



ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО  
"ЮЖНАЯ ТЕЛЕКОММУНИКАЦИОННАЯ КОМПАНИЯ"

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телетайп 211407 ЗВУК  
e-mail: operator@mail.stcompany.ru  
Расчетный счет \_\_\_\_\_

БИК \_\_\_\_\_

Кор. счет \_\_\_\_\_

ИНН 2308025192

ОКОНХ 52300, ОКПО 01151037

от 15.07.03 № 04/8 - 505

на № \_\_\_\_\_ от \_\_\_\_\_

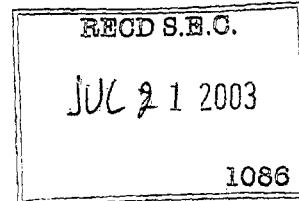
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SECURITIES AND EXCHANGE  
COMMISSION OF THE  
UNITED STATES OF AMERICA



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SUPPL



Gentlemen:

To maintain the effect of the exemption, allowed for PJSC "Southern Telecommunications Company" by Securities and Exchange Commission (USA) under Rule 12g3-2(b), we are forwarding the following documents to you:

1. Quarterly report of the securities' issuer for the first quarter of the year 2003.
2. Reports on material facts affecting the issuer's economic and financial activity (19 reports).
3. List of the Company's affiliated persons as at 1 January 2003.

Yours faithfully,

A. Litvinov,  
Deputy General Director

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82-4721

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**  
INN 2308025192

**Information on the material fact (event, action) affecting the issuer's  
economic and financial activity**

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"**

Location: **66, Karasunskaya St., Krasnodar, 350 000**

The issuer's code: **00062-A**

Date of the fact (event, action): **10 January 2003**

Code of the fact (event, action): **0800062A10012003**

*Assets value as at 1 January 2003: - 16 467 464 thousand rubles*

*Assets value as at 1 October 2002: - 5 270 194 thousand rubles*

*Absolute assets growth constituted 11 197 270 thousand rubles or 212.5%*

*Assets growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts.*

**Deputy General Director**

**A.A. Litvinov**

**Chief Accountant**

**S.G. Fefilova**



*The translation is correct  
Deputy General director*

*A. Litvinov*

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192*

**Information on the material fact (event, action) affecting the issuer's  
economic and financial activity**

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"*

Location: *66, Karasunskaya St., Krasnodar, 350 000*

The issuer's code: *00062-A*

Date of the fact (event, action): *10 January 2003*

Code of the fact (event, action): *0900062A10012003*

*Profit before taxation for the fourth quarter of 2002: - 441 650 thousand rubles*

*Profit before taxation for the third quarter of 2002: - 156 687 thousand rubles*

*Absolute profit growth constituted 284 963 thousand rubles or 181.9%*

*Profit growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts as its branches.*

*Profit before taxation of the merged companies for the nine months of 2002 constituted 523 557 thousand rubles*

*Deputy General Director*

*A.A. Litvinov*

*Chief Accountant*

*S.G. Fefilova*

PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192

**Information on the essential fact (event, action) affecting the issuer's  
economic and financial activity**

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"**

Location: *66, Karasunskaya St., Krasnodar*

The issuer's code: *00062-A*

Date of the occurrence of the fact (event, action): *3.03.2003*

Code of the fact (event, action): *1300062A03032003*

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 3 March 2003 the following resolutions were adopted (Minutes № 6 of 03.03.2003):*

*On the item : "Approval of the Agency contract with OAO "Natsionaljnaya taksofonnaya set" (Black Sea coast), having interested motives".*

- 1. To approve the agency contract on selling prepaid phone cards with OAO "Natsionaljnaya taksofonnaya set", having interested motives, on the following conditions:*
  - to determine the number of cards necessary to fulfill the order of the Principal, the Agent shall make a request for cards and send it to the Principal. Minimum number of the cards of a single request shall be 5000 (five thousand) cards irrespective of the amount of each face-value, indicated in the request;*
  - on the Agent's request the cards shall be sent to the Agent's seat or any other address approved by the parties no later than 30 (thirty) business days from the date of advance payment if later delivery date is not decided in the request;*
  - contract time: 1 (one) year;*
  - the cards are to be sold in the territory of the Black Sea coast of the Russian Federation.*
- 2. To determine the Agent's fee based on market prices as a difference between the cards' release and retail price. Retail price of the cards is determined by the Agent but shall not exceed the release price by more than 10 percent.*

*On the item : "Approval of the Agency contract with OAO "Natsionaljnaya taksofonnaya set, having interested motives".*

- 1. To approve the agency contract on selling prepaid phone cards with OAO "Natsionaljnaya taksofonnaya set", having interested motives, on the following conditions:*
  - to determine the number of cards necessary to fulfill the order of the Principal, the Agent shall make a request for cards and send it to the Principal. Minimum number of the cards of a single request shall be 5000 (five thousand) cards irrespective of the amount of each face-value, indicated in the request;*
  - on the Agent's request the cards shall be delivered to the Agent's seat or any other address approved by the parties no later than 30 (thirty) business days from the date of advance payment if later delivery date is not decided in the request;*
  - to provide the distribution of the cards within the limits of their application time the Agent when sending the request shall make advance payment amounting to 15 (fifteen)*

- *contract time: 1 (one) year;*
  - *the cards are to be sold in all the licensed territory of "UTK" PJSC except for the Black Sea coast of the Russian Federation.*
2. *To determine the Agent's fee based on market prices as a difference between the cards' release and retail price. Retail price of the cards is determined by the Agent but shall not exceed the release price by more than 10 percent.*

*On the item : "Approval of the Lease Agreement with OAO "Natsionaljnaya taksofonnaya set", having interested motives".*

*To approve the Agreement with OAO "NTS" on lease of board set for modernization of card public phone TMGS 15280 (version 5-40) including: safe application block unit for 5 SAM-modules, memory board, module of line protection from unauthorized access from public phones AZT-6, system of remote control of public phones SDUKT-VU "TECHCENTER" (version 1.32) for 750 lines, having interested motives, on the following conditions:*

- *Term of lease – one year with annual automatic prolongation if none of the parties wishes to terminate the Agreement or to conclude a new one;*
- *to determine the size of monthly lease payment based on market prices as a sum of the product of traffic (in tariff units) passed through the public phone cards of the Lessor by the internal price of one tariff unit (0,58 ruble incl. VAT) and the product of traffic (in tariff units) passed through the public phone cards of the Lessee by the internal price of one tariff unit (0,06 ruble incl. VAT).*

*10 out of 11 members of the Board of Directors took part in the voting. There was a quorum for conducting the Board of Directors' meeting. 8 directors voted in favor of the resolutions, 2 directors (Vasilyev M.B., Dudchenko V.V.) voted against the resolutions.*

*Deputy General Director*

*A.A. Litvinov*

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192*

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Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

***PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"***

*Location: 66, Karasunskaya Str., Krasnodar, 350 000*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 11.03.2003*

*Code of the fact (event, action): 0300062A110352003*

***Shareholder: Closed Joint-Stock Company "ABR AMRO BANK A. O." – nominal holder***

***Location: 17/1 Bolshaya Nikitskaya Str., Moscow, 103009***

***Postal address: 17/1 Bolshaya Nikitskaya Str., Moscow, 103009***

***Share in the charter capital before change: 5,3236 %***

***Share in the charter capital after change: 4,9104%***

***Date of change: 11.03.2003***

***Deputy General Director***

***A.A.Litvinov***

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192*

**Information on the essential fact (event, action) affecting the issuer's  
economic and financial activity**

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 25.03.2003*

*Code of the fact (event, action): 0400062A25032003*

*Limited Company "UTK-Finance".*

*Seat and postal address: 66, Karasunskaya Str., Krasnodar, 350 000*

*"UTK" PJSC's share in the charter capital of "UTK-Finance" Ltd: 0% - before the change,  
100% - after the change.*

*Date of the change: 25 March 2003*

*Deputy General Director*

*A.A. Litvinov*

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192*

**Information on the material fact (event, action) affecting the issuer's  
economic and financial activity**

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"*

Location: *66, Karasunskaya St., Krasnodar, 350 000*  
The issuer's code: *00062-A*

Date of the fact (event, action): *26.03.2003*  
Code of the fact (event, action): *1500062A26032003*

*About the date of making a list of shareholders entitled to take part in the Annual General Shareholders' Meeting.*

*The date, when the Board of Directors adopted the resolution on the date of making a list of shareholders entitled to take part in the Annual General Shareholders' Meeting and to receive dividends for the year 2002 is 26 March 2003 (Minutes № 9 of 26.03.2003).*

*The date of making a list of shareholders (record day) is 8 May 2003.*

*Date of the Annual General Shareholders' Meeting is 25 June 2003.*

*Deputy General Director*

*A.A. Litvinov*



*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"  
INN 2308025192*

**Information on the material fact (event, action) affecting the issuer's  
economic and financial activity**

*PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"*

Location: *66, Karasunskaya St., Krasnodar, 350 000*  
The issuer's code: *00062-A*

Date of the fact (event, action): *26.03.2003*  
Code of the fact (event, action): *1300062A26032003*

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 26 March 2003 the following resolutions were adopted (Minutes № 9 of 26.03.2003):*

- 1. To call an Annual General Shareholders' Meeting of "Southern Telecommunications Company" PJSC in the form of shareholders' joint personal presence.*
- 2. To determine its:*
  - date: 25 June 2003*
  - venue: "Health-care complex "Orbita" CJSC, Olginka, Tuapse region, Krasnodar Territory*
  - time: 11:00, Moscow time, 25 June 2003*
  - starting time of shareholders' registration: 9:00 Moscow time, 25 June 2003.*
- 3. To determine 8 May 2003 as the record date for "UTK" PJSC's shareholders entitled to participate in the Annual General Shareholders' Meeting and to receive dividends for the year 2002.*
- 4. To determine Postal address for sending filled voting papers: 66, Karasunskaya Street, Krasnodar, 350 000.*

*10 out of 11 members of the Board took part in the voting. There was a quorum for conducting the Board of Directors' meeting.  
The resolutions were approved by a solid vote.*

*Deputy General Director*

*A.A. Litvinov*

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**  
**INN 2308025192**

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Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya Str., Krasnodar, 350 000*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 10.04.2003*

*Code of the fact (event, action): 0800062A100452003*

*Assets value as at 31 March 2003: - 18 660 385 thousand rubles*

*Assets value as at 31 December 2003: - 16 467 464 thousand rubles*

*Absolute assets growth constituted 2 192 921 thousand rubles or 13,3%.*

*Assets growth is caused by fixed assets reappraisal on 31 December, under Company's accounting policy. Given reappraisal is reflected in the Company's opening balance on 1 January 2003.*

*Deputy General Director*

*A.A.Litvinov*

*Chief Accountant*

*T.V. Rusinova*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 22.04.2003*

*Code of the fact (event, action): 1800062A22042003*

*"UTK" PJSC's body which approved the resolution on making a bargain: Board of Directors (Protocol №14 of 8 May 2003).*

*Full registered name of the Contractor:*

*Open Joint Stock Company "RTK-LEASING"*

*Seat: 5, Delegatskaya Str., Moscow, 103091*

*Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110*

*Date of making the bargain: 22 April 2003.*

*Description of the bargain:*

*The Leasing Agreement № 742-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 47 667 805 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 743-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 38 439 995 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 744 -204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 6 799 929 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 745-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 6 118 346 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 2 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 746 -204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 7 101 017 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 747-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 22 922 735 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 2 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 748-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 22 737 828 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;

- *term of delivery of the equipment – 3 quarter of 2003* right of property passes on to the lessee after settlement of all lease payments

*The Leasing Agreement № 749-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 40 186 090 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 750 -204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 18 638 701 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 751-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 16 329 670 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 752 -204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 13 820 012 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**  
**INN 2308025192**

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Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 23.04.2003*

*Code of the fact (event, action): 1800062A23042003*

*"UTK" PJSC's body which approved the resolution on making a bargain: Board of Directors (Protocol №14 of 8 May 2003).*

*Full registered name of the Contractor:*

*Open Joint Stock Company "RTK-LEASING"*

*Seat: 5, Delegatskaya Str., Moscow, 103091*

*Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110*

*Date of making the bargain: 23 April 2003.*

*Description of the bargain:*

*The Leasing Agreement № 753-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 13 404 895 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 754-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 106 875 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 755-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 172 412 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 756-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 8 600 179 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 757-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 11 618 541 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 758-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 44 157 072 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.
- subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;
- term of leasing – 5 (five) years;
- term of delivery of the equipment – 3 quarter of 2003

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 759-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- amount of lease payments – 5 414 473 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and

- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 760-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 32 350 420 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*Deputy General Director*

*A. A. Litvinov*



**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**  
**INN 2308025192**

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Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*  
*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 24.04.2003*  
*Code of the fact (event, action): 1800062A24042003*

*"UTK" PJSC's body which approved the resolution on making a bargain: Board of Directors (Protocol №14 of 8 May 2003).*

*Full registered name of the Contractor:*  
*Open Joint Stock Company "RTK-LEASING"*  
*Seat: 5, Delegatskaya Str., Moscow, 103091*  
*Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110*

*Date of making the bargain: 24 April 2003.*

**Description of the bargain:**

*The Leasing Agreement № 761-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 15 575 065 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 762-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 407 733 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 763-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 407 733 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 764-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 2 478 256 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 765-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 7 840 985 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 766-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 963 595 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 767-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 963 595 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 777-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 51 157 390 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 778-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 27 816 215 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 779-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 50 210 670 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 780-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 7 708 628 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 781-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 39 131 299 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 782-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 1 437 078 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*Deputy General Director*

*A. A. Litvinov*

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**  
**INN 2308025192**

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Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*  
*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 25.04.2003*  
*Code of the fact (event, action): 1800062A25042003*

*"UTK" PJSC's body which approved the resolution on making a bargain: Board of Directors (Protocol №14 of 8 May 2003).*

*Full registered name of the Contractor:*  
*Open Joint Stock Company "RTK-LEASING"*  
*Seat: 5, Delegatskaya Str., Moscow, 103091*  
*Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110*

*Date of making the bargain: 25 April 2003.*

*Description of the bargain:*

*The Leasing Agreement № 768-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 10 724 548 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 769-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 18 233 014 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 770-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 3 353 118 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 771-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 44 927 737 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 772-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 3 249 509 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 773-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 2 349 614 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 774-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 2 606 939 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 775-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 20 427 097 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 2 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*The Leasing Agreement № 776-204/03 with "RTK-LEASING" OJSC was concluded on the following essential conditions:*

- *amount of lease payments – 20 128 145 rubles (ex VAT) based on gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- *subject of an Agreement - leasing of switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC;*
- *term of leasing – 5 (five) years;*
- *term of delivery of the equipment – 3 quarter of 2003*
- *right of property passes on to the lessee after settlement of all lease payments*

*Deputy General Director*

*A. A. Litvinov*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

***PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"***

*Location: 66, Karasunskaya St., Krasnodar, 350 000  
The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 8.05.2003  
Code of the fact (event, action): 1300062A08052003*

***"Southern Telecommunication Company" PJSC informs that at the meeting of its Board of Directors held on 8 May 2003 the following resolutions were adopted (Protocol №14 of 08.05.03)***

***On the first item: "Approval the bargain having interested motives – Leasing Agreement № 742 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 47 667 805 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 742 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 47 667 805 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 3 quarter of 2003***
  - right of property passes on to the lessee after settlement of all lease payments***

***On the second item: "Approval the bargain having interested motives – Leasing Agreement № 743–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 38 439 995 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 743 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 38 439 995 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 2 quarter of 2003***
  - right of property passes on to the lessee after settlement of all lease payments***



*On the third item: "Approval the bargain having interested motives – Leasing Agreement № 744–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 6 799 929 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 744 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 6 799 929 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the fourth item: "Approval the bargain having interested motives – Leasing Agreement № 745 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 6 118 346 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 745 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 6 118 346 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the fifth item: "Approval the bargain having interested motives – Leasing Agreement № 746 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 7 101 017 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 746 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 7 101 017 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the sixth item: "Approval the bargain having interested motives – Leasing Agreement № 747 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 22 922 735 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 747 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 22 922 735 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the seventh item: "Approval the bargain having interested motives – Leasing Agreement № 748 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 22 737 828 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 748 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 22 737 828 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the eighth item: "Approval the bargain having interested motives – Leasing Agreement № 749 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 40 186 090 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 749 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 40 186 090 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the ninth item: "Approval the bargain having interested motives – Leasing Agreement № 750 –204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 18 638 701 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 750 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 18 638 701 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the tenth item: "Approval the bargain having interested motives – Leasing Agreement № 751–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 16 329 670 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 751 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 16 329 670 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the eleventh item: "Approval the bargain having interested motives – Leasing Agreement № 752–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 13 820 012 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 752 –204/03 on 22 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 13 820 012 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the twelfth item: "Approval the bargain having interested motives – Leasing Agreement № 753–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 13 404 895 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 753–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 13 404 895 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the thirteenth item: "Approval the bargain having interested motives – Leasing Agreement № 754–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 106 875 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 754–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 106 875 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the fourteenth item: "Approval the bargain having interested motives – Leasing Agreement № 755–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 172 412 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 755–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 172 412 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the fifteenth item: "Approval the bargain having interested motives – Leasing Agreement № 756–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 8 600 179 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 756–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 8 600 179 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*
  - right of property passes on to the lessee after settlement of all lease payments*

*On the sixteenth item: "Approval the bargain having interested motives – Leasing Agreement № 757.–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "KabBalktelecom" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 11 618 541 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 757–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 11 618 541 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the seventeenth item: "Approval the bargain having interested motives – Leasing Agreement № 758–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Electrosvyaz" Stavropol Territory – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 44 157 072 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 758–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 44 157 072 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the eighteenth item: "Approval the bargain having interested motives – Leasing Agreement № 759–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 5 414 473 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 759–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 5 414 473 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the nineteenth item: "Approval the bargain having interested motives – Leasing Agreement № 760–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 35 350 420 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 760–204/03 on 23 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 35 350 420 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twentieth item: "Approval the bargain having interested motives – Leasing Agreement № 761–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 15 575 065 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 761–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 15 575 065 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty first item: "Approval the bargain having interested motives – Leasing Agreement № 762–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 407 733 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 762–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 407 733 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty second item: "Approval the bargain having interested motives – Leasing Agreement № 763–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 407 733 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 763–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 407 733 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty third item: "Approval the bargain having interested motives – Leasing Agreement № 764–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 2 478 256 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 764–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 2 478 256 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty fourth item: "Approval the bargain having interested motives – Leasing Agreement № 765–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 7 840 985 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 765–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 7 840 985 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty fifth item: "Approval the bargain having interested motives – Leasing Agreement № 766–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 963 595 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 766–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 963 595 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty sixth item: "Approval the bargain having interested motives – Leasing Agreement № 767–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 963 595 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 767–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 963 595 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*



*On the twenty seventh item: "Approval the bargain having interested motives – Leasing Agreement № 768–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 10 724 548 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 768–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 10 724 548 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty eighth item: "Approval the bargain having interested motives – Leasing Agreement № 769–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 18 233 014 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 769–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 18 233 014 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the twenty ninth item: "Approval the bargain having interested motives – Leasing Agreement № 770–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 3 353 118 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 770–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 3 353 118 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

***On the thirtieth item: "Approval the bargain having interested motives – Leasing Agreement № 771–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 44 927 737 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 771–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 44 927 737 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 3 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

***On the thirty first item: "Approval the bargain having interested motives – Leasing Agreement № 772–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 3 249 509 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 772–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 3 249 509 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 2 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

***On the thirty second item: "Approval the bargain having interested motives – Leasing Agreement № 773–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 2 349 614 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 773–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 2 349 614 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 3 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

***On the thirty third item: "Approval the bargain having interested motives – Leasing Agreement № 774–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 2 606 939 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 774–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 2 606 939 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 3 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

***On the thirty fourth item: "Approval the bargain having interested motives – Leasing Agreement № 775–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 20 427 097 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 775–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 20 427 097 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 2 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

***On the thirty fifth item: "Approval the bargain having interested motives – Leasing Agreement № 776–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Rostovelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To determine the price of Agreement amounting to 20 128 145 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 776–204/03 on 25 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 20 128 145 rubles (including VAT)***
  - subject of an Agreement - leasing of switching equipment***
  - term of leasing – 5 (five) years;***
  - term of delivery of the equipment – 3 quarter of 2003***

***right of property passes on to the lessee after settlement of all lease payments***

*On the thirty sixth item: "Approval the bargain having interested motives – Leasing Agreement № 777–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 51 157 390 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 777–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 51 157 390 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the thirty seventh item: "Approval the bargain having interested motives – Leasing Agreement № 778–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 27 816 215 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 778–204/03 on 24 April 2003 with "RTK-LEASING" OJSC -- on the following essential conditions:*
  - amount of lease payments – 27 816 215 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the thirty eighth item: "Approval the bargain having interested motives – Leasing Agreement № 779–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Rostovelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 50 210 670 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 779–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 50 210 670 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 2 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the thirty ninth item: "Approval the bargain having interested motives – Leasing Agreement № 780–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Volgogradelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 7 708 628 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 780–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 7 708 628 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the fortieth item: "Approval the bargain having interested motives – Leasing Agreement № 781–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Rostovelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 39 131 299 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 781–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 39 131 299 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*On the forty first item: "Approval the bargain having interested motives – Leasing Agreement № 782–204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.*

- 1. To determine the price of Agreement amounting to 1 437 078 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.*
- 2. To approve the conclusion of the bargain having interested motives – The Agreement of finance lease of personal assets № 782–204/03 on 24 April 2003 with "RTK-LEASING" OJSC – on the following essential conditions:*
  - amount of lease payments – 1 437 078 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

*right of property passes on to the lessee after settlement of all lease payments*

*10 out 11 members of the Board take part in the voting. There is a quorum for conducting the Board of Director's meeting. 8 directors voted in favor of the resolutions, 2 directors (Vasilyev M.B., Dubchenko V.V.) voted against the resolutions.*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

***PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"***

*Location: 66, Karasunskaya Str., Krasnodar, 350 000*

*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 14.05.2003*

*Code of the fact (event, action): 0500062A14052003*

***Shareholder: Commercial bank "J.P. Morgan Bank International" Ltd – nominal holder***

***Location: 2/1 Paveletskay ploschad, Moscow, 113054***

***Postal address: 2/1 Paveletskay ploschad, Moscow, 113054***

***Share of votes in the company's supreme governing body before change: 4,8051%***

***Share of votes in the Company's supreme governing body after change: 5,001%***

***Date of change: 14.05.2003.***

***Deputy General Director***

***A.A.Litvinov***

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

***PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"***

*Location: 66, Karasunskaya Str., Krasnodar, 350 000  
The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 20.05.2003  
Code of the fact (event, action): 1300062A20052003*

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 29 May 2003 the following resolution were adopted (Protocol №17 of 29.05.2003)*

*I. Agenda of "UTK" PJSC Annual General Shareholders' Meeting includes the following items:*

- 1. Approval of annual report, balance sheet, income statement and allocation of profits and losses based on the results of the reported financial year (2002).*
- 2. Approval of dividend size, form, order and date of payments for each category and type of shares for the year 2002.*
- 3. Election of the members to the Company's Board of Directors.*
- 4. Election of the members to the Company's Auditing Commission.*
- 5. Approval of the Company's auditor for the year 2002.*
- 6. Determination of the size of remuneration to be paid to the members of the Board of Directors.*
- 7. Approval of new edition of Regulations on the procedure for conducting a General Shareholders' Meeting.*

*2. The Company's Board of Directors recommended the Annual General Shareholders' Meeting to pay dividends for the year 2002 amounting to 0,0812 rubles for one ordinary share before August 24, 2003 and 0,1607 rubles for one preference share before December 31, 2003.*

*3. To determine the following percents of deductions for calculation of the size of quarterly and yearly remunerations to the Board of Directors members:*

- 0.006% of sales revenue for the reporting quarter in accordance with the accounting reports of the Company to each member of the Board of Directors;*
- 0.4% of net profit for the reporting year in accordance with the accounting reports of the Company to all members of the Board of Directors;*

*11 out of 11 members of the Board take part in the voting. There is a quorum for conducting the Board of Director's meeting.*

*The resolutions were approved by a solid vote.*

*Deputy General Director*

*A. A. Litvinov*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

***PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"***

*Location: 66, Karasunskaya St., Krasnodar, 350 000  
The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 29.05.2003  
Code of the fact (event, action): 1300062A29052003*

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 29 May 2003 the following resolution were adopted (Protocol №19 of 29.05.2003)*

***On the item: "Approval the bargain having interested motives – Leasing Agreement № 742 – 204/03 with "RTK-LEASING" OJSC on delivery of the switching equipment for "Kubanelectrosvyaz" – branch of "UTK" PJSC.***

- 1. To approve the bargain having interested motives with taking into account remarks mentioned above – The Agreement of finance lease of personal assets № 837 –204/03 with "RTK-LEASING" OJSC – on the following essential conditions:***
  - amount of lease payments – 299 182 425 rubles (including VAT)*
  - subject of an Agreement - leasing of switching equipment*
  - term of leasing – 5 (five) years;*
  - term of delivery of the equipment – 3 quarter of 2003*

***right of property passes on to the lessee after settlement of all lease payments.***

- 2. To determine the price of Agreement amounting to 299 182 425 rubles (including VAT) based on market price of gross leasing rate 19,42 percent per annum (with an allowance for additional expenditure and remunerations) without insurance.***

***11 out 11 members of the Board take part in the voting. There is a quorum for conducting the Board of Director's meeting. 9 directors voted in favor of the resolutions, 2 directors (Vasilyev M.B., Dubchenko V.V.) voted against the resolutions.***

***Deputy General Director***

***A.A.Litvinov***



Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*  
*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 25.06.2003*  
*Code of the fact (event, action): 0100062A25062003*

***The Company's governing organ that was changed: Board of Directors***

***The following persons were elected the members of the Board of Directors:***

- 1) Avdiyants Stanislav Petrosovich. Share in "UTK" PJSC's charter capital : 0%*
- 2) Belov Vadim Yevgenyevich. Share in "UTK" PJSC's charter capital : 0%*
- 3) Vasilyev Mikhail Borisovich. Share in "UTK" PJSC's charter capital : 0%*
- 4) Volkovyskiy Igor Viljgelmovich. Share in "UTK" PJSC's charter capital : 0%*
- 5) Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%*
- 6) Kulikov Denis Viktorovich. Share in "UTK" PJSC's charter capital : 0%*
- 7) Merzlenko Alexander Leonidovich. Share in "UTK" PJSC's charter capital : 0%*
- 8) Romskiy Georgy Alexeevich. Share in "UTK" PJSC's charter capital : 0%*
- 9) Panchenko Stanislav Nikolaevich. Share in "UTK" PJSC's charter capital : 0%*
- 10) Ukhina Irina Petrovna. Share in "UTK" PJSC's charter capital : 0%*
- 11) Shchepilov Andrey Anatoljevich. Share in "UTK" PJSC's charter capital : 0%*

*Date of the change: 25 June 2003*

*The issuer's authorized body, which adopted the resolution being grounds of these changes: Annual General Shareholders' Meeting (Protocol №14 of 25 June 2003).*

***Powers of the following members of the Board of Directors were terminated***

- 1. Avdiyants Stanislav Petrosovich. Share in "UTK" PJSC's charter capital : 0%*
- 2. Belov Vadim Yevgenyevich. Share in "UTK" PJSC's charter capital : 0%*
- 3. Vasilyev Mikhail Borisovich. Share in "UTK" PJSC's charter capital : 0%*
- 4. Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%*
- 5. Dubchenko Vladimir Vladimirovich. Share in "UTK" PJSC's charter capital : 0%*
- 6. Merzlenko Alexander Leonidovich. Share in "UTK" PJSC's charter capital : 0%*
- 7. Romskiy Georgy Alexeevich. Share in "UTK" PJSC's charter capital : 0%*
- 8. Panchenko Stanislav Nikolaevich. Share in "UTK" PJSC's charter capital : 0%*
- 9. Ukhina Irina Petrovna. Share in "UTK" PJSC's charter capital : 0%*
- 10. Filimonova Galina Arsentjevna Share in "UTK" PJSC's charter capital : 0%*
- 11. Shchepilov Andrey Anatoljevich. Share in "UTK" PJSC's charter capital : 0%*

*Date of the change: 25 June 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes: Annual General Shareholders' Meeting (Protocol №14 of 25 June 2003).*

***The Company's governing organ that was changed: Management Board***

***The following persons were elected the members of the Management Board:***

1. *Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%*
2. *Apalko Alexander Valentinovich. Share in "UTK" PJSC's charter capital : 0.0195%*
3. *Devyatkina Lyudmila Ivanovna. Share in "UTK" PJSC's charter capital : 0%*
4. *Ignatenko Ivan Fyodorovich. Share in "UTK" PJSC's charter capital : 0.0346%*
5. *Izyurjev Leonid Mikhailovich. Share in "UTK" PJSC's charter capital : 0.0019%*
6. *Kozhiev Beshtau Kanamatovich. Share in "UTK" PJSC's charter capital : 0.22%*
7. *Korotenko Svetlana Vasilyevna. Share in "UTK" PJSC's charter capital : 0.0159%*
8. *Kruzhkov Viktor Alexandrovich. Share in "UTK" PJSC's charter capital : 0.0844%*
9. *Litvinov Andrey Alexandrovich. Share in "UTK" PJSC's charter capital : 0.00%*
10. *Malova Antonina Mihaylovna. Share in "UTK" PJSC's charter capital : 0.00053%*
11. *Poyarkov Evgueniy Nikolaevich. Share in "UTK" PJSC's charter capital : 0.00%*
12. *Prachkin Alexsei Petrovich. Share in "UTK" PJSC's charter capital : 0.13%*
13. *Roitblat Alexandr Markovich. Share in "UTK" PJSC's charter capital : 0.01533%*
14. *Rusinova Tatyana Viktorova. Share in "UTK" PJSC's charter capital : 0.00%*
15. *Statuev Vladislav Andreevich. Share in "UTK" PJSC's charter capital : 0.00%*
16. *Fefilova Svetlana Gennedievna. Share in "UTK" PJSC's charter capital : 0.00%*
17. *Harchenko Sergey Nikolaevich. Share in "UTK" PJSC's charter capital : 0.00%*
18. *Chinazirov Yanvar Khadgimusovich. Share in "UTK" PJSC's charter capital: 0.0181%*
19. *Shukhostanov Boris Kistuevich. Share in "UTK" PJSC's charter capital: 0.0000004%*

***Date of the change: 25 June 2003***

***The issuer's authorized body which adopted the resolution being grounds of these changes:  
Board of Directors (Protocol №1 of 25 June 2003).***

***Powers of the following members of the Management Board were terminated***

1. *Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%*
2. *Apalko Alexander Valentinovich. Share in "UTK" PJSC's charter capital : 0.0195%*
3. *Butko Alexander Semyonovich. Share in "UTK" PJSC's charter capital : 0.0048%*
4. *Devyatkina Lyudmila Ivanovna. Share in "UTK" PJSC's charter capital : 0.00%*
5. *Ignatenko Ivan Fyodorovich. Share in "UTK" PJSC's charter capital : 0.0346%*
6. *Izyurjev Leonid Mikhailovich. Share in "UTK" PJSC's charter capital : 0.0019%*
7. *Kozhiev Beshtau Kanamatovich. Share in "UTK" PJSC's charter capital : 0.22%*
8. *Kormilitsina Lyudmila Alexseevna. Share in "UTK" PJSC's charter capital : 0.00%*
9. *Korotenko Svetlana Vasilyevna. Share in "UTK" PJSC's charter capital : 0.0159%*
10. *Kruzhkov Viktor Alexandrovich. Share in "UTK" PJSC's charter capital : 0.0844%*
11. *Litvinov Andrey Alexandrovich. Share in "UTK" PJSC's charter capital : 0.00%*
12. *Malova Antonina Mihaylovna. Share in "UTK" PJSC's charter capital : 0.00053%*
13. *Poyarkov Evgueniy Nikolaevich. Share in "UTK" PJSC's charter capital : 0.00%*
14. *Prachkin Alexsei Petrovich. Share in "UTK" PJSC's charter capital : 0.13%*
15. *Roitblat Alexandr Markovich. Share in "UTK" PJSC's charter capital : 0.01533%*
16. *Rusinova Tatyana Viktorova. Share in "UTK" PJSC's charter capital : 0.00%*
17. *Statuev Vladislav Andreevich. Share in "UTK" PJSC's charter capital : 0.00%*
18. *Ufimov Vladimir Batorovich. Share in "UTK" PJSC's charter capital : 0.031%*
19. *Uhov Valeriy Vasilyevich. Share in "UTK" PJSC's charter capital : 0.77%*
20. *Fefilova Svetlana Gennedievna. Share in "UTK" PJSC's charter capital : 0.00%*
21. *Harchenko Sergey Nikolaevich. Share in "UTK" PJSC's charter capital : 0.00%*

*22. Chinazirov Yanvar Khadgimusovich. Share in "UTK" PJSC's charter capital: 0.0181%*

*23. Shukhostanov Boris Kistuevich. Share in "UTK" PJSC's charter capital: 0.0000004%*  
*Date of the change: 25 June 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes:  
Board of Directors (Protocol №1 of 25 June 2003).*

*Deputy General Director*

*A.A.Litvinov*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*  
*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 25.06.2003*  
*Code of the fact (event, action): 1100062A25062003*

*Class, category (type) of securities: ordinary registered book-entry share*  
*Date of adopting the resolution on dividend payment: 26 June 2003*  
*Date of dividend payment: 31 December 2003 at the latest*  
*The issuer's body which adopted the resolution on dividend payment: Annual General Shareholders' Meeting*  
*Size of dividend paid on each ordinary registered boo-entry share – 0,0812 rubles*  
*Number of ordinary registered book-entry shares on which dividends are to be paid: 2 960 512 964 shares*  
*Form of divided payment: in cash.*

*Class, category (type) of securities: preference registered book-entry type A share*  
*Date of adopting the resolution on dividend payment: 25 June 2003.*  
*Date of dividend payment: 24 December 2003 at the latest*  
*The issuer's body which adopted the resolution on dividend payment: Annual General Shareholders' Meeting*  
*Size of dividend paid on each preferred registered book-entry type A share-0, 1607*  
*Number of preference registered book-entry type A shares on which dividends are to be paid: 972 151 838 shares.*  
*Form in dividend payment: in cash*

*Deputy General Director*

*A.A.Litvinov*

Information on the essential fact (event, action) affecting the issuer's economic and financial activity.

**PUBLIC JOINT STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

*Location: 66, Karasunskaya St., Krasnodar, 350 000*  
*The issuer's code: 00062-A*

*Date of the occurrence of the fact (event, action): 25.06.2003*  
*Code of the fact (event, action): 1200062A25062003*

*Type of General Shareholders' Meeting – Annual*

*Form of the Annual General Shareholders' Meeting – in praesentio (joint personal presence)*

*Date: 25 June 2003.*

*Venue: Olginka, Health complex "Orbita" CJSC, Tuapse District, Krasnodar Territory*

*By the record day of shareholders' entitled to take part in the Annual General Shareholders' Meeting the Company distributed 2 960 512 964 ordinary shares. The Company acquired (repurchased) 0 shares.*

*Total number of the Company's voting shares except for those acquired (repurchased) by the Company constitutes 2 960 512 964 shares.*

*Shareholders owned by the Company's common shares entitled to vote on the agenda items №1, №2, №3, №5, №6, and №7 of the Annual General Shareholders' Meeting of «Southern Telecommunications Company» PJSC.*

*Shareholders owned by "Southern Telecommunication Company" common shares have a vote on item №4 (Election of the members to the Company's Auditing Commission) except members of the Board of Directors or persons holding positions in the Company's governing bodies.*

*As at 11:00 Moscow time shareholders and their proxies owning in the aggregate 2 404 054 975 votes were registered.*

*48 295 663 votes owned by the members of the Board of Directors or persons holding positions in the Company's governing bodies;*

*2 404 054 975 votes (81,20 percent of the total number of the Company's registered voting shares) owned by the shareholders entitled to vote on the agenda items №1, №2, №3, №5, №6, №7.*

*2 356 866 462 votes (or 80,92 percent of the total number of the registered voting shares) owned by shareholders entitled to vote on the agenda item №4 (Election of the members of the Auditing Commission) except voting shares owned by the members of the Board of Directors or persons holding positions in the Company's governing bodies.*

*The quorum for adopting resolutions on the agenda items №1, №2, №3, №5, №6, №7 of the Annual General Shareholders' Meeting is provided by shareholders owing in the aggregate 50 percent of the total number of the Company's registered voting shares, except acquired (repurchased) by the Company.*

The quorum for adopting resolutions on the agenda item №4 of the (Election of the members of the Auditing Commission) is provided by shareholders owing in the aggregate 50 percent of the total number of the Company's registered voting shares, except acquired (repurchased) by the Company or those owned by the members of the Board of Directors or persons holding positions in the Company's governing bodies.

Thus, the Annual General Shareholders' Meeting of "Southern Telecommunications Company" PJSC has a quorum for adopting resolutions on all the agenda items.

As at the moment of the beginning counting of votes 1 522 shareholders and their proxies owning in the aggregate 2 405 333 795 votes were registered.

2 405 333 795 votes owned by shareholders entitled to vote on the agenda items №1, №2, №3, №5, №6, №7.

2 357 917 687 votes owned by shareholders entitled to vote on the agenda items №4 (Election of the members of the Auditing Commission).

*Items put to vote:*

1. Approval of annual report, balance sheet, income statement and allocation of profits and losses based on the results of the reported fiscal year 2002.
2. Approval of dividend size, form, order and date of payments for each category and type of shares for the year 2002.
3. Election of the members to the Company's Board of Directors.
4. Election of the members to the Company's Auditing Commission.
5. Determination of the size of remuneration to be paid to the members of the Company's Board of Directors
6. Approval of the new version of regulations on the procedure for conducting a General Shareholders' Meeting.

*Voting results.*

On the first item: "Approval of annual report, balance sheet, income statement and allocation of profits and losses based on the results of the reported fiscal year 2002."

Total number of votes of shareholders in the list of persons entitled to take part in the General

Shareholders' Meeting and to vote on this item:

2 960 512 964 votes

Total number of votes of shareholders taking part in the General Shareholders' Meeting and

having the right to vote on this item:

2 405 333 792 votes

including:

those having taken part in the voting

2 326 728 892 votes

those votes in the voting papers declared invalid, in aggregate

3 195 659 votes

Number of votes

Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item

"IN FAVOR" 2 303 166 855

95,75%

"AGAINST" 13 103

0,001%

"ABSTAINED FROM VOTING" 20 353 275

0,85%

On the second item: "Approval of dividend size, form, order and date of payments for each category and type of shares for the year 2002."

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:	2 960 512 964 votes	
Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:	2 405 333 792 votes	
including:		
those having taken part in the voting	2 328 991 071 votes	
those votes in the voting papers declared invalid, in aggregate	817 724 votes	
Number of votes		Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR"	2 292 372 393	95,30%
"AGAINST"	15 504 469	0,64%
"ABSTAINED FROM VOTING"	20 296 485	0,84%

On the third item: "Election of the members to the Company's Board of Directors."

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:	2 960 512 964 votes	
Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:	26 458 671 712 votes	
including:		
those having taken part in the voting	26 420 411 866 votes	
those votes in the voting papers declared invalid, in aggregate	90 188 901 votes	
Number of votes		Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR"	26 328 231 655	99,51%
"AGAINST"	417 912	0,001%
"ABSTAINED FROM VOTING"	20 296 485	0,01%

Name of the candidate	Number of votes cast in favor of each candidate
Gorbachev Vladimir Lukich	1 817 421 188
Kulikov Denis Viktorovich	1 928 890 951
Vasilyev Mikhail Borisovich	2 430 932 587
Volkoviskiy Igor Viljgelmovich	2 043 433 485
Ukhina Irina Petrovna	2 025 737 823
Merzlenko Alexander Leonidovich	2 022 231 662
Belov Vadim Yevgenyevich	2 019 256 963
Avdiyants Stanislav Petrovich	2 018 080 160
Panchenko Stanislav Nikolaevich	2 017 368 136

Romskiy Georgy Alexeevich	2 017 206 037
Shcgepilov andrey Anatoljevich	2 013 985 520
Dudchenko Vladimir Vladimirovich	2 004 986 983
Kovalenko Gennadiy Ivanovich	17 511 755
Pemezkov Alexander Alexandrovich	15 897 597
Petrova Oksana Valerjevnan	15 219 066

On the fourth item: "Election of the members to the Company's Auditing Commission,"

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:	2 912 414 391 votes
Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:	2 357 917 687 votes
including: those having taken part in the voting	2 087 563 457 votes

1. Boyarskih Natalia Vladimirovna

Number of votes	Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR" 2 058 053 998	87,28%
"AGAINST" 117 363	0,001%
"ABSTAINED FROM VOTING" 20 460 512	0,87%
"INVALID" 8 790 875	0,37%

2. Gerseva Lyubov Alexandrovna

Number of votes	Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR" 2 057 641 197	87,27%
"AGAINST" 256 737	0,01%
"ABSTAINED FROM VOTING" 20 663 293	0,88%
"INVALID" 8 892 664	0,38%

3. Prokofjeva Irina Viktorovna

Number of votes	Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR" 2 057 682 197	87,27%
"AGAINST" 256 737	0,01%
"ABSTAINED FROM VOTING" 20 663 293	0,88%
"INVALID" 8 892 664	0,38%



1. Kozin Vladimir Vladimirovich

<i>Number of votes</i>	<i>Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item</i>
"IN FAVOR" 2 057 682 999	87,27%
"AGAINST" 215 737	0,01%
"ABSTAINED FROM VOTING" 20 663 293	0,88%
"INVALID" 8 892 664	0,38%

2. Prokofjeva Irina Viktorovna

<i>Number of votes</i>	<i>Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item</i>
"IN FAVOR" 2 054 815 071	87,15%
"AGAINST" 3 194 799	0,14%
"ABSTAINED FROM VOTING" 20 658 743	0,88%
"INVALID" 8 805 135	0,37%

5. Frolov Kirill Viktorovich

<i>Number of votes</i>	<i>Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item</i>
"IN FAVOR" 2 057 678 918	87,15%
"AGAINST" 253 583	0,01%
"ABSTAINED FROM VOTING" 20 672 995	0,88%
"INVALID" 8 888 252	0,38%

On the fifth item: "Approval of the Company's Auditor for the year 2003."

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item: 2 960 512 964 votes

Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item: 2 405 333 792 votes

including:  
 those having taken part in the voting 2 326 476 397 votes

those votes in the voting papers declared invalid, in aggregate 3 102 408 votes

<i>Number of votes</i>	<i>Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item</i>
"IN FAVOR" 2 302 720 246	95,73%
"AGAINST" 5 786	0,001%
"ABSTAINED FROM VOTING" 20 647 957	0,01%

On sixth item: "Determination of the size of remuneration to be paid to the members of the Company's Board of Directors."

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:	2 960 512 964 votes	
Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:	2 405 333 792 votes	
including:		
those having taken part in the voting	2 325 563 480 votes	
those votes in the voting papers declared invalid, in aggregate	1 088 092 votes	
Number of votes		Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR"	2 185 413 027	90,86%
"AGAINST"	111 505 874	0,001%
"ABSTAINED FROM VOTING"	27 556 487	1,15%

On seventh item: "Approval of the new version of regulations on the procedure for conducting a General Shareholders' Meeting."

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:	2 960 512 964 votes	
Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:	2 405 333 792 votes	
including:		
those having taken part in the voting	2 326 365 743 votes	
those votes in the voting papers declared invalid, in aggregate	882 591 votes	
Number of votes		Percent from total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item
"IN FAVOR"	2 172 102 490	90,30%
"AGAINST"	110 953 488	4,61%
"ABSTAINED FROM VOTING"	42 427 174	1,76%

*Resolutions approved:*

*On the first item: Approval of annual report, balance sheet, income statement and allocation of profits and losses based on the results of the reported fiscal year 2002.*

*On the second item:*

*To pay dividends for the year 2002 amounting to:*

- a) 0.1607 ruble in cash for each preference share on 24 August 2003 at the latest;
- b) 0,0812 ruble in cash for each ordinary share on 31 December 2003 at the latest.

*On the third item:*

*To elect the following members of the Board of Directors:*

- Avdiyants Stanislav Petrovich – Executive Director – Director of the Department for Economic and Tariff Policy, "Svyazinvest" PJSC
- Belov Vadim Yevgenyevich - Deputy General Director, "Svyazinvest" PJSC
- Vasilyev Mikhail Borisovich - Head of the Representative Office, "NCH Advisors Inc."
- Volkovyski Igor Vilgelmovich - Head of Administrative Department of the Board of the Presidential Plenipotentiary in the Southern Federal District
- Gorbachev Vladimir Lukich - General Director, "Southern Telecommunications Company" PJSC
- Kulikov Denis Viktorovich - Expert, Investor Protection Association (non-commercial organization), Moscow
- Alexander Leonidovich Merzlenko - Vice-President, "Renaissance – Capital" Ltd.
- Panchenko Stanislav Nikolaevich - Deputy General Director, "Svyazinvest" PJSC
- Romsky Georgy Alekseevich - Deputy General Director, "Svyazinvest" PJSC
- Ukhina Irina Petrovna - Deputy Director, Department of Corporate Management, "Svyazinvest" PJSC
- Shchepilov Andrei Anatolyevich - Senior specialist, Securities Department, "Svyazinvest" PJSC

*On the fourth item:*

*To elect the following members of the Company's Auditing Commission:*

- 1) Boyarskikh Natalia Vladimirovna
- 2) Greseva Andrei Anatolyevich
- 3) Kozin Vladimir Vladimirovich
- 4) Prokofyeva Irina Viktorovna
- 5) Frolov Kirill Viktorovich

*On the fifth item:*

*To approve "Ernst and Young Vneshaudit" CJSC as the Company's auditor.*

*On the eighth item:*

*To determine percent of deductions for calculation of the size of quarterly and yearly remunerations to be paid to the members of the Company's Board of Directors:*

- 0.006% percent of the Company's sale proceeds for the reporting quarter in accordance with the accounting reports of the Company for each members of the Board of Directors.
- 0.4% percent of the Company net profit for the reporting year in accordance with the accounting reports of the Company for all the members of the Board of Directors.

*On the seventh item:*

*To approve the new version of the Regulations on the procedure for conducting a General Shareholders' Meeting.*

*Deputy General Director*


*A.A.Litvinov*

**OPEN JOINT-STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS  
COMPANY"**

66, Karasunskaya Str., Krasnodar, 350 000

**List of affiliated persons as at 1 January 2003**

The affiliated person	Number of the Company's shares belonging to the affiliated person	The affiliated person's holding in the Company charter capital
Name: Belov Vadim Yevguenjevich Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Volkovyski Igor Vilgelmovich Location: Rostov-on-Don Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Gorbachev Vladimir Lukich Location: Krasnodar Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002 Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002 Reason: The Company's individual executive power Date when the reason occurred: May 30,2001	Ordinary: 2 919 565 Preferred: 585 875	0,09%
Name: Yevdokimenko Vitali Mikhailovich Location: Krasnodar Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Zabuzova Elena Viktorovna Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Osipchuk Anton Igorevich Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-


 The translation is correct  
 General director  
 A. Yevduginov

Name: Romski Georgy Alexeevich Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Ukhina Irina Petrovna Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Hern David Alexander Location: Moscow Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	-	-
Name: Apalko Alexander Valentinovich Location: Sochi, Krasnodar Territory Reason: member of the Company Board of Directors Date when the reason occurred: 21 June 2002	Ordinary: 666 862 Preferred: 98 100	0,02%
Name: Ignatenko Ivan Fyodorovich Location: Krasnodar Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002	Ordinary: 1 180 579 Preferred: 180 395	0,03%
Name: Kraev Alexey Olegovich Location: Krasnodar Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002		
Name: Kruzhkov Victor Alexandrovich Location: Krasnodar Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002	Ordinary: 3 051 128 Preferred: 269 775	0,08%
Name: Laskavy Leonid Leontjevich Location: Krasnodar Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002	Ordinary: 2 035 248 Preferred: 291 575	0,06%
Name: Litvinov Andrey Alexandrovich Location: Krasnodar Reason: member of the Company collective executive power Date when the reason occurred: 21 June 2002	-	-

<p>Name: Statuev Vladislav Andreevich  Location: Krasnodar  Reason: member of the Company collective executive power  Date when the reason occurred: 21 June 2002</p>		
<p>Name: Fefilova Svetlana Gennadyevna  Location: Krasnodar  Reason: member of the Company collective executive power  Date when the reason occurred: 21 June 2002</p>		
<p>Name: Kharchenko Sergey Nikolaevich  Location: Krasnodar  Reason: member of the Company collective executive power  Date when the reason occurred: 21 June 2002</p>		
<p>Name: Shipulin Alexander Petrovich  Location: Krasnodar  Reason: member of the Company collective executive power  Date when the reason occurred: 21 June 2002</p>	<p>Ordinary: 1 142 111  Preferred: 261 600</p>	<p>0,04%</p>
<p>Name: CJSC "Insurance company "Kostars"  Location: Room 33-08, 42/3, Leninski prospect, Moscow 117119  Mailing address: 15a, Kalancheevskaya St., Moscow 107078  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company  "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Joint-Stock Commercial Bank of communication and informatization development "Pochtobank"  Location: 68, Lenin St., Perm 614096  Mailing address: 68, Lenin St., Perm 614096  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company  "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Altel"  Location: 54 B, Lenin prospect, Barnaul  656099  Mailing address: 54 B, Lenin prospect, Barnaul  656099  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company  "Sibirtelecom"  Date when the reason occurred: 8 December  1995</p>		
<p>Name: CJSC "BRIZ" Ltd.  Location: 17/1, Starokonyushenny per.,  Moscow 121022  Mailing address: 17/1, Starokonyushenny per.,  Moscow 121022  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company  "Central Telegraph"  Date when the reason occurred: 8 December  1995</p>		
<p>Name: CJSC "Bryanskie Sotovie seti"  Location: 9, Karl Marx St., Bryansk 241000  Mailing address: 9, Karl Marx St., Bryansk  241000  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company  "Central telecommunications company"  Date when the reason occurred: 8 December  1995</p>		
<p>Name: CJSC "Vestelcom"  Location: 26, Sushchovski val, Moscow  127018  Mailing address: 26, Sushchovski val, Moscow  127018  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company  "Rostelecom"  Date when the reason occurred: 8 December  1995</p>		



<p>Name: CJSC "VSNET"  Location: 6, Kukuevitskogo St., Surgut, Hanty-Mansiyski AO, Tyumen Region 626400  Mailing address: 6, Kukuevitskogo St., Surgut, Hanty-Mansiyski AO, Tyumen Region 626400  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Dag. TV-inform"  Location: 3, Lenin prospect, Makhachkala 367012  Mailing address: 3, Lenin prospect, Makhachkala 367012  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Dagsvyazinform"  Date when the reason occurred: 14 August 1996</p>		
<p>Name: CJSC "Dagestanskaya Sotovaya svyaz"  Location: 3, Lenin prospect, Makhachkala 367012  Mailing address: 7, Oskara prospect, Makhachkala 367012  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Dagsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Yeniseitelecom"  Location: 102, Mira prospect, Krasnoyarsk-17 660017  Mailing address: 102, Mira prospect, Krasnoyarsk-17 660017  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Ingenery center"  Location: 16, Kazakova St., Moscow 103064  Mailing address: 16, Kazakova St., Moscow 103064  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company  "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Kaluzhskaya sotovaya svyaz"  Location: 38, Teatralnaya St., Kaluga 248600  Mailing address: 85/2, Nikitina St., Kaluga 248003  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Central telecommunications company"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Kurganski sotovy telefon"  Location: 13, Sverdlova St., Kurgan 640003  Mailing address: a/ya 855 Glavpochtamt, Chita 672000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 6 September 1996</p>		
<p>Name: CJSC "Lakhdenpokhski telefon"  Location: 26, Lenin St., Lakhdenpokhya, Karelia Republic 186730  Mailing address: 2-6, Zakhodskogo St., Lakhdenpokhya, Karelia Republic 186730  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Nizhegorodskaya sotovaya svyaz"  Location: Dom Svyazi, Gorky pl., Nizhni Novgorod 603000  Mailing address: Dom Svyazi, Gorky pl., Nizhni Novgorod 603000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 5 December 1995</p>		
<p>Name: CJSC "Nizhegorodski radiotelephone"  Location: Dom Svyazi, Gorky pl., Nizhni Novgorod 603000  Mailing address: Dom Svyazi, Gorky pl., Nizhni Novgorod 603000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 5 December 1995</p>		
<p>Name: CJSC "Novgorod Deytacom"  Location: 22, Industrialnaya St., Pankovka, Veliki Novgorod  Mailing address: 20, Mikhailova St., Pankovka, Veliki Novgorod 173000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Novocom"  Location: 12, Lenin St., Novosibirsk-99  Mailing address: 12, Lenin St., Novosibirsk-99  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Altayskaya investment company "ALTINCOM"  Location: 96, Paparanintsev St., Barnaul 656049  Mailing address: 96, Paparanintsev St., Barnaul 656049  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Baikalvestcom"  Location: 68, 2-nd Zheleznodorozhnaya St., Irkutsk 664005  Mailing address: 68, 2-nd Zheleznodorozhnaya St., Irkutsk 664005  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Vladimir Teleservice"  Location: 20, Gorokhovaya St., Vladimir 600017  Mailing address: 20, Gorokhovaya St., Vladimir 600017  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Central telegraph"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Vologodskaya sotovaya svyaz"  Location: 109, Zosimovskaya St., Vologda  Mailing address: 109, Zosimovskaya St., Vologda  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Globalstar Kosmicheskie telekomunikatsii" (Globaltel)  Location: 25/2, Dubovaya Roscha St., Moscow 127427  Mailing address: 3/25-5, Sytinski per., Moscow 103104  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Yermak RMS"  Location: 3 Kominterna St., Khanty-Mansiysk 626 200  Mailing address: 3 Kominterna St., Khanty-Mansiysk 626 200  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Ininvest"  Location: 68, Lenin St., Perm 614 096  Mailing address: 32, Gagarin b., Perm 614 000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 11 December 1996</p>		
<p>Name: CJSC "Istok &amp; C"  Location: 23, Geroyev pr., Balakovo, Saratov Region 423 800  Mailing address: 23, Geroyev pr., Balakovo, Saratov Region 423 800  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Kedr RMS"  Location: 61, Sovetski pr., Kemerovo 650 099  Mailing address: 61, Sovetski pr., Kemerovo 650 099  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Mobile telecommunications"  Location: 55-2, Plushchikha St., Moscow 119121  Mailing address: 22, Marxistskaya St., Moscow 109147  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Public Joint Stock Company "Investment Communication Company"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Narodny Telefon Saratov"  Location: 40, Kiselyova St., Saratov 410600  Mailing address: 40, Kiselyova St., Saratov 410600  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint-Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Novosibirskaya sotovaya svyaz-450"  Location: 30, Kamenskaya St., Novosibirsk 630 099  Mailing address: 30, Kamenskaya St., Novosibirsk 630 099  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint-Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Orenburg GSM"  Location: 11, Volodarskogo St., Orenburg 460000  Mailing address: p/ya 2153, Orenburg 460052  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint-Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Primtelefon"  Location: 24, Okeanski pr., Vladivostok 690000  Mailing address: 24, Okeanski pr., Vladivostok 690000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Dalsvyaz"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Pulse Radio Yoshkar-Ola"  Location: 138, Sovetskaya St., Yoshkar-Ola  Mailing address: 138, Sovetskaya St., Yoshkar-Ola  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "ROSPAK"  Location: 2a, Bryusov per., Moscow 103009  Mailing address: 2a, Bryusov per., Moscow 103009  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Rostelecomport"  Location: 22, Oktyabrskaya St., Kingisesht 188 450  Mailing address: 22, Oktyabrskaya St., Kingisesht 188 450  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "RTK-I"  Location: 5, Delegatskaya St., Moscow 103091  Mailing address: 15a, Kalancheevskaya St., Moscow 107078  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "RTK-Center"  Location: 15a, Kalancheevskaya St., Moscow 107078  Mailing address: 15a, Kalancheevskaya St., Moscow 107078  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "RusLeasingSvyaz"  Location: 6, 2-nd Spasonalivkovski per., Moscow 117909  Mailing address: 6, 2-nd Spasonalivkovski per., Moscow 117909  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company " Investment Communications Company"  Date when the reason occurred: 8 December 1995</p>		



<p>Name: CJSC "St. Petersburg telecommunications center"  Location: 30/32 line, 3, Vasilyevski ostrov, St.Petersburg 199 053  Mailing address: 30/32 line, 3, Vasilyevski ostrov, St.Petersburg 199 053  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Saratov-Mobile"  Location: 88/40, Chernyshevskogo St., Saratov 410 004  Mailing address: 88/40, Chernyshevskogo St., Saratov 410 004  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Svyazinformcomplekt"  Location: 4a, Darvin St., Chelyabinsk 454087  Mailing address: 4a, Darvin St., Chelyabinsk 454087  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Svyazproject"  Location: 29/2, Narodnogo Opolcheniya St., Moscow 123154  Mailing address: 29/2, Narodnogo Opolcheniya St., Moscow 123154  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Central Telecommunications Company"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Sibirskie sotovie sistemi-900"  Location: 571, 31, 2-nd Soyuza molodyozhi St., Novosibirsk 630 082  Mailing address: 571, 31, 2-nd Soyuza molodyozhi St., Novosibirsk 630 082  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Sotovaya svyaz Birobidzhana"  Location: 16, 60-letiya SSSR prospect, Biribidzhan 692200  Mailing address: 16, 60-letiya SSSR prospect, Biribidzhan 692200  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Dalsvyaz"  Date when the reason occurred: 15 May 1996</p>		
<p>Name: CJSC "Sotovaya svyaz Mordovii"  Location: 13, Bolshevistskaya St., Saransk Mordovia Republic  Mailing address: 13, Bolshevistskaya St., Saransk Mordovia Republic  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Telebarents"  Location: 37, Parkovaya St., Petrozavodsk 185014  Mailing address: 37, Parkovaya St., Petrozavodsk 185014  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Teleross-Vladivostok"  Location: 36, Praporschika Komarova St., Vladivostok 690000  Mailing address: 36, Praporschika Komarova St., Vladivostok 690000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Dalsvyaz"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "TeleRos-Voronezh"  Location: 35, Revolutsii pr., Voronezh 394000  Mailing address: 35, Revolutsii pr., Voronezh 394000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "TeleRoss-Novosibirsk"  Location: 5, Lenin St., Novosibirsk 930 099  Mailing address: 5, Lenin St., Novosibirsk 930 099  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "TeleRoss-Tyumen"  Location: 61, Respubliki St., Tyumen 625 000  Mailing address: 61, Respubliki St., Tyumen 625 000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Tyumen-Ruscom"  Location: 56, Malygina St., Tyumen 625048  Mailing address: 56, Malygina St., Tyumen 625048  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Ulyanovsk-GSM"  Location: 60, L. Tolstogo St., Ulyanovsk 432 601  Mailing address: 41, Krasnoarmeiskaya St., Ulyanovsk 432063  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 5 May 1998</p>		
<p>Name: CJSC "Usolski telefon"  Location: 69, Mendeleeva St., Usolje-Sibirskoe, Irkutsk Region 665 470  Mailing address: 69, Mendeleeva St., Usolje-Sibirskoe, Irkutsk Region 665 470  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Firma "Permteltelefon"  Location: 45, Podlesnaya St., Perm 614062  Mailing address: 45, Podlesnaya St., Perm 614066  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "FK-svyaz"  Location: 14, Volgogradski prospect, Moscow 109316  Mailing address: 14, Volgogradski prospect, Moscow 109316  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 11 December 1996</p>		
<p>Name: CJSC "Center vnedreniya spetsializirovanyh system"  Location: 161, Kirov St., Chelyabinsk 454005  Mailing address: 161, Kirov St., Chelyabinsk 454000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Tsifrovie telekommunikatsii"  Location: 20a, Gagarin St., Cheboksary 428000  Mailing address: 20a, Gagarin St., Cheboksary 428000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "Chery-Page" SP  Location: 83, K. Ivanov St., Cheboksary 428 018  Mailing address: 83, K. Ivanov St., Cheboksary 428 018  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: 8 December 1995</p>		

<p>Name: CJSC "Yuzhno-Sibirskaya Sotovaya Svyaz"</p> <p>Location: 13, Severo-Zapadnaya St., Barnaul</p> <p>Mailing address: 13 Severo-Zapadnaya St., Barnaul</p> <p>Reason: the person belongs to the group of persons, which the Company belongs to.</p> <p>Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Dalsvyaz"</p> <p>Date when the reason occurred: 8 December 1995</p>		
<p>Name: CJSC "United Telecom Ural"</p> <p>Location: 9, 25-th of October St., Perm 614000</p> <p>Mailing address: 9, 25-th of October St., Perm 614000</p> <p>Reason: the person belongs to the group of persons, which the Company belongs to.</p> <p>Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"</p> <p>Date when the reason occurred: December, 08 1995</p>		
<p>Name: CB "Russki akceptny bank"</p> <p>Location: 15a, Kalancheevskaya St., Moscow 107078</p> <p>Mailing address: 15a, Kalancheevskaya St., Moscow 107078</p> <p>Reason: the person belongs to the group of persons, which the Company belongs to.</p> <p>Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"</p> <p>Date when the reason occurred: December, 08 1995</p>		
<p>Name: NPF "Region-Svyaz"</p> <p>Location: 278, Pushkinskaya St., Izhevsk 426008</p> <p>Mailing address: 278, Pushkinskaya St., Izhevsk 426008</p> <p>Reason: the person belongs to the group of persons, which the Company belongs to.</p> <p>Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"</p> <p>Date when the reason occurred: March, 19 1997</p>		

<p>Name: Non-government Retirement Fund "Svyazist"  Location: 10, Tsvillinga St., Chelyabinsk 454000  Mailing address: 10, Tsvillinga St., Chelyabinsk 454000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: "Perminform" Ltd.  Location: 2, Krupskaya Str., Perm 614 060  Mailing address: 2, Krupskaya Str., Perm 614 060  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: "AMT" Ltd.  Location: 14, Sinopskaya nab., St.Petersburg 191 186  Mailing address: 14, Sinopskaya nab., St.Petersburg 191 186  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: "Bona" Ltd.  Location: 45, Troitski pr., Arkhangelsk 163 061  Mailing address: 45, Troitski pr., Arkhangelsk 163 061  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: December, 08 1995</p>		

