

QUATERLY REPORT

Open Joint Stock Company "VolgaTelecom"

The issuer's code:

0 0 1 3 7 - A

For quarter I of 2006

*The issuer's location: Russian Federation, 603000,
Nizhny Novgorod city, M.Gorky square, Dom Svyazi*

The information contained in this quarterly report is subject to disclosure in accordance with Russian Federation legislation on securities

Acting General Director	_____	/ M.V. Dyakonov /
	signature	Name
Date May 12, 2006.		
Chief accountant	_____	/ N.I. Popkov /
	signature	Name
Date May 12, 2006.		
	LS	

Contact person: Expert of 1-st category Mrs. Mironova Elena Petrovna
Phone: (8312) 34 22 10
Fax: (8312) 30 67 68
E-mail: gd@vt.ru
The address of Internet web-site(s) where the information contained in this quarterly report is disclosed: http://www.vt.ru/?id=312

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Introduction

a) Full and abbreviated brand name of the issuer:

Full brand name of the issuer:

Открытое акционерное общество «ВолгаТелеком»

Full brand name of the issuer in English:

Open Joint Stock Company "VolgaTelecom"

Abbreviated brand name of the issuer: *ОАО «ВолгаТелеком»*

Abbreviated brand name of the issuer in English: *OJSC "VolgaTelecom"*

b) The issuer's location:

Russian Federation, 603000, Nizhny Novgorod city, M.Gorky sq., Dom Svyazi

c) The issuer's contact telephone numbers and e-mail address:

Phone: *(831 2) 33 20 47; 34 30 55*

Fax: *(831 2) 30 67 68*

E-mail: gd@vt.ru

d) The address of the web site in the Internet where the complete text of the issuer's quarterly report is published:

<http://www.vt.ru/?id=312>

e) Basic data on the issuer's circulating securities:

1. Type of securities: *shares*

Category (kind): *ordinary*

The quantity of placed securities: *245 969 590*

Face value of one valuable paper: *5 rubles*

Other information:

Method and period of placement:

Method of placement: *distribution between the stockholders*

Period of placement (effective date, end date of the placement or the procedure of their determination):

From 15.10.1996 to 15.10.1996.

Method and period of placement:

Method of placement: *conversion at reorganization*

Period of placement (effective date, end date of the placement or the procedure of their determination):

From 30.11.2002 to 30.11.2002

By instruction № 03 – 2697/p of 14.11.2003 of Russia's FCSM additional issues of the issuer's issuing securities were consolidated, which resulted in the assignment to the issues of ordinary nominal paperless shares of state registration number 1 – 01 – 00137 – A of November 14, 2003.

2. Type of securities: *shares*

Category (kind): *preferred A type*
The quantity of placed securities: *81 983 404*
Face value of one valuable paper: *5 rubles*

Other information:

Method and period of placement:

Method of placement: *distribution between the stockholders*

Period of placement (effective date, end date of the placement or the procedure of their determination):

From 15.10.1996 to 15.10.1996.

Method and period of placement:

Method of placement: *conversion at reorganization*

Period of placement (effective date, end date of the placement or the procedure of their determination):

From 30.11.2002 to 30.11.2002

By instruction № 03 – 2697/p of 14.11.2003 of Russia’s FCSM additional issues of the issuer’s issuing securities were consolidated, which resulted in the assignment to the issues of preferred nominal, paperless shares of state registration number 2 – 01 – 00137 – A of November 14, 2003.

3. Type of securities: *bonds*

Series: *BT - 2*

The quantity of placed securities: *3 000 000*

Face value of one valuable paper: *1 000 rubles*

Other information:

Method and period of placement:

Method of placement: *public offering*

Period of placement (effective date, end date of the placement or the procedure of their determination): *from 06.12.2005 to 06.12.2005*

Offering price or the procedure of its determination: *1 000 rubles.*

Security kind: *Guarantee*

The entity that provided the security:

Limited Liability Company “Volga-Finance”

4. Type of securities: *bonds*

Series: *BT - 3*

The quantity of placed securities: *2 300 000*

Face value of one valuable paper: *1 000 rubles*

Other information:

Method and period of placement:

Method of placement: *public offering*

Period of placement (effective date, end date of the placement or the procedure of their determination): *from 06.12.2005 to 06.12.2005*

Offering price or the procedure of its determination: *1 000 rubles.*

Security kind: **Guarantee**
The entity that provided the security:
Limited Liability Company "Volga-Finance"

5. Type of securities: **bonds**
Series: **1 - C**
The quantity of placed securities: **143 440**
The face value of one valuable paper: **100 rubles**

6. Type of securities: **bonds**
Series: **2 - C**
The quantity of placed securities: **6 218**
The face value of one valuable paper: **3 000 rubles**

7. Type of securities: **bonds**
Series: **3 - C**
The quantity of placed securities: **3 229**
The face value of one valuable paper: **2 000 rubles**

8. Type of securities: **bonds**
Series: **4 - C**
The quantity of placed securities: **5 967**
The face value of one valuable paper: **2 500 rubles**

9. Type of securities: **bonds**
Series: **5 - C**
The quantity of placed securities: **800**
The face value of one valuable paper: **700 rubles**

10. Type of securities: **bonds**
Series: **6 - C**
The quantity of placed securities: **1 499**
The face value of one valuable paper: **1 400 rubles**

11. Type of securities: **bonds**
Series: **1 - Y**
The quantity of placed securities: **18 246**
The face value of one valuable paper: **100 rubles**

12. Type of securities: **bonds**
Series: **2 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

13. Type of securities: **bonds**
Series: **3 - Y**

The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

14. Type of securities: **bonds**
Series: **4 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

15. Type of securities: **bonds**
Series: **5 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

16. Type of securities: **bonds**
Series: **6 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

17. Type of securities: **bonds**
Series: **7 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

18. Type of securities: **bonds**
Series: **8 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

19. Type of securities: **bonds**
Series: **9 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

20. Type of securities: **bonds**
Series: **10 - Y**
The quantity of placed securities: **500**
The face value of one valuable paper: **2 000 rubles**

Other information:

Series: **1-C -- 6-C; 1-Y -- 10-Y;**
Series 1-C -- 6-C – the bonds of Saratov branch
Series 1-Y -- 10-Y – the bonds of Ulyanovsk branch

Method and period of placement:

Method of placement: **conversion at reorganization**

Period of placement (effective date, end date of the placement or the procedure of their determination):

From 30.11.2002 to 30.11.2002

Terms and conditions of the security: ***no security***

In the reporting quarter the issuer did not float the securities.

The present quarterly report contains the estimations and forecasts of the issuer's authorized management bodies as regards future events and/or actions, prospects of development of the industry in which the issuer executes its core activity and the results of the issuer's activity, including the issuer's plans, probability of occurrence of certain events and making certain actions. The investors should not completely rely on the estimations and forecasts of the issuer's management bodies, as the actual results of the issuer's activity in the future may differ from the forecasted results for many reasons. The acquisition of the issuer's securities is connected with the risks described in the present quarterly report.

I. Brief data on persons forming the issuer's management bodies structure, data on bank accounts, on auditor, appraiser and on the issuer's financial adviser, and also on other persons who signed the quarterly report

1.1. Persons, forming the issuer's management bodies structure

1.1.1. The issuer's collegial management body: **the Board of directors**

Individual structure of the issuer's Board of directors:

Chairman: *Belyaev Konstantin Vladimirovich*

Year of birth: *1968*

Member of the Board of directors:

Andreev Vladimir Alexandrovich

Year of birth: *1951*

Bobin Maxim Victorovich

Year of birth: *1975*

Bulancha Sergey Anatolievich

Year of birth: *1959*

Grigorieva Alla Borisovna

Year of birth: *1967*

Degtyarev Valeryi Victorovich

Year of birth: *1957*

Kuznetsov Sergey Ivanovich

Year of birth: *1953*

Kulikov Denis Victorovich

Year of birth: *1975*

Slizen Vitalyi Alexandrovich

Year of birth: *1970*

Fedorov Oleg Romanovich

Year of birth: *1968*

Chernogorodskiyi Sergey Valerievich

Year of birth: *1977*

1.1.2. The issuer's collegial executive body: **Management board**

Individual structure of the issuer's Management board:

Chairman of the Management board: *Omelchenko Sergey Valerievich*

Year of birth: *1963*

Members of the Management board:

Astakhova Svetlana Leonidovna

Year of birth: *1974*

Ganeeva Alla Albertovna

Year of birth: *1951*

Dyakonov Mikhail Vasilievich

Year of birth: *1954*

Kormilitsyna Lyudmila Alexeevna

Year of birth: *1955*

Petrov Mikhail Victorovich

Year of birth: *1973*

Pozdnyakov Denis Vyacheslavovich

Year of birth: **1976**

Popkov Nikolai Ivanovich

Year of birth: **1973**

1.1.3. The issuer's single executive body: **General Director**

The person who holds the post of the issuer's single executive body:

Omelchenko Sergey Valerievich

Year of birth: **1963**

1.2 Data on the issuer's bank accounts

The data are provided in regard to at least 10 settlement and other accounts of the issuer that are considered by the issuer to be its GL accounts.

The list of accounts of OJSC “VolgaTelecom” General directorate

№	Account number	TIN	Bank	BIC	Corresponding account №	The bank’s department where the account is established. Location.	Currency	Account category
	General directorate							
1	40702810142020002011	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	RUR	Expense
2	40702810442020001796	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	RUR	Receipts
3	40702810642020400003	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	RUR	Expense
4	40702978342020000276	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	EUR	Current, currency
5	40702978142020200276	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	EUR	Transit, currency
6	40702840742020000276	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	USD	Current, currency
7	40702840542020200276	7707083893	Russian Federation Joint Stock Commercial Savings Bank (open joint stock company), Volgo-Vyatskiy bank of RF Savings Bank	42202603	30101810900000000603	Operational Department of Volgo-Vyatskiy bank of RF SB in Nizhny Novgorod city, 603005, Oktyabrskaya str., 35	USD	Transit, currency
8	40702840800010369714	7710030411	Closed Joint Stock Company “International Moscow Bank”, CJSC “International Moscow Bank”	44525545	30101810300000000545	Representation office of CJSC “International Moscow Bank” in Nizhny Novgorod city, 603155, Nizhny Novgorod city, Semashko str., 12	USD	Current, currency
9	40702810200010369713	7710030411	Closed Joint Stock Company “International Moscow Bank”, CJSC “International Moscow Bank”	44525545	30101810300000000545	Representation office of CJSC “International Moscow Bank” in Nizhny Novgorod city, 603155, Nizhny Novgorod city, Semashko str., 12	RUR	Expense
10	40702840100010369715	7710030411	Closed Joint Stock Company “International Moscow Bank”, CJSC	44525545	30101810300000000545	Representation office of CJSC “International Moscow Bank” in	USD	Transit, currency

			"International Moscow Bank"			Nizhny Novgorod city, 603155, Nizhny Novgorod city, Semashko str., 12		
11	4070281080000001352	7744001497	Joint stock bank of gas industry "GAZPROMBANK" (closed joint stock company), Branch of Joint Stock Bank "Gazprombank" (CJSC)	42202764	3010181070000000764	Branch of Joint Stock Bank "Gazprombank" (CJSC) in Nizhny Novgorod city, 603005, Piskunov str., 3/5	RUR	Expense
12	40702840224000011872	7702070139	Bank of foreign trade (open joint stock company), OJSC "Vneshtorgbank"	42202837	30101810200000000837	Nizhny Novgorod branch of OJSC "Vneshtorgbank", 603950, GSP 78, Reshetnikovskaya str., 4	USD	Current, currency
13	40702978824000011872	7702070139	Bank of foreign trade (open joint stock company), OJSC "Vneshtorgbank"	42202837	30101810200000000837	Nizhny Novgorod branch of OJSC "Vneshtorgbank", 603950, GSP 78, Reshetnikovskaya str., 4	EUR	Current, currency
14	40702840324000021872	7702070139	Bank of foreign trade (open joint stock company), OJSC "Vneshtorgbank"	42202837	30101810200000000837	Nizhny Novgorod branch of OJSC "Vneshtorgbank", 603950, GSP 78, Reshetnikovskaya str., 4	USD	Transit, currency
15	40702978924000021872	7702070139	Bank of foreign trade (open joint stock company), OJSC "Vneshtorgbank"	42202837	30101810200000000837	Nizhny Novgorod branch of OJSC "Vneshtorgbank", 603950, GSP 78, Reshetnikovskaya str., 4	EUR	Transit, currency
16	40702810924000011872	7702070139	Bank of foreign trade (open joint stock company), OJSC "Vneshtorgbank"	42202837	30101810200000000837	Nizhny Novgorod branch of OJSC "Vneshtorgbank", 603950, GSP 78, Reshetnikovskaya str., 4	RUR	Receipts
17	4070281080000001038	7710301140	Inter-regional commercial bank of communication and informatics development (open joint stock company), (OJSC JSCB "Svyaz-Bank")	44525848	30101810900000000848	OJSC JSCB "Svyaz-Bank" 125375, Moscow, Tverskaya str., 7	RUR	Receipts- expense

1.3. Data on the issuer's auditor (auditors)

1.3.1 Full brand name:

Limited Liability Company "Ernst & Young"

Abbreviated brand name: **LLC "Ernst & Young"**

Location: **115035, Moscow, Sadovnicheskaya Nab., 77, building 1**

Phone: **(495) 705-97-00** Fax: **(495) 755-97-01**

E-mail: moscow@ru.ey.com

Data on the auditor's license:

License number: **№ E002138, approved by Russian Federation Ministry of Finance order № 223 of September 30, 2002.**

Date of issue: **30.09.2002**

Validity term: **till 30.09.2007.**

The body that issued the license: **Russian Federation Ministry of Finance**

Fiscal year for which the auditor carried out independent check of bookkeeping and financial (accounting) statement of the issuer: **RAS accounting statement for 2005.**

The factors that may affect the independence of the auditor from the issuer: **There are no such factors.**

The information on availability of material interest connecting the auditor (the auditor's officials) with the issuer (the issuer's officials):

Availability of the auditor's participation shares (the auditor's officials) in the issuer's charter capital: **none.**

Provision of borrowings to the auditor (the auditor's officials) by the issuer: **none.**

Availability of close business relations and also of kindred relations: **none.**

Data on the issuer's officials being simultaneously the auditor's officials: **There are no such persons.**

The procedure of the issuer's auditor election:

Availability of tender procedure related to the auditor election:

Starting since 2006 fiscal year the procedure of the auditor election is regulated by "Provision on the procedure of holding tender of electing an auditor" for obligatory check of accounting bookkeeping and financial reporting of OJSC "VolgaTelecom". In 2004 and 2005 there was no such procedure.

The procedure of nominating the auditor's candidacy for the approval by the stockholders meeting:

The auditor's candidacy is preliminary approved by the issuer's Committee for Audit. Then, the auditor's candidacy is approved by the issuer's Board of directors and is included into the agenda of the annual general meeting of stockholders. The auditor is elected by voting at the annual general meeting of stockholders.

Information about the activities carried out by the auditor within special audit engagements:

The auditor carried out the activities under services contracts of audit of bookkeeping and accounting statement; of audit of correctness of preparation of IFRS reports; of audit of IFRS reports of affiliated companies; of audit of calculations of pension liabilities.

In regard to accounting and financial statement for year 2005 the following audit procedures were conducted:

- Of Russian accounting statement drawn up in accordance with the requirements of RF legislation,

- Of the Issuer's consolidated financial statement drawn up in accordance with the requirements of International Financial Reporting Standards.

The procedure of determination of the auditor's fee size: **the size of the fee for the auditor's services is determined by the Company's Board of directors (in accordance with Federal Law "On joint stock companies", Article 65, item 10) and is included into the contract. The size of the fee is calculated on the basis of hourly rates of the adviser's employees depending on the employees' category and time spent by the employees to render these services.**

Information about availability or lack of deferred and delayed payments for the services rendered by the auditor:

There are no deferred and delayed payments for the services rendered by the auditor.

1.3.2. Full brand name:

Closed Joint Stock Company “Ernst & Young Vneshaudit”

Abbreviated brand name: ***CJSC “Ernst & Young Vneshaudit”***

Location: ***115035, Moscow, Sadovnicheskaya Nab., 77, building 1***

TIN: ***7717025097***

Phone: ***(095) 705-97-00*** Fax: ***(095) 755-97-01***

E-mail: ***moscow@ru.eyi.com***

Data on the auditor’s license:

License number: ***E003246***

Date of issue: ***17.01.2003***

Validity term: ***till 17.01.2008***

The body that issued the license: ***Russian Federation Ministry of Finance***

Fiscal year for which the auditor carried out independent check of bookkeeping and financial (accounting) statement of the issuer: ***RAS accounting statement for 2003, IFRS consolidated financial statement for 2003; RAS accounting statement for 2004, IFRS consolidated financial statement for 2004.***

The factors that may affect the independence of the auditor from the issuer: ***There are no such factors.***

The information on availability of material interest connecting the auditor (the auditor’s officials) with the issuer (the issuer’s officials):

Availability of the auditor’s participation shares (the auditor’s officials) in the issuer’s charter capital: ***none.***

Provision of borrowings to the auditor (the auditor’s officials) by the issuer: ***none.***

Availability of close business relations and also of kindred relations: ***none.***

Data on the issuer’s officials being simultaneously the auditor’s officials: ***There are no such persons.***

The measures taken by the issuer and the auditor to reduce the impact of the said factors:

Due to the lack of factors that may affect the independence of the auditor from the issuer these measures were not taken. The basic measure being taken by the Issuer to prevent the occurrence of the said factors is the inclusion of provisions of independence of the auditor from the issuer into terms and conditions of audit services contract.

The procedure of the issuer’s auditor election:

Availability of tender procedure related to the auditor election:

Starting since 2006 fiscal year the procedure of the auditor election is regulated by “Provision on the procedure of holding tender of electing an auditor” for obligatory check of accounting bookkeeping and financial reporting of OJSC “VolgaTelecom”. In 2004 and 2005 there was no such procedure.

The procedure of nominating the auditor’s candidacy for the approval by the stockholders meeting:

The auditor’s candidacy is preliminary approved by the issuer’s Committee for Audit. Then, the auditor’s candidacy is approved by the issuer’s Board of directors and is included into the agenda of the annual general meeting of stockholders. The auditor is elected by voting at the annual general meeting of stockholders.

Information about the activities carried out by the auditor within special audit engagements:

The auditor carried out the activities under services contract of audit of correctness of preparation of IFRS reports; under services contract of audit IFRS reports of affiliated companies; under services contract of audit of calculations of pension liabilities; under services contract of audit of IFRS accounting of fixed assets.

The procedure of determination of the auditor’s fee size: ***the size of the fee for the auditor’s services is determined by the Company’s Board of directors (in accordance with Federal Law***

“On joint stock companies”, Article 65, item 10) and is included into the contract. The size of the fee is calculated on the basis of hourly rates of the adviser’s employees depending on the employees’ category and time spent by the employees to render these services.

Information about availability or lack of deferred and delayed payments for the services rendered by the auditor:

There are no deferred and delayed payments for the services rendered by the auditor.

1.4. Data on the issuer’s appraiser

In regard to the appraiser (appraisers) being involved (involved) by the issuer to determine the market price of securities:

During the reporting quarter the issuer did not involve the appraiser

- to determine the market price of securities being placed and of placed securities in circulation;

- to reassess the cost of fixed assets or real property assets.

Data on the appraiser involved in reassessment of fixed assets of the issuer for the last 5 accomplished fiscal years:

During the last 5 accomplished fiscal years the issuer did not involve the appraiser in reassessment of fixed assets and real property assets.

1.5. Data on the issuer’s advisers

Financial adviser that renders consulting services related to securities issue to the issuer on the basis of contract:

Full brand name: ***Closed Joint Stock Company “Investment company AVK”***

Abbreviated brand name: ***CJSC “IC AVK”***

The adviser’s location: ***Russia, St.Petersburg, Pushkin town, Uritsky’s pavilion, building 1***

Phone: ***(812) 230-77-33***

Fax: ***(812) 237-06-50***

The address of the web site in the Internet that is used by the financial adviser to disclose the information about the issuer: ***www.avk.ru***

The licenses of professional participant of securities market:

For brokerage activity

Number: ***178-03255-100000***

Date of issue: ***29.11.2000***

Validity term: ***without limitation of the validity term***

The body that issued the license: ***Russia’s FCSM***

For dealer’s activity

Number: ***178-03343-010000***

Date of issue: ***29.11.2000***

Validity term: ***without limitation of the validity term***

The body that issued the license: ***Russia’s FCSM***

The services being rendered (rendered) by the adviser:

In accordance with consulting services contract concluded by and between OJSC “VolgaTelecom” and CJSC “IC AVK”, the financial adviser renders the following services to the Issuer:

1) Preparation of documents required for state registration of bonds issue, including:

- *Preparation of the texts of resolutions on OJSC “VolgaTelecom” bonds issue for registration with authorized registration body.*
 - *Preparation of the text of OJSC “VolgaTelecom” securities Offering memorandum for registration with authorized registration body.*
 - *Preparation of the texts of reports on the results of OJSC “VolgaTelecom” bonds issue for registration with authorized registration body.*
2. *Counseling of OJSC “VolgaTelecom” on the issues related to the adoption by its authorized bodies of all the resolutions required for organization of bonds issues in accordance with Russian Federation legislation and disclosure by the Company of information relative to organization of bonds issues.*
 3. *Counseling of OJSC “VolgaTelecom” on the issues of preparing a package of documents for registration of the resolutions on bonds issue, securities Offering memorandum and reports on the results of bonds issue.*
 4. *Signature by OJSC “VolgaTelecom” of securities Offering memorandum;*
 5. *Implementation of verification of disclosure by OJSC “VolgaTelecom” of information about adoption of resolution on placement and about the approval of resolution on bonds issue to comply with the requirements of federal laws and regulations of the authorized registration body;*
 6. *Signature of the reports on the results of securities issue.*

Data on other advisers the disclosure of which, by the issuer’s opinion, is essential for making the decision on acquisition of the issuer’s securities:

During the reporting quarter the issuer did not involve such advisers.

1.6. Data on other persons signed this quarterly report

There are no other persons who signed this quarterly report.

II. Basic information on the issuer's financial-economic standing

2.1. Performances of the issuer's financial-economic activity

Performances characterizing the Issuer's financial standing:

Description	Performance value in the reporting period				
	31.12.01	31.12.02 *	31.12.03	31.12.04	31.12.05
The issuer's net assets value, thousand rubles	2 614 346	11 713 353	13 163 440	14 822 820	16 515 274
Ratio of borrowed funds amount to capital and reserve, %	20 %	36 %	63 %	93%	95%
Ratio of short-term liabilities sum to capital and reserves, %	20 %	28 %	37 %	54%	39%
Cover of payments for debts service, %	87%	74%	70%	47%	66%
Overdue debt level, %	13 %	6 %	2 %	2%	2%
Accounts receivable turn-over, times	5 times	9,8 times	8,9 times	12,4 times	12,0 times
Share of dividends in profit, %	11%	13%	12%	18%	--
Labor efficiency, thousand rubles/man	194	214	298	390	460
Depredation and amortization to proceeds amount, %	9%	9%	10%	10%	12%

** - during calculation the performances of back-up organization and affiliated organizations for the period from 01.01.2002 to 31.12.2002 were used, these performances being obtained by line-by-line aggregation.*

Sharp change of performances in 2002 was caused by affiliation to the Issuer of regional telecom operators of the Volga Federal district (VFD).

Paying capacity, in the first place, means the availability with the Issuer of cash and cash equivalents sufficient for settlement of accounts payable requiring prompt payment.

Thus, the basic features of paying capacity are:

- *availability of proprietary resources of sufficient volume;*
- *reduction of overdue accounts payable to 2%.*

During all the periods under analysis the issuer carried out its operating activity at the expense of its proprietary resources. It should be noted that the level of debt in arrears in the total volume of long-term and short-term liabilities has the tendency to reduction and as of 31.12.2005 it is 2%.

During 2001-2005 the issuer's net assets are steadily growing. As of 31.12.2005 the issuer's net assets amounted to 16 515 274 thousand rubles.

Thus, despite the invariance of the charter capital the issuer has demonstrated considerable growth of net assets amount. Substantial surplus of net assets over the charter capital is one of the basic criteria of the issuer's financial stability.

Despite the permanent growth, by the results of 2001-2005 the volume of borrowed funds did

not exceed the issuer's capital and reserve value.

As of 31.12.2005 the share of borrowed funds in the issuer's capital and reserve made up 95%, which by 2% more than as of 2004 end. This is connected with continuation of investment program implementation.

For 2005 the share of short-term liabilities in the issuer's capital and reserve reduced by 15% and made up 39%.

The issuer has acceptable debt load and is relatively independent from creditors.

Turn-over performances characterize the issuer's business activity and the efficiency of management operation. That is why when the rate of turn-over is increasing one may speak about the increase of the Issuer's paying capacity. At the same time the volume of rendered services is growing as well as the volume of mutual settlement. For 2005 a slight reduction of the issuer's accounts receivable occurred, the reduction was connected with commencement of law "On communication" № 126-Ф3 of 07.07.2003 when providing access to telephone network (phone installation) residential sector is granted payment by installments up to 12 months which results in the fact that the period of payment occurrence date is growing and the turn-over is reducing.

Basing on the results of evaluation of the Issuer's financial standing for the periods under analysis OJSC "VolgaTelecom" is the Issuer with reasonable financial standing. Upon the whole the Company's paying capacity and financial standing are at acceptable level and positive behavior of most of basic financial performances for 2005 testifies about it.

The issuer has fair chances to for further development. The implementation of scheduled investment projects will help to achieve more efficient operation of OJSC "VolgaTelecom".

The performances characterizing the issuer's financial standing are provided as of 31.03.2006:

Performance description	Accounting treatment	Quarter 1 of 2005	Quarter 1 of 2006
The issuer's net assets value, thousand rubles	In accordance with the procedure established by Russia's Ministry of Finances and/or federal body of executive authority for securities market for joint-stock companies	15 422 940	17 331 211
Ratio of borrowed funds amount to capital and reserve, %	(Long-term liabilities as of the reporting period end + Short-term liabilities as of the reporting period end) / (Capital and reserves as of the reporting period end) x 100	86,1%	85,7%
Ratio of short-term liabilities sum to capital and reserves, %	(Short-term liabilities as of the reporting period end) / (Capital and reserves as of the reporting period end) x 100	51,4%	33,3%
Cover of payments for debts service, %	(Net profit for the reporting period + Amortization deductions for the reporting period) / (Liabilities that were due to redemption during the reporting period + interest due to payment in the reporting period) x 100	15,5%	26,0%
Overdue debt level, %	(Overdue debt as of the reporting period end) / (Long-term liabilities as of the reporting period end + Short-term liabilities as of the reporting period end) x 100%	1,8%	1,7%

Performance description	Accounting treatment	Quarter 1 of 2005	Quarter 1 of 2006
Accounts receivable turn-over, times	(Proceeds from sale of goods, products, works and services net of VAT, excise and similar taxes and compulsory payments) / (Accounts receivable as of the reporting period end – Debt of participants (promoters) as regards contributions to charter capital as of the reporting period end)	2,8 times	2,1 times
Share of dividends in profit, %	(Dividends on ordinary shares based on the results of the accomplished fiscal year) / (Net profit based on the results of the accomplished fiscal year – Dividends on preferred shares based on the results of the accomplished fiscal year) x 100	-	-
Labor efficiency, thousand rubles/man	(Proceeds) / (Staff on the payroll)	107 944	111 989
Depredation and amortization to proceeds amount, %	(Depredation and amortization) / (Proceeds) x 100	12,4%	14,2%

The treatment recommended by Russia's FSFM was used to calculate the referenced performances.

The growth of net assets value is the basic initial performance of the enterprise financial standing stability. For quarter 1 of 2006 the Issuer's net assets value grew by 12,37% or 1 908 million rubles vs. similar period of the past year.

The performances of the ratio of borrowed funds amount to capital and reserve and the ratio of short-term liabilities to capital and reserve are the performances of the issuer's financial leverage. The greater these performances are, the greater is the issuer's financial leverage from external counterparties, the lower are these performances the lower is the company's leverage. In quarter 1 of 2006 the issuer's financial leverage from external counterparties slightly reduced.

A positive performance is the growth of share of long-term borrowed funds which may positively impact the company's financial stability.

As of 31.03.2006 the share of borrowed funds in the issuer's capital and reserves made up 85,7%, which by 0,4% less vs. the similar period of the past year.

The share of short-term liabilities in the issuer's capital and reserves during 3 months of 2006 also reduced by 18,1% vs. similar period of the past year and made up 33,3%.

The issuer has an acceptable debt load and is relatively independent from creditors.

The behavior of labor efficiency performance (increase by 3,7% vs. similar period of the past year) testifies to the fact that the Issuer's activity efficiency has improved.

Basing on the results of evaluation of the Issuer's financial standing for the periods under analysis OJSC "VolgaTelecom" is the company with reasonable financial standing. Upon the whole the Issuer's paying capacity and financial standing are at acceptable level despite negative behavior of some of the performances.

The issuer has fair chances to for further development. The implementation of scheduled investment projects will help to achieve more efficient operation of OJSC "VolgaTelecom".

2.2. The issuer's market capitalization

Information about the issuer's market capitalization for the last 5 accomplished fiscal years and as of the end date of the last accomplished reporting period:

OJSC "VolgaTelecom" total market capitalization:

End date of fiscal year/end date of the last accomplished reporting period	Total capitalization, US\$	Total capitalization, rubles
31.12.2001	83 984 499 *	2 531 292 800*
31.12.2002	372 563 397	11 841 704 036
31.12.2003	703 247 172	20 713 793 827
31.12.2004	946 325 262	26 259 295 798
31.12.2005	1 274 387 471	36 680 057 385
31.03.2006	1 325 660 401	36 803 779 465

* The number of preferred shares transactions during the last quarter of 2001 was less than 10, the weighted average price and the amount of capitalization by preferred shares were calculated on the basis of two-way deals actually concluded during the trading session via NCP "Stock Exchange RTS" during quarter IV of 2001.

The issuer's shares are allowed for circulation by three trade institutors at securities market:

- *Non-Commercial Partnership "Stock exchange "Russian trading system" (NCP RTS);*
- *Open Joint Stock Company "Stock exchange Russian trading system" (OJSC "RTS");*
- *Closed Joint Stock Company "Moscow Interbank Currency Exchange" (CJSC "SE MICEX").*

NCP RTS - trade institutor was selected for calculation of weighted average price of a share for 2001-2004, the issuer's shares have been circulating in NCP RTS trading system since December 1996.

OJSC "RTS" - trade institutor was selected for calculation of market price of a share for 2005-2006, the issuer's shares have been circulating in OJSC "RTS" trading system since November 2004.

Methods of determining the issuer's market capitalization:

1. For 2001 - 2004.

Market capitalization is calculated as the product of the quantity of shares of corresponding category (type) by weighted average price of a share of this category (type). Weighted average price is calculated by 10 largest transactions made via the trade institutor at securities market in the month preceding the month when the last reporting quarter ends, or in the last month of each accomplished fiscal year for which the issuer's market capitalization is provided.

In case, if during the month specified in this item less than 10 transactions were made via the trade institutor at securities market, weighted average price of a share is calculated by 10 largest transactions made via the trade institutor at securities market during 3 months preceding the month when the last reporting quarter ends, or during 3 last months of each accomplished fiscal year for which the information about the issuer's market capitalization is provided.

In case, if during the 3 months specified above in this item less than 10 transactions were made via the trade institutor at securities market, the method of determining the issuer's market capitalization on the basis of calculation of weighted average price of shares allowed for circulation by the trade institutor at securities market by 10 largest transactions made via the trade institutor at securities market is not applied.

In case, if during the 3 months specified above in this item less than 10 transactions were made via the trade institutor at securities market, the issuer's market capitalization is calculated on the basis of weighted average price of shares allowed for circulation by the trade institutor at securities market, the price being calculated on the basis of two-way deals actually concluded during the trading session via the trade institutor at securities market during the 3 months specified above in this item.

In case, if for some reasons the information about made transactions may not be provided by the trade institutor at securities market, the method of determining the issuer's market capitalization on the basis of calculation of weighted average price of shares allowed for

circulation by the trade institutor at securities market is not applied.

2. For 2005.

Market capitalization is calculated as the product of shares quantity of the corresponding category (type) by market price of a share of this category (type). The market price is determined in accordance with “The procedure of calculation of market price of issuing securities and investment shares and investment funds allowed for circulation via trade institutors” approved by Russia’s FCSM Regulation № 03-52/nc of 24.12.2003 (registered with Ministry of justice of Russian Federation on 23.01.2004, registration № 5480) and is disclosed by the trade institutor at securities market.

Market price of issuing securities allowed for circulation via a trade institutor is calculated in the following way:

In case if during a selling day on the date of calculation of market price of a security there were made ten and more transactions via the trade institutor, then the market price is calculated as weighted average price (rate) of one security under the transactions made during the selling day via the trade institutor.

In case if during a selling day on the date of calculation of market price of a security there were made less than ten transactions via the trade institutor (including the case when there were no transactions), then the market price is calculated as weighted average price (rate) of one security for the last ten transactions made during the last 90 selling days via the trade institutor.

In case if during the last 90 selling days via the trade institutor there were made less than ten transactions on one security, then the market price is not calculated.

In case if on the date of the trade institutor’s determination of security’s market price the market price is not calculated, then the latest in time market price calculated by the trade institutor and established during 90 selling days is recognized to be the market price.

Ordinary registered shares:

End date of fiscal year/end date of the last accomplished reporting period	US\$/ruble rate*, rubles	Weighted average price, US\$	Market price, 03-52/nc, rubles	Quantity of shares	Capitalization, US\$	Capitalization, rubles
31.12.2001	30,1400	0,83640	--	87 508 200	73 191 858	2 206 002 600
31.12.2002	31,7844	1,25144	--	245 969 590	307 816 184	9 783 752 719
31.12.2003	29,4545	2,33161	--	245 969 590	573 505 156	16 892 307 617
31.12.2004	27,7487	3,12287	--	245 969 590	768 131 054	21 314 638 178
31.12.2005	28,7825	--	114,96654	245 969 590	982 481 463	28 278 272 708
31.12.2006	27,7626	--	115,39508	245 969 590	1 022 371 122	28 383 680 516

* Official US\$/ruble rate established by Russian Federation Central Bank as of the end date of the reporting period.

Preferred registered shares:

End date of fiscal year/end date of the last accomplished reporting period	US\$/ruble rate*, rubles	Weighted average price, US\$	Market price, 03-52/nc, rubles	Quantity of shares	Capitalization, US\$	Capitalization, rubles
31.12.2001	30,1400	0,37000 **	--	29 169 300	10 792 641 **	325 290 200
31.12.2002	31,7844	0,78976	--	81 983 404	64 747 213	2 057 951 317
31.12.2003	29,4545	1,58254	--	81 983 404	129 742 016	3 821 486 210
31.12.2004	27,7487	2,17354	--	81 983 404	178 194 208	4 944 657 620
31.12.2005	28,7825	--	102,48153	81 983 404	291 906 008	8 401 784 677
31.12.2006	27,7626	--	102,70492	81 983 404	303 289 279	8 420 098 949

* Official US\$/ruble rate established by Russian Federation Central Bank as of the end date of the reporting period.

*** The number of preferred shares transactions during the last quarter of 2001 was less than 10, the weighted average price and the amount of capitalization by preferred shares were calculated on the basis of two-way deals actually concluded during the trading session via NCP "Stock Exchange RTS" during quarter IV of 2001.*

Note:

The data for 2001, 2002 and 2004 were calculated on the basis two-way deals concluded during trading session at NCP RTS stock exchange.

To prepare the data as of December 31, 2003 the information about addressless transactions was used.

To prepare the data for 2005 and as of March 31, 2006 only the information about market transactions concluded at OJSC RTS stock exchange was used.

2.3. The issuer's liabilities

2.3.1. Accounts payable

Total amount of accounts payable and total amount of overdue accounts payable of the issuer are provided for 5 last accomplished fiscal years and as of 31.12.2005:

Item description	31.12.2001	31.12.2002	31.12.2003	31.12.2004	31.12.2005
Total amount of accounts payable (thousand rubles)	466 034	3 919 176	7 965 951	13 386 692	15 308 591
Total amount of overdue accounts payable (thousand rubles)	143 470	233 219	270 240	275 984	244 423

For year 2001 OJSC "Nizhegorodsvyazinform" figures are referenced, for years 2002 – 2005 OJSC "VolgaTelecom" figures are referenced.

Item description	Quarter 1 of 2005	Quarter 1 of 2006
Total amount of accounts payable, thousand rubles*	12 864 448	14 461 616
Total amount of overdue accounts payable, thousand rubles	230 521	249 096

** The funds are reflected from lines 590 "Total for section Long-term liabilities" and 690 "Total for section Short-term liabilities" minus line 640 "Unearned revenue" of the accounting balance-sheet.*

The issuer's overdue accounts payable include debt obligations to Vnesheconombank № 63-1-1-27 of 21.03.1995, № 55 -1-1-27 of 21.03.1995, № 61-1-1-27 of 21.03.1995, № 60 -1-1-27 of 21.03.1995, № 54 -1-1-27 of 21.03.1995, № 50-1-1-27 of 21.03.1995, № 216-1-1-27 of 10.07.1997, № 218-1-1-27 of 10.07.1997, № 153-1-1-27 of 02.12.1996.

The reason of default on obligations is default of year 1998.

Activities are carried out to repay the principal debt and to restructure the overdue part with writing-off of penalty rates in accordance with article 104 of Federal law "On federal budget for 2005" №173 of 23.12.2004.

In accordance with adopted program of management of overdue part of the debt the Company's Budget for 2005 stipulated obligatory quarterly repayment of 1/8 part of overdue debt during the period of repayment of the principal debt. However, in accordance with item 24 of RF Government Regulation № 107 of March 2, 2005 "On measures for realization of Federal law "On federal budget for 2005" the Issuer adopted the decision on initiating the conclusion of amicable agreement with RF Ministry of Finances to settle the debt to Vnesheconombank. In connection with this in 2005 the repayment of debt under debt obligations stipulated by the Company's Budget was not made.

The date of repayment of overdue accounts payable to Vnesheconombank will be defined based on the results of this dispute settlement.

The Issuer's credit policy is aimed at the increase of share of long-term liabilities in the total amount of the Company's accounts payable.

The advantages of long-term crediting:

- ***Low rate to raise funds;***
- ***Debt load is distributed for a longer period;***
- ***Wider capabilities to manage the debt portfolio in order to increase the debts' liquidity and to minimize the costs to raise borrowed funds;***
- ***Conducting the operations with own debt securities allows for flexible management of arrears.***

The structure of the issuer's accounts payable with indication of obligation performance date for 2005:

As of 31.12.05

Accounts payable description	Payment occurrence date	
	Up to a year	More than a year
Accounts payable to suppliers and contractors, thousand rubles	2 059 629	
Including overdue accounts payable, thousand rubles	-	<i>x</i>
Accounts payable to the organization's personnel, thousand rubles	67 842	
Including overdue accounts payable, thousand rubles	-	<i>X</i>
Accounts payable to budget and government extrabudgetary funds, thousand rubles	435 282	
Including overdue accounts payable, thousand rubles	-	<i>X</i>
Credits, total, thousand rubles	1 004 024	1 925 150
Including overdue, thousand rubles	-	<i>X</i>
Loans, total, thousand rubles	1 285 574	5 415 719
Including overdue, thousand rubles	244 423	<i>X</i>
Including bonded loans, thousand rubles	-	
Including overdue bonded loans, thousand rubles	-	<i>X</i>
Other accounts payable, thousand rubles*	1 292 747	1 822 624
Including overdue, thousand rubles	-	<i>X</i>
Total, thousand rubles	6 145 098	9 163 493
Including, overdue, thousand rubles	-	<i>X</i>

* *exclusive of unearned revenue.*

The creditors whose share in the Issuer's total amount of accounts payable is at least 10% as of 31.12.2005:

- 1) Full and abbreviated brand name (for non-commercial organization – name): ***Joint-stock commercial Savings bank of Russian Federation (open joint stock company), Volgo-Vyatskiy bank of Russia's Savings bank, OJSC***
- 2) Location: ***117997, Moscow, Vavilov str., 19***
 Mail address: ***603005, Nizhny Novgorod city, Oktyabrskaya str., 35***
 The amount of accounts payable: ***2 424 503 thousand rubles***

The amount, terms and conditions of overdue accounts payable (interest rate, penal sanctions, penalty fee): ***the debt is not overdue.***

The creditor is not the Issuer's affiliated entity.

The structure of OJSC “VolgaTelecom” accounts payable with indication of obligation performance date for quarter 1 of 2006:

As of 31.03.06

Accounts payable description	Payment occurrence date	
	Up to a year	Up to a year
Accounts payable to suppliers and contractors, thousand rubles	<i>1 573 926</i>	
Including overdue accounts payable, thousand rubles		<i>X</i>
Accounts payable to the organization’s personnel, thousand rubles	<i>265 323</i>	
Including overdue accounts payable, thousand rubles		<i>X</i>
Accounts payable to budget and government extrabudgetary funds, thousand rubles	<i>542 447</i>	
Including overdue accounts payable, thousand rubles		<i>X</i>
Credits, total, thousand rubles	<i>1 121 976</i>	<i>1 775 150</i>
Including overdue, thousand rubles		<i>X</i>
Loans, total, thousand rubles	<i>375 438</i>	<i>5 413 108</i>
Including overdue, thousand rubles	<i>249 096</i>	<i>X</i>
Including bonded loans, thousand rubles	-	
Including overdue bonded loans, thousand rubles		
Other accounts payable, thousand rubles*	<i>1 602 098</i>	<i>1 792 150</i>
Including overdue, thousand rubles		
Total, thousand rubles	<i>5 481 208</i>	<i>8 980 408</i>
Including overdue, thousand rubles	<i>249 096</i>	<i>X</i>

* *exclusive of unearned revenue.*

The creditors whose share in the Issuer's total amount of accounts payable is at least 10% as of 31.03.06:

- 1) Full and abbreviated brand name (for non-commercial organization – name): ***Joint-stock commercial Savings bank of Russian Federation (open joint stock company), Volgo-Vyatskiy bank of Russia’s Savings bank, OJSC***

Location: ***117997, Moscow, Vavilov str., 19***

Mail address: ***603005, Nizhny Novgorod city, Oktyabrskaya str., 35***

The amount of accounts payable: ***2 196 435 thousand rubles***

The amount, terms and conditions of overdue accounts payable (interest rate, penal sanctions, penalty fee): ***the debt is not overdue.***

The creditor is not the Issuer’s affiliated entity.

2.3.2. The issuer’s credit background

Credit agreements and loan contracts, the amount of principal debt under which is 5 and more percent of the issuer’s net assets value, as of 01.04.2006 and for the last 5 accomplished fiscal years:

Liability description	Creditor's (debt holder's) name	The amount of principal debt, thousand rubles/foreign currency	Term of credit (loan)/ debt schedule	Availability of delay in obligation performance as regards the payment of principal debt amount and/or fixed interest, delay duration, days
2001				
In 2001 the specified credit agreements and (or) loan contracts were not concluded.				
2002				
In 2002 the specified credit agreements and (or) loan contracts were not concluded.				
2003				
Bonded loan	Legal entities and natural persons	1 000 000 thousand rubles	21.02.06	none
2004				
Credit line	RF Savings bank	1 480 000 thousand rubles	09.06.09	none
2005				
Bonded loan of BT-2 series	Legal entities and natural persons	3 000 000 thousand rubles	30.11.2010 (Offer 05.12.08)	none
Bonded loan of BT-3 series	Legal entities and natural persons	2 300 000 thousand rubles	30.11.2010	none
3 months of 2006				
In quarter 1 of 2006 the specified credit agreements and (or) loan contracts were not concluded.				

1. Full description of securities: ***Inconvertible interest bearing certified bearer bonds of BT-2 series with obligatory central storage.***

The issue's state registration number and the date of state registration of the securities issue: ***4-44-00137-A of 10.11.2005.***

The body that conducted state registration of the securities issue: ***Russia's FSFM***

The date of state registration of the report on the results of the securities issue: ***11.01.2006.***

The body that conducted state registration of the report on the results of the securities issue: ***Russia's FSFM***

The quantity of the issue securities: ***3 000 000 pieces.***

Face value of each bond of the issue: ***1 000 rubles.***

The volume of the securities issue at face value: ***3 000 000 000 rubles, which makes up 9,43 % of the Issuer's assets book value as of the date of the last accomplished quarter preceding the state registration of the report on the results of the bonds issue.***

2. Full description of securities: ***Inconvertible interest bearing certified bearer bonds of BT-3 series with obligatory central storage.***

The issue's state registration number and the date of state registration of the securities issue: ***4-45-00137-A of 10.11.2005.***

The body that conducted state registration of the securities issue: ***Russia's FSFM***

The date of state registration of the report on the results of the securities issue: ***11.01.2006.***

The body that conducted state registration of the report on the results of the securities issue: ***Russia's FSFM***

The quantity of the issue securities: ***2 300 000 pieces.***

Face value of each bond of the issue: ***1 000 rubles.***

The volume of the securities issue at face value: ***2 300 000 000 rubles, which makes up 7,23 % of the Issuer's assets book value as of the date of the last accomplished quarter preceding the state registration of the report on the results of the bonds issue.***

Obligation's description	The amount of principal debt, thousand rubles	Maturity date		Interest rate, %	Repayment dates	
		Schedule	Actually		Schedule	Actually
Bonded loan (BT-2 series)	3 000 000	30.11.2010	Maturity date has not	8,2%	06.06.2006	Repayment dates have not

					05.12.2006	
					05.06.2007	
					04.12.2007	
					03.06.2008	
					02.12.2008	
					02.06.2009	
					01.12.2009	
					01.06.2010	
					30.11.2010	
					06.06.2006	
					05.12.2006	
					05.06.2007	
					04.12.2007	
					03.06.2008	
					02.12.2008	
					02.06.2009	
					01.12.2009	
					01.06.2010	
					30.11.2010	
Bonded loan (BT-3 series)	2 300 000	30.11.2010	Maturity date has not occurred.	8,5%		

2.3.3. The issuer's liabilities from the guarantee provided to third parties

Total amount of the issuer's liabilities from the issuer's provided guarantee and the total amount of liabilities of third parties for which the issuer provided guarantee to the third parties, including in the form of pledge or surety:

	Quarter 1 of 2006
Total amount of the Issuer's liabilities from the guarantee provided by it, thousand rubles:	5 579 448
including in the form of pledge, thousand rubles	3 099 551
in the form of surety, thousand rubles	2 479 897
Total amount of liabilities of third parties for which the Issuer provide guarantee to the third parties, thousand rubles:	2 479 897
including in the form of pledge, thousand rubles	-
in the form of surety, thousand rubles	2 479 897

The information on each of the issuer's liabilities from the guarantee provided in the reporting quarter to third parties, including in the form of pledge or surety, making up at least 5 percent of the issuer's assets book value for five accomplished fiscal years and for the reporting quarter:

For 2001

The Issuer did not have liabilities.

For 2002

The amount of the issuer's guaranteed liability (of third party): **815 000 thousand rubles**
Date of performance: **2007**
Method of guarantee: **pledge**
The amount of guarantee: **815 000 thousand rubles**
The subject of pledge: **equipment**
The value of the pledge subject: **815 000 thousand rubles**
The period of guarantee: **5 years**

Evaluation of risk of non-performance or improper performance of guaranteed obligations by third parties: **by the issuer's evaluation the risk of non-performance or improper performance of guaranteed obligations by third parties is low.**

The factors that may result in non-performance or improper performance of guaranteed obligations by third parties: **unforeseen political events, instability of current economic situation, unforeseen increase of tax rates, fluctuation of markets for material resources and services, exchange rate fluctuations.**

Probability of such factors occurrence: **the probability of occurrence of factors that may result in non-performance or improper performance of guaranteed obligations by third parties is low.**

For 2003

The Issuer did not have liabilities.

For 2004

The Issuer did not have liabilities.

For 2005

The Issuer did not have liabilities.

For quarter 1 of 2006

The Issuer did not have liabilities.

2.3.4. The issuer's other liabilities

There are no Issuer's agreements, including time transactions, not shown in the accounting balance-sheet which may materially affect the Issuer's financial standing, its liquidity, sources of finance and terms of their utilization, results of activity and expenses.

2.4. The purposes of the emission and the trends of usage of resources obtained from the issuing securities placement

Information about the emissions carried out in the form of public offering or private offering for 5 accomplished fiscal years:

1. Interest bearing certified bearer bonds of BT-1 series

State registration number of the securities issue: **№ 4-43-00137-A**

State registration date of the issue: **24.01.2003**

State registration date of the report on the results of the issue: **14.03.2003**

The quantity of the securities issue: **1 000 000 pieces**

The amount of the securities issue at face value: **1 000 000 000 rubles**

The objectives of the issue and the trends of usage of resources obtained from the issuing securities placement:

The basic objective of the issue: **raising the company's profitability.**

Trends of resources usage: *the issuer completed a number of large-scale, highly remunerative telecom projects designed for the development of communication facilities of the Volga Federal district. By means of funds raised from the bonded loan the issuer developed cellular business. In addition, the funds from the bonded loan were invested into the development of inter-regional multi-service communication network.*

The issuer did not float the securities to finance a certain transaction (interrelated transactions).

2. Interest bearing certified bearer bonds of BT-2 series

State registration number of the securities issue: *№ 4-44-00137-A*

State registration date of the issue: *10.11.2005*

State registration date of the report on the results of the issue: *11.01.2006*

The quantity of the securities issue: *3 000 000 pieces*

The amount of the securities issue at face value: *3 000 000 000 rubles*

Interest bearing certified bearer bonds of BT-3 series

State registration number of the securities issue: *№ 4-45-00137-A*

State registration date of the issue: *10.11.2005*

State registration date of the report on the results of the issue: *11.01.2006*

The quantity of the securities issue: *2 300 000 pieces*

The amount of the securities issue at face value: *2 300 000 000 rubles*

The objectives of the issue and the trends of usage of resources obtained from the issuing securities placement:

The basic objective of the issue: *to finance the issuer's investment programs and to diversify the issuer's debt obligations.*

Trends of resources usage: *the funds obtained from bonded loan floatation were allocated to modernization and expansion of communication infrastructure, and also for business expansion and new communication services.*

The issuer did not float the securities to finance a certain transaction (interrelated transactions).

Information about the issues carried out by subscription and under which the company received funds in the reporting quarter:

There were no funds received in the reporting quarter from issuing securities earlier floated by the issuer.

2.5. Risks related to the acquisition of being placed (placed) issuing securities

The results of OJSC "VolgaTelecom" activity are affected by a number of factors which the Issuer is not capable to control completely. Although many of such factors are macroeconomic and affect all the companies upon the whole, some business aspects may be particularly 'sensitive' to certain risk factors. The factors described below are not comprehensive.

2.5.1. Industry risks

The impact of potential deterioration of situation in the issuer's industry on its activity and performance of securities obligations. The most important potential changes in the industry, and also the issuer's assumed actions in this case.

The competition level in the telecom sector of the Volga Federal district economy is steadily growing.

The toughening of competition with alternative operators in all the branches of OJSC “VolgaTelecom” is observed in the sphere of new services and long-distance communication, despite the fact that the Issuer is still the leader in wire communication. The weakening of market positions of services in the area of fixed line telephone communication occurs because of the growth of cellular communication services market.

The Company’s activity may be negatively affected by malfunctions of networks and systems. Any serious breakdown or failure of data transfer by the reasons which are out of the Company’s control may negatively affect the Company’s activity and its financial performances. OJSC “VolgaTelecom” is continuously improving its strategy to overcome the consequences of the events of such kind.

Deterioration of the Issuer’s standing in the industry may be also caused by reasons of general economy nature, and namely:

- potential reduction of solvent demand of the residential sector for communication services related to deterioration of financial-economic standing of the region’s population;*
- potential general drop of production in Russian economy and deterioration of financial standing of commercial undertakings of the region;*
- potential deterioration of state of Russian Federation and the region’s budgets implementation, which would contribute to reduction of financing of budgetary organizations and the growth of their debt for communication services;*
- economical risks typical for Russian Federation upon the whole, including the availability of probability of changes in legislation which may result in the reduction of the Issuer’s profit or tightening of taxation procedure as regards the yield on the Issuer’s securities.*

In addition, the Issuer’s standing in the market is complicated by the following factors:

- dependence on Russia’s Federal Service for Tariffs in establishing regulated tariffs and also ambiguity of tariff reform nature and timeline;*
- growth of competition in mobile communication industry from the part of largest mobile operators. This risk appears to be the most essential from the industry risks in long-term perspective;*
- change of interaction pattern with OJSC “Rostelecom” in 2006.*

In 2006 within the framework of realization of the Government’s arrangements of reorganization of telecom industry (liberalization of long-distance communication market) the Issuer when rendering DLD and ILD services to customers passed to new pattern of interaction with OJSC “Rostelecom”, the relations with it are governed by network interconnection contract and the contract of the Issuer’s services for value to OJSC “Rostelecom”.

In accordance with network interconnection contract the Issuer provides to OJSC “Rostelecom” the services of traffic transit and gets from OJSC “Rostelecom” the service of connection which results in the capability to establish DLD and ILD call and to transfer the information between users of interconnecting communication networks.

Herewith, in connection with Rostelecom’s rendering to Users DLD and ILD services, the services of traffic transit will mean:

- the service of zonal completion of a call to the network of Connected operator;*
- the service of zonal completion of a call to the Operator’s network;*
- the service of zonal initiation of a call from the Connected operator’s network;*
- the service of zonal initiation of a call from the operator’s network.*

In accordance with the contract of services for value the Issuer provides to OJSC “Rostelecom”:

- the services of processing a subscriber’s order when he/she is provided access to DLD and ILD services;*
- the services of billing processing of DLD and ILD services;*
- the services of preparation, formation and storage of required documents and reporting forms;*
- the agency services of collecting payments from subscribers and for information-reference services on behalf of and at the expense of OJSC “Rostelecom”.*

Change of interaction pattern with connected operators in 2006

In accordance with regulations effective since January 1, 2006, the procedure of settlements with connected operators has substantially changed.

Prior to January 1, 2006 the settlements for connection and traffic transit services as related to services of local telephone communication were unilateral; as related to ILD, DLD and intrazonal telephone communication, connected operators received a part of revenue from rendering the specified services depending on the degree of participation in the technological process of their provision.

After January 1, 2006 the settlements for connection services and traffic transit services when rendering all kinds of telephone communication services are of mutual nature and consist of the following kinds of payments: payment for organization of connection point, fee for using the connection point, payment for each minute of transited traffic.

Thus, along with arising additional revenue from connection services and traffic transit services the Company incurs additional expenses related to the payments to operators for organization of connection points, using the connection points and traffic transit via the operator's network.

Meeting the requirements specified above will require additional capital investments of the Company. In quarter 1 of 2006 capital investments for completion of equipping the centers of traffic records at connection points will amount to 84 million rubles.

As of the beginning of April 2006 the contracts of connection and traffic transit were concluded with the operators of domestic and international long-distance telephone communication - OJSC "Rostelecom" and OJSC "MTT".

At present the Company carries out contractual campaign on renegotiation of effective contracts with connected operators. Conclusion of contracts is carried out in April-May of 2006 and should be completed by June 1, 2006. .

In addition, connection and traffic transit services have become the services the prices for which are regulated by the government. Correspondingly, the procedure of their formation, including defining the size of profit taken into account in such prices, is defined by the appropriate regulatory authority.

Status of essential operator

According to orders of Federal service for supervisory control in telecommunication area № 39 of 21.10.05, №№ 40 and 31 of 24.10.05, № 52 of 22.12.05 the Company is included into the Register of operators occupying essential position in PSTN.

Telecommunication operator occupying essential position in PSTN is obliged to render services of connection and traffic transit services to any carrier approaching the operator; herewith none of the carriers may be prioritized. The refusal of telecommunication operator occupying essential position in PSTN to conclude the contract of electric communication networks connection is not allowed, except for the cases when connection of electric communication networks and their interaction contradict terms and conditions of licenses issued to the carriers or the regulations defining the construction and functioning of unified electric communication network of Russian Federation.

The prices for rendered services of connection and traffic transit are to be established to be equal for all carriers, except for the cases, when the law and other legal acts allow for granting privileges to certain categories of users.

Rendering universal telecommunication services

The date of holding a tender for universal telecommunication services provision in the Volga Federal district is set for July - September 2006. The Company intends to participate in the tender for the right of universal services provision. For the realization of the services the Company intends to allocate additionally the funds for investments necessary for starting the service provision. The start of the service rendering is scheduled for 2007.

If the tender is not held for some reasons, the Company due to its recognition as an essential operator will provide the specified services. In this case, the price for the services will be formed basing on economically justified expenses and standard profit.

Tariffs for telecommunication services

In accordance with Russian Federation Government regulation № 627 of 19.10.2005 the prices for connection services and traffic transit services rendered by operators occupying essential position in PSTN are subject to government regulation. The specified prices are regulated by Rossvyaznadzor as agreed upon with Russia's Federal Service for Tariffs.

In November 2005 the Company filed the application to Rossvyaznadzor with proposal of tariffs for approval, the specified tariffs being calculated within the framework of prices existing in 2005. The indicated tariffs are not approved by Rossvyaznadzor because of non-availability of approved Methods of calculation of economically justified expenses and standard profit, the specified Method should serve as the basis for establishing the appropriate prices.

Herewith, prior to the approval of price limits for connection services and traffic transit services by Federal service of supervisory control in telecommunication area, Rossvyaznadzor allowed the Company to establish the prices all by itself. Tariffs for connection and traffic transit services were approved by the order of the General Director and are applied at renegotiation of contracts of connection and interaction with carriers.

In December 2005 Russian Federal Service for Tariffs approved compensation bonus in the amount of 0,54 rubles per minute, the specified bonus is applied to the price for the services of local and zone initiation of call at establishment of DLD and ILD calls. The specified bonus is applied since January 1, 2006 and allows for covering operators' losses, arising when rendering regulated services of local telephone communication.

In accordance with Russian Federation Government regulation № 637 of 24.10.2005 the Company sent motions on mandatory tariff plans for residential subscribers to Russian Federal Service for Tariffs: plans with time rate system of payment, with subscriber fee system of payment, with combined system of payment. Tariff plans were elaborated with due account for the existing payment system, current tariffs and data on traffic volume of the Company's subscribers. If there is no technical capability to record local telephone connections duration, it is proposed to leave unchanged current tariff with using subscriber fee system of payment. At present Russian Federal Service for Tariffs has not approved tariff plans for local telephone communication services yet.

Abolishment of payment for incoming calls

In February 2006 State Duma approved in third reading the amendments to Federal law 126 "On communication", the specified amendments stipulating abolishment of payment for incoming call to any phone. The draft of the law is under consideration of the Federation Council and the President and in case of their approval may come into force since July 1, 2006.

From the time of coming into force of the specified amendment, Russian Federal Service for Tariffs will establish tariffs for intrazonal connections of subscribers with subscribers of mobile radiotelephone communication network operators for the carriers rendering services with state-regulated tariffs. After that the Company will conclude additional agreements to the contracts with mobile radiotelephone communication operators as related to payment of services of call termination at their networks.

Thus, in the second half of 2006 the Company's revenues from intrazonal telephone communication services will grow, herewith; additional expenses will arise for payment of services of call termination at mobile communication operator network.

In the Company's management opinion, the transition to new rules of telecommunication services rendering will impact the amount of revenues and expenses of the Company, however at present the Company is not capable of assessing the materiality of impact of the specified changes on its financial standing and the results of its activity.

The risks related to the potential change of the cost of raw materials and services used by the issuer in its activity and their impact on the issuer's activity and securities obligations performance.

There are also risks related to the increase of the cost of equipment, electric power and other services (products) that are required for the Company's operation. This will result in the increase in products (services) prime cost.

Risks related to potential change of price for the issuer's products and/or services (separately for domestic and external markets) and their impact on the issuer's activity and securities obligations performance.

Government regulation of telecom industry brings in to the Company's activity risks and uncertainty common for all Mega-Regional Companies; these risks and uncertainty being connected with the change of tariffs and reduction of volumes of cross-subsidy. The change of tariffs for the services of operators – natural monopolists requires the approval with Russian Federation anti-monopoly authorities and hence may fall behind the change of actual economic situation and the change of the operator's expenditures. Thus, for natural monopolists there is a risk of untimely change of tariffs which impairs their competitive ability and may negatively affect the operations profitability. Within the framework of communication services price formation reform it is assumed to increase the tariffs for local phone communication and to refuse from subsidy assistance of local communication services at the expense of long-distance communication services. The activities within the framework of tariff policy change are carried out jointly with OJSC "Svyazinvest" holding, Russian Federation Ministry of IT and communication and Federal Antimonopoly Service.

In accordance with current legislation the tariffs for services of operators recognized as natural monopolists are subject to regulation by Russian Federation antimonopoly authorities. In accordance with Federal law № 147-ФЗ (wording of 29.06.2004) of 17.08.1995 "On natural monopolies" Mega-Regional Communication Companies are natural monopolists and their activity is subject to regulation by antimonopoly authorities.

2.5.2. Country and regional risks

The risks related to political and economic situation in the country (countries) and in the region where the issuer is registered as a taxpayer and/or carries out core activity provided that the issuer's core activity in this country (region) brings 10 and more percent of income for the last accomplished reporting period preceding the end date of the last reporting quarter:

The economic situation in the regions and the relations with authorities of Russian Federation subjects and with local authorities of actually all the regions are developing positively, which influences favorably the issuer's activity and its capacity to perform its obligations.

In future, the reasons of the situation destabilization may be:

- 1) Interference of the government regulatory bodies into Mega-Regional Company's activity. The Company is strengthening objectively its positions at the market. In addition, the number of management subjects is reduced for the regulatory body. Hence, the company occupying leading positions in the Volga region communication segment would attract more attention to its activity from the part of the state regulatory authorities.*
- 2) Reduction by regional authorities of financing of programs of telephonization of their regions.*

Russian market of telecom services is becoming extremely competitive. While the market of traditional wire communication services is upon the whole divided by regional operators and each of them in its region is an absolute monopolist for such services provision, the competition is toughening due to the increase in the share of new communication services and also due to the vigorous activity of the companies providing these services.

The major factors of political risks occurrence are:

- Imperfection of legislative base governing economic relations;*
- Insufficient efficiency of judicial system;*
- Instability of authority of Russian Federation subjects.*

In the first place to regional political risk is referred the change of management in the Volga Federal district, the rise to power of opposition.

The other risk factors that may affect the Issuer's activity are:

- *Short, by this time, period of operation of the consolidated company, as a result of which the Issuer may encounter the risks and difficulties that are not evident currently;*
- *Uncertainty in formation of tariffs established by the Ministry of Anti-monopoly Policy and their impact on the Company's operations.*

The worsening of political situation in the Volga region may occur in case of essential changes in economic situation in Russia, including drastic changes of national currency rate that may result in the reduction of the number of industrial and agricultural enterprises of all forms of ownership operating in the region, growth of unemployment, slowdown of solvent demand of general public. Such course of events would result in the suspension of the Issuer's investment program implementation, the reduction of gain of communication services volume provided by the Issuer on the territory of the region and growth retardation income base. In this case the Issuer will perform its bonds obligations for account of operations income, and when necessary will borrow short-term loans of commercial banks for these purposes.

Risks related to potential military conflicts, imposing of the state of emergency and strikes in the country (countries) and the region where the issuer is registered as a taxpayer and/or carries out core activity:

The probability of occurrence of military conflicts, imposing of the state of emergency and strikes in the country and the region where the Issuer is registered as a taxpayer and carries out core activity is estimated as insignificant in order to consider these risks as circumstances capable to affect substantially the Issuer's activity. Such conclusion is confirmed by current level of Russian Federation credit rating, this rating being the investment one.

To minimize the risks of terrorist acts the Issuer took additional measures for security assurance at the enterprise.

In case of occurrence of potential military conflicts, imposing of the state of emergency and strikes, the Issuer is most likely to be operationally controlled by security and military ministries, as the Issuer ensures vital and important function from the point of view of the state.

The risks related to geographical features of the country (countries) and of the region where the Issuer is registered as a taxpayer and/or carries out core activity, including heightened danger of acts of God, potential termination of transport due to remoteness and/or inaccessibility, etc.:

The risks related to geographical features of the region, including heightened danger of acts of God, potential termination of transport due to remoteness and inaccessibility are assessed as minimal.

Hypothetical actions of the issuer in the event of negative impact of the change of situation in the country (countries) and the region on its activity:

In the event of negative impact of country and regional changes on the Issuer's activity, the Issuer is planning to put into effect the following general measures aimed to maintain the revenue performance of the Company:

- *to optimize the expenses, including the measures to restrain the labor costs;*
- *to revise the investment program;*
- *to take measures to raise the turnover of accounts receivable by toughening payment discipline with regard to borrowers.*

In case of negative impact of the changes of the situation in the country and in the region on the Issuer's activity, the Issuer will perform its bonds obligations for account of operations income, and when necessary will borrow short-term loans of commercial banks for these purposes.

Upon the whole, in medium-term perspective the Issuer believes that the possibility of considerable negative impact of country and regional risks on its activity and performance of its obligations to be remote.

2.5.3. Financial risks

Description of the issuer's exposure to risks related to the change of interest rates, foreign currency exchange rate, to the issuer's activity relative to hedging applied by the issuer to reduce unfavorable implications of the above-said risks effect:

Negative changes of monetary management in the country, of currency rate and the increase of interest rates under the funds raised by the Issuer, and also considerable growth of inflation rates may result in the growth of the Issuer's expenses, and hence, negatively affect the Issuer's financial performances. In addition, it is impossible to close out completely the changes in the structure and professional level of the Issuer's managers that may negatively affect the efficiency of adopted managerial decisions, including those connected with hedging applied by the Issuer to reduce unfavorable implications of the above-said risks effect.

Currency risks:

Essential changes of currency rates may increase the expenditures, reduce contingency reserve provisions and/or reduce the Issuer's capabilities of debt servicing. During several years gradual drop of ruble/US dollar rate have been observed, however since 2003 the position of ruble to US dollar has been progressively strengthening. The capability of the Government and Russia's Central Bank to maintain stable ruble rate will depend on many political and economic factors, among which are control of inflation level and build up of foreign currency reserves at sufficient level to maintain the ruble rate. But even in case of drastic drop of currencies rate to minimize the negative impact the Issuer has the capability to reduce the share of obligations in foreign currency by orienting itself to the suppliers the settlements with which are made in Russian Federation rubles.

A separate part of the Issuer's expenses and obligations (about 11%) is denominated in US dollars and Euro. Devaluation of ruble to US dollar and Euro may negatively affect the Issuer's efficiency (cost effectiveness, earning power ratio) due to the increase of expenses in terms of rubles.

Significant devaluation of ruble is capable to complicate for the Issuer the performance of obligations as in this case the growth of tariffs may not be sufficient to compensate for the drop of services volume in physical terms. In this connection the Issuer takes measures to reduce the portion of foreign currency obligations in the structure of credit portfolio.

On the other hand a number of tariffs for the services provided by the Issuer are also adjusted to US dollar rate (including the services of Internet access, IP-telephony, some of data transfer services) which to some extent reduces currency risks faced by the Issuer when carrying out its activity. As consequence, moderate devaluation of ruble to US dollar will not materially affect the Issuer's capabilities to perform its debt obligations.

That is why it is possible to state that the Issuer's exposure to risks related to the change of foreign currency exchange rate is minimal, as the portion of the Issuer's obligations in foreign currency is insignificant.

Hypothetical actions of the issuer in the event of negative impact of the change of currency rate and of interest rate on the issuer's activity:

In case of considerable devaluation of ruble the Issuer is planning to put into effect the following arrangements:

- to conduct tough policy aimed to the reduction of expenditures expressed in foreign currency, and also wherever possible to change terms and conditions of contracts with suppliers;*
- to revise the investment program;*
- to take measures to improve the turnover of current assets, in the first place for account of reduction of inventories, and also to revise existing contract relations with end-users to reduce overdue accounts receivable.*

The impact of inflation on repayments under securities, critical, in the issuer's opinion, inflation values, and also hypothetical actions of the issuer to reduce the specified risk:

The inflation in Russia according to official figures in 2003 was 12%, in 2004 – 11,7%, and in 2005 – 10,9%. As per the data of Russia's Ministry of Economic Development in 2006 the inflation is

expected to be at 8-9% level.

As regards the Issuer's activity financial performances, the impact of inflation factor is ambiguous. The reduction of inflation rates when the economic growth is constant will contribute to further increase in real income of the population and corporate sector and, as consequence will result in the growth of communication services consumption. On the contrary, the growth of the rates of price increases may result both in the reduction of communication services consumption, and in the growth of the Issuer's expenditures (e.g., for account of energy resources price advance), in the cost of borrowed funds and may become the reason of profitability index drop.

Therefore in case of substantial excess of actual inflation values over FR Government forecasts, and namely – if the inflation rates increase the Issuer is planning to take measures limiting the expenditures growth, the reduction of accounts receivable and the reduction of its average period.

The above stated risks form the liquidity risk, i.e. the probability of incurring losses due to cash deficit at required time, and as consequence the Issuer's failure to perform its obligations. The occurrence of such risk event may result in fines, late payment interest, and damage to the Issuer's goodwill, etc.

The Issuer manages the liquidity risk by planning the cash flows, by the analysis of scheduled and actual cash flows for the entire "VolgaTelecom", and also for its regional branches. Occurring problems with absolute liquidity are resolved by raising credits and loans, and also by establishing the priorities of payments.

The Issuer is incurring deficit of own floating capital due to the growth of the Company's investment program. In 2003 - 2005 OJSC "VolgaTelecom" financed the deficit of floating capital for account of short-term loans with Russian banks and for account of issue of bonded loans at Russian market. In case of sharp reduction in liquidity at the markets of debt instruments and in RF banking system the Issuer's borrowing of short-term contract loans with Russian banks to cover the deficit of floating capital may result in the growth of interest rates under the raised funds, and as consequence to considerable growth of the cost of debt obligations servicing. In addition, sharp reduction in liquidity of Russian markets may result in difficulties when obtaining the financing to cover the deficit of the Issuer's floating capital.

The indicators of the issuer's financial reporting that are most exposed to the change as a result of impact of the specified financial risks (the risks, probability of their occurrence and the nature of changes in the reporting):

In the Issuer's opinion the basic financial indicators of the Issuer - profit and accounts payable – are most exposed to the impact of above listed risks. The impact of financial risks on the level of proceeds is minimal. The Issuer estimates the probability of occurrence of the above financial risks (sharp change of currency rates, inflation, and growth of interest rates) in the years to come as low. However, in case of these risks occurrence it is possible that the prime cost of rendered services would grow and the Company's profit would reduce which may be partially compensated by the tariffs increase and by reduction of amounts of borrowed funds.

2.5.4. Legal risks

The Issuer is equally exposed to legal risks as other organizations in Russian Federation. The Issuer carries out its activity as communication operator and does not export goods, works or services, so the legal risks related to the Issuer's activity are described only for domestic market.

Risks related to the change of currency exchange regulation:

At present the Issuer considers the risks related to the possibility of change of foreign currency law to be minimal. In connection with conduction of policy of currency exchange regulation liberalization the risks related to foreign currency law are reducing.

The risks related to the change of tax legislation:

Russian tax legislation allows for diverse interpretations and is subject to frequent changes. Lately the course of events in Russian Federation testifies to the fact that taxation authorities may

take up hard-line attitude when interpreting tax legislation. As consequence the taxation authorities may lay claims for those transactions and accounting methods for which earlier they did not lay any claims. As a result considerable additional taxes, late payment interest and fines may be charged. Tax inspections may cover three calendar years of activity directly preceding the year to be inspected. Under certain conditions earlier periods may be inspected.

In the management opinion as of March 31, 2006 the relevant provisions of legislation are interpreted by it upon the whole correctly and the probability of preserving the status in which the Issuer is from the point of view of complying with the requirements of tax legislation is high. At the same time there is high probability that in some issues of interpretation of legislation requirements and charging of corresponding tax obligations the Company's management took the stance which subsequently may be considered by government fiscal authorities as the stance not having sufficient grounds. The Issuer intends to protect its stance in these issues. The reporting as of March 31, 2006 does not contain the adjustments which may be needed due to these uncertainties and the stance taken by the Issuer.

The Issuer's management believes that the Issuer's obligations for the reporting and previous tax periods were charged properly and completely reflected in the Issuer's accounting statement. However, basing on the results of tax inspections of other companies of OJSC "Svyazinvest" group conducted recently, the Issuer's management assumes the availability of the risk that tax authorities may lay to the Issuer substantial tax claims in regard to the issues allowing for capability of ambiguous interpretation of tax legislation, and in particular on the issue of determining proceeds under the contracts of network interconnection. The Issuer's management believes that the Issuer has the arguments sufficient for successful contestation of potential claims in the court. However, at present the perspective of court proceeding in regard to tax claims is rather uncertain due to the lack of established court practice on these tax issues.

Risks of change of customs regulations and customs duties:

As most of the equipment acquired for services provision is imported or assembled from foreign make component parts, the change of customs control regulations and customs duties may bear certain risks related to appreciation of acquired fixed assets.

The change of requirements for core activity licensing:

Russian Federation Government Regulation № 87 of February 18, 2005 "On approval of the list of communication services introduced into licenses and of the listing of license provisions" (in the wording of RF Government regulation № 837 of 29.12.2005) established the list of communication services introduced into licenses and the listing of license provisions.

License provisions established in earlier issued licenses are effective as related to the part not contradicting effective regulations.

Taking into account that new requirements to connection of communication networks and PSTN networking, traffic transit and provision of local, intrazonal, DLD and ILD communication services, the services of mobile communication would materially affect the realization of some of license provisions introduced into the licenses issued before 01.01.2004, the Issuer in November 2005 filed the application to Rossvyaznadzor to introduce changes and addenda to the licenses, including into license provisions:

№ 23240 of 01.08.2002 – provision of telematic services,

№ 23241 of 01.08.2002 – data transfer services provision,

№ 23245 of 04.10.2002 – local and intrazonal telephone communication services provision,

№ 23246 of 12.09.2002. – provision of communication channels for rent,

№ 23242 of 14.11.2002 – provision of services of cellular radiotelephone communication services in 450 MHz range,

№ 27620 of 18.08.2003 – provision of services of broadcasting of TV and sound programs over cable TV network,

№ 23244 of 28.11.2002 - – provision of services of cellular radiotelephone communication services in 450 MHz range.

Addenda and changes to the above listed licenses were obtained.

The provisions of other licenses of OJSC "VolgaTelecom" do not contradict the requirements of standardized documents and did not require the changes.

Changes of court practice on the matters related to the issuer's activity:

Substantial risks of change of court practice on the matters related to the Issuer's activity that may negatively impact the Issuer's performances and also the results of current legal proceedings are unlikely, as the current disputes do not affect the Issuer's core activity.

2.5.5. Risks related to the issuer's activity

The risks related to current legal proceedings in which the issuer is a party:

The Issuer is a party in a number of legal proceedings. However, in the opinion of the Issuer's Directorate the results of these proceedings will not materially affect the Issuer's financial standing. The total amount of potential claims is estimated in the size of 8 144 thousand rubles.

RF Ministry of finances advanced the claim to the Company to recover the debt to RF Government under debt obligations of OJSC "Electrosvyaz" of Ulyanovsk oblast, of OJSC "Martelcom", of OJSC "Svyazinform" of Penza oblast, of OJSC "Svyazinform" of the Republic of Mordoviya, of OJSC "Electrosvyaz" of Orenburg oblast, of OJSC "Saratovelectrosvyaz", and of OJSC "UdmurtTelecom", OJSC "VolgaTelecom" being their assign, for the supplied equipment. The amount of the plaintiff's claims is 6 637 137,99 Euro. The trial of the case was postponed several times. The next consideration of the case was scheduled for 13.06.2006 due to the sending to Russian Federation Ministry of finances and Foreign Trade Bank (Vnesheconombank) of the letter to settle this dispute and to conclude amicable settlement in accordance with item 24 of Russian Federation Government Regulation № 107 of March 02, 2005 "On measures to realize Federal law "On federal budget for 2005" and clause 99 of RF Federal law № 173 –Ф3 of 23.12.2004 "On federal budget for 2005" on the basis of resolutions adopted by Russian Federation Ministry of finances by methods stipulated by Russian Federation legislation.

The risk of unfavorable judgment for other current proceedings is insignificant. In addition, the results of current disputes of the Issuer with third parties will not be able to affect the Issuer's core activity and its financial-economic standing as the volume of claims to the Issuer under current disputes in relation to its total turnover is insignificant.

Risks related to potential liability of the issuer for the debts of third parties, including of the issuer's affiliated companies:

The risks of occurrence of the Issuer's potential liability for the debts of third parties, including of the Issuer's affiliated companies, are insignificant, as the Issuer observes the requirement of current legislation when exercising its rights and performing its obligations with regard to third parties, including affiliated companies of the Issuer.

Risks related to the lack of capability to extend the terms of issuer's licenses for the execution of specific activity or for utilization of objects the being of which in the turnover is limited (including natural resources):

The requirements of licenses validity term extension are execution by a licensee of its activity without violation of license provisions which is established by regular inspections of authorized supervisory bodies. In case of carrying out the activity related to utilization of limited natural resource (RF spectrum) it is possible that the decisions are adopted by Government commission for RF spectrum, these decisions establishing limitation on utilization of some bands of RF spectrum or the utilization of frequency bands by tender. In accordance with Federal law "On communication" frequency allocation plans are revised at least once in ten years.

The risks related to the lack of capability to extend the terms of Issuer's licenses for the execution of specific activities are minimal. The validity term of the Issuer's licenses expires at different time, and namely during the period from 2006 to 2013. At present there are no hindrances to extend the validity term of the Issuer's licenses for the execution of specific activity.

Risks related to the possibility of losing end-users, whose share in the turnover is at least 10% of the total proceeds of sales of the issuer's products (works and services):

There are no specified end-users.

Risks related to the need of renovation of production facilities to maintain the required volume of operations and services quality:

Current status of production facilities complies with the Issuer's requirements. Deactivated outdated equipment is reconditioned in accordance with a plan taking into account growing demand of subscribers for new communication services. In the nearest 5 years the Issuer will not need unscheduled large-scale replacement of production equipment.

Risk related to nonrefundability of the cost of acquired software products:

In 2003 the Issuer acquired nonexclusive right to use Oracle E-Business Suite software product. At present this software is in the process of implementation which is to be completed in 2006-2008.

The Issuer does not believe this risk to be significant, as it takes all necessary measures to observe the technique and the schedule of implementation. The cost of this asset will be depreciated after the start of its operation during the validity term of the appropriate licenses.

In the Issuer's opinion the balance-sheet value of this asset corresponds to its recoverable amount. After the start of the software operation the Issuer will continue regular estimation of its cost refundability.

In 2004 end the Issuer acquired Amdocs Billing Suite software product in order to implement unified automated settlement system. The Issuer considers this asset as a required condition for the development of non-regulated services which is one of the Issuer's priority objectives in medium-term perspective.

At present the initial phase of the software product implementation is under way. Depreciation of the cost of this asset will begin after the completion of its implementation. Before this happens the Issuer's management is planning regularly to estimate the cost of the asset as regards its depreciation amortization. In the Issuer's opinion at present the balance-sheet value of the asset corresponds to its recoverable amount.

III. Detailed information on the issuer

3.1. Background of establishment and development of the issuer

3.1.1. Data on the issuer's brand name

The issuer's full and abbreviated brand names:

Открытое акционерное общество «ВолгаТелеком»

Open Joint Stock Company «VolgaTelecom»

ОАО «ВолгаТелеком»

OJSC «VolgaTelecom»

The Issuer carries out its activity under the trade mark (service mark):

The number of the certificate for registration of the trade mark (service mark): **231259**

Date of issue: **15.12.2002.**

The body that issued the certificate: *Russian agency for patents and trade marks*

Validity term: *till 31.05.2012.*

OJSC «VolgaTelecom» is the possessor of right in relation to the following goods (services):

38 (telecommunications) – phone communication, telegraph communication, international long-distance communication, communication via the Internet, data transfer, communication channels for lease.

Color combination: blue, Eton blue, sky-blue and white.

Data on changes in the issuer's name and form of incorporation during the time of the issuer's existence:

1. Full brand name: *State enterprise of communication and informatics «Rossvyazinform» of Nizhny Novgorod oblast*

Abbreviated brand name: *SECI «Rossvyazinform»*

Form of incorporation: *state enterprise of communication and informatics*

Introduced on: **01.04.1991.**

The grounds for the name introduction: *set up of the enterprise on the basis of the Order of the Ministry of communication*

2. Full brand name: *Joint Stock Company of Open Type «Svyazinform» of Nizhny Novgorod oblast*

Abbreviated brand name: *JSCOT «Nizhegorodsvyazinform»*

Form of incorporation: *Joint Stock Company of Open Type*

Introduced on: **15.12.1993.**

The grounds for the name introduction: *The name was introduced as a result of reorganization of state enterprise of communication and informatics «Rossvyazinform» of Nizhny Novgorod oblast in accordance with the Decree of the President of Russian Federation of 01.07.92 № 721 «On organizational measures for reorganization of state enterprise, voluntary affiliation of state enterprises into joint stock companies» and the regulation of Government of Russian Federation dated of December 22, 1992 № 1003 «On privatization of communication enterprises».*

3. Full brand name: *Open Joint Stock Company «Svyazinform» of Nizhny Novgorod oblast*

Abbreviated brand name: *OJSC «Nizhegorodsvyazinform»*

Form of incorporation: *Open Joint Stock Company*

Introduced on: **12.08.1996.**

The grounds for the name introduction: *The name was introduced to reconcile it with RF Civil Code and Federal law «On joint stock companies».*

4. Full brand name: *Open Joint Stock Company “VolgaTelecom”*
 Abbreviated brand name: *OJSC “VolgaTelecom”*
 Form of incorporation: *Open Joint Stock Company*
 Introduced on: *28.06.2002*
 The grounds for the name introduction: *The name was introduced in accordance with the resolution of general meeting of stockholders of 28.06.2002, minutes № 10.*

3.1.2. Data on the issuer’s state registration

The Issuer’s state registration number: *448*
 The Issuer’s state registration date: *15.12.1993*
 The name of the state registration body: *Committee for management and control of city’s property and land resources of administration of the city of Nizhny Novgorod*

Certificate of making an entry into Single state register of legal entities about the legal entity registered before July 1, 2002:

The Issuer’s basic state registration number: *1025203014781*
 The Issuer’s state registration date: *01.08.2002*
 The name of the state registration body:
Inspection of Russia’s Ministry of Tax Collection for Nizhegorodskiy district of the city of Nizhny Novgorod

3.1.3. Data on establishment and development of the issuer

In 1993 as a result of privatization of state enterprise of communication and informatics “Rossvyazinform” there was registered joint stock company of open type (JSCOT) “Svyazinform” of Nizhny Novgorod oblast, which in 1996 was transformed into Open Joint Stock Company (OJSC) “Nizhegorodsvyazinform”. Thus, the issuer has been operating for 12 years since the date of its state registration (15.12.1993) and has been established as per the Company’s Charter for the unlimited period of activity. General objective of the company’s establishment was to increase the efficiency of the state economic system and to transit from planned economy to market relations. Belonging to the area of service production determines the Company’s major objective, which consists of obtaining additional profit via tracking and reacting to the market demands with further satisfaction of the demand for services.

In 1993 the company got independence in the management of its own production and financial resources. Following the obtaining of economic independence OJSC “Nizhegorodsvyazinform” started active modernization of communication networks by transforming the existing capacities and constructing the new ones only on the basis of digital data transmit systems. Annual increase in the network subscriber capacity amounted to 70 thousand numbers per year.

Since 1996 due to active implementation of the latest communication services on the basis of high technological level equipment OJSC “Nizhegorodsvyazinform” has started to provide Internet access services. In addition, OJSC “Nizhegorodsvyazinform” has been gradually expanding the list of high-tech services – ISDN, phone cards system, as an element of intelligent network, IP-telephony, xDSL-based digital access, voice mail, etc.

In 1994 OJSC “Nizhegorodsvyazinform” shares entered Russia’s market of securities. In 1997 the Company issued ADRs of Level I, traded at present at the following trading sites:

The site’s name	CUSIP (WKN)	ADR ticker	ISIN
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USA OTC	928660109	VLGAY (VLGAY.PK)	-
Frankfurt stock exchange (FSE)	910415	NZH (NZHGy.F)	US9286601094
Berlin stock exchange (BerSE)	910415	NZH (NZHGy.BE)	US9286601094
Trading site of Germany (Xetra)	910415	NZH (NZHGy.DE)	US9286601094
Stuttgart stock exchange (SSE)	910415	NZH (NZHGy.SG)	US9286601094

Up to the second half of 2002 OJSC “Nizhegorodsvyazinform” had been the leading operator at telecommunications market of the city of Nizhny Novgorod and Nizhny Novgorod oblast, a natural monopolist in the area of providing the services of local, DLD & ILD communication. The Company ranked the 4-th by the size of telephone network among Russia’s regional operators.

In 2002 on the basis of OJSC “Nizhegorodsvyazinform”, by affiliating 10 enterprises of communication of the Volga region, there was established Open Joint Stock Company “VolgaTelecom” – communication enterprise of the Volga region.

The resolution on reorganization by way of incorporating to OJSC “VolgaTelecom” was adopted by overwhelming majority of votes at extraordinary meetings of shareholders of the incorporated companies in autumn of year 2001.

In July 2002 the Board of directors of OJSC “VolgaTelecom” adopted the resolution on increasing the Company’s charter capital. Additional issue of shares was placed within the limits of authorized shares by converting the shares of incorporated communication operators of the Volga region into them.

As of November 30, 2002 10 incorporated joint stock companies were excluded from the Single state register of legal entities; their property, assets, personnel were transferred to the appropriate regional branches of OJSC “VolgaTelecom”. The shares and bonds of these companies were converted into OJSC “VolgaTelecom” shares and bonds.

The incorporated company network covers the territory of 665 thousand square kilometers and provides communication services to over 21 million people.

OJSC “VolgaTelecom” has the licenses to provide the services of local, DLD & ILD phone communication, recording communication, radio broadcasting, etc. in eleven regions of the Volga Federal district.

Today the Company provides the services of fixed line communication, Internet, mobile communication, cable and digital TV, video conferencing, etc. The objective set by the Company – provision of wide range of available, friendly, salable services and obtaining profit from it. In 2005 the Company started to implement the project of the network modernization in accordance with NGN concept assuming the network reconstruction and the expansion of the list of services. Further development of the network of the basis of NGN will considerably expand the list of services for the Company’s subscribers: Intelligent network, call-centers, cable TV, etc. Accordingly, the Issuer is a large Internet provider; directly or via its affiliate companies it provides the services of paging or mobile communication of various standards.

The Company’s strategy is to provide quality telecom services to population, state-financed organizations and corporate customers on the territory of the Volga Federal district to maintain the leading positions at the market.

The objective of the Issuer’s establishment: to obtain profit, to render quality telecom services to the end-users. The Issuer was established for the uncertain term, i.e. the scheduled term of the Issuer’s existence is not limited.

Mission: OJSC “VolgaTelecom” is inter-regional communication operator providing the entire range of telecom services within general concept of telecommunications development in Russia on the basis of innovative and technological lead in the Volga Federal district.

3.1.4. Contact information

The Issuer's location: ***Dom Svyazi, M.Gorky square, Nizhny Novgorod city, Russian Federation, 603000***

The Issuer's mail address: ***Dom Svyazi, M.Gorky square, Nizhny Novgorod city, Russian Federation, 603000***

Location of the Issuer's permanent executive body:

Dom Svyazi, M.Gorky square, Nizhny Novgorod city, Russian Federation, 603000

Phone number: ***(8312) 33 20 47***

Fax number: ***(8312) 30 67 68***

E-mail address: ***gd@vt.ru***

The address of the web-site in the Internet where the information on the Issuer and securities issued by it is available: ***<http://www.vt.ru>***

Location of the Issuer's special department for shareholders and investors relations:

Department of securities

Dom Svyazi, M.Gorky square, Nizhny Novgorod city

Phone numbers: ***(8312) 30 06 68, 34 38 54***

Fax number: ***(8312) 34 38 54***

E-mail address: ***d.sokolov@vt.ru***

3.1.5. Taxpayer Identification Number (TIN)

Taxpayer Identification Number:

5260901817

3.1.6. The issuer's branches and representation offices

1) Name: ***Kirov branch***

Location: ***Drelevsky str., 43/1 Kirov city, Russia, 601000***

Mail address: ***Drelevsky str., 43/1 Kirov city, Russia, 601000***

CEO: ***Popovskiy Valery Petrovich***

Date of establishment: ***27.11.2001***

PA validity term: ***till 01.07.2006***

2) Name: ***Nizhny Novgorod branch***

Location: ***Bolshaya Pokrovskaya str., 56, Nizhny Novgorod city, Russia, 603000***

Mail address: ***Bolshaya Pokrovskaya str., 56, Nizhny Novgorod city, Russia, 603000***

CEO: ***Loskutov Alexander Vasilievich***

Date of establishment: ***24.10.2002***

PA validity term: ***till 15.12.2006***

3) Name: ***Orenburg branch***

Location: ***Volodarsky str., 11, Orenburg city, Russia, 460000***

Mail address: ***Volodarsky str., 11, Orenburg city, Russia, 460000***

CEO: ***Pilipchev Viacheslav Ivanovich***

Date of establishment: **27.11.2001**

PA validity term: **till 10.06.2006**

4) Name: ***Penza branch***

Location: ***Kuprin str., 1/3, Penza city, Russia, 440606***

Mail address: ***Kuprin str., 1/3, Penza city, Russia, 440606***

CEO: ***Nazarov Victor Markovich***

Date of establishment: **27.11.2001**

PA validity term: **till 01.07.2006**

5) Name: ***Samara branch***

Location: ***Krasnoarmeiskaya str., 17, Samara city, Russia, 443010***

Mail address: ***Krasnoarmeiskaya str., 17, Samara city, Russia, 443010***

CEO: ***Elkin Sergey Leonidovich***

Date of establishment: **27.11.2001**

PA validity term: **till 26.04.2007**

6) Name: ***Saratov branch***

Location: ***Kiselev str., 40, Saratov city, Russia, 410012***

Mail address: ***Kiselev str., 40, Saratov city, Russia, 410012***

CEO: ***Korolkov Oleg Animpadistovich***

Date of establishment: **27.11.2001**

PA validity term: **till 01.07.2006**

7) Name: ***Ulyanovsk branch***

Location: ***L.Tolstoy str., 60, Ulyanovsk city, Russia, 432601***

Mail address: ***L.Tolstoy str., 60, Ulyanovsk city, Russia, 432601***

CEO: ***Karyukanov Anatolyi Sergeevich***

Date of establishment: **27.11.2001**

PA validity term: **till 01.07.2006**

8) Name: ***branch in the Republic of Mariy El***

Location: ***Sovetskaya str., 138, Yoshkar-Ola town, the Republic of Mariy-El, Russia, 424000***

Mail address: ***Sovetskaya str., 138, Yoshkar-Ola town, the Republic of Mariy-El, Russia, 424000***

CEO: ***Kolesnikov Sergey Mikhailovich***

Date of establishment: **27.11.2001**

PA validity term: **till 27.09.2006**

9) Name: ***branch in the Republic of Mordoviya***

Location: ***Bolshevistskaya str., 13, Saransk town, the Republic of Mordoviya, Russia, 430000***

Mail address: ***Bolshevistskaya str., 13, Saransk town, the Republic of Mordoviya, Russia, 430000***

CEO: ***Shubin Ivan Ivanovich***

Date of establishment: **27.11.2001**

PA validity term: **till 01.07.2006**

10) Name: ***branch in the Republic of Udmurtiya***

Location: ***Pushkinskaya str., 278, Izhevsk city, the Republic of Udmurtiya, Russia, 426008***

Mail address: ***Pushkinskaya str., 278, Izhevsk city, the Republic of Udmurtiya, Russia, 426008***

CEO: *Fomichev Sergey Mironovich*
 Date of establishment: *27.11.2001*
 PA validity term: *till 01.07.2006*

11) Name: *branch in the Republic of Chuvashiya*
 Location: *Lenin av., 2, Cheboksary town, the Republic of Chuvashiya, Russia, 428000*
 Mail address: *Lenin av., 2, Cheboksary town, the Republic of Chuvashiya, Russia, 428000*
 CEO: *Zaraiskiy Victor Yakovlevich*
 Date of establishment: *27.11.2001*
 PA validity term: *till 26.04.2007*

3.2. The issuer's core economic activity

3.2.1. The issuer's industry membership

64.20 - Activity in communication area

The codes of main industry's trends of the Issuer's activity in accordance with OKVED:

Activity codes by OKVED	The name of the activity in accordance with OKVED code
64.20.11	<i>Activity in telephone communication area</i>
64.20.12	<i>Activity in the area of recording communication</i>
64.20.21	<i>Activity in the area of transmission (broadcasting) and distribution of TV programs</i>
64.20.22	<i>Activity in the area of transmission (broadcasting) and distribution of sound radio programs</i>
64.20.3	<i>Other activity in communication area</i>

3.2.2. The issuer's core economic activity

Information about the issuer's core economic activity for the last 5 accomplished fiscal years and also for the reporting period:

The core i.e. prevailing and having priority importance for the issuer economic activity:

The core i.e. prevailing and having priority importance for the issuer economic activity is provision of electric communication services in the Volga Federal district.

The share of the issuer's proceeds from core economic activity in the total amount of the issuer's revenues for the last 5 accomplished fiscal years and for the reporting period:

PERFORMANCE DESCRIPTION	2001*	2002**	2003	2004	2005	Quarter 1 of 2006

Proceeds amount from products sale total (works and services), thousand rubles	<i>1 705 995</i>	<i>10 967 595</i>	<i>14 677 305</i>	<i>18 604 604</i>	<i>21 348 394</i>	<i>5 033 138</i>
including:						
Proceeds amount from communication services provision, thousand rubles	<i>1 650 718</i>	<i>10 587 627</i>	<i>14 242 307</i>	<i>18 171 248</i>	<i>20 787 642</i>	<i>4 779 184</i>
Share in the total proceeds amount, %	<i>96,76%</i>	<i>96,54%</i>	<i>97,04%</i>	<i>97,67%</i>	<i>97,37%</i>	<i>94,95%</i>

* Performances of back-up organization – OJSC “Nizhegorodsvyazinform”.

** Performances of back-up organization for the period from 01.01.2002 to 31.12.2002 and of affiliated organizations for the period from reorganization date to 31.12.2002, obtained by line-by-line aggregation.

The change of share of communication services revenues in quarter 1 of 2006 is caused by the change of settlements pattern with long-distance communication operators under this pattern DLD and ILD services are the services provided by long-distance communication operators. The reduction of communication services share is explained by creation of revenues from agency activity under the contracts concluded by MRC with long-distance communication operators, the subject matter of these contracts is servicing of subscribers in the course of providing DLD and ILD services.

The change of the amount of the issuer’s proceeds from the core economic activity by 10 and more percent as compared to the previous year reporting period and the reasons of such changes:

The growth rate of communication services revenues for quarter 1 of 2006 vs. the relevant period of the past year made up 96,5, %.

In the reporting period the major factors affecting the behavior of revenues changes are coming into effect of new regulations governing the activity of telecom services market. Partially the absence of DLD and ILD revenues in the structure of company’s revenues from January 1, 2006 was compensated for account of continued network development and new communication services sales.

For quarter 1 the gain of basic phone sets made 40 491 numbers. The revenues the Company received for providing access to phone network amounted to 185,2 million rubles.

Recently, the priority was focused on the development of new communication services, including: Internet services provision, ISDN network services, IP-telephony, Intelligent networks, provision of videoconferencing services, etc. The share of services provided on the basis of new technologies in proceeds is constantly growing and for quarter 1 of 2006 it made up 10%. In quarter 1 the revenues from services provided on the basis of new technologies amounted to 480,5 million rubles.

Seasonal nature of the issuer’s core economic activity:

Communication services are not referred to seasonal kinds of activity.

3.2.3. Major types of products (works, services)

Types of products (works and services) that ensured at least 10 percent of the issuer’s sales volume (proceeds) for the last 5 accomplished fiscal years and also for the reporting period:

The services ensuring at least 10 percent of the Issuer’s proceeds were:

- *Provision of DLD (in Russia's cities and towns) and ILD phone communication services;*
- *Provision of city's phone communication services (since 2000);*
- *Provision of connection and traffic transit services.*

The services ensuring at least 10% of the Issuer's proceeds amount in quarter 1 of 2006 were:

- *Provision of intrazonal communication services (within the borders of ABC zone of one subject of Russian Federation);*
- *Provision of local phone communication services;*
- *Provision of connection and traffic transit services.*

The performances of sales of these services are provided in the table below. (as per the data of Single Package of Request for Information).

Major types of products (works and services) that ensured over 10% of the sales volume

Performance description	2001*	2002**	2003	2004	2005	Quarter 1 of 2006
DLD and ILD phone communication services provision						
Proceeds amount from products (works and services) sales, thousand rubles	868 935	4 883 217	5 576 496	6 485 900	6 320 666	680 324***
Share of total proceeds amount, %	50,93	44,52	38,0	34,86	29,6	13,5
Urban and rural phone communication services provision						
Proceeds amount from products (works and services) sales, thousand rubles	637 495	4 043 012	6 272 208	7 767 836	9 538 404	2 610 656
Share of total proceeds amount, %	37,37	36,86	42,73	41,75	44,7	51,9
Connection and traffic transit services provision						
Proceeds amount from products (works and services) sales, thousand rubles	=	=	=	2 222 558	2 696 670	794 781
Share of total proceeds amount, %	=	=	=	11,95	12,6	15,8

* *Performances of back-up organization – OJSC “Nizhegorodsvyazinform”.*

** *Performances of back-up organization for the period from 01.01.2002 to 31.12.2002 and of affiliated organizations for the period from reorganization date to 31.12.2002, obtained by line-by-line aggregation.*

*** *Only intrazonal communication services.*

Total structure of the issuer's prime cost for the last accomplished fiscal year, and also for the reporting period:

Total structure of the Issuer's prime cost for the last accomplished fiscal year and also for quarter 1 of 2006 for the specified items is referenced in per cent of the total prime cost:

Costs item description	2005	Quarter 1 of 2006
Raw materials and suppliers, %	6,15%	6,79
Acquired component parts, semi-finished products, %	0,00%	0,00
Works and services of production nature executed by outside organizations, %	22,7%	7,0
Fuel, %	1,57%	1,75
Electric power, %	1,85%	2,36
Wage costs, %	33,95%	39,14
Interest on credits, %	0,00%	0,00
Rental fee, %	1,3%	1,41

Benefits-related deductions, %	8,5%	9,82
Fixed assets depreciation, %	16,6%	19,56
Taxes included into prime cost of products, %	0,2%	0,17
Other expenses, %	7,18%	12,97
Amortization of intangible assets, %	0,00%	0,00
Remunerations for rationalization proposal, %	0,00%	0,00
Compulsory insurance payments, %	0,36%	0,35
Entertainment allowance, %	0,02%	0,01
Miscellaneous, %	6,8%	12,61
Total: expenses for production and sales of products (works and services) (prime cost), %	100,0%	100,0
Proceeds from sales of products (works and services), % to prime cost	139,2%	138,09

Essential new types of products (works and services) offered by the issuer at the market of its core activity (to the extent as it corresponds to publicly available information about such types of products (works and services):

Recently new communication services are of priority development; among them is provision of Internet services, ISDN, IP-telephony, intelligent networks services, provision of video-phone connections, etc. The share of services rendered on the basis of new technologies in the proceeds is constantly growing and for 2005 it is 7,1 % (in 2004 – 5,0%).

Standards (rules) in accordance with which the accounting statement was prepared and the calculations shown in this item were made:

1. **Bookkeeping regulations “Accounting policy of organization” ПБУ 1/98”, approved by RF Ministry of finances Order N 60н of 09.12.1998;**
2. **Bookkeeping regulations “Accounting of agreements (contracts) for capital construction” ПБУ 2/94”, approved by RF Ministry of finances Order N 167 of 20.12.1994;;**
3. **Bookkeeping regulations “Accounting of assets and liabilities the cost of which is denominated in foreign currency” ПБУ 3/2000”, approved by RF Ministry of finances Order N 2н of 10.01.2000;**
4. **Bookkeeping regulations “Accounting statement of organization” (ПБУ 4/99)”, approved by RF Ministry of finances Order N 43н of 06.07.1999;**
5. **Bookkeeping regulations “Accounting of inventories” ПБУ 5/01”, approved by RF Ministry of finances Order N 44н of 09.06.2001;**
6. **Bookkeeping regulations “Accounting of fixed assets” ПБУ 6/01”, approved by RF Ministry of finances Order N 26н of 30.03.2001;**
7. **Bookkeeping regulations “Events after the reporting date” (ПБУ 7/98)”, approved by RF Ministry of finances Order N 56н of 25.11.1998;**
8. **Bookkeeping regulations “Contingency” ПБУ 8/01”, approved by RF Ministry of finances Order N 96н of 28.11.2001;**
9. **Bookkeeping regulations “Organization’s income” ПБУ 9/99”, approved by RF Ministry of finances Order N 32н of 06.05.1999;**
10. **Bookkeeping regulations “Organization’s expenses” ПБУ 10/99”, approved by RF Ministry of finances Order N 33н of 06.05.1999;**
11. **Bookkeeping regulations “Information about affiliated persons” ПБУ 11/2000”, approved by RF Ministry of finances Order N 5н of 13.01.2000;**
12. **Bookkeeping regulations “Segment information” (ПБУ 12/2000)”, approved by RF Ministry of finances Order N 11н of 27.01.2000;**

13. *Bookkeeping regulations "Accounting of government assistance" ПБУ 13/2000*", approved by RF Ministry of finances Order N 92н of 16.10.2000;
14. *Bookkeeping regulations "Accounting of intangible assets" ПБУ 14/2000*", approved by RF Ministry of finances Order N 91н of 16.10.2000;
15. *Bookkeeping regulations "Accounting of loans and credits and of costs for their servicing" (ПБУ 15/01)*", approved by RF Ministry of finances Order N 60н of 02.08.2001;
16. *Bookkeeping regulations "Information about discontinuing operation" ПБУ 16/02*", approved by RF Ministry of finances Order N 66н of 02.07.2002;
17. *Bookkeeping regulations "Accounting of expenses for R&D and engineering works" ПБУ 17/02*", approved by RF Ministry of finances Order N 115н of 19.11.2002;
18. *Bookkeeping regulations "Accounting of expenses for income tax" ПБУ 18/02*", approved by RF Ministry of finances Order N 114н of 19.11.2002;
19. *Bookkeeping regulations "Accounting of financial investments" ПБУ 19/02*", approved by RF Ministry of finances Order N 126н of 10.12.2002;
20. *Bookkeeping regulations "Information about participation in joint activity" ПБУ 20/03*", approved by RF Ministry of finances Order N 105н of 24.11.2003.

3.2.4. The issuer's raw products (materials) and suppliers.

The issuer's suppliers, their share being at least 10 percent of all supplies of raw products (materials) for the last accomplished fiscal year and also for the reporting period:

In 2005 and in quarter 1 of 2006 there were no Issuer's suppliers whose share was at least 10% of all supplies of raw products (materials).

Information about the share of import in the supplies of commodity stocks and supplies for the last accomplished fiscal year and also for the reporting period:

The share of import is equal to zero.

Change of prices for prime raw products (materials) for the last accomplished fiscal year and also for the reporting period:

In 2005 and in quarter 1 of 2006 there were no substantial changes of prices for prime raw products (materials) capable to affect materially the Issuer's financial standing.

3.2.5. The issuer's products (works, services) sales markets.

Major markets where the issuer carries out its activity:

OJSC "VolgaTelecom" services are sold on the entire territory of the Volga Federal district of Russian Federation (except for the republics of Bashkortostan, Tatarstan, Perm oblast and Komi – Permyatsky autonomous national area).

The major markets of OJSC "VolgaTelecom" are the following:

- *Local and intrazonal telephone communication market.*
- *DLD and ILD telephone communication market.*
- *Market of new communication services (Internet and data transfer, ISDN, xDSL, intelligent network and other data transfer services).*
- *Wireless and cellular communication market.*
- *Other services (wire sound broadcasting, recording communication, radio broadcasting,*

television, satellite communication).

The major end-user groups of communication services rendered by OJSC “VolgaTelecom” are the following:

- *General public*
- *Self-financing organizations (large, medium and small)*
- *State-financed organizations*

Performances description	2001	2002	2003	2004	2005
Share of revenues from general public, %	52,7	54,9	57,2	56,5	57,0
Share of revenues from self-financing organizations, %	43,3	41,1	34,7	35,6	35,1
Share of revenues from state-financed organizations, %	4,0	4,0	8,1	7,9	7,9

Potential factors that may negatively affect the issuer’s sales of its products (works and services) and hypothetical actions of the issuer to reduce this impact:

OJSC “VolgaTelecom” activity results are affected by a number of factors that the Issuer is not capable to control completely, including macroeconomical ones. In addition, there are also some factors that at present seem to be insignificant, but later they may considerably impact the Issuer’s activity. All these may unfavorable affect the results of the Issuer’s activity, its trade turnover, profit, assets, liquidity and capital.

Among negative factors that may affect OJSC “VolgaTelecom” products sales one should emphasize fast growth of penetration level of cellular communication, toughening of competition among Internet providers, and also expected toughening of competition in the area of new technologies and services with due account for high level of potential competition and also the change of legislation in communication area. The growth of competition level at the market of local communication is notable, and first of all in the segment of high-yielding corporate subscribers and from the part of cellular companies offering cheap rates and that may result in decline in demand, loss of subscribers and reduction of volume of calls.

The Issuer is operating in the industry with high level of competition at such markets as local communication (the market share is 87,1%), cellular communication (the market share is 12,0%), cable TV (the market share is 13,43%), dial-up and allocated access to Internet, (the market share is 73,7% and 74,6% correspondingly). There is a definite risk that competitors will try to increase their share at these markets for account of high-yielding corporate customer by substantial reduction of prices first of all for account of implementation of new technologies and reduction of expenditures (transmission of voice traffic via packet-switched networks). Recently the industry where OJSC “VolgaTelecom” is operating is characterized by vigorous emergence and implementation of new technologies. The emergence of new products and technologies is expected and also further development of existing types of products and services.

The Issuer’s management conducts regular monitoring and control of change of the group of the most important indicators characterizing the efficiency of the Issuer’s activity in the area of economical, financial, technical and marketing policies for the purposes of forecasting and operational response to the occurrence and/or increase in the impact of various negative factors. Strategic and medium-term plans of the Issuer’s development are worked out in the frame of pessimistic course of events which ensures for the Issuer’s activity additional safety factor in case of crisis situations development. Every year based on the results of the operation for the accomplished year and the analysis of the Company’s activity conditions change, the forecasts of economical development and marketing strategy are adjusted.

