

BALANCE SHEET

as of **September 30, 2006**

Organization **OJSC CenterTelecom (MRC)**

Taxpayer Identification Number **5000000970**

Type of business **telecommunications services**

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

Measurement unit: **RUR in thousands**

Address: **6 Degtiarny Per., Building 2, Moscow, 125993, Russia**

CODES	
Form #01 by OCUD	0710001
Date (year, month, day)	30.10.2006
by OCPO	01140111
INN	5000000970
by OCVED	64.20
by OCOPF/OCFS	48/31
by OCEI	384

Date of approval

Date of sending (receipt)

ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	484	1 057
Fixed assets		120	120	31 783 017	29 778 525
Capital investments		130	130	2 026 268	2 742 126
Income bearing investments in tangible items		135	135	1 434	1 447
Long-term financial investments		140	140	1 639 211	1 639 211
including:					
investments in daughter companies			141	1 604 137	1 604 137
investments in affiliates/associates			142	2 840	25
investments in other organizations			143	25 362	28 177
other long-term financial investments			144	6 872	6 872
Deferred tax assets		145	145	224 296	402 872
Other non-current assets		150	150	3 428 746	3 532 472
Total for section I		190	190	39 103 456	38 097 710

ASSETS	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
II.CURRENT ASSETS					
Inventories		210	210	1 152 747	2 144 433
<i>including:</i>					
raw material, auxiliaries and other similar items					
		211	211	537 544	529 379
expenses of production in progress (circulation expenses)		213	213	516	142
finished products and goods intended for resale		214	214	16 049	24 614
shipped products		215	215	55	585
deferred expenses		216	216	598 583	1 589 713
other inventories and expenses		217	217		
VAT on purchased items		220	220	1 720 958	973 156
Accounts receivable (payments expected later than 12 months after the reporting date)		230	230	17 824	9 472
<i>including:</i>					
buyers and customer accounts		231	231		
advance payments made			232		
other debtors			233	17 824	9 472
Accounts receivable (payments expected within 12 months from the reporting date)		240	240	2 220 105	3 116 221
<i>including:</i>					
buyers and customer accounts		241	241	1 705 214	2 630 088
advance payments made			242	146 786	160 563
other debtors			243	368 105	325 570
Short-term financial investments		250	250	4 200	
Cash and equivalents		260	260	952 823	637 178
Other current assets		270	270	2 008	1 264
Total on section II		290	290	6 070 665	6 881 724
Grand total (sum of lines 190+290)		300	300	45 174 121	44 979 434

LIABILITIES	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
III. CAPITAL AND RESERVES					
Charter (legal) capital		410	410	6 311 999	6 311 999
Additional capital		420	420	646 822	646 822
Reserves		430	430	31 560	64 985
Shares bought-out from shareholders		411	440		
Undistributed profit (not covered loss) of previous years		470	460	8 623 963	8 414 196
Undistributed profit (not covered loss) of the reporting year		470	470	X	1 923 828
Total on section III		490	490	15 614 344	17 361 830
IV. LONG-TERM LIABILITIES					
Loans and credits <i>including:</i>		510	510	6 633 498	8 124 261
credit facilities			511	3 992 576	1 003 341
loans			512	2 640 922	7 120 920
Deferred tax liabilities		515	515	741 179	820 895
Other long-term liabilities		520	520	2 547 974	1 692 557
Total on section IV		590	590	9 922 651	10 637 713
V. SHORT-TERM LIABILITIES					
Loans and credits <i>including:</i>		610	610	14 336 842	10 439 111
credit facilities			611	3 931 458	2 183 275
loans			612	10 405 384	8 255 836
Accounts payable, <i>including:</i>		620	620	4 642 364	5 079 177
suppliers and contractors		621	621	2 739 946	2 303 697
advance payments received		625	622	427 245	395 494
debt to employees		622	623	2 332	299 825
debt to government out-of-budget funds		623	624	10 644	102 353
debt in respect of tax and duties		624	625	526 140	482 688
other creditors		625	626	936 057	1 495 120
Debt to participants (founders) for income payments		630	630	7 916	87 847
Deferred revenue		640	640	499 438	479 740
Deferred expense provisions		650	650	150 566	894 016
Other short-term liabilities		660	660		
Total on section V		690	690	19 637 126	16 979 891
GRAND TOTAL (sum of lines 490+590+690)		700	700	45 174 121	44 979 434