<p>Name: Company "Vlad Page" Ltd.  Location:42, Gorky St., Vladimir 600000  Mailing address: 42, Gorky St., Vladimir 600000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: Company "Vladimirski taxofon" Ltd.  Location:32B, Stroiteley pr., Vladimir 600014  Mailing address: 32B, Stroiteley pr., Vladimir 600014  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: Company "Vyatka Page" Ltd.  Location:1, Uralskaya St., Kirov  Mailing address: 115, Oktyabrski pr., Kirov  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: Company "Vyatskaya sotovaya svyaz" Ltd.  Location:1, Uralskaya St., Kirov  Mailing address: 1, Uralskaya St., Kirov  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: December, 08 1995</p>		



<p>Name: Company "Informtek" Ltd.  Location: 7, Sokhanya St., Yalta, Krym,  Ukraine 334200  Mailing address: 7, Sokhanya St., Yalta, Krym,  Ukraine 334200  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "Rostelecom"  Date when the reason occurred: December, 08  1995</p>		
<p>Name: Company "Kamalyascom" Ltd.  Location: 56, Leninskaya St., Petropavlovsk-  Kamchatski 683000  Mailing address: 56, Leninskaya St.,  Petropavlovsk-Kamchatski 683000  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "Dalsvyaz"  Date when the reason occurred: December, 08  1995</p>		
<p>Name: Company "MobilCom" Ltd.  Location: 17, Mira St., Vladimir 600017  Mailing address: 17, Mira St., Vladimir 600017  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom "  Date when the reason occurred: December, 08  1995</p>		
<p>Name: Company "Pagetelecom" Ltd.  Location: 6, Stroiteley pr., Cherepovets  Vologda Region, 162627  Mailing address: 6, Stroiteley pr., Cherepovets  Vologda Region, 162627  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "North-Western  Telecom"  Date when the reason occurred: December 08,  1995</p>		

<p>Name: Company "Permskaya teleradiocompany "Ural Inform TV" Ltd.  Location:2, Krupskaya St., Perm 614060  Mailing address: 2, Krupskaya St., Perm 614060  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Polikomp" Ltd.  Location:24, B.Morskaya St., St.Petersburg  Mailing address: 24, B.Morskaya St., St.Petersburg 191186  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: Company "Radio-Rezonans" Ltd.  Location:8, Okski sjezd, N.Novgorod 603022  Mailing address: 8, Okski sjezd, N.Novgorod 603022  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Sevtelecom" Ltd.  Location:27, Leningradskaya St., Murmansk 183038  Mailing address: 27, Leningradskaya St., Murmansk 183038  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: December 08, 1995</p>		

<p>Name: Company "Telecom-Stroy" Ltd.  Location:92, Parizhskoy Komuny St., Ivanovo 153017  Mailing address: 6, 2-nd Minski per., Ivanovo 153017  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Telecom-Terminal" Ltd.  Location:13, Lenin pr., Ivanovo 153000  Mailing address: 13, Lenin pr., Ivanovo 153000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Tomsktelecom-Nikola Tesla" Ltd.  Location:21, Krylova St., Tomsk 634050  Mailing address: 1, Makrushina St., Tomsk 634040  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Torgovy dom "Electrosvyaz" Ltd.  Location:107, Lenin St., Chita 672076  Mailing address: 107, Lenin St., Chita 672076  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: November 10, 1999</p>		

<p>Name: Company "Torgsvyazi" Ltd.  Location: 129/a, Lenin St., Kirov  Mailing address: 129/a, Lenin St., Kirov  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Tyumentelecom-Invest" Ltd.  Location: 56, Respubliki St., Tyumen 625000  Mailing address: 56, Respubliki St., Tyumen 625000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "Uralsvyazinform"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Udmurtskie sotovie seti-450" Ltd.  Location: 206, Pushkinskaya St., Izhevsk 426034  Mailing address: 206, Pushkinskaya St., Izhevsk 426034  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: February 27 1996</p>		
<p>Name: Company "Centrum" Ltd.  Location: 22, Antikainena St., Petrozavodsk 185000  Mailing address: 22, Antikainena St., Petrozavodsk 185000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to:  Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: December 08, 1995</p>		

<p>Name: Russian-American Joint Venture "Izhcom" Ltd.  Location: 206, K.Marx St., Izhevsk 426057  Mailing address: 206, K.Marx St., Izhevsk 426057  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: Company "Magalyascom" Ltd.  Location: 2-a, Lenin St., Magadan  Mailing address: 2-a, Lenin St., Magadan  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Dalsvyaz"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: Company "ROS" Ltd.  Location: 30, Dzerzhinskogo St., Penza 440062  Mailing address: 30, Dzerzhinskogo St., Penza 440062  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "VolgaTelecom"  Date when the reason occurred: November 03, 1998</p>		
<p>Name: Company "Rostelecom-bezopasnostj" Ltd.  Location: 2/2, Deguninskaya St., Moscow 127486  Mailing address: 2/2, Deguninskaya St., Moscow 127486  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: December 08, 1995</p>		

<p>Name: Company "VolgaTelecom" Ltd.  Location: Dom svyazi, Gorky Square, Nizhni Novgorod 603 000  Mailing address: Dom svyazi, Gorky Square, Nizhni Novgorod 603 000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Svyazinvest"  Date when the reason occurred: December 08, 1995</p>		
<p>Name: PJSC "Giprosvyaz"  Location: 11, 3-d Khoroshevskaya St., Moscow 123298  Mailing address: 11, 3-d Khoroshevskaya St., Moscow 123298  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: OJSC "NGTS-Page"  Location: 15/3, Vystavochnaya St., Novosibirsk-78  Mailing address: 22, Sibiryakov-Gvardeytsev St., Novosibirsk,48  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: PJSC "Rinet"  Location: 86, Kirov St., Novosibirsk 630102  Mailing address: 1, Trudovaya St., Novosibirsk 630102  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: December, 08 1995</p>		

<p>Name: OJSC "Sibirtelecom"  Location: 5, Lenin St., Novosibirsk 630 099  Mailing address: 5, Lenin St., Novosibirsk 630 099  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: OJSC "Stromgeomash"  Location: 35, promzona Lazurnaya, Tver 170 017  Mailing address: 35, promzona Lazurnaya, Tver 170 017  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: OJSC "Uralsvyazinform" Perm Region  Location: 68, Lenin St., Perm 614096  Mailing address: 68, Lenin St., Perm 614096  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: PJSC "AK Mobiltelecom"  Location: 16-a, Sukhe-Bator St., Ulan-Ude Buryatia Republic 670000  Mailing address: 42, Lenin St., Ulan-Ude Buryatia Republic 670000  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Sibirtelecom"  Date when the reason occurred: December 08, 1995</p>		

<p>Name: OJSC "Alternativnie telefonnie seti"  Location: 13-a, Moskovskaya St., Nazran  Ingushetia Republic 366720  Mailing address: 22, Novotorzhskaya St., Tver  170000  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: December, 08  1995</p>		
<p>Name: PJSC "Dagsvyazinform"  Location: 3, Lenin pl., Makhachkala 367012  Mailing address: 3, Lenin pl., Makhachkala  367012  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "Investment  communication company"  Date when the reason occurred: December, 08  1995</p>		
<p>Name: OJSC "Dalsvyaz"  Location: 57, Svetlanskaya St., Vladivostok  690600  Mailing address: 57, Svetlanskaya St.,  Vladivostok 690600  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "Investment  communication company"  Date when the reason occurred: December, 08  1995</p>		
<p>Name: OJSC "Lensvyaz"  Location: 61, B.Morskaya St., St.Petersburg  190000  Mailing address: 61, B.Morskaya St.,  St.Petersburg 190000  Reason: the person belongs to the group of  persons, which the Company belongs to.  Reason of the person's belonging to the group  of persons, which the Company belongs to:  Open Joint Stock Company "Investment  communication company"  Date when the reason occurred: December, 08  1995</p>		



<p>Name: Open Joint-Stock Company "North-Western Telecom"  Location: 24, B.Morskaya St., St. Petersburg 191186  Mailing address: 24, B.Morskaya St., St. Petersburg 191186  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: Open Joint-Stock Company "Central Telecommunications Company"  Location: 23, Proletarskaya St., Khimki, 141 400  Mailing address: 23, Proletarskaya St., Khimki, 141 400  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		
<p>Name: OJSC "Central Telegraph"  Location: 7, Tverskaya St., Moscow 103375  Mailing address: 7, Tverskaya St., Moscow 103375  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Public Joint Stock Company "Investment communication company"  Date when the reason occurred: 8 December, 1995</p>		
<p>Name: OJSC "Rostelecom"  Location: 5, Delegatskaya St., Moscow 103091  Mailing address: 5, Delegatskaya St., Moscow 103091  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Public Joint Stock Company "Investment communication company"  Date when the reason occurred: December, 08 1995</p>		

<p>Name: SP CJSC "Kolatelecom"  Location: 5, Samoilova St., Murmansk 183 038  Mailing address: 5, Samoilova St., Murmansk 183 038  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "North-Western Telecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: Company "Teleport-Ivanovo" Ltd.(TPI)  Location: 90, Tashkentskaya St., Ivanovo 153032  Mailing address: 90, Tashkentskaya St., Ivanovo 153032  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "CenterTelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: SCS-Sovintel" Limited Company JV  Location: building 1-2, 6 Shlyuzovaya nab., Moscow 113114  Mailing address: building 1-2, 6 Shlyuzovaya nab., Moscow 113114  Reason: the person belongs to the group of persons, which the Company belongs to.  Reason of the person's belonging to the group of persons, which the Company belongs to: Open Joint Stock Company "Rostelecom"  Date when the reason occurred: 8 December 1995</p>		
<p>Name: PJSC "Investment Communication Company"  Location: Moscow  Mailing address: 55/2, Plyuschikha St., Moscow 119121  Reason: the person is entitled to control more than 20% of the Company voting shares  Date when the reason occurred: October 10, 1995</p>	<p>Ordinary: 1 500 670 705  Preferred: -</p>	<p>38,16%</p>

<p>Name: CJSC "Armavirski zavod svyazi"  Location: 1a, Urupskaya St., Armavir,  Krasnodar Territory  Mailing address: 1a, Urupskaya St., Armavir,  Krasnodar Territory  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: March 11,  1999</p>		
<p>Name: CJSC "Astrakhan-Mobile"  Location: 37, D.Reed St., Astrakhan 414000  Mailing address: 37, D.Reed St., Astrakhan  414000  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "Volgograd-Mobile"  Location: 13a, Nevskaya St., Volgograd  Mailing address: 13a, Nevskaya St., Volgograd  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "ZanElCom"  Location: 4, Tukhachevskogo St., Stavropol,  Stavropol Territory 355035  Mailing address: 4, Tukhachevskogo St.,  Stavropol, Stavropol Territory 355035  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "Avtocenter-Yug"  Location: 48, Myskhakskoe shosse,  Novorossiysk Krasnodar Territory 353900  Mailing address: 48, Myskhakskoe shosse,  Novorossiysk Krasnodar Territory 353900  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: April 23, 1999</p>		

<p>Name: CJSC "Volgograd-GSM"  Location: 21, Kommunisticheskaya St., Volgograd  Mailing address: 21, Kommunisticheskaya St., Volgograd  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		
<p>Name: CJSC "Interelectrosvyaz"  Location: 5, 19 Partsyezda St., Volzhski, Volgograd Region  Mailing address: 5, 19 Partsyezda St., Volzhski, Volgograd Region  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		
<p>Name: CJSC "Mobilcom"  Location: 14, Gorky St., Vladikavkaz, RSO-A 362040  Mailing address: 14, Gorky St., Vladikavkaz, RSO-A 362040  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		
<p>Name: CJSC "Healthcare complex "Orbita"  Location: Olginka, Tuapse district, Krasnodar Territory  Mailing address: Olginka, Tuapse district, Krasnodar Territory 352840  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: December 18, 2000</p>		
<p>Name: CJSC "Sotovaya svyaz-Alania"  Location: 8a, Butyrina St., Vladikavkaz, RSO-A  Mailing address: 8a, Butyrina St., Vladikavkaz, RSO-A  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		

<p>Name: CJSC "Stavropolskaya sotovaya svyaz"  Location: 7, Komintern St., Stavropol,  Stavropol Territory 355035  Mailing address: 7, Komintern St., Stavropol,  Stavropol Territory 355035  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "Telekino-kompania "Ir"  Location: 2a, Osetinskaya gorka St.,  Vladikavkaz, RSO-A  Mailing address: 2a, Osetinskaya gorka St.,  Vladikavkaz, RSO-A  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "TeleRoss-Volgograd"  Location: 1st floor, 88, Lenin St., Volgograd  400005  Mailing address: 1st floor, 88, Lenin St.,  Volgograd 400005  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "Telesot-Alania"  Location: 47, Kirov St., Vladikavkaz, 362040  Mailing address: 6, Guskaeva St., Vladikavkaz,  RSO-A 362040  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: 31 October  2002</p>		
<p>Name: CJSC "Center of material and technical  provision"  Location: 5/2, Vishnyakovoy St., Krasnodar  Mailing address: 5/2, Vishnyakovoy St.,  Krasnodar 350001  Reason: The Company controls more than  20% of voting shares forming charter capital of  this juridical person  Date when the reason occurred: January 16,  2001</p>		

<p>Name: CJSC "Yugsvyazstroy"  Location: 110/1, Ayvazovskogo St., Krasnodar  Mailing address: 110/1, Ayvazovskogo St., Krasnodar 350040  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: January 24, 2001</p>		
<p>Name: CJSC "TeleRossKubanelectrosvyaz"  Location: 110/1, Ayvazovskogo St., Krasnodar  Mailing address: 110/1, Ayvazovskogo St., Krasnodar  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: January 25, 1995</p>		
<p>Name: "Gilbor-LTD" limited company  Location: 4, Golovko St., Nalchik, Kabardino-Balkarian Republic 360000  Mailing address: 4, Golovko St., Nalchik, Kabardino-Balkarian Republic 360000  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		
<p>Name: "Intmashservice" limited company  Location: 8, Golubinskaya St., Volgograd  Mailing address: 121, Zhukov St., Volgograd 400048  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 30 October 2002</p>		
<p>Name: "Factorial-99" limited company  Location: 47, Bratski per., Rostov-on-Don 344082  Mailing address: 47, Bratski per., Rostov-on-Don 344082  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		

<p>Name: "Private security service "Zaschita-S" limited company  Location: 47/1, Sovetskaya St., Volgograd  Mailing address: 9, Mira St., Volgograd 400131  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 30 October 2002</p>		
<p>Name: "Stavtelecom named after V.I. Kuzminov" Ltd  Location: 10/12, Oktyabrskoi revolyutsii pr., Stavropol, Stavropol Territory 355035  Mailing address: mail box 15/85, 23, Oktyabrskoi revolyutsii pr., Stavropol, Stavropol Territory 355035  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		
<p>Name: Open Joint-Stock Company "Stavropolskoe Kommercheskoe Efirmoe televidenie"  Location: 4, Tkhachevskogo St., Stavropol, Stavropol Territory 355040  Mailing address: 406, Lenin St., Stavropol, Stavropol Territory 355040  Reason: The Company controls more than 20% of voting shares forming charter capital of this juridical person  Date when the reason occurred: 31 October 2002</p>		

General Director

V.L. Gorbachev

APPROVED  
By the Board of Directors of "UTK" PJSC  
Minutes № 14 of 8.05.2003  
Chairman of the Board of Directors V.E.Belov \_\_\_\_\_

**QUARTERLY REPORT**  
**OF THE EMISSIVE SECURITIES' ISSUER**  
**for: I quarter of 2003**

*Public Joint-Stock Company "Southern Telecommunications Company"*

*The issuer's code: 00062-A*

*Location: 66, Karasunskaya St., Krasnodar*  
*Mail address: 66, Karasunskaya St., Krasnodar, 350000*

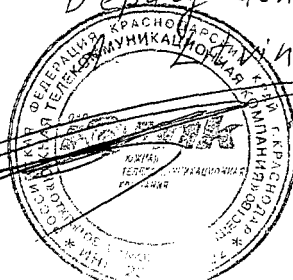
*Information contained in this quarterly report shall be made public in accordance with legislation of the Russian Federation on securities*

General Director V.L. Gorbachev \_\_\_\_\_

Chief Accountant T.V. Rusinova \_\_\_\_\_

Contact person: *Ivan Ivanovich Ignatenko*  
*Acting Director of Securities Department*  
Phone (8612) 53-02-07 Fax: (8612) 53-19-69  
E-mail: *ocb@mail.stcompany.ru*

*The translation is correct*  
*Deputy General director*





УТВЕРЖДЕН  
Совет директоров ОАО "ЮТК"  
Протокол №14 от 8.05.2003

Председатель Совета директоров Белов В.Е.



(подпись)

М.П.

# Е Ж Е К В А Р Т А Л Ь Н Ы Й О Т Ч Е Т

## ЭМИТЕНТА ЭМИССИОННЫХ ЦЕННЫХ БУМАГ

за: I квартал 2003 г

*Открытое акционерное общество "Южная  
телекоммуникационная компания"*

*Код эмитента: 00062-А*

*Место нахождения: 350000, г. Краснодар, ул. Карасунская, 66  
Почтовый адрес: 350000, г. Краснодар, ул. Карасунская, 66*

*Информация, содержащаяся в настоящем ежеквартальном отчете,  
подлежит раскрытию в соответствии с законодательством Российской  
Федерации о ценных бумагах*



Генеральный директор В.Л. Горбачев

(подпись)

Главный бухгалтер Т.В. Русинова

(подпись)

12.05.2003

Контактное лицо: *Игнатенко Иван Иванович*  
*и.о. директора департамента ценных бумаг*  
Тел.: (8612) 53-02-07 Факс: (8612) 53-19-69  
Адрес электронной почты: *ocb@mail.stcompany.ru*

## A. Information about the issuer.

**9. Issuer's full identifying name:**

*Public Joint-Stock Company "Southern Telecommunications Company"*

**10. Abbreviated name:**

*PJSC "UTK"*

**11. Information about the changes in the issuer's name and legal-organizational form.**

*Public Joint-Stock Company "Southern Telecommunications Company"*

*PJSC "UTK"*

Introduced: *28.06.2001*

*Public Joint-Stock Company "Kubanelectrosvyaz"*

*PJSC "Kubanelectrosvyaz"*

Introduced: *6.06.1996*

*Open-type Joint-Stock Company "Kubanelectrosvyaz"*

*OJSC "Kubanelectrosvyaz"*

Introduced: *20.05.1994*

Present-day name was introduced on *28.06.2001*

**12. Information about the issuer's national registration and licenses.**

Date of the issuer's state registration: *20.05.1994*

Certificate of state registration number: *№ 186-p*

Registered by *the Krasnodar Territory Government*

Licenses:

Number: *3035*

Date of issue: *4.11.1996*

Valid till: *1.10.2004*

Issued by: *Ministry of Communications of the Russian Federation.*

Activity category: *Rendering telecommunication services*

Number: *15692*

Date of issue: *8.09.2000*

Valid till: *8.09.2003*

Issued by: *Ministry of Communications of the Russian Federation.*

Activity category: *Rendering paging services*

Number: *17012*

Date of issue: *25.01.2001*

Valid till: *25.01.2006*

Issued by: *Ministry of Communications of the Russian Federation.*

Activity category: *Rendering mobile wireless communication services*

Number: **4031**

Date of issue: **19.11.1999**

Valid till: **19.11.2004**

Issued by: *Federal Television and Radio Broadcast Service*

Activity category: *Radio broadcasting*

Number: **3167**

Date of issue: **20.04.1998**

Valid till: **20.04.2003**

Issued by: *Federal Television and Radio Broadcast Service*

Activity category: *TV and radio broadcasting in the territory of the Russian Federation*

Number: **2169**

Date of issue: **28.06.2000**

Valid till: **28.06.2005**

Issued by: *Ministry of Press, Television and Radio Broadcast and Mass Communication Media of the Russian Federation*

Activity category: *Publishing business*

Number: **GS-3-23-02-22-0-2308025192-001425-4**

Date of issue: **12.04.2002**

Valid till: **12.04.2007**

Issued by: *State Committee of the Russian Federation for Construction and Housing and Communal Services*

Activity category: *Construction of buildings and facilities of the I or II levels of responsibility according to national standard*

Number: **GS-3-23-02-21-0-2308025192-001423-4**

Date of issue: **12.04.2002**

Valid till: **12.04.2007**

Issued by: *State Committee of the Russian Federation for Construction and Housing and Communal Services*

Activity category: *Design of buildings and facilities of the I or II levels of responsibility according to national standard*

Number: **23899**

Date of issue: **04.10.2002**

Valid till: **04.10.2012**

Issued by: *Ministry of the Russian Federation for Communications and Informatics*

Activity category: *Providing services of local and inter-zonal telephony*

Number: 24059  
Date of issue: 24.10.2002  
Valid till: 24.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Providing telegraph services*

Number: 24058  
Date of issue: 24.10.2002  
Valid till: 24.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Providing services of domestic and international long-distance telephony*

Number: 24076  
Date of issue: 31.10.2002  
Valid till: 31.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Providing services of wireless radio communication with mobile objects*

Number: 24062  
Date of issue: 24.10.2002  
Valid till: 24.10.2005  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Providing radio paging services*

Number: 24056  
Date of issue: 24.10.2002  
Valid till: 24.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Providing data transmission services*

Number: 24060  
Date of issue: 24.10.2002  
Valid till: 24.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**  
Activity category: *Offering communication channels for lease*

Number: 24057  
Date of issue: 24.10.2002  
Valid till: 24.10.2007  
Issued by: **Ministry of the Russian Federation for Communications and Informatics**

**Informatics**

Activity category: *Providing telematic services*

Number: **24807**

Date of issue: **31.10.2002**

Valid till: **31.10.2007**

Issued by: **Ministry of the Russian Federation for Communications and Informatics**

Activity category: *Broadcasting sound programs via wired radio network*

**13. Tax-payer identification number:**

**2308025192**

**14. The issuer's sectional belonging.**

Codes OKONH:

**52300**

**15. Location, mail address and contact numbers:**

Location: **66, Karasunskaya St., Krasnodar**

Mail address: **66, Karasunskaya St., Krasnodar, 350000**

Tel: **(8612) 53-20-56** Fax: **(8612) 53-19-69**

E-mail: **ocb@mail.stcompany.ru**

**16. Information about the issuer's auditor.**

Name: **Closed Joint Stock Company "Ernst and Young Vneshaudit"**

Location: **Moscow Russia**

INN: **7717025097**

Mail address: **20/12 Podsosenskiy pereulok, Moscow, 103062**

Tel: **(095) 917-33-06** Fax: **(095) 917-24-10**

E-mail : **lobachov@eycis.com**

Information about the auditor's license:

Number: **E003246**

Date of issue: **17.01.2003**

Valid till: **17.01.2008**

The license is issued by: **Ministry of Finance of the Russian Federation**

**17. Information about the organizations that record the rights to the issuer's securities.**

Registrar:

Name: **Closed Joint-Stock Company "Registrar-Svyaz"**

Location: **27, Presnenskiy Val St., Moscow, 123557**

Mail address: **mail box 45, 15 "A", Kalanchevskaya Str., Moscow, 107078**

Tel: **(095) 975-36-05** Fax: **(095) 975-36-05**

E-mail : **regsw@asvt.ru**

License:

Number: *10-000-1-00258*

Date of issue: *1.10.2002*

Valid till: *Unlimited*

The license is issued by: *Federal Commission on Securities' Market of the Russian Federation*

This Registrar has kept the issuer nominal securities' register since: *1.07.2002*

*Centralized deposit of the issued securities did not take place during the reporting quarter.*

**18. The issuer's depository.**

*Does not exist*

**19. The issuer's shareholders**

Total shareholders' number: *28 059*

Shareholders possessing more than 5% of the issuer's authorized capital:

19.1. Name: *Open Joint Stock Company "Investment communications company"*

Location: *55/2, Pluschikha St., Moscow, 119121*

Mail address: *55/2, Pluschikha St., Moscow, 119121*

The issuer's authorized capital share: *38,16 %*

Shareholders(participants) possessing not less than 25% of the charter capital of the issuer's shareholder:

19.1.1 Name: *Ministry of Property Relations of the Russian Federation*

Location: *9, Nickolski per., Moscow 103685*

Mail address: *9, Nickolski per., Moscow 103685*

The shareholder's charter capital share: *50% + 1*

19.1.2 Name: *Mustcsom Limited*

Location: *3 Themistoklis Dervis Street Julia House CY-1066 Nicosia, Cyprus*

Mail address: *9, Dmitrovskiy pereulok, Moscow, 103 031*

The shareholder's charter capital share: *25% + 1*

19.1.3 Name: *Russian Fund of Federal Property*

Location: *9, Leninski prospect, Moscow, 117 049*

Mail address: *9, Leninski prospect, Moscow, 117 049*

The shareholder's charter capital share: *25% - 2*

19.2. Name: *Closed Joint Stock Company "Depository and Clearing Company"(nominal holder)*

Location: *building 4, 14/2 Staraya Basmannaya St., Moscow, 103064*

Mail address: *building 4, 14/2 Staraya Basmannaya St., Moscow, 103064*

The issuer's authorized capital share: *13.02 % (nominal holder)*

Shareholders(participants) possessing not less than 25% of the charter capital of

the issuer's shareholder: *do not exist*

19.2.1. Name: *Non-commercial partnership "Depository and Clearing Company"*

Location: *building 4, 14/2 Staraya Basmannaya St., Moscow, 103064*

Mail address: *building 4, 14/2 Staraya Basmannaya St., Moscow, 103064*

The shareholder's charter capital share: *50.01 %*

19.2.2. Name: *Joint Stock Commercial bank "Rosbank"*

Location: *11, Mashki Poryvaevoy St., Moscow, 107078*

Mail address: *mail box 208, 11, Mashki Poryvaevoy St., Moscow, 107078*

The shareholder's charter capital share: *28.26 %*

19.3 Name: *"ING Bank (Euroasia)" Closed Joint Stock Company (nominal holder)*

Location: *31, Krasnaya Presnya, Moscow, 123022*

Mail address: *31, Krasnaya Presnya, Moscow, 123022*

The issuer's authorized capital share: *10.29% (nominal shareholder)*

Shareholders(participants) possessing not less than 25% of the charter capital of the issuer's shareholder:

*do not exist*

## **20. The issuer's management structure.**

*Top governing body of the issuer is a General Shareholders' Meeting.*

*Board of Directors is a collective governing body exercising general management of the Company's activity. Board of Directors is elected annually by the General Shareholders' Meeting in number of 11 persons by cumulative voting. The General Shareholders' Meeting is entitled to take a decision on pre-term termination of the Board of Directors' powers. Such resolution can be approved only in regard to all members of the Company's Board of Directors simultaneously. In case of early termination of the Board of Directors' powers, powers of new members of the Board of Directors shall be legal till the next Annual General Shareholders' Meeting.*

*Management Board is the collective executive organ of the Company providing realization of the resolutions adopted by a General Shareholders' Meeting and the Company Board of Directors.*

*Quantitative membership, personal structure of the Management Board is to be approved by the Board of Directors' resolution upon proposal of the General Director and the members of the Company's Board of Directors. Board of Director has the right to adopt resolution on early termination of powers of the members of the Management Board.*

*General Director is the personal executive power exercising management of the Company's current activity. General Director is appointed by the Board of Directors of the Company. General Director acts on behalf of the Company without Power of Attorney. General Director acts as the Chairman of the Company's Management Board. General Director has the right to take decisions on the issues not referred to the exclusive competence of General Shareholders' Meeting, Board of Directors and Management Board pursuant to the present Charter. General Director presides at the General Shareholders' Meeting if not decided otherwise by the Company's Board of Directors.*

*Board of Directors of the Company is entitled to adopt the resolution on pre-term termination of powers of General Director and on cancellation of the Agreement with him*

The General Shareholders' Meeting's terms of reference according to the Company's Charter (constitutive documents) cover:

- 1) making amendments and supplements to the Company's Charter and approving the Charter's new edition (except the cases falling under the Federal Law "On Joint-Stock Companies" to be voted in favour of them by 3/4 of voting shareholders present at the Meeting);*
- 2) the Company's reorganization that shall be voted in favor of it by 75 percent of voting shareholders taking part in the General Shareholders' Meeting;*
- 3) the Company's liquidation, appointing liquidation commission and approving liquidation balances (interim and final ) that shall be voted in favor of them by 75 percent of voting shareholders taking part in the General Shareholders' Meeting;*
- 4) election of the Board of Directors' members by a cumulative voting;*
- 5) early termination of powers of the Board of Director's members that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 6) determining quantity, nominal value, category (type) of the Company's declared shares and rights given to their holders that shall be voted in favor of them by 75 percent of voting shareholders taking part in the General Shareholders' Meeting;*
- 7) increase of the Company's charter capital by increasing the shares' nominal value that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 8) increase of the Company's charter capital by distribution of additional shares by means of public subscription, should the number of additional shares exceed 25 percent of the Company's common shares having been previously distributed, that shall be voted in favor of it by no less than 75 percent of voting shareholders taking part in the General Shareholders' Meeting;*
- 9) increase of the Company's charter capital by distribution of additional shares by means of private subscription, that shall be voted in favor of it by no less than 75 percent of voting shareholders taking part in the General Shareholders' Meeting;*
- 10) reduction of the Company's charter capital by decrease of the shares' nominal value, repurchase of the part of the Company's shares to reduce their total number as well as cancellation of the shares acquired or redeemed by the Company that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 11) election of the members of the Company's Auditing Commission and early termination of their terms of reference that shall be voted in favor of them by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 12) approving the Company's auditor, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 13) approving the Company's annual reports, balance sheets, income and loss statements, allocation of profits and losses including dividend payment that shall be voted in favor of them by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 14) procedure for conducting a General Shareholders' Meeting, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;*
- 15) split-up and consolidation of the Company's shares, that shall be voted in favor of them by majority of voting shareholders taking part in the General Shareholders' Meeting;*



16) taking decision on conclusion of contracts, when there is a self-interest in such contracts, in accordance with Article XI of the Federal law "On Joint Stock Companies";

17) taking decision on concluding large bargains dealing with acquisition, expropriation or possibility of expropriation directly or indirectly of the Company's property value exceeding 50 percent of the balance sheet assets as at the last reported date excluding the bargains to be concluded in the process of the Company's current activity or connected with the distribution by subscription of the Company's common shares and distribution of the issued securities transferable into the Company's common shares, that shall be voted in favor of them by no less than 75 percent of voting shareholders taking part in the General Shareholders' Meeting;

18) participating in holdings, financial and industrial groups, associations and other commercial entities, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;

19) approving internal regulations on functions of the Company's organs, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;

20) distribution of the Company's bonds and other emissive securities transferable into shares if they are distributed by means of private subscription or public subscription, in case the bonds (emissive securities) can be transferred into the Company's common shares exceeding 25 percent of the Company's common shares having been previously distributed, that shall be voted in favor of it by no less than 75 percent of voting shareholders taking part in the General Shareholders' Meeting;

21) reimbursement of the expenses for preparing and conducting an Extraordinary Shareholders' Meeting by the Company in case the Board of Directors violated the current legislation of the Russian Federation and had not approved the resolution on calling an Extraordinary General Shareholders' Meeting and such Meeting was called by other persons. The resolution shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;

22) release of a person who on his own or together with his affiliated persons acquired over 30 percent the Company's registered common shares from obligations to purchase shares from other Company's shareholders, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting with the exception of the votes held by this person or his affiliated persons;

23) delegation of the authority of the Company's individual executive power to the managing organization or the manager, that shall be voted in favor of it by majority of voting shareholders taking part in the General Shareholders' Meeting;

24) other matters stipulated by the Federal law "On Joint Stock Companies" and the present Charter.

*General Shareholders' Meeting shall have the right to take decision on issues mentioned in subparagraphs 2,7,8,9,15-19,23 of the present Charter only upon the presentation of the Board of Directors. Other persons entitled by the current legislation of the Russian Federation to introduce proposals into the agenda of an Annual or Extraordinary General Shareholders' Meeting shall not require from the Board of Directors introduction of the mentioned issues into the Meeting's agenda.*

*General Shareholders' Meeting shall not be entitled to consider and take decisions on matters outside its competence pursuant to the Federal Law "On Joint Stock Companies".*

Board of Directors' terms of reference according to the Company's Charter:

- 1) *Determining the priority directions of the Company's activity including approval of annual budgets, business-plans, the Company's strategies and development programs, making alterations in these documents and considering the results of their realization;*
- 2) *Preliminary approval of transactions exceeding the limits of the Company's annual budget;*
- 3) *Calling Annual and Extraordinary General Shareholders' Meetings except for the cases specified in paragraph 8 of Article 55 of the Federal law "On Joint-Stock Companies";*
- 4) *Approval of a General Shareholders' Meeting's agenda;*
- 5) *Setting record date for shareholders entitled to participate in a General Shareholders' Meeting and other questions referred to the competence of the Board of Directors pursuant to Part VII of the Federal Law "On Joint-Stock Companies" and related to preparing and conducting a General Shareholders' Meeting;*
- 6) *Preliminary approval of the Company's annual report;*
- 7) *increase of the Company's charter capital by distribution of additional shares not exceeding the number of declared shares specified by the present Charter except for the matters pursuant to subparagraphs 8,9 of paragraph 12.2. hereof;*
- 8) *distribution of the Company's bonds and other emissive securities not transferable into the Company's shares under the terms of their distribution;*
- 9) *distribution of the Company's bonds and other emissive securities transferable into shares if the aforesaid bonds (emissive securities) shall be distributed by means of public subscription, and the bonds (emissive securities) may be transferred into the Company's common shares constituting no more than 25 percent of the Company's common stock having already been distributed;*
- 10) *determining property value, price of placement and repurchase of the emissive securities in cases specified by the Federal Law "On Joint-Stock Companies";*
- 11) *approving resolutions on securities' issue, the emissions' prospects and reports on the results of the Company's securities' issue, quarterly reports of the emissive securities' Issuer as well as reports on the results of repurchase of the Company shares for their redemption;*
- 12) *acquisition of the Company's registered shares, bonds and other securities;*
- 13) *approving the Company's Registrar and terms of the Agreement with it, cancellation of the Agreement with the Registrar;*
- 14) *recommendations on size, form and time of dividend payment, approval of internal document on the Company's dividends;*
- 15) *allocation of the Company's reserve and other funds;*
- 16) *supervision of internal control procedures;*
- 17) *recommendations on the amount of remuneration and compensation to be paid to the members of the Company's Auditing Commission, approval of the terms of the Agreement with the Company's Auditor and the amount payable to the Auditor for its services;*
- 18) *approval of the Statute on the Company's branch establishment executing internal control functions, approval of candidate to be appointed head of a branch, considering other issues to be approved by the Board of Directors pursuant to the Statute on the Company's branch establishment*
- 19) *approving transactions dealing with acquisition, expropriation or possibility of expropriation directly or indirectly of the Company's assets value amounting to 0.5 – 25 percent of the Company's balance sheet assets at the last reported date;*

- 20) *approving transactions dealing with acquisition, expropriation or possibility of expropriation directly or indirectly of the Company's assets value amounting to 25 – 50 percent of the Company's balance sheet assets at the last reported date with the exception of the transactions made in the process of regular economic activity, the transactions connected with distribution of the Company's common shares by means of subscription (sale), and transactions connected with distribution of the emissive securities transferable into the Company's common shares;*
- 21) *approving transaction when there is a self-interest in them in cases specified by the Part XI of the Federal Law "On Joint-Stock Companies";*
- 22) *approval of the Company's organizational structure including the main functions of branch establishments;*
- 23) *establishing the Company's branches and representative offices and their liquidation, approving Statutes on branches and representative offices;*
- 24) *preliminary approving candidates to be appointed Directors of a branch or representative office and their dismissal;*
- 25) *approval of annual budgets, development strategies and programs, making alterations in these documents and considering the results of their realization;*
- 26) *appointing the Company's personal executive organ (General Director), determining his term of office and early cessation of his powers;*
- 27) *electing (reelecting) the Board of Director's Chairman and the Vice-chairman;*
- 28) *formation of the Company's collective executive organ (Management Board), determining its term of office and pre-term cessation of powers of the members of the Management Board;*
- 29) *approval of holding of more than one appointment in the administration of other organizations by the person acting as individual executive organ, members of the Management Board;*
- 30) *permitting the person acting as individual executive organ to hold office of profit in other organizations pluralistically;*
- 31) *formation of standing or interim committees of the Board of Directors, approval of their Statutes;*
- 32) *appointment and dismissal of the Company's Corporate Secretary, approval of Statute on the machinery of the Company's Corporate Secretary;*
- 33) *approving terms of contracts (additional agreements), concluded with General Director, members of the Management Board, directors of branches and representative offices, head of the Company's separate division executing functions of internal control, Corporate Secretary; examining cases to be approved by the Board of Directors in accordance with the aforesaid contracts;*
- 34) *approving resolutions on the Company's participation ( joining as a participant, termination of participation, change of share holding) in other organizations by means of selling and buying the shares of other organizations as well as by contributing to their legal capitals;*
- 35) *approving resolutions on the Company's participation in non-commercial organizations, except for the cases stipulated by subparagraph 18 of paragraph 12.2. hereof, by joining as a participant, termination of participation, bringing additional contributions (fees) in relation to the Company's participation in non-commercial organizations;*
- 36) *approving resolutions on the agenda issues of General Shareholders' Meetings of the Company's associated companies (supreme governing bodies of other organizations) in which the Company is the sole participant;*

- 37) *determining the order of the Company's cooperation with organizations in which the Company is a shareholder;*
- 38) *approval of the internal document on disposal (making public) of information about the Company;*
- 39) *approval of other than stipulated in paragraph 13.4 hereof internal regulations on the issues falling within the competence of the Company's Board of Directors except for the issues to be approved by the General Shareholders' Meeting or the Company's executive organs pursuant to the Company's Charter;*
- 40) *other issues specified by the Federal Law "On joint-stock companies" and the present Charter.*

*Issues falling into the exclusive competence of the Board of Directors, shall not be delegated for decision to collective or individual executive body of the Company.*

Individual and collective executive organs' terms of reference according to the Company's Charter:

- 1) *working out proposals on the main directions of the Company's activities including draft budgets, business plans, strategies and development programs, suggestions on making corrections in the aforementioned documents;*
- 2) *approving the internal control procedures;*
- 3) *developing the Company's social and personnel policy;*
- 4) *approving internal document regulating general matters of motivation of labor, examining collective agreements and adopting resolutions on their conclusion;*
- 5) *preparing materials and draft resolutions on issues to be approved by a General Shareholders' Meeting, Board of Directors and filing materials to the committees of the Board of Directors;*
- 6) *organizational and technical support of the activity of the Company bodies;*
- 7) *developing technical, economic, financial and tariff policy of the Company and its branches.*
- 8) *developing accounting policy, controlling the improvement of methodology of management and business accounting and introduction accounting statements on the activity of the Company and its branches in accordance with international accounting standards;*
- 9) *determining the methodology of planning, budgeting and controlling of the Company and its branches;*
- 10) *developing security policy of the Company and its branches;*
- 11) *determining the procedure of allotting assets to a branch and withdrawing the assets owned by a branch;*
- 12) *determining the quantitative structure of the branches' collective executive bodies, appointing their members, pre-term cessation of their powers approving Statute on the collective executive organ of a branch;*
- 13) *preliminary approval of the candidates to be appointed deputy directors, chief accountants of branches and representative offices as well as relieving the aforesaid persons of their positions;*
- 14) *approving terms of contracts (additional agreements), concluded with the members of the collective executive organs of the branches, deputy directors, chief accountants of the branches and representative offices, examining issues to be approved by the Management Board in accordance with the aforesaid contracts;*
- 15) *approving interim (quarterly) budgets of the branches, making alterations in the aforementioned documents;*

*16)analysis of the results of the Company's structural units including separate ones and working out mandatory instructions on improvement of their activity;  
17)approving internal document regulating the issues referred to the competence of the Company's Management Board excluding the documents to be approved by a General Shareholders' Meeting and the Board of Directors.*

*The executive organs' terms of reference cover management of the Company's current activities with the exception of the questions referred to the sole competence of the General Shareholders' Meeting and the Company's Board of Directors.*

*The Company's executive organs ensure realization of the resolutions approved by the Company General Shareholders' Meeting and Board of Directors.*

*Management Board has the right to adopt resolutions on other issues of the Company's current activities on the instructions of the Company's Board of Directors or by proposal of the General Director.*

## **21.Members of the issuer's Board of Directors (supervisory board) .**

Board of Directors

Chairman: *Vadim Yevguenjevich. Belov*

Members of the Board of Directors:

*Vadim Yevguenjevich Belov*

Date of birth: *1958*

Posts held during the last 5 years:

Period: *1998 – 1999*

Company: *"SPK Capital Limited "*

Industry: *Investments*

Post: *Managing director of the Moscow Agency*

Period: *1999--present time*

Company: *"Central Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999-2000*

Company: *"Kirovelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999-2002*

Company: *"Volgogradelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999-2002*  
Company: *"Electrosvyaz" PJSC, Stavropol Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999-2002*  
Company: *"Uralsvyazinform" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 – present time*  
Company: *"Svyazinvest" PJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Period: *1999-2000*  
Company: *"Electrosvyaz" PJSC, Primorski Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999-2001*  
Company: *"Kubanelectrosvyaz" PJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2000 – present time*  
Company: *"Svyazinvest" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2000-present time*  
Company: *"Rostelecom" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-2002*  
Company: *"Uraltelcom" PJSC, Sverdlovsk Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001-2002*  
Company: *"Sibirtelecom" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-2001*

Company: *"Electrosvyaz" PJSC, Novosibirsk Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001-2002*  
Company: *"Electrosvyaz" PJSC, Rostov Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2002-present time*  
Company: *AKB "Svyaz-Bank"*  
Industry: *Banking services*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *"North-Western Telecom" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *"RTC-Invest" CJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2002-2002*  
Company: *"Chelyabinskvyazinform" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *"Uralsvyazinform" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2002-present time*  
Company: *"RTC-Leasing" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *"Central Telegraph" OJSC*  
Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*

Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

*Stanislav Petrosovich Avdiyants*

Date of birth: *1946*

Posts held during the last 5 years:

Period: *1998 – 1999*

Company: *“Svyazinvest” OJSC*

Industry: *Communications*

Post: *Deputy head of the Service for Economics and Finances*

Period: *1999--2000*

Company: *“Svyazinvest” OJSC*

Industry: *Communications*

Post: *Deputy Director of the Economic Forecasting and Consolidated Planning Service*

Period: *1999--2000*

Company: *“Electrosvyaz” OJSC, Kostroma Region*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999--2000*

Company: *“Ekaterinburgskaya telefonnaya set” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999--2001*

Company: *“Svyazinform” OJSC, Chuvashia Republic*

Industry: *Communications*

Post: *Chairman of the Board of Directors*

Period: *2000--2002*

Company: *“Rostelecom” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*



Period: *2000--2001*

Company: *"Svyazinvest" OJSC*

Industry: *Communications*

Post: *Chief executive- Director of the Economic Forecasting and Consolidated Planning Department*

Period: *2000--2002*

Company: *"Electrosvyaz" OJSC, Kostroma Region*

Industry: *Communications*

Post: *Chairman of the Board of Directors*

Period: *2001—present time*

Company: *"Svyazinvest" OJSC*

Industry: *Communications*

Post: *Chief executive- Director of the Economic Planning and Tariff Policy Department*

Period: *2001-present time*

Company: *"Kostromskaya GTS" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2002-2002*

Company: *"Central Telegraph" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2002-2002*

Company: *"Magadansvyazinform" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *"Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*

Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

***Mikhail Borisovich Vasilyev***

Date of birth: *1954*

Posts held during the last 5 years:

Period: *1996 –present time*

Company: *Representative office of the company “NCH Advisors, Inc” in Saint Petersburg*

Industry: *Administration*

Post: *Director*

Period: *2001-present time*

Company: *“Abrasive Plant”Ilyich” OJSC*

Industry: *Production of abrasive tools*

Post: *Member of the Board of Directors*

Period: *2001-present time*

Company: *“Bolshoy Gostiniy Dvor” OJSC*

Industry: *Retail trade of foodstuffs and manufactured goods*

Post: *Member of the Board of Directors*

Period: *2002-present time*

Company: *“Electroapparat” OJSC*

Industry: *Production of high-voltage equipment*

Post: *Member of the Board of Directors*

Period: *2002-present time*

Company: *“Arkhenergo” OJSC*

Industry: *Power engineering and electrification*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer’s authorized capital: *none*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

***Vladimir Lukich Gorbachev***

Date of birth: *1950*

Posts held during the last 5 years:

Period: *1994 – 2001*

Company: *"Kubanelectrosvyaz" PJSC*

Industry: *Communications*

Post: *General Director*

Period: *1996-2001*

Company: *"Kubanelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1996-2001*

Company: *"Kubanelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *1997-2002*

Company: *"Kuban-GSM" CJSC*

Industry: *Cellular communications*

Post: *Chairman of the Board of Directors*

Period: *1998-present time*

Company: *"TeleRoss-Kubanelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2000-2003*

Company: *Association of telecom operators of the Northern Caucasus*

Industry: *Communications*

Post: *President*

Period: *2001-present time*

Company: *"Southern Telecommunications Company" Public Joint Stock Company*

Industry: *Communications*

Post: *General Director*

Period: *2001-present time*

Company: *"Southern Telecommunications Company" Public Joint Stock Company*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *2001-present time*

Company: *"Southern Telecommunications Company" Public Joint Stock Company*

Industry: *Communications*

Post: *Vice-Chairman of the Board of Directors*

Period: *2001-2002*

Company: *"Electrosvyaz of Adygeia Republic" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-2002*  
Company: *"Rostovelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-2002*  
Company: *"Sevosetinelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001-2002*  
Company: *"Volgogradelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001-2002*  
Company: *"Kabardino-Balkarskie telecommunications" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001-2002*  
Company: *"Health-care complex "Orbita" CJSC*  
Industry: *health and resort services*  
Post: *Chairman of the Board of Directors*

Period: *2001-2002*  
Company: *"Electrosvyaz" PJSC, Stavropol Territory*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *"Kuban-GSM" CJSC*  
Industry: *Cellular communications*  
Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *0.0891 %*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *557 963.82*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*

Other property provisions (RUR): *696 933.31*  
Total (RUR): *1 254 897.13*

*Vladimir Vladimirovich Dudchenko*  
Date of birth: *1973*

Posts held during the last 5 years:

Period: *1996–2001*

Company: Representative office of the company “NCH Advisors, Inc” in Moscow

Industry: Consulting

Post: *Advisor*

Period: *2001-present time*

Company: Representative office of the company “NCH Advisors, Inc” in Moscow

Industry: Consulting

Post: *Head of Analytic Department*

Period: *2002-present time*

Company: *“Vladimirenergo” OJSC*

Industry: *Power supply*

Post: *Member of the Board of Directors*

Period: *2002-present time*

Company: *“Kirovenergo” OJSC*

Industry: *Power engineering and electrification*

Post: *Member of the Board of Directors*

Period: *2002-present time*

Company: *“Svyaz” OJSC, Komi Republic*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2002-present time*

Company: *“Konakovskaya GRES” OJSC*

Industry: *Administration*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *“VolgaTelecom” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*  
Company: *"Dalsvyaz" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *0*

*Alexander Leonidovich Merzlenko*  
Date of birth: *1971*

Posts held during the last 5 years:  
Period: *1998 –2000*  
Company: *"Financial broker "Troika Dialog" CJSC*  
Industry: *Finances and investments*  
Post: *Deputy head of the section of investment banking activity*

Period: *2000-2001*  
Company: Representative office of the company "Renaissance Nominees (Cyprus)Limited" in Moscow  
Industry: *Finances and investments*  
Post: *Vice-president of the Department for investment and banking services*

Period: *2001-present time*  
Company: *"Renaissance Capital – Financial Advisor" OJSC*  
Industry: *Finances and investments*  
Post: *Deputy General Director*

Period: *2003-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*

Other property provisions (RUR): 0  
Total (RUR): 0

**Stanislav Nikolaevich Panchenko**  
Date of birth: 1945

Posts held during the last 5 years:  
Period: *1996-present time*  
Company: *"Svyazinvest" OJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Period: *1999 –present time*  
Company: *"Rostelecom" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 –present time*  
Company: *"Lensvyaz" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 –2001*  
Company: *"PTS" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 –2001*  
Company: *"Saint Petersburg Telegraph" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 –2001*  
Company: *"Saint Petersburg MMT" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 –2000*  
Company: *"Moscow MMT" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –2002*  
Company: *"Electrosvyaz" OJSC, Vladimir Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001–2002*  
Company: *"Electrosvyaz" OJSC, Rostov Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001–2002*  
Company: *"Lipetskelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001–2002*  
Company: *"Nizhegorodsvyazinform" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001–2002*  
Company: *"Electrosvyaz" OJSC, Stavropol Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001–present time*  
Company: *"Dagsvyazinform" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2002–2002*  
Company: *"Electrosvyaz" OJSC, Vladimir Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2002–2002*  
Company: *"Voronezhsvyazinform" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2003–present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*



Other property provisions (RUR): 0  
Total (RUR): 0

***Georgy Alexeevich Romski***

Date of birth: 1956

Posts held during the last 5 years:

Period: 1995 –2000

Company: *“Saint-Petersburg Long-distance And International telephone” PJSC*

Industry: *communications*

Post: *Technical director*

Period: 2000 –present time

Company: *“Svyazinvest” PJSC*

Industry: *communications*

Post: *Deputy General Director*

Period: 2000 –present time

Company: *“Svyazinvest” PJSC*

Industry: *communications*

Post: *Member of the Management Board*

Period: 2001 –2002

Company: *“Central Telegraph” PJSC*

Industry: *communications*

Post: *Member of the Board of Directors*

Period: 2001 –present time

Company: *“Giprosvyaz” OJSC*

Industry: *communications*

Post: *Chairman of the Board of Directors*

Period: 2001 –2002

Company: *“MGTS” OJSC*

Industry: *communications*

Post: *Member of the Board of Directors*

Period: 2001 –present time

Company: *“Southern Telecommunications Company” PJSC*

Industry: *communications*

Post: *Member of the Board of Directors*

Period: 2001 –2002

Company: *“Electrosvyaz” OJSC, Kaliningrad Region*

Industry: *communications*

Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *“MobiTel” CJSC*  
Industry: *communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *“Globus-Telecom” CJSC*  
Industry: *communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *“SibirTelecom ” OJSC*  
Industry: *communications*  
Post: *Chairman of the Board of Directors*

Period: *2003-present time*  
Company: *“VolgaTelecom ” O-JSC*  
Industry: *communications*  
Post: *Member of the Board of Directors*

Share in the issuer’s authorized capital: *none*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *00*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *0*

*Irina Petrovna Ukhina*  
Date of birth: *1945*

Posts held during the last 5 years:  
Period: *1996 –2001*  
Company: *“Kubanelectrosvyaz” PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1997 –1999*  
Company: *“Svyazinvest” PJSC*  
Industry: *Communications, investments*  
Post: *Deputy Chief of the Department of share portfolio management*

Period: *1998 –2000*

Company: *“Sevosetinelectrosvyaz” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1998 –2002*  
Company: *“Yartelecom” OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1998 –present time*  
Company: *“Svyaz” PJSC, Komi Republic*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1998 –2002*  
Company: *“Electrosvyaz of Adygeia Republic” OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 – present time*  
Company: *“Svyazinvest” PJSC*  
Industry: *Communications*  
Post: *Deputy Director of the Department of Corporate Management*

Period: *2000 –2002*  
Company: *“Murmanelectrosvyaz” OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001 –2002*  
Company: *“Cherepovetselectrosvyaz” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001- 2002*  
Company: *“Bryansksvyazinform” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002 –2002*  
Company: *“Sevosetinelectrosvyaz” OJSC*  
Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2002 –2002*

Company: *“Electrosvyaz” OJSC, Vologda Region*

Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer’s authorized capital: *none*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *00*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

*Galina Arsenyevna Filimonova*

Date of birth: *1938*

Posts held during the last 5 years:

Period: *1997 –1999*

Company: *“Svyazinvest” PJSC*

Industry: *Communications, investments*

Post: *Chief specialist of the Section of proprietary rights provision*

Period: *1999 –present time*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Chief specialist of the Department of Corporate Management*

Period: *1999 –2000*

Company: *“Electrosvyaz” OJSC, Vladimir Region*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999 –2001*

Company: *“Voronezhsvyazinform” OJSC*

Industry: *Communications*

Post: *Chairman of the Board of Directors*

Period: *1999 –2001*

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999 –2001*

Company: *"Karachaevo-Cherkesskelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 –2002*  
Company: *"Tulatelecom" OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 –2001*  
Company: *"Electrosvyaz" OJSC, Krasnoyarsk Territory*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2000 –2002*  
Company: *"Lipetskelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –2002*  
Company: *"Voronezhsvyazinform" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –2002*  
Company: *"Electrosvyaz" OJSC, Tver Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001 –2002*  
Company: *"Ivtelecom" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –2002*  
Company: *"Smolensksvyazinform" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002 –2002*  
Company: *"Electrosvyaz" OJSC, Ryazan Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2003-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*

Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

*Andrei Anatolyevich Shchepilov*

Date of birth: *1977*

Posts held during the last 5 years:

Period: *1999 –1999*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Specialist of the 1<sup>st</sup> category of the Section of Subsidiaries' Reorganization of the Securities' Department*

Period: *1999 –2001*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Senior specialist of the Section of Subsidiaries' Reorganization of the Securities' Department*

Period: *1999 –1999*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Specialist of the 1<sup>st</sup> category of the Securities' Service*

Period: *2001 –2002*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Chief Specialist of the Section of Subsidiaries' Reorganization of the Securities' Department*

Period: *2001 –2002*

Company: *“Electrosvyaz” OJSC, Altay Republic*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001 –2002*

Company: *“AltayTelecom” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2002 – 2003*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Chief Specialist of the Section of Equity markets and Reorganization of the Securities’ Department*

Period: *2003-present time*

Company: *“Svyazinvest” PJSC*

Industry: *Communications*

Post: *Chief Specialist of the Section of Transactions Structuring in equity markets and Privatization*

Period: *2003 –present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Share in the issuer’s authorized capital: *none*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

## **22. The issuer’s individual and collective management organs and their officials.**

Individual executive organ and members of the issuer’s collective executive organ:

*Vladimir Lukich Gorbachev*

Date of birth: *1950*

Posts held during the last 5 years:

Period: *1994 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *General Director*

Period: *1996 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors.*

Period: *1996 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *1997-2002*

Company: *"Kuban-GSM" CJSC*

Industry: *Cellular communications*

Post: *Chairman of the Board of Directors*

Period: *1998-present time*

Company: *"TeleRoss-Kubanelectrosvyaz" PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2000-2003*

Company: *Association of telecom operators of the Northern Caucasus*

Industry: *Communications*

Post: *President*

Period: *2001 –present time*

Company: *"Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *General Director*

Period: *2001-present time*

Company: *"Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *2001-present time*

Company: *"Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Vice-chairman of the Board of Directors*

Period: *2001-2002*

Company: *"Electrosvyaz" OJSC, Adygeia Republic*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001-2002*

Company: *"Rostovelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001-2002*

Company: *"Sevosetinelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Chairman of the Board of Directors*



Period: **2001-2002**  
Company: **"Volgogradelectrosvyaz" OJSC**  
Industry: **Communications**  
Post: **Chairman of the Board of Directors**

Period: **2001-2002**  
Company: **"Kabardino-Balkarskie telecommunications" PJSC**  
Industry: **Communications**  
Post: **Member of the Board of Directors**

Period: **2001-2002**  
Company: **"Health-care complex "Orbita" CJSC**  
Industry: **health and resort services**  
Post: **Chairman of the Board of Directors**

Period: **2001-2002**  
Company: **"Electrosvyaz" PJSC, Stavropol Territory**  
Industry: **Communications**  
Post: **Member of the Board of Directors**

Period: **2002-present time**  
Company: **"Kuban-GSM" CJSC**  
Industry: **Cellular communications**  
Post: **Member of the Board of Directors**

Share in the issuer's authorized capital: **0.0891 %**  
Share in the issuer's branch establishments/subordinate companies: **none**

Rewards paid during the quarter under review:  
Salary (RUR): **557 963.82**  
Bonus payments (RUR): **0**  
Commission (RUR): **0**  
Other property provisions (RUR): **696 933.31**  
Total (RUR): **1 254 897.13**

**Alexander Valentinovich Apalko**  
Date of birth: **1947**

Posts held during the last 5 years:  
Period: **1996 – 2001**  
Company: **"Kubanelectrosvyaz" PJSC**  
Industry: **Communications**  
Post: **Member of the Board of Directors**

Period: **1996 – 2001**

Company: *"Kubanelectrosvyaz" OJSC*  
Industry: *Communications*  
Post: *Deputy General Director – Director of the branch "Sochielectrosvyaz"*

Period: *1997–2002*  
Company: *"Kuban-GSM" CJSC*  
Industry: *Cellular communications*  
Post: *Member of the Board of Directors*

Period: *1999 – 2000*  
Company: *"Kubintersvyaz" CJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001- 2002*  
Company: *Public Joint-Stock Company "Southern Telecommunications Company"*  
Industry: *Communications*  
Post: *"UTK" PJSC Deputy General Director – Director of the branch "Sochielectrosvyaz"*

Period: *2001- 2002*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002 –present time*  
Company: *"Kubanelectrosvyaz"- branch of "UTK" PJSC*  
Industry: *Communications*  
Post: *Deputy General Director of "UTK" PJSC – Head of "Sochielectrosvyaz"*

Period: *2002-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer's authorized capital: *0.0195%*  
Share in the issuer's subsidiaries/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *164 018.96*  
Bonus payments (RUR): *28 046.22*  
Commission (RUR): *0*  
Other property provisions (RUR): *45 000*  
Total (RUR): *237 065.18*

*Alexander Semyonovich Butko*  
Date of birth: *1946*

Posts held during the last 5 years:

Period: *1994 – 2002*

Company: “Karachaevo-Cherkesskelectrosvyaz” OJSC

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1994 – 2002*

Company: “Karachaevo-Cherkesskelectrosvyaz” OJSC

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *1994 – 2002*

Company: “Karachaevo-Cherkesskelectrosvyaz” OJSC

Industry: *Communications*

Post: *General Director*

Period: *2001 –present time*

Company: “*Karachaevo-CherkesskTeleSot*” CJSC

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: “*Southern Telecommunications Company*” PJSC

Industry: *Communications*

Post: *Member of the Management Board*

Period: *2003-present*

Company: “*Karachaevo-Cherkesskelectrosvyaz*” – branch of “*UTK*” PJSC

Industry: *Communications*

Post: “*UTK*” PJSC *Deputy General Director – Director of the branch*

Share in the issuer’s authorized capital: *0.0048%*

Share in the issuer’s subsidiaries/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *150 000*

Bonus payments (RUR): *102 637*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *252 637*

*Lyudmila Ivanovna Devyatkina*

Date of birth: *1955*

Posts held during the last 5 years:

Period: *1997 – 1999*

Company: *"Svyazinvest" OJSC*  
Industry: *Communications*  
Post: *Deputy Chief of Investment Management*

Period: *1999 –2002*  
Company: *"Electrosvyaz" OJSC Pskov Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 –2000*  
Company: *"Kostromskaya GTS" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 –present time*  
Company: *"Svyazinvest" OJSC*  
Industry: *Communications*  
Post: *Deputy Director-Head of the Logistics Section of the Capital investments Department*

Period: *2000 –2001*  
Company: *"Central Telegraph" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 –2002*  
Company: *"Electrosvyaz" OJSC Vladimir region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2003 –present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer's authorized capital: *none*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *0*

*Ivan Fyodorovich Ignatenko*  
Date of birth: *1945*

Posts held during the last 5 years:

Period: *1994 – 1999*

Company: *City Telephone Exchange ,branch of “Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Director*

Period: *1996 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Period: *1996-present time*

Company: *“Kubintersvyaz” CJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999– 2001*

Company: *Krasnodar City Telecommunication Center , branch of “Kubanelectrosvyaz ” PJSC*

Industry: *Communications*

Post: *Director, Deputy General Director of “Kubanelectrosvyaz” JSC*

Period: *1999-2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2000-present time*

Company: *“TeleRoss-Kubanelectrosvyaz” CJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001– 2003*

Company: *Krasnodar City Telecommunication Center , branch of “Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Director, Deputy General Director of “UTK” PJSC*

Period: *2001-present time*

Company: *“Kuban-GSM” CJSC*

Industry: *Cellular communications*

Post: *Member of the Board of Directors*

Period: *2001-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Period: *2003-present time*

Company: *"Kubanelectrosvyaz" – branch of "Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Deputy General Director – Director of the branch*

Share in the issuer's authorized capital: *0,0346%*

Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *201 567.45*

Bonus payments (RUR): *30 816.75*

Commission (RUR): *0*

Other property provisions (RUR): *105 600*

Total (RUR): *337 984.2*

● *Leonid Mikhailovich Izyuryev*

Date of birth: *1952*

Posts held during the last 5 years:

Period: *1998 – 2000*

Company: *Accounting Center – branch of "Volgogradelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Deputy General Director of "Volgogradelectrosvyaz" OJSC – Director of the branch*

Period: *2000 – 2002*

Company: *"Volgogradelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2000 – present time*

Company: *"Volgograd-Mobile" CJSC*

Industry: *Communications*

● Post: *Member of the Board of Directors*

Period: *2000 – present time*

Company: *"Volgograd-GSM" CJSC*

Industry: *Cellular and wireless radio communications*

Post: *Member of the Board of Directors*

Period: *2000 – 2002*

Company: *"Volgogradelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *2000 – 2002*

Company: *"Volgogradelectrosvyaz" OJSC*

Industry: *Communications*

Post: *General Director*

Period: *2003-present time*

Company: *"Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Period: *2003-present time*

Company: *"Volgogradelectrosvyaz" – branch of "Southern Telecommunications Company" PJSC*

Industry: *Communications*

Post: *Deputy General Director of "UTK" PJSC – Director of the branch*

Share in the issuer's authorized capital: *0,0019%*

Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *182 250*

Bonus payments (RUR): *135 000*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *317 250*

*Beshtau Kanamatovich Kozhiev*

Date of birth: *1937*

Posts held during the last 5 years:

Period: *1994 – 2002*

Company: *"Sevosetinelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Chairman of Management Board*

Period: *1994 – 2002*

Company: *"Sevosetinelectrosvyaz" OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1994 – 2002*

Company: *"Sevosetinelectrosvyaz" OJSC*

Industry: *Communications*

Post: *General Director*

Period: *2002 – present time*

Company: *"Telesot-Alania" CJSC*

Industry: *Cellular communications*

Post: *Chairman of the Board of Directors*

Period: *2002 – present time*

Company: *"InvestStart" CJSC*  
Industry: *Trading*  
Post: *Chairman of the Board of Directors*

Period: *2003-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2003-present time*  
Company: *"Sevosetinelectrosvyaz" – branch of "Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Deputy General Director of "UTK" PJSC – Director of the branch*