In order to reduce the effect of negative factors, to maintain and increase its market share the Issuer needs to develop permanently its line of products, to implement next generation technologies, to upgrade the quality of services rendered to the end-users, to track the slightest changes occurring in the competitors’ activity and to respond to them operatively, and also to

optimize operations-technological processes, to reduce the products prime cost and to improve the managers' qualification.

3.2.6. Data on the issuer's licenses.

Data on the issuer's licenses are provided in item 3.2.10 setting additional requirements to the issuers whose core activity is communication services provision.

№№	LICENSE NAME	LICENSE NUMBER, DATE OF ISSUE AND VALIDY TERM	THE NAME OF THE BODY THAT ISSUED THE LICENSE
1	Provision of local and intrazonal telephone communication services	№ 23245 of 04.10.2002. (till 04.10.2012);	License of RF Ministry on communication and informatization
2	Provision of local, DLD and ILD telephone communication services (by using the network of call offices, payphone network)	№ 24345 of 28.11.2002. (till 28.11.2007);	License of RF Ministry on communication and informatization
3	To let communication channels on lease	№ 23246 of 12.09.2002. (till 12.09.2007);	License of RF Ministry on communication and informatization
4	Provision of telematic services	№ 23240 of 01.08.2002. (till 01.08.2007);	License of RF Ministry on communication and informatization
5	Provision of telegraph communication services	№ 23243 of 14.11.2002. (till 14.11.2007);	License of RF Ministry on communication and informatization
6	Provision of data transfer services	№ 23241 of 01.08.2002. (till 01.08.2007);	License of RF Ministry on communication and informatization
7	Provision of services of broadcasting sound programs over wire broadcasting network	№ 23721 of 12.09.2002. (till 12.09.2007);	License of RF Ministry on communication and informatization
8	Provision of cellular radio telephone communication services in the frequency range: NMT-450 MHz (Samara oblast) GSM- 900/1800 MHz (the Republic of Mariy El) IMT-MC 450 (Samara oblast)	№ 39201 of 02.02.2006 till (02.02.2009) № 23244 of 28.11.2002. (till 17.03.2010); № 27602 of 18.08.2003. (till 18.08.2013);	License of RF Ministry on communication and informatization
9	Provision of mobile radio telephone communication services	№ 36742 of 28.11.2005. (till 28.11.2008);	License of Federal Service of supervision in communication area

19	Provision of mobile radio communication services	№ 26275 of 23.05.2003. (till 23.05.2006);	License of RF Ministry on communication and informatization
20	Mobile radio communication services in PSTN	№ 33679 of 28.07.2005. (till 28.07.2008). the Republic of Mariy El.	License of RF Ministry on communication and informatization
21	For repair of measuring equipment	№ 000383-P of 21.01.2005. till 21.01.2010.	Federal agency for technical regulation and metrology
22	For carrying out medical activity	№ Г 793689 М 147 of 03.04.2003. (till 03.04.2008); № 1421-П of 27.12.2002. (till 27.12.2007);	Nizhny Novgorod registration chamber Ministry of Public Health of Udmurtiya Republic
23	Activity on construction of buildings and structures of I and II levels of responsibility in accordance with the state standard	ГС-4-52-02-26-0-5260901817-002029-2 of 09.01.2003. (till 09.01.2008); ГС-4-52-02-22-0-5260901817-001771-1 of 03.10.2002. (till 03.10.2007); Д 324172 of 14.06.2002. (till 14.06.2007); ГС-4-52-02-22-0-5260901817-001732-1 of 19.09.2002. (till 19.09.2007)	RF state committee on construction and housing and municipal complex
24	Activity for fire prevention and extinguishing	№ 1/01031 of 21.05.2003. (till 21.05.2008);	Russia's EMERCOM State department of State fire fighting service
25	For the right of use of subsurface resources	ИЖВ № 00700 till 29.01.2021.	Ministry of natural resources and environment protection
26	Subsurface water production for domestic and production needs and for sprinkling of the territory of the inventories depot of Saratov branch of OJSC "VolgaTelecom"	CPT № 00864 till 10.04.2020.	Main department of natural resources and environment protection of Russia's Ministry of natural resources for Saratov oblast.
27	The right of use of subsurface resources to produce subsurface water by OJSC "VolgaTelecom"	CMP № 00968 till 21.06.2027.	Main department of natural resources and environment protection of Russia's Ministry of natural resources for Samara oblast.
	For the right of use of subsurface resources to provide water for health complex	CMP 01135 of 16.01.2006 till 06.09.2026.	Territorial agency for use of subsurface resources for Samara oblast.
28	For the right of use of subsurface resources to produce subsurface water for economic and drinking needs of children's health campus "Orbita"	ЧЕБ № 01295 till 10.04.2013.	Ministry of natural resources of the Republic of Chuvashiya
29	Commercial fisheries as related to fish output	By permit № 12 of 12.01.2006 till 01.01.2007.	RF Ministry of agriculture, Rosselkhoznadzor
30	For the right of use of subsurface resources to produce subsurface water for economic and drinking needs	ИЖК № 01818 till 25.02.2010.	Russian Federation Ministry of natural resources
31	Production of subsurface water to provide technological needs of recreation camp "Vetchak"	ИЖГ № 00964 till 30.08.2010.	Regional agency for subsurface resources use in the Volga Federal district
32	For carrying out the activity of hazardous waste handling	М04/0011/Л of 31.05.2004. (till 31.05.2009)	Russian Federation Ministry of natural resources
33	Technical maintenance of gas circuits (maintenance, repair and revitalizing of gas pipelines, constructions and other objects required for operation of gas circuits)	№ 43-ДГ-006918 (С) of 29.07.2003. (till 29.07.2008)	Russia's Gostekhnadzor
34	Carrying out works on installation, repair and servicing of fire fighting means ensuring fire security of buildings and constructions	№ 2/01817 of 21.05.2003. (till 21.05.2008);	Russia's EMERCOM State department of State fire fighting service

35	Carrying out surveying and mapping activities: 1. Geodesical works during engineering surveying, construction and operation of buildings and structures, land surveying, keeping cadastres, and other surveys; 2. Topographic survey of general purpose and its control at 1:500-1:10000 scale Topographic survey of ground and underground constructions at 1:500-1:5000 scale 3. Position finding of geodetic points and posts on the earth's surface by using geodetic satellite receivers when carrying out engineering surveys, construction and operation of buildings and constructions, boundary survey of land plots, maintenance of land registers, and also other surveys and special activities	ББГ-00312 of 23.12.2002. (till 23.12.2007); ББГ-00313к of 23.12.2002. (till 23.12.2007); ББГ-01138Г of 12.05.2005. (till 12.05.2010)	Federal service of surveying and mapping of Russia, Upper – Volga territorial zone Russia's Federal service of geodesics and cartography
36	Activities and provision of services in the area of state secrets protection	№ 111 of 11.12.2002 till 11.12.06. № 154 of 29.01.2003 till 29.01.08. № 524 of 09.12.2002 till 9.12.07. № 194 of 17.06.2003 till 17.06.08. № 266 of 21.08.2003 till 21.08.06.	Territorial departments of Federal Security Service
37	Technical servicing of ciphering equipment	№ Б 325753 of 10.11.2005 (till 10.11.2010)	Department of Federal Security Service of Nizhny Novgorod oblast
38	Provision of services in the area of information encryption	Б 325754 of 10.11.2005 (till 10.11.2010)	Department of Federal Security Service of Nizhny Novgorod oblast
39	Distribution of encryption (ciphering) equipment	Б 325752 of 10.11.2005 (till 10.11.2010).	Department of Federal Security Service of Nizhny Novgorod oblast
40	Carrying out the activities and provision of services for protection of state secret related to operation of cryptoservice	ЛФ/07-615-52 of 31.03.1999. (till 30.03.2004) On 29.07.2005 the papers were filed to re-document the license	Federal Agency for Security of Communication and Information
41	Educational activity	№ 217 of 18.02.2003 till 18.02.2006 (in the process of extension by Ministry of education of the Republic of Mordoviya)	Ministry of education of the Republic of Mordoviya
42	Transportation of passengers by automobile transport	№ ACC 52 000640 of 15.10.2002 (till 14.10.2007);	Licensing chamber
43	Transportation of passengers by truck transport	№ ГСС 52 000639 of 15.10.2002 (till 14.10.2007);	Licensing chamber

44	Works with the use of data making up state secret	<p>№ 265 of 21.08.2003 till 21.08.2006. № 523 of 09.12.2002 till 09.12.2007. № 523/1 of 19.12.2002 till 09.12.2007. № 523/2 of 19.12.2002 till 09.12.2007. № 523/3 of 19.12.2002 till 09.12.2007. № 523/4 of 19.12.2002 till 09.12.2007. № 523/5 of 19.12.2002 till 09.12.2007. № 126 of 09.04.2003 till 10.04.2008. № 126/1 of 09.04.2003 till 10.04.2008. №126/2 of 09.04.2003 till 10.04.2008. №277/1 of 11.07.2003 till 11.07.2006. №277 of 11.07.2003 till 11.07.2006. № 193 of 17.06.2003 till 17.06.2008. № 152 of 17.03.2003 till 17.03.2008. №152/1 of 17.03.2003 till 17.03.2008. № 153 of 29.01.2003 till 29.01.2008. № 153/4 of 29.01.2003 till 29.01.2008. № 153/3 of 29.01.2003 till 29.01.2008. № 153/2 of 29.01.2003 till 29.01.2008. № 153/1 of 29.01.2003 till 29.01.2008. Л3/180 of 09.12.2002 till 09.12.2010. Л3/180-01 of 09.12.2002 till 09.12.2010. № 110 of 11.12.2002 till 11.12.2006. № 110/1 of 11.12.2002 till 11.12.2006. № 775 of 15.02.2005 till 16.02.2010.</p>	Territorial departments of Federal Security Service
	For radio broadcasting:		
45	Mass medium "Volna"	Series PB № 7557 of 13.08.2003 (till 13.08.2008);	RF Ministry on press, TV and radio broadcasting, and mass media
46	Mass medium "Volna"	Series PB № 7667 of 24.09.2003 (till 24.09.2008);	RF Ministry on press, TV and radio broadcasting, and mass media
47	Mass medium "Volna"	Series PB № 7416 of 26.06.2003 (till 04.07.2008);	RF Ministry on press, TV and radio broadcasting, and mass media
48	Mass medium "Pulse of Nizhny"	Series PB № 7218 of 24.04.2003; (till 12.11.2006)	RF Ministry on press, TV and radio broadcasting, and mass media
49	Mass medium "Retro-Aliyans"	Series PB № 8750 of 18.02.2005 (till 16.02.2006); in the process of extension with Rosokhrankultura;	RF Ministry on press, TV and radio broadcasting, and mass media
50	Mass medium "Radio on "VolgaTelecom" wave"	Series PB № 8567 of 24.11.2004. (till 05.07.2009);	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
51	Mass medium "Radio on "VolgaTelecom" wave"	Series PB № 8564 of 24.11.2004. (till 04.03.2009);	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
52	Mass medium "Radio on "VolgaTelecom" wave"	Series PB № 8565 of 24.11.2004. (till 04.03.2009);	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
53	Mass medium "Radio on "VolgaTelecom" wave"	Series PB № 8566 of 24.11.2004. (till 04.03.2009r);	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
54	Mass medium "Radio "Russian lad"	Series PB № 7980 of 18.12.2003. (till 18.12.2008);	RF Ministry on press, TV and radio broadcasting, and mass media

55	Mass medium "Radio "Russian lad"	Series PB № 8552 of 15.11.2004. (till 15.11.2009)	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
56	Mass medium "Radio "Russian lad"	Series PB № 8553 of 15.11.2004. (till 15.11.2009)	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
57	Mass medium "Radio "Russian lad"	Series PB № 8554 of 15.11.2004. (till 15.11.2009)	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
58	Mass medium "Radio "Russian lad"	Series PB № 8555 of 15.11.2004. (till 15.11.2009)	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
59	Mass medium "Troika"	Series TB № 8029 of 12.01.2004 (till 15.11.2009)	RF Ministry on press, TV and radio broadcasting, and mass media
60	Mass medium "Radio "Russian lad"	Series PB № 8820 of 06.04.2005. (till 06.04.2010).	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.
61	Mass medium "TV-2000"	Series TB № 9454 of 02.11.2005 (till 01.11.2010)	Federal service of supervision over compliance with legislation in the sphere of mass communication and cultural heritage.

Issuer's forecast as regards the probability of licenses extension.

Subject to compliance with necessary requirements and terms and conditions in the course of services provision the validity term of most of the licenses will be extended. The terms and conditions, and the capability of licenses validity terms extension are connected with the licensee's operation without gross violations which is found out by regular checks of GosSvyazNadzor bodies. The Issuer estimates the capability of basic licenses extension as quite high. The dates of the Issuer's obligations to create the subscribers' base were kept in accordance with the licenses terms and conditions.

1. For the licenses for communication services.

Upon the validity term expiry the licenses may be extended if all items of the license terms and conditions are observed, which is confirmed by the verification report of the territorial department of Rossvyaznadzor, by the extension of the validity term of permissions for radio frequencies authorization (if used), and if the appropriate application is filed to the licensor's address – Federal Agency for supervisory control in the area of communication. Due to the fact that the Law "On communication" in a new wording became effective, in order to get the license for providing communication services for TV broadcasting, radio broadcasting and broadcasting of additional information the applicant of the license must submit notarized copy of the license for broadcasting (MTVRB).

The issuer's forecast as regards the probability of license extension: **positive**

2. (for items 45-61 of the Table provided in this item) Licenses for broadcasting are extended on the basis of the verification report of DSSCI (department of state supervision over communication and informatization) confirming the compliance with the license terms and conditions and if the authorization documents on the possibility of radio frequency resource

usage are available. The licenses are extended by Russian Federation Ministry of culture and mass communication.

The Issuer's forecast as regards the probability of license extension: *positive*

3. *Licenses for the activity listed in items 21 – 44 of the Table provided in this item are extended subject to timely submittal of documents package, as established by the law, to the licensor's address.*

3.2.7. The issuer's joint activity.

Information about the issuer's joint activity for the last 5 accomplished fiscal years preceding the reporting period:

For the last 5 accomplished fiscal years the Issuer did not carry out joint activity with other organizations, the Issuer did not conclude ordinary partnership deeds.

Information about the issuer's joint activity for the reporting period:

For the reporting period the Issuer did not carry out joint activity with other organizations, the Issuer did not conclude ordinary partnership deeds.

3.2.8. Additional requirements to the issuers being joint stock investment funds, insurance undertakings or credit institutions, mortgage agents.

3.2.8.1. For joint stock investment funds.

The Issuer is not a joint stock investment fund.

3.2.8.2. For insurance undertakings.

The Issuer is not an insurance undertaking.

3.2.8.3. For credit institutions.

The Issuer is not a credit institution.

3.2.8.4. For mortgage agents.

The Issuer is not a mortgage agent.

3.2.9. Additional requirements to the issuers the core activity of which is mining operations

The Issuer does not mine mineral resources.

There are no affiliated (subsidiary) companies of the Issuer that are engaged in mining operations.

3.2.10. Additional requirements to the issuers the core activity of which is communication services provision

a) Licenses for communication services provision

Basic provisions of licenses

1) Terms and conditions of carrying out the activity in accordance with license № 23245.

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of local and intrazonal telephone communication of public communication network, and also the services of telephone communication by using technical facilities of communication intelligent network on the territories of the following Republics and oblasts: the Republic of Mariy El, the Republic of

Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

The licensee when rendering local phone communication services must provide a subscriber with the access to telematic services and to the services of intrazonal, DLD & ILD telephone communication, and also to data transfer communication services, excluding the services of data transfer for the purposes of voice information transmission.

DLD & ILD telephone communication services are provided by using the licensee's technical facilities over public communication network via Automatic Trunk Line Exchange (ATLX) of corresponding geographical zone of numbering under contracts with operators of long distance and international communication of public communication network of Russian Federation.

The licensee when rendering intrazonal phone communication services must provide a subscriber with the access to telematic services and to data transfer communication services, excluding the services of data transfer for the purposes of voice information transmission.

Provision of local and intrazonal communication services, as per this license, by using microwave radio systems, is allowed upon obtaining the permission of using the operation frequencies in accordance with the industry regulatory documents.

It is allowed to use, at the subscriber's section, radio extenders and radio access equipment if required frequency resource is available, this resource is allocated, as per the established procedure, by the state radio frequency service with Russian Federation Ministry for communication and informatization.

The license validity term: *till 04.10.2012*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with item 22 of the license terms and conditions the operator is obliged to provide inquiry services to the subscribers on the licensed territory. When a subscriber is allocated the directory number it is automatically registered in the subscribers' database.

In accordance with the Law "On communication" the data about the subscribers for providing inquiry services, including for preparation and distribution of information, are provided only with the subscriber's consent and in cases stipulated by RF federal laws.

The dates of performance of the specified obligations: *there are no requirements to the dates of database creation. From the start of services provision of granting access to PSTN the data about the subscriber are shown in public database of subscribers of the operator.*

The level of the Issuer's performance of the specified obligations: *in accordance with scheduled check of supervisory bodies the license's terms and conditions are currently observed.*

Factors that may negatively affect the Issuer's performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

2) Terms and conditions of carrying out the activity in accordance with license № 24345.

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of local, DLD & ILD telephone communication of public communication network at the

territories of the following Republics and oblasts: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast, by using the network of call offices and payphone network being created by the licensee.

The licensee's payphones and call offices are connected to local telephone networks at the level of subscriber units.

The licensee has the right to use communication channels and physical circuits of communication network of other operators for value received in accordance with the Civil Code.

The license validity term: *till 28.11.2007*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The level of the Issuer's performance of the specified obligations: *during scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.*

Factors that may negatively affect the Issuer's performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

3) Terms and conditions of carrying out the activity in accordance with license № 23241

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of data transfer of public communication network on the territory of Russian Federation subjects: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

Data transfer services are provided by using the licensee's data transfer network.

The licensee has the right to connect the data transfer equipment to public telephone communication network, to the part of "Iskra" network used for commercial purposes, and to Switched telegraph service/Telex telegraph network, and also has the right to use communication channels and physical circuits of public communication network.

The licensee's data transfer equipment connection to public communication telephone network, to the part of "Iskra" network used for commercial purposes, and to Switched telegraph service/Telex telegraph network is made only with the rights of subscriber units.

The license validity term: *till 01.08.2007*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with license provisions for the activity in communication services provision area as approved by RF Government regulation № 87 of 18.02.2005 there are no such requirements.

The dates of performance of the specified obligations: *none.*

The level of the Issuer's performance of the specified obligations: *during scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.*

Factors that may negatively affect the issuer's performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

4) Terms and conditions of carrying out the activity in accordance with license № 23721

Types of communication services and types of networks permitted for utilization:

By this license OJSC “VolgaTelecom” (licensee) is authorized to provide the services of sound programs broadcasting over the wire broadcast network on the territory of the following Russian Federation subjects: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

The licensee’s network is designed for broadcasting of sound programs of All-Russia and state regional companies.

Broadcasting of other programs is possible with the availability of license for TV-radio broadcasting and appropriate contract with licensee-broadcaster.

The license validity term: *till 12.09.2007*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer’s obligations in accordance with the specified license to create the subscribers’ base: *There are no such obligations.*

The dates of performance of the specified obligations: *There are no specified obligations*

The level of the Issuer’s performance of the specified obligations: *There are no specified obligations.*

Factors that may negatively affect the issuer’s performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

5) Terms and conditions of carrying out the activity in accordance with license № 23244

Types of communication services and types of networks permitted for utilization:

By this license OJSC “VolgaTelecom” (licensee) is authorized to provide the services of cellular radiotelephone communication of public communication network by using GSM standard equipment in frequency range of 900/1800 MHz on the territory of the Republic of Mariy El.

Cellular communication services are provided by using the licensee’s communication network, which should be a part of unified cellular network of Russian Federation – Personal Communication Network-900 (PCN-900);

PCN-900, being created by the licensee, is connected to Russian Federation public communication network at long distance service level in accordance with General diagram of creating and phase-by-phase development of Russia’s federal network of public mobile radio telephone communication of GSM standard.

The license validity term: *till 17.03.2010*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer’s obligations in accordance with the specified license to create the subscribers’ base:

The subscribers’ database is created since the time of cellular communication services provision

contract conclusion as the subscribers gets the access to the service after its registration in the network's base.

The dates of performance of the specified obligations: ***It is created simultaneously since the time of contracts conclusion with the subscriber.***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies no remarks were found out as regards the compliance with the license requirements.***

Factors that may negatively affect the Issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

6) Terms and conditions of carrying out the activity in accordance with license № 36742

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of mobile radio telephone communication of public communication network on the territory of cities and towns: Penza, Kamenka of Penza oblast; Saratov, Balashov of Saratov oblast; Kirov of Kirov oblast.

The licensee's communication network is created by using radio telephone communication equipment operating in the frequency range 330 MHz, 161,500 MHz /156,900 MHz, 161,725/157,125 MHz, 160,875/156,275 MHz, 160,950/156,350 MHz, 161,575/156,975 MHz, 161,650/157,050 MHz.

The licensee when providing communication services is obliged to observe the rules of communication networks connection and of their interaction as approved by RF Government when connecting mobile radio telephone communication network of the licensee to public communication network, when connecting other communication networks to mobile radio telephone communication network of the licensee, when keeping the record of traffic and its transit in mobile radio telephone communication network of the licensee and when keeping the record of traffic and its transit from communication networks of other operators.

The license validity term: ***till 28.11.2008.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base: ***There are no specified obligations.***

The dates of performance of the specified obligations: ***There are no specified obligations.***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies no remarks were found out as regards the compliance with the license requirements.***

Factors that may negatively affect the Issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

7) Terms and conditions of carrying out the activity in accordance with license № 23246

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide to users and subscribers technical capability of information transmission over channels and communication paths in analog and digital transmission systems of cable, overhead, microwave, satellite

communication lines for transmission of communication signal within the borders of one RF subject on the territories of the following Republics and oblasts: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

Provision of channels, communication paths and physical circuits to customers is allowed for organization of communication networks if their owners have appropriate licenses of Russian Federation Ministry for communication and informatization (Russian Federation Ministry of communication, Russian Federation State committee for communication and informatization, Russian Federation State committee for telecommunications), and also for organization of subscriber lines in order to get access to different communication networks in accordance with the rules of their construction and for internal production networks not providing communication services on compensation basis, including those having the output port to public communication network.

Provision of communication channels and physical circuits is allowed for organization of subscriber and trunk lines of local telephone networks only within the limits of the territory of corresponding geographical zones of ABC ab numbering.

The license validity term: *till 12.09.2007.*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with license provisions for the activity in communication services provision area as approved by RF Government regulation № 87 of 18.02.2005 there are no such requirements.

The dates of performance of the specified obligations: *none.*

The level of the Issuer's performance of the specified obligations: *During scheduled checks by Rossvyaznadzor bodies no remarks were found out as regards the compliance with the license requirements.*

Factors that may negatively affect the Issuer's performance of its obligations under this license:

occurrence of circumstances of insuperable force (force-majeure).

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

8) Terms and conditions of carrying out the activity in accordance with license № 23243

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of telegraph communication (receive, transmit and delivery of telegrams, Switched telegraph service/Telex network services) on the territory of the following Republics and oblasts: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

Telegraph communication services are provided by using the licensee's technical facilities. The installed capacity of telegraph facilities of switching and transmission belonging to the licensee should ensure the capability of complete satisfaction of the needs for telegraph communication services on the licensed territory.

The license validity term: *till 14.11.2007.*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base: ***There are no specified obligations.***

The dates of performance of the specified obligations: ***There are no specified obligations.***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.***

Factors that may negatively affect the issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

9) Terms and conditions of carrying out the activity in accordance with license № 23240

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of telematic services of public communication network (e-mail services, information resources access services, facsimile messages services, information-reference services, voice information transmit services, audio conferences services, video conferences services) on the territory of the following Republics and oblasts: the Republic of Mariy El, the Republic of Udmurtiya, the Republic of Mordoviya, the Republic of Chuvashiya, Kirov oblast, Penza oblast, Ulyanovsk oblast, Samara oblast, Saratov oblast, Orenburg oblast, Nizhny Novgorod oblast.

The services are provided by using the licensee's technical facilities of telematic services.

The license validity term: ***till 01.08.2007.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with license provisions for the activity in communication services provision area as approved by RF Government regulation № 87 of 18.02.2005 there are no such requirements.

The dates of performance of the specified obligations: ***none.***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.***

Factors that may negatively affect the Issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

10) Terms and conditions of carrying out the activity in accordance with license № 39201

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of cellular radio telephone communication of public communication network in the frequency range of 450 MHz at the territory of Samara oblast.

Cellular communication services are provided by using the licensee's communication network, which should be a part of unified cellular network of Russian Federation – Personal Communication Network 450.

The license validity term: ***till 02.02.2009.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with license provisions for the activity in communication services provision area as approved by RF Government regulation № 87 of 18.02.2005 there are no such requirements.

The dates of performance of the specified obligations: ***due to the adoption of RF Government Regulation №87 of 18.02.2005 "Standard requirements to communication operators activity" the requirements to installed capacity of network are not stipulated, so the performance of this item does not result in the operator's responsibility***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.***

Factors that may negatively affect the Issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

11) Terms and conditions of carrying out the activity in accordance with license № 27602

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of digital cellular radio telephone communication of public communication network in the frequency range of 450 MHz, on the basis of IMT-MC-450 technology, at the territory of Samara oblast.

Digital cellular radio telephone communication services are provided by using the licensee's communication network, which is a part of federal cellular network of Russian Federation, on the basis of IMT-MC-450 technology.

The licensee should, for account of its own resources, ensure phase-by-phase disengagement of the spectrum of frequencies 453,00...457,4 MHz/463,0...467,4MHz.

The license validity term: ***till 18.08.2013.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

In accordance with license provisions for the activity in communication services provision area as approved by RF Government regulation № 87 of 18.02.2005 there are no such requirements.

The dates of performance of the specified obligations: ***none.***

The level of the Issuer's performance of the specified obligations: ***During scheduled checks by Rossvyaznadzor bodies there were no remarks on compliance with the license requirements.***

Factors that may negatively affect the Issuer's performance of its obligations under this license: ***occurrence of circumstances of insuperable force (force-majeure).***

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

12) Terms and conditions of carrying out the activity in accordance with licenses №№ 27620, 32182, 38571, 32183, 26974, 20830, 30356, 31760,

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of broadcasting TV and sound programs over cable TV networks on the territories of towns – Syzran, Toliyatti, Samara city of Samara oblast; Yoshkar-Ola town of the Republic of Mariy El; Orenburg city of Orenburg oblast; Cheboksary town of Chuvash Republic; Nizhny Novgorod city of Nizhny Novgorod oblast; Saratov city of Saratov oblast; Saransk town of the Republic of Mordoviya, Kirov city of Kirov oblast.

The customers should be provided with the broadcasting of All-Russia TV-radio broadcasting organizations and state regional TV-radio companies programs being on the air. The broadcasting of other TV (audio) programs is possible if the license for TV-radio broadcasting and the related contract with the licensee-broadcaster are available.

The license validity term: *till 18.08.2006, 27.06.2010, 14.03.2009, 08.06.2010, 23.05.2006, 18.01.2007, 31.12.2006, 26.05.2010 correspondingly*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

There are no specified obligations.

The dates of performance of the specified obligations: *There are no specified obligations.*

The level of the Issuer's performance of the specified obligations: *There are no specified obligations.*

Factors that may negatively affect the Issuer's performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

13) Terms and conditions of carrying out the activity in accordance with license №№ 31291, 23264, 38572, 19983, 39210, 31759, 37341, 31263, 31262, 32184, 33078, 36191, 36164

Types of communication services and types of networks permitted for utilization:

By this license OJSC "VolgaTelecom" (licensee) is authorized to provide the services of broadcasting TV and sound programs at the territories of Kirov, Samara, Nizhny Novgorod, Orenburg oblasts and at the Republic of Mordoviya.

The licensee should provide the customers with the communication services meeting the quality standards and technical norms.

The use of technical communication facilities is allowed, if the permission for their operation is available from the state service supervising communication in Russian Federation.

The license validity term: *till 05.04.2008, 20.05.2007, 14.03.2009, 08.11.2006, 15.03.2009, 11.05.2010, 12.12.2010, 05.04.2010, 05.04.2010, 19.05.2008, 15.07.2010, 31.10.2010, 31.10.2010, correspondingly.*

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer's obligations in accordance with the specified license to create the subscribers' base:

There are no specified obligations.

The dates of performance of the specified obligations: *There are no specified obligations.*

The level of the Issuer's performance of the specified obligations: *There are no specified obligations.*

Factors that may negatively affect the issuer's performance of its obligations under this license: *occurrence of circumstances of insuperable force (force-majeure).*

Possibility of the specified factors occurrence: *they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.*

14) Terms and conditions of carrying out the activity in accordance with license № 33679

Types of communication services and types of networks permitted for utilization:

By this license OJSC “VolgaTelecom” (licensee) is authorized to provide the services of mobile radio communication in public communication network at the territory of the Republic of Mariy-El.

Maximum number of the licensee’s network subscribers – there no such obligations.

The network is created by using radio equipment the operation of which is possible with the availability of permissions from state agencies supervising communication and informatization.

The category of the communication network - public communication network.

The license validity term: ***till 28.07.2008.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer’s obligations in accordance with the specified license to create the subscribers’ base:

There are no specified obligations.

The dates of performance of the specified obligations: ***There are no specified obligations.***

The level of the Issuer’s performance of the specified obligations: ***There are no specified obligations.***

Factors that may negatively affect the Issuer’s performance of its obligations under this license:

occurrence of circumstances of insuperable force (force-majeure).

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

15) Terms and conditions of carrying out the activity in accordance with license № 26275

Types of communication services and types of networks permitted for utilization:

By this license OJSC “VolgaTelecom” (licensee) is authorized to provide the services of mobile radio communication at the territory of Yoshkar-Ola town of the Republic of Mariy-El.

Maximum number of the licensee’s network subscribers -500.

The network is created by using radio equipment the operation of which is possible with the availability of permissions from state agencies supervising communication and informatization.

Connection to the public communication network is not allowed.

The license validity term: ***till 23.05.2006.***

Terms and conditions, and the capability of the license validity term extension:

Terms and conditions of the license validity term extension are carrying out by the licensee of its activity without violations of license requirements which is found out by regular checks of authorized supervision bodies. The forecast as regards the capability of the license validity term extension is positive.

The Issuer’s obligations in accordance with the specified license to create the subscribers’ base:

There are no specified obligations.

The dates of performance of the specified obligations: ***There are no specified obligations.***

The level of the Issuer’s performance of the specified obligations: ***There are no specified obligations.***

Factors that may negatively affect the Issuer’s performance of its obligations under this license:

occurrence of circumstances of insuperable force (force-majeure).

Possibility of the specified factors occurrence: ***they cannot be predicted exactly, however, the Issuer takes all necessary actions to minimize the risk of their occurrence.***

There are no other factors that may negatively affect the performance of obligations under the licenses, as all the requirements are set in accordance with legislative and normative acts of current legislation in communication area. Subject to timely filing of application for license validity term extension and compliance with all requirements defined by enclosure to the license, the license is issued for a new term. The factor constraining the performance of license terms and

conditions is the lack of normative base regulating the procedure of obtaining licenses for communication services.

The issuer's obligations for creation of subscribers' base are defined by the appropriate item of the enclosure to the license, where the number of subscribers is shown by the end of the license validity term. There are no such obligations under the licenses for provision of services of on-air TV and radio broadcasting programs. However, the figure shown in the license is a predicted value and non-performance of this figure by the operator not exceeding 25% of this value will not result in the license cancellation.

Permission for utilization of OJSC "VolgaTelecom" communications electronics

	<i>Territory</i>	<i>Permission for utilization of radio frequency spectrum</i>	<i>Validity term</i>	<i>Miscellaneous</i>
1.	Saratov city, Base Station (BS)-4	№ 05-025108 of 11.03.2006	Till 10.03.2016	330 MHz
2.	Balashov town	№ 14-06-21/2046 of 09.01.2003	Till 08.12.2007	330 MHz
3.	Saratov city, BS-1,2,3	№ 14-06-21/2045 of 09.01.2003	Till 08.12.2007	330 MHz
4.	Saratov city	№ 05-025111 of 11.03.2006	Till 10.03.2016	330 MHz
5.	Settlement Pervomaiskiy, village Stepnyanka	№05-001045Д of 19.10.2005	Till 18.10.2015	330 MHz
6.	Kirov city BS-1 Settlement Raduzhnyi BS-2	№ 14-06-21/2048 of 09.01.2003	Till 08.12.2007	330 MHz
7.	Kirov city BS-1,2	№ 14-06-21/2047 of 09.01.2003	Till 08.12.2007	330 MHz
8.	Kirov city	№ 1022733 of 30.04.2003	Till 30.04.2006	159-161 MHz
9.	Samara city BS-1,2,3,4,5,6,7, Pokhvistnevo town BS- 8, Syzran town BS- 9, Zhigulevsk town BS-10	№ 14-06-21/791 of 09.01.2003	Till 08.12.2007	330 MHz
10.	Samara city BS-1,2,3,4, Settlement Bereza BS-5, Syzran town BS-6,7 Novokuibyshevsk town BS-8, Toliyatti town BS-9,10	№ 14-06-21/790 of 09.01.2003	Till 08.12.2007	330 MHz
11.	Saransk town BS-1,2	№ 14-06-21/792 of 09.01.2003	Till 08.12.2007	330 MHz
12.	Kamenka town BS-1	№ 14-06-21/789 of 09.01.2003	Till 08.12.2007	330 MHz
13.	Penza city BS-1,2	№ 14-06-21/875 of 09.01.2003	Till 08.12.2007	330 MHz
14.	"Village Kazanka – village Novinka", "Village Kazanka – village Tunayar", "Settlement Sura – village Pavlovka", "town Nikolsk – village Polyana", "village Mezhdurechie – village Pokrovka"	№ ОПЧІІ-58-22-607 of 27.03.2003	Till 27.03.2006	330 MHz
15.	"Serdobsk town – village Meshcherskoe"	№ 58-1368 of 14.08.2003	Till 14.08.2006	330 MHz
16.	Penza city	№ 58-1336 of 11.08.2003	Till 11.08.2006	330 MHz
17.	Serdobsk town	№ 58-1371 of 14.08.2003	Till 14.08.2006	330 MHz

18.	Penza city	№58-1372 of 14.08.2003	Till 14.08.2006	330 MHz
19.	Penza city	№ 58-1337 of 11.08.2003	Till 14.08.2006	330 MHz
20.	Gorodishche town	№ 58-1331 of 11.08.2003	Till 11.08.2006	330 MHz
21.	Village Lopatino	№ 58-1339 of 11.08.2003	Till 11.08.2006	330 MHz
22.	Settlement Lunino	№ 1027985 of 22.08.2003	Till 11.09.2008	330 MHz
23.	Kstovo town BS-5	№ 14-06-21/56677 of 31.12.2002	Till 02.12.2007	330 MHz
24.	Village Novyi Mir – settlement Ravenstvo	№ 05-001020Д of 19.10.2005	Till 19.10.2005	330 MHz
25.	Village Novyi Mir – village Melenino	№ 05-001433Д of 19.10.2005	Till 18.10.2015	330 MHz
26.	Village Shestakovka – village Kurtashka Village Tashla - village Borodinsk	№ 05-001044Д of 19.10.2005	Till 18.10.2015	330 MHz
27.	Nizhny Novgorod city BS-1,2,3	№ 14-06-21/56681 of 31.12.2002	Till 02.12.2007	330 MHz
28.	Sergach town BS-1	№ 14-06-21/56679 of 31.12.2002	Till 02.12.2007	330 MHz
29.	Arzamas town BS-1	№ 14-06-2002 of 31.12.2002	Till 02.12.2007	330 MHz
30.	Yoshkar-Ola town	№ 081-05-02/26314 of 02.06.2003	Till 10.01.2008	156-160 MHz
31.	Yoshkar-Ola town BS-4	№ 17-05-30/19946 of 24.04.2003	Till 16.04.2008	890-915 MHz
32.	Mariy El	№ 05-023410 of 29.12.2005	Till 28.12.2015	1805,- 1880/1710- 1785 MHz
33.	Volzhsk town, Kozmodemiyansk town, settlement Kokshaisk, sanatorium “Klenovaya gora”	№ 17-05-30/20405 of 24.04.2003	Till 16.04.2008	935-960 MHz
34.	The Republic of Mariy El	№ 04-005409 of 31.12.2004	Till 31.12.2014	890-915 MHz 935-960 MHz
35.	The Republic of Mariy El	№ 06-000873 of 14.03.2006г	Till 13.03.2016	890-915 MHz 935-960 MHz
36.	Samara oblast, Village Kinel-Cherkassy	№ 05-006377 of 23.03.2005	Till 23.03.2015	417,5- 419,5/395, 0-397,0 MHz

37.	Samara oblast Syzran town, BS-11 Samara city, BS-1,3,4 Toliyatti town, BS-8,9,10 Otradnyi town BS-16 Novokuibyshevsk town BS-18 Pokhvistnevo town BS-21 Settlement Bereza BS-7 Krasnyi Yar town BS-38 Bezenchuk town BS-20 Sergievsk town BS-22 Neftegorsk town BS-23 Settlement Shigony BS-24 Settlement Bolshaya Glushitsa BS-25 Village Khvorostiyanka BS-32 Chapaevsk town BS-17 Kinel town BS-19 Settlement Vintai BS-28	№ 083-03-02/27506 of 06.06.2003	Till 01.02.2006	453-457,5 MHz/ 463-467,5 MHz
38.	Samara oblast BS-5	№ 04-002741 of 09.12.2004	Till 29.07.2014	463,0- 467,4 MHz/ 453,0- 457,4 MHz
39.	Samara oblast BS-1, 2, 3, 6, 8, 10, 14, Otr1	№ 04-002681 of 09.12.2004	Till 29.12.2014	463,0- 467,4MHz/ 453,0- 457,4 MHz
40.	Samara oblast BS-4, BC-16, BC-41	№ 05-024421 of 26.02.2006	Till 25.08.2006	463,0- 467,4MHz/ 453,0- 457,4 MHz
41.	Samara oblast BS-Samara 5	№ 06-002263 of 14.04.2006	Till 13.04.2016	463,- 467,4/453, 0-457,4 MHz
42.	Samara oblast BS-9, BS-11, BS-12, BS-13, BS-15, BS-17, BS-18, BS-19, BS-20, BS -21, BS -22, BS -23, BS - 24, BS -25, BS -26, BS -27, BS -28, BS -29, BS -30, BS -31, BS -32, BS - 33, BS -34, BS -35, BS -36, BS -37, BS -38, BS -39, BS -40, BS -41, BS - 42, BS -43, BS -44, BS -45, BS -46, BS -47, BS -48, BS -49, BS -50, BS - 51, BS -52	№ 05-024420 OF 30.12.2005	Till 29.12.2015	463,0- 467,4MHz/ 453,0- 457,4 MHz

43.	The Republic of Mariy El	17-05-30/22008 of 07.05.2003	Till 5.11.2003	890-915 MHz 935-960 MHz
44.	The Republic of Mariy El	№ 1024077 of 16.12.2003	Till 12.12.2008	890-915 MHz 935-960 MHz
45.	The Republic of Mariy El	№ 03-12026 of 24.12.2003	Till 20.12.2008	890-915 MHz 935-960 MHz
46.	The Republic of Mariy El	№ 05-006333 OF 23.03.2005	Till 23.03.2015	890-915 MHz 935-960 MHz
47.	The Republic of Mariy El	№ 05-018360 of 25.10.2005	Till 24.10.2015	890-915MHz 935-960MHz
48.	The Republic of Mariy El	№ 06-003505 of 18.04.2006	Till 17.04.2016	890-915 MHz 935-960 MHz
49.	The Republic of Mariy El	№ 04-001064 of 12.10.2004	Till 11.10.2014	1805,0-1880,0/ 1710,0-1785,0
50.	The Republic of Mariy El	№ 05-023792 of 30.12.2005	Till 29.12.2015	1805,0-1880,0/ 1710,0-1785,0
51.	Dimitrovgrad town BS-1 Settlement Veshkaima BS-2 Ulyanovsk city BS-3	№ 14-10-20/55245 of 18.12.2002	Till 17.12.2005	160 MHz
52.	Settlement Veshkaima	№ 14-10-20/15924 of 31.03.2003	Till 17.12.2005	160 MHz
53.	Saransk town BS-1 Settlement Atyurievo BS-2 Ruzaevka town BS-3 Sarask village BS-4	№ 14-10-20/55243 of 18.12.2002	Till 17.12.2005	160 MHz
54.	The Republic of Mariy El Yoshkar-Ola town, settlement Sovietskiy, settlement Mary-Turek, Kozmodemiyansk town, Settlement Morki, Volzhsk town, settlement Novyi Torial, settlement Gonyak, Settlement Kilemary, Settlement Kokshaisk, settlement Orshpanka	№ 05-006657 of 24.03.2005	Till 23.03.2015	146,0-174,0 MHz
55.	Village B.Nagatkino Tsylninskiy district	№ 05-009259 of 06.05.2005	Till 05.05.2015	330 MHz
56.	Village Mogutovo – village Rzhavets	№ 05-001048Д of 19.10.2005	Till 18.10.2015	330 MHz
57.	Village Yangiz – Marievka – settlement Severnyi	№ 05-001050Д of 19.10.2005	Till 18.10.2015	330 MHz
58.	Village Bikkulovo – village Kamenka	№ 05-001047Д of 19.10.2005	Till 18.10.2015	330 MHz

59.	Village Matveevka – village Staroashirovo – village Emelianovka – village V.Novokutlumbetievo	№ 05-001051Д of 19.10.2005	Till 18.10.2015	330 MHz
60.	Village Novocherkassk – village Krasnogor, village Chernyi Otrog – village Ablyazovo, settlement Saraktash – village Siyal-Tugai	№ 05-001042Д of 19.10.2005	Till 18.10.2015	330 MHz
61.	Village Kurmanaevka – village Petrovka, village Kostino village Volzhskiy, village Pokrovka – village Ivanovka, village Kutushi – village Mikhailovka	№ 05-001043Д of 19.10.2005	Till 18.10.2015	330 MHz
62.	Village Gorkovskoe – village Zakumachnoe Village Dobrovolskoe – village Chilekta	№ 05-001393Д of 19.10.2005	Till 18.10.2015	330 MHz
63.	Village Novosultangulovo – village Kurbanai, Village Asekeevo – village Yakovlevka	№ 05-001037Д of 19.10.2005	Till 18.10.2015	330 MHz
64.	Settlement Novospasskoe, Novospassk's exchange	№ 05-009257 of 06.05.2005	Till 05.05.2015	146,0-174,0 MHz
65.	Alexandrovka Alexandrovka (Grach)	№ 05-021089 of 29.12.2005 № 05-021071 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	7TV Channel 3TV Channel
66.	Aidyryla	№ 05-021221 of 29.12.2005	Till 28.12.2015	29TV Channel
67.	Asekeevo (Novosultangulovo)	№ 05-021045 of 26.12.2005	Till 25.12.2015	34TV Channel
68.	Alexeevka (Tashlinsky district) Alexeevka (Tashlinsky district) Alexeevka (Buguruslan district)	№ 05-023236 of 26.12.2005 № 05-021188 of 26.12.2005 № 05-021057 of 29.12.2005	Till 25.12.2015 Till 25.12.2015 Till 28.12.2015	5TV Channel 10TV Channel 28TV Channel
69.	Alexeevka (Alexeevka's)	№05-017236 of 03.08.2005	Till 02.08.2010	10TV Channel
70.	Aksakovo	№ 05-021206 of 29.12.2005	Till 28.12.2015	10TV Channel
71.	Abdulino	№ 05-021065 of 29.12.2005	Till 28.12.2015	6TV Channel
72.	Blagodarnoe	№ 05-021251 of 29.12.2005	Till 28.12.2015	12TV Channel
73.	Borodinskoe	№ 05-021066 of 29.12.2005	Till 28.12.2015	3TV Channel
74.	Buzuluk	№ 05-023228 of 26.12.2005	Till 25.12.2015	4TV Channel
75.	Buzuluk	№ 05-023243 of 26.12.2005	Till 25.12.2015	70,82 MHz
76.	Buguruslan	№05-021222 of 29.12.2005	Till 28.12.2015	49TV Channel
77.	Balandino	№ 05-021250 of 28.12.2005	Till 27.12.2015	3TV Channel
78.	Bestuzhevka	№ 05-021024 of 26.12.2005	Till 25.12.2015	2TV Channel
79.	Brient	№ 05-017626 of 28.12.2005	Till 27.12.2015	8TV Channel
80.	Burtinskyi	№ 05-021246 of 26.12.2005	Till 25.12.2015	29TV Channel

81.	Veselyi	№ 05-021220 of 29.12.2005	Till 28.12.2015	21TV Channel
82.	Vasilievka	№ 05-021054 of 26.12.2005 № 05-023235 of 26.12.2005r	Till 25.12.2015	35TV Channel 23TV Channel
83.	Verkhnebuzulukskyi	№ 05-021056 of 28.12.2005r № 05-021078 of 26.12.2005	Till 27.12.2015 Till 25.12.2015	3TV Channel 8TV Channel
84.	Vozdvizhenka	№ 05-021068 of 26.12.2005	Till 25.12.2015	2TV Channel
85.	Vyazovoe	№ 05-021199 of 29.12.2005	Till 28.12.2015	9TV Channel
86.	Gamaleevka	№ 05-021026 of 26.12.2005	Till 25.12.2015	2TV Channel
87.	Gerasimovka	№ 05-021064 of 26.12.2005	Till 25.12.2015	7TV Channel
88.	Gerasimovka	№ 05-017234 of 03.08.2005	Till 02.08.2010	10TV Channel
89.	Georgievka	№ 05-021063 of 29.12.2005	Till 28.12.2015	3TV Channel
90.	Grachevka	№ 05-021073 of 26.12.2005	Till 25.12.2015	21TV Channel
91.	Dobrinka	№ 05-021190 of 29.12.2005	Till 28.12.2015	8TV Channel
92.	Dmitrovskiyi	№ 05-021261 of 29.12.2005	Till 28.12.2015	35TV Channel
93.	Emelyanovka	№ 05-021211 of 29.12.2005	Till 28.12.2015	36TV Channel
94.	Efimovka	№ 05-021067 of 26.12.2005	Till 25.12.2015	3TV Channel
95.	Ilek	№ 05-021077 of 29.12.2005 № 05-021208 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	3TV Channel 27TV Channel
96.	Ivanovka	№ 05-021203 of 29.12.2005	Till 28.12.2015	9TV Channel
97.	Zarechnoe	№ 05-021038 of 26.12.2005 № 05-024714 of 18.02.2006	Till 26.12.2015 Till 17.02.2015	2TV Channel 9TV Channel
98.	Zapadnyi	№ 05-021260 of 26.12.2005	Till 25.12.2015	12 TV Channel
99.	Zelenyi dol	№ 05-021215 of 29.12.2005	Till 28.12.2015	6TV Channel
100.	Zagorie	№ 05-023216 of 26.12.2005	Till 25.12.2015	2TV Channel
101.	Zhirnov	№ 05-021255 of 26.12.2005	Till 25.12.2015	10TV Channel
102.	Komissarovo	№ 05-021088 of 29.12.2005 № 05-021062 of 26.12.2005	Till 28.12.2015 Till 25.12.2015	8TV Channel 6TV Channel
103.	Kalikino	№ 05-017233 of 03.08.2005	Till 02.08.2010	6TV Channel
104.	Koptyazhevo	№ 05-021029 of 26.12.2005	Till 25.12.2015	6TV Channel
105.	Koptyazhevo	№ 04-003377 of 08.04.2005	Till 07.04.2015	3TV Channel

106.	Kinzelka	№ 05-023190 of 29.12.2005	Till 28.12.2015	2TV Channel
107.	Krestovka	№ 04-003929 of 08.04.2005	Till 07.04.2015	2TV Channel
108.	Kinzelka	№ 04-001075 of 04.11.2004	Till 03.11.2014	7TV Channel
109.	Koskul	№ 05-021243 of 29.12.2005	Till 28.12.2015	9TV Channel
110.	Koskul	№ 05-021244 of 26.12.2005	Till 25.12.2015	11TV Channel
111.	Kvarkeno	№ 05-021216 of 28.12.2005	Till 27.12.2015	31TV Channel
112.	Kyzyl-Mechet	№ 05-021197 of 29.12.2005 № 05-023238 of 26.12.2005	Till 25.12.2015	9TV Channel 5TV Channel
113.	Kozlovka	№ 05-021204 of 29.12.2005	Till 28.12.2015	9TV Channel
114.	Kulsharipovo	№ 04-004640 of 08.04.2005	Till 07.04.2015	3TV Channel
115.	Kulagino	№ 05-021209 of 29.12.2005 № 05-021245 of 29.12.2005	Till 28.12.2015	9TV Channel 12TV Channel
116.	Kovylyaevka (Totsky's) Kovylyaevka	№ 05-021212 of 29.12.2005 № 05-021017 of 26.12.2005	Till 28.12.2015 Till 25.12.2015	8TV Channel 2TV Channel
117.	Korovino	№ 05-021270 of 03.12.2005	Till 02.12.2010	4TV Channel
118.	Kammenoimangulovo	№ 05-021205 of 29.12.2005 № 05-021061 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	9TV Channel 7TV Channel
119.	Kutluevo	№ 05-021213 of 29.12.2005	Till 28.12.2015	6TV Channel
120.	Kuvandyk	№ 05-021730 of 29.12.2005	Till 28.12.2015	5TV Channel
121.	Kusem	№ 05-023182 of 26.12.2005	Till 25.12.2015	5TV Channel
122.	Kurtashka	№ 05-024715 of 18.02.2006	Till 17.02.2016	3TV Channel
123.	Kulchum	№ 05-023222 of 26.12.2005	Till 25.12.2015	4TV Channel
124.	Linevka	№ 05-021080 of 26.12.2005	Till 25.12.2015	6TV Channel
125.	Luybimovka	№ 05-021072 of 26.12.2005	Till 25.12.2015	3TV Channel
126.	Mordovskiy Buguruslan	№ 05-023211 of 29.12.2005 № 05-023206 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	8TV Channel 6TV Channel
127.	Martynovka	№ 05-017242 of 03.08.2005	Till 02.08.2010	9TV Channel
128.	Mikhailovka - 2	№ 05-023208 of 28.12.2005	Till 27.12.2015	2TV Channel
129.	Mikhailovka -1	№ 05-021294 of 26.12.2005	Till 25.12.2015	4TV Channel
130.	Malmyzh	№ 05-007129 of 06.05.2005	Till 05.05.2010	1TV Channel

131.	Mustaev	№ 05-023220 of 29.12.2005 № 05-021214 of 28.12.2005	Till 27.12.2015	2TV Channel 12TV Channel
132.	Malaya Remizena	№ 05-023218 of 26.12.2005 № 05-021047 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	4TV Channel 7TV Channel
133.	Matveevka	№ 05-021202 of 29.12.2005 № 05-023185 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	12TV Channel 7TV Channel
134.	Mezhdurechie	№ 05-021224 of 28.12.2005	Till 27.12.2015	2TV Channel
135.	Mezhdurechie	№ 05-021465 of 26.12.2005	Till 25.12.2015	4TV Channel
136.	Mochegai	№ 05-023240 of 26.12.2005	Till 25.12.2015	5TV Channel
137.	Mochegai	№ 05-017238 of 03.08.2005	Till 02.08.2010	10TV Channel
138.	Martynovka	№ 05-023234 of 26.12.2005r	Till 25.12.2015	4TV Channel
139.	Miroshkino (Tashlinsky's)	№ 05-021207 of 29.12.2005	Till 28.12.2015	9TV Channel
140.	Miroshkino (Pervomaiskiy's)	№ 05-021042 of 29.12.2005	Till 28.12.2015	7TV Channel
141.	Miroshkino (Pervomaiskiy's)	№ 05-021682 of 29.12.2005	Till 28.12.2015	4TV Channel
142.	Nazarovka	№ 05-021075 of 29.12.2005	Till 28.12.2015	8TV Channel
143.	Novobelogorka	№ 05-017429 of 28.12.2005	Till 27.12.2015	9TV Channel
144.	Novovasilievka	№ 05-021086 of 29.12.2005	Till 28.12.2015	8TV Channel
145.	Novosergeevka	№ 05-023221 of 26.12.2005 № 05-021049 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	32TV Channel 3TV Channel
146.	Novokamenka	№ 05-021242 of 29.12.2005	Till 28.12.2015	36TV Channel
147.	Noikono	№ 05-023213 of 29.12.2005	Till 28.12.2015	3TV Channel
148.	Novouzely	№ 05-023183 of 29.12.2005 № 05-021210 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	3TV Channel 7TV Channel
149.	Nesterovka	№ 05-023192 of 29.12.2005r	Till 28.12.2015	2TV Channel
150.	Novoyulaska	№ 05-023197 of 29.12.2005	Till 28.12.2015	11TV Channel
151.	Novospasskoe	№ 03-01970 of 09.10.2003 № 05-023209 of 29.12.2005	Till 01.08.2005 Till 28.12.2015	4TV Channel 8TV Channel
152.	Nesterovka	№ 05-021733 of 29.12.2005	Till 28.12.2015	4TV Channel
153.	Nizhnokristalka	№ 05-021593 of 29.12.2005	Till 28.12.2015	4TV Channel
154.	Novonikolskoe	№ 05-023210 of 29.12.2005	Till 28.12.2015	7TV Channel

155.	Novoiletsk	№ 05-023201 of 28.12.2005r	Till 27.12.2015	7TV Channel
156.	Novomariievka	№ 05-021218 of 29.12.2005	Till 28.12.2015	7TV Channel
157.	Nevezhkino	№ 05-021048 of 29.12.2005	Till 28.12.2015	7TV Channel
158.	Nevezhkino	№ 05-021186 of 26.12.2005	Till 25.12.2015	9TV Channel
159.	Novomusino	№ 05-021182 of 26.12.2005	Till 25.12.2015	9TV Channel
160.	Novonikolskoe	№ 05-021194 of 26.12.2005	Till 25.12.2015	9TV Channel
161.	Nizhnokristalka	№ 05-021193 of 29.12.2005	Till 28.12.2015	9TV Channel
162.	N. Gumbet	№ 05-021053 of 26.12.2005	Till 25.12.2015	27TV Channel
163.	Nikolskoe	№ 05-021033 of 26.12.2005 № 05-021037 of 26.12.2005	Till 25.12.2015 Till 25.12.2015	23TV Channel 37TV Channel
164.	Razdolnoe	№ 05-017541 of 28.12.2005	Till 27.12.2015	11TV Channel
165.	Revolutsionnyi	№ 05-021035 of 26.12.2005	Till 25.12.2015	29TV Channel
166.	Revolutsionnyi	№ 04-004828 of 06.05.05	Till 05.05.2010	6TV Channel
167.	village Russkyi Kandyz	№ 05-023207 of 29.12.2005	Till 28.12.2015	23TV Channel
168.	village Russkyi Kandyz	№ 05-023186 of 29.12.2005	Till 28.12.2015	25TV Channel
169.	Romanovka	№ 04-003090 of 23.05.2005	Till 22.05.2015	9TV Channel
170.	Romanovka (Sorochinskiy's)	№ 05-017627 of 28.12.2005	Till 27.12.2015	7TV Channel
171.	Rodinskiy	№ 05-017239 of 03.08.2005	Till 02.08.2010	9TV Channel
172.	Russkaya bokla	№ 05-023223 of 26.12.2005 № 05-023229 of 26.12.2005	Till 25.12.2015	5TV Channel 10TV Channel
173.	Ryabinnyi	№ 05-023237 of 26.12.2005	Till 25.12.2015	5TV Channel
174.	Ranee (Tashlinskiy's)	№ 05-021201 of 26.12.2005	Till 25.12.2015	10TV Channel
175.	Rybkin	№ 05-021041 of 26.12.2005	Till 25.12.2015	2TV Channel
176.	Rzhavka	№ 05-021070 of 26.12.2005 № 05-023226 of 26.12.2005	Till 25.12.2015 Till 25.12.2015	3TV Channel 5TV Channel
177.	Romashkino	№ 05-021040 of 26.12.2005	Till 25.12.2015	7TV Channel
178.	Sainovka	№ 04-003071 of 23.05.2005	Till 23.05.2005	7TV Channel
179.	Saifutdinovo	№ 04-003023 of 23.05.2005	Till 22.05.2015	7TV Channel
180.	Samarkino	№ 05-021059 of 26.12.2005	Till 25.12.2015	3TV Channel
181.	Svetlyi	№ 05-021076 of 29.12.2005	Till 28.12.2015	6TV Channel

182.	Slobodka	№ 04-003003 of 23.05.2005	Till 22.05.2015	8TV Channel
183.	village Sukhorechka	№ 05-023212 of 26.12.2005	Till 25.12.2015	12TV Channel
184.	Sovetskoe of Buguruslan district	№ 05-021032 of 26.12.2005 № 05-023224 of 26.12.2005	Till 25.12.2015 Till 25.12.2015	6TV Channel 4TV Channel
185.	Sovetskoe of Pervomaiskyi district	№ 05-023227 of 26.12.2005 № 05-021031 of 26.12.2005	Till 25.12.2015 Till 25.12.2015	4TV Channel 6TV Channel
186.	Staroe Tyurino	№ 05-021028 of 26.12.2005	Till 25.12.2015	10TV Channel
187.	Stepanovka	№ 05-023239 of 29.12.2005 № 05-021227 of 28.12.2005	Till 29.12.2005 Till 27.12.2015	5TV Channel 2TV Channel
188.	Staromukmenevo	№ 05-021226 of 28.12.2005	Till 27.12.2015	2TV Channel
189.	Starokulsharipovo	№ 04-002979 of 23.05.2005	Till 22.05.2015	8TV Channel
190.	Staroyashkino	№ 05-021249 of 29.12.2005	Till 28.12.2015	3TV Channel
191.	Studenoe	№ 05-021230 of 28.12.2005	Till 27.12.2015	10TV Channel
192.	Stepnoi	№ 05-021185 of 29.12.2005	Till 28.12.2015	9TV Channel
193.	Slonovka	№ 05-021229 of 29.12.2005	Till 28.12.2015	10TV Channel
194.	Slonovka	№ 04-003086 of 23.05.2005	Till 22.05.2015	12TV Channel
195.	Sverdlovskiyi	№ 05-023230 of 26.12.2005 № 05-021225 of 28.12.2005	Till 25.12.2015 Till 27.12.2015	4TV Channel 2TV Channel
196.	Sofievka	№ 05-023225 of 26.12.2005 № 05-021285 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	40TV Channel 5TV Channel
197.	Oktayabskoe	№ 05-021195 of 26.12.2005	Till 25.12.2015	10TV Channel
198.	Ozernyi	№ 05-021189 of 26.12.2005	Till 25.12.2015	10TV Channel
199.	Ozernyi	№ 05-012351 of 26.12.2005	Till 25.12.2015	2TV Channel
200.	Orenburg	№ 03-06753 of 12.11.2003 № 03-06755 of 12.11.2003	Till 01.08.2005	24TV Channel 31TV Channel
201.	Orenburg	№ 05-018535 of 30.12.2005	Till 29.12.2015	9TV Channel
202.	Orsk	№ 05-021034 of 26.12.2005	Till 25.12.2015	3TV Channel
203.	Obilnyi	№ 05-021196 of 29.12.2005	Till 28.12.2015	9TV Channel
204.	Saransk town	№ 11-05-20/21269 of 05.05.2003	Till 20.05.2008	2TV Channel
205.	Tamdysai	№ 05-017031 of 28.12.2005	Till 27.12.2015	8TV Channel

206.	Troitskoe	№ 05-021055 of 26.12.2005 № 05-021046 of 26.12.2005 № 05-021259 of 29.12.2005	Till 25.12.2015 Till 25.12.2015 Till 28.12.2015	8TV Channel 3TV Channel 6TV Channel
207.	Tolkaevka	№ 05-021060 of 26.12.2005	Till 25.12.2015	29TV Channel
208.	Tobolskiy	№ 05-021043 of 29.12.2005	Till 28.12.2015	6TV Channel
209.	Tobolskiy	№ 05-010423 of 26.12.2005	Till 25.12.2015	1TV Channel
210.	Timashevo	№ 05-021079 of 26.12.2005	Till 25.12.2015	9TV Channel
211.	Podlesnoe	№ 05-021106 of 28.12.2005 № 05-021192 of 29.12.2005	Till 27.12.2015 Till 28.12.2015	6TV Channel 9TV Channel
212.	Pilyugino	№ 05-021074 of 26.12.2005	Till 25.12.2015	26TV Channel
213.	Pashkino	№ 05-021184 of 29.12.2005	Till 28.12.2015	9TV Channel
214.	Petrovka	№ 05-021012 of 26.12.2005	Till 25.12.2015	2TV Channel
215.	Polibino	№ 05-021228 of 28.12.2005	Till 27.12.2015	6TV Channel
216.	Pervoklassnoe	№ 05-023233 of 29.12.2005 № 05-021099 of 28.12.2005	Till 28.12.2015 Till 27.12.2015	4TV Channel 7TV Channel
217.	Preobrazhenka	№ 05-023232 of 29.12.2005 № 05-021200 of 29.12.2005 № 05-021183 of 28.12.2005	Till 28.12.2015 Till 28.12.2015 Till 27.12.2015	4TV Channel 11TV Channel 9TV Channel
218.	Privolnyi	№ 05-021044 of 26.12.2005	Till 25.12.2015	10TV Channel
219.	Pridolinni	№ 05-021027 of 26.12.2005	Till 25.12.2015	1TV Channel
220.	Pobeda	№ 05-023219 of 26.12.2005 № 05-021085 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	4TV Channel 7TV Channel
221.	Pavlovo-Antonovka	№ 05-021187 of 29.12.2005 № 05-021180 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	11TV Channel 8TV Channel
222.	Pervomaiskiy	№ 05-021253 of 28.12.2005 № 05-023184 of 29.12.2005	Till 27.12.2015 Till 28.12.2015	8TV Channel 5TV Channel
223.	Pervomaisk	№ 05-021252 of 26.12.2005	Till 25.12.2015	12TV Channel
224.	Pronkino (Soroch)	№ 05-021092 of 29.12.2005	Till 28.12.2015	7TV Channel
225.	Putayatino	№ 05-021256 of 29.12.2005 № 05-021223 of 28.12.2005	Till 28.12.2015 Till 27.12.2015	12TV Channel 1TV Channel

226.	Uteevo	№ 05-021052 of 26.12.2005 № 05-023195 of 26.12.2005	Till 25.12.2015	7TV Channel 5TV Channel
227.	Settlement Uralskyi	№ 05-023205 of 29.12.2005	Till 28.12.2015	7TV Channel
228.	Uspenka	№ 05-021030 of 26.12.2005 № 05-023198 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	8TV Channel 4TV Channel
229.	Khortista	№ 05-021247 of 29.12.2005 № 05-021051 of 29.12.2005	Till 28.12.2015 Till 28.12.2015	3TV Channel 2TV Channel
230.	Fedorovka	№ 05-021050 of 29.12.2005 № 05-021039 of 26.12.2005	Till 28.12.2015 Till 25.12.2015	2TV Channel 12TV Channel
231.	Shirokoe (Tashl.	№ 05-023187 of 26.12.2005 № 05-021198 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	5TV Channel 9TV Channel
232.	Shestakovka	№ 05-021217 of 28.12.2005 № 05-021081 of 26.12.2005	Till 27.12.2015 Till 25.12.2015	11TV Channel 3TV Channel
233.	Energetik	№ 05-021254 of 29.12.2005	Till 28.12.2005	22TV Channel
234.	Yasnyi	№ 05-021036 of 26.12.2005	Till 25.12.2015	12TV Channel
235.	Yafarovo	№ 05-021023 of 26.12.2005	Till 25.12.2015	7TV Channel
236.	Yagodnoe	№ 05-021022 of 26.12.2005 № 05-021684 of 29.12.2005	Till 25.12.2015 Till 28.12.2015	8TV Channel 5TV Channel
237.	Yaman	№ 05-021058 of 26.12.2005	Till 25.12.2015	6TV Channel
238.	Yasnogorskyi	№ 05-021219 of 28.12.2005	Till 27.12.2015	37TV Channel
239.	Yakovlevka	№ 05-021248 of 29.12.2005 № 05-023196 of 26.12.2005	Till 25.12.2015	6TV Channel 4TV Channel
240.	Yashkino	№ 05-021025 of 26.12.2005 № 05-021191 of 26.12.2005	Till 25.12.2015	11TV Channel 9TV Channel
241.	Insar	№ 05-024573 of 01.12.2005	Till 31.05.2006	37TV Channel
242.	Insar	№ 05-024576 of 01.12.2005	Till 31.05.2006	39TV Channel
243.	Dubenki	№ 05-024569 of 01.12.2005	Till 31.05.2006	37TV Channel
244.	Dubenki	№ 05-024555 of 01.12.2005	Till 31.05.2006	31TV Channel
245.	Chamzinka	№ 05-024580 of 01.12.2005	Till 31.05.2006	31TV Channel
246.	Chamzinka	№ 05-024582 of 01.12.2005	Till 31.05.2006	37TV Channel

247.	Zubova-Polyana	№ 05-024574 of 01.12.2005	Till 31.05.2006	39TV Channel
248.	Zubova-Polyana	№ 05-024564 of 01.12.2005	Till 31.05.2006	37TV Channel
249.	Atyashevo	№ 05-024572 of 01.12.2005	Till 31.05.2006	31TV Channel
250.	Atyashevo	№ 05-024559 of 01.12.2005	Till 31.05.2006	37TV Channel
251.	Ichalki	№ 05-024554 of 01.12.2005	Till 31.05.2006	37TV Channel
252.	Ichalki	№ 05-024575 of 01.12.2005	Till 31.05.2006	31TV Channel
253.	B.Bereznyaki	№ 05-024571 of 01.12.2005	Till 31.05.2006	31TV Channel
254.	B.Bereznyaki	№ 05-024553 of 01.12.2005	Till 31.05.2006	37TV Channel
255.	Torbeevo	№ 05-024581 of 01.12.2005	Till 31.05.2006	39TV Channel
256.	Torbeevo	№ 05-024578 of 01.12.2005	Till 31.05.2005	37TV Channel
257.	Tengushevo	№ 05-024579 of 01.12.2005	Till 31.05.2006	39TV Channel
258.	Tengushevo	№ 05-024552 of 01.12.2005	Till 31.05.2005	37TV Channel
259.	Krasnoslobodsk	№ 05-024577 of 01.12.2005	Till 31.05.2006	39TV Channel
260.	Krasnoslobodsk	№ 05-024562 of 01.12.2005	Till 31.05.2006	37TV Channel
261.	Kovylkino	№ 05-024583 of 01.12.2005	Till 31.05.2006	39TV Channel
262.	Kovylkino	№ 05-024560 of 01.12.2005	Till 31.05.2006	37TV Channel
263.	Toliyatti town	№ 1026199 of 01.08.2003	Till 14.03.2006	2500-2700 MHz
264.	Syzran town	№ 1026207 of 01.08.2003	Till 14.03.2006	2500-2700 MHz
265.	Settlement Voskresenskoe Settlement Sergach	№ 11-05-21/17350 of 09.04.2003	Till 15.03.2006	73,58 MHz 72,02 MHz
266.	Grachevka	№ 05-023244 of 26.12.2005	Till 25.12.2015	72,62 MHz
267.	Ruzaevka town	№ 04-002448 of 23.05.2005	Till 22.05.2015	67,46 MHz
268.	Sovietsk town	№ 05-007125 of 06.05.2005	Till 05.05.2010	67,07 MHz
269.	Volzhsk town	№ 06-000539 of 14.03.2006	Till 13.03.2016	70,7 MHz
270.	Yavas town	№ 04-002414 of 23.05.2005	Till 22.05.2015	67,67 MHz
271.	Uni town	№ 05-007018 of 06.05.2005	Till 05.05.2010	67,91 MHz
272.	Settlement Nyr	№ 05-007119 of 22.09.2005	Till 04.12.2010	70,55 MHz
273.	Sanchursk town	№ 05-007142 of 06.05.2005	Till 05.05.2010	73,28 MHz
274.	Kinel-Cherkasy town	№ 1005430 of 29.12.2003	Till 08.11.2006	107,7 MHz
275.	Krasnoslobodsk town	№ 04-002449 of 23.05.2005	Till 22.05.2015	67,31 MHz
276.	Umet town	№ 04-002440 of 23.05.2005	Till 22.05.2015	68,33 MHz

277.	Settlement Romodanovo	№ 04-002461 of 23.05.2005	Till 22.05.2015	71,12 MHz
278.	Lyambir	№ 04-002405 of 23.05.2005	Till 22.05.2015	68,96 MHz
279.	Chamzinka	№ 04-002474 of 23.05.2005	Till 22.05.2015	68,75 MHz
280.	Torbeevo	№ 04-002421 of 23.05.2005	Till 22.05.2015	68,69 MHz
281.	Shaigovo	№ 04-002428 of 23.05.2005	Till 22.05.2015	69,65 MHz
282.	B.Ignatovo	№ 04-002094 of 23.05.2005	Till 22.05.2015	67,34 MHz
283.	Kovylkino	№ 04-002488 of 23.05.2005	Till 22.05.2015	69,14 MHz
284.	B.Berezniki	№ 04-002078 of 23.05.2005	Till 22.05.2015	68,42 MHz
285.	Dubenki	№ 04-002089 of 23.05.2005	Till 22.05.2015	67,28 MHz
286.	Elniki	№ 04-002086 of 23.05.2005	Till 22.05.2015	68,78 MHz
287.	Insar	№ 04-002090 of 23.05.2005	Till 22.05.2015	71,03 MHz
288.	Atyurievo	№ 04-002079 of 23.05.2005	Till 22.05.2015	69,77 MHz
289.	Kadoshkino	№ 04-002091 of 23.05.2005	Till 22.05.2015	69,41 MHz
290.	Vechkusy	№04-002083 of 23.05.2005	Till 22.05.2015	66,95 MHz
291.	Atyashevo	№ 04-002080 of 23.05.2005	Till 22.05.2015	68,51 MHz
292.	Ardatov	№ 04-002917 of 23.05.2005	Till 22.05.2015	72,68 MHz
293.	Syzran town	№ 1005442 of 29.12.2003	Till 08.11.2006	73,1 MHz
294.	Isakly town	№ 1009057 of 29.12.2003	Till 08.11.2006	67,85 MHz
295.	Temnikov	№ 04-002410 of 23.05.2005	Till 22.05.2015	68,99 MHz
296.	Temnikov	№ 04-002473 of 23.05.2005	Till 22.05.2015	66,53 MHz
297.	Neftegorsk town	№ 05-006673 of 06.05.2005	Till 05.05.2010	68,9 MHz
298.	Vyatskie Polyany town	№ 05-007124 of 06.05.2005	Till 08.09.2010	66,35 MHz
299.	Vyatskie Polyany town	№ 05-025602 of 14.03.2006	Till 13.03.2016	67,91 MHz
300.	Syzran Khvorostyanka	№ 11-05-21/23231 of 16.05.2003	Till 08.11.2006	68,39; 73,10 66,98; 66,20
301.	Sorochinsk town	№ 1028143 of 25.09.2003	Till 20.03.2004	102 MHz
302.	Sol-Iletsk town	№ 05-023627 of 25.12.2005	Till 24.06.2006	102,8 MHz
303.	Buzuluk town	№ 05-023242 of 29.12.2005	Till 28.12.2015	101.8 MHz
304.	Buguruslan town	№ 05-023245 of 26.12.2005	Till 25.12.2015	102,8 MHz
305.	Pervomaiskiy	№ 1010916 of 08.10.2003	Till 01.04.2004	103 MHz

306.	Orenburg city	№ 05-015612 of 09.06.2005	Till 08.06.2015	1053 KHz
307.	Mary-Turek	№ 11-15-21/14081 of 25.03.2003	Till 26.03.2008	68,60 MHz
308.	Novyi Toriyal	№ 05-021107 of 28.12.2005	Till 28.12.2015	
309.	Kilemary	№ 06-001444 of 10.04.2006	Till 09.04.2016	67,61 MHz
310.	Novosergievka	№ 05-023246 of 29.12.2005	Till 28.12.2015	105,6 MHz
311.	Malaya Serdoba	№ 05-007099 of 07.06.2005	Till 06.12.2005	106,4 MHz
312.	Nikolsk	№ 05-007024 of 07.06.2005	Till 06.12.2005	106,1 MHz
313.	Ardatov	№ 03-03685 of 31.10.2003	Till 15.03.2006	70,67 MHz
314.	Arzamas	№ 03-03764 of 31.10.2003	Till 15.03.2006	67,37 MHz
315.	Balakhna	№ 03-03688 of 31.10.2003	Till 15.03.2006	69,78 MHz
316.	Bogorodsk	№ 1024920 of 31.10.2003	Till 15.03.2006	70,79 MHz
317.	Bolshoe Boldino	№ 03-03691 of 31.10.2003	Till 15.03.2006	71,03 MHz
318.	Bolshoe Murashkino	№ 05-019645 of 30.12.2003	Till 29.12.2015	70,34 MHz
319.	Bikkulovo	№ 04-003928 of 23.05.2005	Till 22.05.2015	102,1 MHz
320.	Buturlino	№ 03-03695 of 31.10.2003	Till 15.03.2006	70,91 MHz
321.	Vad	№ 03-03696 of 31.10.2003	Till 15.03.2006	66,17 MHz
322.	Varnavino	№ 03-03697 of 31.10.2003	Till 15.03.2006	67,31 MHz
323.	Vacha	№ 03-03698 of 31.10.2003	Till 15.03.2006	66,65 MHz
324.	Vetluga	№ 05-019646 of 30.12.2005	Till 29.12.2015	70,91 MHz
325.	Voznesenskoe	№ 03-03701 of 31.10.2003	Till 15.03.2006	68,72 MHz
326.	Vorotynets	№ 03-03702 of 31.10.2003	Till 15.03.2006	66,74 MHz
327.	Voskresenskoe	№ 1021192 of 31.10.2003	Till 15.03.2006	73,58 MHz
328.	Vyksa	№ 05-019644 of 30.12.2005	Till 29.12.2015	68,93 MHz
329.	Gagino	№ 03-03704 of 31.10.2003	Till 15.03.2006	73,97 MHz
330.	Gorodets	№ 03-03706 of 31.10.2003	Till 15.03.2006	70,94 MHz
331.	Diveevo	№ 03-03710 of 31.10.2003	Till 15.03.2006	69,8 MHz
332.	Konstantinovo	№ 03-03707 of 31.10.2003	Till 15.03.2006	73,58 MHz
333.	Krasnye Baki	№ 03-03762 of 31.10.2003	Till 15.03.2006	66,86 MHz
334.	Knayaginino	№ 03-03711 of 31.10.2003	Till 15.03.2006	73,85 MHz
335.	Kstovo	№ 03-03712 of 31.10.2003	Till 15.03.2006	73,97 MHz

336.	Kulebaki	№ 03-03713 of 31.10.2003	Till 15.03.2006	72,17MHz
337.	Lukoayanov	№ 03-03714 of 31.10.2003	Till 15.03.2006	68,87MHz
338.	Lyskovo	№ 03-03717 of 31.10.2003	Till 15.03.2006	70,43 MHz
339.	Navashino	№ 03-03719 of 31.10.2003	Till 15.03.2006	67,25 MHz
340.	Nizhny Novgorod	№ 03-03720 of 31.10.2003	Till 15.03.2006	102,4 MHz
341.	Novosergievka	№ 04-003927 of 23.05.2005	Till 22.05.2015	103,9 MHz
342.	Pavlovo	№ 1027683 of 31.10.2003	Till 15.03.2006	69,8MHz
343.	Pervomaisk	№ 03-03737 of 31.10.2003	Till 15.03.2006	67,51 MHz
344.	Perevoz	№ 03-03738 of 31.10.2003	Till 15.03.2006	73,16 MHz
345.	Pilna	№ 03-03739 of 31.10.2003	Till 15.03.2006	73,1 MHz
346.	Pochinki	№ 04-002425 of 12.04.2005	Till 11.04.2010	68,48 MHz
347.	Semenov	№ 1024922 of 31.10.2003	Till 15.03.2006	67,43 MHz
348.	Sergach	№ 1021194 of 31.10.2003	Till 15.03.2006	72,02 MHz
349.	Sechenovo	№ 03-03745 of 31.10.2003	Till 15.03.2006	68,72 MHz
350.	Sokolskoe	№ 03-03746 of 31.10.2003	Till 15.03.2006	66,92 MHz
351.	Sosnovskoe	№ 03-03747 of 31.10.2003	Till 15.03.2006	70,37 MHz
352.	Spasskoe	№ 03-03748 of 31.10.2003	Till 15.03.2006	70,73 MHz
353.	Tashla	№ 04-004642 of 23.05.2005	Till 22.05.2015	102,6 MHz
354.	Tonkino	№ 03-03750 of 31.10.2003	Till 15.03.2006	67,22 MHz
355.	Shakhuniaya	№ 03-03760 of 31.10.2003	Till 15.03.2006	68,54 MHz
356.	Shatki	№ 03-03759 of 31.10.2003	Till 15.03.2006	67,85 MHz
357.	Sharanga	№ 03-03758 of 31.10.2003	Till 15.03.2006	66,44 MHz
358.	Chkalovsk	№ 05-019639 of 30.12.2005	Till 29.12.2015	69,83 MHz
359.	Uren	№ 03-03755 of 31.10.2003	Till 15.03.2006	68,84 MHz
360.	Urazovka	№ 03-03754 of 31.10.2003	Till 15.03.2006	70,1 MHz
361.	Tonshaevo	№ 03-03752 of 31.10.2003	Till 15.03.2006	70,43 MHz
362.	Settlement Maina – settlement Ignatovka	№ 05-018307 of 27.12.2005	Till 26.12.2015	10,7-11,7 GHz
363.	Settlement Pinyug – settlement Podosinovets Microwave Radio (MWR)-1393	№ 15-19-18/2523 of 17.01.2003	Till 14.01.2008	7-8 GHz
364.	Settlement Pinyug – settlement Podosinovets	№ 1016263 of 24.07.2003	Till 20.07.2008	7-8 GHz

365.	Village Rozhki – settlement Plotbishche MWR – 4529	№ 15-19-18/1618 of 17.01.2003	Till 14.01.2008	10,7-11,7 GHz
366.	Sovetsk town –settlement Kolyanur MWR-3013	№ 15-19-18/15847 of 31.03.2003	Till 31.03.2008	10,7-11,7 GHz
367.	Settlement Orichi – settlement Adyshevo MWR -1750	№ 15-19-18/15846 of 31.03.2003	Till 31.03.2008	10,7-11,7 GHz
368.	Kirov city – settlement Poroshino MWR- 3716	№ 15-19-18/15848 of 31.03.2003	Till 31.03.2003	10,7-11,7 GHz
369.	Settlement Arbazh – settlement Tuzha MWR-0372	№ 15-19-1/7074 of 11.02.2003	Till 01.01.2004	1700, 1800 MHz
370.	Malmyzh town – settlement Kilmez MWR-1980	№ 15-19-18/2152 of 20.01.2003	Till 14.01.2008	7-8 GHz
371.	Settlement Bogorodskoe – settlement Uni MWR-0559	№ 15-19-18/2153 of 20.01.2003	Till 31.12.2003	1700, 1800 MHz
372.	Settlement Darovskiy – settlement Vondanka MWR-3016	№ 15-19-18/332 of 08.01.2003	Till 05.01.2008	10,7-11,7 GHz
373.	Kirs town – settlement Rudnichnyi MWR-4165	№ 15-19-18/331 of 08.01.2003	Till 05.01.2008	10,7-11,7 GHz
374.	Settlement Rudnichnyi – settlement Loino MWR-4411	№ 15-19-18/330 of 08.01.2003	Till 05.01.2008	10,7-11,7 GHz
375.	Yaransk town – settlement Sanchursk MWR-1979	№ 15-19-18/583 of 09.01.2003	Till 04.01.2008	7-8 GHz
376.	Settlement Podosinovets – Luza town MWR-1981	№ 15-19-18/584 of 09.01.2003	Till 04.01.2008	7-8 GHz
377.	Buzuluk – settlement Pervomaiskiy	№ 04-004073 of 08.06.2005	Till 07.06.2015	7-8 GHz
378.	Settlement Sakmara – village Nikolskoe	№ 04-004078 of 08.06.2005	Till 07.06.2015	10,7-11,7 GHz
379.	Kirov city – settlement Raduzhnyi MWR-1842	№ 15-19-18/577 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
380.	Kirov city – settlement Malaya Subbotikha MWR-1753	№ 15-19-18/579 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
381.	Village Stulovo – settlement Oktyabrskiy MWR-5077	№ 15-19-18/984 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
382.	Settlement Ivashevo – settlement Khristoforovo MWR-6379	№ 15-19-18/987 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
383.	“ATX-24- DSK” Kirov city MWR-4384	№ 15-19-18/988 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
384.	Novovyatsk – settlement Sidorovka Omutninsk – settlement Vostochnyi MWR-1755	№ 15-19-18/989 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
385.	Kirovochepetsk town – settlement Chuvashi MWR-1752	№ 15-19-18/985 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
386.	Settlement Klyuchi – settlement Astrakhan MWR-3213	№ 15-19-18/983 of 10.01.2003	Till 09.01.2008	10,7-11,7 GHz
387.	Omutninsk town – settlement Peskovka MWR-3012	№ 15-19-18/756 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
388.	Slobodskoi town – settlement Shestakovo MWR-1278	№ 15-19-18/755 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
389.	Kirov city – settlement Zonikha MWR-1300	№ 15-19-18/1004 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
390.	Settlement Klyuchi – settlement Uni MWR-3014	№ 15-19-18/1005 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
391.	Settlement Bogorodskoe – Uni – Klyuchi	№ 04-000117 of 09.03.2004	Till 09.03.2012	10,7-11,7 GHz
392.	Settlement Latyshskiy – settlement Almezha	№ 06-001277 of 23.03.2006	Till 22.03.2016	398/438 MHz
393.	Settlement Duvannoe – village Moloma	№ 06-001302 of 23.03.2006	Till 22.03.2016	398/438 MHz

394.	Settlement Borovitsa – village Andreeva Gora	№ 06-001297 of 23.03.2006	Till 22.03.2016	396/436 MHz
395.	Settlement Bor – settlement Vanino	№ 06-001759 of 23.03.2006	Till 22.03.2016	396/436 MHz
396.	Murashi town – village Verkhoramenie	№ 06-001322 of 23.03.2006	Till 22.03.2016	396/436 MHz
397.	Semenov town – settlement Purekh	№ 05-022715 of 23.03.2006	Till 22.03.2016	12-13 GHz
398.	Settlement Oparino - Settlement Maromitsa	№ 04-004090 of 06.05.2005	Till 05.05.2015	10,7-11,7 GHz
399.	Settlement Nogorsk – settlement Sinegorie MWR-1986	№ 15-19-18/751 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
400.	Papulovo – Uga MWR-1/0071	№ 14-08-17/784 of 09.01.2003	Till 05.01.2008	150-160 MHz
401.	Malmizh – settlement Sludka – Vyatskie Polyany town MWR-3575	№ 15-19-18/548 of 08.01.2003	Till 05.01.2008	14-15 GHz
402.	Settlement Podosinovets – Luza town MWR-3500	№ 15-19-18/547 of 08.01.2003	Till 05.01.2008	8 GHz
403.	Bogorodskoe – Uni – Klyuchi	№ 05-022763 of 25.12.2005	Till 24.12.2015	8010/8276 MHz 8066/8332 MHz
404.	Settlement Oparino - Settlement Maromitsa MWR-3015	№ 15-19-18/757 of 09.01.2003	Till 08.01.2008	10,7-11,7 GHz
405.	Settlement Papulovo – settlement Andreeva Gora	№ 04-004745 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
406.	Settlement Shabury – village Shabury	№ 04-005310 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
407.	Settlement Yuriya – village Seredina	№ 04-005237 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
408.	Settlement Ivantsevo – village Troitsa	№ 04-004742 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
409.	Settlement Oparino – settlement Almezh	№ 04-005249 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
410.	Settlement Oparino – village Shabury – village Moloma	№ 04-005250 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
411.	Village Uchka – settlement Aksenovskaya	№ 04-004750 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
412.	Village Sinegorie – village Pervomaisk	№ 04-005232 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
413.	Settlement Palomitsa – settlement Rechnoi	№ 04-004739 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
414.	Village Borovka – village Chistopolie	№ 04-004746 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
415.	Sovetsk town – settlement Sitemka	№ 04-004740 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
416.	Luza town – village Karavaikovo	№ 04-004741 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
417.	Settlement Tuzha – village Pachi	№ 04-005234 of 21.04.2005	Till 20.04.2015	146,0-174,0 MHz
418.	Settlement Oparino – settlement Vazyuk	№ 04-004738 of 21.04.2005	Till 20.04.2015	147,0-174,0 MHz
419.	Papulovo – Borovitsa MWR-1/1578	№ 14-08-17/785 of 09.01.2003	Till 05.01.2008	150-160 MHz
420.	Yoshkar-Ola town, Kozmodemyansk town	№ 05-012768 of 07.06.2005	Till 06.06.2010	160,65/156,275 160,85/156,55 MHz

421.	Pilyug – Skulina Gora – Podosinovets	№ 15-19-18/53408 of 06.12.2002	Till 10.06.2003	8 GHz
422.	Village Nezarovtsy – settlement Kachonki	№ 06-001316 of 22.03.2006	Till 22.03.2016	396/436 MHz
423.	Settlement Rudnichnyi – village Ozhmegovo	№ 06-001321 of 23.03.2006	Till 22.03.2016	396/436 MHz
424.	Settlement Sinegorie – settlement Pervomaisk	№ 06-001323 of 23.03.2006	Till 22.03.2016	396/436 MHz
425.	Settlement Kostino – Kirov city	№ 06-001153 of 25.03.2006	Till 24.03.2016	7900/8100 MHz
426.				
427.	Kirs – Baranovka MWR-1/0881	№ 14-08-17/783 of 09.01.2003	Till 05.01.2008	150-160 MHz
428.	Kirs – Chernogovskiy	№ 43-01-11-0/2852 of 28.11.2003	Till 28.11.2006	60-76 MHz
429.	Shestakovo – Nagorsk MWR-1841	№ 15-19-18/578 of 09.01.2003	Till 05.01.2008	146,0-174,0 MHz
430.	Demiyarov – Podosinovets – Yakhrenga MWR-1754a	№ 15-19-18/1597 of 09.01.2003	Till 06.01.2008	10,7-11,7 GHz
431.	Pishchal – Suvody MWR-1749	№ 15-19-18/546 of 08.01.2003	Till 05.01.2008	10,7-11,7 GHz
432.	Malmyzh – Kaksinvai MWR-1751	№ 15-19-18/1595 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
433.	Kirov – Kirovochepetsk MWR-1892	№ 15-19-18/585 of 09.01.2003	Till 04.01.2008	7-8 GHz
434.	Saransk town MWR-5348	№ 1025444 of 02.07.2003	Till 26.06.2008	2400-2500 MHz
435.	Settlement Khvalynsk – settlement Dukhovnitskoe MWR-6699	№ 15-19-18/13997 of 25.03.2003	Till 21.03.2008	10,7-11,7 GHz
436.	Volsk – Plekhany MWR-3897	№ 15-19-18/48180 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
437.	Saratov MTS-ATX-2 Engels MWR-3298	№ 15-19-18/48181 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
438.	Balakovo ATX-3-ATX-4, ATX-4-ATX-2 MWR-3154	№ 15-19-18/48183 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
439.	Demiyas – Vostochniy MWR-4006	№ 15-19-18/48184 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
440.	Balakovo – Mayanga Balakovo – Pylkovka MWR-3111	№ 15-19-18/48182 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
441.	Zolotoe – Rovnoe	№ 05-012675 of 27.05.2005	Till 26.05.2015	14GHz
442.	Balashov – Svyatoslavka – Nikolaevka MWR-4363	№ 15-19-18/48185 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
443.	Samoilovka – Svyatoslavka MWR-3062	№ 15-19-18/48186 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
444.	Alexandrov Gai – Priuzenskiy MWR-3155	№ 15-19-18/48187 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
445.	Samoilovka – Peschanka MWR-3063	№ 15-19-18/48188 of 13.11.2002	Till 01.11.2007	10,7-11,7 GHz
446.	Mokrous – village Dolina MWR-5876	№ 15-19-18/3313 of 24.01.2003	Till 23.01.2008	10,7-11,7 GHz
447.	Saratov – Balakovo MWR-3183	№ 15-19-18/48179 of 13.11.2002	Till 01.11.2007	7-8 GHz
448.	Samara – settlement Lopatino MWR6213	№ 15-19-18/48380 of 15.11.2002	Till 01.11.2007	10,7-11,7 GHz
449.	Toliyatti town – village Yagodnoe MWR-3248	№ 15-19-18/48378 of 15.11.2002	Till 01.11.2007	10,7-11,7 GHz

450.	Toliyatti town – settlement Povolzhskiy MWR-3157	№ 15-19-18/48379 of 15.11.2002	Till 01.11.2007	10,7-11,7 GHz
451.	Toliyatti town – Zhigulevsk town MWR-4072	№ 15-19-18/48377 of 15.11.2002	Till 01.11.2007	14 GHz
452.	Toliyatti town ATX-48 – village Khryashchevka MWR-3627	№ 15-19-18/48376 of 15.11.2002	Till 01.11.2007	1811,2024 MHz
453.	Toliyatti town ATX-48 – settlement Uzyukovo MWR-3231	№ 15-19-18/48375 of 15.11.2002	Till 01.11.2007	10,7-11,7 GHz
454.	Syzran town Regional Communication Department - RTPS MWR-1444	№ 15-19-18/48610 of 14.11.2002	Till 01.11.2007	10,7-11,7 GHz
455.	Samara – Chernovskiy MWR-3405	№ 15-19-18/48609 of 14.11.2002	Till 01.11.2007	10,7-11,7 GHz
456.	Samara – Rozhdestveno MWR-3499	№ 15-19-18/48611 of 14.11.2002	Till 01.11.2007	10,7-11,7 GHz
457.	Samara – Dubovyi Umet MWR-3994	№ 15-19-18/48613 of 14.11.2002	Till 01.11.2007	10,7-11,7 GHz
458.	Toliyatti – Postepki MWR-3158	№ 15-19-18/48612 of 14.11.2002	Till 01.11.2007	12-13 GHz
459.	Samara – Roshchinskiy MWR-0567	№ 15-19-18/48615 of 14.11.2002	Till 01.11.2007	10,7-11,7 GHz
460.	Village Bolshaya Glushitsa RCD - RTS MWR-1454	№ 15-19-18/48614 of 14.11.2002	Till 01.11.2007	10,7 – 11,7 GHz
461.	Samara – settlement Rubezhnoe MWR-6179	№ 15-19-18/51610 of 26.11.2002	Till 20.11.2007	10,7 – 11,7 GHz
462.	Settlement Severnoe – village Russkiy Kandyz MWR-6746	№ 15-20-18/14936 of 28.03.2003	Till 26.03.2008	7-8 GHz
463.	Buzuluk – Proskurino, Buzuluk – Koltubanka MWR-4324	№ 15-19-18/54578 of 16.12.2002	Till 10.12.2007	10,7-11,7 GHz
464.	Village Burannoe – village Novoiletsk	№ 05-009180 of 06.05.2005	Till 05.05.2015	10,7-11,7 GHz
465.	Buguruslan town – village Asekeevo MWR-4774	№ 15-19-18/50881 of 25.11.2002	Till 15.11.2007	7-8 GHz
466.	Buzuluk town – village Tashla MWR-1905	№ 15-19-18/50879 of 25.11.2002	Till 15.11.2007	7-8 GHz
467.	Buzuluk town – settlement Pervomaiskiy	№ 04-004120 of 06.06.2005	Till 05.06.2015	7-8 GHz
468.	Village Tashla – village Ilek MWR-5282	№ 15-19-18/50880 of 25.11.2002	Till 15.11.2007	7-8 GHz
469.	Gai – Khmelevka MWR-5440	№ 15-19-18/54463 of 15.12.2002	Till 10.12.2007	1811, 2024 MHz
470.	Novoorsk – Gorkovskoe MWR-1342	№ 15-19-18/54464 of 15.12.2002	Till 10.12.2007	10,7-11,7 GHz
471.	Gai – Khalilovo MWR-3548	№ 15-19-18/54465 of 15.12.2002	Till 10.12.2007	10,7-11,7 GHz
472.	Furmanovo – Pervomaiskiy – Revolyutsionnyi MWR-4553	№ 15-19-18/54466 of 15.12.2002	Till 10.12.2007	10,7-11,7 GHz
473.	Ilek – Mukhranovo MWR-1317	№ 15-19-18/54462 of 15.12.2002	Till 10.12.2007	10,7-11,7 GHz
474.	Settlement Saraktash – settlement Tyulgan MWR-5938	№ 15-19-18/55464 of 19.12.2002	Till 18.12.2007	7-8 GHz
475.	Yasnyi town – settlement Svetlyi MWR-0306	№ 15-19-18/55465 of 19.12.2002	Till 18.12.2007	7-8 GHz
476.	Akbulak – Sagarchin MWR-3834	№ 15-19-18/54575 of 16.12.2002	Till 10.12.2007	10,7-11,7 GHz
477.	Klyuchevka – Burtinskiy MWR-3996	№ 15-19-18/54576 of 16.12.2002	Till 10.12.2007	10,7-11,7 GHz
478.	RCD-ATX-4 Buguruslan town MWR-3715	№ 15-19-18/54577 of 16.12.2002	Till 10.12.2007	10,7-11,7 GHz

479.	Gai – Kameikino MWR-3896	№ 15-19-18/54579 of 16.12.2002	Till 10.12.2007	10,7-11,7 GHz
480.	Belyaevka – Karagach – Mezhdurechie MWR-1/1814	№ 14-08-17/782 of 09.01.2003	Till 05.01.2008	150-160 MHz
481.	Buzuluk – Elkhovka MWR-1/1493	№ 14-08-17/787 of 09.01.2003	Till 05.01.2008	150-160 MHz
482.	Orenburg – settlement Prudy MWR-4637	№ 15-19-18/55481 of 19.12.2002	Till 15.12.2007	10,7-11,7 GHz
483.	Sol-Iletsk town – settlement Tamar – Utkul MWR-3831	№ 15-19-18/55480 of 19.12.2002	Till 15.12.2007	10,7-11,7 GHz
484.	Village Totskoe – village Totskoe-2 MWR-3578	№ 15-19-18/55479 of 19.12.2002	Till 15.12.2007	10,7-11,7 GHz
485.	Village Tashla – village Ranee MWR-3790	№ 15-19-18/55478 of 19.12.2002	Till 15.12.2007	10,7-11,7 GHz
486.	Orenburg – settlement Pavlovka MWR-1383	№ 15-19-18/57286 of 30.12.2002	Till 26.12.2007	1811, 2082 MHz
487.	Orenburg – settlement Ivanovka MWR-1384	№ 15-19-18/57287 of 30.12.2002	Till 26.12.2007	1724, 1995 MHz
488.	Sorochinsk - Abdulino	№ 04-004118 of 16.09.2005	Till 15.09.2006	1724, 2024 MHz
489.	Orenburg city – state farm “Sakmarskiy” MWR	№ 04-000119 of 09.03.2004	Till 01.03.2014	10,7-11,7 GHz
490.	“Dombarovka – Yasnyi town”	№ 05-023101 of 15.12.2005	Till 14.12.2015	3400-3800 MHz
491.	Orenburg city – Kuvandyk town	№ 05-023132 of 15.12.2005	Till 14.12.2015	3400-3800 MHz
492.	Orenburg city – Buzuluk town	№ 05-023129 of 15.12.2005	Till 14.12.2015	3400-3800 MHz
493.	Orsk town – Kuvandyk town	№ 05-006601 of 07.06.2005	Till 06.06.2015	10,7-11,7 GHz
494.	Settlement Pervomaiskiy – settlement Zaikin MWR-5016	№ 15-19-18/57285 of 30.12.2002	Till 26.12.2007	10,7-11,7 GHz
495.	Kuvandyk town, area communication center - Kuvandyk town, radio communication node	№ 04-005315 of 07.06.2005	Till 06.06.2015	10,7-11,7 GHz
496.	Orenburg city – settlement Gorniyi	№ 04-004727 of 07.06.2005	Till 06.06.2015	10,7-11,7 GHz
497.	Novotroitsk town – state farm Progress MWR-3626	№ 15-19-18/57284 of 30.12.2002	Till 26.12.2007	10,7-11,7 GHz
498.	Novotroitsk town – state farm Progress MWR-3626a	№ 15-19-18/55477 of 19.12.2002	Till 15.12.2007	10,7-11,7 GHz
499.	Settlement Aidyrlya – village Kvarkeno MWR-5520	№ 15-19-18/50883 of 25.11.2002	Till 15.11.2007	10,7-11,7 GHz
500.	Settlement Atyashevo – state farm Sarast	№ 05-006222 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
501.	22 settlements MWR-3307 settlement Igra – village Russkaya Loza – village Kuliga – village Stepanenko – village Abrosyata – Sarapul town – village Shadrino – village Kigbaevo – etc.	№ 15-20-18/51192 of 22.11.2002	Till 15.11.2007	10,7-11,7 GHz
502.	Settlement Igra – settlement Lozo-Luk	№ 1020779 of 05.12.2003	Till 28.11.2008	10,7-11,7 GHz
503.	Village Vavozh – village Volkovo MWR-4403	№ 15-20-18/49975 of 22.11.2002	Till 15.11.2007	10,7-11,7 GHz
504.	Izhevsk city, MWR-3730	№ 15-20-18/51191 of 22.11.2002	Till 15.11.2007	2400 MHz
505.	Toliyatti town	№ 04-001911 of 21.02.2006	Till 14.03.2006	2,5-2,7 GHz

506.	Settlement Polom, ATX – settlement Kez – settlement Kabalud, ATX	№ 15-20-18/1592 of 09.01.2003	Till 05.01.2008	10,7- 11,7GHz
507.	Krasnogorskoe – Kokman MWR-3729	№ 15-20-18/1593 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
508.	MWR-3753 Izhevsk ATX-26- Izhevsk; Izhevsk ATX-26 – settlement Dorozhnyi Village Yakshur-Bodiya – village Chernushka – Votkinsk ATX-27 – Votkinskiy machine factory Izhevsk - Volozhka Izhevsk Between AMTX-ATX-71,36,22,- Pozely	№ 15-20-18/1591 of 09.01.2003	Till 05.01.2008	1,4 GHz 10,7-11,7 GHz 10,7-11,7 GHz 10,7-11,7 GHz
509.	Izhevsk city – settlement Dorozhnyi	№ 15-20-18/1591 of 09.01.2003	Till 05.01.2008	1481,5/143 2,5 MHz
510.	Village Yakshur-Bodiyach – settlement Pozely	№ 15-20-18/1591 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
511.	Settlement Krasnogorie – settlement Kokman	№ 15-20-18/1593 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
512.	Settlement Polom – settlement Kez – settlement Kabalud	№ 15-20-18/1592 of 09.01.2003	Till 05.01.2008	10,7-11,7 GHz
513.	Kozmodemiyansk town – village Emeshevo	№ 05-020782 of 17.12.2005	Till 16.12.2015	394- 410/434- 450 MHz
514.	Settlement Kilemary – village Nezhnur	№ 04-005811 of 21.04.2005	Till 20.04.2015	7-8 GHz
515.	Settlement Sheklyanur – settlement Kilemary	№ 05-022836 of 02.03.2006	Till 01.03.2016	7-8 GHz
516.	Kozmodemiyansk town – settlement Yurino MWR-2613	№ 15-20-18/11237 of 11.03.2003	Till 05.03.2008	7-8 GHz
517.	Settlement Krasnyi Most – settlement Kilemary MWR-2306a	№ 15-20-18/11236 of 11.03.2003	Till 05.03.2008	7-8GHz
518.	Settlement Gornyak – settlement Mary-Turek	№ 05-018937 of 18.02.2006	Till 17.02.2016	7-8GHz
519.	Yoshkar-Ola town – Sheklyanur – Kr.Most – Ershovo – Kozmodemyansk MWR-2306	№ 15-20-18/11235 of 11.03.2003	Till 05.03.2008	7-8GHz
520.	Zvenigovo town – Volzhsk town	№ 1019517 of 21.10.2003	Till 10.10.2008	10,7-11,7 GHz
521.	Kozmodemiyansk town – settlement Ozerki MWR-6284	№ 15-20-18/55157 of 18.12.2002	Till 16.12.2007	10,7-11,7 GHz
522.	Yadrin town – village Chebakovo MWR-4552a	№ 15-20-18/50269 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
523.	Kanash town – village Ukhmany MWR-2850	№ 15-20-18/55158 of 18.12.2002	Till 16.12.2007	10,7-11,7 GHz
524.	Kanash town - Yamashevo	№ 04-000120 of 09.03.2004	Till 09.03.2012	10,7-11,7 GHz
525.	Yadrin town – settlement Sovkhozhnyi MWR-2431	№ 15-20-18/55159 of 18.12.2002	Till 16.12.2007	10,7-11,7 GHz
526.	Alatyr town – settlement Kirya; Alatyr town – settlement Pervomaiskiy – village Novyi Aibesi MWR-5310	№ 15-12-18/50268 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz

527.	Shumerlya town – settlement Russkie Algashi MWR-1518	№ 15-20-18/50274 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
528.	Settlement Ibrisi – settlement Novoe Churashovo MWR-1519	№ 15-20-18/50273 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
529.	Alatyr town – settlement Anyutino MWR-1520	№ 15-20-18/50272 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
530.	Cheboksary town – settlement Sosnovka MWR-3209	№ 15-20-18/50271 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
531.	Yadrin town – village Chebakovo MWR-4552	№ 15-20-18/50270 of 25.11.2002	Till 20.11.2007	10,7-11,7 GHz
532.	Alatyr – Mirenki MWR-2913	№ 1024897 of 18.06.2003	Till 11.06.2008	10,7-11,7 GHz
533.	Alatyr – Altyshevo MWR-2911	№ 1025360 of 18.06.2003	Till 11.06.2008	10,7-11,7 GHz
534.	Settlement Ibrisi – settlement Buguyany	№ 04-005224 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
535.	Kanash – Yamashevo MWR-1135	№ 04-000120 of 09.03.2004	Till 01.03.2014	10,7-11,7 GHz
536.	Ibrisi – Buguyany	№ 04-005224 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
537.	Ibrisi - Berezovka	№ 1020609 of 30.12.2003	Till 29.12.2008	10,7-11,7 GHz
538.	Alatyr – Atrar MWR-3062	№ 03-01796 of 05.11.2003	Till 06.10.2008	10,7-11,7 GHz
539.	Kanash town – village Shikhazany	№ 15-20-18/55160 of 18.12.2002	Till 16.12.2007	10,7-11,7 GHz
540.	Alatyr - Solovievskoe	№ 083-06-02/34516 of 23.07.2003	Till 18.07.2008	394/434 MHz
541.	Settlement Maina – r/w station Vyry MWR-3612	№ 15-19-18/50310 of 22.11.2002	Till 15.11.2007	10,7-11,7 GHz
542.	Dzerzhinsk town - Volodarsk town MWR-4932	№ 1003289 of 02.06.2003	Till 28.05.2008	10,7-11,7 GHz
543.	Pavlovo town – settlement Tumbotino	№ 05-022685 of 23.03.2006	Till 22.03.2016	12-13 GHz
544.	Nizhny Novgorod – Volodarsk town	№ 103334 of 22.09.2003	Till 09.09.2008	10,7-11,7 GHz
545.	Dzerzhinsk town – village Gorbatovka MWR-4931	№ 1003288 of 02.06.2003	Till 28.05.2008	10,7-11,7 GHz
546.	Dzerzhinsk town, Kirov avenue – settlement Babino	№ 05-018373 of 27.12.2005	Till 26.12.2015	12,9-13,1 GHz
547.	Volodarsk town – settlement Novosmolinskyi	№ 05-009278 of 06.05.2005	Till 05.05.2015	10,7-11,7 GHz
548.	Nizhny Novgorod – settlement Roika	№ 15-19-18/7891 of 18.02.2003	Till 18.02.2008	10,7-11,7 GHz
549.	Bogorodsk town – settlement Oranki	№ 05-006597 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
550.	Vyksa town – settlement Doschatoe	№ 05-006593 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
551.	Settlement Vacha - settlement Sosnovskoe	№ 1014315 of 25.09.2003	Till 11.09.2008	10,7-11,7 GHz
552.	Volodarsk town – settlement Iliinogorsk – settlement Novosmolinskyi – settlement Mulino MWR-4930	№ 03-03368 of 08.10.2003	Till 24.09.2008	10,7-11,7 GHz
553.	Kulebaki - Gremyachevo	№ 1018950 of 10.06.2003	Till 16.06.2003	10,7-11,7 GHz
554.	Sosnovskoe – Elizarovo	№ 04-001402 of 23.11.2004	Till 22.11.2014	10,7-11,7 GHz
555.	Sosnovskoe – Davydovskoe	№ 1025058 of 02.06.2003	Till 25.05.2008	10,7-11,7 GHz

556.	Arzamas – Cherenukha	№ 1024969 of 18.06.2003	Till 18.06.2008	10,7-11,7 GHz
557.	Polkh - Motyzley	№ 04-001634 of 23.11.2004	Till 22.11.2014	10,7-11,7 GHz
558.	Arzamas – Abramovo – Vasiliev Vrag - Pustyn – Lomovka - Kirillovka - Kazakovo - Morozovka - Novyi Usad - Tumanovo - Shatovka	№ 1003302 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
559.	Vad – Annenskyi karier MWR-2604	№ 1025680 of 26.06.2003	Till 18.06.2008	14-15 GHz
560.	Diveevo – B.Cherevatovo MWR-4069	№ 1024971 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
561.	Glukhovo – Diveevo MWR-4070	№ 1024972 of 26.06.2003	Till 18.06.2008	10,7-11,7 GHz
562.	Arzamas - Lomovka	№ 1003304 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
563.	Pustyn – Arzamas	№ 1003303 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
564.	Abramovo – Vasiliev Vrag	№ 1003302 of 26.06.2003	Till 19.06.2003	10,7-11,7 GHz
565.	Arzamas – Novyi Usad	№ 1003308 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
566.	Arzamas – village Bebyaev (Arzamas – village Krasnoe; Arzamas – unattended operation)	№ 05-015506 of 07.06.2005	Till 06.06.2015	10,7-11,7 GHz
567.	Arzamas – Morozovka	№ 1003307 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
568.	Arzamas – Kazakovo	№ 1003306 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
569.	Kirillovka – Arzamas	№ 1003305 of 02.06.2003	Till 19.06.2008	10,7-11,7 GHz
570.	Glukhovo – Diveevo	№ 1024972 of 26.06.2003	Till 18.06.2008	10,7-11,7 GHz
571.	Arzamas – Shatovka	№ 1003310 of 26.06.2003	Till 18.06.2008	10,7-11,7 GHz
572.	Arzamas – Tumanovo	№ 1003309 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
573.	Arzamas - Abramovo	№ 1003300 of 26.06.2003	Till 19.06.2008	10,7-11,7 GHz
574.	Perevoz - Shpilevo	№ 04-005271 of 06.06.2005	Till 05.06.2015	10,7-11,7 GHz
575.	Bor – Linda Bor – Ostankino MWR-4084	№ 1024153 of 10.06.2003	Till 03.06.2008	10,7-11,7 GHz
576.	Bor – Krasnaya sloboda MWR-4066	№ 1024154 of 10.06.2003	Till 03.06.2008	10,7-11,7 GHz
577.	Bor town – settlement Kerzhenets	№ 05-022821 of 02.03.2006	Till 01.03.2016	10,7-11,7 GHz
578.	Bor – Bolshoe Orlovskoe MWR-3046	№ 1024153 of 10.06.2003	Till 03.06.2008	10,7-11,7 GHz
579.	Village Ostanino – settlement Bolsheorlovskoe	№ 05-019023 of 17.02.2006	Till 16.02.2016	10,7 – 11,7 GHz

