

**NORTH-WEST TELECOM
OPEN JOINT-STOCK COMPANY**

**AUDITING REPORT
ON ACCOUNTING STATEMENTS
FOR 2009**

PriceWaterHouseCoopers PWC

**PricewaterhouseCoopers Audit
Closed Joint-Stock Company
(PWC Audit CJSC)**
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AUDITING REPORT

on Accounting Statements

to the shareholders of North-West Telecom Open Joint-Stock Company:

Auditor

PricewaterhouseCoopers Audit Closed Joint-Stock Company (PWC Audit CJSC)

Certificate of State Registration of the Joint-stock Company No. 008.890 issued by the Moscow Registration Chamber on 28th February 1992.

Certificate of Making an Entry in the Unified State Register of Legal Entities on a Legal Entity Registered before 1st July 2002 No. 1027700148431 of 22nd August 2002 issued by the Interdistrict Inspectorate of the Ministry of Taxes and Fees of Russia No. 39 for the city of Moscow.

Member of the Audit Chamber of Russia Non-profit Partnership (NP APR), which is a self-regulating organization of auditors; registration No. 870 in the registry of NP APR members.

Basic registration No. of the entry (ORNZ) in the registry of auditors and auditing organizations 10201003683.

Audited Party

North-West Telecom Open Joint-Stock Company

14/26, ul. Gorokhovaya, St. Petersburg, Russia, 191186

Certificate of State Registration of a Legal Entity No. 2717 issued by the Registration Chamber of St. Petersburg Mayor's Office on 6th May 1993.

Certificate of Making an Entry in the Unified State Register of Legal Entities on a Legal Entity Registered before 1st July 2002 No. 1027809169849 issued by the Interdistrict Inspectorate of the Federal Tax Service No. 15 for St. Petersburg of 17th July 2002.

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AUDITING REPORT

on Accounting Statements of North-West Telecom Open Joint-Stock Company

to the shareholders of North-West Telecom Open Joint-Stock Company:

1. We have carried out an audit of the enclosed accounting statements of North-West Telecom Open Joint-Stock Company (hereinafter referred to as "Company") for the period from 1st January till 31st December 2009 inclusive. The accounting statements of the Company consist of the Balance Sheet, Profit and Loss Report, Capital Changes Report, Cash Flow Report, Appendix to the Balance Sheet and the Explanatory Note (hereinafter all reports are jointly referred to as "accounting statements"). The accounting statements have been prepared by the management of the Company proceeding from the legislation of the Russian Federation concerning the preparation of accounting statements. Reports prepared proceeding from the said legislation significantly differ from reports made up according to the International Financial Reporting Standards.
2. Responsibility for the preparation and presentation of the accounting statements shall rest with the executive body of the Company. Our duty is to express an opinion on reliability of the accounting statements in all material aspects on the basis of the audit that has been carried out.
3. We have carried out the audit in compliance with the Federal Law "On Auditing", the Federal Rules (Standards) of Auditing, the International Standards of Audit and our internal standards.

The audit was planned and carried out so as to be reasonably confident that the accounting statements did not contain any material distortions. The audit was carried out on a sampling basis and included a study on the basis of testing of the evidence confirming the figures of the accounting statements and the disclosure in them of the information on the financial and business operations, assessment of the observance of the accounting principles and rules applied in the preparation of the accounting statements, consideration of the key estimate indicators obtained by the management of the Company, and assessment of the presentation of the accounting statements. We believe that the audit that has

been carried out provides sufficient grounds for expressing our opinion on the reliability of the accounting statements.

4. In our opinion, the accounting statements of the Company enclosed to this Auditors' Report reliably show in all material aspects the financial standing of the Company as of 31st December 2009 and the results of its financial and business operations for the period from 1st January till 31st December 2009 inclusive in compliance with the requirements of the legislation of the Russian Federation concerning the preparation of accounting statements.

7th April 2010

A. A. Karlovsky, Director of the Joint-stock Company *Signature*

D. P. Derevyankin, Auditor, Permanent Qualification Certificate No. 026865 for
General Audit

Official seal: PricewaterhouseCoopers Audit Closed Joint-Stock Company, Moscow