

OJSC Rostelecom's Annual Financial Statements for 2004
(the balance sheet and the profit and loss statement)

BALANCE SHEET

as at **December 31, 2004**

Organization: **OJSC Rostelecom**

Taxpayer Identification Number:

Type of Activity: **Telecommunications**

Organizational and legal form/ form of ownership:

Unit of measure: **Thousand rubles**

OKUD Form No. 1
Date (year, month, day)
OKPO code
TIN
OKPD
OKOPF/ OKFS
OKEI code

Codes		
0710001		
01.01.2005		
17514186		
7707049388		
52300		
47		
384		

ASSETS	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	3a	4	5
I. NON-CURRENT ASSETS					
Intangible assets:		110	110	19	18
Patents, licenses, trademarks (service marks), other similar rights and assets		111		19	18
Organization expenses		112		X	X
Goodwill		113		X	X
Fixed assets:	6.1	120	120	15,143,300	18,109,844
Land plots and natural resources		121		586	586
Buildings, plant and equipment		122		7,535,853	11,873,804
Construction in progress	6.1	130	130	4,515,418	2,981,201
Profitable investments in tangible assets:		135	135	0	0
Property for leasing		136		0	0
Property provided under lease contract		137		0	0
Long-term financial investments:	6.2	140	140	3,971,405	3,727,905
Investments		141		3,908,539	3,609,124
Other long-term financial investments		144		62,866	118,781
Differed tax assets		145	145	0	0
Other non-current assets	6.3	150	150	398,925	1,523,394
TOTAL for Section I		190	190	24,029,067	26,342,362
II. CURRENT ASSETS					
Inventories:		210	210	730,211	798,000
Raw materials, consumables, and other assets	6.4	211	211	566,245	590,406
Work in progress costs (distribution costs)	6.4	213	213	11,226	-
Finished products and goods for resale	6.4	214	214	4,520	4,613
Shipped goods		215	215	-	-
Deferred expenses	6.3	216	216	148,220	202,981
Other reserves and expenses		217	217	-	-
Value-added tax on acquired assets		220	220	1,870,176	1,540,008
Accounts receivable (payment expected more than 12 months after the reporting date):		230	230	18,739	17,443
Buyers and customers		231	231	-	-
Bills of exchange receivable				-	-
Accounts receivable from subsidiaries and associates				-	-
Advances issued		232		18,219	17,302
Other debtors		233		520	141
Accounts receivable (payment expected within 12 months after the reporting date):		240	240	8,808,024	6,737,711
Buyers and customers	6.5	241	241	7,225,171	5,856,506
Bills of exchange receivable				-	-
Accounts receivable of subsidiaries and associates				-	-
Advances issued	6.6	242		469,112	348,679
Other debtors	6.6	243		1,113,741	532,526
Amounts owed by participants (founders) in respect of contributions to charter capital		244		X	-

Short-term financial investments:	6.2	250	250	6,627,502	8,756,148
Loans to organizations payable in less than 12 months		251		-	-
Other short-term financial investments		253		6,627,502	8,756,148
Monetary assets:		260	260	1,835,117	404,200
Cash		261		1,546	1,401
Settlement accounts		262		1,595,083	345,678
Foreign-currency accounts		263		235,746	20,767
Other monetary assets		264		2,742	36,354
Other current assets		270	270	22	221
TOTAL for Section II		290	290	19,889,791	18,253,731
BALANCE (sum of lines 190+290)		300	300	43,918,858	44,596,093

LIABILITIES	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	3a	4	5
III. CAPITAL AND RESERVES					
Charter capital	6.7	410	410	2,429	2,429
Own shares redeemed from shareholders	6.8	440	411	-	-
Additional capital		420	420	12,009,157	11,338,295
Reserve capital:		430	430	364	364
Statutory reserves		431	431	364	364
Reserves formed in accordance with foundation documents		432	432	-	-
Social fund		450		X	X
Undistributed profit of previous years		460		14,451,852	13,022,073
Uncovered losses of previous years		465		-	-
Undistributed profit of the reporting year		470	470	-	7,647,735
Uncovered losses of the reporting year		475		-	-
TOTAL for Section III		490	490	26,463,802	32,010,896
IV. LONG-TERM LIABILITIES					
Loans and credits	6.10	510	510	2,124,030	3,167,643
Bank credits repayable more than 12 months after the reporting date		511		173,104	354,396
Loans repayable more than 12 months after the reporting date		512		1,950,926	2,813,247
Deferred tax liabilities	6.11	515	515	588,505	271,523
Other long-term liabilities	6.12	520	520	2,488,443	600,853
TOTAL for Section IV		590	590	5,200,978	4,040,019
V. SHORT-TERM LIABILITIES					
Loans and credits	6.10	610	610	1,715,661	1,286,468
Bank credits repayable within 12 months of the reporting date		611		75,526	151,758
Loans repayable within 12 months of the reporting date		612		1,640,135	1,134,710
Accounts payable		620	620	10,221,799	6,468,373
Suppliers and contractors		621	621	8,791,898	5,142,329
Bills of exchange payable				-	-
Accounts payable to subsidiaries and associates				-	-
Advances received		622	622	96,170	97,166
Amounts owed to employees		623	623	74,829	500
Amounts owed to state extrabudgetary fund		624	624	57,687	57,776
Amounts owed to the budget	6.13.1	625	625	362,312	333,012
Other creditors	6.13.2	626	626	838,903	837,590
Income payable to participants (founders)		630	630	48,518	119,579
Deferred income	6.14	640	640	268,100	231,464
Provisions for expenses	6.15	650	650	-	439,294
Other short-term liabilities		660	660	-	-
TOTAL for Section V		690	690	12,254,078	8,545,178
BALANCE (sum of lines 490 + 590 + 690)		700	700	43,918,858	44,596,093