580.	Balakhna - Balakhna - Rylovo Balakhna – Maloe Kozino Balakhna - Lukino Balakhna – Shalimovo - Konevo Balakhna - Sovkhoznyi Balakhna - Gidrotorf Balakhna – B. Kozino MWR-1633	№ 1024155 of 10.06.2003 № 1024156 of 10.06.2003	Till 03.06.2008 Till 03.06.2008	10,7-11,7 GHz 14-15 GHz
581.	Balakhna - Sovkhoznyi MWR-4569	№ 1024162 of 10.06.2003	Till 03.06.2008	10.7-11.7 GHz
582.	Balakhna - Gidrotorf MWR-4360	№ 1024157 of 10.06.2003	Till 03.06.2008	14-15 GHz
583.	Balakhna - Pravdinsk MWR-4354	№ 1024157 of 10.06.2003	Till 03.06.2005	14-15 GHz
584.	Balakhna – settlement 1 May	№ 1003325 of 06.08.2003	Till 25.07.2008	10.7-11.7 GHz
585.	Balakhna - Istomino	№ 1021512 of 21.08.2003	Till 15.08.2008	7-8 GHz
586.	Gorodets – boarding house Burevestnik MWR-4515	№ 15-19-18/51403 of 26.11.2002	Till 20.11.2007	7-8 GHz
587.	Gorodets – Zavolzhie MWR-1253	№ 1024160 of 10.06.2003	Till 03.06.2008	7-8 GHz
588.	Gorodets – Zavolzhie MWR-3143	№ 1024158 of 10.06.2003	Till 03.06.2008	10.7-11.7 GHz
589.	Gorodets - Chkalovsk	№ 04-001729 of 21.03.2005	Till 20.03.2015	7-8 GHz
590.	Settlement Voskresenskoe – village Egorovo	№ 04-001082 of 04.11.2004	Till 03.11.2014	146-174 μ
591.	Zavolzhie - Khakhaly	№ 04-000134 of 09.03.2004	Till 01.03.2014	10.7-11.7 GHz
592.	Gorodets – Voronino	№ 1020535 of 22.09.2003	Till 09.09.2008	10.7-11.7 GHz
593.	Lyskovo - Valki	№ 15-19-18/7498 of 13.02.2008	Till 13.02.2008	10.7-11.7 GHz
594.	Bor town – settlement Zheleznodorozhnyi	№ 1018954 of 08.10.2003	Till 24.09.2008	10.7-11.7 GHz
595.	Bor town – settlement Ostanino	№ 05-022558 of 23.03.2006	Till 22.03.2016	7-8 GHz
596.	Settlement Sokolskoe – village Pushkarevo	№ 1023657 of 09.10.2003	Till 24.09.2008	10.7-11.7 GHz
597.	Gorodets – Fedurino	№ 1020521 of 21.08.2003	Till 15.08.2008	10.7-11.7 GHz
598.	Semenovo - Shaldezshka	№ 1003324 of 06.08.2003	Till 25.07.2008	10.7-11.7 GHz
599.	Semenovo – Kulebaki town – village Lomovka – village Teplovo – settlement Gremyachevo	№ 05-022559 of 23.03.2006	Till 22.03.2016	12-13 GHz
600.	Chkalovsk – Vershilovo	№ 1003326 of 06.08.2003	Till 25.07.2008	10.7-11.7 GHz
601.	Chkalovsk town – village Vysokoe	№ 05-022565 of 28.03.2006	Till 27.03.2016	10,7-11,7 GHz
602.	Voskresenskoe – Vozdvizhenskoe	№ 1003332 of 06.08.2003	Till 25.07.2008	10.7-11.7 GHz
603.	Gorodets – Sokolskoe MWR-4640	№ 1024159 of 10.06.2003	Till 03.06.2008	10.7-11.7 GHz
604.	Kovernino – Khokhlama MWR-4359	№ 1024161 of 10.06.2003	Till 03.06.2008	10.7-11.7 GHz
605.	Varnavino – Severnyi	№ 52_4871 of 13.10.2003	Till 13.10.2006	60-74 MHz

606.	Shakhuniaya – village Vakhtan MWR-0840	№ 1025155 of 21.06.2003	Till 10.06.2008	7-8 GHz
607.	Bolshoe Karpovo – Uren MWR-4938	№ 1013928 of 06.08.2003	Till 29.07.2008	10.7-11.7 GHz
608.	Ardatov - Mukhtolovo	№ 1025384 of 22.07.2003	Till 10.07.2008	10.7-11.7 GHz
609.	Volodarsk - Iliinogorsk	№ 1025387 of 24.07.2003	Till 15.07.2008	1,7-1,9 GHz
610.	Shakhuniaya – Vakhtan MWR-0840	№ 15-19-18/10059 of 04.03.2003	Till 26.02.2008	10.7-11.7 GHz
611.	Shakhuniaya – Uren MWR-0839	№ 1025127 of 21.06.2003	Till 10.06.2008	7-8 GHz
612.	Shakhuniaya – B.Shirokoe MWR-4439	№ 1025130 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
613.	Varnavino – Gorki MWR-1874	№ 1025148 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
614.	Varnavino – Krasnye Baki MWR-0307	№ 1025175 of 21.06.2003	Till 10.06.2008	7-8 GHz
615.	Uren – Semenov MWR-4939	№ 1003296 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
616.	Uren – Vetluga	№ 05-022567 of 23.03.2006	Till 22.03.2016	12-13 GHz
617.	Uren – Vetluga MWR-4937	№ 1003291 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
618.	Shakhuniaya - Vetluga	№ 1025118 of 21.06.2003	Till 10.06.2008	7-8 GHz
619.	Shakhuniaya – Verkhovskoe – settlement Syava – settlement Vakhtan	№ 05-022563 of 23.03.2006	Till 22.03.2016	12-13 GHz
620.	Shakhuniaya – Sharanga MWR-1846	№ 1025129 of 21.06.2003	Till 10.06.2008	7-8 GHz
621.	Sharanga – Ustinskoe MWR-4936	№ 1003293 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
622.	Akaty – Chernoe MWR-5656	№ 1005270 of 21.06.2003	Till 10.06.2008	10.7-11.7 GHz
623.	Shakhuniaya – Tonshaevo MWR-5668	№ 1009855 of 21.06.2003	Till 10.06.2008	7-8 GHz
624.	Krasnye Baki – Voskresenskoe MWR-2645	№ 1025170 of 21.06.2003	Till 10.06.2008	7-8 GHz
625.	Uren – Ariya MWR-4938	№ 1013933 of 02.06.2003	Till 28.05.2008	10.7-11.7 GHz
626.	Uren - Mineevka	№ 05-022361 of 18.02.2006	Till 17.02.2016	10.7-11.7 GHz
627.	Nizhny Novgorod – Bor MWR-5120	№ 1003334 of 22.09.2003	Till 09.09.2008	7-8 GHz
628.	Nizhny Novgorod – Dzerzhinsk MWR-0557	№ 1027554 of 22.09.2003	Till 09.09.2008	7-8GHz
629.	Voznesenskoe – Polkh Maidan Voznesenskoe - Matyzley	№04-001634 of 23.11.2004	Till 22.11.2014	10.7-11.7 GHz
630.	Nizhny Novgorod – Balakhna – Gorodets MWR-0369	№ 1027553 of 22.09.2003	Till 09.09.2008	7-8 GHz
631.	Nizhny Novgorod – Shakhuniaya	№ 06-004717 of 25.04.2006	Till 24.04.2016	7-8 GHz
632.	Nizhny Novgorod – Balakhna – Gorodets MWR-2873	№ 1027551 of 22.09.2003	Till 09.09.2008	10.7-11.7 GHz
633.	Nizhny Novgorod, Lyadov square – settlement Doskino	№ 04-001544 of 09.12.2004	Till 08.12.2014	10.7-11.7 GHz
634.	Nizhny Novgorod (ATX 66) – settlement Berezovaya Poima	№ 04-001542 of 20.12.2004	Till 19.12.2014	10.7-11.7 GHz

635.	Nizhny Novgorod, Lyadov square – settlement Doskino	№ 04-001524 of 09.12.2004	Till 08.12.2014	10.7-11.7 GHz
636.	Sergach - Shubino	№ 15-19-18/7499 of 17.02.2003	Till 13.02.2008	10.7-11.7 GHz
637.	Nizhny Novgorod - Roika	№ 15-19-18/7819 of 18.02.2003	Till 17.02.2008	10.7-11.7 GHz
638.		№ 15-19-18/51374 of 26.11.2002	Till 20.11.2007	10.7-11.7 GHz
639.	Sergach - Lopatino	№ 04-001655 of 20.12.2004	Till 19.12.2014	10.7-11.7 GHz
640.	Druzhnyi – Zhdanovskiy MWR-4372 of 26.06.2001	№ 1025001 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
641.	Village Prosek – village Kislovka MWR-3915	№ 1025013 of 18.06.2003	Till 10.06.2008	10.7-11.7GHz
642.	Sechenovo town - Talyzino MWR-4331	№ 1025017 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
643.	Sechenovo town – village M.Ryabushkino MWR-1126	№ 1025002 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
644.	Urazovka – Salgany MWR-4408	№ 1024984 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
645.	Krasnye Baki – settlement Varnavino	№ 05-022560 of 23.03.2006	Till 22.03.2016	12-13 GHz
646.	Kstovo – Afonino MWR-3041	№ 1024989 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
647.	Sergach – Sergachskiy Nizhegorodsakhar MWR-4919	№ 1003311 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
648.	Sergach - Lopatino	№ 04-001524 of 09.12.2004	Till 08.12.2014	10.7-11.7 GHz
649.	Lyskovo – Makarievo MWR-4412	№ 1025018 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
650.	Buturlino – Valgusy MWR-3829	№ 1024981 of 18.06.2003	Till 10.06.2008	10.7-11.7 GHz
651.	Bakaldy – Kamenishchy MWR-4046	№ 1024982 of 10.06.2003	Till 10.06.2008	10.7-11.7 GHz
652.	Fokino - Kuzmiyar	№ 1029117 of 05.08.2003r	Till 31.07.2008	10.7-11.7 GHz
653.	Semenov - Sukhobezvodnoe	№ 15-19-18/51404 of 26.11.2002	Till 20.11.2007	10.7-11.7 GHz
654.	Vorotynets - Vasilsursk	№ 15-19-18/7890 of 18.02.2003	Till 17.02.2008	10.7-11.7 GHz
655.	Kstovo - Chernukha	№ 15-19-18/10057 of 04.03.2003	Till 26.02.2008	10.7-11.7 GHz
656.	Mikhailovskoe – Fokino	№ 1021476 of 05.08.2003	Till 31.07.2008	10.7-11.7 GHz
657.	Settlement Sosnovskoe – village Davydkovo	№ 04-004501 of 03.03.2005	Till 02.03.2015	10.7-11.7 GHz
658.	Village Mayaki – settlement Burepolom	№ 04-004580 of 03.03.2005	Till 02.03.2015	10.7-11.7 GHz
659.	Chkalovsk town – village Novinki	№ 04-003997 of 03.03.2005	Till 02.03.2015	10.7-11.7 GHz
660.	Gorodets town – settlement Kovernino	№ 04-004108 of 31.12.2004	Till 30.12.2014	10.7-11.7 GHz
661.	Village Rozhki – village Smirnovo	№ 04-004107 of 03.03.2005	Till 02.03.2015	10.7-11.7 GHz
662.	Kstovo - Bezvodnoe	№ 15-19-18/9619 of 28.02.2003	Till 21.02.2008	10.7-11.7 GHz
663.	Settlement Prokoshevo - Rabotki	№ 15-19-18/10058 of 04.03.2003	Till 26.02.2008	10.7-11.7 GHz
664.	Kstovo - Prokoshevo	№ 15-19-18/9617 of 28.02.2003	Till 21.02.2008	10.7-11.7 GHz

665.	Kstovo – B.Mokroe	№ 15-19-18/9618 of 28.02.2003	Till 21.02.2008	10.7-11.7 GHz
666.	Kantauruvo - Sitniki	№ 1018084 of 21.08.2003	Till 21.08.2008	7-8 GHz
667.	Sosnovskoe - Elizarovo	№ 1018907 of 02.06.2003	Till 28.05.2008	10.7-11.7 GHz
668.	Buguruslan – Severnoe	№03-10838 of 25.12.2003	Till 19.12.2008	7-8 GHz
669.	Buzuluk - Buguruslan	№ 03-10842 of 25.12.2003	Till 19.12.2008	3,4-3,5 GHz
670.	Ulyanovsk city	№ 17-03-33/20434 of 24.04.2003	Till 17.02.2008	1880-1900 MHz
671.	Ulyanovsk city	№ 1028792 of 13.11.2003	Till 01.11.2008	1880-1900 MHz
672.	Ulyanovsk city	№ 04-005302 of 21.04.2005	Till 20.04.2015	1880-1900 MHz
673.	Ulyanovsk city	№ 06-003504 of 18.04.2006	Till 17.04.2016	1880-1900 MHz
674.	Kirov, Poroshino, Gagino	№ 1022527 of 03.10.2003	Till 28.09.2008	1880-1900 MHz
675.	Kirov city	№ 1027167 of 05.11.2003	Till 20.10.2008	1880-1900 MHz
676.	Kirov city	№ 04-005328 of 21.04.2005	Till 20.04.2015	1880-1900 MHz
677.	Kirovochepetsk town	№ 04-005318 of 21.04.2005	Till 20.04.2015	1880-1900 MHz
678.	Kirov city	№ 06-000889 of 14.03.2006	Till 13.03.2016	1880-1900 MHz
679.	Kirov city	№ 06-000871 of 14.03.2006	Till 13.03.2016	1880-1900 MHz
680.	Kirov city	№ 06-000879 of 14.03.2006	Till 13.03.2016	1880-1900 MHz
681.	Kirov city	№ 06-001289 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
682.	Kirov city	№ 06-001281 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
683.	Kirov city	№ 06-001264 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
684.	Kirov city	№ 06-001263 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
685.	Kotelnich town	№ 05-023837 of 27.12.2005	Till 26.12.2015	1880-1900 MHz
686.	Settlement Raduzhnyi	№ 05-023840 of 27.12.2005	Till 26.12.2015	1880-1900 MHz
687.	Izhevsk city	№ 05-010881 of 06.06.2005	Till 05.06.2015	1880-1900 MHz
688.	Penza city	№ 1024686 of 25.09.2003	Till 25.09.2008	1880-1900 MHz
689.	Penza city	№ 06-001667 of 05.04.2006	Till 04.04.2016	
690.	Saransk town (Khmelevskiyi str., N.Erkai str., Goncharov str.);	№ 04-005323 of 31.12.2004	Till 30.12.2014	1880-1900 MHz
691.	Settlement Bessonovka	№ 04-005875 of 31.12.2004	Till 30.12.2014	1880-1900 MHz
692.	Yaransk town	№ 05-012850 of 09.06.2005	Till 08.06.2015	1880-1900 MHz
693.	Penza city	№ 1024686 of 25.09.2003	Till 25.09.2008	1880-1900 MHz

694.	Saransk town, Settlement Atyashevo, Settlement Kremlya, Settlement Turgenevo, Settlement Potjma, Village Dubenki, Village Tengushevo, Village Lukhovka Village Zykovo	№ 17-03-33/16505 of 08.04.2003	Till 08.04.2008	1880-1900 MHz
695.	Ruzaevka town Kovylkino town Tengushevo town Dubenki town	№ 17-03-33/45471 of 25.10.2002	Till 30.09.2007	1880-1900 MHz
696.	Krasnoslobodsk town	№ 05-022385 of 30.12.2005	Till 29.12.2015	1880-1900 MHz
697.	Ruzaevka town	№ 06-001666 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
698.	Orsk town	№ 05-020151 of 28.12.2005	Till 27.12.2015	1880-1900 MHz
699.	Orenburg city	№ 17-03-33/53358 of 10.12.2002	Till 20.11.2007	1880-1900 MHz
700.	Orenburg city	№ 06-001541 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
701.	Orenburg city	№ 06-002632 of 14.04.2006	Till 13.04.2016	1880-1900 MHz
702.	Sorochinsk town	№ 06-002261 of 14.04.2006	Till 13.04.2016	1880-1900 MHz
703.	Settlement Svetlyi	№ 06-002262 of 14.04.2006	Till 13.04.2016	1880-1900 MHz
704.	Orenburg city	№ 06-001270 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
705.	Orenburg city	№ 06-001259 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
706.	Orenburg city (settlement Kushkul)	№ 04-005309 of 21.04.2005	Till 20.04.2015	1880-1900 MHz
707.	Buzuluk town	№ 06-003261 of 18.04.2006	Till 17.04.2016	1880-1900 MHz
708.	Orsk town	№ 04-005236 of 21.04.2005	Till 20.04.2015	1880-1900 MHz
709.	Orsk town	№ 06-001265 of 05.04.2006	Till 04.04.2016	1880-1900 MHz
710.	Orenburg city	№ 1023822 of 26.08.2003	Till 22.08.2008	1880-1900 MHz
711.	Orenburg city	№ 05-010594 of 06.05.2005	Till 05.05.2015	1880-1900 MHz
712.	Izhevsk city	№ 17-03-33/53337 of 10.12.2002	Till 20.11.2007	1880-1900 MHz
713.	Izhevsk city	№ 17-03-33/13908 of 24.09.2003	Till 18.03.2008	1880-1900 MHz
714.	Glazov town Mozhga town Settlement Igra Sarapul town	№ 17-03-33/47476 of 10.11.2002	Till 30.09.2007	1880-1900 MHz
715.	Medayany, Rabotki, Vad, Annenkovskiy karier	№ 17-03-33/45167 of 24.10.2002	Till 30.10.2007	1880-1900 MHz
716.	Village Medayany of Krasnooktyabrskiy district	№ 05-006603 of 24.03.2005	Till 23.03.2015	1880-1900 MHz
717.	Settlement Sovkhoznyi	№ 05-022528 of 30.12.2005	Till 29.12.2015	

718.	Cheboksary town (Lenin avenue, Chernyshevsky street)	№ 06-005153 of 10.05.2006	Till 09.05.2016	1880-1900 MHz
719.	Cheboksary town (R.Luxemburd)	№ 06-004423 of 10.05.2006	Till 09.05.2016	1880-1900 MHz
720.	Cheboksary town (Chernyshevsky street, Solyanoe pr., Lebedev street)	№ 06-005154 of 10.05.2006	Till 09.05.2016	1880-1900 MHz
721.	Glazov	№ 1025282 of 29.09.2003	Till 26.09.2008	1880-1900 MHz
722.	Votkinsk, Izhevsk, Sarapul	№ 1014972 of 04.07.2003	Till 30.06.2008	1880-1900 MHz
723.	Kstovo town Settlement Afonino of Kstovo's district	№ 17-03-33/19861 of 23.04.2003	Till 17.04.2008	1880-1900 MHz
724.	Nizhny Novgorod, Gaidar street	№ 05-017845 of 25.10.2005	Till 24.10.2015	1880-1900 MHz
725.	Nizhny Novgorod	№ 17-03-33/11379 of 11.03.2003	Till 05.03.2008	1880-1900 MHz
726.	Nizhny Novgorod	№ 05-022719 of 30.12.2005	Till 29.12.2015	1880-1900 MHz
727.	Nizhny Novgorod	№ 1026097 of 05.11.2003	Till 27.10.2008	1880-1900 MHz
728.	Yoshkar-Ola town	№ 05-013857 of 09.06.2005	Till 08.06.2015	1880-1900MHz
729.	Yoshkar-Ola town	№ 06-004422 of 10.05.2006	Till 09.05.2016	1880-1900 MHz
730.	Ruzaevka Chamzinka Atyurievo	№ 04-001141 of 12.10.2004	Till 11.10.2014	1880-1900 MHz
731.	Saransk town	№ 04-000980 of 12.10.2004	Till 11.10.2014	1880-1900 MHz
732.	Kirov city	№ 05-006534 of 24.03.2005	Till 23.03.2015	1880-1900 MHz
733.	Kirov city	№ 06-000870 of 14.03.2006	Till 13.03.2016	1880-1900 MHz
734.	Kirov city, Luganskaya street	№ 05-017847 of 25.10.2005	Till 24.10.2015	1880-1900MHz
735.	Settlement Torbeevo in the Republic of Mordoviya	№ 05-006403 of 23.03.2005	Till 23.03.2015	1880-1900MHz
736.	Samara city	№ 05-006406 of 23.03.2005	Till 23.03.2015	1880-1900 MHz
737.	Arzamas town, Gorodets town, settlement Sitniki, settlement Zheleznodorozhnyi	№ 04-003072 of 28.12.2004	Till 27.12.2014	1880-1900 MHz
738.	Pavlovo town	№ 05-006598 of 23.03.2005	Till 23.03.2015	1880-1900 MHz
739.	Pavlovo town	№ 04-3-009279 of 10.09.2004	Till 09.09.2014	1880-1900 MHz
740.	Village Tolkaevka of Orenburg oblast	№ 04-003265 of 28.12.2004	Till 27.12.2014	1880-1900 MHz
741.	Sharanga	№ 52-6167 of 30.12.2003	Till 30.12.2006	42,95
742.	Tonkino	№ 52-6168 of 30.12.2003	Till 30.12.2006	42,95
743.	Samara oblast			
744.	Village Strochkinno – village Nechaikha	№ 06-000610Д of 13.03.2006	Till 12.03.2016	307;434
Nizhny Novgorod oblast				
745.	Bogorodsk - Priezerno	№ 52-5582 of 26.11.2003	Till 30.12.2006	307;434;

746.	Bor town	№ 06-000275Д of 14.03.2006	Till 13.03.2016	307;434
747.	Balakhna town – village Trestiyany	№ 06-000274Д of 14.03.2006	Till 13.03.2016	307;434
748.	Settlement Voskresenskoe – village Kuznetsovo	№ 06-000278Д of 14.03.2006	Till 13.03.2016	307;434
749.	Village Nakhratovo – village Chikhtino	№ 06-000277Д of 14.03.2006	Till 13.03.2016	307;434
750.	Village Monakovo – village Spas-Sedcheno	№ 06-000639Д of 14.03.2006	Till 13.03.2016	307;434
751.	Pavlovo town – village Staroe Shcherbinono	№ 06-000637Д of 14.03.2006	Till 13.03.2016	307;434
752.	Volodarsk town – village Shchelkanovo	№ 06-000638Д of 14.03.2006	Till 13.03.2016	307;434
753.	Perevoz town – settlement Borok	№ 06-000363Д of 14.03.2006	Till 13.03.2016	307;434
754.	Settlement Kovernino – village Talitsy	№ 06-000488Д of 10.03.2006	Till 09.03.2016	307;434
755.	Village Belbazzh – village Volokolam	№ 06-000491Д of 10.03.2006	Till 09.03.2016	307;434
756.	Village Belbazzh – village Rameshki	№ 06-000482Д of 10.03.2006	Till 12.03.2016	307;434
757.	Settlement Vorotynets – settlement Krasnyi Vostok	№ 06-000486Д of 10.03.2006	Till 09.03.2016	307;434
758.	Settlement Vorotynets – village Kriushi	№ 06-000474Д of 10.03.2006	Till 09.03.2016	307;434
759.	Settlement Vorotynets – village Bykovka	№ 06-000483Д of 10.03.2006	Till 09.03.2016	307;434
760.	Village Tarley – village Tarley	№ 06-000479Д of 10.03.2006	Till 09.03.2016	307;434
761.	Village Davydovo – village Berezovka	№ 06-000481Д of 10.03.2006	Till 09.03.2016	307;434
762.	Village Medovartsevo – village Epifanovo	№ 06-000476Д of 10.03.2006	Till 09.03.2016	307;434
763.	Village Medovartsevo – village Verkhopolie	№ 06-000484Д of 10.03.2006	Till 09.03.2016	307;434
764.	Kulebaki town – village Shiloksha	№ 06-000487Д of 10.03.2006	Till 09.03.2016	307;434
765.	Village Bolshoe Pole – settlement Severnyi	№ 06-000489Д of 10.03.2006	Till 09.03.2016	307;434
766.	Settlement Voskresenskoe – village Chukhlomka	№ 06-000470Д of 10.03.2006	Till 09.03.2016	307;434
767.	Village Khokhlama – village Utkino	№ 06-000492 of 10.03.2006	Till 09.03.2016	307;434
768.	Village Chirgushi – village Novoselki	№ 06-000478Д of 10.03.2006	Till 09.03.2016	307;434
769.	Settlement Fakel – settlement Bashmakovo	№ 06-000089Д of 10.03.2006	Till 09.03.2016	307;434
770.	Settlement Pionerskiy – settlement Igra	№ 06-000090Д of 10.03.2006	Till 09.03.2016	307;434
771.	Village Medovartsevo – village Poltso	№ 06-000365Д of 14.03.2006	Till 13.03.2016	307;434
772.	Perevoz town – village Kiselikha	№ 06-000368Д of 14.03.2006	Till 13.03.2016	307;434
773.	Village Demino – village Malakhovo	№ 06-000604Д of 13.03.2006	Till 12.03.2016	307;434
774.	Village Demino – village Malakhovo	№ 06-000608 of 13.03.2006	Till 12.03.2016	307;434
775.	Village Kamennoe – village Galanino	№ 06-000607 of 13.03.2006	Till 12.03.2016	307;434

776.	Village Kamennoe – village Zakhvatovo	№ 06-000598Д of 13.03.2006	Till 12.03.2016	307;434
777.	Village Belbazzh – village Radost	№ 06-000609Д of 13.03.2006	Till 12.03.2016	307;434
778.	Settlement Vorotynets – village Akhpaevka	№ 06-000601Д of 13.03.2006	Till 12.03.2016	307;434
779.	Sergach town – village Shubino	№ 06-000605Д of 13.03.2006	Till 12.03.2016	307;434
780.	Village Gorevo – village Makarshino	№ 06-000384Д of 14.03.2006	Till 13.03.2016	307;434
781.	Village Nosovaya – village Zavod	№ 06-000280Д of 14.03.2006	Till 13.03.2016	307;434
782.	Village Kovrigino – village Korobeinikovo	№ 06-000360Д of 14.03.2006	Till 13.03.2016	307;434
783.	Village Kamenka – village Krutoe	№ 06-00366Д of 14.03.2006	Till 13.03.2016	307;434
784.	Perevoz town – village Medvedkovo	№ 06-000357Д of 14.03.2006	Till 13.03.2016	307;434
785.	Perevoz town – village Selishchi	№ 06-001214Д of 18.04.2006	Till 17.04.2016	307;434
786.	Village Plotinka – village Tugarino	№ 06-000279Д of 14.03.2006	Till 13.03.2016	307;434
787.	Balakhna town – Maloe Kozino	№ 06-000362Д of 14.03.2006	Till 13.03.2016	307;434
788.	Village Davydkovo – village Berezovka	№ 06-000353Д of 14.03.2006	Till 13.03.2016	307;434
789.	Village Chulkovo – village Bobynino	№ 06-000273Д of 14.03.2006	Till 13.03.2006	307;434
790.	Pokrovka – village Kislovka	№ 52-401805 of 12.07.2004	Till 12.07.2007	307;343
791.	Village Nikolaevka – settlement Krasnaya gorka	№ 52-401807 of 12.07.2004	Till 12.07.2007	307;343
792.	Settlement Varnavino – settlement Voskhod	№ 52-2632 of 03.06.2003	Till 03.06.2006	307;343
793.	Vetluga town – village Voznesenie	№ 52-2636 of 03.06.2003	Till 03.06.2006	307;343
794.	Village Vad – village Gari	№ 05-001252Д of 26.12.2005	Till 25.12.2015	307;343
795.	Settlement Smirkino – village Stolbovo	№ 06-000606 of 13.03.2006	Till 12.03.2016	307;434
796.	Village Vad – village Bukaley	№ 05-001291Д of 26.12.2005	Till 25.12.2015	307;343
797.	Village Shvarikha – village Dubenki	№ 05-001831 of 27.12.2005	Till 26.12.2015	307;343
798.	Village Maloe Mamlevo – settlement Novaya Moskva	№ 05-001807Д of 28.12.2005	Till 27.12.2015	307;343
799.	Village Kruykovka – village Berezovka	№ 05-001799Д of 28.12.2005	Till 27.12.2015	307;343
800.	Settlement after Stepan Razin – village Orlovka	№ 05-001791Д of 28.12.2005	Till 27.12.2015	307;343
801.	Village Saldamanov – village Novyi Maidan	№ 05-001809Д of 28.12.2005	Till 27.12.2015	307;343
802.	Village Arapovo – village Aleshkovo	№ 05-001835Д of 28.12.2005	Till 27.12.2015	307;343
803.	Settlement Tonshaevo – village Vyakshener	№ 52-2638 of 03.06.2003	Till 03.06.2006	307;343
804.	Settlement Tonshaevo – settlement Kazener	№ 52-2640 of 03.06.2003	Till 03.06.2006	307;343
805.	Settlement Tonshaevo – settlement Yuzhnyi	№ 52-2642 of 03.06.2003	Till 03.06.2006	307;343

806.	Settlement Tonshaevo – settlement Yuzhnyi	№ 52-1571 of 13.04.2004	Till 12.04.2009	307;343
807.	Uren town – settlement Ariya	№ 52-2644 of 03.06.2003	Till 03.06.2006	307;343
808.	Uren town – village B.Kozlyana	№ 52-2646 of 03.06.2003	Till 03.06.2006	307;343
809.	Uren town – village Chernoe	№ 52-2648 of 03.06.2003	Till 03.06.2006	307;343
810.	Settlement Varnavino – settlement Mirnyi	№ 25-2634 of 03.06.2003	Till 03.06.2006	307;343
811.	Uren town - Mineevo	№ 52-2821 of 16.06.2003	Till 16.06.2006	307;343
812.	Uren town - Vyazovoe	№ 52-2823 of 16.06.2003	Till 16.06.2006	307;343
813.	Village Valtovo – village Salavir	№ 05-001824Д of 27.12.2005	Till 26.12.2015	307;343
814.	Village Arapovo – village Kudryashki	№ 05-001811Д of 27.12.2005	Till 26.12.2015	307;343
815.	Village Arapovo – village Timonino	№ 05-001817Д of 28.12.2005	Till 26.12.2015	307;343
816.	Village Elizarovo – village Stechkino	№ 06-001168Д of 26.04.2006	Till 25.04.2016	307;343
817.	Village Steksovo – settlement Ideal	№ 06-001169Д of 26.04.2006	Till 25.04.2016	307;343
818.	Settlement Krasnyi bor	№ 06-001202Д of 26.04.2006	Till 25.04.2016	307;343
819.	Settlement Shatki – village Arkhangelskoe	№ 06-001137Д of 26.04.2006	Till 25.04.2016	307;343
820.	Village Smirnovovo – village Alemaevo	№ 06-001166Д of 26.04.2006	Till 25.04.2016	307;343
821.	Settlement Shatki – settlement Sosnovyi Bor	№ 06-001136Д of 26.04.2006	Till 25.04.2016	307;343
822.	Settlement Shatki	№ 06-001201Д of 26.04.2006	Till 25.04.2016	307;343
823.	Village Kamenka – village Pavlovka	№ 06-001135Д of 26.04.2006	Till 25.04.2016	307;343
824.	Village Petrovka – village Malinovka	№ 06-001134Д of 26.04.2006	Till 25.04.2016	307;343
825.	Village Bogoyavlenie	№ 06-001149Д of 26.04.2006	Till 25.04.2016	307;343
826.	Village Tatarskoe	№ 06-001165Д of 26.04.2006	Till 25.04.2016	307;343
827.	Village Zelenyi dol – village Kalenki	№ 05-001837Д of 27.12.2005	Till 26.12.2015	307;343
828.	Village Zelenyi dol – village Kulikovo	№ 05-001846Д of 27.12.2005	Till 26.12.2015	307;343
829.	Village Arapovo – village Kudreshki	№ 05-001830Д of 27.12.2005	Till 26.12.2015	307;343
830.	Kozmodemiyansk town –village Shari	№ 05-021914 of 30.12.2005	Till 29.12.2015	307;343
831.	Village Mariino – village Kozikovo	№ 06-001230Д of 18.04.2006	Till 17.04.2016	307;434
832.	Village Mariino – village Iksha	№ 06-001213Д of 18.04.2006	Till 17.04.2016	307;434
833.	Village Mary-Sola – Zarechka-Ona	№ 06-001212Д of 18.04.2006	Till 17.04.2016	307;434
834.	Village Mary-Sola – village Yoshkar-Pomash	№ 06-001219Д of 18.04.2006	Till 17.04.2016	307;434
835.	Village Nezhnur – village Malaya Shuduguzh	№ 06-001211Д of 18.04.2006	Till 17.04.2016	307;434

836.	Settlement Yurino – village Polyana	№ 06-001218Д of 18.04.2006	Till 17.04.2016	307;434
837.	Village Mariino – settlement Kozikovo	№ 06-001321Д of 18.04.2006	Till 17.04.2016	307;434
838.	Village Kokshaisk – settlement Chernoe Ozero	№ 05-021917 of 30.12.2005	Till 29.12.2015	307;343
839.	Village Zelenyi dol – village Afanasievo	№ 05-001841Д of 27.12.2005	Till 26.12.2015	307;343
840.	Uren – Krasnyi Yar	№ 52-2825 of 03.06.2003	Till 16.06.2006	307;343
841.	Urazovka - Klyuchishchi	№ 52-3432 of 23.07.2003	Till 23.07.2006	307;343
842.	Rabotki – settlements	№ 52-2996 of 24.06.2003	Till 24.06.2006	307;343
843.	Kstovo - settlements	№ 52-2995 of 24.06.2003	Till 24.06.2006	307;343
844.	Village Ostanino – village Pumra	№ 52-1719 of 21.04.2004	Till 21.04.2007	307;343
845.	Verkhovskoe - Berestyanka	№ 52-4579 of 24.09.2003	Till 24.09.2006	307;343
846.	Verkhovskoe - Syava	№ 52-6068 of 23.12.2003	Till 23.12.2006	307;343
847.	Konevo - Yuriino	№ 52-6501 of 27.12.2003	Till 27.12.2006	307;343
848.	Serebryanka –village Kr.Rodnik	№ 52-6150 of 26.12.2003	Till 26.12.2006	307;343
849.	Vetluga - Voznesenskoe	№ 52-2635 of 03.06.2003	Till 03.06.2006	307;343
850.	Village Vad – village Salaley	№ 05-001383Д of 25.11.2005	Till 24.11.2015	307;343
851.	Village Elizarovo – village Zalesie	№ 05-002084Д of 04.12.2005	Till 03.12.2015	307;343
852.	Balakhna - Belovskaya	№ 52-3626 of 05.08.2003	Till 05.08.2008	307;343
853.	Voskresenskoe	№ 4-2/15-1867 of 2003	Till 2008	307;343
854.	Bor – Parizhskoi kommuny	№ 4-2/15-1748 of 08.04.2003	Till 08.04.2008	307;343
855.	Bor - Bolsheorlovskoe	№ 4-2/15-1749 of 08.04.2003	Till 08.04.2008	307;343
856.	Bor - Kerzhenets	№ 4-2/15-1750 of 08.04.2003	Till 08.04.2008	307;343
857.	Village Novoselki – village Devletyakovo	№ 05-002079Д of 04.12.2005	Till 03.12.2015	307;343
858.	Settlement Kurikha – settlement Luktos	№ 05-002074Д of 04.12.2005	Till 03.12.2015	307;343
859.	Bolshoe Boldino	№ 05-002251Д of 04.12.2005	Till 03.12.2015	307;343
860.	Balakhna town	№ 05-002270Д of 04.12.2005	Till 03.12.2015	307;343
861.	Pavlovo town - Dolgovo	№ 05-002299Д of 04.12.2005	Till 03.12.2015	307;343
862.	Lukoyanov town – village Poya	№ 05-001794Д of 05.12.2005	Till 04.12.2015	307;343
863.	Arzamas town	№ 05-002326Д of 04.12.2005	Till 03.12.2015	307;343
864.	Settlement Sosnovskoe	№ 05-002071Д of 04.12.2005	Till 03.12.2015	307;343
865.	Vilya - Provolochnoe	№ 52-6149 of 26.12.2003	Till 26.12.2006	307;343

866.	Voznesenskoe - Begovatovo	№ 52-6154 of 26.12.2003	Till 26.12.2006	307;343
867.	Varnavino - Mirnyi	№ 52-2634 of 03.06.2003	Till 03.06.2006	307;343
868.	Tonshaevo - Kazener	№ 25-2639 of 03.06.2003	Till 03.06.2006	307;343
869.	Voznesenskoe - Lashman	№ 52-5580 of 26.11.2003	Till 26.11.2006	307;343
870.	Voznesenskoe - Ilev	№ 52-5581 of 26.11.2003	Till 26.11.2006	307;343
871.	Steksovo - Ideal	№ 52-6153 of 26.12.2003	Till 26.12.2006	307;343
872.	Lemet - Turkushi	№ 52-6152 of 26.12.2003	Till 26.12.2006	307;343
873.	Mukhtolovo - Venets	№ 52-6151 of 26.12.2003	Till 26.12.2006	307;343
874.	Sechenovo - Lipovka	№ 52-5773 of 04.12.2003	Till 04.12.2006	307;343
875.	Village Maloe Mamleev – village Nikolai Dar	№ 06-001164Д of 26.04.2006	Till 25.04.2016	307;343
876.	Stepana Razina – village Orlovka	№ 06-001147Д of 26.04.2006	Till 25.04.2016	307;343
877.	Village Bolshoe Maresievo – village Kelduyshevo	№ 06-001148Д of 26.04.2006	Till 25.04.2016	307;343
878.	Settlement Shatki – village Kerzhemok	№ 06-001133Д of 26.04.2006	Till 25.04.2016	307;343
879.	Village Yasentsy – village Kishemskoe	№ 06-001167Д of 26.04.2006	Till 25.04.2016	307;343
880.	Village Novaya Sloboda – village Pralevka	№ 06-001206Д of 26.04.2006	Till 25.04.2016	307;343
881.	Village Bolshoe Boldino – village Pikshen	№ 06-001205 of 26.04.2006	Till 25.04.2016	307;343
882.	Village Bolshoe Boldino – village Chernovskoe	№ 06-001204Д of 26.04.2006	Till 25.04.2016	307;343
883.	Village Shagaev	№ 06-001203Д of 26.04.2006	Till 25.04.2016	307;343
884.	Lyskovo - Presnetsovo	№ 52-5774 of 04.12.2003	Till 04.12.2006	307;343
885.	Sechenovo - Elizavetino	№ 52-5771 of 04.12.2003	Till 04.12.2006	307;343
886.	Sechenovo - Ratovo	№ 52-5772 of 04.12.2003	Till 04.12.2006	307;343
887.	Sechenovo - Ratovo (petroleum storage depot)	№ 52-5769 of 04.12.2003	Till 04.12.2006	307;343
888.	Sergach – B.Ryabushkino	№ 52-5770 of 04.12.2003	Till 04.12.2006	307;343
889.	Sergach - Malinovka	№ 52-5766 of 04.12.2003	Till 04.12.2006	307;343
890.	Sergach - Roganovka	№ 52-5767 of 04.12.2003	Till 04.12.2006	307;343
891.	Salgany - Alexandrovo	№ 52-3431 of 23.07.2003	Till 23.07.2006	307;343
892.	Salgany - Fedorovka	№ 52-5230 of 04.11.2003	Till 04.11.2006	307;343
893.	Sergach – B.Ryabushkino	№ 52-5768 of 04.12.2003	Till 04.12.2006	307;343
894.	Varnavino - Severnyi	№ 52-4871 of 13.10.2003	Till 13.10.2006	307;343
895.	Tuzha - Soboli	№ 43-04/2133 of 16.09.2003	Till 16.09.2006	307;343

896.	Strizhi - Reshetniki	№ 43-04/2153 of 17.09.2003	Till 17.09.2006	307;343
897.	Svecha - Kholmy	№ 43-04/2148 of 17.09.2003	Till 17.09.2006	307;343
898.	Ekaterina – B.Melnitsa	№ 43-04/2677 of 22.10.2003	Till 22.10.2006	307;343
899.	Nikolaevo - Anikinty	№ 43-04/2675 of 22.10.2003	Till 22.10.2006	307;343
900.	Novaya Ukazna - Zhirnovo	№ 43-04/2150 of 17.09.2003	Till 17.09.2006	307;343
901.	Chernushka - Troitskoe	№ 43-04/2152 of 17.09.2003	Till 17.09.2006	307;343
902.	Kulebaki and settlements of Kulebaki district	№ 52-6169 of 30.12.2003	Till 30.12.2006	307;343
903.	Shabury - Strelskaya	№ 43-04/2135 of 16.09.2003	Till 16.09.2006	307;343
904.	Nagorsk - Simonovka	№ 43-04/2672 of 22.10.2003	Till 22.10.2006	307;343
905.	Lalsk - Kuzminskaya	№ 43-04/2155 of 17.09.2003	Till 17.09.2006	307;343
906.	Lalsk - Zaborie	№ 43-04/2156 of 17.09.2003	Till 17.09.2006	307;343
907.	Nazarovtsy - Kachonki	№ 43-04/2157 of 17.09.2003	Till 17.09.2006	307;343
908.	Chistopolie - Borovka	№ 43-04/2676 of 22.10.2003	Till 22.10.2006	307;343
909.	Kiknur - Ulesh	№ 43-04/2151 of 17.09.2003	Till 17.09.2006	307;343
910.	Kiknur - Chasha	№ 43-04/2149 of 17.09.2003	Till 17.09.2006	307;343
911.	Oparino - Duvannoe	№ 43-04/2136 of 16.09.2003	Till 16.09.2006	307;343
912.	Oparino - Chusiya	№ 42-04/2137 of 16.09.2003	Till 16.09.2006	307;343
913.	Zuevka – Spaso-Zaozerie	№ 43-04/2134 of 16.09.2003	Till 16.09.2006	307;343
914.	Zuevka - Motous	№ 43-04/2674 of 22.10.2003	Till 22.10.2006	307;343
915.	Kilmez - Polyanka	№ 43-04/2154 of 17.09.2003	Till 17.09.2006	307;343
916.	Oparino – Sergeevskaya Vereteya	№ 43-04/2678 of 22.10.2003	Till 22.10.2006	307;343
917.	Lekma - Osinovka	№43-04/2669 of 22.10.2003	Till 22.10.2006	307;343
918.	Lekma - Osinovka	№ 04/400 of 23.01.2003	Till 23.01.2006	307;343
919.	Pervomaisk - Mytiets	№ 43-04/2670 of 22.10.2003	Till 22.10.2006	307;343
920.	Utmanovo - Grebnevo	№ 43-04/2673 of 22.10.2003	Till 22.10.2006	307;343
921.	Pervomaiskoe - Sharpaty	№ 43-04/2671 of 22.10.2003	Till 22.10.2006	307;343
922.	Varnavino - Voskhod	№ 52-6165 of 30.12.2003	Till 30.12.2006	307;343
923.	Verkhovskoe - Vakhtan	№ 52-6164 of 30.12.2003	Till 30.12.2006	307;343
924.	Tonkino - Pismener	№ 52-6163 of 30.12.2003	Till 30.12.2006	307;343
925.	Vorotynets - Saraiki	№ 52-1573 of 13.04.2004	Till 12.04.2009	307;343

926.	Bor town – settlement Pamiyati Parizhskoi Kommuny	№ 06-001340Д of 03.05.2006	Till 02.05.2016	307;343
927.	Bor town – settlement Bolsheorlovskoe	№ 06-001342Д of 03.05.2006	Till 02.05.2016	307;343
928.	Bor town – settlement Kerzhenets	№ 06-001341Д of 03.05.2006	Till 02.05.2016	307;343
929.	Penza oblast			
930.	Village Kazarka – village Novokovka, Village Kazarka – village Tuynar, Settlement Sura – village Pavlovka, Nikolsk town – village M.Polyana, Village Mezhdurechie – village Pokrovka	№ 06-001382Д of 03.05.2006	Till 02.05.2016	307;343
931.	Salgany – village Akulinino	№ 52-3433 of 23.07.2003	Till 23.07.2003	307;343
932.	Yoshkar-Ola town – village Korta	№ 12-800 of 18.06.2003	Till 18.06.2006	307;343
933.	Yoshkar-Ola town – village Elemuchash	№ 12-801 of 18.06.2003	Till 18.06.2006	307;343
934.	Settlement Kilemary – village Udyurma	№ 12-802 of 18.06.2003	Till 18.06.2006	307;343
935.	Village Pamiyaly – settlement Maiskyi	№ 12-803 of 18.06.2003	Till 18.06.2006	307;343
936.	Village Pamiyaly – settlement Maiskyi	№ 12-804 of 18.06.2003	Till 18.06.2006	307;343
937.	Village Nezhnur – settlement Nezhnurskyi	№ 12-805 of 18.06.2003	Till 18.06.2006	307;343
938.	Village Nezhnur – village B.Shuduguzh	№ 12-12-806 of 18.06.2003	Till 18.06.2006	307;343
939.	Village Arda – village Aleshkino	№ 12-807 of 18.06.2003	Till 18.06.2006	307;343
940.	Village Arda – village Yuksary	№ 12-808 of 18.06.2003	Till 18.06.2006	307;343
941.	Village Arda – village Alataikino	№ 12-809 of 18.06.2003	Till 18.06.2006	307;343
942.	Village Pamiyaly – settlement Tsynglok	№ 12-810 of 18.06.2003	Till 18.06.2006	307;343
943.	Settlement Yurino	№ 12-811 of 18.06.2003	Till 18.06.2006	307;343
944.	Village Mariino – village Nikolskaya	№ 12-812 of 18.06.2003	Till 18.06.2006	307;343
945.	Village Mariino – village Nikolskaya	№ 12-813 of 18.06.2003	Till 18.06.2006	307;343
946.	Village Mariino – village Kozlovets	№ 12-814 of 18.06.2003	Till 18.06.2006	307;343
947.	Village Mariino – village Kuzmino	№ 12-815 of 18.06.2003	Till 18.06.2006	307;343
948.	Village Mariino – village Karasiyary	№ 12-816 of 18.06.2003	Till 18.06.2006	307;343
949.	Village Mariino – settlement Kozikovo	№ 12-817 of 18.06.2003	Till 18.06.2006	150; 160MHz
950.	Village Mariino – settlement Kozikovo	№ 12-818 of 18.06.2003	Till 18.06.2006	307;343
951.	Village Shoibulak – village Pelenger	№ 12-819 of 18.06.2003	Till 18.06.2006	307;343
952.	Village Shoibulak – gardens “Saturn”	№ 12-14-3/1242 of 23.07.2002	Till 23.07.2007	307;343
953.	Settlement Sovietskyi – village Iliinskoe	№ 12-621 of 29.04.2003	Till 29.04.2006	307;343

954.	Settlement Tursha – Borodinskoe	№ 12-1098 of 09.09.2003	Till 09.09.2006	307;343
955.	Settlement Yoshkar-Ola – settlement Lesnoi	№ 12-1571 of 30.12.2003	Till 30.12.2006	307;343
956.	Settlement Kilemary – village Aktayuzh	№ 12-1316 of 27.11.2003	Till 27.11.2006	307;343
957.	Village Semisola – village Petrovskoe of Orenburg oblast	№ 12-1058 of 01.09.2003	Till 01.09.2006	307;343
958.	Village Novosergievka, village Mustaevo, village Kuvai - village Suzanovo	№ 05-001049Д of 26.12.2005	Till 25.12.2015	307;343 MHz
959.	Village Pronkino – village Shestaikino; village Zaviyalovka – Buguruslan town	№ 05-001455Д of 28.12.2005	Till 27.12.2015	307;343 MHz
960.	Village Krasnokholm – village Gainulino	№ 05-001437Д of 30.12.2005	Till 29.12.2015	307;343 MHz
961.	Village Erokhovka – village Petro-Khersonets, village Russko-Ignashkino, village Verkhnee Ignashkino, village Taly, village Lugovoe	№ 05-001473Д of 30.12.2005	Till 29.12.2015	307;343 MHz
962.	River harbor “Rutka”	№ BII-05817 of 22.12.2005	Till 21.12.2015	
963.	Settlement Kilemary – village Kumiaya	№ 12-1154 of 24.09.2003	Till 24.09.2006	307;343
964.	Gai town, village Ishkinino, settlement Novorudnyi, village Kalinovka	№ 56/4210 of 13.10.2003	Till 13.10.2006	307;343
965.	Orsk town, settlement Novoorsk, village Kvarkeno, settlement Adamovka	№ 56-5665 of 30.12.2003	Till 01.01.2007	37MHz
966.	Village Staroyakupovo, village Boriskino, village Novozherdino, village Nataliino, village Gorodishche, village Chebenki, village Elatomka, village Oktyabrevka, village Kiryushkino	№ 56-876-28 of 27.02.2004	Till 27.02.2007	343-344/ 307-308
967.	Village Ziyanchurino – village Dubinovka, Gai town – village Ishkinino, Village Stepanovka – village Abdrakhmanovo Village Starye Shalty – village Artemievka, Abdulino town – village Novoyakupovo, village Borisovka – village Klyuchevka, village Romanovka; village Zobov – village Zerkla, village Kolychevo – village Novonikolskoe	№ 56-876-27 of 27.02.2004	Till 27.02.2007	343-344/ 307-308
968.	Village Bakaevo – village Zerkla, village Labazy , village Baigorovka – village Fedorovka; settlement Pervomaiskiy – village Maevka, village Taly , settlement Chkalovskiy, village Novochoerkassk – village Krasnogor, village Ch.Otrog , village Sultakai – settlement Maiskiy, settlement Burannyi – settlement Aktynovo.	№ 56-876-29 of 27.02.2004	Till 27.02.2007	343-344/ 307-308
969.	Yasnyi town – village Alasai	№ 56/5711 of 30.12.2003	Till 30.12.2006	343-344/ 307-308

970.	Village Vozdvizhenka – village Irek, village Chernyi Otrog, village Sovetskoe – settlement Saraktash	№ 56/5708 of 30.12.2003	Till 30.12.2006	343-344/ 307-308
971.	Kuvandyk town – village Novaya Rakityanka, village Novouralsk – village Lugovskoe, Kuvandyk town – village Churaevo, Kuvandyk town – pioneer camp “Volna”.	№ 56/5707 of 30.12.2003	Till 30.12.2006	343-344/ 307-308
972.	Village Grachevka – village Kamenka – village Pokrovka	№ 56/5710 of 30.12.2003	Till 30.12.2006	343-344/ 307-308
973.	Village Andreevka – village Mezhdulesie	№ 56/5709 of 30.12.2003	Till 30.12.2006	343-344/ 307-308
974.	Village Belyaevka – settlement Pravoberezhnyi	№ 56/5712 of 30.12.2003	Till 30.12.2006	343-344/ 307-308
975.	Village Elasy – village Nuzhenaly	№ 12-1580 of 30.12.2003	Till 30.12.2006	307;343
976.	Village Ushkaty – village Bogoyavlenka	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
977.	Settlement Ural – village Zhanatan	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
978.	Settlement Ural – settlement Rovnyi	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
979.	Settlement Novouralsk – village Zaluzhie	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
980.	Settlement Veselyi – village Nagumanovka	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
981.	Village Furmanovo – village Konnoe	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
982.	Village Furmanovo – village Prudy	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
983.	Village Uranbash – village Ivanovka	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
984.	Village N.Gumbet – village Morozovskoe	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
985.	Settlement Suvorovskiy – village Glubinnoe	№ 56-876-172 of 30.06.2004	Till 30.06.2007	300;400
986.	Village Troitsk – village Ivanovka	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
987.	Sol-Iletsk town – village Mayachnoe	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
988.	Village Sergushino – village Kyzyl Yar	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
989.	Village Andreevka – village M.Surmet	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
990.	Settlement Dimitrovskiy – settlement Bratskiy	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
991.	Settlement Dimitrovskiy – settlement Sukhodolnyi	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
992.	Village Yudinka – village Bryanchaninovo	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
993.	Village Voskresenovka – village Alexeevka	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
994.	Village Kurmanaevka – village Petrovka	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
995.	Settlement Koltubaevskiy – settlement Opytniy	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
996.	Village Tashla – village Prokuronovka	№ 56-876-171 of 30.06.2004	Till 30.06.2007	300;400
997.	Otradnyi town	№ 63-909-895/3373 of 25.12.2003	Till 31.12.2006	300;400

998.	Otradnyi town	№ 63-911-895/3376 of 25.12.2003	Till 31.12.2006	300;400
999.	Otradnyi town	№ 63-911-895/3373 of 25.12.2003	Till 31.12.2006	300;400
1000.	Syzran town	№ 63-903-1002/3367 of 25.12.2003	Till 31.12.2006	300;400
1001.	Syzran town	№ 63-903-1002/3368 of 25.12.2003	Till 31.12.2006	307;343
1002.	Village Shigony	№ 63-903-1002/3369 of 25.12.2003	Till 31.12.2006	300;400
1003.	Settlement Kemlya of the Republic of Mordoviya	№ 03-12925 of 25.12.2003	Till 01.12.2008	3335, 5225 KHz
1004.	Nolinsk town of Kirov oblast	№ 04-00730 of 31.03.2004	Till 01.03.2005	2265, 2515, 3660, 4025 KHz
1005.	The Republic of Mordoviya Village Lyambir, Kovylkino town, Ardatov town, settlement Torbeevo, Ruzaevka town, village Atyashevo, village B.Ignatovo, settlement Chamzinka, village S.Shaigovo, village Kochkurovo, Krasnoslobodsk town, settlement Ichalki, village Elniki, village Dubenki, village Lyambir, settlement Romodanovo, settlement Zubova-Polyana, Temnikov town	№ 04-001804 of 21.03.2005	Till 20.03.2015	2520, 4515, 5225 KHz

b) Communication networks.

Physical communication networks used by the Issuer for communication services provision:

DLD and intrazonal communication

OJSC “VolgaTelecom” intrazonal primary network is built on cable (copper and fiber-optic) lines and microwave links.

The length of cable intrazonal transmission lines -		<i>19 989,1 km.</i>
including:	- fiber-optic	<i>10 784,3 km.</i>
The length of microwave links - including:		<i>3 232,9 km.</i>
	-digital	<i>2 028,5 km.</i>
The length of overhead transmission lines -		<i>759,3 km.</i>
The length of channels of intrazonal primary network		<i>23 509,6 thousand channel-km.</i>
including:	- overhead transmission lines - cable transmission lines	<i>11,6 thousand channel-km.</i>
	including:	<i>22 492,2 thousand channel-km.</i>

	- fiber-optic cable	<i>20 964,7 thousand channel-km.</i>
	- microwave links	<i>1 005,8 thousand channel-km.</i>
	- satellite links	-
The length of channels formed by digital transmission systems		<i>22 262,6 thousand channel-km.</i>
including:	- SDH	<i>20 948,9 thousand channel-km.</i>
	- PDH	<i>1 313,7 thousand channel-km.</i>

Automatic long-distance service

The equipment of automatic long-distance service being in operation at OJSC “VolgaTelecom” network incorporates 12 automatic trunk exchanges (ATX) and the equipment of zonal telephone communication of the total installed capacity of 72 111 channels. The installed capacity of electronic ATXs makes up 65 699 channels, the equipment of zonal telephone communication – 6 412 channels.

Total equipped capacity of ATXs and of the equipment of zonal telephone communication makes up 56 188 channels, including the capacity of electronic exchanges – 51 552 channels, and the equipment of zonal telephone communication – 4 636 channels.

Local communication

Total installed capacity of local telephone communication network of OJSC “VolgaTelecom” makes up 4 950 533 numbers (including, urban telephone communication – 4 169 642 numbers, rural telephone communication – 780 891 numbers). The total number of ATXs is 5775 units, out of them 798 units are at urban telephone network and 4977 units – at rural telephone network.

The quantity of basic telephone sets at OJSC “VolgaTelecom” network is 4641,3 thousand units (including at urban telephone network – 3897,1 thousand units, and at rural telephone network – 744,2 thousand units).

In accordance with priorities of development the arrangements are carried out to replace step-by-step decimal and crossbar switching systems with digital ones. At present the installed capacity of electronic ATXs constitutes 63,3% of the total installed capacity of the network (including at urban telephone network – 69,5%, and at rural telephone network – 30,3%).

Telephone density of fixed line communication:

<i>Branch</i>	Telephone density of fixed line communication per 100 residents, total (units/100 residents)	Including		Telephone density of fixed line communication in oblast’s (republic’s) center per 100 residents
		Urban telephone network	Rural telephone network	
Kirov	<i>26,4</i>	<i>31,9</i>	<i>11,9</i>	<i>36,5</i>
The Republic of Mariy-El	<i>26,6</i>	<i>35,2</i>	<i>11,9</i>	<i>40,1</i>
The Republic of Mordoviya	<i>26,1</i>	<i>31,7</i>	<i>17,9</i>	<i>34,4</i>
Nizhny Novgorod	<i>28,0</i>	<i>32,4</i>	<i>12,5</i>	<i>38,2</i>
Orenburg	<i>21,5</i>	<i>26,8</i>	<i>14,3</i>	<i>25,1</i>

Penza	21,8	27,2	11,5	32,4
Samara	23,0	24,8	15,8	26,1
Saratov	21,6	24,6	13,3	28,4
The Republic of Udmurtiya	24,7	30,4	11,9	35,6
Ulyanovsk	24,3	29,0	11,8	32,3
The Republic of Chuvashiya	22,7	31,2	9,6	33,6
TOTAL for OJSC “VolgaTelecom”	24,1	28,7	13,0	

Telegraph communication

Telegraph communication is organized on the basis of “Alpha-Telex-600” (TK-AT-600) operating in AT/Telex channel switching system (switched-channel telegraph service network) and in message switching system in public telegraph service network.

The number of the channels of all kinds formed by channel forming equipment - 9 900,5

Including:

- backbone channels – 1 185,5*
- intraoblast and intradistrict – 8 715*

The number of telegraph links total – 2 265

Including:

- By channel switching system – 747,5*
- By message switching system – 1 143,5*
- By ATOL system – 374*

The subscribers of area nodes are connected to TK-AT-600 via ATK remote units.

TK-AT-600 complex implementation allows for passing from analog transmission system to digital one.

Telegraph channeling equipment of TT-144, TT-48, TT-12, TBY-12M, TBY-15 type and “Alfa-Link M128” modems are used in the city’s hops to connect the subscribers.

Equipped capacity of KK switches is 820 numbers.

The number of terminal units – 2 009 pieces.

Equipped capacity of integrated KC+KK switches is 2 446 numbers.

REX-400 hardware/software complex is being commissioned to operate in “Rostelemail” - Russian system of messages processing to provide services of data transfer by using X.400 protocol.

In case of channels lease, the features of leased channels and the channels’ lessor are described:

In accordance with concluded contracts as of 31.03.2006 OJSC “VolgaTelecom” leases 5 691 communication channels from outside organizations, out of these channels: 2 552 - analog channels, and 3 139 – digital channels.

The leased channels are distributed between the branches in the following way:

Branch name	Lessor's name	Channels, total	Including		Including					
			Digital	VF	Backbone		Zonal		Local	
					Digital	VF	Digital	VF	Digital	VF
Kirov	OJSC "Rostelecom"	1279	0	763		8		755		
	Other lessors		120	396			120	396		
The Republic of Mariy-EI	OJSC "Rostelecom"	229	210	19		7	210	12		
	Other lessors		0	0						
The Republic of Mordoviya	OJSC "Rostelecom"	124	0	124		4		120		
	Other lessors		0	0						
Nizhny Novgorod	OJSC "Rostelecom"	1263	0	213		33		180		
	Other lessors		1050	0			360		690	
Orenburg	OJSC "Rostelecom"	1339	780	9		9	780			
	Other lessors		240	310			240	310		
Penza	OJSC "Rostelecom"	72	1	41	1	5		36		
	Other lessors		30	0					30	
Samara	OJSC "Rostelecom"	908	153	42		34	153	8		
	Other lessors		480	233			270	228	210	5
Saratov	OJSC "Rostelecom"	379	15	192	15	12		180		
	Other lessors		0	172				172		
The Republic of Udmurtiya	OJSC "Rostelecom"	4	0	4		4				
	Other lessors		0	0						
Ulyanovsk	OJSC "Rostelecom"	61	30	31	30	5		26		
	Other lessors		0	0						
The Republic of Chuvashiya	OJSC "Rostelecom"	33	0	3		3				
	Other lessors		30	0			30			
TOTAL	OJSC "Rostelecom"	5691	1189	1441	46	124	1143	1317	0	0
	Other lessors		1950	1111	0	0	1020	1106	930	5

The features of analog and digital channels leased from outside organizations meet the requirements of voice-frequency channel electrical parameters (RF Ministry of communication Order № 43 of 15.04.96) and the requirements of digital channel electrical parameters (RF Ministry of communication Order № 92 of 10.08.96).

3.3. The issuer's future activity plans

Brief description of the issuer's future activity plans and the sources of future revenues:

The Issuer's market strategy is to form and implement competitive services, to obtain maximum possible profit and to improve the efficiency of investments, and in the long run to satisfy completely the consumer demand for communication services.

The marketing strategy is based on the following provisions:

OJSC "VolgaTelecom" is a natural monopolist operating on the territory of 11 oblasts and republics of the Volga region and provides the widest range of services for various categories of customers. The Company is not planning to change the geography of its business and is not planning to diversify its business into other industries.

The Issuer's competitive advantage rests on the utilization of unique network and infrastructure resources of a traditional operator.

The most important indicators of the Issuer's operation efficiency are the growth of turnover and profit.

The main internal task is reorganization and enhancement of the Issuer's manageability.

OJSC "VolgaTelecom" is developing its activity in the entire range of telecom services on the basis of research and analysis of the Volga region market development.

The Issuer's basic strategic goal is to keep the leading position at the Volga region communication services market with maintaining the total share of the market at the level of at least 50% by physical indicators, and at least 70% by revenues (excluding cellular operators), and at least 38% by revenues with due account for cellular communication.

In 2006 the Issuer forecasts the gain to the tune of 165,7 thousand numbers which under the conditions of market saturation and waiting list for phone installation (240 thousand applications) is quite an ambitious plan.

Within the program of efficiency improvement during 2006 - 2008 it is scheduled to construct and commission telephone exchanges of the total installed capacity of 1394,4 thousand numbers; out of these 1050,1 thousand numbers (75,3 %) will be allocated for the replacement of outdated analog equipment.

Despite the fact that at present new services occupy about 7% in the structure of the Issuer's revenues, under the conditions of liberalization of traditional communication services market and penetration of innovation technologies into Russia, in the long view the importance of modern telecom services will grow considerably.

It is expected that in 2006 the share of new communication services in the Company's revenues structure will grow to 9,2% (vs. 5,0% in 2004 and 7,1% in 2005), and by 2008 it will increase to 14,7%.

In respect of income growth rates, the priority in the structure of scheduled income is occupied by new telecommunication services. Telecommunication services market of the Volga Federal district is characterized by a low level of penetration of new telecommunication services (services of intellectual network, wideband access and others), the tariffs for which are not subject to government regulation. The basic goal of OJSC "VolgaTelecom" in 2006 is to strengthen positions at the market of perspective and highly profitable services and maximum possible increase of income share from new telecommunication services in the total structure of the Issuer's income for the purpose of increasing the general level of cost-efficiency.

Interregional Multiservice Network (IMN) of data transfer is to become considerable competitive advantage of the Issuer (the first stage of its construction in Nizhny Novgorod oblast was already completed). OJSC "VolgaTelecom" IMN will allow for establishing virtual networks

of large corporate customers in the Volga Federal district, and also for resolving corporate tasks of exchange of information between OJSC “VolgaTelecom” branches.

Promoting intelligent networks services remains an important activity trend. The major task of Intelligent network is to provide the customer with the capability to get any service, and the operator - with the capability to render, calculate and rate these services. As Russian advertising market develops and the number of communication channels grows, the demand for such kind of services is growing vigorously.

Call center or the Center of calls processing is put into commercial operation in OJSC “VolgaTelecom” branch in the Republic of Udmurtiya, in the Republic of Mariy El and in Nizhny Novgorod branch, and into trial operation in the Company’s branch in the Republic of Mordoviya and in Saratov oblast. The Issuer’s management plans include establishment of Call-Centers in all oblasts’ centers of the Volga region for providing its clients with reference information, and for servicing commercial organizations interested in the services of Call-Center.

The basic strategic trends of OJSC “VolgaTelecom” development in the medium-term prospect are the following:

- satisfaction of solvent demand for basic services at the expense of raising the usage of telephone number capacity;*
- establishment of unified centers of payments and servicing;*
- large-scale development of centers of Internet provision, connection of regional data transfer networks to Internet;*
- implementation of intelligent network services;*
- improving corporate customers servicing, formation of nomenclature of services optimal for them.*

Long-term strategic trends of OJSC “VolgaTelecom” development are the following:

- establishment of modern telecommunication system, including digital telecommunication network, equipped with digital automatic switching exchanges, digital transmission systems, fiber-optic communication lines;*
- universal implementation of new technologies: ATM, xDSL;*
- integration of management and telecommunication infrastructure with international informational and switching systems;*
- improvement of quality of rendered services;*
- optimization of the list of rendered services for the purpose of increasing the share of their most progressive kinds;*
- maximization of profitability of the Issuer’s activity;*
- optimal tariff policy in the light of observing the interests of the Issuer’s shareholders and of the entire Company;*
- tight control over the level of expenditures;*
- conducting active marketing policy;*
- improvement of corporate governance quality.*

The change of the Issuer’s activity profile is not planned. The Issuer will continue to conduct its activity in accordance with valid licenses for communication services provision and in accordance with approved Charter.

3.4. The issuer’s participation in industrial, bank and financial groups, holdings, concerns and associations

1) Organization: *Association of communication companies of the Volga region*

The issuer’s role (place) in this organization: *Promoter of the Association*

The issuer's functions in this organization: ***Development and promotion of telecommunications and services provided by the Association members***

Participation period: ***since 2000***

2) Organization: ***"Teleinfo" – The Volga region Association of engineers of telecommunications and informatics***

The issuer's role (place) in this organization: ***Promoter of the Association***

The issuer's functions in this organization: ***Providing services in training activity area***

Participation period: ***since 2000***

3) Full name of the organization: ***Nizhny Novgorod Association of enterprises and entrepreneurs***

The issuer's role (place) in this organization: ***Association member***

The issuer's functions in this organization: ***Development and implementation of socially important projects and programs***

Participation period: ***since 1997***

3.5. The issuer's subsidiary and affiliated economic companies

1. Full and abbreviated brand name: ***Closed Joint Stock Company "Nizhny Novgorod Cellular Communication" (CJSC "NCC")***

Location: ***Russia, Nizhny Novgorod, Gorky sq., Dom Svyazi***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: ***Prevailing participation in the charter capital***

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***100 %***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: ***100 %***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***GSM cellular communication services provision***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Omelchenko Sergey Valerievich – the Chairman of the Board of directors

Year of birth: ***1963***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Petrov Mikhail Victorovich – member of the Board of directors

Year of birth: ***1973***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: *none*

Kozin Vladimir Vladimirovich – member of the Board of directors

Year of birth: ***1970***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Kuzmin Igor Valerievich – member of the Board of directors

Year of birth: ***1966***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Pozdnyakov Denis Vyacheslavovich – member of the Board of directors

Year of birth: ***1976***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Personal structure of collegial executive body (Management board, office of the director):

Petrov Mikhail Victorovich – the Chairman of the Management board

Year of birth: ***1973***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Molkov Alexander Alexandrovich - member of collegial executive body

Year of birth: ***1959***

Share in the issuer's charter capital: ***0,001771 %***

Share of the issuer's ordinary stock belonging to the person: ***0,001264 %***

Martynova Larisa Vladimirovna - member of collegial executive body

Year of birth: ***1971***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Ponomarenko Anatolyi Anatolievich - member of collegial executive body

Year of birth: ***1971***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Vasiliev Vladislav Albertovich - member of collegial executive body

Year of birth: ***1971***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Chumachenko Maiya Sergeevna - member of collegial executive body

Year of birth: ***1974***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Panov Alexey Nikolaevich - member of collegial executive body

Year of birth: ***1968***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

The person performing the functions of single executive body:

Petrov Mikhail Victorovich – General Director

Year of birth: ***1973***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

2. Full and abbreviated brand name: Closed Joint Stock Company “RTCOM” (CJSC “RTCOM”)

Location: ***Russia, Saransk town, Kosarev str., 15***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***100 %***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: ***100%***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***GSM and DAMPS cellular communication services provision***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Petrov Mikhail Victorovich – the Chairman of the Board of directors

Year of birth: ***1973***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Pozdnyakov Denis Vyacheslavovich – member of the Board of directors

Year of birth: ***1976***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Tareeva Larisa Valerievna – member of the Board of directors

Year of birth: ***1977***

Share in the issuer's charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Bulkin Alexey Anatolievich – member of the Board of directors

Year of birth: **1963**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Yarovkina Nataliya Valentinovna – member of the Board of directors

Year of birth: **1969**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Monakhov Oleg Olegovich – General Director

Year of birth: **1966**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

3. Full and abbreviated brand name: ***Closed Joint Stock Company “TeleSvyazInform” (CJSC “TSI”)***

Location: ***Russia, Saransk town, Bolshevistskaya str., 13***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **100%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **100%**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***Cable TV services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

The company's charter does not stipulate the Board of directors

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Nazarov Igor Nikolaevich – General Director

Year of birth: **1963**

Share in the issuer's charter capital: **0,000681 %**

Share of the issuer's ordinary stock belonging to the person: **0,00082 %**

4. Full and abbreviated brand name: ***Closed Joint Stock Company “Digital telecommunications” (CJSC “Digital telecommunications”)***

Location: ***Russia, Cheboksary town, Shumilov str., 20***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer’s participation share in the charter capital of subsidiary and/or affiliated company: ***100%***

The size of the issuer’s share of ordinary stock of subsidiary or affiliated company: ***100%***

The size of participation share of subsidiary and/or affiliated company in the issuer’s charter capital: ***0,000558%***

The size of the share of the issuer’s ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***Local telephone communication services***

The importance of the company for the issuer’s activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

The company’s charter does not stipulate the Board of directors

Personal structure of collegial executive body (Management board, office of the director):

The company’s charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Gorshenin Vladimir Serafimovich – General Director

Year of birth: ***1950***

Share in the issuer’s charter capital: ***none***

Share of the issuer’s ordinary stock belonging to the person: ***none***

5. Full and abbreviated brand name: ***Limited Liability Company “Izhcom” (LLC “Izhcom”)***

Location: ***Russia, Izhevsk city, Pushkinskaya str., 278***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer’s participation share in the charter capital of subsidiary and/or affiliated company: ***100 %***

The size of participation share of subsidiary and/or affiliated company in the issuer’s charter capital: ***none***

The size of the share of the issuer’s ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***data transfer services***

The importance of the company for the issuer’s activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

The company’s charter does not stipulate the Board of directors

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Shevtsov Valeryi Kirillovich – General Director

Year of birth: ***1948***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

6. Full and abbreviated brand name: ***limited Liability Company “NIZHEGORODSKYI TELESERVICE” (LLC “NIZHEGORODSKYI TELESERVICE”)***

Location: ***Russia, Nizhny Novgorod city, Maxim Gorky square, Dom Svyazi***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: ***Prevailing participation in the charter capital***

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***100 %***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***data transfer services and telematic services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Evdokimov Oleg Lvovich – the Chairman of the Board of directors

Year of birth: ***1963***

Share in the issuer's charter capital: ***0,000162 %***

Share of the issuer's ordinary stock belonging to the person: ***0,000094 %***

Konkova Lyudmila Alexandrovna – member of the Board of directors

Year of birth: ***1953***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Vondrachek Olga Vladimirovna – member of the Board of directors

Year of birth: ***1975***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Zakharov Sergey Anatolievich – General Director

Year of birth: **1949**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

7. Full and abbreviated brand name: **Limited Liability Company “Vyatka-Page” (LLC “Vyatka-Page”)**

Location: **Russia, Kirov city, Drelevsky str., 43/1**

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: **Prevailing participation in the charter capital**

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **100%**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: **other services provision**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Tarakanov Victor Evgenievich – the Chairman of the Board of directors

Year of birth: **1951**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Popovskyi Valeryi Petrovich – member of the Board of directors

Year of birth: **1941**

Share in the issuer's charter capital: **0,017228 %**

Share of the issuer's ordinary stock belonging to the person: **0,021575 %**

Zelentsov Maxim Maximovich – member of the Board of directors

Year of birth: **1949**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Zelentsov Maxim Maximovich – General Director

Year of birth: **1949**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

8. Full and abbreviated brand name: ***Open Joint Stock Company “Informational commercial networks “Omrix” (OJSC ICN “Omrix”)***

Location: ***Russia, Orenburg city, Tereshkova str., 10***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: ***Prevailing participation in the charter capital***

The size of the issuer’s participation share in the charter capital of subsidiary and/or affiliated company: ***73,6 %***

The size of the issuer’s share of ordinary stock of subsidiary or affiliated company: ***73,6 %***

The size of participation share of subsidiary and/or affiliated company in the issuer’s charter capital: ***none***

The size of the share of the issuer’s ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***Internet, data transfer network services***

The importance of the company for the issuer’s activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Grechushchev Nikolai Fedorovich – Chairman of the Board of directors

Year of birth: ***1948***

Share in the issuer’s charter capital: ***0,011928 %***

Share of the issuer’s ordinary stock belonging to the person: ***0,01268 %***

Evdokimov Oleg Lvovich – member of the Board of directors

Year of birth: ***1963***

Share in the issuer’s charter capital: ***0,000162 %***

Share of the issuer’s ordinary stock belonging to the person: ***0,000094 %***

Zakharov Andrey Sergeevich - member of the Board of directors

Year of birth: ***1972***

Share in the issuer’s charter capital: ***none***

Share of the issuer’s ordinary stock belonging to the person: ***none***

Kushavina Yuliya Alexandrovna - member of the Board of directors

Year of birth: ***1974***

Share in the issuer’s charter capital: ***none***

Share of the issuer’s ordinary stock belonging to the person: ***none***

Ponomarev Vladimir Ivanovich - member of the Board of directors

Year of birth: ***1945***

Share in the issuer’s charter capital: ***none***

Share of the issuer’s ordinary stock belonging to the person: ***none***

Personal structure of collegial executive body (Management board, office of the director):

The company’s charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Momotenko Nikolai Petrovich – General Director

Year of birth: **1966**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

9. Full and abbreviated brand name: **Closed Joint Stock Company "Orenburg-GSM" (CJSC "Orenburg-GSM")**

Location: **Russia, Orenburg city, Volodarsky str., 11**

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: **Prevailing participation in the charter capital**

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **51%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **51 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: **GSM cellular communication services provision**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Omelchenko Sergey Valerievich – the Chairman of the Board of directors

Year of birth: **1963**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Tareeva Larisa Valerievna – member of the Board of directors

Year of birth: **1977**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Petrov Mikhail Victorovich - member of the Board of directors

Year of birth: **1973**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Girev Andrey Vitalievich - member of the Board of directors

Year of birth: **1973**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kiryushkin Gennady Vasilievich - member of the Board of directors

Year of birth: **1949**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

Pyzhov Alexander Anatolievich – the Chairman of the Management board

Year of birth: **1978**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Pivovarova Marina Gennadievna – member of the Management board

Year of birth: **1959**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Levin Sergey Nikolaevich – member of the Management board

Year of birth: **1967**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Strukova Marina Iosifovna – member of the Management board

Year of birth: **1966**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

The person performing the functions of single executive body:

Pyzhov Alexander Anatolievich – General Director

Year of birth: **1978**

Share in the issuer's charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

10. Full and abbreviated brand name: ***Closed Joint Stock Company “Ulyanovsk-GSM” (CJSC “Ulyanovsk-GSM”)***

Location: ***Russia, Ulyanovsk city, L.Tolstoy str., 60***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **60%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **60 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***GSM cellular communication services provision***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Petrov Mikhail Victorovich – the Chairman of the Board of directors

Year of birth: **1973**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: *none*

Kuzmin Igor Valerievich - member of the Board of directors

Year of birth: ***1966***

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Kukina Elena Alexandrovna - member of the Board of directors

Year of birth: ***1977***

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Maslennikov Yuri Vasilievich - member of the Board of directors

Year of birth: ***1950***

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Skvortsov Boris Vladimirovich - member of the Board of directors

Year of birth: ***1941***

Share in the issuer' charter capital: ***0,009317 %***

Share of the issuer's ordinary stock belonging to the person: ***0,010756 %***

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Ivanov Dmitry Vladimirovich – General Director

Year of birth: ***1971***

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

11. Full and abbreviated brand name: ***Open Joint Stock Company "TATINCOM-T" (OJSC "TATINCOM-T")***

Location: ***Russia, Kazan city, Lomzhinskaya str., 20A***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in the charter capital

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***50% + 1 ordinary share***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: ***50 % + 1 share***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***GSM and DAMPS cellular communication services provision***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Petrov Mikhail Victorovich – the Chairman of the Board of directors

Year of birth: ***1973***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Belobokov Andrey Yakovlevich – member of the Board of directors

Year of birth: ***1958***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Bulkin Alexey Anatolievich – member of the Board of directors

Year of birth: ***1963***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Vlasov Alexander Vladimirovich – member of the Board of directors

Year of birth: ***1967***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Kozin Vladimir Vladimirovich – member of the Board of directors

Year of birth: ***1970***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Kuzmin Igor Valerievich – member of the Board of directors

Year of birth: ***1966***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Omelchenko Sergey Valerievich – member of the Board of directors

Year of birth: ***1963***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Pozdnyakov Denis Vyacheslavovich – member of the Board of directors

Year of birth: ***1976***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Fazylzyanov Farit Mansurovich – member of the Board of directors

Year of birth: ***1967***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

Ufimkin Anatolyi Yakovlevich – member of the Board of directors

Year of birth: **1951**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Shaidulin Lenart Zaineevich – member of the Board of directors

Year of birth: **1943**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Minnikhanov Kamil Mukhamedovich – General Director

Year of birth: **1964**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

12. Full and abbreviated brand name: ***Closed Joint Stock Company "Public Telephone Saratov" (CJSC "PTS")***

Location: ***Russia, Saratov city, Kiselev str., 40***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***50% + 1 preferred share***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **50 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***wireless communication services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Korolkov Igor Olegovich – the Chairman of the Board of directors

Year of birth: **1941**

Share in the issuer' charter capital: **0,102592%**

Share of the issuer's ordinary stock belonging to the person: **0,123586%**

Lyulin Vladimir Fedorovich – member of the Board of directors

Year of birth: **1938**

Share in the issuer' charter capital: **0,118464 %**

Share of the issuer's ordinary stock belonging to the person: **0,140716 %**

Tareeva Larisa Valerievna – member of the Board of directors

Year of birth: **1977**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Modin Alexey Nikolaevich – member of the Board of directors

Year of birth: **1974**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Yesikov Alexander Yurievich – member of the Board of directors

Year of birth: **1963**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Molozanov Alexander Semenovich – member of the Board of directors

Year of birth: **1962**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Kalinin Andrey Evgenievich – General Director

Year of birth: **1955**

Share in the issuer' charter capital: **0,001106 %**

Share of the issuer's ordinary stock belonging to the person: **0,000001 %**

13. Full and abbreviated brand name: ***Closed Joint Stock Company “Nizhegorodskiy radio telephone” (CJSC “Nizhegorodskiy radio telephone”)***

Location: ***Russia, Nizhny Novgorod, Gorky sq., Dom Svyazi***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **50%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **50 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***wireless communication services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Konkova Lyudmila Alexandrovna – Chairman of the Board of directors

Year of birth: **1953**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Karashtin Mikhail Pavlovich – member of the Board of directors

Year of birth: **1949**

Share in the issuer' charter capital: **0,003325 %**

Share of the issuer's ordinary stock belonging to the person: **0,00028%**

Kukina Elena Alexandrovna – member of the Board of directors

Year of birth: **1977**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Modin Alexey Nikolaevich – member of the Board of directors

Year of birth: **1974**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Molozanov Alexander Semenovich – member of the Board of directors

Year of birth: **1962**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Yesikov Alexander Yurievich – member of the Board of directors

Year of birth: **1963**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Karashtin Mikhail Pavlovich – General Director

Year of birth: **1949**

Share in the issuer' charter capital: **0,003325 %**

Share of the issuer's ordinary stock belonging to the person: **0,00028%**

14. Full and abbreviated brand name: ***Closed Joint Stock Company "Saratov Mobile" (CJSC "Saratov - Mobile")***

Location: ***Russia, Saratov city, Kiselev str., 40***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:
the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **50%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **50 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: **GSM and DAMPS cellular communication services provision**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Marian Tsrnyak – the Chairman of the Board of directors

Year of birth: **1942**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Garth Cable Self – member of the Board of directors

Year of birth: **1960**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Zvereva Larisa Eduardovna – member of the Board of directors

Year of birth: **1968**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kuzmin Igor Valerievich – member of the Board of directors

Year of birth: **1966**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Komarov Igor Evgenievich – member of the Board of directors

Year of birth: **1966**

Share in the issuer' charter capital: **0,000148 %**

Share of the issuer's ordinary stock belonging to the person: **0,000115 %**

Petrov Mikhail Victorovich – member of the Board of directors

Year of birth: **1973**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

Korolkov Igor Olegovich – the Chairman of the Management board

Year of birth: **1969**

Share in the issuer' charter capital: **0,000346 %**

Share of the issuer's ordinary stock belonging to the person: **0,000403 %**

Nelyubov Dmitry Valentinovich - member of collegial executive body

Year of birth: ***1973***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

The person performing the functions of single executive body:

Korolkov Igor Olegovich – General Director

Year of birth: ***1969***

Share in the issuer' charter capital: ***0,000346 %***

Share of the issuer's ordinary stock belonging to the person: ***0,000403 %***

15. Full and abbreviated brand name: ***Closed Joint Stock Company “Chery Page” (CJSC “Chery Page”)***

Location: ***Russia, Cheboksary town, K.Ivanov str., 83***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***50%***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: ***50 %***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***paging communication services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

The company's charter does not stipulate the Board of directors

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Ovchinnikov Andrey Robertovich – General Director

Year of birth: ***1977***

Share in the issuer' charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

16. Full and abbreviated brand name: ***Closed Joint Stock Company Commercial Bank “C-Bank” (JSCB “C-Bank”)***

Location: ***Russia, Izhevsk city, Lenin str., 6***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***41,73%***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **41,73 %**
The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **0,001439%**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **0,001919%**

Core activity type description: **banking activity**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Sipatova Taisiya Mikhailovna – Chairman of the Board of directors

Year of birth: **1954**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kapeluynshnikov Igor Isaakovich – member of the Board of directors

Year of birth: **1946**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Fariseev Valeryi Mikhailovich – member of the Board of directors

Year of birth: **1954**

Share in the issuer' charter capital: **0,000049 %**

Share of the issuer's ordinary stock belonging to the person: **none**

Fomichev Sergey Mironovich – member of the Board of directors

Year of birth: **1939**

Share in the issuer' charter capital: **0,000777%**

Share of the issuer's ordinary stock belonging to the person: **none**

Yudin Andrey Nikolaevich – member of the Board of directors

Year of birth: **1973**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

Fariseev Valeryi Mikhailovich – the Chairman of the Management board

Year of birth: **1954**

Share in the issuer' charter capital: **0,000049 %**

Share of the issuer's ordinary stock belonging to the person: **none**

Vyalshin Alexander Pavlovich - member of collegial executive body

Year of birth: **1951**

Share in the issuer' charter capital: **0,000107%**

Share of the issuer's ordinary stock belonging to the person: **none**

Malikh Irina Vitalievna - member of collegial executive body

Year of birth: **1957**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

The person performing the functions of single executive body:

Fariseev Valeryi Mikhailovich – the Chairman of the Bank

Year of birth: **1954**

Share in the issuer' charter capital: **0,000049 %**

Share of the issuer's ordinary stock belonging to the person: **none**

17. Full and abbreviated brand name: ***Closed Joint Stock Company “Nizhegorodteleservice” (CJSC “Nizhegorodteleservice”)***

Location: ***Russia, Nizhny Novgorod, Gorky sq., Dom Svyazi***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **40%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **40 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***communication services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Evdokimov Oleg Lvovich – the Chairman of the Board of directors

Year of birth: **1963**

Share in the issuer' charter capital: **0,000162 %**

Share of the issuer's ordinary stock belonging to the person: **0,000094 %**

Zakharov Andrey Sergeevich – member of the Board of directors

Year of birth: **1972**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Mukhin Vladimir Alexandrovich - member of the Board of directors

Year of birth: **1953**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kravchenko Konstantin Konstantinovich - member of the Board of directors

Year of birth: **1966**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Valishev Rustam Rashitovich - member of the Board of directors

Year of birth: **1958**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Zakharov Sergey Anatolievich – General Director

Year of birth: **1949**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

18. Full and abbreviated brand name: ***Closed Joint Stock Company “Transsvyaz” (CJSC “Transsvyaz”)***

Location: ***Russia, Nizhny Novgorod, Chaadaev str., 2***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

Prevailing participation in charter capital

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **80%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **80 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***local telephone communication services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Zakharov Andrey Sergeevich – the Chairman of the Supervisory council

Year of birth: **1972**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Tolstonogov Nikolai Ivanovich – member of the Supervisory council

Year of birth: **1944**

Share in the issuer' charter capital: **0,006126 %**

Share of the issuer's ordinary stock belonging to the person: **none**

Korsakov Sergey Yanovich - member of the Supervisory council

Year of birth: **1954**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Sumin Yuri Afanasievich - member of the Supervisory council

Year of birth: **1957**

Share in the issuer' charter capital: **0,000961 %**

Share of the issuer's ordinary stock belonging to the person: **0,00122 %**

Konkova Lyudmila Alexandrovna - member of the Supervisory council

Year of birth: **1953**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Sumin Yuri Afanasievich – General Director

Year of birth: **1957**

Share in the issuer' charter capital: **0,000961 %**

Share of the issuer's ordinary stock belonging to the person: **0,00122 %**

19. Full and abbreviated brand name: ***Closed Joint Stock Company “Penza Mobile” (CJSC “Penza Mobile”)***

Location: ***Russia, Penza city, Kuprin str., 1/3***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **40%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **40 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: ***DAMPS cellular communication services provision***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

Marian Tsrnyak – Chairman of the Board of directors

Year of birth: **1942**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Garth Cable Self – member of the Board of directors

Year of birth: **1960**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Rublev Igor Valentinovich - member of the Board of directors

Year of birth: **1963**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kuzmin Igor Valerievich - member of the Board of directors

Year of birth: **1966**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Nazarov Victor Mikhailovich - member of the Board of directors

Year of birth: **1944**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Gerasin Viyacheslav Ivanovich – General Director

Year of birth: **1966**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

20. Full and abbreviated brand name: **Closed Joint Stock Company “Chuvashiya Mobile” (CJSC “Chuvashiya Mobile”)**

Location: **Russia, Cheboksary town, K.Ivanov str., 83**

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **30%**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **30 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: **GSM cellular communication services provision**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Garth Cable Self – the Chairman of the Board of directors

Year of birth: **1960**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: *none*

Marian Tsrnyak – member of the Board of directors

Year of birth: *1942*

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Rublev Igor Valentinovich - member of the Board of directors

Year of birth: *1963*

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Martynova Larisa Vladimirovna - member of the Board of directors

Year of birth: *1971*

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

Zaraiskiy Victor Yakovlevich - member of the Board of directors

Year of birth: *1949*

Share in the issuer' charter capital: *0,009832 %*

Share of the issuer's ordinary stock belonging to the person: *0,011382 %*

Personal structure of collegial executive body (Management board, office of the director):

Dubinina Vladimir Ilyich – the Chairman of the Management board

Year of birth: *1955*

Share in the issuer' charter capital: *0,000861 %*

Share of the issuer's ordinary stock belonging to the person: *0,000065 %*

Desaga Alexander Stepanovich – member of collegial executive body

Year of birth: *1957*

Share in the issuer' charter capital: *none*

Share of the issuer's ordinary stock belonging to the person: *none*

The person performing the functions of single executive body:

Dubinina Vladimir Ilyich – General Director

Year of birth: *1955*

Share in the issuer' charter capital: *0,000861 %*

Share of the issuer's ordinary stock belonging to the person: *0,000065 %*

21. Full and abbreviated brand name: ***Closed Joint Stock Company “Samara-Telecom” (CJSC “Samara-Telecom”)***

Location: ***Russia, Samara city, Polevaya str., 43***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer: ***the Issuer holds over 20% of the company's voting shares***

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: **27,8 %**

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: **27,8 %**

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: **none**

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: **none**

Core activity type description: **local telephone communication services provision**

The importance of the company for the issuer's activity: **Obtaining of additional profit and development of new types of activity**

Personal structure of the Board of directors (supervisory council):

Patoka Andrey Evgenievich – the Chairman of the Board of directors

Year of birth: **1969**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Chernikov Vitalyi Vasilievichl – member of the Board of directors

Year of birth: **1966**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kiryushin Gennady Vasilievich - member of the Board of directors

Year of birth: **1949**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Kudryavtsev Alexander Georgievich - member of the Board of directors

Year of birth: **1954**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Klishin Vitalyi Mikhailovich - member of the Board of directors

Year of birth: **1974**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Skvortsov Andrey Borisovich - member of the Board of directors

Year of birth: **1964**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Tareeva Larisa Valerievna - member of the Board of directors

Year of birth: **1977**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Skvortsov Andrey Borisovich – General Director

Year of birth: ***1964***

Share in the issuer's charter capital: ***none***

Share of the issuer's ordinary stock belonging to the person: ***none***

22. Full and abbreviated brand name: ***Closed Joint Stock Company “Ericsson communication” (CJSC “Ericsson communication”)***

Location: ***Nizhny Novgorod, Gagarin Avenue, 37***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***24%***

The size of the issuer's share of ordinary stock of subsidiary or affiliated company: ***24 %***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***export-import operations, consulting and services***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

At present the company does not conduct activity.

23. Full and abbreviated brand name: ***Limited Liability Company “Agrocompany “Reanta” (LLC “Agrocompany “Reanta”)***

Location: ***Russia, Yoshkar-Ola town, Chavaina blvd., 11 a***

Grounds for recognizing the company to be subsidiary or affiliated in relation to the issuer:

the Issuer holds over 20% of the company's voting shares

The size of the issuer's participation share in the charter capital of subsidiary and/or affiliated company: ***20,86%***

The size of participation share of subsidiary and/or affiliated company in the issuer's charter capital: ***none***

The size of the share of the issuer's ordinary stock belonging to subsidiary or affiliated company: ***none***

Core activity type description: ***agricultural activity***

The importance of the company for the issuer's activity: ***Obtaining of additional profit and development of new types of activity***

Personal structure of the Board of directors (supervisory council):

The company's charter does not stipulate the Board of directors

Personal structure of collegial executive body (Management board, office of the director):

The company's charter does not stipulate collegial executive body

The person performing the functions of single executive body:

Syskov Victor Sergeevich – General Director

Year of birth: **1967**

Share in the issuer' charter capital: **none**

Share of the issuer's ordinary stock belonging to the person: **none**

3.6. Composition, structure and the cost of the issuer's fixed assets, information on the plans of acquisition, replacement, retirement of fixed assets, and also on all facts of charge of the issuer's fixed assets

3.6 1. Fixed assets (property, plant and equipment)

Fixed assets (property, plant and equipment) for the last five accomplished fiscal years:

№	Description of fixed assets group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
Reporting date: 31.12.2001			
1.	Land plots	85 783	-
2.	Buildings	727 698 247	145 765 709
3.	Constructions and transfer mechanisms	1 373 774 606	746 202 241
4.	Machinery and equipment	1 924 668 198	872 522 817
5.	Transportation	76 904 768	42 985 310
6.	Computers and office appliances	81 766 008	23 741 334
7.	Housing stock	-	-
8.	Miscellaneous	10 564 273	3 932 703
	TOTAL:	4 195 461 883	1 835 150 114
Reporting date: 31.12.2002			
1.	Land plots	2 702 104	-
2.	Buildings	3 177 576 000	713 969 000
3.	Constructions and transfer mechanisms	7 215 014 943	3 909 478 208
4.	Machinery and equipment	10 933 039 076	4 825 913 585
5.	Transportation	370 773 000	233 449 000
6.	Computers and office appliances	494 968 924	159 565 415
7.	Housing stock	-	-
8.	Miscellaneous	146 344 896	87 141 070
	TOTAL:	22 340 418 943	9 929 516 278
Reporting date: 31.12.2003			

1.	Land plots	2 712 261	-
2.	Buildings	3 165 562 578	744 768 883
3.	Constructions and transfer mechanisms	8 616 846 779	4 231 254 764
4.	Machinery and equipment	12 739 440 477	5 409 482 150
5.	Transportation	387 950 853	256 532 286
6.	Computers and office appliances	722 549 243	275 915 811
7.	Housing stock	91 166 621	-
8.	Miscellaneous	515 184 293	344 306 604
	TOTAL:	26 241 413 105	11 262 260 498
Reporting date: 31.12.2004			
1.	Land plots	6 212 233	-
2.	Buildings	3 580 620 897	800 339 256
3.	Constructions and transfer mechanisms	11 058 965 144	4 516 858 671
4.	Machinery and equipment	15 985 558 280	6 607 659 474
5.	Transportation	439 067 914	285 746 998
6.	Computers and office appliances	1 268 189 409	531 312 333
7.	Housing stock	68 415 794	-
8.	Miscellaneous	297 460 695	176 490 273
	TOTAL:	32 704 490 366	12 918 407 005
Reporting date: 31.12.2005			
1.	Land plots	5 975 209	-
2.	Buildings	3 680 976 684	839 927 891
3.	Constructions and transfer mechanisms	12 831 603 160	4 809 510 683
4.	Machinery and equipment	18 265 316 399	7 988 975 101
5.	Transportation	475 852 394	339 370 452
6.	Computers and office appliances	1 841 728 306	833 600 652
7.	Housing stock	63 216 108	-
8.	Miscellaneous	368 969 564	229 273 432
	TOTAL:	37 533 637 824	15 040 658 211

Fixed assets (property, plant and equipment) as of 31.03.2006:

№	Description of fixed assets group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Land plots	6 361 606	-
2.	Buildings	3 683 502 477	853 286 518
3.	Constructions and transfer mechanisms	12 849 719 493	4 924 570 291
4.	Machinery and equipment	18 406 835 145	8 347 629 658

5.	Transportation	475 209 067	348 802 662
6.	Computers and office appliances	1 841 145 961	924 051 967
7.	Housing stock	62 849 773	-
8.	Miscellaneous	382 965 111	243 124 149
	TOTAL:	37 708 588 633	15 641 465 245

Information about the method of calculation of depreciation deductions by groups of fixed assets:

The method of calculation of depreciation deductions by groups of fixed assets – straight line.

Results of the latest revaluation of fixed assets and of fixed assets leased for long-term period conducted during the last 5 accomplished fiscal years:

During the last five accomplished fiscal years fixed assets and fixed assets leased for long-term period were not revaluated.

Plans of acquisition, replacement, retirement of fixed assets the cost of which is 10 and over percent of the issuer's fixed assets value and of other fixed assets at the issuer's discretion:

The Issuer is not planning to make essential changes in the structure of fixed assets, and the Issuer has no plans of acquisition, replacement, retirement of objects of fixed assets the cost of which is 10 and over percent of the Issuer's fixed assets value.

Data on all facts of the charge of the issuer's fixed assets:

The facts of fixed assets charge as of the end of the last accomplished fiscal year - December 31, 2005:

Nature of charge - ***pledge of property as security of credit agreements.***

Number, date of fixed assets pledge contract	Amount of pledge, rubles	Purpose of pledge	Date of pledge occurrence	Contract validity term
№ 9144 of 15.08.02	203 353 236	credit	15.08.2002	15.08.2007
No number of 26.05.2003	21 366 568	credit	26.05.2003	01.05.2006
№ 1 of 24.09.2004	19 489 910	credit	24.09.2004	30.03.2007
№ 204 of 01.09.2003	67 131 057	credit	01.09.2003	01.09.2006
№ 060/615 of 17.12.2004	805 000 000	credit	17.12.2004	17.12.2007
№ 37 of 09.02.2004	733 046 576	credit	09.02.2004	17.11.2008
№ 267 of 05.10.2004	389 295 733	credit	05.10.2004	05.10.2007
№ 40 of 01.03.2005	896 369 550	credit	01.03.2005	01.03.2009
№ 65 of 22.03.2005	114 208 104	credit	22.03.2005	20.09.2006
№ 114 of 11.05.2005	123 452 011	credit	11.05.2005	09.11.2006
№ 131 of 26.05.2005	216 048 863	credit	26.05.2005	24.11.2006
№ 166 of 08.07.2005	154 319 976	credit	08.07.2005	06.01.2007

TOTAL, rubles:	3 743 081 584			
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The facts of fixed assets charge as of the end of the last accomplished reporting period - March 31, 2006:

Nature of charge - *pledge of property as security of credit agreements.*

Number, date of fixed assets pledge contract	Amount of pledge, rubles	Purpose of pledge	Date of pledge occurrence	Contract validity term
№ 9144 of 15.08.02	203 353 236	credit	15.08.2002	15.08.2007
No number of 26.05.2003	21 366 568	credit	26.05.2003	01.05.2006
№ 1 of 24.09.2004	19 489 910	credit	24.09.2004	30.03.2007
№ 204 of 01.09.2003	55 622 562	credit	01.09.2003	01.09.2006
№ 060/615 of 17.12.2004	805 000 000	credit	17.12.2004	17.12.2007
№ 37 of 09.02.2004	579 553 533	credit	09.02.2004	17.11.2008
№ 267 of 05.10.2004	387 010 433	credit	05.10.2004	05.10.2007
№ 40 of 01.03.2005	881 107 772	credit	01.03.2005	01.03.2009
№ 65 of 22.03.2005	113 689 491	credit	22.03.2005	20.09.2006
№ 114 of 11.05.2005	123 246 813	credit	11.05.2005	09.11.2006
№ 166 of 08.07.2005	154 319 976	credit	08.07.2005	06.01.2007
TOTAL, rubles:	3 343 760 294			

IV. Data on the issuer's financial-economic activity

4.1. The results of the issuer's financial-economic activity

4.1.1. Profit and losses

The performances characterizing the profitability and red ink of the issuer for the last 5 accomplished fiscal years and also for the reporting period:

Behavior of performances characterizing the issuer's profitability and red ink.

Performance description	Calculation method	2001*	2002**	2003	2004	2005	Quarter 1 of 2006
Proceeds, rubles	Total amount of proceeds from the sale of goods, products, works and services	1 705 995	10 967 595	14 677 305	18 604 604	21 348 394	5 033 138
Gross profit, rubles	Proceeds - prime cost of sold goods, products, works and services (except for business and administrative expenses)	600 026	3 170 965	4 206 154	5 340 467	6 015 343	1 388 423
Net profit (undistributed profit (uncovered loss), rubles)	Net profit (loss) of the reporting period	280 678	1 471 951	2 009 438	2 056 268	2 261 360	819 909
Return on equity, %	(Net profit)/(capital and reserves – target financing and receipts + deferred income – treasury stock) x 100	10,7%	12,6%	15,3%	13,9%	13,7%	4,7%
Return on assets, %	(Net profit)/(balance-sheet assets) x 100	9%	3%	10%	7%	7%	2,57%
Net profit ratio, %	(Net profit)/(proceeds) x 100	16%	13%	14%	11%	10,6%	16,29%
Product (sales) profitability, %	(Sales profit)/(proceeds) x 100	34%	29%	29%	29%	28,2%	27,58%
Turnover of capital	(Proceeds)/(Balance sheet assets – short-term liabilities)	0,66	0,88	0,90	0,92	0,84	0,19
Uncovered loss sum as of the reporting date, rubles	Uncovered loss of past years + uncovered loss of the reporting year	NA	NA	NA	NA	NA	NA
Ratio of uncovered loss as of the reporting date to the balance-sheet total	(Amount of uncovered loss as of reporting date)/(Balance sheet assets)	0	0	0	0	0	0

*Performances of back-up organization – OJSC “Nizhegorodsvyazinform”.

** Performances of back-up organization for the period from 01.01.2002 till 31.12.2002 and of affiliated organizations for the period from the date of reorganization till 31.12.2002 obtained by line-by-line aggregation.

Considerable growth of absolute performances in 2002 was caused by affiliation of regional communication operators of the Volga Federal district to the Issuer.

Steady growth of proceeds and profit is observed during the entire period which is mainly connected with the increase in the volume of provided traditional services and the development of new services. For example, in 2004 proceeds grew by 26,76% vs. 2003, and by 14,74% in 2005 vs. 2004.

In 2004 gross profit grew by 26,97% vs. 2003 and by 12,64% in 2005 vs. 2004.

The growth of the Issuer's capital turnover has been observed since 2002. Due to active investment policy of the Issuer in 2003-2004, a slight reduction of this performance is observed in 2005 which is caused by the growth of the Issuer's capital with maintaining high rate of proceeds growth.

The Issuer's active investment policy also caused a slight reduction of performances of return on assets in 2003-2004 and maintaining this performance at the same level in 2005.

During the entire period the asset turnover is gradually growing which speaks to the improvement of efficiency of their application and the acceleration of mutual settlements.

A slight reduction of sales profitability is caused by the growth of amortization deductions on non-current assets which during this period grew faster than the profit.

Thus, as of the last reporting date OJSC "VolgaTelecom" profitability is at sufficiently high level. The Issuer does not have losses.

The opinions of the Issuer's management bodies in regard to the above mentioned reasons and the degree of their impact on the performances of financial-economic activity coincide.

4.1.2. Factors that affected the change of proceeds amount from the issuer's sale of goods, products, works and services and of profit (losses) of the issuer from the core activity

In 2005 the Issuer's proceeds amounted to 21 348 394 million rubles,

The gain of proceeds for 2002 vs. 2001 made up 542,9% (9 261 million rubles.).

The gain of gross profit - 428,4% (+2 570,9 million rubles), in the first place the increase in performances occurred due to affiliation of 10 regional enterprises of the Volga Federal district, to the growth of the number of provided services and to the growth of their cost.

The gain of proceeds for 2003 vs. 2002 (after consolidation) made up 33,8% (3 709,7 million rubles).

The gain of gross profit - 32,6% (+1035,2 million rubles), in the first place the increase in performances occurred due to the growth of the number of provided services.

The gain of proceeds for 2004 vs. 2003 made up 26,75% (3 927,3 million rubles).

The gain of gross profit - 27% (+1134,3 million rubles), in the first place the increase in performances occurred due to the growth of the number of provided services.

In 2005 communication services revenues grew by 2 616 393 million rubles and made up 20 787 642 thousand rubles (97,4% of the total proceeds), the growth rate - 114,4 %.

Upon the whole for the entire Company the gain in communication services revenues occurred due to the increase in the volumes of local communication services and the services provided by connected operators, to the growth of range of communication services provided on the basis of new technologies and to the growth of cost for local communication services:

► *local communication services development – the gain made up 1 770,6 million rubles (67,7% of the total gain in communication services revenues), and by 79% was caused by the growth of cost and by 21 % – by the growth in volumes of provided services;*

► *connection and traffic transit services development – the gain made up 474,1 million rubles (18% of the total gain), the basic amount of the gain was caused by the volume of transited DLD traffic from connected operators;*

► *increase in the volumes of new services – the gain made up 570,3 million rubles (21,8% of the total gain); in 2005 new services revenues showed the fastest growth and vs. 2004 increased by 60,9%; the basic amount of the gain was caused by the growth of volume of providing the services of access to information resources.*

Upon the whole the gain in revenues only by 46,2% was caused by cost factors.

The opinions of the Issuer’s management bodies in regard to the above mentioned factors and the degree of their impact on the performances of financial-economic activity coincide.

Basic factors impacting the amount of profit and proceeds:

- *communication facilities development;*
- *expansion of the range of provided telecommunication services, including intensive development of new telecommunication services;*
- *change of tariffs for local telephone communication since 01.10.2005.*

For quarter 1 of 2006 the Company’s proceeds made up 5 033,14 million rubles, the gain to the appropriate period of 2005 – 99,%.

The basic impact on practical maintenance of proceeds at the level of 2005 is explained by the changes at telecom market, when the Company since 01.01.2006 does not provide DLD and ILD services.

The change of financial result vs. 2005 is explained by compensation to the Company in quarter 1 of federal budget debt for the privileges granted in earlier periods.

4.2. The issuer’s liquidity, adequacy of the issuer’s capital and current assets

Item description	Recommended calculation method	Index value in the reporting period				
		2001	2002	2003	2004	2005
Own current assets, thousand rubles	Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues – Non-current assets – Long-term accounts receivable	24 906	-1 653 281	-4 866 949	-9 434 218	-10 824 423

Permanent asset index	Non-current assets + Long-term accounts receivable / Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues)	0,99	1,14	1,37	1,64	1,63
Current liquidity ratio	Current assets - Long-term accounts receivable / Short-term liabilities (exclusive of Unearned Revenues)	1,1	0,7	0,7	0,5	0,7
Fast liquidity ratio	(Current assets – Inventories – VAT on acquired values – Long-term accounts receivable) / (Short-term liabilities (exclusive of Unearned Revenues))	0,8	0,4	0,4	0,2	0,5
Ratio of own funds independence	(Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues) / (Non-current assets + Current assets)	0,85	0,75	0,62	0,52	0,52

* The methods recommended by Russia's FSFM were used for calculation of indexes.