Share in the issuer's authorized capital: *0.2212%*  
Share in the issuer's branch establishments/subordinate companies:  
Name: *"Telesot-Alaniya" CJST*  
Share: *2%*

Rewards paid during the quarter under review:  
Salary (RUR): *160 000*  
Bonus payments (RUR): *240 000*  
Commission (RUR): *0*  
Other property provisions (RUR): *40 000*  
Total (RUR): *440 000*

*Lyudmila Alekseevna Kormilitsina*  
Date of birth: *1955*

Posts held during the last 5 years:  
Period: *1997 – 1999*  
Company: *"Svyazinvest" OJSC*  
Industry: *Communications*  
Post: *Chief specialist of Telecommunications Service*

Period: *1999 – 2001*  
Company: *"Svyazinvest" OJSC*  
Industry: *Communications*  
Post: *Head of the Section of Telecommunications Department*

Period: *1999 – 2000*  
Company: *"Rostelecom" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1999 – 2002*



Company: *“Yamalelectrosvyaz” OJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 – 2000*  
Company: *“Electrosvyaz” OJSC, Rostov Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2000 – 2002*  
Company: *“Svyazinform” OJSC, Penza Region*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2001 –present time*  
Company: *“Svyazinvest” OJSC*  
Industry: *Communications*  
Post: *Deputy Director of Telecommunications Department*

Period: *2003-present time*  
Company: *“VolgaTelecom” OJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2003-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *none*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *0*  
Bonus payments (RUR): *0*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *0*

*Svetlana Vasilyevna Korotenko*  
Date of birth: *1962.*

Posts held during the last 5 years:  
Period: *1994 – 2000*  
Company: *Vyselki regional communications center – branch of “Kubanelectrosvyaz” OJSC*  
Industry: *Communications*

Post: *Director*

Period: *2000 – 2001*

Company: *Tikhoretsk joint communications center – branch of “Kubanelectrosvyaz” OJSC*

Industry: *Communications*

Post: *Director*

Period: *2001 – 2002*

Company: *Tikhoretsk joint communications center – branch of “UTK” PJSC*

Industry: *Communications*

Post: *Director*

Period: *2002 – present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Deputy General Director*

Period: *2003 – present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *0.0159 %*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *240 500*

Bonus payments (RUR): *109 350*

Commission (RUR): *0*

Other property provisions (RUR): *1 760*

Total (RUR): *351 610*

*Victor Alexandrovich Kruzikov*

Date of birth: *1952*

Posts held during the last 5 years:

Period: *1994 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Deputy General Director for Construction and Investment Policy*

Period: *1996 – 2001*

Company: *“Kubanelectrosvyaz” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Period: *1996 – present time*

Company: *"Kubintersvyaz" CJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *1999 – 2002*  
Company: *"Avtocentre-Yug" CJSC*  
Industry: *car sale and repair*  
Post: *Member of the Board of Directors*

Period: *1999 – 2002*  
Company: *"Armavir communication facilities plant" CJSC*  
Industry: *cable production*  
Post: *Chairman of the Board of Directors*

Period: *2001 – 2002*  
Company: *"Health-care complex "Orbita" CJSC*  
Industry: *resort and health services*  
Post: *Member of the Board of Directors*

Period: *2001 – 2002*  
Company: *"Center of material and technical maintenance" CJSC*  
Industry: *Production*  
Post: *Chairman of the Board of Directors*

Period: *2001 – 2002*  
Company: *"Yugsvyazstroy" CJSC*  
Industry: *Construction*  
Post: *Chairman of the Board of Directors*

Period: *2001 – present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2001 – 2002*  
Company: *"Svyazinform" PJSC, Astrakhan Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002 – 2002*  
Company: *"Electrosvyaz of Adygeia Republic" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2001 – present time*

Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Share in the issuer's authorized capital: *0.0844 %*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *254 800*  
Bonus payments (RUR): *110 560*  
Commission (RUR): *0*  
Other property provisions (RUR): *1 500*  
Total (RUR): *366 860*

*Andrey Alexandrovich Litvinov*  
Date of birth: *1973*

Posts held during the last 5 years:  
Period: *1997 – 2001*  
Company: *"Rostovelectrosvyaz" PJSC*  
Industry: *Communications*  
Post: *Economist, head of securities department*

Period: *2001-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Period: *2001-present time*  
Company: *"Southern Telecommunications Company" PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2002 – 2002*  
Company: *"KabBalktelecom" OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002 – 2002*  
Company: *"Svyazinform" PJSC, Astrakhan Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Share in the issuer's authorized capital: *none*  
Share in the issuer's branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): 223 805.69  
Bonus payments (RUR): 148 680.57  
Commission (RUR): 0  
Other property provisions (RUR): 1 595.18  
Total (RUR): 374 081.44

*Antonida Mikhailovna Malova*

Date of birth: 1954

Posts held during the last 5 years:

Period: 1997 – 2001

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *Financial Director*

Period: 2001 – 2002

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *First Deputy General Director for Economics and Finances*

Period: 2002 –present time

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Deputy General Director*

Period: 2003-present time

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Share in the issuer’s authorized capital: 0,0005 %

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): 188 500

Bonus payments (RUR): 104 950

Commission (RUR): 0

Other property provisions (RUR): 2 200

Total (RUR): 295 650

*Evgeni Nikolaevich Poyarkov*

Date of birth: 1943

Posts held during the last 5 years:

Period: 1999 –present time

Company: *“Svyazinvest” OJSC*

Industry: *Communications*

Post: *Deputy Director of Security Department*

Period: *1999 –1999*

Company: *“Svyazinvest” OJSC*

Industry: *Communications*

Post: *Deputy Head of Security Service*

Period: *2001-2002*

Company: *“Electrosvyaz” OJSC, Vladimir Region*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001-2002*

Company: *“KabBalktelecom” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001-2002*

Company: *“Sevosetinelectrosvyaz” OJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2001- present time*

Company: *“Dagsvyazinform” PJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *none*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *0*

Bonus payments (RUR): *0*

Commission (RUR): *0*

Other property provisions (RUR): *0*

Total (RUR): *0*

*Alexey Petrovich Prachkin*

Date of birth: *1949*

Posts held during the last 5 years:

Period: *1995 – 2002*

Company: *“Svyazinform” OJSC, Astrakhan Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1995 – 2002*  
Company: *“Svyazinform” OJSC, Astrakhan Region*  
Industry: *Communications*  
Post: *Chairman of the Management Board*

Period: *1995 – 2002*  
Company: *“Svyazinform” OJSC, Astrakhan Region*  
Industry: *Communications*  
Post: *General Director*

Period: *1999 –present time*  
Company: *“Astrakhan-Mobile” CJSC*  
Industry: *Communications*  
Post: *Chairman of the Board of Directors*

Period: *2003 –present time*  
Company: *“Svyazinform” Astrakhan Region” – branch of “UTK” PJSC*  
Industry: *Communications*  
Post: *Deputy General Director of “UTK” PJSC – Director of the branch*

Period: *2003-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *0.1319%*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *195 000*  
Bonus payments (RUR): *156 000*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *351 000*

*Alexander Markovich Roitblat*  
Date of birth: *1947*

Posts held during the last 5 years:  
Period: *1997 – 2000*  
Company: *Stavropol Long-distance telephone exchange – branch of “Electrosvyaz” OJSC, Stavropol Territory*  
Industry: *Communications*

Post: *Head*

Period: *2000 – 2002*

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *General Director*

Period: *2000 –2002*

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *Chairman of the Management Board*

Period: *2000 –2002*

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2000 – 2000*

Company: *“Electrosvyaz” OJSC, Stavropol Territory*

Industry: *Communications*

Post: *Acting General Director*

Period: *2001 –present time*

Company: *“StavTeleSot” CJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Period: *2003 –present time*

Company: *“Electrosvyaz” Stavropol Territory” – branch of “UTK” PJSC*

Industry: *Communications*

Post: *Deputy General Shareholders’ Meeting of “UTK” PJSC – Director of the branch*

Share in the issuer’s authorized capital: *0.0153%*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *175 000*

Bonus payments (RUR): *169 160*

Commission (RUR): *0*

Other property provisions (RUR): *57 459.9*

Total (RUR): *402 119.9*



***Vladislav Andreevich Statuev***

Date of birth: ***1956***

Posts held during the last 5 years:

Period: ***1997 – 2001***

Company: ***“Kubanelectrosvyaz” PJSC***

Industry: ***Communications***

Post: ***Head of Security Service***

Period: ***2001-2001***

Company: ***“Southern Telecommunications Company” PJSC***

Industry: ***Communications***

Post: ***Head of Security Service***

Period: ***2001-present time***

Company: ***“Southern Telecommunications Company” PJSC***

Industry: ***Communications***

Post: ***Deputy General Director***

Period: ***2002-present time***

Company: ***“Southern Telecommunications Company” PJSC***

Industry: ***Communications***

Post: ***Member of the Management Board***

Share in the issuer’s authorized capital: ***none***

Share in the issuer’s branch establishments/subordinate companies: ***none***

Rewards paid during the quarter under review:

Salary (RUR): ***237 500***

Bonus payments (RUR): ***109 000***

Commission (RUR): ***0***

Other property provisions (RUR): ***1 671.27***

Total (RUR): ***348 171.27***

***Vladimir Batorovich Ufimov***

Date of birth: ***1955***

Posts held during the last 5 years:

Period: ***1994 – 2002***

Company: ***“Electrosvyaz” OJSC, Kalmykia Republic***

Industry: ***Communications***

Post: ***General Director***

Period: ***1994 –2002***

Company: ***“Electrosvyaz” OJSC, Kalmykia Republic***

Industry: ***Communications***

Post: ***Chairman of the Management Board***

Period: *1994 –2002*  
Company: *“Electrosvyaz” OJSC, Kalmykia Republic*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2003 –present time*  
Company: *“Electrosvyaz” Kalmykia Republic” – branch of “UTK” PJSC*  
Industry: *Communications*  
Post: *Deputy General Shareholders’ Meeting of “UTK” PJSC – Director of the branch*

Period: *2003-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *0.0308%*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *111 689.82*  
Bonus payments (RUR): *35 587*  
Commission (RUR): *0*  
Other property provisions (RUR): *0*  
Total (RUR): *147 276.82*

*Valery Vasilyevich Ukhov*  
Date of birth: *1947*

Posts held during the last 5 years:  
Period: *1995 – 2002*  
Company: *“Electrosvyaz” OJSC, Rostov Region*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1995 – 2002*  
Company: *“Electrosvyaz” OJSC, Rostov Region*  
Industry: *Communications*  
Post: *Chairman of the Management Board*

Period: *1995 – 2002*  
Company: *“Electrosvyaz” OJSC, Rostov Region*  
Industry: *Communications*  
Post: *General Director*

Period: *1998 –2001*

Company: **“Center-Invest” OJSC KB**  
Industry: **Banking services**  
Post: **Member of the Board of Directors**

Period: **1998 – 2002**  
Company: **“Dontelecom” CJSC**  
Industry: **Communications**  
Post: **Member of the Board of Directors**

Period: **2000-present time**  
Company: **Association of telecom operators of the Northern Caucasus**  
Industry: **Communications**  
Post: **Vice-president**

Period: **2003 –present time**  
Company: **“Rostovelectrosvyaz” – branch of “UTK” PJSC**  
Industry: **Communications**  
Post: **Deputy General Shareholders’ Meeting of “UTK” PJSC – Director of the branch**

Period: **2003-present time**  
Company: **“Southern Telecommunications Company” PJSC**  
Industry: **Communications**  
Post: **Member of the Management Board**

Share in the issuer’s authorized capital: **0.7695%**  
Share in the issuer’s branch establishments/subordinate companies: **none**

Rewards paid during the quarter under review:  
Salary (RUR): **220 346**  
Bonus payments (RUR): **0**  
Commission (RUR): **0**  
Other property provisions (RUR): **150 000**  
Total (RUR): **370 346**

**Svetlana Gennadievna Fefilova**  
Date of birth: **1970**

Posts held during the last 5 years:  
Period: **1996 – 2000**  
Company: **“Artelecom” OJSC**  
Industry: **Communications**  
Post: **Senior programmer engineer, senior accountant**

Period: **2000 – 2001**  
Company: **“Artelecom” OJSC**  
Industry: **Communications**  
Post: **Senior specialist, accountant**

Period: *2001 – 2002*  
Company: *“Artelecom” OJSC*  
Industry: *Communications*  
Post: *Chief accountant*

Period: *2002-2002*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Chief Accountant*

Period: *2002-2003*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Deputy General Director – Chief Accountant*

Period: *2002-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Period: *2003- present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Share in the issuer’s authorized capital: *none*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *215 786.41*  
Bonus payments (RUR): *107 918.64*  
Commission (RUR): *0*  
Other property provisions (RUR): *1 760*  
Total (RUR): *325 465.05*

*Sergey Nikolaevich Kharchenko*  
Date of birth: *1969*

Posts held during the last 5 years:  
Period: *1997 – 1999*  
Company: *Krasnodarskiy GUES – branch of “Kubanelectrosvyaz” PJSC*  
Industry: *Communications*  
Post: *Acting Chief Engineer*

Period: *1999 –2001*

Company: *Krasnodarskiy GUES – branch of “Kubanelectrosvyaz” PJSC*  
Industry: *Communications*  
Post: *1<sup>st</sup> Deputy Director – Technical Director*

Period: *2001-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Deputy General Director*

Period: *2001 –2001*  
Company: *Krasnodarskiy GUES – branch of “Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *1<sup>st</sup> Deputy Director – Technical Director*

Period: *2002 –2002*  
Company: *“Sevosetinelectrosvyaz” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2002-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *none*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *228 000*  
Bonus payments (RUR): *126 600*  
Commission (RUR): *0*  
Other property provisions (RUR): *1 595.18*  
Total (RUR): *356 195.18*

*Yanvar Khadgimusovich Chinazirov*  
Date of birth: *1937*

Posts held during the last 5 years:  
Period: *1996 – 2002*  
Company: *“Electrosvyaz of Adygeia Republic” OJSC*  
Industry: *Communications*  
Post: *General Director*

Period: *1996 – 2002*  
Company: *“Electrosvyaz of Adygeia Republic” OJSC*  
Industry: *Communications*  
Post: *Chairman of the Management Board*

Period: *1996 – 2002*  
Company: *“Electrosvyaz of Adygeia Republic” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *2003 –present time*  
Company: *“Electrosvyaz of Adygeia Republic” – branch of “UTK” PJSC*  
Industry: *Communications*  
Post: *Deputy General Shareholders’ Meeting of “UTK” PJSC – Director of the branch*

Period: *2003-present time*  
Company: *“Southern Telecommunications Company” PJSC*  
Industry: *Communications*  
Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *0.0181%*  
Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:  
Salary (RUR): *157 500*  
Bonus payments (RUR): *35 000*  
Commission (RUR): *0*  
Other property provisions (RUR): *250*  
Total (RUR): *192 750*

*Amdulxhamid Kistuevich Shukhostanov*  
Date of birth: *1946*

Posts held during the last 5 years:  
Period: *1998 – 2002*  
Company: *“KabBalktelecom” OJSC*  
Post: *Chairman of the Management Board*

Period: *1998 – 2002*  
Company: *“KabBalktelecom” OJSC*  
Industry: *Communications*  
Post: *Member of the Board of Directors*

Period: *1998 – 2002*  
Company: *“KabBalktelecom” OJSC*  
Industry: *Communications*  
Post: *General Director*

Period: *1999 –present time*  
Company: *“Kabardino-Balkarskiy GSM” CJSC*  
Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *1999 –present time*

Company: *“Nalchikskaya sotovaya set” CJSC*

Industry: *Communications*

Post: *Member of the Board of Directors*

Period: *2003 –present time*

Company: *“KabBalktelecom” – branch of “UTK” PJSC*

Industry: *Communications*

Post: *Deputy General Shareholders’ Meeting of “UTK” PJSC – Director of the branch*

Period: *2003-present time*

Company: *“Southern Telecommunications Company” PJSC*

Industry: *Communications*

Post: *Member of the Management Board*

Share in the issuer’s authorized capital: *0%*

Share in the issuer’s branch establishments/subordinate companies: *none*

Rewards paid during the quarter under review:

Salary (RUR): *155 547.69*

Bonus payments (RUR): *78 302*

Commission (RUR): *0*

Other property provisions (RUR): *42 300*

Total (RUR): *276 149.69*

The person , acting as the issuer’s individual executive organ: *Gorbachev Vladimir Lukich*

**23. Rewards paid to the Board of Directors’(supervisory board) members and to other officials of the issuer.**

Sum total of rewards paid to the persons, listed in items 21 and 22, during the period under review.

Salary (RUR): *4 020 275.84*

Bonus payments (RUR): *1 827 608.18*

Commission (RUR): *0*

Other property provisions (RUR): *1 149 624.84*

Total (RUR): *6 997 508.86*

*See also items 21 and 22.*

**24. Information about the legal persons where the issuer has stockholdings.**

Legal persons where the issuer ‘s share accounts for not less than 5 % of their authorized capital :

Name: *“Intmash service ” Limited Company*

Location: **8, Golubinskaya Street, Volgograd 400131**  
Postal address: **121, Zhukov Street, Volgograd 400048**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Material and Technical Supplies Center" Close Joint Stock Company**  
Location: **5/2, Vishnyakovoy St., Krasnodar 350001**  
Postal address: **5/2, Vishnyakovoy St., Krasnodar, 350001**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Yugsvyazstroy" Close Joint Stock Company**  
Location: **110/1, Ayvazovskogo St., Krasnodar 350040**  
Postal address: **110/1, Ayvazovskogo St., Krasnodar 350040**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Armavirski zavod svyazi (Communication Facilities Plant)" Closed Joint-Stock Company-Branch Establishment**  
Location: **1a, Urupskaya St., Armavir, Krasnodar Region 352093**  
Postal address: **1a, Urupskaya St., Armavir, Krasnodar Region 352093**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Health-care complex "Orbita" Close Joint Stock Company**  
Location: **Olginka, Tuapse district, Krasnodar Region 352840**  
Postal address: **Olginka, Tuapse district, Krasnodar Region, 352840**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Factorial-99" Limited company**  
Location: **47, Bratski per., Rostov-on-Don 344082**  
Postal address: **47, Bratski per., Rostov-on-Don 344082**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Interelectrosvyaz" Close Joint Stock Company**  
Location: **5, 19 Partsyezda St., Vozhski, Volgograd Region**  
Postal address: **5, 19 Partsyezda St., Volzhski, Volgograd Region**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Avtocenter-Yug" Closed Joint-Stock Company**  
Location: **48, Myskhakskoye Avenue, Novorossiysk**  
Mailing address: **48, Myskhakskoye Avenue, Novorossiysk 353919**  
The issuer's share in the legal person's authorized capital: **100 %**

Name: **"UTK-Finance" Limited Company**  
Location: **66, Karasunskaya St., Krasnodar 350000**  
Postal address: **66, Karasunskaya St., Krasnodar 350000**  
The Issuer's share in the legal person's authorized capital: **100 %**

Name: **"Private security agency "Zashchita-S" Close Joint Stock Company**  
Location: **47/1, Sovetskaya St., Volgograd 400005**



Postal address: *9, Mira St., Volgograd 400 131*

The Issuer's share in the legal person's authorized capital: *100 %*

Name: *"Telesot-Alania" Close Joint Stock Company*

Location: *6, Gugkaeva St., Vladikavkaz RSO-A*

Postal address: *6, Gugkaeva St., Vladikavkaz RSO-A 362 035*

The Issuer's share in the legal person's authorized capital: *52.5 %*

Name: *"Stavtelecom named after V.I. Kuzminov" Close Joint Stock Company*

Location: *10/12, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia*

Postal address: *23, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355000 Russia*

The Issuer's share in the legal person's authorized capital: *51 %*

Name: *"Astrakhan-Mobile" Close Joint-Stock Company*

Location: *3, Studencheskaya Str., Astrakhan 414004*

Postal address: *37, J. Reed Str., Astrakhan 414 004*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"Stavropolskaya Sotovaya Svyaz" Close Joint-Stock Company*

Location: *10/12, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia*

Postal address: *7, Komintern St., Stavropol, Stavropol Territory 355000 Russia*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"Volgograd-GSM" Close Joint Stock Company*

Location: *9, Mira St., Volgograd 400 131, Russian Federation*

Postal address: *21, Kommunisticheskaya St., Volgograd-66 400131*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"TeleRoss-Kubanelectrosvyaz " Close Joint-Stock Company*

Location: *110/1, Ayvazovskogo Str.,Krasnodar*

Postal address: *110/1, Ayvazovskogo Str.,Krasnodar 350040*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"Volgograd-Mobile" Close Joint-Stock Company*

Location: *13a, Nevskaya Str., Volgograd*

Postal address: *13a, Nevskaya Str., Volgograd*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"TeleRoss-Volgograd" Close Joint-Stock Company*

Location: *16, Mira Str., Volgograd 400 131*

Postal address: *Room 101, 88, Lenin Str., Volgograd 400005*

The Issuer's share in the legal person's authorized capital: *50 %*

Name: *"ZanElCom" Close Joint-Stock Company*

Location: *7/2, Novolesnaya Str., Moscow 103055 Russia*

Postal address: *7/2, Novolesnaya Str., Moscow 103055 Russia*

The Issuer's share in the legal person's authorized capital: *45 %*

Name: *“Mobilcom” Close Joint-Stock Company*  
Location: *14, M. Gorky Str., Vladikavkaz RSO-A*  
Postal address: *16, Tamaeva Str., Vladikavkaz RSO-A 362040*  
The Issuer’s share in the legal person’s authorized capital: *35 %*

Name: *“Sotovaya svyaz-Alania” Close Joint-Stock Company*  
Location: *14, M. Gorky Str., Vladikavkaz RSO-A*  
Postal address: *14, M. Gorky Str., Vladikavkaz RSO-A 362040*  
The Issuer’s share in the legal person’s authorized capital: *30 %*

Name: *“Stavropolskoe Kommercheskoe Efirnoe Televidenie” Open Joint-Stock Company*  
Location: *4, Tukhachevskogo Str., Stavropol, Stavropol Territory, 355035 Russia*  
Postal address: *406, Lenin Str., Stavropol, Stavropol Territory, 355035 Russia*  
The Issuer’s share in the legal person’s authorized capital: *26.82 %*

Name: *“Yug-Giprosvyaz” Limited Company*  
Location: *67, Gagarin Str., Krasnodar 350062*  
Postal address: *67, Gagarin Str., Krasnodar 350062*  
The Issuer’s share in the legal person’s authorized capital: *24 %*

Name: *“Telekinokompania IR” Close Joint-Stock Company*  
Location: *2-a, Osetinskaya gorka Str., Vladikavkaz RSO-A*  
Postal address: *2-a, Osetinskaya gorka Str., Vladikavkaz RSO-A 362007*  
The Issuer’s share in the legal person’s authorized capital: *23.5 %*

Name: *“Karachaevo-CherkesskTeleSot” Close Joint-Stock Company*  
Location: *17, Soyuzny per., Cherkessk, 369000*  
Postal address: *17, Soyuzny per., Cherkessk, 369000*  
The Issuer’s share in the legal person’s authorized capital: *20 %*

Name: *“Kabardino-Balkarskiy GSM” Close Joint-Stock Company*  
Location: *79, Pushkin Str., Nalchik, 360051*  
Postal address: *79, Pushkin Str., Nalchik, 360051*  
The Issuer’s share in the legal person’s authorized capital: *20 %*

Name: *“Rostelegraph” Close Joint-Stock Company*  
Location: *7, Tverskaya Str., Moscow 103375*  
Postal address: *7, Tverskaya Str., Moscow 103375*  
The Issuer’s share in the legal person’s authorized capital: *15.68 %*

Name: *“Krasnodarbank ” Commercial Joint-Stock Bank*  
Location: *Krasnodar*  
Postal address: *70, Karasunskaya St., Krasnodar 350 000*  
The Issuer’s share in the legal person’s authorized capital: *13,5 %*

Name: *“Startcom” Close Joint-Stock Company*

Location: **6, 2<sup>nd</sup> Spasonalikovski per., Moscow-49 117909**  
Postal address: **building 2, 26, Zoologicheskaya Str., Moscow 123056**  
The Issuer's share in the legal person's authorized capital: **11.1%**

Name: **"StavTeleSot" Close Joint-Stock Company**  
Location: **10/12, Oktyabrskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia**  
Postal address: **98, Karl Marx Pr., Stavropol, Stavropol Territory 355035 Russia**  
The Issuer's share in the legal person's authorized capital: **10 %**

Name: **"Astrakhan Page" Limited Company**  
Location: **16, Trusova Str., Astrakhan 414000**  
Postal address: **16, Trusova Str., Astrakhan 414000**  
The Issuer's share in the legal person's authorized capital: **10 %**

Name: **"TRANK" Close Joint-Stock Company**  
Location: **3, Studencheskaya Str., Astrakhan 414 004**  
Postal address: **6/6, Savushkina Str., Astrakhan 414 056**  
The Issuer's share in the legal person's authorized capital: **10 %**

Name: **"Nalchikskaya sotovaya set " Closed Joint Stock Company**  
Location: **14, Shogentsukova Str., Nalchik 360051**  
Mailing address: **14, Shogentsukova Str., Nalchik 360051**  
The issuer's share in the legal person's authorized capital: **6 %**

**25. Stockholding in the issuer's authorized capital of all legal persons and their officials, where the issuer's share accounts for more than 5% of the authorized capital:**

25.1. Name: **Close Joint-Stock Company "Yugsvyazstroy"**  
Location: **110/1, Ayvazovskogo St., Krasnodar**  
Postal address: **110/1, Ayvazovskogo St., Krasnodar 350040**  
The Issuer's share in the legal person's authorized capital: **100 %**  
This person's share in the Issuer's authorized capital: **none**  
Officials:

25.9.1. **Shchennikov Maxim Gennadyevich**  
Function: **Member of the Board of Directors**  
Share in the Issuer's charter capital: **0%**

25.9.2. **Valeri Ivanovich Kurenoy**  
Function: **Member of the Board of Directors**  
Share in the Issuer's charter capital: **0%**

25.9.3. **Olga Vladimirovna Serbina**  
Function: **Member of the Board of Directors**  
Share in the Issuer's charter capital: **0,00007%**

25.9.4. **Nikolay Vasiljevich Sergienko**  
Function: **Member of the Board of Directors**

Share in the Issuer's charter capital: *0,031%*

25.9.5. *Stanislav Leonidovich Novokovski*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,15%*

25.2. Name: *"Armavir Communication Facilities Plant" Close Joint-Stock Company-Branch Establishment*

Location: *1a, Urupskaya St., Armavir, Krasnodar Region*

Postal address: *1a, Urupskaya St., Armavir, Krasnodar Region*

The Issuer's share in the legal person's authorized capital: *100 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.2.1. *Vladimir Yaroslavovich Stasyuk*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0%*

25.2.2. *Vasili Grigoryevich Kusjko*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,13463%*

25.2.3. *Mikhail Georgievich Baryshnikov*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,00006%*

25.2.4. *Nikolay Nikolaevich Mikhaylichenko*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,00004%*

25.2.5. *Vitali Ivanovich Kondratyev*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,01755%*

25.3. Name: *Close Joint-Stock Company "Health-care complex "Orbita"*

Location: *Olginka, Tuapse District, Krasnodar Territory*

Postal address: *Olginka, Tuapse district, Krasnodar Region, 352840*

The Issuer's share in the legal person's authorized capital: *100 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.3.1. *Lyudmila Borisovna Sotnikova*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,008%*

25.3.2. *Zakhar Kevorkovich Avedisyan*

Function: *Member of the Board of Directors*

Share in the Issuer's charter capital: *0,23%*

25.3.3. *Julia Yuryevna Lezhnina*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0%*

25.3.4. *Lyudmila Ivanovna Sidorova*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0%*

25.3.5. *Victor Saveljevich Chaban*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0,0142%*

25.4. Name: *Close Joint-Stock Company "Center of material and technical supplies"*

Location: *5/2, Vishnyakovoy St., Krasnodar*

Postal address: *5/2, Vishnyakovoy St., Krasnodar, 350 001*

The Issuer's share in the legal person's authorized capital: *100 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.4.1. *Nikolay Vladimirovich Martynenko*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0,0004%*

25.4.2. *Vasili Dmitrievich Voronov*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0,179%*

25.4.3. *Mariya Ivanovna Golubykh*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0%*

25.4.4. *Alexander Borisovich Shilin*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0,00007%*

25.4.5. *Alexander Georguievich Sokolchik*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0,0036%*

25.5. Name: *Close Joint-Stock Company "Avtocenter-Yug"*

Location: *48, Myskhakskoye Shosse, Novorossiysk*

Postal address: *48, Myskhakskoye Shosse, Novorossiysk, Krasnodar Region*

The Issuer's share in the legal person's authorized capital: *100 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.5.1. *Sergey Victorovich Salomatin*

Function: *Member of the Board of Directors*  
Share in the Issuer's charter capital: *0%*

25.5.2. **Eduard Semyonovich Ilyushin**

Function: **Member of the Board of Directors**

Share in the Issuer's charter capital: **0,1989%**

25.5.3. **Sergey Sergeevich Lychak**

Function: **Member of the Board of Directors**

Share in the Issuer's charter capital: **0 %**

25.5.4. **Valeri Mikhailovich Orlov**

Function: **Member of the Board of Directors**

Share in the Issuer's charter capital: **0,015%**

25.5.5. **Eduard Yakovlevich Groysman**

Function: **Member of the Board of Directors**

Share in the Issuer's charter capital: **0%**

25.6 Name: **"Factorial-99" Limited company**

Location: **47, Bratski per., Rostov-on-Don 344082**

Postal address: **47, Bratski per., Rostov-on-Don 344082**

The Issuer's share in the legal person's authorized capital: **100 %**

This person's share in the Issuer's authorized capital: **0.00005 %**

25.7 Name: **"Interelectrosvyaz" Close Joint Stock Company**

Location: **5, 19 Partsyezda St., Vozhski, Volgograd Region**

Postal address: **5, 19 Partsyezda St., Volzhski, Volgograd Region**

The Issuer's share in the legal person's authorized capital: **100 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.7.1. **Balandin Yevgeni Mikhailovich**

Function: **Personal executive organ**

Share in the Issuer's charter capital: **0,0009%**

25.8 Name: **"Intmashservice" Limited Company**

Location: **8, Golubinskaya St., Volgograd 400131**

Postal address: **121, Zhukova St., Volgograd 400048**

The Issuer's share in the legal person's authorized capital: **100 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.8.1. **Gennagy Dmitrievich Diyanov**

Function: **Personal executive organ**

Share in the Issuer's charter capital: **0,0004%**

25.9 Name: **Limited Company "UTK-Finance"**

Location: **66, Karasunskaya St., Krasnodar 350000**

Postal address: **66, Karasunskaya St., Krasnodar 350000**

The Issuer's share in the legal person's authorized capital: **100 %**

This person's share in the Issuer's authorized capital: **none**

25.10 Name: ***“Private security agency “Zashchita-S” Close Joint Stock Company***

Location: ***47/1, Sovetskaya St., Volgograd 400005***

Postal address: ***9, Mira St., Volgograd 400131***

The Issuer's share in the legal person's authorized capital: ***100 %***

This person's share in the Issuer's authorized capital: ***none***

25.10.1. ***Viktor Vasilyevich Nikiforov***

Function: ***Personal executive organ***

Share in the Issuer's charter capital: ***0,00005%***

25.11 Name: ***“Telesot-Alania” Close Joint Stock Company***

Location: ***6, Gugkaeva St., Vladikavkaz RSO-A***

Postal address: ***6, Gugkaeva St., Vladikavkaz RSO-A 362035***

The Issuer's share in the legal person's authorized capital: ***52.5 %***

This person's share in the Issuer's authorized capital: ***none***

Officials:

25.11.1. ***Kozhiev Taimuraz Beshtauovich***

Function: ***Personal executive organ***

Share in the Issuer's charter capital: ***0.0084%***

25.11.2. ***Gasrataliev Ibadulla Gasratalievich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer's charter capital: ***0,016%***

25.11.3. ***Kiryachenko Ivan Kirillovich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer's charter capital: ***0,037%***

25.11.4. ***Kozhiev Beshtau Kanamatovich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer's charter capital: ***0,22%***

25.11.5. ***Korbanj Lyudmila Afanasievna***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer's charter capital: ***0,02%***

25.12. Name: ***“Stavtelecom named after V.I. Kuzminov” Close Joint Stock Company***

Location: ***10/12, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia***

Postal address: ***23, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355000 Russia***

The Issuer's share in the legal person's authorized capital: ***51 %***

This person's share in the Issuer's authorized capital: ***none***

Officials:

25.12.1. ***Samoylenko Svetlana Vladimirovna***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer's charter capital: ***0.0005%***

25.12.2. ***Tolmachova Natalia Alekseevna***

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,00007%**

25.12.3. **Zemtsev Alexander Vladimirovich**

Function: **Personal executive organ**  
Share in the Issuer's charter capital: **0,002%**

25.13 Name: **"Astrakhan-Mobile" Close Joint-Stock Company**

Location: **3, Studencheskaya Str., Astrakhan 414 004**

Postal address: **37, J. Reed Str., Astrakhan 414 004**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.13.1. **Prachkin Alexey Petrovich**

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,13%**

25.13.2. **Nikitin Sergey Ivanovich**

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,059%**

25.14 Name: **"Volgograd-GSM" Close Joint Stock Company**

Location: **9, Mira St., Volgograd 400 131, Russian Federation**

Postal address: **21, Kommunisticheskaya St., Volgograd-66**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **0,015%**

Officials:

25.14.1. **Izyurjev Leonid Mikhailovich**

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,0019%**

25.15. Name: **Close Joint-Stock Company "TeleRossKubanelectrosvyaza"**

Location: **110/1, Aivazovskogo St., Krasnodar**

Postal address: **110/1, Aivazovskogo St., Krasnodar, 350 040**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.15.1. **Vladimir Lukich Gorbachev**

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,0891%**

25.15.2. **Ivan Fyodorovich Ignatenko**

Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer's charter capital: **0,0346%**

25.15.3. **Alexander Petrovich Shipulin**

Function: **Member of the Board of Directors (supervisory board)**



Share in the Issuer's charter capital: **0,0357%**

25.15.4. **Alexander Georgievich Kudryavtsev**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0%**

25.15.5. **Daniel Horemans**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0%**

25.16 Name: **"TeleRoss-Volgograd" Close Joint-Stock Company**

Location: **16, Mira Str., Volgograd 400 131**

Postal address: **Room 101, 88, Lenin Str., Volgograd 400005**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.16.1. **Malyarenko Arthur Nikolaevich**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0,001%**

25.16.2. **Dunyushkin Alexander Alexandrovich**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0,02%**

25.17 Name: **"Stavropolskaya Sotovaya Svyaz" Close Joint-Stock Company**

Location: **10/12, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia**

Postal address: **7, Komintern St., Stavropol, Stavropol Territory 355000 Russia**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.17.1. **Pshenichnaya Lyudmila Ivanovna**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0,0038%**

25.17.2. **Zavyazkin Roman Alekseevich**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0,000008%**

25.18 Name: **"Volgograd-Mobile" Close Joint Stock Company**

Location: **13a, Nevskaya St., Volgograd**

Postal address: **13a, Nevskaya St., Volgograd**

The Issuer's share in the legal person's authorized capital: **50 %**

This person's share in the Issuer's authorized capital: **none**

Officials:

25.18.1. **Izyurjev Leonid Mikhailovich**

Function: **Member of the Board of Directors (supervisory board)**

Share in the Issuer's charter capital: **0,0019%**

25.19 Name: **“ZanElCom” Close Joint-Stock Company**  
Location: **7/2, Novolesnaya Str., Moscow 103055 Russia**  
Postal address: **7/2, Novolesnaya Str., Moscow 103055 Russia**  
The Issuer’s share in the legal person’s authorized capital: **45 %**  
This person’s share in the Issuer’s authorized capital: **none**

25.20 Name: **“Mobilcom” Close Joint-Stock Company**  
Location: **14, M. Gorky Str., Vladikavkaz RSO-A**  
Postal address: **16, Tamaeva Str., Vladikavkaz RSO-A 362040**  
The Issuer’s share in the legal person’s authorized capital: **35 %**  
This person’s share in the Issuer’s authorized capital: **none**  
Officials:

25.20.1. **Kolesnik Alexander Mikhailovich**  
Function: **Personal executive organ**  
Share in the Issuer’s charter capital: **0,0078%**

25.20.2. **Dzakhoev Alan Yurjevich**  
Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer’s charter capital: **0,0004%**

25.20.3. **Kiryachenko Igor Ivanovich**  
Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer’s charter capital: **0,0061%**

25.20.4. **Kolesnik Alexander Mikhailovich**  
Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer’s charter capital: **0,0078%**

25.21 Name: **“Sotovaya svyaz-Alania” Close Joint-Stock Company**  
Location: **14, M. Gorky Str., Vladikavkaz RSO-A**  
Postal address: **14, M. Gorky Str., Vladikavkaz RSO-A 362040**  
The Issuer’s share in the legal person’s authorized capital: **30 %**  
This person’s share in the Issuer’s authorized capital: **none**  
Officials:

25.21.1. **Kozhiev Alan Beshtauovich**  
Function: **Personal executive organ**  
Share in the Issuer’s charter capital: **0.012%**

25.21.2. **Korbanj Lyudmila Afanasievna**  
Function: **Member of the Board of Directors (supervisory board)**  
Share in the Issuer’s charter capital: **0,02%**

25.22 Name: **“Stavropolskoe Kommercheskoe Efirnoe Televidenie” Open Joint-Stock Company**  
Location: **4, Tukhachevskogo Str., Stavropol, Stavropol Territory, 355035 Russia**  
Postal address: **406, Lenin Str., Stavropol, Stavropol Territory, 355035 Russia**  
The Issuer’s share in the legal person’s authorized capital: **26.82 %**

This person's share in the Issuer's authorized capital: *none*

Officials:

25.22.1. *Buyanova Valentina Petrovna*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0.00005%*

25.22.2. *Streljnikov Vladimir Ivanovich*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0,00025%*

25.23 Name: *"Yug-Giprosvyaz" Limited Company*

Location: *67, Gagarin Str., Krasnodar 350062*

Postal address: *67, Gagarin Str., Krasnodar 350062*

The Issuer's share in the legal person's authorized capital: *24 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.23.1. *Serbina Olga Vladimirovna*

Function: *Personal executive organ*

Share in the Issuer's charter capital: *0.00003%*

25.24 Name: *"Telekinokompania IR" Close Joint-Stock Company*

Location: *2-a, Osetinskaya gorka Str., Vladikavkaz RSO-A*

Postal address: *2-a, Osetinskaya gorka Str., Vladikavkaz RSO-A 362007*

The Issuer's share in the legal person's authorized capital: *23.5 %*

This person's share in the Issuer's authorized capital: *none*

25.25 Name: *"Karachaevo-CherkesskTeleSot" Close Joint-Stock Company*

Location: *17, Soyuzny per., Cherkessk, 369000*

Postal address: *17, Soyuzny per., Cherkessk, 369000*

The Issuer's share in the legal person's authorized capital: *20 %*

This person's share in the Issuer's authorized capital: *none*

Officials:

25.25.1. *Karetin Vadim Grigoryevich*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0.027%*

25.25.2. *Akbashev Alexander Ayubovich*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0.00018%*

25.25.3. *Butko Alexander Semyonovich*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0.0048%*

25.25.4. *Ostroukhov Nikolay Vasiljevich*

Function: *Member of the Board of Directors (supervisory board)*

Share in the Issuer's charter capital: *0.0031%*

25.26 Name: ***“Kabardino-Balkarskiy GSM” Close Joint-Stock Company***

Location: ***79, Pushkin Str., Nalchik, 360051***

Postal address: ***79, Pushkin Str., Nalchik, 360051***

The Issuer’s share in the legal person’s authorized capital: ***20 %***

This person’s share in the Issuer’s authorized capital: ***none***

Officials:

25.26.1. ***Shukhostanov Amdulghamid Kistuevich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer’s charter capital: ***0%***

25.26.2. ***Tanashev Ruslan Sultanovich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer’s charter capital: ***0.002%***

25.27 Name: ***“Rostelegraph” Close Joint-Stock Company***

Location: ***7, Tverskaya Str., Moscow 103375***

Postal address: ***7, Tverskaya Str., Moscow 103375***

The Issuer’s share in the legal person’s authorized capital: ***15.68 %***

This person’s share in the Issuer’s authorized capital: ***none***

25.28. Name: ***Joint-Stock Commercial Bank “Krasnodarbank”***

Location: ***70, Karasunskaya St., Krasnodar***

Postal address: ***70, Karasunskaya St., Krasnodar***

The Issuer’s share in the legal person’s legal capital: ***13,5 %***

This person’s share in the Issuer’s legal capital: ***none***

25 29 Name: ***“Startcom” Close Joint-Stock Company***

Location: ***6, 2<sup>nd</sup> Spasonalikovski per., Moscow-49 117909***

Postal address: ***building 2, 26, Zoologicheskaya Str., Moscow 123056***

The Issuer’s share in the legal person’s authorized capital: ***11.1%***

This person’s share in the Issuer’s legal capital: ***none***

25.30 Name: ***“StavTeleSot” Close Joint-Stock Company***

Location: ***10/12, Oktyabrjskoi Revolutsii Pr., Stavropol, Stavropol Territory 355035 Russia***

Postal address: ***98, Karl Marx Pr., Stavropol, Stavropol Territory 355035 Russia***

The Issuer’s share in the legal person’s authorized capital: ***10 %***

This person’s share in the Issuer’s authorized capital: ***none***

Officials:

25.30.1. ***Roitblat Alexander Markovich***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer’s charter capital: ***0.015%***

25.30.2. ***Malova Antonida Mikhailovna***

Function: ***Member of the Board of Directors (supervisory board)***

Share in the Issuer’s charter capital: ***0.00053%***

25.30.3. *Karetin Vadim Grigorjevich*  
Function: *Member of the Board of Directors (supervisory board)*  
Share in the Issuer's charter capital: *0.027%*

25.31 Name: *"Astrakhan Page" Limited Company*  
Location: *16, Trusova Str., Astrakhan 414000*  
Postal address: *16, Trusova Str., Astrakhan 414000*  
The Issuer's share in the legal person's authorized capital: *10 %*  
This person's share in the Issuer's legal capital: *none*

25.32 Name: *"TRANK" Close Joint-Stock Company*  
Location: *3, Studencheskaya Str., Astrakhan 414 004*  
Postal address: *6/6, Savushkina Str., Astrakhan 414 056*  
The Issuer's share in the legal person's authorized capital: *10 %*  
This person's share in the Issuer's authorized capital: *none*  
Officials:

25.32.1. *Kononenko Iraida Pavlovna*  
Function: *Personal executive organ*  
Share in the Issuer's charter capital: *0.0094%*

25.32.2. *Prachkina Lyudmila Vladimirovna*  
Function: *Member of the Board of Directors (supervisory board)*  
Share in the Issuer's charter capital: *0.0083%*

25.32.3. *Nikitina Lyudmila Ivanovna*  
Function: *Member of the Board of Directors (supervisory board)*  
Share in the Issuer's charter capital: *0.016%*

25.33 Name: *"Nalchikskaya sotovaya set " Closed Joint Stock Company*  
Location: *14, Shogentsukova Str., Nalchik 360051*  
Mailing address: *14, Shogentsukova Str., Nalchik 360051*  
The issuer's share in the legal person's authorized capital: *6 %*  
This person's share in the Issuer's authorized capital: *none*  
Officials:

25.33.1. *Shukhostanov Amdulkhamid Kistuevich*  
Function: *Member of the Board of Directors (supervisory board)*  
Share in the Issuer's charter capital: *0%*

**26. Other issuer's affiliated persons:**

26.1 Name: *"Insurance company "Kostars" Closed Joimt Stock Company*  
Location: *room 33-08, 42/3, Lenunski pr., Moscow, 117119*  
Postal address: *15a, Kalanchevskaya St., Moscow, 107078*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.2 Name: *Closed Joint Stock company "Joint Stock Commercial Innovation Bank of Telecommunications and Informatics Development "Pochtobank"*

Location: **68, Lenin St., Perm, 614096**

Postal address: **68, Lenin St., Perm, 614096**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.3 Name: **Closed Joint Stock Company "Aitel"**

Location: **54-B, Lenin pr., Barnaul, 656099**

Postal address: **54-B, Lenin pr., Barnaul, 656099**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.4 Name: **Closed Joint Stock Company "BRIZ" Ltd.**

Location: **17-1, Starokonyushenny per., Moscow, 121002**

Postal address: **17-1, Starokonyushenny per., Moscow, 121002**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.5 Name: **Closed Joint Stock Company "Bryanskie sotovye seti"**

Location: **9, Karl Marx St., Bryansk, 241000**

Postal address: **9, Karl Marx St., Bryansk, 241000**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.6 Name: **Closed Joint Stock Company "Westelcom"**

Location: **26, Suschovski val., Moscow, 12701864**

Postal address: **26, Suschovski val., Moscow, 127018**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.7 Name: **Closed Joint Stock Company "VSNET"**

Location: **6, Kukuevitskogo St., Surgut, Khanty-Mansiyski autonomous okrug, Tyumenskaya Region, 626400**

Postal address: **6, Kukuevitskogo St., Surgut, Khanty-Mansiyski autonomous okrug, Tyumenskaya Region, 626400**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.8 Name: **Closed Joint Stock Company "Dag.TV-inform"**

Location: **3, Lenin pr., Makhachkala, 367012**

Postal address: **3, Lenin pr., Makhachkala, 367012**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: **none**

26.9 Name: **Closed Joint Stock Company "Dagestanskaya sotovaya svyaz"**

Location: **3, Lenin pr., Makhachkala, 367012**

Postal address: **7, Oscara St., Makhachkala, 367012**

The Issuer's share in the affiliated person's authorized capital: **none**

The affiliated person's share in the Issuer's authorized capital: *none*

26.10 Name: *Closed Joint Stock Company "Yeniseitelecom"*

Location: *102, Mira pr., Krasnoyarsk-17, 660017*

Postal address: *102, Mira pr., Krasnoyarsk-17, 660017*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.11 Name: *Closed Joint Stock Company "Engineering center"*

Location: *16, Kazakova St., Moscow, 103064*

Postal address: *16, Kazakova St., Moscow, 103064*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.12 Name: *Closed Joint Stock Company "Kaluzhskaya sotovaya svyaz"*

Location: *38, Teatralnaya St., Kaluga, 248600*

Postal address: *85/2, Nikitina St., Kaluga, 248003*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.13 Name: *Closed Joint Stock Company "Kurganski Sotovy Telefon"*

Location: *13, Sverdlov St., Kurgan, 640003 RF*

Postal address: *13, Sverdlov St., Kurgan, 640003 RF*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.14 Name: *"Lakhdenpokhski telefon" Closed Joint Stock Company*

Location: *26, Lenin St., Lakhdenpokhya, Karelia Republic, 186730*

Postal address: *2b, Zakhodskogo St., Lakhdenpokhya, Karelia Republic, 186730*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.15 Name: *"Nizhegorodskaya Sotovaya Svyaz" Closed Joint Stock Company*

Location: *Dom svyazi, Maksima Gorkogo pl., Nizhni Novgorod, 603000*

Postal address: *Dom svyazi, Maksima Gorkogo pl., Nizhni Novgorod, 603000*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.16 Name: *"Nizhegorodski Radiotelefon" Closed Joint Stock Company*

Location: *Dom svyazi, Maksima Gorkogo pl., Nizhni Novgorod, 603000*

Postal address: *Dom svyazi, Maksima Gorkogo pl., Nizhni Novgorod, 603000*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.17 Name: *"Novgorod Deitacom" Closed Joint Stock Company*

Location: *22, Industrialnaya St., Pankovka, Velikiy Novgorod*

Postal address: *20, Mikhaylova St., Velikiy Novgorod, 173000*

The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.18 Name: "*Novocom*" *Closed Joint Stock Company*

Location: *12, Lenin St., Novosibirsk-99*

Postal address: *12, Lenin St., Novosibirsk-99*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.19 Name: "*Altayskaya investment company "ALTINCOM"*" *Closed Joint Stock Company*

Location: *96, Paparanintsev St., Barnaul, 656049*

Postal address: *96, Paparanintsev St., Barnaul, 656049*

The Issuer's share in the affiliated person's authorized capital: *none*

26.20 Name: "*Baikalvestcom*" *Closed Joint Stock Company*

Location: *68, 2-nd Zheleznodorozhnaya St., Irkutsk, 664005*

Postal address: *68, 2-nd Zheleznodorozhnaya St., Irkutsk, 664005*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.21 Name: "*Vladimir Teleservice*" *Closed Joint Stock Company*

Location: *20, Gorokhovaya St., Vladimir, 600017*

Postal address: *20, Gorokhovaya St., Vladimir, 600017*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.22 Name: "*Vologodskaya sotovaya svyaz*" *Closed Joint Stock Company*

Location: *109, Zosimovskaya St., Vologda, 160009*

Postal address: *109, Zosimovskaya St., Vologda, 160009*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.23 Name: "*Globalstar Cosmicheskie Telecommunications*" (*Globaltel*) *CJSC*

Location: *25/2, Dubovaya Roscha St., Moscow, 127427*

Postal address: *5, 3/25, Sytinski per., Moscow, 103104*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.24 Name: "*Yermak RMS*" *Closed Joint Stock Company*

Location: *3, Komintern St., Khanty-Mansiysk, 626200*

Postal address: *3, Komintern St., Khanty-Mansiysk, 626200*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.25 Name: "*Infinvest*" *Closed Joint Stock Company*

Location: *68, Lenin Str., Perm, 614096*

Postal address: *32, Gagarin bulvar., Perm, 614000*



The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.26 Name: "*Istok i C*" *Closed Joint Stock Company*  
Location: *23, Geroev St., Balakovo, Saratov region, 423800*  
Postal address: *23, Geroev St., Balakovo, Saratov region, 423800*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.27 Name: "*Kedr RMS*" *Closed Joint Stock Company*  
Location: *61, Sovetski pr., Kemerovo, 650099*  
Postal address: *61, Sovetski pr., Kemerovo, 650099*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.28 Name: "*Mobile Telecommunications*" *Closed Joint Stock Company*  
Location: *55/2, Plyuschikha St., Moscow, 119121*  
Postal address: *22, Marksistskaya St., Moscow, 109147*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.29 Name: "*Narodny Telephone Saratov*" *Closed Joint Stock Company*  
Location: *40, Kiseleva St., Saratov, 410600*  
Postal address: *40, Kiseleva St., Saratov, 410600*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.30 Name: "*Novosibirskaya Sotovaya Svyaz-450*" *Closed Joint Stock Company*  
Location: *30, Kamenskaya St., Novosibirsk, 630099*  
Postal address: *30, Kamenskaya St., Novosibirsk, 630099*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.31 Name: "*Orenburg GSM*" *Closed Joint Stock Company*  
Location: *11, Volodarskogo St., Orenburg, Russia, 460000*  
Postal address: *mail box 2153, Orenburg, Russia, 460052*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.32 Name: "*Primtelefon*" *Closed Joint Stock Company*  
Location: *24, Okeanski prospekt, Vladivostok, 690000*  
Postal address: *: 24, Okeanski prospekt, Vladivostok, 690000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.33 Name: "*Pulse Radio Yoshkar-Ola*" *Closed Joint Stock Company*  
Location: *138, Sovetskaya St., Yoshkar-Ola*

Postal address: : *138, Sovetskaya St., Yoshkar-Ola*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.34 Name: "*ROSPAK*" *Closed Joint Stock Company*  
Location: *2a, Bryusov per., Moscow, 103009*  
Postal address: *2a, Bryusov per., Moscow, 103009*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.35 Name: "*Rostelecomport*" *Closed Joint Stock Company*  
Location: *22, Oktyabrskaya St., Kingisesht, 188450*  
Postal address: *22, Oktyabrskaya St., Kingisesht, 188450*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.36 Name: "*RTK-I*" *Closed Joint Stock Company*  
Location: *5, Delegatskaya St., Moscow, 103091*  
Postal address: *15a, Kalancheevskaya St., Moscow, 107078*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.37 Name: "*RTK-Center*" *Closed Joint Stock Company*  
Location: *15a, Kalancheevskaya St., Moscow, 107078*  
Postal address: *15a, Kalancheevskaya St., Moscow, 107078*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.38 Name: "*RusLizingSvyaz*" *Closed Joint Stock Company*  
Location: *6, 2-d Spasonalivkovski per., Moscow, 117 909*  
Postal address: *6, 2-d Spasonalivkovski per., Moscow, 117 909*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.39 Name: "*Saint Petersburg Center of Telecommunications*" *Closed Joint Stock Company*  
Location: *30/31, 3-d Line, Vasilyevski ostrov, St.Petersburg, 199053*  
Postal address: *30/31, 3-d Line, Vasilyevski ostrov, St.Petersburg, 199053*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.40 Name: *Closed Joint Stock Company "Saratov-Mobile"*  
Location: *88/40, Chernyshevskogo Str.,Saratov, 410004*  
Postal address: *88/40, Chernyshevskogo Str.,Saratov, 410004*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.41 Name: "*Svyazinformkomplekt*" *Closed Joint Stock Company*

Location: *4A, Darwin St., Chelyabinsk, 454087*  
Postal address: *4A, Darwin St., Chelyabinsk, 454087*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.42 Name: "*Svyazproject*" *Closed Joint Stock Company*  
Location: *29/2, Narodnogo Opolchenia St., Moscow, 123154*  
Postal address: *29/2, Narodnogo Opolchenia St., Moscow, 123824*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.43 Name: "*Sibirskie Sotovye Sistemy-900*" *Closed Joint Stock Company*  
Location: *Room 571, 31,2-nd Soyuz Molodyozhy St., Novosibirsk, 630082*  
Postal address: *Room 571, 31,2-nd Soyuz Molodyozhy St., Novosibirsk, 630082*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.44 Name: "*Sotovaya svyaz Birobidzhana*" *Closed Joint Stock Company*  
Location: *16, Prospect 60-letia SSSR, Birobidzhan, 692200*  
Postal address: *16, Prospect 60-letia SSSR, Birobidzhan, 692200*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.45 Name: "*Sotovaya svyaz Mordovii*" *Closed Joint Stock Company*  
Location: *13, Bolshevikskaya St., Saransk, Mordovia Republic, Russia*  
Postal address: *13, Bolshevikskaya St., Saransk, Russia*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.46 Name: "*Telebarents*" *Closed Joint Stock Company*  
Location: *37, Parkovaya St., Petrozavodsk, 185014*  
Postal address: *37, Parkovaya St., Petrozavodsk, 185014*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.47 Name: "*Teleross-Vladivostok*" *Closed Joint Stock Company*  
Location: *36, Praporschika Komarova St., Vladivostok, 690000*  
Postal address: *36, Praporschika Komarova St., Vladivostok, 690000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.48 Name: "*TeleRoss-Voronezh*" *Closed Joint Stock Company*  
Location: *35, Revolutsii Prospect, Voronezh, 394000*  
Postal address: *35, Revolutsii Prospect, Voronezh, 394000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.49 Name: "*TeleRoss-Novosibirsk*" *Closed Joint Stock Company*

Location: *5, Lenin St., Novosibirsk, 930099*

Postal address: *5, Lenin St., Novosibirsk, 930099*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.50 Name: "*TeleRoss-Tyumen*" *Closed Joint Stock Company*

Location: *61, Respubliki St., Tyumen, 625000*

Postal address: *61, Respubliki St., Tyumen, 625000*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.51 Name: "*TyumenRuscom*" *Closed Joint Stock Company*

Location: *56, Malygina St., Tyumen, 625048*

Postal address: *56, Malygina St., Tyumen, 625048*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.52 Name: "*Ulyanovsk-GSM*" *Closed Joint Stock Company*

Location: *60, L. Tolstogo St., Ulyanovsk, 432601*

Postal address: *41, Krasnoarmeyskaya St., Ulyanovsk, 432063*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.53 Name: "*Usolski telephone*" *Closed Joint Stock Company*

Location: *69, Mendeleeva St., Usolye-Sibirskoe, Irkutsk region, 665470*

Postal address: *69, Mendeleeva St., Usolye-Sibirskoe, Irkutsk region, 665470*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.54 Name: "*Firm "Permtelcom"*" *Closed Joint Stock Company*

Location: *45, Podlesnaya St., Perm, 614066*

Postal address: *45, Podlesnaya St., Perm, 614066*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.55 Name: "*FK-svyaz*" *Closed Joint Stock Company*

Location: *14, Volgogradski pr., Moscow, 109316*

Postal address: *14, Volgogradski pr., Moscow, 109316*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.56 Name: "*Center vnedrenia specializirovannyh system*" *Closed Joint Stock Company*

Location: *161, Kirova St., Chelyabinsk, 454005*

Postal address: *161, Kirova St., Chelyabinsk, 454005*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.57 Name: ***“Digital Telecommunications” Closed Joint Stock Company***

Location: ***20a, Gagarin St., Cheboksary, 428000***

Postal address: ***20a, Gagarin St., Cheboksary, 428000***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.58 Name: ***“Chery- Page” Closed Joint Stock Company***

Location: ***83, K.Ivanov St., Cheboksary, 428018***

Postal address: ***83, K.Ivanov St., Cheboksary, 428018***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.59 Name: ***“ Yuzhno-Sibirskaya Sotovaya svyaz” Closed Joint Stock Company***

Location: ***13, Severo-Zapadnaya St., Barnaul***

Postal address: ***13, Severo-Zapadnaya St., Barnaul***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.60 Name: ***“ United Telecom Ural” Closed Joint Stock Company***

Location: ***9, 25 Let Oktyabrya St., Perm, 614000***

Postal address: ***9, 25 Let Oktyabrya St., Perm, 614000***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.61 Name: ***“ Russki acceptny bank” Commercial Bank***

Location: ***15a, Kalancheevskaya St., Moscow, 107078***

Postal address: ***15a, Kalancheevskaya St., Moscow, 107078***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.62 Name: ***“ Region-Svyaz” Non-state superannuation fund***

Location: ***278, Pushkinskaya St., Izhevsk, 426008***

Postal address: ***278, Pushkinskaya St., Izhevsk, 426008***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.63 Name: ***“ Svyazist” Non-state superannuation fund***

Location: ***10, Tsvillinga St., Chelyabinsk, 454000***

Postal address: ***10, Tsvillinga St., Chelyabinsk, 454000***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person’s share in the Issuer’s authorized capital: ***none***

26.64 Name: ***“ Perminform” Limited Company***

Location: ***2, Krupskoy St., Perm, 614060***

Postal address: ***2, Krupskoy St., Perm, 614060***

The Issuer’s share in the affiliated person’s authorized capital: ***none***

The affiliated person's share in the Issuer's authorized capital: *none*

26.65 Name: "*AMT*" *Limited Company*

Location: *14, Sinopskaya nab., Saint-Petersburg*

Postal address: *3-5, B. Morskaya St., Saint-Petersburg, 191186*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.66 Name: "*Bona*" *Limited Company*

Location: *45, Troitsky pr., Arkhangelsk, 163061, Russia*

Postal address: *45, Troitsky pr., Arkhangelsk, 163061, Russia*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.67 Name: "*VladPage*" *Limited Company*

Location: *42, Gorkogo St., Vladimir, 600000*

Postal address: *42, Gorkogo St., Vladimir, 600000*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.68 Name: "*Vladimirski taxofon*" *Limited Company*

Location: *32"B", Stroiteley pr., Vladimir, 600014*

Postal address: *32"B", Stroiteley pr., Vladimir, 600014*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.69 Name: "*Vyatka page*" *Limited Company*

Location: *1, Uralskaya St., Kirov*

Postal address: *115, Oktyabrski pr., Kirov*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.70 Name: "*Vyatskaya sotovaya svyaz*" *Limited Company*

Location: *1, Uralskaya St., Kirov*

Postal address: *1, Uralskaya St., Kirov*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.71 Name: "*Informtek*" *Limited Company*

Location: *7, Sokhanya St., Yalta, Crimea, Ukraine, 334200*

Postal address: *: 7, Sokhanya St., Yalta, Crimea, Ukraine, 334200*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.72 Name: "*Kamalyaskcom*" *Limited Company*

Location: *56, Leninskaya St., Petropavlovsk-Kamchatski, 683000*

Postal address: *56, Leninskaya St., Petropavlovsk-Kamchatski, 683000*

The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.73 Name: "*Mobil-Com*" Limited Company

Location: *17, Mira St., Vladimir, 600017*

Postal address: *17, Mira St., Vladimir, 600017*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.74 Name: "*Pagetelecom*" Limited Company

Location: *6, Stroiteley pr., Cherepovets, Vologda region, 162627*

Postal address: *6, Stroiteley pr., Cherepovets, Vologda region, 162627*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.75 Name: "*Perm TV and Radio Company "Ural Inform TV"*" Limited Company

Location: *2, Krupskoy St., Perm, 614060*

Postal address: *2, Krupskoy St., Perm, 614060*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.76 Name: "*Policomp*" Limited Company

Location: *24, B.Morskaya St., Saint-Petersburg, 191186*

Postal address: *20, B.Morskaya St., Saint-Petersburg, 191186*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.77 Name: "*Radio-Rezonans*" Limited Company

Location: *8, Okski syezd, N.Novgorod, 603022*

Postal address: *8, Okski syezd, N.Novgorod, 603022*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.78 Name: "*Sevtelecom*" Limited Company

Location: *27, Leningradskaya St., Murmansk, 183038*

Postal address: *27, Leningradskaya St., Murmansk, 183038*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.79 Name: "*Telecom-Stroy*" Limited Company

Location: *92, Parizhskoy Komunny St., Ivanovo, 153017, Russian Federation*

Postal address: *6, 2-nd Minski per., Ivanovo, 153017, Russian Federation*

The Issuer's share in the affiliated person's authorized capital: *none*

The affiliated person's share in the Issuer's authorized capital: *none*

26.80 Name: "*Telecom-Terminal*" Limited Company

Location: *13, Lenin pr., Ivanovo, 153000, Russian Federation*

Postal address: *13, Lenin pr., Ivanovo, 153000, Russian Federation*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.81 Name: "*Tomsktelecom-Nicola Tesla*" *Limited Company*  
Location: *21, Krylova St., Tomsk, Russia 634050*  
Postal address: *1, Makrushina St., Tomsk, Russia 634040*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.82 Name: "*Torgovy dom "Electrosvyaz"*" *Limited Company*  
Location: *107, Lenin St., Chita, 672076*  
Postal address: *107, Lenin St., Chita, 672076*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.83 Name: "*Torgsvyaz*" *Limited Company*  
Location: *129/a, Lenin St., Kirov*  
Postal address: *129/a, Lenin St., Kirov*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.84 Name: "*Tyumentelecom-Invest*" *Limited Company*  
Location: *56, Respubliki St., Tyumen, Russia, 625000*  
Postal address: *56, Respubliki St., Tyumen, Russia, 625000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.85 Name: "*Udmurtskie sotovye seti-450*" *Limited Company*  
Location: *206, Pushkinskaya St., Izhevsk, 426034*  
Postal address: *206, Pushkinskaya St., Izhevsk, 426034*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.86 Name: "*Centrum*" *Limited Company*  
Location: *22, Antikaynena St., Petrozavodsk, 185000*  
Postal address: *22, Antikaynena St., Petrozavodsk, 185000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.87 Name: "*Izhcom*" *Russian-American JV Limited Company*  
Location: *206, Karl Marx St., Izhevsk, 426057*  
Postal address: *206, Karl Marx St., Izhevsk, 426057*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.88 Name: "*Magalyascom*" *JV Limited Company*



