

BALANCE SHEET

As at **June 30, 2006**
 Organization: **Dalsviaz MRK OJSC**
 Taxpayer's identification number **2540014227**
 Business: **Telecommunication services**
 Corporate structure / ownership status **mixed**
 Quantity unit: **ths. rub.**
 Address: **57 Svetlanskaya Street, Vladivostok**

	CODES
OKUD Form No. 01	0710001
Date (year, month, day)	30/06/2006
OKPO code	01163193
INN	2540014227
OKVED code	05401364000
OKOPF/OKFS code	49
OKEI code	384

[OKUD stands for the General Classification of Administrative Documents;
 OKPO stands for the General Classification of Enterprises and Organizations;
 INN stands for the taxpayer's identification number;
 OKVED stands for the General Classification of Foreign Economic Activities;
 OKOPF stands for the General Classification of Corporate Structures;
 OKFS stands for the General Classification of Ownership Statuses;
 OKEI stands for the General Classification of Quantity Units]

Approval date 25.07.2006
 Submission / filing date

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	87	76
Fixed assets		120	120	7,619,123	7,360,486
Capital outlays		130	130	712,172	885,876
Income-bearing lease investments		135	135	,	,
Long-term financial investments		140	140	364,173	410,713
including:					
investments in subsidiaries			141	278,480	288,712
investments in dependent companies			142	330	369
investments in other companies			143	6,974	53,827
other long-term financial investments			144	78,389	67,805
Deferred tax assets		145	145	129,501	164,543
Other non-current assets		150	150	857,764	1,180,277
Total for Section I		190	190	9,682,820	10,001,971
ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
II. CURRENT ASSETS					
Inventories		210	210	499,569	463,825
including:					
raw and other materials, and other similar inventories		211	211	407,823	404,280
work in process / distribution costs		213	213	4,481	5,107
finished products and goods for reselling		214	214	8,215	8,702
goods shipped		215	215	100	145
deferred expenses		216	216	78,950	45,591
other inventories and expenses		217	217	,	,
Value-added tax on acquired inventories		220	220	637,281	439,309
Accounts receivable (payment expected more than 12 months after the balance sheet date)		230	230	41,488	37,140

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
<i>including:</i>					
due from buyers and customers		231	231	609	447
prepaid expenses			232		
receivables from other debtors			233	40,879	36,693
Accounts receivable ((payment expected within 12 months after the accounting date)		240	240	985,361	1,433,968
<i>including:</i>					
due from buyers and customers		241	241	802,782	1,192,971
prepaid expenses			242	90,289	127,530
receivables from other debtors			243	92,290	113,467
Short-term financial investment		250	250	64,996	63,434
Monetary assets		260	260	145,750	1,783,805
Other current assets		270	270	94	1,187
Total for Section II		290	290	2,374,539	4,222,668
GRAND TOTAL (line 190 + line 290)		300	300	12,057,359	14,224,639
LIABILITIES	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
III. CAPITAL AND PROVISIONS					
Charter capital		410	410	2,535,006	2,535,006
Additional capital		420	420	634,836	631,140
Reserve capital		430	430	126,751	126,751
Treasury shares repurchased from shareholders		411	440		
Past retained profits / uncovered losses		470	460	1,927,681	1,761,509
Retained profits / uncovered losses for the accounting year		470	470	X	719,760
Total for Section III		490	490	5,224,274	5,774,166
IV. FIXED LIABILITIES					
Loans and credits		510	510	631,000	3,500,000
<i>including:</i>					
loans			511	631,000	
credits			512		3,500,000
Deferred tax liabilities		515	515	204,363	240,116
Other fixed liabilities		520	520	1,356,624	1,141,867
Total for Section IV		590	590	2,191,987	4,881,983
V. CURRENT LIABILITIES					
Loans и credits		610	610	1,875,775	1,035,791
<i>including:</i>					
loans			611	448,683	
credits			612	1,427,092	1,035,791
Accounts payable		620	620	2,024,525	1,911,912
<i>including:</i>					
owing to suppliers and contractors		621	621	1,159,364	1,172,757
precollected revenue		625	622	269,028	222,610
compensation owed to employees		622	623	78,905	228,143
owing to government extra-budgetary funds		623	624	41,119	67,082
taxes and levies owing		624	625	221,393	93,532
owing to other creditors		625	626	254,716	127,788
Outstanding revenue distributions due to participants (founders)		630	630	15,819	184,587
Deferred revenue		640	640	86,607	82,275
Provisions for future expenses		650	650	570,907	324,761
Other current liabilities		660	660	67,465	29,164

