub	Digitalization	73%
EBITDA	3373.1 mn Rub		channel-km
Net profit	1210.1 mn Rub	Length	200 000 km
Capex	513.1 mn Rub	Employees	32 800

Calendar of events*

Date	Svyazinvest	Rostelecom	Center	North West	Volga
April 2002	Conference 'Telecommunications and Investment in Russia' Road Show New York & London		Road Show New York & London	Road Show New York & London	
May 2002		Rostelecom 1Q02 results	CenterTelecom 1Q02 results	North West Telecom 1Q02 results	VolgaTelecom 1Q02 results
June 2002	June 27 – Svyazinvest AGM	June 1 – Rostelecom AGM	June 5 – CenterTelecom AGM	June 25 – North West Telecom AGM	June 28 – VolgaTelecom AGM
August 2002	Svyazinvest 1H02 results	Rostelecom 1H02 results	CenterTelecom 1H02 results	North West Telecom 1H02 results	VolgaTelecom 1H02 results
September 2002			CenterTelecom 2001 results (IAS)	Share swaps North West Telecom 2001 results (IAS)	Share swaps VolgaTelecom 2001 results (IAS)
October 2002				Share swaps	Share swaps
November 2002	Svyazinvest 3Q02 results	Rostelecom 3Q02 results	Share swaps CenterTelecom 3Q02 results	Share swaps North West Telecom 3Q02 results	Share swaps NizhegorodSI 3Q02 results
December 2002		2003 business plan	Share swaps 2003 business plan	2003 business plan	2003 business plan

Date	South	Urals	Siberia	Far East
April 2002		Road Show New York & London	Sibirtelecom 2001 Road Show New York & London	Dalsvyaz 2001
May 2002	Southern Telecom 1Q02 results	Uralsvyazinform 1Q02 results May 31 – Uralsvyazinform AGM	Sibirtelecom 1Q02 results	Dalsvyaz 1Q02 results May 28 – Dalsvyaz AGM
June 2002	June 21 – Southern Telecom AGM		June 7, Sibirtelecom AGM	
August 2002	Southern Telecom 1H02 results	Uralsvyazinform 1H02 results	Sibirtelecom 1H02 results	Share swaps Dalsvyaz 1H02 results
September 2002	Share swaps Southern Telecom 2001 results (IAS)	Share swaps Uralsvyazinform 2001 results (IAS)	Share swaps Sibirtelecom 2001 results (IAS)	Share swaps Dalsvyaz 2001 results (IAS)
October 2002	Share swaps	Share swaps	Share swaps	Dividend's payments
November 2002	Share swaps Southern Telecom 3Q02 results	Uralsvyazinform 3Q02 results Uralsvyazinform mega-region	Sibirtelecom 3Q02 results EGM	EGM Far East mega-region Dalsvyaz 3Q02 results
December 2002	2003 business plan	2003 business plan	2003 business plan	2003 business plan

* All dates are subject to change

Highlights of Svyazinvest's 1Q02 operating and financial results

	Revenues, R mn	Ch. y-o-y	Operating costs, R mn	Ch. y-o-y	EBITDA*, R mn	Ch. y-o-y	EBITDA margin	Net profit, R mn	Ch. y-o-y	Access lines in use (01.04.2002)	Ch. y-o-y	Capex, R mn	Ch. y-o-y
North-West	2 320	29%	1 650	26%	857	29%	37%	297,8	22%	3 222 337	3,6%	150,4	23%
North-West Telecom	1130	27%	766	29%	439	21%	39%	131,5	-11%	1 789 505	1,7%	71,0	159%
Artelecom	223	24%	167	19%	79	32%	36%	26,9	19%	274 747	3,9%	11,8	-63%
Murmansk Electrosvyaz	257	29%	227	25%	67	19%	26%	1,7	292%	259 398	13,2%	12,0	22%
Novgorodtelecom	113	44%	73	24%	47	72%	42%	24,7	122%	152 688	4,5%	3,1	-66%
Cherepovets Electrosvyaz	88	62%	47	17%	47	146%	53%	28,4	214%	98 953	5,9%	5,7	49%