Item description	Calculation method	Quarter 1 of 2005	Quarter 1 of 2006
Own current assets, thousand rubles	Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues – Non-current assets – Long-term accounts receivable	-9 144 653	-10 273 830
Permanent asset index	(Non-current assets + Long-term accounts receivable) / (Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues)	1,6	1,6
Current liquidity ratio	(Current assets - Long-term accounts receivable) / (Short-term liabilities (exclusive of Unearned Revenues))	0,5	0,8
Fast liquidity ratio	(Current assets – Inventories – VAT on acquired values – Long-term accounts receivable) / (Short-term liabilities (exclusive of Unearned Revenues))	0,3	0,5
Ratio of own funds independence	(Capital and contingency reserve provisions (net of treasury stocks redeemed from shareholders) – Target financing and receipts + Unearned Revenues) / (Non-current assets + Current assets)	0,55	0,55

* The methods recommended by Russia's FSFM were used for calculation of indexes.

Scarcity of the Issuer's own floating capital formed due to the growth of investment expenditures reflects the general situation in subsidiary companies of OJSC "Svyazinvest" holding and speaks to the fact that long-term investments made by the Issuer are to a certain degree financed for account of short-term borrowings. In addition, the Company's financial policy is to raise the funds with longer term to maturity.

For all the period under analysis the result of the Issuer's operating activity is always positive and this testifies to the fact that the Issuer's current activity is financed from own resources.

Negative index of own current assets based on the results of 2002, 2003, 2004, 2005 and quarter 1 of 2006 is due to the financing of capital investments at the expense of borrowed funds.

Considerable cheapening of borrowed funds cost should be noted during the periods under analysis (in 2003-2006 average weighted interest rate reduced by 49%), this allows for using them in a greater degree in the Issuer's money turnover.

Negative behavior of the index of own current assets is explained by the fact that during this period the basic goal of the Issuer's financial policy is the development of communication facilities of the Volga region. Borrowed funds are defined as one of basic sources of the Issuer's investment activity.

The ratio of own funds independence is also within the norm (not lower than 0,5-0,6).

Permanent asset index value in 2002, 2003, 2004, 2005 and in quarter 1 of 2006 was higher than 1, as during these periods the Issuer's own resources were insufficient to cover capital investments.

Performance degradation of current and fast liquidity for 2002-2004 period is connected with outstripping growth rate of accounts payable resulted from the cover of scarcity of the company's own floating capital for financing of investment activity by counterparties' payment by installments. In 2005 and quarter 1 of 2006 a positive behavior of these indexes is observed and it is connected with optimization of the structure of accounts payable as related to the increase in the share of long-term debt and the debt duration.

The Issuer is facing the following tasks within the terms of realizing the arrangements to improve the liquidity:

- search of optimal correlation of the structure of assets and liabilities from the point of view of profitability and risks, limitations on liquidity being taken into account;*
- simulation investigation of the Company's liquidity position for medium-term prospect;*
- improvement of borrowed capital structure;*
- sale of non-core assets.*

For 2006 the Issuer's management in accordance with the Program of improvement of OJSC "VolgaTelecom" activity efficiency for 2006-2008 elaborated a list of arrangements to improve the Issuer's liquidity:

- diversification of short-term liabilities as related to credits and loans into long-term liabilities;*
- financing of the Issuer's investment activity by attracting outside long-term sources of financing;*
- optimization of the arrears structure to suppliers and contractors (establishment of settlements procedure with optimal distribution of debt load);*
- carrying out the analysis of expediency and efficiency of financial investments;*
- optimization of the number of employees.*

Description of factors that resulted in the change of indexes by 10 and over percent vs. the previous reporting period:

The growth of scarcity of own floating capital is connected with the excess of non-current assets growth over the growth of capital and contingency reserve provisions which is connected with the growth of the Issuer's investment plan. The size of own current assets is an absolute index, that is why its increase is also caused by the expansion of the Issuer's activity range (including the affiliation of regional communication operators in 2002), and upon the whole matches the behavior of change of the Issuer's balance-sheet total.

Performance degradation of current and fast liquidity starting since 2002 is connected with outstripping growth rate of accounts payable resulted from the cover of scarcity of the company's own floating capital for financing of investment activity by counterparties' payment by installments.

The opinions of the Issuer's management bodies in relation to the mentioned factors and the degree of their influence on the indexes of the Issuer's financial-economic activity coincide.

4.3. The size and the structure of the issuer's capital and current assets

4.3.1. The size and the structure of the issuer's capital and current assets

The size of the Issuer's charter capital: 1 639 764 970 rubles, corresponds to constituent documents.

Behavior of change of the capital structure for the last 5 accomplished fiscal years (thousand rubles):

Item description	2001	2002	2003	2004	2005
Charter capital	583 388	1 639 765 (*)	1 639 765	1 639 765	1 639 765
Total value of the issuer's shares redeemed by the issuer for further re-sale (transfer)	-	-	-	-	-
The portion of the issuer's shares redeemed by the issuer for further re-sale (transfer) of the placed shares (Charter capital)	-	-	-	-	-
Operating surplus	58 798	72 832	81 988	81 988	81 988
Additional capital	1 080 285	4 139 098	4 088 227	3 980 430	3 812 947
Social sphere fund	313	-	-	-	-
Undistributed earnings	844 918	5 652 172	7 144 288	8 890 265	10 764 020
Target financing	-	-	-	-	-
Issuer's capital total:	2 567 702	11 503 867	12 954 268	14 592 448	16 298 720

(*) *The indexes of affiliated organizations taken into account.*

The size of the issuer's capital as per the data of accounting statement for quarter 1 of 2006:

Item description	Amount, thousand rubles
Charter capital	1 639 765
Total value of the issuer's shares redeemed by the issuer for further re-sale (transfer)	-

The portion of the issuer's shares redeemed by the issuer for further re-sale (transfer) of the placed shares (Charter capital)	-
Operating surplus	<i>81 988</i>
Additional capital	<i>3 795 910</i>
Undistributed earnings	<i>11 600 820</i>
Target financing	-
Issuer's capital total:	<i>17 118 483</i>

Behavior of current assets structure (thousand rubles) for the last 5 accomplished fiscal years:

Item description	Measure unit	2001	2002	2003	2004	2005
Inventories	Thousand rubles	<i>90 451</i>	<i>443 555</i>	<i>517 854</i>	<i>854 899</i>	<i>615 818</i>
	%%	<i>18,42%</i>	<i>19,37%</i>	<i>16,50%</i>	<i>21,49%</i>	<i>12,80%</i>
VAT for acquired valuables	Thousand rubles	<i>43 212</i>	<i>569 731</i>	<i>734 881</i>	<i>1 266 225</i>	<i>959 066</i>
	%%	<i>8,80%</i>	<i>24,88%</i>	<i>23,41%</i>	<i>31,84%</i>	<i>19,93%</i>
Accounts receivable	Thousand rubles	<i>338 654</i>	<i>1 117 471</i>	<i>1 640 295</i>	<i>1 503 063</i>	<i>2 096 934</i>
	%%	<i>68,97%</i>	<i>48,81%</i>	<i>52,26%</i>	<i>37,79%</i>	<i>43,57%</i>
Short-term financial investments	Thousand rubles	<i>94</i>	<i>13 233</i>	<i>11 082</i>	<i>7 761</i>	<i>4 762</i>
	%%	<i>0,02%</i>	<i>0,58%</i>	<i>0,35%</i>	<i>0,20%</i>	<i>0,10%</i>
Cash assets	Thousand rubles	<i>18 623</i>	<i>145 563</i>	<i>234 242</i>	<i>344 723</i>	<i>1 134 960</i>
	%%	<i>3,79%</i>	<i>6,36%</i>	<i>7,46%</i>	<i>8,66%</i>	<i>23,58%</i>
Other current assets	Thousand rubles		<i>0</i>	<i>483</i>	<i>707</i>	<i>773</i>
	%%	-	<i>0%</i>	<i>0,02%</i>	<i>0,02%</i>	<i>0,02%</i>
Total current assets	Thousand rubles	<i>491 034</i>	<i>2 289 553</i>	<i>3 138 837</i>	<i>3 977 378</i>	<i>4 812 313</i>

The size of the issuer's floating capital as per the data of accounting statement for quarter 1 of 2006:

Item description	Amount, thousand rubles
Inventories	<i>593 921</i>
VAT for acquired valuables	<i>607 823</i>
Accounts receivable	<i>2 398 567</i>
Short-term financial investments	<i>5 061</i>
Cash assets	<i>594 848</i>

Other current assets	<i>1 044</i>
Total current assets	4 201 264

The structure and the size of capital and of current assets of the Issuer for quarter 1 of 2006 did not undergo material changes.

The sources of current assets financing: *borrowed loans and bank credits.*

The Issuer conducts the policy of current assets financing based on attracting borrowed funds to cover the scarcity of own floating capital. Borrowed funds occupy larger portion in the sources of OJSC “VolgaTelecom” floating capital financing. The scarcity of own floating capital is connected with the Company’s investment program financing aimed to win the market and to improve the quality of provided services.

The change of the Company’s investment program affects the change of the policy of floating capital financing, this program being made up on the basis of the analysis of the market conjuncture. In the near term the changes in the Company’s investment program are unlikely.

In the Issuer’s opinion the referenced performances of the size and structure of capital and current assets are acceptable for normal operation of the Company from the point of view of capital and current assets adequacy.

4.3.2. The issuer’s financial investments

As of 31.12.2005 the amount of all financial investments of the Issuer made up 1 313 860 thousand rubles (including long-term investments - 1 309 098 thousand rubles).

As of 31.03.2006 the amount of all financial investments of the Issuer made up 1 362 738 thousand rubles (including long-term investments - 1 357 677 thousand rubles).

The issuer’s financial investments into issuing securities the amount of which makes up 10 and more percent of all its financial investments as of the end of the last fiscal year – 31.12.2005 and as of the end of the last reporting quarter – 31.03.2006:

1) Type of securities: *shares*

The issuer’s full and abbreviated brand name: *Open Joint Stock Company “TATINCOM-T”, OJSC “TATINCOM-T”;*

Location: *The Republic of Tatarstan, Kazan city, Lomzhinskaya str., 20A;*

State registration numbers of the issuing securities issues and the dates of state registration, registration bodies: *№ 1-01-55125-D registered on 11.06.1998 by regional department of Russia’s FCSM in the Republic of Tatarstan; № 1-02-55125-D registered on 11.08.2000 by regional department of Russia’s FCSM in the Republic of Tatarstan*

The quantity of securities that OJSC “VolgaTelecom” owns: *3 418 837 pieces*

Total face value of securities that the issuer owns: *170 941,85 thousand rubles*

Total balance-sheet value of the subsidiary company’s securities that the issuer owns: *473 936 thousand rubles*

The size of dividends on preferred shares or the procedure of its determination in case if it is defined in the charter of joint stock company-issuer, the dates of payment:

There are no preferred shares in the charter capital of OJSC “TATINCOM-T”;

The size of declared dividend on ordinary shares (if there are no data on the size of declared dividend on ordinary shares in the current year, the size of dividend declared in the previous year is to be indicated), the dates of payment:

The general annual meeting of OJSC “TATINCOM-T” stockholders held in 2005 passed the resolution not to pay dividends for 2004.

2) Type of securities: *shares*

The issuer's full and abbreviated brand name: ***Closed Jointed Stock Company “Nizhny Novgorod Cellular Communication”, CJSC “NCC”***

Location: ***Nizhny Novgorod, M.Gorky sq., Dom Svyazi***

State registration numbers of the issuing securities issues and the dates of state registration, registration bodies: ***№ 32-1-1535 of 16.06.1997, the Department of Finance of Nizhny Novgorod oblast Administration.***

The quantity of securities that OJSC “VolgaTelecom” owns: ***100 000 pieces***

Total face value of securities that the issuer owns: ***21 629,4 thousand rubles***

Total balance-sheet value of the subsidiary company's securities that the issuer owns: ***651 974 thousand rubles***

The size of dividend on preferred shares or the procedure of its determination in case if it is defined in the charter of joint stock company-issuer, the dates of payment:

There are no preferred shares in the charter capital of CJSC “Nizhny Novgorod Cellular Communication”;

The size of declared dividend on ordinary shares (if there are no data on the size of declared dividend on ordinary shares in the current year, the size of dividend declared in the previous year is to be indicated), the dates of payment:

The size of declared dividend on ordinary shares approved by the annual general meeting of stockholders on 15.06.05 amounted to 399 rubles per a share. The deadline for dividends payment is before December 31, 2005.

The issuer's financial investments into non-issuing securities and other financial investments the amount of which makes up 10 and more percent of all its financial investments as of the end date of the last fiscal year and as of the end of the last reporting quarter:

The Issuer does not have financial investments into non-issuing securities and other financial investments the amount of which makes up 10 and more percent of all its financial investments as of the end of the last fiscal year – 31.12.2005 and as of the end of the last reporting quarter – 31.03.2006.

Information about established provisions for securities. In case of provisions for securities establishment the size of the provision as of the beginning and as of the end of the last accomplished fiscal year prior to the end date of the last reporting quarter is to be indicated.

As of 31.12.2005 the provision for securities in the amount of 148 thousand rubles was established in the accounting. As of 01.01.2005 the size of the provision for securities amounted to 533 thousand rubles.

As of 31.03.2006 the provision for securities amounted to 148 thousand rubles.

Financial investments are accounted and presented in the accounting statement in accordance with Bookkeeping regulations "Accounting of financial investments" ПБУ 19/02" and Bookkeeping regulations "Accounting statement of organization" ПБУ 4/99.

4.3.3. The issuer's intangible assets

The Issuer's intangible assets for the last 5 accomplished fiscal years:

As of 31.12.2001:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases, patents	2 422	593
TOTAL, rubles:		2 422	593

As of 31.12.2002:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases	106 113	52 903
2.	Exclusive rights for trade marks	7 700	481
TOTAL, rubles:		113 813	53 384

As of 31.12.2003:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases	106 113	74 279
2.	Exclusive rights for trade marks	28 251	4 473
TOTAL, rubles:		134 364	78 752

As of 31.12.2004:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases	106 113	95 502
2.	Exclusive rights for trade marks	28 251	7 298

TOTAL, rubles:	134 364	102 800
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As of 31.12.2005:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases	106 113	106 113
2.	Exclusive rights for trade marks	28 251	10 123
3.	Other intangible assets	21 971	274
TOTAL, rubles:		156 335	116 510

The Issuer's intangible assets as of the end of the reporting quarter:

As of 31.03.2006:

№	Description of intangible assets objects group	Initial (replacement) cost, rubles	Accumulated depreciation amount, rubles
1.	Exclusive rights for utility software, data bases	106 113	106 113
2.	Exclusive rights for trade marks	28 251	10 829
3.	Other intangible assets	50 606	1 850
TOTAL, rubles:		184 970	118 792

The information on intangible assets is reflected in bookkeeping in accordance with Bookkeeping regulations "Accounting of intangible assets" ПБВ 14/2000", the instructional guidelines on the intangible assets accounting in the companies of "Svyazinvest" group.

4.4. The data on policy and the issuer's expenses in the area of science-engineering development, and also in relation to licenses and patents, new developments and investigations

The issuer's policy in science-engineering development area for the last 5 accomplished fiscal years:

The Issuer's policy in science-engineering development area includes the replacement of outdated and inefficient equipment, implementation of acquired innovation technologies, and also the intake of highly-qualified personnel and implementation of modern management system.

The expenses for science-engineering activity for account of the issuer's own funds for each of the last 5 accomplished fiscal years:

The Issuer did not incur the expenses for science-engineering activity, including for the purchase of the results of science–engineering development and did not order new products development with outside organizations (outsourcing) for account of own funds.

Data on the issuer’s policy and expenses in science-engineering development area, in relation to licenses and patents, new developments and investigations.

For the reporting period OJSC “VolgaTelecom” did not get patents, licenses and certificates for trade marks utilization.

4.5. Analysis of the development trends in the issuer’s core activity area

Basic trends of communication industry development since 2001 and basic factors affecting the industry’s status:

Communication industry is one of the most dynamically developing industries of Russia’s economy. Its growth rates considerably exceed the performances of other industries. Communication industry input into GDP has a steady trend to growth (2001 – 2,1%, 2002 – 2,4%, 2003 – 2,9%, 2004 – 4,8%) and in absolute figures meets the following performances: 2001 – 183,9 billion rubles, 2002 – 217,6 billion rubles, 2003 – 385,8 billion rubles, 2004 – 805,4 billion rubles.

One of the most important trends of the industry’s development in the years to come is radical improvement of communication companies tariff policies by bringing the size of the tariffs for communication services to the level of economically justified expenditures, by reducing to minimum of cross-subsidy of communication services. In particular, within the framework of the reform of price formation of communication services it is supposed to increase the tariffs for local telephone communication. OJSC “Svyazinvest” holding, RF Ministry of information technologies and communication and Federal antimonopoly service are jointly working on the change of tariff policy.

In the area of investment policy of Mega-Regional communication companies the tendency is observed to maintain considerable volumes of capital investments for expansion and modernization of public telephone networks and of data transfer networks. The objective of such active investment policy is to liquidate the waiting lines for telephone installation, to raise the level of networks digitalization, to improve the quality of provided services and to develop new communication services.

During the last several years the tendency is observed of re-distribution of income in favor of non-traditional communication services and basically of mobile communication. Since 1999 when the tariffs for local communication started to be established by the government the share of fixed line telephony in the industry’s income structure reduced substantially.

Simultaneously with maintaining high rates of development the communication industry is considerably affected by government policy. Increase in the process of liberalization of long-distance communication market and as consequence the growth of competition and activation of alternative operators impact the market positions of Mega-Regional Companies in these segments of the industry.

For the last three years the largest growth rate is with new communication services, such as Internet, ISDN, IP-telephony, intelligent platform services, etc.

Basic factor affecting the industry's status: *in the first place:*

- *government regulation of the industry (including the policy of price formation for regulated communication services, availability of licenses and realization of the industry's reform);*
- *systematic condition of the country's economy as communication being infrastructure industry is very sensitive to such changes.*

Overall assessment of the results of the issuer's activity in the industry:

The Company's affiliation to the services production sphere defines its basic goal which is to obtain additional profit by tracking and reacting to the market demands with the further satisfaction of demand for the services. The understanding of this goal predefines the tendencies and trends of the Company's development.

The first and foremost task of the Company is to maintain and to increase the market share of local telephone communication services, currently the total share of income from these services is 46,7% in the total amount of the Company's income. The increase of share of income from this segment is to a considerable extent facilitated by annual industry development as well as by flexible tariff policy.

In addition, one more aspect of this communication industry development is the replacement of analog switching equipment with digital one. In 2001 the network digitalization made up 33%. By 2005 this figure grew to 63,3%. The equipment replacement allows for improving the quality of provided services, for introducing additional accompanying services, thus improving servicing and creating competitive advantages of the Company at the market.

The tendencies of the Company's core activity development for 2001 – 2005 are detailed below.

2001:

The Company's policy in relation to traditional communication services is oriented to holding the positions at the market with simultaneous increase of degree of satisfaction of solvent demand. For the greatest satisfaction of solvent demand the Company continued intensive activity for the network development, upgrading of communication facilities and technological processes, improvement of quality and increase in provided services volumes.

Special attention was paid to the implementation of new technologies (ISDN, Internet, Telephone Plus, voice mail, IP-telephony). During the two years of intensive development, due to flexible tariff policy and ongoing perfection of its technical base, the Company became the leader in the industry.

Current modernization and the development of telephone communication network are aimed at creation of modern, hi-tech, multi-service telecommunication network. When designing a digital network the basis is the strategy of deploying digital automatic telephone exchanges in such a way so that there is the capability of access to digital network services in all districts of the city, and in the first place in the centers of business activity. Thus, the most active part of Nizhny Novgorod business already has the capability of using modern communication services in its activity.

OJSC "Nizhegorodsvyazinform" is consistently realizing market strategy of integrated growth, leading to achieving the strategic goal of the Company - the leader (managing

interregional company), and namely – creation and realization of scope of competitive services, getting maximum possible profit and increasing investments efficiency.

Major essential events of the year contributing to improvement of the activity results:

- Automatic telephone exchanges of total capacity of 40,0 thousand numbers, including 20 thousand numbers in Nizhny Novgorod were put into operation;*
- 44,3 thousand telephone sets were installed, including 19,6 thousand in Nizhny Novgorod, out of them 15,8 thousand telephones were installed in apartments. This allowed to increase the number of telephones per 100 residents, which as of 01.01.2002 in the oblast was 22,7, and in Nizhny Novgorod – 32,5;*
- The project “Internet to schools, hospitals, museums” for Leninskyi district of Nizhny Novgorod was completed (21 school, 1 hospital, 1 library);*
- The development of service centers network in the oblast is continued, in 2001 5 centers were established in Nizhny Novgorod oblast;*
- Additional services were provided to 73800 subscribers;*
- ISDN services were provided to 467 subscribers;*
- 82,4 % of rural telephone exchanges are equipped with automatic number identification function, that allowed to organize automatic long distance telephone communication for rural subscribers;*
- For 163 subscribers the telephone sets were installed by using DRA radio equipment;*
- 52 universal payphones were installed;*
- The first stage of SDH transport network based on synchronous transmission systems was put into operation at Nizhny Novgorod city’s telephone exchange in 1997. Currently, in Nizhny Novgorod SDH network has three transport rings of total extension of 144 km (totally 213 km of fiber-optic cable were installed).*

The Company pays special attention to the development of services of access to the Internet. The Company has designed and carries out the set of activities to expand the base of Internet users. In 2001 OJSC “Nizhegorodsvyazinform” took the leading positions in providing dial-up access to Internet. The users are provided the entire range of services of data transfer network, starting from dial-up access to organization of gateways, leased channels and creation of corporate network for customer data transfer. ISDN, xDSL digital access technologies are applied.

Exclusive service “Internet for All” provides the access to Internet over long-distance communication channels. In Nizhny Novgorod oblast this service is provided to 80% of all Internet users.

The Company continued realization of the project of creating Internet-clubs, providing session access to the network. 6 Internet-clubs are operating, 3 of them are in Nizhny Novgorod.

The first stage of construction of corporate multi-service network of data transfer is completed; the network includes 21 nodes in Nizhny Novgorod and 18 nodes in Nizhny Novgorod oblast. The network is built with fiber-optic cable. 19 nodes of access to data transfer network in Nizhny Novgorod and 9 nodes of access in Nizhny Novgorod oblast were put into operation and modernized.

The Company continued the activity for connecting the subscribers to digital network with integration of ISDN services. By the end of 2001 the number of operated ports amounted to 467. Within the terms of providing ISDN services the Company realized the tasks of combining remote segments of corporate network of data transfer and organization of video conferences for subscribers of Nizhny Novgorod and Dzerzhinsk. The program of telemedicine development on the basis of ISDN equipment was continued. There were a number of consultations (video

conferences) with participation of medical personnel from Nizhny Novgorod and leading medical institutes and hospitals from Moscow.

The realization of the project for creating the network of Service Centers was continued. The main idea of the project is to provide end-to-end services to customers as regards the organization of communication on the basis of advanced technologies: from installation of a telephone set to the development and realization of corporate network as per the customer's requirements. By the year end 5 Service Centers were in operation in Nizhny Novgorod and in Nizhny Novgorod oblast.

2002:

Under the conditions of the Company's incorporation the paramount issue is to work out uniform technical policy, which will serve for the solution of the major Company's task – modernization of the network and meeting the demand for OJSC “VolgaTelecom” services.

The policy as regards traditional communication services is oriented for holding the positions at the market with simultaneous increase of the degree of meeting solvent demand. For this the Company continues intensive activity in the network development, improvement of communication facilities and technological processes on the basis of modern equipment, improvement of quality and increase in the volume of offered services.

By the year end the number of city's telephone exchanges was 928 with total installed capacity of 3 532 619 numbers. During the year the city's telephone exchanges' capacity increased by 367 thousand numbers.

By the end of 2002 time-based billing system of calls cost was in operation in Nizhny Novgorod, Orenburg, Penza oblasts and in the Republic of Mordoviya.

The activity in installation and putting into operation of ANI function at rural telephone networks was continued. The capacity of rural telephone exchanges equipped with ANI function made up 643 103 numbers.

With the development of new modern kinds of communication, the demand for telegraph services is gradually going down.

Wire broadcasting is a loss-making sector, so OJSC “VolgaTelecom” carries out the actions for changing-over rural wire broadcasting into on-air broadcasting, which allows to reduce total costs of wire broadcasting and increase the profitability and the quality of work of city's broadcasting centers. The program of wire broadcasting change-over into the on-air broadcasting is developed for each branch of the Company. OJSC “VolgaTelecom” network of on-air broadcasting includes 73 low power radio broadcasting transmitters of less than 1 KW power and 19 powerful transmitters of 1 KW power and above.

In a number of OJSC “VolgaTelecom” branches there are in operation TV transmitters for receive and broadcasting of TV programs. At the same time the Company is actively developing the existing networks of cable TV in Orenburg and Samara branches, in the branches of Chuvash Republic and the Republic of Mariy El, and is constructing new systems of cable TV. It is planned to construct new cable TV systems, in Nizhny Novgorod city including. The first stage of the construction will be realized in 2003 and is designed for connecting 75 000 subscribers.

The development of new communication services is of great importance for OJSC “VolgaTelecom”. One of the main tasks is to strengthen positions at the market of hi-tech kinds of communication. All branches of OJSC “VolgaTelecom” provide services of Internet access both by dial-up technology and over allocated lines.

By the end of 2002 in the Volga region the number of users with dial-up access to Internet was about 204 thousand, 107 thousand of them use the services of OJSC “VolgaTelecom”. Thus, the Company’s share at the market of dial-up access to Internet is 52%.

The number of customers for access services over the allocated line is about 1600, which as per OJSC “VolgaTelecom” estimation makes up from 45 to 50%.

The service of wideband digital access is being actively implemented. By the end of 2002 in OJSC “VolgaTelecom” the number of connection points by xDSL technology was 583, out of them 48% were in Nizhny Novgorod branch.

IP-telephony is a perspective service. The development of IP-telephony service is planned to be carried out in 2 directions:

- *The first one is installation of IP-telephony nodes for DLD & ILD communication. The service is provided by application of pre-paid cards;*

- *The second direction of IP-telephony development is a “package” service; provision of access to PSTN via data transfer network. Here the “last mile” is xDSL wideband access. This is the first stage of change-over to NGN (Next Generation Network) with packet switching.*

The other large project is the construction of Intelligent network based on a single platform. In 2002 the contract was signed with “Huawei Technologies” company for Tellin[®] Intelligent platform. On the basis of this platform 5 intelligent services will be provided: 4 services from CS1 set (free phone - FPH, voting over telephone - VOT, call with additional payment - PRM, call by pre-paid card - PCC), and one service (universal access number - UAN) – for testing and further certification.

2003:

Financial-economic and production performances of OJSC “VolgaTelecom” for 2003 reflect the efficiency of the incorporation of regional communication enterprises into the joint mega-regional company which has been completed by the end of 2002.

By the results of the year the Company achieved the scheduled level of income and profit. The gain of income from rendering telecommunications services for the entire Company amounted to 3 653 541 thousand rubles.

The income gain was ensured due to the development of telecommunication industries, the increase in outgoing paid exchange, increase in tariffs, and the change of procedure of formation of tariffs for local telephone calls for privileged consumer categories (veterans, invalids), the obtaining of income for the incoming traffic from OJSC “Rostelecom” over DLD and ILD communication, and namely:

- ▶ *the network development and the increase in long-distance exchange by 1 971 795 thousand rubles or by 54 %;*

- ▶ *increase in telecommunications services tariffs - 1 396 762 thousand rubles or 38 % of the gain sum, including due to the increase in tariffs for telecommunications services regulated by the government, by 1 028 965 thousand rubles or 28 % of the total sum of income gain;*

- ▶ *the change of calculation methods in regard of services rendered by OJSC “Rostelecom” by 284 984 thousand ruble or 8 % from the total sum of income gain.*

The Company’s potential formed after the incorporation of 11 regional carriers, allows to extend annually the volume and to improve the quality of services in all telecommunications sub-industries.

As of January 01, 2004 the total installed capacity of city and rural telephone exchanges amounted to 4462 thousands numbers.

For the previous year automatic telephone exchanges with total capacity of 455,5 thousand lines were commissioned. During 2003 the installed capacity of city and rural telephone exchanges grew by 224 thousand lines, the growth rate vs. the previous year - 105,3%. The installed capacity of digital automatic telephone exchanges of rural telephone communication grew faster – 144,55%. This caused the growth of the share of digital exchanges in the total installed capacity of rural exchanges switching facilities and by the results of the year amounted to 14,2 %.

The total extension of long-distance channels as of January 01, 2004 amounted to 15236,8 thousand channel/km, the gain for 2003 - 3630,7 thousand channel/km, including of digital network 12983,4 thousand channel/km (85,2 %), the gain – 3859,9 thousand channel/km.

The extension of digital network channels is formed by the digital systems of transmission of synchronous (11537,5 thousand channel/km - 88,9%) and plesiochronous (1445,9 thousand channel/km - 11,1%) digital hierarchy.

In the report year the production activity of OJSC “VolgaTelecom” cable industry employees was aimed at the reconstruction of cable industry facilities for the purpose of improving qualitative indexes, increase in income and reduction of operational costs. So in 2003 the works aimed at upgrading switching facilities of telegraph industry were conducted. Instead of physically and morally outdated exchanges of OP ETK-KS network u and of AT/TX Nicola – Tesla network, the integrated exchange TK-AT-600 was installed in the telegraph shop of long-distance telephone telegraph communication of Saransk town.

In the fourth quarter of 2003 according to the investment plan, in the branch in the Republic of Chuvashiya the reconstruction of public telegraph network and AT/TX on the basis of telegraph switching server TKS “Vector 2000” produced by CJSC “LInTekh” (Moscow city) was completed.

In Orenburg oblast’s radio-TV transmission centre OJSC “VolgaTelecom” finished the works on changing over the space communication receiving stations from analog to digital mode of “DMT-1000” type - 268 sets.

9 radio broadcast transmitters were installed – in Kirov branch, branch in the Republic of Mordoviya, in Orenburg and Samara branches, for the purpose of broadcasting the program “Radio of Russia” in the zones of intermittent reception of RTRS VGTRK transmitters, for the change over of subscribers from wire broadcast to on-the-air reception of programs.

The first phase of cable television was commissioned in Nizhny Novgorod, 292 subscribers were connected to it. The total design capacity is 2300 subscribers. 28 TV programs are being broadcasted; the subscribers of cable television got the capability of high-rate access to the Internet.

The number of cable television subscribers grew in the branches of Republics of Chuvashiya and Mariy El. MMDS system functions in Samara branch (Syzran and Toliyatti towns). The construction of the first phase of cable television network in Orenburg has been completed.

The introduction by the branches of services: “Internet for all”, Internet by prepaid cards and service telephone cards, the implementation of successful marketing policy allow to win successfully subscribers at the competitive market of Internet services. The new service introduced by Saratov’s branch “Internet - free access” became popular and effective.

The number of the Internet-users is now 190 thousand, out of them the largest part – 50 thousand in Nizhny Novgorod branch. The construction of access nodes using digital servers produced by the leading manufacturers CISCO, LUCENT, HUAWEI, assured the growth of the number of users of dial-up Internet access services.

The market situation shows the essential interest of enterprises in connection to OJSC “VolgaTelecom” data transmission networks for the purpose of consolidation of available segments into unified corporate networks of data transfer at regional and interregional level. For example, the contracts with RTComm.RU for the connection of objects of Federal Target Program “Electronic Russia”, all the branches participated in their realization.

The other important trend of activity is the promotion of intelligent network services. If in 2002 the income from Intelligent network services of the entire interregional company amounted to about 12 million rubles, then in 2003 it has achieved 94,8 million rubles (out of them 99% is the share of service telephone cards). The most successful in the promotion of prepaid service telephone cards were the branches in the Republic of Udmurtiya, and also Penza and Ulyanovsk branches.

In the Republic of Mariy El the start of operation of service telephone card platform based on AVAYA equipment was successful.

In Ulyanovsk city in 2003 IP-telephony service by using prepaid cards was introduced.

In the branch in the Republic of Udmurtiya the services are successfully developed on the basis of intellectual platform “Protey”. At present, the uniform reference services “09” of Izhevsk city and of the Republic, and also manual switch shop of trunk line exchange are changed over to the contact-center “Protey” platform. The system of automatic information on the customer account status of residential sector subscribers, of providing information on long-distance tariffs and codes is started. Service telephone cards in Udmurtiya are the universal instruments of payment for the telephone communication services and for the cellular communication and the access to the Internet.

2004:

Year 2004 showed that consolidated Company OJSC “VolgaTelecom” continues to grow with good dynamics and also has the potential for the development in the future. The consolidation in 2002 allowed for creation of competitive company, for holding dominant position actually in all segments of telecom market of the Volga Federal district – one of the most economically developed regions of Russian Federation. In 2004 the proceeds amounted to 18 605 million rubles which is by 3 928 million more than for the similar period of the past year or by 26,8%.

The Company’s basic sources of revenues in 2004:

▶ *Revenues from local phone connections amounted to 5665,4 million rubles. As of the end of 2004 the number of local PSTN subscribers was 4343 thousand.*

▶ *1 504,1 million rubles of revenues were received by the Company from providing access to telephone network (access to local PSTN was granted to 335 000 basic phone sets) or on average 4,5 thousand rubles per each installation.*

▶ *Revenues received due to the increase in DLD & ILD exchange connected with the Company’s network development. The revenues of this sector amounted to 6 454,7 million rubles. By the results of the year DLD & ILD exchange was 2316,1 million minutes and vs. 2003 it grew by 116,1%.*

▶ *Dynamical development of services provided by means of new technologies. In 2004 the percentage of new services in the total volume of communication services was 5,2%. The revenues amounted to 938,2 million rubles. During the last three years over 1 348 million rubles were invested into the development of this sector.*

▶ *Revenues from connection and traffic transit services amounted to 2 019,8 million rubles. The percentage of revenues from connected operators in the total volume of communication services grew from 5,5% by the results of 2003 to 11,1% by the results of 2004.*

During 2004 at Inter-Regional Company (IRC) “VolgaTelecom” PSTNs the construction and putting into operation of the equipment at 82 city’s phone exchanges of total capacity of 491445 numbers was completed.

Digital phone exchanges made the main input of installed capacity at PSTNs. For 2004 the share of digital exchanges in the total capacity of switching equipment at IRC PSTNs increased from 54,86 % to 63,42 %.

Occupation efficiency of installed capacity of all ATXs installed at OJSC “VolgaTelecom” PSTNs increased from 93,2 to 93,6 %.

As of 01.01.2005 the number of ATXs in cities, towns and settlements amounted to 792 with total installed capacity of 3963,73 thousand numbers.

For 2004 the gain of basic phone sets amounted to 215390. With the commissioning of new ATXs the number of city’s phone sets having the feature of automatic access to DLD phone network increased by 214,76 thousand numbers and amounted to 3604,22 thousand numbers.

The number of basic phone sets per 100 residents amounted to 26,8 and in the oblast’s centers it made out 29,0.

In 2004 rural phone network was further developed. During the year 163 ATXs of total capacity of 64858 numbers were commissioned, at the same time 27856 numbers of outdated equipment of crossbar and quasi-electronic exchanges were dismantled. The gain of installed capacity of rural phone network amounted to 24 684 numbers.

Using dismantled equipment of crossbar ATXs the Company established and expanded the existing exchanges with total capacity of 1770 numbers in the Company’s branches.

As of 01.01.2005 5002 phone exchanges of total installed capacity of 746957 numbers are in operation in rural settlements. After fulfillment of development plan the occupation efficiency of installed capacity increased from 87,6 % to 89,3%.

The installed capacity of digital ATXs at rural communication network increased by 43753 numbers and by the end of 2004 it made out 148981 numbers or 19,99 % of total installed capacity of the switching equipment. The growth per the year was 5,74 %.

As of 01.01.05 the total extension of DLD phone channels 19988,2 thousand channel-km, including of digital network - 18228,2 thousand channel-km (91,2 %). The gain of the channels extension made out 4751,4 thousand channel-km, including the gain of digital network - 5244,8 thousand channel-km.

The extension of digital network channels is formed by the digital systems of transmission of synchronous (16878,4 thousand channel-km - 92,6%) and plesiochronous (1349,8 thousand channel-km - 7,4 %) digital hierarchy.

Out of the total channels length the extension over cable transmit lines made out 94,4 % (18871,4 thousand channel-km), out of these 89,9 % (16957,8 thousand channel-km) fall on fiber-optic cables.

In 2004 OJSC “VolgaTelecom” branches carried out the following arrangements to modernize recording communication network.

Phone-telegraph systems were dissolved at trunk line and intra-zonal directions (Samara – Novosibirsk, Kirov – SUS 06001, Kirov – Nolinsk, Izhevsk – Mozhga, Izhevsk – Glazov, and Cheboksary – Novocheboksarsk).

Phone-telegraph systems were dissolved at trunk line and intra-zonal directions (Samara – Novosibirsk, Kirov – SUS 06001, Kirov – Nolinsk, Izhevsk – Mozhga, Izhevsk – Glazov, and Cheboksary – Novocheboksarsk).

In Samara branch of OJSC “VolgaTelecom” “ATOL” circuit switch was replaced with “ПЦК-64” mini-switch and links KC-KK were organized in Nizhny Novgorod city.

In Yoshkar-Ola town integrated exchange with 300 connection points was put into operation. In OJSC “VolgaTelecom” branch in Chuvashiya Republic telegraph switching server “Vector-2000” was installed, it includes switching, channeling equipment and the software designed for organizing the process of transmit, collection, processing and storing of incoming and outgoing recording (telegraph) correspondence. The equipment operates on the existing communication network by using VF channels and allows for using the advantages of modern digital communication networks in telegraphy.

In 2004 OJSC “VolgaTelecom” branches continued the activities of change over from unprofitable rural wire broadcasting to on-air broadcasting. During the last year 427 radio centers were closed, 1410 settlements were disconnected from wire broadcasting network. Total reduction made out 538974 public loudspeakers, 515 000 public loudspeakers were switched over to on-air broadcasting. As of 01.01.05 the number of public loudspeakers switched over to VHF-FM broadcasting made out 1 650 000 units.

In large cities, towns and in district centers semi-conductor equipment was installed (amplifiers “Enisey”, “Luch” and the transmitters “МИБ”, “УИТБ-2х30’, “УИТБ-2х120”) – 42 radio centers were renovated in the following branches: Samara, Ulyanovsk, Orenburg, Saratov, Nizhny Novgorod, the Republic of Udmurtiya and the Republic of Mordoviya.

In order to improve the reliability and quality of operation of TV broadcasting facilities in Orenburg Radio Tx Rx Center the following was done:

– 100 W TV transmitters “ПИТДА” located in settlements Bogorodskoe, Burtinskiy, Marxsovskiy, Nokolskoe, Revolyutsionnyi, Sofievka, Yangarskiy, Grachevka, Nizhntpavlushkino, Pervomaiskiy were replaced with transmitters “TCA-100Д”, “TCA-100M” and “ABT” correspondingly;

– “ДМТ-1000” digital receive satellite system was installed in village Mezhdurechie of Belyaevsk district instead of on-air receive of Orbit-4 program.

Cable TV network was commissioned in 6 areas: in Kirov oblast (Kirov city), in Orenburg oblast (Orenburg city), in Samara branch (Samara city, Neftegorsk town), in the Republic of Mariy El (Kozmodemiyansk town), and in the Republic of Mordoviya (Ruzaevka town). The expansion of cable TV network is continued in Nizhny Novgorod city, in the Republic of Mariy El and in Chuvashiya Republic. In Samara branch MMDS network was expanded and now it also covers the area of Otradnoe village. The number of TV broadcasting channels was increased: in Syzran town to 23 channels and in Toliyatti town – to 12 channels.

The installed capacity of cable TV network was expanded by 53 000 of potential subscribers (or by 32%) and by the end of 2004 it made out 224 000 of potential subscribers. The gain of cable TV subscribers for the year made out 18104 subscribers. And as a result as of 01.01.05 the number of cable TV subscribers amounted to 126124 users.

New services

In 2004 the number of active Internet dial-up access users was 341 000. Over 8 200 ports were equipped to organize leased line access.

Annually the number of Internet users is growing by 1,7 – 2 times.

The gain of equipped ports for providing leased line access made out about 5 000, the growth rate is 250%.

The growth of leased line access users is achieved due to active implementation of xDSL wideband digital access service. By the results of 2004 in Mega-Regional Company the number of connection points by xDSL technology exceeded 4,6 thousand, the largest number of xDSL ports (2,5 thousand or 54%) are equipped in Nizhny Novgorod branch.

“Internet-density” characterizing the percentage of OJSC “VolgaTelecom” phone communication subscribers who are using the Company’s services of provision of dial-up access

to Internet increased to 7,8 %. This growth was facilitated by the development of “Internet for all” service which is very popular with general public.

One of the largest projects is the construction of OJSC “VolgaTelecom” Intelligent network on the basis of uniform platform. At present the first phase is completed – the construction of Intelligent network in Nizhny Novgorod branch of OJSC “VolgaTelecom”.

The objective of the project is to provide the services of Intelligent network on the territory of the Volga region. The following services were selected for realization: free phone, voting over telephone, universal access number, uniform service card and call with additional payment.

FPH, VOT, UAN and PRM services are realized in OJSC «VolgaTelecom” Nizhny Novgorod branch on the basis of Tellin[®] Intelligent platform (Huawei Technologies). At present in the branch of the Republic of Udmurtiya VOT and USC services are realized on the basis of Ericsson AXE-10 switch.

Call Service Centers development

Firmware of CSC is installed in 3 branches of the Company:

- In the Republic of Mariy El (on the basis of Definity equipment, the number of automated work stations - 50),

- In Nizhny Novgorod branch (on the basis of Definity equipment, the number of automated work stations – 65);

- In the Republic of Udmurtiya (on the basis of “Protey” platform, the number of automated work stations - 52).

In other 8 branches the lines of ATX series selection, stages of calls distribution or computer telephony systems are used to render inquiry-information services. As of year 2005 beginning the total number of automated work stations at CSC is 585.

During 2004 the Company spent 6964,5 million rubles of capital investments, which is by 2 450,5 million rubles more vs. 2003.

539 618 numbers of local phone communication were commissioned during 12 months of year 2004. As compared with 2003 the commissioning of capacities in 2004 grew by 24,5 %.

GSM cellular communication network was expanded in the branch in the Republic of Mariy El by 51 000 numbers, and in Samara branch by 6,6 thousand numbers on the basis of BS NMT-450 equipment.

2652 km of intrazonal transmit lines were constructed.

22 170 DLD channels at automated trunk line exchanges were commissioned.

13 666 m³ of commercial objects were constructed:

- In Nizhny Novgorod branch communication center buildings were constructed in village Sechenovo and Parizhskoi kommuny settlement;
- In Orenburg branch additional building to communication center structure and to garage was constructed in Sorochinsk town;
- In Saratov branch additional building to communication center structure in Krasnyi Kut and central transmit point building in Engels town were constructed.

During 2004 the expenses for the development of local telephone communication amounted to 4 434,9 million rubles or 63,7 % of the total volume of investments. The investments to DLD telephone communication amounted to 754,2 million rubles or 10,8 % of the total volume of investments. Investments to mobile communication development amounted to 191,6 million rubles (2,8% of the total volume of investments). 500,6 million rubles or 7,2 % were spent for the development of new services and technologies, which is by 84 million rubles more than in 2003.

In 2004 the 1-st phase of “Inter-regional multi-service corporate data transfer network of OJSC “VolgaTelecom” project was realized.

The object of investment is the construction of corporate data transfer network (inter-regional multi-service network) of OJSC “VolgaTelecom” of the total estimated cost of 261,5 million rubles.

2005:

Assessment of the issuer’s activity results matching to the industry’s development tendencies:

Communication industry development matches general positive trends in Russian economy. For the last several years communication industry has been dynamically developing: new technologies and new services appear, the demand for communication services grows.

The Issuer’s activity development matches general trends of the industry: the Issuer’s activity is aimed at providing the entire range of telecom services to a wide circle of end-users; the growth of communication services provision revenues is observed and the share of new services revenues in the total volume of the Issuer’s revenues is growing.

The forecast in regard to future development of the industry:

It is expected that the reduction of share of revenues at local communication market will continue, and the share of revenues at mobile communication and Internet markets will grow.

Basic factors and conditions affecting the issuer’s activity and the results of such activity:

Basic trends of communication services market development in the region, analysis of basic changes of the market in 2005.

- *In cities and towns – regional centers the level of telephonization reached the level allowing for speaking about the market’s saturation.*
- *Income level of rural area residents remained low which negatively affected the volume of demand for communication services.*
- *Further growth of subscribers’ base of cellular and alternative operators was observed whereupon the growth rate of demand for local and DLD services went down.*
- *The market of Internet services via ADSL was developing at high rates.*

In 2006 the basic factors affecting the Issuer’s activities are:

- *Coming into effect since 01.01.2006 of new regulatory documents in communication industry and the change of mutual settlements system with OJSC “Rostelecom”,*
- *Gradual saturation of local communication services market in a number of regions where OJSC “VolgaTelecom” provides the services and whereupon the reduction of gain of telephone numbers and the cost of installation,*
- *Changes at intrazonal communication market, retardation of the dynamics of gain in intrazonal traffic due to increased competition from the part of cellular operators.*

In this connection the correlation of revenues with different levels of cost effectiveness in the total structure of OJSC “VolgaTelecom” revenues materially changed, which in its turn affected the cost effectiveness of the Issuer’s activity.

Behavior of growth (drop down) of revenues in basic industries is provided in the table:

	<i>Behavior of revenues growth 2006/2005 (%)</i>
Local communication	<i>109%</i>
ILD and DLD	<i>35%</i>
Internet and data transfer networks	<i>139%</i>

Wireless and cellular communication	<i>118%</i>
Connected operators	<i>125%</i>
Miscellaneous	<i>102%</i>

The change of behavior of revenues in a number of basic revenue items resulted in the change of share of these items in the structure of total revenues having reduced the share of DLD communication by 18 percent points.

(In 2006 DLD and ILD services mean intrazonal communication services).

The increase in the share of local communication is explained by maintaining the positive dynamics of its development, and also by material reduction of revenues from DLD and ILD, and whereupon the reduction of total amount of revenues.

The issuer's principal competitors in core activities and the factors of the issuer's competitiveness:

Despite high level of competition OJSC "VolgaTelecom" maintains high share of market of traditional communication services.

OJSC "VolgaTelecom" share, cellular communication taken into account, makes up 45% of all the revenues of telecom sector.

The objective set for the Issuer in the beginning of 2005 – to maintain the share in telecom market revenues at the level of at least 70% is achieved. The Issuer's share in revenues is 75,5% (cellular communication is not taken into account).

Considerable backlog demand for new services: VPN, ISDN, leased lines, wideband access and Internet access is observed at telecom markets of the regions where the Issuer is operating. In the years to come it is expected that the volume of new services market will grow and in this connection OJSC "VolgaTelecom" sets the following priorities of its activity in this segment of the market:

- Further implementation of new technologies and services corresponding to the tendencies of market development and also to practical requirements of the users;*
- Competitive recovery of new services, including in the area of servicing, quality and tariff policy;*
- Further development of unified data transfer networks (multi-service networks) within the Volga Federal district;*
- Introduction of universal cards for settlements for communication services in all the regions where the Issuer is operating;*
- Development of special tariffs and provision of services in a "package", traditional communication services being included.*

The values of the issuer's shares and its competitors for five accomplished fiscal years:

Name	Country of incorporation	Share at the market, %				
		2001	2002	2003	2004	2005
Company-issuer	Russia	57,70%	54,50%	45,60%	42%	44,50%
Competitors	Russia	42,30%	45,50%	54,40%	58,00%	55,50%

Basic competitive advantages of alternative operators.

In local communication segment:

- 1. The lack of social obligations;*
- 2. Construction of its network on the basis of digital switches;*

3. *Individual approach to every customer;*

In DLD & ILD communication segment:

1. *Prompt reaction to market situation change;*
2. *Flexibility in relations with customers.*

In Internet services segment:

1. *Individual tariffs for every subscriber;*
2. *Individual approach to every subscriber;*
3. *Prompt reaction to market situation change;*
4. *The lack of social obligations.*

The list of factors of the issuer's competitiveness:

OJSC "VolgaTelecom" competitive advantages are:

- *Availability of well-developed infrastructure;*
- *Financial security allowing, with the availability of well-developed infrastructure, for investing into most profitable market segments and most promising business trends;*
- *Quality of services provision (construction of NGN-based communication networks allowing for considerable expansion of the range of services provided by the Issuer and for improving the services quality);*
- *Application properties of services (wide range of provided services, additional services, provision of services specific for a region, etc.);*
- *Capability to form integrated services packages.*

Essential factors that may improve the issuer's activity results:

Basic trends of the Issuer's activity for the development of competitive advantages are:

- *Organization of strategic protection of its networks both from unauthorized call completion and from unauthorized call initiation;*
- *Efficient utilization and development of network and infrastructure resources;*
- *Improvement of organizational effectiveness;*
- *Drastic enhancement of the role of marketing and sales in decision making;*
- *Formation and provision of integrated services packages to cut customers' costs;*
- *Radical change of operation in business sector segment on the basis of long-term partnership relations and organization of active model of direct sales as one of the most important instruments in competitive struggle.*

Inter-regional multi-service data transfer network should become the Issuer's genuine competitive advantage (the first phase of its construction in Nizhny Novgorod oblast is already completed). The construction of this network will allow for creating virtual networks of large corporate customers in the Volga Federal district, and also for solving corporate tasks of information exchange between OJSC "VolgaTelecom" branches.

The probability of occurrence of positive factors is evaluated by the Issuer as high, and the duration of their effect depends upon general economic development of Russian Federation and telecommunications industry.

V. Detailed data on persons making up the structure of the issuer's management bodies, the issuer's bodies controlling its financial-economic activity, and brief data on the issuer's employees (workers)

5.1. Data on the structure and scope of competence of the issuer's management bodies

Full description of the issuer's management bodies structure and their competence in accordance with the issuer's charter (constitutive documents):

In accordance with articles 12, 13, 14, 15 of the issuer's Charter the Issuer's management bodies are:

*General meeting of shareholders;
The Board of directors;
Management board;
General Director.*

The issuer's shareholders (participants) general meeting competence as per its Charter (constitutive documents):

General meeting of shareholders is the Company's supreme management body.

In accordance with article 12.2 of the Issuer's Charter the competence of General meeting of shareholders covers the following issues that may not be transferred for solution to the Board of directors, the General Director or to the Management board of the Issuer:

“1) introduction of modifications and amendments to the Charter or approval of the Company's Charter in a new wording (except for the cases, stipulated by Federal law “On joint stock companies”), the resolutions on which are adopted by at least three quarters of votes of shareholders – owners of the Company's voting shares participating in the meeting;

2) the Company's reorganization, the resolution on which is adopted by at least three quarters of votes of shareholders – owners of the Company's voting shares participating in the meeting;

3) the Company's liquidation, appointment of liquidation committee and approval of intermediate and final liquidation balance sheets, the resolutions on which are adopted by at least three quarters of votes of shareholders – owners of the Company's voting shares participating in the meeting;

4) election of the members of the Board of directors carried out by cumulative voting;

5) early termination of office of the members of the Board of directors, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company's voting shares participating in the meeting;

6) determination of the quantity, face value, category (type) of the Company's declared shares and the rights granted by these shares, the resolutions on which are adopted by at least three quarters of votes of shareholders – owners of the Company's voting shares participating in the meeting;

7) increase in the Company's charter capital by the increase in the shares face value, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company's voting shares participating in the meeting;

8) increase in the Company's charter capital by placement of additional shares by public subscription in case, if the quantity of additionally placed shares makes up more than 25% of ordinary shares placed earlier by the Company, the resolution on which is adopted by at least

three quarters of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

9) increase in the Company’s charter capital by placement of additional shares by private offering, the resolution on which is adopted by at least three quarters of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

10) decrease in the Company’s charter capital by the decrease in the shares face value, by the Company’s acquisition of a part of shares in order to reduce their total number, and also by the retirement of shares acquired or redeemed by the Company, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

11) election of the Company’s Auditing committee members and early termination of their office, the resolutions on which are adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

12) approval of the Company’s auditor, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

13) approval of annual reports, the Company’s annual accounting statement, including the Company’s reports on profits and losses (profits and losses accounts), and also distribution of profit, including payment (declaration) of dividends and losses of the Company by the results of the fiscal year; the resolutions on which are adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

14) definition of the procedure of conducting the Company’s shareholders General meeting, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

15) splitting and consolidation of shares, the resolutions on which are adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

16) passing resolution on approval of related party transactions, the resolution on which is adopted in cases and as per the procedure stipulated by chapter XI of Federal law “On joint stock companies”;

17) adoption of resolution on approval of large transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of property the cost of which is over 50% of the Company’s balance sheet assets defined by the data of its accounting statement as of the last report date, except for the transactions made in the course of routine economic activity of the Company, the transactions related to the placement of the Company’s ordinary shares by subscription (realization), and also transactions related to the placement of issuing securities converted into the Company’s ordinary shares, the resolution on which is adopted by the majority of three quarters of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

18) passing resolution on participating in holding companies, financial-industrial groups, associations and other unions of commercial organizations, the resolution is approved by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

19) approval of internal documents regulating the Company’s bodies activity, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

20) the Company’s placement of bonds converted into shares and of other issuing securities converted into shares, if the specified bonds (other issuing securities) are placed by private offering or by public subscription, when with public subscription converted bonds (other issuing securities) may be converted into the Company’s ordinary shares making up over 25% of

earlier placed shares, the resolution on which is adopted by at least three quarters of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

21) passing resolution on reimbursement for the Company’s account of the expenses for preparation and conducting of extraordinary general meeting of the Company’s shareholders in case, when contrary to the requirements of current legislation of Russian Federation the Board of directors has not passed the resolution on convocation of an extraordinary meeting and this meeting has been convened by other persons. The resolution is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

22) release of a person, who independently or jointly with his affiliated persons acquired 30 and more percent of placed ordinary shares of the Company, from responsibility to acquire shares from other shareholders of the Company, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting, excluding the votes by shares belonging to the specified person and his affiliated persons;

23) passing resolution on transfer of authorities of single executive body of the Company to managing organization or to a manager, the resolution on which is adopted by the majority of votes of shareholders – owners of the Company’s voting shares participating in the meeting;

24) the solution of other issues stipulated by Federal law “On joint stock companies” and by the Charter.”

Competence of the Board of directors (supervisory council) of the issuer in accordance with its charter (constitutive documents):

In accordance with article 13 of the Issuer’s Charter the following issues are related to the competence of the Board of directors:

“13.4. The following issues are related to the competence of the Company’s Board of directors:

1) definition of priority trends of the Company’s activity, including the approval of annual budget, the budgets for medium-term and long-term perspective, strategies and programs of the Company’s development, introduction of modifications into the specified documents, consideration of the results of their fulfillment;

2) preliminary approval of operations passing the limits established by the Company’s annual budget;

3) convocation of annual and extraordinary general meetings of shareholders, excluding the cases stipulated by item 8 of clause 55 of Federal law “On joint stock companies”;

4) approval of the agenda of the general meeting of shareholders;

5) determination of the date of making up the list of persons having the right to participate in general meeting of shareholders, and other issues within the competence of the Company’s Board of directors in accordance with the provisions of chapter VII of Federal law “On joint stock companies” and related to the preparation and holding of general meeting of shareholders;

6) preliminary approval of the Company’s annual report;

7) increase of the Company’s charter capital by the Company’s placement of additional shares within the limits of declared shares amount, defined by the Charter, excluding the cases stipulated by sub-items 8,9 of item 12.2 of the Charter;

8) the Company’s placement of bonds and other issuing securities in case, when under the conditions of placement of the specified bonds and other issuing securities they are not convertible into the Company’s shares;

- 9) *the Company's placement of bonds, convertible into shares, and of other issuing securities, convertible into shares, if the specified bonds (other issuing securities) are placed by public subscription and the convertible bonds (other issuing securities) may be converted into the Company's ordinary shares, making up 25 and less percent of earlier placed ordinary shares;*
- 10) *determination of price (pecuniary valuation) of property, the price of placement and redemption of issuing securities in cases stipulated by Federal law "On joint stock companies";*
- 11) *approval of resolutions on issue of securities, prospects of securities issuing, reports on the results of the Company's securities issuing, reports on the results of the Company's shares acquisition in order to cancel them;*
- 12) *the acquisition of shares, bonds and other securities placed by the Company;*
- 13) *approval of the Company's registrar and the terms and conditions of the contract with it, and also taking the decision on cancellation of the contract with it;*
- 14) *recommendations on the size of dividend on shares, on the form and the date of its payment, approval of internal document on dividends on the Company's shares;*
- 15) *the use of reserve fund and other funds of the Company;*
- 16) *approval of an internal document defining the procedures of internal control over financial and economic activity of the Company;*
- 17) *recommendations on the size of remunerations and compensations paid to the members of the Company's Auditing committee, approval of terms and conditions of contract concluded with the auditor, including definition of the amount of payment for its services;*
- 18) *approval of Provision on the Company's structural subdivision, carrying out the functions of internal control, coordination of candidates for the position of its head, and also consideration of other issues the resolutions on which should be adopted by the Board of directors in accordance with the Provision on the specified subdivision;*
- 19) *approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of the property the cost of which is from 0, 5 to 25% of the Company's assets book cost defined by the data of its accounting statement as of the last report date;*
- 20) *approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of the property the cost of which is from 25 to 50% of the Company's balance-sheet assets cost defined by the data of its accounting statement as of the last report date, excluding the transactions made in the course of routine economic activity of the Company, the transactions related to the placement by subscription (realization) of the Company's ordinary shares and transactions related to the placement of issuing securities convertible into the Company's ordinary shares;*
- 21) *approval of related party transactions in cases stipulated by chapter XI of Federal law "On joint stock companies";*
- 22) *defining basic principles of construction of the Company's organizational structure;*
- 23) *establishment of branches, opening of representation offices, their liquidation, approval of Provisions on them;*
- 24) *preliminary coordination of candidates for the position of heads of branches and representation offices, and dismissal of the heads of the specified structural subdivisions from their posts;*
- 25) *approval of annual budgets, strategies and programs of branches development, introduction of modifications into the specified documents, consideration of the results of their fulfillment;*
- 26) *appointment of single executive body (General Director), defining the term of his/her authority, and also early termination of his/her office;*

- 27) *election (re-election) of the Chairman of the Board of directors of the Company, his/her deputy;*
- 28) *formation of collegial executive body (Management board), defining the term of its authority, and also early termination of the authority of the Management board members;*
- 29) *coordination of occupation by the person, carrying out the functions of single executive body of the Company, by members of the Company's Management board, of the posts in management bodies of other organizations;*
- 30) *permission to the person, carrying out the functions of single executive body, to combine these functions with work in paid jobs in other organizations;*
- 31) *establishment of permanent or provisional (for the solution of particular issues) committees of the Board of directors, approval the Provisions on them;*
- 32) *appointment and dismissal of Corporate secretary of the Company, approval of the Provision on the Corporate secretary and on the back office of the Company's Corporate secretary;*
- 33) *approval of terms and conditions of contracts (additional agreements), concluded with the General Director, members of the Management board, the heads of branches and representation offices, the head of the Company's structural subdivision carrying out the functions of internal control, with the Company's Corporate secretary, and also consideration of issues the decisions on which should be adopted by the Board of directors in accordance with the specified contracts;*
- 34) *taking the decisions on participation (joining as a participant, termination of participation, change of participation share) of the Company in other organizations by way of purchase, sales of shares, equity stake of other organizations, and also by way of making additional contributions into charter capitals of these organizations;*
- 35) *taking the decisions on the Company's participation in non-commercial organizations, excluding the cases stipulated by sub-item 18 of item 12.2 of the Charter, by way of joining as a participant, termination of participation, making additional contributions related to the Company's participation in non-commercial organizations;*
- 36) *taking the decisions on the issues of the agenda of general meetings of affiliated companies (supreme management bodies of other organizations), in which the Company is a sole participant;*
- 37) *defining the procedure of interaction of the Company with organizations in which the Company participates;*
- 38) *approval of the Company's Corporate governance code, introduction of modifications and amendments into it;*
- 39) *approval of internal documents (document) defining the rules and approaches to disclosing the information about the Company, the procedure of using the information about the Company's activity, about the Company's securities and transactions with them, the information not being publicly accessible;*
- 40) *approval of the procedure of risks management in the Company;*
- 41) *approval of other, in addition to those stipulated by item 13.4 of the Charter, internal documents of the Company, regulating the issues within the competence of the Company's Board of directors, excluding internal documents the approval of which as per the Company's Charter is within the competence of the shareholders general meeting and the Company's executive bodies;*
- 42) *other issues stipulated by Federal law "On joint stock companies" and the Charter."*

The issues referred to the competence of the Company's Board of directors may not be transferred for the solution to collegial or single executive body of the Company.

Competence of single and collegial executive bodies of the issuer in accordance with its charter (constitutive documents):

In accordance with article 14 of the Issuer's Charter the following issues of the issuer's current activity management are related to the competence of the Management board:

"14.1. Management board is a collegial executive body organizing the execution of resolutions of shareholders general meeting and the decisions of the Company's Board of directors.

14.4. The following issues of the management of the Company's current activity are referred to the competence of the Company's Management board:

1) Elaboration of motions on basic trends of the Company's activity, including the drafts of annual budget, budgets for medium-term and long-term perspective, strategies and programs of the Company's development, motions on introducing modifications to the specified documents;

2) Approval of internal control procedures;

3) Defining staff and social policy of the Company;

4) Approval of the internal document regulating general provisions of labor motivation, and also consideration and taking the decisions on concluding collective contracts and agreements;

5) Preparation of materials and drafts of resolutions on the issues subject to consideration at the shareholders general meeting, Board of directors and presentation of the materials to the committees of the Board of directors;

6) Organizational-technical provision of the Company's bodies activity;

7) Defining technical, finance-economic and tariff policy of the Company and the branches;

8) Defining accounting policy, control over perfection of the methods of book keeping and management accounting, and also over the introduction of accounting as per international accounting standards of the Company and the branches;

9) Defining the methods of planning, budgeting and controlling of the Company and the branches;

10) Defining the policy of ensuring the security of the Company and the branches;

11) Defining the procedure of vesting the property to the branches and taking of property settled on the branches;

12) Defining quantitative structure and appointment of members of collegial executive bodies of the branches, and also early termination of their authority, approval of Provision on a collegial executive body of a branch;

13) Preliminary coordination of candidates for the posts of deputy heads, chief accountants of the branches and representation offices and dismissal of the specified persons from their posts;

14) Approval of terms and conditions of contracts (additional agreements) concluded with the members of collegial executive bodies of the branches, with the deputy heads, chief accountants of the branches and representation offices, and also consideration of issues the decisions on which should be adopted by the Management board in accordance with the specified contracts;

15) Approval of quarterly budgets of the branches, introduction of modifications into the specified documents;

16) Analysis of the results of the work of the Company's structural subdivisions, including the separate ones, and the development of instructions, obligatory for execution, on their work perfection;

17) Approval of internal documents regulating the issues within the competence of the Company's Management board, excluding the documents approved by shareholders general meeting and the Company's Board of directors;

18) Approval of the Company's organizational structure, including basic functions.

14.5. The Company's Management board also has the right to take decisions on the management of the Company's current activity on the instructions of the Company's Board of directors or at the suggestion of the Company's General Director."

In accordance with article 15 of the Issuer's Charter the competence of the General Director covers the issues of management of the Issuer's current activity, excluding the issues related to the competence of the Issuer's General meeting of shareholders, the Board of directors and the Management board:

"15.1. General Director – single executive body carrying out the management of the Company's current activity. General Director is appointed by the Company's Board of directors.

15.2. General Director takes decisions on the issues not referred by the Charter to the competence of the shareholders general meeting, of the Board of directors and the Company's Management board.

15.3. General Director carries out the functions of the Chairman of the Company's Management board.

15.4. General Director acts on behalf of the Company without the power of attorney, he/she represents the Company's interests, makes transactions on behalf of the Company, approves the staff, issues orders, directions and gives instructions obligatory for execution by all employees of the Company.

The rights, duties, the size of labor remuneration and the responsibility of General Director are defined by the contract concluded by him/her with the Company. The contract on behalf of the Company is signed by the Chairman of the Company's Board of directors.

15.5. The Company's Board of directors has the right at any time to take the decision on early termination of authority of the Company's General Director and cancellation of the contract with him/her."

Data on availability of the issuer's internal document establishing the rules of the issuer's corporate governance:

On March 11, 2004 (minutes № 30) the Issuer's Board of directors approved "The Code of corporate governance of OJSC "VolgaTelecom" - internal document establishing the rules of the Issuer's corporate governance and regulating the Company's relations with shareholders and investors. On September 24, 2004 (minutes № 8) and on May 20, 2005 (minutes № 30) the Board of directors introduced changes into the Code of corporate governance of OJSC "VolgaTelecom". (Supplement № 1).

The definitive text of the issuer's Code is available in the Internet at:

<http://www.vt.ru/?id=3547>

Data on the changes introduced into the issuer's charter during the reporting period:

During the reporting period the changes into the Charter were not introduced.

Data on availability of internal documents regulating the issuer's bodies activity.

The Issuer's internal documents regulating the activity of its bodies:

Provision on the procedure of holding general meeting of shareholders of OJSC "VolgaTelecom" approved by annual general meeting of shareholders of OJSC "VolgaTelecom" on June 26, 2003 (Minutes №3) and the changes into the Provision on the procedure of holding general meeting of shareholders of OJSC "VolgaTelecom" approved by annual general meeting of shareholders on June 28, 2005 (Minutes № 5).

Provision on the Board of directors of OJSC "VolgaTelecom" approved by joint (extraordinary) general meeting of shareholders of OJSC "VolgaTelecom" on March 26, 2003 (Minutes №2) with changes and addenda to the provision on the Board of directors approved by annual general meeting of shareholders of OJSC "VolgaTelecom" on June 22, 2004 (Minutes №4) and on June 28, 2005 (Minutes №5).

Provision on the Management board of OJSC "VolgaTelecom" approved by joint (extraordinary) general meeting of shareholders of OJSC "VolgaTelecom" on March 26, 2003 (Minutes №2) with changes approved by annual general meeting of shareholders of OJSC "VolgaTelecom" on June 22, 2004 (Minutes №4).

Provision on auditing committee of OJSC "VolgaTelecom" approved by joint (extraordinary) general meeting of shareholders of OJSC "VolgaTelecom" on March 26, 2003 (Minutes №2) with changes to the Provision on auditing committee approved by annual general meeting of shareholders of OJSC "VolgaTelecom" on June 22, 2004 (Minutes №4).

Data on the changes introduced during the reporting period into internal documents regulating the activity of the issuer's bodies:

During the reporting period the changes into internal documents regulating the activity of the issuer's bodies were not introduced.

Definitive text of the Issuer's current Charter and internal documents of OJSC "VolgaTelecom" regulating the activity of the Issuer's bodies, and also approved changes and addenda to them are posted in Internet at the Company's site at:

<http://www.vt.ru/?id=261>

<http://www.vt.ru/?id=308>

<http://www.vt.ru/?id=3547>

5.2. Information about the persons making up the structure of the issuer's management bodies

Personal structure of every management body of the issuer specified in item 5.1 of quarterly report (excluding general meeting of shareholders).

The structure of the Board of directors of the Issuer OJSC "VolgaTelecom" elected by annual general meeting of shareholders on June 28, 2005:

Members of the Board of directors of the Issuer:

The Chairman of the Board of directors:

Belyaev Konstantin Vladimirovich

Year of birth: **1968**

Education: ***higher education***

Posts held during the last 5 years:

Period: **2001 - 2001**

Organization: ***OJSC "Artelecom"***

Post: ***chief accountant***

Period: **2001 – 2005**

Organization: ***OJSC "Svyazinvest"***

Post: ***chief accountant***

Period: **2002 - 2002**

Organization: ***OJSC "Yartelecom"***

Post: ***member of the Board of directors***

Period: **2002 - 2002**

Organization: ***OJSC "Artelecom"***

Post: ***member of the Board of directors***

Period: **2003 – 2003**

Organization: ***OJSC Joint Stock Commercial Bank "Svyaz-Bank"***

Post: ***member of the Board of directors***

Period: **2002 - 2005**

Organization: ***OJSC "CenterTelecom"***

Post: ***member of the Auditing committee***

Period: **2005 – present time**

Organization: ***OJSC "CenterTelecom"***

Post: ***chairman of the Auditing committee***

Period: **2002 - 2005**

Organization: ***OJSC "North West Telecom"***

Post: ***the member of the Auditing committee***

Period: **2002 - 2005**

Organization: ***OJSC "Rostelecom"***

Post: ***member of the Auditing committee***

Period: **2005 – present time**

Organization: ***OJSC "Rostelecom"***

Post: *member of the Management board*

Period: *2002 – present time*

Organization: *OJSC “MGTS”*

Post: *member of the Auditing committee*

Period: *2003 - 2005*

Organization: *OJSC “VolgaTelecom”*

Post: *chairman of the Auditing committee*

Period: *2003 - 2005*

Organization: *OJSC “Dalsvyaz”*

Post: *chairman of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “Sibirtelecom”*

Post: *chairman of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “Svyazinvest”*

Post: *deputy to the General Director*

Period: *2005 – present time*

Organization: *OJSC “Svyazinvest”*

Post: *member of the Management Board*

Period: *2005 – present time*

Organization: *OJSC “North West Telecom”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Southern Telecommunication Company”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC JSCB “Svyaz - Bank”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *chairman of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: **none**
Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**
The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: **affiliated/dependent companies did not issue options**
Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: **none**

Members of the Board of directors:

Andreev Vladimir Alexandrovich

Year of birth: **1951**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 – present time**

Organization: **State educational institution of Higher Professional education - the Volga State Academy of Telecommunications and informatics in Samara city**

Post: **head of a chair**

Period: **2002 – present time**

Organization: **State educational institution of Higher Professional education - the Volga State Academy of Telecommunications and informatics in Samara city**

Post: **rector**

Period: **2002 – present time**

Organization: **Regional public association “Academy of telecommunications and informatics”**

Post: **president (without pay)**

Period: **2002 – present time**

Organization: **the Volga association of engineers “TELEINFO”**

Post: **Vice-president (without pay)**

Period: **2004 – present time**

Organization: **OJSC “VolgaTelecom”**

Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer's ordinary shares: **none**

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: **the issuer did not issue options**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: ***affiliated/dependent companies did not issue options***

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: ***none***

Belyaev Konstantin Vladimirovich

Year of birth: ***1968***

Education: ***higher education***

Posts held during the last 5 years:

Period: ***2001 - 2001***

Organization: ***OJSC "Artelecom"***

Post: ***chief accountant***

Period: ***2001 – 2005***

Organization: ***OJSC "Svyazinvest"***

Post: ***chief accountant***

Period: ***2002 - 2002***

Organization: ***OJSC "Yartelecom"***

Post: ***member of the Board of directors***

Period: ***2002 - 2002***

Organization: ***OJSC "Artelecom"***

Post: ***member of the Board of directors***

Period: ***2003 – 2003***

Organization: ***OJSC Joint Stock Commercial Bank "Svyaz-Bank"***

Post: ***member of the Board of directors***

Period: ***2002 - 2005***

Organization: ***OJSC "CenterTelecom"***

Post: ***member of the Auditing committee***

Period: ***2005 – present time***

Organization: ***OJSC "CenterTelecom"***

Post: ***chairman of the Auditing committee***

Period: ***2002 - 2005***

Organization: ***OJSC "North West Telecom"***

Post: ***the member of the Auditing committee***

Period: **2002 - 2005**

Organization: **OJSC "Rostelecom"**

Post: **member of the Auditing committee**

Period: **2005 – present time**

Organization: **OJSC "Rostelecom"**

Post: **member of the Management board**

Period: **2002 – present time**

Organization: **OJSC "MGTS"**

Post: **member of the Auditing committee**

Period: **2003 - 2005**

Organization: **OJSC "VolgaTelecom"**

Post: **chairman of the Auditing committee**

Period: **2003 - 2005**

Organization: **OJSC "Dalsvyaz"**

Post: **chairman of the Auditing committee**

Period: **2005 – present time**

Organization: **OJSC "Sibirtelecom"**

Post: **chairman of the Auditing committee**

Period: **2005 – present time**

Organization: **OJSC "Svyazinvest"**

Post: **deputy to the General Director**

Period: **2005 – present time**

Organization: **OJSC "Svyazinvest"**

Post: **member of the Management Board**

Period: **2005 – present time**

Organization: **OJSC "North West Telecom"**

Post: **member of the Board of directors**

Period: **2005 – present time**

Organization: **OJSC "Southern Telecommunication Company"**

Post: **member of the Board of directors**

Period: **2005 – present time**

Organization: **OJSC JSCB "Svyaz - Bank"**

Post: **member of the Board of directors**

Period: **2005 – present time**

Organization: **OJSC "VolgaTelecom"**

Post: *chairman of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer's ordinary shares: *none*

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: *none*

Bobin Maxim Victorovich

Year of birth: *1975*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2005*

Organization: *Moscow representation office of "NCH Advisors Inc."*

Post: *legal department head*

Period: *2001 - 2002*

Organization: *Moscow state institute of international relations (University) of the Ministry of Foreign Affairs of Russian Federation*

Post: *teacher at the chair of international law*

Period: *2001 - 2003*

Organization: *OJSC "Science and Production Association "Plastik"*

Post: *member of the Board of directors*

Period: *2001 - 2004*

Organization: *OJSC "Abrasive factory "Ilyich"*

Post: *member of the Board of directors*

Period: *2002 – 2003*

Organization: *Association for the investors rights protection*

Post: *member of the Board of directors*

Period: *2003 – present time*

Organization: *OJSC "Sibirtelecom"*

Post: *member of the Board of directors*

Period: *2005 – 2005*

Organization: *OJSC “TGK-6”*
Post: *member of the Board of directors*

Period: *2003 – present time*
Organization: *OJSC “VolgaTelecom”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Management company Kirovenergo”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Smolenskenergosbyt”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Vladimirskaya electric power company”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Penza electric power management company”*
Post: *member of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Bulancha Sergey Anatolievich

Year of birth: *1959*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2004*

Organization: *OJSC “Surguttel”*

Post: *General Director*

Period: **2004 – present time**
Organization: **OJSC “Federal agency of communication”**
Post: **deputy to CEO**

Period: **2004 – present time**
Organization: **OJSC “Giprosvyaz”**
Post: **member of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**
Stake of the issuer’s ordinary shares: **none**
The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**
Stake in affiliated/dependent companies of the issuer: **none**
Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**
The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**
Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Grigorieva Alla Borisovna
Year of birth: **1967**
Education: **higher education**

Posts held during the last 5 years:
Period: **2001 - 2002**
Organization: **OJSC “Sakhalinsvyaz”**
Post: **member of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “Electrosvyaz” of Kaluga oblast**
Post: **Chairman of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “UdmurtTelecom”**
Post: **Chairman of the Board of directors**

Period: **2001 - present time**
Organization: **OJSC “Svyazinvest”**
Post: **deputy to the director – chief of the sector of Corporate Governance Department**

Period: **2001 - present time**
Organization: **OJSC “Uralsvyazinform”**
Post: **member of the Board of directors**

Period: **2001 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “Electrosvyaz” of Rostov oblast**
Post: **member of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “Svyazinform” of Penza oblast**
Post: **member of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “Electrosvyaz” of the Republic of Adygei**
Post: **member of the Board of directors**

Period: **2001 - 2002**
Organization: **OJSC “Electrosvyaz” of Ulyanovsk oblast**
Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **0,00122%**

Stake of the issuer’s ordinary shares: **0,00082%**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Degtyarev Valeryi Victorovich

Year of birth: **1957**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - 2001**

Organization: *LLC “DTS”*
Post: *deputy to the General Director*

Period: *2001 - 2001*
Organization: *CJSC “Company TransTeleCom”*
Post: *advisor to president*

Period: *2001 – present time*
Organization: *CJSC “Professional Telecommunications”*
Post: *General Director*

Period *2004 – present time*
Organization: *OJSC “Tetrasvyaz”*
Post: *General Director*

Period: *2001 – present time*
Organization: *CJSC “Professional Telecommunications”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *CJSC “Radiotel”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Rostelecom”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “VolgaTelecom”*
Post: *member of the Board of directors*

Period: *2004 – present time*
Organization: *OJSC “Dalsvyaz”*
Post: *member of the Board of directors*

Period: *2005 – present time*
Organization: *OJSC “CenterTelecom”*
Post: *member of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: **affiliated/dependent companies did not issue options**

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: **none**

Kulikov Denis Victorovich

Year of birth: **1975**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - 2002**

Organization: **CJSC "NAUC "NAUFOR"**

Post: **expert of consulting center**

Period: **2002 - 2005**

Organization: **OJSC "Bryanskenergo"**

Post: **member of the Board of directors**

Period: **2003 - 2003**

Organization: **OJSC "Kalugaenergo"**

Post: **member of the Board of directors**

Period: **2001 – present time**

Organization: **Association for investors' rights protection**

Post: **expert**

Period: **2002 – 2005**

Organization: **OJSC "Cherepetskaya state district power plant"**

Post: **member of the Board of directors**

Period: **2002 – 2004**

Organization: **OJSC "Ryazanenergo"**

Post: **member of the Board of directors**

Period: **2003 – 2004**

Organization: **OJSC "Kurskenergo"**

Post: **member of the Board of directors**

Period: **2003 – 2005**

Organization: **OJSC "Pechorskaya state district power plant"**

Post: *member of the Board of directors*

Period: *2003 – present time*

Organization: *OJSC “Southern Telecommunication Company”*

Post: *member of the Board of directors*

Period: *2005 – 2005*

Organization: *OJSC “Vladimirskaya electric power company”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Penzenskaya electric power generating company”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Kuznetsov Sergey Ivanovich

Year of birth: *1953*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2001*

Organization: *CJSC “PeterStar”*

Post: *General Director*

Period: *2001 - 2003*

Organization: *OJSC “Rostelecom”*

Post: *General Director*

Period: *2001 - 2003*

Organization: *OJSC “Rostelecom”*
Post: *chairman of the Management board*

Period: *2001 - 2003*
Organization: *non- government pension fund “Rostelecom – Garantiya”*
Post: *member of the fund’s council*

Period: *2001 - 2003*
Organization: *OJSC “Svyazinvest”*
Post: *member of the Management board*

Period: *2001 - 2003*
Organization: *OJSC “RTK-Leasing”*
Post: *member of the Board of directors*

Period: *2001 - 2004*
Organization: *CJSC “Globaster – Space telecommunications”*
Post: *member of the Board of directors*

Period: *2001 - 2004*
Organization: *OJSC “RTCom.RU”*
Post: *member of the Board of directors*

Period: *2001 - 2004*
Organization: *OJSC “Telmos”*
Post: *member of the Board of directors*

Period: *2001 - 2003*
Organization: *CJSC “Interfax –Telecom”*
Post: *member of the Board of directors*

Period: *2002 - 2004*
Organization: *OJSC “Rostelecom”*
Post: *member of the Board of directors*

Period: *2003 - 2003*
Organization: *OJSC “RTK-Leasing”*
Post: *chairman of the Board of directors*

Period: *2003 - 2004*
Organization: *OJSC “North West Telecom”*
Post: *General Director*

Period: **2003 - 2004**

Organization: ***OJSC “North West Telecom”***

Post: ***chairman of the Management board***

Period: **2004 - 2004**

Organization: ***OJSC “North West Telecom”***

Post: ***member of the Board of directors***

Period: **2001 - 2004**

Organization: ***Non-commercial partnership "The center of investigation of telecommunication problems"***

Post: ***member of the council of the partnership***

Period: **2004 – present time**

Organization: ***OJSC “Svyazinvest”***

Post: ***member of the Management board***

Period: **2004 – present time**

Organization: ***OJSC “Svyazinvest”***

Post: ***first deputy to the General Director***

Period: **2004 – 2006**

Organization: ***OJSC “Telecominvest”***

Post: ***member of the Board of directors***

Period: **2003 – 2005**

Organization: ***Interregional commercial bank of development of telecommunication and informatics (Open Joint Stock Company)***

Post: ***member of the Board of directors***

Period: **2005 – present time**

Organization: ***OJSC of domestic and international long-distance electric communication “Rostelecom”***

Post: ***member of the Board of directors***

Period: **2005 – present time**

Organization: ***OJSC “CenterTelecom”***

Post: ***member of the Board of directors***

Period: **2005 – present time**

Organization: ***OJSC “Southern Telecommunication Company”***

Post: ***chairman of the Board of directors***

Period: **2005 – present time**
Organization: **OJSC “Uralsvyazinform”**
Post: **chairman of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “Sibirtelecom”**
Post: **chairman of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “Dalsvyaz”**
Post: **chairman of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “Central telegraph”**
Post: **chairman of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Slizen Vitalyi Alexandrovich

Year of birth: **1970**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 – 2001**

Organization: **OJSC “Telecominvest”**

Post: **director of division of fixed-line communication, director of department for development of fixed-line communication projects**

Period: *2001 – 2004*
Organization: *OJSC “Interregional TransitTelecom”*
Post: *first deputy to the General Director*

Period: *2004 – present time*
Organization: *Ministry of information technologies and telecommunication of Russian Federation*
Post: *director of department for state policy in the sphere of information and communication technologies*

Period: *2001 – 2001*
Organization: *CJSC “Web Plus”*
Post: *member of the Board of directors*

Period: *2001 – 2001*
Organization: *CJSC “Saint-Petersburg Payphones”*
Post: *member of the Board of directors*

Period: *2001 – 2001*
Organization: *OJSC “National payphone network”*
Post: *member of the Board of directors*

Period: *2001 – 2001*
Organization: *OJSC “Telecominvest”*
Post: *member of the Management board*

Period: *2001 – 2001*
Organization: *CJSC “Petersburg TransitTelecom”*
Post: *member of the Board of directors*

Period: *2001 – 2002*
Organization: *CJSC “Saint-Petersburg information company”*
Post: *member of the Board of directors*

Period: *2002 – 2004*
Organization: *OJSC “Interregional TransitTelecom”*
Post: *member of the Board of directors*

Period: *2001 – 2004*
Organization: *OJSC “Interregional TransitTelecom”*
Post: *member of the Management board*

Period: *2003 – 2004*

Organization: *CJSC “NevaLine”*

Post: *member of the Board of directors, chairman of the Board of directors*

Period: *2004 – 2005*

Organization: *OJSC “Moscow cellular communication”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Giprosvyaz”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Rostelecom”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Dalsvyaz”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “Dagsvyazinform”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Board of directors*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Fedorov Oleg Romanovich

Year of birth: *1968*

Education: *higher education*

Posts held during the last 5 years:

Period: **2001 - 2002**

Organization: **SRO NAUFOR**

Post: ***member of the Management board***

Period: **2001 – 2003**

Organization: ***Association for the investors' rights protection***

Post: ***head of the group of independent directors with the Association***

Period: **2001 - 2002**

Organization: **SRO NAUFOR**

Post: ***director of NAUFOR consulting center***

Period: **2001 - 2001**

Organization: **SRO NAUFOR**

Post: ***head of the Department for infrastructure and competition at the securities market***

Period: **2002 - 2003**

Organization: ***OJSC "Kalugaenergo"***

Post: ***member of the Board of directors***

Period: **2002 – 2003**

Organization: ***Association for the investors' rights protection***

Post: ***deputy to the executive director***

Period: **2002 - 2003**

Organization: ***OJSC "Astrakhanenergo"***

Post: ***member of the Board of directors***

Period: **2002 - 2003**

Organization: ***OJSC "Kurskenenergo"***

Post: ***member of the Board of directors***

Period: **2002 - 2003**

Organization: ***OJSC "Sverdlovenenergo"***

Post: ***member of the Board of directors***

Period: **2002 – 2003**

Organization: ***OJSC "Omskenenergo"***

Post: ***member of the Board of directors***

Period: **2002 – 2004**

Organization: ***OJSC "Nizhnovenergo"***

Post: ***member of the Board of directors***

Period: **2003 - 2004**
Organization: **OJSC “Kubanenergo”**
Post: **member of the Board of directors**

Period: **2003 – 2005**
Organization: **CJSC “United Financial Group”**
Post: **executive director of corporate finances sector**

Period: **2006 – present time**
Organization: **CJSC “United Financial Group”**
Post: **executive director of corporate finances department**

Period: **2003 - present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Board of directors**

Period: **2004 - 2005**
Organization: **OJSC “Novosibirskenergo”**
Post: **member of the Board of directors**

Period: **2004 – present time**
Organization: **Association for investors’ rights protection**
Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**
Stake of the issuer’s ordinary shares: **none**
The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**
Stake in affiliated/dependent companies of the issuer: **none**
Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**
The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**
Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Chernogorodskiy Sergey Valerievich
Year of birth: **1977**
Education: **higher education**

Posts held during the last 5 years:
Period: **2001 - 2002**
Organization: **OJSC “Svyazinvest”**

Post: *head of the sector for investors' relations, development of shares secondary market of the securities Department*

Period: *2001 - 2001*

Organization: *OJSC "Electrosvyaz" of Kaliningrad oblast*

Post: *member of the Board of directors*

Period: *2001 - 2001*

Organization: *OJSC "Martelcom"*

Post: *member of the Board of directors*

Period: *2001 - 2002*

Organization: *OJSC "Martelcom"*

Post: *chairman of the Board of directors*

Period: *2001 – 2004*

Organization: *OJSC "Svyaz" of Komi Republic*

Post: *member of the Board of directors*

Period: *2002 - 2003*

Organization: *OJSC "Svyazinvest"*

Post: *deputy to the director of the Department of securities*

Period: *2003 - 2004*

Organization: *OJSC "Lensviayz"*

Post: *member of the Board of directors*

Period: *2003 - present time*

Organization: *OJSC "Uralsvyazinform"*

Post: *member of the Board of directors*

Period: *2003 - present time*

Organization: *OJSC "VolgaTelecom"*

Post: *member of the Board of directors*

Period: *2003 - present time*

Organization: *OJSC "Svyazinvest"*

Post: *director of the Department of stock capital*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer's ordinary shares: *none*

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: *none*

Single executive body and also the members of the issuer's collegial executive body:

Personal structure of the Issuer's collegial executive body – the Management board:

The Chairman of the Management board:

Omelchenko Sergey Valerievich

Year of birth: *1963*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2002*

Organization: *technical node of trunk communication and TV № 3 of branch of OJSC of DLD and ILD communication "Rostelecom"*

Post: *director of technical node - 3*

Period: *2002 - 2003*

Organization: *branch of OJSC "Rostelecom" – territorial center of DLD communication and TV № 5 (TCDLDC – 5)*

Post: *director of General directorate of TC DLDC – 5*

Period: *2003 - 2005*

Organization: *the Volga branch of OJSC "Rostelecom"*

Post: *director*

Period: *2005 – present time*

Organization: *OJSC "VolgaTelecom"*

Post: *General Director*

Period: *2005 – present time*

Organization: *OJSC "VolgaTelecom"*

Post: *chairman of the Management board*

Period: *2005 – present time*

Organization: *CJSC "NCC"*

Post: *chairman of the Board of directors*

Period: *2005 – present time*
Organization: *CJSC “Orenburg-GSM”*
Post: *chairman of the Board of directors*

Period: *2005 – present time*
Organization: *OJSC “TATINCOM-T”*
Post: *member of the Board of directors*

Period: *2005 – present time*
Organization: *Non-commercial Partnership “Center of investigation of telecommunications development problems”*
Post: *chairman of the partnership*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Members of the Management board:

Astakhova Svetlana Leonidovna

Year of birth: *1974*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 – 2001*

Organization: *LLC “Avantage – NN”*

Post: *director*

Period: *2001 – 2002*

Organization: *LLC “Avtozvuk”*

Post: *deputy to the director for personnel management*

Period: *2002 – 2003*

Organization: *CJSC “Sormovskaya confectionery plant”*

Post: *chief of the sector for personnel management and staff training*

Period: *2004 – 2005*

Organization: *OJSC “VolgaTelecom”*

Post: *chief of the sector for assessment and development of personnel of the Department of human resources management of the General directorate, Director of the Department of human resources management of the General directorate*

Period: *2005 – 2005*

Organization: *OJSC “VolgaTelecom”*

Post: *acting deputy to the General Director of the joint-stock company – personnel director*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *deputy to the General Director of the joint-stock company – personnel director*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Ganeeva Alla Albertovna

Year of birth: *1951*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2002*

Organization: *OJSC “Electrosvyaz” of Kaliningrad oblast*

Post: *chairman of the Board of directors*

Period: *2001 - 2002*

Organization: *OJSC “Svyazinform” of the Republic of Mordoviya*

Post: *chairman of the Board of directors*

Period: *2001 – present time*

Organization: *OJSC “Svyazinvest”*

Post: *chief of sector of communication networks service of the Department of communication*

Period: *2003 – present time*

Organization: *OJSC “Dalsvyaz”*

Post: *member of the Management board*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Management board*

Period: **2005 – present time**
Organization: **CJSC “Novocom”**
Post: **member of the auditing committee**

Equity stake in the charter capital of the issuer: **none**
Stake of the issuer’s ordinary shares: **none**
The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**
Stake in affiliated/dependent companies of the issuer: **none**
Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**
The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**
Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Dyakonov Mikhail Vasilievich

Year of birth: **1954**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - present time**

Organization: **OJSC “VolgaTelecom”**

Post: **member of the Management board**

Period: **2001 - 2005**

Organization: **OJSC “VolgaTelecom”**

Post: **deputy to the General Director for capital construction**

Period: **2005 - present time**

Organization: **OJSC “VolgaTelecom”**

Post: **deputy to the General Director of the joint-stock company for capital construction**

Period: **2001 - 2002**

Organization: **OJSC “Svyazinform” of the Republic of Mordoviya**

Post: **member of the Board of directors**

Period: **2001 - 2002**

Organization: **OJSC “Svyazinform” of the Chuvash Republic**

Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer's ordinary shares: *none*

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: *none*

Kormilitsyna Lyudmila Alexeevna

Year of birth: *1955*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2001*

Organization: *OJSC "Svyazinvest"*

Post: *head of sector of communication department*

Period: *2001 - 2002*

Organization: *OJSC "Yamalelektrosvyaz"*

Post: *chairman of the Board of directors*

Period: *2001 - 2002*

Organization: *OJSC "Svyazinform" of Penza oblast*

Post: *chairman of the Board of directors*

Period: *2001 - 2005*

Organization: *OJSC "Svyazinvest"*

Post: *deputy to the director of communication department*

Period: *2003 - present time*

Organization: *OJSC "VolgaTelecom"*

Post: *member of the Management board*

Period: *2003 - 2003*

Organization: *OJSC "Southern Telecom Company"*

Post: *member of the Management board*

Period: *2005 – present time*

Organization: *OJSC "Svyazinvest"*

Post: *deputy to the chief of sector of representatives of corporate governance Department*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer's ordinary shares: *none*

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: *none*

Omelchenko Sergey Valerievich

Year of birth: *1963*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2002*

Organization: *technical node of trunk communication and TV № 3 of branch of OJSC of DLD and ILD communication "Rostelecom"*

Post: *director of technical node - 3*

Period: *2002 - 2003*

Organization: *branch of OJSC "Rostelecom" – territorial center of DLD communication and TV № 5 (TCDLDC – 5)*

Post: *director of General directorate of TC DLDC – 5*

Period: *2003 - 2005*

Organization: *the Volga branch of OJSC "Rostelecom"*

Post: *director*

Period: *2005 – present time*

Organization: *OJSC "VolgaTelecom"*

Post: *General Director*

Period: *2005 – present time*

Organization: *OJSC "VolgaTelecom"*

Post: *chairman of the Management board*

Period: *2005 – present time*

Organization: *CJSC "NCC"*

Post: *chairman of the Board of directors*

Period: *2005 – present time*

Organization: ***CJSC “Orenburg-GSM”***
Post: ***chairman of the Board of directors***

Period: ***2005 – present time***
Organization: ***OJSC “TATINCOM-T”***
Post: ***member of the Board of directors***

Period: ***2005 – present time***
Organization: ***Non-commercial Partnership “Center of investigation of telecommunications development problems”***
Post: ***chairman of the partnership***

Equity stake in the charter capital of the issuer: ***none***

Stake of the issuer’s ordinary shares: ***none***

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: ***the issuer did not issue options***

Stake in affiliated/dependent companies of the issuer: ***none***

Stake of ordinary shares in affiliated/dependent companies of the issuer: ***none***

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: ***affiliated/dependent companies did not issue options***

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: ***none***

Petrov Mikhail Victorovich

Year of birth: ***1973***

Education: ***higher education***

Posts held during the last 5 years:

Period: ***2001 - 2001***

Organization: ***CJSC “Saratov – Mobile”***

Post: ***General Director***

Period: ***2001 – present time***

Organization: ***CJSC “Nizhny Novgorod cellular communication”***

Post: ***General Director***

Period: ***2003 – present time***

Organization: ***CJSC “Nizhny Novgorod cellular communication”***

Post: ***member of the Board of directors***

Period: ***2003 – present time***

Organization: ***CJSC “Nizhny Novgorod cellular communication”***

Post: ***chairman of the Management board***

Period: *2003 – present time*
Organization: *CJSC “Orenburg GSM”*
Post: *member of the Board of directors*

Period: *2003 – present time*
Organization: *CJSC “Ulyanovsk GSM”*
Post: *chairman of the Board of directors, member of the Board of directors*

Period: *2003 –2005*
Organization: *OJSC “TATINCOM – T”*
Post: *member of the Board of directors*

Period: *2005 – present time*
Organization: *OJSC “TATINCOM – T”*
Post: *chairman of the Board of directors*

Period: *2003 – present time*
Organization: *CJSC “Saratov Mobile”*
Post: *member of the Board of directors*

Period: *2004 – 2004*
Organization: *LLC “Udmurtskie cellular networks - 450”*
Post: *member of the Board of directors*

Period: *2004 – 2005*
Organization: *OJSC “VolgaTelecom”*
Post: *deputy to the General Director for mobile communication*

Period: *2005 – present time*
Organization: *OJSC “VolgaTelecom”*
Post: *deputy to the General Director of the joint-stock company (pluralistically)*

Period: *2004 – present time*
Organization: *OJSC “VolgaTelecom”*
Post: *member of the Management board*

Period: *2005 – present time*
Organization: *CJSC “RTCOM”*
Post: *chairman of the Board of directors*

Equity stake in the charter capital of the issuer: *none*
Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: ***the issuer did not issue options***

Stake in affiliated/dependent companies of the issuer: ***none***

Stake of ordinary shares in affiliated/dependent companies of the issuer: ***none***

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: ***affiliated/dependent companies did not issue options***

Kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: ***none***

Pozdnyakov Denis Vyacheslavovich

Year of birth: ***1976***

Education: ***higher education***

Posts held during the last 5 years:

Period: ***2001 - 2001***

Organization: ***CJSC "Lenteplosnab"***

Post: ***adviser***

Period: ***2001 – 2001***

Organization: ***CJSC "Lenteplosnab"***

Post: ***head of financial department***

Period: ***2001 – 2002***

Organization: ***CJSC "Lenteplosnab"***

Post: ***deputy to the General Director for finances and economics***

Period: ***2002 – 2002***

Organization: ***State Unitary Enterprise "St.Petersburg fuel and energy complex"***

Post: ***chief of Treasury of the sector of Finance department of the office of the director for finances***

Period: ***2002 – 2002***

Organization: ***State Unitary Enterprise "St.Petersburg fuel and energy complex"***

Post: ***director for finances***

Period: ***2002 – 2003***

Organization: ***State Unitary Enterprise "St.Petersburg fuel and energy complex"***

Post: ***first deputy to the General Director (for finances and economics)***

Period: ***2004 – 2005***

Organization: ***OJSC "Regional communal investments", Moscow***

Post: ***director for economics and finances***

Period: ***2005 – 2005***

Organization: ***OJSC "VolgaTelecom"***

Post: ***adviser for economics and finances of the General directorate management***

Period: **2005 – 2005**
Organization: **OJSC “VolgaTelecom”**
Post: **first deputy to the General Director for economics and finances of the General directorate**

Period: **2005 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **first deputy to the General Director of the joint-stock company for economics and finances**

Period: **2005 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Management board**

Period: **2005 – present time**
Organization: **CJSC “NCC”**
Post: **member of the Board of directors**

Period: **2005 – present time**
Organization: **CJSC “RTCOM”**
Post: **member of the Board of directors**

Period: **2005 – present time**
Organization: **OJSC “TATINCOM-T”**
Post: **member of the Board of directors**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Popkov Nikolai Ivanovich

Year of birth: **1973**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - 2001**

Organization: **OJSC “VolgaTelecom”**

Post: **lead accountant of general accounting department**

Period: **2001 - 2002**
Organization: **OJSC “VolgaTelecom”**
Post: **deputy to the chief accountant of general accounting department**

Period **2002 - 2002**
Organization: **OJSC “VolgaTelecom”**
Post: **first deputy to the chief accountant**

Period: **2003 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **Chief accountant of the General Directorate**

Period: **2003 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **member of the Management board**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **the issuer did not issue options**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **affiliated/dependent companies did not issue options**

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

The issuer’s single executive body: **Omelchenko Sergey Valerievich**

Omelchenko Sergey Valerievich

Year of birth: **1963**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - 2002**

Organization: **technical node of trunk communication and TV № 3 of branch of OJSC of DLD and ILD communication “Rostelecom”**

Post: **director of technical node - 3**

Period: **2002 - 2003**

Organization: **branch of OJSC “Rostelecom” – territorial center of DLD communication and TV № 5 (TCDLDC – 5)**

Post: *director of General directorate of TCDLDC – 5*

Period: *2003 - 2005*

Organization: *the Volga branch of OJSC “Rostelecom”*

Post: *director*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *General Director*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *chairman of the Management board*

Period: *2005 – present time*

Organization: *CJSC “NCC”*

Post: *chairman of the Board of directors*

Period: *2005 – present time*

Organization: *CJSC “Orenburg-GSM”*

Post: *chairman of the Board of directors*

Period: *2005 – present time*

Organization: *OJSC “TATINCOM-T”*

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *Non-commercial Partnership “Center of investigation of telecommunications development problems”*

Post: *chairman of the partnership*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *the issuer did not issue options*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *affiliated/dependent companies did not issue options*

Kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

5.3. Data on the size of remuneration, benefits and/or compensation of expenses for each management body of the issuer

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the issuer's Board of directors members:

Wages (rubles): *0*
Premia (rubles): *0*
Commission charges (rubles): *0*
Perquisites (rubles): *0*
Reimbursement of expenses (rubles): *0*
Other property provisions (rubles): *0*
Including:
Emoluments: *20 016 696*
Other payments: *0*
Total (rubles): *20 016 696*

The remuneration of the members of the Board of directors for 2005 in accordance with the Provision on the Board of directors amounts to 20 016 696 rubles. Member of the Board of directors – Lyulin V.F. is a staff member of OJSC “VolgaTelecom” and is also a member of the Issuer’s Management board. His income as a staff member is reflected in the amount of income of the Management board members.

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the members of Corporate Governance Committee with the Issuer's Board of directors:

The remuneration to the members of Corporate Governance Committee with the Issuer's Board of directors in accordance with the Provisions on the Committees for 2005 amounts to 840 440 rubles.

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the members of Strategic Development Committee with the Issuer's Board of directors:

The remuneration to the members of Strategic Development Committee with the Issuer's Board of directors in accordance with the Provisions on the Committees for 2005 amounts to 819 003 rubles.

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the members of Staff and Rewards Committee with the Issuer's Board of directors:

The remuneration to the members of Staff and Rewards Committee with the Issuer's Board of directors in accordance with the Provisions on the Committees for 2005 amounts to 702 857 rubles.

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the members of the Committee for audit with the Issuer's Board of directors:

The remuneration to the members of the Committee for audit with the Issuer's Board of directors in accordance with the Provisions on the Committees for 2005 amounts to 520 440 rubles.

The amount of income of all members of the Board of directors for 2005: **22 899 436** rubles.

Information about existing arrangements as regards such payments in current fiscal year (2006):

Members of the Company's Board of directors during the period of their duties execution are paid remuneration and compensations of expenses related to their execution of functions of the Board of directors members.

The remuneration to the members of the Board of directors consists of the quarterly and annual ones.

Quarterly remuneration to each member of the Board of directors is established in the amount of 200 000 rubles.

For the Chairman of the Board of directors the remuneration is fixed with coefficient of 1.5.

Quarterly remuneration of a member of the Board of directors is decreased by:

30% - in case of his (her) presence at less than half of sessions of the Board of directors held in the form of joint attendance;

100% - if he (she) participated in less than half of all held sessions of the Board of directors.

For the quarter, in which the re-election of the Board of directors occurred, the remuneration to a member of the Board of directors is paid proportionally to the time worked in this quarter.

Annual remuneration for the entire structure of the Company's Board of directors is established as the sum of deductions according to norms (percent):

- of the Company's EBITDA by IFRS accounting statement data for the reporting year;

- of the Company's net profit by the results of the reporting year, allocated to the payment of dividends.

Annual remuneration is distributed among all members of the Board of directors in equal shares.

Annual remuneration of a member of the Board of directors is decreased by 50% in case of his (her) participation in less than half of all Board of directors sessions held during the period of his/her term of office.

Norms (percent) of deductions for the calculation of annual remuneration are defined by the resolution of the shareholders general meeting electing the specified structure of the Board of directors.

Annual general meeting of shareholders of OJSC "VolgaTelecom" held on June 28, 2005 considered the issue of determining the size of remuneration to the Issuer's Board of directors members and the following resolution was passed:

"Approve the following norms (percent) of deductions for calculation of annual remuneration to the members of the Board of directors being elected at the specified annual general meeting of shareholders:

- in the amount of 0,115% (one hundred fifteen thousandth of percent) of the Company's EBITDA by IFRS accounting statement data for 2005;

- in the amount of 0,164% (one hundred sixty-four thousandth of percent) of the Company's net profit, allocated to the payment of dividends by the results of 2005."

Annual remuneration to a member of the Board of directors is paid not later than 3 months after the termination of the term of office of the specified Board of directors' structure.

The Board of directors members who are the members of the Company's Board of directors committee are paid an increment to quarterly remuneration, connected with performance by them of their functions of the Board of directors committees members, in the amount of 40 000 rubles (for the participation in each Committee), and the Board of directors' member may not be in more than two Board of directors' committees simultaneously.

For the Chairman of a committee with the Board of directors the specified increment is established with coefficient of 1,25.

The Board of directors' members are entitled to participate in option programs carried out by the Company.

Information about arrangements as regards such payments in current fiscal year (for quarters 3 and 4 of 2006) to the members of the issuer's Board of directors will be defined at annual general meeting of shareholders to be held in June 2006.

All kinds of remunerations that were paid by the issuer for 2005 fiscal year to the issuer's Management board members:

Wages (rubles): **11 053 861**
Premia (rubles): **15 746 418**
Commission charges (rubles): **0**
Perquisites (rubles): **0**
Reimbursement of expenses (rubles): **3 228 048**
Other property provisions (rubles): **9 678 697**
Emoluments: **5 807 637**
Other payments: **0**
Total (rubles): **45 514 661**

Remuneration to the members of the Management board for 2005 in accordance with the Provision on Management board and amounts to 5 807 637 rubles. Member of the Management board of OJSV "VolgaTelecom" – Lyulin V.F. is a member of the Issuer's Board of directors. His remuneration as a member of the Board of directors is reflected in the amount of income of the Board of directors members.

The amount of income of all members of the Management board for 2005: **45 514 661 rubles.**

Information about existing arrangements as regards such payments in current fiscal year (2006):

The members of the Company's Management board during the period of their duties execution are paid remuneration and compensations of expenses related to their execution of the functions of the members of the Management board.

The size and the procedure of payment of remuneration and also its distribution among the Management board members are defined by the resolution of the Company's Board of directors in accordance with the Provision on remuneration of OJSC "VolgaTelecom" Management board members, the specified Provision being approved by the Board of directors on March 26, 2005 (Minutes № 26).

The Management board members are entitled to participate in option programs carried out by the Company.

Information about arrangements as regards such payments in current fiscal year (for quarters 3 and 4 of 2006) to the members of the issuer's Management board will be defined at annual general meeting of shareholders to be held in June 2006.

5.4. Data on the structure and scope of competence of the bodies controlling the issuer's financial-economic activity

Full description of the structure of the bodies controlling the issuer's financial-economic activity and their competence in accordance with the issuer's charter (constitutive documents):

In accordance with article 17 of OJSC "VolgaTelecom" Charter the control over the Company's financial-economic activity is carried out by the following control authorities:

Auditing committee (independent control body of the Company elected at annual general meeting of shareholders for the period till the next annual general meeting of shareholders and consisting of 5 persons.);

Structural subdivision - Department of internal audit performing the functions of internal control;

And also an independent auditor is involved.

"The competence of the Auditing committee comprises:

- Checking of reliability of the data contained in reports and other financial documents of the Company;

- Revealing the facts of infringement of procedures of book keeping and presenting the financial reporting established by legal acts of the Russian Federation;

- Checking of compliance with legal norms during calculation and payment of taxes;

- Revealing the facts of infringement of legal acts of Russian Federation according to which the Company carries out its financial and economic activity;

- Evaluation of expediency of financial and economic operations of the Company.

17.2.3. Checking (audit) of financial and economic activity of the Company by the Auditing committee is carried out by the results of the Company's activity for a year.

Checking (audit) of financial and economic activity of the Company is carried out also at any time:

On the initiative of the Auditing committee of the Company;

By the resolution adopted by the general meeting of shareholders of the Company;

By the decision of the Board of directors of the Company;

At the request of a shareholder (shareholders) of the Company owning in aggregate at least 10 percent of the Company's voting shares on all issues of the competence of the general meeting of shareholders as of the date of the request submitting.

17.2.4. At the request of the Auditing committee, the persons occupying posts in the Company's management bodies are obliged to present documents on financial and economic activity of the Company.

17.2.5. The procedure of activity of the Auditing committee, and also the size and the procedure of payment of remuneration to the Auditing committee members are defined by the Provision on the Auditing committee of the Company, approved by the general meeting of shareholders.

17.3. In order to secure permanent internal control of all economic operations in the Company, the special structural sub-division is created in the Company, not dependent on agencies of the Company. Its activity is supervised directly by the Board of directors of the Company.

The functions of the specified structural sub-division, the due procedure of its activity, the procedure of appointment of the workers, requirements to them are defined by an internal document approved by the Board of directors of the Company.

17.4. For checking and confirming the correctness of the annual financial reporting, the Company annually employs a professional auditor who is not connected by property interests with the Company or its shareholders.

17.4.1. An auditor carries out auditing of financial and economic activity of the Company according to legal acts of Russian Federation on the basis of the contract concluded with it.

17.4.2. The General meeting of shareholders approves the auditor of the Company. The terms and conditions of the contract concluded with the auditor, include the size of payment for its services, and are approved by the Board of directors of the Company.

