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[www.goldentelecom.ru](http://www.goldentelecom.ru)**FOR IMMEDIATE RELEASE****Golden Telecom Reports Strong First Quarter Results****Highlights – First Quarter 2001 vs. First Quarter 2000:**

- Consolidated revenues of \$32.3 million -- up 33 percent.
- Consolidated EBITDA of \$4.9 million -- up 29 percent.
- Consolidated Data and Internet revenues of \$14.5 million -- up 79 percent.
- Consolidated CLEC revenues of \$10.8 million -- up 14 percent.
- Consolidated Long Distance revenues of \$4.8 million -- up 71 percent.

**MOSCOW, Russia (May 8, 2001)** — Golden Telecom, Inc. (Nasdaq: GLDN), a leading integrated provider of telecommunications and Internet services across Russia and the Commonwealth of Independent States (CIS), today reported strong results for the first quarter of 2001.

Stewart Reich, Golden Telecom president and CEO stated, “We are very pleased with our first quarter results -- which came in at the high end of our expectations. Consolidated revenues were \$32.3 million -- up 33 percent from the same quarter last year.”

“Consolidated EBITDA was up 29 percent from the same quarter last year, and up 9 percent from last quarter,” reported Golden Telecom CFO, David Wisher. “Our Data and Internet services business continues to demonstrate strong revenue growth -- up 79 percent from the first quarter 2000 and up 8 percent from last quarter. And for the first time, Internet subscribers exceeded 100,000. All this was accomplished during a quarter that is seasonally our weakest.”

This is the first full quarter following Golden Telecom’s two most significant Internet portal acquisitions – IT Infoart Stars and the Agama family of sites, which include Aport, @Rus (“Atrus”) and Omen.

“Integration efforts are continuing, and we expect to realize additional benefits from the consolidation this year,” said Wisher.

On April 3, 2001 Golden Telecom announced its intention to acquire top Moscow ISP Cityline and 51 percent of Ekaterinburg-based ISP, Uralrelcom. The company also confirmed in April that its majority shareholder, Global TeleSystems has agreed to sell an approximately 50 percent stake in Golden Telecom to Russia’s Alfa Group, Capital International Global Emerging Markets Private Equity Fund and a fund controlled by Baring Private Equity Partners Group.

### **More First Quarter 2001 Results:**

Consolidated revenues were \$32.3 million -- up 33 percent compared to the first quarter of 2000, and down only 1 percent compared to last quarter.

Data and Internet business line revenues were \$14.5 million -- up 79 percent compared to the first quarter of 2000, and up 8 percent compared to last quarter.

Internet subscribers increased to 101,035 -- up 200 percent from 33,644 subscribers at the end of the first quarter of 2000.

CLEC revenues were \$10.8 million -- up 14 percent compared to the first quarter of 2000, and down 9 percent compared to last quarter.

Long Distance business line revenues were \$4.8 million -- up 71 percent compared to the first quarter of 2000, and up 9 percent compared to last quarter.

Mobile Services revenues were \$3.5 million -- down 17 percent compared with the first quarter of 2000, and down 19 percent compared to last quarter.

Consolidated EBITDA was \$4.9 million -- up 29 percent from \$3.8 million in the first quarter of 2000, and up 9 percent compared to last quarter.

The net loss for the period was (\$3.9) million, compared to a net loss of (\$3.3) million reported in the first quarter of 2000. The increase in net loss was largely due to the increase in amortization of intangible assets and goodwill as a result of our acquisitions during 2000. Equity in earnings of ventures was \$0.6 million compared to equity in losses of ventures of (\$0.9) million in the first quarter of 2000. The Company's share of the losses from MCT Corp. were more than offset by the improved net income from Sovintel.

The net loss per common share was (\$0.16) compared to a net loss of (\$0.14) for the first quarter of 2000. The weighted-average number of shares outstanding increased to 24.5 million compared to 24.1 million in the first quarter of 2000.

### **About Golden Telecom ([www.goldentelecom.ru](http://www.goldentelecom.ru))**

Golden Telecom, Inc., NASDAQ "GLDN" is a leading facilities-based provider of integrated telecommunications and Internet services in major population centers throughout Russia and other countries of the Commonwealth of Independent States (CIS). The company offers competitive local exchange carrier services using its overlay network in Moscow, Kiev and Saint Petersburg; data and long-distance services using a fiber optic and satellite-based network -- including more than 135 combined access points in Russia and other countries of the CIS; dedicated and dial-up Internet access to businesses and consumers; Internet content through numerous web brands powered by its Russia-On-Line portal; and mobile services.

