

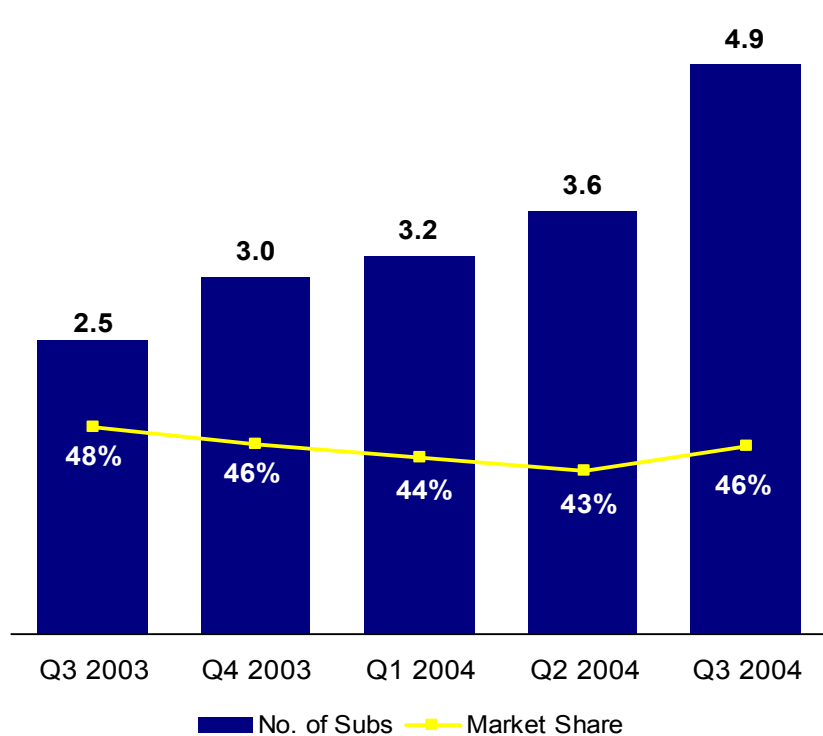


Presentation to Investors

December 3, 2004

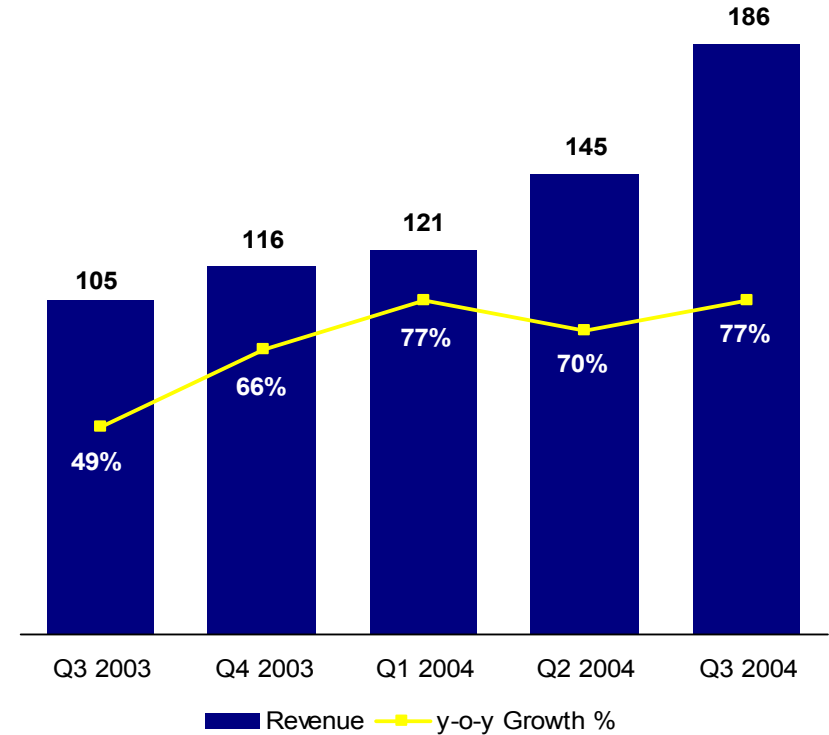
Kyivstar – Q3 2004 Performance Highlights