17.4.3. Auditing of the Company's activity should be carried out at any time on demand of shareholders with cumulative share in the authorized capital of 10 percent or more. Shareholders - initiators of auditing submit a written requirement to the Board of directors which should contain the cause of requirement, the name (names) of shareholders, quantity and category (type) of shares belonging to them, the signature of the shareholder or of his authorized proxy. If the requirement is signed by the authorized proxy, the document confirming his power of attorney should be also enclosed."

Information about availability of the issuer's internal document laying down the rules on preventing the insider dealings:

The resolution of the Company's Board of directors (minutes № 35 of 27.06.2005) approved the Provision on the procedure of using the information on OJSC "VolgaTelecom" activity, on its securities and transactions with them, the information not being accessible to the public and its misuse or disclosure is capable to affect materially the market value of OJSC "VolgaTelecom" securities.

The definitive text of the effective wording of the internal document laying down the rules on preventing the insider dealings is available at the Company's web-site in the Internet at: <http://www.vt.ru/?id=3547>

5.5. Information about the persons making up the structure of bodies controlling the issuer's financial-economic activity

The structure of the Company's Auditing committee

The Auditing committee consists of 5 persons:

Golubitskyi Bogdan Ivanovich

Year of birth: ***1979***

Education: ***higher education***

Posts held during the last 5 years:

Period: ***2001 - 2001***

Organization: ***OJSC "Svyazinvest"***

Post: ***specialist of 1-st category of the sector of analysis, forecasting and summary planning of business processes of the department of economic forecasting and summary planning***

Period: ***2001 – 2002***

Organization: ***OJSC "Svyazinvest"***

Post: ***leading specialist of the sector of economic planning and budgeting of the department of economic and tariff policy***

Period: **2002 – 2003**

Organization: **OJSC “Svyazinvest”**

Post: **main specialist of the sector of economic planning and budgeting of the department of economic and tariff policy**

Period: **2003 – 2005**

Organization: **OJSC “Svyazinvest”**

Post: **main specialist of the sector of budgeting of the department of economic planning and budgeting**

Period: **2005 – present time**

Organization: **OJSC “Svyazinvest”**

Post: **chief of the sector of budgeting of the department of economic planning and budgeting**

Period: **2005 – present time**

Organization: **OJSC “Uralsvyazinform”**

Post: **member of the Auditing committee**

Period: **2005 – present time**

Organization: **OJSC “VolgaTelecom”**

Post: **member of the Auditing committee**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **none**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **none**

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Zubova Tatiana Yurievna

Year of birth: **1960**

Education: **higher education**

Posts held during the last 5 years:

Period: **2000 - 2000**

Organization: **RAO “Unified Energy System of Russia”**

Post: **chief of the sector of reporting of the department of accounting and reporting**

Period: **2003 – 2003**

Organization: *OJSC “Svyazinvest”*

Post: *contract labor in the sector of methodology of the department of accounting records*

Period: *2003 – 2004*

Organization: *OJSC “Svyazinvest”*

Post: *main specialist of the sector of methodology of the department of accounting records*

Period: *2004 – present time*

Organization: *OJSC “Svyazinvest”*

Post: *deputy to the chief of the sector of methodology of the department of accounting records*

Period: *2005 – present time*

Organization: *CJSC “Startcom”*

Post: *auditor*

Period: *2005 – present time*

Organization: *CJSC “Yeniseitelecom”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Auditing committee*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *none*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *none*

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Kachurin Alexander Vladimirovich

Year of birth: *1969*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2003*

Organization: *branch of OJSC Bank “MENATEP St.P” in Voronezh city*

Post: *specialist, senior specialist of the sector of crediting*

Period: *2003 – present time*

Organization: *OJSC “Svyazinvest”*

Post: *chief of the sector of treasury of the department of finances*

Period: *2004 – 2005*

Organization: *OJSC “CenterTelecom”*

Post: *member of the Auditing committee*

Period: *2004 – 2005*

Organization: *CJSC JSCIB “Pochtobank”*

Post: *member of the Auditing committee*

Period: *2004 – 2005*

Organization: *CJSC “Yeniseitelecom”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “Sibirtelecom”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “North-West Telecom”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *CJSC “STeC GSM”*

Post: *member of the Auditing committee*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *none*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *none*

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

Koroleva Olga Grigorievna

Year of birth: *1950*

Education: *higher education*

Posts held during the last 5 years:

Period: **2001 - 2003**
Organization: **OJSC “Svyazinvest”**
Post: **chief of the sector of methodology of the department of accounting records**

Period: **2003 - 2005**
Organization: **OJSC “Svyazinvest”**
Post: **deputy to the chief accountant**

Period: **2005 – present time**
Organization: **OJSC “Svyazinvest”**
Post: **chief accountant**

Period: **2003 - 2004**
Organization: **CJSC “Vladimir-Teleservice”**
Post: **member of the Auditing committee**

Period: **2003 - 2004**
Organization: **CJSC “Nizhegorodteleservice”**
Post: **member of the Auditing committee**

Period: **2005 – present time**
Organization: **OJSC “Giprosvyaz”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**
Organization: **OJSC “Uralsvyazinform”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**
Organization: **OJSC “Central telegraph”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**
Organization: **OJSC “Dalsvyaz”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**
Organization: **CJSC “MC NTT”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**
Organization: **OJSC “AEROCOM”**
Post: **chairman of the Auditing committee**

Period: **2005 – present time**

Organization: ***OJSC “VolgaTelecom”***
Post: ***chairman of the Auditing committee***

Equity stake in the charter capital of the issuer: ***none***

Stake of the issuer’s ordinary shares: ***none***

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: ***none***

Stake in affiliated/dependent companies of the issuer: ***none***

Stake of ordinary shares in affiliated/dependent companies of the issuer: ***none***

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: ***none***

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: ***none***

Feoktistova Nataliya Vadimovna

Year of birth: ***1966***

Education: ***higher education***

Posts held during the last 5 years:

Period: ***2001 –2002***

Organization: ***OJSC “Electrosvyaz” of Ulyanovsk oblast***

Post: ***member of the Board of directors***

Period: ***2001 - 2003***

Organization: ***OJSC “Svyazinvest”***

Post: ***main specialist of legal provision department***

Period: ***2001 –2002***

Organization: ***OJSC “Kirovelectrosvyaz”***

Post: ***member of the Board of directors***

Period: ***2003 – 2005***

Organization: ***OJSC “Svyazinvest”***

Post: ***head of the group for operation with affiliated companies of legal provision department***

Period: ***2005 – present time***

Organization: ***OJSC “Svyazinvest”***

Post: ***head of sector of legal provision department***

Period: ***2004 – present time***

Organization: ***OJSC “JSC Mobiltelecom”***

Post: ***member of the Board of directors***

Period: ***2005 –2005***

Organization: ***Open Joint Stock Company “Information technologies of communication”***

Post: *member of the Board of directors*

Period: *2005 – present time*

Organization: *CJSC “Mobitel”*

Post: *auditor*

Period: *2005 – present time*

Organization: *OJSC “Uralsvyazinform”*

Post: *member of the Auditing committee*

Period: *2005 – present time*

Organization: *OJSC “VolgaTelecom”*

Post: *member of the Auditing committee*

Equity stake in the charter capital of the issuer: *none*

Stake of the issuer’s ordinary shares: *none*

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: *none*

Stake in affiliated/dependent companies of the issuer: *none*

Stake of ordinary shares in affiliated/dependent companies of the issuer: *none*

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: *none*

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: *none*

As of 31.03.06 the Department of internal audit with the General Directorate of OJSC “VolgaTelecom” consists of 5 persons:

Zuikina Tatiana Victorovna

Year of birth: *1957*

Education: *higher education*

Posts held during the last 5 years:

Period: *2001 - 2003*

Organization: *Municipal enterprise “Tomskvodokanal”*

Post: *chief accountant*

Period: *2003 – 2004*

Organization: *Municipal unitary enterprise “Vodokanal”, Nizhny Novgorod city*

Post: *chief accountant*

Period: *2004 – 2004*

Organization: *Ministry of fuel and energy, municipal housing economy department*

Post: *deputy to the sector’s chief*

Period: **2004 - 10.2005**
Organization: ***OJSC Istra's road-building department***
Post: ***deputy to the director for economics***

Period: **10.2005 – present time**
Organization: ***OJSC "VolgaTelecom"***
Post: ***deputy to the director of the Department of internal audit***

Equity stake in the charter capital of the issuer: ***none***
Stake of the issuer's ordinary shares: ***none***
The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: ***none***
Stake in affiliated/dependent companies of the issuer: ***none***
Stake of ordinary shares in affiliated/dependent companies of the issuer: ***none***
The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: ***none***
The nature of any kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: ***none***

Ivashova Lyudmila Alexandrovna

Year of birth: ***1959***

Education: ***higher education***

Posts held during the last 5 years:

Period: **2001 – 2004**
Organization: ***OJSC "Gorky Railroad"***
Post: ***chief accountant of general service department***

Period: **2004 – 08.2005**
Organization: ***OJSC "VolgaTelecom"***
Post: ***main specialist of the Department of internal audit***

Period: **08.2005 – present time**
Organization: ***OJSC "VolgaTelecom"***
Post: ***chief of methodology sector of the Department of internal audit***

Equity stake in the charter capital of the issuer: ***none***
Stake of the issuer's ordinary shares: ***none***
The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: ***none***
Stake in affiliated/dependent companies of the issuer: ***none***
Stake of ordinary shares in affiliated/dependent companies of the issuer: ***none***

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: **none**

The nature of any kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: **none**

Ilyina Nataliya Vladimirovna

Year of birth: **1969**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 - 2003**

Organization: **OJSC "VolgaTelecom"**

Post: **main specialist in taxes**

Period: **2003 – 2005**

Organization: **OJSC "VolgaTelecom"**

Post: **main specialist of the Department of internal audit**

Period: **01.2006 – present time**

Organization: **OJSC "VolgaTelecom"**

Post: **specialist of 1-st category of the Department of internal audit**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer's ordinary shares: **none**

The quantity of the issuer's shares of each category (type) that may be acquired as a result of exercising the issuer's options rights: **none**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer's affiliated or dependent company: **none**

The nature of any kinship with other persons being the members of the issuer's management bodies and/or the bodies controlling the issuer's financial-economic activity: **none**

Ablyasov Vladimir Pavlovich

Year of birth: **1967**

Education: **higher education**

Post held during the last 5 years:

Period: **2001 - 2002**

Organization: **Inspection of Taxation Ministry for Avtozavodskiy district of Nizhny Novgorod city**

Post: **tax inspector of 2-nd rank**

Period: **2002 – 2002**
Organization: **OJSC “VolgaTelecom”**
Post: **inspector-auditor of auditing section**

Period: **2002 – 11.2005**
Organization: **OJSC “VolgaTelecom”**
Post: **main specialist of the Department of internal audit**

Period: **11.2005 – 12.2005**
Organization: **OJSC “VolgaTelecom”**
Post: **specialist of 1-st category of the Department of internal audit**

Period: **01.2006 – present time**
Organization: **OJSC “VolgaTelecom”**
Post: **specialist of 2-nd category of the Department of internal audit**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **none**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **none**

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

Bryskina Olga Vyacheslavovna

Year of birth: **1969**

Education: **higher education**

Posts held during the last 5 years:

Period: **2001 – 2002**
Organization: **LLC “Konfid-Audit”**
Post: **guidance counselor**

Period: **2002 – 2003**
Organization: **LLC “Nizhegorodgazaudit”**
Post: **assistant to an auditor**

Period: **2003 – 2004**
Organization: **LLC “Audit Company “Yumita”**
Post: **chief accountant**

Period: **2004 – 2005**

Organization: **OJSC “VolgaTelecom”**

Post: **specialist of 1-st category of the Department of internal audit**

Period: **01.2006 – 02.2006**

Organization: **OJSC “VolgaTelecom”**

Post: **specialist of 2-nd category of the Department of internal audit**

Period: **02.2006 – present time**

Organization: **OJSC “VolgaTelecom”**

Post: **specialist of 1-st category of the Department of internal audit**

Equity stake in the charter capital of the issuer: **none**

Stake of the issuer’s ordinary shares: **none**

The quantity of the issuer’s shares of each category (type) that may be acquired as a result of exercising the issuer’s options rights: **none**

Stake in affiliated/dependent companies of the issuer: **none**

Stake of ordinary shares in affiliated/dependent companies of the issuer: **none**

The quantity of shares of affiliated or dependent company of the issuer of each category (type) that may be acquired as a result of exercising the rights on options of the issuer’s affiliated or dependent company: **none**

The nature of any kinship with other persons being the members of the issuer’s management bodies and/or the bodies controlling the issuer’s financial-economic activity: **none**

5.6. Data on the size of remuneration, benefits and/or compensation of expenses for the body controlling the issuer’s financial-economic activity

Information about the size of remuneration, perquisites and/or reimbursement of expenses to the bodies controlling the issuer’s financial-economic activity for 2005:

Wages (rubles): **1 424 985**

Premia (rubles): **810 825**

Commission charges (rubles): **0**

Perquisites (rubles): **0**

Reimbursement of expenses (rubles): **0**

Other property provisions (rubles): **0**

Emoluments (rubles): **3 192 823**

Other payments (rubles): **464 377**

Total (rubles): **5 893 010**

The amount of income of all the members of the Auditing committee for 2005: **3 192 823 rubles.**

The payments to the members of the Auditing committee in 2005 consist of remuneration defined in accordance with the Provision on the Auditing committee.

For the Auditing committee's work (including for holding sessions of the Auditing committee and for the time of carrying out audits) the Issuer provides premises equipped with office appliances (telephones, faxes, computers, printers and other office appliances at reasonable request of the Auditing committee's chairman). The premises provided should be located so that they made no hindrances in the Auditing committee's work.

The Auditing committee at the expense of the Issuer is provided with stationery and other expendable materials in the amount necessary for the Auditing committee's activity.

The members of the Auditing committee are compensated all confirmed expenses related to their execution of their duties of the members of the Auditing committee.

The members of the Auditing committee in the period of their execution of their duties are paid quarterly remuneration in the amount of 150 000 rubles to each of them.

The quarterly remuneration for the Auditing committee chairman is established with coefficient 1,3.

The remuneration of the Auditing committee member for the quarter, in which the re-election of the Auditing committee occurred, is paid proportionally to the time worked in the quarter.

The amount of income of the employees of the Department of internal audit and control of the issuer for 2005: **2 700 187 rubles.**

The income of the Department of internal audit and control employees consists of income of OJSC "VolgaTelecom" staff employees including wages in the amount of 1 424 985 rubles in accordance with staffing table, premia in the amount of 810 825 rubles and other income from the Issuer in the amount of 464 377 rubles.

5.7. Data on the numbers and generalized data on education and composition of the issuer's employees (workers), and also the data on the change of the numbers of the issuer's employees (workers)

The issuer's staff on the payroll, including the employees working in its branches and representation offices, and also the amount of deductions for wages and social insurance:

Item description	2001*	2002**	2003**	2004**	2005**
Staff on the payroll, men	8 806	51 164	49 278	47 730	46 449
The share of the issuer's employees, having higher professional education, %	17,2%	20,3%	21,5%	23,2%	25,03
The amount of monetary funds spent for labor remuneration, thousand rubles	392 602,6	2 662 708,0	3 698 310,4	4 735 009,4	5 698 037, 5
The amount of monetary funds spent to social welfare, thousand rubles	10 355,3	52 860,6	73 403,9	86 222,6	119 345,5
Total amount of spent monetary funds, rubles	402 957,9	2 715 568,6	3 771 714,3	4 821 232,0	5 817 383,0

* The data for 2001 are the data of OJSC "Nizhegorodsvyazinform".

** The data for 2002, 2003, 2004 and 2005 are the data of OJSC "VolgaTelecom".

Considerable increase in the manpower in 2002 occurred due to affiliation to OJSC "Nizhegorodsvyazinform" of 10 communication enterprises of the Volga region and the establishment of OJSC "VolgaTelecom".

38% increase in the amount of monetary funds spent for labor remuneration in 2003 vs. 2002 occurred due to raise in wages.

28% increase in the amount of monetary funds spent for labor remuneration in 2004 vs. 2003 occurred due to raise in wages.

20% increase in the amount of monetary funds spent for labor remuneration in 2005 vs. 2004 occurred due to raise in wages.

Item description	Reporting period Quarter 1 of 2006
Staff on the payroll, men	<i>44943</i>
The share of the issuer's employees, having higher professional education, %	<i>25,6</i>
The amount of monetary funds spent for labor remuneration, thousand rubles	<i>1318628,6</i>
The amount of monetary funds spent to social welfare, thousand rubles	<i>22698,7</i>
Total amount of spent monetary funds, thousand rubles	<i>1341327,3</i>

The change of the number of the issuer's employees (workers) for the reporting period is not significant for the issuer.

The employees materially affecting the Issuer's financial-economic activity (key employees)
Omelchenko Sergey Valerievich – OJSC "VolgaTelecom" General Director

The issuer's employees (workers) established trade union body, which is functioning now.

5.8. Data on any liabilities of the issuer to the employees (workers) related to their capabilities to participate in the issuer's Charter (reserve) capital (share fund)

The issuer's obligations relating to the capability of the issuer's employees (workers) to participate in its charter capital:

The Issuer has no obligations to the employees (workers) related to their capability to participate in the Issuer's charter capital.

Information about granting or possibility of granting of the issuer's options to the issuer's employees (workers): *The Issuer did not float options.*

VI. Data on the issuer's participants (stockholders) and on related party transactions made by the issuer

6.1. Data on the total number of the issuer's stockholders (participants)

Total number of persons registered in the issuer's shareholders register as of the date of the end of the reporting quarter: **28 169**

Total number of the nominee holders of the issuer's shares: **24**

6.2. Data on the issuer's participants (stockholders) possessing at least 5% of the issuer's Charter (reserve) capital (share fund) or at least 5% of the issuer's common stock, and also the data on participants (stockholders) of such entities, possessing at least 20% of the Charter (reserve) capital (share fund) or at least 20% of their common stock

The structure of the issuer's shareholders possessing at least 5 percent of its Charter capital or at least 5 percent of the issuer's ordinary shares.

1. Full and abbreviated brand names:

***Open Joint Stock Company "Investment company of communication"
OJSC "Svyazinvest"***

Location: ***119121, Moscow, Pluyshchikha str., 55, bld. 2***

Taxpayer Identification Number: ***7710158355***

The size of the issuer's participant (shareholder) stake in the issuer's charter capital: ***38,0035%***

The size of the stake of the issuer's common stock: ***50,6704%***

Shareholders (participants) possessing at least 20% of the charter capital or at least 20% of ordinary shares of the issuer's shareholder (participant):

1.1. Full and abbreviated brand names:

Mustcom Limited

Location:

5 Themistoklis Dervi Street,

Elenion Building,

1066 Nicosia,

Cyprus

Size of share in the charter capital of the issuer's shareholder (participant): ***25%+1 share***

The size of the stake of ordinary shares with the shareholder (participant) of the issuer:
25%+1 share

The size of the stake in the issuer's charter capital: ***none***

The size of the stake of the issuer's ordinary shares: ***none***

1.2. Full and abbreviated brand names:

**Russian Federation represented by Federal agency for federal property management
Ros.imushchestvo**

Location: **103685, Moscow, Nikolskiy pereulok, 9**

Taxpayer Identification Number: **7710542402**

Size of share in the charter capital of the issuer's shareholder (participant): **75% - 1 share**

The size of the stake of ordinary shares with the shareholder (participant) of the issuer:
75% - 1 share

The size of the stake in the issuer's charter capital: **none**

The size of the stake of the issuer's ordinary shares: **none**

Nominee holders in favor of which the issuer's shares making up at least 5% of the issuer's charter capital or at least 5% of the issuer's ordinary stock are registered in the issuer's shareholders register:

2. Full and abbreviated brand names:

(Nominee shareholder)

"ING BANK (Eurasia) CJSC" (CLOSED JOINT STOCK COMPANY)

"ING BANK (Eurasia) CJSC"

Location:

127473, Moscow, Krasnoproletarskaya str., 36

Contact phone: **(495) 755-54 00**

Fax: **(495) 755-54 99**

E-mail address: mail@ibimos.ru

Number, issue date and validity term of the license of professional participant at the securities market:

**№ 077-07405-001000 of 23.01.2004 – securities management activity
till 23.01.2007.**

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

Number, issue date and validity term of the license of professional participant at the securities market:

**№ 177-03870-010000 of 13.12.2000 – dealer activity
without limitation of validity term**

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

Number, issue date and validity term of the license of professional participant at the securities market:

**№ 177-03809-100000 of 13.12.2000 – brokerage activity
without limitation of validity term**

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

Number, issue date and validity term of the license of professional participant at the securities market:

***№ 177-03728-000100 of 07.12.2000 – depositary activity
without limitation of validity term***

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

The quantity of the issuer's ordinary stock registered in the register of the issuer's shareholders in favor of the nominee holder: ***57 953 619 pieces***

3. Full and abbreviated brand names:

(Nominee shareholder)

***Closed Joint Stock Company "Depositary – Clearing Company"
CJSC "DCC"***

Location:

115162, Moscow, Shabolovka str., 31, structure B

Contact phone: ***(495) 956-09 99; 411-83 38***

Fax: ***(495) 232-68 04; 411-83 37***

E-mail address: **dcc@dcc.ru**

Number, issue date and validity term of the license of professional participant at the securities market:

***№ 177-06236-000100 of 09.10.2002 – depositary activity
without limitation of validity term***

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

Number, issue date and validity term of the license of professional participant at the securities market:

№ 177-06229-000010 of 07.10.2002 – clearing activity

Name of the body that issued the license of professional participant at the securities market:
Russia's FCSM

The quantity of the issuer's ordinary stock registered in the register of the issuer's shareholders in favor of the nominee holder: ***13 903 701 pieces***

6.3. Data on participation share of the state or municipal formation in the issuer's Charter (reserve) capital (share fund), availability of special right ("golden share")

The size of the stake of the issuer's charter capital being in state (federal) property: ***0,6004232 %***

Full brand name: ***Specialized government agency with Russian Federation government "Russian Fund of Federal property"***

Location: ***119049, Moscow, Leninskyi avenue, 9***

The size of the stake of the issuer's charter capital being in state (*RF subjects*) property: ***0,0000015***

%

Full brand name: *State unitary enterprise of Nizhny Novgorod oblast*

Regional agency of investments promotion

Location: *603086, Nizhny Novgorod city, Sovnarkomovskaya str., 13*

The availability of the special right for participation of Russian Federation, of Russian Federation subjects, of municipal formations in managing the issuer – joint stock company (of “golden share”): *Special right for participation of Russian Federation, of Russian Federation subjects, of municipal formations in managing the issuer – joint stock company (of “golden share”) is not stipulated.*

6.4. Data on limitations for participation in the issuer’s Charter (reserve) capital (share fund)

In the Issuer’s Charter there are no limitations of the number of shares belonging to one shareholder and/or of their total face value, and/or of maximum number of votes granted to one shareholder.

According to Russian Federation legislation or to other regulations of Russian Federation there are no limitations of the stake of participation of foreign entities/persons in the issuer’s charter capital.

There are no other limitations related to participation in the Issuer’s Charter capital.

6.5. Data on changes in the structure and scope of participation of the issuer’s stockholders (participants) possessing at least 5% of the issuer’s Charter (reserve) capital (share fund) or at least 5% of the issuer’s common stock

Structures of the issuer’s shareholders (participants) who possessed at least 5% of the issuer’s charter capital or at least 5% of the issuer’s ordinary stock defined as of the date of the list of persons/entities who had the right to participate in every general meeting of the issuer’s shareholders (participants) held during the last 5 accomplished fiscal years preceding the end date of the reporting quarter as per the list of persons/entities who had the right to participate in every of such meetings.

On June 25, 2001 annual general meeting of shareholders of OJSC “Svyazinform” of Nizhny Novgorod oblast (OJSC “Nizhegorodsvyazinform”) took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – April 28, 2001.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company’s ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company’s charter capital, %	Stake of the Company’s ordinary stock, %
1.	Open Joint Stock Company “Investment company of communication”	38,0 %	50,7%

	OJSC “Svyazinvest”		
2.	Closed Joint Stock Company “Bank Credit Swiss First Boston AO” – nominee shareholder : RED HAND INVESTMENTS LIMITED	18,5%	21,2%
		8,4%	11,2%
3.	Closed Joint Stock Company “Depository-Clearing Company” (CJSC “DCC”) - nominee shareholder	5,0%	1,6%
4.	ING BANK (EURASIA) CJSC – ING DEPOSITARY – nominee shareholder: The Bank of New York International Nominees	9,0%	12,0%
		9,0%	12,0%

On November 9, 2001 extraordinary general meeting of shareholders of OJSC “Svyazinform” of Nizhny Novgorod oblast (OJSC “Nizhegorodsvyazinform”) took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – September 10, 2001.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company’s ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company’s charter capital, %	Stake of the Company’s ordinary stock, %
1.	Open Joint Stock Company “Investment company of communication” OJSC “Svyazinvest”	38,0 %	50,7%
2.	Closed Joint Stock Company “Bank Credit Swiss First Boston AO” – nominee shareholder : RED HAND INVESTMENTS LIMITED	18,3%	21,0%
		8,4%	11,2%
3.	ING BANK (EURASIA) CJSC – ING DEPOSITARY – nominee shareholder: The Bank of New York International Nominees	9,0%	12,0%
		9,0%	12,0%

On June 28, 2002 annual general meeting of shareholders of OJSC “Svyazinform” of Nizhny Novgorod oblast (OJSC “Nizhegorodsvyazinform”) took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – May 9, 2002.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company’s ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company “Investment company of communication” OJSC “Svyazinvest”	38,0 %	50,7%
2.	“ING BANK (EURASIA) CJSC” (Closed Joint Stock Company) – nominee shareholder: - “JP MORGAN CHASE BANK”	10,1%	13,0%
		8,4%	11,1%
3.	Closed Joint Stock Company “Bank Credit Swiss First Boston AO” - nominee shareholder: - RED HAND INVESTMENTS LIMITED	18,8%	21,0%
		8,4%	11,2%
4.	Closed Joint Stock Company “Depository-Clearing Company” (CJSC “DCC”) - nominee shareholder	8,9%	8,1%

On February 12, 2003 extraordinary general meeting of shareholders of OJSC “VolgaTelecom” took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – December 26, 2002.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company's ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company “Investment company of communication” (OJSC “Svyazinvest”)	38,0 %	50,7%
2.	Closed Joint Stock Company “Depository-Clearing Company” (CJSC “DCC”) - nominee shareholder	9,7%	7,0%
3.	“ING BANK (EURASIA) CJSC” (Closed Joint Stock Company)- nominee shareholder	15,0%	15,9%

On March 26, 2003 joint (extraordinary) general meeting of shareholders of OJSC “VolgaTelecom” took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – January 24, 2003.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company's ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company "Investment company of communication" (OJSC "Svyazinvest")	38,0 %	50,7%
2.	Closed Joint Stock Company "Depositary-Clearing Company" (CJSC "DCC") - nominee shareholder	10,0%	7,3%
3.	"ING BANK (EURASIA) CJSC" (Closed Joint Stock Company) - nominee shareholder	14,8%	15,6%

On June 27, 2003 annual general meeting of shareholders of OJSC "VolgaTelecom" took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – May 8, 2003.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company's ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company "Investment company of communication" (OJSC "Svyazinvest")	38,0 %	50,7%
2.	Closed Joint Stock Company "Depositary-Clearing Company" (CJSC "DCC") - nominee shareholder	9,9%	6,6%
3.	"ING BANK (EURASIA) CJSC" (Closed Joint Stock Company) – nominee shareholder: - "JP MORGAN CHASE BANK"	18,4%	18,8%
		5,3%	7,1%

On June 22, 2004 annual general meeting of shareholders of OJSC "VolgaTelecom" took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – May 3, 2004.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company's ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company "Investment company of communication" (OJSC "Svyazinvest")	38,0%	50,7%
2.	Closed Joint Stock Company "Depositary-Clearing Company" (CJSC "DCC") - nominee shareholder	8,9%	5,4%
3.	"ING BANK (EURASIA) CJSC" (Closed Joint Stock Company) – nominee shareholder: - "JP MORGAN CHASE BANK"	17,3%	19,8%
		9,1%	12,2%

On June 28, 2005 annual general meeting of shareholders of OJSC "VolgaTelecom" took place. The date of making up the list of persons/entities having the right to participate in annual general meeting of shareholders – May 10, 2005.

The list of shareholders who possessed at least 5% of the charter capital or at least 5% of the Company's ordinary stock.

№№	Full and abbreviated brand name	Stake in the Company's charter capital, %	Stake of the Company's ordinary stock, %
1.	Open Joint Stock Company "Investment company of communication" (OJSC "Svyazinvest")	38,0%	50,7%
2.	Closed Joint Stock Company "Depositary-Clearing Company" (CJSC "DCC") - nominee shareholder	8,3%	5,1%
3.	"ING BANK (EURASIA) CJSC" (Closed Joint Stock Company) – nominee shareholder: - "JP MORGAN CHASE BANK N.A."	18,9%	22,3%
		11,5%	15,3%
4.	Lindsell Enterprises Limited	6,2%	1,2%

6.6. Data on related party transactions made by the issuer

Total quantity and the total amount in monetary terms of related party transactions approved by each management body of the issuer based on the results of the last reporting quarter:

The issuer made 10 (ten) related party transactions approved by the Company's Board of directors.

	<i>Quantity of transactions, pieces</i>		<i>Amount of transactions</i>	
	<i>Rubles</i>	<i>US\$</i>	<i>Rubles (VAT inclusive)</i>	<i>US\$</i>
Total quantity of made related party transactions (approved by the issuer's Board of directors)	8	2		
Total amount of related party transactions made by the issuer for the reporting quarter, in monetary terms			29 180 173,20	2 779 772,78
Total:	10			

The issuer did not make related party transactions (groups of interrelated transactions) that required the approval of the general meeting of shareholders.

The issuer did not make related party transactions (groups of interrelated transactions) the price of which is 5 and more percent of the issuer's balance-sheet assets defined by the data of its accounting statement as of the last reporting date prior to the conclusion of the transaction made by the issuer during the last reporting quarter.

In the reporting quarter the issuer did not make related party transactions (groups of interrelated transactions) not approved by the Board of directors or general meeting of shareholders of the issuer in cases when such approval is mandatory in accordance with Russian Federation legislation.

6.7. Data on the size of the accounts receivable

The data on the total amount of accounts receivable of the issuer with separate indication of the total amount of overdue accounts receivable for the last 5 accomplished fiscal years:

Item description	2001	2002	2003	2004	2005
Accounts receivable, total, (lines 230, 240 of form №1), thousand rubles	338 654	1 117 471	1 640 295	1 503 063	1 784 171
Overdue accounts receivable, thousand rubles	96 676	-	-	-	-

Item description	2001	2002	2003	2004	2005
Allowance for doubtful accounts, thousand rubles*	-	266 033	462 875	1 257 316	1 185 612

The data for 2001 are the data of OJSC "Nizhegorodsvyazinform", the data for 2002 – 2005 are the data of OJSC "VolgaTelecom".

* - since 2002 the reserve for doubtful accounts receivable is established by the Issuer. The calculation of the reserve is presented in the table.

As of 31.12.2005 the Issuer established reserve for doubtful accounts receivable in the amount of 1 185 612 thousand rubles.

There are no debtors which debt amount is at least 10 percent of the total amount of accounts receivable (for each debtor) for the last 5 accomplished fiscal years and as of 31.12.2005.

Item description	Quarter 1 of 2005	Quarter 1 of 2006
Accounts receivable, total (lines 230, 240 of form №1), thousand rubles	1 842 108	2 398 567
Overdue accounts receivable, thousand rubles	0	0
Allowance for doubtful accounts, thousand rubles	1 279 698	1 069 748

The structure of the issuer's accounts receivable with indication of the date of obligations performance for the last accomplished fiscal year and for the last accomplished reporting period (thousand rubles):

As of 31.12.2005

Kind of Accounts receivable	Payment occurrence date	
	Less than 1 year	Over 1 year
Accounts receivable of buyers and customers, thousand rubles	1 450 998	2 319
including overdue, thousand rubles	-	x
Accounts receivable by bills receivable, thousand rubles	-	-
including overdue, thousand rubles	-	x
Accounts receivable of participants (founders) related to the contributions to the charter capital, thousand rubles	-	-
including overdue, thousand rubles	-	x
Accounts receivable related to advance payments made, thousand rubles	107 837	950
including overdue, thousand rubles	-	x
Other accounts receivable, thousand rubles	210 550	11 517
including overdue, thousand rubles	-	x
Total, thousand rubles	1 769 385	14 786
including overdue, thousand rubles	-	-

As of 31.03.2006.

Kind of Accounts receivable	Payment occurrence date	
	Less than 1 year	Over 1 year

Accounts receivable of buyers and customers, thousand rubles	2 027 977	2 077
including overdue, thousand rubles	–	X
Accounts receivable by bills receivable, thousand rubles	–	–
including overdue, thousand rubles	–	X
Accounts receivable of participants (founders) related to the contributions to the charter capital, thousand rubles	–	–
including overdue, thousand rubles	–	X
Accounts receivable related to advance payments made, thousand rubles	158 416	-
including overdue, thousand rubles	–	X
Other accounts receivable, thousand rubles	198 696	11 401
including overdue, thousand rubles	–	X
Total, thousand rubles.	2 385 089	13 478
including total overdue, thousand rubles	–	X

As of 01.04.2006 there are no debtors which debt amount is at least 10 percent of the total amount of accounts receivable (for each debtor).

VII. The issuer's accounting statement and other financial information

7.1. The issuer's annual accounting statement

a) In accordance with Russian Federation legislation requirements the issuer forms the annual accounting statement with the following documents:

- *Balance sheet (form № 1 by OKUD),*
- *Income statement (form № 2 by OKUD),*
- *Statement of changes of capital (form № 3 by OKUD),*
- *Cash flow statement (form № 4 by OKUD),*
- *Supplements to balance sheet (form № 5 by OKUD),*
- *Explanatory memorandum to accounting statement.*

The annual accounting statement is subject to obligatory audit and is released with auditor's report attached. The auditor of the accounting statement for 2005 is Limited Liability Company "Ernst and Young".

The following documents are attached to the report for quarter 1 of 2006: annual accounting statement (Supplement № 2), auditor's report (Supplement № 3) and explanatory memorandum to the accounting statement of the Issuer for 2005 (Supplement № 4).

b) The Issuer has no annual accounting statement made in accordance with International Financial Reporting Standards or USA generally accepted accounting principles.

7.2. The issuer's quarterly accounting statement for the last accomplished reporting quarter

a) In accordance with Russian Federation legislation requirements the Issuer forms quarterly accounting statement with the following documents:

- Balance sheet (form № 1 by OKUD),*
- Income statement (form № 2 by OKUD)*

*Quarterly accounting statement of the issuer for quarter 1 of 2006 is attached.
Supplement № 5.*

b) There is no Issuer's obligation (it is not fixed in constituent documents and adopted accounting policy) to form quarterly financial statement made in accordance with International Standards of Financial Reporting or USA generally accepted accounting principles.

7.3. The issuer's consolidated accounting statement for the last accomplished fiscal year.

There is no issuer's consolidated accounting statement for 2005 made in accordance with Russian Federation legislation requirements.

The Company's obligation to draw up consolidated accounting statement is established by item 91 of Order of RF Ministry of Finance № 34 н "On approval of Provision on book-keeping and accounting statement in Russian Federation" of 29.07.1998.

According to item 8 of RF Ministry of Finance Order № 112 of December 30, 1996 "On recommended practice on making and presentation of consolidated accounting statement", a group has the right not to make consolidated accounting statement by the rules stipulated in normative acts and instructional guidelines on accounting of Russian Federation Ministry of Finance, in case if the following conditions are simultaneously observed:

- consolidated accounting statement is drawn up on the basis of International Financial Reporting Standards (IFRS) elaborated by the Committee on international financial reporting standards;

- a group should ensure reliability of consolidated accounting statement made on IFRS basis;

- explanatory memorandum to the consolidated accounting statement contains a list of applied requirements of accounting statement, discloses the methods of book-keeping, including assessments which differ from the rules stipulated by normative acts and instructional guidelines on accounting of Russian Federation Ministry of Finance.

The Issuer meets all the specified requirements:

1) The Issuer forms consolidated reporting in accordance with the International Financial Reporting Standards.

2) Consolidated statement is released with auditor's report attached.

According to RF Ministry of Finance Order № 112 of 30.12.1996 "On recommended practice on making and presentation of consolidated accounting statement", "it is reasonable for parent organization to make consolidated accounting statement not later than June 30 of the year

following the reporting year, if otherwise is not stipulated by Russian Federation legislation or by the constituent documents of this organization.”

The Issuer’s consolidated (summary) statement for 2005 made in accordance with International Financial Reporting Standards will be drawn up by the Issuer in the specified terms – before June 30, 2006.

3) Explanatory memorandum to the consolidated accounting statement contains a list of applied requirements of accounting statement, discloses the methods of book-keeping, including assessments which differ from the rules stipulated by normative acts and instructional guidelines on accounting of Russian Federation Ministry of Finance.

The Issuer does not form consolidated (summary) accounting statement with other legal entities in accordance with Russian Federation legislation requirements.

The Issuer forms the annual consolidated financial statement in accordance with International Financial Reporting Standards requirements with the following documents:

- Balance sheet,*
- Income statement,*
- Cash flow statement,*
- Statement of flows of shareholders proprietary resources;*
- Notes.*

Consolidated financial reporting in accordance with International Financial Reporting Standards requirements is subject to obligatory audit and is released with auditor’s report attached.

7.4. Data on the issuer’s accounting policy.

*In the report for quarter 1 of 2006 the Issuer’s Accounting policy for the current 2006 fiscal year is disclosed, the specified policy being defined in accordance with Russian Federation legislation on accounting and approved by the order of CEO.
Supplement № 6*

7.5. Data on total amount of export, and also on the share of export in the total volume of sales

Total amount of the issuer’s revenues received from export of products (goods, works, and services), and also the share of such revenues in the issuer’s revenues from ordinary activities, the specified share being calculated for each reporting period separately:

The Issuer does not export products (goods, works and services).

7.6. Data on the cost of the issuer’s real property and on essential changes occurred in the structure of the issuer’s property following the end date of the last accomplished fiscal year

Total cost of the real property and the amount of accumulated depreciation as of the end date of the last accomplished fiscal year – as of 31.12.2005 and of the last accomplished reporting period – as of March 31, 2006:

Thousand rubles		
Item description	Amount as of 31.12.2005	Amount as of 31.03.2006
Total cost of the real property	4 332 900	4 440 280
Amount of accumulated depreciation	946 605	977 647
Residual cost	3 386 295	3 462 633

During 12 months till to the end date of the reporting quarter – 31.03.2006 the real property owned by the Issuer or rented by it on a long-term basis was not evaluated.

There were no material facts affecting the Issuer's financial-economic activity occurred for the period after the end date of the last accomplished fiscal year till the end date of the reporting quarter.

There were no material changes in the structure of the Issuer's property after the end date of the last accomplished fiscal year till the end date of the reporting quarter – 31.03.2006, among them there were no acquisition / retirement of the Issuer's property the balance cost of which is over 5 % of the Issuer's balance-sheet assets.

7.7. Data on the issuer's participation in legal processes in case when such participation may materially affect the issuer's financial-economic activity

The Issuer did not participate in legal processes which could materially affect its financial-economic activity.

VIII. Additional data on the issuer and issuing securities placed by the issuer

8.1. Additional data on the issuer

8.1.1. Data on the size, structure of the issuer's Charter (reserve) capital (share fund)

The size of the issuer's charter capital as of the end date of the reporting quarter (rubles):

1 639 764 970

Breakdown of the charter capital by the category of shares:

Ordinary shares (pieces): **245 969 590**

total face value (rubles): **1 229 847 950**

the size of the stake in the charter capital: **75.001477 %**

Preferred shares (pieces): **81 983 404**

total face value (rubles): **409 917 020**

the size of the stake in the charter capital: **24.998523 %**

A part of the issuer's shares is circulating outside Russian Federation by way of circulation in accordance with foreign law of securities of foreign issuers certifying the rights in relation to the issuer's shares.

Category (type) of shares circulating outside Russian Federation:

Registered paperless ordinary shares (within the Program of American Depositary Receipts (ADR) of Level I).

The stake of shares circulating outside Russian Federation of the total number of shares of the appropriate category (type): ***17,9282 %***

The name, location of foreign issuer the securities of which certify the rights in relation to the issuer's shares of the appropriate category (type):

JP Morgan Chase Bank, N.A., 1111 Polaris Parkway, Columbus, Ohio 43240

JP Morgan Chase Bank Trinity Tower, 9 Thomas More Street, London E1W 1YT, United Kingdom.

Brief description of the program (program type) of the issue of securities of the foreign issuer certifying the rights in relation to the shares of the appropriate category (type):

In October 1997 the Program of American Depositary Receipts of Level I (Level I ADR Program) for the issuer's ordinary shares was registered. One ADR corresponds to 2 shares. The ADRs are circulated at the USA OTC market, and also at Frankfurt stock exchange (FSE), Berlin stock exchange (BerSE), Xetra, and Stuttgart stock exchange (SSE).

The data on obtaining the permission of Federal Commission to allow the issuer's shares of the appropriate category (type) for circulation outside Russian Federation:

In accordance with item 2 of Russia's FCSM Regulation № 3 of March 13, 2001 the requirement of obtaining Russia's FCSM permission to allow the circulation of issuing securities of Russian issuers outside Russian Federation in the form of ADRs is not applicable for securities circulating outside RF in the specified form on the effective date of the Regulation, correspondingly the issuer did not apply earlier for the appropriate permission of Russia's FCSM.

Currently, in accordance with order № 04 – 1232 / n3 – u of Russia's Federal Service for Financial Markets of December 15, 2004 the permission is obtained for the admittance for circulation of the issuer's ordinary registered paperless shares outside Russian Federation borders in the quantity of 65 673 880 pieces.

The name of a foreign trade organizer (trade organizers) via which the securities of the foreign issuer are circulating, which certify the rights in relation to the issuer's shares:

At this time there is no foreign trade organizer

Other data on the circulation of the issuer's shares outside Russian Federation are provided by the issuer's sole discretion:

JP Morgan Chase Bank is the Depositary Bank since April 2002.

Additional information on the issuer's Program of American Depositary Receipts is posted at: <http://www.adr.com> (the ticker of the Company's ADR - VLGAY).

8.1.2. Data on the changes in the size of the issuer's Charter (reserve) capital (share fund).

Data on the change in the size of the issuer's charter capital for the last 5 accomplished fiscal years preceding the end date of the reporting quarter, and also as of the last reporting date:

Size of the issuer's charter capital, rubles	The structure of the issuer's charter capital	The name of the issuer's management body that passed the resolution on the change of the charter capital size	The date of drawing up and the number of the minutes of the meeting (session) of the management body, when the resolution on the change of the charter capital size was passed.	The size of the issuer's charter capital after the change, rubles
As of 01.01.2001:				
583 387 500	Ordinary shares: 87 508 200 pieces (75% of the charter capital) Preferred shares: 29 169 300 pieces (25% of the charter capital)	—	—	The size of the issuer's charter capital was not changed, rubles
As of 01.01.2002:				
583 387 500	Ordinary shares: 87 508 200 pieces (75% of the charter capital) Preferred shares: 29 169 300 pieces (25% of the charter capital)	The Board of directors	Minutes № 2 of July 17, 2002.	1 639 764 970 rubles *
As of 01.01.2003:				
1 639 764 970	Ordinary shares: 87 508 200 pieces (75% of the charter capital) Preferred shares: 29 169 300 pieces (25% of the charter capital)	---	---	The size of the issuer's charter capital was not changed, rubles **
As of 01.01.2004:				
1 639 764 970	Ordinary shares: 245 969 590 pieces (75% of the charter capital) Preferred shares: 81 983 404 pieces (25 % of the charter capital)	—	—	The size of the issuer's charter capital was not changed, rubles
As of 01.01.2005:				
1 639 764 970	Ordinary shares: 245 969 590 pieces (75% of the charter capital) Preferred shares: 81 983 404 pieces (25 % of the charter capital)	---	---	The size of the issuer's charter capital was not changed, rubles
As of 01.01.2006:				

1 639 764 970	Ordinary shares: 245 969 590 pieces (75% of the charter capital) Preferred shares: 81 983 404 pieces (25 % of the charter capital)	---	---	The size of the issuer's charter capital was not changed, rubles
As of 31.03.2006:	245 969 590 pieces (75% of the charter capital) Preferred shares: 81 983 404 pieces (25 % of the charter capital)	---	---	The size of the issuer's charter capital was not changed, rubles

* On 25.10.2002 Russia's FCSM registered the decisions on the issues of the Company's ordinary and preferred shares, placed by means of converting the shares of joint-stock companies that affiliated to the Company into the Company's shares.

** On 24.01.2003 Russia's FCSM registered the reports on the results of the issues of ordinary and preferred shares.

8.1.3. Data on forming and usage of reserve fund and also of other funds of the issuer

The information for the last 5 accomplished fiscal years preceding the end date of the reporting quarter, and also for the reporting quarter on the reserve fund, and also on each other fund of the issuer, the specified fund being formed at the expense of the issuer's net profit:

1) The name of the fund: *reserve fund*

The reserve fund is established in accordance with requirements of article 35 of RF Federal law № 208-Φ3 of 26.12.1995 "On joint-stock companies" and amounts to 5% of the size of the issuer's charter capital.

Report period	The size of the fund established by the constituent documents	Fund size		Amount of transfers to the fund during the reporting period, thousand rubles	The amount of funds spent during the reporting period (thousand rubles) and the trends of usage of the fund's means
		In money terms, thousand rubles	In % of the charter capital		
2001	5% of the charter capital	58 798	10,0	15 113	The fund's means were not used.
2002		72 832	4,40	14 034	The fund's means were not used.
2003		81 988	5,0	9 156	The fund's means were not used.
2004		81 988	5	-	The fund's means were not used.
2005		81 988	5	-	The fund's means were not used.
Q 1 of 2006		81 988	5	-	The fund's means were not used.

2) The name of the fund: *Social sphere fund*

Data on forming and usage of social sphere fund:

Report period	The size of the fund established by the constituent documents	Fund size		Amount of transfers to the fund during the reporting period, thousand rubles	The amount of funds spent during the reporting period (thousand rubles) and the trends of usage of the fund's means
		In money terms, thousand rubles	In % of the charter capital		
2001	It is not established.	313	-	-	The fund's means were not used.
2002		-	-	-	313 is revested to non-distributed profit.

2003	-	-	-	The fund's means were not used.
2004	-	-	-	The fund's means were not used.
2005	-	-	-	The fund's means were not used.
1 KB 2006	-	-	-	The fund's means were not used.

The trend of spending social sphere fund means in 2002 – *the fund was revested to undistributed profit of past years due to the change of chart of accounts in accordance with Order № 94H of RF Ministry of Finances of 30.10.2000 “On approval of chart of accounts of financial-economic activity of organization and instruction of its application”*

8.1.4. Data on the procedure of convening and holding a meeting (session) of the issuer’s supreme management body

General meeting of shareholders is the supreme management body of the Company.

The procedure of notification of the participants on holding the meeting of the issuer’s supreme management body:

“Notification on holding general meeting of shareholders should be made public at least 30 days prior to the date of its holding.

In case, if the proposed agenda for extraordinary general meeting of shareholders contains the issue of electing the Company’s Board of directors, the notification on the extraordinary general meeting of shareholders holding should be made public at least 50 days prior to its holding.

In case, if the extraordinary General meeting of stockholders is called on demand of the Company’s Auditing committee, the Company’s auditor or shareholders (shareholder) who are the owners of at least 10 percent of the Company’s voting shares, then the communication on holding the extraordinary General meeting of stockholders should be made public not later than 20 days prior to the date of its holding.

At the specified dates the notice on holding the General meeting of stockholders should be sent to each person indicated in the list of persons entitled to participate in the shareholders general meeting, by a registered letter or delivered to each of the specified persons with receipt acknowledgement, or published in the newspaper “Rossiiskaya gazeta”.

Persons (bodies) who have the right to convene (require convocation) of extraordinary meeting of the issuer’s supreme management body, and also the procedure of sending (making) such request:

Extraordinary general meeting of shareholders is held by the decision of the Board of directors basing on its own initiative; request of the Company’s Auditing committee, the Company’s auditor, and also the shareholders (shareholder) who are the owners of at least 10% of the Company’s voting shares as of the date of the request making. The convocation of extraordinary general meeting of shareholders at the request of the Company’s Auditing committee, the Company’s auditor or shareholders (shareholder) who are the owners of at least 10% of the Company’s voting shares is carried out by the Company’s Board of directors.

At preparation of extraordinary shareholders general meeting, which agenda includes the issue of electing the Company’s Board of directors, shareholders (shareholder), who are in aggregate the owners of at least 2 % of the Company’s voting shares, have the right to nominate the

candidates to the Company's Board of directors, the number of which cannot exceed the quantitative structure of the Board of directors, as established by the Charter. Such proposals should come to the Company not later than 30 days prior to the date of holding extraordinary shareholders general meeting.

The request for holding extraordinary general meeting of shareholders should contain the issues subject to introducing into the agenda of the meeting. The request for holding extraordinary general meeting of shareholders may contain formulations of resolutions for each of these issues, and also the suggestion about the form of holding shareholders general meeting.

In the case when the request for convening extraordinary general meeting of shareholders is made by a shareholder (shareholders), it should contain name (names) of the shareholder (shareholders), requesting to convene such meeting, and the indication of the number, category (type) of shares they possess.

The request for convening extraordinary general meeting of shareholders is signed by the entity (entities), demanding to convene extraordinary general meeting of shareholders.

The procedure of defining the date of holding the meeting of the issuer's supreme management body:

The Company is obliged to hold annually the general meeting of shareholders (annual general meeting of shareholders) not earlier than in four months and not later than in six months after the fiscal year end. Shareholders general meetings held in addition to the annual general meeting are extraordinary. Shareholders general meeting has no right to consider and pass resolutions on the issues which are not referred to its competence.

The date of holding shareholders general meeting in accordance with the Company's charter is defined by the Board of Directors.

Extraordinary general meeting of shareholders, convened at the request of the Company's Auditing committee, of the Company's auditor or of shareholders (shareholder) who are the owners of at least 10% of the Company's voting shares should be held within 40 days since the date of presentation of request the on holding extraordinary general meeting of shareholders.

Extraordinary general meeting of shareholders, convened at the request of the Company's Auditing committee, the Company's auditor or the shareholders (shareholder) who are the owners of at least 10% of the Company's voting shares; the agenda of this meeting containing the issue of electing the Company's Board of directors, should be held within 70 days since the date of presentation of the request about holding extraordinary general meeting of shareholders.

In case, when the number of the members of the Company's Board of directors becomes less than the quorum for holding the sessions of the Company's Board of directors, the extraordinary general meeting of shareholders convened by the decision of the Company's Board of directors basing on its own initiative for the solution of the issue on electing the Company's Board of directors, should be held within 70 days since the date of adopting the resolution on its holding by the Company's Board of directors.

Persons/entities entitled to introduce motions into the agenda of the meeting of the issuer's supreme management body, and also the procedure of introducing such motions:

Shareholders (shareholder), who in aggregate are the owners of at least 2 % of the Company's voting shares, have the right to introduce issues into the agenda of the annual general meeting of shareholders and nominate the candidates to the Company's bodies of management and control, elected by the shareholders general meeting, and also to nominate the candidates to the Company's Board of directors, the Company's Auditing committee, the number of which cannot exceed the quantitative structure of the appropriate body as established by the Charter. Such proposals should come to the Company in the written form with indication of the name of shareholders (shareholder) who made the proposal, number and category (type) of shares they

possess and should be signed by the shareholders (shareholder) not later than in 60 days after the fiscal year end.

The persons/entities entitled to familiarize with information (materials) provided for preparation and holding of the meeting of the issuer's supreme management body, and also the procedure of familiarization with such information (materials):

The persons/entities having the right to participate in general meeting of shareholders, as per the procedure and to the address (addresses) indicated in the notification on holding general meeting of shareholders, are provided with the following information (materials):

Annual accounting statement, including the auditor's report, the Company's Auditing committee report based on the results of the annual accounting statement check;

Data on the candidates to the Company's Board of directors, to the Company's Auditing committee;

The draft of modifications and amendments introduced to the Company's Charter, or the draft of the Company's Charter in a new wording;

The drafts of the Company's internal documents, the drafts of other documents, the adoption of which is stipulated by the drafts of resolutions of shareholders general meeting, the drafts of resolutions of shareholders' general meeting;

Other information (materials) required for provision in accordance with current legislation, and also other information (materials) for passing the resolutions on the issues of the agenda of shareholders' general meeting, included by the Board of directors into the list of information (materials) provided to the shareholders during the preparation for holding shareholders' general meeting.

8.1.5. Data on commercial organizations in which the issuer possesses at least 5% of the Charter (reserve) capital (share fund) or at least 5% of common stock

The list of commercial organizations, in which the issuer possesses at least 5 % of the charter (reserve) capital (share fund) or at least 5 % of ordinary stock as of the end date of the last reporting quarter:

1. Full (abbreviated) name, location: ***Closed Joint Stock Company "Nizhny Novgorod Cellular Communication" (CJSC "NCC") Nizhny Novgorod city, Gorky sq., Dom Svyazi***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: ***100 %***

The stake of common stock of the commercial organization belonging to the issuer: ***100 %***

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: ***none***

The stake of the issuer's common stock belonging to the commercial organization: ***none***

2. Full (abbreviated) name, location: ***Closed Joint Stock Company "RTCOM" (CJSC "RTCOM"), Saransk town, Kosarev street, 15***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: ***100 %***

The stake of common stock of the commercial organization belonging to the issuer: **100 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**
The stake of the issuer's common stock belonging to the commercial organization: **none**

3. Full (abbreviated) name, location: ***Closed Joint Stock Company "TeleSvyazInform" (CJSC "TSI"), Saransk town, Bolshevistskaya str., 13***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **100 %**
The stake of common stock of the commercial organization belonging to the issuer: **100 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**
The stake of the issuer's common stock belonging to the commercial organization: **none**

4. Full (abbreviated) name, location: ***Closed Joint Stock Company "Digital telecommunications" (CJSC "Digital telecommunications"), Cheboksary town, Shumilov str., 20***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **100 %**
The stake of common stock of the commercial organization belonging to the issuer: **100 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **0,000558%**
The stake of the issuer's common stock belonging to the commercial organization: **none**

5. Full (abbreviated) name, location: ***Limited Liability Company "NIZHEGORODSKIY TELESERVICE" (LLC "NIZHEGORODSKIY TELESERVICE"), Nizhny Novgorod city, Gorky sq., Dom Svyazi***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **100 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**
The stake of the issuer's common stock belonging to the commercial organization: **none**

6. Full (abbreviated) name, location: ***Limited Liability Company "VYATKASVYAZSERVICE" (LLC "VYATKASVYAZSERVICE"), Kirov city, Drelevsky str., 43/1***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **100 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**
The stake of the issuer's common stock belonging to the commercial organization: **none**

7. Full (abbreviated) name, location: ***Closed Joint Stock Company "Transsvyaz" (CJSC "Transsviyaz"), Nizhny Novgorod city, Chaadaev str., 2***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **80 %**
The stake of common stock of the commercial organization belonging to the issuer: **80 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**
The stake of the issuer's common stock belonging to the commercial organization: **none**

8. Full (abbreviated) name, location: ***Open Joint Stock Company "Informational commercial networks "Omrix" (OJSC ICN "Omrix"), RF, Orenburg city, Tereshkova str., 10***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **73,6 %**
The stake of common stock of the commercial organization belonging to the issuer: **73,6 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

9. Full (abbreviated) name, location: ***Closed Joint Stock Company "Orenburg-GSM" (CJSC "Orenburg-GSM"), Orenburg city, Volodarsky str., 11***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **51 %**

The stake of common stock of the commercial organization belonging to the issuer: **51 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

10. Full (abbreviated) name, location: ***Closed Joint Stock Company "Ulyanovsk-GSM" (CJSC "Ulyanovsk-GSM"), Ulyanovsk city, L.Tolstoy str., 60***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **60%**

The stake of common stock of the commercial organization belonging to the issuer: **60 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

11. Full (abbreviated) name, location: ***Limited Liability Company "Izhcom" (LLC "Izhcom"), Izhevsk city, Pushkinskaya str., 278***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **100%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

12. Full (abbreviated) name, location: ***Open Joint Stock Company "TATINCOM-T" (OJSC "TATINCOM-T"), RF, the Republic of Tatarstan, Kazan city, Lomzhinskaya str., 20A***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **50% + 1 ordinary share**

The stake of common stock of the commercial organization belonging to the issuer: **50% + 1 share**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

13. Full (abbreviated) name, location: ***Closed Joint Stock Company "Public telephone Saratov" (CJSC "PTS"), Saratov city, Kiselev str., 40***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **50% + 1 preferred share**

The stake of common stock of the commercial organization belonging to the issuer: **50%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

14. Full (abbreviated) name, location: ***Closed Joint Stock Company “Nizhny Novgorod radio telephone” (CJSC “Nizhny Novgorod radio telephone”)***, Nizhny Novgorod, Gorky sq., Dom Svyazi

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **50%**

The stake of common stock of the commercial organization belonging to the issuer: **50%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

15. Full (abbreviated) name, location: ***Closed Joint Stock Company “Saratov-Mobile” (CJSC “Saratov -Mobile”), Saratov city, Kiselev str., 40***

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **50%**

The stake of common stock of the commercial organization belonging to the issuer: **50%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

16. Full (abbreviated) name, location: ***Closed Joint Stock Company “Chery Page” (CJSC “Chery Page”), Cheboksary town, K.Ivanov str., 83***

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **50%**

The stake of common stock of the commercial organization belonging to the issuer: **50%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

17. Full (abbreviated) name, location: ***Closed Joint Stock Company Commercial Bank “C-Bank” (JSCB “C-Bank”), Izhevsk city, Lenin str., 6***

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **41,73%**

The stake of common stock of the commercial organization belonging to the issuer: **41,73%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **0,001439 %**

The stake of the issuer’s common stock belonging to the commercial organization: **0,001919%**

18. Full (abbreviated) name, location: ***Closed Joint Stock Company “Nizhegorodteleservice” (CJSC “Nizhegorodteleservice”), Nizhny Novgorod city, Gorky sq., Dom Svyazi***

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **40 %**

The stake of common stock of the commercial organization belonging to the issuer: **40 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

19. Full (abbreviated) name, location: ***Closed Joint Stock Company “Penza Mobile” (CJSC “Penza Mobile”), Penza city, Kuprin str., 1/3***

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **40 %**

The stake of common stock of the commercial organization belonging to the issuer: **40 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

20. Full (abbreviated) name, location: ***Closed Joint Stock Company "Chuvashiya Mobile" (CJSC "Chuvashiya Mobile"), Cheboksary town, K.Ivanov str., 83***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **30 %**

The stake of common stock of the commercial organization belonging to the issuer: **30 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

21. Full (abbreviated) name, location: ***Closed Joint Stock Company "Samara-Telecom" (CJSC "Samara-Telecom"), Samara city, Polevaya str., 43***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **27,8 %**

The stake of common stock of the commercial organization belonging to the issuer: **27,8 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

22. Full (abbreviated) name, location: ***Open Joint Stock Company "Information technologies of communication" (OJSC "Svyazintek") Moscow, Pluyshchikha str., 55, bld. 2***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **13 %**

The stake of common stock of the commercial organization belonging to the issuer: **13 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

23. Full (abbreviated) name, location: ***Closed Joint Stock Company "Ericsson svyaz" (CJSC "Ericsson svyaz"), Nizhny Novgorod city, Gagarin av., 37***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **24 %**

The stake of common stock of the commercial organization belonging to the issuer: **24 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

24. Full (abbreviated) name, location: ***Limited Liability Company "Agrocompany "Reanta" (LLC "Agrocompany "Reanta"), Yoshkar-Ola town, Chavaina blvd., 11a***

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **20,86 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer's common stock belonging to the commercial organization: **none**

25. Full (abbreviated) name, location: **Limited Liability Company Commercial-production company “NN-Rossvyazinform” (LLC CPC “Rossvyazinform”), Nizhny Novgorod city, Gorky sq., Dom Svyazi**

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **20%**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

26. Full (abbreviated) name, location: **Closed Joint Stock Company “Reg-Time” (CJSC “Reg-Time”), Samara city, Krasnodonskaya str., 68**

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **17 %**

The stake of common stock of the commercial organization belonging to the issuer: **17 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

27. Full (abbreviated) name, location: **Closed Joint Stock Company “Rostelegraph” (CJSC “Rostelegraph”), Moscow, Tverskaya str., 7**

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **15,69 %**

The stake of common stock of the commercial organization belonging to the issuer: **15,69 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

28. Full (abbreviated) name, location: **Closed Joint Stock Company “Center of Authorial Medical Technologies and Innovations” (CJSC “CAMTI”), RF, the Republic of Mordoviya, Saransk town, 60 years of October avenue, 6**

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **14 %**

The stake of common stock of the commercial organization belonging to the issuer: **14 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

29. Full (abbreviated) name, location: **Closed Joint Stock Company Science-Engineering center “Comset” (CJSC SEC “Comset”), Moscow, Zelenyi pereulok, 7**

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: **11,09 %**

The stake of common stock of the commercial organization belonging to the issuer: **11,09 %**

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: **none**

The stake of the issuer’s common stock belonging to the commercial organization: **none**

30. Full (abbreviated) name, location: **Closed Joint Stock Company “Agency for protection of competition and consumer rights” (CJSC “ECAD”), Pavlovo town of Nizhny Novgorod oblast, Suvorov str., 1**

The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **10,4 %**
The stake of common stock of the commercial organization belonging to the issuer: **10,4 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

31. Full (abbreviated) name, location: ***Closed Joint Stock Company "TeleRoss-Samara" (CJSC "TeleRoss-Samara"), Samara, Polevaya str., 43***
The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **10 %**
The stake of common stock of the commercial organization belonging to the issuer: **10 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

32. Full (abbreviated) name, location: ***Limited Liability Company "Samara payphone" (LLC "Samara payphone"), Samara, Penzenskaya str., 68***
The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **10 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

33. Full (abbreviated) name, location: ***Closed Joint Stock Company "Startcom" (CJSC "Startcom"), Moscow-49, GSP-1, 2-nd Spasonalivkovskiy pereulok, 1***
The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **7,4 %**
The stake of common stock of the commercial organization belonging to the issuer: **7,4 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

34. Full (abbreviated) name, location: ***Closed Joint Stock Company "RusLeasingSvyaz" (CJSC "RusLeasingSvyaz"), Moscow, B-49, 2-nd Spasonalivkovskiy pereulok, 6***
The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **7,35 %**
The stake of common stock of the commercial organization belonging to the issuer: **7,35 %**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

35. Full (abbreviated) name, location: ***Limited Liability Company "PAKT" (LLC "PAKT"), Penza city, Stroiteley avenue, 130-248***
The issuer's stake in charter (reserve) capital (share fund) of commercial organization: **6,25%**
The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer:
none
The stake of the issuer's common stock belonging to the commercial organization: **none**

36. Full (abbreviated) name, location: *Closed Joint Stock Company “Orenburg Card-Center” (CJSC “Orencard”), Orenburg city, Chkalov str., 32a*

The issuer’s stake in charter (reserve) capital (share fund) of commercial organization: *5 %*

The stake of common stock of the commercial organization belonging to the issuer: *5 %*

The stake of the commercial organization in the Charter (reserve) capital (share fund) of the issuer: *none*

The stake of the issuer’s common stock belonging to the commercial organization: *none*

8.1.6. Data on revenue-intensive transactions made by the issuer

Data on revenue-intensive transaction (groups of interrelated transactions), the value of liabilities under which is 10 and more percent of the balance-sheet value of the issuer’s assets as per the data of its accounting statement as of the last reporting quarter preceding the date when the transaction was made, the specified transaction being made for the last 5 accomplished fiscal years preceding the reporting quarter:

On October 23, 2002 Joint Stock commercial Savings bank of RF (OJSC) (hereinafter “Creditor”) and the issuer (hereinafter “Guarantor”) concluded contract of guarantee; its subject matter is the Guarantor’s obligation to be liable to the Creditor for performance of OJSC “RTK-LEASING” (hereinafter “Borrower”) of obligations under Credit agreement of opening nonrevolving credit line in the amount of 630 560 000 (six hundred thirty million five hundred sixty thousand) rubles for the period till August 15, 2007.

The Guarantor’s limit of liability to the Creditor is 815 000 000 (eight hundred fifteen million) rubles or 24,86% of the issuer’s balance-sheet assets cost as per the data of accounting statement for the last accomplished reporting period preceding the date of the transaction settlement – quarter 2 of 2002.

The Guarantor is liable to the Creditor jointly with the Borrower for the performance of obligations under the Credit agreement, including obligations of reimbursement of credit, payment of interest, payment for usage of open limit of credit line, payment for resource reservation, cancellation penalty, reimbursement of court and other costs related to debt recovery and other losses of the Creditor, caused by non-performance or improper performance by the Borrower of its obligations under the Credit agreement.

In case of the Borrower’s delay in payment under the Credit agreement the Guarantor is obliged not later than 5 business days since the time of receipt of the Creditor’s request in writing to pay the amount overdue by the Borrower inclusive of cancellation penalty as of the date of actual payment of the Borrower’s debt under the Credit agreement.

The Creditor has the right for direct debiting of the sum in acquittance of principal debt, of interest, payment for usage of open limit of credit line, payment for resource reservation and cancellation penalty from the Guarantor’s settlement accounts in case of the Borrower’s non-performance of its obligations under the Credit agreement.

The contract becomes effective since the signature date by the Parties. The contract’s validity is terminated after the Borrower performed all its obligations under the Credit agreement or after the Parties performed their obligations under the Contract, or in other cases stipulated by current legislation.

In accordance with sub-item 19 of item 13.4. of the issuer’s Charter the approval of

transactions related to acquisition, assignment or capability of assignment by the Company directly or indirectly of property the cost of which is from 0,5 to 25 percent of the Issuer's assets balance-sheet value determined as per the data of its accounting statement as of the last reporting date is within the competence of the Board of directors. The transaction was approved by the Issuer's Board of directors on October 23, 2002.

Data on revenue-intensive transactions made by the issuer for the reporting quarter:

There were no transactions (groups of interrelated transactions), the value of which is 10 and more percent of the balance-sheet value of the issuer's assets as per the data of its accounting statement as of the last reporting date preceding the date when the transaction was made, the specified transaction having been made by the issuer for the reporting quarter.

8.1.7. Data on the issuer's credit ratings

The object of credit rating appropriation: *the issuer*

The value of credit rating as of the date of the reporting quarter end:

Long-term corporate foreign currency credit rating: **"B+"**.

Outlook **"Stable"**.

Long-term corporate domestic currency credit rating: **"B+"**.

Outlook **"Stable"**.

By Russian scale "ruA +".

The background of credit rating value change for the last 5 accomplished fiscal years preceding the date of the reporting quarter end:

1) On international scale:

Long-term corporate foreign currency credit rating: **"B-"**.

Outlook **"Stable"**.

Date: **12.03.2002**

Long-term corporate domestic currency credit rating: **"B-"**.

Outlook **"Stable"**.

Date: **12.03.2002**

2) On international scale:

Long-term corporate foreign currency credit rating: **"B"**.

Outlook **"Stable"**.

Date: **12.02.2003**

Long-term corporate domestic currency credit rating: **"B"**.

Outlook **"Stable"**.

Date: **12.02.2003**

On Russian scale:

Long-term credit rating: **"ruA-"**.

Date: **13.03.2003**

3) On international scale:

Long-term corporate foreign currency credit rating: “**B+**”.

Outlook “**Stable**”.

Date: **15.04.2005**

Long-term corporate domestic currency credit rating: “**B+**”.

Outlook “**Stable**”.

Date: **15.04.2005**

On Russian scale:

Long-term credit rating: “**ruA+**”.

Date: **15.04.2005**

Full and abbreviated brand name, location of organization having given the credit rating:

Standard & Poor's - 55

Water Street,

New York, NY,

United States

Representation office of “Standard & Poor’s International Services, Inc.” corporation:

125009, Moscow, Vozdvizhenka str., 4/7, bld. 2, business-center “Mokhovaya”, 7-th floor

Brief description of the method of credit rating giving:

The following areas are being analyzed: business features (market, position in competition, management and strategy), financial profile (financial policy, profitability, capital structure, performances of cash flows, financial flexibility).

The address of the web-site in the Internet where free access is provided to the information about the method of credit rating giving:

<http://www.standardandpoors.ru/page.php?path=process>.

Other data on credit rating: **none**

The object of credit rating giving: ***the issuer’s securities (bonds)***

Credit rating value as of the date of the reporting quarter end:

On Russian scale:

Credit rating to priority unsecured ruble issue of the issuer’s bonds for the amount 3 billion rubles (of BT-2 series): “ruA+”.

The Bonds of BT-2 series are retired in succession by installments during the following periods:

On the 1092-nd day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (02.12.2008),

On the 1274-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (02.06.2009),

On the 1456-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (01.12.2009),

On the 1638-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (01.06.2010),

On the 1820-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (30.11.2010).

Credit rating to priority unsecured ruble issue of the issuer's bonds for the amount 2,3 billion rubles (of BT-3 series): "ruA+".

The Bonds of BT-3 series are retired in succession by installments during the following periods

On the 1092-nd day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (02.12.2008),

On the 1274-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (02.06.2009),

On the 1456-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (01.12.2009),

On the 1638-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (01.06.2010),

On the 1820-th day since the date of the placement start each Bond is retired partially in the amount of 20% of the face value of the issue (30.11.2010).

The background of credit rating value change for the last 5 accomplished fiscal years, preceding the date of the reporting quarter end:

The object of credit rating giving: *the issuer's securities (bonds)*

Credit rating value, the date of giving (changing) credit rating value:

On Russian scale:

Credit rating to priority unsecured ruble issue of the issuer's bonds for the amount 1 billion rubles with maturity term in February 2006 (of BT-1 series): "ruA-".

Date: *13.03.2003*

On Russian scale:

Credit rating to priority unsecured ruble issue of the issuer's bonds for the amount 1 billion rubles with maturity term in February 2006 (of BT-1 series): "ruA+".

Date: *15.04.2005*

On Russian scale:

Credit rating to priority unsecured ruble issue of the issuer's bonds for the amount 3 billion rubles (of BT-2 series): "ruA+".

Date: *14.12.2005*

On Russian scale:

Credit rating to priority unsecured ruble issue of the issuer's bonds for the amount 2,3 billion rubles. (of BT-3 series): "ruA+".

Date: *14.12.2005*

Full and abbreviated brand name, location of organization having given the credit rating:

Standard & Poor's - 55

Water Street,

New York, NY,

United States

Representation office of “Standard & Poor’s International Services, Inc.” corporation:
125009, Moscow, Vozdvizhenka str., 4/7, bld. 2, business-center “Mokhovaya”, 7-th floor

Brief description of the method of credit rating giving:

The following areas are being analyzed: business features (market, position in competition, management and strategy), financial profile (financial policy, profitability, capital structure, indicators of cash flows, financial flexibility).

The address of the web-site in the Internet where the information is published about the method of credit rating giving: <http://www.standardandpoors.ru/page.php?path=process>.

Kind, series, form and other identification features of securities:

Kind: ***bonds***

Series: ***BT – 1***

Form: ***paper bearer***

Type: ***interest - bearing***

State registration number of securities issue: ***№ 4-43- 00137-A***

State registration date: ***24.01.2003***

Kind, series, form and other identification features of securities:

Kind: ***bonds***

Series: ***BT - 2***

Form: ***paper (payable to bearer with obligatory central storage)***

Type: ***interest – bearing, inconvertible***

State registration number of securities issue: ***№ 4-44- 00137-A***

State registration date: ***10.11.2005***

Kind, series, form and other identification features of securities:

Kind: ***bonds***

Series: ***BT - 3***

Form: ***paper (payable to bearer with obligatory central storage)***

Type: ***interest – bearing, inconvertible***

State registration number of securities issue: ***№ 4-45- 00137-A***

State registration date: ***10.11.2005***

Other data on credit rating: ***none***

Estimation method - ***STANDARD & POOR'S proprietary method:***

“Standard & Poor’s” gives rating only if adequate information is available, on the basis of transparent method, which takes into account quantitative and qualitative parameters, financial risks and business- risks.

The method of Standard & Poor’s ratings appropriation differs depending on issuer’s categories and rating type. Thus, in the case of companies the business features (market, position in competition, management and strategy), financial profile (financial policy, profitability, capital structure, indicators of money flows, financial flexibility) are analyzed.

After making decision on obtaining rating, the agreement is signed, in which basic parameters of relations between Standard & Poor's and the issuer are established with precise formulation of liabilities of both the parties. Upon the receipt of request for rating appropriation the analytical group is formed which consists of analysts, having knowledge in appropriate fields. The group contains at least one analyst having experience in CIS countries. Leading analyst, who guides the process, is appointed, and he/she is the main contact person for the issuer. Before the official meeting the group analyses the information, presented by the issuer at the request, and the information from other sources, which Standard & Poor's considers to be reliable: financial statement for previous periods, forecasts for financial indicators and cash flows, documentation on transactions, legal opinions and other data. At that, there are significant differences related to the issuer's type. Thus, for corporations these are financial statements, annual reports, and data on the structure of the industry. Then the group of analysts holds a meeting with management in order to discuss basic factors, influencing the rating, including production and financial plans and management strategy. This meeting allows issuers to touch upon the issues which are of principle for the resolution on rating appropriation. Analysts in their turn may clarify a number of problem situations, which have arisen after their familiarization with the presented information. By the results of discussion additional information inquiry may be formulated.

Then the leading analyst makes analysis report, presented to the rating committee. The rating committee includes senior analysts of Standard & Poor's. After the discussion of all factors influencing the rating, the resolution is passed on the rating value. After the resolution is passed by the rating committee, chief analyst informs the issuer on the rating appropriated to it, and also on the foundation of the specified resolution. In case of the issuer's approval Standard & Poor's discloses it by means of its own data base RatingsDirect, by means of international and local press agencies and mass media. In respect of each rating a press-release, brief and complete foundation of the rating are published at sites of Standard & Poor's.

Change of the rating

In cases when rating change is necessary, preliminary analysis is carried out, which may result in the registration of the specified rating in CreditWatch list. (Registration in CreditWatch list means that the rating may be changed in the nearest future. This is warning for investors that additional analysis is being made).

The next stage is the full- scale analysis, which includes, if necessary, a meeting with management and proposing the issue for discussion by the rating committee. The rating committee considers the issue, passes the resolution and informs the issuer on it.

Rating monitoring

After rating appropriation Standard & Poor's analysts permanently control all the factors which may influence it, such as changes in the capital structure, takeover of other companies or other significant economic events. Significant events, related to the issuer's activity, are daily tracked. Obligatory requirement of Standard & Poor's- holding annual meetings with management (if required these meeting are held more frequently). Based upon information received from the issuer or other free sources, the rating may be increased or decreased as often, as the issuer's credibility is changed. In the case when there are no significant events, the rating reconsideration (its confirmation or change) is carried out once a year. Individual rating is given to all issuer's debt obligations, issued after rating appropriation and placed at public markets. Standard & Poor's contemplates that the management will notify analysts of significant financial and production changes, which may affect the rating. Nevertheless Standard & Poor's reserves the right to change the rating at any time during usual monitoring period.

Stages of rating giving

- application for rating.

- *appointment of the group of analysts.*
- *information accumulation.*
- *meeting with management.*
- *rating committee.*
- *informing the issuer about the rating given.*
- *distribution of information on the rating (at the client's consent).*
- *Rating monitoring.*

The issuer's credit rating on international scale of Standard & Poor's expresses current opinion on the general credibility of the debt obligations issuer, guarantor or security, business partner, of its ability and intention to fulfill timely and in full its debt obligations.

The credit rating of debt obligations on international scale of Standard & Poor's expresses current opinion on credit risk with respect to concrete debt obligations (bonds, bank credits, loans, other financial instruments).

Financial stability rating on international scale expresses Standard & Poor's opinion on the ability of insurance company to pay according to its policy and contracts terms and conditions.

Values of credit ratings on Standard & Poor's international scale

Long-term rating of Standard & Poor's assesses the issuer's ability to timely fulfill its debt obligations. Long-term ratings vary from the highest category - "AAA" to the lowest - "D". Ratings between "AA" and "CCC" may be supplied with sign "plus" (+) or "minus" (-), which mean intermediary categories of the rating as compared to the basic ones.

Short-term rating is the assessment of probability of timely repayment of the obligations, which are considered to be short-term at the appropriate markets. Short-term ratings also have the range - from "A-1" for gilt edged obligations to "D" for off-quality obligations. Ratings inside of category "A-1" may contain sign "plus" (+) for the purpose of highlighting more reliable obligations of the specified category.

Besides long-term ratings Standard & Poor's has special definitions of ratings of preferred shares, money market fund, share bond funds, solvency of insurance companies and companies operating with derivative instruments.

AAA — extremely strong capacity to fulfill its debt obligations timely and in full; the highest rating.

AA — strong capacity to fulfill timely and in full its debt obligations.

A — moderately strong capacity to fulfill timely and in full its debt obligations, however higher sensitivity to the impact of unfavorable changes in commercial, financial and economical conditions.

BBB — adequate capacity to fulfill timely and in full its debt obligations, but higher vulnerability to the impact of unfavorable changes in commercial, financial and economical conditions.

BB — out of danger in the short-term outlook, but higher sensitivity to the impact of unfavorable changes in commercial, financial and economical conditions.

B — higher vulnerability at unfavorable commercial, financial and economical conditions, however at present there is the capability of meeting debt obligations timely and in full.

CCC — at this date non-fulfillment by the issuer of its debt obligations is potentially possible; timely performance of obligations depends to a large extent on favorable commercial, financial and economic conditions.

CC — at present the probability of non-fulfillment by the issuer of its debt obligations is high.

C — there are bankruptcy proceedings initiated in respect of the issuer or a similar action is taken, but payments or other obligations performance are going on.

SD — selective default with respect to the specified debt obligation while timely and full payments with respect to other debt obligations are going on.

D — debt obligations default.

The ratings of “AAA”, “AA”, “A” and “BBB” categories are investment-grade ratings.

The ratings of “BB”, “B”, “CCC”, “CC” and “C” categories are the ratings having significant speculative features.

Outlooks

Rating outlook shows possible trend of rating change in the nearest two - three years.

- *“Positive” — the rating may be increased.*
- *“Negative” — the rating may be decreased.*
- *“Stable” — the change is unlikely.*
- *“Developing” — the increase or the decrease of the rating is possible.*

The address of the web-site in the Internet where free access is provided to the information about the method of credit rating giving: <http://www.standardandpoors.ru/page.php?path=issuer&id=78>

Other data on the credit rating: *none*

8.2. Data on each category (type) of the issuer’s shares

Category of shares: *ordinary*

Face value of each share: *5 rubles*

The number of shares in circulation (the number of shares which are not paid off or cancelled): *245 969 590*

The number of additional shares being in the process of placement (the number of shares of additional issue in regard of which the state registration of the report on the results of their issue is not carried out): *none*

The number of declared shares: *1 299 093*

The number of shares being on the issuer’s balance: *none*

The number of additional shares that may be placed as a result of conversion of placed securities convertible into shares or as a result of obligations execution under the issuer’s options: *none*

State registration number: *№ 1 – 01 – 00137 - A*

State registration date: *14.11.2003*

The rights granted by shares to their owners:

Extract from the Charter:

“7.1. Each ordinary share of the Company gives the shareholder – to its owner identical measure of rights.

7.2. Each shareholder - the owner of ordinary shares of the Company has the right:

7.2.1. To participate in the general meeting of shareholders of the Company in the due procedure, stipulated by the existing legislation of Russian Federation;

7.2.2. To receive dividends in the due procedure, stipulated by the existing legislation of Russian Federation and the present Charter, when they are declared by the Company;

7.2.3. To receive a part of property of the Company, remaining after its liquidation which part is proportional to number of shares in his possession;

7.2.4. To get access to the documents stipulated by item 1 of Article 89 of Federal law “On joint stock companies”, in the due procedure stipulated by Article 91 of the specified law;

7.2.5. To claim confirmation of the shareholder’s rights for the shares from the registrar of the Company by issuing an extract from the registry of shareholders of the Company;

7.2.6. To receive information on all records on his personal account from the Company’s registrar, and also other information stipulated by legal acts of Russian Federation, which establish the due procedure of keeping the registry of shareholders;

7.2.7. To alienate shares belonging to him without consent of other shareholders and of the Company;

7.2.8. To protect his violated civil rights in the court in cases, stipulated by the existing legislation of Russian Federation, including claiming indemnification for losses from the Company;

7.2.9. To claim the repayment of all shares belonging to the shareholder (or part of it) from the Company in cases and in the due procedure, stipulated by the existing legislation of Russian Federation;

7.2.10. To sell shares to the Company in case if the Company passed the resolution to acquire the shares;

7.2.11. To claim from the Company an extract from the list of the persons having right to participate in the General meeting of shareholders containing information on the shareholder;

7.2.12. Priority in purchasing additional shares placed by means of an open subscription and issued securities convertible in shares, in an amount proportional to the amount of shares held by them.

7.3. The shareholder owning more than 1 percent of voting shares of the Company, has the right to claim from the registrar of the Company the information on the name (names) of shareholders registered in the registry and the information on the amount, the category and the face value of shares held by them (the specified information is provided without indication of addresses of shareholders).

7.4. The shareholders (shareholder) owning in aggregate at least 1 percent of placed ordinary shares of the Company, have the right to apply to the court with a claim against a member of the Board of directors of the Company, an individual executive of the Company, a member of a joint executive agency of the Company, or against the management company or the manager about indemnification of losses, caused to the Company as a result of guilty actions (inactivity) of the specified persons.

7.5. Shareholders possessing at least 1 percent of votes at the general meeting of shareholders have the right to claim the provision of the list of persons having the right to participate in the meeting from the Company. The information from the documents and the mailing address of the shareholders included in this list, are provided only with their consent.

7.6. The shareholders (shareholder) being in aggregate owners of at least 2 percent of voting shares of the Company, have the right to introduce issues into the agenda of the annual general meeting of shareholders and to propose candidates to management and controlling bodies of the Company elected by the general meeting of shareholders. During preparation of an extraordinary general meeting of shareholders with the agenda concerning election of the Board of directors of the Company, the specified shareholders (shareholder) have the right to propose candidates for election to the Board of directors of the Company.

7.7. The shareholders (shareholder) who own in aggregate at least 10 percent of voting shares of the Company, have the right to require convocation of an extraordinary general meeting of shareholders from the Board of directors of the Company. In case if during the term established by the current legislation of Russian Federation and the present Charter, the Board of directors of the Company does not pass the resolution on convocation of an extraordinary general meeting of shareholders or adopts a decision to refuse its convocation, the extraordinary meeting can be convoked by the specified shareholders (shareholder).

7.8. The shareholders (shareholder) who own in aggregate at least 10 percent of voting shares of the Company, have the right to claim an audit of financial and economic activity of the Company at any time.

7.9. The shareholders (shareholder) who hold in aggregate at least 25 percent of voting shares of the Company, have the right of access, and also have the right to receive the copies of accounting documents and of the minutes of sessions of the joint executive body of the Company.

7.10. Shareholders, owners of ordinary shares of the Company have other rights stipulated by the existing legislation of Russian Federation and by the present Charter”.

Other data on shares provided by the issuer at its own discretion:

5 717 pieces of ordinary shares – the quantity of paid off securities due to the issuer’s reorganization

Additional issues of the issuer’s ordinary registered paperless shares were consolidated on 14.11.2003. The date of state registration of the first issue of the consolidated ones – 30.09.1996 (№ 32 – 1 – 1375).

Category of shares: **preferred type A**

Face value of each share: **5 rubles**

The number of shares in circulation (the number of shares which are not paid off or cancelled): **81 983 404**

The number of additional shares being in the process of placement (the number of shares of additional issue in regard of which the state registration of the report on the results of their issue is not carried out): **none**

The number of declared shares: **531 496**

The number of shares being on the issuer’s balance: **none**

The number of additional shares that may be placed as a result of conversion of placed securities convertible into shares or as a result of obligations execution under the issuer’s options: **none**

State registration number: **№ 2 – 01 – 00137 - A**

State registration date: **14.11.2003**

The rights granted by the shares to their owners:

In accordance with the Company’s Charter:

“8.1. Each type A preferred share of the Company gives the shareholder - its owner - an identical measure of rights.

8.2. Owners of type A preferred shares have the right to receive the annual fixed dividend except for the cases stipulated by the present Charter. The total sum paid as dividend for each type A preferred share is established at the rate of 10 percent of the net profit of the Company according to the results of the last fiscal year, divided by the number of shares which make up 25 percent of the charter capital of the Company. Besides, if the sum of the dividends paid by the Company under each ordinary share in a certain year exceeds the sum to be paid as dividends under each type A preferred share, the size of the dividends paid under the latter, should be increased up to the size of dividends paid under the ordinary shares.

8.3. The owners of type A preferred shares have the right to participate in the general meeting of shareholders with the right of vote when solving the issues of reorganization and liquidation of the Company, and also to vote on introducing amendments and changes into the Company's Charter, in case if the mentioned changes limit the rights of the specified shareholders.

8.4. The owners of type A preferred shares have the right to participate in the general meeting of shareholders with the right of vote on all the issues of the agenda of the meeting in the case if the meeting of shareholders, irrespective of the reasons, has not passed the resolution on the payment of dividends or if it has passed the resolution on incomplete payment of dividends for type A preferred shares. The specified right of owners of type A preferred shares arises since the meeting following the annual meeting of shareholders at which the resolution on the payment of dividends was not passed, and stops since the date of the first payment of dividends for the specified shares in the full size.

8.5. Owners of type A preferred shares have the rights stipulated by item 7.2.3, item 7.2.4, item 7.2.5, item 7.2.6, item 7.2.7, item 7.2.8, item 7.2.10, item 7.2.11, item 7.2.12 of the present Charter for the owners of ordinary shares of the Company. These rights are granted to shareholders - the owners of type A preferred shares, including in a case when the given shares are not voting.

8.6. Owners of type A preferred shares have the rights stipulated by item 7.3, item 7.6, item 7.7, item 7.8, item 7.9 of the present Charter in the case if type A preferred shares have the right of vote on all the issues of the competence of the general meeting of shareholders of the Company

8.7. Owners of type A preferred shares have the right to claim from the Company the repayment of all shares held by the shareholder or of a part of them in the cases and in the due procedure, stipulated by the existing legislation of Russian Federation.

8.8. Owners of type A preferred shares, possessing at least 1 per cent of votes in the general meeting of shareholders, have the right to claim from the Company the provision of the list of the persons entitled to participate in the meeting. The documents data and the mail address of the shareholders included in this list are provided only with their consent.

8.9. Shareholders, the owners of type A preferred shares have other rights, stipulated by the existing legislation of Russian Federation and by the present Charter.”

Other data on shares provided by the issuer at its own discretion:

9 000 pieces of preferred type A shares – the quantity of paid off securities due to the issuer's reorganization

Additional issues of the issuer's preferred registered paperless shares were consolidated on 14.11.2003. The date of state registration of the first issue of the consolidated ones – 30.09.1996 (№ 32 – 1 – 1375).

8.3. Data on previous issues of the issuer's issuing securities, excluding the issuer's shares.

8.3.1. Data on the issues all the securities of which are paid off (cancelled).

Issue № 1:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *1 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-01-00137-A*

State registration date of the issue: *25.10.2002*:

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body that carried out the securities issue state registration: *Russia's FCSM (Federal Commission for the Securities Market)*

The name of state registration body that carried out the state registration of the report on the results of the securities issue: *Russia's FCSM*

The quantity of the issue securities: *500 pieces*

The amount of securities issue at face value: *1 250 000 rubles*

Time period (date) of the issue securities pay off: *24.01.2001 – 24.01.2003*

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 2:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *2 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-02-00137-A*

State registration date of the issue: *25.10.2002*:

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The name of state registration body carried out the state registration of the report on the results of the securities issue: *Russia's FCSM*

The quantity of the issue securities: *498 pieces*

The amount of securities issue at face value: *1 245 000 rubles*

Time period (date) of the issue securities pay off: *24.01.2001 – 24.01.2003*

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 3:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***3 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-03-00137-A***

State registration date of the issue: ***25.10.2002***:

Date of the state registration of the report on the results of the issue: ***24.01.2003***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The name of state registration body carried out the state registration of the report on the results of the securities issue: ***Russia's FCSM***

The quantity of the issue securities: ***498 pieces***

The amount of securities issue at face value: ***1 250 000 rubles***

Time period (date) of the issue securities pay off: ***24.01.2001 – 24.01.2003***

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 4

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***4 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the securities issue:

№ 4-04-00137-A

State registration date of the securities issue: ***25.10.2002***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The quantity of the issue securities: ***236 pieces***

The amount of securities issue at face value: ***590 000 rubles***

Time period (date) of the issue securities pay off: ***24.01.2001 – 24.01.2003***

Reason for the issue securities pay off (cancellation):

The state registration of the issue of registered paperless bonds of 4 – O series with state registration number 4 - 04 - 00137 - A of 25.10.2002 is cancelled by order № 03 - 100/p of 24.01.2003 of Russia's FCSM.

Issue № 5

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***5 – O***

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue: *№ 4-05-00137-A*

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *500 pieces*

The amount of securities issue at face value: *1 250 000 rubles*

Time period (date) of the issue securities pay off: *13.12.2001 – 24.01.2003*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 6

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *6 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue:

№ 4-06-00137-A

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *500 pieces*

The amount of securities issue at face value: *1 250 000 rubles.*

Time period (date) of the issue securities pay off: *20.10.2001 – 24.01.2003*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 7

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *7 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue: *№ 4-07-00137-A*

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *120 pieces*

The amount of securities issue at face value: *300 000 rubles*

Time period (date) of the issue securities pay off: *27.11.2001 – 24.01.2003*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue **№ 8**

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***8 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the securities issue: ***№ 4-08-00137-A***

State registration date of the securities issue: ***25.10.2002***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The quantity of the issue securities: ***11 pieces***

The amount of securities issue at face value: ***44 000 rubles***

Time period (date) of the issue securities pay off: ***24.01.2001 – 24.01.2003***

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue **№ 9:**

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***9 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-09-00137-A***

State registration date of the issue: ***25.10.2002***

Date of the state registration of the report on the results of the issue: ***24.01.2003***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The name of state registration body carried out the state registration of the report on the results of the securities issue: ***Russia's FCSM***

The quantity of the issue securities: ***321 pieces***

The amount of securities issue at face value: ***802 500 rubles***

Time period (date) of the issue securities pay off: ***06.11.2001 – 06.11.2003***

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue **№ 10:**

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***10 – O***

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-10-00137-A*

State registration date of the issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The name of state registration body carried out the state registration of the report on the results of the securities issue: *Russia's FCSM*

The quantity of the issue securities: *488 pieces*

The amount of securities issue at face value: *1 220 000 rubles*

Time period (date) of the issue securities pay off: *06.11.2001 – 06.11.2003*

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 11:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *11 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-11-00137-A*

State registration date of the issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The name of state registration body carried out the state registration of the report on the results of the securities issue: *Russia's FCSM*

The quantity of the issue securities: *280 pieces*

The amount of securities issue at face value: *700 000 rubles*

Time period (date) of the issue securities pay off: *06.11.2001 – 06.11.2003*

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 12:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *12 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-12-00137-A*

State registration date of the issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **334 pieces**

The amount of securities issue at face value: **835 000 rubles**

Time period (date) of the issue securities pay off: **06.11.2001 – 06.11.2003**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 13

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **13 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the securities issue: **№ 4-13-00137-A**

State registration date of the securities issue: **25.10.2002**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The quantity of the issue securities: **500 pieces**

The amount of securities issue at face value: **1 250 000 rubles**

Time period (date) of the issue securities pay off: **06.11.2001 – 06.11.2003**

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 14:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **14 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-14-00137-A**

State registration date of the issue: **25.10.2002**

Date of the state registration of the report on the results of the issue: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **500 pieces**

The amount of securities issue at face value: **1 250 000 rubles**

Time period (date) of the issue securities pay off: **06.11.2001 – 06.11.2003**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 15

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *15 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue: *№ 4-15-00137-A*

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *500 pieces*

The amount of securities issue at face value: *1 250 000 rubles*

Time period (date) of the issue securities pay off: *04.09.2001 – 04.09.2003*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 16

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *16 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue: *№ 4-16-00137-A*

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *250 pieces*

The amount of securities issue at face value: *625 000 rubles*

Time period (date) of the issue securities pay off: *04.09.2001 – 04.09.2003*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 17:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *17 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-17-00137-A*

State registration date of the issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: *Russia's*

FCSM

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **40 pieces**

The amount of securities issue at face value: **200 000 rubles**

Time period (date) of the issue securities pay off: **19.07.2001 – 19.07.2003**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 18:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **18 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-18-00137-A**

State registration date of the issue: **25.10.2002**

Date of the state registration of the report on the results of the issue: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **182 pieces**

The amount of securities issue at face value: **1 092 000 rubles**

Time period (date) of the issue securities pay off: **25.10.2002 – 15.04.2004**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 19:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **19 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-19-00137-A**

State registration date of the issue: **25.10.2002**

Date of the state registration of the report on the results of the issue: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **70 pieces**

The amount of securities issue at face value: **420 000 rubles**

Time period (date) of the issue securities pay off: **25.10.2002 – 15.04.2004**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 20:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***20 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-20-00137-A***

State registration date of the issue: ***25.10.2002***

Date of the state registration of the report on the results of the issue: ***24.01.2003***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The name of state registration body carried out the state registration of the report on the results of the securities issue: ***Russia's FCSM***

The quantity of the issue securities: ***405 pieces***

The amount of securities issue at face value: ***2 430 000 rubles***

Time period (date) of the issue securities pay off: ***25.10.2002 – 15.04.2004***

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 21:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***21 – O***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-21-00137-A***

State registration date of the issue: ***25.10.2002***

Date of the state registration of the report on the results of the issue: ***24.01.2003***

The name of state registration body carried out the securities issue state registration: ***Russia's FCSM***

The name of state registration body carried out the state registration of the report on the results of the securities issue: ***Russia's FCSM***

The quantity of the issue securities: ***288 pieces***

Face value of each security of the issue: ***6 000 rubles***

The amount of securities issue at face value: ***1 728 000 rubles***

Time period (date) of the issue securities pay off: ***25.10.2002 – 15.04.2004***

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 22:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *22 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-22-00137-A*

State registration date of the securities issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: *24.01.2003*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The name of state registration body carried out the state registration of the report on the results of the securities issue: *Russia's FCSM*

The quantity of the issue securities: *417 pieces*

The amount of securities issue at face value: *2 502 000 rubles*

Time period (date) of the issue securities pay off: *25.10.2002 – 15.04.2004*

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 23

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *23 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the securities issue: *№ 4-23-00137-A*

State registration date of the securities issue: *25.10.2002*

The name of state registration body carried out the securities issue state registration: *Russia's FCSM*

The quantity of the issue securities: *116 pieces*

The amount of securities issue at face value: *696 000 rubles*

Time period (date) of the issue securities pay off: *25.10.2002 – 15.04.2004*

Reason for the issue securities pay off (cancellation):

Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue № 24:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *24 – O*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-24-00137-A*

State registration date of the issue: *25.10.2002*

Date of the state registration of the report on the results of the issue: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **500 pieces**

The amount of securities issue at face value: **3 000 000 rubles**

Time period (date) of the issue securities pay off: **25.10.2002 – 15.04.2004**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 25:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **25 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-25-00137-A**

State registration date of the issue: **25.10.2002**

Date of the state registration of the report on the results of the issue: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **180 pieces**

The amount of securities issue at face value: **1 080 000 rubles**

Time period (date) of the issue securities pay off: **25.10.2002 – 15.04.2004**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

Issue № 26

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **26 – O**

Type: **interest rate**

Form: **registered paperless**

State registration number of the securities issue: **№ 4-26-00137-A**

State registration date of the securities issue: **25.10.2002**

State registration date of the report on the issue results: **24.01.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **35 pieces**

The amount of securities issue at face value: **315 000 rubles**
Time period (date) of the issue securities pay off: **25.10.2002 – 15.04.2004**
Reason for the issue securities pay off (cancellation):
Russia's FCSM order № 03 - 100/p of 24.01.2003

Issue **№ 43:**

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **BT – 1**

Type: **interest rate**

Form: **paper, bearer**

State registration number of the issue: **№ 4-43-00137-A**

State registration date of the issue: **24.01.2003:**

State registration date of the report on the issue results: **14.03.2003**

The name of state registration body carried out the securities issue state registration: **Russia's FCSM**

The name of state registration body carried out the state registration of the report on the results of the securities issue: **Russia's FCSM**

The quantity of the issue securities: **1 000 000 pieces**

The amount of securities issue at face value: **1 000 000 000 rubles**

Time period (date) of the issue securities pay off: **21.02.2006**

Reason for the issue securities pay off (cancellation):

Fulfillment of obligations on the securities.

8.3.2. Data on the issues, securities of which are in circulation

Total quantity of the issuer's securities – **bonds** in circulation: **5 483 899 pieces**

Total amount at face value of the issuer's securities – **bonds** in circulation: **5 367 856 700 rubles**

Issue **№ 27:**

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **I – C**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-27-00137-A**

State registration date of the issue: **25.10.2002**

State registration date of the report on the issue results: **24.01.2003**

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: **143 890 pieces**

The quantity of placed securities of the issue: **143 440**

The quantity of circulating securities of the issue: **63 190**

Face value of each valuable paper of the issue: **100 rubles**

The amount of securities issue at face value: **14 344 000 rubles**

The rights assigned for each valuable paper of the issue:

1) Of reception from the issuer of face value of the bond at its repayment in the procedure and during the time specified in the issue Prospectus;

2) Of reception from the issuer of the fixed accrued interest at the rate of 1 % annually of the bond face value at repayment in the procedure and during the time specified in the issue Prospectus;

3) Of reception, at availability of a technical opportunity, of an extraordinary access to a telephone network. A condition of extraordinary installation is the purchase of 15 bonds. The owner of bonds pays his access to a telephone network under the tariffs valid at the moment of granting the specified service. Granting an extraordinary access to a telephone network is the execution of the given obligation certified with the bond. The procedure of definition of availability of a technical opportunity of granting access to a telephone network, and also the procedure of accounting of bonds for which the obligation of the issuer to grant an extraordinary access to a telephone network is executed;

4) To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income on the bond in cash or by transfer to a bank on the basis of an application of the owner within 30 days from the date of the application submission. Periodicity of settlements with the owner of the bond: lumpsum. The form of payment: cash, non-cash.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 1 % annually of the face value of the bond.

Issue № 28:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **2 – C**

Type: **interest rate**

Form: **registered paperless**

State registration number of the issue: **№ 4-28-00137-A**

State registration date of the issue: **25.10.2002**

State registration date of the report on the issue results: **24.01.2003**

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: **6 233 pieces**

The quantity of placed securities of the issue: 6 218

The quantity of circulating securities of the issue: 6 218

Face value of each valuable paper of the issue: 3 000 rubles

The amount of securities issue at face value: 18 654 000 rubles

The rights assigned for each valuable paper of the issue:

- 1) Of reception from the issuer of face value of the bond at its repayment in the procedure and during the time specified below in the issue Prospectus;*
 - 2) Of reception from the issuer of the fixed accrued interest at the rate of 7 % annually of the bond face value at repayment for the entire circulation period in the procedure and during the time specified below in the issue Prospectus;*
 - 3) Of getting, at availability of a technical opportunity for telephone installation, of one extraordinary access to a telephone network;*
 - 4) To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation, and namely:
 - First of all, the claims of citizens before which the liquidated Company bears obligations for causing harm to life and health are satisfied, by capitalization of corresponding time payments;*
 - In the second stage, severance payment settlements and a remuneration of labor with the persons working under the labor agreement (contract) and on payment of compensations under author's contracts are made;*
 - In the third stage, claims of creditors under the obligations provided with a pledge of property of the liquidated Company are satisfied;*
 - In the fourth stage, the debts on separate payments to the budget and extrabudgetary funds are repaid;*
 - In the fifth stage, settlements with other creditors are made according to the law which concerns owners of bonds.**
- Other rights stipulated by the legislation of Russian Federation are not applicable.*

The procedure, terms and conditions of the issue securities repayment:

From the moment of claiming the repayment presented by the issuer to the owner of the bond during the period from 30.12.2009 to 30.12.2010 by submission of a verbal or written application in any form.

The issuer makes repayment of bonds within three months, by payment of face value and of fixed accrued interest at a rate of 7 % of face value of the bond for the entire circulation time.

Periodicity of settlements with the owner of bonds: lumpsum.

The form of payment: cash, non-cash.

Payments are made with:

- Available funds from cash department of the enterprise to the address from which the application has been directed;*
- A bank transfer to the settlement account in bank (banking details should be specified in the application of the owner of the bond).*

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 7 % annually of the face value of the bond.

Issue № 29:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *3 – C*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-29-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *3 231 pieces*

The quantity of placed securities of the issue: 3 229

The quantity of circulating securities of the issue: 3 229

Face value of each valuable paper of the issue: *2 000 rubles*

The amount of securities issue at face value: *6 458 000 rubles*

The rights assigned for each valuable paper of the issue:

1) Of reception from the issuer of face value of the bond at its repayment in the procedure and during the time specified below in the issue Prospectus;

2) Of reception from the issuer of the fixed accrued interest at the rate of 7 % annually of the bond face value at repayment for the entire circulation period in the procedure and during the time specified below in the issue Prospectus;

3) Of getting, at availability of a technical opportunity for telephone installation, of one extraordinary access to a telephone network;

4) To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation, and namely:

- First of all, the claims of citizens before which the liquidated Company bears obligations for causing harm to life and health are satisfied, by capitalization of corresponding time payments;

- In the second stage, severance payment settlements and a remuneration of labor with the persons working under the labor agreement (contract) and on payment of compensations under author's contracts are made;

- In the third stage, claims of creditors under the obligations provided with a pledge of property of the liquidated Company are satisfied;

- In the fourth stage, the debts on separate payments to the budget and extrabudgetary funds are repaid;

- In the fifth stage, settlements with other creditors are made according to the law which concerns owners of bonds.

Other rights stipulated by the legislation of Russian Federation are not applicable.

The procedure, terms and conditions of the issue securities repayment:

From the moment of claiming the repayment presented by the issuer to the owner of the bond during the period from 30.12.2009 to 30.12.2010 by submission of a verbal or written application in any form.

The issuer makes repayment of bonds within three months, by payment of face value and of fixed

accrued interest at a rate of 7 % of face value of the bond for the entire circulation time. Periodicity of settlements with the owner of bonds: lumpsum.

The form of payment: cash, non-cash.

Payments are made with:

- Available funds from cash department of the enterprise to the address from which the application has been directed;

- A bank transfer to the settlement account in bank (banking details should be specified in the application of the owner of the bond).

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 7 % annually of the face value of the bond.

Issue № 30:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *4 – C*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-30-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *5 995 pieces*

The quantity of placed securities of the issue: 5 967

The quantity of circulating securities of the issue: 5 967

Face value of each valuable paper of the issue: *2 500 rubles*

The amount of securities issue at face value: *14 917 500 rubles*

The rights assigned for each valuable paper of the issue:

1) To receive from the issuer the face value of the bond at its repayment;

2) Of getting, at availability of a technical opportunity, of an extraordinary access to a telephone network. The owner of bonds makes payment under telephone communication services contract at the tariffs valid at the moment of granting the specified service;

3) To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation, and namely:

- First of all, the claims of citizens before which the liquidated Company bears obligations for causing harm to life and health are satisfied, by capitalization of corresponding time payments;

- In the second stage, severance payment settlements and a remuneration of labor with the

persons working under the labor agreement (contract) and on payment of compensations under author's contracts are made;

- In the third stage, claims of creditors under the obligations provided with a pledge of property of the liquidated Company are satisfied;

- In the fourth stage, the debts on separate payments to the budget and extrabudgetary funds are repaid;

- In the fifth stage, settlements with other creditors are made according to the law which concerns the owners of bonds.

The procedure, terms and conditions of the issue securities repayment:

The owner of the bond for its repayment files the application not earlier 30.06.2011 and not later than 30.11.2011.

The issuer makes repayment of bonds by payment of the face value and the fixed accrued interest at a rate of 5 % for the entire circulation time from the face value of the bond.

Payments are made within 30 days from the date of granting to the issuer by the owner of the bond of the application for repayment, but not later than 31.12.2011.

Periodicity of settlements with the owner of the bond: lumpsum.

The form of payment: cash, non-cash.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 5 % annually of the face value of the bond.

Issue № 31:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *5 – C*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-31-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:
Russia's FCSM

The quantity of the issue securities: *800 pieces*

The quantity of placed securities of the issue: 800

The quantity of circulating securities of the issue: 800

Face value of each valuable paper of the issue: *700 rubles*

The amount of securities issue at face value: *560 000 rubles*

The rights assigned for each valuable paper of the issue:

1) To receive from the issuer the face value of the bond at its repayment;

2) *Of getting, at availability of a technical opportunity, of an extraordinary access to a telephone network. The owner of bonds makes payment under telephone communication services contract at the tariffs valid at the moment of granting the specified service;*

3) *To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation, and namely:*

- First of all, the claims of citizens before which the liquidated Company bears obligations for causing harm to life and health are satisfied, by capitalization of corresponding time payments;

- In the second stage, severance payment settlements and a remuneration of labor with the persons working under the labor agreement (contract) and on payment of compensations under author's contracts are made;

- In the third stage, claims of creditors under the obligations provided with a pledge of property of the liquidated Company are satisfied;

- In the fourth stage, the debts on separate payments to the budget and extrabudgetary funds are repaid;

- In the fifth stage, settlements with other creditors are made according to the law which concerns the owners of bonds.

The procedure, terms and conditions of the issue securities repayment:

The owner of the bond for its repayment files the application not earlier 30.06.2011 and not later than 30.11.2011.

The issuer makes repayment of bonds by payment of the face value and the fixed accrued interest at a rate of 5 % for the entire circulation time from the face value of the bond.

Payments are made within 30 days from the date of granting to the issuer by the owner of the bond of the application for repayment, but not later than 31.12.2011.

Periodicity of settlements with the owner of the bond: lumpsum.

The form of payment: cash, non-cash.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 5 % annually of the face value of the bond.