Location: *2-a, Lenin St., Magadan*  
Postal address: *2-a, Lenin St., Magadan*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.89 Name: "*ROS*" *CHOP Limited Company*  
Location: *30, Dzerzhinskogo St., Penza, 440062*  
Postal address: *30, Dzerzhinskogo St., Penza, 440062*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.90 Name: "*Rostelecom-bezopasnost*" *CHOP Limited Company*  
Location: *2/2, Deguninskaya St., Moscow, 127486*  
Postal address: *2/2, Deguninskaya St., Moscow, 127486*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.91 Name: "*VolgaTelecom*" *Open Joint-Stock Company*  
Location: *Dom svyazi, Maxim Gorky Pl., Nizhniy Novgorod, 603 000*  
Postal address: *Dom svyazi, Maxim Gorky Pl., Nizhniy Novgorod, 603 000*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.92 Name: "*Giprosvyaz*" *Open Joint Stock Company*  
Location: *11, 3-d Khoroshevskaya St., Moscow, 123298*  
Postal address: *11, 3-d Khoroshevskaya St., Moscow, 123298*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.93 Name: "*NGTS-Page*" *Open Joint Stock Company*  
Location: *15/3, Vystavochnaya St., Novosibirsk-78*  
Postal address: *22, Sibiryakov-Gvardeytshev St., Novosibirsk, 48*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.94 Name: "*Rinet*" *Open Joint Stock Company*  
Location: *86, Kirova St., Novosibirsk, 630102*  
Postal address: *1, Trudovaya St., Novosibirsk 99, 630 102*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.95 Name: "*Sibirtelecom*" *Open Joint Stock Company*  
Location: *5, Lenin St., Novosibirsk, 630099*  
Postal address: *5, Lenin St., Novosibirsk, 630099*  
The Issuer's share in the affiliated person's authorized capital: *none*  
The affiliated person's share in the Issuer's authorized capital: *none*

26.96 Name: “ *Stromgeomash*”*Open Joint Stock Company*  
Location: *35, promzona Lazurnaya, Tver, 170017*  
Postal address: *35, promzona Lazurnaya, Tver, 170017*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.97 Name: “ *Uralsvyazinform*”*Open Joint Stock Company*  
Location: *68, Lenin St., Perm, 614096*  
Postal address: *68, Lenin St., Perm, 614096*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.98 Name: “ *AK Mobiltelecom*”*Open Joint Stock Company*  
Location: *16-a, Sukhe-Bator St., Ulan-Ude, Buryatia Republic, 670000*  
Postal address: *42, Lenin St., Ulan-Ude, Buryatia Republic, 670000*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.99 Name: “ *Alternativnye tefonnye seti*”*Open Joint Stock Company*  
Location: *13-a, Moskovskaya St., Nazran, Ingushskaya Republic, 366720*  
Postal address: *22, Novotorzhskaya St., Tver, 170000*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.100 Name: “ *Dagsvyazinform*”*Open Joint Stock Company*  
Location: *3, Lenin Pl., Makhachkala, 367012*  
Postal address: *3, Lenin Pl., Makhachkala, 367012*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.101 Name: “ *Dalnevostochnaya kompaniya electrosvyazi*” *Open Joint Stock Company*  
Location: *57, Svetlanskaya St., Vladivostok, 690600*  
Postal address: *57, Svetlanskaya St., Vladivostok, 690600*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.102 Name: “ *Lensvyaz*”*Open Joint Stock Company*  
Location: *61, B.Morskaya St., St.Petersburg, 190000*  
Postal address: *61, B.Morskaya St., St.Petersburg, 190000*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.103 Name: “ *North-West Telecom*” *Open Joint Stock Company*  
Location: *24, B.Morskaya St., Saint-Petersburg, 191186*  
Postal address: *24, B.Morskaya St., Saint-Petersburg, 191186*  
The Issuer’s share in the affiliated person’s authorized capital: *none*  
The affiliated person’s share in the Issuer’s authorized capital: *none*

26.104 Name: “*Central Telecommunications Company*” *Open Joint Stock Company*

Location: *23, Proletarskaya Str., Khimki, 141400*

Postal address: *23, Proletarskaya Str., Khimki, 141400*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

26.105 Name: “*Central Telegraph*” *Open Joint Stock Company*

Location: *7, Tverskaya St., Moscow, 103375*

Postal address: *7, Tverskaya St., Moscow, 103375*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

26.106 Name: “*Rostelecom*” *Open Joint Stock Company of Long-Distance and International Telecommunications*

Location: *5, Delegatskaya St., Moscow, 103091*

Postal address: *5, Delegatskaya St., Moscow, 103091*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

26.107 Name: “*Kolatelecom*” *Closed Joint Stock Company JV*

Location: *5, Samoilovoy St., Murmansk, 183038*

Postal address: *5, Samoilovoy St., Murmansk, 183038*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

26.108 Name: “*Teleport Ivanovo*” *(TPI) Limited Company*

Location: *90, Tashkentskaya Str., Ivanovo, 153032, RF*

Postal address: *90, Tashkentskaya Str., Ivanovo, 153032, RF*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

26.109 Name: “*SCS-Sovintel*” *Limited Company JV*

Location: *1-2, 6, Shlyuzovaya nab., Moscow, 113114*

Postal address: *1-2, 6, Shlyuzovaya nab., Moscow, 113114*

The Issuer’s share in the affiliated person’s authorized capital: *none*

The affiliated person’s share in the Issuer’s authorized capital: *none*

**27. The issuer’s stockholding in the authorized capital of legal persons – affiliated persons.**

*See items 24, 25, 26.*

**28. Stockholding of the issuer’s affiliated persons, their founders and officials in the issuer’s authorized capital:**

*See items 24, 25, 26.*

**29. Owners of 5% and more of voting shares in the issuer’s highest management organ.**

Name: *“Investitsionnaya Kompaniya Svyazi” (Svyazinvest) Open Joint Stock company*  
Share: *50,69 %*

Name: *Closed Joint-Stock Company “Depositary and Clearing Company” (nominal holder)*  
Share: *11.3 %*

Name: *“ING Bank (Euroasia)CJSC” CJSC (nominal holder)*  
Share: *9.66 %*

**30. The issuer’s participation in industrial, banking, financial groups, holdings, concerns and associations.**

*No participation*

**31. The issuer’s branches and agencies.**

Name: *“Electrosvyaz of Adygeia Republic”*  
Location: *22a, Zhukovskogo Str., Maykop, Adygeya Republic, 352700*  
Postal address: *22a, Zhukovskogo Str., Maykop, Adygeya Republic, 352700*  
Head: *Chinazirov Yanvar Khadzhimusovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *“Svyazinform”, Astrakhan Region”*  
Location: *7/8, Teatraljny per., Astrakhan, 414000*  
Postal address: *7/8, Teatraljny per., Astrakhan, 414000*  
Head: *Prachkin Alexey Petrovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *“Volgogradelectrosvyaz”*  
Location: *9, Mira Str., Volgograd, 400131*  
Postal address: *9, Mira Str., Volgograd, 400131*  
Head: *Izyurjev Leonid Mikhailovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *“KabBalktelecom”*  
Location: *14, Shogentsukova Str., Nalchik, Kabardino-Balkarian Republic, 360000*  
Postal address: *14, Shogentsukova Str., Nalchik, Kabardino-Balkarian Republic, 360000*  
Head: *Shukhostanov Amdulhamid Kistuevich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *“Electrosvyaz”, Kalmykia Republic”*  
Location: *255, Lenin Str., Elista, Kalmykia Republic, 358000*  
Postal address: *255, Lenin Str., Elista, Kalmykia Republic, 358000*

Head: *Ufimov Vladimir Batorovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *"Kubanelectrosvyaz"*  
Location: *294, Golovatogo Str., Krasnodar, 350000*  
Postal address: *294, Golovatogo Str., Krasnodar, 350000*  
Head: *Ignatenko Ivan Fyodorovich*  
Established: *13.02.2002*  
Power of Attorney is valid till: *January 1, 2004*

Name: *"Karachaevo-Cherkesskelectrosvyaz"*  
Location: *17, Soyuzny per., Cherkessk, Karachaevo-Cherkesian Republic, 357100*  
Postal address: *17, Soyuzny per., Cherkessk, Karachaevo-Cherkesian Republic, 357100*  
Head: *Butko Alexander Semyonovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *"Rostovelectrosvyaz"*  
Location: *47, Bratski per., Rostov-on-Don, 344082*  
Postal address: *47, Bratski per., Rostov-on-Don, 344082*  
Head: *Ukhov Valery Vasilyevich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *"Sevosetinelectrosvyaz"*  
Location: *8a, Butyrina Str., Vladikavkaz, Severnaya Osetia – Alania Republic, 362040*  
Postal address: *8a, Butyrina Str., Vladikavkaz, Severnaya Osetia – Alania Republic, 362040*  
Head: *Kozhiev Beshtau Kanamatovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *"Electrosvyaz ", Stavropol Territory"*  
Location: *10/12, Oktyabrskoi Revolutsii pr., Stavropol, 355035*  
Postal address: *10/12, Oktyabrskoi Revolutsii pr., Stavropol, 355035*  
Head: *Roitblat Alexander Markovich*  
Established: *8.01.2002*  
Power of Attorney is valid till: *August 1, 2003*

Name: *"Yugtaxofon"*  
Location: *12, Klubnaya St., Krasnodar, 350051*  
Postal address: *12, Klubnaya St., Krasnodar, 350051*  
Director: *Alexander Grigoryevich Sokolchik*  
Established: *29.12.1997*  
Power of Attorney is valid till: *31.12.2003*

Name: *Center of New Technologies*

Location: *59, Krasnaya St., Krasnodar, 350000*  
Postal address: *59, Krasnaya St., Krasnodar, 350000*  
Director: *Konstantin Vladlenovich Yunov*  
Established: *1.01.2000*  
Power of Attorney is valid till: *31.12.2003*

Name: *Training and Production Center*  
Location: *1, Industrialnaya St., Krasnodar, 350007*  
Postal address: *1, Industrialnaya St., Krasnodar, 350007*  
Director: *Yuri Nickolaevich Belov*  
Established: *01.10.1997*  
Power of Attorney is valid till: *31.12.2003*

**32. The issuer's employees number:**

Average number of the issuer's employees on pay-roll including those , working at its branches and agencies, for the period under review: *41 221*

**33. Description of the issuer's basic activities.**

***DEVELOPMENT OF TELECOMMUNICATIONS***

*Till 1992 the sphere of Telecommunications was completely under the government control. Decree of the Government of the Russian Federation №1003 of December,22,1992 initiated its reorganization. That Decree provided for separation of the following services from the state communication enterprises before their privatization:*

- establishment on the basis of post-offices of state enterprises of the Federal Post Service not subject to privatization;*
- radio and television broadcasting centers not subject to privatization.*

*Other activities were concentrated in the regional communication enterprises reorganized into joint-stock companies with state-owned control packet of shares.*

*To join efforts of regional telecom operators, to attract additional investments into the development of telecom network and to observe its proportional development in accordance with the Decree of the President of the Russian Federation № 1289 of October,10,1994, Acts of the Government of the Russian Federation of November,25,1994, the Order of the State Property Committee of the Russian Federation № 1225-p of September,01,1995, the open joint-stock company "Investitsionnaya Kompania Svyazi"(OJSC "Svyazinvest") was established.*

*OJSC "Svyazinvest" charter capital was formed by consolidation of shares owned by the federal government in regional telecom operators. Size of these stakes constituted usually 38% of the charter capital or 51% of voting shares of 76 regional telecom operators, four operators of long-distance communication including OJSC "Rostelecom", four telegraph companies, one research institute and two leasing branch establishments.*

*Modern structure of OJSC "Svyazinvest" charter capital was formed in July 1997 when the results of auction for 25% plus one share of OJSC "Svyazinvest" were summed up. The company "Mustcom Limited won the auction for 25% of OJSC "Svyazinvest" for 1.875 billion dollars USA. Currently holding OJSC "Svyazinvest" has voting majority in 7 mega-regional telecom companies and controls national provider of long-distance and international Telecommunications OJSC "Rostelecom" and OJSC "Giprosvyaz". The holding company's subsidiaries operate public*

*telephone networks which installed capacity is over 28.6 million telephone lines, they provide services for more than 90% of the country's population.*

*Strategic directions of Telecommunications development are:*

- time-dependent tariffing of local outgoing calls;*
- fundamental improvement of tariff policy;*
- increase of technical level of public telephone networks.*

*In December 2000 Government of the Russian Federation approved the "Concept of Telecom Market Development in the Russian Federation" worked out by Ministry of Communication of RF providing for reorganization of Svyazinvest holding structure based on consolidation of regional telecom companies and improvement of corporate management system. This reorganization was completed in the 4<sup>th</sup> quarter of 2002. It is aimed at value increase of equity capital of regional telecom entity, improvement of "Svyazinvest" management control, reduction of costs including management overheads and at arrangement of conditions for investments in telecom sector development. On 31 October 2002 the following companies of the Southern Federal District were reorganized within the framework of the common Program on Reorganization through their merger into "UTK" PJSC :*

*"Volgogradelectrosvyaz" OJSC;*

*"KabBalktelecom" OJSC;*

*"Karachaevo-Cherkesskelectrosvyaz" OJSC;*

*"Svyazinform" OJSC, Astrakhan Region;*

*"Sevosetinelectrosvyaz" OJSC;*

*"Electrosvyaz of Adygeia Republic" OJSC;*

*"Electrosvyaz" OJSC, Kalmykia Republic;*

*"Rostovelectrosvyaz" OJSC;*

*"Electrosvyaz" OJSC, Stavropol Territory;*

*"UTK" PJSC (former "Kubanelectrosvyaz" PJSC).*

*One of the strategic directions of telecom sector development in the nearest future is radical improvement of tariff policy of the telecom companies. The key point here is to put an end to cross subsidizing of various telecom services. This improvement implies growth of local telephony tariffs to make local telephony profitable and to put an end to its subsidizing by long-distance and international telephony. Simultaneously long-distance and international telephony tariffs may be decreased. "Svyazinvest" PJSC works out new tariff policy together with Ministry of Telecommunications and Informatics of the Russian Federation and Ministry of Anti-Monopoly Policy of the Russian Federation.*

*Heavy capital investments will be continued to extend and modernize public telephone and data transmission networks of the united telecom companies in the Federal Districts aimed at liquidation of queues for installation of telephone sets and increase of level of network digitization.*

*Public Joint-stock company "Southern Telecommunications Company" was registered by the Decree of the Head of Krasnodar Administration №186-p of May,20,1994 as telecom operator providing telecom services in the Krasnodar Territory.*

*The Southern Federal District occupies a territory of 589.2 thousand square kilometers. 21.6 million people live here, the population density constitutes 36.7 persons per one square kilometer. The Southern Federal District has an enormous economic potential; powerful system of transport*

*corridors and structures of gas and oil export; the largest agro industrial complex in Russia; domination of enterprises of petrochemical, chemical, metal-working, coal, metal mining and woodworking industries; a lot of enterprises of light and food industries; main resorts of the country; active development of tourist business; ports.*

*"Southern Telecommunications Company" PJSC ("UTK" PJSC) is a natural monopoly in the sphere of telecommunications. "UTK" PJSC provides its users with local, long-distance and international telephone calls, document communication, data transmission and telematic services, wired radio, cellular and paging communications, lease of channels and other telecom services. The Company incorporates 13 branches including 10 regional branches.*

*Development strategy of the joint stock Company is aimed at increase of telecom services competitiveness and gain of profit. Priority directions are:*

- meeting solvent demands for traditional services at the expense of increasing equipped number capacity and introducing time-dependent tariffing system (SPUS);*
- creation of united regional accounting centers;*
- creation and maintenance of Internet nodes, connection of regional data transmission networks to Internet node;*
- introduction of intelligent network services;*
- broadening range of services for corporate customers from big, medium-size and small business and for individual entrepreneurs;*
- creating subdivisions which will sell services to main clients, equipping public call offices with means of presentation, selling services to corporate users, selective advertising.*

#### **KEY ACTIVITIES AND THEIR SHARE IN TOTAL VOLUME OF SALES**

*The Issuer's priority activity is rendering telecom services.*

*Their share in total revenues:*

*1999 – 87.0%*

*2000 – 87.9%*

*2001 – 95.4%*

*2002 – 96.66%*

*Key products (services) of "Southern Telecommunications Company" PJSC, providing more than 10% of sales proceeds are rendering services of local, long-distance and international telephony to residents and enterprises of the Krasnodar Territory.*

*Service: domestic and international long-distance telephony*

*Share in tariff income:*

*1999 – 60.6%*

*2000 – 58.4%*

*2001 – 54.7%*

*2002 – 51.6%*

*Service: local telephony*



*Share in tariff income:*

1999 – 33.0%

2000 – 34.9%

2001 – 36.9%

2002 – 36.3%

**SOURCES OF PRIMARY PRODUCTS, MATERIALS, SERVICES**

*Sources of primary products, materials, services.*

**Equipment**

**Main vendors**

**EWSD**

“Siemens AG” (Germany, “Iskratel”

**AXE-10**

“Ericsson” (Sweden), “Ericsson Nikola Tesla”(Croatia)

**SI-2000**

“Iskratel” (Slovenia), “IskraUralTel” (joint venture, Ekaterinburg)

*Main suppliers of transmission systems and fiber-optic cables:*

- Siemens, Germany
- Lucent Technologies, USA
- Cisco Systems, USA

*Besides foreign suppliers the Company works with all Russian manufactures of communication systems including “Armavir plant of communication facilities” with its fiber-optic cable.*

*The Company cooperates with all foreign suppliers on the credit basis with time for payment up to 5 years.*

*The Issuer’s vendors delivering more than 10% of all inventory holdings –none.*

*Outlook for availability of these delivery sources : stable*

**THE ISSUER’S MARKET**

*According to the registered licenses for rendering telecom services, the primary market of “Southern Telecommunications Company” PJSC is the Southern Federal District. Main users of telecom services are residents, enterprises and organizations of the Southern Federal District. Residential consumer’s market share is 86%, consumer’s market share of organizations is 14%.*

*As the activities of “Southern Telecommunications Company” PJSC are of mass nature, no one of its customers accounts for more than 10% of sales volume.*

*Possible negative factors that can affect the Issuer’s services market:*

- 1) decline in solvent demand level of the population of the Southern Federal District in case of devaluation of the ruble;
- 2) deterioration of financial position of enterprises and organizations of the Southern Federal District, that will result in growth of “UTK” PJSC’s accounts receivable (accounts due from users of telecom services).
- 3) keen competition especially in cellular and data transmission markets.

## **ACTIVITY PRACTICE WITH RESPECT TO RESERVES, THE ISSUER'S POLICY ON CURRENT CAPITAL AND RESERVES**

*PJSC "UTK" follows the policy of material reserves' reduction by using normative coefficients of TMC reserves in the branches' budgets.*

*To make the analysis of turnover of reserves they estimate quarterly the factors showing the efficiency of reserves' usage and material expenditures' formation.*

*For practical usage the branches make quarterly detailed analysis of their financial activity including turnover ratios.*

<i>Indices</i>	<i>2000 (prior to merger)</i>	<i>2001 (consolidated)</i>	<i>2002 (actually)</i>
<i>1. Proceeds</i>	<i>2.174 million rubles</i>	<i>8.209 million rubles</i>	<i>10.568 million rubles</i>
<i>2. Turnover ratio of reserves</i>	<i>18.6</i>	<i>19.0</i>	<i>18.1</i>

*Calculations are made as a ratio of sales proceeds to average amount of reserves over the period.*

## **SEASONAL NATURE OF ACTIVITIES**

*All the Company's activities are not of seasonal nature. However, increasing long-distance and international traffic during summer months at the expense of growing number of tourists influences positively the Company's profits.*

## **COMPETITIVE ENVIRONMENT**

*According to data base of the Ministry for Telecommunications and Informatics of the Russian Federation, 367 telecom operators entitled to render telecom services in the Southern Federal District are registered as at 1 January 2003. Total number of issued licenses is 757.*

*According to 2002 performance results "UTK" PJSC's market share of total revenue of telecommunication sector in the Southern Federal District constitutes 45%. The market share reduction as compared with the previous year can be explained by rash development of cellular business. In 2002 cellular market share in total revenues of telecommunications sector in the Southern Federal District stands at 34.5%.*

*At present almost 40 Internet services providers operate in the territory of the Southern Federal District. We see high level of competition in this sphere. "UTK" PJSC's market share constitutes 52% in terms of money.*

*It should be noted that market of new telecom services still remains unoccupied in the District (intelligent network services, broad band access, ,etc.).*

*Results of marketing analysis in large regions of the Southern Federal District show that the residents spend about 4% of their total revenue for payments of telecom services exceeding the average performance in the sector by 2 percent. Thus, we can state that solvent demand for telecom services in the Southern Federal District is higher than the average in the sector.*

*Taking into account large number potential competitors (number of issued licenses) and presence of solvent demand for telecom services, in the nearest future we expect intensification of competitive activity in the telecom market of the Southern Federal District especially in the sphere of new technologies and services.*

**34. Investment declaration. Description of the issuer's activities.**

*Submitted only by investment funds*

**35. Plans of the issuer's future activities.**

*Plans of future activities.*

*Long-term strategic directions:*

- *creation of up-to-date telecommunication system including imposed digital telecommunication network equipped with digital automatic switching exchanges, digital transmission systems, fiber-optic communication lines (FOLs);*
- *introduction of new technologies: ISDN, IP-telephony, ATM, xDSL;*
- *integration of communication and management infrastructures with international informational and switching systems;*
- *improvement of the provided services;*
- *optimization of the provided services' list, aiming at increasing proportion of the most progressive services. It will require corresponding reorientation of resources;*
- *maximization of the Company's profitability;*
- *active tariff policy;*
- *pressing marketing policy;*
- *hard control of expenditures' volume;*
- *improvement of corporate management*

*In 2003 "UTK" PJSC plans to assimilate capital investments amounting to 4879 million rubles and to put into operation fixed assets amounting to 5265 million rubles. As a result 2080.2 kilometers of fiber-optic communication lines will be constructed, 513 281 telephone numbers will be put into operation including 412521 numbers in urban TN and 100760 lines in rural TN.*

*Besides the objects providing for the number capacity to be put into operation investments will be allocated to construction, expansion and reconstruction of:*

- *nodes of broadband access to Internet;*
- *multi-service networks and data transmission systems;*
- *call service centers;*
- *digital communication lines, FOLs in the first place, etc.*

*The most important source of "UTK" PJSC future income will remain its activities in rendering telecom services to subscribers: local, long-distance and international telephony, document communication and data transmission, Internet access services, additional services based on digital technologies.*

*"UTK" PJSC does not plan to change type of its key activity – rendering telecom services according to the licenses in force and the Company Charter.*

**36. Information about the issuer's authorized capital.**

The issuer's authorized capital rate (RUR): *1 297 779 384.66*

The authorized capital lay-out according to the shares' categories:

Common shares:

Total amount(RUR): **976 969 278.12**

Share in authorized capital: **75.280074 %**

Preference shares:

Total amount (RUR): **320 810 106.54**

Share in the authorized capital: **24.719926 %**

**37. Information about the state (municipal entity) share in the Issuer's legal capital.**

The legal capital's share held by state (municipal entity):

Type of property: *of the subjects of the Russian Federation*

Share: **0.0003%**

Managing shareholder: *Federal property fund of the Krasnodar Territory*

Type of property: *federal*

Share: **0.0001%**

Managing shareholder: *Ministry of Property relations of the Russian Federation*

Type of property: *of the subjects of the Russian Federation*

Share: **0.0003%**

Managing shareholder: *Administration of federal postal service in the Volgograd Region*

Type of property: *federal*

Share: **0.0918%**

Managing shareholder: *Russian federal property fund*

Type of property: *of the subjects of the Russian Federation*

Share: **0.0342%**

Managing shareholder: *State Enterprise -Administration of federal postal service in Karachaevo-Circassian Republic of the Ministry of Telecommunications and Informatization of the Russian Federation.*

The Issuer's shares allocated to the state (municipal) property:

**none**

Existence of the special right of the Russian Federation, subjects of the Russian Federation, municipal bodies to participate in the Issuer's management ("golden share"):

**Not provided**

**38. Information about the issuer's declared shares.**

**38.1**

Category: *ordinary*

Form: *registered, book-entry*

Full name of declared shares' category/type: *ordinary registered book-entry*

Nominal value(RUR): **0.33**

Number: **130 814 345**

Total value (RUR): **43 168 733.85**

Terms of stock floatation: *Form and terms of stock floatation are determined by the Board of Directors.*

**38.2**

Category: *preference*

Type: *A*

Form: *registered, book-entry*

Full name of declared shares' category/type: *preference registered book-entry type A*

Nominal value(RUR): *0.33*

Number: *32 711 532*

Total value (RUR): *10 794 805.56*

Terms of stock floatation: *Form and terms of stock floatation are determined by the Board of Directors.*

**39. The Issuer's material contracts and obligations:**

*None*

**40. The Issuer's obligations related to the issue of shares and securities convertible into shares:**

*no such obligations*

**41. Information about the sanctions imposed on the Issuer, court proceedings and public inquiries:**

**Sanctions imposed on the Issuer by courts and state governing authorities during three fiscal years prior to the reported one and in the current year:**

Date of the sanction's application: *18.07.2000*

Institution that imposed the sanction: *fiscal inspection*

Cause of sanction: *Incomplete payment of taxes*

Form of sanction: *penalty*

Size of sanction(RUR): *40 000*

Degree of the sanction execution: *executed*

Date of the sanction's application: *4.06.2001*

Institution that imposed the sanction: *fiscal inspection of Gelendzhik*

Cause of sanction: *Tax inspection*

Form of sanction: *fine*

Size of sanction(RUR): *490 142*

Degree of the sanction execution: *executed*

Date of the sanction's application: *4.06.2001*

Institution that imposed the sanction: *fiscal inspection of Gelendzhik*

Cause of sanction: *Tax inspection*

Form of sanction: *penalty*

Size of sanction(RUR): *145 942.8*

Degree of the sanction execution: *executed*

Date of the sanction's application: **20.06.2001**  
Institution that imposed the sanction: **fiscal inspection № 3 of Krasnodar**  
Cause of sanction: **Incomplete payment of taxes**  
Form of sanction: **penalty**  
Size of sanction(RUR): **28 000**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **31.12.2001**  
Institution that imposed the sanction: **Otradnenskaya Regional Department of Social Insurance Fund**  
Cause of sanction: **According to the results of scheduled all-round inspection of Armavir Joint Communication Center**  
Form of sanction: **penalty**  
Size of sanction(RUR): **558**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **15.02.2002**  
Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**  
Cause of sanction: **Undue VAT payment**  
Form of sanction: **fine**  
Size of sanction(RUR): **2 277 809**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **3.04.2002**  
Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**  
Cause of sanction: **Undue profit tax payment**  
Form of sanction: **fine**  
Size of sanction(RUR): **210 168**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **30.05.2002**  
Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**  
Cause of sanction: **Undue payment of profit tax**  
Form of sanction: **fine**  
Size of sanction(RUR): **2 332 516**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **24.06.2002**  
Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**  
Cause of sanction: **Undue payment of profit tax**  
Form of sanction: **fine**  
Size of sanction(RUR): **100 000**  
Degree of the sanction execution: **executed**

Date of the sanction's application: **29.07.2002**

Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Undue payment of profit tax**

Form of sanction: **fine**

Size of sanction(RUR): **202 995**

Degree of the sanction execution: **executed**

Date of the sanction's application: **16.08.2002**

Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Undue payment of property tax**

Form of sanction: **fine**

Size of sanction(RUR): **18 603**

Degree of the sanction execution: **executed**

Date of the sanction's application: **16.08.2002**

Institution that imposed the sanction: **Regional Branch № 4 of Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Undue payment of profit tax**

Form of sanction: **fine**

Size of sanction(RUR): **1 072 326**

Degree of the sanction execution: **executed**

Date of the sanction's application: **1.10.2002**

Institution that imposed the sanction: **Regional Branch Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Incomplete payment of single tax for imputed earnings**

Form of sanction: **fine**

Size of sanction(RUR): **181**

Degree of the sanction execution: **executed**

Date of the sanction's application: **1.10.2002**

Institution that imposed the sanction: **Regional Branch Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Incomplete payment of single social tax**

Form of sanction: **fine**

Size of sanction(RUR): **17 583**

Degree of the sanction execution: **executed**

Date of the sanction's application: **3.10.2002**

Institution that imposed the sanction: **Regional Branch Ministry of Tax Revenue in the Krasnodar Territory**

Cause of sanction: **Incomplete payment of value added tax**

Form of sanction: **penalty**

Size of sanction(RUR): **3 383**

Degree of the sanction execution: *executed*

Date of the sanction's application: *3.10.2002*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Krasnodar Territory*

Cause of sanction: *Incomplete payment of profit tax*

Form of sanction: *fine*

Size of sanction(RUR): *4 357*

Degree of the sanction execution: *executed*

Date of the sanction's application: *3.10.2002*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Krasnodar Territory*

Cause of sanction: *Incomplete payment of property tax*

Form of sanction: *fine*

Size of sanction(RUR): *466*

Degree of the sanction execution: *executed*

Date of the sanction's application: *30.11.2002*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Krasnodar Territory*

Cause of sanction: *Incomplete payment of profit tax*

Form of sanction: *fine*

Size of sanction(RUR): *144*

Degree of the sanction execution: *executed*

Date of the sanction's application: *30.11.2002*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Krasnodar Territory*

Cause of sanction: *Incomplete payment of value added tax*

Form of sanction: *fine*

Size of sanction(RUR): *36 761*

Degree of the sanction execution: *executed*

Date of the sanction's application: *1.02.2003*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Krasnodar Territory*

Cause of sanction: *Incomplete payment of value added tax*

Form of sanction: *fine*

Size of sanction(RUR): *576*

Degree of the sanction execution: *executed*

Date of the sanction's application: *12.02.2003*

Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Rostov Region*

Cause of sanction: *Incomplete payment of property tax*

Form of sanction: *fine*



Size of sanction(RUR): *194 900*  
Degree of the sanction execution: *executed*

Date of the sanction's application: *12.02.2003*  
Institution that imposed the sanction: *Regional Branch Ministry of Tax Revenue in the Rostov Region*  
Cause of sanction: *Incomplete payment of profit tax*  
Form of sanction: *fine*  
Size of sanction(RUR): *114 700*  
Degree of the sanction execution: *executed*

**Description of all the ongoing or completed in the reported quarter legal actions which are likely to substantially affect the Issuer's activity:**

*There were no legal proceedings which may substantially affect the Issuer's business.*

**Brief description of grounds for all the ongoing or completed in the reported quarter public inquiries of the Issuer conducted by state authorities as well as of audits of the Issuer carried out at the request of its shareholders (participants):**

*During the 1<sup>st</sup> quarter of 2003 "Ernst and Young Vneshaudit" CJSC was performing an audit of "UTK" PJSC economic and financial activity for the year 2002 on the basis of the Contract № I&C/2003-148 of 25 March 2003. "YUNICON"/MS (Consulting Group) performed an audit of financial and economic activity of all "UTK" PJSC regional branches for the year 2002 on the basis of the contracts concluded by the auditing company with each "UTK" PJSC branch.*

**42. Important facts (events, actions) that took place during the reported period.**

Date of the occurrence of the fact (event, action): *15.01.2003*  
Code of the fact (event, action): *0400062A15012003*

*Limited Company "Yug-Giprosvyaz".  
Seat and postal address: 67, Gagarin Str., Krasnodar, 350062  
"UTK" PJSC's share in the charter capital of "Yug-Giprosvyaz" Ltd: 0% - before the change, 24% - after the change.  
Date of the change: 15 January 2003*

Date of the occurrence of the fact (event, action): *21.01.2003*  
Code of the fact (event, action): *1200062A21012003*

*Type of General Shareholders' Meeting - Extraordinary  
Form of the Extraordinary General Shareholders' Meeting - in praesentia (joint personal presence)  
Date: 21 January 2003  
Venue: 44, Krasnaya Str., Krasnodar*

*By the record day of shareholders entitled to take part in the Extraordinary General Shareholders' Meeting (21 November 2002) the Company distributed 2 960 512 964 ordinary shares. The Company did not acquire any shares.*

*Total number of the Company's distributed voting shares except for those acquired (repurchased) by the Company constitutes 2 960 512 964 shares.*

*As at 11:00 Moscow time shareholders and their proxies owning in the aggregate 2 170 612 002 votes were registered including:*

- 1) 10 995 593 votes owned by the members of the Board of Directors or persons holding positions in the Company's governing bodies;*
- 2) 2 170 612 002 votes (or 73.319 percent of the total number of the Company's registered voting shares) owned by shareholders entitled to vote on the agenda items № 1, №2, №4, №5, №6, №7, №8, except for those acquired (repurchased) by the Company;*
- 3) 2 159 616 409 votes (or 72.94 percent of the total number of the Company's registered voting shares) owned by shareholders entitled to vote on the agenda item № 3(Election of the members of the Auditing Commission) except for those acquired (repurchased) by the Company or those owned by the members of the Board of Directors or persons holding positions in the Company's governing bodies.*

*Thus, the Extraordinary General Shareholders' Meeting of "Southern Telecommunications Company" PJSC has a quorum for adopting resolutions on all the agenda items.*

*Items put to vote:*

- 1. Pre-term termination of powers of General Director, appointment of the Company's General Director and determination of his term of office.*
- 2. Pre-term termination of powers of "UTK" PJSC Board of Directors' members and election of "UTK" PJSC Board of Directors' members.*
- 3. Pre-term termination of powers of "UTK" PJSC Auditing Commission's members and election of "UTK" PJSC Auditing Commission's members.*
- 4. Approval of the new version of the Company's Charter.*
- 5. Approval of the new version of Regulations on the procedure for conducting a General Shareholders' Meeting.*
- 6. Approval of the new version of the Statute of the Company's Board of Directors.*
- 7. Approval of the new version of the Statute of the Company's Management Board.*
- 8. Determination of the size of remuneration to be paid to the members of the Company's Board of Directors.*

*Voting results.*

*On the first item:*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:</i>	<i>2 960 512 964 votes</i>
<i>Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:</i>	<i>2 170 612 002 votes</i>
<i>including:</i>	
<i>those having taken part in the voting</i>	<i>2 165 686 203 votes</i>
<i>those votes in the voting papers declared invalid, in</i>	

<i>the aggregate</i>	360 359 votes
<b>“IN FAVOR”:</b>	2 117 111 364 votes (97.540%)
<b>“AGAINST”:</b>	41 492 votes (0.0019%)
<b>“ABSTAINED FROM VOTING”:</b>	48 172 988 votes (2.2200%)

*On the second item:*

1. *Pre-term termination of powers of “UTK” PJSC Board of Directors’ members and election of “UTK” PJSC Board of Directors’ members:*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders’ Meeting and to vote on this item:</i>	2 960 512 964 votes
<i>Total number of votes of shareholders taking part in the General Shareholders’ Meeting and having the right to vote on this item:</i>	2 170 612 002 votes
<i>including:</i>	
<i>those having taken part in the voting</i>	2 166 118 799 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	24 452 546 votes
<b>“IN FAVOR”:</b>	2 107 298 289 votes (97.0800%)
<b>“AGAINST”:</b>	16 667 votes (0.0008%)
<b>“ABSTAINED FROM VOTING”:</b>	34 351 287 votes (1.5800%)

2. *To elect the following members of the Board of Directors of the Company:*

<i>Name of the candidate</i>	<i>Number of votes cast in favor of each candidate</i>
1) <i>Avdiyants Stanislav Petrosovich</i>	1 817 421 188
2) <i>Belov Vadim Yevgenyevich</i>	1 928 890 951
3) <i>Vasilyev Mikhail Borisovich</i>	2 430 932 587
4) <i>Gorbachev Vladimir Lukich</i>	4 432 126 372
5) <i>Devyatkina Lyudmila Ivanovna</i>	19 236 194
6) <i>Dudchenko Vladimir Vladimirovich</i>	1 668 292 993
7) <i>Kovalenko Gennadiy Ivanovich</i>	524 261 505
8) <i>Merzlenko Alexander Leonidovich</i>	2 043 163 806
9) <i>Romskiy Georgy Alexeevich</i>	1 819 031 929
10) <i>Panchenko Stanislav Nikolaevich</i>	1 918 764 991
11) <i>Ukhina Irina Petrovna</i>	1 728 527 471
12) <i>Filimonova Galina Arsentjevna</i>	1 707 585 606
13) <i>Shchepilov Andrey Anatoljevich</i>	1 606 905 064
<i>Against all the candidates</i>	136 444
<i>Abstained from voting on all the candidates</i>	871 123

*On the third item:*

1. *Pre-term termination of powers of “UTK” PJSC Auditing Commission:*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders’ Meeting and to vote on this item:</i>	2 960 512 964 votes
<i>Total number of votes of shareholders taking part in the General Shareholders’ Meeting and</i>	

<i>having the right to vote on this item:</i>	2 170 612 002 votes
<i>including:</i>	
<i>those having taken part in the voting</i>	2 166 383 274 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	2 116 056 votes
<i>"IN FAVOR":</i>	2 104 154 979 votes (96.9400%)
<i>"AGAINST":</i>	53 800 votes (0.0024%)
<i>"ABSTAINED FROM VOTING":</i>	60 058 439 votes (2.7700%)

*2. Election of the members of the Company's Auditing Commission*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:</i>	2 949 517 371 votes
<i>Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:</i>	2 159 616 409 votes
<i>including:</i>	
<i>those having taken part in the voting</i>	2 155 387 681 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	250 911 783 votes

<i>1) Andreeva Antonina Mikhailovna</i>	
<i>"IN FAVOR":</i>	241 137 938 votes (11.17%)
<i>"AGAINST":</i>	1 578 776 598 votes (73.10%)
<i>"ABSTAINED FROM VOTING":</i>	64 012 179 votes (2.96%)

<i>2) Boyarskih Natalia Vladimirovna</i>	
<i>"IN FAVOR":</i>	1 833 417 913 votes (84.90%)
<i>"AGAINST":</i>	9 520 172 votes (0.44%)
<i>"ABSTAINED FROM VOTING":</i>	60 159 262 votes (2.79%)

<i>3) Greseva Lyubov Alexandrovna</i>	
<i>"IN FAVOR":</i>	1 814 646 811 votes (84.03%)
<i>"AGAINST":</i>	15 732 620 votes (0.73%)
<i>"ABSTAINED FROM VOTING":</i>	67 739 412 votes (3.14%)

<i>4) Dolgopolova Natalia Alekseevna</i>	
<i>"IN FAVOR":</i>	155 029 214 votes (7.18%)
<i>"AGAINST":</i>	170 337 646 votes (7.89%)
<i>"ABSTAINED FROM VOTING":</i>	69 288 156 votes (3.21%)

<i>5) Kozin Vladimir Vladimirovich</i>	
<i>"IN FAVOR":</i>	1 826 511 626 votes (84.58%)
<i>"AGAINST":</i>	12 864 577 votes (0.60%)
<i>"ABSTAINED FROM VOTING":</i>	61 410 117 votes (2.84%)

6) Prokofjeva Irina Viktorovna

“IN FAVOR”:

1 670 187 494 votes (77.34%)

“AGAINST”:

43 785 677 votes (2.03%)

“ABSTAINED FROM VOTING”:

145 467 420 votes (6.74%)

7) Frolov Kirill Viktorovich

“IN FAVOR”:

1 622 965 729 votes (75.15%)

“AGAINST”:

108 568 395 votes (5.03%)

“ABSTAINED FROM VOTING”:

144 187 528 votes (6.68%)

On the fourth item:

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:

2 960 512 964 votes

Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:

2 170 612 002 votes

including:

those having taken part in the voting

2 166 579 441 votes

those votes in the voting papers declared invalid, in the aggregate

7 558 465 votes

“IN FAVOR”:

2 099 003 716 votes (96.70%)

“AGAINST”:

436 votes (0.00002%)

“ABSTAINED FROM VOTING”:

60 016 824 votes (2.76%)

On the fifth item:

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:

2 960 512 964 votes

Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:

2 170 612 002 votes

including:

those having taken part in the voting

2 166 138 396 votes

those votes in the voting papers declared invalid, in the aggregate

1 874 736 votes

“IN FAVOR”:

2 129 794 848 votes (98.12%)

“AGAINST”:

545 votes (0.00002%)

“ABSTAINED FROM VOTING”:

34 468 267 votes (1.59%)

On the sixth item:

Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders' Meeting and to vote on this item:

2 960 512 964 votes

Total number of votes of shareholders taking part in the General Shareholders' Meeting and having the right to vote on this item:

2 170 612 002 votes

<i>including:</i>	
<i>those having taken part in the voting</i>	2 166 408 378 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	2 037 892 votes
<i>“IN FAVOR”:</i>	2 129 742 656 votes (98.12%)
<i>“AGAINST”:</i>	19 137 votes (0.0009%)
<i>“ABSTAINED FROM VOTING”:</i>	34 608 693 votes (1.59%)

*On the seventh item:*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders’ Meeting and to vote on this item:</i>	2 960 512 964 votes
<i>Total number of votes of shareholders taking part in the General Shareholders’ Meeting and having the right to vote on this item:</i>	2 170 612 002 votes
<i>including:</i>	
<i>those having taken part in the voting</i>	2 166 430 274 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	1 822 189 votes
<i>“IN FAVOR”:</i>	2 129 202 601 votes (98.09%)
<i>“AGAINST”:</i>	13 930 votes (0.0006%)
<i>“ABSTAINED FROM VOTING”:</i>	35 391 554 votes (1.63%)

*On the eighth item:*

<i>Total number of votes of shareholders in the list of persons entitled to take part in the General Shareholders’ Meeting and to vote on this item:</i>	2 960 512 964 votes
<i>Total number of votes of shareholders taking part in the General Shareholders’ Meeting and having the right to vote on this item:</i>	2 170 612 002 votes
<i>including:</i>	
<i>those having taken part in the voting</i>	2 166 262 947 votes
<i>those votes in the voting papers declared invalid, in the aggregate</i>	3 548 330 votes
<i>“IN FAVOR”:</i>	2 122 568 383 votes (97.79%)
<i>“AGAINST”:</i>	2 890 184 votes (0.13%)
<i>“ABSTAINED FROM VOTING”:</i>	37 256 050 votes (1.72%)

*Resolutions approved:*

*On the first item: To terminate the powers of General Director before the appointed time, to appoint Vladimir Lukich Gorbachev General Director of the Company for a term of two years.*

*On the second item:*

- To terminate the powers of the Board of Directors’ members before the appointed time.*
- To elect the following members of the Company’s Board of Directors:*

- 1) Avdiyants Stanislav Petrosovich
- 2) Belov Vadim Yevgenyevich
- 3) Vasilyev Mikhail Borisovich
- 4) Gorbachev Vladimir Lukich
- 5) Dudchenko Vladimir Vladimirovich
- 6) Merzlenko Alexander Leonidovich
- 7) Romskiy Georgy Alexeevich
- 8) Panchenko Stanislav Nikolaevich
- 9) Ukhina Irina Petrovna
- 10) Filimonova Galina Arsentjevna
- 11) Shchepilov Andrey Anatoljevich

*On the third item:*

1. *To terminate the powers of the Auditing Commission's members before the appointed time.*
2. *To elect the following members of the Company's Auditing Commission:*
  - 1) *Boyarskih Natalia Vladimirovna*
  - 2) *Greseva Lyubov Alexandrovna*
  - 3) *Kozin Vladimir Vladimirovich*
  - 4) *Prokofjeva Irina Viktorovna*
  - 5) *Frolov Kirill Viktorovich*

*On the fourth item: to approve the new version of the Company's Charter.*

*On the fifth item: to approve the new version of the Regulations on the procedure for conducting a General Shareholders' Meeting.*

*On the sixth item: to approve the new version of the Statute on the Company's Board of Directors.*

*On the seventh item: to approve the new version of the Statute on the Company's Management Board.*

*On the eighth item: to determine percent of deductions for calculation of the size of quarterly and yearly remunerations to be paid to the members of the Company's Board of Directors:*

- *0.006 percent of the Company's sale proceeds for the reporting quarter in accordance with the accounting reports of the Company for each members of the Board of Directors.*
- *0.4 percent of the Company net profit for the reporting year in accordance with the accounting reports of the Company for all the members of the Board of Directors.*

Date of the occurrence of the fact (event, action): **21.01.2003**

Code of the fact (event, action): **0100062A21012003**

***The Company's governing organ that was changed: Board of Directors***

***The following persons were elected the members of the Board of Directors:***

- 1) ***Avdiyants Stanislav Petrosovich. Share in "UTK" PJSC's charter capital : 0%***
- 2) ***Belov Vadim Yevgenyevich. Share in "UTK" PJSC's charter capital : 0%***
- 3) ***Vasilyev Mikhail Borisovich. Share in "UTK" PJSC's charter capital : 0%***
- 4) ***Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%***

- 5) *Dudchenko Vladimir Vladimirovich. Share in "UTK" PJSC's charter capital : 0%*
- 6) *Merzlenko Alexander Leonidovich. Share in "UTK" PJSC's charter capital : 0%*
- 7) *Romskiy Georgy Alexeevich. Share in "UTK" PJSC's charter capital : 0%*
- 8) *Panchenko Stanislav Nikolaevich. Share in "UTK" PJSC's charter capital : 0%*
- 9) *Ukhina Irina Petrovna. Share in "UTK" PJSC's charter capital : 0%*
- 10) *Filimonova Galina Arsentjevna. Share in "UTK" PJSC's charter capital : 0%*
- 11) *Shchepilov Andrey Anatoljevich. Share in "UTK" PJSC's charter capital : 0%*

*Date of the change: 21 January 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes: Extraordinary General Shareholders' Meeting (Protocol №13 of 21 January 2003).*

*Powers of the following members of the Board of Directors were terminated*

1. *Belov Vadim Yevgenyevich. Share in "UTK" PJSC's charter capital : 0%*
2. *Volkovyskiy Igor Viljgelmovich. Share in "UTK" PJSC's charter capital : 0%*
3. *Gorbachev Vladimir Lukich. Share in "UTK" PJSC's charter capital : 0.0891%*
4. *Yevdokimenko Vitali Mikhailovich. Share in "UTK" PJSC's charter capital : 0%*
5. *Zabuzova Elena Viktorovna. Share in "UTK" PJSC's charter capital : 0%*
6. *Osipchuk Anton Igorevich. Share in "UTK" PJSC's charter capital : 0%*
7. *Romskiy Georgy Alexeevich. Share in "UTK" PJSC's charter capital : 0%*
8. *Ukhina Irina Petrovna. Share in "UTK" PJSC's charter capital : 0%*
9. *Hern David Alexander. Share in "UTK" PJSC's charter capital : 0%*

*Date of the change: 21 January 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes: Extraordinary General Shareholders' Meeting (Protocol №13 of 21 January 2003).*

Date of the occurrence of the fact (event, action): 21.01.2003

Code of the fact (event, action): 0100062A21012003

*The Company's governing organ that was changed: Management Board*

*Powers of the following members of the Management Board were terminated*

1. *Gorbachev Vladimir Lukich (Chairman). Share in "UTK" PJSC's charter capital : 0.0891%*
2. *Laskavy Leonid Leontyevich. Share in "UTK" PJSC's charter capital : 0.0592%*
3. *Apaljko Alexander Valentinovich. Share in "UTK" PJSC's charter capital: 0.0195%*
4. *Ignatenko Ivan Fyodorovich. Share in "UTK" PJSC's charter capital : 0.0346%*
5. *Kraev Alexey Olegovich. Share in "UTK" PJSC's charter capital : 0%*
6. *Kruzhkov Viktor Alexandrovich. Share in "UTK" PJSC's charter capital : 0.0844%*
7. *Litvinov Andrey Alexandrovich. Share in "UTK" PJSC's charter capital : 0%*
8. *Statuev Vladislav Andreevich. Share in "UTK" PJSC's charter capital : 0%*
9. *Fefilova Svetlana Gennadijevna. Share in "UTK" PJSC's charter capital : 0%*
10. *Kharchenko Sergey Nikolaevich. Share in "UTK" PJSC's charter capital : 0%*
11. *Shipulin Alexander Petrovich. Share in "UTK" PJSC's charter capital : 0.0357%*

*Date of the change: 21 January 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes: Board of Directors (Protocol №1 of 21 January 2003).*

*The following persons were elected the members of the Management Board:*

1. *Gorbachev Vladimir Lukich (Chairman). Share in "UTK" PJSC's charter capital : 0.0891%*
2. *Apaljko Alexander Valentinovich. Share in "UTK" PJSC's charter capital: 0.0195%*



3. *Butko Alexander Semyonovich. Share in "UTK" PJSC's charter capital : 0.0024%*
4. *Devyatkina Lyudmila Ivanovna. Share in "UTK" PJSC's charter capital : 0%*
5. *Ignatenko Ivan Fyodorovich. Share in "UTK" PJSC's charter capital : 0.0346%*
6. *Izyurjev Leonid Mikhailovich. Share in "UTK" PJSC's charter capital : 0.00097%*
7. *Kozhiev Beshtau Kanamatovich. Share in "UTK" PJSC's charter capital : 0.11%*
8. *Kormilitsina Lyudmila Alexeevna. Share in "UTK" PJSC's charter capital : 0%*
9. *Korotenko Svetlana Vasilyevna. Share in "UTK" PJSC's charter capital : 0%*
10. *Kruzhkov Viktor Alexandrovich. Share in "UTK" PJSC's charter capital : 0.0844%*
11. *Litvinov Andrey Alexandrovich. Share in "UTK" PJSC's charter capital : 0%*
12. *Malova Antonida Mikhailovna. Share in "UTK" PJSC's charter capital : 0.00026%*
13. *Poyarkov Yevgeny Nikolaevich. Share in "UTK" PJSC's charter capital : 0.05%*
14. *Prachkin Alexey Petrovich. Share in "UTK" PJSC's charter capital : 0.066%*
15. *Roitblat Alexander Markovich. Share in "UTK" PJSC's charter capital : 0.0077%*
16. *Statuev Vladislav Andreevich. Share in "UTK" PJSC's charter capital : 0%*
17. *Ufimov Vladimir Batorovich. Share in "UTK" PJSC's charter capital : 0.015%*
18. *Ukhov Valery Vasilyevich. Share in "UTK" PJSC's charter capital : 0.77%*
19. *Fefilova Svetlana Gennadyevna. Share in "UTK" PJSC's charter capital : 0%*
20. *Kharchenko Sergey Nikolaevich. Share in "UTK" PJSC's charter capital : 0%*
21. *Chinazirov Yanvar Khadgimusovich. Share in "UTK" PJSC's charter capital : 0.0091%*
22. *Shukhostanov Boris Kistuevich. Share in "UTK" PJSC's charter capital : 0%*

*Date of the change: 21 January 2003*

*The issuer's authorized body which adopted the resolution being grounds of these changes: Board of Directors (Protocol №1 of 21 January 2003).*

*Date of the occurrence of the fact (event, action): 25.03.2003*

*Code of the fact (event, action): 0400062A25032003*

*Limited Company "UTK-Finance".*

*Seat and postal address: 66, Karasunskaya Str., Krasnodar, 350 000*

*"UTK" PJSC's share in the charter capital of "UTK-Finance" Ltd: 0% - before the change, 100% - after the change.*

*Date of the change: 25 March 2003*

*Date of the occurrence of the fact (event, action): 3.03.2003*

*Code of the fact (event, action): 1300062A03032003*

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 3 March 2003 the following resolutions were adopted (Minutes № 6 of 03.03.2003):*

*On the item : "Approval of the Agency contract with OJSC "Natsionaljnaya taksofonnaya set" (Black Sea coast), having interested motives".*

1. *To approve the agency contract on selling prepaid phone cards with OJSC "Natsionaljnaya taksofonnaya set", having interested motives, on the following conditions:*
  - *to determine the number of cards necessary to fulfill the order of the Principal, the Agent shall make a request for cards and send it to the Principal. Minimum number of the cards of a single request shall be 5000 (five thousand) cards irrespective of the amount of each face-value, indicated in the request;*

- on the Agent's request the cards shall be sent to the Agent's seat or any other address approved by the parties no later than 30 (thirty) business days from the date of advance payment if later delivery date is not decided in the request;
  - contract time: 1 (one) year;
  - the cards are to be sold in the territory of the Black Sea coast of the Russian Federation.
2. To determine the Agent's fee based on market prices as a difference between the cards' release and retail price. Retail price of the cards is determined by the Agent but shall not exceed the release price by more than 10 percent.

*On the item : "Approval of the Agency contract with OJSC "Natsionaljnaya taksofonnaya set, having interested motives".*

1. To approve the agency contract on selling prepaid phone cards with OJSC "Natsionaljnaya taksofonnaya set", having interested motives, on the following conditions:
- to determine the number of cards necessary to fulfill the order of the Principal, the Agent shall make a request for cards and send it to the Principal. Minimum number of the cards of a single request shall be 5000 (five thousand) cards irrespective of the amount of each face-value, indicated in the request;
  - on the Agent's request the cards shall be delivered to the Agent's seat or any other address approved by the parties no later than 30 (thirty) business days from the date of advance payment if later delivery date is not decided in the request;
  - to provide the distribution of the cards within the limits of their application time the Agent when sending the request shall make advance payment amounting to 15 (fifteen) rubles including VAT for each card of any face value;
  - contract time: 1 (one) year;
  - the cards are to be sold in all the licensed territory of "UTK" PJSC except for the Black Sea coast of the Russian Federation.
2. To determine the Agent's fee based on market prices as a difference between the cards' release and retail price. Retail price of the cards is determined by the Agent but shall not exceed the release price by more than 10 percent.

*On the item : "Approval of the Lease Agreement with OJSC "Natsionaljnaya taksofonnaya set", having interested motives".*

*To approve the Agreement with OJSC "NTS" on lease of board set for modernization of card public phone TMGS 15280 (version 5-40) including: safe application block unit for 5 SAM-modules, memory board, module of line protection from unauthorized access from public phones AZT-6, system of remote control of public phones SDUKT-VU "TECHCENTER" (version 1.32) for 750 lines, having interested motives, on the following conditions:*

- Term of lease – one year with annual automatic prolongation if none of the parties wishes to terminate the Agreement or to conclude a new one;
- to determine the size of monthly lease payment based on market prices as a sum of the product of traffic (in tariff units) passed through the public phone cards of the Lesser by the internal price of one tariff unit (0,58 ruble incl. VAT) and the product of traffic (in tariff units) passed through the public phone cards of the Lessee by the internal price of one tariff unit (0,06 ruble incl. VAT).