Karelia Electrosvyaz	137	28%	103	19%	45	32%	33%	19,9	103%	182 487	4,0%	17,4	53%
Vologda Electrosvyaz	118	26%	91	24%	40	28%	34%	12,8	9%	178 019	6,6%	12,1	28%
Pskov Electrosvyaz	95	30%	67	28%	35	31%	37%	19,7	123%	131 516	3,4%	10,1	-1%
Kaliningrad Electrosvyaz	158	23%	109	28%	58	17%	37%	32,2	47%	155 024	5,0%	7,3	-28%
Central	3 690	34%	2 715	25%	1249	48%	34%	407,7	49%	5 371 597	4,9%	504,8	26%
CenterTelecom	956	31%	762	18%	245	113%	26%	2,4	-94%	1 304 648	4,1%	241,8	176%
Ryazan Electrosvyaz	140	20%	111	21%	37	9%	27%	11,9	759%	217 900	4,6%	5,6	-5%
Bryansk Svyazinform	148	55%	87	22%	69	85%	47%	37,6	240%	207 307	8,9%	45,5	314%
Belsvyaz	204	43%	131	28%	83	59%	41%	40,7	191%	303 421	3,6%	15,7	-44%
Voronezh Svyazinform	321	40%	237	41%	107	28%	33%	41,1	86%	518 202	4,1%	16,4	-26%
Ivtelecom	126	37%	92	33%	40	43%	32%	8,6	-28%	204 136	2,8%	9,9	-64%
Lipetsk Electrosvyaz	158	36%	112	30%	59	43%	37%	13,2	7%	260 741	4,2%	11,5	-4%
Smolensk Svyazinform	156	41%	112	25%	54	56%	35%	23,2	139%	244 518	6,1%	20,3	88%
Tambov Electrosvyaz	163	52%	102	32%	71	73%	44%	35,2	75%	218 283	3,6%	4,8	-53%
Tulatelecom	234	36%	179	25%	95	47%	41%	19,9	69%	385 213	5,8%	18,7	47%
Kaluga Electrosvyaz	173	42%	112	28%	80	59%	46%	35,0	81%	256 307	6,5%	10,7	-75%
Kursk Electrosvyaz	118	31%	83	17%	41	70%	35%	20,7	92%	196 606	4,2%	11,6	-20%
Tver Electrosvyaz	168	26%	143	35%	43	8%	26%	18,1	39%	231 680	6,3%	18,0	-67%
Vladimir Electrosvyaz	191	12%	133	29%	76	-8%	40%	24,6	-24%	285 160	6,9%	3,4	0%
Kostroma Electrosvyaz	72	44%	61	35%	18	50%	24%	4,9	106%	76 738	3,4%	5,0	-14%
Orel Electrosvyaz	102	37%	72	28%	38	38%	37%	15,7	85%	164 461	5,4%	24,1	337%
Yartelecom	260	27%	185	19%	92	26%	36%	55,1	68%	296 276	6,7%	42,0	-10%
Volga	2 495	34%	1 712	15%	1005	63%	40%	454,6	222%	3 682 971	4,9%	475,3	103%
Volga Telecom	530	37%	312	26%	262	46%	49%	146,4	96%	786 813	5,1%	85,9	127%
Kirov Electrosvyaz	184	44%	136	24%	67	95%	36%	28,4	291%	281 161	5,5%	29,9	74%
Martelecom	103	41%	65	40%	51	48%	50%	21,2	120%	159 928	2,2%	6,2	106%
Saratov Electrosvyaz	315	47%	210	-2%	133	159%	42%	69,6	n.a.	399 675	9,1%	36,1	91%
Penza Svyazinform	121	27%	95	21%	44	43%	37%	11,6	110%	228 969	7,0%	17,1	-17%
Mordovia Svyazinform	103	24%	75	18%	41	35%	40%	14,1	202%	174 562	4,1%	7,7	84%
Samara Svyazinform	406	30%	283	6%	140	74%	35%	75,6	907%	558 161	2,5%	184,4	560%
Chuvashia Svyazinform	128	28%	72	12%	64	51%	50%	28,4	77%	213 175	6,0%	22,3	45%
Udmurt Telecom	199	29%	149	28%	72	32%	36%	21,5	52%	304 780	3,2%	19,8	-21%
Orenburg Electrosvyaz	253	25%	195	9%	84	78%	33%	33,8	165%	355 495	4,8%	58,0	13%
Ulyanovsk Electrosvyaz	153	40%	120	24%	46	50%	30%	3,9	n.a.	220 252	5,0%	8,1	-40%
South	2 335	35%	1 770	40%	772	27%	33%	1 045,7	294%	3 136 682	5,0%	395,9	37%
Southern Telecom	710	30%	584	45%	175	3%	25%	816,1	791%	824 711	6,6%	135,3	-31%
Astrakhan Svyazinform	122	29%	88	24%	49	38%	40%	10,7	112%	181 485	5,0%	10,1	32%
Volograd Electrosvyaz	341	30%	279	37%	117	35%	34%	17,7	-28%	521 041	5,4%	145,6	389%
KabBalkTelecom	78	53%	56	55%	26	49%	34%	10,0	216%	137 002	6,3%	2,1	-59%
Karachaevo-Cherkessia Electrosvyaz	39	30%	26	21%	16	40%	41%	6,0	55%	73 570	3,7%	1,7	n.a.