Subscribers (millions)



- 96% y-o-y subscriber growth
- 1.25 million net adds in Q3 04 (representing 58% share of total net adds in the market)
- Increased overall market share to 46%
- Passed 5.7 million subscribers as of Dec. 1

Revenues (US\$m)



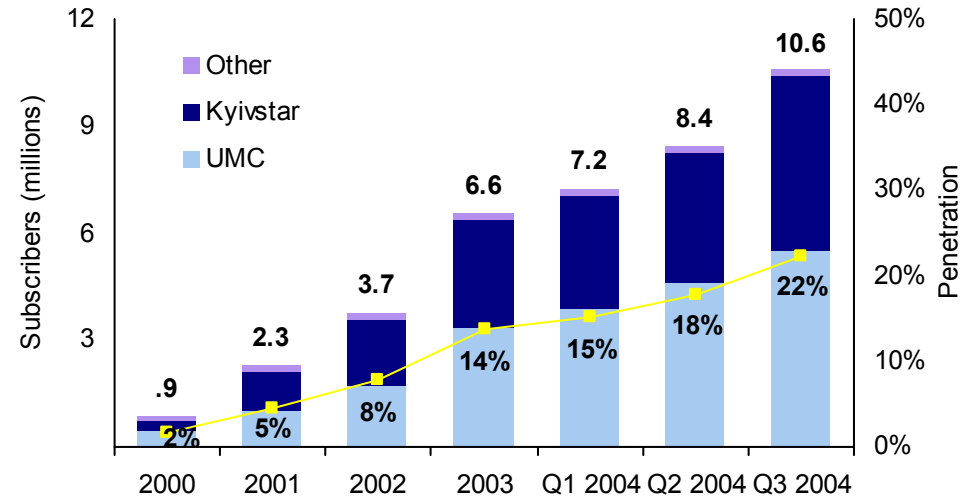
- 77% y-o-y net revenue growth
- Blended ARPU increased to US\$14.0
- Strong growth in AMPU (55% y-o-y)
- *djuice* prepaid youth brand launched Sept. 1

Competitive Positioning

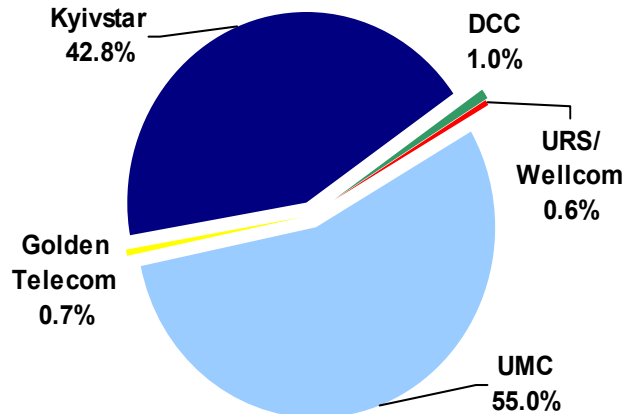
Key Market Developments

- Kyivstar's accelerated subscriber growth driven by prepaid segment (*djuice*) and co-branded distribution programs
- Kyivstar increased its total market share to 46% in Q3 2004 vs. 43% in Q2 2004
- Kyivstar share of net adds:
 - July: 44% (248,000)
 - Aug: 49% (294,000)
 - Sep: 72% (704,000)

Ukraine Mobile Market Evolution

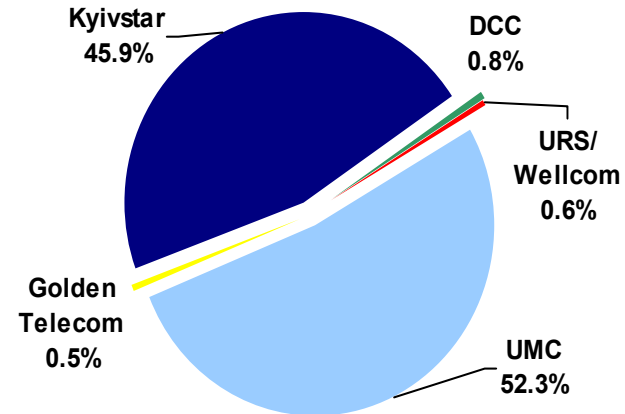


Market Share (as at Q2 2004)