**Statements made in this press release, including expected benefits from the integration of our Internet acquisitions and the anticipated sale of GTS's shares in our company, are forward looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. It is important to note that such statements involve risks and uncertainties, which may cause results to differ materially from those set forth in these statements. Such risks and uncertainties include, but are not limited to, the political and economic developments in the markets where we operate, especially Russia, our ability to execute our business plan, and increasing competition that may limit growth opportunities, especially in the Internet and data transmission services. Additional information concerning factors that could cause results to differ materially from those in the forward looking statements are contained in the Company's filing with the U.S. Securities and Exchange Commission of the Company's annual report on Form 10-K for the year ended December 31, 2000. Additional information may also be contained in the filings with the U.S. Securities and Exchange Commission submitted by Global TeleSystems, Inc., ("GTS") the majority shareholder in the Company.**

Golden Telecom, Inc.  
Condensed, Consolidated Statement of Operations  
(Amounts in millions, except per share data)

	Three Months Ended:	
	03/31/00	03/31/01
	(unaudited)	
Revenues	\$ 24.3	\$ 32.3
Operating costs and expenses:		
Access and network services	10.3	14.7
Selling, general and administrative	10.2	12.7
EBITDA <sup>1</sup>	3.8	4.9
Depreciation and amortization	7.2	9.7
Loss from operations	( 3.4 )	( 4.8 )
Other income/(expense):		
Equity in earnings/(losses) of ventures	( 0.9 )	0.6
Foreign currency losses	( 0.4 )	( 0.3 )
Interest income/(expense), net	1.5	0.8
Minority interest	( 0.1 )	—
Total other income	0.1	1.1
Net loss before income taxes	( 3.3 )	( 3.7 )
Income taxes	—	0.2
Net loss	\$ ( 3.3 )	\$ ( 3.9 )
Net loss per share	(\$0.14)	(\$0.16)
Weighted average common shares	24.1	24.5

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Golden Telecom, Inc.  
Condensed, Consolidated Balance Sheet  
(Amounts in millions)

	<u>12/31/00</u> <u>(audited)</u>	<u>03/31/01</u> <u>(unaudited)</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 57.9	\$ 103.5
Investments held for sale	54.3	—
Accounts receivable, net	19.3	18.2
Prepaid expenses and other assets	9.9	10.3
Total current assets	<u>141.4</u>	<u>132.0</u>
Property and equipment, net	82.4	89.1
Goodwill and intangible assets, net	70.0	65.0
Investments in and advances to ventures	49.6	51.1
Restricted cash and other assets	5.0	5.0
<b>TOTAL ASSETS</b>	<u>\$ 348.4</u>	<u>\$ 342.2</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 28.3	\$ 26.5
Debt maturing within one year	3.3	2.9
Other current liabilities	9.8	8.6
Total current liabilities	41.4	38.0
Long-term debt	15.7	16.2
Other liabilities	4.8	5.0
<b>TOTAL LIABILITIES</b>	61.9	59.2
Minority interest	3.3	3.3
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	0.2	0.2
Additional paid-in capital	412.8	413.2
Accumulated deficit	<u>( 129.8 )</u>	<u>( 133.7 )</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>283.2</u>	<u>279.7</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 348.4</u>	<u>\$ 342.2</u>

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Golden Telecom, Inc.  
Line-of-Business Statistics (unaudited)  
(Amounts in millions)

<b>Consolidated</b>			
Three Months Ended:			
	<u>3/31/00</u>	<u>12/31/00</u>	<u>3/31/01</u>
<b>Revenues</b>			
CLEC	\$ 9.5	\$ 11.9	\$ <b>10.8</b>
Data and Internet	8.1	13.4	<b>14.5</b>
Long distance	2.8	4.4	<b>4.8</b>
Mobile services	4.2	4.3	<b>3.5</b>
Eliminations	<u>( 0.3 )</u>	<u>( 1.5 )</u>	<u>( 1.3 )</u>
Total revenues	\$ 24.3	\$ 32.5	\$ <b>32.3</b>
<b>EBITDA<sup>1</sup></b>			
CLEC	\$ 5.2	\$ 5.7	\$ <b>5.4</b>
Data and Internet	0.9	0.8	<b>1.5</b>
Long distance	( 0.3 )	( 0.4 )	( <b>0.2</b> )
Mobile services	0.7	0.9	<b>0.7</b>
Corporate	<u>( 2.7 )</u>	<u>( 2.5 )</u>	<u>( 2.5 )</u>
Total EBITDA	\$ 3.8	\$ 4.5	\$ <b>4.9</b>

