



FOR IMMEDIATE RELEASE

Revenue growth and strategic acquisitions Golden Telecom reports results for the third quarter of 2003

MOSCOW, Russia (November 5, 2003) — Golden Telecom, Inc.'s (NASDAQ: "GLDN") consolidated revenue in the third quarter of 2003 was \$90.1 million and consolidated net income was \$12.5 million.

Here are some of the highlights for the third quarter 2003 vs. the third quarter 2002:

- **Consolidated revenues of \$90.1 million – up 95%**
- **Consolidated operating income of \$18.3 million – up 173%**
- **Consolidated net income of \$12.5 million – up 60%**
- **Consolidated net cash flow from operations of \$17.4 million – up 83%**
- **Consolidated EBITDA¹ of \$29.4 million - up 110%**
- **Total business segment revenues of \$90.1 million – up 18%**
- **Total business segment EBITDA¹ of \$29.7 million – up 15%**

(Business segment information is defined as the results of Golden Telecom, Inc. plus the results of 100% of Sovintel and a number of non-consolidated regional joint ventures for all periods referenced.)

Alexander Vinogradov, Chief Executive Officer and President of Golden Telecom, Inc. commented: "Our third quarter numbers confirm strong growth in customer demand for our services, both in Moscow and in regional cities, with exceptional quarter-on-quarter revenue growth of 12%.

On August 20, 2003, we announced the signing of a share exchange agreement to acquire Comincom and Combella. All necessary regulatory approvals have been received and we expect this transaction to close later this year. We invite all shareholders to join us on November 28, 2003 for the special meeting of shareholders which will decide whether to approve this transaction. This acquisition represents a major step forward for our company, and will help us meet our objective of solidifying and extending our position as the leading voice, data, and Internet service provider in Russia and the Commonwealth of Independent States (CIS)."

Stan Abbeeloos, Chief Operating Officer of Golden Telecom, Inc. said: "We saw another quarter of strong revenue growth from our Business and Corporate Services business unit, and the Carrier and Operator Services business unit made a strong recovery from the second quarter. We added 456 new corporate customers in the third quarter, bringing the total to 9,215 as of September 30, 2003. We signed up 22 new multi-tenant business centers.

Regional demand for our services continues to strengthen, prompting us to undertake the construction of a fiber optic link from Moscow to Nizhny Novgorod, a high traffic route for us. We find that on average, our long-distance capacity requirements double every eighteen to twenty-four months. This cable will allow us to reduce our costs, and will enable us to be less dependent on incumbent operators. Constructing this fiber optic link with the mobile operators, Mobile Telesystems and VimpelCom allows us to acquire essentially the same capacity that we would have, if we had built the cable alone, at approximately one-third of the cost that we would have otherwise incurred."

David Stewart, Chief Financial Officer of Golden Telecom, Inc. noted: “Our balance sheet remains strong and for the first three quarters of 2003 our cash flow from operations exceeded our capex by \$20.3 million. We ended the quarter with cash of \$54.9 million, virtually unchanged from the end of the previous quarter. During the quarter we paid \$15.3 million relating to the acquisition of Sibchallenge and received \$12.3 million from stock option exercises. We consolidated one month of the operations of Sibchallenge in Krasnoyarsk this quarter, which added \$0.6 million to consolidated revenues after intercompany transactions.”

More Third Quarter 2003 Results (amounts in millions, except per share data):

	<u>3Q03</u>	<u>3Q02</u>	<u>3Q03</u> <u>vs 3Q02</u>	<u>2Q03</u>	<u>3Q03</u> <u>vs 2Q03</u>
Consolidated revenues	\$90.1	\$46.3	95%	\$80.7	12%
Operating income	\$18.3	\$6.7	173%	\$17.5	5%
Income tax	\$5.5	\$1.7	224%	\$4.8	15%
Effective income tax rate	31%	18%		29%	
Net income	\$12.5	\$7.8	60%	\$11.9	5%
Net income per share (fully diluted)	\$0.43	\$0.32	34%	\$0.42	2%
EBITDA ¹	\$29.4	\$14.0	110%	\$28.0	5%
EBITDA ¹ margin	33%	30%		35%	
Diluted weighted average shares	29.1	24.7	18%	28.3	3%
Capital expenditure, excluding acquisitions	\$15.0	\$6.5	131%	\$16.0	-6%

About Golden Telecom (www.goldentelecom.com)

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 CIS. The Company offers voice, data and Internet services to corporations, operators and consumers using its metropolitan overlay networks in major cities including Moscow, Kiev, St. Petersburg, Nizhny Novgorod and Krasnoyarsk and via intercity fiber optic and satellite-based networks – including 150 combined access points in Russia and other countries of the CIS. The Company offers mobile services in Kiev and Odessa.