Source: EMC, Kyivstar

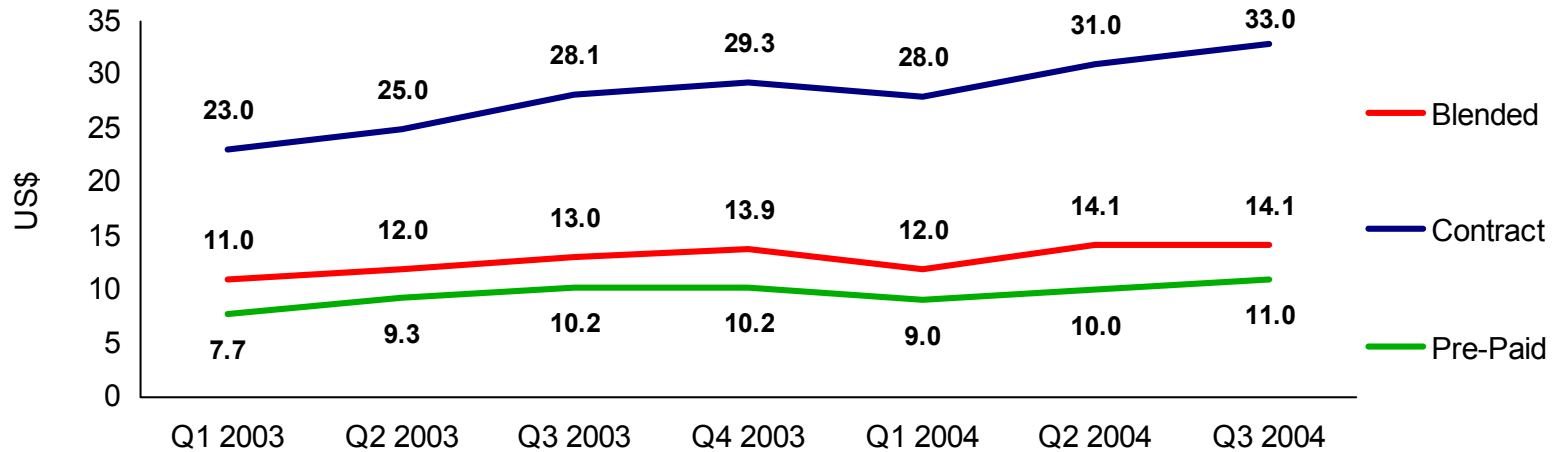
Market Share (as at Q3 2004)