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Total for Section V		690	690	4,641,098	3,568,490
GRAND TOTAL (line 490 + line 590 + line 690)		700	700	12,057,359	14,224,639
Assets recorded on below-line accounts					
Filing entry	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Fixed assets taken on lease		910	901	286,241	298,302
including: those obtained by way of leasing		911	911	120,558	120,558
Inventories accepted for custody		920	902	50,694	41,161
Goods accepted for sale on a commission basis		930	903	177	165
Dues from insolvent debtors written off as losses		940	904	219,054	224,789
Collateral received to secure obligations and payments		950	905	201,537	204,455
Collateral provided to secure obligations and payments		960	906	2,670,907	1,820,707
Wear of housing stock		970	907	20,825	18,957
Wear of landscaping facilities and other like amenities		980	908		
Payments for communications services			909	273,628	331,988
Net asset value statement					
Filing entry	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Net assets			1000	5,310,881	5,856,441

Acting
Chief Executive Officer _____ V.I. Dobrovolsky
(Signature) (Signature transcript)

Chief Accountant _____ E.V. Sidorova
(Signature) (Signature transcript)

July 25, 2006

PROFIT AND LOSS STATEMENT

for **the first six months of 2006**
 Organization: **Dalsviaz MRK OJSC**
 Taxpayer's identification number **2540014227**
 Business: **Telecommunication services**
 Corporate structure / ownership structure: **mixed**
 Quantity unit: **ths. rub.**

CODES	
OKUD Form No. 2	0710002
Date (year, month, day)	30/06/2006
OKPO code	01163193
INN	2540014227
OKVED code	05401364000
OKOPF/OKFS code	49
OKEI code	384

Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
I. Revenue from and expenditure for regular business operations					
(Net) proceeds from the sale of goods, products, works, and services (less value-added tax, excises, and other similar obligatory deductions)		010	010	5,113,867	4,866,959
including: proceeds from the sale of communications services			011	4,840,819	4,793,263
Costs of goods, products, works, and services sold		020	020	(3,729,330)	(4,089,727)
including: costs of communications services			021	(3,587,067)	(4,064,297)
Profits / losses from sales (line 010 - line 020)		050	050	1,384,537	777,232
II. OPERATING REVENUE AND EXPENDITURE					
Interest revenue due		060	060	19,053	4,058
Interest expense payable		070	070	(159,717)	(121,084)
Revenue from equity participation in other organizations		080	080	195	152
Other operating revenue		090	090	75,071	226,052
Other operating expenditure		100	100	(279,793)	(142,241)
III. NON-OPERATING REVENUE AND EXPENDITURE					
Non-operating revenue		120	120	25,674	30,545
Non-operating expenditure		130	130	(79,718)	(158,980)
Pretax profits / losses (line 050+ line 060 - line 070 + line 080 + line 090 - line 100 + line 120 - line 130)		140	140	985,302	615,734
Profit tax (line -151+/- line 152 +/- line 153), including:			150	(263,602)	(187,679)
deferred tax liabilities		142	151	(36,415)	(26,057)
deferred tax assets		141	152	35,041	(23,107)
Profit tax for the accounting period		150	153	(262,228)	(138,515)
Profits / losses from regular business operations (line 140 -			160	721,700	428,055

Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
line 150)					
IV. EXTRAORDINARY REVENUE AND EXPENDITURE					
Extraordinary revenue			170		167
Extraordinary expenditure			180	(1,940)	(1,020)
Net profits (retained profits / losses) for the accounting period) (line 160 + line 170 – line 180)		190	190	719,760	427,202
MEMORANDUM					
Contingent profit tax expenditure / revenue			201	(236,007)	(147,574)
Standing tax liabilities		200	202	(31,626)	(44,937)
Standing tax assets		200	203	4,031	4,832
Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
Base profits / losses per share			301	X	X
Diluted profits / losses per share			302	X	X
* To be completed in annual financial statements					

Breakdown of individual categories of profits and losses

Filing entry	Indicator code	Line code	For the accounting period		The corresponding period of the preceding year	
			profits	losses	profits	losses
1	1a	2	3	4	5	6
Fines, late charges, and penalties acknowledged or which are to be recovered under judgments issued by courts of general jurisdiction or courts of state arbitration		401	946	(173)	3,276	(98)
Past profits / losses		402	9,263	(27,831)	15,246	(21,540)
Compensation for losses caused by the non-performance or improper performance of obligations		403	3,300	(452)	883	(1,926)
Exchange rate differentials in transactions executed in foreign currency		404	25	(76)	51	(67)
Deductions towards assessed reserves		405		(152,501)		(34,130)
Receivables and payables forgiveness		406	19	(1,409)	4,037	(3,999)

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