Statements made in this press release are forward looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements include our planned fiber optic link from Moscow to Nizhny Novgorod, and the timing of our planned acquisition of Comincom and Combella. 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 completion of additional networks which may affect our capital expenditure, our ability to consummate the acquisition of Comincom and Combella, our ability to efficiently integrate acquired companies, and political, economic and regulatory developments in Russia, Ukraine and Kazakhstan and increasing competition that may limit growth opportunities. Additional information concerning factors that could cause results to differ materially from those in the forward looking statements is contained in the Company’s filings with the U.S. Securities and Exchange Commission including the Company’s quarterly reports on Form 10-Q and periodic reports on Form 8-K filed during 2003, and the Company’s annual report on Form 10-K for the year ended December 31, 2002.

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

	Three Months Ended:		Nine Months Ended:	
	<u>9/30/02</u>	<u>9/30/03</u>	<u>9/30/02</u>	<u>9/30/03</u>
Revenues	\$ 46.3	\$ 90.1	\$ 121.9	\$ 249.2
Operating costs and expenses:				
Access and network services (excluding depreciation and amortization)	21.5	44.9	54.5	121.6
Selling, general and administrative (excluding depreciation and amortization)	10.8	15.8	30.7	42.6
Depreciation and amortization	7.3	11.1	19.6	32.1
Operating Income	<u>6.7</u>	<u>18.3</u>	<u>17.1</u>	<u>52.9</u>
Other income (expense):				
Equity in earnings (losses) of ventures	3.3	—	3.8	—
Foreign currency gain (loss)	(0.1)	(0.1)	(0.6)	—
Interest expense, net	(0.2)	(0.1)	(0.3)	(0.9)
Minority interest	(0.2)	(0.1)	(0.4)	(0.3)
Total other expense	2.8	(0.3)	2.5	(1.2)
Income before income taxes	9.5	18.0	19.6	51.7
Income taxes	1.7	5.5	3.8	14.5
Income before cumulative effect of a change in accounting principle	<u>\$ 7.8</u>	<u>\$ 12.5</u>	<u>\$ 15.8</u>	<u>\$ 37.2</u>
Cumulative effect of a change in accounting principle	<u>—</u>	<u>—</u>	<u>1.0</u>	<u>—</u>
Net Income	<u>\$ 7.8</u>	<u>\$ 12.5</u>	<u>\$ 16.8</u>	<u>\$ 37.2</u>
Basic earnings per share of common stock:				
Income before cumulative effect of a change in accounting principle	\$ 0.32	\$ 0.44	\$ 0.69	\$ 1.35
Cumulative effect of a change in accounting principle	—	—	0.04	—
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.44</u>	<u>\$ 0.73</u>	<u>\$ 1.35</u>
Weighted average common shares - basic	<u>24.3</u>	<u>28.2</u>	<u>23.2</u>	<u>27.6</u>
Diluted earnings per share of common stock:				
Income before cumulative effect of a change in accounting principle	\$ 0.32	\$ 0.43	\$ 0.67	\$ 1.32
Cumulative effect of a change in accounting Principle	—	—	0.04	—
Diluted earnings per share	<u>\$ 0.32</u>	<u>\$ 0.43</u>	<u>\$ 0.71</u>	<u>\$ 1.32</u>
Weighted average common shares - diluted	<u>24.7</u>	<u>29.1</u>	<u>23.6</u>	<u>28.3</u>

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

	<u>12/31/02</u> <u>(audited)</u>	<u>9/30/03</u> <u>(unaudited)</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 59.6	\$ 54.9
Accounts receivable, net	42.2	53.3
VAT receivable	4.0	11.5
Prepaid expenses and other assets	21.6	25.4
Total current assets	<u>127.4</u>	<u>145.1</u>
Property and equipment, net	166.1	188.8
Goodwill, net	71.7	71.7
Intangible assets, net	56.0	62.2
Restricted cash and other assets	14.6	11.2
TOTAL ASSETS	<u>\$ 435.8</u>	<u>\$ 479.0</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 43.9	\$ 49.6
VAT payable	4.4	8.8
Debt maturing within one year and current capital lease obligations	10.8	3.5
Other current liabilities	11.9	15.1
Total current liabilities	<u>71.0</u>	<u>77.0</u>
Long-term debt and capital lease obligations	29.7	4.8
Other liabilities	25.4	28.2
TOTAL LIABILITIES	126.1	110.0
Minority interest	2.2	2.5
SHAREHOLDERS' EQUITY		
Common stock	0.3	0.3
Additional paid-in capital	446.2	468.0
Accumulated deficit	(139.0)	(101.8)
TOTAL SHAREHOLDERS' EQUITY	<u>307.5</u>	<u>366.5</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 435.8</u>	<u>\$ 479.0</u>