*10 out of 11 members of the Board of Directors took part in the voting. There was a quorum for conducting the Board of Directors' meeting. 8 directors voted in favor of the resolutions, 2 directors (Vasilyev M.B., Dudchenko V.V.) voted against the resolutions.*

Date of the fact (event, action): 26.03.2003

Code of the fact (event, action): 1300062A26032003

*"Southern Telecommunications Company" PJSC informs that at the meeting of its Board of Directors held on 26 March 2003 the following resolutions were adopted (Minutes № 9 of 26.03.2003):*

- 1. To call an Annual General Shareholders' Meeting of "Southern Telecommunications Company" PJSC in the form of shareholders' joint personal presence.*
- 2. To determine its:*
  - date: 25 June 2003*
  - venue: "Health-care complex "Orbita" CJSC, Olginka, Tuapse region, Krasnodar Territory*
  - time: 11:00, Moscow time, 25 June 2003*
  - starting time of shareholders' registration: 9:00 Moscow time, 25 June 2003.*
- 3. To determine 8 May 2003 as the record date for "UTK" PJSC's shareholders entitled to participate in the Annual General Shareholders' Meeting and to receive dividends for the year 2002.*
- 4. To determine Postal address for sending filled voting papers: 66, Karasunskaya Street, Krasnodar, 350 000.*

*10 out of 11 members of the Board took part in the voting. There was a quorum for conducting the Board of Directors' meeting.*

*The resolutions were approved by a solid vote.*

Date of the fact (event, action): 26.03.2003

Code of the fact (event, action): 1500062A26032003

*About the date of making a list of shareholders entitled to take part in the Annual General Shareholders' Meeting.*

*The date, when the Board of Directors adopted the resolution on the date of making a list of shareholders entitled to take part in the Annual General Shareholders' Meeting and to receive dividends for the year 2002 is 26 March 2003 (Minutes № 9 of 26.03.2003).*

*The date of making a list of shareholders (record day) is 8 May 2003.*

*Date of the Annual General Shareholders' Meeting is 25 June 2003.*

Date of the fact (event, action): 10 January 2003

Code of the fact (event, action): 0800062A10012003

*Assets value as at 1 January 2003: - 16 467 464 thousand rubles*

*Assets value as at 1 October 2002: - 5 270 194 thousand rubles*

*Absolute assets growth constituted 11 197 270 thousand rubles or 212.5%*

*Assets growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts.*

Date of the fact (event, action): *10 January 2003*

Code of the fact (event, action): *0900062A10012003*

*Profit before taxation for the fourth quarter of 2002: - 441 650 thousand rubles*

*Profit before taxation for the third quarter of 2002: - 156 687 thousand rubles*

*Absolute profit growth constituted 284 963 thousand rubles or 181.9%*

*Profit growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts as its branches.*

*Profit before taxation of the merged companies for the nine months of 2002 constituted 523 557 thousand rubles*

#### **43. Information about reorganizations of the issuer and its subsidiaries & affiliated establishments.**

*On 31 October 2002 Regional Tax Agency in the Krasnodar Territory on first-rate tax-payers of the Ministry of Tax Revenue of the Russian Federation made an entry in the Common state register of juridical persons on reorganization of Public Joint Stock Company "Southern Telecommunications Company" through merger of Open Joint-Stock Company "Svyazinform" of Astrakhan Region, Volgograd Open Joint-Stock Company "Electrosvyaz", Open Joint-Stock Company "Kabardino-Balkarskie telekommunikatsii", Open Joint-Stock Company "Elektricheskaya svyaz" of Kalmykia Republic, Open Joint-Stock Company "Karachaevo-Cherkesskelectrosvyaz", Open Joint-Stock Company "Electrosvyaz" of Rostov Region, Open Joint-Stock Company "Sevosetinelectrosvyaz", Open Joint-Stock Company "Electrosvyaz" of Stavropol Territory, Open Joint-Stock Company "Electrosvyaz of Adygeia Republic" into it. "Certificate on Making an Entry in the Common State Register of Juridical Persons" № 003062351 series 23 of 31 October 2002 was issued for "Southern Telecommunications Company" PJSC.*

*Agreements on merger of telecom operators of the Southern Federal District into "UTK" PJSC were approved by "UTK" PJSC Extraordinary General Shareholders' Meeting (Minutes № 11 of December 21, 2001) and Extraordinary General Shareholders' Meetings of the merging companies. Reorganization is aimed at increase of the amalgamated company's share capital value at the expense of merger of economic and production activities of ten joint stock companies into single juridical person. Benefits of the reorganization are the following:*

- financial and economic aspects;*
- investment attractiveness and securities' market.*

*As a result of the reorganization the single regional entity with principal office in Krasnodar now operates in the territory of the Southern Federal District providing its customers with full range of telecom services such as local, long-distance and international telephony, document communication, telematic services, wired radio, wireless radio communication.*

*Pursuant to the Order of FKCB of Russia №1012/r of August 15, 2002 state registration of securities' issue was recorded. The issued securities were to be placed by conversion during the reorganization by merge of telecom operators of the Southern Federal District into "UTK" PJSC.*

*On 31 October 2002 outstanding shares of the merged companies were exchanged for shares of new issuances of "Southern Telecommunications Company" PJSC in accordance with the exchange ratios.*

*Pursuant to the Order № 1751/r of the Federal Commission on Securities of the Russian Federation of 20 December 2002 state registration of the reports on the results of the securities' issues placed by exchange of the merged companies' shares for the shares of "Southern Telecommunications Company" PJSC was recorded.*

#### **44. Additional material information on the Issuer.**

*In item 25.1.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.2.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.3.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.4.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.5.2. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.11.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.12.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

*In item 25.14.1. read next:*

*Functions of the person: Chairman of the Board of Directors (supervisory board).*

## **B. Information on the issuer's economic and financial activity**

### **45. Annual accounts for the last three financial years**

*See Annex*

### **46. The issuer's accounts for the quarter under review**

*See Annex.*

### **47. Events resulting in an increasing or reduction in the Issuer's assets in the reported quarter by more than 10 %.**

Date of the event (events): *10.04.2003*

Description: *Assets value at 01.04.2003 is 18 660 385 thousand rubles*

*Assets value at 01.01.2003 is 16 467 464 thousand rubles.*

*Absolute increase of assets value constituted 2 192 921 thousand rubles or 13.3%.*

*Growth of assets value is caused by reappraisal of fixed assets as at 31 December 2002 according to the Company's accounting policy. This reappraisal is reflected in the opening balance as at 31 March 2003.*

Absolute change of the issuer's assets value at the date of ending of the reported quarter as compared to the assets value at the date of ending of the quarter preceding the reported one: *2 192 921 000 rubles*

The issuer's assets value at the date of ending of the quarter preceding the reported one: *16 467 464 000 rubles*

The issuer's assets value at the date of ending of the reported quarter: *18 660 385 000 rubles*

### **Events resulting in increasing or decreasing the issuer's asset value by more than 10 % in IV quarter of the previous year.**

Date of the event (events): *10.01.2003*

Description: *Assets value at 01.01.2003 is 16 467 464 thousand rubles*

*Assets value at 01.10.2002 is 5 270 194 thousand rubles.*

*Absolute increase of assets value constituted 11 197 270 thousand rubles or 212.5%.*

*Growth of assets value growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts as its branches.*

Absolute change of the issuer's assets value at the date of ending of the 4th quarter as compared to the assets value at the date of ending of the 3d quarter of the previous year: **11 197 270 000 rubles.**

The issuer's assets value at the date of ending of III quarter of the previous year: **5 270 194 000 rubles**

The issuer's assets value at the date of ending of IV quarter of the previous year: **16 467 464 000 rubles**

**48. Events resulting in increasing the issuer's net profits (losses) in the reported quarter by more than 20% as compared to the preceding one:**

*No such events over the reported period*

The issuer's profits (losses) for the quarter preceding the reported one: **441 650 000 rubles**

The issuer's profits (losses) for the reported quarter: **432 974 000 rubles**

**Events resulting in increasing the issuer's profits (losses) in the 4th quarter of the previous year by more than 20% as compared to the 3d quarter of the previous year:**

Availability of such event (events): **10.01.2003**

Description: *Pre-tax profit for the 4th quarter of 2002 is 441 650 thousand rubles*

*Pre-tax profit for the 3d quarter of 2002 is 156 687 thousand rubles*

*Absolute increase of profit constituted 284 963 thousand rubles or 181.9%.*

*Growth of assets value growth is caused by reorganization of "UTK" PJSC on 31 October 2002 through merger of 9 telecom operators of the Southern Federal District into it and transfer of all assets and liabilities of the merged companies to "Southern Telecommunications Company" PJSC through Transfer Acts as its branches.*

*Profit before taxation of the merged companies for the nine months of 2002 constituted 523 557 thousand rubles.*

Absolute change of the issuer's profits (losses) for the 4th quarter of the previous year as compared to the profits (losses) for the 3d quarter of the previous year: **284 963 000 rubles**

The issuer's profits (losses) for the 3d quarter of the previous year: **156 687 000 rubles**

The issuer's profits (losses) for the 4th quarter of the previous year: **441 650 000 rubles**

**49. Information about the formation and usage of reserve and other special funds of the issuer.**

*Size of reserve fund at the end of the reported quarter ( thousand rubles): 63260*

*Volume of receipts into the reserve fund in the reported quarter (thousand rubles): 0*

*Volume of means used from the reserve fund in the reported quarter (thousand rubles): 0*

*Name (purpose) of the special fund:*

**SOCIAL SPHERE FUND**

*Amount of the fund at the end of the reported quarter (RUR thousand):0*

*Volume of receipts into the fund in the reported period (RUR): 0*

*Volume of means used from the fund in the reported period (RUR): 0*

**50. The issuer's transactions in the reported quarter exceeding 10 % of the issuer's assets at the end of the quarter, preceding the reported one.**

*No such transactions over the reported period*

**51. Information about the directions of usage of cash resources resulting from registration of issued securities.**

*There no such directions of the means' usage in the reported quarter.*

**52. Borrowed funds raised by the Issuer and its subsidiaries in the quarter under review.**

Borrowed funds received by the Issuer at the end of the quarter under review:

Description	Demand balance at the beginning of the year(RUR)	Received (RUR)	Repaid (RUR)	Demand balance at the end of the reported period(RUR)
Long-term bank credits	429 708 000	227 505 000	-	656 948
Including not paid back at maturity				
Other long-term loans	1 079 239 000	-	153 650 000	925 589 000
Including not paid back at maturity				
Short-term bank credits	1 487 428 000	222 553 000	-	1 709 981 000
Including not paid back at maturity				
Bank loans to employees				
Including not paid back at maturity				
Other short-time loans	124 224 000	24 577 000	-	148 801 000
Including not paid back at maturity				

Information about the amount of borrowing current assets received by the issuer and its subsidiaries during the previous year:



Description	Demand balance at the beginning of the year(RUR)	Received (RUR)	Repaid (RUR)	Demand balance at the end of the reported period(RUR)
Long-term bank credits	597 262 000	-	358 411 000	238 851 000
Including not paid back at maturity				
Other long-term loans	1 087 717 000	-	29 243 000	1 058 474 000
Including not paid back at maturity				
Short-term bank credits	691 682 000	344 582 000	-	1 036 264 000
Including not paid back at maturity				
Bank loans to employees				
Including not paid back at maturity				
Other short-time loans	42 031 000	82 192 000	-	124 223 000
Including not paid back at maturity				

### 53. Accounts receivable and payable of the issuer and its subsidiaries during the reported quarter.

Information about the amount of the issuer's accounts receivable and payable at the end of the quarter under review:

Description	Demand balance at the beginning of the year(RUR)	Received (RUR)	Repaid (RUR)	Demand balance at the end of the reported period (RUR)
1)Accounts receivable:				
Short-term	1459703000	3430460000	3259178000	1630985000
Including overdue	275334000	201440000	88292000	388482000
Including over 3 months in arrears	188037000	137572000	122046000	203563000
In particular on/for:				
Long-term	64548000	3808000	1845000	66511000
Including overdue	0	0	0	0
Including over 3 months in arrears	0	0	0	0
In particular on/for:				
2)Accounts payable:				
Short-term	2741362000	4802011000	4832757000	2710616000
Including overdue	411204000	852658000	775951000	487911000
Including over 3 months in arrears	822241000	403422000	1103685000	121978000

Including on:				
Long-term	1024949000	270065000	423450000	871564000
Including overdue				
Including over 3 months in arrears				
Including on:				
Securities:				
Provided to the Issuer:				
Including by third parties				
Including on:				
Securities:				
Provided by the Issuer				
Including to third parties				
In particular provided on:				
3) Bill transactions:				
Drawn bills				
Including overdue				
In particular on:				
Accepted bills				
Including overdue				
In particular on:				

Information about accounts receivable and payable of the issuer and its subsidiaries at the end of the previous year:

Description	Demand balance at the beginning of the year(RUR)	Received (RUR)	Repaid (RUR)	Demand balance at the end of the reported period (RUR)
1)Accounts receivable:				
Short-term	1 145 562 000	15 697 079 000	15 370 583 000	1 472 058 000
Including overdue	353 412 000	805 759 000	883 837 000	257 334 000
Including over 3 months in arrears	217 412 000	550 286 000	579 661 000	188 037 000
In particular on/for:				
Long-term	53 436 000	15 630 000	6 592 000	62 474 000
Including overdue				
Including over 3 months in arrears				
In particular on/for:				
2)Accounts payable:				
Short-term	1 411 992 000	19 208 045 000	18 119 588 000	2 500 449 000
Including overdue	250 717 000	3 410 631 000	3 217 362 000	443 986 000
Including over 3 months in arrears	118 623 000	1 613 689 000	1 522 247 000	210 065 000
Including on:				
Long-term	875 815 000	1 080 258 000	691 168 000	1 264 905 000
Including overdue				
Including over 3 months in arrears				

Including on:				
Securities:				
Provided to the Issuer:				
Including by third parties				
Including on:				
Securities:				
Provided by the Issuer				
Including to third parties				
In particular provided on:				
3) Bill transactions:				
Drawn bills				
Including overdue				
In particular on:				
Accepted bills				
Including overdue				
In particular on:				

#### 54. The issuer's financial investments.

Information about the issuer's financial investments as at the end of the reported quarter:

Description	Investments rate as at the end of the reported quarter(RUR)		
	Short-term ( less than 1 year)	Long-term ( over 1 year)	Total
Investments in the sovereign issued securities	-	-	-
Investments in the securities issued by the subjects of the Russian Federation	-	-	-
Investments in the municipal securities	-	-	-
Investments in shares, contribution fees, unit funds of other organizations	-	23 488 000	23 488 000
Investments in bonds and other debt securities	-	-	-
Other loans granted	1 716 000	18 765 000	20 481 000
Investments in the Issuer's subsidiaries		344 245 000	344 245 000
Investments in the Issuer's affiliates	-	44 290 000	44 290 000

<b>Financial investments in the companies liquidated pursuant to the applicable law of the Russian Federation</b>			
<b>Name of the company</b>	<b>Date of liquidation</b>	<b>Decision-making authority</b>	<b>Rate of investments (RUR)</b>
			-
<b>Total</b>			-
<b>Financial investments into companies declared bankrupt pursuant to the applicable law of the Russian Federation</b>			
<b>Name of the company</b>	<b>Date of liquidation</b>	<b>Decision-making authority</b>	<b>Rate of investments (RUR)</b>
			-
<b>Total</b>			-
Total Issuer's assets rate as at the end of the reported quarter (RUR)			
<b>Financial investments in the companies exceeding 10 % of the Issuer's assets as at the date of ending of the reported quarter</b>			
<b>Name of the company</b>	<b>Amount of investments (RUR)</b>	<b>Percentage of the assets</b>	
	-		
<b>Total</b>	-		

Information about financial investments of the issuer and its subsidiaries as at the end of the previous year:

<b>Description</b>	<b>Investments rate as at the end of the reported quarter(RUR)</b>		
	<b>Short-term ( less than 1 year)</b>	<b>Long-term ( over 1 year)</b>	<b>Total</b>
<b>Investments in the sovereign issued securities</b>	-	-	-
<b>Investments in the securities issued by the subjects of the Russian Federation</b>	-	-	-

Investments in the municipal securities	-	-	-
Investments in shares, contribution fees, unit funds of other organizations	-	26 507 000	26 507 000
Investments in bonds and other debt securities	-	-	-
Other loans granted	1 591 000	26 389 000	27 980 000
Investments in the Issuer's subsidiaries		291 472 000	291 472 000
Investments in the Issuer's affiliates	-	44 290 000	44 290 000
<b>Financial investments in the companies liquidated pursuant to the applicable law of the Russian Federation</b>			
<b>Name of the company</b>	<b>Date of liquidation</b>	<b>Decision-making authority</b>	<b>Rate of investments (RUR)</b>
			-
<b>Total</b>			<b>-</b>
<b>Financial investments into companies declared bankrupt pursuant to the applicable law of the Russian Federation</b>			
<b>Name of the company</b>	<b>Date of liquidation</b>	<b>Decision-making authority</b>	<b>Rate of investments (RUR)</b>
			-
<b>Total</b>			<b>-</b>
Total Issuer's assets rate as at the end of the reported quarter (RUR)			
<b>Financial investments in the companies exceeding 10 % of the Issuer's assets as at the date of ending of the reported quarter</b>			
<b>Name of the company</b>	<b>Amount of investments (RUR)</b>	<b>Percentage of the assets</b>	
	-		

Total	-	
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**55. Other material information on the issuer's economic and financial activity:**

*none*

**C. Information about the issuer's securities**

**56. Information about the issuer's shares.**

Number of issue: *1*

Category: *common*

Form of securities: *nominal non-documentary*

Nominal value of one security of the issue: *1 000 rubles*

Total number of the issued securities: *298 310*

Total volume of the issue: *298 310 000*

Information about the issue's state registration:

Date of registration: *20.05.1994*

Registration number: *18-1n-1031*

Authority realized the state registration: *Financial organs*

Method of placement: *acquisition at the reorganization into a joint-stock company*

Period of placement: *from 6.06.1994 till 6.10.1994*

Current state of the issue: *all the securities of the issue are cancelled*

Number of actually registered shares according to the registered report on the issue's results: *298 310*

Information about state registration of the report on the issue's results:

Date of registration: *22.04.1997*

Body, realized the state registration: *Financial organs*

Limitations in circulation of the issued shares ( if any ) :

*The issue is cancelled*

Market information about the issued shares:

*The issue is cancelled*

Additional important information about the issued shares:

*Prices are given as before denomination*

Number of issue: *1*  
Category: *preference*  
Type of shares: *Type A*  
Form of securities: *nominal non-documentary*  
Nominal value of one security of the issue: *1 000 rubles*

Total number of the issued shares: *140 713*  
Total volume of the issue: *140 713 000*

Information about the issue's state registration:  
Date of registration: *20.05.1994*  
Registration number: *18-1n-1031*  
Authority realized the state registration: *Financial organs*

Method of placement: *acquisition at the reorganization into a joint-stock company*  
Period of placement: *from 6.06.1994 till 6.10.1994*

Current state of the issue: *all the securities of the issue are cancelled*  
Number of actually registered shares according to the registered report on the issue's results: *140 713*

Information about state registration of the report on the issue's results:  
Date of registration: *22.04.1997*  
Body, realized the state registration: *Financial organs*

Limitations in circulation of the issued shares ( if any ) :  
*The issue is cancelled*

Market information about the issued shares:  
*The issue is cancelled*

Additional important information about the issued shares:  
*Prices are given as before denomination*

Number of issue: *1*  
Category: *preference*  
Type of shares: *Type B*  
Form of securities: *nominal non-documentary*  
Nominal value of one security of the issue: *1 000 rubles*

Total number of the issued shares: *123 827*  
Total volume of the issue: *123 827 000*

Information about the issue's state registration:  
Date of registration: *20.05.1994*

Registration number: **18-In-1031**

Authority realized the state registration: **Financial organs**

Method of placement: **acquisition at the reorganization into a joint-stock company**

Period of placement: **from 6.06.1994 till 6.10.1994**

Current state of the issue: **All the shares are cancelled**

Number of actually registered shares according to the registered report on the issue's results: **123 827**

Information about state registration of the report on the issue's results:

Date of registration: **22.04.1997**

Body, realized the state registration: **Financial organs**

Limitations in circulation of the issued shares ( if any ) :

**The issue is cancelled**

Market information about the issued shares:

**The issue is cancelled**

Additional important information about the issued shares:

**Prices are given as before denomination**

Number of issue: **2**

Category: **common**

Form of securities: **nominal non-documentary**

Nominal value of one security of the issue: **40 rubles**

Total number of the issued securities: **10 553 425**

Total volume of the issue: **422 137 000**

Information about the issue's state registration:

Date of registration: **31.03.1995**

Registration number: **18-In-1031**

Authority realized the state registration: **Financial organs**

Method of placement: **conversion**

Period of placement: **from 31.03.1995 till 22.04.1997**

Current state of the issue: **All the shares of the issue are cancelled**

Number of actually registered shares according to the registered report on the issue's results: **10 553 425**

Information about state registration of the report on the issue's results:

Date of registration: **22.04.1997**

Body, realized the state registration: **Financial organs**



Limitations in circulation of the issued shares ( if any ) :

***The issue is cancelled***

Market information about the issued shares:

***The issue is cancelled***

Additional important information about the issued shares:

***Prices are given as before denomination***

Number of issue: 2

Category: ***preference***

Type of shares : ***preference of type A***

Form of securities: ***nominal non-documentary***

Nominal value of one security of the issue: ***40 rubles***

Total number of the issued securities: ***3 517 825***

Total volume of the issue: ***140 713 000***

Information about the issue's state registration:

Date of registration: ***31.03.1995***

Registration number: ***18-1n-1031***

Authority realized the state registration: ***Financial organs***

Method of placement: ***conversion***

Period of placement: ***from 31.03.1995 till 22.04.1997***

Current state of the issue: ***All the shares of the issue are cancelled***

Number of actually registered shares according to the registered report on the issue's results: ***3 517 825***

Information about state registration of the report on the issue's results:

Date of registration: ***22.04.1997***

Body, realized the state registration: ***Financial organs***

Limitations in circulation of the issued shares ( if any ) :

***All the shares of the issue are cancelled***

Market information about the issued shares:

***All the shares of the issue are cancelled***

Additional important information about the issued shares:

***Prices are given as before denomination***

Number of issue: 3

Category: ***common***

Form of securities: *nominal non-documentary*  
Nominal value of one security of the issue: *35. 97 rubles*

Total number of the issued securities: *10 553 425*  
Total volume of the issue: *379 606 697. 25*

Information about the issue's state registration:  
Date of registration: *22.04.1997*  
Registration number: *18-1-1807*  
Authority realized the state registration: *Financial organs*

Method of placement: *conversion*  
Period of placement: *from 02.06 1997 till 24.10.1997*

Current state of the issue: *All the shares of the issue are cancelled*  
Number of actually registered shares according to the registered report on the issue's results: *10 553 425*

Information about state registration of the report on the issue's results:  
Date of registration: *24.10.1997*  
Body, realized the state registration: *Federal Commission on Securities' Market of Russia*

Limitations in circulation of the issued shares ( if any ) :  
*All the shares of the issue are cancelled*

Market information about the issued shares:  
*Prices are given as after the denomination. Before the denomination a share's par value constituted 35 970 rubles.*

Additional important information about the issued shares:  
*none*

Number of issue: *3*  
Category: *preference*  
Type of shares:  
Form of securities: *nominal non-documentary*  
Nominal value of one security of the issue: *35. 97*

Total number of the issued securities: *3 517 825*  
Total volume of the issue: *126 536 165. 25*

Information about the issue's state registration:  
Date of registration: *22.04.1997*  
Registration number: *18-1-1808*  
Authority realized the state registration: *Financial organs*

Method of placement: *conversion*

Period of placement: *from 02.06 1997 till 24.10.1997*

Current state of the issue: *All the shares of the issue are cancelled*

Number of actually registered shares according to the registered report on the issue's results: *3 517 825*

Information about state registration of the report on the issue's results:

Date of registration: *24.10.1997*

Body, realized the state registration: *Federal Commission on Securities' Market of Russia*

Limitations in circulation of the issued shares ( if any ) :

*All the shares of the issue are cancelled*

Market information about the issued shares:

*All the shares of the issue are cancelled*

Additional important information about the issued shares:

*Prices are given as after the denomination. Before the denomination a share's par value constituted 35 970 rubles..*

Number of issue: *4*

Category: *common*

Form of securities: *nominal non-documentary*

Nominal value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *1 150 323 325*

Total volume of the issue: *379 606 697. 25*

Information about the issue's state registration:

Date of registration: *27.12.2001*

Registration number: *1-04-00062-A*

Authority realized the state registration: *FKCB of Russia*

Method of placement: *conversion*

Period of placement: *from 21.01 2002 till 21.01.2002*

Current state of the issue: *placement is completed*

Number of actually registered shares according to the registered report on the issue's results: *1 150 323 325*

Information about state registration of the report on the issue's results:

Date of registration: *26.02.2002*

Body, realized the state registration: *Federal Commission on Securities' Market of Russia*

Limitations in circulation of the issued shares ( if any ) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional important information about the issued shares:

*none*

Number of issue: *4*

Category: *preference*

Type of shares: *Type A*

Form of securities: *nominal non-documentary*

Nominal value of one security of the issue: *0.33*

Total number of the issued securities: *383 442 925*

Total volume of the issue: *126 536 165. 25*

Information about the issue’s state registration:

Date of registration: *27.12.2001*

Registration number: *2-04-00062-A*

Authority realized the state registration: *Federal Commission on Securities’ Market of Russia*

Method of placement: *conversion*

Period of placement: *from 21.01 2002 till 21.01.2002*

Current state of the issue: *placement is completed*

Number of actually registered shares according to the registered report on the issue’s results: *383 442 925*

Information about state registration of the report on the issue’s results:

Date of registration: *26.02.2002*

Body, realized the state registration: *Federal Commission on Securities’ Market of Russia*

Limitations in circulation of the issued shares ( if any ) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

Additional important information about the issued shares:

*None*

Number of issue: **5**  
Category: **ordinary**  
Form of securities: **registered book-entry**  
Par value of one security of the issue: **0.33 rubles**

Total number of the issued securities: **148 513 485**  
Total volume of the issue: **49 009 450.05**

Information about the issue's state registration:

Date of registration: **15.08.2002**  
Registration number: **1-05-00062-A**  
State registration authority: **FCSM of Russia**

Mode of placement: **swap during reorganization**

Period of placement: **from 31.10 2002 till 31.10.2002**

Current state of the issue: **distribution is completed**

Number of actually registered shares according to the registered issue report: **148 513 485**

Information about state registration of the report on the issue's results:

Date of registration: **20.12.2002**  
State registration authority: **Federal Commission on Securities' Market of Russia**

Restrictions in respect of circulation of the issued shares ( if any ) :

**none**

Market information about the issued shares:

**Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.**

**ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).**

Additional material information about the issued shares:

**none**

Number of issue: **5**  
Category: **preference**  
Type of shares: **Type A**  
Form of securities: **registered book-entry**  
Par value of one security of the issue: **0.33**

Total number of the issued securities: **49 503 645**  
Total volume of the issue: **16 336 202.85**

Information about the issue's state registration:

Date of registration: **15.08.2001**

Registration number: **2-05-00062-A**

State registration authority: **Federal Commission on Securities' Market of Russia**

Mode of placement: **swap during reorganization**

Period of placement: **from 31.10. 2002 till 31.10.2002**

Current state of the issue: **distribution is completed**

Number of actually registered shares according to the registered issue report: **49 503 645**

Information about state registration of the report on the issue's results:

Date of registration: **20.12.2002**

State registration authority: **Federal Commission on Securities' Market of Russia**

Restrictions in respect of circulation of the issued shares ( if any ) :

**none**

Market information about the issued shares:

**Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.**

Additional material information about the issued shares:

**none**

Number of issue: **6**

Category: **ordinary**

Form of securities: **registered book-entry**

Par value of one security of the issue: **0.33 rubles**

Total number of the issued securities: **502 266 342**

Total volume of the issue: **165 747 892.86**

Information about the issue's state registration:

Date of registration: **15.08.2002**

Registration number: **1-06-00062-A**

State registration authority: **FCSM of Russia**

Mode of placement: **swap during reorganization**

Period of placement: **from 31.10 2002 till 31.10.2002**

Current state of the issue: **distribution is completed**

Number of actually registered shares according to the registered issue report: **502 266 342**

Information about state registration of the report on the issue's results:

Date of registration: **20.12.2002**

State registration authority: **Federal Commission on Securities' Market of Russia**

Restrictions in respect of circulation of the issued shares ( if any ) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:

*none*

Number of issue: *6*

Category: *preference*

Type of shares: *Type A*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33*

Total number of the issued securities: *167 422 099*

Total volume of the issue: *55 249 292.67*

Information about the issue’s state registration:

Date of registration: *15.08.2001*

Registration number: *2-06-00062-A*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *167 422 099*

Information about state registration of the report on the issue’s results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

Additional material information about the issued shares:

*none*

Number of issue: *7*

Category: *ordinary*  
Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *6 141 699*  
Total volume of the issue: *2 026 760.67*

Information about the issue's state registration:  
Date of registration: *15.08.2002*  
Registration number: *1-07-00062-A*  
State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *6 141 699*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :  
*none*

Market information about the issued shares:  
*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*  
*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:  
*none*

Number of issue: *7*  
Category: *preference*  
Type of shares: *Type A*  
Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33*

Total number of the issued securities: *20 471 554*  
Total volume of the issue: *6 755 612.82*

Information about the issue's state registration:  
Date of registration: *15.08.2001*  
Registration number: *2-07-00062-A*



State registration authority: *Federal Commission on Securities' Market of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *20 471 554*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*

Additional material information about the issued shares:

*none*

Number of issue: *8*

Category: *ordinary*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *21 114 547*

Total volume of the issue: *6 967 800.51*

Information about the issue's state registration:

Date of registration: *15.08.2002*

Registration number: *1-08-00062-A*

State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *21 114 547*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfurt and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:

*none*

Number of issue: **8**

Category: *preference*

Type of shares: *Type A*

Form of securities: *registered book-entry*

Par value of one security of the issue: **0.33**

Total number of the issued securities: **7 038 243**

Total volume of the issue: **2 322 620.19**

Information about the issue’s state registration:

Date of registration: **15.08.2001**

Registration number: **2-08-00062-A**

State registration authority: *Federal Commission on Securities’ Market of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: **7 038 243**

Information about state registration of the report on the issue’s results:

Date of registration: **20.12.2002**

State registration authority: *Federal Commission on Securities’ Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

Additional material information about the issued shares:

*none*

Number of issue: **9**

Category: *ordinary*

Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *14 714 885*  
Total volume of the issue: *4 855 912.05*

Information about the issue's state registration:  
Date of registration: *15.08.2002*  
Registration number: *1-09-00062-A*  
State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *14 714 885*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :  
*none*

Market information about the issued shares:  
*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*  
*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:  
*none*

Number of issue: *9*  
Category: *preference*  
Type of shares: *Type A*  
Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33*

Total number of the issued securities: *4 904 976*  
Total volume of the issue: *1 618 642.08*

Information about the issue's state registration:  
Date of registration: *15.08.2001*  
Registration number: *2-09-00062-A*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *4 904 976*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :  
*none*

Market information about the issued shares:  
*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*

Additional material information about the issued shares:  
*none*

Number of issue: *10*  
Category: *ordinary*  
Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *642 567 217*  
Total volume of the issue: *212 047 181.61*

Information about the issue's state registration:  
Date of registration: *15.08.2002*  
Registration number: *1-10-00062-A*  
State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *642 567 217*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :  
*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:

*none*

Number of issue: *10*

Category: *preference*

Type of shares: *Type A*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33*

Total number of the issued securities: *214 189 311*

Total volume of the issue: *70 682 472.63*

Information about the issue’s state registration:

Date of registration: *15.08.2001*

Registration number: *2-10-00062-A*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *7 038 243*

Information about state registration of the report on the issue’s results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership “ Stock Exchange RTS”, Non-commercial partnership “ Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

Additional material information about the issued shares:

*none*

Number of issue: *11*

Category: *ordinary*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *123 680 792*

Total volume of the issue: *40 814 661.36*

Information about the issue's state registration:

Date of registration: *15.08.2002*

Registration number: *1-11-00062-A*

State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *123 680 792*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :

*none*

Market information about the issued shares:

*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfort and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:

*none*

Number of issue: *11*

Category: *preference*

Type of shares: *Type A*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33*

Total number of the issued securities: *41 219 624*

Total volume of the issue: *13 602 475.92*

Information about the issue's state registration:

Date of registration: *15.08.2001*

Registration number: *2-11-00062-A*

State registration authority: *Federal Commission on Securities' Market of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *41 219 624*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :  
*none*

Market information about the issued shares:  
*Non-commercial partnership " Stock Exchange RTS", Non-commercial partnership " Saint-Petersburg Stock Exchange", off-board trading in MICEX.*

Additional material information about the issued shares:  
*none*

Number of issue: *12*  
Category: *ordinary*  
Form of securities: *registered book-entry*  
Par value of one security of the issue: *0.33 rubles*

Total number of the issued securities: *251 943 205*  
Total volume of the issue: *83 141 257.65*

Information about the issue's state registration:  
Date of registration: *15.08.2002*  
Registration number: *I-12-00062-A*  
State registration authority: *FCSM of Russia*

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*  
Number of actually registered shares according to the registered issue report: *251 943 205*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :  
*none*

Market information about the issued shares:

*Non-commercial partnership “Stock Exchange RTS”, Non-commercial partnership “Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

*ADR-1 representing common stock – in OTC USA, Frankfurt and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).*

Additional material information about the issued shares:

*none*

Number of issue: *12*

Category: *preference*

Type of shares: *Type A*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33*

Total number of the issued securities: *83 981 261*

Total volume of the issue: *27 713 816.13*

Information about the issue’s state registration:

Date of registration: *15.08.2001*

Registration number: *2-12-00062-A*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10. 2002 till 31.10.2002*

Current state of the issue: *distribution is completed*

Number of actually registered shares according to the registered issue report: *83 981 261*

Information about state registration of the report on the issue’s results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities’ Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*none*

Market information about the issued shares:

*Non-commercial partnership “Stock Exchange RTS”, Non-commercial partnership “Saint-Petersburg Stock Exchange”, off-board trading in MICEX.*

Additional material information about the issued shares:

*none*

Number of issue: *13*

Category: *ordinary*

Form of securities: *registered book-entry*

Par value of one security of the issue: *0.33 rubles*



Total number of the issued securities: **44 026 676**  
Total volume of the issue: **14 528 803.08**

Information about the issue's state registration:

Date of registration: **15.08.2002**  
Registration number: **1-13-00062-A**  
State registration authority: **FCSM of Russia**

Mode of placement: **swap during reorganization**  
Period of placement: **from 31.10 2002 till 31.10.2002**

Current state of the issue: **distribution is completed**  
Number of actually registered shares according to the registered issue report: **44 026 676**

Information about state registration of the report on the issue's results:  
Date of registration: **20.12.2002**  
State registration authority: **Federal Commission on Securities' Market of Russia**

Restrictions in respect of circulation of the issued shares ( if any ) :  
**none**

Market information about the issued shares:

**Non-commercial partnership "Stock Exchange RTS", Non-commercial partnership "Saint-Petersburg Stock Exchange", off-board trading in MICEX.  
ADR-1 representing common stock – in OTC USA, Frankfurt and Berlin Stock Exchanges, Stock Exchange NEWEX (Vienna, Austria).**

Additional material information about the issued shares:  
**none**

## **57. Information about the issuer's bonds.**

Number of issue: **1**  
Series: **K-1**  
Type: **interest-bearing**  
Form of securities: **registered book-entry**  
Par value of one security of the issue: **500 rubles**

Total number of the issued securities: **500**  
Total value of the issue: **250 000**

Information about the issue's state registration:

Date of registration: **15.08.2002**  
Registration number: **4-01-00062-A**  
State registration authority performing the registration: **FCSM of Russia**

Mode of placement: *swap during reorganization*  
Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *placement is completed*  
Number of actually registered shares according to the registered issue report: *500*

Information about state registration of the report on the issue's results:  
Date of registration: *20.12.2002*  
State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :  
*none*

Market information on the issued securities:  
*No information*  
Period before maturity: *from 31.10.2002 to 31.12.2003*

Income on the issued bonds:  
In percentage of the par value: *The bond owner shall be entitled to get fixed income payment amounting to 0.1 percent of the bond's par value at redemption.*  
Other payable equivalent per bond (RUR): *If technically possible, the bond owner shall be entitled to get access to the telephone network from one subscriber number in Nalchik, Kabardino-Balkarian Republic.*  
Other income and property rights attached to the issued bonds: *no other income*

Redemption period: *from 1.10.2003 to 31.12.2003*  
Terms and the arrangements of the redemption: *Not earlier than on 1 October 2003 the bond owner shall send an application on redemption to the Issuer.*  
*Redemption of the bonds by the Issuer is made by payment of par value and fixed income payment amounting to 0.1 percent of the bond's par value.*  
*If the written application is not submitted, the Issuer is not released of its obligation to redeem the bonds of "K-1" series.*  
*Payments of bonds redemption shall be made in turn of submitting the applications on redemption by the bonds owners during 30 days, not later than 31 December 2003.*  
Periodicity of payments to the bond owner: *one-time payment*  
Forms of payments: *in cash, cashless*  
*Payments are made:*

- *in cash from the cash desk of "KabBalktelecom" – branch of "UTK" PJSC ;*
- *by bank transfer in favor of the bond owners (bank details should be indicated in the application of the bond owner).*

*There is no redemption before maturity.*

Collateral for the bond issue:  
*Not provided*

Income on the bonds paid in the reported quarter:

In cash: *0 rubles*

*The bond owner shall be entitled to get fixed income payment amounting to 0.1 percent of the bond's par value only at redemption.*

Other valuable equivalent: *no*

*Telephones were installed for all the bond owners.*

Other property rights and/or other income: *RUR 0*

*No*

Additional material information about the issued shares:

*no*

Number of issue: *2*

Series: *K-2*

Type: *interest-bearing*

Form of securities: *registered book-entry*

Par value of one security of the issue: *500 rubles*

Total number of the issued securities: *500*

Total value of the issue: *250 000*

Information about the issue's state registration:

Date of registration: *15.08.2002*

Registration number: *4-02-00062-A*

State registration authority performing the registration: *FCSM of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *all the securities of the issue are cancelled*

Number of actually registered shares according to the registered issue report: *500*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :

*none*

Market information on the issued securities:

*No information*

Period before maturity: *from 31.10.2002 to 31.12.2003*

Income on the issued bonds:

In percentage of the par value: *The bond owner shall be entitled to get fixed income payment amounting to 0.5 percent of the bond's par value at redemption.*

Other payable equivalent per bond (RUR): *If technically possible, the bond owner shall be entitled to get access to the telephone network from one subscriber number in Nalchik, Kabardino-Balkarian Republic.*

Other income and property rights attached to the issued bonds: *no other income*

Redemption period: *from 1.10.2003 to 31.12.2003*

Terms and the arrangements of the redemption: *Not earlier than on 1 October 2003 the bond owner shall send an application on redemption to the Issuer.*

*Redemption of the bonds by the Issuer is made by payment of par value and fixed income payment amounting to 0.5 percent of the bond's par value.*

*If the written application is not submitted, the Issuer is not released of its obligation to redeem the bonds of "K-2" series.*

*Payments of bonds redemption shall be made in turn of submitting the applications on redemption by the bonds owners during 30 days, not later than 31 December 2003.*

Periodicity of payments to the bond owner: *one-time payment*

Forms of payments: *in cash, cashless*

*Payments are made:*

- *in cash from the cash desk of "KabBalktelecom" – branch of "UTK" PJSC ;*
- *by bank transfer in favor of the bond owners (bank details should be indicated in the application of the bond owner).*

*There is no redemption before maturity.*

Collateral for the bond issue:

*Not provided*

Income on the bonds paid in the reported quarter:

In cash: *88 942.5 rubles per 500 bonds*

*The bond owner shall be entitled to get fixed income payment amounting to 0.5 percent of the bond's par value only at redemption.*

Other valuable equivalent: *no*

*Telephones were installed for all the bond owners.*

Other property rights and/or other income: *RUR 0*

*No*

Additional material information about the issued shares:

*no*

Number of issue: *3*

Series: *C-1*

Type: *interest-bearing*

Form of securities: *registered book-entry*

Par value of one security of the issue: *2 500 rubles*

Total number of the issued securities: *3 566*

Total value of the issue: *8 915 000*

Information about the issue's state registration:

Date of registration: *15.08.2002*

Registration number: *4-03-00062-A*

State registration authority performing the registration: *FCSM of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10.2002 till 31.10.2002*

Current state of the issue: *placement is completed*

Number of actually registered shares according to the registered issue report: *3 566*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any ) :

*The bonds can be sold to natural persons. The bonds' sale can be restricted by technical impossibility to install telephones at the place required by the bond owner.*

Market information on the issued securities:

*The bonds are not traded in the formal market*

Period before maturity: *from 31.10.2002 to 01.07.2003*

Income on the issued bonds:

In percentage of the par value: *The bond owner shall be entitled to get annual fixed income payment amounting to 1 percent of the bond's par value. In case of delayed interest payment on the bonds the penalty is charged amounting to bank-rate of Sberbank of Russia for current accounts. The penalty is to be paid at one time with the interest payment on the bonds.*

Other payable equivalent per bond (RUR): *From 1996 to 1999 the bond owner shall be entitled to install telephone with top priority in time and place indicated in the bond.*

Other income and property rights attached to the issued bonds: *no other income*

Redemption period: *from 1.05.2003 to 1.07.2003*

Terms and the arrangements of the redemption: *At maturity the bond owner shall receive a par value of the bond except for the cost of telephone installation as at the date of its installation.*

*Maturity period for the bonds acquired*

*from 01.01.1998 to 25.03.1998 is from 1 May 2003 to 1 July 2003.*

*There is no redemption before maturity.*

Collateral for the bond issue:

*Not provided*

Income on the bonds paid in the reported quarter:

In cash: *0 rubles*

*Maturity period for the bonds acquired*

*from 01.01.1998 to 25.03.1998 is from 1 May 2003 to 1 July 2003.*

Other valuable equivalent: *no*

*From 1996 to 1999 the bond owner had the right to install telephone with top priority in time and place indicated in the bond.*

Other property rights and/or other income: *RUR 0*

*No*

Additional material information about the issued shares:

*no*

Number of issue: *4*

Series: *C-2*

Type: *interest-bearing*

Form of securities: *registered book-entry*

Par value of one security of the issue: *300 rubles*

Total number of the issued securities: *6*

Total value of the issue: *1 800*

Information about the issue's state registration:

Date of registration: *15.08.2002*

Registration number: *4-04-00062-A*

State registration authority performing the registration: *FCSM of Russia*

Mode of placement: *swap during reorganization*

Period of placement: *from 31.10 2002 till 31.10.2002*

Current state of the issue: *placement is completed*

Number of actually registered shares according to the registered issue report: *6*

Information about state registration of the report on the issue's results:

Date of registration: *20.12.2002*

State registration authority: *Federal Commission on Securities' Market of Russia*

Restrictions in respect of circulation of the issued shares ( if any) :

*The bonds can be distributed only among the persons living at the addresses where it is technically possible for "Sevosetinelectrosvyaz" to install a telephone and if such persons – the bond owners – are registered at the aforementioned addresses or have the documents evidencing their right of property for the living quarters.*

Market information on the issued securities:

*The bonds are not traded in the formal market*

Period before maturity: *from 31.10.2002 to 01.11.2005*

Income on the issued bonds:

In percentage of the par value: *The bond owner shall be entitled to get annual fixed income payment amounting to 1 percent of the bond's par value.*

Other payable equivalent per bond (RUR): *If it is technically possible for "Sevosetinelectrosvyaz" – branch of "UTK" PJSC – to install a telephone, the bond owner shall be entitled to redeem the bond before the maturity period by installation of a telephone with top priority not later than one year from the date of the bond's primary distribution. At the installation of a telephone a par value and interest income on the bond is being redeemed.*

Other income and property rights attached to the issued bonds: *no other income*

Redemption period: *from 1.10.2005 to 1.11.2005*

Terms and the arrangements of the redemption: *At maturity the bond owner shall receive a par value of the bond and the interest income on the bond not later than 7 (seven) days from the date of submission of the application on redemption.*

*There is no redemption before maturity.*

Terms and the arrangements of the redemption before maturity: *The bond owner shall be entitled to redeem the bond before maturity by installation of a telephone with top priority. At the installation of a telephone a par value and interest income on the bond is being redeemed.*

*Technical possibility of the telephone installation implies that:*

- *the address is located within the service area of "Sevosetinelectrosvyaz" – branch of "UTK" PJSC;*
- *presence of unoccupied subscriber lines in main and secondary cables;*
- *presence of vacant number capacity at automatic telephone exchanges operating in this region.*

Collateral for the bond issue:

*Not provided*

Income on the bonds paid in the reported quarter:

In cash: *0 rubles*

*Annual fixed interest income amounting to 1 percent of the bond's par value is not to be paid in the quarter under review.*

Other valuable equivalent: *0 rubles*

*In the 4<sup>th</sup> quarter of 2002 "Sevosetinelectrosvyaz" had no technical possibility to install telephones for the owners of 6 outstanding bonds.*

Other property rights and/or other income: *RUR 0*

*No*

Additional material information about the issued shares:

*no*

## **D. Other information about the Issuer's securities.**

**58,59,60. Rights attached to the Issuer's shares. Dividends on the Issuer's share .**

**58.1**

Category of shares: *ordinary*

Form of shares: *registered book-entry*

Full name of the shares' category/type: *ordinary registered book-entry shares*

Rights of a shareholder of this category: *Each ordinary share grants the shareholder – its owner - the equal scope of rights. Each ordinary shareholder shall be entitled:*

- 1. to take part in General Shareholders' Meeting pursuant to the current legislation of the Russian Federation;*
- 2. to receive dividends according to the order determined by the current Russian legislation and the present Charter in case the Company announces their payment;*
- 3. to get the portion of the Company's assets (liquidation value) in case of its liquidation pro rata the quantity of shares owned by him;*
- 4. to have free access to the Company's documents pursuant to paragraph 1 of Article 89 of the Federal Law "On Joint-stock Companies" in order determined by Article 91 of the aforementioned Law;*
- 5. to demand confirmation of a shareholder's rights for shares from the Registrar in the form of issue of an excerpt from the register of the Company's shareholders.*
- 6. to get information about all records on his personal account from the Registrar and other information stipulated by the legislation of the Russian Federation regulating the order of keeping the register of shareholders;*
- 7. to alienate the shares held by him without consent of the Company and other shareholders;*
- 8. to bring suits to the courts because of violation of his civil rights including demand of recovery of damages from the Company;*
- 9. to demand redemption by the Company of all or part of shares held by him in cases and in order stipulated by the current legislation of the Russian Federation;*
- 10. to sell his shares to the Company in case the Company decided to buy them;*
- 11. to demand from the Company an excerpt from the list of shareholders entitled to take part in the General Shareholders' Meeting containing information about a shareholder;*
- 12. to transmit his rights or part of rights to his authorized proxy (proxies);*

*Any shareholder that owns 1% or more of the Company's voting shares is entitled to demand information from the Registrar about the name of shareholders registered in the list and about the number, category and par value of shares held by them (this information does not include the shareholders' addresses).*

*Any shareholder or group of shareholders that owns 1% or more of the Company's placed ordinary shares is/are entitled to bring suits against a member of the Company's Board of Directors, individual executive body, member of the collective executive body as well as managing organization or manager demanding indemnification of expense which may arise out of any act or failure to act of the aforementioned persons.*

*Shareholders that own 1% or more of the votes at a General Shareholders' Meeting are entitled to demand a list of shareholders entitled to take part in the General Shareholders' Meeting.*



*Information from the documents of natural persons and Postal addresses can be given only by their expressed assent.*

*Any shareholder or group of shareholders that owns 2% or more of the Company's total number of voting shares is/are entitled to place issues for the annual General Shareholders' Meeting's agenda and to nominate candidates to the Company's governing and supervising bodies. When preparing an Extraordinary General Shareholders' Meeting with election of the Board of Directors included in the agenda the aforementioned shareholders are entitled to nominate candidates to the Board of Directors.*

*Any shareholder or group of shareholders that owns 10% or more of the Company's total number of voting shares at the submission date is/are entitled to demand calling an Extraordinary General Shareholders' Meeting by the Company's Board of Directors. In case the Board of Directors does not approve the resolution on calling an Extraordinary General Shareholders' Meeting within the period defined by the current legislation of the Russian Federation and the present Charter or approves the resolution on refusal to call it, the Extraordinary General Shareholders' Meeting can be called by the aforementioned shareholder(s).*

*Any shareholder or group of shareholders that owns 10% or more of the Company's total number of voting shares is/are entitled to request at any time audit of the Company's financial and economic activities.*

*Any shareholder or group of shareholders that owns 25% or more of the Company's total number of voting shares is/are entitled to have free access to the Company's accounting records and the minutes of the Management Board's meetings and to obtain copies of the aforesaid documents.*

*Shareholders – holders of the Company's ordinary shares are granted other rights as stipulated by the current legislation of the Russian Federation, other legal documents and the present Charter.*

Dividends for shares of this category (type):

Period : **1999**

One share dividend (RUR) : **1.94**

Total amount of dividends for shares of this type (category) (RUR) : **20 473 664**

Total amount of dividends actually paid for shares of this category (type) (RUR):  
**20 473 664**

Period : **2000**

One share dividend (RUR) : **2.94**

Total amount of dividends for shares of this type (category) (RUR) : **31 027 070**

Total amount of dividends actually paid for shares of this category (type) (RUR):  
**22 567 376.82**

Period : **2001**

One share dividend (RUR) : **0.18908**

Total amount of dividends for shares of this type (category) (RUR) : **217 492 829.43**

Total amount of dividends actually paid for shares of this category (type) (RUR):  
**83 179 314.62**

Size of dividend , date of payment of which does not start (RUR): 0

## 58.2

Category of shares: *preferred*

Type of shares : *A*

Form of shares: *registered book-entry*

Full name of the shares' category/type: *preferred registered book-entry Type A*

Rights of a shareholder of this category (type):

*Each preferred Type A share shall grant its holder equal scope of rights.*

- 1. Holders of preference Type A shares shall be entitled to receive annual fixed dividend except for the cases specified by the present Charter. The total amount to be paid as dividend on each of preference Type A share is set to be 10% of the net profit of the Company in the last fiscal year divided by the number of shares accounting for 25% of the charter capital of the company. If the amount of dividend paid by the Company on each ordinary share in a certain year exceeds the amount to be paid as dividend on each preference Type A share, the latter shall be increased up to the amount of dividend paid on the ordinary shares.*
- 2. The shareholders – holders of the preference Type A shares are entitled to take part in the General Shareholders' Meeting with voting right if the issues of reorganization or liquidation of the Company are to be resolved or if the Meeting shall decide on introduction of amendments and additions to the Charter of the Company restricting the rights of holders of this type of shares..*
- 3. The shareholders – holders of the preference Type A shares are entitled to take part in the General Shareholders' Meeting with voting right on all issues within its authority, starting from the annual General Shareholders' Meeting following the Meeting at which a resolution to pay dividend on this type of preferred shares was not passed, or a resolution to pay incomplete dividend amount on this type of preferred shares was passed. The right of shareholders – holders of the preference Type A shares to vote at the General Shareholders' Meeting shall be terminated as of the moment of the first payment of dividend made on the preference Type A shares in full.*
- 4. The shareholders – holders of the preference Type A shares have the same rights as specified by Articles 7.2.2, 7.2.3, 7.2.4, 7.2.5, 7.2.6, 7.2.7, 7.2.8, 7.2.10, 7.2.11, 7.2.12 of the present Charter for ordinary shareholders. These rights are also granted to the shareholders – holders of the preference Type A shares if these shares are not voting ones.*
- 5. The shareholders – holders of the preference Type A shares have the rights specified by Articles 7.3, 7.6, 7.7, 7.8, 7.9 of the present Charter if preference Type A shares have voting right on all issues within the authority of a General Shareholders' Meeting.*
- 6. The shareholders – holders of the preference Type A shares are entitled to demand redemption of all or part of shares, held by them, by the Company in cases and in order stipulated by the effective legislation of the Russian Federation.*
- 7. The holders of the preference Type A shares that own 1% or more of the votes at a General Shareholders' Meeting are entitled to demand a list of shareholders entitled to take part in the General Shareholders' Meeting. Information from the documents of natural persons and Postal addresses can be given only by their expressed assent.*

- 8. Shareholders – holders of the Company's preferred Type A shares are granted other rights as stipulated by the effective legislation of the Russian Federation, other legal documents and the present Charter.**

Dividends on the shares of this category (type):

Period : **1999**

One share dividend (RUR) : **8.32**

Total amount of dividends under shares of this type (category) (RUR) : **29 268 304**

Total amount of dividends actually paid under shares of this category (type) (RUR):  
**29 268 304**

Period : **2000**

One share dividend (RUR) : **11.06**

Total amount of dividends under shares of this type (category) (RUR) : **38 907 145**

Total amount of dividends actually paid under shares of this category (type) (RUR):  
**18 648 830**

Period : **2001**

One share dividend (RUR) : **0.18908**

Total amount of dividends under shares of this type (category) (RUR) : **72 497 266.32**

Total amount of dividends actually paid under shares of this category (type) (RUR):  
**13 307 003.16**

Size of dividends, date of payment under which does not start (RUR): **0**

**61. Restrictions in respect of the securities' circulation.**

*See items 56 and 57*

**62. Other material information on the Issuer's securities.**

*No such information*

## **APPENDIX**

### **Accounting records for the year 2000**

*Accounting reports of “Kubanelectrosvyaz” Open Joint Stock Company*

**ACCOUNTING POLICY**  
*of "Kubanelectrosvyaz" PJSC , 2000*

1. *Accounting recording of the company's activity should be made using journal & order system. Way of using this system in each branch must be approved by the director's order with indication of numbers and names of journals of orders and turnover balance sheets on analytical accounts.*  
*Activity accounting is carried out by means of double recording according to Plan of accounts of activity accounting using journal & order form.*  
*While keeping activity accounting there must be identity of analytic accounting data and turnovers and demand balances according to accounts of synthetic accounting as at the first day of each month, and also of figures in balance sheets and data of synthetic and analytic accounting.*
2. *Accounting records should be used in accordance with work plan of accounts of accounting records (see Annex №1).*  
*When using accounts different from work plan in the branches of the Company, they must be approved by the director of the branch and submitted beforehand to the Company's chief accountant's approval.*
3. *Technology of accounting data processing is mixed: automated and partially manual.*
4. *Accounting records of property, obligations and economic transactions should be kept in rubles and copecks. Record accounting of fixed and intangible assets should be maintained in rubles. Resulting differences in sums must be written off regarding financial result , not decreasing the taxable profit. Accounting records (forms № 1,2,3,4,5,) and tax payments must be presented in rubles.*
5. *Schedule time of making up monthly balance sheet is 15 day of the next month after the reported one. Final documents of monthly accounts are to be form № 1 "Balance sheet" and form № 2 "Profits and losses statement". Tax payments are to be made in time prescribed by fiscal legislation.*
6. *Forms of initial documents used for executing records of economic transactions, not having standard forms of initial documents, are to be approved by the branches directors' orders with supplement of these forms.*
7. *To provide accounting data adequacy inventory should be made in times and cases when it is necessary according to current legislation and when it is extra necessary according to the directors' order. Inventory of fixed assets is to be taken once in three years and the inventory of property and financial obligations must be taken every year before making up annual balance sheet.*  
*Inventory of overdue accounts receivable should be taken twice a year not later than at July,1 and December, 1 with registration of two-sided reconciliation of accounts. Accounts receivable and payable are written off at the end of the reported year by order of General Manager on the basis of the commission's recommendations in the following way:*
  - *accounts receivable with expired term of limitation of action, other bad debts are written off to the financial results;*

- *accounts payable are written off to the financial results after 3 years of the date of formation. Moreover, during 5 years written-off accounts receivable and payable should be indicated in below-line accounts for control. Inventory lists and other documents concerned (orders, acts, explanatory notes and the like) should be added to annual balance sheets in the branches. Act on results of the made annual inventory should be added to the forms of annual statement given to centralized accounts department.*

8. *To approve time of advance accounts delivery for advance holders not later than:*

- *3 days (excluding rest-days) after return from business trip;*
- *30 working days after giving money on account, but not later than 10 working days after date of its spending.*

*To approve limit sums of money given on account ( for economic needs – not more than 5 RUR thousand, for traveling expenses – according to accounts for the period of business trip, for other needs – according to signed by the director applications).*

*Daily allowances should be paid in accordance with statutory standards except for the director's order on an individual business trip.*

*Extra traveling expenses are paid at the expense of the Company's cash resources with corresponding taxation.*

*If advance report is not given in time or the rest of money is not returned into cash, all sum at the end of the month should be included in total revenue of advance holder with corresponding taxation.*

*If an advance holder has a debt, money shouldn't be given to him on account.*

9. *Accounting records of currency accounts and of property and obligations in foreign currency should be maintained in rubles by rate of exchange of Central Bank of the Russian Federation at the date of operation performance and also at the date of making monthly accounting records. Rate of exchange differences should be shown in accounting records of the reporting period which the date of account refers to and according to which account 83 "Differed income" is made. Differences should be included into losses or income once only in form of amount of balance at the end of a quarter.*

10. *Objects, having at the date of acquisition limit value of no more than 100-multiple size of monthly wage floor independent of their life time, and objects with life time less than one year independent of their value, can be considered as objects of little value and objects with short life time.*

*Objects with short life time and of little value, no more than one-twentieth of the specified limit value for one object, are written off when putting into operation.*

*To provide safety of such objects during usage appropriate control of their movement should be exercised.*

*Value of such objects is paid off by means of depreciation accounting at the rate of 50% of their value when putting into operation and at the rate of the rest 50% (minus value of these articles at the price of possible usage) – when retiring because of uselessness.*

11. *Objects having value of more than 100- multiple size of monthly wage floor can be considered as fixed assets. Fixed assets' value is paid off according to established normative acts during their standard life time ( item 9 Regulation on structure of expenses for production and sales of goods (works, services) included into the prime cost of goods (works, services) and on the order*

*of formation of financial results which are taken into account when taxation of income (Decree of the Government of the Russian Federation №552 at August, 5, 1992. Depreciation of the Company's fixed assets is carried out according to Standards of depreciation charges for complete reconstruction of fixed assets, approved by the Decree of the USSR Sovmin № 1072 at 22.10.90.*

*Depreciation is not made for fixed assets, received as a present or free of charge during privatization, bought on budget allocations and other similar resources, for fixed assets temporarily closed down by the director's order for not less than 3 months and also for bought editions (books, booklets and the like).*

*Evaluation of fixed assets should be carried out in accordance with initial cost regarding actual expenses for acquisition, building and production. Evaluation of fixed assets, cost of which is determined in foreign currency when acquiring, should be carried out in rubles by converting the currency according to official rate of exchange of Central bank at the date of acquisition by housekeeping right. Costs for fixed assets' repair are included into the prime cost of production as carrying out repairs.*

*To promote the development of the branch "communications" and introduction of high-performance communication systems, equipment and mechanisms, method of accelerated depreciation with acceleration ratio = 2 towards the active part of fixed assets should be used:*

- cable lines supported on poles or built on buildings' walls:  
with metal casing (code 30018)  
with plastic casing (code 30019)*
- communication equipment (codes 45601, 45608, 45613, 45618, 45620, 45621, 45623, 45609, 45622, 45624).*

*12. Fixed assets should be re-appraised once at the beginning of the reporting year by direct recalculation of balance-sheet value.*

*13. Intangible assets' accounting should be carried out similar to fixed assets' accounting. Time of intangible assets' effective serviceability should be determined depending on documents of acquisition or on the deed of conveyance from the moment of putting in usage.. If it is impossible to determine time of effective usage of some intangible assets, then this time and standards of depreciation are specified by the branch's director on the basis of commission's report or the basis of ten years' timing (but not more than the period of the company's validity).*

*Clearance of intangible assets' value is made by line method depending on standards calculated by the company on the basis of time of their effective usage.*

*Depreciation is not made for intangible assets, received as a present or free of charge during privatization, bought on budget allocations and other similar resources.*

*14. Production facilities (primary goods, materials, fuel, spare parts and others) are indicated in balance accounting according to actual cost of acquisition (production). When putting production facilities in operation and other retirement of assets any method can be used. The order on the selected method should be issued at a branch (in accordance with prime cost of each unit, average prime cost, method FIFO or LIFO).*

*Evaluation of goods at retail trade is carried out either according to selling-price using account 42 "Trade extra-charges", or according to buying price. The chosen method must be approved by order of the branch's director.*

*Accounting of trade operations (wholesale trade, retail trade, public catering) should be made in accordance with standard acts. Provision and delivery costs should be included into buying price of goods.*

15. *Methods of accounting and valuation of finished commodity, and order of accounting of unfinished production are to be approved by each branch that makes products.*

16. *Production costs' accounting should be made in the following way:*

- *production costs should be written off in the reporting period when they took place;*
- *costs accounting should be made using direct costs mentioning in account 20 "Major production" consisting of direct costs, debited to accounts 20 "Major production" and 23 "Auxiliary production", and indirect costs, debited to accounts "General total costs" 25 and 26);*
- *indirect costs are distributed pro rata direct costs referring to prime cost;*
- *total economic costs should be written off to prime cost of production, goods, services according to objects of calculations;*
- *time and direction of deferred expenses' writing off are determined by conditions of these expenses, by the current legislation and, if necessary, by the director's order;*
- *unfinished production should be reflected in balance sheet in accordance with actual costs;*
- *accounting should be carried out separately for expenditures associated with basic activity, commerce, capital construction and securities' transactions;*
- *medical insurance of workers should be covered at the expense of prime cost within 1 % of volume of cashable production. Contracts of medical insurance should be executed adequately;*
- *transport-storing costs should be referred to production costs or prime cost.*

17. *Method of proceeds from sales should be determined in accordance with the following taxes:*

- a) *profit tax*
- b) *VAT*
- c) *Use of highway tax*
- d) *Maintenance of housing and communal services tax*

*Sales tax should be taken from money sums received in the branch's cash. In accordance with Regulations on the order of calculating and paying of sales tax approved by the Krasnodar region State Fiscal Inspection and by Department on budget, finances and control of the Krasnodar region government at 27.11.98.*

18. *Accounting period for charge of proceeds of services is considered to be a calendar month .*

*Order of services and goods' pricing with the exception of communication services should be approved in each branch.*

19. *Reserve funds for fixed assets' repairs should be created according to the branch director's decision.*

*Inventory of each reserve's balance should be made as at January, 1 of the next year after reporting one. If necessary the correction or closing of reserve funds should be done according to legislation.*

20. *Reserve funds for bad debts of other companies and citizens should be created with assignment of reserve sums to the financial results, at that:*

- *bad debt is declared to be accounts receivable that are not paid off in time under agreement and not appropriately guaranteed;*



- *bad debt reserve is created on the basis of results of receivables' inventory held at the end of the reporting year;*
- *size of reserve is determined separately for each bad debt depending on the debtor's financial state (ability to pay) and possibility of charge of the debt completely or partially;*
- *if this reserve for bad debt is not used till the end of the year next to the year of its creation, than unspent sums should be added to the income of the corresponding year.*

*When creating reserves it is necessary to make and approve reserves' accounting as grounds for these sums.*

*21. Liabilities are shown in evaluation without interests at the end of the reporting period.*

*22. Penalties for breach of agreements should be shown in the balance sheet at the moment of cash inflow to the company's (branches') accounts.*

*23. In accordance with constitutive documents special purpose funds are created at the expense of net income: accumulation fund, consumption fund, special fund of the Company's management. At the expense of net income withdrawal of depreciation funds is made for financing projects under construction of regional significance. These funds are distributed among the branches with the help of internal documents.*

*24. Periodicity, order of dividends' settlement, coverage of past and current years' losses are determined by the shareholders' meeting and according to current legislation.*

*25. Authorized capital can be increased or decreased in any legal way in accordance with the decision of shareholders' meeting.*

*26. In the Company and its branches:*

- *wages should be paid in accordance with unified tariff scale, approved by collective agreement of "Kubanelectrosvyaz" JSC;*
- *additional payments and supplementary allowances to salaries should be made according to Regulation on the branch employees' remuneration of labor;*
- *additional payments for work during red-letter days, rest days and overhours should be made in accordance with labor legislation;*
- *wages should be paid in time specified in the branches' annexes to the collective agreement of "Kubanelectrosvyaz" PJSC;*
- *time of beginning and ending of working day with break for rest and nourishment should be specified in the branches in accordance with Internal routine rules of "Kubanelectrosvyaz" JSC, orders on labor time for the current year and shift work schedules, approved by administration and coordinated with trade union;*
- *wages should be calculated for actual working time indicated in working time sheet (form № T-13), checked by the branch's economist;*
- *average earnings should be calculated in accordance with Order of calculating average earnings approved by Act of Ministry of Labor № 1 at 16.01.98;*

- *bonus payments should be made according to Regulations on bonus payments to managerial staff, management personnel and the branches' employees;*
- *reduction of bonus payments to the workers, having derelictions of duties, should be made according to Regulations on bonus payments;*
- *payments for travelling character of work should be made according to the current legislation and list of posts and professions, approved by the branch's order. Route sheets are considered to be reporting accounts. Ticket cards should be given on receipt;*
- *financial help should be paid in time and size determined by the collective agreement and in accordance with trade union committee's decision;*
- *privileges for employees working in unhealthy conditions: additional leave, additional payments, shortened working day and right to preferential pension should be granted in accordance with approved lists of posts and professions. Lists of posts and professions are made out on the basis of certification of work places according to conditions of work and are presented as annexes to collective agreement of JSC;*
- *milk is given to employees according to approved lists of post and professions, working in unhealthy conditions. Milk should be given to workers in special rooms on days of work in unhealthy conditions. Substitution of milk with other food or with money is forbidden;*
- *working clothes should be registered and written off according to standard acts;*
- *penalties should be imposed on persons having liability for breakage in case of deficiency or embezzlement in accordance with legislation acts and agreements on liability for breakage signed by such persons.*

*27. Clearing off methods of guns' cost should be determined according to period of effective usage. Cartridges should be given on account, written off by act (with necessary indication what they were used for).*

*28. The Company's and the branches' chief accountants must:*

- *provide business accounting according to Regulations on business accounting and reporting in Russian Federation, Plan of accounts , Instruction of its usage and other current standard acts;*
- *provide timely and complete presentation of necessary accounts to the concerned users with accordance to current legislation;*
- *provide possibility of quick changes in accounting according to changes in current legislation;*
- *provide reliable determination of taxable base for accounts with budget and non-budget funds for paying taxes and other payments according to current fiscal legislation;*
- *when generating costs for production goods (works, services) , follow Regulations on costs structure approved by Decree of the Government of the Russian Federation № 552 at 05.08.92, taking into account all changes and additions;*
- *make business accounting on the basis of original documents of standard forms with the exception of documents, forms of which are approved by present order;*

*29. In each branch the following documents must be approved:*

- *forms of primary documents, used for registration of economic transactions that have not standard forms of primary documents;*
- *list of persons having liability for breakage and list of accountable persons;*
- *list of persons responsible for signing account documents;*
- *list of fixed assets having preferential (reduced) taxation;*
- *list of documents of strict registration.*

*30. The branches' directors must strictly carry out the Company chief accountant's demands concerning order of registration, presentation and recording of primary documents and reports, and time of their presentation to accounts department for drawing up a report.*

## BALANCE SHEET

As at 31 December 2000

Company: "Kubanelectrosvyaz" JSC

Branch (kind of activity): Rendering communication services

Legal and organizational form: Public Joint-Stock Company

State property management body:

Unit of measurement: RUR thousand

ASSETS	Line code	At the beginning of the reported period	At the end of the reported period
1	2	3	4
<b>1. LONG-TERM ASSETS</b>			
Intangible assets (04, 05)	110	6 162	6 500
patents, licenses, trade marks and other similar rights and assets	111	261	266
establishment expenses	112		
business rating	113		
Fixed assets (01,02,03)	120	1 752 170	1 960 686
land and natural resources	121		
buildings, facilities, machines and equipment	122	1 226 512	1 342 697
Unfinished construction (07,08,61)	130	163 513	235 931
Profitable investments in material values (03)	135		
Property for subleasing	136		
Property for rent	137		
Long-term financial investments (06, 82)	140	26 710	275 642
investments into branch establishments	141	23 600	273 497
investments into dependant companies	142	332	332
investments into other companies	143	2 778	1 813
loans granted to companies with term over 12 months	144		
other long-term financial investments	145		
Other long-term assets	150		
TOTAL for section 1	190	1 948 555	2 478 759
<b>2. CURRENT ASSETS</b>			
Inventories and expenses	210	102 693	117 348
raw materials, materials and other similar items (10,15, 16)	211	84 929	101 667
cattle (11)	212	95	3
Expenses in unfinished production(20,21,23,29,30,36,44)	213	91	12
finished products and merchandise(16, 40,41)	214	8 749	7 521
dispatched goods (45)	215		
deferred expenses (31)	216	8 829	8 145
other inventories and expenses	217		
VAT on acquired valuables (19)	220	23 811	38 163

Accounts receivable(with payments expected in 12 months or later since reporting date)	230	2 416	1 901
buyers and customers( 62,76,82)	231	266	
notes receivable(62)	232		
branch establishments and dependant companies (78)	233		
advance payments(61)	234		
Other receivables	235	2 150	1 901
Accounts receivable(with payments expected within 12 months since reporting date)	240	127 341	151 061
buyers and customers( 62,76,82)	241	101 214	106 848
notes receivable(62)	242		
branch establishments and dependant companies (78)	243		
participants' (founders') contributions to authorized capital (75)	244		
advance payments(61)	245	229	991
other receivables	246	25 898	43 222
Short-term financial investments (56,58,82)	250	5 134	
investments into dependant companies	251		
bought out own shares	252	496	
other short-term financial investments	253	4 638	
Cash resources	260	12 188	16 474
cash (50)	261	987	1 639
settlement accounts (51)	262	6 929	9 782
currency accounts (52)	263	267	203
Other cash resources (55,56,57)	264	4 005	4 850
Other current assets	270		
TOTAL for section 2	290	273 583	324 947
BALANCE (sum of the lines 190+290)	300	2 222 138	2 803 706