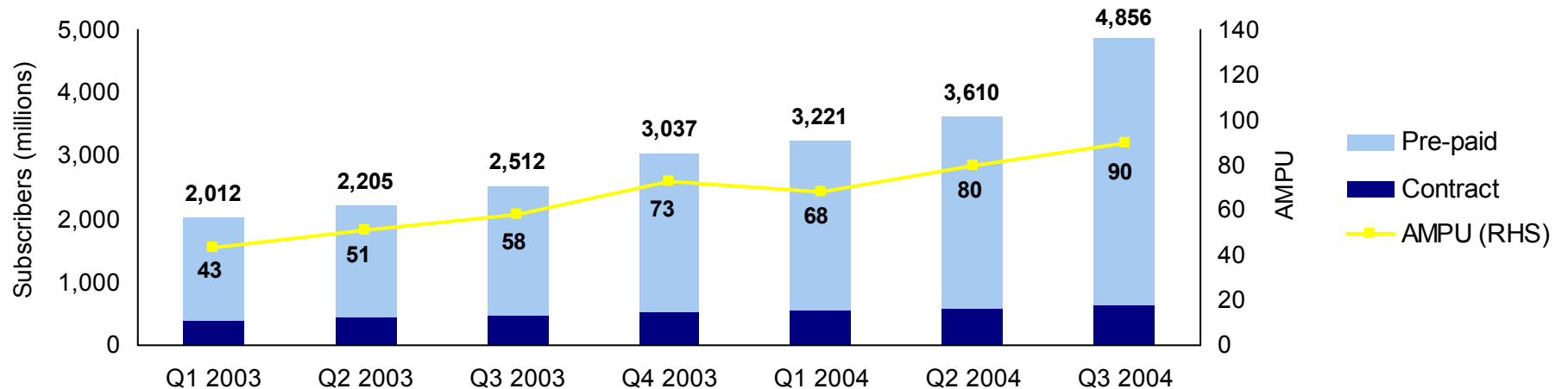
Source: EMC, Kyivstar

ARPU, Customer Base and AMPU Evolution

Evolution of ARPU

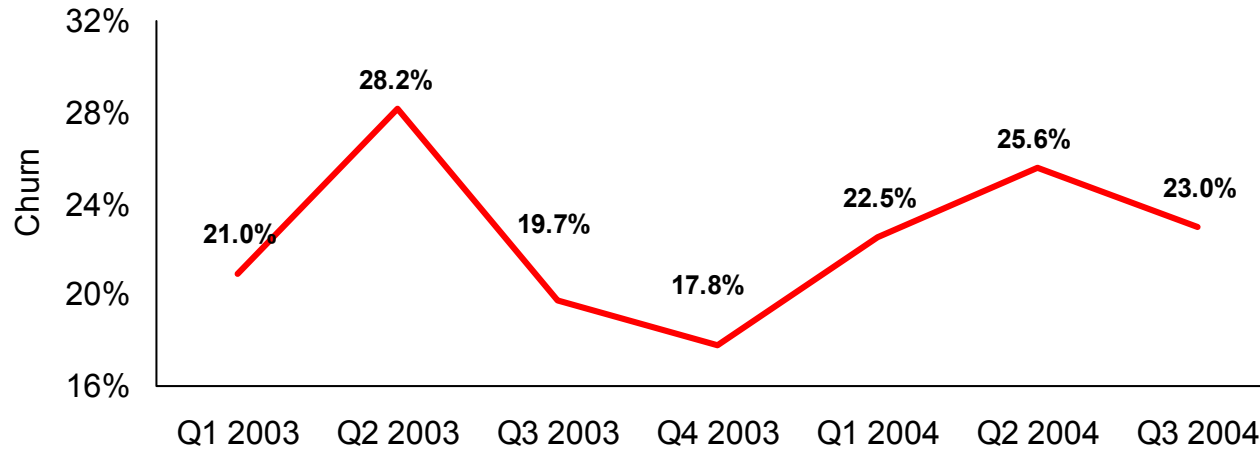


Subscriber Base and AMPU



Churn and Subscriber Acquisition Cost ("SAC")