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Golden Telecom, Inc.
Condensed, Consolidated Statements of Cash Flows (unaudited)
(Amounts in millions)

	Nine Months Ended:	
	9/30/02	9/30/03
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 28.8	63.1
INVESTING ACTIVITIES		
Purchase of property, equipment and intangible assets	(16.6)	(42.8)
Acquisitions, net of cash acquired	(5.4)	(15.3)
Cash received from escrow account	3.0	—
Restricted cash	1.9	0.4
Proceeds from investments available for sale	11.0	—
Purchase of investments available for sale	(2.0)	—
Loan received from equity investee	10.0	—
Other investing	4.0	2.1
	5.9	(55.6)
NET CASH (USED BY) PROVIDED BY INVESTING ACTIVITIES		
FINANCING ACTIVITIES		
Repayments of debt	(9.0)	(31.1)
Net proceeds from exercise of employee stock options	3.8	20.3
Other financing	(1.2)	(1.4)
	(6.4)	(12.2)
NET CASH USED BY FINANCING ACTIVITIES		
Effects of exchange rate changes on cash and cash equivalents	(0.2)	—
Net (decrease) increase in cash and cash equivalents	28.1	(4.7)
Cash and cash equivalents at beginning of period	37.4	59.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 65.5	\$ 54.9

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

The following table presents our consolidated segment information for the last five quarters.

Consolidated Segment Information

Revenue	9/30/02	12/31/02	3/31/03	6/30/03	9/30/03
Business and Corporate Services	\$20.3	\$39.3	\$39.0	\$43.6	\$46.7
Carrier and Operator Services	18.3	28.3	29.8	26.8	32.9
Consumer Internet Services	5.2	6.2	7.1	7.2	7.2
Mobile Services	3.3	3.1	3.2	3.6	3.6
Corporate and Eliminations	(0.8)	(0.1)	(0.7)	(0.5)	(0.3)
Total Consolidated Revenue	<u>\$46.3</u>	<u>\$76.8</u>	<u>\$78.4</u>	<u>\$80.7</u>	<u>\$90.1</u>
Operating Income					
Business and Corporate Services	\$1.6	\$9.4	\$10.6	\$13.5	\$12.5
Carrier and Operator Services	6.9	6.7	7.2	4.9	6.9
Consumer Internet Services	(1.3)	(0.9)	(0.5)	(0.5)	(0.8)
Mobile Services	1.2	0.8	1.1	1.6	1.7
Corporate and Eliminations	(1.7)	(1.7)	(1.2)	(2.0)	(2.0)
Total Consolidated Operating Income	<u>\$6.7</u>	<u>\$14.3</u>	<u>\$17.2</u>	<u>\$17.5</u>	<u>\$18.3</u>
Operating Margin %	14.5%	18.6%	21.9%	21.7%	20.3%
Business and Corporate Services	7.9%	23.9%	27.2%	31.0%	26.8%
Carrier and Operator Services	37.7%	23.7%	24.2%	18.3%	21.0%
Consumer Internet Services	-25.0%	-14.5%	-7.0%	-6.9%	-11.1%
Mobile Services	36.4%	25.8%	34.4%	44.4%	47.2%

Reconciliation of consolidated EBITDA¹ to consolidated net income (unaudited)
(Amounts in millions)

	Three Months Ended:		Nine Months Ended:	
	<u>9/30/02</u>	<u>9/30/03</u>	<u>9/30/02</u>	<u>9/30/03</u>
EBITDA ¹	14.0	29.4	36.7	85.0
Depreciation and amortization	7.3	11.1	19.6	32.1
Operating Income	<u>6.7</u>	<u>18.3</u>	<u>17.1</u>	<u>52.9</u>
Other income (expense):				
Equity in earnings (losses) of ventures	3.3	—	3.8	—
Foreign currency gain (loss)	(0.1)	(0.1)	(0.6)	—
Interest expense, net	(0.2)	(0.1)	(0.3)	(0.9)
Minority interest	(0.2)	(0.1)	(0.4)	(0.3)
Total other expense	2.8	(0.3)	2.5	(1.2)
Income before income taxes	9.5	18.0	19.6	51.7
Income taxes	1.7	5.5	3.8	14.5
Income before cumulative effect of a change in accounting principle	<u>\$ 7.8</u>	<u>\$ 12.5</u>	<u>\$ 15.8</u>	<u>\$ 37.2</u>
Cumulative effect of a change in accounting principle	—	—	1.0	—
Net Income	<u>\$ 7.8</u>	<u>\$ 12.5</u>	<u>\$ 16.8</u>	<u>\$ 37.2</u>

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

The following table presents our business segment² information for the last five quarters.