<b>EQUITY AND LIABILITY</b>	<b>Line code</b>	<b>At the beginning of the reported period</b>	<b>At the end of the reported period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>4. FUNDS AND RESERVES</b>			
Authorized capital (85)	410	506 143	506 143
Additional paid-in capital (87)	420	789 005	809 513
Reserve capital (86)	430	12 333	47 260
mandatory reserve funds	431	12 333	47 260
reserve fund required by constituent documents	432		
Social funds (88)	440	66 529	63 881
Special purpose financing and funds (96)	450		
Retained profit of past years (88)	460	288 377	124 745
Uncovered losses of the past years(88)	465		
Covered losses of the past years	466	(29 316)	
Retained profit of the reported year (88)	470		297 158
Uncovered losses of the reported year (88)	475		
TOTAL for section 4	490	1 633 071	1 848 700
<b>5. LONG-TERM LIABILITIES</b>			
Borrowing costs (92,95)	510	57 980	187 707
long-term bank credits	511		170 000

other long-term loans	512	57 980	17 707
Other long-term liabilities	520	183 955	243 738
TOTAL for section 5	590	241 935	431 445
<b>6. SHORT-TERM LIABILITIES</b>			
Borrowing costs (90,94)	610	62 089	91 909
bank credits	611	62 089	91 909
other loans	612		
Accounts payable	620	262 477	282 261
suppliers and contractors (60,76)	621	125 099	107 055
notes payable(60)	622		
debt to branch establishments and dependant companies (78)	623		
wages to employees(70)	624	19 898	34 237
social insurance (69)	625	13 320	18 456
debt to budget (68)	626	45 487	55 093
advance payments(64)	627	49 139	53 910
other payables	628	9 534	13 510
Dividend settlements (75)	630	14 313	99 300
Deferred income (83)	640	8 253	50 091
Provision for future expenses and payments(89)	650		
Other short-term liabilities	660		
TOTAL for section 6	690	347 132	523 561
BALANCE (sum of the lines 490+590+690)	700	2 222 138	2 803 706

**RECORDING OF THE COUNT OF VALUABLES MENTIONED IN BELOW-LINE ACCOUNTS**

Name of below-line account	Line code	At the beginning of the year	At the end of the year
1	2	3	4
Leased fixed assets (001)	910	1 102	12 625
including leasing	911		
Inventory holdings under agreement of bailment (002)	920	117	35
Goods taken on commission (004)	930		
Written off accounts receivable of insolvent debtors (007)	940	8 523	13 190
Liabilities and payments' securities received (008)	950		
Liabilities and payments' securities given (008)	960		829 304
Depreciation of housing stock (014)	970	593	173
Depreciation of objects equipped with external modern services and utilities and other similar objects (015)	980		
Forms of strict recording	990	826	6 956

## PROFIT AND LOSS STATEMENT

**For the year 2000**

Company: "Kubanelectrosvyaz" JSC

Identification number of tax-payer

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line-code	For the reported period	For the similar period of the previous year
1	2	3	4
1. Profits and losses from usual activities			
Net revenue from sales (with the exception of VAT, excises and other compulsory payments)	10	2 173 973	1 628 018
Including from communication services	11	1 910 173	1 416 497
Cost price of goods , services sold	20	1 624 265	1 191 439
Including from communication services	21	1 379 740	1 016 454
Gross profit	29	549 708	436 57993 145
Commercial expenses	30	4 355	3 643
Management expenses	40		
Profit (loss) from sales (lines 010-020-030-040)	50	545 353	432 939
2. Operating profits and losses			
Interest income	60	15	3
Interest expenses	70	41 426	21 092
Income from participation in other enterprises	80	2 187	81
Other operating income	90	297 066	42 734
Other operating expenses	100	269 426	70 743
3. Non-sales profits and losses			
non-sales income	120	29 168	53 438
non-sales expenses	130	81 423	87 931
Profit (loss) before taxation (lines 050+060-070+080+090-100+120-130)	140	481 514	349 426
Profit tax and other similar obligatory payments	150	90 480	103 395
Profit (loss) from usual activity	160	391 034	246 031
4. Extraordinary profits and losses			

Extraordinary profits	170		
Emergency losses	180	1 967	1 511
Net profit (retained profit (loss) of the reported period) (lines 160+170+180))	190	389 067	244 520
Reference data: Dividend for a preference share	201	0.00832	0.003
For an ordinary share	202	0.00194	0.0006
Expected dividend in the next reported year: for a preference share	203	-	0.01249
For an ordinary share	204	-	0.00291
Reference data: Dividend for a preference share	201	-	-
For an ordinary share	202	-	-
Expected dividend in the next reported year: for a preference share	203	-	-
For an ordinary share	204	-	-

### INTERPRETATION OF PROFITS AND LOSSES

Description	Line code	For the reported period		For the same period of the last year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, forfeits acknowledged or according to judgements on award of damages	210	334	57	974	386
Profit (loss) of past years	220	679	10 820	43 353	25 924
Damages caused by non- execution or improper execution of obligations	230	4 717	63	1 195	-
Stock exchange differences when operating with foreign currency	240	19 843	23 187	2 061	45 813
Cost reduction of inventories at the end of the reported period	250	-	-	-	-
Writing off accounts receivable and payable with expired limitation of action	260	352	4 807	1 863	3 316



## CAPITAL CHANGES STATEMENT

For 2000

Company: "Kubanelectrosvyaz" JSC

Branch (kind of activity): Rendering communication services

Legal and organizational form: Public Joint-Stock Company

State property management body:

Unit of measurement: RUR thousand

Description	Line code	Opening balance	Inflow in the reported year	Expenses in the reported year	Closing balance
1	2	3	4	5	6
<b>1. OWNED CAPITAL</b>					
Authorized capital	010				
Additional paid-in capital	020				
Reserve fund	030				
	040				
Retained profit of past years –total	050				
Social fund	060				
	061				
Special purpose financing - total	070				
	071				
TOTAL for section I	080				
	101				
TOTAL for section I	079				
II. Provisions for future expenses and payments – total	080				
TOTAL for section II	089				
III. Appraisal reserves – total	090				
TOTAL for section III	099				
Capital at the beginning of the reported period	100				
Capital growth - total	110				
Including:	111				
Issue of additional shares					
Assets' reappraisal	112				
Assets' growth	113				
Reorganization of a juridical person (merger, amalgamation)	114				
Profits referring to capital growth according to RAS	115				
Capital reduction – total	120				
Including:	121				
Decrease of a share's par value					
Reduction of the shares' number	122				

Reorganization of a juridical person (division)	123				
Profits referring to reduction of capital according to RAS	124				
Capital at the end of the reported period	130				

### REFERENCES

Description	Line code	Opening balance		Closing balance	
		3		4	
1) Net assets	150				
		from the budget		From branch and inter-branch funds	
		3		4	
		For the reported year	For the previous year	For the reported year	For the previous year
2) Received for:					
Financing of regular activities	160				
capital investments	170				

## CASH FLOW STATEMENT

For 2000

Company: "Kubanelectrosvyaz" JSC

Branch (kind of activity): Rendering communication services

Legal and organizational form: Public Joint-Stock Company

State property management body:

Unit of measurement: RUR thousand

Description	Line code	Amount	Including		
			current activity	investment activity	financial activity
1	2	3	4	5	6
1. Opening cash balance	010	8 194	x	x	x
2. Cash inflow - total	020	3 410 005	3 362 599	47 406	
including :					
revenue from sales of goods, works and services	030	1 858 687	x	x	x
revenue from selling fixed assets and other property	040	2 297	2 297		
advance payments from buyers (customers)	050	98 536	x	x	x
budget allocation and other special purpose financing	060	4 490	4 292	198	
non-repayable (gratis)	070				
credits	080				
loans	085				
dividend payments, interest under financial investments	090	2 202	x	2 202	
other cash inflow	110	833 474	833 474		
3. Cash expenses - total	120	3 406 575	2 522 247	198 884	530
including:					
payments for goods, works, services	130	453 424	453 424		
salaries	140	497 463	x	x	x
social costs	150	187 451	x	x	x
sums paid out on account	160	67 752	67 752		
advance payments	170	1 674	1 674		
share holding in construction	180	206	x	206	x

machines, equipment, means of transport	190	324 959	x	172 700	x
financial investments	200	530			530
dividend, interest payments	210	24 268	x	24 268	
budgetary payments	220	497 460	497 460	x	
payments of the interest under credits and loans	230	513 692	511 982	1 710	
Other payments	250	837 696	837 696		
4. Closing cash balance	260	11 624	x	x	x
Reference:					
In line 020 inflows in cash(except for line 100) - total	270	136 919			
including payments from:					
legal persons	280	336 753			
natural persons	290	1 032 866			
including using:					
cash registers	291	381 606			
severe accounting forms	292	651 260			
Cash resources:					
Receipts from bank to the company's cash	295	118 623			
Cash receipts from company to the bank	296	563 119			

**Explanatory note to the accounting records for the year 2000**

*File with the explanatory note is attached to the file in the section "Other material information on the Issuer's financial and economic activity".*

**Other information about accounting records for the year 2000**

*1. Cash flow statement for the year 2000 is in the file attached to the section "Other material information on the Issuer's financial and economic activity."*

*2. In the cash flow report for the year 2000 line 190 of column 4 shall be read as "152 259".*

*The following lines should be added:*

*"Received loans": code 085, values: column 3 – "6", column 5 – "6".*

*"Including income tax": code 141, values: column 3- "63 921".*

*3. Form # 5 (Appendix to the Balance Sheet) for the year 2000 is in the file attached to the section "Other material information on the Issuer's financial and economic activity"*

**Report of the independent auditing company on the statutory accounting reports for the year 2000**

*Report of the independent auditing company  
on the statutory accounting reports for the year 2000*

*Legal address: 14 Staraya Basmannaya St., 103064 Moscow, Russia*

*License to perform general audit No 006000 is issued by the Ministry of Finance of the Russian Federation. The license is valid till 28 June 2003.*

*The state registration certificate of CJSC «Arthur Andersen» No 021566 is issued by Moscow Registration Chamber on 11 February 1993. Current account No 40702810600700353028, BIC No 044525202 in Citibank, Moscow.*

*The audit was performed by:*

*Vadim Alexandrovich Balashov, Audit partner  
Tatyana Georgievna Golkova, Audit manager  
Irina Borisovna Smirnova, Audit senior  
Ilya Victorovich Kuznetsov, Audit senior*

*Auditor*

*Tatyana Georgievna Golkova  
Certificate of auditor № 024831*

*Report of the independent auditing company to the shareholders on the statutory accounting reports of «Kubanelectrosvyaz» PJSC for the year ended 31 December 2000.*

*1. We have performed an audit of the attached statutory accounting reports of «Kubanelectrosvyaz» PJSC for the year ended 31 December 2000. These statutory accounting reports were prepared by the management of «Kubanelectrosvyaz» PJSC in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation». The statutory accounting reports prepared in accordance with the above Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation» differ significantly from financial statements prepared in accordance with International Accounting Standards.*

*2. Preparation of these statutory accounting reports is the responsibility of the management of «Kubanelectrosvyaz» PJSC. Our responsibility is to express an opinion on these statutory accounting reports based on our audit.*

*3. We carried out our audit in accordance with the Decree of the President of the Russian Federation No 2263 as of 22 December 1993 «On Auditing in the Russian Federation» and Russian Auditing Standards issued by the Presidential Audit Committee. We planned and performed our audit to obtain reasonable assurance that the statutory accounting reports are prepared in all material respects in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance*

*of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation». Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the statutory accounting reports. We believe that our audit provides a reasonable basis for our opinion on the statutory accounting reports.*

*4. In our opinion, the statutory accounting reports attached to this Report, taking into account amendments mentioned in Appendix 1, present, in all material respects, the assets and liabilities of “Kubanelectrosvyaz” PJSC as of 31 December 2000 and its financial results for the year ended 31 December 2000 in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation».*

*5. Without making reservations in our decision we would like to pay your attention to the following circumstances that influence greatly the financial situation of “Kubanelectrosvyaz” PJSC. As at 31 December 2000 the working capital shortage that is surplus of short-time liabilities over the current assets of “Kubanelectrosvyaz” PJSC, taking into account amendments mentioned in Appendix 1, constituted 129 million rubles (this amount does not include long-term liabilities, mentioned in line 520 “Other long-term liabilities” of the balance sheet, to be redeemed within 12 months after the reported date)..*

*Partner  
Auditor  
20 April 2001*

*Vadim Alexandrovich Balashov  
Tatyana Georgievna Golkova*

#### *Appendix 1*

*to the Report of the independent auditing company to the shareholders on the statutory accounting reports of “Kubanelectrosvyaz” PJSC for the year ended 31 December 2000*

*1. During performing an audit of the statutory accounting reports of “Kubanelectrosvyaz” PJSC for the year ended 31 December 2000 we found out deviations from the established order of making accounting records and preparing accounting reports that influenced the authenticity of the accounting reports. In connection therewith, it is necessary to make the following changes in the balance sheet:*

- Amount in line 470 “Retained income of the reporting year”(closing balance) should be increased by 69 935 thousand rubles and constitute 367 093 thousand rubles;*
- Amount in line 630 “Payments to participants (incorporators)” (closing balance) should be decreased by 69 935 thousand rubles and constitute 29 365 thousand rubles;*

*2. As at 31 December 2000 the Company has not made a reserve on bad debts (accounts receivable) which is recommended by PBU 8/98 “Regulations on conditional facts of economic activity” and the Company’s accounting policy.*

*Partner  
Auditor  
20 April 2001*

*Vadim Alexandrovich Balashov  
Tatyana Georgievna Golkova*



## **APPENDIX**

### **Accounting records for the year 2001**

*Balance sheet of "Southern Telecommunications Company" PJSC*

**ACCOUNTING POLICY**  
**of "Kubanelectrosvyaz" PJSC , 2001**

1. *Accounting recording of the company is carried out by accounts department headed by a chief accountant.*
2. *Accounting recording is carried out by means of double recording according to Plan of accounts of activity accounting using journal & order form.*
3. *While keeping activity accounting there must be identity of analytic accounting data and turnovers and demand balances according to accounts of synthetic accounting as at the first day of each month, and also of figures in balance sheets and data of synthetic and analytic accounting.*
4. *Sales proceeds are determined after execution of works (provision of services) and delivering bills to a customer.*
5. *Depreciation of the Company's fixed assets is carried out according to Standards of depreciation charges for complete reconstruction of fixed assets, approved by the Decree of the USSR Sovmin № 1072 at 22.10.90. To promote the development of the branch "communications" and introduction of high-performance communication systems, equipment and mechanisms, method of accelerated depreciation with acceleration ratio = 2 towards the active part of fixed assets should be used:*
  - *cable lines supported on poles or built on buildings' walls:  
with metal casing (code 30018)  
with plastic casing (code 30019)*
  - *communication equipment ( codes 45601, 45608, 45613, 45618, 45620, 45621, 45623, 45609, 45622, 45624).*

*Depreciation of the Company's intangible assets value is made according to standards calculated by the company on the basis of time of their effective usage. Time of intangible assets' effective serviceability should be determined from the moment of their registration in accounting records. If it is impossible to determine time of effective usage of some intangible assets, then this time is specified on the basis of ten years' timing ( but not more than the period of the company's validity).*

*7. Record accounting of fixed and intangible assets should be maintained in sums rounded to rubles. Resulting differences in sums must be written off regarding financial result , not decreasing the taxable profit.*

1. *Objects, having at the date of acquisition limit value of no more than 100-multiple size of monthly wage floor are included into current assets.*
9. *Value of such objects is paid off by means of depreciation accounting at the rate of 50% of their value when putting into operation and at the rate of the rest 50% (minus value of these articles at the price of possible usage) – when retiring because of uselessness. Objects for kindergarten and rest centers are written off at the rate of 100% when putting into operation.*
10. *Objects of little value, no more than one-twentieth of the specified limit value for one object, are written off when putting into operation.*
11. *To provide accounting data adequacy inventory of property and financial obligations should be taken before making up annual accounting records. Inventory of fixed assets is to be taken once in three years.*
12. *Production facilities (primary goods, materials, fuel, spare parts and others) are indicated in balance accounting according to their actual cost.*
13. *Unfinished production should be reflected in balance sheet in accordance with actual costs.*
14. *Fixed assets and other property can be sold to the employees of the Company at the price exceeding their actual prime cost by 1 %.*

15. *The Company's costs for representations are included into cost price of production (works, services) within the limits determined by the current legislation or at the expense of profit left at the Company's disposal.*
16. *Total amount of expenditures for personnel training referred to cost price of production (works, services) cannot exceed 2% of expenses for wages.*
17. *Reserve funds for fixed assets' repairs may be created to distribute deferred charges evenly to costs of production of the accounting period.*
18. *Costs made in the accounting period but referred to future accounting periods are indicated in balance sheet as deferred charges and regarded to be costs of the period they refer to.*
19. *On the basis of results of receivables' inventory held at the end of the reporting year reserve funds for bad debts of other companies should be created with assignment of reserve sums to the financial results.*
20. *Rate of exchange differences regarding property and obligations to be converted should be included into losses or profits once only in form of amount of balance at the end of a reporting year.*
21. *Actual production cost price is calculated by the Company. Costs mentioned in accounts 26 "General costs" are debited to accounts 20 "Major production" and 23 "Auxiliary production".*
22. *Indirect costs are distributed among objects of calculation according to the value of workers' wages.*
23. *Current and capital costs at the expense of profit left at the Company's disposal are included in the balance sheet as retained income of the previous year formed in account 88 "Retained income (outstanding deficit)".*  
*Costs not supported by proper resources cannot be made.*
24. *Account 81 "Utilization of profit" allows for payments to budget at the expense of profit left at the Company's disposal including penalties paid to budget for offence against fiscal legislation.*
25. *Accounting period for charge of proceeds of services is considered to be a month from day 25 to day 25.*

## BALANCE SHEET

As at 31 December 2001

Company: **Public Joint Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

ASSETS	Line code	At the beginning of the reported period	At the end of the reported period
1	2	3	4
<b>1. LONG-TERM ASSETS</b>			
Intangible assets (04, 05)	110	6 500	2 506
patents, licenses, trade marks and other similar rights and assets	111	266	79
establishment expenses	112		
business rating	113		
Fixed assets (01,02,03)	120	2 561 414	3 152 832
land and natural resources	121		
buildings, facilities, machines and equipment	122	1 838 388	2 162 094
Unfinished construction (07,08,61)	130	235 931	170 974
Profitable investments in material values (03)	135		
Property for subleasing	136		
Property for rent	137		
Long-term financial investments (06, 82)	140	275 642	318 195
investments into branch establishments	141	273 497	305 049
investments into dependant companies	142	332	332
investments into other companies	143	1 813	2 814
loans granted to companies with term over 12 months	144		10 000
other long-term financial investments	145		
Other long-term assets	150		
<b>TOTAL for section 1</b>	<b>190</b>	<b>3 079 487</b>	<b>3 644 507</b>
<b>2. CURRENT ASSETS</b>			
Inventories and expenses	210	117 348	162 267
raw materials, materials and other similar items (10,15, 16)	211	101 667	138 311
cattle (11)	212	3	1
Expenses in unfinished production(20,21,23,29,30,36,44)	213	12	
finished products and merchandise(16, 40,41)	214	7 521	7 209
dispatched goods (45)	215		
deferred expenses (31)	216	8 145	16 746
other inventories and expenses	217		
VAT on acquired valuables (19)	220	38 163	40 383
Accounts receivable(with payments expected in 12 months or later since reporting date)	230	1 901	2 441
buyers and customers( 62,76,82)	231		
notes receivable(62)	232		

branch establishments and dependant companies (78)	233		
advance payments(61)	234		
Other receivables	235	1 901	2 441
Accounts receivable(with payments expected within 12 months since reporting date)	240	151 061	195 525
buyers and customers( 62,76,82)	241	106 848	115 200
notes receivable(62)	242		
branch establishments and dependant companies (78)	243	1 407	1 333
participants' (founders') contributions to authorized capital (75)	244		
advance payments(61)	245	991	1 330
other receivables	246	41 815	77 662
Short-term financial investments (56,58,82)	250		
investments into dependant companies	251		
bought out own shares	252		
other short-term financial investments	253		
Cash resources	260	16 474	35 092
cash (50)	261	1 639	1 884
settlement accounts (51)	262	9 782	28 071
currency accounts (52)	263	203	76
Other cash resources (55,56,57)	264	4 850	5 061
Other current assets	270		
TOTAL for section 2	290	324 947	435 708
BALANCE (sum of the lines 190+290)	399	3 404 434	4 080 215

<b>EQUITY AND LIABILITY</b>	<b>Line code</b>	<b>At the beginning of the reported period</b>	<b>At the end of the reported period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>III. FUNDS AND RESERVES</b>			
Authorized capital (85)	410	506 143	506 143
Additional paid-in capital (87)	420	1 410 241	1 406 091
Reserve capital (86)	430	47 260	47 260
mandatory reserve funds	431	47 260	47 260
reserve fund required by constituent documents	432		
Social funds (88)	440	63 881	8 825
Special purpose financing and funds (96)	450		
Retained profit of past years (88)	460	421 903	481 100
Uncovered losses of the past years(88)	465		
Covered losses of the past years	466		
Retained profit of the reported year (88)	470		326 525
Uncovered losses of the reported year (88)	475		
TOTAL for section III	490	2 449 428	2 775 944
<b>IV. LONG-TERM LIABILITIES</b>			
Borrowing costs (92,95)	510	187 707	185 533
long-term bank credits	511	170 000	170 000
other long-term loans	512	17 707	15 533
Other long-term liabilities	520	243 738	332 878
TOTAL for section IV	590	431 445	518 411
<b>V. SHORT-TERM LIABILITIES</b>			

Borrowing costs (90,94)	610	91 909	182 497
bank credits	611	91 909	182 497
other loans	612		
Accounts payable	620	282 261	421 486
suppliers and contractors (60,76)	621	98 503	178 919
notes payable(60)	622		
debt to branch establishments and dependant companies (78)	623	8 552	16 896
wages to employees(70)	624	34 237	40 585
social insurance (69)	625	18 456	24 630
debt to budget (68)	626	55 093	84 095
advance payments(64)	627	53 910	63 765
other payables	628	13 510	12 596
Dividend settlements (75)	630	99 300	41 259
Deferred income (83)	640	50 091	140 618
Provision for future expenses and payments(89)	650		
Other short-term liabilities	660		
TOTAL for section V	690	523 561	785 860
BALANCE (sum of the lines 490+590+690)	700	3 404 434	4 080 215

**RECORDING OF THE COUNT OF VALUABLES MENTIONED IN BELOW-LINE ACCOUNTS**

Name of below-line account	Line code	At the beginning of the year	At the end of the year
1	2	3	4
Leased fixed assets (001)	910	12 625	47 830
including leasing	911		29 186
Inventory holdings under agreement of bailment (002)	920	35	261
Goods taken on commission (004)	930		
Written off accounts receivable of insolvent debtors (007)	940	13 190	15 254
Liabilities and payments' securities received (008)	950		
Liabilities and payments' securities given (008)	960	829 304	865 422
Depreciation of housing stock (014)	970	173	177
Depreciation of objects equipped with external modern services and utilities and other similar objects (015)	980		
Forms of strict recording	990	6 956	38 929

## PROFIT AND LOSS STATEMENT

**For 2001**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Identification number of tax-payer

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line-code	For the reported period	For the similar period of the previous year
1	2	3	4
1. Profits and losses from usual activities			
Net revenue from sales (with the exception of VAT, excises and other compulsory payments)	010	2 597 226	2 173 973
Including from communication services	011	2 476 806	1 910 173
Cost price of goods , services sold	020	1 960 727	1 624 265
Including from communication services	021	1 843 221	1 379 740
Gross profit	029	636 499	549 708
Commercial expenses	030		4 355
Management expenses	040		
Profit (loss) from sales (lines 010-020-030-040)	050	636 499	545 353
2. Operating profits and losses			
Interest income	060	9	15
Interest expenses	070	50 410	41 426
Income from participation in other enterprises	080	12 152	2 187
Other operating income	090	58 180	297 066
Other operating expenses	100	110 317	269 426
3. Non-sales profits and losses			
non-sales income	120	20 868	29 168
non-sales expenses	130	119 706	92 544
Profit (loss) before taxation (lines 050+060-070+080+090-100+120-130)	140	447 275	470 393
Profit tax and other similar obligatory payments	150	117 073	90 480
Profit (loss) from usual activity	160	330 202	379 913
4. Extraordinary profits and losses			
Extraordinary profits	170		
Emergency losses	180	3 677	1 967
Net profit (retained profit (loss) of the reported period) (lines 160+170+180))	190	326 525	377 946

Reference data: Dividend for a preference share	201	0.01106	0.00832
For an ordinary share	202	0.00294	0.00194
Expected dividend in the next reported year: for a preference share	203	-	0.34761
For an ordinary share	204	-	0.1376
Dividend for a preference share Type B	205		
Expected dividend in the next reported year: for a preference share Type B	206		

### INTERPRETATION OF PROFITS AND LOSSES

Description	Line code	For the reported period		For the same period of the last year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, forfeits acknowledged or according to judgments on award of damages	210	432	416	334	57
Profit (loss) of past years	220	5 453	5 007	679	21 274
Damages caused by non-execution or improper execution of obligations	230	609	5	4 717	63
Stock exchange differences when operating with foreign currency	240	6 649	23 194	19 843	23 187
Cost reduction of inventories at the end of the reported period	250				
Writing off accounts receivable and payable with expired limitation of action	260	1 014	2 090	352	4 807



## CAPITAL CHANGE STATEMENT

For 2001

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line code	Opening balance	Inflow in the reported year	Expenses in the reported year	Closing balance
1	2	3	4	5	6
<b>I. OWNED CAPITAL</b>					
Authorized capital	010	506 143			506 143
Additional paid-in capital	020	1 410 241	1 943	6 093	1 406 091
increase of property value according to reappraisal	021	942 028	1 738	5 880	937 886
Reserve fund	030	47 260			47 260
	040				
Retained profit of past years- total	050	421 903	59 197		481 100
Including: financial source of capital investments in production	051	86 000			86 000
Outstanding deficit of the past years	052				
Retained profit (outstanding deficit) of the reporting period - total	055		326 525		326 525
Social fund	060	63 881		55 056	8 825
Special purpose financing and inflows - total	070				
	080				
<b>TOTAL for section I</b>	<b>079</b>	<b>2 449 428</b>	<b>387 665</b>	<b>61 149</b>	<b>2 775 944</b>
<b>II. Provisions for future expenses - total</b>					
Including: vacations	081				
Fixed assets' repair	082		4 518	4 518	
Insurance	083				
Annualizing award	084				
Other	085				
<b>Total for section II</b>	<b>089</b>		<b>4 518</b>	<b>4 518</b>	
<b>III. Appraisal reserves - total</b>					
Including: bad debts	091				
securities	092				
<b>TOTAL for section III</b>	<b>099</b>				
<b>IV. Change in capital</b>					
Capital at the beginning of the reported period	100	2 449 428			1 662 387
Capital growth - total	110	326 730			411 625
Including: issue of additional shares	111				

Assets' reappraisal	112				2 358
Assets' growth	113				
Reorganization of a juridical person (merger, amalgamation)	114				
Profits referring to capital growth	115				
Other receipts	116	326 730			409 267
Capital reduction - total	120	214			225 312
Including: decrease of a share's par value	121				
Reduction of the shares' quantity	122				
Reorganization of a juridical person (division)	123				
Costs referring to capital reduction	124				
Other retired assets	125	214			225 312
Capital at the end of the reported period	130	2 775 944			1 848 700
Special purpose financing - total	140	1 658	64 139	63 889	1 908
Including: from budget	141		56 888	56 888	
From non-budget funds	142				
Juridical person	143		1 180	1 180	
Natural person	144	1 658	6 071	5 821	1 908
other	145				

#### REFERENCES

Description	Line code	Opening balance		Closing balance	
1	2	3		4	
1) Net assets	150	2 497 585		2 914 654	
		from the budget		From branch and inter-branch funds	
		3		4	
		For the reported year	For the previous year	For the reported year	For the previous year
2) Received for:					
Financing of regular activities	160	56 117	13943		
Including	161	56 032	13943		
Discounts for population					
Others	162	85			
capital investments	170	771	198		
Including	171	677	198		
Construction of objects					
Acquisition of equipment	172	94			
others	173				
Purposes connected with force majeure situations	180		40		40

## CASH FLOW STATEMENT

For: **2001**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line code	Amount	Including		
			current activity	investment activity	financial activity
1	2	3	4	5	6
1. Opening cash balance	010	11 624	x	x	x
2. Cash inflow - total	020	3 368 055	3 302 772	52 557	12 726
including :					
revenue from sales of goods, works and services	030	2 291 074	x	x	x
revenue from selling fixed assets and other property	040	1 377		1 377	
advance payments from buyers (customers)	050	130 630	x	x	
budget allocation and other special purpose financing	060	52 865	52 865		
non-repayable (gratis)	070				
credits	080	529 574	479 574	50 000	
loans	085	1 180		1 180	
dividend payments, interest under financial investments	090	12 726	x		12 726
other cash inflow	110	348 629	348 629		
3. Cash expenses - total	120	3 349 648	2 115 156	415 424	26 787
including:					
payments for goods, works, services	130	1 036 558	1 036 558		
wages	140	586 885	x	x	x
social costs	150	205 396	x	x	x
sums paid out on account	160	56 832	56 832		
advance payments	170	11 136	11 136		
share holding in construction	180	7 457	x	7 457	x
machines, equipment, means of transport	190	353 717	x	353 717	x

financial investments	200	2 500			2 500
dividend, interest payments	210	24 287	x		24 287
budgetary payments	220	544 450	544 450	x	
payments of the interest under credits and loans	230	498 099	443 849	54 250	
Other payments	250	22 331	22 331		
4. Closing cash balance	260	30 031	x	x	x
Reference:					
In line 020 inflows in cash(except for line 100) - total	270	2 182 081			
including payments from:					
legal persons	280	932 076			
natural persons	290	1 250 005			
including using:					
cash registers	291	393 531			
severe accounting forms	292	856 474			
Cash resources:					
Receipts from bank to the company's cash	295	163 060			
Cash receipts from company to the bank	296	893 964			

## ANNEXES TO THE BALANCE SHEET

For: **2001**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

### 1. BORROWED ASSETS FLOW

Description	Line code	Opening balance	Received	Redeemed	Closing balance
1	2	3	4	5	6
Long-term bank credits	110	170 000	43 058	43 058	170 000
including those not redeemed in time	111				
Other long-term loans	120	17 707	1	2 175	15 533
including those not redeemed in time	121				
Short-term bank credits	130	91 909	543 455	452 867	182 497
including those not redeemed in time	131				
Other short-term loans	140				
including those not redeemed in time	141				

### 2. ACCOUNTS RECEIVABLE AND PAYABLE

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
Accounts receivable:					
short-term	210	151 061	15 499 947	15 455 483	195 525
including overdue	211	44 575	197 443	204 596	37 422
including for more than 3 months	212	24 962	167 588	172 606	19 944
long-term	220	1 901	1 302	762	2 441
including overdue	221	1 302	35	120	1 217
including for more than 3 months	222	1 302	35	120	1 217
from line 220 accounts expected to be received in more than 12 months after reporting date	223	1 486		124	1 362
Accounts payable:					

short-term	230	282 261	8 881 657	8 742 432	421 486
including overdue	231	12 269	79 172	80 836	10 605
including for more than 3 months	232	7 591	8 213	12 788	3 016
long-term	240	243 738	297 945	208 805	332 878
including overdue	241	3 658	87 783	59 511	31 930
including for more than 3 months	242	3 658	25 530	25 530	3 658
from line 240 accounts expected to be paid in more than 12 months after reporting date	243	90 881			90 881
Security:					
received	250				
including from third person	251				
given	260	829 304	322 910	286 792	865 422
including to third persons	261				

#### REFERENCES FOR SECTION 2

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
1) Bills' circulation					
Bills given	262				
including overdue	263				
Bills received	264				
including overdue	265				
2) Accounts receivable for supplied production (works, services) according to actual cost	266	18 367	907 360	904 844	20 883

#### 3) List of debtors having the largest debts

Name of organization	Line code	Closing balance	
		total	including overdue for more than 3 months
1	2	3	4
Budget institutions	270	18 043	5 468
Agricultural complex	271	2 304	860
Ministry of Internal Affairs	272	2 291	
Population	273	53 984	2 446
Local administration	274	1 082	293
Center of government communications	275	1 842	1 632

Industry	276	30 364	3 800
Department of Defense	277	5 288	4 135
TV and radio companies	278		

#### 4) List of the largest creditors

Name	Line code	Closing balance	
		total	Including for more than 3 months
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
"Rostelecom" OJSC	280	25 888	
Contacts for supply of telecom equipment	281	332 878	317 878
VAT (account 76)	282		
Non-budget funds (account 67)	283	2 062	
Leasing	284	29 186	29 186

### 3. DEPRECIABLE ASSETS

Description	Line code	Opening balance	Put in operation	Retired	Closing balance
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>1. INTANGIBLE ASSETS</b>					
Rights for objects of intellectual (industrial) property	310				
including rights according to:					
author's contracts and other contracts on works of science, literature, art, software programs, data bases and others.	311				
patents for inventions, collection advances, industrial patents, certificates for effective models, trade marks and signs of service or license agreements for their use	312				
right for "know-how"	313				
Rights for use of isolated natural objects	320				
Expenses for reorganization	330				
Business (reputation) of the company	340				
Miscellaneous	349				
Total (sum of the lines 310+320+330+340+349)	350				
<b>2. FIXED ASSETS</b>					
Land and natural resources	360				
Buildings	361				
Constructions	362				
Machines and equipment	363				
Means of transport	364				
Working and household equipment	365				
Workstock	366				
Productive cattle	367				
Long-lived plantations	368				

Other fixed assets	369				
Total (sum of lines 360-369)	<b>370</b>				
including:					
production	371				
non-production	372				
<b>III. INVESTMENTS IN MATERIAL VALUES</b>	<b>381</b>				
Property for leasing					
Property for hire	382				
Other	383				
<b>Total (sum of lines 381-383)</b>	<b>385</b>				

**REFERENCE TO SECTION 3**

Description	Line code	Opening balance	Closing balance
1	2	3	4
From line 371, columns 3 and 6:			
subleased – total:	387		
including:			
buildings	388		
facilities	389		
	390		
	391		
laid up	392		
Depreciable assets:			
Intangible assets	393		
Fixed assets - total	394		
including:			
buildings and facilities	395		
machines, equipment, means of transport	396		
other	397		
Profitable investments in material values	398		
Reference:			
Indexing result according to reappraisal of fixed assets:			
initial cost	401		
depreciation	402		
Pledged property	403		
Value of property not subject to depreciation -total	404		
Including intangible assets	405		
Fixed assets	406		



Description	Line code	Opening balance	Added on (formed)	Used	Closing balance
1	2	3	4	5	6
The company's owned resources - total	410		250 219	250 219	
including:					
income left at the disposal of the company (accumulation fund)	411				
Financial sources of capital investments	411		86 000	86 000	
depreciation of fixed assets	412		164 219	164 219	
others	413				
Borrowed assets - total	420	1 658	58 022	57 772	1 908
including:					
bank credits	421		50 000	50 000	
Borrowed assets from other organizations	422		1 180	1 180	
share holding in construction	423	1 658	6 071	5 821	1 908
budgetary	424		771	771	
non-budgetary funds	425				
others	426				
Owned and borrowed resources – total (sum of lines 410 and 420)	430	1 658	308 241	307 991	1 908
Reference:					
Unfinished construction	440	119 404	703 962	682 674	140 692
Investments in branch establishments	450	273 497	31 552		305 049
Investments in dependant companies	460	332			332

#### 5. FINANCIAL INVESTMENTS

Description	Line code	Long-term		Short-term	
		At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
1	2	3	4	5	6
Other companies' shares	510	275 642	308 195		
Bonds and other obligations	520				
Loans granted	530		10 000		
Others	540				
Reference:					
Bonds and other securities at market value	550				

**5. THE COMPANY'S OPERATING COSTS**

Description	Line code	For the reported year	For the previous year
1	2	3	4
Material expenditures	610	612 597	524 627
Including:			
Raw materials	611	121 660	124663
Fuel and energy	612	62 955	57764
Spare parts	613		
Salaries	620	664 355	515 141
Social costs	630	237 163	199 208
Depreciation of fixed assets	640	163 230	100 863
Other costs	650	242 755	216 154
Including:			
Taxes included in costs	651	29 450	59 118
rent	652	11 306	10 434
Personnel training	653	3 993	3390
Expenditures - total	660	1 920 100	1 555 993
Change in balances:			
Unfinished construction	670	(12)	(79)
Deferred income	680	8 601	684
Reserves for future expenditures	690		

**7. SOCIAL FACTORS**

Description	Line code	Sum owing on accounts	Expended	Transferred to funds
1	2	3	4	5
Social investments in :				
Fund of social insurance	710	26 480	17 807	9 489
Retirement insurance fund	720	180 941		174 021
Employment fund	730	29		628
Medical insurance	740	20 922		20 895
Allocations to non-state retirement funds	750	12 883	x	
Payments under contracts of retirement insurance			755	186
Average number of employees on pay-roll			760	11 620
Money incentive payments not associated with output of products, execution of works, provision of services			770	79
Earnings per shares and from investments in the company's property			780	

**Explanatory note to the accounting records for the year 2001**

*File with the explanatory note is attached to the file in the section "Other material information on the Issuer's financial and economic activity".*

**Other information on accounting records for the year 2001**

*In Form No 3 “Capital changes Statement” line 070 “Special purpose financing – total” should be removed.*

*Amount of 4518 should be added to column “Received in the reporting year” of line 080 “II. Reserves of deferred costs - total”. Amount of 4518 should be added to column “Spent in the reporting year” of line 080 “II. Reserves of deferred costs - total”.*

*In Form No 4 “Cash flow statement” amounts of 2291074 and 130630 should be added to column “Current activities” of line 030 “Revenue from sales” and line 050 “Advance payments from customers” accordingly.*

*In Form No 5 “Accounts payable and receivable” line 411 “Profit left at the Company’s disposal” of Section “Capital movement in financing long-term investments” should be removed.*

*Section “Depreciable assets” of Form No 5 is included in the attached file in the Section “Other information about the issuer’s economic and financial activity”.*

*In Form No 5 “Accounts payable and receivable” in Section “Social factors” amount of 28 should be added to column “paid” of line 750 “Payments to non-state pension funds”. The second line 750 resulting from program error should be removed.*

**Report of the independent auditing company on the statutory accounting reports for the year  
2001**

*Report of the independent auditing company to the shareholders  
on the statutory accounting reports of "Southern Telecommunications Company" PJSC for the  
year ended 31 December 2001*

*1. We have performed an audit of the attached statutory accounting reports of "Southern Telecommunications Company" PJSC for the year ended 31 December 2001. These statutory accounting reports were prepared by the management of "Southern Telecommunications Company" PJSC in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation». The statutory accounting reports prepared in accordance with the above Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation» differ significantly from financial statements prepared in accordance with International Accounting Standards.*

*2. Preparation of these statutory accounting reports is the responsibility of the management of "Southern Telecommunications Company" PJSC. Our responsibility is to express an opinion on these statutory accounting reports based on our audit.*

*3. We carried out our audit in accordance with the Federal Law No 119-FZ of 7 August 2001 "On Auditing" and Auditing Standards approved by the Presidential Audit Committee. We planned and performed our audit to obtain reasonable assurance that the statutory accounting reports are prepared in all material respects in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation». Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the statutory accounting reports. We believe that our audit provides a reasonable basis for our opinion on the statutory accounting reports.*

*4. In our opinion, the statutory accounting reports attached to this Report, taking into account amendments mentioned in Appendix 1, present, in all material respects, the assets and liabilities of "Southern Telecommunications Company" PJSC as of 31 December 2001 and its financial results for the year ended 31 December 2001 in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and with the Order of the Ministry of Finance of the Russian Federation No 34n as of 29 July 1998 «Regulations for Accounting and Reporting in the Russian Federation».*

*5. Without making reservations in our decision we would like to pay your attention to the following circumstances that influence greatly the financial situation of "Southern Telecommunications Company" PJSC. As at 31 December 2001 the working capital shortage that is surplus of short-time liabilities over the current assets of "Southern Telecommunications Company" PJSC, approximated 350 million rubles. This amount does not include liabilities, mentioned in line 510 "Loans and credits" and line 520 "Other long-term liabilities" of the balance sheet, to be redeemed within 12 months after the reported date (nearly 461 million rubles).*

*Partner  
Auditor*

*Vadim Alexandrovich Balashov  
Tatyana Georgievna Golkova*

*19 April 2002*

*Appendix 1*

*to the Report of the independent auditing company to the shareholders on the statutory accounting reports of "Southern Telecommunications Company" PJSC for the year ended 31 December 2001*

*1. During performing an audit of the statutory accounting reports of "Southern Telecommunications Company" PJSC for the year ended 31 December 2001 we found out a fact of untimely debit (enter) of the bought equipment into the balance sheet that influenced essentially authenticity of the accounting reports. In connection therewith, it is necessary to make the following changes in the balance sheet:*

- Amount in line 130 "Unfinished construction" (closing balance) should be increased by 30 843 thousand rubles and constitute 201 817 thousand rubles;*
- Amount in line 621 "Accounts payable to suppliers and contractors" (closing balance) should be increased by 28 142 thousand rubles and constitute 207 061 thousand rubles;*
- Amount in line 520 "Other long-term liabilities" (closing balance) should be increased by 2 558 thousand rubles and constitute 335 436 thousand rubles;*
- Amount in line 470 "Retained income of the reporting year"(closing balance) and amount in line 120 "Non-sales expenses"of the profit and loss statement (for the reporting period) should be increased by 143 thousand rubles and constitute 326 668 thousand rubles and 21 011 thousand rubles accordingly.*

*2. We indicated in Appendix 1 to the Report of the independent auditing company of 20 April 2001 to the shareholders on the statutory accounting reports of "Southern Telecommunications Company" PJSC for the year ended 31 December 2000 that as at 31December 2000 dividends for the year 2000 amounting to 69 935 thousand rubles had been added. The dividends were added illegally because the appropriate resolution had not been approved by the Company's General Shareholders' Meeting before the date of making accounting reports. Thus the accounting records attached to the present Report have the following distortions in the part of opening balances:*

- Amount in line 460 "Retained income of the past years"(opening balance) should be increased by 69 935 thousand rubles and constitute 491 838 thousand rubles;*
- Amount in line 630 "Debt to holders (incorporators)"(opening balance) should be decreased by 69 935 thousand rubles and constitute 29 365 thousand rubles.*

*Partner  
Auditor*

*Vadim Alexandrovich Balashov  
Tatyana Georgievna Golkova*

*19 April 2002*

## **APPENDIX**

### **Accounting records for the year 2002**

*Balance sheet of "Southern Telecommunications Company" PJSC*

## ACCOUNTING POLICY

1. *Accounting recording of the company is carried out by the Company's accounts department headed by a chief accountant.*
2. *Accounting recording in the Company is automatized and carried out by means of common accounting software "Buhuchot".*
3. *Accounting recording in the Company and its subsidiaries is carried out using journal & order form and accounting registers approved in the centralized order with indication of numbers and names of accounting books, orders, turnovers and demand balances according to accounts of analytic accounting.*
4. *Financial documents of the Company can be signed by the Company's general director, the first deputy general director, chief accountant, deputy chief accountant; financial documents of a Company's subsidiary can be signed by its general director, deputy director, chief accountant, deputy chief accountant,*
5. *Inventory is made up regarding all the Company's property irrespective of its location and all kinds of liabilities. Inventory is drawn by standing inventory commissions established in the Company's directorate and subsidiaries' administrations.*
6. *Depreciation sum of the Company's intangible assets is calculated monthly according to standards calculated by the company on the basis of time of their effective usage. If it is impossible to determine time of effective usage of some intangible assets, then this time is specified on the basis of twenty years' timing.*
7. *Fixed assets are taken on balance at their acquisition cost determined in accordance with Regulations on accounting records "fixed assets' accounting (PBU 6/01)", approved by the Decree of the Ministry of Finance of the Russian Federation № 26n of 30.03.2001. Depreciation of the Company's fixed assets is carried out using line method on the basis of acquisition cost or current (reestablished) cost (in case of reappraisal) and rate of depreciation calculated depending on time of their effective usage.*
8. *Formation of inventories' actual cost in the Company's accounting records is carried out using accounts 15 and 16. Inventories in accounts 10 and 41 are recorded at their accounting costs. At the end of the reporting month accumulated in account 16 deviations are debited to costs depending on their type pro rata value of expended inventories. Finished commodity is recorded at its actual cost of production without using account 40.*
9. *Amounts in the Company's cash, bank accounts, currency papers, short-term securities, settlements with natural and juridical persons, means of special purpose financing received from budget or foreign investors as technical or other type of assistance under the concluded agreements, expressed in foreign currency, should be re-calculated in rubles by rate of exchange of Central Bank of the Russian Federation at the date of operation performance and also at the date of making monthly accounting records.*
10. *Increase of the Company's economic benefits from fixed assets' proceeds (cash, other property) and (or) redemption of credits resulting in the Company's capital growth with the exception of the participants' contributions can be considered the Company's income. Profits different from income of regular activities can be considered other profits.*
11. *Decrease of the Company's economic benefits from fixed assets' retirements (cash, other property) and (or) new liabilities resulting in the Company's capital reduction with the exception of the contributions' reduction, approved by the participants, can be considered the Company's costs. Costs of regular activities are recorded in sums calculated in cash equal to payments in cash or other form or value of accounts payable. In order to make such*



*records the Company's regular activities are divided into profile and non-profile. Costs different from expenditures of regular activities can be considered other costs.*

- 12. Costs of profile regular activities are recorded in account 30 "Main production processes" and 31 "Auxiliary production processes". Costs of non-profile activities are recorded in account 23 "Auxiliary production" and 29 "Service production".*
- 13. Costs made in the reporting period but referred to future accounting periods are indicated in account 97 "Deferred costs". Deferred costs should be written off at the expense of appropriate covering reserves during the period they refer to. If it is impossible to find out the period of writing-off the made costs, this period is determined by a special commission and approved by the general director.*
- 14. The Company transfers long-term liabilities to short-term liabilities when the main sum of a loan or credit is to be paid off in 365 days under the terms of the agreement. Additional costs connected with taking credits and placement of obligations are included in the balance sheet of the period when they were made.*
- 15. The company does not form funds at the expense of profit left at its disposal with the exception of cases when the formation of such fund are stipulated by the legislation or by the Company constitutive documents (reserve fund). In this case their formation and usage are determined by resolutions approved by a General Shareholders' Meeting.*
- 16. The Directorate calculates taxes and other compulsory payments to federal budget and to budgets of other levels of the Company as a whole. It also calculates taxes to be paid to each budget of each level with the exception of income tax of natural persons and consolidated social tax calculated and kept by subsidiaries and their structural subdivisions.*
- 17. For taxation purposes sales proceeds are determined in the following way:*
  - when determining taxation base of profit tax sales proceeds are calculated by the method of charging (accounting);*
  - when determining taxation base of VAT, road-transport and other taxes sales proceeds are calculated by the method "on paying".*

## BALANCE SHEET

As at 31 December 2002

Company: **Public Joint Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

ASSETS	Line code	Opening balance	Closing balance
1	2	3	4
<b>1. LONG-TERM ASSETS</b>			
Intangible assets (04, 05)	110	2 035	1 612
patents, licenses, trade marks and other similar rights and assets	111	2 035	1 612
establishment expenses	112		
business rating	113		
Fixed assets (01,02,03)	120	10 262 083	12 486 729
land and natural resources	121	14	19
buildings, facilities, machines and equipment	122	7 387 272	8 941 003
Unfinished construction (07,08,16, 61)	130	491 010	953 664
Profitable investments in material values (03)	135		
Property for subleasing	136		
Property for rent	137		
Long-term financial investments (06, 82)	140	407 308	388 658
investments into branch establishments	141	293 778	291 472
investments into dependant companies	142	49 744	44 290
investments into other companies	143	24 459	26 507
loans granted to companies with term over 12 months	144	10 000	10 000
other long-term financial investments	145	29 327	16 389
Other long-term assets	150		
<b>TOTAL for section 1</b>	<b>190</b>	<b>11 162 436</b>	<b>13 830 663</b>
<b>2. CURRENT ASSETS</b>			
Inventories and expenses	210	431 852	584 257

raw materials, materials and other similar items (10,12,13, 16)	211	343 166	502 990
cattle (11)	212	1 028	1
Expenses in unfinished production(20,21,23,29,30,36,44)	213	148	187
finished products and merchandise(16, 40,41)	214	27 850	40 629
dispatched goods (45)	215	1 341	
deferred expenses (31)	216	58 319	40 450
other inventories and expenses	217		
VAT on acquired valuables (19)	220	158 962	498 762
Accounts receivable(with payments expected in 12 months or later since reporting date)	230	53 436	62 474
buyers and customers( 62,76,82)	231	8	303
notes receivable(62)	232		
branch establishments and dependant companies (78)	233	45 425	45 425
advance payments(61)	234	4 311	13 315
Other receivables	235	3 692	3 431
Accounts receivable(with payments expected within 12 months since reporting date)	240	1 145 556	1 272 783
buyers and customers( 62,76,82)	241	825 295	809 734
notes receivable(62)	242	1 399	8
branch establishments and dependant companies (78)	243	2 269	8 618
participants' (founders') contributions to authorized capital (75)	244		
advance payments(61)	245	130 573	267 169
other receivables	246	186 020	187 254
Short-term financial investments (56,58,82)	250	3 115	1 591
investments into dependant companies	251	536	
bought out own shares	252	506	
other short-term financial investments	253	2 073	1 591
Cash resources	260	199 365	216 934
cash (50)	261	7 421	7 428
settlement accounts (51)	262	174 986	188 185
currency accounts (52)	263	577	1 058
Other cash resources (55,56,57)	264	16 381	20 263
Other current assets	270		
TOTAL for section 2	290	1 992 286	2 636 801
BALANCE (sum of the lines 190+290)	300	13 154 722	16 467 464

<b>EQUITY AND LIABILITY</b>	<b>Line code</b>	<b>At the beginning of the reported period</b>	<b>At the end of the reported period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>4. FUNDS AND RESERVES</b>			
Authorized capital (85)	410	1 297 779	1 297 779
Additional paid-in capital (87)	420	4 240 327	4 215 276
Reserve capital (86)	430	47 260	63 260
mandatory reserve funds	431	47 260	63 260
reserve fund required by constituent documents	432		
Social funds (88)	440		

Special purpose financing and funds (96)	450		
Retained profit of past years (88)	460	3 496 200	3 110 340
Uncovered losses of the past years(88)	465		
Retained profit of the reported year (88)	470		1 561 915
Uncovered losses of the reported year (88)	475		
TOTAL for section 4	490	9 081 566	10 248 570
<b>5. LONG-TERM LIABILITIES</b>			
Borrowing costs (92,95)	510	809 164	298 853
long-term bank credits	511	597 262	238 851
other long-term loans	512	211 902	60 002
Other long-term liabilities	520	875 815	998 472
TOTAL for section 5	590	1 684 979	1 297 325
<b>6. SHORT-TERM LIABILITIES</b>			
Borrowing costs (90,94)	610	733 713	1 160 487
bank credits	611	691 682	1 036 264
other loans	612	42 031	124 223
Accounts payable	620	1 411 992	3 348 898
suppliers and contractors (60,76)	621	537 411	2 172 752
notes payable(60)	622	48 072	72 666
debt to branch establishments and dependant companies (78)	623	16 896	42 760
wages to employees(70)	624	130 375	143 145
social insurance (69)	625	69 986	61 211
debt to budget (68)	626	221 840	254 179
advance payments(64)	627	155 918	214 181
other payables	628	231 494	388 004
Dividend settlements (75)	630	55 249	204 824
Deferred income (83)	640	187 223	207 360
Provision for future expenses and payments(89)	650		
Other short-term liabilities	660		
TOTAL for section 6	690	2 388 177	4 921 569
BALANCE (sum of the lines 490+590+690)	700	13 154 722	16 467 464

**RECORDING OF THE COUNT OF VALUABLES MENTIONED IN BELOW-LINE ACCOUNTS**

Name of below-line account	Line code	At the beginning of the year	At the end of the year
1	2	3	4
Leased fixed assets (001)	910	105 901	299 461
including leasing	911	83 429	124 309
Inventory holdings under agreement of bailment (002)	920	13 782	9 327
Goods taken on commission (004)	930	37	
Written off accounts receivable of insolvent debtors (007)	940	90 460	136 293
Liabilities and payments' securities received (008)	950		
Liabilities and payments' securities given (008)	960	1 895 116	2 848 312
Depreciation of housing stock (014)	970	9 311	8 510
Depreciation of objects equipped with external modern services and utilities and other similar objects (015)	980		
Forms of strict recording	990	67 495	60 818

## PROFIT AND LOSS STATEMENT

**For 2002**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Identification number of tax-payer

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line-code	For the reported period	For the similar period of the previous year
1	2	3	4
1. Profits and losses from usual activities			
Net revenue from sales (with the exception of VAT, excises and other compulsory payments)	010	10 531 981	8 218 489
Including from communication services	011	10 214 300	7 933 645
Cost price of goods , services sold	020	7 834 789	6 058 488
Including from communication services	021	7 586 372	5 388 528
Gross profit	029	2 697 192	2 160 001
Commercial expenses	030		
Management expenses	040		
Profit (loss) from sales (lines 010-020-030-040)	050	2 697 192	2 160 001
2. Operating profits and losses			
Interest income	060	6 448	3 712
Interest expenses	070	181 892	139 048
Income from participation in other enterprises	080	8 746	14 404
Other operating income	090	1 447 498	109 076
Other operating expenses	100	675 655	274 944
3. Non-sales profits and losses			
non-sales income	120	220 546	199 259
non-sales expenses	130	1 226 247	612 889
Profit (loss) before taxation (lines 050+060-070+080+090-100+120-130)	140	2 296 636	1 459 571
Profit tax and other similar obligatory payments	150	691 542	477 961

Profit (loss) from usual activity	160	1 605 094	981 610
4. Extraordinary profits and losses			
Extraordinary profits	170	62	7
Emergency losses	180	43 241	3 684
Net profit (retained profit (loss) of the reported period) (lines 160+170+180))	190	1 561 915	977 933
Reference data: Dividend for a preference share	201		
For an ordinary share	202		
Expected dividend in the next reported year: for a preference share	203	0.2042	
For an ordinary share	204	0.067	

### INTERPRETATION OF PROFITS AND LOSSES

Description	Line code	For the reported period		For the same period of the last year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, forfeits acknowledged or according to judgments on award of damages	210	8 160	30 932	7 617	1 650
Profit (loss) of past years	220	62 156	197 661	24 932	43 910
Damages caused by non- execution or improper execution of obligations	230	2 389	439	1 252	66
Stock exchange differences when operating with foreign currency	240	16 910	299 138	80 827	151 764
Cost reduction of inventories at the end of the reported period	250				
Writing off accounts receivable and payable with expired limitation of action	260	20 694	23 025	4 980	19 904

## CAPITAL CHANGE STATEMENT

For 2002

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line code	Opening balance	Inflow in the reported year	Expenses in the reported year	Closing balance
1	2	3	4	5	6
<b>I. OWNED CAPITAL</b>					
Authorized capital	010	1 297 779	-	-	1 297 779
Additional paid-in capital	020	4 240 327	51 521	76 572	4 215 276
increase of property value according to reappraisal	021	3 772 122	51 521	76 541	3 747 102
Reserve fund	030	47 260	16 000	-	63 260
	040				
Retained profit of past years- total	050	3 496 200	70 961	456 821	3 110 340
Including: financial source of capital investments in production	051	86 000	335 903	-	421 903
Retained profit (outstanding deficit) of the reporting period - total	055	-	1 561 915	-	1 561 915
Social fund	060				
Special purpose financing and inflows - total	070				
	080				
<b>TOTAL for section I</b>	<b>079</b>	<b>9 081 566</b>	<b>1 700 397</b>	<b>533 393</b>	<b>10 248 570</b>
<b>II. Provisions for future expenses - total</b>	<b>080</b>				
<b>Total for section II</b>	<b>089</b>				
<b>III. Appraisal reserves - total</b>	<b>090</b>				
Including: bad debts	091	6	430 256	242 225	188 037
<b>TOTAL for section III</b>	<b>099</b>	<b>6</b>	<b>430 256</b>	<b>242 225</b>	<b>188 037</b>
<b>IV. Change in capital</b>					
Capital at the beginning of the reported period	100	9 081 566			8 096 161
Capital growth - total	110	7 820 214			1 025 454
Including: issue of additional shares	111				
Assets' reappraisal	112				
Assets' growth	113				
Reorganization of a juridical person (merger, amalgamation)	114	6 206 778			
Profits referring to capital growth	115				

Other receipts	116	1 613 436			1 025 454
Capital reduction - total	120	6 653 210			69 092
Including: decrease of a share's par value	121				
Reduction of the shares' quantity	122				
Reorganization of a juridical person (division)	123	6 206 778			
Costs referring to capital reduction	124				
Other retired assets	125	446 432			69 092
Capital at the end of the reported period	130	10 248 570			9 052 523
Special purpose financing - total	140	16 160	356 021	335 978	36 203
Including: from budget	141		327 254	319 885	7 369
Juridical person	143		184	184	
Natural person	144	16 160	28 583	15 909	28 834

### REFERENCES

Description	Line code	Opening balance		Closing balance	
		3		4	
1) Net assets	150	9 252 123		10 419 727	
		from the budget		From branch and inter-branch funds	
		3		4	
		For the reported year	For the previous year	For the reported year	For the previous year
2) Received for:					
Financing of regular activities	160	308 817	162 841		
capital investments	170	18 437	4 962		
Including	171	18 437	3 418		
Construction of objects					
Acquisition of equipment	172	-	1 544		
Purposes connected with force majeure situations	180	85	40		



## CASH FLOW STATEMENT

For: **2002**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line code	Amount	Including		
			current activity	investment activity	financial activity
1	2	3	4	5	6
1. Opening cash balance	010	197 563	x	x	x
2. Cash inflow - total	020	17 212 993	15 297 327	1 915 666	
including :					
revenue from sales of goods, works and services	030	10 252 992	10 252 992	x	
revenue from selling fixed assets and other property	040	1 270 856	4 967	1 265 889	
advance payments from buyers (customers)	050	214 181	214 181	x	
budget allocation and other special purpose financing	060	250 805	232 368	18 437	
non-repayable (gratis)	070				
credits	080	1 141 395	519 401	621 994	
loans	085				
dividend payments, interest under financial investments	090	9 346	x	9 346	
other cash inflow	110	4 073 418	4 073 418		
3. Cash expenses - total	120	17 205 442	10 272 737	2 675 114	686 897
including:					
payments for goods, works, services	130	3 823 716	3 723 852	99 864	
wages	140	2 572 453	x	x	x
social costs	150	998 241	x	x	x
sums paid out on account	160	179 281	179 242	39	
advance payments	170	280 484	108 592	171 892	

share holding in construction	180	15 926	x	15 926	x
machines, equipment, means of transport	190	2 199 082	x	1 995 490	x
financial investments	200	5 639		5 639	
dividend, interest payments	210	201 230	x	201 230	
budgetary payments	220	2 648 900	2 648 900	x	
payments of the interest under credits and loans	230	1 053 822	181 891	185 034	686 897
Other payments	250	3 226 668	3 226 668		
4. Closing cash balance	260	205 114	x	x	x
Reference:					
In line 020 inflows in cash(except for line 100) - total	270	5 475 632			
including payments from:					
legal persons	280	873 888			
natural persons	290	4 601 744			
including using:					
cash registers	291	3 998 849			
severe accounting forms	292	595 693			
Cash resources:					
Receipts from bank to the company's cash	295	1 619 312			
Cash receipts from company to the bank	296	3 410 363			

## ANNEXES TO THE BALANCE SHEET

For: **2002**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

### 1. BORROWED ASSETS FLOW

Description	Line code	Opening balance	Received	Redeemed	Closing balance
1	2	3	4	5	6
Long-term bank credits	110	597 262	514 170	872 581	238 851
including those not redeemed in time	111				
Other long-term loans	120	211 902	57	151 957	60 002
including those not redeemed in time	121				
Short-term bank credits	130	691 682	1 611 583	1 267 001	1 036 264
including those not redeemed in time	131	301 290	265 382	7 648	559 024
Other short-term loans	140	42 031	111 223	29 031	124 223
including those not redeemed in time	141	19 064	2 469	11 593	9 940

### 2. ACCOUNTS RECEIVABLE AND PAYABLE

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
Accounts receivable:					
short-term	210	1 145 562	15 697 079	15 381 821	1 460 820
including overdue	211	353 412	805 759	883 837	275 334
including for more than 3 months	212	217 412	550 286	579 661	188 037
long-term	220	53 436	15 630	6 592	62 474
including overdue	221				
including for more than 3 months	222				
from line 220	223	53 436	15 630	6 592	62 474
accounts expected to be received in					

more than 12 months after reporting date					
Accounts payable:					
short-term	230	1 411 992	20 056 494	18 119 588	3 348 898
including overdue	231	250 717	3 410 631	3 217 362	443 986
including for more than 3 months	232	118 623	1 613 689	1 522 247	210 062
long-term	240	875 815	1 211 111	1 088 454	998 472
including overdue	241				
including for more than 3 months	242				
from line 240 accounts expected to be paid in more than 12 months after reporting date	243	875 815	1 580 987	691 168	1 765 634
Security:					
received	250				
including from third person	251				
given	260	1 895 116	2 049 133	1 457 039	2 487 210
including to third persons	261				

#### REFERENCES FOR SECTION 2

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
1) Bills' circulation					
Bills given	262	48 072	94 843	70 249	72 666
including overdue	263				
Bills received	264	1 399	8 517	9 908	8
including overdue	265	27		27	
2) Accounts receivable for supplied production (works, services) according to actual cost	266	625 659	8 642 628	8 427 998	840 289

#### 3) List of debtors having the largest debts

Name of organization	Line code	Closing balance	
		total	including overdue for more than 3 months
1	2	3	4
Budget institutions	270	142 566	92 989
Natural persons	271	505 816	74 140
Including those having benefits	272	67 355	21 988
Commercial organizations	273	351 405	20 908

