

REPORT
of the internal Audit Commission of Joint-Stock Central Telecommunication Company
on the results of the audit of the results of financial and business activities of the Company,
annual financial statements of the Company and verification of data contained in the annual report
of the Company and annual financial accounts of the Company for 2003.

April 20, 2004

Moscow

Based on the Company's Charter, Regulations on the Audit Commission of Joint-Stock Central Telecommunication Company the internal Audit Commission of Joint-Stock Central Telecommunication Company consisting of the following members:

- I. Prokofieva
- K. Beliaev
- K. Frolov
- L. Greseva
- E. Kukudzhanova

conducted an audit of the accounts for 2003.

The audit was conducted from April 12 through April 16, 2004 of the following:

- credibility of data contained in the annual report and financial statements for 2003;
- arrangements for bookkeeping and accounting, and financial reporting for 2003.

General

Full name of the organization: Joint-Stock Central Telecommunication Company

Abbreviated name: JSC CenterTelecom

Legal address: 23 Proletarskaya street, Khimki, Moscow region, 141400, Russia

Address of the head office: 6 Degtiarny Pereulok, building 2, Moscow, GSP-3, 125993, Russia

Date of the state registration of the Company: July 23, 1997

Principal state registration number: 1025006174710 (as amended and added on November 30, 2002 and March 13, 2003)

Officers responsible for financial and business activities of the Company in the audited period are:

Mr. R. Amaryan, General Director

Ms. R. Konstantinova, Chief Accountant

The general meeting of shareholders is the supreme governing body of the Company; in between the meetings the highest governing body is the Board of Directors with the Board Chairman as the head. The Management Board of JSC CenterTelecom headed by the General Director is the Company's executive body.

The findings of the audit (check):

During the audit it was found that the Company is guided by provisions of the Civil Code of the RF, the Tax Code of RF and other regulations and statutes of the RF in conducting its financial and business activities.

The financial accounts are prepared based on requirements of the Federal Law # 129-FZ On accounting of November 11, 1996 (as subsequently amended and changed), Rules of bookkeeping, accounting and reporting, approved by Order of the Ministry of Finance of the RF #34n of July 29, 1998 (as amended and changed), Order of the Ministry of Finance of the RF #43n of July 6, 1999 On approval of the rules of bookkeeping Accounting of organizations (PBU4/99), Order of the Ministry of Finance of the RF #67n of July 22, 2003 On forms of accounts of organizations.

The audit included verification on a selective basis of supporting documents confirming numbers and clarifications contained in the financial statements.

The Audit Commission of the Company found no significant deviations from adopted rules of bookkeeping and financial account preparation that might materially affect credibility of the accounts.

The financial accounts of JSC CenterTelecom enable provision of comprehensive and fair information on financial and business processes, and results of the Company's activities required for running and management of the Company, and making use of it by investors, suppliers, customers, creditors, and tax, financial and banking authorities and other stakeholders and interested parties.

Statement of conclusion

In the opinion of the Audit Commission members on the results of the audit of financial and business activities of JSC CenterTelecom in 2003 and annual financial statements of JSC CenterTelecom for 2003, the financial statements and accounts are prepared in such a manner as to ensure a true and fair view of assets and

liabilities of the Company as on December 31, 2003 based on provisions of the Federal Law # 129-FZ of November 21, 1996 On accounting, and regulations of the Ministry of Finance of the RF (Orders #34n of July 29, 1998 (as amended and changed), # 43n of July 6, 1999 and #67n of July 22, 2003).

Chairman of the Audit Commission

I. Prokofieva

K. Beliaev

K. Frolov

L. Greseva

Secretary of the Audit Commission

E. Kukudzhanova