

BALANCE SHEET

as of **June 30, 2007**
 Organization **OJSC CenterTelecom (MRC)**
 Taxpayer Identification Number **5000000970**
 Type of business **telecommunications services**
 Organizational-legal form/ form of ownership **mixed**
 Measurement unit **RUR in thousands**
 Address **Bld.2, 6, Degtiarny per., Moscow, 125993, Russia**

CODES	
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INN	5000000970
by OCVED	64.20
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Date of approval	
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ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	1 409	1 273
Fixed assets		120	120	31 482 470	30 706 275
Capital investments		130	130	2 241 669	3 179 545
Income bearing investments in tangible items		135	135	1 447	1 445
Long-term financial investments		140	140	1 672 181	1 291 515
<i>including:</i>					
investments in subsidiary companies			141	551 053	551 053
investments in affiliated companies			142	25	25
investments in other organizations			143	26 709	26 709
other long-term financial investments			144	1 094 394	713 728
Deferred tax assets		145	145	408 440	419 847
Other non-current assets		150	150	3 251 726	3 612 900
Total on section I		190	190	39 059 342	39 212 800

ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
II. CURRENT ASSETS					
Inventories		210	210	2 181 929	2 008 359
<i>including:</i>					
raw materials, auxiliaries и and other similar items		211	211	524 892	629 420
expenses of production in progress (circulation expenses)		213	213	50	
finished products and goods intended for resale		214	214	18 828	57 322
shipped products		215	215	530	418
deferred expenses		216	216	1 637 629	1 321 199
other inventories and expenses		217	217		
VAT on purchased items		220	220	903 879	568 257
Accounts receivable (payments expected later than 12 months after the reporting date)		230	230	7 717	4 852
<i>including:</i>					
buyers and customer accounts		231	231		
advanced payments made			232		
other debtors			233	7 717	4 852
Accounts receivable (payments expected within 12 months from the reporting date)		240	240	3 145 923	3 837 537
<i>including:</i>					
buyers and customer accounts		241	241	2 360 116	2 970 828
advanced payments made			242	116 725	213 155
other debtors			243	669 082	653 554
Short-term financial investments		250	250	1 194 061	1 099 307
Cash and cash equivalents		260	260	875 372	531 004
Other current assets		270	270	1 300	3 993
Total on section II		290	290	8 310 181	8 053 309
TOTAL ASSETS (sum of lines 190+290)		300	300	47 369 523	47 266 109

EQUITY AND LIABILITIES	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
III. CAPITAL AND RESERVES					
Charter capital		410	410	6 311 999	6 311 999
Additional capital		420	420	70 946	70 946
Reserves		430	430	64 985	167 377
Shares bought-out from shareholders		411	440		
Undistributed profit (not covered loss) of previous years		470	460	10 796 946	10 173 952
Undistributed profit (not covered loss) of the reporting year		470	470	X	1 773 585
Total on section III		490	490	17 244 876	18 497 859
IV. LONG-TERM LIABILITIES					
Loans and credits		510	510	17 412 971	17 415 176
<i>including:</i>					
credit facilities			511	3 028 077	3 463 863
loans			512	14 384 894	13 951 313
Deferred tax liabilities		515	515	1 124 593	1 271 328
Other long-term liabilities		520	520	1 449 011	1 010 918
Total on section IV		590	590	19 986 575	19 697 422
V. SHORT-TERM LIABILITIES					
Loans and credits		610	610	3 907 869	1 632 948
<i>including:</i>					
credit facilities			611	47 102	48 873
loans			612	3 860 767	1 584 075
Account payable		620	620	4 945 661	5 368 443
<i>including:</i>					
suppliers and contractors		621	621	3 568 289	3 212 011
advance payments received		625	622	425 147	418 097
debt to employees		622	623	1 587	333 734
debt to government out-of-budget funds		623	624	9 316	146 533
debt in respect of tax and duties		624	625	239 424	343 059
other creditors		625	626	701 898	915 009
Debt to participants (founders) for income payments		630	630	10 391	524 631
Deferred revenue		640	640	466 651	454 754
Deferred expenses provisions		650	650	680 930	1 080 492
Other short-term liabilities		660	660	126 570	9 560
Total on section V		690	690	10 138 072	9 070 828
TOTAL EQUITY AND LIABILITIES (sum of lines 490+590+690)		700	700	47 369 523	47 266 109

