



FOR IMMEDIATE RELEASE

Golden Telecom achieved its first profitable quarter, with net income of \$6.2 million

MOSCOW, Russia (April 29, 2002)— Golden Telecom, Inc. (NASDAQ: “GLDN”) achieved its first quarterly net income in its history, with net income of \$6.2 million. This is reflected in the results of the company’s operations for the First Quarter of 2002.

Here are some of the highlights of First Quarter 2002 vs. First Quarter 2001:

- Consolidated revenue of \$36.4 million -- up 13 percent.
- Consolidated EBITDA¹ of \$11.3 million -- up 131 percent.
- Consolidated EBITDA¹ margin increased from 15 percent to 31 percent.
- Consolidated net income was \$6.2 million up from a net loss of \$3.9 million.
- Consolidated Data and Internet revenue of \$18.2 million -- up 32 percent.

“The achievement of our first quarterly net income is an unequivocal success,” said Alexander Vinogradov, Golden Telecom’s President and CEO, “this is a very important milestone in our corporate history. Less than three years has passed since our IPO and the fact that we achieved profitability in such a short time emphatically demonstrates that we chose the correct direction for our core strategic development, we established the right priorities and we concentrated our efforts on the critical areas of our business.”

“The first quarter, while seasonally our weakest period for revenue, proved to be the first period in which we achieved net income” commented David Stewart, Golden Telecom’s Chief Financial Officer, “We further strengthened our EBITDA¹ in the main business lines of our operations. Despite continued lower revenues from our Ukrainian operations, we achieved 13 percent growth compared to the first quarter of 2001, driven by an increase in data and Internet revenue. We expect our quarterly consolidated revenue to grow in the second quarter of this year.”

“The continued strong growth in our EBITDA is a result of a strong focus on cost management and improvements in efficiencies and this focus can be expected to continue. The impact of changes in US GAAP accounting standards relating to goodwill amortization will have a positive effect on our net income in 2002 of approximately \$2.9 million per quarter, plus a one-time benefit of \$1.0 million recorded in the first quarter of 2002. Absent these changes we would still have achieved our first profitable quarter,” added David Stewart.

Speaking about the future of the company, Alexander Vinogradov stated, “Our future outlook is very positive. Our strong market position as the leading CIS independent carrier, the number one Moscow voice and data provider and the top Russian Internet service provider assures us of a primary role in the development of the telecommunications industry in Russia and the CIS in the months and years to come.” Also touching on the status of the Sovintel transaction, Alexander Vinogradov added, “the closing process is continuing according to plan and we still expect to complete this deal in the second quarter of 2002.”

Golden Telecom (Ukraine)

In April 2002, a new General Director was appointed by the shareholders of Golden Telecom (Ukraine), per nomination by Golden Telecom, Inc. The new management of Golden Telecom (Ukraine) then consulted with representatives of the Ukrainian State Committee of Communications and senior officials at Ukrtelecom. Following the consultations, Golden Telecom (Ukraine) and Ukrtelecom announced at a joint press conference on April 17, 2002, that it is their mutual intention to continue to develop the Ukrainian telecommunications market in cooperation and to resolve their commercial disputes through negotiation rather than through litigation and court proceedings.

More First Quarter 2002 Results:

Consolidated revenues were \$36.4 million – up 13 percent compared to the first quarter of 2001, but down 1 percent compared to last quarter. The slight reduction in consolidated revenue was due to normal seasonal factors, partly as a result of several national holidays in Russia and the CIS that occur in the first quarter.

Data and Internet business line revenues were \$18.2 million – up 32 percent compared to the first quarter of 2001, but down 2 percent compared to last quarter, partly due to seasonal factors.

Internet subscribers increased to 191,688 – up 90 percent from 101,035 subscribers at the end of the first quarter of 2001, primarily due to the Cityline acquisition and organic growth. Subscribers increased 3 percent compared to last quarter, with average revenue per user continuing to increase.

Data and Internet EBITDA¹, as a percentage of data and Internet revenue, was 34 percent – up from 11 percent in the first quarter of 2001, and up from 29 percent last quarter.

CLEC revenues were \$10.7 million down slightly when compared to the first quarter of 2001, and compared to last quarter.

