



FOR IMMEDIATE RELEASE

August 26, 2008

PUT OPTION EXERCISED

Moscow, Russia – August 26, 2008 – “COMSTAR – United TeleSystems” JSC (“Comstar” or “the Company”) (LSE: CMST), the leading integrated telecommunications operator in Russia and the CIS, today announced that Access Telecommunications Coöperatief U.A. (“Access”, previously known as 2711 Centerville Coöperatief U.A.) has initiated the process of exercising its put option to sell 46,232,000 Comstar shares to MGTS Finance S.A. at the weighted average closing price of the Comstar Global Depositary Receipt on the London Stock Exchange for the 90 trading day period up to and including the trading day prior to the date of exercise of the Put Option (“Option Interest”). The Option Interest represents 11.06% of the total number of issued and outstanding Comstar shares. The transaction is expected to be completed, by means of the transfer of rights and payment, within 60 business days from August 25, 2008.

The call and put option was originally issued by Comstar subsidiary MGTS Finance S.A. to 2711 Centerville Cooperatief U.A. in part payment for the acquisition of a 25% + 1 share stake in Telecommunication Investment Joint Stock Company ‘Svyazinvest’ in December 2006. The transfer of rights and receipt of payment in relation to the exercising of the call option by Access was completed on December 18, 2007. Access thereby became a shareholder in Comstar by acquiring 46,232,000 Comstar shares from Comstar subsidiary MGTS Finance S.A. for US\$ 6.97 per share and a total cash consideration of US\$ 322.2 million.

Sergey Pridantsev, President and Chief Executive Officer of Comstar UTS, commented: “Comstar has been considering the possible actions related to the put option since the moment of exercising the call option. We are fully prepared for the transaction and planning to fulfill our obligations using our own funds.”

For further information, please visit www.comstar-uts.com or contact:

Comstar UTS
Masha Eliseeva
Tel: +7 985 997 0852
ir@comstar-uts.ru

Shared Value Limited
Matthew Hooper
Tel. +44 (0) 20 7321 5037
comstar@sharedvalue.net

Comstar UTS is the leading fixed-line telecommunications company in Moscow. Comstar provides voice, data, television and other value-added services to residential and corporate subscribers and operators, using its extensive backbone network and exclusive last mile access to 97% of Moscow households. The Company also offers communications services in five Russian regions, Armenia and Ukraine. Comstar had 3.6 million residential subscribers and 750 thousand residential broadband internet subscribers in Moscow, as well as 40 thousand residential regional and international broadband internet subscribers at the end of March 2008. Comstar generated US\$ 1,562.4 million and US\$ 417.0 million of revenues and a 42.5% and 40.8% OIBDA margin for the twelve months ended December 31, 2007 and the three months ended March 31, 2008, respectively. Comstar's Global Depositary Receipts are listed on the London Stock Exchange (ticker: CMST).

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Comstar UTS. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might", the negative of such terms or other similar expressions. Comstar UTS wishes to caution that these statements are only predictions, and that actual events or results may differ materially. Comstar UTS does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of Comstar UTS, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries Comstar UTS operates in, as well as many other risks specifically related to Comstar UTS and its operations.