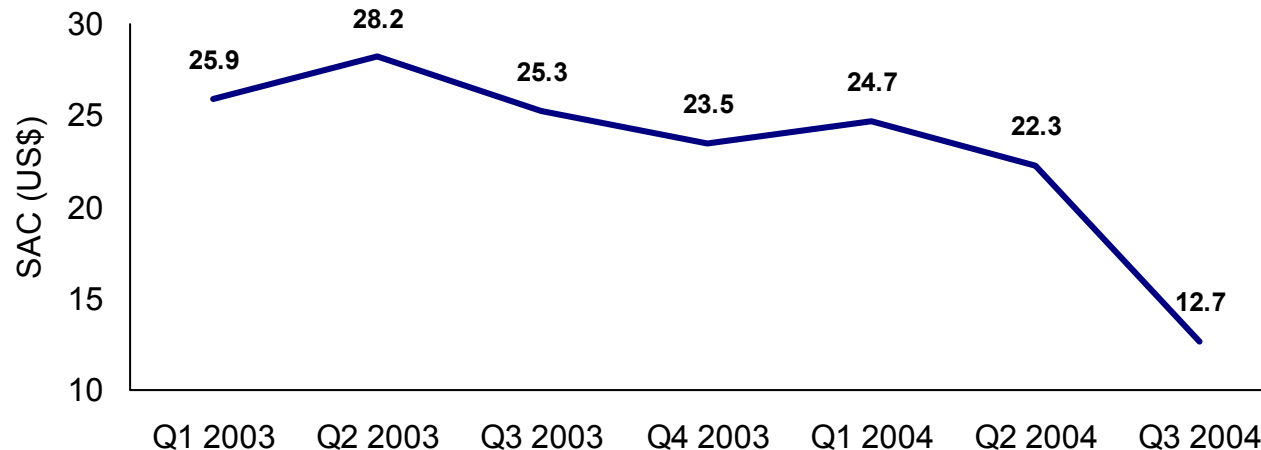
Evolution of Churn



Highlights

- Kyivstar managed to decrease churn slightly to 23%
- Falling subscriber acquisition costs despite strong subscriber growth and declining churn rate
- Relatively low SAC levels reflect that Kyivstar does not subsidize handsets

SAC (US\$)

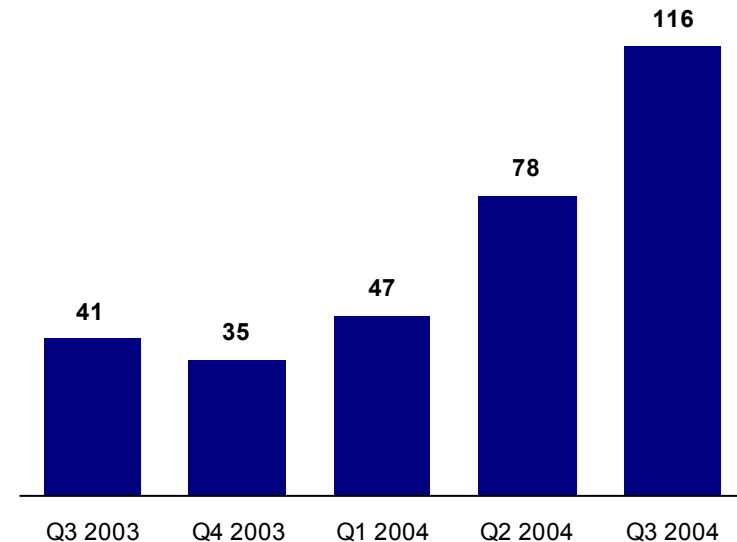


Network Coverage and Capital Expenditure Update

Overview

- Network capex continues to be driven by:
 1. Rapid subscriber growth
 2. Increasing average monthly usage
 3. Coverage expansion
- Current expectation of subscriber growth in 2005 is significantly higher than previously announced forecasts
- Capex expected to increase accordingly

Capital Expenditure (US\$m)



Q1 2004 Coverage

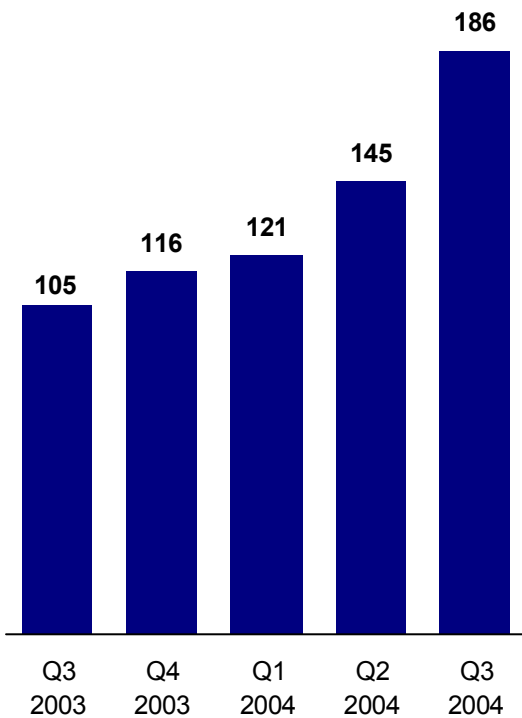
- 66% of territory
- 84% of population
- 2069 base stations