Summary on items accounted for using off-the-balance sheet accounts

Item description	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
Rented fixed items		910	901	2 614 350	2 610 687
including those under keasing terms		911	911	1 857 397	1 824 790
Goods and tangible items accepted for sale storage		920	902	135 053	1 496 064
Goods accepted for commission		930	903	7 788	7 956
Debt of insolvent debtors writteh off as a loss		940	904	591 608	599 068
Security received in respect of payments and obligations		950	905	8 998 488	8 990 096
Security provided to other parties in respect of payments and obligations		960	906	10 762 900	8 257 844
Housing facilities depreciation		970	907	14 056	13 665
Depreciation of external improvements items and other similar facilities		980	908	1 464	1 327
Means of payment in respect of telecommunications services			909	364 605	398 861

Summary of net assets value

Item description	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
Net assets			1000	17 711 527	18 952 613

General Director _____ V. A. Martirosyan
(signature) (name)

Chief Accountant _____ A. D. Kartashov
(signature) (name)

PROFIT AND LOSS ACCOUNT

for **the 1st half of 2007**
 Organization **OJSC CenterTelecom (MRC)**
 Taxpayer Identification Number **5000000970**
 Type of business **telecommunications services**

Organizational-legal form/ form of ownership **mixed**
 Measurement unit **RUR in thousands**

Form # 02 by OCUД
 Date (year, month, day)
 by OCPO
 INN
 by OCVED
 by OCOPF/OCFS
 by OCEI

CODES	
0710002	
2007.06.30	
01140111	
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384	

Item description	Notes	Item code	Line code	Over the reporting period	Over the same period of previous year
1	1a	2	2a	3	4
I. Operating revenues and expenses on ordinary activities					
Revenue (net) from sales of goods, products, works, services (net of VAT, excise duties and other mandatory payments) including revenue from sales of telecommunications services		010	010	15 754 458	13 366 103
			011	14 980 267	12 462 892
Costs of sold goods, products, works, services including: telecommunications services		020	020	(11 207 764)	(9 808 255)
			021	(10 831 230)	(9 278 765)
Profit (loss) from sales (lines 010-020)		050	050	4 546 694	3 557 848
II. OTHER REVENUES AND EXPENSES					
Interest to receive		060	060	7 559	8 084
Interest payable		070	070	(952 039)	(1 157 168)
Income from participation on other organizations		080	080	26 745	62
Other revenue		090	090	769 916	263 261
Other expenses		100	100	(1 833 495)	(1 022 368)
Pre-tax profit (loss) (lines 050+060-070+080+090-100)		140	140	2 565 380	1 649 719
Profit tax expenses (lines 151+152+153) including:			150	(791 795)	(564 296)
deferred tax liabilities		142	151	(147 540)	(79 152)
deferred tax assets		141	152	11 471	128 052
current profit tax		150	153	(781 905)	(613 196)
Profit tax on adjusted returns for past periods		151	154	126 179	
Net profit (loss) of reporting period (lines 140-150)		190	190	1 773 585	1 085 423
FOR REFERENCE					
Conditional profit tax expenses/income			201	(615 691)	(395 933)
Permanent tax liabilities		200	202	(176 104)	(168 363)
Permanent tax assets		200	203	0	0

Item description	Notes	Item code	Line code	Over the reporting period	Over the same period of previous year
1	1a	2	2a	3	4
Basic profit (loss) per share			301	X	X
Diluted profit (loss) per share			302	X	X

* to filled out in annual financial statements

Explanation of some profit and loss items

Item description	Item code	Line code	Over the reporting period		Over the same period of previous year	
			profit	loss	profit	loss
1	1a	2	3	4	5	6
Fines, damages and late payment charges accepted or for recovery of which relevant court (arbitration court) rulings were handed down		401	6 455	(269)	5 572	(14 684)
Profit (loss) of previous years		402	92 780	(88 484)	32 885	(26 761)
Indemnity of damages caused by non-performance or undue performance of obligations		403	4 003	(596)	2 524	(573)
Foreign currency translation adjustments (exchange rate differences)		404	129 195	(69 382)	40 695	(28 458)
Allocation to assessed reserves		405	152 586	(73 889)	154 416	(67 901)
Written-off accounts receivable and payable		406	5 019	(1 174)	3 096	(5 382)

General Director _____ V. A. Martirosyan
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July 30, 2007