#### 4) List of the largest creditors

Name	Line code	Closing balance	
		total	Including for more than 3 months
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
"Rostelecom" OJSC	280	122 441	
Suppliers of telecom equipment	281	1 271 990	407 044
Leasing	282	546 877	355 156

#### 3. DEPRECIABLE ASSETS

Description	Line code	Opening balance	Put in operation	Retired	Closing balance
1	2	3	4	5	6
<b>1. INTANGIBLE ASSETS</b>					
Rights for objects of intellectual (industrial) property	310	2 144		95	2 049
including rights according to:		2 139		90	2 049
author's contracts and other contracts on works of science, literature, art, software programs, data bases and others.	311	5		5	
patents for inventions, collection advances, industrial patents, certificates for effective models, trade marks and signs of service or license agreements for their use	312				
right for "know-how"	313				
Rights for use of isolated natural objects	320				
Expenses for reorganization	330				
Business (reputation) of the company	340				
Miscellaneous	349				
Total (sum of the lines 310+320+330+340+349)	350	2 144		95	2 049
<b>2. FIXED ASSETS</b>					
Land and natural resources	360	14	5		19
Buildings	361	1 808 910	76 811	28 417	1 857 304
Constructions	362	5 232 433	900 048	64 448	6 068 033
Machines and equipment	363	9 209 326	1 993 374	78 361	11 124 339
Means of transport	364	236 125	72 957	1 944	307 138
Working and household equipment	365				
Workstock	366				
Productive cattle	367				
Long-lived plantations	368				
Other fixed assets	369	125 047	60 588	8 758	176 877
Total (sum of lines 360-369)	<b>370</b>	16 611 855	3 103 783	181 928	19 533 710

including:					
production	371	16 527 045	3 087 627	155 685	19 458 987
non-production	372	84 810	16 156	26 243	74 723
<b>III. INVESTMENTS IN MATERIAL VALUES</b>	381				
Property for leasing					
Property for hire	382				
Other	383				
<b>Total (sum of lines 381-383)</b>	<b>385</b>				

**REFERENCE TO SECTION 3**

Description	Line code	Opening balance	Closing balance
1	2	3	4
From line 371, columns 3 and 6:			
subleased – total:	387	96 783	86 895
including:			
buildings	388	4 414	6 900
facilities	389	16	32
transport	390	94	94
other	391	92 259	79 869
laid up	392		
Depreciable assets:			
Intangible assets	393	109	437
Fixed assets - total	394	6 349 772	7 046 981
including:			
buildings and facilities	395	3 092 409	3 278 063
machines, equipment, means of transport	396	3 213 046	3 685 473
other	397	44 317	83 445
Profitable investments in material values	398		
Reference:			
Indexing result according to reappraisal of fixed assets:			
initial cost	401		
depreciation	402		
Pledged property	403	1 725 204	1 581 593
Value of property not subject to depreciation -total	404	917 703	910 243
Including intangible assets	405	1 460	
Fixed assets	406	916 243	910 243

Description	Line code	Opening balance	Added on (formed)	Used	Closing balance
1	2	3	4	5	6
The company's owned resources - total	410		1 486 291	1 486 291	
including:					
income left at the disposal of the company (accumulation fund)	411		689 816	689 816	
depreciation of fixed assets	412		796 475	796 475	
Borrowed assets - total	420	27 988	1 793 747	1 801 641	20 094
including:					
bank credits	421		621 994	621 994	
Borrowed assets from other organizations	422	24 109	899 851	905 745	18 215
share holding in construction	423	1 963	14 979	15 230	1 712
budgetary	424	1 916	18 437	20 186	167
non-budgetary funds	425				
others	426		238 486	238 486	
Owned and borrowed resources – total (sum of lines 410 and 420)	430	27 988	3 280 038	3 287 932	20 094
Reference:					
Unfinished construction	440	439 944	3 440 213	3 103 783	776 374
Investments in branch establishments	450	293 778	94	2 400	291 472
Investments in dependant companies	460	49 744	3	5 457	44 290

#### 5. FINANCIAL INVESTMENTS

Description	Line code	Long-term		Short-term	
		At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
1	2	3	4	5	6
Other companies' shares	510	367 981	362 269		
Bonds and other obligations	520				
Loans granted	530	10 000	10 000	536	
Others	540	29 327	16 389	2 073	1 591
Reference: Bonds and other securities at market value	550				

**6.THE COMPANY'S OPERATING COSTS**

Description	Line code	For the reported year	For the previous year
1	2	3	4
Material expenditures	610	1 052 881	822 009
Including:	611	613 411	529 743
Raw materials			
Fuel and energy	612	291 535	248 320
Spare parts	613	147 935	43 946
Salaries	620	2 489 941	1 951 772
Social costs	630	876 607	692 756
Depreciation of fixed assets	640	770 662	635 977
Other costs	650	2 556 793	1 853 373
Including:	651	128 645	83 023
Taxes included in costs			
rent	652	67 124	228 547
Personnel training	653	27 632	12 340
Expenditures - total	660	7 746 884	5 955 887
Change in balances:	670	39	7 042
Unfinished construction			
Deferred income	680	(17 869)	14 796
Reserves for future expenditures	690		

**7. SOCIAL FACTORS**

Description	Line code	Sum owing on accounts	Expended	Transferred to funds
1	2	3	4	5
Social investments in :				
Fund of social insurance	710	90 004	17 387	69 288
Retirement insurance fund	720	809 646		808 309
Employment fund	730	5 438		5 557
Medical insurance	740	91 583		90 905
Allocations to non-state retirement funds	750	41 272	x	39 126
Payments under contracts of retirement insurance			755	
Average number of employees on pay-roll			760	44 285
Money incentive payments not associated with output of products, execution of works, provision of services			770	119 440
Earnings per shares and from investments in the company's property			780	16 220



**Explanatory note to the accounting records for the year 2002**

*File with the explanatory note is attached to the file in the section "Other material information on the Issuer's financial and economic activity".*

**Other information on accounting records for the year 2002**

*In Form No 4 of 2002 accounting records amount of RUR 203592 ths should be added in line 190 (current activity; amount of RUR 7202 ths should be added in line 293 (others).*

**Report of the independent auditing company on the statutory accounting reports for the year  
2002**

*Report of the independent auditing company to the shareholders on the statutory accounting reports of "SOUTHERN TELECOMMUNICATIONS COMPANY" PJSC for the period from the 1st of January till the 31<sup>st</sup> of December 2002 inclusive.*

- 1. We have performed an audit of the attached statutory accounting reports of "Southern Telecommunications Company" PJSC for the year ended 31 December 2002.*
- 2. Accounting reports of "Southern Telecommunications Company" PJSC include balance sheet defined by the words "as at the end of the reported year taking into consideration indices of the merged companies", income statement defined by the words "During the reported period", statement of capital flow, statement of cash flows, appendixes to the balance sheet and explanatory note defined by the words "as at the end of the reported period taking into consideration indices of the merged companies" and "For the reported period". Preparation of these statutory accounting reports is the responsibility of the management of "Southern Telecommunications Company" PJSC. Our responsibility is to express an opinion on trustworthiness in all material aspects of these statutory accounting reports and conformity of the accounting principles with the applicable legislation of the Russian Federation, based on our audit.*
- 3. Audit of the balance sheet of "Southern Telecommunications Company" PJSC for the year ended 31 December 2001 was performed by another auditing company and its opinion on trustworthiness of "UTK" PJSC statutory accounting reports for the year ended 31 December 2001 was expressed in conditionally positive auditor's report of April 19, 2002. In its report the other auditing company drew attention to the fact of untimely posting of the acquired equipment that influenced greatly the financial correctness of accounting reports.*
- 4. We carried out our audit in accordance with the Federal Law "On Auditing" and adopted federal auditing standards, Russian Auditing Standards approved by the Presidential Audit Committee.*
- 5. We planned and performed our audit to obtain reasonable assurance that the statutory accounting reports, defined by the words "as at the end of the reported period taking into consideration indices of the merged companies" and "For the reported period" are prepared in all material respects in their true values. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the statutory accounting reports. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion on trustworthiness in all material aspects of these statutory accounting reports*

*and conformity of the accounting principles with the applicable legislation of the Russian Federation.*

- 6. In our opinion, in 2002 accounting procedures in respect to preparation of the statutory accounting reports of "Southern Telecommunications Company" PJSC, defined by the words "as at the end of the reported period taking into consideration indices of the merged companies" and "For the reported period", meet the requirements of the Federal Law No 129-FZ as of 21 November 1996 «On Accounting» and the above mentioned statutory accounting reports are trustworthy and present, in all material respects, the assets and liabilities of "Southern Telecommunications Company" PJSC as of 31 December 2001 and its financial results for the year ended 31 December 2001 in accordance with the Federal Law No 129-FZ as of 21 November 1996 «On Accounting».*
- 7. Without making reservation in our report we would like to pay your attention to the section 4 "Analysis and assessment of the balance structure" of the Explanatory notes describing surplus of short-term liabilities over the current assets of "Southern Telecommunications Company" PJSC amounting to RUR 2 284 768 ths as of December 31, 2002, as well as plans of the management in relation to this working capital shortage.*
- 8. As defined in unaudited section 6 "Comparable indices of accounting reports" of the Explanatory notes, "Southern Telecommunications Company" PJSC was reorganized on October 31, 2002 through merger of several telecom companies of the Southern Federal District into it. We did not perform audit of comparative accounting reports or any of their parts defined by the words "as at the beginning of the reported period taking into consideration indices of the merged companies" and "For the same period of the previous year taking into consideration indices of the merged companies" as well as "For the reported period taking into consideration indices of the merged companies", which were included in the attached accounting reports solely for the purpose of presenting comparable financial information.*
- 9. The accompanying statutory accounting reports are not intended for the purpose of presenting financial position and performance results in accordance with generally accepted accounting principles in other countries outside Russia. Accordingly, the attached statutory accounting reports are not designed for those who are not informed about Russian accounting matters.*

*April 25, 2003*

*Robert Jey Akright*

*Partner*

*Irina Borisovna Smirnova*

*Certificate of competence on general audit № 043315,  
issued on May 23, 2002 with unrestricted period of validity.*

*Auditor*

## **APPENDIX**

### **Accounting records for the first quarter of the year 2003**

*Accounting records of “Southern Telecommunications Company” PJSC*

## ACCOUNTING POLICY

*General provisions of accounting policy of "Southern Telecommunications Company" PJSC for 2003*

*The unified forms of the account of the primary accounting documentation, authorized by Goskomstat of the Russian Federation are applied in the Company .*

*At registration of financial and economic operations on which the unified forms are not stipulated, independently developed forms of primary accounting documents (including indicated in Regulations on document circulation system) containing obligatory essential elements established by the Federal Law of 21.11.1996 №129-FZ "On Accounting" are applied.*

*The right to sign primary accounting documents is established by internal organizational - administrative documents.*

### *1. The order of the organization and carrying out of inventory of property and liabilities.*

*All property of the Company, irrespective of its location, and all kinds of liabilities are subject to inventory.*

*Inventory in the Company shall be carried out in the following terms:*

- *basic assets - not less often than once in two years as of November, 1 of fiscal year;*
  - *intangible assets - annually as of December, 1 of fiscal year;*
  - *capital construction in progress and other capital investments - annually as of November, 1 of fiscal year;*
  - *Raw material, materials, precious metals, the equipment to be installed, intermediate products, goods, finished products in warehouses - annually as of November, 1 of the fiscal year;*
  - *work in progress - quarterly as at the end of a quarter;*
  - *Deferred expenses and income - annually as of December, 31 of the fiscal year;*
  - *Cash resources on bank accounts - annually as of December, 31 of the fiscal year;*
  - *Cash resources in cash desk - not less often, than once in a quarter;*
  - *Long-term financial investments - annually as of December, 31 of the fiscal year;*
  - *Short-term financial investments, monetary instruments - quarterly as at the end of the quarter;*
  - *Settlements with debtors and allowance for doubtful accounts - annually as of December, 31 of the fiscal year;*
  - *Settlements with creditors - settlements with telecom operators - quarterly as at the end of a quarter, with other creditors - once a year as of December, 31 of the fiscal year;*
  - *Tax payments and obligatory allotments to the budget and extra-budgetary funds, special purpose financing - annually as of December, 31 of the current year;*
  - *Internal settlement of accounts - quarterly as at the end of the quarter not less often than an once in a quarter;*
  - *Settlement of accounts with personnel, advance holders - annually as of December, 31 of the current year;*
  - *Allowance for conditional liabilities, allowance for default of investments in securities, reserves under depreciation of material assets - annually as of December, 31 of the fiscal year;*
- For carrying out of inventory at a level of the Company's General Directorate and Administrations of regional branches the permanent inventory commissions are created which membership is approved by:*
- *the Company's General Director - For General Directorate;*
  - *director of a branch - For regional branches.*

*The detailed order of the organization and carrying out of inventory of the Company's assets and liabilities of the Organization are determined in Regulations on the procedure for carrying out of inventory of assets and liabilities and measures on assets preservation.*

**2. The order of drawing up of the Company accounting records.**

*The Company's accounting records are made in the order and in the terms stipulated by the Federal Law of 21.11.96 №129-FZ " On Accounting" and other statutory acts of the Russian Federation regulating conducting of book keeping and the reporting.*

*The Company's accounting records are formed by accounts department of the Company General Directorate on the basis of the generalized information on property, liabilities and results of the Company's activity in view of the information given by accounts departments of regional branches. Accounting reports are formed by accounts departments of regional branches on the basis of the data presented by accounts departments of structural divisions.*

*While drawing up the accounting records the forms, developed by the Company taking into consideration recommendations contained in corresponding normative documents, are applied.*

*Internal forms of the accounting reporting as well as fixed terms of their presentation are specified in Regulations on the procedure for formation of the Company's accounting records.*

**3. Accounting for intangible assets**

*Depreciation charges on intangible assets is determined monthly according to the norms established on the basis of the initial value of such assets and their useful life using linear method. The projected useful life of intangible assets is determined at their registration by a special commission and approved by the Company's General Director.*

*The cost of intangible assets is redeemed through the accrual of amortization on account 05 "Amortization of intangible assets".*

**4. Accounting for fixed assets**

*Revaluation of fixed assets is not to be made in 2003.*

*The Company carries out revaluation on a regular basis not less often than once in two years, by groups of homogeneous objects of the fixed assets at their current (replacement) cost by direct recalculation based on documentary confirmed market prices. Groups of homogeneous objects of fixed assets on which revaluation is made, are shown in methodical instructions on fixed assets' accounting.*

**5. Accounting for inventories**

*Formation of the actual cost price of inventories in the Company's book keeping is carried out using accounts 15 "Preparation and purchase of inventories" and 16 "Deviation in cost of inventories".*

*Inventories on accounts 10 "Materials" and 41 "Goods" are reflected according to their registration price.*

*Inventories (raw material, materials, goods) can be accepted and registered without credit orders, on the basis of documents of the supplier (account, invoice, etc.) having the stamp containing the same essential elements, as in the credit order. Such stamp is equated to the credit order.*

*The finished goods are included in accounts at their actual production cost price without using account 40 "Production output".*

*6. The order of recalculation of assets and liabilities expressed in foreign currency. Amounts in the Company's cash, bank accounts, currency papers, short-term securities, settlements with natural and juridical persons, means of special purpose financing received from budget or foreign investors as technical or other type of assistance under the concluded agreements, expressed in foreign currency, should be re-calculated in rubles as at the date of operation performance and also at the date of making monthly accounting records.*

*7. Accounting for revenues*

*For accounting purposes operating activities of the Company are subdivided into profile and not profile types.*

*Profile activities are meant as those directly related to rendering telecom services. All other types of activity are considered not profile.*

*Revenues being not from operating activities are considered as other revenues.*

*8. Accounting for expenses.*

*For accounting purposes operating activities of the Company are subdivided into profile and not profile types.*

*In book keeping the separate calculation of expenditures by kinds of services, works and production, being the objects of calculation, is conducted.*

*For the purposes of distribution of operating costs between the objects of calculation the Company uses a method of calculation of expenditures according to production processes.*

*Uniquely determined type of activity (sequence of actions or set of functions and tasks), not limited in time and having recognized result is referred to as production process.*

*For the purposes of distribution of operating expenses between the objects of calculation the processes are subdivided into the basic production processes, auxiliary production processes and joint processes.*

*The processes related directly to rendering telecom services are among the basic production processes.*

*The processes necessary for realization of the basic and joint productions and indirectly related to rendering telecom services are among the auxiliary production processes.*

*The processes necessary for realization of the basic productions, but not related to rendering telecom services are among the joint production processes.*

*Distribution of expenses is based on actual natural parameters of the Company economic activity which structure is determined in Methodical instructions on calculation of expenditures.*

*All the expenses connected to profile kinds of activity, are indirect, that is not related directly, but distributed between objects of calculation, and are taken into account in the context of production processes.*

*Expenses of profile regular activities are recorded in account 30 "Main production processes" and 31 "Auxiliary production processes".*

*Expenses related to not profile kinds of activity, are recorded in accounts 23 "Auxiliary production", 29 "Service production" and 44 "Selling expenses" in the context of kinds of activity.*

*The expenses collected on account 31 "Auxiliary production processes", are distributed between the basic and joint production processes to accounts 30 "Basic production process" and 32 "Joint*



*production process " on the basis of the data on the bases of distribution presented by production services at the end of the accounting period.*

*The expenses collected on account 30 "Basic production processes " are distributed between accounts 20 " Main production " by objects of calculation on the basis of the data on the bases of distribution presented by production services at the end of the accounting period, and account 33 "Equipment maintenance costs " by kinds of equipment of a conditional digital network made by engineering services annually. Distribution of expenses by kinds of equipment is performed on the basis of design data of engineering services according to the share of an involvement of the equipment in the basic production processes.*

*The expenses collected on account 33 " Equipment maintenance costs " are distributed to account 20 "Basic production "by objects of calculation (services) on the basis of the data presented by engineering services on intensity and duration of use of each type of equipment by a specific service which are calculated at the beginning of each year or at essential changes in topography of a communication network.*

*To calculate the cost price of services, works, products of non-profile kinds of activity actual expenses for the rendered services, finished works and products delivered to warehouses, collected on accounts 23 " Auxiliary productions " and 29 "Service productions", are written off to account 43 "Finished goods" (in case of output of finished goods), corresponding accounts of production processes (in case of rendering services or performance of works for profile kinds of activity) or account 90 "Sales" subaccount 90-04 "Cost price of sales in not profile kinds of activity " (in case of rendering services, performance of works away from the Company ). The balance under the debit of accounts 23 "Auxiliary productions " and 29 "Service productions" reflects cost of a work in progress.*

#### **9. Accounting for deferred expenses**

*The following expenses incurred during the reporting period but cannot be included in the cost price of services, works, products sold during this reporting period shall be reflected in the balance sheet as deferred expenses:*

- *expenses related to development of new productions or products before occurrence of the facts of their realization;*
- *expenses on payment of future holidays;*
- *expenses on acquisition of licenses;*
- *expenses on insurance of property;*
- *expenses related to purchase of software products and databases under contracts of sale and purchase or barter contracts if these assets do not meet the requirements established for intangible assets;*
- *Other.*

*Deferred expenses shall be written off evenly at the expense of corresponding sources of covering during the period to which they have been deferred. If it is impossible to determine the period during which the expenses should be written off, this period shall be established by a specially created commission and approved by the order of the General director.*

*The procedure of accounting for expenses and costs calculation is set in Methodical instructions on accounting for expenses.*

#### **10. Accounting of settlements**

*Non-monetary settlements of accounts are reflected in the accounting records separately using account 76.15).*

*The Company transfers long-term liabilities to short-term liabilities (receivable and payable) when remaining period to maturity is less than 365 days under the terms of the agreement.*

**11. Accounting for credits and loans received**

*The Company transfers long-term liabilities under the received credits and loans to short-term liabilities (to the corresponding subaccount of account 66 "Payments under short-term credits and loans") at the moment when remaining period to maturity is less than 365 days under the contract of debt.*

*If the Company receives a long-term loan under the contract which terms stipulate periodic repayment of the sum of the loan, as 365 days remain before repayment of the next part of the loan, this part is transferred to a short-term part of long-term debts on the corresponding subaccount of account 66 "Payments under short-term credits and loans ".*

**12. Settlements of internal accounts and information transmission from separate subdivisions.**

*Account 79 "Internal settlements" is applied for reflecting the Company's internal turnover.*

*All financial and economic operations between the Company's divisions are carried out on the basis of notices (aviso) via a higher level of management. Operations between structural divisions are carried out via corresponding regional branches. Operations between regional branches are carried out via the Company General Directorate.*

*Accounting for revenues and expenses between the Company's structural subdivisions are performed by a method of red storno (reverse of an entry).*

*The list of internal operations and procedure of their realization are regulated by Methodical instructions on settlement of internal accounts.*

**13. Procedure of creation and use of special purpose funds**

*The Company shall not form any funds at the expense of retained earnings of the reporting year except for the funds to be created pursuant to the Company's constituent documents.*

*Procedure of creation and usage of the specified funds is determined on the basis of the Resolution of a General Shareholders' Meeting taking into consideration the requirements of the Law " On Joint Stock Companies ".*

*Procedure of accounting and use of retained earnings is shown in Methodical instructions on accounting for capital.*

**14. Procedures of creation and use of reserves**

*The Company establishes the following kinds of reserves:*

- A reserve for default of investments in securities;*
- Allowance for doubtful accounts (quarterly).*
- A reserve for depreciation of material assets (at the end of a reporting year)*
- Reserves for conditional obligations.*

*Estimation of the value of a conditional obligation is made by selecting it from values interval. Simple average of maximum and minimum values of an interval is accepted as estimation .*

**15. Accounting for state support**

*Budgetary provisions (subventions, subsidies) are admitted in accounting records as cash means and non-monetary resources are actually received.*

*The order of the budgetary funds accounting is set in Methodical instructions on accounting for*

*special purpose financing.*

***16. Accounting for financial investments.***

*Financial investments for the purposes of book keeping are classified by types of investments and their terms.*

*At sale, other retirement including cancellation of securities, the canceling emissive securities are estimated by a value of primary securities (those acquired first on time) (FIFO), the canceling non-emissive securities are estimated by actual value of each security.*

*Short-term financial investments with maturity date over 12 months after the reporting date are to be transferred to long-term financial investments (to the corresponding subaccount) if the initial intention to receive dividends within 12 months after the reporting date is changed.*

*The estimation of the urgency of investments (investment terms) is made by the person (division), appointed by the order of the Company's General Director and fixed in the document transferred to accounts department in the form established by the Company.*

*As far as debt securities are concerned, difference between the amount of actual expenses for purchase of a security and its par value is not to be referred to financial performance results.*

*The order of accounting for financial investments is regulated by Methodical instructions on accounting for financial investments.*

## BALANCE SHEET

As at 31 March 2003

Company: **Public Joint Stock Company "Southern Telecommunications Company"**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

ASSETS	Line code	Opening balance	Closing balance
1	2	3	4
<b>1. LONG-TERM ASSETS</b>			
Intangible assets (04, 05)	110	1 612	1 519
patents, licenses, trade marks and other similar rights and assets	111	1 612	1 519
establishment expenses	112		
business rating	113		
Fixed assets (01,02,03)	120	13 953 774	14 226 479
land and natural resources	121	19	19
buildings, facilities, machines and equipment	122	12 311 398	12 548 664
Unfinished construction (07,08,16, 61)	130	1 044 326	1 128 655
Profitable investments in material values (03)	135		
Property for subleasing	136		
Property for rent	137		
Long-term financial investments (06, 82)	140	388 659	430 788
investments into branch establishments	141	275 972	344 245
investments into dependant companies	142	59 790	44 290
investments into other companies	143	23 694	23 488
loans granted to companies with term over 12 months	144	26 269	15 832
other long-term financial investments	145	2 934	2 933
Other long-term assets	150		812
<b>TOTAL for section 1</b>	<b>190</b>	<b>15 388 371</b>	<b>15 788 253</b>
<b>2. CURRENT ASSETS</b>			
Inventories and expenses	210	584 255	712 325
raw materials, materials and other similar items (10,12,13, 16)	211	502 990	547 196
cattle (11)	212	1	1
Expenses in unfinished production(20,21,23,29,30,36,44)	213	187	205

finished products and merchandise(16, 40,41)	214	40 629	32 555
dispatched goods (45)	215		
deferred expenses (31)	216	40 448	132 368
other inventories and expenses	217		
VAT on acquired valuables (19)	220	498 763	453 089
Accounts receivable(with payments expected in 12 months or later since reporting date)	230	64 548	66 511
buyers and customers( 62,76,82)	231	303	310
notes receivable(62)	232		
branch establishments and dependant companies (78)	233	45 425	45 461
advance payments(61)	234	13 315	14 063
Other receivables	235	5 505	6 677
Accounts receivable(with payments expected within 12 months since reporting date)	240	1 271 666	1 427 422
buyers and customers( 62,76,82)	241	811 116	912 330
notes receivable(62)	242	8	
branch establishments and dependant companies (78)	243	8 617	14 795
participants' (founders') contributions to authorized capital (75)	244		
advance payments(61)	245	267 027	349 107
other receivables	246	184 898	151 190
Short-term financial investments (56,58,82)	250	1 591	1 716
investments into dependant companies	251		
bought out own shares	252		
other short-term financial investments	253	1 591	1 716
Cash resources	260	216 934	211 069
cash (50)	261	7 427	8 146
settlement accounts (51)	262	188 185	174 764
currency accounts (52)	263	1 058	783
Other cash resources (55,56,57)	264	20 264	27 376
Other current assets	270		
TOTAL for section 2	290	2 637 757	2 872 132
BALANCE (sum of the lines 190+290)	300	18 026 128	18 660 385

<b>EQUITY AND LIABILITY</b>	<b>Line code</b>	<b>At the beginning of the reported period</b>	<b>At the end of the reported period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>4. FUNDS AND RESERVES</b>			
Authorized capital (85)	410	1 297 779	1 297 779
Additional paid-in capital (87)	420	5 772 983	5 771 326
Reserve capital (86)	430	63 260	63 260
mandatory reserve funds	431	63 260	63 260
reserve fund required by constituent documents	432		
Social funds (88)	440		
Special purpose financing and funds (96)	450		

Retained profit of past years (88)	460	4 672 253	4 673 909
Uncovered losses of the past years(88)	465		
Retained profit of the reported year (88)	470		328 275
Uncovered losses of the reported year (88)	475		
TOTAL for section 4	490	11 806 275	12 134 549
<b>5. LONG-TERM LIABILITIES</b>			
Borrowing costs (92,95)	510	429 708	656 948
long-term bank credits	511	375 418	602 923
other long-term loans	512	54 290	54 025
Other long-term liabilities	520	1 024 949	871 564
TOTAL for section 5	590	1 454 657	1 528 512
<b>6. SHORT-TERM LIABILITIES</b>			
Borrowing costs (90,94)	610	1 611 652	1 858 782
bank credits	611	1 487 428	1 709 981
other loans	612	124 224	148 801
Accounts payable	620	2 741 362	2 710 616
suppliers and contractors (60,76)	621	1 642 762	1 594 868
notes payable(60)	622	72 666	81 046
debt to branch establishments and dependant companies (78)	623	42 755	32 164
wages to employees(70)	624	143 147	172 943
social insurance (69)	625	61 130	82 133
debt to budget (68)	626	253 635	269 628
advance payments(64)	627	214 181	209 571
other payables	628	311 086	268 263
Dividend settlements (75)	630	204 825	200 116
Deferred income (83)	640	207 357	227 810
Provision for future expenses and payments(89)	650		
Other short-term liabilities	660		
TOTAL for section 6	690	4 765 196	4 997 324
BALANCE (sum of the lines 490+590+690)	700	18 026 128	18 660 385

**RECORDING OF THE COUNT OF VALUABLES MENTIONED IN BELOW-LINE ACCOUNTS**

Name of below-line account	Line code	At the beginning of the year	At the end of the year
1	2	3	4
Leased fixed assets (001)	910	315 965	346 473
including leasing	911	140 812	140 812
Inventory holdings under agreement of bailment (002)	920	14 104	15 678
Goods taken on commission (004)	930		
Written off accounts receivable of insolvent debtors (007)	940	110 100	119 469
Liabilities and payments' securities received (008)	950		
Liabilities and payments' securities given (009)	960	2 472 808	4 113 917
Depreciation of housing stock (014)	970	12 077	12 256
Depreciation of objects equipped with external modern services and utilities and other similar objects (015)	980		
Forms of strict recording	990	38 755	42 624

Fixed assets offered for rent	991		3 337
Inventories	992	38 988	46 902
Payments for telecom services	993	22 568	27 929

## PROFIT AND LOSS STATEMENT

**As at 31 March 2003**

Company: **Public Joint-Stock Company "Southern Telecommunications Company"**

Identification number of tax-payer

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

Description	Line-code	For the reported period	For the similar period of the previous year
1	2	3	4
1. Profits and losses from usual activities			
Net revenue from sales (with the exception of VAT, excises and other compulsory payments)	010	2 834 009	2 334 912
Including from communication services	011	2 788 992	2 225 677
Cost price of goods , services sold	020	2 121 375	1 769 986
Including from communication services	021	2 047 582	1 684 682
Gross profit	029	712 634	564 926
Commercial expenses	030		
Management expenses	040		
Profit (loss) from sales (lines 010-020-030-040)	050	712 634	564 926
2. Operating profits and losses			
Interest income	060	1 654	654
Interest expenses	070	70 036	35 179
Income from participation in other enterprises	080	382	99
Other operating income	090	63 374	1 059 278
Other operating expenses	100	176 795	79 747
3. Non-sales profits and losses			
non-sales income	120	59 233	14 942
non-sales expenses	130	157 472	131 358
Profit (loss) before taxation (lines 050+060-070+080+090-100+120-130)	140	432 974	1 393 615
Profit tax and other similar obligatory payments	150	104 019	358 898
Profit (loss) from usual activity	160	328 955	1 034 717
4. Extraordinary profits and losses			
Extraordinary profits	170		
Emergency losses	180	680	3 780
Net profit (retained profit (loss) of the reported period) (lines 160+170+180))	190	328 275	1 030 937



## INTERPRETATION OF PROFITS AND LOSSES

Description	Line code	For the reported period		For the same period of the last year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, forfeits acknowledged or according to judgments on award of damages	210	1 333	8 444	945	55
Profit (loss) of past years	220	12 964	9 124	5 826	8 826
Damages caused by non-execution or improper execution of obligations	230	347	17	164	2
Stock exchange differences when operating with foreign currency	240	30 478	40 693	1 391	44 791
Cost reduction of inventories at the end of the reported period	250				
Writing off accounts receivable and payable with expired limitation of action	260		79		1 497

**Other information about accounting records for the first quarter of the year 2003**

*No such information*

## **Explanatory note to the accounting records for the year 2000**

This explanatory note is an essential part of the Annual Accounting Report of “Kubanelectrosvyaz” PJSC (hereinafter – the Company), prepared in accordance with legislation of the Russian Federation.

### **Information about the Company**

1.1 Full name of the Company

Open Joint Stock Company “Kubanelectrosvyaz”

1.2 Location and mailing address. 66, Karasunskaya Str., Krasnodar, 350000

1.3 Date of state registration.

Registered by the Krasnodar City Registration Chamber of the Krasnodar Territory Government. Certificate №A 494. Decree of the Registration Chamber № 186-p of 20 May, 1994.

1.4 The Company auditor

General Shareholders’ Meeting approved “Arthur Andersen” CJSC as the Company auditor.

Location and mailing address:

52/2, Kosmodamianskaya naberezhnaya, Moscow, 113054

1.5 The Company Registrar.

Specialized Registrar “Kubanski Registratsionny Tsentr” CJSC keeps the register of the Company’s shareholders. Location and mailing address:

113, Krasnoarmeyskaya Str., Krasnodar, 350015

### **The Company’s activity.**

“Kubanelectrosvyaz” (KES) is the Russian open joint stock company, the last amendment to the Charter was registered on 04 July 2000 under No. 13971.

Number of employees on pay-roll at 31 December 2000 is 13404 people.

### **The Company position in the securities’ market**

Share capital of the Company is 506,142862.5 rubles. Its principle shareholder is “Svyazinvest” PJSC with 38% of the authorized capital and 50.67% of the common shares belonging to it.

Share capital of the Company is 506,142862.5 rubles. Total number of issued shares constitutes 14 071 250 shares including 10 553 425 ordinary registered shares and

3 517 825 preference registered type A shares. A share par value is 35.97 rubles. All the issued shares are paid.

Annual General Shareholders’ meeting held on 2 June 1998 determined maximum number of additionally declared shares including ordinary shares with a par value of 35.97 rubles 1200000 in number amounting to 43 164 000 rubles and preference shares with a par value of 35.97 rubles 300 000 in number amounting to 10 791 000 rubles.

As for domestic securities’ market the Company’s shares circulate in the Russian Trading System (under ticker KUBN for ordinary and KUBNP for preference shares) and in the stock section of the Moscow Interbank Currency Exchange (MICEX).

“Kubanelectrosvyaz” PJSC is an indisputable leader among regional telecom companies. In 2000 bidding volume in RTS reached 7. 52 million USD, number of concluded transactions constituted 393. These results are among the best in the telecom market of the Russian Federation. Market capitalization by the end of 2000 amounted to 100 million USD. Price of an ordinary share fluctuated from 6.75 to 18 US dollars.

Shares of “Kubanelectrosvyaz” PJSC are used when calculating official stock market indexes such as AK&M Index, RTS-Interfax Index.

Successful development and functioning of the Company depends greatly on its informational openness gaining confidence of customers, shareholders and potential investors. Revealing information is one of the Company’s priority activities.

The Company submits all the necessary reports on securities and economic activity to Federal Committee on Securities’ Market. “Kubanelectrosvyaz” PJSC supports its corporate web-site and cooperates actively with informational agencies including Bloomberg and Reuters and also with national and local mass communication media. As a result of informational openness the Company’s shares consider to have one of the highest liquidity ratio among national companies. Internet site <http://www.kes-review.kuban.ru/>. includes information on the most important events in the Company’s life, tariffs ,etc. RTS and Bank of New York servers have references to this site.

**The Company’s shares as at 01.01.2001  
(total amount of shares – 1 4071250)**

No	Category	Ordinary shares	Preference shares	% of the authorized capital	% of total number of ordinary shares
1	Legal persons including “Svyazinvest”PJSC	2 819 233	<b>9 590 971 5 347 075</b>	<b>88,20 38,00</b>	<b>90,88 50,67</b>
2	Natural persons	698 592	<b>962 454</b>	<b>11,80</b>	<b>9,12</b>
	<b>TOTAL:</b>	3 517 825	10 553 425	100,00	<b>100,00</b>

**Information about the Board of Directors and Management Board**

Table No 1

No	Name	Compensation	Salary	Bonus	Remuneration for the members of the Board of Directors	Other payments	Total
1	Gorbachev V.L.		383511.99	326282.98	83490	138570.59	931855.56
2	Belov V.E.				83490		83490
3	Laskavy L.L.	325271.94	313827.11	178120.35	83490	79668.61	980378.01
4	Sadokhina A.M.		324681	197140.95	83490	90065.24	695377.19
5	Ukhina I.P.				83490		83490

6	Khvorostin a N.I.				83490		83490
7	Apaljko A.V.				83490		83490
8	Ignatenko I.F				83490		83490
9	Hern D.A						
	Total:	325271.94	1141119.8 1	793610.36	760884	308706.86	3329592.97

Table No 2

№	Name	Compensation	Salary	Bonus	Remuneration for the members of the Management Board	Other payments	Total
1	Gorbachev V.L.		383511.99	326282.98	250800	138570.59	1099165.56
2	Laskavy L.L.	325271.94	313827.11	178120.35	225720	79668.61	1122608.01
3	Sadokhina A.M.		324681	197140.95	213180	90065.24	825067.19
4	Goncharov A.I.		269238.66	192079	200640	207373.04	682694.70
5	Kruzhkov V.A.		296255.90	214777.95	200640	111975.50	823649.35
6.	Shipulin A.P.		290433.93	199743.80	200640	53625.65	744443.38
7	Istomina L.V.		262229.94	115238.13	175560	62091.96	615120.03
8	Ignatenko I.F		119170.80	80000.68	92964	17806.52	309942
9	Ryzhikova N.A.		119099.71	92066.08	92964	402.42	304532.21
10	Vitko O.M.			8005.70	66500	9664.19	84169.89
11	Polulyakho va O.U.		28476.80	12517.46	16180		57174.26
	Total:	325271.94	2287826.1 3	1523907	1642824	584205.30	6364034.37

### Subsidiaries

№	Name	"KES"'s share in charter capital	Location	Activities	Voting shares
1.	"Kuban-GSM" CJSC	24%	61, Gimnazicheskaya Str., Krasnodar	Rendering cellular services of	24%

				GSM 900 standard	
2	“Armavir Plant of Communication Goods” CJSC	100%	1a, Urupskaya Str., Armavir	Production of Communication goods and cables	100%
3	“Avtocenter-Yug” CJSC	100%	48, Myskhakskoye shosse, Novorossiysk	Services of car maintenance	100%
4	“Health-care complex “Orbita” CJSC	100%	Olginka, Tuapse district	Resort services	100%

#### Subordinate companies

№	Name	“KES”'s share in capital	Location	Activities	Voting shares
1	“TeleRoss-Kubanelectrosvyaz” Ltd.	50%	66, Karasunskaya Str., Krasnodar	Rendering telecom services	50%

#### Long-term financial investments of “Kubanelectrosvyaz” PJSC as at 01.01.2001

Company	Share, %	Amount of shares	Type and category of shares	Nominal value, rubles
“Avtocenter-Yug” DCJSC	100	35200	Ordinary nominal uncertificated	1000
“Armavir Communication Facilities Plant” DCJSC	100	18000	Ordinary nominal uncertificated	1000
“Health-care complex “Orbita” CJSC	100	217896	Ordinary nominal uncertificated	1000
“TeleRoss-Kubanelectrosvyaz” CJSC	50	331730	Ordinary nominal uncertificated	1
“Kuban-GSM” CJSC	24	2400	Ordinary nominal uncertificated	1000
“Krasnodarbank” AKB	13,5	14800010000	Ordinary nominal uncertificated-preference nominal uncertificated	1010
“Sberbank” OJSC	0,0006	106	Ordinary nominal uncertificated	50
“Starcom” CJSC	3,7	185	Ordinary nominal uncertificated	100
“Kubanbank” AKB	0,1	25354150	Ordinary nominal uncertificated-preference nominal uncertificated	11
“Aksay” OJSC	0.2	106437802	Ordinary nominal uncertificated-preference nominal uncertificated	1010

### Competitive environment

At the present time competitive environment in the Krasnodar Territory includes a great number of independent telecom operators determining their own price and production policy. The Company realizes the necessity of correction of its business strategy and tactics.

Number of licensed operators rendering telecom services in the Krasnodar Territory reached 206. Equipped capacity ratio of “Kubanelectrosvyaz” PJSC and other alternative operators is 93.5% and 6.5% respectively. Now the Company has a monopolistic position in the sphere of traditional services, level of competitiveness here is low. Satisfying the needs of the Krasnodar Territory population in traditional services “Kubanelectrosvyaz” PJSC simultaneously lays foundation for introducing advanced technologies and providing new telecom services.

At present over 15 Internet providers operate in the Krasnodar Territory. “Kubanelectrosvyaz” PJSC’s share in this market is little more than 60%. This fact demonstrates a fall of the Company’s monopoly share in the market of new telecom services. Alternative operators can be characterized by aggressive marketing policy, active advertising campaigns and tariff mobility.

As for wireless communication, level of competitiveness in this market is rather high. “Kubanelectrosvyaz” PJSC’s market share in providing wireless access approximates 60%: mobile telephony – 80%, paging – 5%, wireless access PD – 80%, wireless access to traditional services – 22%.

It should be noted that the market of new telecom services (IN, multimedia, etc) is still free.

As at 01.01.01 “Kubanelectrosvyaz” PJSC provides services of local, long-distance and international telephony to 521 810 urban subscribers and 242 080 rural subscribers. Total equipped capacity equals 819921 telephone numbers.



Table No10

## Information on "Kubanelectrosvyaz" PJSC operational segments

	Thousand rubles											
	revenues		costs		Financial results		Profitability(%)		Assets		Liabilities	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
<b>Information on telecom services</b>	1416496.7	1910173.1	1016454.1	1379739.5	400042.6	530433.6	39.4	38.4	2441505	3347756	610651	917713
Urban telephony +wireless communication with mobile objects	361320.5	518236.8	292257.0	424440.0	69063.5	93796.8	23.6	22.1	357010	442950	78353	121952
Long-distance telephony	857798.7	1114814.8	410042.0	502278.3	447456.7	621536.5	109.2	122.0	2295453	3244420	586168	888797
Rural telephony	106962.9	149595.3	148085.4	214655.4	41122.5	65060.1	27.8	30.3	210958	339614	53870	93036
Other telecom services	90414.6	127526.2	166069.7	238365.8	75655.1	110839.6	45.6	46.5	388111	578585	87241	158501
<b>Including</b>	63903.7	90816.9	101283.3	149805.0	37379.6	58988.1	36.9	39.4	191757	307920	48967	84353
Document communication												
Wired radio	26510.9	36709.3	64786.4	88560.8	38275.5	51851.5	59.1	58.5	196354	270665	38274	74148
<b>Information on other activities</b>	211521.3	263799.9	1789627.7	248880.8	32893.6	14919.1	18.4	6.0	168744	77878	43091	21334
<b>TOTAL:</b>	<b>1628018.0</b>	<b>2173973</b>	<b>1195082</b>	<b>1628620</b>	<b>432936.2</b>	<b>545352.7</b>	<b>36.2</b>	<b>33.5</b>	<b>2222138</b>	<b>2847049</b>	<b>566501</b>	<b>780546</b>



Table No 11

**“Information on geographical segments”**

Revenues	Urban telephony		Long-distance telephony		Rural telephony		Other activities		TOTAL	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Northern region										
North-Western region										
Central region										
Volgo-Vyatski region										
Central-Chernozomyomny region										
Povolzhski region										
North-Caucasian region	361320 .5	518236 .8	857798 .7	1114814 .8	106962 .9	149595 .3	211521 .3	263799 .9	1628018 .0	2173973 .0
Ural region										
West-Sibirski region										
East-Sibirski region										
Far East region										
Foreign market										
TOTAL:	361320 .5	518236 .8	857798 .7	1114814 .8	106962 .9	149595 .3	211521 .3	263799 .9	1628018 .0	2173973 .0

Table No 12

**“Information on geographical segments”**

Cost price	Urban telephony		Long-distance telephony		Rural telephony		Other activities		TOTAL	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Northern region										
North-Western region										
Central region										
Volgo-Vyatski region										
Central-Chernozomyomny region										
Povolzhski region										
North-Caucasian region	292257	424440	4100042	5022278 .3	148085 .4	214655 .4	1789627 .7	248880 .8	1195082	1628620

Ural region										
West-Sibirski region										
East-Sibirski region										
Far East region										
Foreign market										
TOTAL:	292257	424440	4100042	5022278	148085	214655	1789627	248880	1195082	1628620
				.3	.4	.4	.7	.8		

Table No 13

**“Information on geographical segments”**

Financial results	Urban telephony		Long-distance telephony		Rural telephony		Other activities		TOTAL	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Northern region										
North-Western region										
Central region										
Volgo-Vyatski region										
Central-Chernozyomny region										
Povolzhski region										
North-Caucasian region	69063	93796	447456	621536	41122	65060	32893	14919	432936	545352
	.5	.8	.7	.5	.5	.1	.6	.1	.2	.7
Ural region										
West-Sibirski region										
East-Sibirski region										
Far East region										
Foreign market										
TOTAL:	69063	93796	447456	621536	41122	65060	32893	14919	432936	545352
	.5	.8	.7	.5	.5	.1	.6	.1	.2	.7

Table No 15

**Accounts receivable in terms of groups of users**  
**Thousand rubles**

	<b>budget</b>	<b>residents</b>	<b>Commercial enterprises</b>	<b>others</b>	<b>Total</b>
Urban telephony	3233.2	3899.7	1972.9	267.9	9488
Long-distance telephony	30977.7	36354.3	16821.1	2384.9	86538

Rural telephony	1018.8	3363.3	600.4	81.5	5064
Others Including Wired radio	97	2155	191.8	61.2	2505
Mobile communication	945	333.7	1857.8	116.5	3253
Total:	36386	46106	21444	2912	106848

### Construction and investments

Plan of capital investments for the year 2000 was executed for the sum of 553.5 million rubles. The main sources of financing are the Company owned capital amounting to 388.6 million rubles (70.2%), and borrowed assets including commodity credit – 114.3 million rubles (20.6%), bank credit – 45.0 million rubles (8.1%), assessable contributions – 5.4 million rubles (1%), budget allocations – 0.2 million rubles (0.4%).

Automatic telephone exchanges with total capacity of 60300 №№ were built and put into operation including 46088№№ of urban and 14212№№ of rural exchanges. Digital exchanges constituted 85.8% (51760 №№) of all number capacity put into operation. Fiber-optic lines 133.57 kilometers long from Timashevsk to Bryukhovetskaya, Kanevskaya, Starominskaya were built.

Radio relay line 93.6 kilometers long from Ust-Labinsk to Belorechensk and Apsheronsk was put into operation.

### Environmental protection

In 2000 “Kubanelectrosvyaz” PJSC submitted its projects to approval of committees of environmental protection, bodies of sanitary and epidemiological inspections and committees on protection of cultural and architectural monuments.

When building a fiber-optic line from Timashevsk to Bryukhovetskaya, Kanevskaya, Starominskaya “Kubanelectrosvyaz” PJSC indemnified land users for losses resulted from temporary withdrawal of lands during execution of works.

### Main criteria of accounting policy.

1. Sales income should be calculated “after shipment” for taxation purposes.
2. Objects having value of more than 100- multiple size of monthly wage floor can be considered as fixed assets. Depreciation of the Company’s fixed assets is carried out according to Standards of depreciation charges for complete reconstruction of fixed assets, approved by the Decree of the USSR Sovmin № 1072 at 22.10.90.

To develop telecom industry and introduce high-performance communication systems, equipment and mechanisms, method of accelerated depreciation with acceleration ratio = 2 towards the active part of fixed assets should be used:

- cable lines supported on poles or built on buildings’ walls:  
with metal casing (code 30018)  
with plastic casing (code 30019)

- communication equipment ( codes 45601, 45608, 45613, 45618, 45620, 45621, 45623, 45609, 45622, 45624).
3. Objects, having at the date of acquisition limit value of no more than 100-multiple size of monthly wage floor independent of their life time, and objects with life time less than one year independent of their value, can be considered as objects of little value and objects with short life time.

Objects with short life time and of little value, no more than one-twentieth of the specified limit value for one object, are written off when putting into operation.

Value of such objects is paid off by means of depreciation accounting at the rate of 50% of their value when putting into operation and at the rate of the rest 50% (minus value of these articles at the price of possible usage) – when retiring because of uselessness.

Production facilities (primary goods, materials, fuel, spare parts and others) are indicated in balance accounting according to actual cost of acquisition (production).

4. Accounting records of invoices, property and liabilities in foreign currency should be kept in rubles by conversion according to exchange rate of the Central Bank of the Russian Federation at the date of transaction and at the date of making up monthly accounting reports.

Exchange differences should be shown in the accounting records of the reported period including the date of transaction or in account record 80 “Profits or losses”.

5. Production costs’ accounting should be made in the following way:

- production costs should be written off in the reporting period when they took place;
- costs accounting should be made using direct costs mentioning in account 20 “Major production” consisting of direct costs, debited to accounts 20 “ Major production” and 23 “Auxiliary production”, and indirect costs, debited to accounts “General total costs” 25 and 26);
- indirect costs are distributed pro rata direct costs referring to prime cost;
- total economic costs should be written off to prime cost of production, goods, services according to objects of calculations;
- time and direction of deferred expenses’ writing off are determined by conditions of these expenses, by the current legislation and, if necessary, by the director’s order;
- unfinished production should be reflected in balance sheet in accordance with actual costs;

6. Reserves for doubtful accounts of other organizations and residents should be formed by taking sums of reserves from financial results.

The Company administration does not plan to change its accounting policy in 2001.

### Form No 1 “Balance Sheet”

Opening balance of 01 January 2000 was changed in accordance with “Svyazinvest”PJSC’s letter No 3325 of 13 September 2000.

Line 246	+1415 thousand rubles	Should be considered	be	25898 thousand rubles
Line 271	-1415 thousand rubles	Should be liquidated	be	none
Line 450	-8253 thousand rubles	Should be liquidated	be	-
Line 640	+8253 thousand	Should be	be	8253 thousand

	rubles	considered	rubles
Line 321	-29316 thousand rubles	Should be liquidated	
Line 466	+29316 thousand rubles	Should be considered	29 316 thousand rubles

**Form No 2**

Data on the Company's costs in 1999 was change in accordance with methodology specified in the Order No 60 of 28 June 2000.

Line 020	-451 thousand rubles	(interest rate)	
Line 100	+451 thousand rubles	(interest rate)	
Line 020	+22485 thousand rubles	(costs from account 88)	

Including 10045 thousand rubles – wages  
 3968 thousand rubles –social insurance  
 8472 thousand rubles – other expenditures  
 Total line 020= 1173048-451+22485=1195082 thousand rubles

Table No 17

**“Unfinished construction”  
thousand rubles**

	Opening balance	Closing balance	Changes	Explanations
Account 07	65595	105800	40205	
Account 08	73939	119404	45465	
Account 16	-	-	-	
Account 61	23979	10727	-13252	

Table No 18

**“Profitable investments into material values”  
thousand rubles**

Description	Rent	Leasing	Hire
As at 01.01.2000			
received			
withdrawn			
<b>As at 31.12.2000</b>			

Table No 19

**“Long-term financial investments”  
thousand rubles**

List of long-term financial investments	Opening balance	Received	Withdrawn	Closing balance	Share in the charter capital
“Kuban-GSM” CJSC	2400	-		2400	24%
“Armavir Plant of Communication Goods” CJSC	18000	-	-	18000	100%
“Avtocenter-Yug” CJSC	3200	32001	-	35201	100%
“Health-care complex “Orbita”	-	217896	-	217896	100%
“Teleros-Kubanelectrosvyaz” CJSC	332	-	-	332	50%
“Svyazist” co-operative society	965	-	965	-	-
Other	1813	-	-	1813	-
<b>TOTAL</b>	<b>26710</b>	<b>249897</b>	<b>965</b>	<b>275642</b>	

Table No 20

**“Short-term financial investments”**

**thousand rubles**

List of short-term financial investments	Opening balance	Received	Withdrawn	Closing balance	Share in the charter capital
-	-	-	-	-	-
-	-	-	-	-	-
<b>TOTAL:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Accounts receivable**

Accounts receivable as at 31 December 1999 and 2000:

thousand rubles

	1999	2000	Net change



Buyers and customers	101214	106848	+5634
Other debtors	28544	46114	+17570
Receivables, total	129758	152962	+23204

Accounts receivable in terms of groups of debtors as at 31.12.1999 and 2000  
1999 2000 Change  
thousand rubles

Commercial enterprises	29740	21444	-8296
State and public organizations	31357	36386	+5029
Agroindustrial complex	4018	2912	-1106
Residents	36099	46106	+10007
<b>TOTAL:</b>	<b>101214</b>	<b>106848</b>	<b>+5634</b>

Other debtors included prepaid taxes and accounts referring to the Company minor activities.

Table No 21

**Line 235 "Other debtors"**

Thousand rubles

№	Description	Account	Amount	
			1999	2000
1	Loans to employees	73	238.5	414.5
2	Payments to debtors and creditors	76	-	-
3	Losses resulting from inventory damages	84	1468.0	1357.4
4	Payments under claims	63	443.5	39.8
5	Others	56	-	89.3
	<b>TOTAL:</b>		<b>2150</b>	<b>1901</b>

Table No 22

**Line 246 "Other debtors"**

Thousand rubles

№	Description	Account	Amount	
			1999	2000
1	Payments to budget	68	6100.6	16268
2	Payments under claims	63	1493.3	997.9
3	Non-budget payments	67	8.2	53.3
4	Payments on social insurance	69	83	49.5

	and security			
5	Loans to employees	73	708.1	286.5
6	Settlements with advance holders	71	125.1	324.2
7	Payments to suppliers and contractors	60	7974.0	8848.1
8	Settlements with debtors and creditors not relating to telecom services	76	7987.4	9993.9
9	Losses resulting from inventory damages	84	15.3	57.9
10	Others	64	36.2	17.6
		96	1367.4	6024.4
		76	-	213.1
		70	-	20.1
		83	-	67.2
	<b>TOTAL:</b>		25899	43222

Joint stock companies having line 252 "Owned shares redeemed from the shareholders" should give explanations on execution of article 72 of Federal Law No 208-FZ "On joint stock companies" of 26.12 1995.

Table No 23

**"Other cash assets"**

**thousand rubles**

Account	Opening balance	received	withdrawn	Closing balance	Total
55	-	-	-	-	-
56	65	-	65	-	-
57	3940	264842	263932	4850	
Total	4005	264842	268847	4850	

Table No 24

**"Authorized capital"**

**thousand rubles**

	Opening balance	received	withdrawn	Closing balance
Increase (decrease) of a share par value	-	-	-	-
Cancelled shares written off by reduction of authorized capital	-	-	-	-
Direction of reserve capital to increase authorized capital	-	-	-	-
Others	506143	-	-	506143

Total:	506143	-	-	506143
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Table No 25

**“Additional capital”**

thousand rubles

	Opening balance	received	withdrawn	Closing balance
Growth of property value resulting from reappraisal	338942	2358	-	341300
Emissive profit	-	-	-	-
Values gained without compensation (gratis)	-	-	-	-
Part of retained income directed to capital investments	450063	58401	-	508464
Others	-	-	40251	-40251
Total:	789005	60759	40251	809513

**Accounts payable**

Accounts payable as at 31 December 1999 and 2000:

thousand rubles

	1999	2000	Net change
Rostelecom	37 179	15794	-21385
Suppliers and contractors	87920	91261	+3341
Others	137378	175206	+37828
Payables, total	262477	282261	+19784

Having “Svyazinvest”PJSC as a principle holder, “Rostelecom” AO is the main company that renders services of long-distance and international telephony in the Russian Federation. “Kubanelectrosvyaz” PJSC has an Agreement with Rostelecom on providing pass-through of long-distance and international traffic.

Other accounts payable included debts on wages, debts on social insurance and social services, debts to budget, advance payments for services, etc.

**Short-term liabilities**

Short-term liabilities consist of bank credits, received by the Company from Russian banks with fixed terms of repayment. Amounts of credits as at 31.12.1999 and 2000 are:

	1999	2000	change, thousand rubles
1. Sberbank	56776	76409	+19633
2. Yugbank	5313	-	-5313
3. Yug-investbank		15500	+15500
TOTAL	62089	91909	+29820

**Long-term liabilities**

Long-term liabilities consist mainly of long-term agreements with foreign suppliers on financing of supplied telecom equipment. Amounts of credits as at 31.12.1998 and 1999 are:

Table No 26

## Interpretation of loans and credits

Thousand rubles

Credit organization	Currency	Purpose of credit	Time to run	Opening balance	received	redeemed	Closing balance
1. Sverbank credit line 45 mln rubles	ruble	Extension of local telephone network in Krasnodar	20 October 2001	0	10000	0	10000
2. Yugbank	ruble	Replenishment of current assets	28 January 2001	0	35000	0	35000
3. Sverbank credit line 45 mln rubles	ruble		20 February 2002	0	10000	0	10000
4. Sverbank credit line 75 mln rubles	ruble	To bridge temporary gaps in pay turnover	26 April 2002	0	75000	0	75000
5. Sverbank credit line 45 mln rubles	ruble		20 June 2002	0	10000	0	10000
6. Sverbank credit line 45 mln rubles	ruble	Extension of local telephone network in Krasnodar	25 September 2002	0	15000	0	15000
7. Yugbank	ruble	Replenishment of current assets	15 October 2002	0	15000	0	15000
				0	170000	0	170000

Table No 27

## Long-term loans line 512

Thousand rubles

Name	currency	purpose	Time to run	Opening balance	received	redeemed	Closing balance
8. Svyazinvest	ruble	Development of rural telephony	31 December 2000	57670	0	57670	0
9. Loan to Sochielectrosvyaz	ruble	Development of local	2004	310	6	0	316

		network in Sochi					
				57980	6	57670	316

Table No 29

**“Other creditors”**

thousand rubles

No	Name	Account	Amount
			2000
	<b>Total</b>		
1	VAT	76	-
2	Payments to non-budget funds	67	7004
3	Settlements with advance holders	71	71
4	Settlements with debtors and creditors	76	6240
5	Loans to employees	73	195
6	Total		13510

**Description of fixed assets and intangible assets of the Company**

The Company fixed assets are determined according to their acquisition cost by independent estimation of their value with the deduction of depreciation.

Value of the Company fixed assets as at 31.12.1999 and 2000

	1999	2000	Change
Buildings	513593	399213	-114380
Facilities	859708	1045147	185439
Machinery and equipment	1295716	1501418	205702
Means of transport	47702	46568	-1134
Inventory	18029	9307	-8722
Other kinds of fixed assets	11426	5315	-6111
Total fixed assets	2746174	3006968	260794
Cumulative depreciation	994004	1046282	52278
Total fixed assets according to residual value	1752170	1960686	208516

In 1999 the Company's provision with fixed assets increased.