Issue № 32:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *6 – C*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-32-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: **1 500 pieces**

The quantity of placed securities of the issue: **1 499**

The quantity of circulating securities of the issue: **1 499**

Face value of each valuable paper of the issue: **1 400 rubles**

The amount of securities issue at face value: **2 098 600 rubles**

The rights assigned for each valuable paper of the issue:

1) To receive from the issuer the face value of the bond at its repayment;

2) Of getting, at availability of a technical opportunity, of an extraordinary access to a telephone network. The owner of bonds makes payment under telephone communication services contract at the tariffs valid at the moment of granting the specified service;

3) To receive from the issuer at liquidation of the Company the face value of the bond by way of the sequence established by item 1 of article 64 of the Civil Code of Russian Federation, and namely:

- First of all, the claims of citizens before which the liquidated Company bears obligations for causing harm to life and health are satisfied, by capitalization of corresponding time payments;

- In the second stage, severance payment settlements and a remuneration of labor with the persons working under the labor agreement (contract) and on payment of compensations under author's contracts are made;

- In the third stage, claims of creditors under the obligations provided with a pledge of property of the liquidated Company are satisfied;

- In the fourth stage, the debts on separate payments to the budget and extrabudgetary funds are repaid;

- In the fifth stage, settlements with other creditors are made according to the law which concerns the owners of bonds.

The procedure, terms and conditions of the issue securities repayment:

The owner of the bond for its repayment files the application not earlier 30.06.2011 and not later than 30.11.2011.

The issuer makes repayment of bonds by payment of the face value and the fixed accrued interest at a rate of 5 % for the entire circulation time from the face value of the bond.

Payments are made within 30 days from the date of granting to the issuer by the owner of the bond of the application for repayment, but not later than 31.12.2011.

Periodicity of settlements with the owner of the bond: lumpsum.

The form of payment: cash, non-cash.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation to repayment for the period from the date of the beginning of the issuer placement of bonds to the date of submission of the application for repayment of the bond at a rate of 5 % annually of the face value of the bond.

Issue № 33:

Kind, series (type), form and other identification features of securities:

Kind: **bonds**

Series: **1 – Y**

Type: **interest rate**

Form: *registered paperless*

State registration number of the issue: *№ 4-33-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *18 246 pieces*

The quantity of placed securities of the issue: 18 246

The quantity of circulating securities of the issue: 20

Face value of each valuable paper of the issue: *100 rubles*

The amount of securities issue at face value: *1 824 600 rubles*

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at its repayment;*
- To receive cash income at a rate of 0.1 % of face value of the bond at repayment;*
- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.*

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income on the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at the rate of 0,1 % annually from face value of the bond.

Issue **№ 34:**

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *2 – Y*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-34-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: **500 pieces**

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 1

Face value of each valuable paper of the issue: **2 000 rubles**

The amount of securities issue at face value: **1 000 000 rubles**

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- ***To receive from the issuer the face value of the bond at repayment;***
- ***To receive cash income at a rate of 0,1 % of face value of the bond at repayment;***
- ***To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.***

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 35:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***3 – Y***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-35-00137-A***

State registration date of the issue: ***25.10.2002***

State registration date of the report on the issue results: ***24.01.2003***

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: **500 pieces**

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: **2 000 rubles**

The amount of securities issue at face value: **1 000 000 rubles**

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;

- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;

- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 36:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***4 – Y***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-36-00137-A***

State registration date of the issue: ***25.10.2002***

State registration date of the report on the issue results: ***24.01.2003***

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: ***500 pieces***

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: **2 000 rubles**

The amount of securities issue at face value: **1 000 000 rubles**

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- *To receive from the issuer the face value of the bond at repayment;*
- *To receive cash income at a rate of 0,1 % of face value of the bond at repayment;*
- *To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.*

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 37:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *5 – Y*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-37-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *500 pieces*

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: *2 000 rubles*

The amount of securities issue at face value: *1 000 000 rubles*

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- *To receive from the issuer the face value of the bond at repayment;*
- *To receive cash income at a rate of 0,1 % of face value of the bond at repayment;*
- *To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.*

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 38:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***6 – Y***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-38-00137-A***

State registration date of the issue: ***25.10.2002***

State registration date of the report on the issue results: ***24.01.2003***

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: ***500 pieces***

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: ***2 000 rubles***

The amount of securities issue at face value: ***1 000 000 rubles***

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;

- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;

- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its

payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 39:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***7 – Y***

Type: ***interest rate***

Form: ***registered paperless***

State registration number of the issue: ***№ 4-39-00137-A***

State registration date of the issue: ***25.10.2002***

State registration date of the report on the issue results: ***24.01.2003***

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:
Russia's FCSM

The quantity of the issue securities: ***500 pieces***

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: ***2 000 rubles***

The amount of securities issue at face value: ***1 000 000 rubles***

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;

- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;

- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 40:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *8 – Y*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-40-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *500 pieces*

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: *2 000 rubles*

The amount of securities issue at face value: *1 000 000 rubles*

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;*
- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;*
- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.*

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 41:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *9 – Y*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-41-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: *500 pieces*

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: *2 000 rubles*

The amount of securities issue at face value: *1 000 000 rubles*

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;

- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;

- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue **№ 42:**

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *10 – Y*

Type: *interest rate*

Form: *registered paperless*

State registration number of the issue: *№ 4-42-00137-A*

State registration date of the issue: *25.10.2002*

State registration date of the report on the issue results: *24.01.2003*

The name of state registration body carried out the securities issue state registration:

Russia's FCSM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FCSM

The quantity of the issue securities: ***500 pieces***

The quantity of placed securities of the issue: 500

The quantity of circulating securities of the issue: 500

Face value of each valuable paper of the issue: ***2 000 rubles***

The amount of securities issue at face value: ***1 000 000 rubles***

The rights assigned for each valuable paper of the issue:

The owner of the bond has the right:

- To receive from the issuer the face value of the bond at repayment;

- To receive cash income at a rate of 0,1 % of face value of the bond at repayment;

- To get, at availability of a technical opportunity, access to a telephone network to concrete addresses within one year from the moment of purchase of 20 (twenty) bonds and the conclusion of the contract granting access to a telephone network.

The procedure, terms and conditions of the issue securities repayment:

The issuer makes payment of the face value and the sum of income under the bond in cash or by transfer to bank on the basis of an application of the owner within three months from the date of submission of the application.

Prescheduled repayment is not provided.

The size of interest income (coupon yield) on the bond, the procedure and conditions of its payment:

Interest on the bond is charged under condition of its presentation for repayment for the period from the date of the beginning of placement of bonds by the issuer till the date of submission of the application for repayment of the bond at a rate of 0,1 % annually from face value of the bond.

Issue № 44:

Kind, series (type), form and other identification features of securities:

Kind: ***bonds***

Series: ***BT – 2***

Type: ***interest rate***

Form: ***bearer, paper***

State registration number of the issue: ***№ 4-44-00137-A***

State registration date of the issue: ***10.11.2005***

State registration date of the report on the issue results: ***11.01.2006***

The name of state registration body carried out the securities issue state registration:

Russia's FSFM

The name of state registration body carried out state registration of the report on the issue results:

Russia's FSFM

The quantity of the issue securities: ***3 000 000 pieces***

Face value of each valuable paper of the issue: **1 000 rubles**

The amount of securities issue at face value: **3 000 000 000 rubles**

The rights assigned for each valuable paper of the issue:

The bond owner has the right to receive all parts of the bond's face value in the procedure and at dates, established in item 9 of the Decision on the securities issue and item 9.1.2 (I) of the securities Offering memorandum.

The owner of the Bond has the right to receive interest, fixed by the bond, of the appropriate part of the Bond face value (coupon yield), the interest size being defined according to the procedure indicated in item 9.3. of the Decision on the securities issue, item 9.1.2 (I) of the securities Offering memorandum, and the interest payment dates being defined in item 9.4 of the Decision on the securities issue, item 9.1.2.(I) of the securities Offering memorandum.

The Bond owner has the right to receive appropriate part of the face value at the Issuer's reorganization, liquidation or bankruptcy in the procedure, stipulated by Russian Federation current legislation. The bond owner has the right to sell the Bond without limitations or otherwise dispose of the Bond. The Bond owner, who bought the Bond at initial placement, has no right to make transactions with the Bond till the moment of registration of the report on the results of the securities issue according to effective Russian Federation legislation.

All the Issuer's debts with respect to the present issue Bonds will be legally equal and equally mandatory in regard to all Bonds owners.

In case of non-execution by the Issuer of the obligation on the payment of coupon yield and /or appropriate part of the Bonds face value (including the case default, technical default), the owners and/or nominal holders of the Bonds, if the nominal holders are appropriately authorized by the Bond owners, have the right to address the Issuer with the claim to pay coupon yield and /or appropriate part of the Bonds face value and interests according to article 395 of Russian Federation Civil code, and also to apply to the court (arbitration court). If the Issuer fails to meet the obligation on the payment of coupon yield and/or corresponding part of the Bonds face value, the Bonds owners also have the right to claim the payment of coupon yield and/or of the corresponding part of the Bonds face value from the person (entity) which have provided guarantee for the Bonds issue in the procedure, stipulated in item 12 of the Decision on the securities issue and item 9.1.2. (I) of the securities Offering memorandum.

If the rights for the Bonds are transferred, the rights resulting from the guarantee provided, are transferred to the new owner. The transfer of rights resulting from the guarantee provided, without the transfer of rights for the Bond is invalid.

The Bond owner has the right to be paid back the invested funds in case if the Bonds issue is recognized as aborted or invalid.

The Bond owner has the right to exercise other rights stipulated by Russian Federation legislation.

The Bonds of BT-2 series are issued in paper form, the certificate is executed for the entire amount of the issue, and the certificate is subject to obligatory central storage.

Full and abbreviated brand name of the depository executing central storage:

Non-commercial partnership "National depository center", NDC

Depository's location: ***Moscow, Srednyi Kislovskiy per., 1/13, str.4***

The number of license of professional participant of securities market for carrying out the activity of a depository at securities market: **177-03431-000100**

Date of issue: **04.12.2000**.

The validity term of the depository's license for carrying out the activity of a depository:

Unlimited

The body that issued the license: **Russia's FCSM**

Procedure and terms and conditions of the issue securities retirement:

The Bonds are retired in succession by installments during the following periods:

On the 1092-nd day since the date of the offering start each Bond of BT-2 series is retired partially in the amount of 20% of the face value of the issue,

On the 1274-th day since the date of the offering start each Bond of BT-2 series is retired partially in the amount of 20% of the face value of the issue,

On the 1456-th day since the date of the offering start each Bond of BT-2 series is retired partially in the amount of 20% of the face value of the issue,

On the 1638-th day since the date of the offering start each Bond of BT-2 series is retired partially in the amount of 20% of the face value of the issue,

On the 1820-th day since the date of the offering start each Bond of BT-2 series is retired partially in the amount of 20% of the face value of the issue.

The retirement of appropriate part of the Bonds' face value is made by the paying agent on the instructions of and for the account of the Issuer (hereinafter - Paying agent).

It is presumed that nominee holders – Depository's depositors are authorized to receive the repayment sums of appropriate part of the Bonds' face value.

The Bonds Owners, their authorized entities (persons), including NDC depositors independently keep track of completeness and actuality of data provided by them and bear all risks related to this.

The Issuer meets its obligations on the Bonds retirement on the basis of the list of owners and/or nominee holders, the specified list being provided by NDC (hereinafter – the List of owners and/or nominee holders”).

NDC depositor not authorized by its clients to receive the repayment sums of each part of the Bonds' face value, not later than 7 (seven) business days prior to the repayment date of each part of the Bonds' face value, provides to NDC the list of Bonds owners, this list should contain all the requisites, specified below in the List of owners and/or nominee holders of the Bonds.

In case if there are non-residents and /or natural persons among the owners who have authorized nominee holder to receive the repayment sums under the Bonds, the nominee holder is obliged to indicate the following information with respect to such entities (persons) in the list of the Bonds owners:

- full name /name, surname, patronymic of the Bonds' owner;***
- the quantity of the Bonds it owns;***
- full name of the person (entity) authorized to receive repayment sums on the Bonds;***
- location (or place of registration – for natural persons) and mailing address, including ZIP code, of the Bonds' owner;***
- requisites of bank account of the entity (person) authorized to receive repayment sums under the Bonds;***
- taxpayer identification number (TIN) of the Bonds' owner;***
- taxable status of the Bond's owner;***

In case if the Bonds' owner is a legal non-resident entity:

- *personal identification number (PIN) – if available;*

In case of the Bonds' owner is a natural person:

- *type, number, date and place of issuing the identification document of the Bonds owner, name of the authority that issued the document;*
- *number of state pension insurance certificate of the Bonds' owner (if available);*
- *TIN of the Bonds' owner (if available);*
- *day, month and year of birth of the Bonds' owner.*

The repayment of appropriate part of the Bonds' face value is made in favor of the Bonds owners being such as of the end of the NDC operation day, preceding the 6-th (sixth) business day prior to the repayment date of appropriate part of the Bonds' face value (hereinafter – “The date of making up the list of owners and/or nominee holders of the Bonds”).

The repayment of appropriate part of the Bonds' face value with respect to the owner, included into the list of owners and/or nominee holders of the Bonds, is recognized to be proper including the case when the Bonds are alienated after the Date of making up the list of owners and/or nominee holders of the Bonds.

In case when a nominee holder keeps record of the owner's rights for the Bonds and is authorized to receive the Bonds repayment sum, then the entity (person) authorized to receive the Bonds repayment sums is the nominee holder.

In case when nominee holder does not keep record of the owners rights for the Bonds and the nominee holder is not authorized by the owner to receive the Bonds repayment sum, then the entity (person) authorized to receive the Bonds repayment sums is the owner.

Not later than on the 4-th (fourth) business day prior to the date of repayment of the appropriate part of the Bonds' face value NDC provides the Issuer and the Paying agent with the List of owners and /or nominee holders of the Bonds, the specified list including the following data:

- a) Full name of the entity (person), authorized to receive the Bonds repayment sums;*
- b) The quantity of the Bonds tallied at the owner's custody accounts or at interdepository account of the Bonds nominee holder authorized to receive the Bonds repayment sums;*
- c) the location and the mail address of the entity (person) authorized to receive the Bonds repayment sums;*
- d) requisites of the bank account of the entity (person) authorized to receive the Bonds repayment sums, and namely:*
 - *account number;*
 - *the bank's name where the account is established;*
 - *the bank's correspondent account where the account is established;*
 - *bank's identification code and TIN of the bank where the account is established.*
- e) taxpayer identification number of the entity (person) authorized to receive the Bonds repayment sums;*
- f) taxable status of the owner and of the entity (person) authorized to receive the Bonds repayment sums.*

The Bonds Owners, their authorized entities (persons), including NDC depositors are obliged to timely provide necessary data to NDC and independently keep track of completeness and actuality of the data provided to NDC, and they bear all risks related to non-providing/untimely providing of the data.

In case of non-providing or untimely providing to NDC of the information necessary for the Issuer's performance of obligations under the Bonds, the performance of such obligations is carried out to the entity (the person) who made the claim to perform the obligations and who is the owner of the Bonds as of the date of making the claim. Herewith the Issuer meets the

obligations under the Bonds on the basis of NDC data, in this case the Issuer's obligations are considered to be performed in full and in the proper way. In case if the bank account requisites and other information necessary for the Issuer's performance of obligations under the Bonds, and provided by the owner or nominee holder or available at the Depositary, do not allow for timely transferring monetary assets by the Paying agent, then such delay may not be considered as the delay in obligation performance under the Bonds, and the Bond's owner has no right to claim interest or other compensation for such delay in payment. In cases stipulated by the contract with NDC, the Issuer has the right to claim confirmation of such data by the data on the records of rights to the Bonds.

Not later than 1 (one) business day prior the date of the Bonds repayment, the Issuer transfers the required money resources to the account of the Paying agent.

Basing on the List of owners and/or nominee holders of the Bonds, provided by NDC, the Paying agent calculates the sums of money resources due to payment to each Bonds holder authorized to receive repayment sums of each part of the Bonds' face value.

On the repayment dates of the appropriate part of the Bonds' face value, the Paying agent transfers the required money resources to the accounts of entities (persons) authorized to receive the repayment sums of the appropriate part of the Bonds face value and indicated in the List of owners and/or nominee holders of the Bonds.

In case one entity (person) is authorized to receive the repayment sums of the appropriate part of the Bonds face value from several owners of the Bonds, then this entity (person) is transferred the total sum without breakdown for each owner of the Bonds.

The Bonds are repaid by money resources in Russian Federation currency by non-cash method. Prescheduled repayment of the Bonds by the Issuer is not stipulated.

Size of the Bonds interest (coupon) yield:

The Bond owner has the right to receive interest fixed by the bond of the appropriate part of the Bond face value (coupon yield), the interest size being defined according to the procedure indicated in item 9.3. of the Decision on the securities issue, item 9.1.2 (I) of the securities Offering memorandum, and the interest payment dates being defined in item 9.4 of the Decision on the securities issue, item 9.1.2.(I) of the securities Offering memorandum.

The size of coupon yield for each coupon is calculated by the following formula:

$$K_j = C_j * Nom * (T(j) - T(j-1)) / (365 * 100\%),$$

Where,

j - serial number of coupon period, j=1,2..9, 10;

K_j - the size of coupon yield for each Bond (rubles);

Nom – unpaid part of the face value of one Bond as of the start date of j-th coupon period (rubles);

C_j - the size of the interest rate of the j-th coupon, in per cent annual;

T(j-1) - the start date of the j-th coupon period;

T(j) - the end date of the j-th coupon period.

The size of coupon yield for each coupon is determined with the precision of one kopeck (rounding-up of the second figure after the comma is made by the rules of mathematical rounding, and namely: if the third figure after the comma is more or equal to 5, then the second

figure after the comma is increased by 1, in case the third figure after the comma is less than 5, then the second figure after the comma is not changed).

The interest rate for the first coupon is determined at the Tender held on the start date of the Bonds placement in accordance with the procedure stipulated by item 8.3. of the Decision on the securities issue and item 2.7. (I) of the securities Offering memorandum.

The procedure of defining the size of coupon yield for the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth coupon is similar to the procedure of defining the coupon yield for the first coupon.

The interest rate for the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth coupon is defined in accordance with the procedure established in item 9.3.1. of the Decision on the securities issue and item 9.1.2. (I) of the securities Offering memorandum.

The Issuer's General Director passed a resolution on defining the interest size (coupon) on BT-2 series Bonds (Order № 459 of December 06, 2005):

Coupon's number	Date of payment	Coupon rate size, %	Yield size per 1 Bond, rubles	Total amount of yield, rubles
1-st coupon	06.06.2006	8,20 % per annum	40,89	122 670 000
2-nd coupon	05.12.2006	8,20 % per annum	40,89	122 670 000
3-d coupon	05.06.2007	8,20 % \geq per annum	40,89	122 670 000
4-th coupon	04.12.2007	8,20 % per annum	40,89	122 670 000
5-th coupon	03.06.2008	8,20 % per annum	40,89	122 670 000
6-th coupon	02.12.2008	8,20 % per annum	40,89	122 670 000
7-th coupon	<i>To be determined by the Issuer</i>			
8-th coupon	<i>To be determined by the Issuer</i>			
9-th coupon	<i>To be determined by the Issuer</i>			
10-th coupon	<i>To be determined by the Issuer</i>			

The procedure and the terms and conditions of payment of the Bonds interest (coupon) yield:

The Bonds coupon yield is paid in Russian Federation currency by non-cash method to the persons (entities) indicated in the list of owners and/or nominee holders of the Bonds, in favor of the Bonds' owners. The Bonds owner who is not the Depository's depositor may authorize nominee holder (hereinafter - Holder) of the Bonds to receive the coupon yield sum paid under the Bonds.

It is presumed that the Bonds Holders are authorized to receive the Bonds coupon yield. The Bonds Holders and /or other persons (entities) not authorized by its clients to receive the Bonds coupon yield, not later than 7 (seven) business days prior to the date of the Bonds coupon yield

payment, provide to NDC the list of Bonds owners, this list should contain all the requisites necessary for including into the list of owners and Holders of Bonds, as specified below.

The Bonds coupon yield payment is made in favor of the Bonds owners being such as of the end of the Depository's operation day preceding the 6 (sixth) business day prior to the date of the Bonds coupon yield payment (hereinafter – “The date of drawing up the list of owners and Holders of the Bonds for coupon yield payment”). Performance of obligations with respect to the owner being such as of the Date of drawing up the list of owners and Holders of the Bonds for coupon yield payment is recognized to be proper including the case when the Bonds are alienated after the Date of making up the list of owners and Holders of the Bonds for coupon yield payment. In case when nominee holder keeps record of the owner's rights for the Bonds and is authorized to receive the Bonds coupon yield sum, then the entity (person) authorized to receive the sums on the Bonds is the nominee holder. In case when nominee holder does not keep record of the owners' rights for the Bonds and the nominee holder is not authorized by the owner to receive the Bonds coupon yield sum, then the entity (person) authorized to receive the Bonds coupon yield sums is the owner.

In case if there are non-residents and /or natural persons among the owners who have authorized nominee holder to receive the Bonds coupon yield, the nominee holder is obliged to indicate the following information with respect to such entities (persons) in the list of the Bonds owners:

- *full name /name, surname, patronymic of the Bonds' owner;*
- *the quantity of Bonds it owns;*
- *full name of the person (entity) authorized to receive the Bonds repayment sums;*
- *location (or place of registration – for natural persons) and mailing address, including ZIP code, of the owner of the Bonds of the series;*
- *requisites of bank account of the entity (person) authorized to receive the Bonds repayment sums;*
- *taxpayer identification number (TIN) of the Bonds' owner;*
- *taxable status of the Bond's owner;*

In case if the Bonds' owner is a legal non-resident entity:

- *individual identification number (IIN) – if available;*

In case if the Bonds' owner is a natural person:

- *type, number, date and place of issuing the identification document of the Bonds owner, name of the authority that issued the document;*
- *number of state pension insurance certificate of the Bonds' owner (if available);*
- *TIN of the Bonds' owner (if available);*
- *day, month and year of birth of the Bonds' owner.*

Not later than on the 4-th (fourth) business day prior to the Bonds coupon yield payment the Depository provides the Issuer and the Paying agent with the List of owners and Holders of the Bonds drawn up as of the Date of drawing up the list of owners and Holders of the Bonds for coupon yield payment, the specified List containing the following data:

- a) Full name of the person (entity) authorized to receive the Bonds coupon yield sum;*
- b) The number of Bonds tallied at the custody account of the person (entity) authorized to receive the Bonds coupon yield sum;*
- c) The location and the mail address of the person (entity) authorized to receive the Bonds coupon yield sum;*

d) Requisites of the bank account of the person (entity) authorized to receive the Bonds coupon yield sum, and namely:

- account number;***
- the bank's name where the account is established;***
- the bank's correspondent account where the account is established;***
- the bank's identification code where the account is established;***

e) Taxpayer identification number (TIN) of the person (entity) authorized to receive the Bonds coupon yield sums;

f) Taxable status of the person (entity) authorized to receive the Bonds coupon yield sum (resident, non-resident with permanent representation office in Russian Federation, non-resident without permanent representation office in Russian Federation, etc).

The Bonds owner or Holder independently keeps track of completeness and actuality of requisites of bank's account, provided by it to the Depository. In case of non-providing or untimely providing to the Depository of the said requisites, the performance of such obligations is carried out to a person (an entity) who made a claim to perform the obligations and who is the owner of the Bonds as of the date of making the claim. Herewith the Issuer performs the obligations under the Bonds on the basis of the Depository's data, in such case the Issuer's obligations are considered to be fulfilled in full and in the proper way. In case if the bank account requisites provided by the owner or Holder or available at the Depository, do not allow for timely transferring monetary assets to them, then such a delay in the Issuer's obligation performance may not be considered as the default, and the Bond owner has no right to claim interest or other compensation for such a delay in payment.

Not later than 1 (one) business day prior the date of the Bonds coupon yield payment, the Issuer transfers the required money resources to the account of the paying agent.

Basing on the list of the Bonds owners and Holders, provided by the Depository, the paying agent calculates the sums of money resources due to payment to each Bonds owner and/or Holder authorized to receive the Bonds coupon yield sum.

On the date of the Bonds coupon yield payment, the paying agent transfers money resources meant for the coupon yield payment to the bank accounts of the Bonds owners and/or Holders indicated in the list of the Bonds owners and Holders. In case one person (entity) is authorized to receive the Bonds coupon yield sum from several owners of the Bonds, then this person (entity) is transferred the total sum without breakdown for each owner of the Bonds. The Bonds Holders who are not the Bonds owners transfer money resources meant for the coupon yield payment to the Bonds owners as per the procedure defined between the Bonds Holder and the Bonds owner.

The Issuer's obligations to pay the appropriate Bonds coupon yield are considered to be performed when the money meant for the coupon yield payment is written off from the Issuer's account and/or correspondent account of the paying agent in return of the coupon yield in favor of the Bonds owners and Holders.

Yield for the sixth, seventh, eighth, ninth and tenth coupon is paid in accordance with the dates stipulated in item 9.4. of the Decision of the securities issue, simultaneously with repayment of 20 (twenty) percents of the face value of the issue Bonds.

The kind of provided security:

Guarantee

Issue № 45:

Kind, series (type), form and other identification features of securities:

Kind: *bonds*

Series: *BT – 3*

Type: *interest rate*

Form: *bearer, paper*

State registration number of the issue: *№ 4-45-00137-A*

State registration date of the issue: *10.11.2005*

State registration date of the report on the issue results: *11.01.2006*

The name of state registration body that carried out the securities issue state registration: *Russia's FSFM*

The name of state registration body that carried out state registration of the report on the issue results: *Russia's FSFM*

The quantity of the issue securities: *2 300 000 pieces*

Face value of each valuable paper of the issue: *1 000 rubles*

The amount of securities issue at face value: *2 300 000 000 rubles*

The rights assigned for each valuable paper of the issue:

The bond owner has the right to receive all parts of the bond's face value in the procedure and at dates, established in item 9 of the Decision on the securities issue and item 9.1.2 (II) of the securities Offering memorandum.

The owner of the Bond has the right to receive interest, fixed by the bond, of the appropriate part of the Bond face value (coupon yield), the interest size being defined according to the procedure indicated in item 9.3. of the Decision on the securities issue, item 9.1.2 (II) of the securities Offering memorandum, and the interest payment dates being defined in item 9.4 of the Decision on the securities issue, item 9.1.2.(II) of the securities Offering memorandum.

The Bond owner has the right to receive appropriate part of the face value at the Issuer's reorganization, liquidation or bankruptcy in the procedure, stipulated by Russian Federation current legislation. The bond owner has the right to sell the Bond without limitations or otherwise dispose of the Bond. The Bond owner, who bought the Bond at initial placement, has no right to make transactions with the Bond till the moment of registration of the report on the results of the securities issue according to effective Russian Federation legislation.

All the Issuer's debts with respect to the present issue Bonds will be legally equal and equally mandatory in regard to all Bonds owners.

In case of non-execution by the Issuer of the obligation on the payment of coupon yield and /or appropriate part of the Bonds face value (including the case default, technical default), the owners and/or nominal holders of the Bonds, if the nominal holders are appropriately authorized by the Bond owners, have the right to address the Issuer with the claim to pay coupon yield and /or appropriate part of the Bonds face value and interests according to article 395 of Russian Federation Civil code, and also to apply to the court (arbitration court). If the Issuer fails to meet the obligation on the payment of coupon yield and/or corresponding part of the Bonds face value, the Bonds owners also have the right to claim the payment of coupon yield and/or of the corresponding part of the Bonds face value from the person (entity) which have provided guarantee for the Bonds issue in the procedure, stipulated in item 12 of the Decision on the securities issue and item 9.1.2. (II) of the securities Offering memorandum.

If the rights for the Bonds are transferred, the rights resulting from the guarantee provided, are transferred to the new owner. The transfer of rights resulting from the guarantee provided, without the transfer of rights for the Bond is invalid.

The Bond owner has the right to be paid back the invested funds in case if the Bonds issue is recognized as aborted or invalid.

The Bond owner has the right to exercise other rights stipulated by Russian Federation legislation.

The Bonds of BT-3 series are issued in paper form, the certificate is executed for the entire amount of the issue, and the certificate is subject to obligatory central storage.

Full and abbreviated brand name of the depository executing central storage:

Non-commercial partnership “National depository center”, NDC

Depository’s location: *Moscow, Srednyi Kislovskiy per., 1/13, str.4*

The number of license of professional participant of securities market for carrying out the activity of a depository at securities market: *177-03431-000100*

Date of issue: *04.12.2000.*

The validity term of the depository’s license for carrying out the activity of a depository:

Unlimited

The body that issued the license: *Russia’s FCSM*

Procedure and terms and conditions of the issue securities retirement:

The Bonds are retired in succession by installments during the following periods:

On the 1092-nd day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue,

On the 1274-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue,

On the 1456-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue,

On the 1638-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue,

On the 1820-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue.

The retirement of appropriate part of the Bonds’ face value is made by the paying agent on the instructions of and for the account of the Issuer (hereinafter - Paying agent).

It is presumed that nominee holders – Depository’s depositors are authorized to receive the repayment sums of appropriate part of the Bonds’ face value.

The Bonds Owners, their authorized entities (persons), including NDC depositors independently keep track of completeness and actuality of data provided by them and bear all risks related to this.

The Issuer meets its obligations on the Bonds retirement on the basis of the list of owners and/or nominee holders, the specified list being provided by NDC (hereinafter – the List of owners and/or nominee holders”).

NDC depositor not authorized by its clients to receive the repayment sums of each part of the Bonds’ face value, not later than 7 (seven) business days prior to the repayment date of each part

of the Bonds' face value, provides to NDC the list of Bonds owners, this list should contain all the requisites, specified below in the List of owners and/or nominee holders of the Bonds.

In case if there are non-residents and /or natural persons among the owners who have authorized nominee holder to receive the repayment sums under the Bonds, the nominee holder is obliged to indicate the following information with respect to such entities (persons) in the list of the Bonds owners:

- *full name /name, surname, patronymic of the Bonds' owner;*
- *the quantity of the Bonds it owns;*
- *full name of the person (entity) authorized to receive repayment sums on the Bonds;*
- *location (or place of registration – for natural persons) and mailing address, including ZIP code, of the Bonds' owner;*
- *requisites of bank account of the entity (person) authorized to receive repayment sums under the Bonds;*
- *taxpayer identification number (TIN) of the Bonds' owner;*
- *taxable status of the Bond's owner;*

In case if the Bonds' owner is a legal non-resident entity:

- *personal identification number (PIN) – if available;*

In case of the Bonds' owner is a natural person:

- *type, number, date and place of issuing the identification document of the Bonds owner, name of the authority that issued the document;*
- *number of state pension insurance certificate of the Bonds' owner (if available);*
- *TIN of the Bonds' owner (if available);*
- *day, month and year of birth of the Bonds' owner.*

The repayment of appropriate part of the Bonds' face value is made in favor of the Bonds owners being such as of the end of the NDC operation day, preceding the 6-th (sixth) business day prior to the repayment date of appropriate part of the Bonds' face value (hereinafter – “The date of making up the list of owners and/or nominee holders of the Bonds”).

The repayment of appropriate part of the Bonds' face value with respect to the owner, included into the list of owners and/or nominee holders of the Bonds, is recognized to be proper including the case when the Bonds are alienated after the Date of making up the list of owners and/or nominee holders of the Bonds.

In case when a nominee holder keeps record of the owner's rights for the Bonds and is authorized to receive the Bonds repayment sum, then the entity (person) authorized to receive the Bonds repayment sums is the nominee holder.

In case when nominee holder does not keep record of the owners rights for the Bonds and the nominee holder is not authorized by the owner to receive the Bonds repayment sum, then the entity (person) authorized to receive the Bonds repayment sums is the owner.

Not later than on the 4-th (fourth) business day prior to the date of repayment of the appropriate part of the Bonds' face value NDC provides the Issuer and the Paying agent with the List of owners and /or nominee holders of the Bonds, the specified list including the following data:

- a) Full name of the entity (person), authorized to receive the Bonds repayment sums;*
- b) The quantity of the Bonds tallied at the owner's custody accounts or at interdepository account of the Bonds nominee holder authorized to receive the Bonds repayment sums;*
- c) the location and the mail address of the entity (person) authorized to receive the Bonds repayment sums;*
- d) requisites of the bank account of the entity (person) authorized to receive the Bonds repayment sums, and namely:*
 - *account number;*
 - *the bank's name where the account is established;*

- *the bank's correspondent account where the account is established;*
- *bank's identification code and TIN of the bank where the account is established.*
- e) *taxpayer identification number of the entity (person) authorized to receive the Bonds repayment sums;*
- f) *taxable status of the owner and of the entity (person) authorized to receive the Bonds repayment sums.*

The Bonds Owners, their authorized entities (persons), including NDC depositors are obliged to timely provide necessary data to NDC and independently keep track of completeness and actuality of the data provided to NDC, and they bear all risks related to non-providing/untimely providing of the data.

In case of non-providing or untimely providing to NDC of the information necessary for the Issuer's performance of obligations under the Bonds, the performance of such obligations is carried out to the entity (the person) who made the claim to perform the obligations and who is the owner of the Bonds as of the date of making the claim. Herewith the Issuer meets the obligations under the Bonds on the basis of NDC data, in this case the Issuer's obligations are considered to be performed in full and in the proper way. In case if the bank account requisites and other information necessary for the Issuer's performance of obligations under the Bonds, and provided by the owner or nominee holder or available at the Depositary, do not allow for timely transferring monetary assets by the Paying agent, then such delay may not be considered as the delay in obligation performance under the Bonds, and the Bond's owner has no right to claim interest or other compensation for such delay in payment. In cases stipulated by the contract with NDC, the Issuer has the right to claim confirmation of such data by the data on the records of rights to the Bonds.

Not later than 1 (one) business day prior the date of the Bonds repayment, the Issuer transfers the required money resources to the account of the Paying agent.

Basing on the List of owners and/or nominee holders of the Bonds, provided by NDC, the Paying agent calculates the sums of money resources due to payment to each Bonds holder authorized to receive repayment sums of each part of the Bonds' face value.

On the repayment dates of the appropriate part of the Bonds' face value, the Paying agent transfers the required money resources to the accounts of entities (persons) authorized to receive the repayment sums of the appropriate part of the Bonds face value and indicated in the List of owners and/or nominee holders of the Bonds.

In case one entity (person) is authorized to receive the repayment sums of the appropriate part of the Bonds face value from several owners of the Bonds, then this entity (person) is transferred the total sum without breakdown for each owner of the Bonds.

The Bonds are repaid by money resources in Russian Federation currency by non-cash method. The capability to choose the form of the Bonds' repayment by the Bonds' owners is not stipulated.

Size of the Bonds interest (coupon) yield:

The Bond owner has the right to receive interest fixed by the bond of the appropriate part of the Bond face value (coupon yield), the interest size being defined according to the procedure indicated in item 9.3. of the Decision on the securities issue, item 9.1.2 (II) of the securities Offering memorandum, and the interest payment dates being defined in item 9.4 of the Decision on the securities issue, item 9.1.2.(II) of the securities Offering memorandum.

The size of coupon yield for each coupon is calculated by the following formula:

$$K_j = C_j * Nom * (T(j) - T(j-1)) / (365 * 100\%),$$

Where,

j - serial number of coupon period, j=1,2..9, 10;

K_j - the size of coupon yield for each Bond (rubles);

Nom – unpaid part of the face value of one Bond as of the start date of j-th coupon period (rubles);

C_j - the size of the interest rate of the j-th coupon, in per cent annual;

T(j-1) - the start date of the j-th coupon period;

T(j) - the end date of the j-th coupon period.

The size of coupon yield for each coupon is determined with the precision of one kopeck (rounding-up of the second figure after the comma is made by the rules of mathematical rounding, and namely: if the third figure after the comma is more or equal to 5, then the second figure after the comma is increased by 1, in case the third figure after the comma is less than 5, then the second figure after the comma is not changed).

The size of coupon yield for each coupon is determined with the precision of one kopeck (rounding-up of the second figure after the comma is made by the rules of mathematical rounding, and namely: if the third figure after the comma is more or equal to 5, then the second figure after the comma is increased by 1, in case the third figure after the comma is less than 5, then the second figure after the comma is not changed).

The interest rate for the first coupon is determined at the Tender held on the start date of the Bonds placement in accordance with the procedure stipulated by item 8.3. of the Decision on the securities issue and item 2.7. (II) of the securities Offering memorandum. The procedure of defining the size of coupon yield for the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth coupon is similar to the procedure of defining the coupon yield for the first coupon.

The interest rate for the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth coupon is defined in accordance with the procedure established in item 9.3.1. of the Decision on the securities issue and item 9.1.2. (II) of the securities Offering memorandum.

The Issuer's General Director passed a resolution on defining the interest size (coupon) on BT-3 series Bonds (Order № 460 of December 06, 2005):

Coupon's number	Date of payment	Coupon rate size, %	Yield size per 1 Bond, rubles	Total amount of yield, rubles
1-st coupon	06.06.2006	8,50	42,38	97 474 000
2-nd coupon	05.12.2006	8,50	42,38	97 474 000
3-d coupon	05.06.2007	8,50	42,38	97 474 000
4-th coupon	04.12.2007	8,50	42,38	97 474 000
5-th coupon	03.06.2008	8,50	42,38	97 474 000
6-th coupon	02.12.2008	8,50	42,38	97 474 000

7-th coupon	02.06.2009	8,50	33,91	77 993 000
8-th coupon	01.12.2009	8,50	25,43	58 489 000
9-th coupon	01.06.2010	8,50	16,95	38 985 000
10-th coupon	30.11.2010	8,50	8,48	19 504 000

The procedure and the terms and conditions of payment of the Bonds interest (coupon) yield:

The Bonds coupon yield is paid in Russian Federation currency by non-cash method to the persons (entities) indicated in the list of owners and/or nominee holders of the Bonds, in favor of the Bonds' owners. The Bonds owner who is not the Depository's depositor may authorize nominee holder (hereinafter - Holder) of the Bonds to receive the coupon yield sum paid under the Bonds.

It is presumed that the Bonds Holders are authorized to receive the Bonds coupon yield. The Bonds Holders and /or other persons (entities) not authorized by its clients to receive the Bonds coupon yield, not later than 7 (seven) business days prior to the date of the Bonds coupon yield payment, provide to NDC the list of Bonds owners, this list should contain all the requisites necessary for including into the list of owners and Holders of Bonds, as specified below.

The Bonds coupon yield payment is made in favor of the Bonds owners being such as of the end of the Depository's operation day preceding the 6 (sixth) business day prior to the date of the Bonds coupon yield payment (hereinafter – "The date of drawing up the list of owners and Holders of the Bonds for coupon yield payment"). Performance of obligations with respect to the owner being such as of the Date of drawing up the list of owners and Holders of the Bonds for coupon yield payment is recognized to be proper including the case when the Bonds are alienated after the Date of making up the list of owners and Holders of the Bonds for coupon yield payment. In case when nominee holder keeps record of the owner's rights for the Bonds and is authorized to receive the Bonds coupon yield sum, then the entity (person) authorized to receive the sums on the Bonds is the nominee holder. In case when nominee holder does not keep record of the owners' rights for the Bonds and the nominee holder is not authorized by the owner to receive the Bonds coupon yield sum, then the entity (person) authorized to receive the Bonds coupon yield sums is the owner.

In case if there are non-residents and /or natural persons among the owners who have authorized nominee holder to receive the Bonds coupon yield, the nominee holder is obliged to indicate the following information with respect to such entities (persons) in the list of the Bonds owners:

- *full name /name, surname, patronymic of the Bonds' owner;*
- *the quantity of Bonds it owns;*
- *full name of the person (entity) authorized to receive the Bonds repayment sums;*
- *location (or place of registration – for natural persons) and mailing address, including ZIP code, of the owner of the Bonds of the series;*
- *requisites of bank account of the entity (person) authorized to receive the Bonds repayment sums;*
- *taxpayer identification number (TIN) of the Bonds' owner;*
- *taxable status of the Bond's owner;*

In case if the Bonds' owner is a legal non-resident entity:

- individual identification number (IIN) – if available;

In case if the Bonds' owner is a natural person:

- type, number, date and place of issuing the identification document of the Bonds owner, name of the authority that issued the document;
- number of state pension insurance certificate of the Bonds' owner (if available);
- TIN of the Bonds' owner (if available);
- day, month and year of birth of the Bonds' owner.

Not later than on the 4-th (fourth) business day prior to the Bonds coupon yield payment the Depository provides the Issuer and the Paying agent with the List of owners and Holders of the Bonds drawn up as of the Date of drawing up the list of owners and Holders of the Bonds for coupon yield payment, the specified List containing the following data:

- a) Full name of the person (entity) authorized to receive the Bonds coupon yield sum;*
- b) The number of Bonds tallied at the custody account of the person (entity) authorized to receive the Bonds coupon yield sum;*
- c) The location and the mail address of the person (entity) authorized to receive the Bonds coupon yield sum;*
- d) Requisites of the bank account of the person (entity) authorized to receive the Bonds coupon yield sum, and namely:*
 - account number;
 - the bank's name where the account is established;
 - the bank's correspondent account where the account is established;
 - the bank's identification code where the account is established;
- e) Taxpayer identification number (TIN) of the person (entity) authorized to receive the Bonds coupon yield sums;*
- f) Taxable status of the person (entity) authorized to receive the Bonds coupon yield sum (resident, non-resident with permanent representation office in Russian Federation, non-resident without permanent representation office in Russian Federation, etc).*

The Bonds owner or Holder independently keeps track of completeness and actuality of requisites of bank's account, provided by it to the Depository. In case of non-providing or untimely providing to the Depository of the said requisites, the performance of such obligations is carried out to a person (an entity) who made a claim to perform the obligations and who is the owner of the Bonds as of the date of making the claim. Herewith the Issuer performs the obligations under the Bonds on the basis of the Depository's data, in such case the Issuer's obligations are considered to be fulfilled in full and in the proper way. In case if the bank account requisites provided by the owner or Holder or available at the Depository, do not allow for timely transferring monetary assets to them, then such a delay in the Issuer's obligation performance may not be considered as the default, and the Bond owner has no right to claim interest or other compensation for such a delay in payment.

Not later than 1 (one) business day prior the date of the Bonds coupon yield payment, the Issuer transfers the required money resources to the account of the paying agent.

Basing on the list of the Bonds owners and Holders, provided by the Depository, the paying agent calculates the sums of money resources due to payment to each Bonds owner and/or Holder authorized to receive the Bonds coupon yield sum.

On the date of the Bonds coupon yield payment, the paying agent transfers money resources meant for the coupon yield payment to the bank accounts of the Bonds owners and/or Holders

indicated in the list of the Bonds owners and Holders. In case one person (entity) is authorized to receive the Bonds coupon yield sum from several owners of the Bonds, then this person (entity) is transferred the total sum without breakdown for each owner of the Bonds. The Bonds Holders who are not the Bonds owners transfer money resources meant for the coupon yield payment to the Bonds owners as per the procedure defined between the Bonds Holder and the Bonds owner.

The Issuer's obligations to pay the appropriate Bonds coupon yield are considered to be performed when the money meant for the coupon yield payment is written off from the Issuer's account and/or correspondent account of the paying agent in return of the coupon yield in favor of the Bonds owners and Holders.

Yield for the sixth, seventh, eighth, ninth and tenth coupon is paid in accordance with the dates stipulated in item 9.4. of the Decision of the securities issue, simultaneously with repayment of 20 (twenty) percents of the face value of the issue Bonds.

The kind of provided security:

Guarantee

8.3.3. Data on the issues, for which the issuer has not performed its obligations as regards the securities (default)

Data on the issues, for which the issuer has not performed or inadequately performed its obligations as regards the securities (default):

There are no securities issues for which the issuer's obligations are not executed or inadequately executed.

8.4. Data on entity (entities) provided guarantee for the issue bonds

1. Securities: *Inconvertible interest bearing certified bearer bonds of BT-2 series*

Registration number: ***4-44-00137-A***

Registration date: ***10.11.2005***

The body that carried out state registration: ***Russia's FSFM***

Face value of one valuable paper of the issue: ***1000 rubles***

Issue volume: ***3 000 000 000 rubles***

Entity that provided the guarantee:

Full brand name: ***Limited Liability Company "Volga-Finance"***

Abbreviated brand name: ***LLC "Volga-Finance"***

Location: ***603053, RF, Nizhny Novgorod city, Lesnaya street, 8.***

2. Securities: *Inconvertible interest bearing certified bearer bonds of BT-3 series*

Registration number: ***4-45-00137-A***

Registration date: ***10.11.2005***

The body that carried out state registration: ***Russia's FSFM***

Face value of one valuable paper of the issue: ***1000 rubles***

Issue volume: ***2 300 000 000 rubles***

Entity that provided the guarantee:

Full brand name: *Limited Liability Company “Volga–Finance”*
Abbreviated brand name: *LLC “Volga–Finance”*
Location: *603053, RF, Nizhny Novgorod city, Lesnaya street, 8.*

8.5. Terms and conditions of the guarantee to perform obligations on the issue bonds

1. Security for inconvertible interest bearing certified bearer bonds of BT-2 series with state registration number of the issue 4-44-00137-A:

The method of provided security: *Guarantee.*

The amount in which the guarantor is responsible to the owners of the bonds secured by guarantee: *3 000 000 000 rubles and total coupon yield on 3 000 000 Bonds.*

LLC “Volga–Finance” (hereinafter – the “Company”) takes upon itself to be responsible for the Issuer’s performance of its obligations to pay appropriate part of face value, coupon yield on the bonds to the Bonds’ owners on following terms and conditions: The Company’s limit of responsibility is limited to the Ceiling Amount.

The responsibility of the Company on the Issuer’s obligations is joint. The Company takes upon itself to perform the Issuer’s obligations in the part, in which the Issuer failed to fulfill and /or fulfilled not in full the Issuer’s obligations in the following cases:

- *The Issuer failed to pay or paid not in full the appropriate part of the Bonds’ face value to the Bonds’ owners in the amount and at dates, defined by the Issuing documents;*
- *The Issuer failed to pay or paid not in full the Bonds coupon yield to the Bonds’ owners in the amount and at dates, defined by the Issuing documents.*

The Company takes upon itself, according to the Offer’s terms and conditions, to perform the Issuer’s obligations non-performed by the Issuer, in the Amount of Non-performed Obligations and within the limits of the Ceiling Amount. The Amount of Non-performed Obligations is defined by the Company in accordance with Claims on the Obligations Performance received from the Bonds’ owners and executed in accordance with item 3.3. of the Offer.

The procedure of making claims to the guarantor by the bonds owners.

The Claim on the Obligations Performance is to be made to the Company in written form and signed by the Bonds’ owner (its authorized persons/entities);

The Claim on the Obligations Performance is to contain: surname, name, patronymic or full name of the Bonds’ owner, its TIN, taxable status, place of residence (location), requisites of its bank account, the amount of Non-performed Obligations with respect to the Bonds’ owner sending the specified Claim on the Obligations Performance;

The Claim on the Obligations Performance is to indicate that the Issuer failed to pay or paid not in full at the dates established by the Issuing documents:

- *the appropriate part of the face value at Bonds retirement;*
- *coupon yield in the form of interest of the Bonds’ face value to the Bonds’ owner;*

The Claim on the Obligations Performance is to be made to the Company not later than 90 days since the occurrence of the appropriate Date of Performance of the Issuer’s Obligation with respect to the Bonds’ owner sending the specified Claim on the Obligations Performance. Herewith, the date of the Claim submittal is the date of the receipt of the Claim by the Company;

The extract for the owner's Custody account at NDC or at depositaries, being depositors with regard to NDC, as of the Date of drawing up by NDC of the list of the Bonds’ owners for coupon yield payment/bonds repayment, the Date being defined in accordance with the

provisions of the Issuing documents, is to be attached to the Claim on the Obligations Performance, the specified extract confirming the Bonds owner's rights with regard to its Bonds;

The Claim on the Obligations Performance and documents attached to it are to be sent to the Company by a registered letter, courier mail or express mail.

The Company considers the Claim on the Obligations Performance within 14 days since the end date of 90-days period established by item 3.3.4. of the Offer.

The size of the value of the issuer's net assets as of the last reporting date before providing the guarantee: as of 01.10.2005 - **15 702 216 thousand rubles**

as of 01.01.2006 - **16 515 273 thousand rubles**

The size of the value of net assets of the legal entity that provided the guarantee as of the last reporting date before providing the guarantee: as of 01.10.2005 - **10 thousand rubles**

as of 01.01.2006 - **10 thousand rubles**

The size of the value of net assets of the legal entity that provided the guarantee as of the date of the reporting quarter end: **10 thousand rubles**

2. Security for inconvertible interest bearing certified bearer bonds of BT-3 series with state registration number of the issue 4-45-00137-A:

The method of provided security: ***Guarantee.***

The amount in which the guarantor is responsible to the owners of the bonds secured by guarantee: **2 300 000 000 rubles and total coupon yield on 2 300 000 Bonds.**

LLC "Volga-Finance" (hereinafter – the "Company") takes upon itself to be responsible for the Issuer's performance of its obligations to pay appropriate part of face value, coupon yield on the bonds to the Bonds' owners on following terms and conditions: The Company's limit of responsibility is limited to the Ceiling Amount.

The responsibility of the Company on the Issuer's obligations is joint. The Company takes upon itself to perform the Issuer's obligations in the part, in which the Issuer failed to fulfill and /or fulfilled not in full the Issuer's obligations in the following cases:

- The Issuer failed to pay or paid not in full the appropriate part of the Bonds' face value to the Bonds' owners in the amount and at dates, defined by the Issuing documents;***
- The Issuer failed to pay or paid not in full the Bonds coupon yield to the Bonds' owners in the amount and at dates, defined by the Issuing documents.***

The Company takes upon itself, according to the Offer's terms and conditions, to perform the Issuer's obligations non-performed by the Issuer, in the Amount of Non-performed Obligations and within the limits of the Ceiling Amount. The Amount of Non-performed Obligations is defined by the Company in accordance with Claims on the Obligations Performance received from the Bonds' owners and executed in accordance with item 3.3. of the Offer.

The procedure of making claims to the guarantor by the bonds owners.

The Claim on the Obligations Performance is to be made to the Company in written form and signed by the Bonds' owner (its authorized persons/entities);

The Claim on the Obligations Performance is to contain: surname, name, patronymic or full name of the Bonds' owner, its TIN, taxable status, place of residence (location), requisites of its bank account, the amount of Non-performed Obligations with respect to the Bonds' owner sending the specified Claim on the Obligations Performance;

The Claim on the Obligations Performance is to indicate that the Issuer failed to pay or paid not in full at the dates established by the Issuing documents:

- *the appropriate part of the face value at Bonds retirement;*
- *coupon yield in the form of interest of the Bonds' face value to the Bonds' owner;*

The Claim on the Obligations Performance is to be made to the Company not later than 90 days since the occurrence of the appropriate Date of Performance of the Issuer's Obligation with respect to the Bonds' owner sending the specified Claim on the Obligations Performance. Herewith, the date of the Claim submittal is the date of the receipt of the Claim by the Company;

The extract for the owner's Custody account at NDC or at depositaries, being depositors with regard to NDC, as of the Date of drawing up by NDC of the list of the Bonds' owners for coupon yield payment/bonds repayment, the Date being defined in accordance with the provisions of the Issuing documents, is to be attached to the Claim on the Obligations Performance, the specified extract confirming the Bonds owner's rights with regard to its Bonds; The Claim on the Obligations Performance and documents attached to it are to be sent to the Company by a registered letter, courier mail or express mail.

The Company considers the Claim on the Obligations Performance within 14 (Fourteen) days since the end date of 90-days period established by item 3.3.4. of the Offer.

The size of the value of the issuer's net assets as of the last reporting date before providing the guarantee: as of 01.10.2005 - **15 702 216 thousand rubles**

as of 01.01.2006 - **16 515 273 thousand rubles**

The size of the value of net assets of the legal entity that provided the guarantee as of the last reporting date before providing the guarantee: as of 01.10.2005 - **10 thousand rubles**

as of 01.01.2006 - **10 thousand rubles**

The size of the value of net assets of the legal entity that provided the guarantee as of the date of the reporting quarter end: **10 thousand rubles**

8.6. Data on organizations carrying out the record keeping of rights for the issuer's issuing securities

Entity keeping the register of the owners of the issuer's registered securities:

registrar

Full brand name: **Open Joint Stock Company "Obiedinennaya registratsionnaya kompaniya"**

Abbreviated brand name: **OJSC "ORK"**

Location: **113095, Moscow city, Pyatnitskaya street, 70**

Tel./Fax: **(495) 504-28-86, 933-42-21**

E-mail: **ork@ork-reestr.ru**

Data on the registrar's license to carry out the activity of record keeping of the securities owners:

License number: **10-000-1-00314**

Date of issue: **30.03.2004**

Validity term: **unlimited**

The body that issued the license: **Russia's FCSM**

Other data on maintaining the register of the issuer's registered securities owners:

18.02.2002 – the date since when the maintenance of register of the Issuer's registered securities was carried out by the registrar CJSC "Registrator-Svyaz".

13.12.2005 – the entry was made into the Single State register of legal entities, concerning the termination of activity of CJSC “Registrator-Svyaz” by means of reorganization in the form of affiliation to OJSC “ORK”.

The Issuer has in circulation the bonds of BT-2 and BT-3 series issued in paper form, and with the certificate executed for the entire amount of the issue, the specified certificated being subject to central storage.

The entity carrying out central storage of the bonds: *depository*

Full brand name: *Non-Commercial Partnership “National Depository Center”*

Abbreviated name: *NDC*

Location: *Moscow, Srednyi Kislovskiy pereulok, 1/13, building 4*

Data on the license of professional participant of securities market to carry out the activity of depository at securities market:

License number: *177-03431-000100*

Date of issue: *4.12.2000*

Validity term: *unlimited*

The body issued the license: *Russia’s FCSM*

Other data:

05.12.2005 – the date since when the depository started central storage of the issuer’s securities of BT-2 and BT-3 series.

8.7. Data on legislative acts regulating the issues of import and export of capital which may affect the payment of dividends, interest and other payments to non-residents

The basic legislative act regulating the issues of import and export of capital is Federal Law of N 173-Φ3 (wording of 18.07.2005) “On currency regulation and currency control”.

A number of Federal laws ratify the agreement of avoidance of double taxation between Russian Federation and foreign countries. At present the policy of avoidance of double taxation is effective with more than 50 countries.

When applying the provisions of international agreements of Russian Federation, a foreign organization should provide to a tax agent paying the income the confirmation of the fact that this foreign organization has a permanent location in the country with which Russian Federation has an international contract (agreement) regulating the issues of taxation, this confirmation should be verified by competent authority of appropriate foreign country. In case if this confirmation is executed in a foreign language, the tax agent is also provided with the translation in Russian.

Upon providing by a foreign organization, having the right for receiving income, of the above said confirmation to the tax agent who pays the income prior to the date of the income payment in regard to which Russian Federation international agreement stipulates preferential tax treatment in Russian Federation, then this income is exempted from deduction of the tax at the source of payment or the tax is deducted at the source of payment at reduced rates.

The issues of import and export of capital, which may affect the payment of dividends, interests and other payments to non-residents, are governed by the following regulations: (in latest effective wordings):

Federal law of 10.12.2003 № 173-Φ3 (wording of 18.07.2005) “On currency regulation and currency control”;

Russian Federation Tax Code, part 1, № 146-Φ3 of 31.07.98;
Russian Federation Tax Code, part 2, № 117-Φ3 of 05.08.00;
Federal law № 39-Φ3 of 22.04.1996 (wording of 27.12.2005) “On securities market”;
Federal law № 160-Φ3 of 09.07.1999 (wording of 22.07.2005) “On foreign investments in Russian Federation”;
Federal law № 39-Φ3 of 25.02.1999 (wording of 02.02.2006) “On investment activity in Russian Federation carried out in the form of capital investments”;
Federal law № 86-Φ3 of 10.07.2002 (wording of 18.07.2005) “On Central Bank of Russian Federation (Bank of Russia)”;
Federal law № 115-Φ3 of 07.08.2001 (wording of 16.11.2005) “On prevention of legalization (laundering) of criminal income and on prevention of financing of terrorism”;
International treaties of Russian Federation on avoidance of double taxation.

8.8. Description of the procedure of taxation of incomes on placed and being placed issuing securities of the issuer

Description of the procedure of taxation of incomes on placed and being placed issuing securities of the issuer.

I. TAXATION OF NATURAL PERSONS.

Residents

In accordance with item 2 of article 214 of Russian Federation Tax Code OJSC “VolgaTelecom”, being the source of income of natural persons-residents received in the form of dividends, calculated and deducted the amount of tax separately for each taxpayer applicably to each payment of the specified income at the rate stipulated by item 4 of article 224 of this Code in the procedure stipulated by article 275 of this Code.

In regard to income of share participation in the activity of organization, received in the form of dividends, item 4 of article 224 of RF Tax Code sets the tax rate for income of natural persons-residents in the amount of 9 %. However, article 275 of RF Tax Code being referenced to by article 214 of the Code sets a special procedure of defining the tax base for the income paid in the form of dividends:

The amount of tax due to deduction from the income of taxpayer (resident) – beneficiary of dividends, is calculated by the tax agent proceeding from the total amount of tax calculated in the procedure established by this item and the share of each taxpayer in the total amount of dividends.

Total amount of tax is defined as the product of the tax rate established by sub-item 1 of item 3 of article 284 of this Code and the difference between the amount of dividends due to distribution between the shareholders (participants) in the current tax period, decreased by the amount of dividends due to payment by tax agent in accordance with item 3 of this article in the current tax period, and the amount of dividends received by the tax agent himself in current report (tax) period and previous report (tax) period, if these amounts of dividends did not participate earlier in the calculation while defining taxable income in the form of dividends.

On balance, to define the amount of tax on income paid to residents (to legal entities and natural persons) in the form of dividends, computed tax rate was calculated, for OJSC VolgaTelecom” this rate amounted to 7,7519% . This rate is applied to deduct the tax from natural persons – residents.

The tax for income of natural persons *in accordance with items 4, 6 of article 226 of RF Tax Code is deducted and transferred to budget on the day of actual payment of income.*

Non-residents

In accordance with item 2 of article 214 of Russian Federation Tax Code OJSC “VolgaTelecom”, being the source of income of natural persons – non-residents, received in the form of dividends, calculated and deducted the amount of tax separately for each taxpayer applicably to each payment of the specified income at the rate stipulated by item 3 of article 224 of this Code – 30%.

The tax for income of natural persons in accordance with item 4, 6 of article 226 of RF Tax Code is deducted and transferred to budget on the day of actual payment of income.

II. TAXATION OF LEGAL ENTITIES:

Residents

In accordance with item 2 of article 275 of RF Tax Code OJSC “VolgaTelecom”, paying income in the form of dividends to legal entities-residents, is a tax agent and defines the amount of tax taking into account the peculiarities stipulated by this item of RF Tax Code:

The amount of tax due to deduction from the income of taxpayer (resident) - beneficiary of dividends is calculated by tax agent proceeding from the total amount of tax computed in the procedure established by this item and from the share of each taxpayer in the total amount of dividends.

The total amount of tax is defined as the product of tax rate, established by sub-item 1 of item 3 of article 284 of this Code (the rate of 9 %), and the difference between the amount of dividends due to distribution between shareholders (participants) in current tax period decreased by the amounts of dividends due to payment by tax agent in accordance with item 3 of this article in current report (tax) period and the amount of dividends received by the tax agent himself in current reporting (tax) period and previous reporting (tax) period, if these amounts of dividends did not participate earlier in the calculation while defining taxable income in the form of dividends.

On balance, to define the amount of tax on income paid to residents (to legal entities and natural persons) in the form of dividends, computed tax rate was calculated, for OJSC “VolgaTelecom” this rate amounted to 7,7519%. This rate is applied to deduct the tax from legal entities – residents.

For separate beneficiaries of income in the form of dividends – Unit investments funds – the tax was not deducted, as Unit investments funds being separate property complexes without establishing legal entity, are not considered to be organizations for applying RF Tax Code, and hence they are not recognized to be taxpayers of the profit tax.

The tax for income in the form of dividends in accordance with item 4 of article 287 of RF Tax Code is deducted and transferred to budget within 10 days following the day of income payment.

Non-residents:

In accordance with item 3 of article 275 of RF Tax Code OJSC “VolgaTelecom”, paying income in the form of dividends to legal entities – non-residents, is a tax agent and defines the amount of tax proceeding from the paid amount taking into account the rate stipulated by sub-item 2 of item 3 of article 284 of RF Tax Code – 15%.

Reduced rates (5% and 10%) were applied to separate beneficiaries of dividends in accordance with item 1 of article 312 of RF Tax Code on the basis of non-residents’ providing

the documents confirming their permanent stay in the country with which Russian Federation has an international treaty (agreement) regulating the issue of preferential tax treatment.

The tax for income in the form of dividends in accordance with item 4 of article 287 of RF Tax Code is deducted and transferred to budget within 10 days following the day of income payment.

The procedure of taxation of income from realization of being placed and placed securities, and also of interest on the issuer's bonds in accordance with RF current legislation

When paying income in the form of dividends received from the securities' issuer the taxation is made in accordance with RF current legislation on taxes and receipts:

The procedure of taxation of natural persons

Residents

In accordance with sub-item 1 of item 1 of article 208 of RF Tax Code, of items 2 and 4 of article 226 of RF Tax Code, of item 1 of article 224 of RF Tax Code the income received by natural persons are subject to taxation with the source of their payment at the rate of 13 %.

Non-residents

In accordance with sub-item 1 of item 1 of article 208 of RF Tax Code, of items 2 and 4 of article 226 of RF Tax Code, of item 3 of article 224 of RF Tax Code the income received by natural persons are subject to taxation with the source of their payment at the rate of 30 %.

The procedure of taxation of legal entities

Residents

In accordance with item 1 of article 247 of RF Tax Code, of item 6 of article 250 of RF Tax Code and item 1 of article 284 of RF Tax Code the received income is subject to taxation with Russian organizations received them at the rate of income tax of 24%.

Non-residents

Carrying out the activity via permanent representation office

In accordance with item 2 of article 247 of RF Tax Code, of items 1 and 6 of article 307 of RF Tax Code and item 1 of article 284 of RF Tax Code the received income is subject to taxation with foreign organizations received them and carrying out the activity in RF via permanent representation office at the rate of income tax of 24%.

Not carrying out the activity via permanent representation office

In accordance with item 3 of article 247 of RF Tax Code, of item 4 of article 286 of RF Tax Code, of sub-item 1 of item 2 of article 284 of RF Tax Code, of paragraph 3 of sub-item 3 of item 1 of article 309 of RF Tax Code and of item 1 of article 310 of RF Tax Code the received income is subject to taxation with the source of their payment at the rate of 20%.

However, in virtue of sub-item 4 of item 2 of article 310 of RF Tax Code calculation and income tax deduction of income paid to foreign organizations are made by tax agent for all kinds of income specified in item 1 of article 309 of RF Tax Code in all the cases of payments of such income, excluding the cases of income payments, which are in accordance with international agreements (treaties) are not taxed in RF, if a foreign organization provides for a tax agent a duly executed confirmation stipulated by item 1 of article 312 of RF Tax Code.

Since January 1, 2005 in regard of income from share participation in organization's activity received in the form of dividends, item 4 of article 224 of RF Tax Code establishes the rate of the tax of income of natural persons-residents in the size of 9%. The tax rate of 9% in accordance with sub-item 1 of item 3 of article 284 of RF Tax Code is applicable for tax withholding of legal entities-residents receiving income in the form of dividends from Russian

organizations. These changes were introduced into part II of RF Tax Code by Federal law № 95-Φ3 of 29.07.2004 “On introduction of changes in part one and part two of RF Tax Code and on holding some legislative acts (provisions of legislative acts) of RF on taxes and receipts to be null and void”.

8.9. Data on declared (accrued) and paid dividends on the issuer’s shares, and also on the incomes on the issuer’s bonds

For year 2001

Category of shares: *ordinary*

The size of declared (accrued) dividends on the issuer’s ordinary shares as per one share: **0,32 ruble**

The amount of declared (accrued) dividends in total on all ordinary shares: **28 000 795 rubles**

The name of the issuer’s management body that adopted (declared) the resolution on the payment of dividends on the issuer’s shares: **shareholders’ general meeting**

The date of holding the meeting (session) of the issuer’s management body at which the resolution (declaration) on dividends payment was passed: **28.06.2002**

The date and the number of minutes of the meeting (session) of the issuer’s management body at which the resolution on dividends payment (declaration) was passed: **№ 10 of 28.06.2002**

The time period established for the payment of declared dividends on the issuer’s shares:

From 28.07.2002 to 31.12.2002

The form and other conditions of the payment of declared dividends on the issuer’s shares:

In cash or by other property in case of a shareholder’s consent to receive dividends in such a form

The reporting period (year, quarter) for which the declared dividends on the issuer’s shares are (were) paid: **2001**

Total amount of dividends paid on all ordinary shares of the issuer for each reporting period for which the resolution on payment (declaration) of dividends was passed: **27 942 998 rubles.**

Reasons for non- payment of declared dividends:

- non-appearance of the shareholders in the Issuer’s office for receiving dividends by cash;

- incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;

- incorrect/incomplete/outdated information on the mailing address of shareholders

Other data on declared and/or paid dividends on ordinary shares: **none**

For year 2001

Category and type of shares: **preferred A type shares**

The size of declared (accrued) dividends on the issuer’s preferred A type shares as per one share: **0.96 ruble**

The amount of declared (accrued) dividends in total on all preferred A type shares: **27 993 888 rubles**

The name of the issuer’s management body that adopted (declared) the resolution on the payment of dividends on the issuer’s shares: **shareholders’ general meeting**

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: **28.06.2002**

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: **№ 10 of 28.06.2002**

The time period established for the payment of declared dividends on the issuer's shares:

From 28.07.2002 to 31.12.2002

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash or by other property in case of a shareholder's consent to receive dividends in such a form

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: **2001**

Total amount of dividends paid on all preferred A type shares of the issuer for each reporting period for which the resolution on payment (declaration) of dividends was passed: **27 800 722 rubles**

Reasons for non- payment of declared dividends:

- non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;

- incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;

- incorrect/incomplete/outdated information on the mailing address of shareholders

Other data on declared and/or paid dividends on preferred shares: **none**

For year 2002

Category of shares: ***ordinary***

The size of declared (accrued) dividends on the issuer's ordinary shares as per one share: **0,7066 ruble**

The amount of declared (accrued) dividends in total on all ordinary shares: **173 802 112 rubles**

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: ***shareholders' general meeting***

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: **27.06.2003**

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: **№ 3 of 27.06.2003**

The time period established for the payment of declared dividends on the issuer's shares:

From 27.07.2003 to 31.12.2003

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash or by other property in case of a shareholder's consent to receive dividends in such a form

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: **2002**

Total amount of dividends paid on all ordinary shares of the issuer for each reporting period for which the resolution on payment (declaration) of dividends was passed:

173 119 769 rubles

Reasons for non- payment of declared dividends:

- *non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;*

- *incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;*

- *incorrect/incomplete/outdated information on the mailing address of shareholders*

Other data on declared and/or paid dividends on ordinary shares: *none*

For year 2002

Category and type of shares: *preferred A type shares*

The size of declared (accrued) dividends on the issuer's preferred A type shares as per one share: *1.7954 ruble*

The amount of declared (accrued) dividends in total on all preferred A type shares: *147 193 004 rubles*

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: *shareholders' general meeting*

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: *27.06.2003*

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: *№ 3 of 27.06.2003*

The time period established for the payment of declared dividends on the issuer's shares:

From 27.07.2003 to 31.12.2003

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash or by other property in case of a shareholder's consent to receive dividends in such a form

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: *2002*

Total amount of dividends paid on all preferred A type shares of the issuer for each report period for which the resolution on payment (declaration) of dividends was passed: *143 828 176 rubles.*

Reasons for non- payment of declared dividends:

- *non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;*

- *incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;*

- *incorrect/incomplete/outdated information on the mailing address of shareholders*

Other data on declared and/or paid dividends on preferred shares: *none*

For year 2003

Category of shares: *ordinary*

The size of declared (accrued) dividends on the issuer's ordinary shares as per one share: *0,9186 ruble*

The amount of declared (accrued) dividends in total on all ordinary shares: *225 947 665 rubles*

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: *shareholders' general meeting*

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: *22.06.2004*

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: **№ 4 of 23.06.2004**

The time period established for the payment of declared dividends on the issuer's shares:

From 15.07.2004 to 15.12.2004

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: **2003**

Total amount of dividends paid on all ordinary shares of the issuer for the reporting period for which the resolution on payment (declaration) of dividends was adopted:

224 785 469 rubles

Reasons for non- payment of declared dividends:

- **non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;**

- **incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;**

- **incorrect/incomplete/outdated information on the mailing address of shareholders**

Other data on declared and/or paid dividends on ordinary shares: **none**

For year 2003

Category and type of shares: **preferred A type shares**

The size of declared (accrued) dividends on the issuer's preferred A type shares as per one share: **2,4510 rubles**

The amount of declared (accrued) dividends in total on all preferred A type shares: **200 941 323 rubles**

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: **shareholders' general meeting**

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: **22.06.2004**

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: **№ 4 of 23.06.2004**

The time period established for the payment of declared dividends on the issuer's shares:

From 15.07.2004 to 15.12.2004

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: **2003**

Total amount of dividends paid on all preferred A type shares of the issuer for each reporting period for which the resolution on payment (declaration) of dividends was passed: **194 724 390 rubles**

Reasons for non- payment of declared dividends:

- **non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;**

- **incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;**

- **incorrect/incomplete/outdated information on the mailing address of shareholders**

Other data on declared and/or paid dividends on preferred shares: *none*

For year 2004

Category of shares: *ordinary*

The size of declared (accrued) dividends on the issuer's ordinary shares as per one share:

1,3779 rubles

The amount of declared (accrued) dividends in total on all ordinary shares: ***338 921 499 rubles***

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: ***shareholders' general meeting***

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: ***28.06.2005***

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: ***№ 5 of 30.06.2005***

The time period established for the payment of declared dividends on the issuer's shares:

From 15.07.2005 to 15.12.2005

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: ***2004***

Total amount of dividends paid on all ordinary shares of the issuer for the reporting period for which the resolution on payment (declaration) of dividends was adopted:

337 047 179 rubles.

Reasons for non- payment of declared dividends:

- non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;

- incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;

- incorrect/incomplete/outdated information on the mailing address of shareholders

Other data on declared and/or paid dividends on ordinary shares: *none*

For year 2004

Category and type of shares: *preferred A type shares*

The size of declared (accrued) dividends on the issuer's preferred A type shares as per one share:

2,5082 rubles

The amount of declared (accrued) dividends in total on all preferred A type shares: ***205 630 774 rubles***

The name of the issuer's management body that adopted (declared) the resolution on the payment of dividends on the issuer's shares: ***shareholders' general meeting***

The date of holding the meeting (session) of the issuer's management body at which the resolution (declaration) on dividends payment was passed: ***28.06.2005***

The date and the number of minutes of the meeting (session) of the issuer's management body at which the resolution on dividends payment (declaration) was passed: ***№ 5 of 30.06.2005***

The time period established for the payment of declared dividends on the issuer's shares:

From 15.07.2005 to 15.12.2005

The form and other conditions of the payment of declared dividends on the issuer's shares:

In cash

The reporting period (year, quarter) for which the declared dividends on the issuer's shares are (were) paid: **2004**

Total amount of dividends paid on all preferred A type shares of the issuer for the reporting period for which the resolution on payment (declaration) of dividends was passed:

200 373 183 rubles.

Reasons for non- payment of declared dividends:

- ***non-appearance of the shareholders in the Issuer's office for receiving dividends by cash;***

- ***incorrect/incomplete/outdated information on the requisites of the bank accounts of shareholders;***

- ***incorrect/incomplete/outdated information on the mailing address of shareholders***

Other data on declared and/or paid dividends on preferred shares: ***none***

For year 2005

Category of shares: ***ordinary***

Category and type of shares: ***preferred type A shares***

Other data on declared and/or paid dividends on ordinary and preferred shares: ***as of 31.03.2006 the dividends size is not approved.***

At the Board of directors' session on 21.04.2006 (minutes № 28) the resolution was passed on convening annual shareholders general meeting on 26.06.2006.

For the issuers who had issued **the bonds.**

With respect to each bonds issue under which the income was paid for the last 5 accomplished fiscal years preceding the end date of last reporting quarter, the following data is specified:

Kind of securities: ***bonds***

Series: ***BT - 1***

Form: ***paper bearer***

Other identification features of the bonds issue:

Type: ***interest rate***

State registration number of the bonds issue: ***№ 4-43-00137-A***

State registration date: ***24.01.2003***

State registration date of the report on the bonds issue results: ***14.03.2003***

The quantity of the bonds of the issue: ***1 000 000 pieces***

Face value of each bond of the issue: ***1 000 rubles***

The amount of the bonds issue at face value: ***1 000 000 000 rubles***

Type of yield paid on the bonds of the issue: ***interest (coupon)***

The size of the yield due to payment in cash on the issue bonds as per one bond: ***396,81 rubles***

The total size of the yield due to payment in cash on all the issue bonds: **396 810 000 rubles**

The time period established for the payment of yield on the issue bonds:

Date of payment	Size of coupon rate, %	Size of yield as per 1 bond, rubles
23.05.2003	4.75	11.84
22.08.2003	4.75	11.84
21.11.2003	16.5	41.14
24.02.2004	16.5	41.59
24.05.2004	15	37.81
23.08.2004	15	37.40
22.11.2004	15	37.40
21.02.2005	15	37.81
23.05.2005	15	37.40
22.08.2005	15	37.40
21.11.2005	13	32.41
21.02.2006	13	32.77

The form and other provisions of the payment of yield on the issue bonds:

In Russian Federation currency, in non-cash form

Reporting period (year, quarter) for which the yield for the issue bonds was (is) paid: ***quarters 2, 3, 4 of 2003, quarters 1,2,3,4 of 2004, quarters 1,2,3,4 of 2005, quarter 1 of 2006.***

Total size of yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

quarter 2 of 2003 (23.05.2003) – 11 840 000 rubles

quarter 3 of 2003 (22.08.2003) – 11 840 000 rubles

quarter 4 of 2003 (21.11.2003) – 41 140 000 rubles

quarter 1 of 2004 (24.02.2004) – 41 590 000 rubles

quarter 2 of 2004 (24.05.2004) – 37 810 000 rubles

quarter 3 of 2004 (23.08.2004) – 37 400 000 rubles

quarter 4 of 2004 (22.11.2004) – 37 400 000 rubles

quarter 1 of 2005 (21.02.2005) – 37 810 000 rubles

quarter 2 of 2005 (23.05.2005) – 37 400 000 rubles

quarter 3 of 2005 (22.08.2005) – 37 400 000 rubles

quarter 4 of 2005 (21.11.2005) – 32 410 000 rubles

quarter 1 of 2006 (21.02.2006) – 32 770 000 rubles

The reasons of non-payment of the yield: ***the yield was paid in full***

Other data on the yields on the issue bonds: ***none***

Kind of securities: ***bonds***

Series: ***10 - O***

Form: ***registered paperless***

Other identification features of the bonds issue:

Type: ***interest rate***

State registration number of the bonds issue: ***№ 4-10-00137-A***

State registration date: ***25.10.2002***

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **488 pieces**

Face value of each bond of the issue: **2 500 rubles**

The amount of the bonds issue at face value: **1 220 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money terms**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of the yield on the issue bonds: **till 06.11.2003**

The form and other conditions of the payment of the yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarter 4 of 2003**

Total size of yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 4 of 2003 - 6 768 rubles

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **11 - O**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-11-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **280 pieces**

Face value of each bond of the issue: **2 500 rubles**

The amount of the bonds issue at face value: **700 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money terms**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of the yield on the issue bonds: **till 06.11.2003**

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarters 1, 2, 3 and 4 of year 2003**

Total size of the yield paid on all bonds of the issue for each report period for which such yield had been paid:

Quarter 1 of 2003 – 144 rubles

Quarter 2 of 2003 – 0 ruble

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **18 - O**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-18-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **182 pieces**

Face value of each bond of the issue: **6 000 rubles**

The amount of the bonds issue at face value: **1 092 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money terms**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of yield on the issue bonds: **till 15.04.2004**

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004**

Total size of the yield paid on all the bonds of the issue for each report period for which such yield had been paid:

Quarter 1 of 2003 – 0 ruble

Quarter 2 of 2003 – 117,7 rubles

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 0 ruble

Quarter 1 of 2004 – 1 105,60 rubles

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: ***bonds***

Series: ***19 - O***

Form: ***registered paperless***

Other identification features of the bonds issue:

Type: ***interest rate***

State registration number of the bonds issue: ***№ 4-19-00137-A***

State registration date: ***25.10.2002***

State registration date of the report on the results of the bonds issue: ***24.01.2003***

The quantity of the issue bonds: ***70 pieces***

Face value of each bond of the issue: ***6 000 rubles***

The amount of the bonds issue at face value: ***420 000 rubles***

Type of yield paid on the issue bonds: ***interest***

The size of the yield due to payment on the issue bonds in cash as per one bond: ***cannot be indicated in money terms***

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: ***cannot be indicated as the period of repayment (yield payment) of each bond is different***

The time period established for the payment of yield on the issue bonds: ***till 15.04.2004***

The form and other conditions of the payment of yield on the issue bonds: ***in rubles***

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: ***quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004***

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 52 rubles

Quarter 2 of 2003 – 0 ruble

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 0 ruble

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: ***bonds***

Series: ***20 - O***

Form: ***registered paperless***

Other identification features of the bonds issue:

Type: ***interest rate***

State registration number of the bonds issue: ***№ 4-20-00137-A***

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **405 pieces**

Face value of each bond of the issue: **6 000 rubles**

The amount of the bonds issue at face value: **2 430 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money terms**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of yield on the issue bonds: **till 15.04.2004**

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004**

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 1 144 rubles

Quarter 2 of 2003 – 0 ruble

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 52 rubles

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **21 - O**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-21-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **288 pieces**

Face value of each bond of the issue: **6 000 rubles**

The amount of the bonds issue at face value: **1 728 000 rubles**

Type of the yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money form**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: *cannot be indicated as the period of repayment (yield payment) of each bond is different*

The time period established for the payment of yield on the issue bonds: *till 15.04.2004*

The form and other conditions of the payment of yield on the issue bonds: *in rubles*

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: *quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004*

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 5 441,34 rubles

Quarter 2 of 2003 – 0 ruble

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 1 701,93 rubles

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: *bonds*

Series: *22 - O*

Form: *registered paperless*

Other identification features of the bonds issue:

Type: *interest rate*

State registration number of the bonds issue: *№ 4-22-00137-A*

State registration date: *25.10.2002*

State registration date of the report on the results of the bonds issue: *24.01.2003*

The quantity of the issue bonds: *417 pieces*

Face value of each bond of the issue: *6 000 rubles*

The amount of the bonds issue at face value: *2 502 000 rubles*

Type of the yield paid on the issue bonds: *interest*

The size of the yield due to payment on the issue bonds in cash as per one bond: *cannot be indicated in money terms*

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: *cannot be indicated as the period of repayment (yield payment) of each bond is different*

The time period established for the payment of yield on the issue bonds: *till 15.04.2004*

The form and other conditions of the payment of yield on the issue bonds: *in rubles*

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: *quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004*

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 44,19 rubles

Quarter 2 of 2003 – 69,37 rubles

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 74,37 rubles

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **24 - O**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-24-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **500 pieces**

Face value of each bond of the issue: **6 000 rubles**

The amount of the bonds issue at face value: **3 000 000 rubles**

Type of the yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money terms**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of yield on the issue bonds: **till 15.04.2004**

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004**

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 364,38 rubles

Quarter 2 of 2003 – 109,13 rubles

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 0 ruble

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **25 - O**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-25-00137-A**

State registration date: **25.10.2002.**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **180 pieces**

Face value of each bond of the issue: **6 000 rubles**

The amount of the bonds issue at face value: **1 080 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield due to payment on the issue bonds in cash as per one bond: **cannot be indicated in money form**

Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.

The total size of the yield due to payment on the issue bonds in money form for all the bonds of the issue: **cannot be indicated as the period of repayment (yield payment) of each bond is different**

The time period established for the payment of yield on the issue bonds: **till 15.04.2004**

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarters 1, 2, 3 and 4 of year 2003, quarter 1 of year 2004**

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2003 – 92,54 rubles

Quarter 2 of 2003 – 0 ruble

Quarter 3 of 2003 – 0 ruble

Quarter 4 of 2003 – 0 ruble

Quarter 1 of 2004 – 0 ruble

Other data on the yield on the issue bonds:

The size of the yield due to payment is defined by the date of each bond repayment.

Kind of securities: **bonds**

Series: **1 - C**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-27-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003**

The quantity of the issue bonds: **143 890 pieces**

Number of placed securities of the issue: **143 440 pieces**

Face value of each bond of the issue: **100 rubles**

The amount of the bonds issue at face value: **14 344 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield which was due to payment on the issue bonds in money form as per one bond: ***the size of the yield cannot be indicated in money terms as the period of repayment (yield payment) of each bond is different. Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 1% annual of the bond face value.***

The size of the yield which was due to payment on the issue bonds in money form in aggregate for all issue bonds: **882 750,80 rubles**

The time period established for the payment of yield on the issue bonds:

From 07.06.2003 till 07.06.2005

The form and other provisions of the payment of yield on the issue bonds: ***cash, non-cash. The payment is made on the basis of the bonds owner application within 30 days since the date of the application filing.***

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: ***quarters 3 and 4 of year 2003, quarters 1, 2, 3 and 4 of year 2004, quarters 1, 2,3 and 4 of year 2005, quarter 1 of 2006.***

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 3 of 2003 – 34 619,1 rubles

Quarter 4 of 2003 – 19 427,85 rubles

Quarter 1 of 2004 – 34 472,83 rubles

Quarter 2 of 2004 – 14 527,62 rubles

Quarter 3 of 2004 – 9 421,07 rubles

Quarter 4 of 2004 – 14 026,74 rubles

Quarter 1 of 2005 – 57 466,40 rubles

Quarter 2 of 2005 – 223 320,42 rubles

Quarter 3 of 2005 – 52 589,15 rubles

Quarter 4 of 2005 – 10 616,90 rubles

Quarter 1 of 2006 – 2 930,11 rubles

Other data on the yield on the issue bonds: ***The dividend payment on the issue bonds is made by the issuer since 07.06.2003 - date of the start of the bonds repayment.***

In quarter 1 of 2006 the bonds owners were paid the yield calculated since the bonds placement start date till the end date of the bonds repayment – 07.06.2005.

As of the reporting date the amount of yield unclaimed by the bonds owners is 409 332,61 rubles.

Kind of securities: ***bonds***

Series: ***I - V***

Form: ***registered paperless***

Other identification features of the bonds issue:

Type: *interest rate*

State registration number of the bonds issue: *№ 4-33-00137-A*

State registration date: *25.10.2002*

State registration date of the report on the results of the bonds issue: *24.01.2003*

The quantity of the issue bonds: *18 246 pieces*

Face value of each bond of the issue: *100 rubles*

The amount of the bonds issue at face value: *1 824 600 rubles*

Type of yield paid on the issue bonds: *interest*

The size of the yield which was due to payment on the issue bonds in money form as per one bond: *0,1 ruble*

The total size of the yield which was due to payment on the issue bonds in money terms for all the bonds of the issue: *1824,6 rubles*

The time period established for the payment of yield on the issue bonds:

The date of the repayment start: 29.06.2003

The date of the repayment end: 29.06.2004

The form and other conditions of the payment of yield on the issue bonds: *in rubles*

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: *quarters 2, 3 and 4 of year 2003, quarters 1 and 2 of year 2004*

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 2 of 2003 – 0 rubles

Quarter 3 of 2003 – 39,7 rubles

Quarter 4 of 2003 – 1 277,4 ruble.

Quarter 1 of 2004 – 16,40 rubles

Quarter 2 of 2004 – 491,10 rubles.

Other data on the yield on the issue bonds: *none*

Kind of securities: *bonds*

Series: *2 - Y*

Form: *registered paperless*

Other identification features of the bonds issue:

Type: *interest rate*

State registration number of the bonds issue: *№ 4-34-00137-A*

State registration date: *25.10.2002*

State registration date of the report on the results of the bonds issue: *24.01.2003*

The quantity of the issue bonds: *500 pieces*

Face value of each bond of the issue: *2000 rubles*

The amount of the bonds issue at face value: *1 000 000 rubles*

Type of yield paid on the issue bonds: *interest*

The size of the yield which was due to payment on the issue bonds in money terms as per one bond: *Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 0,1% annual of the bond face value.*

The size of the yield which was due to payment on the issue bonds in money terms for all the bonds of the issue: *Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the*

application filing for the bond repayment in the amount of 0,1% annual of the bond face value multiplied by 500, which for the repayment period amounted to 2 948.56 rubles

The time period established for the payment of yield on the issue bonds:

The date of the repayment start: 01.01.2005

The date of the repayment end: 31.12.2005

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarter 1,2,3 and 4 of year 2005**

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2005 – 2081,66 rubles

Quarter 2 of 2005 – 142,76 rubles

Quarter 3 of 2005 – 51,58 rubles

Quarter 4 of 2005 – 672,56 rubles

Other data on the yield on the issue bonds: **none**

Kind of securities: **bonds**

Series: **3 - Y**

Form: **registered paperless**

Other identification features of the bonds issue:

Type: **interest rate**

State registration number of the bonds issue: **№ 4-35-00137-A**

State registration date: **25.10.2002**

State registration date of the report on the results of the bonds issue: **24.01.2003** The quantity of the issue bonds: **500 pieces**

Face value of each bond of the issue: **2000 rubles**

The amount of the bonds issue at face value: **1 000 000 rubles**

Type of yield paid on the issue bonds: **interest**

The size of the yield which was due to payment on the issue bonds in money terms as per one bond: **Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 0,1% annual of the bond face value.**

The size of the yield which was due to payment on the issue bonds in money terms for all the bonds of the issue: **Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 0,1% annual of the bond face value multiplied by 500.**

The time period established for the payment of yield on the issue bonds:

The date of the repayment start: 01.01.2006

The date of the repayment end: 31.12.2006

The form and other conditions of the payment of yield on the issue bonds: **in rubles**

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: **quarter 1 of 2006**

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2006 – 1 474 rubles 50 kopecks

Other data on the yield on the issue bonds: **none**

Kind of securities: *bonds*

Series: 4 - *Y*

Form: *registered paperless*

Other identification features of the bonds issue:

Type: *interest rate*

State registration number of the bonds issue: *№ 4-36-00137-A*

State registration date: *25.10.2002*

State registration date of the report on the results of the bonds issue: *24.01.2003*

The quantity of the issue bonds: *500 pieces*

Face value of each bond of the issue: *2000 rubles*

The amount of the bonds issue at face value: *1 000 000 rubles*

Type of yield paid on the issue bonds: *interest*

The size of the yield which was due to payment on the issue bonds in money terms as per one bond: *Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 0,1% annual of the bond face value.*

The size of the yield which was due to payment on the issue bonds in money terms for all the bonds of the issue: *Interest on the bond is accrued under the condition of its submission for repayment for the period starting from the beginning of the bonds placement by the issuer to the date of the application filing for the bond repayment in the amount of 0,1% annual of the bond face value multiplied by 500.*

The time period established for the payment of yield on the issue bonds:

The date of the repayment start: 01.01.2006

The date of the repayment end: 30.04.2006

The form and other conditions of the payment of yield on the issue bonds: *in rubles*

Reporting period (year, quarter) for which the yield on the issue bonds was (is) paid: *quarter 1 of 2006*

Total size of the yield paid on all the bonds of the issue for each reporting period for which such yield had been paid:

Quarter 1 of 2006 – 2 143.5 rubles

Other data on the yield on the issue bonds: *none*

8.10. Other data

There are no other data on the issuer and its securities as stipulated by Federal law “On securities market” or other federal laws.

SUPPLEMENT № 1 – Code of Corporate Governance of OJSC “VolgaTelecom”

APPROVED by

OJSC “VolgaTelecom” Board of directors

March 11, 2004

**The Code
Of Corporate Governance
Of OJSC “VolgaTelecom”**

Nizhny Novgorod city
2004

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Introduction

Open Joint Stock Company “VolgaTelecom” (hereinafter – the Company) is the largest telecommunications services operator of Povolzhskiy region of Russia.

Realizing its mission in meeting the customers’ needs in high quality and reliability communication services, proceeding from the intent to develop as modern company capable of attracting the investments for the solution of these tasks, meeting high business, technological and financial standards, the Company voluntarily takes upon itself to follow the principles and rules of corporate governance of this Code in its activity.

The purpose of adopting this Code by the Company is to form and implement to day-to-day activity the principles and the rules of corporate governance contributing to successful development of the Company expressed first of all in long-term prospects of the Company’s development, in the growth of its value, in meeting legitimate interests and rights of all the stockholders and in forming positive image of the Company between the stockholders, employees, the Company’s customers and other interested parties.

The principles and the rules contained in this Code meet international standards of the best practice of corporate governance and represent higher, as compared with current legislation, level of functioning of management and control bodies, of business culture and compliance with high ethical norms.

As the practice of corporate management in Russia and abroad develops, the Company will improve the rules and principles of corporate governance stated in this Code and ensure their more complete abidance in its day-to-day activity.

1. The principles of corporate governance

1.1. Corporate governance is the system of principles, norms and rules in accordance with which the relations between stockholders, members of the Board of directors, the Company's executive bodies and other interested parties are regulated.

1.2. The Company commits itself to perfect corporate management in accordance with the principles ensuring:

- Factual opportunity for the stockholders to exercise their rights related to participation in the Company;
- Equal treatment of stockholders possessing the shares of the same type (category), including minority and foreign stockholders;
- Exercising by the Board of directors of strategic management of the Company's activity and efficient control by the Board of directors over the activity of the Company's executive bodies, and also the accountability of the members of the Board of directors to the Company's stockholders;
- Reasonable and bona fide exercising by the Company's executive bodies of efficient management of the Company's current activity in the interests of ensuring its long-term, stable development and obtaining profit by the stockholders from this activity; the accountability of executive bodies to the Company's Board of directors and its stockholders;
- Timely disclosure of exact and true information on the Company, including on its financial status, economic indicators, the structure of property and management, essential corporate actions in order to ensure the opportunity to take informed decisions by the Company's stockholders and investors;
- Efficient control over the Company's financial-economic activity in order to protect the rights and legitimate interests of the stockholders;
- Observance of legitimate rights of the Company's employees, development of partnership relations between the Company and the employees in solution of social issues and regulation of labor conditions;
- Active cooperation of the Company with investors, creditors and other interested parties in order to increase the Company's value, including the growth of its assets, the price of shares and other securities, raising its reputation.

1.3. The Company realizes the importance of perfecting the corporate governance of its affiliated and dependent companies and seeking to ensure the openness and transparency of the activity of the said organizations and also to introduce the basic principles of this Code in them.

2. The rights of the Company's stockholders

2.1. In its activity the Company proceeds from the fact that its management and control bodies, and first of all the Board of directors, the Company's Management board and General director ensure the observance of rights and protection of the Company's stockholders interests.

2.2. The Company to the maximum ensures reliable and efficient accounting of property rights of the stockholders for the shares by transferring the functions of depositing and keeping the register of stockholders to a specialty registrar who is independent in relation to the Company and has proper technical facilities and control systems ensuring qualitative keeping and safety of the

register data, the registrar acting on the basis of license in accordance with the requirements of current legislation.

2.3. The stockholders have the right in their discretion to freely dispose of the shares in their possession, to perform any acts not contradicting the law and not violating the rights and law protected interests of other parties, including the transfer of their shares to the possession of other persons.

2.4. In its activity the Company proceeds from regular and timely ensuring of receipt by the stockholders of exact and complete information allowing for them to take optimal decisions on the issues of the Company's activity and disposal of securities in their possession.

2.5. The Company ensures the right of the stockholders to participate in the management of the Company's activity and adoption of decisions on the most important issues of the Company's activity. The Company observes the stockholders' right to get profit share of the Company in the form of dividends and tends to the predictability of the Company's dividend policy for the stockholders. The Company will conduct the policy aimed for the receipt by the stockholders of dividends of the declared amount and within short-term period.

2.6. The Company expects that the stockholders will not abuse the rights granted to them and will not perform the acts aimed at causing harm to other stockholders or to the Company.

3. General meeting of stockholders

3.1. The Company complies with the requirements of Russian Federation legislation to the procedure of preparation and holding of general meeting of stockholders and makes efforts to perfect the procedures of preparation and holding of general meetings of stockholders.

3.2. The procedure of preparation and holding of general meeting of stockholders is regulated by the Charter and the internal document of the Company – "Provision on the procedure of holding general meeting of OJSC "VolgaTelecom" stockholders (hereinafter – the Provision on holding general meeting of stockholders).

3.3. The Company applies the methods of giving notice to the stockholders on the convocation of general meeting of stockholders, these methods ensure timely provision of the information to all the persons included into the list of persons having the right to participate in general meeting of stockholders.

3.4. Along with the major method of notifying the stockholders by mailing a communication about holding the meeting to every stockholder, the Company uses additional channels: publication of information about holding general meeting of stockholders in one nationwide daily – "Rossiiskaya gazeta" having one of the largest readership circulation in the country, and also in a number of leading mass media of Russian Federation subjects on the territory of which the Company is operating. The Company uses its corporate Internet site www.volgatelecom.ru as an additional method of notifying the stockholders on holding general meeting.

3.5. The Company tends to extend the time period for notification of the stockholders about the upcoming general meeting and to notify the stockholders about holding general meeting

of stockholders at least 30 days prior to the date of its holding, if the legislation does not stipulate a longer period.

3.6. The Company tends to expand the content of communication about holding general meeting of stockholders and to provide in the communication about holding of formal general meeting the information about the beginning and the end of registration and the location of registration, and in case of absentee voting – the date to which the voting ballots should be received.

3.7. The Company provides the stockholders participating in the general meeting the opportunity to familiarize with the information providing complete insight of the Company's activity required for taking informed, better decisions on the issues of the agenda of the general meeting. The stockholders can familiarize with the information:

- ◆ At the location of the Company's executive body,
- ◆ In the Company's branches,
- ◆ At the Company's website in the Internet: www.volgatelecom.ru

3.8. The volume of information provided to the stockholders is defined by the Charter and the Provision on the procedure of holding general meeting of stockholders.

3.9. The persons having the right to participate in stockholders' general meeting are provided the following information (materials) in the procedure and to the address (addresses) indicated in the communication about holding general meeting of stockholders: - Annual accounting statement, including auditor's report, the Company's Auditing committee report based on the results of the check of the annual accounting statement,
- Data on the candidates to the Company's Board of directors, to the Company's Auditing committee,
- The draft of changes and addenda introduced to the Company's Charter, or the draft of the Company's Charter in a new wording,
- The drafts of the Company's internal documents,
- The drafts of other documents the adoption of which is stipulated by the drafts of resolutions of the stockholders' general meeting,
- The drafts of resolutions of the stockholders' general meeting,
- Other information (materials) required for provision in accordance with current legislation,
- Other information (materials) for adopting the resolutions on the issues of the agenda of the stockholders' general meeting included by the Board of directors in the list of information (materials) provided to the stockholders during the preparation to holding the stockholders' general meeting.

3.10. For exercising the right of stockholders to participate in general meeting, the Company adopts internal documents ensuring in accordance with legislation the rights of stockholders to demand the convocation of general meeting and bring forward the motions in the meeting's agenda, the capability to duly get prepared for participation in the stockholders' general meeting, and also the capability of exercising the right of vote by each stockholder.

3.11. In its internal documents the Company defines the rules and the procedure of holding general meeting of stockholders in such a way so that they ensure equal treatment of all stockholders, facilitate stockholders' participation in the general meeting and expression of their opinion on the issues put on the meeting's agenda.

3.12. Stockholders (stockholder) who are in total the owners of at least 2 percent of the Company's voting shares have the right to introduce the issues to the agenda of annual general meeting of stockholders, to nominate candidates to the Company's Board of directors, to the Company's Auditing committee. Stockholders who are the owners of at least 10 percent of the Company's voting shares have the right to convene extraordinary general meeting of stockholders. The specified stockholders (stockholder) do not submit the extract from stockholders' register in case, if their rights for the shares are accounted for in the system of keeping the register of stockholders, if their rights for the shares are accounted for at custody account at depositary then it is sufficient to submit the extract from custody account of the depositary.

3.13. The Company provides the stockholders who possess at least 1% of votes the capability of familiarizing with the list of persons having the right to participate in stockholders' general meeting starting from the date of announcement of holding stockholders' general meeting and to the date of closing of formal general meeting of stockholders, and in case of absentee general meeting of stockholders – to the date of the end of acceptance of ballots for voting at the location of the executive body.

3.14. When forming the agenda of the stockholders' general meeting the Company defines the issues of the agenda in such a way so that to avoid their different or ambiguous interpretation.

3.15. The Company provides the registration of the participants of stockholders' general meeting; this registration provides the capability to all the stockholders wishing to participate in the general meeting to come through this procedure before the general meeting beginning. The description of this procedure is stated in the Provision on the procedure of holding stockholders' general meeting.

3.16. The Company provides the rules of order of stockholders' general meeting which guarantee reasonable, equal capability to all the stockholders present at the meeting to express their opinion and ask questions on the agenda.

3.17. In order to provide the stockholders the capability of getting answers to their questions the Company commits to secure the presence of the members of the Board of directors, representatives of the executive bodies and the Company's Auditing committee at the stockholders' general meeting.

3.18. The Company tends to secure the presence of candidates to the new structure of the Company's Board of directors and the representatives of the Company's auditor at the stockholders' general meeting.

3.19. The Company tends to exclude any doubts in the correctness of totaling the results of voting and for this purpose it transfers the functions of the Company's counting commission to an independent registrar and provides the totaling of the results of voting and their disclosure before the closing of the stockholders' general meeting.

3.20. When defining the location, the date and the time of holding general meeting of stockholders the Company proceeds from the necessity to provide the stockholders with real and light capability to participate in the meeting.

4. The Company's Board of directors

4.1. The Board of directors is a joint management body of the Company carrying out general management of its activity, excluding the solution of issues referred by federal laws and the Company's Charter to the competence of stockholders' general meeting and the Company's executive body.

4.2. The basic purposes of the activity of the Board of directors are the control over ensuring the efficient management of the company's activity in order to ensure long-term, stable development of the Company, the growth of its value, protection of rights and legitimate interests of the stockholders.

4.3. The major trends of the activity of the Board of directors are:

- ◆ Strategy formulation of the Company's development and control over its implementation;
- ◆ Control over the activity of the executive bodies;
- ◆ Ensuring the efficient activity of the system of internal control and risk management;
- ◆ Ensuring the protection of stockholders' rights and also contributory influence in the settlement of corporate conflicts.

4.4. In the course of preparing and adopting the decisions the Board of directors tends to take into account the interests of labor collective, partners, creditors, local public and other interested groups of the Company.

4.5. The purposes, principles of activity, competence, operating procedures of the Board of directors, the rights and duties of the members of the Board of directors are stated in the Charter and in the Company's internal document "Provision on the Board of directors of OJSC "VolgaTelecom".

4.6. In its decisions the Board of directors proceeds from the necessity to act right in relation to all the stockholders, and may not take into account the interests of only some single group of stockholders. The Board ensures the creation of the system of identifying and settlement of potential conflicts of interests both between its members and in the activity of the executive body.

4.7. The Board of directors ensures equal conditions to all the stockholders to exercise their rights.

4.8. The Company's Board of directors holds its sessions at least once a month in accordance with the approved action plan. The sessions of the Board of directors may be held in the form of joint attendance (including by using conference call) or in the form of absentee voting. The company tends to the fact that the decisions on the most important issues of its activity, such as the approval of the Company's budget, the strategies of development, assessment of work of executive bodies and determination of remuneration of its members, recommendation of the candidate of external auditor are adopted by holding the session of the Board of directors in the form of joint attendance.

4.9. The Board of directors defines the priority trends of the Company's activity and approves the annual budget, the strategies and the programs of the Company's development, and also carries out the control over their implementation.

4.10. The Board of directors creates and maintains the necessary controls over the activity of the Management board and the General Director, including monitoring and assessment of the results of their activity as compared with the approved plans.

4.11. The Board of directors regularly assesses the activity of the Company's executive bodies, top managers and the activity of the Board of directors itself, including the development, approval and modification of the system of remuneration of the key managers.

4.12. The Board of directors tends to create a transparent system of remuneration and compensation of expenses related to execution of its functions by the Board of directors. Remuneration and compensations to the members of the Board of directors should match their contribution to the activity of the Board and to the Company's development. The information about the total amount paid as remuneration and compensations to the members of the Board of directors for the last accomplished fiscal year is reflected in the Company's annual report approved by the stockholders' general meeting and also in the issuer's quarterly reports.

4.13. The Board of directors ensures the creation of the system of financial risks management which would allow for the assessment of risks the Company faces in the course of its activity; the purpose of this system is to minimize negative implications of such risks.

4.14. The Company proceeds from the fact that the persons nominated to the structure of the Board of directors should enjoy the stockholders' confidence and have knowledge, skills and experience required for adopting the decisions on the issues related to the competence of the Board of directors and allowing for efficient execution of the functions of a member of the Company's Board of directors. The Company will tend to state in its internal documents specific requirements to the members of the Board of directors as regards the qualification, professional experience and ethical norms of their activity.

4.15. The Company tends to expand the information on the candidates to the Board of directors which is provided to the stockholders before general meeting, and in particular on such items as professional experience and qualification of a candidate, the nature of his (her) relations with the Company, its affiliated structures and separate groups of stockholders, on availability or lack of conflict of interests of a candidate as regards his (her) election to the structure of the Board of directors.

4.16. The structure of the Board of directors should ensure its efficient operation, taking into account different interests and points of view while elaborating decisions and resolutions. Quantitative and qualitative composition of the Board of directors should conform to the legislation requirements imposed to the structure of the board of directors, in particular the correlation between executive and non-executive directors. The Company tends to the fact that outside, independent members of the Board of directors have the opportunity to make essential input into the discussion and adoption of the most important resolutions and decisions.

4.17. The major requirement of the Company to an independent director is the ability to give independent estimations of the issues under discussion, which assumes the lack of any circumstances that may affect the formation of his (her) opinion.

4.18. A member of the Board of directors meeting the following requirements is considered to be an independent director:

- not being during the last three years and not being currently an official (manager) or the Company's employee, and also an official or an employee of the management organization of the Company;
- not being an official of another company in which any official of the Company is a member of staff or rewards committee of the Board of directors;
- not being an affiliated person of an official (manager) of the Company (an official of the management organization of the Company);
- not being an affiliated person of the Company, excluding a member of the Company's Board of directors;
- not being a party under liabilities with the Company in accordance to the terms and conditions of which he (she) may acquire the property (receive cash assets) the value of which is 10% and more per cent of his (her) joint, annual income apart from receiving remuneration for participation in the activity of the Board of directors;
- not being a large contracting party of the Company (the contracting party, which has within a year effected deals with the Company in the total amount equal to 10 or more percent of the balance sheet assets of the Company);
- not being the representative of the state.

4.19. The Company requires that from time to time the independent director makes a written declaration, disclosing the information allowing for ascertaining whether he is an affiliated person in relation to the stockholders or contracting parties of the Company, and also with their affiliated persons.

4.20. The members of the Board of directors must perform the obligations they are charged with, bona fide and rationally in the Company's interests. The member of the Board of directors may not disclose and use in third party's personal interests the confidential information of the Company and insider information.

4.21. The Board of directors of the Company is elected at the General meeting of stockholders by cumulative voting, which contributes to the consideration of opinions of all stockholders, including those possessing modest block of shares (minority stockholders).

4.22. For the purpose of effective functioning of the Board of directors the Company establishes Committee on corporate governance, Staff and Rewards Committee, Committee on Budget and Investment planning. The purpose of the specified Committees is to preliminary consider the most important issues and the preparation of recommendations to the Board of directors for making resolutions on these issues. The Board of directors may also establish other permanent or interim committees, as required, for the consideration of single or short-term issues and problems.

4.23. The procedure of sessions of the Board of directors is stipulated by the Provision on the Board of directors of the Company. The Company perfects the given procedure so that it ensures to the maximum the opportunity for the members of the Board of directors to get duly prepared to the session of the Board of directors.

5. The Company's executive bodies

5.1. For the purpose of providing operative management of the Company, the Board of directors establishes joint executive body (the Management board) and appoints single executive

body (General Director) of the Company. The Chairman of the Management board is in charge of the Management board and directs it, and holds the post of the General Director.

5.2. The Management board and the General Director are accountable to the Board of directors of the Company. They exercise their activity in strict conformity with the requirements of the current legislation, the Charter of the Company and the “Provision on the Management board of OJSC “VolgaTelecom”, and also on the basis of the provisions of the present Code.

5.3. The competence of executive bodies of the Company is defined by the Charter of the Company. The consideration of issues beyond the limits of usual economic activity of the Company and of the issues within the limits of usual economic activity of the Company but having an important effect on the Company is referred predominantly to the competence of the joint executive body.

5.4. The General Director and the Management board of the Company admit their liabilities in relation to the stockholders and are aimed at bona fide and competent performance of obligations on the current activity management providing steady and long-term development of the Company.

5.5. At the formation of the structure of executive bodies, the Company prevents a sharer, the General Director (Corporate executive), the members of the management board or an employee of the legal entity which is the Company’s competitor, from being the members of the executive bodies of the Company.

5.6. The members of the Management board, including the General Director, must avoid actions resulting or capable to result in conflicts between the interests of the Company and their own interests, and in the case of such conflict must disclose the information about this conflict to the Board of directors.

5.7. The Management board is responsible for the timely providing the members of the Board of directors with information and materials, necessary for performance of their functions, in time allowing for studying them in full.

5.8. The Management board of the Company establishes the system of internal control and monitoring of risks related to the Company’s activity, with the purpose of early revelation of tendencies capable to have negative impact on the current results of activity and the realization of perspective plans of the Company’s development. The Management board and the General Director submit the information about facts capable to cause the most serious risks for the Company and motions on the prevention of crisis situations related to such risks to the Board of directors.

5.9. The General Director and the members of the Management board must have high business reputation. The executive bodies of the Company in their cooperation with business associates are guided by the high standards of business ethics; follow the principles of building long-term relations, development of interaction and mutually advantageous cooperation.

5.10. The General Director and the members of the Management board are responsible for violations of provisions on the use of confidential, official and insider information of the Company.

5.11. The remuneration of the General Director and of the members of the Management board corresponds to their participation in the Company’s activity and to their role in the

development of the Company. The criteria determining the amount of remuneration of the members of the Management board and the procedure of its payment are defined by the “Provision on the Management board of OJSC “VolgaTelecom” and by the resolutions of the Board of directors. The information on the total amount of remunerations paid to the members of the Management board in the last completed fiscal year is reflected in the quarterly statements of the Company.

6. Corporate secretary of the Company

6.1. The main task of the Corporate secretary of the Company is to provide observance of the procedural requirements guaranteeing realization of the rights and interests of shareholders of the Company by bodies and officials of the Company.

6.2. The Corporate secretary of the Company contributes to raising the effectiveness of work of the Board of directors, to raising the level of transparency of the Company, of the effectiveness of the Company’s cooperation with its stockholders and other participants of corporate relations.