Planned Coverage for 2004 YE

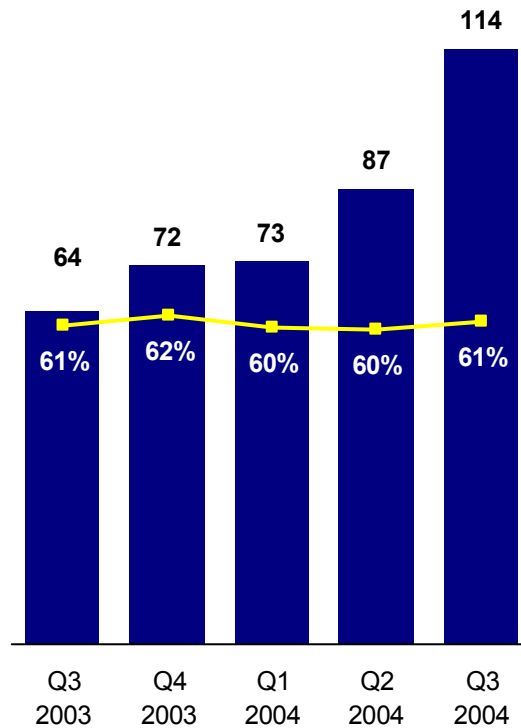
- 80% of territory
- 90% of population
- 3000 base stations

Summary Financial Results

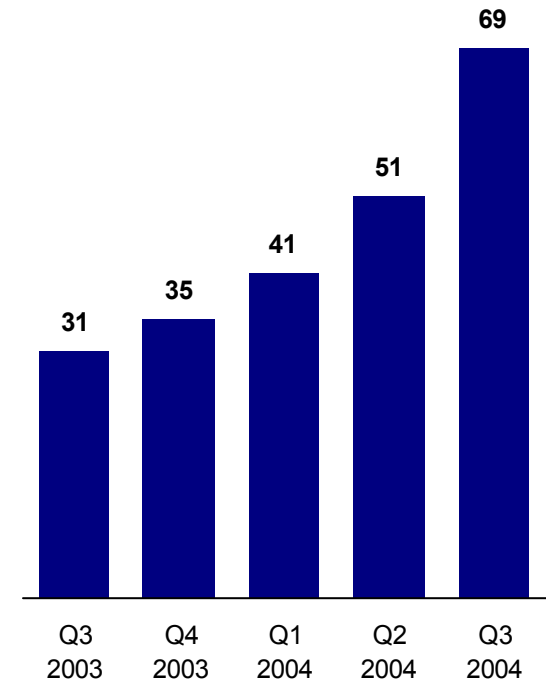
Revenues (US\$m)



EBITDA (US\$m) / Margin %

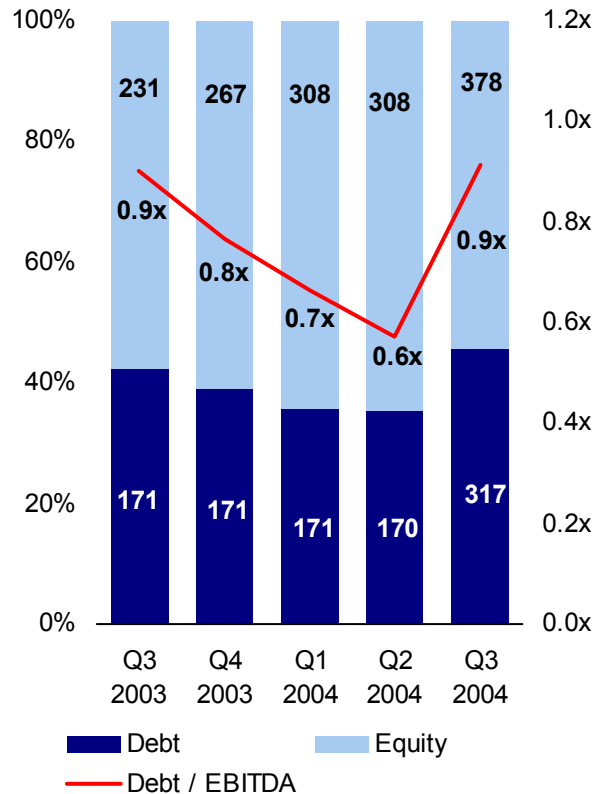


Net Income (US\$m)