Long Distance business line revenues were \$4.3 million – down 7 percent compared to the first quarter of 2001, but up 2 percent compared to last quarter. The revenue in the first quarter of 2001 included an exceptional level of equipment sales.

Mobile Services revenues were \$3.3 million – down 6 percent compared with the first quarter of 2001, and also down 6 percent compared to last quarter.

Consolidated EBITDA¹ was \$11.3 million – up 131 percent from \$4.9 million in the first quarter of 2001, and up 13 percent compared to last quarter. Consolidated EBITDA¹, as a percentage of consolidated revenue was 31 percent, up from 15 percent in the first quarter of 2001, and up from 27 percent last quarter. This improvement reflects the continued success of our program of integration of our acquisitions and the drive to control costs.

The net income for the first quarter was \$6.2 million compared to a net loss of (\$29.7) million last quarter and compared to a net loss of (\$3.9) million reported in the first quarter of 2001. The improvement was in part due to the effects of new US accounting standards that became effective and were adopted by the company from January 1, 2002 and also in part as a result of reduced depreciation and amortization due to the impairment of assets in the fourth quarter of 2001. The impact of adopting SFAS 142 in 2002 is a reduction in goodwill amortization of approximately \$2.9 million per quarter. Additionally, there is a one-time benefit of \$1.0 million, which is reflected in the income statement as a cumulative effect of a change in accounting principle. Excluding this one-time benefit, our recurring net income was \$5.2 million.

Equity in earnings of ventures was \$1.7 million compared to equity in earnings of ventures of \$0.6 million in the first quarter of 2001. Golden Telecom's share of the loss from MCT Corp. was more than offset by the improved net income from Sovintel. As a result, net income per common share before dilution, in the first quarter of 2002 was \$0.28 compared to a net loss of (\$0.16) for the first quarter of 2001. The weighted-average number of shares outstanding decreased to 22.5 million compared to 24.5 million in the first quarter of 2001, largely due to the buyback of shares from Global TeleSystems, Inc.

Net income per common share assuming dilution, in the first quarter of 2002 was \$0.27 compared to a net loss of (\$0.16) for the first quarter of 2001. The diluted weighted average number of shares outstanding in the first quarter of 2002 was 22.7 million compared to 24.5 million in the first quarter of 2001.

Golden Telecom closed the first quarter of 2002 with a total of \$52.2 million in consolidated cash and investments held for sale.

About Golden Telecom (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, St. Petersburg and Nizhny Novgorod; data and long-distance services using a fiber optic and satellite-based network – including 145 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 ROL portal; and mobile services.

Statements made in this press release, including the growth of consolidated revenue and the proposed purchase of Sovintel, 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, political, economic and regulatory developments in Russia and Ukraine, our ability to execute our business plan, increasing competition that may limit growth opportunities, and the possibility that the Sovintel transaction described above may not be consummated. Additional information concerning factors that could cause results to differ materially from those in the forward looking statements is 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, 2001.

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

	Three Months Ended:	
	<u>3/31/01</u>	<u>3/31/02</u>
	(unaudited)	
Revenues	\$ 32.3	\$ 36.4
Operating costs and expenses:		
Access and network services	14.7	15.4
Selling, general and administrative	12.7	9.7
EBITDA ¹	4.9	11.3
Depreciation and amortization	9.7	6.0
Income/(loss) from operations	(4.8)	5.3
Other income/(expense):		
Equity in earnings of ventures	0.6	1.7
Foreign currency losses	(0.3)	(0.3)
Interest income/(expense), net	0.8	(0.1)
Minority interest	—	(0.1)
Total other income/(expense)	1.1	1.2
Income/(loss) before income taxes	(3.7)	6.5
Income taxes	0.2	1.3
Income/(loss) before cumulative effect of a change in accounting principle	(3.9)	5.2
Cumulative effect of a change in accounting principle	—	1.0
Net income/(loss)	\$ (3.9)	\$ 6.2
Basic earnings/(loss) per share of common stock:		
Income (loss) before cumulative effect of a change in accounting principle	(\$0.16)	\$0.24
Cumulative effect of a change in accounting principle	—	0.04
Basic earnings/(loss) per share	(\$0.16)	\$0.28
Weighted average common shares – basic	24.5	22.5
Diluted earnings/(loss) per share of common stock:		
Income (loss) before cumulative effect of a change in accounting principle	(\$0.16)	\$0.23
Cumulative effect of a change in accounting principle	—	0.04
Diluted earnings/(loss) per share	(\$0.16)	\$0.27
Weighted average common shares - diluted	24.5	22.7