6.3. The Corporate secretary of the Company is appointed to the post and dismissed by the Board of directors, and is accountable to the Board of directors. The Corporate secretary of the Company provides performance of the following functions:

- ◆ organization of preparation and holding of the General meetings of stockholders in accordance with requirements of the legislation, the Charter of the Company and “The Provision on the procedure of holding the General meeting of stockholders”;
- ◆ organization of preparation and holding of the sessions of the Board of directors and of its Committees’ meetings, in accordance with requirements of current legislation, the Charter of the Company, the Provision on the Board of directors and the Provisions on the Committees of the Board of directors;
- ◆ assistance to the members of the Board of directors in performance of their functions;
- ◆ providing disclosure (submittal) of information about the Company and storage of the Company’s documents;
- ◆ providing duly consideration by the Company of the stockholders’ applications and settlement of conflicts, concerning the violation the stockholders’ rights;
- ◆ notification of the Chairman of the Board of directors of all facts preventing the observance of procedures subject to ensuring by the Corporate secretary of the Company;
- ◆ providing disclosure of information about the Company to the stockholders and interested persons.

6.4. Rights, duties, size of remuneration and responsibilities of the Corporate secretary of the Company are defined by internal documents of the Company, and also by the contract concluded by him/her with the Company. The contract is signed on behalf of the Company by the Chairman of the Board of directors of the Company.

6.5. The Corporate secretary of the Company must possess knowledge necessary for performance of his/her functions, and also enjoy confidence of shareholders and of the members of the Board of directors.

6.6. With a view of controlling the effective performance by the Corporate secretary of his/her duties, the back office of the Corporate secretary of the Company may be established.

6.7. If the Corporate secretary of the Company is not appointed, his/her functions are performed by the Secretary of the Board of directors or by corresponding structural sub-divisions of the Company.

7. The disclosure of information about the Company

7.1. The Company's policy of disclosure of information about its activity is aimed at timely and full report of this information to all persons interested in receiving the information in the amount necessary for making a better decision about participation in the Company or taking other actions capable to influence the financial and economic activity of the Company.

7.2. The main principles of disclosure of information about the Company are regularity and efficiency of its submission, availability for the majority of stockholders and other interested persons, its authenticity and the completeness of its content, observance of reasonable balance between the exposure and commercial interests of the Company.

7.3. At the disclosure of information about the Company's activity, the Company provides equal treatment in relation to all groups of beneficiary of the information and prevents priority of one group of beneficiaries of the information over the others.

7.4. The Company's choice of information dissemination channels is based on the principle of providing free, clear access not connected with exorbitant charges, of the interested persons to the disclosed information.

7.5. The Company provides the disclosure of information on all essential issues of the Company's activity by satisfying the requirements established by the legislation of Russian Federation and regulations, principles of corporate governance and formed international practice.

7.6. The Company pays special attention to the disclosure of information about its property structure.

7.7. The management and competent employees of the Company submit the information at the meetings with investors and stockholders of the Company, at cooperation with rating agencies, at press conferences, and also by means of publications in the mass media, brochures and booklets. The information is also disclosed at the website of the Company in the Internet: www.volgatelecom.ru

7.8. The Company fixes the principles of information policy in the internal document - Provision on the information policy.

7.9. The Company reports annually to the stockholders about its activity. The content of information allows the stockholders to appraise the results the Company's one year activity. The annual report contains and in particular:

- ◆ the role of the Company in the industry;
- ◆ the foreground areas of the Company's activity;
- ◆ the report of the Board of directors on the results of the Company's development in the foreground areas of its activity;

- ◆ the development prospects of the Company;
- ◆ report on the payment of declared (accrued) dividends;
- ◆ description of the main risk factors, related to the Company's activity;
- ◆ the list of deals effected by the Company in the fiscal year and considered by the legislation to be large deals and related party transaction; the essential conditions of each deal and the body of management of the Company, which has approved each deal are to be indicated in the list;
- ◆ the structure of the Board of directors and its modifications in the fiscal year, information about the members of the Board of directors;
- ◆ information about the General Director of the Company and the members of the Management board, including their biographical data and holding of shares of the Company during the fiscal year;
- ◆ criteria of determining and the total amount of remuneration of the General Director, the members of the Management board and of the Board of directors of the Company, in accordance with the results of the fiscal year;
- ◆ information about the observance by the Company of the Code of corporate governance;
- ◆ the Company's Auditing committee certificate;
- ◆ independent auditor report.

7.10. The Company tends to the inclusion of additional information allowing the stockholders to make better decisions into its annual reports, for example: information about the number, the kind of clients and the dynamics of their modification; about the billing policy of the Company, about effecting technical policy of the Company and implementation of new technologies; the Corporate secretary's report; report on the work of the Board of directors and of the Management board; information on the stockholders' letters, applications and claims and corporate conflicts, results of reaction to them.

7.11. Taking charge of protection of official and commercial secret, the Company assumes the responsibility for non-disclosure of confidential information, and also effects control over the use of insider information. All employees of the Company are obliged to provide the protection of confidential information and to observe the rules related to the use of insider information.

8. Control over the financial and economic activity of the Company

8.1. The essential goal of control over the financial and economic activity is the protection of stockholders investments and of the Company assets. In the conditions of raising effectiveness and transparency of the system of management, internal control in the Company, this aim is achieved also by introduction of the corporate information system.

8.2. One of the priorities of the system of control of the Company is the prevention, revelation and limiting of financial and operational risks.

8.3. The control over the financial and economic activity of the Company is effected by the Auditing committee and by the internal audit department. An independent auditor is also involved in the control.

8.4. The Auditing committee is elected by the General meeting of stockholders in the procedure stipulated by the current legislation and by the Charter of the Company for a period of 1

year. The Company tends to the raising of competence of the Auditing committee members and of their ability to support objective comments. The Auditing committee effects control over the financial and economic activity of the entire Company, including its branches and the representation office.

8.5. To raise the effectiveness of control over the financial and economic activity the Company effects regular internal control. The internal audit department elaborates procedures of internal control, subject to the Management board's approval.

8.6. The Board of directors effects control over the application of internal control procedures. The Board of directors effects preliminary approval of operations passing the limits established by the Company's annual budget.

8.7. For the purpose of examination and confirmation of the correctness of the annual financial records, the Company involves annually a professional auditor, whose material interests are not connected with the Company or its stockholders.

8.8. An independent auditor of the Company is approved by the General meeting of stockholders. The terms and conditions of the contract concluded with the auditor, including the amount of payment for its services, are approved by the Board of directors of the Company.

8.9. The Board of directors of the Company effects regular control aimed at the prevention of conflict of interests in the activity of the involved independent auditor.

8.10. The independent auditor effects the audit of the financial and economic activity of the Company in accordance with legal acts of Russian Federation, on the basis of the contract concluded with it. The audit of the Company is effected in the way allowing to receive objective and full information on the Company's activity as the result of the audit.

9. Dividends

9.1. The Company proceeds from the fundamental importance of ensuring the receipt by the stockholders of their share of the Company's profits in accordance with the number and categories of the shares they possess.

9.2. The dividend policy of the Company is based on the principle of rational distribution of the profit got by the Company with due account for its investment needs. The basic principle of the dividend policy of the Company is the investment of its profit only in the economically justified projects, contributing obviously to its steady and long-term development.

9.3. The resolution on the payment of annual dividends, the amount of the annual dividend and the method of its payment in respect of each category (type) of shares is passed by the General meeting of the stockholders.

9.4. The Company informs the stockholders about its dividend policy by means of placing the information in mass media and at the website of the Company in the Internet: www.volgatelecom.ru

9.5. The dividends declared by the Company are paid only by monetary assets.

9.6. The payment of dividends is made in the terms stipulated in the Charter of the Company and by the resolutions of the General meetings of the stockholders or in shorter terms.

10. Settlement of corporate conflicts

- 10.1. The Company attaches great importance to the timely prevention and just settlement of corporate conflicts.
- 10.2. In relation to the corporate conflicts the Company follows the principle of prevention of conflicts at the earliest stages of their occurring and attentive attitude towards them.
- 10.3. In the case of corporate conflict the Company occupies position based on the provisions of Russian Federation legislation.
- 10.4. If the subject of the corporate conflict is the issue referred to the competence of the Board of directors of the Company or to the competence of the single executive body, the Board of directors establishes interim Committee on the settlement of corporate conflicts.
- 10.5. In the case when the corporate conflict between the stockholders of the Company is capable to affect the Company's interests or the interests of other stockholders of the Company, the body of the Company responsible for consideration of such dispute decides whether the dispute affects the Company's interests or the interests of other stockholders or not, and also whether its participation is capable to contribute to the settlement of the corporate conflict or not.
- 10.6. With the consent of the stockholders who are the parties of the corporate conflict, the bodies of the Company (its members) may participate in the negotiations between the stockholders, submit to the stockholders the information in their disposal and which concerns the conflict and also documents, clarify the provisions of the legislation on joint stock companies, and the provisions of the internal documents of the Company, give advisory opinions and recommendations to the stockholders, prepare the drafts of documents on the settlement of conflicts for their signing by the stockholders, on behalf of the Company and within their competence assume responsibility in relation to the stockholders in the amount which is capable to contribute to the settlement of the dispute.
- 10.7. In case of impossibility to settle the corporate conflict between the Company and a stockholder (a group of stockholders), between the stockholders of the Company or between the stockholders and separate bodies of management of the Company, by other means, the dispute may be transferred to the Arbitration court for consideration.

Final provisions

The present Code is valid since the time of its approval by the Board of directors.

The Board of directors at its sessions considers regularly the issues of observance of the present Code and ensures publication of information about results of consideration.

The Company will perfect the present Code in accordance with new standards of corporate governance in Russian and international practice, with due account for the interests of stockholders, of the Company and other interested groups.

Issues, not stipulated by the present Code, are regulated by the current legislation of Russian Federation, international contracts and agreements and by the Charter of the Company.

A P P R O V E D by
OJSC "VolgaTelecom" Board of directors
On September 24, 2004
Minutes № 8 of September 27, 2004

The Chairman of the Board of directors of
OJSC "VolgaTelecom"

_____ E.V. Yurchenko

**Changes in the Code
Of corporate governance
Of OJSC "VolgaTelecom"**

Nizhny Novgorod city
2004

In article 4 “The Company’s Board of directors” item 4.22. is to be stated in the wording “For the purpose of effective functioning of the Board of directors the Company establishes the Committees of the Board of directors realizing the functions for corporate governance, staff and remuneration, strategic development, audit, etc.

The Committees are designed for preliminary consideration of issues related to the competence of the Board of directors and for preparation of recommendations on them to the Board of directors”.

APPROVED by
OJSC “VolgaTelecom” Board of directors
On May 20, 2005
Minutes № 30 of May 23, 2005

The Chairman of the Board of directors of
OJSC “VolgaTelecom”

_____ E.V.Yurchenko

**Changes in the Code of
Corporate governance of
OJSC “VolgaTelecom”**

**Nizhny Novgorod city,
2005**

In article 3 “General meeting of stockholders” item 3.17. is to be stated in the wording:
“3.17. In order to provide the stockholders the capability of getting answers to their questions the Company ensures the presence of General Director, the members of the Management board, the members of the Board of directors, the members of the Company’s Auditing committee and the Company’s Auditor at the general meeting of stockholders”.

In article 4 “The Company’s Board of directors” item 4.20. is to be stated in the wording:
“4.20. To notify in writing the Board of directors about possession of the Company’s securities and also about purchase and sale of the Company’s securities, of its affiliate and dependent companies, to disclose the information about made transactions with such securities (quantity, type of securities, date of sale or acquisition) not later than 5 days since the date of their settlement”.

In article 4 “The Company’s Board of directors” item 4.21. is to be stated in the wording:
“4.21. The motion about nominating the candidates for the election to the Company’s Board of directors must contain the following data about a candidate:

- Surname, name and patronymic name;
- Year of birth,
- Citizenship;
- Education (specialty in diploma),
- Principal place of employment and post;
- Data about posts held during the last 5 years, the posts;
- About membership in management bodies of commercial and non-commercial organizations and about holding posts in other legal entities, and also about nomination to members of boards or for election (appointment) to a post in other legal entities;
- Data about relations with affiliated entities/persons and large counterparties of the Company”.

In article 4 “The Company’s Board of directors” items 4.20. - 4.23. are to be considered to be items 4.22 - 4.25. correspondingly.

In article 5 “The Company’s executive bodies” item 5.10. is to be stated in the wording:
“5.10. General Director and the members of the Management board must notify in writing the Board of directors about possession of the Company’s securities, and also about purchase and sale of the Company’s securities, of its affiliate and dependent companies, disclose the information about made transactions with such securities (quantity, type of securities, date of sale or acquisition) not later than 5 days since the date of their settlement”.

In article 5 “The Company’s executive bodies” items 5.10. - 5.11. are to be considered to be items 5.11. - 5.12. correspondingly.

In article 9 “Dividends” item 9.5. is to be stated in the wording:
“9.5. The dividends declared by the Company may be paid both by monetary assets and by other property in case if the general meeting of stockholders of the Company passed the resolution on payment of dividends in non-monetary form”.

SUPPLEMENT № 2 – OJSC “VolgaTelecom” annual accounting statement for 2005

BALANCE SHEET			CODES
		Form № 01 by OKUD	0710001
As of	December 31, 2005	Date (year, month, day)	2005.12.31
Organization	OJSC "VolgaTelecom"	By OKPO	01142788
Taxpayer Identification Number	5260901817	TIN	5260901817
Activity type	electric communication	By OKVED	64.20
Form of incorporation/ ownership form	Open Joint Stock Company / private	By OKOPF/OKFS	47/16
Measure unit:	thousand rubles	By OKEI	384
Address:	603000, Nizhny Novgorod city, Maxim Gorky square, Dom Svyazi		
		The date of approval	
		The date of dispatch (receipt)	31.03.2005

ASSET	Explanations	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	32	40
Fixed assets (property, plant and equipment)	6.1	120	120	19 786 083	22 492 980
Capital investments	6.2	130	130	1 204 444	803 373
Income-bearing placements into tangible assets		135	135	1 177	12 311
Long-term financial investments	6.3	140	140	1 251 842	1 309 098

including: investments into associated companies			141	1 219 442	1 273 033
investments into affiliates			142	21 860	12 475
investments into other organizations			143	8 651	21 701
other long-term financial investments			144	1 889	1 889
Deferred tax assets	6.4	145	145	301 197	200 918
Other non-current assets	6.5	150	150	1 699 196	2 505 595
Total for section I		190	190	24 243 971	27 324 315

ASSET	Explanations	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
II. CURRENT ASSETS					
Inventory		210	210	854 899	615 818
<i>including:</i> raw materials, materials and other similar values	6.6	211	211	688 631	444 080
work in progress expenses (distribution costs)		213	213	81	168
finished products and goods for resale		214	214	36 326	47 647
goods shipped		215	215	24	-
deferred expenses other inventory and expenses		216	216	129 833	123 923
		217	217	4	-
VAT for acquired valuables		220	220	1 266 225	959 066
Accounts receivable (payments are expected in over 12 months after the reporting date)		230	230	28 497	14 786
<i>including:</i> buyers and customers	6.7	231	231	3 308	2 319
advances paid out			232	3 313	950
other debtors			233	21 876	11 517

Accounts receivable (payments are expected within 12 months after the reporting date)		240	240	1 462 729	1 769 385
<i>including:</i> buyers and customers	6.8	241	241	1 154 435	1 450 998
advances paid out			242	135 501	107 837
other debtors	6.9		243	172 793	210 550
Short-term financial investments	6.3	250	250	7 761	4 762
Monetary resources,		260	260	344 723	1 134 960
Other current assets		270	270	707	773
Total for section II		290	290	3 965 541	4 499 550
BALANCE (sum of lines 190+290)		300	300	28 209 512	31 823 865
LIABILITIES	Explanations	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
III. CAPITAL AND RESERVES					
Charter capital	6.10	410	410	1 639 765	1 639 765
Capital surplus		420	420	3 980 430	3 812 947
Reserve capital		430	430	81 988	81 988
Treasury stock		411	440	-	-
Undistributed profit (uncovered loss) of past years		470	460	8 890 265	8 502 660
Undistributed profit (uncovered loss) of the reporting year		470	470	-	2 261 360
Total for section III		490	490	14 592 448	16 298 720
IV. LONG-TERM LIABILITIES					
Credits and loans	6.14	510	510	3 734 001	7 340 869
<i>including:</i> credits			511	2 631 000	1 925 150
loans			512	1 103 001	5 415 719
Deferred tax liabilities	6.15	515	515	580 691	712 558
Other long-term liabilities	6.16	520	520	1 408 186	1 110 066

Total for section IV		590	590	5 722 878	9 163 493
V. SHORT-TERM LIABILITIES					
Credits and loans	6.14	610	610	3 513 292	2 289 598
<i>including:</i>					
credits			611	2 042 520	1 004 024
loans			612	1 470 772	1 285 574
Accounts payable,		620	620	3 921 305	3 513 237
<i>including:</i>					
suppliers and contractors	6.17	621	621	2 584 322	2 059 629
advances received	6.17	625	622	340 540	317 657
wage arrears		622	623	65 279	67 842
debt to government					
extrabudgetary funds		623	624	42 952	35 437
tax debt		624	625	393 226	399 845
other creditors	6.17	625	626	494 986	632 827
Debt to participants					
(founders) for income					
payments		630	630	29 411	22 844
Unearned revenue	6.18	640	640	230 372	216 554
Reserves for costs to be					
incurred		650	650	199 806	307 799
Other short-term liabilities		660	660	-	11 620
Total for section V		690	690	7 894 186	6 361 652
BALANCE (sum of lines					
490+590+690)		700	700	28 209 512	31 823 865

Reference on availability of valuables being accounted on off- balance-sheet accounts

Item description	Explanations	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Rented fixed assets		910	901	301 591	611 053
including under leasing		911	911	176 550	66 106
Inventory items received in custody		920	902	60 910	4 399
Commodities received for commission		930	903	3 945	3 748
Accounts receivable of insolvent debtors written-off as a loss		940	904	179 330	249 430

Cover funds for liabilities and payments received	950	905	3 976	7 065 160
Cover funds for liabilities and payments given	960	906	8 116 121	5 984 126
Housing facilities depreciation	970	907	21 065	16 840
Depreciation of land improvement objects and other similar objects	980	908	2 565	2 849
Payments for communication services		909	62 332	214 199

Reference on net assets cost

Item description	Explanations	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Net assets			1000	14 822 820	16 515 274

INCOME STATEMENT

			CODES	
For	2005	Form № 02 by OKUD Date (year, month, day)	0710002	2005.12.31
Organization	OJSC "VolgaTelecom"	by OKPO	01142788	
Taxpayer Identification Number	5260901817	TIN	5260901817	
Activity type	Electric communication	by OKVED	64.20	
Form of incorporation /ownership form	Open Joint Stock Company / private	by OKOPF/OKFS	47/16	
Measure unit:	thousand rubles	by OKEI	384	

Item description	Explanations	Index code	Line code	For the reporting period	For similar period of the previous year
1	1a	2	2a	3	4

I. Profit and expenses of ordinary activities					
Revenue(net) from sales of goods, products, works, services (minus VAT, excise taxes and similar mandatory payments)	7.1	010	010	21 348 394	18 604 604
including from sales: of telecommunication services			011	20 787 642	18 171 248
Prime cost of sold goods, products, works and services	7.2	020	020	(15 333 051)	(13 264 137)
including: of telecom services			021	(14 884 232)	(12 921 832)
Sales profit (loss) (lines 010 - 020)		050	050	6 015 343	5 340 467
II. OPERATING EARNINGS AND EXPENSES					
Interest receivable		060	060	14 839	9 485
Interest due		070	070	(829 016)	(564 420)
Income from participation in other organizations		080	080	34 720	43 594
Other operating earnings	7.3	090	090	229 316	477 748
Other operating expenses	7.3	100	100	(791 037)	(1 308 929)
III. NON-SALES EARNINGS AND EXPENSES					
Non-sales earnings	7.4	120	120	200 854	272 520
Non-sales expenses	7.4	130	130	(1 445 215)	(1 280 714)
Profit (loss) before tax (lines 050+060-070+080+090-100+120-130)		140	140	3 429 804	2 989 751
Income tax expenses (lines -151+/-152+/-153) including:	7.6		150	(1 168 405)	(933 280)
deferred tax liabilities		142	151	(133 551)	(194 506)
deferred tax assets		141	152	(100 279)	249 862
Current income tax		150	153	(934 575)	(988 636)
Profit (loss) of ordinary activity (lines 140-150)			160	2 261 399	2 056 471
IV. EXTRAORDINARY INCOME AND EXPENSES					
Extraordinary income	7.5		170	252	32
Extraordinary expenses	7.5		180	(291)	(235)
Net profit (undistributed profit (loss) of the reporting period) (lines 160+170-180)	7.7	190	190	2 261 360	2 056 268
BY REFERENCE					
Income tax contingent expenses/ income			201	(823 144)	(717 491)

Recurrent tax liabilities		200	202	(376 171)	(267 911)
Recurrent tax assets		200	203	30 910	52 122

Item description	Explanations	Index code	Line code	For the reporting period	For similar period of the previous year
1	1a	2	2a	3	4
Basic earnings (loss) per a share	7.8		301	0,00827	0,00752
Diluted earnings (loss) per a share			302	-	-

* It is completed in annual accounting statement

Breakdown of single profits and losses

Item description	Index code	Line code	For the reporting period		For similar period of the previous year	
			Profit	Loss	Profit	Loss
1	1a	2	3	4	5	6
Fines, penalties and forfeits which were acknowledged or to be collected according to court (arbitration court) judgment		401	28 615	(10 992)	24 807	(16 965)
Past years profit (loss)		402	42 451	(166 557)	86 067	(127 338)
Reimbursement of damages caused by default or inadequate fulfillment of obligations		403	7 210	(1 263)	8 554	(1 672)
Foreign exchange differences in foreign currency operations		404	9 612	(3 174)	26 629	(25 500)
Deductions to the assessed reserves		405	160 645	(146 474)	117 032	(933 370)
Debt amortization of payables and receivables		406	36 321	(12 001)	4 015	(7 114)

STATEMENT OF CHANGES OF CAPITAL

For

2005

Form № 03 by
OKUD
Date (year,
month, day)

CODES
0710003
2005.12.31

Organization	OJSC "VolgaTelecom"	by OKPO	01142788
Taxpayer Identification Number	5260901817	TIN	526090181 7
Activity type	Electric communication	by OKVED	64.20
Form of incorporation /ownership form	Open Joint Stock Company / private	by OKOPF/OKFS	47/16
Measure unit:	thousand rubles	by OKEI	384

1. Change of capital

Item description	Index code	Line code	Charter capital	Capital surplus	Reserve capital	Undistributed profit (uncovered loss)	Total
1	1a	2	3	4	5	6	7
Balance as of December 31, 2003		100	1 639 765	4 088 227	81 988	7 172 537	12 982 517
Year 2004							
Changes in accounting policy		101	-	-	-	-	-
Result of fixed assets objects revaluation		102	-	-	-	-	-
Miscellaneous		103	-	-	-	-	-
Balance as of January 1, 2004		104	1 639 765	4 088 227	81 988	7 172 537	12 982 517
Change of capital items:		200	-	(91 042)	-	1 720 421	1 629 379
Result of foreign currency translation		201	-	-	-	-	-
Net profit (loss) of the reporting year		202	-	-	-	2 056 268	2 056 268
Dividends		203	-	-	-	(426 889)	(426 889)
Allocations to reserve funds		204	-	-	-	-	-
Additional issue of shares at the cost of own resources		205	-	-	-	-	-
Increment in face value of shares		206	-	-	-	-	-
Change of capital at retirement of fixed assets objects		207	-	(91 042)	-	91 042	-
Miscellaneous		208	-	-	-	-	-
Increment in value of capital due to:		210	-	-	-	-	-
additional issue of shares at the cost of stockholders resources		211	-	-	-	-	-
reorganization of legal entity		212	-	-	-	-	-
Miscellaneous		213	-	-	-	-	-

Reduction of capital value due to:		220	-	(16 755)	-	(2 693)	(19 448)
reduction of the shares quantity		221	-	-	-	-	-
reduction of the shares face value		222	-	-	-	-	-
reorganization of legal entity		223	-	-	-	-	-
Miscellaneous		224	-	(16 755)	-	(2 693)	(19 448)
Balance as of December 31, 2004		300	1 639 765	3 980 430	81 988	8 890 265	14 592 448
Year 2005							
Changes in accounting policy		301	-	-	-	-	-
Result of fixed assets objects revaluation		302	-	-	-	-	-
Miscellaneous		303	-	-	-	-	-
Balance as of January 1, 2005	100	304	1 639 765	3 980 430	81 988	8 890 265	14 592 448
Change of capital items:		400	-	(158 235)	-	1 716 808	1 558 573
Result of foreign currency translation		401	-	-	-	-	-
Net profit (loss) of the reporting year		402	-	-	-	2 261 360	2 261 360
Dividends		403	-	-	-	(544 552)	(544 552)
Allocations to reserve funds	110	404	-	-	-	-	-
Additional issue of shares at the cost of own resources	121	405	-	-	-	-	-
Increment in face value of shares	122	406	-	-	-	-	-
Change of capital at retirement of fixed assets objects		407	-	-	-	-	-
Miscellaneous		408	-	(158 235)	-	-	(158 235)
Increment in capital value due to:		410	-	-	-	158 235	158 235
additional issue of shares at the cost of stockholders resources	121	411	-	-	-	-	-
reorganization of legal entity	123	412	-	-	-	-	-
Miscellaneous		413	-	-	-	158 235	158 235
Reduction of capital value due to:		420	-	(9 248)	-	(1 288)	(10 536)
reduction of the shares quantity	132	421	-	-	-	-	-
reduction of the shares face value	131	422	-	-	-	-	-

reorganization of legal entity	133	423	-	-	-	-	-
Miscellaneous		424	-	(9 248)	-	(1 288)	(10 536)
Balance as of December 31, 2005	140	500	1 639 765	3 812 947	81 988	10 764 020	16 298 720

2.Reserves

Item description	Index code	Line code	Balance as of the year beginning	Receipts	Spent/ recovered	Balance as of the year end
1	1a	2	3	4	5	6
Reserves formed as per legislation:						
Reserve fund data of year 2004		601	81 988	-	-	81 988
data of year 2005		602	81 988	-	-	81 988
Reserves formed as per articles of association:						
Corporalization fund of the Company's employees data of year 2004		603	-	-	-	-
data of year 2005		604	-	-	-	-
Assessed reserves:						
Reserves for doubtful debts data of year 2004		605	462 875	933 755	(139 314)	1 257 316
data of year 2005		606	1 257 317	146 474	(218 178)	1 185 613
Reserves for depreciation of financial investments						
data of year 2004		607	522	79	-	601
data of year 2005		608	601	-	(385)	216
Reserve for reduction in value of tangible assets						
data of year 2004		609	-	-	-	-
data of year 2005		610	-	-	-	-
Reserves of costs to be incurred:						
data of year 2004		611	19 320	280 424	(99 938)	199 806
data of year 2005		612	199 806	452 121	(344 128)	307 799
Reserves for contingent liabilities:						
data of year 2004		613	-	-	-	-
data of year 2005		614	-	11 620	-	11 620

CASH FLOW STATEMENT

CODES

For	2005	Form № 04 by OKUD Date (year, month, day)	0710004
Organization	OJSC "VolgaTelecom"	by OKPO	2005.12.31
Taxpayer Identification Number	5260901817	TIN	01142788
Activity type	Electric communication	by OKVED	5260901817
Form of incorporation/ownership form	Open Joint Stock Company / private	by OKOPF/OKFS	64.20
Measure unit:	thousand rubles	by OKEI	47/16
			384

Item description	Index code	Line code	For the reporting year	For similar period of the previous year
1	1a	2	3	4
CASH BALANCE AS OF THE REPORTING YEAR BEGINNING		010	344 723	234 241
DAY-TO-DAY OPERATIONS				
Cash inflow from day-to-day operations		020	24 745 482	21 704 813
cash received from buyers, customers		021	23 412 003	19 450 351
cash received as an agent		022	854 930	1 273 847
other income		023	478 549	980 615
Cash allocated for:		030	(18 976 966)	(17 450 596)
payment of acquired goods, works, services, raw materials and other current assets	150	031	(5 793 599)	(5 050 993)
remuneration of labor	160	032	(5 074 603)	(4 393 464)
interest payment	170	033	(959 040)	(662 177)
taxes and dues settlements	180	034	(5 226 693)	(4 937 678)
settlements for agency contracts		035	(767 515)	(1 188 473)
other expenses		036	(1 155 516)	(1 217 811)
Net cash from day-to-day operations		040	5 768 516	4 254 217
INVESTMENT ACTIVITY				
Investment activities cash received		050	134 078	532 708
receipts from sale of fixed assets objects and other non-currents assets	210	051	39 008	25 524
receipts from repayment and sale of securities, sale of equity participations, equity stakes and other financial investments	220	052	54 776	447 660

dividends received, income from equity participation	230	053	33 458	38 218
interest received	240	054	980	1 563
receipts from redemption of loans granted to other organizations	250	055	3 000	1 700
other income from investment activity		056	2 856	18 043
Cash allocated for:		060	(6 144 315)	(7 291 920)
acquisition and creation of fixed assets objects and other non-current assets	290	061	(6 058 562)	(6 944 987)
acquisition of shares, equity participations and equity stakes	280	062	(68 630)	(264 058)
acquisition of debt securities and other financial investments	300	063	(10 000)	(60 000)
granting loans to other organizations	310	064	-	-
other investment activity expenses		065	(7 123)	(22 875)
Net cash from investment activity	340	070	(6 010 237)	(6 759 212)
FINANCIAL ACTIVITY				
Financial activity cash received				
		080	11 374 791	6 970 728
borrowed loans and credits		081	11 355 583	6 767 632
other income from financial activity		082	19 208	203 096
Cash allocated for:		090	(10 342 833)	(4 355 251)
redemption of loans and credits (ex interest)		091	(8 905 599)	(3 292 243)
repayment of financial lease liabilities		092	(949 685)	(672 731)
dividends payment	170	093	(486 389)	(373 885)
other financial activity expenses		094	(1 160)	(16 392)
Net cash from financial activity		100	1 031 958	2 615 477
Net increase (reduction) of cash		110	790 237	110 482
CASH BALANCE AS OF THE REPORTING PERIOD END				
		120	1 134 960	344 723
The value of impact of foreign currency rate change with respect to ruble		130	-	-

SUPPLEMENT TO BALANCE SHEET

As of December 31, 2005

Organization **OJSC "VolgaTelecom"**
Taxpayer Identification Number **5260901817**
Activity type Electric communication

Form № 05 by OKUD
Date (year, month, day)

by OKPO

TIN

by OKVED

CODES

0710005

2005.12.31

01142788

5260901817

64.20

Form of incorporation/ownership form

Open Joint Stock
Company / privateby
OKOPF/OKFS

47/16

Measure unit:

thousand rubles

by OKEI

384

1. Intangible assets

Item description	Index code	Line code	As of the reporting year beginning	Receipts	Retired	As of the reporting year end
1	1a	2	3	4	5	6
Intellectual property objects (exclusive rights to intellectual property results)	010	101	135	22	-	157
<i>including:</i> patent holder right to invention, design invention, useful model	011	102	-	-	-	-
possessor's rights to computer utility programs, data bases	012	103	106	-	-	106
owner's rights to trademark and service mark, appellation of origin of goods	014	104	29	-	-	29
other	015	105	-	22	-	22
Miscellaneous	040	106	-	-	-	-
Total		110	135	22	-	157

Item description	Index code	Line code	As of the reporting year beginning	As of the reporting period end
1	1a	2	3	4
Amortization of intangible assets - total	050	120	103	117
<i>Including:</i> <i>patent holder right to invention, design invention, useful model</i>		121	-	-
<i>possessor's rights to computer utility programs, data bases</i>		122	96	107

<i>owner's rights to trademark and service mark, appellation of origin of goods</i>		123	7	10
<i>other</i>		124	-	-

2. Fixed assets (property, plant and equipment)

Item description	Index code	Line code	As of the reporting year beginning	Receipts	Retired	As of the reporting year end
1	1a	2	3	4	5	6
Buildings		201	3 566 396	167 075	(52 494)	3 680 977
Constructions and transfer mechanisms		202	11 088 610	2 014 313	(271 320)	12 831 603
Machinery and equipment		203	15 974 543	2 979 104	(688 331)	18 265 316
Transport vehicles		204	457 742	27 421	(9 310)	475 853
Computers and office appliances		205	1 227 194	717 036	(102 502)	1 841 728
Housing stock		206	78 688	2 169	(17 641)	63 216
Land plots and nature objects		207	6 246	25	(296)	5 975
Other types of fixed assets		208	305 070	72 479	(8 579)	368 970
Total		210	32 704 489	5 979 622	(1 150 473)	37 533 638

Item description	Index code	Line code	As of the reporting year beginning	As of the reporting year end
1	1a	2	3	4
Fixed assets depreciation - total	140	220	12 918 406	15 040 658
<i>including:</i>				
<i>buildings</i>		221	799 281	839 928
<i>Constructions and transfer mechanisms</i>		222	4 507 981	4 809 511
<i>Machinery and equipment</i>		223	6 610 592	7 988 975
<i>Transport vehicles</i>		224	300 884	339 370
<i>Computers and office appliances</i>		225	517 996	833 601
<i>Other types of fixed assets</i>		226	181 672	229 273

Item description	Index code	Line code	As of the reporting year beginning	As of the reporting year end
1	1a	2	3	4
Fixed assets objects let on lease from line 210 - total		230	236 402	183 882
including: buildings		231	153 998	152 140
Constructions and transfer mechanisms		232	41 904	8 224
Machinery and equipment		233	39 023	20 951
Transport vehicles		234	1 133	742
Other types of fixed assets		235	344	1 825
Fixed assets put in dead storage from line 210		240	12 105	8 571

BY REFERENCE	Index code	Line code	As of the reporting year beginning	As of the reporting year end
1	1a	2	3	4
Result of reassessment of fixed assets:		250	-	-
of initial (replacement) cost	171	251	-	-
of amortization	172	252	-	-
Fixed assets objects taken on lease - total		260	301 591	611 053
including: buildings		261	97 479	356 879
Constructions and transfer mechanisms		262	34 973	56 099
Machinery and equipment		263	122 335	149 348
Transport vehicles		264	363	1 095
Other types of fixed assets		265	46 441	47 632
Property objects being in operation and included into fixed assets prior to registration of right of ownership		270	403 085	720 103

3. Income-bearing placements into tangible assets

Item description	Index code	Line code	As of the reporting year beginning	Receipts	Retired	As of the reporting year end
1	1a	2	3	4	5	6
Property for lease		301	-	-	-	-
Property granted by hiring contract		302	-	-	-	-
Other		303	1 205	12 180	(622)	12 763
Total		310	1 205	12 180	(622)	12 763

Item description	Index code	Line code	As of the reporting year beginning	As of the reporting year end
1	1a	2	3	4
Amortization of income-bearing placements into tangible assets		311	28	452

4. Expenses for research-and-development activity and technological works

Kinds of activities description	Index code	Line code	As of the reporting year beginning	Receipts	Written off	As of the reporting year end
1	1a	2	3	4	5	6
Completed R&D, the results of which are used for production or managerial needs of the organization	310	400	-	-	-	-
BY REFERENCE	Index code	Line code	As of the reporting year beginning	As of the reporting period end		
1	1a	2	3	4		
The amount of expenses for R&D and technological works in progress	320	401	-	-		
BY REFERENCE	Index code	Line code	For the reporting period	For the similar period of the previous year		

1	1a	2	3	4
Amount of expenses classified as ordinary activities expenses		402	-	-
The amount of expenses for R&D and technological works that did not produce positive results and classified as non-sales expenses		403	-	-

5. Financial investments

Item description	Index code	Line code	Long-term		Short-term	
			As of the reporting year beginning	As of the reporting period end	As of the reporting year beginning	As of the reporting period end
1	1a	2	3	4	5	6
Contributions to charter (reserve) capitals of other organizations - total	510	501	1 249 953	1 307 209	-	-
Including: associated and affiliated companies	511	502	1 241 302	1 285 508	-	-
Government, municipal and outside organizations bonds	515	503	-	-	-	-
Bills of exchange	520	504	1 889	1 889	-	-
Loans granted	525	505	-	-	5 925	2 925
Deposits	530	506	-	-	-	-
Other	535	507	-	-	1 836	1 837
Total	540	510	1 251 842	1 309 098	7 761	4 762
From the total amount the financial investments having fair market value:						
Contributions to charter (reserve) capitals of other organizations - total	550	511	803	2 137	-	-
Including: associated and affiliated companies	551	512	-	-	-	-
Government, municipal and outside organizations bonds	555	513	-	-	-	-
Bills of exchange	560	514	1 889	1 889	-	-
Other	565	515	-	-	-	-

Total	570	520	2 692	4 026	-	-
BY REFERENCE For financial investments having fair market value, the change of cost resulted from valuation correction	580	521	420	1 333	-	-

6. Ordinary activities expenses (element wise costs)

Item description	Index code	Line code	For the reporting period	For the previous year
1	1a	2	3	4
Material expenses	710	601	(4 641 181)	(4 018 018)
Wage costs	720	602	(5 204 912)	(4 472 235)
Benefits-related deductions	730	603	(1 299 343)	(1 455 349)
Amortization	740	604	(2 550 115)	(1 911 598)
Other expenses	750	605	(1 637 500)	(1 406 937)
Element wise costs total	760	610	(15 333 051)	(13 264 137)
Change of balances (increment [+], reduction [-]): of work in progress	765	621	88	1 832
of deferred expenses	766	622	5 910	23 218

7. Guarantee

Item description	Index code	Line code	As of the reporting year beginning	As of the reporting period end
1	1a	2	3	4
Guarantees received - total		710	3 976	7 065 160
Including: banks' guarantees		711	-	-
guaranties of third parties		712	259	7 061 182
bills of exchange		713	-	-
pledged property		714	3 717	3 978
including: fixed assets objects		715	3 717	3 978
securities and other financial investments		716	-	-
other property		717	-	-
miscellaneous		718	-	-

Guarantees granted - total		720	8 116 121	5 984 126
including: guaranties of third parties		721	1 393 526	2 241 045
bills of exchange		722	1 141 868	-
pledged property		723	5 580 727	3 743 081
including: fixed assets objects		724	5 580 727	3 743 081
securities and other financial investments		725	-	-
other property		726	-	-
miscellaneous		727	-	-

8. Government aid

Item description	Index code	Line code	For the reporting year	For the similar period of the previou s year
1	1a	2	3	4
Budgetary funds received in the reporting year - total	910	810	3 902	6 001
including: Funds to finance capital expense		811	2 300	6 000
Funds to finance current expenses		812	1 602	1

Item description	Index code	Line code	As of the reporting year beginning	Received for the reporting period	Returned for the reporting period	As of the reporting period end
1	1a	2	3	4	5	6
Budgetary credits - total	920	820	26 596	-	(12 190)	14 406
Funds to finance capital expense		821	26 596	-	(12 190)	14 406
Funds to finance current expenses		822	-	-	-	-

SUPPLEMENT № 3 – Independent audit company’s audit opinion of OJSC “VolgaTelecom” accounting statement for 2005.

To OJSC “VolgaTelecom” shareholders

INFORMATION ABOUT THE AUDITOR

Name: LLC "ERNST & YOUNG".

Location: 115035, Russia, Moscow, Sadovnicheskaya Nab., 77, bld.1.

Certificate of making an entry about the legal entity registered before July 1, 2002 in the Single state register of legal entities, the date of making the entry: December 05, 2002, series 77 № 007367150, registered by the State Institution of Moscow registration chamber on June 20, 2002 №108.877, basic state registration number 1027739707203.

License for audit activity - №E002138 approved by Order of the Ministry of Finance of Russian Federation № 223 of September 30, 2002 – was issued for the period of five years.

Membership in accredited professional audit association – LLC “ERNST & YOUNG” is a member of Non-commercial partnership “Institute of professional accountants and auditors of Russia” (NCP “IPA of Russia”).

INFORMATION ON THE AUDITED ENTITY

Name: OJSC “VolgaTelecom”

Location: 603000, Nizhny Novgorod city, M.Gorky Sq., Dom Svyazi.

State registration: OJSC “VolgaTelecom” is registered by city’s property and land resources management Committee of the Administration of the city of Nizhny Novgorod on December, 15 1993 № 448, basic state registration number 1025203014781. The date of making the entry - August 01, 2002. Certificate: series 52 № 001480204.

We audited the attached accounting statement of OJSC “VolgaTelecom” for the period from January 1 till December 31, 2005 inclusive. The accounting statement consists of balance sheet, income statement, statement of changes of capital, cash flow statement, supplements to balance sheet and the explanatory memorandum, items 3, 4, 6.1 – 6.11, 6.13 – 12. The management of OJSC “VolgaTelecom” is responsible for accounting, preparation and presentation of this Accounting statement. Our goal is to express the opinion on the authenticity in all essential aspects of the specified statement and on the compliance of the bookkeeping procedure, as related to the preparation of accounting statement, with Russian Federation legislation, formed on the basis of conducted audit. The audit of OJSC “Volga Telecom” accounting statement for 2004 was carried out by CJSC “Ernst and Young Vneshaudit”, which made unconditionally positive report of March 31, 2005.

We carried out the audit in accordance with Federal law “On the audit activity”, federal rules (standards) of audit activity, Rules (Standards) of audit activity, approved by the Committee on the Audit activity with the President of Russian Federation, and International audit standards.

The audit was planned and conducted to receive reasonable confidence that the Accounting statement contains no essential misstatements. The audit was conducted on the sample basis and included the study by testing of proves confirming the values and the disclosure of information on financial and economic activity in the Accounting statement, the assessment of observance of bookkeeping principles and rules applied at preparation of the Accounting statement, the consideration of essential assessed values received by the management of the audited entity, and also the assessment of general presentation of the Accounting statement. We think that the conducted audit gives sufficient grounds for the expression of our opinion on the authenticity in all essential aspects of the Accounting statement and on the compliance of the bookkeeping procedure, as related to the preparation of accounting statement, with Russian Federation legislation.

In our opinion, the bookkeeping procedure in respect of preparation of OJSC “VolgaTelecom Accounting statement in 2005 met in all essential aspects the requirements of Federal law “On bookkeeping” № 129-Ф3 of November 21, 1996, and the above-mentioned Accounting statement, prepared in accordance with the same Law, reflects truly in all essential aspects the financial status of OJSC “VolgaTelecom” as of December 31, 2005 and the results of its financial and economic activity for the period from January 1 to December 31, 2005 inclusive, in accordance with Russian Federation legislation requirements as related to the preparation of accounting statement.

The attached accounting statement is not aimed at presentation of financial status and the activity results according to the accounting principles or methods generally accepted in countries and other administrative-territorial formations other than Russian Federation. Accordingly, the attached accounting statement is not designated for the persons unfamiliar with bookkeeping principles, procedures and methods accepted in Russia.

April 03, 2006

(round seal of LLC “Ernst&Young”)

Ulrich Schroeder
Partner

Audit executive head
Chinnova Irina Evgenievna.
General audit qualification certificate
№ K010442 of 26.01.2004 issued for unlimited term

SUPPLEMENT № 4 – Explanatory memorandum to OJSC “VolgaTelecom” accounting statement for 2005.

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2. General data (the information provided in this item has not been audited)

Open Joint Stock Company “VolgaTelecom”, abbreviated name - OJSC “VolgaTelecom”, ITN 5260901817, (hereinafter - the Company) was registered on December 15, 1993 by the Committee for management and control of city’s property and land resources of administration of Nizhny Novgorod city, registration № 448. As of December 31, 2005 the Company’s personnel capacity was 47 237 men (as of December 31, 2004 – 49 381 persons).

The Company is registered at the address: 603000, Nizhny Novgorod city, Maxim Gorky square, Dom Svyazi.

As per the obtained licenses the Company carries out the following types of activity:

- Provision of local and intrazonal communication services;
- Provision of local, domestic long-distance and international long-distance communication services via payphones and shared terminals;
- Provision of domestic and international long-distance communication services;
- Provision of cellular mobile communication services (GSM-900, DCS-1800, CDMA-400, NMT-450, CDMA-800);
- Provision of mobile radiotelephone communication services;
- Provision of mobile radio communication services;
- Provision of personal radio call services;
- Provision of personal radio call services with multiplexing of VHF FM channel;
- Provision of communication channels lease services;
- Provision of telematic services (including e-mail service, access to informational resources service, call center, Telefax service, Comfax service, Office fax service, communications processing service, voice messages service, voice information transfer service, audio conferences service, video conferences service);
- Data transfer services provision;
- Provision of telegraph communication services (including “telegram” service, services of AT/Telex network);
- Cable TV services provision;
- Wire broadcasting services provision;
- Provision of TV broadcasting services by using transmission devices;
- Provision of radio broadcasting services by using transmission devices;

- Provision of local telephone communication services by using radio access facilities;
- Provision of TV broadcasting services by using transmission devices (MMDS);
- Accomplishment of works connected to data constituting a state secret;
- Putting into effect the measures and (or) rendering of services in the field of protection of the state secret;
 - Putting into effect the measures and (or) rendering of services in the field of protection of the state secret;
 - Putting into effect the measures and (or) rendering of services in the field of protection of the state secret, in connection with functioning of a cryptographic agency;
 - Putting into effect the measures and (or) rendering of services in the field of protection of the state secret as regards the technical protection of information;
 - The organization and putting into effect the measures to ensure the protection of communication confidentiality and other secrets protected by the law;
 - Examination of preliminary design and project documentation;
 - Construction, capital repairs, reconstruction, expansion and re-equipment of communication facilities;
- Construction, capital repairs, reconstruction, re-equipment of civil installations;
 - Geodesic and cartography activity;
 - Training, improvement of professional skills of technical officers, the operational personnel, the administrative personnel;
 - Maintenance, repair and sale of cash machines;
 - Maintenance, repair and sale of communication facilities;
 - Installation, repair and maintenance of security alarm systems;
 - The organization of restoration of communication networks and facilities during failures and damages;
 - Priority provision of communication services and facilities in the interests of defense, the state management, security, law and order;
 - Putting into effect the measures for securing communication services in emergency situations;
 - Putting into effect the plans of mobilization preparation of communication network and the measures under emergency situations;
 - Provision of consulting services;

- Medical services provision;
- Trading and purchasing activity;
- Commercial fishery;
- Fire prevention and extinguishing activity;
- Installation jobs, repair and service of means of maintenance of fire safety of buildings and constructions;
- Operation of electric power, thermal and gas networks;
- Designing and construction of buildings and constructions of responsibility level I and II;
- Engineering research work for construction of buildings and constructions of responsibility level I and II;
- Underground survey;
- Provision of certificates for keys for digital electronic signatures, registration of electronic digital signature owners, provision of services connected to application of electronic digital signatures, and confirmation of authenticity of electronic digital signatures;
- Lumbering activity;
- Passenger traffic with motor transport equipped for transportation of more than 8 persons;
- Transportation of cargoes by motor transport means with carrying capacity over 3.5 tons;
- Material handling (loading and unloading) in railway transportation;
- Repair of measurement instrumentation;
- Storage and sales of oil, gas and products of their processing.

Data on the registrar (Registrar):

Name: The Company's registrar is CJSC "Registrar-Svyaz".
 Location: Moscow
 Mailing address: 107078, Moscow, Kalanchevskaya str., 15 "a".
 License number: № 10-000-1-00258
 Date of the license issue: 01.10.2002.
 Validity term: unlimited.
 Body that issued the license: Russia's FCSM.

Data on the auditor:

Name: the Company's auditor is LLC "Ernst & Young".
 Location: Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya 77, str.1

Mailing address: 115035, Moscow, Sadovnicheskaya naberezhnaya 77, str.1
E-mail address: Moscow@ru.ey.com
Data on the auditor's license:
License number: E002138
Date of issue: September 30, 2002
Validity term: 5 years
Body that issued the license: Ministry of Finance of Russian Federation

The Chairman of the Board of directors:

- Belyaev Konstantin Vladimirovich – deputy to the General Director of OJSC “Svyazinvest”.

Deputy to the Chairman:

- Bobin Maxim Victorovich – member of OJSC “VolgaTelecom” Board of directors.

Members of the Board of directors:

- Bulancha Sergey Anatolievich – deputy to the head of Federal telecommunication agency;
- Kuznetsov Sergey Ivanovich – first deputy to OJSC “Svyazinvest» General director;
- Kulikov Denis Victorovich – expert of Association for investors' rights protection;
- Slizen Vitalyi Alexandrovich – director of department of state policy in the sphere of information and communication technologies of Russian Ministry for information and communication;
- Grigorieva Alla Borisovna – deputy to the director - head of section of the department of corporate governance of OJSC “Svyazinvest”;
- Andreev Vladimir Alexandrovich – rector of the Volga State Academy of telecommunications and informatics;
- Degtyarev Valeryi Victorovich – General Director of CJSC “Professional telecommunications”;
- Fedorov Oleg Romanovich – executive director of CJSC “Joint financial group”;
- Chernogorodskiy Sergey Valerievich – director of the department of stockholder capital of OJSC “Svyazinvest”.

The Company's Management board structure comprises:

- Omelchenko Sergey Valerievich – OJSC “VolgaTelecom” General Director;
- Kirillov Alexander Ivanovich – 1-st deputy to the General Director – OJSC “VolgaTelecom” technical director;
- Pozdnyakov Denis Vyacheslavovich – 1-st deputy to the General Director for economics and finances of OJSC “VolgaTelecom”;
- Astakhova Svetlana Leonidovna – deputy to the General Director – director of staff department of OJSC “VolgaTelecom”;
- Ganeeva Alla Albertovna – head of networks operation section of OJSC “Svyazinvest” electric communication department;
- Dyakonov Mikhail Vasilievich – deputy to OJSC “VolgaTelecom” General Director;
- Petrov Mikhail Victorovich – deputy to OJSC “VolgaTelecom” General Director;

- Kormilitsyna Lyudmila Alexeevna – deputy to the head of section for activity provision of representatives of OJSC “Svyazinvest” corporate governance department;
- Popkov Nikolai Ivanovich – OJSC “VolgaTelecom” chief accountant.

The Company’s Auditing committee structure comprises:

- Golubitskyi Bogdan Ivanovich – chief expert of budgeting section of department for economic planning and budgeting of OJSC “Svyazinvest”;
- Koroleva Olga Grigorievna – chief accountant of OJSC “Svyazinvest”;
- Zubova Tatiana Yurievna – deputy to the head of the section of methodology of accounting department of OJSC “Svyazinvest”;
- Kachurin Alexander Vladimirovich – head of section of OJSC “Svyazinvest” department of finances;
- Feoktistova Natalia Vadimovna – head of the group of department for legal supporting of OJSC “Svyazinvest”.

3. Accounting policy

This accounting statement of the Company is drawn up on the basis of the following accounting policy.

Basic approaches to drawing up annual accounting statement

Bookkeeping is done in the Company in accordance with Federal law № 129-ФЗ of November 21, 1996 “On bookkeeping” (with amendments of July 23, 1998, March 28, December 31, 2002, January 10, May 28, June 30, 2003) and “Provision on bookkeeping and accounting statement recording in Russian Federation” approved by RF Ministry of Finances Order № 34Н of July 29, 1998 (with amendments of December 30, 1999 and March 24, 2000), and also with effective regulations on bookkeeping.

The Company’s accounting statement for 2005 was drawn up in accordance with the same law and regulations.

Assets and liabilities in foreign currencies

While accounting business transactions made in foreign currencies the Company applied official foreign currency rate valid on the date of the transaction settlement. Monetary assets and liabilities, the cost of which is expressed in foreign currency, are reflected in accounting statement in the amounts calculated on the basis of currency rates, established by Russian Federation Central Bank for report dates (rubles per a unit of currency):

Foreign currency	December 31, 2004	December 31, 2005
US Dollar	27,7487	28,7825
Euro	37,8104	34,1850
Japanese Yen	0,2675	0,2453

Foreign exchange differences, which occurred during the year under transactions with assets and liabilities and also during their translation in ruble equivalent as of the report date, are charged to

profit and losses account and are reflected in income statement in the structure of non-sales earnings and expenses

The exception are foreign exchange differences which have appeared during the year with respect to the settlements with suppliers of fixed assets objects, the cost of which at acquisition is stated in foreign currency. Foreign exchange differences, which have appeared before the reflection of the specified fixed assets objects in the accounting records, are included in their initial cost.

In the cash flow statement the ruble equivalent of foreign exchange balances as of the beginning of the year and of foreign exchange movements during the year is calculated at the official currency rate valid on December 31, 2005, and, correspondingly, comparable data are calculated at official currency rate as of December 31, 2004.

Short-term and long-term assets and liabilities

In the statement the assets (liabilities) are referred to short-term ones if the term of their circulation (retirement) does not exceed 12 months after the report date. All the other assets and liabilities are represented in the statement as the long-term ones.

Intangible assets

The structure of intangible assets reflects exclusive rights to the objects of intellectual property (trademark and exclusive copyright).

Trademark and exclusive copyright are depreciated by line method on the basis of the term of useful life of 10 and 5 years correspondingly.

In the statement the intangible assets are represented at initial cost minus depreciation amount accrued for the entire utilization time.

By the initial cost of intangible assets, acquired in exchange for goods (values) differing from monetary assets, is accepted the cost of transferred assets or the assets subject to the transfer. The specified cost was fixed on the basis of the price by which the Company under relative circumstances usually defined the cost of similar goods (values).

The cost of intangible assets is retired by the accrual of depreciation by line method during the established term of useful service. The term of useful service is defined by specially created committee and is approved in the established order on the basis of expected performance life term of the object, during which the Company expects to obtain economic benefit (profit) from its usage.

The cost of intangible assets is retired by the accrual of depreciation amount calculated by line method at account 05 "Amortization of intangible assets".

Fixed assets (property, plant and equipment)

The structure of fixed assets reflects buildings, installations, equipment, transport vehicles, computing machinery, office appliances, plots of land, machines and other objects with service life of over 12 months which are used for services provision and output of products, or for the Company's management needs and which are capable to provide economic benefits.

The objects of fixed assets are accepted for accounting at initial cost.

By the initial cost of fixed assets, acquired for a fee, is accepted the sum of actual costs for acquisition, construction and production, except for value-added tax and other reimbursable taxes (except for the cases established by Russian Federation legislation).

By the initial cost of fixed assets, acquired in exchange for goods (values) differing from monetary assets, is accepted the cost of transferred assets or the assets subject to the transfer. The latter was fixed on the basis of the price by which the Company under relative circumstances usually defined the cost of similar goods (values).

In the statement the fixed assets are represented at initial (replacement) cost minus depreciation amount accrued for the entire time of operation.

In the structure of fixed assets, the real property objects which are commissioned and actually used before state registration of property rights for such objects are recognized.

Fixed assets are depreciated by line method as per the norms calculated on the basis of adopted terms of useful service:

Production buildings	From 5 to 100 years
Constructions and transfer mechanisms	From 5 to 59 years
Communication equipment	From 3 to 30 years
Transport vehicles	From 3 to 10 years
Computers and office appliances	From 3 to 10 years
Other objects	From 2 to 30 years

The plots of land and objects of housing facilities were not depreciated.

The objects of fixed assets with the cost not more than 10 000 rubles per a unit, as well as books, brochures and similar publications were amortized for production outlays (expenses for sale) as they were released to production or operation by using account 02 "Amortization of fixed assets".

The outlays for all types of repairs were included into ordinary activities expenses of the report period. The reserve of the costs to be incurred for the repair of fixed assets was not established.

The interest, charged before accepting the objects of fixed assets for accounting, on credits and loans obtained for financing of acquisition (construction) of these objects was included into their initial cost. The interest, charged after accepting the objects of fixed assets for accounting, are reflected in income statement in the structure of operating earnings.

Fixed assets, obtained under financial rent (leasing) contracts and booked in the structure of the Company's fixed assets, are depreciated by line method on the basis of the term of useful service, which is established equal to leasing contract validity term.

Financial investments

Financial investments, for which current market cost is not defined, are reflected in balance sheet at their initial cost.

Initial cost of financial investments:

- acquired for value was defined as the amount of actual expenses of the Company for their acquisition;
- acquired under contracts stipulating performance of obligations (payment) by non-monetary assets was defined as the cost of assets transferred by the Company;
- in the form of investments in the capitals of affiliated, dependent and other companies, constitutes monetary appraisal, coordinated by founders (participants) of these companies.

Financial investments, for which as of the end of 2005 steady substantial reduction in value is recognized, were presented in the balance sheet minus reserve established for depreciation of financial investments. The reserve's amount was classified as the increase of operating expenses.

Financial investments, for which trade organizer at the securities market defines fair market value as per the established procedure, are reflected in the accounting statement at fair market value as of December 31, 2005 by adjusting their valuation. The amount of the adjustment is classified as the increase in operating expenses (earnings).

During the sale and other retirement of securities, for which fair market value is not defined, the retiring issuing securities were valued by FCFS method; the retiring non-issuing securities were valued by the actual cost of each security.

Inventories

Inventories (raw materials, materials, goods) are accepted for accounting at valuation price, which is:

- at acquisition of inventories for value – supplier' price according to supply (sales and purchase) contract;
- at production of inventories by the organization itself – the sum of actual costs connected with their production;
- at receipt of inventories in consideration for contribution to the charter capital of an organization- monetary appraisal coordinated with promoters with due account for the requirements of law “On joint-stock companies”;
- at receipt of inventories by the gift contract (on a gratis basis), and also remaining from the retirement of fixed assets and other property- fair market value as of the date of acceptance to accounting;
- at receipt of inventories by contracts, stipulating fulfillment of obligations (payment) by non-monetary assets – the cost of assets, transferred or subject to transfer by the Organization.

Transport and procuring expenses and other expenses for bringing the materials to the state in which they are usable, are reflected on the account 16 “Deviations in the cost of materials”.

For goods in retail, booked on account 41.02. their trading values are reflected.

Retiring inventories (excluding precious metals) are valued at average prime cost.

Precious metals are charged off at the prime cost of each unit.

Deferred expenses

Expenses incurred by the Company in the report year but relating to the next report periods are reflected as the deferred expenses. These expenses are subject to amortization on a straight-line basis during the periods to which they are related.

Deferred expenses connected with acquisition and introduction of software products and data bases, subject to amortization later than 12 months after the report date, are reflected in the balance sheet in the structure of other non-current assets.

Debts of buyers and customers

The debts of buyers and customers are reflected in the statement with VAT taken into account, the latter being paid to the budget after the receipt of payment of accounts receivable, and are defined on the basis of prices set by the contracts between the Company and the buyers (customers), all discounts (extra charges) granted by the Company being taken into account. Debt unreal for recovery was charged off the balance as it was recognized to be such.

The debt of buyers for sold services, works, goods, products, fixed assets, inventories and other property, not repaid in the terms, stipulated by contracts, and for which appropriate guarantees are not provided, is showed minus doubtful debts reserves.

The amount of reserve is defined separately for each debt on the basis of made inventory depending upon the debtor's solvency and the probability of the debt settlement.

Due to the fact that at communication enterprises the individual analysis of each doubtful debt for communication services is impossible because of large number of subscribers, the reserve is established in the amount of 100% of the debt amount for all unsettled debts for communication services, the payment of which as of the date of the reserve establishment is overdue for 90 and more days. As for the debts the payment of which is delayed less than for 90 days the reserve is not established.

The social protection bodies' debt for reimbursement of expenses, connected with granting facilities for telecommunication services, is reserved by the results of inventory of debt under contracts (agreements) with social protection bodies.

Reserve for doubtful debts is classified as the increase in operating expenses.

Capital surplus and reserve capital

Capital surplus is formed due to fixed assets value increment defined during re-appraisal and also due to the seniorage obtained as a result of the Company's shares sale at the price exceeding their face value.

The Company establishes reserve capital meant for the cover of its losses, and also for the repayment of bonds and the Company's shares redemption. Reserve capital is established at the expense of the Company's net profit.

Dividends payable are recognized as liabilities and are deducted from the amount of non-distributed profit as of the report date, if they are declared prior to the report date inclusive. Dividends payable, if they are declared after the reporting date, are disclosed in the statement as news events after the reporting date.

Received credits and loans

The Company transfers long-term debt under received credits and loans into the structure of short-term debt at the time when 365 days are left to repay the principal amount of debt as per the terms and conditions of loan and (or) credit contract.

The Company recalculates as of each report date the cost of credits and loans, expressed in foreign currency and/or conventional monetary units. The differences which appear at recalculation are referred to non-sales expenses.

Additional outlays, incurred in relation to obtaining credits or loans, include the expenses related to:

- rendering of legal and consulting services to the Company;
- carrying out expert examinations;
- consumption of communication services;
- other outlays directly related to obtaining loans in money form.

Additional outlays related to obtaining loans and credits, placement of borrowed liabilities are classified by the Company as the expenses of the period in which they were made.

Interest on received credits (loans) is charged on a monthly basis in accordance with the procedure established in the contract.

As for the loans received in money form and raised by the issue of the Company's own bills of exchange, the amount of discount due to payment to the holder of the bill is classified as deferred expenses with further charging off into the structure of operating expenses on a monthly basis by equal shares during the circulation period of bills of exchange.

Costs for obtained credits (loans), used for acquisition and (or) construction of investment asset, are included into the initial cost of this asset provided that the receipt by the Company of economic benefits in the future is possible or in case when the investment asset is necessary for the Company's management needs.

Costs for obtained credits (loans) are included into the cost of the investment asset till the moment of its commissioning.

Income tax settlements

The Company calculates and presents in the accounting and reporting deferred tax assets and income tax liabilities, subject to repayment in the next report periods.

Deferred tax assets and liabilities are calculated in relation to temporary differences which are income and expenses forming accounting profit (loss) in one report period and the tax base of income tax – in other report periods.

Deferred tax assets represent the part of deferred income tax which should result in the reduction of income tax due to payment to the budget in the period following the report one or in the next report periods. They are defined by applying income tax rate, established by Russian Federation legislation on taxes and dues, to the deducted temporary differences occurred in the report period.

Deferred tax liabilities represent the part of deferred income tax which should result in the increase of income tax due to payment to the budget in the period following the report one or in the next report periods. They are defined by applying income tax rate, established by Russian Federation legislation on taxes and dues, to taxable temporary differences occurred in the report period.

By current income tax is recognized the tax for the taxation purposes calculated in accordance with the requirements of chapter 25 of Russian Federation Tax Code and defined in bookkeeping on the basis of the amount of contingent income tax adjusted to the amounts of constant tax assets and liabilities, and also of deferred tax assets and liabilities of the report period.

Current income tax is recognized in the reporting as a liability to the budget equal to the unpaid amount of income tax.

Contingent expense (gain) of income tax is calculated as the product of accounting profit (loss) by income tax rate established by Russian Federation legislation on taxes and dues.

Occurred income tax overpayments to the budgets of Russian Federation subjects and to local territorial budgets are reflected in the structure of accounts receivable.

Revenue recognition

The Company's revenues are subdivided into the income under ordinary activities and other income (operating, non-sales and extraordinary income).

Sales proceeds of products and services rendering are recognized by the accrual method, i.e. as the services are rendered and are reflected in the accounting minus VAT and discounts granted to the buyers.

Proceeds from products sale subject to conditions of the exchange of goods (barter) are defined by the cost of values received or subject to receipt by the Company, the specified cost being calculated on the basis of prices at which the Company usually defines the cost of similar values under comparable circumstances.

Income from the Company's assets granted for rent is referred to income under ordinary activities.

Dividends in the structure of other income are recognized as they are declared.

Expenditures recognition

Expenditures depending on their nature and activity types are subdivided into the expenditures under ordinary activities and other expenses (operating, non-sales and extraordinary expenses).

Ordinary activities expenses are formed in the amount calculated in money terms equal to the amount of payment in money or other form or to the amount of accounts payable.

The Company calculates complete production cost of rendered services, work done, sold products without separating administrative and commercial expenses.

Government aid

Budgetary funds received on account of government aid (subventions, subsidies) are recognized as monetary assets and resources, differing from monetary assets, are actually received and are reflected in the balance sheet in the structure of unearned revenues.

Budgetary credits obtained by the Company are reflected in the balance sheet in the structure of borrowed funds.

Target financing

The funds of target financing are recognized as monetary funds and resources, differing from monetary funds, are actually received and are reflected in the balance sheet in the structure of unearned revenues.

Deferred expenses reserves

The Company establishes a reserve for the payment of coming rest leaves of employees and the reserve of deferred expenses for remuneration by the results of work for a year.

Expenses for establishment of reserves are referred to ordinary activities expenses; to the increase in the initial cost of fixed assets objects in the course of construction, and also to the structure of non-sales expenses, depending on the kind of activity the employees, considered at calculation of deferred expenses reserves.

Expenses for pension provision

Social deductions are made by means of payment of unified social tax, calculated by the Company by applying descending tax scale. At taxation of payments calculated by civil law contracts in favor of natural persons, tax rate from 26% to 25% is applied. The Company refers the sums of unified social tax to three social funds -government pension fund, social insurance fund and medical insurance fund- at that pension fund contributions are from 20% to 19% depending on the annual sum of payments and remunerations for each natural person. The contributions are referred to current expenses as they are accrued.

In addition to the package of government pension provision the Company participates in the program of one-off payment of pecuniary aid in the amount of one to three official salaries to the Company's employees in case of their retirement. This program covers the most part of the Company's workers and does not stipulate any special fund deductions. The amount of payment depends on the record of service when retiring.

The Company also participates in pension programs implemented within the package of non-government pension provision. The amounts of fees are defined on annual basis and they are classified as expenses as they occur. (See also item 9 of the present Explanatory memorandum).

Property and liabilities inventory is made:

- of fixed assets – at least once in two years as of October 31 of the reporting year;
- of intangible assets – every year as of November 30 of the reporting year;
- of uncompleted capital construction and other capital investments – every year as of October 31 of the reporting year;

- of raw materials, materials, equipment for installation, semi-finished products, goods, finished products at warehouses – every year as of October 31 of the reporting year;
- of precious metals – twice a year;
- of uncompleted production – every quarter as of the end of the quarter;
- of deferred revenues and expenditures – every year as of December 31 of the reporting year;
- of money funds at the accounts in banks – every year as of December 31 of the reporting year;
- of money funds in cash office – at least once per a quarter;
- of long-term financial investments – every year as of December 31 of the reporting year;
- of short-term financial investments, monetary instruments – every quarter as of the quarter end;
- of settlements with debtors and of doubtful debts reserve – every quarter as of the quarter end;
- of settlements with creditors (under settlements with communication operators) – every quarter as of the quarter end, with other creditors – once a year as of December 31 of the reporting year;
- of settlements for taxes and obligatory deductions to the budget and off-budget funds – at least once a year;
- of settlements for target financing – every year as of December 31 of the reporting year;
- of internal settlements – at least once per quarter;
- of settlements with personnel, advance holders – once a year as of December 31 of the reporting year.

Changes in the accounting policy for 2005

No changes capable of impacting materially financial statement were made to the accounting policy for 2005.

Changes in the accounting policy for 2006

No changes capable of impacting materially the Company's financial statement are made to the accounting policy for 2006.

4. Comparative data

Comparative data in the Company's accounting for 2005 are formed by the adjustment of data of final accounting for 2004 to bring them to conformity with accounting indexes for year 2005.

Changes of opening balance sheet as of January 1, 2005.

Line code	Balance sheet item as of 31.12.2004	Balance sheet item as of 01.01.2005	Deviations	Comments
150	1 687 359	1 699 196	11 837	Advances paid out by lease payments are transferred from line 242
230	24 904	28 497	3 593	Total of line 233
233	18 283	21 876	3 593	Settlements for other operations with staff long- term part is transferred from short-term part
240	1 478 159	1 462 729	(15 430)	Total of lines 242, 243

242	147 338	135 501	(11 837)	Advances paid out by lease payments are transferred to line 150
243	176 386	172 793	(3 593)	SETTLEMENTS FOR OTHER OPERATIONS WITH STAFF SHORT-TERM PART IS TRANSFERRED TO LONG- TERM PART
460	6 833 997	8 890 265	2 056 268	CURRENT YEAR PROFIT IS TRANSFERRED FROM LINE 470
470	2 056 268		(2 056 268)	CURRENT YEAR PROFIT IS TRANSFERRED TO LINE 460

Changes of comparative information for 2005 in Supplement to the balance sheet.

Line code	Column 6 of form 5 for 2004	Column 3 of form 5 for 2005	Deviations	Explanations
201	3 580 620	3 566 396	(14 224)	Buildings are transferred (-2 461 thousand rubles) to line 202, (+819 thousand rubles) from line 203, (+17 thousand rubles) from line 204, (-12 462 thousand rubles) to line 206, (-137 thousand rubles) to line 208
202	11 058 964	11 088 610	29 646	Constructions are transferred (+2 461 thousand rubles) from line 201, (+27 665 thousand rubles) from line 203, (+42 thousand rubles) from line 204, (-65 thousand rubles) to line 205, (-34 thousand rubles) to line 207, (-423 thousand rubles) to line 208
203	15 985 558	15 974 543	(11 015)	Machinery and equipment are transferred (-819 thousand rubles), to line 201, to line 202 (-27 665 thousand rubles), to line 204 (-18 531 thousand rubles), from line 205 (+ 45 593 thousand rubles), to line 208 (-9 593 thousand rubles)
204	439 068	457 742	18 674	Transport vehicles are transferred (-17 thousand rubles) to line 201, to line 202 (-42 thousand rubles), from line 203 (+ 18 531 thousand rubles), from line 208 (+202 thousand rubles)
205	1 268 189	1 227 194	(40 995)	Computers and office appliances are transferred (+65 thousand rubles) from line 202, from line 203 (- 45 593 thousand rubles), from line 208 (+4533 thousand rubles)
206	68 416	78 688	10 272	Housing stock is transferred (+12 462 thousand rubles) from line 201, to line

				208 (-2 190 thousand rubles)
207	6 212	6 246	34	Land plots and nature objects are transferred from line 202 (+34 thousand rubles)
208	297 462	305 070	7 608	Other types of fixed assets (+137 thousand rubles) from line 201, from line 202 (+423 thousand rubles), from line 203 (+ 9 593 thousand rubles), to line 204 (-202 thousand rubles), to line 205 (-4 533 thousand rubles), from line 206 (+2 190 thousand rubles)
221	800 339	799 281	(1 058)	to line 222 (-243 thousand rubles), to line 223 (-731 thousand rubles), from line 224 (+17 thousand rubles), to line 226 (-101 thousand rubles)
222	4 516 859	4 507 981	(8 878)	from line 221 (+243 thousand rubles), to line 223 (-8 331 thousand rubles), from line 224 (+21 thousand rubles) to line 225 (-46 thousand rubles), to line 226 (-765 thousand rubles)
223	6 607 659	6 610 592	2 933	from line 221 (+731 thousand rubles) from line 222 (+8331 thousand rubles) to line 224 (-14 974 thousand rubles) from line 225 (+15 002 thousand rubles) to line 226 (-6 157 thousand rubles)
224	285 747	300 884	15 137	to line 221 (-17 thousand rubles) to line 222 (-21 thousand rubles) from line 223 (+14 974 thousand rubles), from line 226 (+201 thousand rubles)
225	531 312	517 996	(13 316)	from line 222 (+46 thousand rubles) to line 223 (-15 002 thousand rubles) from line 226 (+1 640 thousand rubles)
226	176 490	181 672	5 182	from line 221 (+101 thousand rubles), from line 222 (+765 thousand rubles), to line 223 (+6 157 thousand rubles), to line 224(-201 thousand rubles), to line 225 (-1 640 thousand rubles)

**5. Analysis and estimation of balance sheet structure and earnings record
(the information provided in this item has not been audited)**

Analysis and estimation of balance sheet structure

As of December 31, 2005 the balance sheet structure is characterized by the following indices:

	01.01.2005	31.12.2005
Cash ratio	0,04	0,18
Working capital ratio	0,50	0,71
Ratio of own current assets availability	-2,43	-2,45
Sales profitability, %	28,7	28,2
Rapid liquidity ratio	0,23	0,46

Cash ratio is calculated as ratio of the amount of monetary funds (item 260 of balance sheet) and short-term financial investments (item 250 of balance sheet) to the amount of short-term liabilities (item 690 of the balance sheet).

Working capital ratio is defined as the ratio of current assets (item 290 of balance sheet) to the amount of short-term liabilities (item 690 of the balance sheet).

Ratio of own current assets availability is calculated as the ratio of own current assets amount (item 490 less item 190 of balance sheet) to the total amount of current assets (item 290 of balance sheet).

Sales profitability is calculated as the ratio of sales profit (item 050 of Income statement) to the sales proceeds (line 010 of Income statement).

Rapid liquidity ratio is calculated as the ratio of amount of monetary funds (item 260 of balance sheet) and accounts receivable, the payments by which are expected within 12 months after the report date (item 240 of balance sheet), to the amount of short-term liabilities (item 690 of the balance sheet).

Earnings record for 2005

Activity type	Proceeds (line 010 of form № 2)		Prime cost (line 020 of form №2)		Profit (line 050 of form №2)		Earnings record Δ,%
	2005	2004	2005	2004	2005	2004	
Communication services	20 787 642	18 171 248	14 884 232	12 921 832	5 903 410	5 249 416	12,46
Other	560 752	433 356	448 819	342 305	111 933	91 051	22,93
TOTAL:	21 348 394	18 604 604	15 333 051	13 264 137	6 015 343	5 340 467	12,64

By the results of year 2005 the profit from sales amounted to 6 015 343 thousand rubles with the growth rate as compared to the previous year 112,6%, which is basically connected with the Company's development and tariff policy. In particular, the increase in basic telephone numbers amounted to 257,7 thousands numbers. The increase in tariffs for local communication services beginning from 01.10.2005 was by 20,7 % for citizens and by 15,8 % for organizations instead of

planned 20% and 15% correspondingly. The reduction of tariffs for DLD communication services occurred quicker than it was expected: instead of 2% the tariffs were reduced upon average by 7%. In total this resulted in short-received income of quarter 4 of 2005 - 54,1 million rubles.

Profit before tax by the year results amounted to 3 429 804 thousand rubles with the growth rate vs. the previous year level of 114,7%. The fact that profit before tax grew faster than sales profit was basically caused by the decrease in operating loss as compared to the previous year, the specified decrease being connected with absence in 2005 of operating expenses as related to establishment of doubtful debt reserve for -830 431 thousand rubles (due to coming into force of normative legal documents on privileges cancellation from 01.01.2005) and also with increase in operating income as related to income from sales and other retirement of fixed assets and material valuables (without VAT) by 85 491 thousand rubles.

In 2005 the net profit amounted to 2 261 360 thousand rubles, which exceeds the value of the previous year by 205 092 thousand rubles. The over-fulfillment of net profit plan amounted to 9,3% or 193 066 thousand rubles.

Sales profitability amounted to 39,2 %, which is lower than 2004 year level by 1,1 percent point. Profitability by profit before tax amounted to 22,4%.

Profitability by net profit amounted to 14,8%.

The indices of the Company's activity efficiency in 2005 are represented in the table:

Index	Measure unit	2005
Revenue per an employee *	Thousand rubles	448,2
<i>Growth rate</i>	%	118,3
Revenue per a line	rubles	4 604,5
<i>Growth rate</i>	%	106,8
Expenses per an employee	Thousand rubles	321,9
<i>Growth rate</i>	%	119,2
Expenses per a line	rubles	3 307,1
<i>Growth rate</i>	%	107,6
Sales profit per an employee	Thousand rubles	126,3
<i>Growth rate</i>	%	116,1
Sales profit per a line	rubles	1 297,4
<i>Growth rate</i>	%	104,8
Profit before tax per an employee	Thousand rubles	72,0
<i>Growth rate</i>	%	118,3
Profit before tax per a line	rubles	739,8
<i>Growth rate</i>	%	106,8
The number of lines per an employee	lines	97,3
<i>Growth rate</i>	%	110,8
Prime cost of 100 rubles of proceeds	rubles	71,8
<i>Change</i>	%	0,5
EBITDA	Million rubles	6 773,2
<i>Growth rate</i>	%	123,0
EBITDA share in proceeds	%	31,7
<i>Change</i>		2,1

* including dual jobholders and not-registered workers

In 2006 OJSC “VolgaTelecom” foreground objectives in the area of financial policy will be:

- Financial consolidation of the Company’s assets;
- Increase in the liquidity (cash and current);
- Raising transparency and investment attractiveness of the Company;
- Increase in manageability of all assets of the Company.

Within the framework of realization of actions on the increase in liquidity, the Company and its affiliated organizations face the following tasks:

- Perfection of assets structure;
- Improvement of borrowed capital structure, with increase of liabilities duration;
- Program of raising the effectiveness of cost management;
- Structure optimization and raising the effectiveness of non-core assets.

The Company’s management improved the list of actions on liquidity management, the specified list being elaborated earlier in the course of corporate restructuring.

№	Action description	Expected impact on financial statement
1	To continue diversification of short-term liabilities as related to their transfer to long-term liabilities, the specified diversification being launched in 2005	Improvement of liabilities structure, rapid liquidity ratio will increase up to 0,49
2	Financing the Company’s investment activity by means of attraction of long-term external sources of financing	
3	To optimize the structure of debt to suppliers and contractors (to establish settlements procedure with optimum distribution of debt load)	
4	To analyze the expediency and efficiency of financial investments	For the improvement of the structure of non-current assets
5	To raise the volume of Company’s proceeds up to the scheduled targets	Increase in own capital
6	Efficient cost management assumes expenses growth rate lower than the inflation growth rate	

6. Explanations to essential balance sheet items

6.1. Fixed assets (property, plant and equipment) (item 120 of Balance sheet)

As of January 1, 2005 and January 1, 2004 the Company did not revalue its fixed assets.

Change of fixed assets cost:

	2005	2004
Increase in the cost of the fixed assets, total	5 585 465	6 931 352
Including due to:		
Acquisition of new objects	655 800	1 066 183

Construction of new objects	4 915 269	5 827 203
Objects' entering in accounting records, by the results of inventory	1 697	-
Free of charge acquisition	-	37 966
Other receipts	12 699	-
Reduction (retirement) of the cost of the fixed assets, total	(866 552)	(471 911)
Including due to:		
Sales of fixed assets	(37 624)	(78 736)
Writing-off of fixed assets	(743 581)	(367 159)
Compensation-free transfer of fixed assets	(73 631)	-
Other retirement	(11 716)	(26 016)
Change of depreciation, total	(2 012 016)	(1 656 145)
Charged depreciation for the period	(2 674 656)	(2 040 937)
Accrued depreciation for acquired fixed assets	(28 354)	(23 265)
Depreciation for realized objects	20 893	70 025
Depreciation for written-off objects	631 537	334 195
Depreciation for other retirements of objects	483	3 837
Compensation-free transferred objects	38 081	-
Total change of the cost of the fixed assets	2 706 897	4 803 296

The major portion (86%) of the acquired fixed assets is the equipment of communication networks, switches, transfer mechanisms, buildings, constructions, computing machinery and other equipment; the major portion of constructed fixed assets objects - 81 % is communication lines, switches, and other equipment of telecommunication networks.

As of December 31, 2005, the Company's fixed assets for the amount of 3 743 081 thousand rubles are pledged with banks to assure future payments by the contracts of bank loan.

Fixed assets obtained under leasing contracts

As of December 31, 2005 the Company concluded 119 contracts of financial rent (leasing) (rent of switches and other telecommunication equipment). The terms of lease are from 30 to 132 months.

The cost of fixed assets obtained under leasing contracts:

	As of 01.01.2005	As of 31.12.2005
Fixed assets in the Company's balance:		
- original cost of fixed assets	2 408 490	2 521 304
- charged depreciation for fixed assets	(857 450)	(1 129 624)
- balance sheet value of fixed assets	1 551 040	1 391 680
Fixed assets in lessor's balance:		
- contract value of fixed assets	176 550	66 106

As described in item 3 of the present Explanatory memorandum, useful service of fixed assets objects, obtained by financial rent contracts, is equal to leasing contract validity term. The specified

approach is defined on the basis of a number of provisions of normative documents of Russian accounting legislation, and also by legal restrictions proper to leasing contracts. In 2006 the Company's management changed the approach to defining useful service of fixed assets acquired under contracts of financial rent. The change of the approach assumes that useful service terms for the specified fixed assets will be defined primarily on the basis of expected productivity, and also of conditions and operational mode of objects. The management considers that above mentioned change in criteria system used at carrying out the specified assessments will allow for defining more precisely the period during which the use of fixed assets objects will bring income to the Company.

The amounts of leasing payments to be incurred:

The term of payments	The amounts of payments, total	For fixed assets in the Company's balance (are reflected in the structure of liabilities in items 520 and 620 of the Balance sheet)
2006	623 165	623 156
2007 - 2011	1 092 300	1 092 300
After 2011	-	-
TOTAL:	1 715 465	1 715 456

6.2. Capital investments (item 130 of Balance sheet)

	As of 01.01.2005	As of 31.12.2005
Investments into non-current assets, total:	1 084 670	720 047
Including:		
Construction, modernization and reconstruction of fixed assets objects	1 045 973	658 823
Capital investments into leased objects of fixed assets	-	-
Acquisition of separate objects of fixed assets	32 278	30 343
Acquisition of fixed assets under leasing contracts	6 401	30 847
R&D in progress	-	-
other	18	34
Equipment for installation	119 774	83 326
TOTAL:	1 204 444	803 373

The Company is constructing and re-constructing the objects of traditional telephony, telecommunication infrastructure objects for rendering services, constructing and reconstructing buildings, constructions and other real estate objects, transmission lines; it is constructing, extending and upgrading telecommunication networks for provision of value-added services, informational technologies. In 2005 the expenses amounted to 5 581 652 thousand rubles, the assets worth of 5 968 811 thousand rubles were commissioned.

6.3. Financial investments (items 140 and 250 of Balance sheet)

Section 4 of form №5 Supplement to balance sheet provides the information about the value of financial investments by the types, including financial investments value which had been adjusted to the current market value as of December 31, 2005.

Contributions to charter capitals of associated, affiliated and other companies

(items 141, 142, 143 of Balance sheet)

Basic investments of the Company to charter capitals of associated, affiliated and other companies:

Company's name	Activity type	The value of investments as of 31.12.2005	Share in charter capital, %	Share fraction of voting shares, %
CJSC "Orenburg-GSM"	Cellular, radio telephone communication services	102	51	51
CJSC "Digital telecommunications"	Local telephone communication services	2 768	100	100
LLC "Vyatka-Page"	Paging communication	18	100	-
CJSC "Ulyanovsk-GSM"	Cellular communication services	62 166	60	60
CJSC "RTCOM"	Telecommunication services	10 129	100	100
LLC "Izhcom"	Data transfer services	23 572	100	-
OJSC "ICN "Omrix"	Telecommunication services	489	74	74
LLC "Nizhegorodskiy Teleservice"	Telecommunication services	43 728	100	-
CJSC "TeleSvyazInform"	Telecommunication services	10	100	100
CJSC "Nizhegorodskaya cellular communication"	Cellular communication services	651 974	100	100
OJSC "TATINCOM – T"	Cellular communication services, GSM	473 936	50+1 share	50+1 share
CJSC "Transsvyaz"	Local communication services	4 151	80	80
Depreciation reserve	-	(10)		
Total:	-	1 273 033		
CJSC "Saratov Mobile"	Cellular	3 301	50	50

	communication services			
CJSC "Samara-Telecom"	Local communication services	75	28	28
CJSC "Penza Mobile"	Cellular communication services	1 210	40	40
LLC "Agro-firm Reanta"	Commercial services	2	21	-
CJSC "Nizhegorodskiy radio telephone"	Fixed line and wireless radio communication services	50	50	50
CJSC "Chuvashiya Mobile"	Cellular communication services	502	30	30
CJSC "Chery Page"	Paging communication services	114	50	50
CJSC "Ericsson svyaz"	Other services	11	24	24
CJSC "Nizhegorodteleservice"	Establishment and exploitation of integrated system	1 191	40	40
CJSC Commercial Bank "C-Bank"	Bank services	5 980	42	42
CJSC "Public telephone Saratov"	Telecommunication services	50	50+1	50+1
Depreciation reserve	-	(11)		
Total:	-	12 475		
Financial investments in other organizations		21 896		
Depreciation reserve	-	(195)		
Total:		21 701		
TOTAL: (sum of balance sheet items 141, 142, 143)		1 307 209		

Income received in the form of dividends from long-term financial investments is reflected in the item "Income from participation in other organizations" in Income statement, in the amount of 34 720 thousand rubles (in year 2004 - 43 594 thousand rubles).

According to the resolutions of the Company's Board of directors of 22.12.2004, 14.02.2005, 19.08.2005, 26.04.2005, 22.09.2005, in 2005 the Company acquired:

- 100 % of shares of CJSC "RTCOM" (8 248 pieces of ordinary shares);
- 13 % of shares of OJSC "Informational technologies of telecommunication" (hereinafter – OJSC "Svyazintek") (1 488 032 pieces of ordinary shares);
- 100 % share of participation in LLC "Nizhegorodskiy teleservice";
- 1,334 % of shares of OJSC "National television company "ZVEZDA" (hereinafter – OJSC "NTC "ZVEZDA") (1 334 pieces of ordinary shares) for 10 129,77 thousand rubles,

for 14 880,32 thousand rubles, for 43 728 thousand rubles and for 1,334 thousand rubles correspondingly.

CJSC "RTCOM" shares are acquired for the purpose of OJSC "VolgaTelecom" rendering cellular communication services in the territory of the Republic of Mordoviya and creation of unified roaming space in the territory of Volga region, and also in fulfillment of Strategy of cellular business development of GSM standard of OJSC "VolgaTelecom".

OJSC "Svyazintek" shares are acquired for the purpose of providing information technologies, which contribute to the unification and development of the Company's business.

Share in LLC "Nizhegorodskiy teleservice" is acquired in order to extend the zone of OJSC "VolgaTelecom" data transfer and telematic services provision.

Participation in OJSC "NTC "ZVEZDA" is for the Company's business development, formation of content and television broadcasting on the basis of using ample advertising opportunities, granted by the company.

Records which confirm the transfer of ownership for the specified securities were made in shareholder registries on 09.03.2005, 07.04.2005, 19.08.2005 and 03.10.2005, and LLC "Nizhegorodskiy teleservice" is notified of the transfer of the share on 13.07.2005.

In May 2004 the Company and LLC "MC-Direct" concluded the contract of sales and purchase of CJSC "Cellular communication of Mordoviya" shares belonging to the Company. The cost of retired shares in the amount of 30 thousand rubles, and also the Company's additional expenses for the sale of shares in the amount of 30 thousand rubles are referred to the structure of operating expenses and are shown in item 100 of Income statement. The income of the sale amounted to 899,003 thousand rubles and is shown in item 090 of Income statement.

In December 2004 the Company and Kolobov Vasilyi Alexandrovich concluded the contract of purchase and sale of OJSC "Europe plus Ural" shares, which belonged to the Company. The cost of retired shares in the amount of 5,63 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 5,96 thousand rubles and is shown in item 090 of Income statement.

In February 2005 the Company and LLC "ILGO" concluded the contract of purchase and sale of the Company's share of participation in LLC "Radio-Resonance". The cost of retired share in the amount of 4,284 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 807,14 thousand rubles and is shown in item 090 of Income statement.

In March 2005 the Company and Lebedeva Maria Leonidovna concluded the contract of purchase and sale of CJSC "Samarasvyazinform" shares belonging to the Company. The cost of retired shares in the amount of 0,1 thousand rubles and also the Company's additional expenses for the sale of shares in the amount of 70 thousand rubles are included into the structure of operating expenses and are shown in item 100 of Income statement. The income of the sale amounted to 21 773 thousand rubles and is shown in item 090 of Income statement.

In March 2005 the Company, Budaev Alexander Petrovich and Secretova Olga Petrovna concluded contracts of purchase and sale of OJSC "Telesot" shares belonging to the Company. The cost of retired shares in the amount of 9 435 thousand rubles and also the Company's additional expenses for the sale of shares in the amount of 331,308 thousand rubles are included into the structure of operating expenses and are shown in item 100 of Income statement. The income of the sale amounted to 17 680 thousand rubles and is shown in item 090 of Income statement.

In May 2005 the Company and LLC "Telecompany 12 region" concluded the contract of purchase and sale of CJSC "Pulse-Radio" shares belonging to the Company. The cost of retired shares in the amount of 0,04 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 280,367 thousand rubles and is shown in item 090 of Income statement.

In May 2005 the Company and LLC "Telecompany 12 region" concluded the contract of purchase and sale of CJSC "Pulse-Radio Yoshkar-Ola" shares belonging to the Company. The cost of retired shares in the amount of 183 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 1 682,2 thousand rubles and is shown in item 090 of Income statement.

In June 2005 the Company and Travin Vladimir Valentinovich concluded the contract of purchase and sale of CJSC “Joint-stock investment-commercial bank of production sector and construction for Nizhny Novgorod region” shares belonging to the Company. The cost of retired shares in the amount of 2 664,573 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 7 993,719 thousand rubles and is shown in item 090 of Income statement.

In December 2005 the Company and LLC “VESNA-2004” concluded the contract of purchase and sale of OJSC “Insurance Company “Nash gorod” shares belonging to the Company. The cost of retired shares in the amount of 41,0 thousand rubles is included into the structure of operating expenses and is shown in item 100 of Income statement. The income of the sale amounted to 20 thousand rubles and is shown in item 090 of Income statement.

In December 2005 the Company withdrew from LLC “Raduga-poisk” and LLC “Processing center “Union Card” participants structure in fulfillment of the Board of directors’ resolution of 09.12.2005, in accordance with effective legislation.

In December 2005 the Company on the basis of the Board of directors resolution of 09.12.2005 wrote off the investments into JSC of open type “AK “Bars” in the amount of 0,402 thousand rubles and into JSC of open type “Joint-stock commercial bank “Ayar” in the amount of 384,65 thousand rubles as a loss in connection with their liquidation.

Loans granted to other organizations

Loans granted by the Company as of December 31, 2005:

Borrower’s name	Loan’s amount	Repayment period	Annual interest rate	Obtained guarantee (asset’s name/value)
Short-term loans				
CJSC “Nizhegorodskiy radio telephone”	2 925	29.06.2004	13	Fixed assets for the amount of 2 913,5
Depreciation reserve	-			
TOTAL:	2 925			

Change of valuation of financial investments in 2005

In 2005 the Company adjusted to fair market value its financial investments in the following securities:

Securities	Value as of 01.01.2005	Value as of 31.12.2005	Change of valuation	Income referred to the structure of
Value adjustment, total:	803	2 136	1 333	Operating revenue
including Shares of OJSC “RF Savings Bank”	803	2 136	1 333	Operating revenue

Data on depreciation reserve of financial investments in year 2005

Financial investments	Reserve as of 01.01.2005	Reserve established in 2005	Reserve used in 2005	Reserve reestablished in 2005	Reserve as of 31.12.2005
Reserve, total	601	-	385	-	216
including					
JS Commercial bank "Ayar"	385	-	385	-	-
JS Commercial Bank of Mordoviya "MarPrombank"	60	-	-	-	60
CJSC "Orentcard"	50	-	-	-	50
LLC "Samara payphone"	10	-	-	-	10
CJSC "Zamok Sheremetieva"	17	-	-	-	17
CJSC "TeleSvyazInform"	10	-	-	-	10
CJSC "Ericsson svyaz"	11	-	-	-	11
LLC "EKAD"	58	-	-	-	58

6.4. Deferred tax assets (item 145 of the Balance sheet)

Flow of deferred tax assets in 2005:

Balance as of 01.01.2005	301 197
Created in the reporting period for deducted temporary differences	114 052
Repaid to reduce tax payments	214 331
Written-off at retirement of objects for which they were created	-
Balance as of 31.12.2005	200 918

6.5. Other non-current assets (item 150 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2004
Advances paid on account of settlements for acquisition and creation of non-current assets	178 069	697 930
Deferred expenses for redemption of property under leasing contracts	-	-
Deferred expenses for acquisition of software products and databases	1 521 127	1 807 665
Results of completed R&D, which have produced positive result	-	-
TOTAL:	1 699 196	2 505 595

Oracle E-Business Suite software

The Company's costs of purchase and roll-out of "Oracle E-Business Suite" software (hereinafter - OEBS) for the management of an enterprise are reflected within the structure of deferred expenses for the acquisition of software products and data bases:

	As of 01.01.2005	As of 31.12.2005
The cost of Oracle E-Business Suite Professional licenses for non-exclusive right to use the software	663 278	663 278
Roll-out expenses	105 346	246 319
TOTAL:	768 624	909 597

The Company started commercial operation of EPR of OEBS system as related to non-current assets accounting, release № 1 within the framework of the first stage of roll-out in Kirov branch and General directorate from December 30, 2005.

Starting from January 2006, the Company starts to write off OEBS software acquisition and roll-out costs forming deferred expenses to the structure of current expenses.

The writing-off will be carried out to the structure of ordinary activity expenses during useful service, established within the limit of 10 years.

The Company expects to roll out the system in full in the period from 2005 till 2008.

Amdocs Billing Suite software

The Company's cost of purchase of "Amdocs Billing Suite" software for the purpose of unified computerized settlements system implementation is reflected within the structure of deferred expenses for the acquisition and roll-out of software products and data bases:

	As of 01.01.2005	As of 31.12.2005
The cost of Amdocs Billing Suite licenses for non-exclusive right to use the software	645 579	647 291
Roll-out expenses	-	73 002
TOTAL:	645 579	720 293

The project of implementation of unified computerized settlements system on the basis of "Amdocs Billing Suite" platform is planned for 4-5 years.

The start of roll-out operations is planned since 2007.

"Amdocs Billing Suite" software is delivered in December 2004 by LLC "IBM Eastern Europe/Asia", to which the Company transferred its own notes in hand in number of 18 pieces for the sum of 755 622 thousand rubles as a security of settlements.

As of December 31, 2005 the Company's accounts payable with respect to notes given as a security of settlements amounts to 237 690 thousand rubles. The repayment of granted promissory notes is planned before June 2, 2006.

The costs of acquisition and roll-out of "Amdocs Billing Suite" software will be written off to the structure of the Company's current expenses after the beginning of software operation proportionally to the cost of implemented modules in the useful service period of modules

established within the limits of 10 years.

6.6. Inventories

The structure of raw materials, materials and other similar values (item 211 of the Balance sheet):

	As of 01.01.2005	As 31.12.2005
Cable	252 469	130 432
Fuel	9 081	8 823
Spare parts	69 525	56 175
Materials transferred for processing to a third party	355	1 553
Construction materials	149 467	51 101
Inventory and housewares	37 039	31 732
Other materials	170 695	164 264
TOTAL:	688 631	444 080

As of December 31, 2005 the inventories were not pledged.

6.7. Long-term accounts receivable of buyers and customers (item 231 of the Balance sheet)

	As of 01.01.2005	As 31.12.2005
Settlements with buyers and customers for non-core types of activity	3 153	2 176
Settlements for realized assets	155	143
TOTAL:	3 308	2 319

6.8. Short-term accounts receivable of buyers and customers (item 241 of the Balance sheet)

	Backlog total	Reserve for doubtful debts	Backlog, less the reserve for doubtful debts
As of 01.01.2005			
Settlements with natural persons (for communication services)	681 813	48 114	633 699
Settlements with social protection bodies for reimbursement of expenses related to granting of privileges to some categories of subscribers	1 071 088	1 071 065	23
Settlements with budgetary organizations for communication services	170 283	33 112	137 171
Settlements for commercial organizations' services (excluding communication services operators)	307 978	58 079	249 899
Settlements with communication services operators for communication services	115 599	25 978	89 621

Settlements with buyers and customers for non-core types of activity	58 476	18 004	40 472
Settlements for realized assets	3 404	59	3 345
Settlements with client state for civil defense	3 110	2 905	205
TOTAL as of 01.01.2005:	2 411 751	1 257 316	1 154 435
As of 31.12.2005			
Settlements with natural persons (for communication services)	869 930	63 707	806 223
Settlements with social protection bodies for reimbursement of expenses related to granting of privileges to some categories of subscribers	957 457	957 443	14
Settlements with budgetary organizations for communication services	145 012	32 787	112 225
Settlements for commercial organizations' services (excluding communication services operators)	281 106	53 296	227 810
Settlements with communication services operators for communication services	252 644	56 758	195 886
Settlements with buyers and customers for non-core types of activity	97 173	14 647	82 526
Settlements for realized assets	32 954	6 839	26 115
Settlements with client state for civil defense	334	135	199
TOTAL as of 31.12.2005:	2 636 610	1 185 612	1 450 998

On January 1, 2005 article 47 of Federal law № 126-ФЗ "On communication" became valid. The provisions of this article changed the former procedure of granting privileges to natural persons at using telecommunication services, according to the specified procedure carriers issued invoices to the special category of users with the deduction of the amount of the privilege, with future receipt of compensation from budgets of appropriate level. The new procedure establishes that citizens having right for privileges in payment for telecommunication services are obliged to pay the services rendered to them in the full size with further compensation of expenditures they made directly at the expense of means of budget of the appropriate level.

Social protection bodies debt for the reimbursement of expenses, connected with granting privileges to some categories of subscribers amounts to 36,3 % of the total sum of accounts receivable of buyers as of December 31, 2005 (44,4 % as of 01 January, 2005).

In 2005 the Company recovered 74 678 thousand rubles from federal budget in repayment of the specified debt and expects to recover 472 000 thousand rubles in 2006. However the uncertainty exists with respect to the Company's capability of recovering the specified debt, due to that the Company calculated doubtful debt reserve in the amount of 957 443 thousand rubles, which made 100% of the total amount of social protection bodies debt as of December 31, 2005.

6.9. Other accounts receivable the payments on which are expected within 12 months after the reporting date (item 243 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2005
SETTLEMENTS FOR TAXES AND DUES	12 796	12 032
Settlements for social insurance and provision	18 279	11 851
Settlements with personnel for remuneration of labor	351	59
Settlements with accountable persons	1 284	1 601
Settlements with personnel for other operations	7 171	7 979

Settlements with different debtors:	132 912	177 028
- settlements for property and personal insurance	779	354
- settlements for claims	1 880	1 464
- settlements for due income	5 288	5 492
- settlements for investments	-	45
- other settlements with associated and affiliated companies	-	-
- settlements for operations with securities	2	-
- settlements with private attorneys and commission agents	56 911	109 676
- other	68 054	59 997
TOTAL:	172 793	210 550

6.10. Charter capital (item 410 of the Balance sheet)

The charter capital amounts to 1 639 765 thousand rubles and consists of 245 969 590 pieces of ordinary and 81 983 404 pieces of preferred shares of the face value of 5 rubles each.

Stockholders	Ordinary shares		Preferred shares	
	Quantity (pieces)	Face value of placed shares	Quantity (pieces)	Face value of placed shares
Legal entities, total:	234 179 247	1 170 896 235	60 820 683	304 103 415
Including:		-		-
OJSC "Svyazinvest"	124 633 745	623 168 725	-	-
Associated and affiliated companies	251 246	1 256 230	19 310	96 550
Among them:				
CJSC "Commercial bank "C-Bank"	251 246	1 256 230	17 481	87 405
CJSC "Digital telecommunications"	-	-	1 829	9 145
Other legal entities, total	104 250 504	521 252 520	56 162 927	280 814 635
Among them:				-
"DEUTSCHE BANK" LIMITED LIABILITY COMPANY	3 455 209	17 276 045	-	-
OPEN JOINT STOCK COMPANY "RTK-LEASING"	3 528 547	17 642 735	-	-
"ING BANK (EURASIA)" (CLOSED JOINT STOCK COMPANY)	57580539	287 902 695	9553817	47 769 085
CLOSED JOINT STOCK COMPANY "DEPOSITARY-CLEARING COMPANY"	15534987	77 674 935	16879049	84 395 245
CLOSED JOINT STOCK COMPANY "UBS	4390341	21 951 705	2472682	12 363 410

NOMINEES”				
CLOSED JOINT STOCK COMPANY COMMERCIAL BANK “CITYBANK”	8769030	43 845 150	2252114	11 260 570
COMMERCIAL BANK “J.P. MORGAN BANK INTERNATIONAL”(LIMITED LIABILITY COMPANY)	8430980	42 154 900	3004753	15 023 765
LINSELL ENTERPRISES LIMITED	-	-	17976888	89 884 440
NON-COMMERCIAL PARTNERSHIP “NATIONAL DEPOSITARY CENTER”	2560871	12 804 355	2295376	11 476 880
PRUETT ENTERPRISES LIMITED		0	1728248	8 641 240
Other	5 043 752	25 218 760	4 638 446	23 192 230
Natural persons, total	11 790 343	58 951 715	21 162 721	105 813 605
The Company’s employees	1 643 565	8 217 825	6 404 783	32 023 915
Other	10 146 778	50 733 890	14 757 938	73 789 690
TOTAL:	245 969 590	1 229 847 950	81 983 404	409 917 020

As of December 31, 2005 the Company’s charter capital is completely paid.

Preferred shares do not grant the right to vote, except for the cases stipulated in the Company’s charter and by Russian Federation current legislation. Annual dividend in the amount of 10% of the Company’s net profit based on the results of the last fiscal year divided by the number of preferred shares, which make 25% of the Company’s charter capital, is paid on them. The owners of preferred shares are entitled to participate in general shareholders meeting with the right to vote on all agenda’s issues in case when shareholders meeting irrespective of reasons has not passed the resolution on dividend payment on preferred shares or has passed the resolution on incomplete payment of dividends on them.

6.11. Treasury stock (item 440 of the Balance sheet)

As of December 31, 2005 the Company did not have treasury stock.

6.12. Profit distribution (the information provided in this item has not been audited)

Scheduled 2005 profit distribution subject to the approval at the annual general meeting of the Company’s stockholders which is to take place in June 2006:

	Amount
Capital before the reporting year profit distribution	
Charter capital	1 639 765
Reserve capital	81 988
Capital surplus	3 812 947

Profit of the past years	8 502 660
Profit of the reporting year	2 261 360
Total capital before profit distribution:	16 298 720
Trends of the reporting year profit distribution	
Profit allocated for the reserve fund establishment	-
Profit allocated for the establishment of a special fund of the Company's employees corporalization (if its establishment is stipulated by the constituent documents)	-
Profit allocated for dividends	(588 782)
Results of the reporting year profit distribution	(588 782)
Capital after the profit distribution	
Charter capital	1 639 765
Reserve capital	81 988
Capital surplus	3 812 947
Profit of the past years	10 175 238
Total capital after the profit distribution:	15 709 938
Reduction of capital after the reporting year profit distribution	(588 782)
Gain (reduction) of capital as related to undistributed profit of the reporting year (110 000- 100 000)	1 672 578

6.13. Dividends

In 2005 it was declared in accordance with General shareholders meeting resolution to pay dividends for the year ended on December 31, 2004 in the amount of 1,3779 ruble per one ordinary share and 2,5082 rubles per one preferred share. The amount of dividends due to payment was 544 552 thousand rubles.

Type of shares	Quantity of shares (pieces)	Dividend per 1 share (rubles)	Total amount of dividends (rubles)
Preferred type A shares	81 983 404	2,5082	205 630 774
Ordinary shares	245 969 590	1,3779	338 921 498
TOTAL:	327 952 994		544 552 272

In the attached financial statement dividends for 2005 are not reflected. They will be reflected as the use of non-distributed profit during the year ending December 31, 2006 after their approval at the annual general meeting of Company's shareholders.

6.14. Credits and loans (lines 510 and 610 of the Balance sheet)

	Long-term		Short-term	
	01.01.2005	31.12.2005	01.01.2005	31.12.2005
Banks' credits, total:	2 631 000	1 925 150	2 042 520	1 004 024

Including:				
RF Savings Bank	2 631 000	1 925 150	1 489 904	499 353
OJSC "Vneshtorgbank"	-	-	36 993	-
CJSC "International Moscow's Bank"	-	-	500 623	-
OJSC "Borski Combank"	-	-	15 000	-
Gazprombank JSB CJSC	-	-	-	504 671
Loans of organizations, total:	44 176	56 261	293 814	232 187
including:				
Vnesheconombank	29 770	8 041	280 565	198 001
Department of finances of Penza oblast	14 406	2 220	12 190	12 186
Fund "Sozidanie"	-	46 000	-	22 000
other	-	-	1 059	-
Bonds issued	1 058 825	5 359 458	29 829	1 053 387
Promissory notes issued	-	-	1 147 129	-
OJSC "Vneshtorgbank"	-	-	900 000	-
OJSC "JSCB Sarovbusinessbank"	-	-	200 000	-
Other	-	-	4 139	-
Signature loans' discount	-	-	42 990	-
TOTAL:	3 734 001	7 340 869	3 513 292	2 289 598

Short-term debt

Bank loans

Vnesheconombank

In 1995-1996 Russian Federation Ministry of Finance granted long-term financing to the Company for the purpose of buying telecommunication equipment from various foreign suppliers. Vnesheconombank acted as an agent, crediting the Company in the name of Russian Federation government. The currency of the contract is Euro. As of December 31, 2005 the total amount of the debt to Vnesheconombank amounts to 206 042 thousand rubles (6 027 thousand Euro), including short-term part of the loan 111 148 thousand rubles (3 251 thousand Euro) and interest of 86 853 thousand rubles (2 541 thousand Euro). Overdue debt as of December 31, 2005 amounts to 178 315 thousand rubles (5 216 thousand Euro) and is reflected in the structure of short-term debt by the loan. Interest by the specified contract is calculated by the floating interest rate Plafond C which in 2005 amounted to 6,5 %. There is no security for the specified credit.

Bonded loans

In February 2003 the Company registered the issue of 1 000 000 paper coupon bearer bonds of the face value of 1 thousand rubles each. The bonds have 12 interest coupons. The payments by the first coupon are made on the 91-st day since the date of the Bonds placement beginning, other coupon payments are made in every 91 day. The interest rate by the first and the second coupons is defined in

the amount of 4,75% per year, by the third and the fourth coupons in the amount of 16,5% per year, by the fifth – the tenth coupons – 15% per year, by the eleventh and the twelfth coupons – 13% per year.

The Bonds are due to repayment on February 2006, on the 1096-th day since the date of their placement. In 2005 the Company met in full the obligation on repayment of coupon yield by the eighth bond coupon – 37 810 thousand rubles, by the ninth bond coupon - 37 400 thousand rubles, by the tenth bond coupon - 37 400 thousand rubles, by the eleventh bond coupon - 32 410 thousand rubles. Total size of coupon yield amounted to 145 020 thousand rubles. The obligation is met in the term, stipulated by the decision on the issue and the securities Offering memorandum.

Signature loans

In 2005 the Company issued promissory notes for the amount of 2 676 727 thousand rubles (25 promissory notes), out of them the number of non interest bearing notes - 19, interest-bearing notes - 6. The interests and discount for promissory notes were established depending on the period of repayment: up to 90 days - 10% annually, over 91 days – 11% annually.