Sevostetn Electrosvyaz	107	34%	64	24%	49	32%	46%	19,1	41%	135 499	5,6%	6,2	1%
Rostov Electrosvyaz	508	37%	390	44%	157	24%	31%	77,3	38%	639 447	3,3%	63,2	124%
Adygeia Electrosvyaz	25	53%	17	18%	10	178%	39%	4,3	1643%	67 499	3,7%	2,1	59%
Kalmykia Electrosvyaz	23	34%	18	26%	7	47%	30%	2,3	142%	53 694	0,4%	1,5	n.a.
Stavropol Electrosvyaz	383	44%	247	38%	166	46%	43%	82,2	24%	502 734	4,6%	28,2	68%
Urals	3 281	39%	2 425	29%	1228	49%	37%	359,4	67%	2 827 338	5,3%	471,3	82%
Uralsvyazinform	689	41%	542	26%	270	61%	39%	8,6	18%	588 509	5,6%	143,8	168%
Khantymansiyskokrtelecom	738	44%	524	22%	247	45%	33%	130,2	79%	295 523	8,1%	15,6	-77%
Chelyabinsk Svyazinform	561	43%	427	10%	215	84%	38%	66,8	1789%	650 343	5,3%	164,1	203%
Tyumentelecom	308	55%	241	42%	140	70%	45%	10,3	78%	244 199	6,9%	52,3	26%
Uraltelecom	652	29%	453	36%	244	17%	37%	105,7	12%	802 440	3,7%	66,1	236%
Kurgan Electrosvyaz	105	30%	78	35%	34	19%	32%	13,8	-3%	160 472	3,2%	20,5	283%
Yamal Electrosvyaz	227	29%	159	21%	79	51%	35%	24,0	43%	85 852	10,1%	9,0	-47%
Siberia	2 775	32%	2 127	32%	820	24%	30%	304,9	27%	3 286 956	5,1%	232,8	22%
Sibirtelecom	523	39%	373	39%	191	27%	37%	84,8	32%	574 262	4,9%	33,9	20%
Altaitelecom	298	39%	202	20%	110	75%	37%	57,3	161%	516 628	5,6%	21,7	66%
Tomsktelecom	234	35%	181	38%	75	15%	32%	20,9	-13%	244 101	7,4%	46,9	27%
Omsk Electrosvyaz	248	22%	194	17%	75	36%	30%	3,2	-72%	365 491	2,7%	18,1	16%
Altai Electrosvyaz	21	28%	16	17%	5	76%	25%	0,9	-22%	24 815	6,1%	0,3	-42%
Irkutsk Electrosvyaz	373	36%	282	30%	115	49%	31%	56,7	106%	373 868	6,6%	12,2	-61%
Kemerovo Electrosvyaz	365	27%	283	45%	98	-6%	27%	38,9	-22%	462 428	4,8%	39,8	128%
Krasnoyarsk Electrosvyaz	424	30%	370	39%	69	-17%	16%	16,1	-28%	398 203	4,8%	22,5	-1%
Buryatia Electrosvyaz	121	31%	91	28%	37	32%	31%	9,7	19%	136 345	5,1%	29,6	209%
Khakasia Electrosvyaz	65	30%	45	18%	24	58%	37%	11,5	99%	82 950	3,9%	4,5	165%
Chita Electrosvyaz	103	23%	89	19%	19	37%	19%	4,9	72%	107 865	5,8%	3,3	-71%
Far East	1 202	27%	983	25%	283	30%	24%	76,6	21%	1 026 991	5,1%	119,7	72%
Dalsvyaz	393	29%	311	28%	106	31%	27%	17,9	-26%	357 479	5,5%	49,1	119%
Amursvyaz	114	27%	96	31%	24	13%	21%	9,0	80%	115 501	5,4%	13,3	2688%
Kamchatka Svyazinform	139	24%	123	23%	25	17%	18%	7,1	50%	109 194	2,9%	21,7	847%