Three months ended:	9/30/02	12/31/02	3/31/03	6/30/03	9/30/03
Business segment revenue:					
Business and Corporate Services	\$39.0	\$39.3	\$39.0	\$43.6	\$46.7
Carrier and Operator Services	29.4	28.2	29.9	26.9	32.9
Consumer Internet Services	5.2	6.2	7.1	7.2	7.2
Mobile Services	3.3	3.1	3.2	3.6	3.6
Corporate and eliminations	(0.7)	(0.1)	(0.7)	(0.5)	(0.3)
Total business segment revenue	76.2	76.7	78.5	80.8	90.1
Less: equity method ventures revenue	(34.7)	(1.1)	(1.2)	(1.1)	(1.2)
Affiliate adjustment	4.8	1.2	1.1	1.0	1.2
Consolidated revenue	\$46.3	\$76.8	\$78.4	\$80.7	\$90.1
Business segment EBITDA¹:					
Business and Corporate Services	\$13.3	\$14.0	\$15.1	\$18.0	\$17.4
Carrier and Operator Services	12.7	11.0	11.6	9.1	11.5
Consumer Internet Services	(0.5)	(0.1)	0.4	0.4	0.2
Mobile Services	1.8	1.6	1.8	2.3	2.4
Corporate and eliminations	(1.5)	(1.5)	(1.0)	(1.8)	(1.8)
Total business segment EBITDA ¹	25.8	25.0	27.9	28.0	29.7
Business segment depreciation and amortization:					
Business and Corporate Services	4.2	4.5	4.5	4.5	4.9
Carrier and Operator Services	4.1	4.3	4.2	4.3	4.5
Consumer Internet Services	0.8	0.8	0.9	0.9	1.0
Mobile Services	0.6	0.8	0.7	0.7	0.7
Corporate and eliminations	0.2	0.2	0.2	0.2	0.2
Total business segment depreciation and amortization	9.9	10.6	10.5	10.6	11.3
Business segment operating income					
Business and Corporate Services	9.1	9.5	10.6	13.5	12.5
Carrier and Operator Services	8.6	6.7	7.4	4.8	7.0
Consumer Internet Services	(1.3)	(0.9)	(0.5)	(0.5)	(0.8)
Mobile Services	1.2	0.8	1.1	1.6	1.7
Corporate and eliminations	(1.7)	(1.7)	(1.2)	(2.0)	(2.0)
Total business segment operating income	15.9	14.4	17.4	17.4	18.4
Less: equity method ventures operating income (loss)	(9.2)	(0.1)	(0.2)	0.1	(0.1)
Consolidated operating income	6.7	14.3	17.2	17.5	18.3
Equity in earnings (losses) of ventures	3.3	0.6	0.1	(0.1)	-
Foreign currency gain (loss)	(0.1)	(0.6)	0.2	-	(0.1)
Interest income (expense), net	(0.2)	(0.4)	(0.4)	(0.6)	(0.1)
Minority interest	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Income taxes	(1.7)	(0.8)	(4.2)	(4.8)	(5.5)
NET INCOME	\$7.8	\$13.0	\$12.8	\$11.9	\$12.5

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The following table presents selected operating data³ related to our consolidated and non-consolidated ventures at and for the periods shown:

	Three Months Ended:		
	<u>3/31/03</u>	<u>6/30/03</u>	<u>9/30/03</u>
Points of presence	149	149	149
Total contracts			
Business and Corporate Services	34,928	38,111	68,549⁵
Carrier and Operator Services	535	588	689
Dial-up Internet access subscribers ⁴	278,823	280,243	291,167
Total active cellular subscribers	35,308	36,314	36,861
Total employees – consolidated entities	1,753	1,812	2,117
Total employees – non-consolidated entities	116	127	132

Notes to data for Golden Telecom:

1. EBITDA is defined as operating income plus depreciation and amortization. This measure is not defined by generally accepted accounting principles (GAAP) and is a measure of a company performance commonly used in the telecommunications industry, but should not be construed as an alternative to operating income/(loss) determined in accordance with 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. A reconciliation of EBITDA to net income is included in the press release.
2. Business segment information is defined as the results of Golden Telecom, Inc. plus the results of 100% of Sovintel and a number of non-consolidated regional joint ventures for all periods referenced.
3. MCT Corp. is not included in the operating data shown.
4. 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.
5. The total number of contracts in the third quarter includes Sibchallenge for the first time. Sibchallenge has approximately 30,000 contracts, which are predominantly residential.