Credits

Savings bank

Short- term credit indebtedness in respect of Savings bank is presented mainly by ruble credits, received in 2005. The dates of repayment are 2006. The rate of credits amounted to 10 % annually. As of December 31, 2005 the debt amounted to 499 353 thousand rubles. The security for the specified credits are fixed assets for the sum 520 840 thousand rubles.

GAZprombank

Short-term debt under credit in respect of GAZprombank is presented by ruble credit received in 2005. The date of credit repayment is 2006. The rate by the credit is 11% annually. As of December 31, 2005 the debt amounted to 504 671 thousand rubles. There was no security for the specified credit.

Long-term debt

Loans

Bonded loans

On November 22, 2005 OJSC “VolgaTelecom” Board of directors passed the resolution on approval the start date of placing inconvertible interest bearing certified bearer bonds of BT-2 and BT-3 series with obligatory centralized storage – December 6, 2005

The issues of inconvertible interest bearing certified bearer bonds with obligatory centralized storage of series BT-2 and BT-3 of OJSC “VolgaTelecom” are registered on November 10, 2005 by the resolution of Federal service for financial markets of Russia. The state registration number of the issue of bonds of BT -2 series is 4-44-00137-A, of BT-3 series is 4-45-00137-A.

The bonded loans were placed on December 6, 2005 at stock exchange MICEX by means of public offering. The bonds maturity term is 5 years.

Issues identification features:

BT-2 series Inconvertible interest bearing certified bearer bonds with obligatory central storage of BT-2 series in the amount of 3 000 000 (Three million) pieces, the face value of each bond is 1000

(One thousand) rubles. The total amount of the issue is three billion rubles. The interest rate for the 1-st coupon of loan of BT-2 series is defined in the amount of 8,20% annually. Effective profitability by redemption – 8,37% annually.

The Bonds are retired in succession by installments during the following periods:

- on the 1092-nd day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1274-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1456-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1638-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1820-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue.

Series BT-3 Inconvertible interest bearing certified bearer bonds with obligatory central storage of BT-3 series in the amount of 2 300 000 (Two million three hundred thousand) pieces, the face value of each bond is 1000 (One thousand) rubles. The total amount of the issue is two billion three hundred million rubles. The interest rate for the 1-st coupon of loan of BT-3 series bonds is defined in the amount of 8,50% annually. Effective profitability by redemption – 8,68 % annually.

The Bonds are retired in succession by installments during the following periods:

- on the 1092-nd day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1274-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1456-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1638-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue;
- on the 1820-th day since the date of the offering start each Bond is retired partially in the amount of 20% of the face value of the issue.

Vnesheconombank

Long-term part of the Company' debt to the bank by the long-term financing program for the purpose of buying telecommunication equipment from various foreign suppliers as of December 31, 2005 amounted to 8 041 thousand rubles.

Fund "Sozidanie"

In August 2005 the loan contract with the Fund of support of social and economic programs "Sozidanie" was concluded for the amount of 68 000 thousand rubles. The date of loan redemption is July 2008. The loan is granted on a flat basis.

Credits

Savings bank

The Company's long-term debt to the Savings Bank is presented by ruble credits obtained in 2004-2005. The expiration date of contracts is 2007 - 2008. The interests by the specified contracts are charged at the rate 10-11% annually.

As of December 31, 2005 the debt amounted to 1 925 150 thousand rubles. The security for the specified credits are fixed assets in the amount of 2 173 031 thousand rubles.

The schedule of long-term credits and loans repayment as of December 31, 2005

	Amount of repayment
In 2007	557 261
In 2008	1 638 996
In 2009	2 996 262
In 2010 and later	2 148 350
TOTAL:	7 340 869

The Company's expenses related to obtaining and using loans and credits are referred:

	2005	2004
To the structure of operating expenses	829 016	564 420
To the investment assets value	115 037	72 397
TOTAL:	944 053	636 817

6.15. Deferred tax liabilities (item 515 of the Balance sheet)

Flow of deferred tax liabilities in 2005:

Balance as of 01.01.2005	580 691
Created in the reporting period for taxable temporary differences	150 555
Repaid for the increase of tax payments	17 004
Written-off at the retirement of objects for which they have been created	1 684
Balance as of 31.12.2005	712 558

6.16. Other long-term liabilities (item 520 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2005
Settlements with suppliers and contractors, including:	1 407 873	1 109 919
- settlements by leasing payments	1 105 639	1 092 307
- promissory notes granted	259 086	-
- other settlements	43 148	17 612
	313	147
Long-term part of the debt for taxes and dues		
TOTAL:	1 408 186	1 110 066

As compared to the last year the long-term accounts payable decreased by 298 120 thousand rubles which is mainly connected with the transfer of granted promissory notes to the structure of short- term debt.

As of December 31, 2005 the Company did not restructure the accounts payable to the budget as regards the payment of taxes.

6.17. Accounts payable

Suppliers and contractors (item 621 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2005
Settlements with suppliers and contractors for the equipment for installation	688 098	605 481
including:		
ALCATEL	11 477	6 418
ISKRATEL	16 389	19 430
SIEMENS AG	9 541	5 533
CJSC "Beto-Huawai"	48 837	23 043
ERICSSON NT	2 560	1 046
LLC "NPO ATS"	33 155	23 471
LLC "Technoserv A/S"	233 295	178 465
'InfoLada"	65 438	-
ALSiTEK Company	56 819	54 553
Telekard -2	14 420	-
CJSC "Kamnet"	4 879	-
LLC "Rekonda Intercom"	-	66 400
CJSC "Ramax International"	-	39 383
LLC "Ard Sadcom Service"	-	12 168
CJSC "Open technologies 98"	-	45 545
other	191 288	130 026
Settlements under leasing	630 216	623 156
Including:		
OJSC "RTK-Leasing"	544 627	601 260
LLC "Promsvyazleasing"	85 251	21 558
others	338	338
Settlements with suppliers and contractors for capital construction	465 575	223 739

Settlements with OJSC "Rostelecom"	110 817	108 008
Settlements with other communication services providers	24 159	28 596
Settlements with suppliers and contractors for the materials	23 853	18 162
Settlements with suppliers and contractors for the repair services	12 529	14 269
Settlements with suppliers and contractors for public utility services	10 078	9 780
Settlements with suppliers and contractors for intangible assets	496 536	278 417
Other settlements	122 461	150 021
TOTAL:	2 584 322	2 059 629

Advances received (item 622 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2005
Advances received from natural persons	118 915	107 144
Advances received from budgetary organizations	41 346	47 025
Advances received from non-budgetary organizations	129 819	126 448
Advances received from communication services operators	18 150	7 986
Other received advances	32 310	29 054
TOTAL:	340 540	317 657

Settlements with budget for taxes and dues (item 625 of the Balance sheet):

	As of 01.01.2005	As of 31.12.2005
VAT settlements	176 551	202 697
Income tax settlements	111 533	72 102
Natural persons income tax settlements	11 270	12 814
Property tax settlements	92 691	111 388
Transport tax settlements	505	494
Land tax settlements	6	21
Unified tax on implied income settlements	107	323
Royalty settlements	-	-

Other taxes and dues	563	6
TOTAL:	393 226	399 845

The increase by 26 146 thousand rubles of liabilities to the budget as regards VAT is explained by the increase in tariffs for communication services since 01.10.2005, and also by the increase of sales of goods (works, services),

The decrease by 39 431 thousand rubles of liabilities to the budget as regards income tax is due to the reduction of taxation base for income tax for 2005 as compared to 2004.

The increase by 1 544 thousand rubles of liabilities to the budget with respect to natural persons income tax is explained by the increase in salary and correspondingly the growth of taxation base.

The increase by 18 697 thousand rubles of liabilities to the budget with respect to property tax is caused by the growth of taxation base due to increase in fixed assets commissioning volumes.

The reduction of other taxes and dues is connected to the abolishment of advertisement tax since 01.01.2005 due to invalidation of Russian Federation law of December 27, 1991 № 2118-1 "On fundamentals of taxation system in Russian Federation", by Federal law of July 29, 2004 № 95-Ф3 "On introducing changes to parts I and II of RF Tax code and on invalidation of certain legislative acts (provisions of legislative acts) of Russian Federation legislation on taxes and dues".

In 2005 there were no Company's liabilities as regards taxes and dues repaid by non-monetary funds.

Other accounts payable (item 626 of the Balance sheet):

	As of 01.01.2005	As of 31.12.2005
Settlements on reserve of universal service	-	91 465
Settlements with accountable persons	357	246
Settlements with personnel under other operations	1 651	4 340
Settlements with different creditors, including	492 978	536 776
Settlements on deposit money	1 487	1 579
Settlements on deferred value –added tax	368 776	401 507
Settlements on property and personal insurance	248	12 564
Settlements on claims	106	68
Settlements on investments	48	-
Settlements (fine sanctions) with Vnesheconombank	45 914	66 325
Other settlements	76 399	54 733
TOTAL:	494 986	632 827

As compared to 2004 the accounts payable increased by 137 841 thousand rubles which is mainly connected with the growth of the debt with respect to settlements with various creditors and with respect to deferred taxes, with the increase in the debt for property insurance, with accrual of debt with

respect to reserve of universal service.

In 2005 according to Law “On communication” and the procedure established by Russian Federation Government regulation of April 21, 2005 № 243, the Company made reserve allocation obligatory for communication services providers.

The allocation size is defined in the amount of 1,2 % of difference between the income of rendered telecommunication services in PSTN and the income of rendered services of connection and traffic transit services in PSTN and amounted to 126 818 thousand rubles (in 2004 similar allocations were not made). In 2005 industry regulations did not establish detailed method of calculation of allocation amount, which may result in ambiguity of defining calculation base, which causes the presence of risk of incorrect defining by the Company of the amount of allocation to reserve of universal service.

The amount of allocation to the reserve of universal service for 2005 amounted to 35 308 thousand rubles, thus, the amount of unpaid debt with respect to reserve of universal service amounted to 91 465 thousand rubles.

As for the rest, there is no overdue debt in the total amount of accounts payable, reflected in line 620 of the Balance sheet as of the reporting period end.

6.18. Unearned revenue (item 640 of the Balance sheet)

	As of 01.01.2005	As of 31.12.2005
Budgetary funds of target financing, total	3 884	297
including		
- civil defense	-	-
- preparedness activity and maintenance of mobilization designation reserve	-	-
- budgetary funds in the form of money for other purposes	3 753	166
- budgetary funds in other forms for other purposes	131	131
Funds of target financing (excluding budgetary funds)	1	-
Unearned revenue, total	226 487	216 257
including		
- Free of charge receipts	125 162	123 066
- Funds of target financing (budgetary funds) for non-current assets	91 166	86 634
- other unearned revenue	10 159	6 557
TOTAL:	230 372	216 554

7. Explanations to essential items of income statement

7.1. Ordinary activities revenue

Proceeds from sales of products, goods, rendering of services, execution of work (less VAT, excise taxes and similar mandatory payments):

	2005	2004
Domestic long-distance and international long-distance telephone communication	6 320 666	6 485 900
Urban and rural telephone communication	9 538 404	7 767 836
Radio communication, radio broadcasting, TV, satellite communication	154 916	125 337
Wire broadcasting	352 596	390 698
Wireless radio communication	250 107	217 569
Recording communication	229 938	189 960
Revenue from new electric communication services	1 234 919	759 419
Revenue from communication services providers	2 696 670	2 222 558
Other communication services (core types of activity)	9 426	11 971
Revenue from other realization (non-core types of activity)	560 752	433 356
TOTAL:	21 348 394	18 604 604

Starting from January 1, 2005 the Company changed the procedure of reflecting local traffic (calls of operator's subscribers to the numbers of mobile communication operators, the specified calls being chargeable at local communication tariffs). Thus, the traffic in the amount of 221,8 million minutes, reflected earlier in DLD industry, is reflected in local communication starting from the specified date.

The total amount of revenues of local traffic transit in 2005 amounted to 33,3 million rubles.

Settlements by non-monetary assets

In 2005 a part of the Company's proceeds from rendering of services, execution of work, sales of goods and products was received on the terms of contracts which stipulate meeting obligations (payment) by non-monetary assets:

	2005	2004
Total number of organizations which were involved in settlements by non-monetary assets	2 503	2 555
Proceeds by such operations - total	1 124 742	373 066
Including:		
CJSC "Konversiya – svyaz"	30 192	22 756
OJSC "Rostelecom"	847 113	-
LLC "InfoLada"	48 467	-
CJSC "Telephonstroy"	25 181	-
Committee of social protection of population, Ulyanovsk city	-	20 711
CJSC "Rostelegraph"	14 297	32 227
OJSC "Mobile TeleSystems"	989	12 231
CJSC "Digital telecommunications"	23 492	9 041
LLC "Saratov Digital Telephone Network"	16 500	-
OJSC "Svyazstroy-4"	8 558	-

Proceeds by contracts stipulating payment by non-monetary assets – total in % to total proceeds	5,27	2,0
Proceeds by contracts with affiliated entities stipulating payment by non-monetary assets - total in % to total proceeds for the reporting year	4,13	0,11

The cost of rendered services, work done, sold goods was defined by the Company on standard commercial terms.

7.2. Ordinary activities expenses

Expenses for the sales of products, goods, rendering of services, work execution:

	2005	2004
Expenses for remuneration of labor	5 204 912	4 472 235
Deductions for social insurance	1 299 343	1 455 349
Depreciation of key assets	2 550 115	1 911 598
Material costs	1 184 339	1 018 921
Electric power	284 389	256 419
Expenses for the services of communication services providers (excluding OJSC “Rostelecom”)	499 472	383 644
Expenses for OJSC “Rostelecom” services	1 939 383	1 905 283
Services of outside agencies	1 037 060	815 577
Allocation to the reserve of universal service	126 818	-
Taxes and dues included into the structure of ordinary activities expenses	34 109	55 275
Other expenses	1 173 111	989 836
including:		
<i>Leasing payments expenses</i>	13 785	51 154
<i>Expenses for rental of premises</i>	132 408	109 836
<i>Expenses for the rent of other property and equipment</i>	66 918	12 450
<i>Expenses for property insurance</i>	70 015	80 490
<i>Payments to GosSvyazNadzor</i>	-	58 252
<i>Expenses for remuneration under agency contracts</i>	78 720	58 224
<i>Business trip expenses</i>	64 215	47 125
<i>Advertising expenses</i>	78 251	52 467
<i>Expenses for goods retirement</i>	218 164	105 553
<i>Expenses for benefits paid to the Board of directors, members of Management board, Auditing committee</i>	32 613	-
<i>Other</i>	418 022	414 285

TOTAL:	15 333 051	13 264 137
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Allocation to contingent liabilities reserve

With the framework of raising the efficiency of the Company's activity the Program was adopted for optimization of number of employees for 2006, the specified Program being approved by OJSC "VolgaTelecom" Management board of December 2, 2005. The Program stipulates decrease in the number of employees. During 2006 the Company plans to reduce staff by 5 773 persons. Out of them 658 employees are notified of forthcoming dismissal as of December 31, 2005. In December 31, 2005 the Company established reserve of contingent liabilities for paying compensations to employees which are notified of the forthcoming reduction as of December 31, 2005.

The expenses for the reserve establishment amounted to 11 620 thousand rubles and are referred to the structure of ordinary activities expenses.

7.3 Operating earnings and expenses:

The structure of operating earnings:

	2005	2004
Earnings from sales and other retirement of other assets	148 281	444 777
Earnings from sales and other retirement of fixed assets	55 084	27 280
Doubtful debt reserve is re-established	14 172	-
Other operating earnings	11 779	5 691
including:		
<i>Compensation of expenses for communal services</i>	-	9
<i>Commission charges</i>	-	11
<i>Income from realization of apartments</i>	-	714
<i>State due</i>	-	8
<i>Income from buying foreign currency</i>	-	39
<i>Bonded loan income</i>	3 621	4 363
<i>Receipt of property from fixed assets retirement</i>	7 915	284
<i>other</i>	243	263
TOTAL:	229 316	477 748

The structure of operating expenses:

	2005	2004
Expenses related to the sales and other retirement of assets	123 720	45 647
Expenses related to the sales and other retirement of fixed assets	157 710	47 925
Deductions to the reserves for doubtful debts	-	816 259
Deductions to the reserves for depreciation of financial investments	-	79

Expenses for taxes and dues	448 484	350 867
Expenses for the payment of services of credit institutions	55 528	47 574
Expenses related to participation in joint activity	-	-
Other operating expenses	5 595	578
Including:		
<i>Services of bonds placement at securities market</i>	1 007	-
<i>Expenses for boundary survey of land plots</i>	-	31
<i>Expenses for preparation of technical documentation</i>	-	18
<i>Expenses for the purchase of foreign currency</i>	2 818	242
<i>Certificates storage expenses</i>	861	-
<i>Registration of property objects</i>	527	91
<i>Expenses related to the participation in charter capitals of other organizations</i>	-	39
<i>Other</i>	382	157
TOTAL:	791 037	1 308 929

7.4. Non-sales earnings and expenses:

The structure of non-sales earnings:

	2005	2004
Fines, penalties, forfeits for breach of contract terms and conditions, receipts in reimbursement of caused damages	35 825	33 361
Past years profit discovered in the report year	42 451	86 067
Foreign exchange differences	9 612	26 629
Foreign currency exchange differences calculated between ruble accounts from movements in underlying assets or agreements priced in a foreign currency	6 129	24 147
Income from writing-off of accounts payable with expired limitation period	36 321	4 015
Unearned revenue writing-off	21 706	15 759
The cost of property discovered on the basis of inventory check results	2 213	7 224
Other	46 597	75 318
Including:		
<i>Restructured debt amortization</i>	-	5 913
<i>Receipt of accounts receivable</i>	416	11 958
<i>Income by the court order</i>	-	39 848
<i>Revaluation of Vnesheconombank</i>	34 982	5 104

<i>Discounts not stipulated by the terms and conditions of contracts</i>	-	2 656
<i>Deferred tax liabilities writing- off</i>	1 683	-
<i>Income from taking on charge of materials</i>	5 258	-
<i>Other</i>	4 258	9 839
TOTAL:	200 854	272 520

Structure of non-sales expenses:

	2005	2004
Fines, penalties, forfeits for breach of contract terms and conditions, reimbursement of caused damages	12 255	18 637
Past years losses discovered in the report year	166 557	127 338
Foreign exchange differences	3 174	25 500
Foreign currency exchange differences calculated between ruble accounts from movements in underlying assets or agreements priced in a foreign currency	875	71 552
Writing-off of accounts receivable	12 001	7 114
The cost of property the shortage of which was discovered based on the results of inventory check	1 071	1
Expenses related to charity activity and sponsor aid, cultural events and other events of similar nature	62 366	62 562
Membership fees to associations, non-commercial partnerships	162 722	150 826
Payments to personnel not included in the structure of expenses on ordinary activities	861 873	465 857
Including:		
<i>material aid</i>	221 184	151 125
<i>lump sum payments</i>	27 904	76 986
<i>payments by holidays</i>	215 630	73 907
<i>Payments to Non-government pension fund "Telecom-Soyuz"</i>	263 522	-
<i>other payments</i>	133 633	163 839
Fines and penalties by taxes and dues	939	4 377
Expenses for preparedness activity and civil defense	36 063	26 822
Other	125 319	320 128
Including:		
<i>Payments to not working retired persons</i>	21 573	6 526
<i>Revaluation of Vnesheconombank</i>	5 503	188 909
<i>Deductions to Non-government pension fund</i>	-	37 128
<i>Deductions to trade union committee</i>	15 783	11 630
<i>Expenses for accounts receivable recovery</i>	-	8 903
<i>Fees to associations</i>	-	1 000
<i>VAT</i>	3 932	10 824
<i>Legal and consulting expenses</i>	8 652	4 996

<i>Expenses for the agent's fee</i>	-	3 748
<i>Expenses for rendering medical services</i>	-	4 529
<i>Maintenance of non-production objects of fixed assets</i>	10 952	6 332
<i>Expenses for the registration of property</i>	-	1 391
<i>Remunerations</i>	-	1 513
<i>Other non-sales expenses</i>	37 189	29 144
<i>Social needs expenses</i>	21 735	3 555
TOTAL:	1 445 215	1 280 714

In 2005 non-government retirement insurance expenses were reflected in the structure of non-sales expenses in the section of payments to staff, the specified expenses not being included into the structure of ordinary activities expenses. In 2004 expenses for non-government retirement insurance were reflected in the structure of ordinary activities expenses.

7.5. Extraordinary income and expenses

The structure of extraordinary income:

	2005	2004
Insurance indemnity		-
Budgetary financing due to emergency circumstances	252	32
The cost of material values left after writing-off of assets	-	-
Other receipts due to emergency circumstances	-	-
TOTAL:	252	32

The structure of extraordinary expenses:

	2005	2004
The cost of lost inventory items	59	126
Losses from writing-off of fixed assets	92	8
Expenses related to disaster control and recovery	140	101
TOTAL:	291	235

7.6. Income tax expenses

In 2005 the Company defined the following components of income tax:

Item description	Amount	Tax rate,	Amount	Income tax component
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		%		
Accounting income (line 140+line 170-line 180)	3 429 764	24	823 143	Contingent income tax expense (income)
Taxable temporary differences:	549 450	24	131 868	Deferred tax liabilities
including:				including:
- differences occurred	627 311	24	150 555	- deferred tax liabilities created
- differences repaid	70 849	24	17 004	- deferred tax liabilities repaid
- differences which are written off for retired objects	7013	24	1684	- deferred tax liabilities were written off for retired objects
Deducted temporary differences:	417 829	24	100 279	Deferred tax asset
including:				including:
- differences occurred	475 217	24	114 052	- deferred tax assets created
- differences repaid	893 046	24	214 331	- deferred tax assets repaid
- differences which are written off for retired objects	-	-	-	- deferred tax liabilities were written off for retired objects
Recurrent taxable differences	1 567 379	24	376 171	Recurrent tax liability
Recurrent deductible differences	128 792	24	30 910	Recurrent tax asset
Taxation base by tax statement	3 897 774	24	935 466	Current tax

**Reduction of income tax
amounts charged under
inspection certificate,
according to court
judgment** 3 713 24 891 Current tax

For 2005 the Company's income tax expenses were:

Total	(1 168 405)
including	
- contingent income tax expense	(823 144)
- recurrent tax liabilities	(376 171)
- recurrent tax assets	30 910

In Income statement the Company's income tax expenses for 2005 are represented as the aggregate of the sums:

Total	(1 168 405)
including	
current tax	(934 575)

deferred tax liabilities	(133 551)
deferred tax assets	(100 279)
Recurrent taxable differences resulted in the adjustment of contingent income tax, total	1 567 379
including:	
Recurrent differences related to expenses which are rated for taxation purposes	22 927
Recurrent differences related to non-recognition for expense taxation purposes	1 304 407
Expenses for activities transferred to unified tax on implied income	50 805
Losses from the activity related to the usage of objects of servicing productions	57 582
Past years losses	67 221
Other recurrent taxable differences	64 437
Recurrent deductible differences resulted in the adjustment of contingent income tax, total	128 792
including:	
Income from the types of activity shifted for the payment of unified tax on implied income	47 925
Income for which the amount of income tax is withheld by a tax agent (dividends including)	34 720
Past years profit	37 015
Other recurrent deductible differences	9 132
Temporary taxable differences resulted in the adjustment of contingent income tax, total	549 450
including:	
For non-current assets	468 011
Value of expenses referred in accounting to the deferred expenses, and in tax accounting - lamp sum	67 428
Other temporary taxable differences	21 024
Writing-off of deferred tax liabilities for retired objects	(7 013)
Temporary deductible differences resulted in the adjustment of contingent income tax, total	417 829
including:	
Expenses for the establishment of deferred expenses reserve	105 305
Repayment of earlier created difference as related to doubtful debt reserve	(468 019)
Difference occurring at loss formation when realizing fixed assets	59
<i>Repayment of difference as related to income from property received on a gratis basis</i>	(1 430)
<i>Repayment (reduction) of taxable profit by the amount of expenses with respect to transitional period base</i>	(1 783)
<i>Expenses for the establishment of contingent liabilities reserve</i>	11 493
<i>Repayment of other deductible differences</i>	(63 454)

7.7. Net profit of the reporting period

In 2005 “Net profit (loss) of the reporting period” index is defined as per the data of the bookkeeping based on the fact that income tax expenses deducted from the amount of profit before taxation are defined as the sum of contingent expense for income tax adjusted by the amount of

permanent tax liabilities and assets.

In Income statement for 2005 the index “Net profit (loss) of the reporting period” index is calculated on the basis of the fact that the income tax expense subject to deduction from the amount of income before taxation is formed as the totality of sums reflected in items “Deferred tax assets”, “Deferred tax liabilities” and “Current income tax”.

7.8. Earnings per share

Basic earnings per share reflect a part of income of the report year due to the stockholders – owners of ordinary shares. It is calculated as the ratio of basic earnings for the report year to the average weighted quantity of ordinary shares in circulation during the report year.

Basic earnings for the report year is equal to the net profit (item 190 of Income statement) less the dividends on preferred shares for 2005 in the size proposed by the Company’s management to the Board of directors’ consideration, but not approved as of the date of signing the accounting statement for 2005.

	2005	2004
Basic earnings for the report year, thousand rubles	2 035 224	1 850 641
Average weighted quantity of ordinary shares in circulation during the report year, thousand shares	245 969 590	245 969 590
Basic earnings per share, in rubles.	8,2743	7,5239

In 2005 the Company did not issue ordinary shares additionally. The Company also did not have securities the issue terms and conditions of which stipulated their conversion into additional quantity of ordinary shares, and there was no event related to the increase in ordinary shares quantity. That is why the Company does not make up calculations of diluted earnings per share.

8. Affiliated entities

In the explanatory memorandum the Company discloses the most essential information on affiliated entities. The detailed list of affiliated entities of the Company is given in Supplement № 1 to the present Explanatory memorandum.

Parent company

The Company is controlled by joint-stock company OJSC “Svyazinvest” which owns 51% of the Company’s ordinary shares. The remaining 49% of ordinary shares are placed among a large number of stockholders.

Income from sales of products, services to affiliated entities

In the reporting year the Company rendered services, sold products to the following affiliated entities:

Affiliated entity name	The nature of relations	Types of sales	The method of price determination of the operations	2005	2004
CJSC "Nizhny Novgorod cellular communication"	Controlled by the Company	Telecommunication services, rent	Standard commercial terms and conditions	159 321,2	192 031,6
JS Commercial Bank "C-Bank"	Significant influence	Telecommunication services, rent, sanatorium services	Standard commercial terms and conditions	177,1	360,2
CJSC "Nizhegorodskiy radio telephone"	Significant influence	Rent, transport services	Standard commercial terms and conditions	5363,4	4 405,8
CJSC "Transsvyaz"	Significant influence	Telecommunication services	Standard commercial terms and conditions	3858,7	3 396,4
CJSC "Nizhegorodteleservice"	Significant influence	Telecommunication services, rent	Standard commercial terms and conditions	4 134,3	931,0
LLC "Radio-Resonance"	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	-	176,9
CJSC "Cellular communication of Mordoviya"	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	-	79,3
LLC "Udmurtskie cellular networks-450"	Controlled by the Company	Telecommunication services, rent, services of collection of payments of subscribers, sanatorium services	Standard commercial terms and conditions	-	11 812,6

LLC "Izhcom"	Controlled by the Company	Telecommunication services, rent, services of collection of payments of subscribers, design services, sanatorium services, food services, transport services	Standard commercial terms and conditions	-	7 572,1
CJSC "Digital networks of Udmurtiya 900"	Significant influence	Telecommunication services, rent, design services	Standard commercial terms and conditions	-	5 864,3
CJSC "Digital telecommunications"	Controlled by the Company	Telecommunication services, rent, transport services	Standard commercial terms and conditions	37 834,5	30 795,0
CJSC "Chuvashiya Mobile"	Significant influence	Telecommunication services, rent	Standard commercial terms and conditions	5384,0	4 168,2
CJSC "Chery Page"	Controlled by the Company	Telecommunication services, rent	Standard commercial terms and conditions	151,9	367,9
CJSC "Sotel NN"	Significant influence	Telecommunication services, rent, transport repair services	Standard commercial terms and conditions	-	6 178,1
CJSC "Saratov Mobile"	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	14 112,0	11 718,1
CJSC "Public Telephone Saratov"	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	16 755,7	19 362,6
LLC "Vyatskaya Cellular Communication"	Controlled by the Company	Rent, sales of fixed assets	Standard commercial terms and	-	23 316,2

			conditions		
LLC “Vyatka – Page”	Controlled by the Company	Rent, sales of goods	Standard commercial terms and conditions	13 750,3	10 718,9
CJSC “Orenburg GSM”	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	25 823,5	25 809,7
CJSC “Penza Mobile”	Significant influence	Telecommunication services	Standard commercial terms and conditions	2 058,2	2 100,4
Private security Company “ROS”	Controlled by the Company	Security services	Standard commercial terms and conditions	-	4,4

CJSC “Samara Telecom”	Significant influence	Telecommunication services, rent	Standard commercial terms and conditions	32 832,3	33 374,6
OJSC “OMRIX”	Significant influence	Telecommunication services	Standard commercial terms and conditions	1033,0	919,8
CJSC “Pulse Radio”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	17,5
CJSC “Pulse-Radio Yoshkar-Ola”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	197,6
OJSC “Telesot”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	2 074,3
LLC “Agricultural company “Reanta”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	1,9
OJSC “Rostelecom”	Associated company of OJSC “Svyazinvest”	Domestic and international long-distance communication services	Standard commercial terms and conditions	845 405,4	790 363,1

CJSC “Ulyanovsk GSM”	Significant influence	Cellular communication services	Standard commercial terms and conditions	23 039,7	19 239,1
OJSC “North West Telecom”	Related parties	Telecommunication services	Standard commercial terms and conditions	122,3	8,8
OJSC “Sibirtelecom”	Related parties	Telecommunication services	Standard commercial terms and conditions	1178,7	10,9
OJSC “Uralsvyazinform”	Related parties	Telecommunication services	Standard commercial terms and conditions	33,5	107,3
Non-government pension fund “Doverie”	Significant influence	Rental of premises	Standard commercial terms and conditions	59,1	12,6
CJSC “Rostelegaph”	OJSC “Svyazinvest” associate	Telecommunication services	Standard commercial terms and conditions	6884,6	51 470,3
CJSC “RusLeasingSvyaz”	OJSC “Svyazinvest” associate	Dividends	Standard commercial terms and conditions	41,1	50,6
OJSC “National payphone network”	Interdependent parties	Telecommunication services	Standard commercial terms and conditions	-	1 757,0
OJSC “RTComm.RU”	Interdependent parties	Traffic transit	Standard commercial terms and conditions	3181,9	4 206,0
CJSC “Registrator-Svyaz”	Interdependent parties		Standard commercial terms and conditions	-	147,0
OJSC “Giprosvyaz”	Interdependent parties	Research and development works	Standard commercial terms and conditions	-	366,0
LLC “Rossvyazinform”	Significant influence	Logistics support	Standard commercial terms and conditions	14 763,6	-
OJSC “Southern	Related parties	Trading	Standard	76,0	-

Telecom Company”		activity	commercial terms and conditions		
CJSC “Open communications”	Related parties	Paper pages output and input	Standard commercial terms and conditions	706,8	-
LLC “Nizhegorodskiy Teleservice”	Interdependent parties	Data transfer	Standard commercial terms and conditions	7287,1	-
CJSC “RTCOM”	Controlled by the Company	Cellular communication services	Standard commercial terms and conditions	3 807,2	-
OJSC JSCB “Svyaz-Bank”	Significant influence	Banking services	Standard commercial terms and conditions	2 842,8	
TOTAL:				1 232 019,5	1 265 494,1

Expenses for purchases from affiliated entities

In the reporting year the following affiliated entities rendered services to the Company:

Affiliated entity name	The nature of relations	Types of purchases	The method of price determination of the operations	2005	2004
CJSC “Nizhny Novgorod cellular communication”	Controlled by the Company	Cellular communication services	Standard commercial terms and conditions	39 404,5	9 216,9
CJSC “Transsvyaz”	Significant influence	Construction and installation works	Standard commercial terms and conditions	95,3	1 265,3
CJSC “Nizhegorodteleservice”	Significant influence	Traffic over the network	Standard commercial terms and conditions	13,0	10,6
LLC “Vyatskaya Cellular Communication”	Controlled by the Company	Delivery of goods, equipment, telecommun	Standard commercial terms and conditions	-	481,1

CJSC "Saratov Mobile	Controlled by the Company	Delivery of goods	Standard commercial terms and conditions	94,2	58,2
LLC "Udmurtskaya cellular networks-450"	Controlled by the Company	Cellular communication services, non-core types of activity	Standard commercial terms and conditions	-	10 294,3
CJSC "Public Telephone Saratov	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	235,6	27,1
LLC "Izhcom"	Controlled by the Company	Telecommunication services, purchase of material assets	Standard commercial terms and conditions	127,1	2 049,5
JS Commercial Bank "C-Bank"	Significant influence	Other services, rent	Standard commercial terms and conditions	514,3	736,6
CJSC "Digital networks of Udmurtiya 900"	Significant influence	Telecommunication services, purchase of goods, materials	Standard commercial terms and conditions	-	364,8
CJSC "Digital telecommunications"	Controlled by the Company	Telecommunication services, purchase of goods	Standard commercial terms and conditions	2 911,7	1 144,5
CJSC "Chery Page"	Controlled by the Company	Telecommunication services, purchase of goods	Standard commercial terms and conditions	55,0	114,2
CJSC Nizhegorodskiy radio telephone"	Significant influence	Telecommunication services	Standard commercial terms and conditions	9,7	5,8
CJSC "Sotel"	Significant influence	Telecommunication services	Standard commercial terms and	-	223,0

LLC “Vyatka-Page”	Controlled by the Company	Purchase of goods	conditions Standard commercial terms and conditions	236 964,6	21 859,8
CJSC “Orenburg GSM”	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	395,0	796,8
CJSC “Penza Mobile”	Significant influence	Telecommunication services	Standard commercial terms and conditions	46,0	47,2
CJSC “Chuvashiya Mobile”	Significant influence	Telecommunication services, purchase of goods	Standard commercial terms and conditions	1876,1	326,1
CJSC “Samara Telecom”	Significant influence	Telecommunication services, rent	Standard commercial terms and conditions	10 891,3	6 473,8
CJSC “Cellular communication of Mordoviya”	Controlled by the Company	Telecommunication services (roaming)	Standard commercial terms and conditions	-	1,1
CJSC “Ulyanovsk GSM”	Controlled by the Company	Cellular communication services	Standard commercial terms and conditions	1207,4	922,6
CJSC “Pulse-Radio Yoshkar-Ola”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	47,8
CJSC “Pulse Radio”	Significant influence	Telecommunication services	Standard commercial terms and conditions	-	58,3
OJSC “Rostelecom”	OJSC “Svyazinvest” associate	DLD & ILD communication services	Standard commercial terms and conditions	1 939 383,4	1 905 283
CJSC “RusLeasingSvyaz”	OJSC “Svyazinvest” associate	Leasing contract	Standard commercial terms and conditions	31,8	754,4
OJSC “Svyazinvest”	Controls the Company	Paid dividends	According to shareholders meeting resolution	174 732,8	108 513,5

LLC “Radio-Resonance”	Controlled by the Company	Telecommunication services	Standard commercial terms and conditions	-	4,6
OJSC “North West Telecom”	Related parties	Mobile electric communication services	Standard commercial terms and conditions	-	13,4
OJSC “Sibirtelecom”	Related parties	Mobile electric communication services	Standard commercial terms and conditions	-	1,3
OJSC “Uralsvyazinform”	Related parties	Mobile electric communication services	Standard commercial terms and conditions	0,1	10,1
OJSC “CenterTelecom”	Related parties	Mobile electric communication services	Standard commercial terms and conditions	-	32,4
OJSC “Southern Telecom Company”	Related parties	Mobile electric communication services	Standard commercial terms and conditions	-	7,7
CJSC “Rostelegraph”	OJSC “Svyazinvest” associate	Telecommunication services	Standard commercial terms and conditions	7103,6	48 829,6
OJSC JSCB “Svyaz – Bank”	Significant influence	Bank services	Standard commercial terms and conditions	791,4	1,2
Non-commercial partnership “Center of research of telecommunications development problems”	Interdependent company	Contract of agency	Standard commercial terms and conditions	162 093,4	150 110,0
OJSC “National payphone network”	Interdependent company	Telecommunication services	Standard commercial terms and conditions	-	6 988,0
OJSC “RTComm.RU”	Interdependent company	Services of traffic transit	Standard commercial terms and conditions	225 608,3	147 619,0
Non-government pension fund	Interdependent company	Pension plans	Standard commercial	262 380	58 952,0

“Telecom- Soyuz”			terms and conditions		
CJSC “Registrator-Svyaz”	Interdependent company	Keeping shareholder register	Standard commercial terms and conditions	54,5	2 550,0
OJSC “Giprosvyaz”	Interdependent company	R&D works	Standard commercial terms and conditions	-	2 757,0
Non-government pension fund “Doverie”	Interdependent company	Pension plans	Standard commercial terms and conditions	453,1	1 461,0
CJSC “RTCOM”	Controlled by the Company	Cellular communication services	Standard commercial terms and conditions	183,9	-
TOTAL:				3 067 657,2	2 490 413,6

Status of settlements with affiliated entities

As of December 31, 2005 the backlog of affiliated entities to the Company and the backlog of the Company to the affiliated entities are:

Name	The nature of relations	Backlog description	2005	2004
Accounts receivable				
CJSC “Cellular communication of Mordoviya”	Controlled by the Company	Telecommunication services	-	581,1
CJSC “Nizhny Novgorod cellular communication”	Controlled by the Company	Cellular communication services	23 478,7	17 274,2
CJSC “Transsvyaz”	Controlled by the Company	Telecommunication services, other services	523,1	561,2
CJSC “Nizhegorodteleservice”	Significant influence	Telecommunication services, other services	405,3	23,5
CJSC “Saratov Mobile”	Controlled by the Company	Telecommunication services	3 489,6	365,4
CJSC “Public Telephone Saratov”	Controlled by the Company	Telecommunication services	17 704,4	3 381,4
LLC “Vyatskaya	Controlled by	Services of collection of	-	3 952,5

Cellular Communication”	the Company	subscribers’ payments, sales of fixed assets		
CJSC “Orenburg GSM”	Controlled by the Company	Telecommunication services	34 960,7	36 392,8
CJSC “Penza Mobile”	Controlled by the Company	Telecommunication services	18,9	125,3
CJSC “Samara Telecom”	Significant influence	Telecommunication services	2 766,5	7 005,2
LLC “Udmurtskie cellular networks-450”	Controlled by the Company	Telecommunication services, rent, repair services, long-term loans	-	7 779,3
LLC “Izhcom”	Controlled by the Company	Telecommunication services, other services	-	2 162,5
JSCB “C-Bank”	Significant influence	Telecommunication services, repair services, long-term loans	28,9	0,5
CJSC “Digital networks of Udmurtiya 900”	Significant influence	Other services, Telecommunication services	-	792,4
CJSC “Digital telecommunications	Controlled by the Company	Telecommunication services, transport repair services	9 902,7	256,4
CJSC “Chuvashiya Mobile”	Significant influence	Telecommunication services, transport repair services	29,0	1 549,3
CJSC “Chery Page”	Controlled by the Company	Telecommunication services, transport repair services	183,1	153,2
LLC “Radio Resonance”	Controlled by the Company	Telecommunication services	-	127,0
CJSC “Nizhegorodskiy radio telephone”	Significant influence	Rent, transport services	8180,4	4 507,2
CJSC “Sotel NN”	Significant influence	Telecommunication services, rent, transport repair services	-	5 438,1
LLC “Vyatka – Page”	Controlled by the Company	Rent, sales of goods	930,9	858,7
OJSC “OMRIX”	Significant influence	Telecommunication services	119,5	9,6
CJSC “Pulse Radio”	Significant influence	Telecommunication services	-	85,1

LLC “Agricultural company “Reanta”	Significant influence	Telecommunication services	-	0,8
OJSC “Rostelecom”	OJSC “Svyazinvest” associate	DLD & ILD communication services	33,7	34,3
CJSC “RusLeasingSvyaz”	OJSC “Svyazinvest” associate	Leasing contract	1 460,6	1 485
OJSC “Svyazinvest”	Controls the Company	Contract of agency	-	1241,7
CJSC “Rostelegraph”	OJSC “Svyazinvest” associate	Telecommunication services	328,2	2 952,6
OJSC ”Sibirtelecom”	Related parties	Telecommunication services	0,9	6,6
OJSC “Uralsvyazinform”	Related parties	Telecommunication services	-	4,3
CJSC “Ulyanovsk GSM”	Controlled by the Company	Cellular communication services	-	197,3
OJSC JSCB “Svyaz-Bank”	Significant influence	Bank services	84 332,6	39 739,2
Non-commercial partnership “Center of research of telecommunications development problems”	Interconnected parties	Contract of agency	104 561,7	44 375,0
OJSC “National payphone network”	Interconnected parties	Telecommunication services	602,7	387,0
OJSC “RTComm.RU”	Interconnected parties	Traffic transit services	2 918,9	88,0
CJSC “Registrar-Svyaz”	Interconnected parties	Keeping shareholder register	-	192,0
OJSC “Giprosvyaz”	Interconnected parties	R&D works	391,8	374,0
LLC “Rossvyazinform”	Significant influence	Logistics support	762,1	-
CJSC “Open communications”	Related parties	Paper pages output and input	285,7	-
LLC	Interconnected	Data transfer	995,7	-

“Nizhegorodskiy Teleservice” parties

CJSC “RTCOM” Controlled by the Company Cellular communication services 1 046,7 -

TOTAL:			300 443,0	184 459,7
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Accounts payable

LLC “Udmurtskie cellular networks-450”	Controlled by the Company	Repair services, other services	-	4 509,7
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LLC “Izhcom”	Controlled by the Company	Telecommunication services, other services	50,0	200,0
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JSCB “Svyaz-Bank”	Significant influence	Other settlements	5 330 246,0	-
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CJSC “Digital networks of Udmurtiya 900”	Significant influence	Other services, telecommunication services	-	12,3
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CJSC “Digital telecommunications”	Controlled by the Company	Telecommunication services, informational services, transport services	-	219,2
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CJSC “Saratov Mobile”	Controlled by the Company	Payments collection services	3,2	10,4
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CJSC “Public Telephone Saratov”	Controlled by the Company	Telecommunication services	15,5	4,5
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LLC “Vyatka Page”	Controlled by the Company	Telecommunication services, repair services, other services	1229,8	1 894,1
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CJSC “Orenburg GSM”	Controlled by the Company	Telecommunication services	193,5	112,5
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CJSC “Penza Mobile”	Controlled by the Company	Telecommunication services	3,4	4,6
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CJSC “Samara Telecom”	Significant influence	Telecommunication services	825,0	833,7
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CJSC “Nizhny Novgorod cellular communication	Controlled by the Company	Cellular communication services	5075,0	796,0
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CJSC “Nizhegorodskiy radio telephone”	Significant influence	Rent, transport services	-	0,8
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CJSC “Sotel NN”	Significant influence	Other services	-	14,0
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OJSC “Telesot”	Significant influence	Telecommunication services	-	21,0
OJSC “Rostelecom”	OJSC “Svyazinvest” associate	DLD & ILD communication services	108 145,8	110 817,0
OJSC “RusLeasingSvyaz”	OJSC “Svyazinvest” associate	Leasing contract	1 574,6	1 921
CJSC “Transsvyaz”	Significant influence	Construction and installation works	7,8	101,2
CJSC “Chuvashiya Mobile”	Significant influence	Telecommunication services, rent, transport services	-	994,6
LLC “Vyatskaya Cellular Communication”	Controlled by the Company	Services of collection of subscribers’ payments, sales of fixed assets	-	559,7
CJSC “Ulyanovsk-GSM”	Related parties	Cellular communication services	257,9	18,1
OJSC “CenterTelecom”	Related parties	Telecommunication services	-	350,3
CJSC “Pulse-Radio Yoshkar-Ola”	Significant influence	Telecommunication services	-	16,8
CJSC “Rostelegraph”	OJSC “Svyazinvest” associate	Telecommunication services	554,0	1 847,7
OJSC “National payphone network”	Interconnected parties	Telecommunication services	-	384,0
OJSC “RTComm.RU”	Interconnected parties	Traffic transit services	4 327,2	2 986,0
Non-government pension fund “Telecom- Soyuz”	Interconnected parties	Pension plans	-	5 600,0
OJSC “Giprosvyaz”	Interconnected parties	R&D works	-	377,0
Non-government pension fund “Doverie”	Significant influence	Rent of property	165,1	192,0
CJSC “RTCOM”	Controlled by the Company	Cellular communication services	19,2	-
CJSC “Registrator-Svyaz”	Interconnected parties	Keeping shareholder register	123,0	-

TOTAL:

**5 452 816, 134 798,2
0**

Loans granted by the Company to affiliated entities

	2005	2004
The backlog as of January 1 of the reporting year	5 925	7 624
Loans granted		
Repaid in the reporting year	(3000)	(1 699)
The backlog as of December 31 of the reporting year	2 925	5 925

In 2004 the Company granted the loan to CJSC “Orenburg GSM” in the amount of 3 000 thousand rubles without interest, which was redeemed in full during 2005.

In 2004 the Company granted the loan in the amount of 2 924,5 thousand rubles to CJSC “Nizhegorodskiy radio telephone” at 13% annual. The sum of income in the form of interest charged by the Company under the loan granted to CJSC “Nizhegorodskiy radio telephone” amounted in 2005 to 380,2 thousand rubles (in 2004 - 380,2 thousand rubles).

Remunerations to directors

In 2005 the Company paid remunerations (premiums, benefits, fringe benefits) to the members of the Board of directors and of the Management board of the Company in the total amount of approximately 32 136 thousand rubles (in 2004 – 64 090,4 thousand rubles). The list of the members of the Board of directors and the Management board of the Company is provided in the section “General data” of the present explanatory memorandum.

Securities obtained

In 2005 LLC “Volga-Finance” granted the security for BT-2 and BT-3 series bonded loans for the total amount of 7 061 099 thousand rubles.

9. Non-government pension insurance

For 2005 centralized contract with non-government pension fund “Telecom-Soyuz” is concluded.

Total amounts of installments for non-government pension insurance paid by the Company in 2005 were 262 380 thousand rubles (in 2004 - 99 296 thousand rubles).

In 2006 the Company plans to transfer monthly contributions to the Fund for the formation of joint part of non-government pension by pension program № 2 in favor of participants who have concluded individual contracts – 500 rubles for ordinary employees and 1000 rubles for business executives. For 2006 the amount of installments is established in the amount of 225 260 thousand rubles.

10. Discontinuing operation

In 2005 there was no discontinuing operation.

11. Contingent liabilities

The conditions of the Company's activity

Although Russian economy is considered to be market economy, it continues to demonstrate certain peculiarities which are more proper to the Economics of transition. Among such characteristics of transition period are relatively high inflation rates, existence of currency control, which prevents national currency from becoming liquid means of payment beyond RF limits, and other particularities. Russian economy steadiness depends in many ways on Government politics and actions focused on reforming administrative and legal systems.

Taxation

Russian tax, currency and customs legislation admits different interpretations and is subject to frequent modifications. The recent developments in Russian Federation show that taxation bodies can hold more tough position at tax legislation interpretation and tax computations. The interpretation of the specified legislation by the Company's management as applied to the Company's operations and activity may be litigated by appropriate federal bodies. As a consequence, taxation bodies may make claims by the transactions and accounting methods, by which they have not made claims earlier. As the result, additional taxes, penalties and fines may be charged. It is not practical to define the amounts of claims by possible, but not brought suits and to assess the probability of unfavorable outcome. Taxation inspections may cover three calendar years of activity, immediately preceding the year of the check. Under certain conditions earlier periods may be inspected.

In the management opinion as of December 31 2005, the appropriate legislation provisions are upon the whole correctly interpreted by it, and the probability of keeping the Company's situation in terms of meeting the requirements of tax, currency and customs legislation is high. At the same time there is rather high probability, that in respect of certain issues of legislation requirements interpretation and charging appropriate tax liabilities, the Company's management has occupied a position which may be later considered by government fiscal bodies as having no sufficient grounds. The Company intends to protect its position in the specified issues. The accounting as of December 31, 2005 does not contain adjustments which may appear to be necessary due to this indefiniteness and the position the Company holds.

Claims of taxation bodies

The Company's management considers that the Company's tax liabilities for the reporting and the previous tax periods were calculated in the proper way and are reflected in full in the Company's accounting statement. Though basing on the results of recent tax inspections of other companies of OJSC "Svyazinvest" group, the Company's management assumes the presence of risk, that taxation bodies might make substantial tax claims on the Company with respect to the issues allowing for the possibility of ambiguous interpretation of tax legislation, in particular with respect to the settlements with other telecommunication operators under the internetwork communications contracts. The

Company's management considers that the Company has arguments sufficient for successful litigation by possible claims. However, at present the perspective of legal proceeding with respect to taxation claims is rather indefinite due to absence of fully formed judicial practice for the specified taxation issues.

Issued suretyship

The Company acted as a guarantor for third parties for the total amount of 2 241 045 thousand rubles (in 2004 – 1 393 526 thousand rubles). The Company's management does not expect any essential liabilities to appear in connection with such suretyship.

In 2002 the Company concluded the contract of guarantee under the transactions between OJSC "RTK- Leasing" and JS commercial Savings bank of Russian Federation № 387-02 of October 23, 2002 for the amount of 815 000 thousand rubles. As of 31.12.2005 due to the repayment of a part of the credits the amount of suretyship was 437 925,8 thousand rubles.

In 2003 the Company concluded the contract of guarantee under the transactions between OJSC "RTK-Leasing" and JS commercial Savings bank of Russian Federation № II-9177 of September 09, 2003 for the amount of 790 681 thousand rubles. As of 31.12.2005 due to the repayment of a part of the credits the amount of suretyship is 544 993,6 thousand rubles.

In 2004 the Company concluded the contract of guarantee under the transactions between OJSC "RTK-Leasing" and JS commercial Savings bank of Russian Federation № II-9235 of October 12, 2002 for the amount of 325 648 thousand rubles.

In 2005 the Company concluded the contract of guarantee under the transactions between OJSC "RTK-Leasing" and JS commercial Savings bank of Russian Federation № II-9326 of October 12, 2005 for the amount of 650 000 thousand rubles.

In 2005 the Company concluded the contract of guarantee under the transactions between CJSC "RTCOM" and OJSC JS commercial bank "Svyaz- Bank" № 321/1110-05 of December 05, 2005 for the amount of 141 360 thousand rubles.

In 2005 the Company concluded two contracts of guarantee under the transactions between CJSC "Orenburg-GSM" and OJSC JS commercial bank "Svyaz-Bank" № 73 of November 25, 2005 for the amount of 42 700 thousand rubles and № 74 of November 25, 2005 for the amount of 26 840 thousand rubles.

As of 31.12.2005 no claims were laid to OJSC "VolgaTelecom".

Litigations

In July 2005 Russian Federation Ministry of finance made a claim on the Company with respect to the credit of Vnesheconombank with the requirement of immediate repayment of overdue debt, which as of the date of bringing of a suite amounted to 226 890 thousand rubles (6 637 thousand Euro). The consideration of the case is adjourned till April 25, 2006.

The Company is a defendant in a number of arbitration proceedings. However, as per the opinion of the Company's directorate, the results of these proceedings will not essentially affect the Company's financial status. The total sum of potential lawsuits is estimated in the amount of 8 144 thousand rubles.

Description of contingent liability	Expected date of performance	The amount of liability under a suit, contract,	Probability of contingent liability	The amount of contingent liability
-------------------------------------	------------------------------	---	-------------------------------------	------------------------------------

		agreements (thousand rubles)	performance, %	
Federal Antimonopoly Service authority for Samara oblast - violation of antimonopoly legislation	May 2006	19 219	40	7 688

Licenses

Russian Federation Government regulation of February 18, 2005 № 87 “On approval of the list of telecommunication services names, included into licenses, and of lists of license provisions” (in the wording of Russian Federation Government regulation № 837 of December 29, 2005) establishes the list of telecommunication services names, included into licenses and the lists of license provisions.

License provisions established in the licenses issued earlier are valid in the part which does not contradict effective regulations.

Taking into account the fact that new requirements to affiliation of electric communication networks and construction of public telephone communication network, carrying traffic and rendering services of local, intrazonal, domestic and international long-distance communication, mobile communication services will substantially influence the realization of certain license provisions, included in licenses issued before 01.01.2004, the Company made an application to Rossvyaznadzor on introducing changes and additions into licenses, including in license provisions:

- № 23240 of 01.08.2002 – Provision of telematic services,
- № 23241 of 01.08.2002 – Provision of data transfer services,
- № 23245 of 04.10.2002 – Provision of local and intrazonal communication services,
- № 23246 of 12.09.2002 – Provision of communication channels lease services,
- № 23242 of 14.11.2002 – Provision of cellular radio telephone communication services within 450 MHz frequency range,
- № 27620 of 18.08.2003 – Provision of TV and sound programs broadcasting services over cable TV network,
- № 23244 of 28.11.2002 – Provision of cellular radio telephone communication services within 450 MHz frequency range.

Updates and changes to the licenses stated above are obtained.

Activity environment of other OJSC “VolgaTelecom” licenses do not contradict the requirements of regulatory documents and did not require introducing changes.

12. Events after the reporting date

Dividends

The size of annual dividend due to one share will be approved by the general meeting of stockholders of the Company in June 2006. The Company’s management offered to the Board of Directors to recommend to the Shareholders general meeting to approve the dividend for 2005 in the size of 1,4743 ruble per one ordinary share and 2,7583 rubles per one preferred share (in 2004 – correspondingly 1,3779 ruble and 2,5082 rubles), which will make 588 782 thousand rubles (in 2004 -

544 549 thousand rubles). Upon the approval the annual dividends due to payment to the stockholders will be reflected in the statement for 2006.

Staff dismissal

Within the framework of the Program for optimization of number of employees, approved by the Company's Management board on December 2, 2005, during the period from December 31, 2005 till the date of signing the reporting for 2005, 1043 employees were dismissed who were paid compensations in the amount of 9 144 thousand rubles.

Introduction of new provisions to Federal law "On communication"

Since January 1, 2006 a number of normative acts stipulated by Federal law №126 "On communication" come into effect:

Russian Federation Government Regulation № 161 of 28.03.2005, which approved "The rules of connection of electric communication networks and their interaction";

Russian Federation Government Regulation № 310 of 18.05.2005, which approved "The rules of rendering local, intrazonal, domestic and international long-distance telephone communication services";

Russian Federation Ministry of information and telecommunication order № 97 of 08.08.2005 "On approval of requirements to the construction of PSTN";

Russian Federation Ministry of information and telecommunication order № 98 of 08.08.2005 "On approval of requirements to the procedure of traffic transit in PSTN".

Status of essential operator

According to the orders of Federal service for supervisory control in telecommunication area № 39 of 21.10.05, №№ 40 and 31 of 24.10.05, № 52 of 22.12.05 the Company is included into the Register of operators occupying essential position in PSTN.

Telecommunication operator occupying essential position in PSTN is obliged to render services of connection and traffic carrying services to any carrier approaching the operator; herewith none of the carriers may be prioritized. The refusal of telecommunication operator occupying essential position in PSTN to conclude the contract of electric communication networks connection is not allowed, except for the cases when connection of electric communication networks and their interaction contradict terms and conditions of licenses issued to the carriers or the regulations defining the construction and functioning of unified electric communication network of Russian Federation.

The prices for rendered services of connection and traffic transit are to be established to be equal for all carriers, except for the cases, when the law and other legal acts allow for granting privileges to certain categories of users.

Change in 2006 of interaction pattern with OJSC "Rostelecom"

Before January 1, 2006 the Company rendered domestic and international long-distance telephone communication services to users in its own name in accordance with Supplement №1 to the License for the provision of local, intrazonal telephone communication services, the specified supplement being issued earlier. Herewith, cash received at the Company's accounts for the specified services was the Company's revenue.

Domestic and international long-distance telephone communication services were rendered by using the Company's facilities via PSTN under the contract with OJSC "Rostelecom" on network interconnection, according to this contract OJSC "Rostelecom" and the Company rendered DLD and ILD telephone traffic transit services to each other.

The Company settled accounts with users for international long-distance services at tariffs established by OJSC “Rostelecom”, and for domestic long-distance services – at tariffs established by Russian Anti-Monopoly Policy Ministry.

In 2006 the relations between the Company and OJSC “Rostelecom” are changing. Domestic and international long-distance telephone communication services will be rendered by OJSC “Rostelecom”. The users’ payments for domestic and international long-distance telephone communication services will be OJSC “Rostelecom” revenue.

The Company on behalf and upon instructions of OJSC “Rostelecom” will settle accounts with users for domestic and international long-distance telephone communication services rendered to them.

In this connection the Company concluded the contract of mixed type for 2006 with OJSC “Rostelecom” (the contract contains the elements of agency contract and contract of services), in accordance with the contract the Company is obliged to render the following services to OJSC “Rostelecom”:

- Services of subscriber’s order processing when providing access to domestic and international long-distance communication by immediate and order servicing system to it;
- Services of billing processing of domestic and international long-distance communication services;
- Services of preparation, formation and storage of necessary documents;
- Services of formation of report forms;
- Agency services of payments collection from subscribers and for information and reference service on behalf and at the expense of OJSC “Rostelecom”;
- Carry out the following actions: claim administration, document delivery.

Besides, the changes are introduced into the contract of connection of electric communication networks between the Company and OJSC “Rostelecom”; in accordance with the changes the Company will provide OJSC “Rostelecom” with the services of traffic transit and receive connection service from OJSC “Rostelecom”, due to which domestic and international long-distance connection establishment and information transfer between the users of interacting electric communication networks becomes possible.

Herewith, traffic transit services will jointly mean:

- The service of zone termination of call for the network of connected operator;
- The service of zone termination of call for the network of the Company;
- The service of call zone initiation;
- The service of call zone initiation from the network of connected operator.

The prices for connection and traffic transit services are regulated by the Government.

In 2006 the Company, as a zone telephone communication network operator, is to solve the following tasks:

- The change of existing pattern of telecommunication organization and the change-over of all functioning networks of connected operators in accordance with existing status (“operator of network of domestic and international telephone communication”, “operator of network of zone telephone communication”, “operator of network of local telephone communication”, “operator of data transfer network”);
- Providing users with the capability to chose the operator of domestic and international long-distance communication network;
- Providing records of traffic transit of connected operators starting from the first second of connection establishment;

Regulation of price structure in regard to connection services and traffic transit services, change of contractual relations with subscribers.

Meeting the requirements stated above will not require additional substantial capital investments of the Company, as the basic capital investments necessary for meeting the requirements of regulations were made in 2005.

Change in 2006 of interaction pattern with connected operators

In accordance with regulations effective since January 1, 2006, the procedure of settlements with connected operators has substantially changed.

Prior to January 1, 2006 the settlements for connection services and traffic transit as related to services of local telephone communication were unilateral; as related to domestic, international long-distance and intrazonal telephone communication, connected operators received a part of revenue from rendering the specified services depending on the degree of participation in the technological process of their provision.

After January 1, 2006 the settlements for connection services and traffic transit services when rendering all kinds of telephone communication services are of mutual nature and consist of the following kinds of payments: payment for organization of connection point, fee for using the connection point, payment for each minute of transited traffic.

Thus, along with arising additional revenue from connection services and traffic transit services the Company acquires additional expenses, related to the payments to operators for organization of connection points, using the connection points and traffic transit via the operator's network.

Meeting the requirements specified above will require additional capital investments of the Company. In quarter 1 of 2006 capital investments for completion of equipping the centers of traffic records at connection points will amount to 84 million rubles.

As of the beginning of April 2006 the contracts of connection and traffic transit were concluded with the operators of domestic and international long-distance telephone communication - OJSC "Rostelecom" and OJSC "MTT".

At present the Company carries out contractual campaign on renegotiation of effective contracts with connected operators. Conclusion of contracts is expected in April-May of 2006.

Besides, connection and traffic transit services have become the services the prices for which are regulated by the government. Correspondingly, the procedure of their formation, including defining the size of profit taken into account in such prices, is defined by the appropriate regulatory authority.

Rendering universal telecommunication services

The date of holding a tender for universal telecommunication services provision in the Volga Federal district is set for July - September 2006. The Company intends to participate in the tender for the right of universal services provision. For the realization of the services the Company intends to allocate additionally the funds for investments necessary for starting the service provision. The start of the service rendering is scheduled for 2007.

If the tender is not held for some reasons, the Company due to its recognition as an essential operator will provide the specified services. In this case, the price for the services will be formed basing on economically justified expenses and standard profit.

Tariffs for telecommunication services

In accordance with Russian Federation Government regulation № 627 of 19.10.2005 the prices for connection services and traffic transit services rendered by operators occupying essential position in

PSTN are subject to government regulation. The specified prices are regulated by Rossvyaznadzor as agreed upon with Russia's Federal service for tariffs.

In November 2005 the Company filed the application to Rossvyaznadzor with proposal of tariffs for approval, the specified tariffs being calculated within the framework of prices existing in 2005. The indicated tariffs are not approved by Rossvyaznadzor because of non-availability of approved Methods of calculation of economically justified expenses and standard profit, the specified Method should serve as the basis for establishing the appropriate prices.

Herewith, prior to the approval of price limits for connection services and traffic transit services by Federal service of supervisory control in telecommunication area, Rossvyaznadzor allowed the Company to establish the prices all by itself. Tariffs for connection and traffic transit services were approved by the order of the General Director and are applied at renegotiation of contracts of connection and interaction with carriers.

In December 2005 Russian Federal service for tariffs approved compensation bonus in the amount of 0,54 rubles per minute, the specified bonus is applied to the price for the services of local and zone initiation of call at establishment of domestic and international telephone connections. The specified bonus is applied since January 1, 2006 and allows for covering operators' losses, arising when rendering regulated services of local telephone communication.

In accordance with Russian Federation Government regulation № 637 of 24.10.2005 the Company sent motions on mandatory tariff plans for residential subscribers to Russian Federal service for tariffs: plans with time rate system of payment, with subscriber fee system of payment, with combined system of payment. Tariff plans were elaborated with due account for the existing payment system, current tariffs and data on traffic volume of the Company's subscribers. If there is no technical capability to record local telephone connections duration, it is proposed to leave unchanged current tariff with using subscriber fee system of payment. At present Russian Federal service for tariffs has not approved tariff plans for local telephone communication services yet.

Abolishment of payment for incoming calls

In February 2006 State Duma approved in third reading the amendments to Federal law 126 "On communication", the specified amendments stipulating abolishment of payment for incoming call for any phone. The draft of the law is under consideration of the Federation Council and the President and in case of their approval may come into force since July 1, 2006.

From the time of coming into force of the specified amendment, Russian Federal service for tariffs will establish tariffs for intrazonal connections of subscribers with subscribers of mobile radiotelephone communication network operators for the carriers rendering services with state-regulated tariffs. After that the Company will conclude additional agreements to the contracts with mobile radiotelephone communication operators as related to payment of services of call termination at their networks.

Thus, in the second half of 2006 the Company's revenues from intrazonal telephone communication services will grow, herewith, additional expenses will arise for payment of services of call termination at mobile communication operator network.

Impact of services provision rules on financial statement for 2006 and succeeding periods

In the Company's management opinion the transition to new rules of telecommunication services rendering will influence the amount of revenues and expenses of the Company, though at present the Company is not capable of assessing the materiality of impact of the specified changes on its financial status and results of its activity.

Value Added Tax

Federal law N 119-Φ3 of July 22, 2005 introduces changes to chapter 21 of Tax code of Russian Federation; these changes come into force since January 1, 2006 and establish the time of defining taxation base for value added tax at realization (transfer) of goods (works, services) as the earlier of the two dates:

the date of shipment (transfer) of goods (works, services),
day of payment, partial payment on account of future supplies of goods (execution of works, rendering services), transfer of property rights.

Purchase of shares of OJSC “National television company “ZVEZDA”

In accordance with resolution of the Board of directors (minutes № 19 of 19.01.2006) in January 2006 the Company purchased 352 pieces of ordinary shares of OJSC “National television company “ZVEZDA” for 47 680,512 thousand rubles. The shares were purchased for the purpose of the Company’s development. The records in shareholder register, the specified records being made for confirmation of lapse of right of ownership to the specified securities, were made in January 2006.

All in all the Company holds 1 686 ordinary shares of OJSC “National television company “ZVEZDA”, which makes 1,668 % of its charter capital.

The principal shareholder of OJSC “National television company “ZVEZDA” is LLC “NTK “Zvezda” (95% of ordinary registered paperless shares). 55% of charter capital of LLC “NTK “Zvezda” belongs to Federal public institution of the Ministry of Defense “Central television and radio broadcasting studio”.

Sale of shares.

In 2005 the Company did not sell shares.

Bonded loan

On April 3, 2006 the Company’s Board of directors at its session (minutes № 26 of 05.04.2006) adopted the decision on placing bonded loan on following terms and conditions:

Interest bearing bearer bonds in the quantity of 3 000 000 (three million) pieces with the face value of 1 000 (One thousand) rubles in the form of inconvertible interest bearing certified bearer bonds with obligatory central storage. Total face value of the issue is 3 billion rubles.

The bonded loan will be placed in the tender system of CJSC “Stock exchange MICEX” in the form of public offering. The bonds’ maturity term is up to 7 years.

The basic goal of the bonds issue is credit portfolio restructuring and investment program financing. The funds raised by the loan will be allocated for optimization of debt liabilities structure at the cost of increasing duration and reducing the cost of debt servicing.

SUPPLEMENT № 5 – OJSC “VolgaTelecom” quarterly accounting statement for quarter 1 of 2006.

BALANCE SHEET

As of March 31, 2006

Organization **OJSC "VolgaTelecom"**

Taxpayer Identification Number **5260901817**

Activity type **Electric communication**

Open Joint Stock Company

Form of incorporation/ownership form / private

Measure unit: **thousand rubles**

Address: 603000, Nizhny Novgorod city, Maxim Gorky square, Dom Svyazi

	Form № 01 by OKUD	CODES
		0710001
	Date (year, month, day)	2006.03.31
	by OKPO	01142788
	TIN	5260901817
	by OKVED	64.20
	by OKOPF/OKFS	47/16
	by OKEI	384

The date of approval	
The date of dispatch (receipt)	02.05.2006

ASSET	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
I. NON-CURRENT ASSETS				
Intangible assets	110	110	40	66
Fixed assets (property, plant and equipment)	120	120	22 492 980	22 067 123
Capital investments	130	130	795 576	1 024 681
Income-bearing placements into tangible assets	135	135	12 311	11 778
Long-term financial investments	140	140	1 309 098	1 357 677
including: investments into associated companies		141	1 273 033	1 273 033

investments into affiliates		142	12 475	12 475
investments into other organizations		143	21 701	67 280
other long-term financial investments		144	1 889	4 889
Deferred tax assets	145	145	200 918	302 194
Other non-current assets	150	150	2 506 545	2 828 044
Total for section I	190	190	27 317 468	27 591 563

ASSET	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
II. CURRENT ASSETS				
Inventory	210	210	623 615	593 921
including: raw materials, materials and other similar values	211	211	451 877	454 647
work in progress expenses (distribution costs)	213	213	168	445
finished products and goods for resale	214	214	47 647	50 100
goods shipped	215	215	-	330
deferred expenses	216	216	123 923	88 399
other inventory and expenses	217	217	-	-
VAT for acquired valuables	220	220	959 066	607 823
Accounts receivable (payments are expected in over 12 months after the report date)	230	230	13 836	13 478
<i>including:</i> buyers and customers	231	231	2 319	2 077

advances paid out		232	-	-
other debtors		233	11 517	11 401
Accounts receivable (payments are expected within 12 months after the report date)	240	240	1 769 385	2 385 089
<i>including:</i> buyers and customers	241	241	1 450 998	2 027 977
advances paid out		242	107 837	158 416
other debtors		243	210 550	198 696
Short-term financial investments	250	250	4 762	5 061
Monetary resources,	260	260	1 134 960	594 848
Other current assets	270	270	773	1 044
Total for section II	290	290	4 506 397	4 201 264
BALANCE (sum of lines 190+290)	300	300	31 823 865	31 792 827
LIABILITIES	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
III. CAPITAL AND RESERVES				
Charter capital	410	410	1 639 765	1 639 765
Capital surplus	420	420	3 812 947	3 795 910
Reserve capital	430	430	81 988	81 988
Treasury stock	411	440	-	-
Undistributed profit (uncovered loss) of past years	470	460	10 764 020	10 780 911
Undistributed profit (uncovered loss) of the report year	470	470	-	819 909
Total for section III	490	490	16 298 720	17 118 483
IV. LONG-TERM LIABILITIES				
Credits and loans	510	510	7 340 869	7 188 258
<i>including:</i> credits		511	1 925 150	1 775 150

loans		512	5 415 719	5 413 108
Deferred tax liabilities	515	515	712 558	742 113
Other long-term liabilities	520	520	1 110 066	1 050 037
Total for section IV	590	590	9 163 493	8 980 408
V. SHORT-TERM LIABILITIES				
Credits and loans	610	610	2 289 598	1 497 414
<i>including:</i>				
credits		611	1 004 024	1 121 976
loans		612	1 285 574	375 438
Accounts payable,	620	620	3 513 237	3 532 192
<i>including:</i>				
suppliers and contractors	621	621	2 059 629	1 573 926
advances received	625	622	317 657	275 757
wage arrears	622	623	67 842	265 323
debt to government extrabudgetary funds	623	624	35 437	98 512
tax debt	624	625	399 845	443 935
other creditors	625	626	632 827	874 739
Debt to participants (founders) for income payments	630	630	22 844	19 433
Unearned revenue	640	640	216 554	212 728
Reserves for future expenses	650	650	307 799	427 958
Other short-term liabilities	660	660	11 620	4 211
Total for section V	690	690	6 361 652	5 693 936
BALANCE (sum of lines 490+590+690)	700	700	31 823 865	31 792 827

Reference on availability of valuables being accounted on off-balance-sheet accounts

Item description	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4

Rented fixed assets	910	901	611 053	619 804
including under leasing	911	911	66 106	66 106
Inventory items received in custody	920	902	4 399	40 542
Commodities received for commission	930	903	3 748	2 775
Accounts receivable of insolvent debtors written-off as a loss	940	904	249 430	249 391
Cover funds for liabilities and payments received	950	905	7 065 160	7 065 323
Cover funds for liabilities and payments given	960	906	5 984 126	5 579 448
Housing stock depreciation	970	907	16 840	16 673
Depreciation of land improvement objects and other similar objects	980	908	2 849	1 570
Payments for communication services		909	214 199	183 791

Reference on net assets cost

Item description	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
Net assets		1000	16 515 274	17 331 211

INCOME STATEMENT

For quarter 1 of 2006

Organization **OJSC "VolgaTelecom"**

Taxpayer Identification Number **5260901817**

Activity type **Electric communication**

Form № 02 by
OKUD
Date (year,
month, day)

CODES
0710002
2006.03.31
01142788
TIN 5260901817
by OKVED 64.20

Form of incorporation/ownership form Open Joint Stock Company / private

by
OKOPF/OKFS

47/16

Measure unit:

thousand rubles

by OKEI

384

Item description	Index code	Line code	For the reporting period	For the similar period of the previous year
1	2	2a	3	4
I. Profit and expenses of ordinary activities				
Revenue(net) from sales of goods, products, works, services (minus VAT, excise taxes and similar mandatory payments)	010	010	5 033 138	5 084 068
including from sales: of telecommunication services		011	4 779 184	4 954 938
Prime cost of sold goods, products, works and services	020	020	(3 644 715)	(3 565 904)
including: of telecom services		021	(3 476 346)	(3 465 348)
Profit (loss) from sales (lines 010 -020)	050	050	1 388 423	1 518 164
II. OPERATING EARNINGS AND EXPENSES				
Interest receivable	060	060	8 463	2 082
Interest due	070	070	(190 423)	(197 366)
Income from participation in other organizations	080	080	-	-
Other operating earnings	090	090	130 015	82 193
Other operating expenses	100	100	(198 489)	(239 899)
III. NON-SALES EARNINGS AND EXPENSES				
Non-sales earnings	120	120	71 101	53 336
Non-sales expenses	130	130	(86 653)	(329 726)
Profit (loss) before tax (lines 050+060-070+080+090-100+120-130)	140	140	1 122 437	888 784
Income tax expenses (lines -151+/-152+/-153) including:		150	(302 525)	(279 976)
deferred tax liabilities	142	151	(29 624)	(29 746)
deferred tax assets	141	152	101 276	(1 654)
Current income tax	150	153	(374 177)	(248 576)
Profit (loss) of ordinary activity (lines 140-150)		160	819 912	608 808

IV. EXTRAORDINARY INCOME AND EXPENSES				
Extraordinary income		170	57	-
Extraordinary expenses		180	(60)	-
Net profit (undistributed profit (loss) of the report period) (lines 160+170-180)	190	190	819 909	608 808
BY REFERENCE				
Income tax contingent expenses/income		201	(269 384)	(213 308)
Recurrent tax liabilities	200	202	(42 379)	(70 544)
Recurrent tax assets	200	203	9 238	3 876

Item description	Index code	Line code	For the reporting period	For the similar period of the previous year
1	2	2a	3	4
Basic earnings (loss) per share		301	-	-
Diluted earnings (loss) per share		302	-	-

* It is completed in annual accounting statement.

Breakdown of single profits and losses

Item description	Line code	For the reporting period		For the similar period of the previous year	
		Profit	Loss	Profit	Loss
1	2	3	4	5	6
Fines, penalties and forfeits which were acknowledged or to be collected according to court (arbitration court) judgment	401	11 172	(2 914)	5 996	(3 463)
Past years profit (loss)	402	16 948	(20 543)	13 271	(110 926)
Reimbursement of damages caused by default or inadequate performance of obligations	403	553	(103)	1 848	(445)
Foreign exchange differences in foreign currency operations	404	21	(27)	5 406	(1 441)
Deductions to assessed reserves	405	154 727	(41 824)	13 422	(42 189)
Debt amortization of payables and receivables	406	369	(210)	338	(451)

**SUPPLEMENT № 6 – OJSC “VolgaTelecom” accounting policy for
2006.**

APPROVED by:
Order № 522 of
OJSC “VolgaTelecom”
General Director of
December 26, 2005.

PROVISION

**ON ACCOUNTING POLICY
FOR THE PURPOSES OF BOOK RECORDS
OF OJSC “VOLGATELECOM”
FOR YEAR 2006**

**Nizhny Novgorod,
2006**

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- 2.13. The procedure of government aid records**
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- 2.15. The procedure of records of expenses for research-and-development and technological activity .**

INTRODUCTION

This Provision on the Accounting policy for the purposes of book records (hereinafter the Provision on the Company's accounting policy) of OJSC "VolgaTelecom" (hereinafter the Company) is worked out in accordance with the requirements of Russian Federation legislation.

For the purposes of this Provision by the Accounting policy of the Company is meant substantiated and disclosed for various users the totality of methods of bookkeeping as selected by the Company - primary observation, value measure, current grouping and bottom-line generalization of economic operations facts – in order to generate maximum on-line, perfect, objective and true financial and management information.

In cases when the system of regulatory control of bookkeeping of Russian Federation does not establish the method of bookkeeping of a specific issue, then when working out the Accounting policy the Company developed the appropriate method of records on the basis of effective Provisions on bookkeeping.

The Company's Accounting policy being the basis of bookkeeping system is designed to ensure:

Obedience of such underlying principles of accounting as perfection, just-in-time, judiciousness, priority of substance over form, consistency and rationality;

Compliance with general requirements to accounting statement: perfection, materiality, neutrality, comparability and comparables;

Credibility of reports prepared in the Company – of accounting statement, tax reporting, management reports and statistical reporting;

Unity of methodology when organizing and maintaining bookkeeping in the entire Company and in its subdivisions¹;

Operativeness and flexibility of reaction of bookkeeping system to the changes of conditions of carrying out financial and economic activity, including the conditions caused by the changes of legislative and normative acts.

This Provision along with general obligatory requirements takes into account specific features of the Company of electric communication:

Availability of internal documents regulating the accounting process from the point of view of specific character of the industry;

Availability of considerable number of subdivisions and in a number of cases they are far away from the Company's Directorate location.

The Provision discloses step by step the bookkeeping methods approved while working out the accounting policy; these methods materially affect the evaluation and decision making by interested users of accounting statement; without knowing how to apply these methods it is not possible to evaluate reliably financial status, flow of funds or financial results of the Company's activity.

¹ For the purposes of this document by the Company's subdivisions, if otherwise is not stated, are meant regional branches and structural subdivisions.

The methods of bookkeeping selected by the Company when working out this Accounting policy are approved by the Order of the Company's General Director and are effective since January 1, 2006.

All the persons connected to the solution of issues regulated by the Accounting policy should be guided in their activity by this Provision:

- The Company's management;
- The heads of regional branches and structural subdivisions responsible for organization and status of accounting in their units;
- Employees of services and departments responsible for timely development, revision and notifying subdivisions-executives about reference data;
- Employees of all services and departments responsible for timely submission of basic documents to the accounting office;
- Employees of accounting office responsible for timely and qualitative execution of all types of accounting operations and for drawing up reliable reporting of all types;
- Other employees.

The Accounting policy is worked out for year 2006 is not subject to changes, excluding the following cases:

- Change of Russian Federation legislation or normative acts for the bookkeeping;
- Development by the Company of new methods of bookkeeping;
- Essential change of the conditions of activity resulted from reorganization, change of ownership, change of activity kind, etc.

The changes introduced into the language of the Provision on the Company's Accounting policy are approved by the Company's General Director.

The responsibility for the compliance with the methodology is imposed on the Company's chief accountant.

In the course of bookkeeping the Company also applies methodical guidelines for accounting topics, their list is provided in Supplement №2.

1. ORGANIZATIONAL ASPECTS OF ACCOUNTING POLICY

1.1. General information about OJSC "VolgaTelecom"

The Charter of the Company of electric communication defines the following kinds of activity:

- provision of local and intrazonal communication services;
- provision of local, DLD & ILD communication services via payphones and multiple-access centers;
- provision of DLD & ILD communication services;
- provision of cellular mobile communication services (GSM-900, DCS-1800, CDMA-400, NMT-450, CDMA-800);
- provision of mobile radio telephone communications services;
- provision of mobile radio communications services;
- provision of personal radio call services;

- provision of personal radio call services with VHF FM channeling;
- provision of services of communication channels lease;
- provision of telematic services (including e-mail services, access to informational resources, reference services, Telefax services, Comfax services, Bureaufax services, messages processing services, voice message services, voice information transmit services, audio conference services, videoconference services;
- provision of data transfer services;
- provision of telegraph communication services (including “telegram” and “AT/Telex” network services);
- provision of cable TV services;
- provision of wire broadcasting services;
- provision of TV broadcasting services by using transmission equipment
- provision of radio broadcasting services by using transmission equipment;
- provision of local phone communication services by using radio access equipment;
- provision of TV broadcasting services by using transmission equipment (MMDS);
- carrying out works connected with using the data constituting state secret;
- carrying out activities and (or) provision of services in the area of state secret protection;
- carrying out activities and (or) provision of services in the area of state secret protection, connected with functioning of cryptographic authority;
- carrying out activities and (or) provision of services in the area of state secret protection as related to technical protection of information;
- organization and implementation of activities for insuring the protection of secrecy of communication and of other secret protected by law;
- examination of preliminary design and project documentation;
- construction, capital repairs, refurbishment, extension and technical re-equipment of communication facilities buildings;
- construction, capital repairs, refurbishment and technical re-equipment of civic buildings;
- geodesic and cartographic activity;
- training, improvement of qualification of white-collar workers, operational personnel and executive staff;
- engineering maintenance, repair and sale of cash registers;
- engineering maintenance, repair and sale of communications facilities;
- installation, repair and engineering maintenance of security alarm systems;
- organization of restoration of communication networks and facilities during failures and damages;
- priority provision of communication services and facilities in the interests of defense, state management, security, law and order;
- implementation of activities for provision of communication services in emergency situations;
- implementation as per the established procedure of plans of preparedness activity of communication network and arrangements in emergency situations;
- rendering of consulting services;
- rendering of medical services;

- trade and procurement activity;
- commercial fisheries;
- activities to prevent and fire extinguishing;
- carrying out the works of installation, repair and maintenance of fire safety appliances for buildings and structures;
- operation of electric, heating and gas systems;
- design and construction of buildings and structures of with I and II criticality ratings;
- engineering survey for construction of buildings and structures of with I and II criticality ratings;
- tunnel survey;
- the activity of issuing certificates of keys of electronic digital signatures, of registration of owners of electronic digital signatures, of rendering services related to the use of electronic digital signatures and confirmation of authenticity of electronic digital signatures;
- timber-harvesting activity;
- transportation of passengers by automobile transport equipped for transportation of more than 8 persons;
- transportation of cargoes by automobile transport with the capacity over 3,5 tons;
- loading and unloading activities at railroad transportation;
- repair of measuring equipment;
- storage and realization of oil, gas and their derivatives.

The Company has three levels of management:

- The Company's General Directorate;
- Regional branches;
- Structural subdivisions.

1.2. The principles of organization of accounting services

The concept “**accounting service**” defines the complex of structural units and office holders performing the operations for accumulation of source information, its processing and analysis, and also for drawing up the reports for various groups of users on the basis of this information.

By **specialized accounting service** is meant a structural unit of the Company performing the functions of accumulation, processing and grouping of information in the form of summary registers of analytical and synthetic accounting, of making entries into own-price account. Depending on the level of organizational structure specialized accounting service comprises: accounting office, tax department, consolidated statements group, etc.

Functional services (e.g., line-cable shop, transportation department, accounts department, etc.) perform the functions of accumulation and processing of source information for its further registration in the accounting system.

At each management level the accounting service ensures accumulation and processing of information for the purpose of providing data to the users to work out, to substantiate and to make decisions at their level of management and also to provide superior management bodies with information required work out, to substantiate and to make decisions at higher management level.

The principles of separation of power and responsibility of accounting services at each of the three levels of management (vertically) and inside each management level (horizontally) are regulated by “Regulations on principles of record keeping organization”. The same Regulations define the structure, the functions and the tasks of specialized and functional accounting services. The distribution of duties and interrelations between specialized and functional accounting services are regulated by the Regulations on principles of record keeping organization and by the Regulations on the system of flow of documents.

Bookkeeping and control is imposed on the Company’s accounting department as a constituent part of specialized accounting service headed by chief accountant. The Company’s accounting department includes subdivisions accounting offices directly headed by chief (senior) accountants of these subdivisions. The functions of central accounting department are performed by the accounting office of the Company’s General Directorate.

1.3. The procedure of organization of the flow of documents and the technology of accounting documentation processing

In the Company the rules and the procedure of organization of the flow of documents, the schedule of the flow of documents, the technology of processing of source accounting documents, including:

- the procedure of creating source documents;
- the procedure of examination of source documents;
- the procedure and the time period of their transfer for the record in the book records;
- the procedure of transferring the documents to archival depository

are governed by Regulations on the system of flow of documents.

Unified forms of source accounting documentation approved by RF Goscomstat (State Committee on Statistics) are applied in the Company.

When drawing up financial-economic operations for which unified forms are not stipulated self-designed forms of source record documents (inclusive those included into Regulations on the system of flow of documents) containing obligatory requisites established by Federal Law №129-ФЗ “On bookkeeping” of 21.11.1996 are applied.

The authority to sign source record documents is established by internal organizational-order documents.

1.4. The procedure of organization and making the inventory of property and liabilities

All the property of the Company, irrespective of location, and all kinds of liabilities are subject to physical stocktaking.

Inventory in the Company is made with the following periods:

Fixed assets – at least once in two years as of October 31 of the reporting year;

Intangible assets – annually as of November 30 of the reporting year;

Assets under construction and other capital investments – annually as of October 31 of the reporting year;

Raw materials, materials, precious metals, equipment for installation, semi-finished products, goods, output finished goods at warehouses - annually as of October 31 of the reporting year;

Work in progress – quarterly as of the end of the quarter;

Deferred revenues and expenses – annually as of December 31 of the reporting year;

Cash on bank accounts – annually as of December 31 of the reporting year;

Cash in payment office – at least once in a quarter;

Long-term financial investments - annually as of December 31 of the report year;

Short-term financial investments, financial documents – quarterly as of the end of the quarter;

Settlements with accounts receivable of buyers and customers (account 62) and the doubtful debts reserve for accounts receivable of buyers and customers – quarterly as of the quarter end, settlements with other debtors (accounts 60 and 76) once a year as of December 31 of the reporting year;

Settlements with creditors – for settlements with communication operators - quarterly as of the end of the quarter, with other creditors – once a year as of December 31 of the reporting year;

Settlements for taxes and obligatory deductions to the budget and to extrabudgetary funds, for target financing – annually as of December 31 of the current year;

Internal settlements – at least once in a quarter;

Settlements with personnel, with advance holders – quarterly as of the end of the quarter;

Reserves for contingent liabilities, reserves for depreciation of investments into securities, reserves of costs to be incurred – annually as of December 31 of the reporting year;

Permanent inventory commissions are established to make inventory at the level of the Company's Directorate and headquarters of regional branches; the structure of these commissions is approved by:

For the Company's General Directorate – by the Company's General Director;

For regional branches – by the director of the branch.

The procedure of organization and making the inventory of the Company's assets and liabilities are detailed in the Provision on the procedure of making inventory of assets and liabilities and the measures to ensure preservation of assets.

1.5. The procedure of drawing up the Company's accounting statement

The Company's accounting statement is drawn up as per the procedure and during the time stipulated by Federal Law №129-ФЗ "On bookkeeping" of 21.11.1996 and by other normative acts of Russian Federation governing the bookkeeping and reporting.

The Company's accounting statement is formed by the accounting department of the Company's General Directorate on the basis of generalized information about property, liabilities and results of the Company's activity taking into account the information provided by accounting departments of regional branches. Making of reporting by the accounting departments of regional branches is carried out on the basis of data provided by accounting offices of structural subdivisions.

The forms designed by the Company taking into account recommendations contained in relevant normative documents are applied when drawing up the accounting statement.

Internal forms of accounting statements and also specific dates of their submission are stated in the Provision on the procedure of forming the Company's accounting statement.

1.6. Working chart of accounts of the Company

During the bookkeeping all the Company's subdivisions apply Common chart of accounts (Supplement 1).

The procedure of using the Common chart of accounts, including distribution of competence for maintenance of own-price accounts and sub-accounts between the accounting services of various levels of the Company's management is regulated by the Instruction on Common chart of accounts application.

2. METHODOLOGICAL ASPECTS OF ACCOUNTING POLICY

2.1. The procedure of intangible assets recognition

The amount of depreciation of intangible assets is determined monthly as per the norms calculated on the basis of their initial cost and the period of useful service by line method.

The expected period of useful service of intangible assets is determined when they are registered by specially established commission and is approved by the Company's General Director.

Amortization of cost of intellectual property objects is made by accumulation at account 05 "Amortization of intangible assets" of depreciation amounts charged by straight line method.

2.2. The procedure of fixed assets management

In 2006 fixed assets are not revaluated.

Amortization for fixed assets objects is charged by line method on the basis of their initial cost or replacement cost value (in case of revaluation) of an object of fixed assets and the norm of amortization calculated on the basis of the period of useful service of this object.

The period of useful service for groups of homogeneous objects of fixed assets is determined by the commission when the fixed assets are accepted and is approved by the Company's General Director.

For acquired fixed assets that earlier were in operation the period of useful service is determined on the basis of time of actual operation and expected period of useful service of fixed assets in the Company.

Acquired objects which do not require installation and are planned for usage in the structure of fixed assets, prior to the start of operation, are itemized in the structure of investments into non-current assets.

Objects of property, for which capital investments are completed and relevant source record documents for acceptance are executed, are accepted for accounting records in the structure of fixed assets since the start of their actual operation with allocation on separate sub-account to the account of fixed assets management

The costs for all kinds of repairs are included into the prime cost of that report period when they were carried out. The reserve for deferred expenses for the repair of fixed assets is not set up.

The assets acquired starting from 01.01.2006 and with respect to which the conditions are met which are stipulated in item 4 of Accountancy Decree 6/2001 "Asset management" and of value not over 10000 rubles per a unit, are reflected in the structure of inventories.

In order to ensure preservation of these objects in production or during operation the due control over their movement is established.

The parts of complex fixed assets objects consisting of several parts are reflected in the accounting records as separate inventory items, is those parts are not referred to different groups of fixed assets at their classification.

2.3. The procedure of inventories accounting

Accumulation of information about actual prime cost of inventories in the Company's accounting records is carried out by using accounts 15 "Procurement and acquisition of tangible assets" and 16 "Tangible assets cost deviation".

The accounting records of inventories at accounts 10 "Materials" and 41 "Goods" are carried out by book prices.

Inventories (raw materials, materials and goods) are accepted for accounting records by the book price; the book price means:

When inventories are acquired for a fee – the price of the supplier in accordance with supply contract (purchase-and-sale contract);

When inventories are manufactured by the Company itself – the sum of actual expenses related with their production;

When inventories are used in lieu of contribution to charter capital of an organization - money value agreed by the founders taking into consideration the requirements of Law "On joint stock companies";

When inventories are received under gift contract (free of charge) and also inventories left after retirement of fixed assets and other property - current market value as of the date of acceptance for accounting records;

When inventories are received under contracts stipulating performance of obligations (payment) by non-monetary assets – the cost of assets transferred or subject to the transfer by the Company².

Ordering costs and the costs, to bring up the materials to the condition when they are suitable for usage for the purposes designed in the Company, are accounted in the accounting records in account 16 "Materials cost deviation" irrespective of the percentage of ordering costs or the deviation value to the book value of the material.

Goods at retail, which are accounted on account 41.02, are reflected in the accounting records at sales prices.

The costs for procurement and delivery of goods designed for realization via retail and wholesale trade networks to the Company's warehouses are accounted in the structure of circulation costs.

Output finished goods are accounted by actual factory costs of manufacture without using account 40 "Output of products (works and services)".

Working clothes and special tools taken possession of the Company are accepted for accounting records in the amount of actual costs for acquisition on the debit of account 10 "Materials".

Working clothes and special tools of the cost of not over 10000 rubles per a unit at any useful life term, and also working clothes and special tools with the useful service not exceeding 12 months with any cost per a unit are written off to the accounts of cost keeper as they are transferred to operation.

Working clothes and special tools of the cost of over 10000 rubles per a unit and useful service exceeding 12 months after transfer to operation are recorded at accounts "Working clothes in operation" and "Special tools in operation" with amortization of cost by equal shares during the period of useful service.

The inventories being retired are evaluated by the following methods:

By average prime cost:

² The cost of assets transferred or subject to transfer by the Company is established on the basis of price at which in comparable circumstances the Company usually establishes the cost of similar assets. When it is impossible to establish the cost of values transferred or subject to transfer by the Company, the cost of inventories received by the Company under contracts stipulating the performance of obligations (payment) by non-monetary assets is established on the basis of the cost at which in comparable circumstances similar inventories are acquired.

raw materials;
materials;
output finished goods;
goods for resale.
By prime cost of each unit:
precious metals.

2.4. The procedure of recalculation of assets and liabilities denominated in foreign currency

Recalculation into rubles of value of currency notes in the Company's cash office, of funds at accounts in credit organizations, of financial and payment documents, of short-term securities, of accounts receivable (including for borrowed liabilities) from legal and natural persons, fund balances of target financing received from budget or from foreign sources within the framework of technical or other aid to Russian Federation in accordance with concluded agreements (contracts) denominated in foreign currency is made as of the date of making the operation in foreign currency and also as of the report date of drawing up the accounting statement.

2.5. The procedure of accumulating information about income

For the accounting purposes ordinary types of the Company's activity are subdivided into core and non-core.

By core types of activity are meant those types of activity that are directly related to provision of communication services. All the remaining types of activity are non-core.

Ordinary types of activity:

Core types of activity:

Services of city's telephone communication

Provision of access to city's telephone network;
Provision of local telephone connection (call) to the subscribers of fixed line communication in urban locations (provision of subscriber's line for usage in urban locations; transit of local traffic);
Provision of local telephone connection from city's payphone;
Provision of direct lines and trunk lines for usage;
Other services of city's telephone network (connection, re-registering, etc.).

Services of rural telephone communication

Provision of access to rural telephone network;
Provision of local telephone connection (call) to the subscribers of fixed line communication in rural locations (provision of subscriber's line for usage in rural locations; transit of local traffic);
Provision of local telephone connection from rural payphone;
Provision of direct lines and trunk lines for usage;
Other services of rural telephone network (connection, re-registering, etc.).

Services of DLD & ILD telephone communication

Provision of DLD telephone connection by using a payphone;
Provision of ILD & DLD telephone connection;
Provision of ILD telephone connection by using a payphone;
Provision of DLD & ILD channels for usage;
Other services of DLD & ILD communication (conferences, engineering maintenance, etc.).

Services of recording communication

Inland telegrams;
International telegrams;
Provision of telegraph channels for usage;

Telex;
Data transfer services;
Telematic services;
Transmission of newspaper's pages;
Other services of recording communication.

Internet services

Radio communication services

Radio broadcasting services

TV services

Wire broadcasting services

Provision and maintenance of radio broadcasting public speakers;
Provision of access to wire broadcasting network;
Other income from radio broadcasting public speakers;

Services of wireless radio communication

Personal radio call (paging) services;
Cellular communication services;
Other services of wireless radio communication

Non-core types of activity:

Services of granting the Company's assets for lease;
Transport services;
Manufacture of telecom facilities products;
Trade services;
Catering services;
Services of construction nature;
Services of information-computer support;
Publishing activities (publishing of reference books, newspapers)
Information service;
Rendering of intermediary (agency, commission) services;
Services of providing access to electric power;
Education services;
Security services;
Agency business;
Consumer services;
Services of recreation centers;
Advertising activity;

Other types of activities meeting the criteria stated above.

Income differing from income from ordinary types of activity is considered to be other income.

2.6. The procedure of accumulating information about expenses

For the purposes of accounting the expenses ordinary types of the Company's activity are subdivided into core and non-core.

In the accounting records the calculation of expenditures for kinds of services, works and output products that are subjects of calculation is kept separately.

For the purposes of distributing the expenditures of core types of activity on the objects of calculation the Company applies the method of calculation of expenditures for operating processes.

Operating process is unambiguously defined activity (sequence of actions or the aggregate of functions and tasks) not limited in time and having identifiable result.

For the purposes of distributing the expenditures on the objects of calculation the processes are subdivided into basic operating processes, off-line operating processes and joint processes.

Basic operating processes are the processes carried out directly for the provision of communication services.

Off-line operating processes are the processes required for implementation of basic and joint operating processes and indirectly related to the provision of communication services.

Joint operating processes are the processes required for implementation of basic operating processes but not related to the provision of communication services.

Cost allocation bases are actual, physical indicators of the Company's operating activity, the structure of these indicators is defined in Instructional guidelines on expenditure records.

All the expenditures related to core types of activity are indirect, id est, they are not allocated directly and are distributed between the objects of calculation and are accounted for from the point of view of operating processes.

The expenditures of core types of activity are posted to account 30 "Basic operating processes" and account 31 "Off-line operating processes".

The expenditure related to non-core types of activity are accounted for on accounts 23 "Auxiliary productions", 29 "Service productions and facilities" and 44 "Expenditures for sale" from the point of view of types of activity.

Full prime cost of rendered services, executed works, output products without separation of administrative and commercial expenses is calculated.

The expenditures of joint operating processes are posted to account 32 "Joint operating processes".

The expenditures accumulated on account 31 "Off-line operating processes" are allocated between basic and joint operating processes on account 30 "Basic operating processes" and account 32 "Joint operating processes" on the basis of data on bases of allocation provided by production services at the end of the report period

The expenditures accumulated on account 30 "basic operating processes" are allocated to account 20 "Primary production" by the objects of calculation (services) on the basis of data on bases of allocation provided by production services at the end of the report period, and also on account 33 "Expenditures on equipment operation" by the types of equipment of conditional digital network made up annually by engineering services. The expenditures by the type of equipment are allocated in accordance with calculated data of engineering services about the share of involvement of the equipment in basic operating processes.

The expenditures accumulated on account 33 "Expenditures on equipment operation" are allocated on account 20 "Primary production" by the objects of calculation (services) on the basis of data of engineering services about the intensity and duration of usage of each type of equipment by a specific

service; these data are calculated at the beginning of each year or if major changes occur in topography of communication network.

For the purposes of calculation of prime cost of services, works and products of non-core types of activity the actual expenditures for rendered services, completed works and products transferred to warehouse, these expenditures being accumulated on accounts 23 “Auxiliary productions” and 29 “Service productions and facilities” are written off to account 43 “Output finished goods” (in case of finished-product output) to the appropriate accounts of operating processes (in case of rendering services or carrying out of works for core types of activity) or to account 90 “Sales” sub-account 90-04 “Prime cost of sales for non-core types of activity” (in case of rendering services, carrying out of works for outside parties). The balance of debit of accounts 23 “Auxiliary productions” and 29 “Service productions and facilities” reflects the value of balances of work in progress.

The expenditures allocated to the account of joint operating processes 32 “Joint operating processes” are written off at the end of the report period to account 20 “Primary production” proportionally to the sum of expenditures allocated to the appropriate accounts.

Expenditures for rendering of communication services accumulated by types of services on account 20 “Primary production” are completely written off at the end of the report period to account 90 “Sales” sub-account 90-02 “Prime cost of sales (for core types of activity)” with analytics by the objects of calculation (services).

The procedure of record maintenance and calculation of prime cost of products (works and services) of non-core types of activity is established by the Company on its own in accordance with recommendations of industry’s instructions regulating the said procedure in those industries which the specified type of non-core activity is referred to.

The expenditures of service productions and facilities as per the trends of their activity (realization, compensation-free transfer, rendering of services to other subdivisions of the Company) are allocated proportionally to direct expenditures.

2.7. The procedure of deferred expenses records

Deferred expenses are the expenses that were recognized in the report period, but they cannot be included into the prime cost of realized services, works and products of this report period, for example:

- Expenses related to reclamation of new productions or kinds of products prior to occurrence of facts of their realization;

- Expenses for payment of rest leaves of future periods;

- Discount on bill and bonded loans;

- Expenses for acquisition of licenses;

- Expenses for insurance of property;

- Expenses related to acquisition of software products and data bases under purchase-and-sale contracts or swap contracts if these assets do not meet the requirements set up for intangible assets;

- Miscellaneous.

Deferred expenses are subject to amortization on a straight-line basis at the expense of relevant sources of covering during the period they are referred to. If it is not possible to establish the period during which the incurred expense should be amortized, then the specified period is established by a specially set up commission and is approved by an order of the General Director or of an authorized person.

Expenses related to the acquisition and introduction of software products and data bases are written off as current expenses from the first day of the month following the month of start of their using in production, at rendering services or for the Company's management needs.

For the purposes of drawing up the reporting the expenses related to the acquisition of software products and data bases are classified as other non-current assets.

2.8. The procedure of settlements records

The settlements by non-monetary assets are posted in the records individually by using account 76.15.

The Company transfers long-term indebtedness (accounts receivable and accounts payable) to the structure of short-term indebtedness at the time when as per terms and conditions of the contract 365 days are left for the debt repayment.

For the purposes of drawing up the reporting the advances of capital nature are classified as other non-current assets.

2.9. The procedure of received credits and loans records

The Company transfers long-term indebtedness on received credits and loans into the structure of short-term indebtedness (to appropriate sub-account of account 66 "Settlements on short-term credits and loans") at the time when as per the terms and conditions of loan and (or) credit contract 365 days are left for the repayment of principal of the debt.

If the Company raises a long-term loan under the contract the terms and conditions of which stipulate recurrent repayment of the loan amount, then as 365 days are left for the repayment of the next portion of the loan, it is transferred to the structure of short-term part of long-term indebtedness to the appropriate sub-account of account 66 "Settlements on short-term credits and loans".

If an agreement is concluded to prolong the contract of short-term loan or to postpone the time of payment of short-term portion of indebtedness under long-term loan in such a way that the time of the loan repayment or of its specified portion will be over 365 days, then the amount of indebtedness under the loan or its partial repayment should be transferred from short-term indebtedness to the structure of long-term indebtedness (to appropriate sub-account of account 67 "Settlements on long-term credits and loans").

The income due to payment to debt holder in the form of interest is charged on straight-line basis (monthly) in accordance with the rate set up in the contract. If in accordance with terms and conditions of the contract the payment of interest does not fall on the last day of the month, then it is necessary to charge additionally the indebtedness to the creditor in the amount of interest falling on the end of the month.

On the loans received in monetary form and raised by issuing the Company's own bills of exchange or bonds, the loans amounts being directly used in full (in part) for investment assets establishment, the amount of discount is classified as deferred expenses with further monthly writing-off in equal shares during the securities maturity to the increase in investment assets value till the time of their recognition in structure of fixed assets.

The amount of interests, due to payment on the loans received in monetary form and raised by issuing the Company's own bills of exchange and bonds, the loans amounts being directly used in full (in part) for investment assets establishment, is referred to the increase in investment assets value till the moment of their recognition as fixed assets.

Herewith for the bills of exchange having the clause "on presentation, but not earlier" as the period of circulation, on the basis of which the discount as of the end of the report period is set up, is used the expected period of circulation of the bills of exchange established in accordance with legislation on bills of exchange (365 (366) days plus the period from the date of the bill's drawing till the lower date limit of the bill's presentation for payment).

Additional expenses related to obtaining of loans and credits, to placement of borrowed obligations are included into the structure of operating expenses in that report period when the specified expenses incurred.

For received credits and loans denominated in conventional currency units or in foreign currency and due to repayment in rubles there is in accounting records re-count of obligations amount in the principal debt, and also of interest due to payment at the rate of Central bank of Russian Federation effective on the report date.

2.10. The procedure of organization of records of intra-company's settlements and the transfer of information by subdivisions

To keep records of intra-company's turnover the Company applies account 79 "Intra-company's settlements".

All financial-economic operations performed between the Company's subdivisions are made on the basis of letters of advice (aviso) via superior level of management. The operations between structural subdivisions are made via appropriate regional branches. The operations between regional branches are made via the Company's General Directorate.

2.11. The procedure of establishing and using special-purpose funds

The Company does not establish any funds at the expense of undistributed profit of the report year, excluding the funds the establishment of which is stipulated by the Company's constituent documents. The procedure of establishing and using the specified funds is defined on the basis of resolution of general meeting of stockholders of the Company, the requirements of Law "On joint stock companies" being taken into account.

2.12. The procedure of establishing and using the contingency reserve provision

The Company establishes the following types of contingency reserve provision:

- Reserve for depreciation of financial investments (as of the end of the report year);
- Reserves for doubtful debts (quarterly);
- Reserves of costs to be incurred (monthly);
- Reserves for contingent liabilities (as of the end of the report year).

The reserve for doubtful debts is established quarterly prior to drawing up accounting statement in regard to doubtful debts.

The reserve for doubtful debts is established based on the results of taking inventory of accounts receivable, herewith by a doubtful debt is recognized accounts receivable which is not repaid during the time set up by contract or not secured by pledge, guaranty, bank guarantee.

Taking into consideration that in telecom companies individual analysis of each doubtful debt for communication services is impossible due to a large number of subscribers, the reserve is established for all outstanding debts, the payment of which as of the date of the reserve establishment is 90 days and more overdue, in the amount of 100 per cent of the debt amount. The reserve is not established for debts the payment of which is delayed less than 90 days.

2.13. The procedure of government aid records

Budgetary means (subventions, subsidies) are recognized in accounting records as monetary funds and resources differing from cash assets are actually received

2.14. The procedure of financial investments records

For the purposes of accounting records financial investments are classified by the types of investments and their maturity.

At sale, other retirement, including repayment of securities the evaluation of retired issuing securities is carried out by FIFO method, the evaluation of retired non-monetary securities is carried out by actual cost of each security.

By maturity financial investments are divided into:

Long-term – the investments made with the intent to receive income on them over 12 months after the report date, if the established time of their repayment exceeds 12 months after the reporting date;

Short-term:

Investments made without the intent to receive income on them over 12 months;
Investments for which the established time of repayment does not exceed 12 months after the reporting date;
Securities acquired for re-sale irrespective of the time of their repayment.

Long-term financial investments are subject to transfer to short-term ones:

Due to passing the resolution on financial investments sale and having settled intention to realize such a plan of sale during 12 months;

If the time till the date of their repayment became not more than 12 months after the reporting date.

Short-term financial investments for which the established time of repayment exceeds 12 months after the report date are subject to transfer to long-term investments (to appropriate sub-account) due to the change of initial intention to receive income on them during the period not over 12 months after the report date.

The maturity of investments is evaluated by subdivision (person) appointed by the Company's CEO order and is stated in the document executed as per the form established by Company, the document being transferred to the accounting office.

The information about initial cost of financial investments acquired for fee is accumulated in the amount of actual expenses related to their acquisition.

The information about initial cost of investments acquired under contracts stipulating payment in rubles in the amount equal to the amount in foreign currency (conventional currency units) is accumulated with taking into consideration foreign currency exchange differences occurring prior to accepting the assets as financial investments.

As regards debt securities the difference between the amount of actual expenses for acquisition of a security and its face value is not charged to financial results.

The cost of financial investments for which it is possible to determine current market value as per the established procedure is adjusted as of the end of the report year.

2.15. The procedure of records of expenses for research and development and technological activity

For the purposes of drawing up the reporting the following assets are recognized as other non-current assets – completed research-and development and technological activities for which the obtained results are not liable for legal protection as per current legislation, or liable for legal protection but not executed as per the procedure established by legislation.

The expenses for R&D are written off by straight-line method to the expenses of ordinary types of activity since the 1-st day of the month following the month when the actual application of obtained results was started in the output of products, provision of services or for management needs.

The time for paying off expenses for R&D is established when they are completed by a specially set up commission and is approved by an order within the period during which it is supposed to get economic benefits (income) but not more than 3 years.

SUPPLEMENT 2. THE LIST OF INSTRUCTIONAL GUIDELINES

Provision on the procedure of making inventory of assets and liabilities and the measures to ensure preservation of assets.

Instructional guidelines for fixed assets recognition.

Instructional guidelines for intangible assets recognition.

Instructional guidelines for capital construction records.

Instructional guidelines for financial investments records.

Instructional guidelines for inventories records.

Instructional guidelines for expenses records.

Instructional guidelines for monetary means and financial documents records.

Instructional guidelines for income records.

Instructional guidelines for records of settlements with buyers and customers.

Instructional guidelines for records of settlements with suppliers and contractors.

Instructional guidelines for records of settlements with other debtors and creditors.

Instructional guidelines credits and loans records.

Instructional guidelines for records of settlements with personnel.

Instructional guidelines for owners' equity records.

Instructional guidelines for targeted financing records.

Instructional guidelines for establishing contingency reserve provision.

Instructional guidelines for records of intra-company's settlements.

Instructional guidelines for the procedure of forming Company's accounting statement.