

## BALANCE SHEET

			<b>CODES</b>
		Form 1 by OCUD	<b>0710001</b>
as on	<b>September 30, 2004</b>	Date (year, month, day)	2004.10.31
Organization	<b>JSC CenterTelecom (MRC)</b>	by OCPO	<b>01140111</b>
Taxpayer Identification Number	<b>5000000970</b>	INN (TIN)	5000000970
Type of business	<b>telecommunication services</b>	by OCVED	64.20
Organizational-legal form/form of ownership	<b>mixed</b>	by OCOPF/OCFS	<b>48/31</b>
Measurement unit:	<b>RUR in thousands</b>	by OCEI	<b>384</b>

Address: 6 Degtiarny Per., Building 2, GSP-3, Moscow, 125993, Russia

Date of approval  
Date of sending  
(receipt)

ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
<b>I. NON-CURRENT ASSETS</b>					
Intangible assets		110	110	49	82
Fixed assets		120	120	22,876,293	25,028,326
Capital investments		130	130	2,172,304	3,464,496
Income bearing investments in tangible items		135	135	1,877	1,471
Long-term financial investments including:		140	<b>140</b>	119,863	977,471
investments in daughter companies			141	91,135	954,703
investments in affiliates/associates			142	11,319	4,469
investments in other organizations			143	8,077	7,979
other long-term financial investments			144	9,332	10,320
Deferred tax assets		145	145	41,100	39,692
Other non-current assets		150	150	1,642,860	2,380,700
<b>Total for section I</b>		190	<b>190</b>	26,854,346	31,892,238

ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
<b>II. CURRENT ASSETS</b>					
Inventories		210	<b>210</b>	914,935	1,175,288

<i>including:</i> raw material, auxiliaries and other similar items	211	211	600,348	692,258
expenses of production in progress (circulation expenses)	213	213	754	627
finished products and goods intended for resale	214	214	28,848	31,658
shipped products	215	215	472	254
deferred expenses	216	216	284,513	450,491
other inventories and expenses	217	217	,	,
VAT on purchased items	220	220	1,477,023	1,481,110
Accounts receivable (payments expected later than 12 months after the reporting date)	230	<b>230</b>	59,440	52,832
<i>including:</i> buyers and customer accounts	231	231	,	249
advance payments made		232	28,927	23,426
other debtors		233	30,513	29,157
Accounts receivable (payments expected within 12 months from the reporting date)	240	<b>240</b>	2,357,538	3,932,634
<i>including:</i> buyers and customer accounts	241	241	1,732,449	1,900,202
advance payments made		242	213,062	356,493
other debtors		243	412,027	1,675,939
Short-term financial investments	250	250	24,486	1,863,824
Cash and equivalents	260	260	1,015,270	640,986
Other current assets	270	270	941	1,156
<b>Total on section II</b>	290	<b>290</b>	5,849,633	9,147,830
<b>Grand total (sum of lines 190+290)</b>	300	<b>300</b>	32,703,979	41,040,068

LIABILITIES		Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
<b>III. CAPITAL AND RESERVES</b>					
Charter (legal) capital		410	410	631,200	631,200
Additional capital		420	420	6,332,963	6,331,697
Reserves		430	430	31,560	31,560
Shares bought-out from shareholders		411	440		
Undistributed profit (not covered loss) of previous years		470	460	8,064,972	7,718,900
Undistributed profit (not covered loss) of the reporting year		470	470	X	5,096
<b>Total on section III</b>		490	<b>490</b>	15,060,695	14,718,453

<b>IV. LONG-TERM LIABILITIES</b>					
Loans and credits	510	<b>510</b>	6,727,159	10,631,619	
<i>including:</i>					
credit facilities		511	3,963,900	2,496,834	
loans		512	2,763,259	8,134,785	
Deferred tax liabilities	515	515	392,808	547,040	
Other long-term liabilities	520	520	2,221,587	2,256,691	
<b>Total on section IV</b>	590	<b>590</b>	9,341,554	13,435,350	
<b>V. SHORT-TERM LIABILITIES</b>					
Loans and credits	610	<b>610</b>	3,988,610	6,610,589	
<i>including:</i>					
credit facilities		611	3,283,624	3,819,675	
loans		612	704,986	2,790,914	
Accounts payable	620	<b>620</b>	3,833,299	5,588,278	
<i>including:</i>					
suppliers and contractors	621	621	2,061,364	3,140,804	
advance payments received	625	622	402,626	568,902	
debt to employees	622	623	166,406	203,759	
debt to government out-of-budget funds	623	624	79,671	95,900	
debt in respect of tax and duties	624	625	520,210	735,254	
other creditors	625	626	603,022	843,659	
Debt to participants (founders) for income payments	630	630	15,323	202,373	
Deferred revenue	640	640	464,498	485,025	
Deferred expense provisions	650	650			
Other short-term liabilities	660	660			
<b>Total on section V</b>	690	<b>690</b>	8,301,730	12,886,265	
<b>GRAND TOTAL</b> (sum of lines 490+590+690)	700	<b>700</b>	32,703,979	41,040,068	