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

	<u>12/31/01</u> <u>(audited)</u>	<u>3/31/02</u> <u>(unaudited)</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 37.4	\$ 47.2
Investments held for sale	9.0	5.0
Accounts receivable, net	21.9	26.8
Prepaid expenses and other assets	16.4	14.3
Total current assets	84.7	93.3
Property and equipment, net	98.6	98.1
Goodwill, net	18.7	17.4
Intangible assets, net	38.4	38.8
Investments in and advances to ventures	46.0	49.4
Restricted cash and other assets	14.0	10.9
TOTAL ASSETS	\$ 300.4	\$ 307.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 27.3	\$ 30.2
Debt maturing within one year and capital lease obligations	11.5	9.9
Other current liabilities	9.9	9.7
Total current liabilities	48.7	49.8
Long-term debt and capital lease obligations	10.7	10.4
Other liabilities	14.2	13.6
TOTAL LIABILITIES	73.6	73.8
Minority interest	6.0	6.0
SHAREHOLDERS' EQUITY		
Common stock	0.2	0.2
Treasury stock	(25.0)	(25.0)
Additional paid-in capital	414.4	415.5
Accumulated deficit	(168.8)	(162.6)
TOTAL SHAREHOLDERS' EQUITY	220.8	228.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 300.4	\$ 307.9

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

	Three Months Ended:	
	<u>3/31/01</u>	<u>3/31/02</u>
	(unaudited)	
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 3.2	7.7
INVESTING ACTIVITIES		
Purchase of property, equipment and intangible assets	(10.4)	(4.6)
Acquisitions, net of cash acquired	(0.3)	—
Restricted cash	0.2	1.4
Proceeds from investments available for sale	54.3	6.0
Purchase of investments available for sale	—	(2.0)
Other investing	(0.7)	2.3
NET CASH PROVIDED BY INVESTING ACTIVITIES	43.1	3.1
FINANCING ACTIVITIES		
Repayments of debt	(0.6)	(1.7)
Issuance of common stock	—	0.8
NET CASH USED IN FINANCING ACTIVITIES	(0.6)	(0.9)
Effects of exchange rate changes on cash and cash equivalents	(0.1)	(0.1)
Net increase/(decrease) in cash and cash equivalents	45.6	9.8
Cash and cash equivalents at beginning of period	57.9	37.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 103.5	\$ 47.2

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

In order to give the reader better insight into our consolidated line-of-business information, we revised our line-of-business information to reflect the elimination of intra-line-of-business revenues within each line-of-business. The following table presents each quarter of 2001 and the first quarter of 2002.

		Consolidated				
		Three months ended:				
		<u>3/31/01</u>	<u>6/30/01</u>	<u>9/30/01</u>	<u>12/31/01</u>	<u>3/31/02</u>
Revenues						
CLEC	\$	10.8	\$ 11.3	\$ 12.2	\$ 10.8	\$ 10.7
Data and Internet		13.8	14.3	16.5	18.6	18.2
Long distance		4.6	4.7	4.9	4.2	4.3
Mobile services		3.5	3.7	3.7	3.5	3.3
Eliminations	(	0.4	) ( 0.1)	(0.2)	(0.4)	(0.1)
Total revenues	\$	<u>32.3</u>	\$ <u>33.9</u>	\$ <u>37.1</u>	\$ <u>36.7</u>	\$ 36.4
EBITDA ¹						
CLEC	\$	5.4	\$ 5.3	\$ 6.0	\$ 4.9	\$ 5.4
Data and Internet		1.5	0.9	3.0	5.4	6.2
Long distance	(	0.2	) 0.4	0.4	0.1	0.1
Mobile services		0.7	1.1	1.3	1.1	1.2
Corporate	(	2.5	) ( 2.6)	(3.3)	(1.5)	(1.6)
Total EBITDA ¹	\$	<u>4.9</u>	\$ <u>5.1</u>	\$ <u>7.4</u>	\$ <u>10.0</u>	\$ 11.3

The following table shows our proportional line-of-business information.