Magadan Svyazinform	89	43%	76	27%	17	233%	19%	10,4	n.a.	56 710	1,0%	2,1	-92%
Sakhalinsvyaz	176	22%	158	29%	26	-7%	15%	6,7	-41%	124 040	4,2%	8,1	166%
Jewish Region TTK	22	34%	18	23%	6	47%	25%	2,0	57%	32 679	4,2%	0,2	-93%
Khabarovsk Electrosvyaz	269	25%	202	16%	80	40%	30%	23,6	37%	231 388	6,8%	25,2	106%
Super-regional companies, total	18 098	33%	13 382	27%	6 215	40%	34%	2 946,6	104%	22 554 872	4,8%	2 350,3	50%
Others	3 297	42%	2 332	27%	1 519	53%	46%	392,7	1012%	4 913 591	2,6%	506,9	27%
MGTS	2 407	39%	1 708	22%	1 178	50%	49%	262,0	n.a.	4 013 328	1,2%	389,6	28%
Komi Electrosvyaz	254	30%	177	42%	91	1%	36%	47,7	12%	262 799	4,0%	8,1	11869%
Lensvyaz	235	29%	199	30%	55	25%	23%	7,8	-29%	381 288	2,7%	35,0	196%
Kostroma GTS	32	44%	21	40%	17	44%	53%	9,6	63%	72 234	6,5%	3,4	59%
Central Telegraph	279	135%	169	74%	144	307%	52%	52,6	162%				

	LT debt, R mn	Revenue per line (annualized), R	Lines per employee	DLD traffic per line (annualized), min	ILD traffic per line (annualized), min	Internet revenues, R mn	Ch. y-o-y	Cellular revenues, R mn	Ch. y-o-y	Swap ratio	Employees (01.04.2002)	Ch. y-o-y	Fixed line penetration	Monthly income per capita (01.03.2002,R)	Urbanization
	1 320	2 879	105,3	309	40	48,8	82%	13	97%		30 601	-2,6%	25%	3 288	
	721	2 527	202,8	248	49	20,9	123%	-	0%	1,0	8 825	-4,8%	39%	3 915	100%
	295	3 248	63,7	365	17	4,6	101%	13	124%	0,4	4 310	-1,1%	19%	3 074	75%
	157	3 958	73,9	420	36	5,9	79%	-	0%	2,0	3 512	0,6%	27%	5 378	92%
	-	2 972	67,5	352	21	2,3	20%	-	0%	229,8	2 262	-2,6%	21%	2 456	71%
	-	3 551	94,9	244	16	3,8	53%	-	-	53,5	1 043	0,7%	8%	2 600	100%
	125	3 010	62,6	351	23	3,1	67%	-	-	0,2	2 913	-0,6%	24%	3 349	74%
	-	2 653	64,1	383	11	2,5	14%	-	0%	2,4	2 776	-6,9%	14%	2 600	68%
	-	2 883	57,2	443	36	2,0	78%	-	-	1,6	2 299	0,5%	17%	1 999	67%
	22	4 075	58,3	483	76	3,9	66%	-	0%	7,1	2 660	-3,2%	16%	1 936	77%
	2 386	2748	72,2	415	27	67,8	60%	68	127%		74 373	-0,9%	19%	2 317	
	769	2 931	92,6	507	45	5,6	67%	-	0%	1,0	14 097	3,2%	20%	3 093	80%
	39	2 564	60,4	356	15	3,8	61%	-	0%	4,5	3 607	-0,7%	17%	2 110	69%
	11	2 855	56,4	384	32	2,2	176%	-	-	4,4	3 679	0,8%	15%	1 754	69%
	174	2 689	73,9	362	35	-	-100%	-	0%	19,3	4 108	-2,1%	20%	2 342	66%