### Summary of items posted to 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	1,208,438	1,153,283
including those under leasing terms		911	911	846,547	749,871
Goods and tangible items accepted for safe storage		920	902	9,383	197,327
Goods accepted for commission		930	903	1,767	5,925
Debt of insolvent debtors written off as a loss		940	904	301,871	296,742
Security received in respect of payments and obligations		950	905	2,752,925	7,991,151

Security provided to other parties in respect of payments and obligations	960	906	9,134,084	10,950,986
Housing facilities depreciation	970	907	28,217	28,207
Depreciation of external improvement items and other similar facilities	980	908	1,010	1,139
Means of payment in respect of telecommunications services		909	60,807	94,031

### Summary of net asset value

Item description		Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
			1000	15,525,193	15,203,478

Chief Executive \_\_\_\_\_ R. Amaryan  
(signature) (name)

Chief Accountant \_\_\_\_\_ R. Konstantinova  
(signature) (name)

October 29, 2004

**PROFIT AND LOSS ACCOUNT  
(INCOME STATEMENT)**

for **9 months of 2004**

Organization **JSC CenterTelecom  
(MRC)**

Taxpayer Identification Number **5000000970**

Type of business **telecommunication  
services**

Organizational-legal form/form  
of ownership **mixed**

Measurement unit: **RUR in thousands**

		CODES
Form 2 by OCU		0710002
Date (year, month, day)		2004.10.31
by OCPO		01140111
INN (TIN)		5000000970
by OCVED		64.20
by OCOPF/OCFS		48/31
by OCEI		384

Item description	Notes	Item code	Line code	Over the reporting period	Over the same period previous year
1	1a	2	2a	3	4
<b>I. Operating revenues and expenses on ordinary activities</b>					
Revenue (net) from sales of goods, products, works, services (net of VAT, excise duties and other mandatory payments)		010	010	17,987,158	14,873,452
including from sales of telecommunications services			011	17,726,796	14,634,880
Costs of sold goods, products, works, services		020	020	(14,417,030)	(10,811,971)
including: telecom services			021	(14,270,339)	(10,642,240)
<b>Profit (loss) from sales (line 010 less line 020)</b>		050	<b>050</b>	3,570,128	4,061,481
<b>II. OPERATING REVENUE AND EXPENSES</b>					
Interest to receive		060	060	47,502	3,081
Interest payable		070	070	(1,231,425)	(604,154)
Income from participation in other organizations		080	080	616	367
Other operating revenue		090	090	345,844	665,970
Other operating expenses		100	100	(1,427,919)	(1,529,369)
<b>III. NON-SALES REVENUE AND EXPENSES</b>					
Non-sales revenue		120	120	282,814	292,732
Non-sales expenses		130	130	(1,253,078)	(983,860)
<b>Pre-tax profit (loss) (lines 050+060-070+080+090-100+120-130)</b>		140	<b>140</b>	334,482	1,906,248
<b>Profit tax expenses (lines - 151+152-153), including:</b>			<b>150</b>	(329,650)	(608,144)
deferred tax liabilities		142	151	(154,433)	(83,394)
deferred tax assets		141	152	(1,408)	(3,276)
Current profit tax		150	153	(173,809)	(521,474)
<b>Operating profit (loss) (line 140-less line 150)</b>			<b>160</b>	4,832	1,298,104

<b>IV. EXTRAORDINARY INCOME AND EXPENSES</b>					
Extraordinary income		170		518	2,547
Extraordinary expenses		180		(254)	(5,948)
<b>Earnings (undistributed profit (loss) in the reporting period) (lines 160+170-less line 180)</b>		<b>190</b>	<b>190</b>	<b>5,096</b>	<b>1,294,703</b>
<b>FOR REFERENCE</b>					
Conditional profit tax expense/income		201		(80,339)	(456,684)
Permanent tax liabilities		200	202	(249,311)	(151,460)
Permanent tax assets		200	203		

Item description	Notes	Item code	Line code	Over the reporting period	Over the same period 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 be 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 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	14,023	(25,578)	13,377	(14,459)
Profit (loss) of previous years		402	28,446	(69,104)	14,557	(44,537)
Indemnity of damages caused by non-performance or undue performance of obligations		403	4,492	(1,735)	2,857	(892)
Foreign currency translation adjustments		404	162,870	(125,635)	193,213	(235,807)
Allocations to assessed reserves		405	47,233	(604,201)	13,886	(454,947)
Written-off accounts receivable and payable		406	1,260	(3,052)	694	(1,469)

Chief Executive \_\_\_\_\_ R. Amaryan  
(signature) (name)

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October 29, 2004