		Proportional		
		Three Months Ended:		
		<u>3/31/01</u>	<u>12/31/01</u>	<u>3/31/02</u>
Revenues				
CLEC	\$	18.5	\$ 22.9	\$ 23.4
Data and Internet		13.4	16.8	16.8
Long distance		4.7	4.4	4.3
Mobile services		2.4	2.4	2.3
Total revenues	\$	<u>39.0</u>	\$ <u>46.5</u>	\$ 46.8
EBITDA ¹				
CLEC	\$	8.7	\$ 10.2	\$ 10.4
Data and Internet		1.5	4.9	6.2
Long distance		0.1	0.5	0.4
Mobile services		0.5	0.8	0.8
Corporate	(	2.5	) ( 1.5)	(1.6)
Total EBITDA ¹	\$	<u>8.3</u>	\$ <u>14.9</u>	\$ 16.2

The following table presents selected operating data⁴ related to our consolidated and non-consolidated ventures at and for the periods shown:

	Three Months Ended:		
	<u>3/31/01</u>	<u>12/31/01</u>	<u>3/31/02</u>
Points of presence	137	140	145
Total voice minutes (millions)			
Local	77.6	117.2	134.6
Domestic long distance	46.5	78.2	70.6
International outgoing	25.5	38.6	36.4
Incoming	73.2	52.8	55.3
Dial-up Internet access subscribers ⁵	101,035	185,628	191,688
Total active cellular subscribers	39,691	40,522	38,097
Total employees – consolidated entities	1,053	1,243	1,143
Total employees – non-consolidated entities	532	536	571

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

	Three Months Ended:	
	<u>3/31/01</u>	<u>3/31/02</u>
	<u>(unaudited)</u>	
Revenues	\$ 25.4	\$ 32.4
Operating costs and expenses:		
Access and network services	14.8	17.8
Selling, general and administrative	3.3	3.8
	7.3	10.8
EBITDA ¹	7.3	10.8
Depreciation	2.7	2.6
	4.6	8.2
Income from operations	4.6	8.2
Other income/(expense):		
Foreign currency gains/(losses)	0.1	(0.1)
Interest income/(expense), net	0.1	0.1
	0.2	—
Total other income/(expense)	0.2	—
Net income before income taxes	4.8	8.2
Income taxes	1.2	2.2
	3.6	6.0
Net income	\$ 3.6	\$ 6.0

There was no impact on the financial statements of EDN Sovintel, LLC from the adoption of Statements of Financial Accounting Standards No. 142 “Goodwill and Other Intangible Assets” from January 1, 2002.

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

	<u>12/31/01</u> (audited)	<u>3/31/02</u> (unaudited)
ASSETS		
Current assets		
Cash	\$ 16.8	\$ 20.1
Accounts receivable, net	14.5	16.9
Prepaid expenses and other current assets	14.1	11.3
Total current assets	<u>45.4</u>	<u>48.3</u>
Property and equipment, net	60.1	63.2
Other non-current assets	3.1	3.1
TOTAL ASSETS	<u>\$ 108.6</u>	<u>\$ 114.6</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 17.0	\$ 17.9
Other current liabilities	5.0	7.6
Total current liabilities	<u>22.0</u>	<u>25.5</u>
Other liabilities	3.2	3.7
TOTAL LIABILITIES	<u>25.2</u>	<u>29.2</u>
TOTAL MEMBERS' EQUITY	<u>83.4</u>	<u>85.4</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 108.6</u>	<u>\$ 114.6</u>

Notes to data for Golden Telecom and Sovintel:

1. EBITDA is earnings/(loss) from operations before interest, taxes, depreciation and amortization, impairment charge, 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 operating 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 Golden Telecom as of March 31, 2002. MCT Corp. is excluded from the calculation.
3. Proportional EBITDA¹ is calculated using the actual EBITDA¹ for each entity multiplied by the ownership percentage held by Golden Telecom as of March 31, 2002. MCT Corp. is excluded from the calculation.
4. MCT Corp. is not included in the operating data shown.
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.