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

Item description	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
Rented fixed items		910	901	2 486 213	2 670 735
including those under leasing terms		911	911	478 543	1 941 780
Goods and tangible items accepted for safe storage		920	902	97 513	120 830
Goods accepted for commission		930	903	8 233	6 149
Debt of insolvent debtors written off as a loss		940	904	445 898	531 530
Security received in respect of payments and obligations		950	905	8 006 514	10 745 927
Security provided to other parties in respect of payments and obligations		960	906	17 881 929	14 954 138
Housing facilities depreciation		970	907	18 425	17 605
Depreciation of external improvement items and other similar facilities		980	908	2 084	694
Means of payment in respect of telecommunications services			909	142 058	225 438

Summary of net assets value

Item description	Notes	Item code	Line code	At the reporting period start	At the reporting period end
1	1a	2	2a	3	4
Net assets			1000	16 113 782	17 841 570

Chief Executive _____ S. V. Pridantsev
(signature) (name)

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

October 30, 2006

PROFIT AND LOSS ACCOUNT

for **9 months of 2006**

Organization **OJSC CenterTelecom (MRC)**

Taxpayer Identification Number **5000000970**

Type of business **telecommunications services**

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

Measurement unit: **RUR in thousands**

Form #02 by OCU
Date (year, month, day)

by OCPO

INN

by OCVED

by OCOPF/OCFS

by OCEI

CODES

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Item description	Notes	Item code	Line code	Over the reporting period	Over the same period previous year
1	1a	2	2a	3	4
I. Operating revenues and expenses on ordinary activities					
Revenue (net) from sales of goods, products, works, services (net of VAT, excise duties and other mandatory payments)		010	010	20 479 554	20 006 572
including from sales of telecommunication services			011	19 137 960	19 765 147
Costs of sold goods, products, works, services		020	020	(14 894 791)	(15 499 568)
including: telecom services			021	(14 318 505)	(15 394 445)
Profit (loss) from sales (line 010 less line 020)		050	050	5 584 763	4 507 004
II. OPERATING REVENUE AND EXPENSES					
Interest to receive		060	060	11 169	1 385
Interest payable		070	070	(1 685 881)	(1 744 407)
Income from participation in other organizations		080	080	17 540	6 163
Other operating revenue		090	090	929 185	36 193
Other operating expenses		100	100	(1 156 053)	(929 777)
III. NON-SALES REVENUE AND EXPENSES					
Non-sales revenue		120	120	133 911	233 099
Non-sales revenue		130	130	(992 952)	(1 068 600)
Pre-tax profit (loss) (lines 050+060-070+080+090-100+120-130)		140	140	2 841 682	1 041 060
Profit tax expenses (lines -151+152-153), including:			150	(917 664)	(494 248)
deferred tax liabilities		142	151	(79 267)	(127 503)
deferred tax assets		141	152	178 575	28 680
Current profit tax		150	153	(1 016 972)	(395 425)
Operating profit (loss) (line 140- less line 150)			160	1 924 018	546 812

Item description	Notes	Item code	Line code	Over the reporting period	Over the same period previous year
1	1a	2	2a	3	4
IV. EXTRAORDINARY INCOME AND EXPENSES					
Extraordinary income			170	91	2 423
Extraordinary income			180	(281)	(1 184)
Earnings (undistributed profit (loss) in the reporting period) (lines 160+170-less line 180)		190	190	1 923 828	548 051
FOR REFERENCE					
Conditional profit tax expense/income			201	(681 947)	(250 152)
Permanent tax liabilities		200	202	(235 717)	(244 096)
Permanent tax assets		200	203		

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

* to be filled out in annual financial statements

Explanation of some profit and loss items

Item description	Item code	Line code	Over the reporting period		Over the same period previous year	
			profit	loss	profit	loss
1	1a	2	3	4	5	6
Fines, damages and late payment charges accepted or for recovery of which relevant court (arbitration court) rulings were handed down		401	8 282	(23 220)	14 159	(21 323)
Profit (loss) of previous years		402	35 074	(33 833)	30 148	(47 410)
Indemnity of damages caused by non-performance or undue performance of obligations		403	4 368	(1 042)	3 963	(985)
Foreign currency translation adjustments (exchange rate differences)		404	32 729	(24 120)	89 666	(24 652)
Allocations to assessed reserves		405	954 269	(110 116)	96 117	(307 183)
Written-off accounts receivable and payable		406	5 141	(5 599)	3 210	(9 761)

Chief Executive _____ S. V. Pridantsev
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1	1a	2	2a	3	4

October 30, 2006