**STATEMENT
OF ASSETS ON OFF-BALANCE ACCOUNTS**

Item	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1			2	3	4
Rented fixed assets		910	910	2,881	81,388
including leased assets		911	911	1,908	1,980
Valuables in custody		920	920	3,475	1,616
Materials accepted for processing		921		-	-
Equipment accepted for assembly		922		170	160
Consigned goods		930	930	311	549
Bad debts written off as losses		940	940	39,194	152,105
Received security for obligations and payments		950	950	391	3,078
Issued security for obligations and payments		960	960	200,229	2,766,626
Depreciation of housing		970	970	189,620	128,296
Depreciation of amenities and similar facilities		980	980	1,089	1,089
Strict accountability forms		990	990	91	87
Leased fixed assets		991		3,461	-
Implements and economic accessories		992		192,292	197,046
Funds to pay for communications services		993		-	-
Intangible assets received for use		994		-	-

General Director

 s&s **Dmitry Ye. Yerokhin**

Chief Accountant

 s&s **Alexander A. Lutsky**

STATEMENT OF PROFIT AND LOSSES

as at **2004 year**

Organization: **OJSC Rostelecom**

Taxpayer Identification Number:

Type of Activity: **Telecommunications**

Organizational and legal form/ form of ownership:

Unit of measure: **Thousand rubles**

OKUD Form No. 2

Date (year, month, day)

OKPO code

TIN

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OKOPF/ OKFS

OKEI code

Codes

0710002

01.01.2005

17514186

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52300

47

384

Item	Note	Line code	Index code	For the reporting period	For the same period of the preceding year
1	2	3	3a	4	5
I. Income and expenses for usual activities					
Proceeds (net) from sale of goods, products, work, services (less the VAT, excises, and similar obligatory payment):	7.1	010	010	37,470,471	29,927,943
Sale of telecommunication services		011		37,008,916	29,463,456
Cost price of goods, products, work, and service sold	7.2	020	020	(25,550,210)	(20,978,635)
Including telecommunication services		021		(25,101,591)	(20,549,372)
Gross profit		029	029	11,920,261	8,949,308
Trading costs		030		X	X
Management costs		040		X	X
Profit (loss) from sales		050	050	11,920,261	8,949,308
II. Operating income and expenses					
Interest receivable	7.3.1	060	060	491,982	425,194
Interest payable	7.3.2	070	070	(138,924)	(208,699)
Income from participation in other organizations	7.3.1	080	080	73,698	31,005
Other operating income	7.3.1	090	090	22,887,538	17,802,848
Other operating expenses	7.3.2	100	100	(24,527,872)	(16,872,864)
III. Non-sales income and expenses					
Non-sales income	7.4.1	120	120	1,082,473	4,473,281
Non-sales expenses	7.4.2	130	130	(2,008,225)	(3,907,908)
Profit (loss) before tax		140	140	9,780,931	10,692,165
Effective tax on profit	7.6	150	150	(2,875,600)	(2,093,901)
Income (expenses) for deferred tax assets (liabilities)	7.6	151	142	316,982	(691,185)
Profit (loss) from usual activities	7.4.1	160		7,222,313	7,907,079
IV. Extraordinary income and expenses					
Extraordinary income	7.5	170		1,084	-
Extraordinary expenses	7.5	180		(2,128)	(7,755)
Net profit (undistributed profit (loss) for the reporting period)		190	190	7,221,269	7,899,324
FOR INFORMATION					
Permanent tax obligations	7.6	191	200	192,828	238,516
Basic income (loss) per share	7.7	192		8.9189	9.7563
Diluted income (loss) per share	7.7	193		8.9189	9.7563

INDIVIDUAL INCOME AND EXPENSE ITEMS

Item	Line code	For the reporting period		For the same period of the preceding year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, and charges acknowledged by payer or payable pursuant to the decision of a court (arbitral tribunal)	401	8,358	1,391	273,668	515
Accumulated income (loss)	402	149,187	821,100	407,901	624,495
Compensation for losses caused by nonperformance or undue performance of obligations	403	3,874	151	6,436	480
Exchange-rate differences in foreign-exchange operations	404	223	521	25,565	-
Provision expenses	405	40,247	648,034	-	1,567,789
Write-off of receivables and payables upon expiration of limitation period	406	4,977	-	288	26,556

General Director

s&s Dmitry Ye. Yerokhin

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