<b>Proportional</b>			
Three Months Ended:			
	<u>3/31/00</u>	<u>12/31/00</u>	<u>3/31/01</u>
<b>Revenues<sup>2</sup></b>			
CLEC	\$ 16.8	\$ 22.3	\$ <b>18.5</b>
Data and Internet	8.1	10.8	<b>13.4</b>
Long distance	2.9	3.8	<b>4.7</b>
Mobile services	<u>4.8</u>	<u>5.7</u>	<u>2.4</u>
Total revenues	\$ 32.6	\$ 42.6	\$ <b>39.0</b>
<b>EBITDA<sup>3</sup></b>			
CLEC	\$ 8.0	\$ 8.8	\$ <b>8.7</b>
Data and Internet	0.8	0.9	<b>1.5</b>
Long distance	( 0.3 )	( 0.2 )	<b>0.1</b>
Mobile services	1.2	1.5	<b>0.5</b>
Corporate	<u>( 2.7 )</u>	<u>( 2.5 )</u>	<u>( 2.5 )</u>
Total EBITDA	\$ 7.0	\$ 8.5	\$ <b>8.3</b>

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The following table presents selected operating data<sup>4</sup> related to our consolidated and non-consolidated ventures at and for the periods shown:

	Three Months Ended:		
	<u>03/31/00</u>	<u>12/31/00</u>	<u>03/31/01</u>
Points of presence	110	132	<b>137</b>
Total voice minutes (millions)			
Local	73.0	95.5	<b>77.6</b>
Domestic long distance	31.5	45.9	<b>46.5</b>
International outgoing	16.4	24.8	<b>25.5</b>
Incoming	22.8	54.1	<b>73.2</b>
Dial-up Internet access subscribers <sup>5</sup>	33,644	85,833	<b>101,035</b>
Total active cellular subscribers	29,084	36,786	<b>39,691</b>
Total employees – consolidated entities	621	944	<b>1,053</b>
Total employees – non-consolidated entities	455	504	<b>532</b>

EDN Sovintel, LLC  
Condensed Statement of Operations  
(Amounts in millions)

	Three Months Ended:	
	03/31/00	03/31/01
	(unaudited)	
Revenues	\$ 22.2	\$ 25.4
Operating costs and expenses:		
Access and network services	11.7	14.8
Selling, general and administrative	4.1	3.3
EBITDA <sup>1</sup>	6.4	7.3
Depreciation and amortization	2.0	2.7
Income from operations	4.4	4.6
Other income/(expense):		
Foreign currency gains/(losses)	( 0.1 )	0.1
Interest income/(expense), net	( 0.1 )	0.1
Total other income/(expense)	( 0.2 )	0.2
Net income before income taxes	4.2	4.8
Income taxes	2.1	1.2
Net income	\$ 2.1	\$ 3.6

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EDN Sovintel, LLC  
Condensed Balance Sheet  
(Amounts in millions)

	12/31/00 (audited)	03/31/01 (unaudited)
<b>ASSETS</b>		
Current assets		
Cash	\$ 4.0	\$ 10.8
Accounts receivable, net	13.1	12.4
Prepaid expenses and other current assets	8.8	8.0
Total current assets	<u>25.9</u>	<u>31.2</u>
Property and equipment, net	51.3	53.1
Deferred expenses and other non-current assets	2.2	1.7
<b>TOTAL ASSETS</b>	<u>\$ 79.4</u>	<u>\$ 86.0</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 9.1	\$ 12.1
Debt maturing within one year	0.7	—
Other current liabilities	2.8	3.3
Total current liabilities	12.6	15.4
Other liabilities	1.6	1.8
<b>TOTAL LIABILITIES</b>	14.2	17.2
<b>TOTAL MEMBERS' EQUITY</b>	<u>65.2</u>	<u>68.8</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<u>\$ 79.4</u>	<u>\$ 86.0</u>

**Notes to data for Golden Telecom and Sovintel:**

1. EBITDA is earnings/(loss) from operations before interest, taxes, depreciation and amortization, foreign currency gains/(losses), other (expense)/income and non-recurring expenses. EBITDA is a measure of a company's performance commonly used in the telecommunications industry, but should not be construed as an alternative to net income/(loss) determined in accordance with generally accepted accounting principles (GAAP) as an indicator of operating performance or as an alternative to cash from operating activities determined in accordance with GAAP as a measure of liquidity.
2. Proportional revenue is calculated using the actual revenues for each entity, net of intercompany revenues, multiplied by the ownership percentage held by GTI as of March 31, 2001. Mobile entities transferred to MCT were treated as being held for the full fourth quarter of 2000 for proportional calculations and MCT is excluded thereafter.
3. Proportional EBITDA is calculated using the actual EBITDA for each entity multiplied by the ownership percentage held by GTI as of March 31, 2001. Mobile entities transferred to MCT were treated as being held for the full fourth quarter of 2000 for proportional calculations and MCT is excluded thereafter.
4. MCT is not included in the operating data shown. Operating data for the three months ended March 31, 2000 and December 31, 2000 has been restated to exclude the Russian mobile ventures, which were involved in the transaction with MCT.
5. Dial-up Internet subscribers is the number of users (or logins) who have logged on to the system during the month in question, regardless of whether they are enabled or disabled at month end. It specifically excludes "on-trial" users, free users and internal users.

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