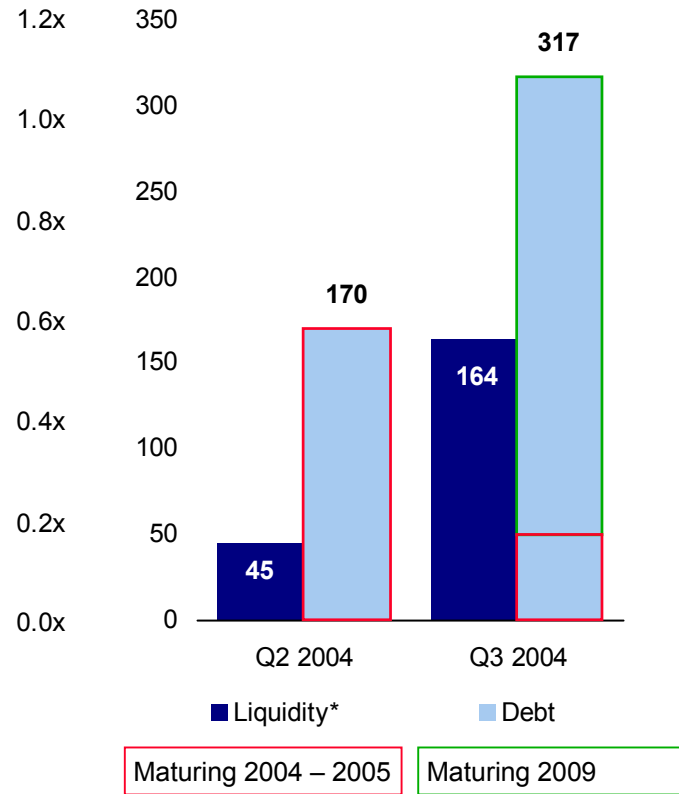


Balance Sheet and Liquidity Position at end Q3 2004

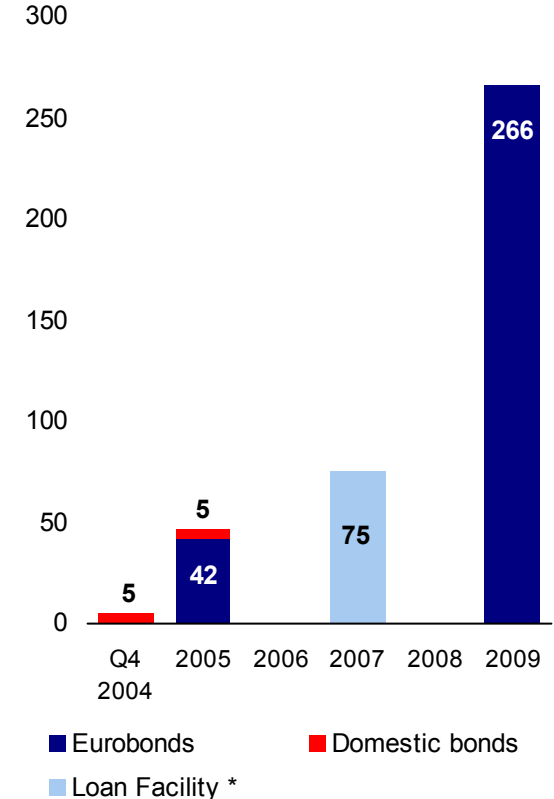
Capitalisation & Debt / EBITDA



Liquidity Position (US\$m)



Debt Maturities (US\$m)



*representing cash and undrawn bank lines

*Loan facility undrawn as at Q3 2004