	90	2 479	79,1	433	17	4,8	123%	-	0%	47,4	6 549	-2,3%	21%	2 266	62%
	124	2 476	65,5	407	17	0,7	3856%	-	0%	0,4	3 117	-3,7%	17%	1 279	83%
	325	2 429	75,3	322	14	6,6	46%	-	0%	1,9	3 464	-3,1%	21%	2 451	65%
	21	2 546	60,2	345	30	4,8	117%	-	0%	5,3	4 059	-0,9%	22%	2 433	71%
	228	2 995	58,6	366	11	3,2	67%	48	181%	10,8	3 725	1,3%	18%	2 259	58%
	257	2 426	89,8	346	15	4,8	57%	1	74%	0,4	4 289	0,2%	23%	2 198	82%
	104	2 703	88,9	451	28	6,9	47%	-	0%	22,3	2 882	-2,5%	24%	1 847	74%
	70	2 392	57,9	397	23	1,9	124%	-	0%	6,8	3 395	-6,8%	15%	2 004	62%
	29	2 892	60,1	466	29	5,8	87%	-	0%	496,4	3 853	-2,5%	15%	1 966	74%
	108	2 684	73,0	323	16	4,6	71%	-	-	0,4	3 908	-2,2%	18%	1 529	80%
	13	3 776	36,4	657	25	1,5	104%	-	-	20,9	2 108	-0,3%	10%	1 859	66%
	13	2 490	62,2	325	22	1,8	57%	-	0%	5,5	2 643	1,0%	19%	2 273	63%
	11	3 507	60,6	383	21	8,9	55%	19	84%	13,6	4 892	-3,3%	21%	2 642	81%
	694	2 710	69,8	391	20	44,2	85%	14	130%		52 794	-4,1%	18%	2 258	
	79	2 694	89,7	385	16	8,5	152%	-	0%	1,0	8 775	-1,0%	22%	2 513	78%
	2	2 622	56,6	419	9	5,9	95%	-	0%	10,1	4 965	-5,6%	18%	1 813	71%
	136	2 584	66,5	223	7	3,2	63%	10	14616%	0,4	2 403	3,0%	21%	1 425	62%
	131	3 149	64,5	449	24	3,2	112%	-	0%	0,2	6 196	-5,6%	15%	2 021	73%
	47	2 109	70,0	369	13	3,1	85%	-	0%	38,7	3 269	-9,5%	15%	1 669	65%
	15	2 349	64,4	364	6	2,2	22%	-	0%	0,1	2 710	-4,1%	19%	1 736	60%
	181	2 908	70,2	454	49	4,9	106%	4	51%	24,8	7 953	-4,6%	17%	3 549	80%
	40	2 408	65,7	336	8	3,2	15%	-	-	26,9	3 243	-4,8%	16%	1 684	61%
	12	2 611	83,5	309	11	-	-	-	-	2,0	3 649	-2,5%	19%	2 062	70%
	31	2 852	56,1	377	22	6,1	93%	-	0%	0,1	6 332	-3,2%	16%	2 070	57%
	19	2 782	66,8	471	17	3,9	78%	-	0%	3,2	3 299	-8,0%	15%	2 046	73%
	1 806	2 978	69,6	432	30	49,2	70%	-	0%		45 040	-2,4%	17%	2 134	
	345	3 442	71,2	437	38	18,1	51%	-	0%	1,0	11 577	0,0%	17%	2 045	53%
	97	2 682	69,2	268	31	3,5	92%	-	-	4,6	2 624	-0,2%	18%	2 352	66%
	250	2 617	65,3	379	21	3,1	16%	-	0%	17,7	7 977	-6,1%	20%	2 118	74%
	3	2 272	81,8	517	18	1,4	112%	-	0%	0,7	1 675	-3,0%	18%	1 870	57%
	49	2 122	73,2	436	11	0,9	82%	-	-	17,7	1 005	-2,6%	17%	1 643	44%
	36	3 158	87,8	651	38	1,8	57%	-	0%	8,0	1 544	-3,5%	20%	2 309	67%
	111	3 175	66,5	437	36	11,1	57%	-	0%	8,9	9 621	-2,6%	15%	2 478	67%
	-	1 471	73,7	179	3	0,4	44%	-	0%	45,9	916	-3,3%	15%	1 775	54%
	-	1 740	40,7	209	4	0,4	96%	-	-	60,5	1 319	0,4%	18%	1 508	43%
	914	3 048	74,1	506	27	8,5	221%	-	0%	82,9	6 783	-2,2%	19%	1 926	55%
	1 828	4 642	78,0	502	35	45,8	30%	197	206%		36 235	-3,5%	16%	4 420	
	751	4 685	79,6	272	14	-	-	197	209%	1,0	7 397	-2,3%	20%	3 184	75%
	626	9 993	71,3	884	129	3,3	-59%	-	0%	161,2	4 143	4,9%	21%	9 252	91%
	87	3 448	86,7	420	20	20,7	48%	-	-	1 316,7	7 498	-2,5%	18%	2 663	81%
	99	5 043	73,5	609	25	4,5	160%	-	-	169,3	3 322	0,2%	7%	7 256	77%
	254	3 252	84,5	551	27	8,7	19%	-	0%	604,6	9 494	-9,8%	18%	2 643	88%
	7	2 621	57,7	335	11	1,4	94%	-	-	133,3	2 779	-4,3%	15%	1 980	55%
	4	10 594	53,6	956	109	7,1	124%	-	0%	220,8	1 602	0,3%	17%	13 331	83%
	844	3 377	63,6	405	23	67,1	62%	41	135%		51 689	-0,2%	16%	2 666	
	234	3 644	80,0	335	26	19,5	81%	-	-	1,0	7 178	-1,2%	21%	2 000	74%
	25	2 306	74,0	436	17	6,1	114%	-	0%	640,0	6 980	5,1%	20%	1 754	52%
	10	3 829	69,0	436	27	9,0	101%	10	98%	34,8	3 536	0,2%	23%	3 242	67%
	-	2 719	64,8	303	29	6,6	55%	-	0%	9,6	5 643	-4,0%	17%	2 205	67%
	3	3 377	34,3	525	13	0,8	76%	-	-	217,3	724	-5,2%	12%	1 904	26%
	29	3 990	56,8	449	20	7,1	134%	-	0%	18,8	6 587	0,6%	14%	3 115	79%
	213	3 159	68,0	357	17	9,9	39%	15	175%	436,3	6 800	-0,1%	16%	3 390	87%
	66	4 257	55,9	579	32	6,6	2%	-	-	149,8	7 121	-1,8%	13%	3 756	75%
	231	3 541	47,5	320	14	-	-	12	160%	1 005,1	2 869	2,5%	13%	2 169	60%
	-	3 143	62,3	434	12	1,1	-37%	4	182%	69,3	1 331	-2,7%	14%	2 048	71%
	33	3 832	36,9	371	19	0,4	132%	-	-	98,2	2 919	0,1%	9%	1 828	62%
	103	4 682	51,1	381	24	45,6	61%	24	134%		20 102	-0,5%	17%	2 885	
	-	4 395	62,7	449	31	21,5	60%	-	0%	1,0	5 704	-0,8%	17%	2 447	79%
	9	3 935	41,2	318	12	2,9	53%	-	-	168,8	2 805	-0,1%	12%	1 920	65%
	47	5 105	53,2	397	31	3,0	99%	17	109%	75,1	2 052	-3,1%	29%	4 697	81%
	-	6 254	39,8	378	27	2,4	193%	7	1333%	1,5	1 425	2,5%	25%	4 027	92%
	11	5 688	47,0	396	24	6,2	24%	-	0%	195,5	2 642	-1,0%	21%	4 145	87%
	-	2 735	58,7	233	15	0,7	61%	-	0%	8,2	556	0,5%	17%	2 451	67%
	37	4 649	47,1	314	16	8,7	70%	-	-	6,1	4 917	-0,1%	16%	3 071	81%
	8 980	3 210	72,6	406	28	368,5	62%	357	158%		310 834	-2,0%	18%	2 762	
	3 327	2 684	152,4	98	6	24,9	63%	-							

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