Ratio of renewals (K) is calculated according to the following formula:

$K = \text{fixed assets received} / \text{fixed assets' balance at the end of the year (closing balance)}$

$K = 581128 / 3006968 = 19.3\%$

Ratio of retired assets (R) is calculated according to the following formula:

$R = \text{fixed assets retired} / \text{fixed assets' balance at the beginning of the year (opening balance)}$

$R = 320334 / 2746174 = 11.6\%$

**Value of the Company intangible assets as at 31.12.1999 and 2000**

	1999	2000	Change
1. Rights for objects of intellectual (industrial) property	261	208	-53
including rights according to:			
1.1. author's contracts and other contracts...	0	0	0
1.2. patents for inventions..., trade marks...	261	208	-53
1.3. right for "know-how"	0	0	0
2. Rights for use of isolated natural objects	17	15	-2
3. Organizational expenses	0	0	0
4. Business reputation of the company	0	0	0
5. Miscellaneous	7078	8218	1140
<b>Total</b>	<b>7356</b>	<b>8441</b>	<b>1085</b>

Table No 30

**"Retained income"**  
thousand rubles

Description	Opening balance	Received	Withdrawn	Closing balance
Difference between sums of damages recovered from guilty persons and balance prices of damaged values.				
Advance rent				
Special purpose financing	1713	6081	5860	1934
Gaining assets without compensation (gratis)	4280	41653	5020	40913
Others	2260	4984		7244
<b>TOTAL:</b>	<b>8253</b>	<b>52718</b>	<b>10880</b>	<b>50091</b>

Table No 32

**“Net revenue from sales (with the exception of VAT, excises and other compulsory payments)”**

thousand rubles

		Revenue	
		1999	2000
<b>Sales of telecom services</b>	<b>11</b>	<b>1416497</b>	<b>1910173</b>
Trading activity	12	68189	80520
Social services	13	39388	56650
Lease	14	3533	4756
Design works	15		
Activity as an agency	16	3788	9764
Transport services	17	3602	6430
Others	18	<b>93021</b>	<b>105680</b>
including			
Works for other organizations		29118	25434
Advertisements, announcements, inquiry service		766	1520
Extra construction		7302	10606
others		55835	68120
<b>TOTAL:</b>	<b>20</b>	<b>1628018</b>	<b>2173973</b>

Table No 33

**“Cost price of goods, services sold”**

thousand rubles

Description	Line code	Cost price during the accounting period	Cost price during the same year-ago period
<b>Sales of telecom services</b>	021	1379739.5	1016454.1
Trading activity	022	72780.7	58321.0
Social services	023	61970.9	40464
Lease	024	10453	7266
Design works	025	0	0
Activity as an agency	026	0	0
Transport services	027	14768	11721
Others	028	84552.9	57212.9
<b>TOTAL:</b>	<b>029</b>	<b>1624265</b>	<b>1191439</b>

Table No 34

thousand rubles

Description of sales	Payments in cash		Other settlements of accounts			
	amount	%	swapping		interpayments	
			amount	%	amount	%
Sales of telecom services	1722873	79.3	27400	1.3	159900	7.4
Trading activity	69400	3.2			11120	0.5
Social services			56650	2.6		
Lease					4756	0.2
Design works						
Activity as an agency	9764	0.4				
Transport services					6430	0.3
Others	83803	3.9			21877	1.0
<b>TOTAL:</b>	<b>1885840</b>	<b>86.8</b>	<b>84050</b>	<b>3.9</b>	<b>204083</b>	<b>9.4</b>

Table No 35

**“Interest to be received”**  
thousand rubles

Description	Line code	2000	1999
From usage of the Company's cash resources	061		
From usage cash resources on the Company's account by the bank	062	15	3
From bonds under contracts	063		
From deposit accounts	064		
Others	065		
<b>TOTAL:</b>	<b>066</b>	<b>15</b>	<b>3</b>

Table No 36

**“Interest to be paid”**  
thousand rubles

Description	Line code	2000	1999
Interest charges of the Company	071	41426	21092
Bond interest	072		
Commercial credit interest	073		
Shares interest	074		
Others	075		
<b>TOTAL:</b>	<b>076</b>	<b>41426</b>	<b>21092</b>



Table No 38

**“Other operating profit”**  
thousand rubles

<b>Description</b>	<b>Line code</b>	<b>2000</b>	<b>1999</b>
Sale of fixed assets	91	201666	8095
Sale of other property	92	82906	4904
Net value fixed assets sold	93		
Net value of other depreciable assets	94	1288	675
Extra charges	95		
Payments resulting from patents for inventions and other kinds of intellectual property	96		
Revenues from joint ventures	97		
Others	98	11206	29060
Including: securities' sale		8199	26052
rent		2769	2483
others		238	525
<b>TOTAL:</b>	99	<b>297066</b>	<b>42734</b>

Table No 39

**“Other operating expenditures”**  
thousand rubles

<b>Description</b>	<b>Line code</b>	<b>2000</b>	<b>1999</b>
Sale of fixed assets	101	143401	11515
Sale of other property	103	63646	3778
Net value of other depreciable assets	105		
Currency purchase	106		
Taxes and charges at the expense of financial results	107	55736	46085
Costs of services rendered by credit organizations	109	4969	731
Others	111	1674	8634
Including: losses			

from securities' sale		723	6861
rent		804	1773
others		147	0
<b>TOTAL:</b>	112	<b>269426</b>	<b>70743</b>

Table No 40

**“Other non-sales profits”**  
thousand rubles

<b>Description</b>	<b>Line code</b>	<b>2000</b>	<b>1999</b>
Fines, penalties, forfeits resulting from improper execution of obligations under contracts	121	334	974
Assets received free of charge including gifts	122	727	1178
Recovery of damages	123	4717	1195
Value of property revealed after inventory	124	250	452
Profit (loss) of past years revealed in the reported year	125	679	43353
Amounts of accounts receivable and deposited with expired limitation of action	126	212	1362
Positive stock exchange differences when operating with foreign currency	127	19843	2061
Accounts payable with expired limitation of action, other bad debts	128	139	501
Extra payments to budget	129	1187	2170
Positive differences of amounts of loans and credits	130	386	61
Others	131	694	131
<b>TOTAL:</b>	132	<b>29168</b>	<b>53438</b>

Table No 41

**“Other non-sales losses”**  
thousand rubles

<b>Description</b>	<b>Line code</b>	<b>2000</b>	<b>1999</b>
Fines, penalties, forfeits resulting from improper execution of obligations under contracts	131	57	386
Value of property	132	568	

revealed after inventory			
Profit (loss) of past years revealed in the reported year	133	21274	25924
Amounts of accounts receivable and deposited with expired limitation of action	134		
Negative stock exchange differences when operating with foreign currency	135	23187	45813
Legal costs	136	51	93
Bad debts	137	140	115
Accounts receivable with expired limitation of action, other bad debts	138	4807	3316
Negative differences of amounts of loans and credits	139	775	2547
Extra payments to budget	140	4882	9737
Financial aid	141	3816	
Running costs of Board of Directors	142	3608	
Others	143	18258	
Including: running costs of social objects		13283	
VAT paid from the profit		1747	
Means assigned to trade unions		1372	
Means assigned to non-budget funds		976	
Cost of redeemed shares		880	
<b>TOTAL:</b>	<b>144</b>	<b>81423</b>	<b>87931</b>

Table No 42

**“Profit tax and other compulsory payments”**  
thousand rubles

<b>Description</b>	<b>2000</b>	<b>1999</b>
<b>Profit tax</b>	80274	99108
Penalties to budget	8166	2529
Penalties to non-budget funds	1387	1073
Others		
Consolidated tax	455	357
Pollution tax	198	328
<b>TOTAL:</b>	<b>90480</b>	<b>103395</b>

Table No 43

**“Emergency profits”**  
thousand rubles

Description	2000	1999
<b>Insurance money for natural disaster</b>		
Others		

Table No 44

**“Emergency losses”**  
thousand rubles

Description	2000	1999
<b>Insurance money for natural disaster</b>		
Value of inventories lost		
Fixed assets written-off as a result of fires and damages		
Other costs for reconstruction of communication facilities damaged by floods on January 22-24, 2000	<b>1967</b>	<b>1511</b>
<b>TOTAL:</b>	<b>1967</b>	<b>1511</b>

**4. Form No 4 “Cash flow statement”**

Table No 46

Currency	Amount counted according to exchange rate of Central bank of the RF on December 31, 1999	Amount counted according to exchange rate of Central bank of the RF on December 31, 2000	Change
USD	267.0	278.0	11.0

Table No 48

**“Redemption of credits, loans and interest payments”**  
thousand rubles

Description	Currency	Purpose of credit, loan	Time to run	Amount of credit	Interest to be paid %	Interest paid %
<b>Credits</b>						
Sberbank	Thousand rubles	Replenishment of current assets	2002	75000	1593	1593
Sberbank	Thousand	Extension of	2002	45000	1710	1710

	rubles	city telephone network				
Yugbank	Thousand rubles	Replenishment of current assets	2002	50000	4469	4469
Sberbank	Thousand rubles	Replenishment of current assets	2001	70379	2598	2598
Yug. Investbank	Thousand rubles	Replenishment of current assets	2001	15500	3533	3533
Sberbank	Thousand rubles	Replenishment of current assets	2000	354434	14779	14779
<b>TOTAL:</b>				610313	28682	28682
Loans						
Natural persons	rubles	Development of telephone network	2004	6	-	-
<b>TOTAL:</b>						

Table No 51 Line 250, other payments

Thousand rubles		
Description	Line code	Amount
Taxes not included in line 220 of form 4	250	160985
Arbitration costs	250	51
Penalties, fines	250	2455
Non-budget payments account 67	250	50113
Other payments to personnel		64256
Financial aid		3584
Running costs for kindergarten, rest centers, first-aid post etc.		10999
Dividend payments		26123
Settlements with debtors and creditors		519130
<b>TOTAL:</b>		837696

Interpretation of Form 4 "Cash flow statement" for the year 2000  
Table No 50 Line 110 other receipts

Description	Line code	Amount
VAT, sales tax	110	313446
Penalties, fines	110	334
Settlements with advance holders	110	64378
Other settlements with personnel account 73	110	2673
Redemption of accounts receivable	110	139
Recovery of damages	110	4717
Settlements with other debtors and creditors	110	447787
<b>TOTAL:</b>		<b>833474</b>

Table No 49

**Credits, loans**

Thousand rubles

Activity	Line code	Purpose of credit	Received		Redeemed		TOTAL
			In cash	Not in cash	In cash	Not in cash	
Current activity	010		565313		511982		
Investment activity	011	Extension of urban telephone network	45006		1710		
Financial activity	012						
<b>TOTAL:</b>	<b>013</b>		<b>610319</b>		<b>513692</b>		

Table No 52

**Financial showings**

№	Showings	Formula	Standard value	As at 01.01.2000	As at 01.01.2001
<b>Profitability rating</b>					
1.	Common property profitability	$P = (AB1+AB2)/2$		<b>16.4</b>	<b>19.2</b>
2.	Net property profitability	$Pch = (AB1+AB2)/2$		<b>11.5</b>	<b>15.5</b>
3.	Common owned capital profitability	$P = (SK1+SK2)/2$		<b>16.1</b>	<b>27.7</b>
4.	Net owned	$Pch$		<b>15.96</b>	<b>22.3</b>

	capital profitability	(SK1+SK2)/2			
6.	Common production assets profitability	P (OS1+OS2)/2+ (MZ1+MZ2)/2		20.0	24.5
<b>Business activity rating</b>					
7.	Owned capital turnover	R (SK1+SK2)/2		1.06	1.2
8.	Receivables turnover	R (DZ1+DZ2)/2		11.3	15.4
9.	Payables turnover	R (KZ1+KZ2)/2		6.4	8.0
10.	Fixed assets and intangible assets turnover	R (OS1+OS2)/2+ (NA1+NA2)/2		0.98	1.17
<b>Market stability rating</b>					
11.	Autonomy ratio	SK PB		0.73	0.66
12.	Borrowed assets to owned capital ratio	ZK SK		0.36	0.52
13.	Owned capital mobility ratio	SOS SK		-0.19	-0.34
14.	Net profit ratio	Pch+SA P		20.7	22.5
<b>Liquidity and business solvency rating</b>					
15.	Absolute liquidity ratio	DS KO	Minimum 0.2-0.25	0.035	0.031
16.	Current liquidity ratio	OA KO	Minimum 2	0.79	0.62
17.	Procurement of owned capital ratio	IV P-I A II A	Minimum 0.1	-1.15	-1.94

## Political and economic situation in Russia

*Considerable political, economic and social changes are taking place in Russia. Being a country with transition economy Russia now has not got developed business and legislative infrastructure as the countries with developed market economy have. Besides, Government of the Russian Federation has not yet completed the reforms aimed at creation of banking, court, fiscal and legislative systems existing in the countries with developed market relations. As a result, economic activity in Russia is subjected to considerable risks, it was proved by default and devaluation of a ruble in August 1998.*

*These risks still remain in Russian economy today resulting in non-convertible national currency abroad, burdensome exchange control, low level of liquidity in the markets of long-term crediting and investments and high level of inflation. In the foreseeable future the Company's activity can be subjected to such risks and consequences. So, considerable uncertainty exists that may have an influence upon the Company's future commercial activity, assets' realization and observance dates of payments under contracts. The enclosed financial reports do not include any corrections connected with such uncertainty. These corrections will be included into financial reports as they appear and estimated.*

### Currency transactions and exchange control

Foreign currencies, and dollar of the United States of America especially, play an important role in estimating economic parameters of business activity in Russia. In the table below you can see US dollar rate at December 31, 2000, 1999, 1998.

December 31	Exchange rate, rubles
2000	28.16
1999	27.00
1998	20.65

Exchange rate of a Russian ruble in 2000 became stabilized. The forecast for 2001 remains stable. In theory three situations may appear:

1. Appreciation of a ruble rate
2. Reduction of a ruble rate
3. Stabilization of a ruble rate

The first situation is connected with possible crisis of US economy, increase of currency revenues due to growth of Russian export prices.

When a ruble rate decreases, the following risks appear:

- Currency credits and debts to foreign suppliers increase exchange rate differences which decrease the Company's profit
- Cost of foreign equipment and spare parts grows, requires additional resources and increases cost price of the provided telecom services.

The Company's currency assets and liabilities as at 01.01.2001

Description	Thousand rubles	Thousand USD	Thousand DM
Currency assets			
-cash means in foreign currency	184	6.5	
Currency liabilities:			



- debts to suppliers and contractors	241738	6254.8	5056.3
(currency assets – currency liabilities)	-243554	-6248.3	-5056.3

The Company's currency liabilities exceed its currency assets (resources). So, if the exchange rate of the Russian ruble decreases, negative exchange rate differences may result in losses and necessity of additional resources for liquidation of currency debts.

### Inflation

*Situation in Russian economy is characterized by high rate of inflation. In the table below you can see information about annual rates of inflation for the three-year period ending on December 31, 2000.*

December 31	Annual inflation, %
2000	20.2
1999	36.5
1998	84.4

The main risks from inflation: growth of cost price and increase of wages cannot be accompanied by tariff growth for provided services; profit from key activity may decrease.

### **The rate of interest**

Growth of interest rate for credits may prevent their attraction. As a result the Company's revenues may decrease. Bank credits amount to 262 225 thousand rubles including 170 316 thousand rubles of long-term credits for 1 or 2 years. Interest rates of long-term credits vary from 19 to 21 %, short-term credits – from 19 to 26 %.

### **Liquidity and financial resources**

Liquidity risks are controlled by the Company management. The Company's main financial resources are revenues from provided telecom services. Besides the Company uses borrowed assets.

Events that took place after the reporting date.

Economic activities that had taken place between the reporting date and the date of signing of the accounting reports for the year 2000, did not influence greatly the Company's financial position.

### **Conditional facts of economic activity**

Such facts did not take place.

**List of affiliated persons as of 1 January 2001.**

Full identifying name, location and mailing address of a juridical person or surname, name of a natural person	Date when the reason of being an affiliated person occurred	Reason of being a Company's affiliated person	Number of the Company's shares owned by affiliated persons	
			Common shares (%)	Preferred shares (%)
Belov Vadim Evguenyevich Moscow	31.05.00	Chairman of the Company's Board of Directors	Not a shareholder	
Gorbachev Vladimir Lukich Krasnodar	31.05.00 22.05.96 22.05.96	Vice-chairman of the Board of Directors General director Chairman of the Management Board	0,25	0,15
Apalko Alexander Valentinovich Sochi	31.05.00	Member of the Company Board of Directors	0,06	0,026
Hern David Alexander Krasnodar	31.05.00	Member of the Company Board of Directors	Not a shareholder	
Ignatenko Ivan Fyodorovich Krasnodar	31.05.00	Member of the Company Board of Directors	0,10	0,047
Laskavy Leonid Leontyevich Krasnodar	31.05.00 22.05.96	Member of the Company Board of Directors, Member of the Management Board	0,18	0,076
Sadokhina Anna Mikhailovna Krasnodar	31.05.00	Member of the Company Board of Directors Member of the Management Board	0,11	0,082
Ukhina Irina Petrovna Moscow	31.05.00	Member of the Company Board of Directors	Not a shareholder	
Khvorostina Nikolai Ivanovich Krasnodar	31.05.00	Member of the Company Board of Directors	Not a shareholder	
Kruzhkov Victor Alexandrovich Krasnodar	22.05.96	Member of the Company Management Board	0,27	0,07
Shipulin Alexandr Petrovich Krasnodar	22.05.96	Member of the Company Management Board	0,10	0,068
Goncharov Alexander Ivanovich Krasnodar	29.05.97	Member of the Company Management Board	0,001	0,008
Istomina Lyudmila Vasilyevna Krasnodar	22.05.96	Member of the Company Management Board	0,001	-
Open Joint-Stock Company "Svyazinvest" Location and mailing address:	10.10.95	The Company's shareholder entitled to control more than 20% of voting shares	50,67	-

55/2 Plyushikha St., Moscow, 119121			
DCJSC "Armavirski zavod svyazi" Location and mailing address 1a, Urupskaya St., Armavir, Krasnodar Territory, 352 902	11.03.99	The Company controls more than 20% of voting shares forming charter capital of this juridical person	Not a shareholder
CJSC "Kuban-GSM" Location and mailing address: 61, Guimnazicheskaya St., Krasnodar, 350000	15.05.97	The Company controls more than 20% of voting shares forming charter capital of this juridical person .	Not a shareholder
"AvtocenterYug" CJSC Location and mailing address: 48. Myskhakskoe shosse St., Novorossiysk, 353900	23.04.99	The Company controls more than 20% of voting shares forming charter capital of this juridical person	Not a shareholder
"TeleRoss-Kubanelectrosvyaz" CJSC Location and mailing address: 68, Karasunskaya St., Krasnodar, 350000	25.01.95	The Company controls more than 20% of voting shares forming charter capital of this juridical person	Not a shareholder

1. Agreement with "Kuban-GSM" CJSC №2/6-99 of 10.12.97 «Interneting ...» with tacit extension.
2. Agreement with "TeleRoss-Kubanelectrosvyaz" CJSC №25/4-98 of 30.10.98, period of validity – 3 years with tacit extension.

General Director V.L. Gorbachev

Chief Accountant L.V. Istomina

## CASH FLOW STATEMENT

As at: 31 December 2000

Company: "Kubanelectrosvyaz" JSC

Branch (kind of activity): Rendering communication services

Legal and organizational form: Public Joint-Stock Company

State property management body:

Unit of measurement: RUR thousand

Description	Line code	Opening balance	Inflow in the reported year	Expenses in the reported year	Closing balance
1	2	3	4	5	6
<b>1. OWNED CAPITAL</b>					
Authorized capital	010	506 143	-	-	506 143
Additional paid-in capital	020	789 005	60 759	40 251	809 513
Assets' increase due to reappraisal	021	338 942	2 358	-	341 300
Reserve fund	030	12 333	34 927	-	47 260
	040	-	-	-	-
Retained profit of past years –total	050	288 377	78 601	242 233	124 745
Including source of finance of capital investments in production	051		58401	58401	
	052		75765		75765
Retained earnings of the reporting year	055		475067	177909	297158
Social fund	060	66 529	-	2 648	63 881
<b>TOTAL for section I</b>	<b>079</b>	<b>1 662 387</b>	<b>649 354</b>	<b>463 041</b>	<b>1 848 700</b>
II. Provisions for future expenses and payments – total	080		198	198	
Fixed assets repair	082		198	198	
<b>TOTAL for section II</b>	<b>089</b>		<b>198</b>	<b>198</b>	
III. Appraisal reserves – total	090	-	1 424	1 424	-
Including bad debts	091	-	1 424	1 424	-
<b>TOTAL for section III</b>	<b>099</b>		<b>1 424</b>	<b>1 424</b>	

### IV. Changes in capital

Description	Code	For the reporting year	For the previous year
Capital at the beginning of the reported period	100	1662387	1494614
Capital growth - total	110	462037	89662
Including:	111		
Issue of additional shares			
Assets' reappraisal	112	2358	
Assets' growth	113		46852
Reorganization of a juridical person (merger, amalgamation)	114		
Profits referring to capital growth according to RAS	115		
Other inflows	116	459579	42810

Capital reduction – total	120	(225312)	(106644)
Including:	121		
Decrease of a share's par value			
Reduction of the shares' number	122		
Reorganization of a juridical person (division)	123		
Profits referring to reduction of capital according to RAS	124		
Other retirements	125	125315	210266
Capital at the end of the reported period	130	1848700	1374010

Description	Line code	Opening balance	Inflow in the reported year	Expenses in the reported year	Closing balance
1	2	3	4	5	6
Special purpose financing - total	140	8253	74305	(80900)	1658
Including:	141		14181	(14181)	
From budget					
From non-budgetary funds	142		40	(40)	
Juridical person	143	6223	55058	(61281)	
Natural person	144	2030	5026	(5398)	1658
others	145				

## REFERENCES

Description	Line code	Opening balance		Closing balance	
1	2	3		4	
1) Net assets	150	1 639 115		1 896 857	
		from the budget		From branch and inter-branch funds	
		3		4	
		For the reported year	For the previous year	For the reported year	For the previous year
2) Received for:					
Financing of regular activities	160	13943	2755		
Including	161	13943	2755		
Discounts for population					
Others	162				
capital investments	170	198	6096		
Including	171	198	6096		
Construction of objects					
Acquisition of equipment	172				
others	173				
Purposes connected with force majeure situations	180	40	45	40	

## ANNEXES TO THE BALANCE SHEET

As at: **31 December 2000**

Company: **"Kubanelectrosvyaz" JSC**

Branch (kind of activity): **Rendering communication services**

Legal and organizational form: **Public Joint-Stock Company**

State property management body:

Unit of measurement: **RUR thousand**

### 1. BORROWED ASSETS FLOW

Description	Line code	Opening balance	Received	Redeemed	Closing balance
1	2	3	4	5	6
Long-term bank credits	110		170 000		170 000
including those not redeemed in time	111				
Other long-term loans	120	57 980	17 397	57 670	17 707
including those not redeemed in time	121				
Short-term bank credits	130	62 089	485 842	456 022	91 909
including those not redeemed in time	131				
Bank credits for employees	140				
including those not redeemed in time	141				

### 2. ACCOUNTS RECEIVABLE AND PAYABLE

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
Accounts receivable:					
short-term	210	127 341	4 421 140	4 397 420	151 061
including overdue	211	41 707	200 002	197 134	44 575
including for more than 3 months	212	14 414	45 107	34 559	24 962
long-term	220	2 416	550	1 065	1 901
including overdue	221	1 899		567	1 302
including for more than 3 months	222	1 455		153	1 302
from line 220 accounts expected to be received in more than 12 months after reporting date	223	1 851	11	376	1 486

Accounts payable:					
short-term	230	262 477	1 591 579	1 571 795	282 261
including overdue	231	18 267	27 433	33 431	12 269
including for more than 3 months	232	18 207	14 062	24 678	7 591
long-term	240	183 955	223 708	163 925	243 738
including overdue	241		3 658		3 658
including for more than 3 months	242		3 658		3 658
from line 240 accounts expected to be paid in more than 12 months after reporting date	243	88 025	116 496	113 640	90 881
Security:					
received	250				
including from third person	251				
given	260		829 304		829 304
including to third persons	261				

#### REFERENCES FOR SECTION 2

Description	Line code	Opening balance	Liabilities incurred	Liabilities discharged	Closing balance
1	2	3	4	5	6
1) Bills' circulation					
Bills given	262				
including overdue	263				
Bills received	264		14 500	14 500	
including overdue	265				
2) Accounts receivable for supplied production (works, services) according to actual cost	266				

#### 3) List of debtors having the largest debts

Name of organization	Line code	Closing balance	
		total	including overdue for more than 3 months
1	2	3	4
Budget organizations	270	23 007	5 671
Agricultural complex	271	2 912	1 074
Ministry of Internal Affairs	272	2 527	1 027
Residents	273	46 106	2 321
Local administration	274	1 016	416

Center of government communications	275	2 232	1 904
Industry	276	21 444	4 004
Department of Defense	277	7 596	6 558
TV and radio companies	278	8	
	279		

#### 4) List of the largest creditors

Name	Line code	Closing balance	
		total	Including for more than 3 months
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
"Rostelecom" OJSC	280	15794	
Contacts on supply of telecom equipment	281	216754	
VAT (account 76)	282	9655	
Non-budgetary funds	283	18456	
Leasing	284	2031	
	285		
	286		
	287		
	288		
	289		

#### 3. DEPRECIABLE ASSETS

Description	Line code	Opening balance	Put in operation	Retired	Closing balance
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>1. INTANGIBLE ASSETS</b>					
Rights for objects of intellectual (industrial) property	310	261	114	167	208
including rights according to:					
author's contracts and other contracts on works of science, literature, art, software programs, data bases and others.	311				
patents for inventions, collection advances, industrial patents, certificates for effective models, trade marks and signs of service or license agreements for their use	312	261	114	167	208
right for "know-how"	313				
Rights for use of isolated natural objects	320	17	2	4	15
Organizational expenses	330				
Business (reputation) of the company	340				
Miscellaneous	349	7079	3 122	1 982	8 218
Total (sum of the lines 310+320+330+340+349)	350	7 356	3 238	2 153	8 441
<b>2. FIXED ASSETS</b>					
Land and natural resources	360				



Buildings	361	513 593	27 082	141 462	399 213
Constructions	362	859 708	220 232	34 793	1 045 147
Machines and equipment	363	1 295 716	325 361	119 659	1 501 418
Means of transport	364	47 702	5 077	6 211	46 568
Working and household equipment	365	18 029	1 010	9 732	9 307
Workstock	366				
Productive cattle	367				
Long-lived plantations	368				
Other fixed assets	369	11 426	2 366	8 477	5 315
Total (sum of lines 360-369)	370	2 746 174	581 128	320 334	3 006 968
including:					
production	371	2 591 394	569 558	174 265	2 986 687
non-production	372	154 780	11 570	146 069	20 281
3. OBJECTS OF LITTLE VALUE AND WITH SHORT LIFE-TIME - TOTAL	380	73 166	105 433	101 404	77 195
including:					
put in storage	381	8 357	40 518	41 649	7 226
put in operation	382	64 809	64 915	59 755	69 969

**REFERENCE TO SECTION 3**

Description	Line code	Opening balance	Closing balance
1	2	3	4
From line 371, columns 3 and 6:			
subleased – total:	387	16 374	16 747
including:			
buildings	388	3 735	4 554
facilities	389	287	
	390	12 352	
others	391		12 193
laid up	392		
Depreciable assets:			
Intangible assets	393	1 194	1 941
Fixed assets - total	394	994 004	1 046 282
including:			
buildings and facilities	395	454 424	542 938
machines, equipment, means of transport	396	521 907	500 229
other	397	17 673	3 115
Profitable investments in material values	398		
objects of little value and with short life time	399	33 792	34 821
Property under trustee agreement	400		
Reference:			
Indexing result according to reappraisal of fixed assets:			
initial cost	401	122770	x
depreciation	402	50543	x
Pledged property	403		615 380
Value of property not subject to depreciation -total	404	60476	65560
Including intangible assets	405	243	263
Fixed assets	406	60233	65297

Change of fixed assets' value resulting from reconstruction, additional building and equipment	407		
Difference between acquisition value and value of sales	408		
Value of pledged property	409		

#### 4. FINANCING , LONG-TERM INVESTMENTS AND FINANCIAL INVESTMENTS' FLOW

Description	Line code	Opening balance	Added on (formed)	Used	Closing balance
1	2	3	4	5	6
The company's owned resources - total	410		160 445	160 445	
including:					
depreciation of fixed assets	411		58 401	58 401	
depreciation of intangible assets	412		100 863	100 863	
income left at the disposal of the company (accumulation fund)	413		1 181	1 181	
others	414				
Borrowed resources - total	420	9 213	219 544	227 099	1 658
including:					
bank credits	421	960	45 000	45 960	
Borrowed assets from other organizations	422		6	6	
share holding in construction	423	2 030	5 026	5 398	1 658
budgetary	424		198	198	
non-budgetary funds	425				
others	426	6 223	169 314	175 537	
Owned and borrowed resources – total (sum of lines 410 and 420)	430	9 213	379 989	387 544	1 658
Reference:					
Unfinished construction	440	73 939	553 834	508 369	119 404
Investments in branch establishments	450	23 600	249 897		273 497
Investments in dependant companies	460	332			332

#### 5. FINANCIAL INVESTMENTS

Description	Line code	Long-term		Short-term	
		At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
1	2	3	4	5	6
Other companies' shares	510	26 710	275 642	4 638	
Bonds and other obligations	520				
Loans granted	530				

Others	540				
Reference:					
Bonds and other securities at market value	550				

1.  
**6.THE COMPANY'S OPERATING COSTS**

Description	Line code	For the reported year	For the previous year
1	2	3	4
Material expenditures	610	524 626	390 869
Including:	611	124663	76111
Raw materials			
Fuel and energy	612	57764	33290
Spare parts	613		
Salaries	620	515 141	373 335
Social costs	630	199 208	142 758
Depreciation of fixed assets	640	102 044	92 856
Other costs	650	214 820	136 943
Including:	651	59118	43910
Taxes included in costs			
rent	652	10434	7266
Personnel training	653	3390	1564
Expenditures - total	660	1 555 839	1 136 761
Change in balances:	670	(79)	45
Unfinished construction			
Deferred income	680	-684	4768
Reserves for future expenditures	690		

**7. SOCIAL FACTORS**

Description	Line code	Sum owing on accounts	Expended	Transferred to funds
1	2	3	4	5
Social investments in :				
Fund of social insurance	710	31 190	16 432	14 218
Retirement insurance fund	720	155 851		150 495
Employment fund	730	8 732		8 341
Medical insurance	740	18 726		17 613
Allocations to non-state retirement funds	750	9000		8130
Payments under contracts of retirement insurance			755	
Average number of employees on pay-roll			760	12 527
Money incentive payments not associated with output of products, execution of works, provision of services			770	3 172

Earnings per shares and from investments in the company's property	780	7 931
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**FORM № 5 Annex to "UTK" PJSC balance sheet for 2001**  
**p. 3 Depreciable assets**

**3. DEPRECIABLE ASSETS**

Description	Line code	Opening balance	Put in operation	Retired	Closing balance
1	2	3	4	5	6
<b>1. INTANGIBLE ASSETS</b>					
Rights for objects of intellectual (industrial) property	310	208	20	(149)	79
including rights according to:					
author's contracts and other contracts on works of science, literature, art, software programs, data bases and others.	311	0	0	0	0
patents for inventions, collection advances, industrial patents, certificates for effective models, trade marks and signs of service or license agreements for their use	312	208	20	(149)	79
right for "know-how"	313	0	0	0	0
Rights for use of isolated natural objects	320	15	0	0	15
Organizational expenses	330	0	0	0	0
Business (reputation) of the company	340	0	0	0	0
Miscellaneous	349	8 218	1 829	(7 283)	2 764
Total (sum of the lines 310+320+330+340+349)	350	8 441	1 849	(7 432)	2 858
<b>2. FIXED ASSETS</b>					
Land and natural resources	360	0	0	0	0
Buildings	361	426 786	43985	(25763)	445008
Constructions	362	1124726	218569	(5967)	1337328
Machines and equipment	363	2101024	508814	(97339)	2512499
Means of transport	364	63103	19344	(7914)	74 533
Working and household equipment	365	9228	15328	(5244)	19 312
Workstock	366	0	0	0	0
Productive cattle	367	0	0	0	0
Long-lived plantations	368	0	0	0	0
Other fixed assets	369	162145	68402	(1576)	228971
Total (sum of lines 360-369)	<b>370</b>	<b>3887012</b>	<b>874442</b>	<b>(143803)</b>	<b>4617651</b>
including:					
production	371	3856351	865576	(138183)	4583744
non-production	372	30661	8866	(5620)	33907
Objects of little value and with short life-time - total	373	77 195	7182	(21905)	62472
including:					
put in storage	374	7226	0	(5158)	2068
put in operation	375	69969	7182	(16747)	60404
<b>III. INVESTMENTS IN MATERIAL VALUES</b>	381				

Property for leasing				
Property for hire	382			
Other	383			
<b>Total (sum of lines 381-383)</b>	<b>385</b>			
Property under trust administration	386			

**REFERENCE TO SECTION 3**

Description	Line code	Opening balance	Closing balance
1	2	3	4
From line 371, columns 3 and 6:			
subleased – total:	387	16 747	702
including:			
buildings	388	4 554	702
facilities	389		
	390		
others	391	12 193	0
laid up	392		
Depreciable assets:			
Intangible assets	393	1 941	352
Fixed assets - total	394	1 325 598	1 464 819
including:			
buildings and facilities	395	550 640	645 126
machines, equipment, means of transport	396	633 915	743 238
other	397	141 043	76 455
Profitable investments in material values	398		
objects of little value and with short life time	399	34 821	17 041
Property under trustee agreement	400		
Reference:			
Indexing result according to reappraisal of fixed assets:			
initial cost	401	880 044	x
depreciation	402	279 316	x
Pledged property	403	829 304	865 422
Value of property not subject to depreciation -total	404	65 560	50 523
Including intangible assets	405	263	0
Fixed assets	406	65 297	50 523
Change of fixed assets' value resulting from reconstruction, additional building and equipment	407		
Difference between acquisition value and value of sales	408		
Value of pledged property	409		

## **Explanatory note to the accounting records for the year 2001**

*This explanatory note is an essential part of the Annual Accounting Report of "Southern Telecommunications Company" PJSC (hereinafter – the Company), prepared in accordance with legislation of the Russian Federation.*

### **Information about the Company**

1.1 Full name of the Company

Public Joint Stock Company "Southern Telecommunications Company"

1.2 Location and mailing address. 66, Karasunskaya Str., Krasnodar, 350000

1.3 Date of state registration.

Registered by the Krasnodar City Registration Chamber of the Krasnodar Territory Government. Certificate №A 494. Decree of the Registration Chamber № 186-p of 20 May, 1994.

1.4 The Company auditor

General Shareholders' Meeting approved "Arthur Andersen" CJSC as the Company auditor.

Location and mailing address:

52/2, Kosmodamianskaya naberezhnaya, Moscow, 113054

License to perform general audit No 006000 of 28 June 2000.

1.5 The Company Registrar.

Specialized Registrar "Kubanski Registratsionny Tsentr" CJSC keeps the register of the Company's shareholders. Location and mailing address:

113, Krasnoarmeyskaya Str., Krasnodar, 350015

### **The Company's activity.**

"Southern Telecommunications Company" PJSC (UTK) is the Russian open joint stock company, the last amendment to the Charter No 16048 was registered on 28 June 2001.

Number of employees on pay-roll at 31 December 2001 is 11 620 people.

### **Reorganization – general information, results of the year 2001**

During 2001 "Southern Telecommunications Company" PJSC carried out a lot of work connected with merger of 9 telecom operators of the Southern Federal District into it. This merger will influence greatly the economic situation in the Southern Federal District. It will also contribute to creation of a national model of corporate management and to increasing importance of corporate structures in Russia.

The following measures were fulfilled within the framework of the process of the reorganization:

- analysis of the merging companies' organizational structures was made, in 2Q01 the draft organizational framework of the General Directorate of the "Southern Telecommunications Company" PJSC was formed delimiting authorities among the General Directorate and the branches;
- from April to August 2001 the Company together with its financial adviser determined financial conditions of merger expressed as conversion ratios of merging companies' shares into shares of "Southern Telecommunications Company" PJSC ; independent analysis of economic and financial positions of the Company and each merging operator was made;

- on 26 April 2001 a draft Agreement on merger was worked out and approved, the Agreement is the main document describing correct legal processes of merger according to the legislation;
- draft structure of the General Directorate was developed, on 20 July 2001 it was submitted to "Svyazinvest" PJSC ;
- analysis of the merging companies' organizational structures was made, draft structure of a subsidiary was developed, on 20 July 2001 the suggestions were submitted to "Svyazinvest" PJSC ;
- enlarged structure of the regional entity was worked out. On 19 October 2001 and 16 November 2001 the Board of Directors of "Southern Telecommunications Company" PJSC approved the creation of 10 subsidiaries according to the following principle: General Directorate + 10 subsidiaries (1 in each region);
- on 11 September 2001 draft Regulations on a subsidiary and draft Agreement on delimiting authorities among the General Directorate and a subsidiary were approved;
- procedures determining level of economic and financial independence of the new subsidiaries were carried out;
- assistance was rendered to all the merging operators in conducting Extraordinary General Shareholders' Meetings.

The results of these Extraordinary General Shareholders' Meetings are the following:

On 4 December 2001 at the Extraordinary General Shareholders' Meeting of "Karachaevo-Cherkesskelectrosvyaz" PJSC 99,0% of voting shareholders, present at the Meeting, voted in favor of merger. "Karachaevo-Cherkesskelectrosvyaz" PJSC's share in stock capital of the joint regional entity will constitute 0,5%

On 5 December 2001 at the Extraordinary General Shareholders' Meeting of "Electrosvyaz" PJSC, Stavropol Territory 92,2% of voting shareholders, present at the Meeting, voted in favor of merger. "Electrosvyaz" PJSC's, Stavropol Territory, share in stock capital of the joint regional entity will constitute 8,5%.

On 5 December 2001 at the Extraordinary General Shareholders' Meeting of "Electrosvyaz" PJSC, Kalmykia Republic, 99,9% of voting shareholders, present at the Meeting, voted in favor of merger. "Electrosvyaz" PJSC's, Kalmykia Republic, share in stock capital of the joint regional entity will constitute 0,7%.

On 5 December 2001 at the Extraordinary General Shareholders' Meeting of "Svyazinform" PJSC, Astrakhan Region 98,0% of voting shareholders, present at the Meeting, voted in favor of merger. "Svyazinform" PJSC's, Astrakhan Region, share in stock capital of the joint regional entity will constitute 5,0%.

On 6 December 2001 at the Extraordinary General Shareholders' Meeting of "KabBalkTelecom" PJSC 100% of voting shareholders, present at the Meeting, voted in favor of merger. "KabBalkTelecom" PJSC's share in stock capital of the joint regional entity will constitute 2,1%.

On 7 December 2001 at the Extraordinary General Shareholders' Meeting of "Sevosetinelectrosvyaz" PJSC 99,81% of voting shareholders, present at the Meeting, voted in favor of merger. "Sevosetinelectrosvyaz" PJSC's share in stock capital of the joint regional entity will constitute 4,2%.

On 10 December 2001 at the Extraordinary General Shareholders' Meeting of "Electrosvyaz of Adygeya Republic" PJSC 99,8% of voting shareholders, present at the Meeting, voted in favor of merger. "Electrosvyaz of Adygeya Republic" PJSC's share in stock capital of the joint regional entity will constitute 1,1%.

On 18 December 2001 at the Extraordinary General Shareholders' Meeting of "Volgogradelectrosvyaz" PJSC 98,81% of voting shareholders, present at the Meeting, voted in favor of merger. "Volgogradelectrosvyaz" PJSC's share in stock capital of the joint regional entity will constitute 17,0%.

On 19 December 2001 at the Extraordinary General Shareholders' Meeting of "Rostovelectrosvyaz" PJSC 99,94% of voting shareholders, present at the Meeting, voted in favor of merger. "Rostovelectrosvyaz" PJSC's share in stock capital of the joint regional entity will constitute 21,8%.

On 21 December 2001 at the Extraordinary General Shareholders' Meeting of "Southern Telecommunications Company" PJSC 99,54% of voting shareholders, present at the Meeting, voted in favor of merger. "Southern Telecommunications Company" PJSC's share in stock capital of the joint regional entity will constitute 39%.

After the Extraordinary General Shareholders' Meeting of "Southern Telecommunications Company" PJSC the following necessary actions were undertaken:

- according to Article 23 of Taxation Code of the Russian Federation fiscal body at the place of the tax-payer's location was informed about the approved resolution on reorganization during three days.
- those who became shareholders from the date of making the list of shareholders entitled to take part in the Extraordinary General Shareholders' Meeting till the date of conducting the Extraordinary General Shareholders' Meeting, that is from 5 November 2001 till 21 December 2001, were informed about their rights to demand their shares be redeemed by the Company.
- According to item 6 of Article 15 of the Federal Law "On joint stock companies" Order No 200 of the General Director was issued on 27 December 2001, and the Company started to inform their creditors about the approved resolution on reorganization.

All the works were carried out at a time stated by schedules of works on reorganization for the year 2001.

### **The Company position in the securities' market**

The principle shareholder of "Southern Telecommunications Company" PJSC is "Svyazinvest" PJSC with 38% of the authorized capital or 50.67% of the common shares belonging to it.

As at 1 January 2002 share capital of the Company is 506,142862.5 rubles. Total number of issued shares constitutes 14 071 250 shares including 10 553 425 ordinary registered shares and 3 517 825 preference registered type A shares. A share par value is 35.97 rubles. All the issued shares are paid.

Annual General Shareholders' meeting held on 30 May 2001 approved the resolution on split-up of the shares of "Southern Telecommunications Company" PJSC. One share with a par value of 35.97 rubles is split up into 109 shares with a par value of 0.33 ruble. Resolution on shares' issue and prospect of "Southern Telecommunications Company" PJSC shares' emission were registered by Federal Committee on Securities' Market of the Russian Federation on 27 December 2001.

Annual General Shareholders' meeting held on 21 December 2001 determined maximum number of declared shares including ordinary shares with a par value of 35.97 rubles 17 807 876 in number amounting to 640 549 299 rubles 72 kopecks and preference shares with a par value of 35.97 rubles 5 701 305 in number amounting to 205 075 940 rubles 85 kopecks.



As for domestic securities' market the Company's shares circulate in the Russian Trading System (under ticker KUBN for ordinary and KUBNP for preference shares) and in the stock section of the Moscow Interbank Currency Exchange (MICEX) (under ticker RU0009043426 for ordinary and RU0009091920 for preference shares).

"Southern Telecommunications Company" PJSC is an indisputable leader among regional telecom companies. In 2001 bidding volume in RTS reached 1. 935 million USD, number of concluded transactions constituted 110. Market capitalization by the end of 2001 amounted to 80 million USD.

Shares of "Southern Telecommunications Company" PJSC are used when calculating official stock market indexes such as AK&M Index, RTS Index, S&P/RUX Index.

On 27 December 2001 rating agency "Standard & Poor's" assigned its triple-"C"-plus long-term local and foreign currency corporate credit ratings to "Southern Telecommunications Company" PJSC. The outlook is stable.

ADRs' (first level) issue was registered on 5 February 1998. The Company's ADRs are quoted in the over-the-counter market of the USA, in Berlin and Frankfurt Stock Exchanges and NEWEX stock exchange (Vienna, Austria) in Europe, that makes the Company's shares available to wide range of foreign investors.

Successful development and functioning of the Company depends greatly on its informational openness gaining confidence of customers, shareholders and potential investors. Revealing information is one of the Company's priority activities.

"Southern Telecommunications Company" PJSC supports its corporate web-site and places its information on the official web-sites of FKCB RF, "RTS Stock Exchange", MICEX, "Svyazinvest" PJSC. As a result of informational openness the Company's shares consider to have one of the highest liquidity ratio among national companies. Internet site <http://www.stcompany.ru/>. includes information on the most important events in the Company's life, tariffs ,etc. "RTS Stock Exchange", "Svyazinvest" PJSC and "The Bank of New York" servers have references to this site.

**The Company's shares as at 01.01.2002  
(total amount of shares – 1 4071250)**

No	Category	Ordinary shares	Preference shares	% of the authorized capital	% of total number of ordinary shares
1	Legal persons including "Svyazinvest" PJSC	9 652 454 5 347 075	2 830 464	88.71 38.0	91.46 50.67
2	Natural persons	900 971	687 361	11.29	8.54
	<b>TOTAL:</b>	<b>10553425</b>	<b>3 517 825</b>	<b>100.00</b>	<b>100.00</b>

**Information about the Board of Directors and the Company's Executive Power**

No	Name	Compensation	Salary	Bonus	Remuneration for the members of the Board of Directors	Other payments	rubles
							Total
1	Gorbachev V.L.		655369.72	637342.22	220 000	138195.4	1650907.34

2	Belov V.E.				220 000		220 000
3	Yevdokim enko V.M.				85 000		85 000
4	Laskavy L.L.		576 298.01	219 514.39	135 000	84 481.18	1 015 293.58
5	Sadokhina A.M.	199534.14	544 342.48	315215.37	220 000	66448.34	1345540.33
6	Ukhina I.P.				220 000		220 000
7	Kruzhkov V.A.		521 107.62	192 996.49		109 669.98	823 777.09
8	Romski G.A.				85 000		85 000
9	Shipulin A.P.		487 617.59	197 298.78		57352.26	742 268.63
10	Osipchuk A.I.				85 000		85 000
11	Khvorostin a N.I.				135 000		135 000
12	Ryzhikova N.A.		197 436.09	91 231.91	223 032	408.66	512 108.66
13	Litvinov A.A.		317 363.49	112 191.51	288 000		717 555
14	Goncharov A.I.	116 556	257 400	139 434.4	240 000	36 276.8	789 667.2
15	Istomina L.V.	23480.73	100 400.6	15578.92	126 000	45393.74	310853.99
16	Ignatenko N. I.		191 222.85	88 719.87	223 032	294	503 268.72
	Total:	339 570.87	3848558.4 5	2009523.8 6	2505064	538520.36	9241237.54

### Information about the Management Board

No	Name	Compensation	Salary	Bonus	Remuneration for the members of the Management Board	Other payments	Total
1	Gorbachev V.L.		655369.72	637342.22	660 000	138195.4	2090907.34
2	Laskavy L.L.		576 298.01	219 514.39	612 000	84 481.18	1 492 293.58
3	Sadokhina A.M.	199534.14	544 342.48	315215.37	588 000	66448.34	1 713 540.33
4	Goncharov A.I.	116 556	257 400	139 434.4	240 000		753 390.4
5	Kruzhkov V.A.		521 107.62	192 996.49	558 000	109 669.98	1 381 774.09
6.	Shipulin A.P.		487 617.59	197 298.78	558 000	57352.26	1 300 268 63
7	Istomina	23480.73	100 400.6	15578.92	126 000	45393.74	310853.99

	L.V.						
8	Ignatenko N.I.		191222.85	88719.87	223032	294	503268.72
9	Polulyakho va O.U.		147352.57	95715.81	223 820		466888.38
10	Litvinov		317 363.49	112 191.51	288 000		717 555
	Total:	339 570.87	3 798 474.93	2 014 007.76	4 076 852	501 834.9	10 730 740.46

**Financial investments of "Southern Telecommunications Company" PJSC as at 01.01.2002**

Company	Share, %	Amount of shares	Type and category of shares	Nominal value, rubles
"Avtocenter-Yug" CJSC	100	35200	Ordinary nominal uncertificated	1000
"Armavir Communication Facilities Plant" CJSC	100	18000	Ordinary nominal uncertificated	1000
"Health-care complex "Orbita" CJSC	100	217896	Ordinary nominal uncertificated	1000
"TeleRoss-Kubanelectrosvyaz" CJSC	50	331730	Ordinary nominal uncertificated	1
"Kuban-GSM" CJSC	24	2400	Ordinary nominal uncertificated	1000
"Krasnodarbank" AKB	13,5	148000 10000	Ordinary nominal uncertificated- preference nominal uncertificated	10 10
"Sberbank" OJSC	0,0006	106	Ordinary nominal uncertificated	50
"Starcom" CJSC	3,7	185	Ordinary nominal uncertificated	100
"Kubanbank" AKB	0,1	25354 150	Ordinary nominal uncertificated- preference nominal uncertificated	1 1
"Aksay" OJSC	0.2	10643 7802	Ordinary nominal uncertificated- preference nominal uncertificated	10 10
"CMTO" CJSC	100	16100	Ordinary nominal uncertificated	1000
"Yugsvyazstroy" CJSC	100	15452	Ordinary nominal uncertificated	1000

**Associated companies**

The Company incorporates 1 subordinate and 6 associated companies with rights of a legal person on the territory of the Russian Federation established under federal legislation. In 2001 organizational structure of "Southern Telecommunications Company" PJSC was changed to improve its financial position. On 6 October 2000 the Company's Board of Directors approved the resolution No 6/3 on liquidation of the Company's branch establishment SMU "Krasnodargrazhdansvyazremstroy" and establishment of the associated closed joint stock company "Yugsvyazstroy". On 6 October 2000 the Company's Board of Directors approved the resolution No 6/6 on liquidation of the Company's branch establishment "Logistic center" and establishment of the associated closed joint stock company

“CMTO”. “Southern Telecommunications Company” PJSC’s shares in charter capitals of the associated companies constitute 100%, in the charter capital of “Kuban-GSM” DCJSC – 24%.

№	Name	“KES”’s share in charter capital	Location	Activities	Voting shares
1.	“Kuban-GSM” CJSC	24%	61, Gimnazicheskaya Str., Krasnodar	Rendering cellular services of GSM 900 standard	100%
2	“Armavir Plant of Communication Goods” CJSC	100%	1a, Urupskaya Str., Armavir	Production of Communication goods and cables	100%
3	“Avtocenter-Yug” CJSC	100%	48, Myskhakskoye shosse, Novorossiysk	Services of car maintenance	100%
4	“Health-care complex “Orbita” CJSC	100%	Olginka, Tuapse district	Resort services	100%
5	“CMTO” CJSC	100%	5/2, Vishnyakovoy Str., Krasnodar	Production and sales	100%
6	“Yugsvyazstroy” CJSC	100%	110/1, Aivazovskogo Str., Krasnodar	Construction	100%

#### Subordinate companies

№	Name	“KES”’s share in charter capital	Location	Activities	Voting shares
1	“TeleRoss-Kubanelectrosvyaz” CJSC	50%	66, Karasunskaya Str., Krasnodar	Rendering telecom services	50%

#### Competitive environment

At the present time competitive environment in the Krasnodar Territory includes a great number of independent telecom operators determining their own price and production policy. The Company realizes the necessity of correction of its business strategy and tactics.

In 2001 33 licenses for rendering telecom services were granted in the Krasnodar Territory, total number of licensed operators reached 302.

Based on showings and tendencies of the regional telecom market development we plan the following market positions of the Company in 2004:

Regional telecom market share, %	2000	2001	2004
	69.75	55.1	70

№	Description	Share in physical volume of services, %		
		2000	2001	2004
1	Local telephony	92.8	90.6	93
2	Domestic long-distance telephony	99.4	98	98
3	International telephony	99.6	98.2	98
4	Paging	16.9	41.2	50
5	Internet services via switched access	55	70.2	85
6	ISDN, intelligent network	100	96.7	98

This analysis shows that the Company has the best positions in the sphere of long-distance and international telephony – 98.1% of the market share in 2001. The Company has a monopolistic position in the sphere of traditional services, level of competitiveness here is low.

Satisfying the needs of the Krasnodar Territory population in traditional services "Southern Telecommunications Company" PJSC simultaneously lays foundation for introducing advanced technologies and providing new telecom services.

At present over 20 Internet providers operate in the Krasnodar Territory. "Southern Telecommunications Company" PJSC share in this market constitutes 70.2%. During the last year the share increased by 15.2%.

We also see the rising tendency in the market of wireless communication. "Southern Telecommunications Company" PJSC's share in providing paging services in terms of total number of subscribers increased to 41.2 % (as compared to 16.9% in 2000). The rising tendency can be explained by active advertising of "Narodny pager", leaving this market by some competitive operators and quick development of mobile telephony.

It should be noted that the market of new telecom services (IN, multimedia, etc) is still free.

Telecom market share of "Southern Telecommunications Company" PJSC is to constitute not less than 70% in 2004. Its growth is to be stipulated by effective implementation of "Strategy of increase of telecom services' competitiveness", approved by the Management Board.

Thus, the main task of the Company's activity up to the year 2004 is strengthening its position in the market regarding complete range of telecom services and simultaneous increasing the level of meeting solvent demand.

#### Information on segments

	Line code	Revenue	Losses (line020+030+040)	Financial result
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		2000	2001	2000	2001	2000	2001
1	2	3	4	5	6	7	8
<b>1. Telecom services, total</b>	<b>700</b>	1910173	2476806	1379740	1843221	530433	633585
Including:	710						
<b>Central Region</b>							
<b>North-Western region</b>	720						
<b>Povolzhski region</b>	730						
<b>North-Caucasian region</b>	740	1910173	2476806	1379740	1843221	530433	633585
<b>Ural region</b>	750						
<b>Sibirski region</b>	760						
<b>Far East region</b>	770						
<b>Foreign market</b>	780						
<b>“Rostelecom” OJSC</b>	790						
<b>2. Other activities</b>	<b>800</b>	263800	120420	248880	117506	14920	2914
Including:	810						
<b>Central Region</b>							
<b>North-Western region</b>	820						
<b>Povolzhski region</b>	830						
<b>North-Caucasian region</b>	840	263800	120420	248880	117506	14920	2914
<b>Ural region</b>	850						
<b>Sibirski region</b>	860						
<b>Far East region</b>	870						
<b>Foreign market</b>	880						
<b>“Rostelecom” OJSC</b>	890						

### Construction and investments

In 2001 92.5% of total number capacity put into operation (that is 61 092 numbers) are digital exchanges, 28 828 numbers of obsolete step-by-step PBXs were replaced by digital lines. To meet the growing demand of residents and tourists in long-distance and international telephony capacity of Automatic Long-distance Telephone Exchange in Krasnodar was increased by 4230 channels, in Sochi – by 960 channels. Digitization of regional network has been continued – fiber-optic line 70.2 kilometers long was built from Starominskaya to Staroscherbinovskaya and Yeisk.

When analyzing the structure of capital investments we can see that their volume increases annually, share of expenditures for building and assembly jobs decreases, share of expenditures for installation and replacement of equipment grows. Change of the structure can be explained by the necessity to replace morally obsolete equipment, to broaden the range of modern informational technologies provided, to gain additional profit and to raise the Company’s rating.

Investment activities in terms of telecom branches’ structure are the following:

Thousand rubles

Local telephony	489 875
Long-distance cable buses	29 170

Long-distance telephone exchanges	20 163
New services	10 171
Other	154 583
<b>Total:</b>	<b>703 962</b>

Sources of financing are:

**Owned capital - 250219**

Including

Depreciation - 164219

Profit - 86 000

Commodity credits - 150346

**Bank credit – 50000**

**Budget allocations – 771**

**Assessable contributions – 5821**

**Borrowed assets of other organizations – 1180**

**Profit of the reporting year - 245 355**

### **Environmental protection**

In 2001 "Southern Telecommunications Company" PJSC submitted its projects to approval of committees of environmental protection, bodies of sanitary and epidemiological inspections and committees on protection of cultural and architectural monuments.

When building a fiber-optic line from Starominskaya to Yeisk the Company indemnified land users for losses resulted from temporary withdrawal of lands during execution of works.

### **Main criteria of accounting policy.**

1. Sales income should be calculated "after shipment" for taxation purposes:
  - a) profit tax;
  - b) VAT;
  - c) Road-transport tax
2. The following assets are considered as fixed ones:
  - Used for production, rendering works or services and for management needs of the Company;
  - Used during a long period, that is having life-time of more than 12 months;
  - That may return good interest in future

The Company does not plan to resell these assets.

Annual sum of fixed assets' depreciation is calculated using line method. Depreciation of the Company's fixed assets is carried out according to Standards of depreciation charges for complete reconstruction of fixed assets, approved by the Decree of the USSR Sovmin № 1072 of 22.10.90.

To develop telecom industry and introduce high-performance communication systems, equipment and mechanisms, method of accelerated depreciation with acceleration ratio = 2 towards the active part of fixed assets should be used:

- cable lines supported on poles or built on buildings' walls:
  - with metal casing (code 30018)
  - with plastic casing (code 30019)

- communication equipment ( codes 45601, 45608, 45613, 45618, 45620, 45621, 45623, 45609, 45622, 45624).
3. Since 01.01.2001. account 12 “Objects of little value and with short life time” and account 13 “Depreciation of objects with short life time and of little value” are not used, their debit accounting is not kept and the present balance is closed at the end of 2001 according to the aforesaid Order of the Ministry of Finance of the Russian Federation.

Value of objects with short life time and of little value present in balance sheet before 01.01.2001 is paid off at the price of their possible usage with depreciation accounting at the rate of 50% of their acquisition cost according to PBU 5/98.

When taking on discount objects with life time over 1 year, they refer to special subaccount of fixed assets. Inventories and household equipment with life time less than 1 year refer to special subaccount 9 “Inventories and household equipment” of account 10.

To ensure the security of such objects the Company controls their turnover. Objects having value of no more than one-twentieth of the 100-multiple size of monthly wage floor for one object and also books, booklets and the like, are written off when putting into operation. The accounting records are kept on the below-line account 002.

4. Accounting records of invoices, property and liabilities in foreign currency should be kept in rubles by conversion according to exchange rate of the Central Bank of the Russian Federation at the date of transaction and at the date of making up monthly accounting reports.

Exchange differences should be shown in the accounting records of the reported period including the date of transaction or in account record 80 “Profits or losses”.

5. Production costs’ accounting should be made in the following way:

- Direct method of calculation of cost price of a production unit is approved. Cost price of a production unit is calculated by dividing of total amount of expenditures by natural volume of works and services provided;
- Cost accounting is made in the context of items of calculation

Cost price is formed according to kinds of provided services in the following steps:

- primary cost accounting – distribution of direct costs among kinds of services using direct method with their mentioning in account 20 “Major production”;
- distribution of costs of auxiliary production mentioned in account 23 “Auxiliary production” among kinds of services pro rata direct costs, and distribution of indirect costs mentioned in account 25 “General production costs” pro rata direct costs;
- distribution of costs from account 26 “General costs” pro rata profits among types of activities having different profit taxes and pro rata direct costs among types of activities with identical profit tax.

6. Reserves for capital and current repairs, doubtful accounts of other organizations and residents should be formed by taking sums of reserves from financial results.

To introduce unified accounting policy and separate cost accounting for all telecom companies the Company’s administration plans to use unified accounting policy approved by “Svyazinvest” PJSC in 2002 that differs greatly from accounting policy used in 2001.

### Form No 1 “Balance Sheet”

Opening balance of 01 January 2001 was changed as a result of reappraisal:

Line 120	+600 728	Should be considered	2561414	
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Line 122	+495691	Should be considered	1838388	Initial cost of buildings, cars and equipment 2527810 minus depreciation 689422
Line 420	+600728	Should be considered	1410241	

**Interpretation of indices to form No 1 "Balance sheet"**  
"Other debtors"

thousand rubles

Description	Line code	Line 235		Line 246	
		Opening balance	Closing balance	Opening balance	Closing balance
1	2	3	4	5	6
Payments to budget (acc.68)	0180			16268	15394
Payments under claims(acc.63)	0190	40	218	998	660
Payments of single social tax (acc.69)	0200			49	171
Settlements with employees on other operations (acc.73)	0210	415	917	286	260
Settlements with advance holders (acc.71)	0220			324	115
Losses resulting from inventory damages (acc.84)	0230	1357	1217	58	58
Others	0240	89	89	23832	61004
<b>TOTAL:</b>	<b>0250</b>	<b>1901</b>	<b>2441</b>	<b>41815</b>	<b>77662</b>

Form No 2 "Profits and losses statement"

The Company's costs of the year 2000 are calculated according to accounting methodology used in 2001.

Line 130 +11121 (charity costs)  
Line 160 - 11121

**Accounts payable**

Having "Svyazinvest" PJSC as a principle holder, "Rostelecom" AO is the main company that renders services of long-distance and international telephony in the Russian Federation. "Southern Telecommunications Company" PJSC has an Agreement with Rostelecom on providing pass-through of long-distance and international traffic.

Other accounts payable included debts on wages, debts on social insurance and social services, debts to budget, advance payments for services, etc.

Line 628 "Other creditors"  
Thousand rubles

Description	Line code	Opening balance	Closing balance
1	2	3	4
VAT	0280		
Settlements with non-budgetary funds	0290	7004	53
Leasing payments	0300		
Settlements with advance holders	0310	71	38
Other	0320	6435	12505
<b>TOTAL:</b>	<b>0350</b>	<b>13510</b>	<b>12596</b>

**Short-term liabilities**

Short-term liabilities consist of bank credits, received by the Company from Russian banks with fixed terms of repayment. Amounts of credits as at 31.12.2000 and 2001 are:

	2000	2001	change, thousand rubles
1. Sberbank	76409	171497	+95088
2. Yugbank	0	11000	+11000
3. Yug-investbank	15500	0	- 15500
<b>TOTAL</b>	<b>91909</b>	<b>182 497</b>	<b>+90588</b>

**Long-term liabilities**

Long-term liabilities consist mainly of long-term agreements with foreign suppliers on financing of supplied telecom equipment. Amounts of credits as at 31.12.2000 and 2001 are:

Table No

**Interpretation of long-term liabilities under loans and credits**  
**Thousand rubles**

<b>Credit organization</b>	<b>Currency</b>	<b>Purpose of credit</b>	<b>Time to run</b>	<b>Opening balance</b>	<b>received</b>	<b>redeemed</b>	<b>Closing balance</b>
1. Yugbank	ruble	Replenishment of current assets	February 2002	35000	0	0	35000
2. Yugbank	ruble	Replenishment of current assets	May 2002	0	10 000	0	10000
3. Yugbank	ruble	Replenishment of current assets	October 2002	15000	0	0	15000
4. Branch № 8619 of Sverbank credit line 75 mln rubles	ruble		26 April 2002	75 000	0	0	75000
5. Branch № 8619 of Sverbank credit line 45 mln rubles	ruble	Extension of local telephone network in Krasnodar	September 2002	45 000	0	10 000	35000
				170 000	10 000	10 000	170000

Long-term loans

Thousand rubles

Name	currency	purpose	Time to run	Opening balance	received	redeemed	Closing balance
Svyazinvest	ruble	Development of rural telephony	31 December 2000	17391	0	2157	15234
Loan to Sochielectrosvyaz	ruble	Development of local network in Sochi	2004	316	1.5	17.9	299.6
				<b>17 707</b>	1.5	2175	<b>15533</b>

“Authorized capital”

In 2000 authorized capital of the regional entity did not change.

thousand rubles

	Opening balance	received	withdrawn	Closing balance
Increase (decrease) of a share par value	-	-	-	-
Cancelled shares written off by reduction of authorized capital	-	-	-	-
Direction of reserve capital to increase authorized capital	-	-	-	-
Others	506143	-	-	506143
Total:	506143	-	-	506143

Line 640 “Deferred income”

thousand rubles

Description	Line code	Opening balance	Received	Withdrawn	Closing balance
1	2	3	4	5	6
Deferred income	0360				
Gaining assets without compensation (gratis)	0370	40913	97797		138710
Special purpose financing	0380	1934	64054	(64080)	1908
Others	0390	7244		(7244)	
<b>TOTAL:</b>	<b>0400</b>	50091	161851	(71324)	140618

## Line 960 "Securities given under liabilities and payments"

Thousand rubles

Type of security	Line code	Opening balance	received	withdrawn	Closing balance
1	2	3	4	5	6
Bail	0530				
Pledge	0540	829304	322910	(286792)	865422
Bills	0550				
Other	0560				
<b>TOTAL:</b>	<b>0600</b>	829304	322910	(286792)	865422

## Change of balance sheet currency (value)

Thousand rubles

Description	Line code	Closing balance 2000	Opening balance 2001	Change	Explanation
1	2	3	4	5	6
Line 110 from Form 1	1110	6500	6500		
Line 111 from Form 1	1111	266	266		
Line 112 from Form 1	1112				
Line 113 from Form 1	1113				
Line 120 from Form 1	1120	1960686	2561414	600728	Reappraisal 607289, discount 6561
Line 121 from Form 1	1121				
Line 122 from Form 1	1122	1342697	1838388	495691	reappraisal
Line 130 from Form 1	1130	235931	235931		
Line 135 from Form 1	1135				
Line 136 from Form 1	1136				
Line 137 from Form 1	1137				
Line 140 from Form 1	1140	275642	275642		
Line 141 from Form 1	1141	273497	273497		
Line 142 from	1142	332	332		

Form 1					
Line 143 from Form 1	1143	1813	1813		
Line 144 from Form 1	1144				
Line 145 from Form 1	1145				
Line 150 from Form 1	1150				
Line 190 from Form 1	1190	2478759	3079487	600728	Reappraisal
Line 210 from Form 1	1210	117348	117348		
Line 211 from Form 1	1211	101667	101667		
Line 212 from Form 1	1212	3	3		
Line 213 from Form 1	1213	12	12		
Line 214 from Form 1	1214	7521	7521		
Line 215 from Form 1	1215				
Line 216 from Form 1	1216	8145	8145		
Line 217 from Form 1	1217				
Line 220 from Form 1	1220	38163	38163		
Line 230 from Form 1	1230	1901	1901		
Line 231 from Form 1	1231				
Line 232 from Form 1	1232				
Line 233 from Form 1	1233				
Line 234 from Form 1	1234				
Line 235 from Form 1	1235	1901	1901		
Line 240 from Form 1	1240	151061	151061		
Line 241 from Form 1	1241	106848	106848		
Line 242 from	1242				

Form 1					
Line 243 from Form 1	1243		1407	1407	From line 246
Line 244 from Form 1	1244				
Line 245 from Form 1	1245	991	991		
Line 246 from Form 1	1246	43222	41815	(1407)	
Line 250 from Form 1	1250				
Line 251 from Form 1	1251				
Line 252 from Form 1	1252				
Line 253 from Form 1	1253				
Line 260 from Form 1	1260	16474	16474		
Line 261 from Form 1	1261	1639	1639		
Line 262 from Form 1	1262	9782	9782		
Line 263 from Form 1	1263	203	203		
Line 264 from Form 1	1264	4850	4850		
Line 270 from Form 1	1270				
Line 290 from Form 1	1290	324947	324947		
Line 300 from Form 1	1300	2803706	3404434	600728	
Line 410 from Form 1	1410	506143	506143		
Line 420 from Form 1	1420	809513	1410241	600728	
Line 430 from Form 1	1430	47260	47260		
Line 431 from Form 1	1431	47260	47260		
Line 432 from Form 1	1432				
Line 440 from Form 1	1440	63881	63881		
Line 460 from	1460	124745	421903	297158	profit

Form 1					
Line 465 from Form 1	1465				
Line 470 from Form 1	1470	297158	X	297158	X
Line 475 from Form 1	1475		X		X
Line 490 from Form 1	1490	1848700	2449428	600728	
Line 510 from Form 1	1510	187707	187707		
Line 511 from Form 1	1511	170000	170000		
Line 512 from Form 1	1512	17707	17707		
Line 520 from Form 1	1520	243738	243738		
Line 590 from Form 1	1590	431445	431445		
Line 610 from Form 1	1610	91909	91909		
Line 611 from Form 1	1611	91909	91909		
Line 612 from Form 1	1612				
Line 620 from Form 1	1620	282261	282261		
Line 621 from Form 1	1621	107055	98503	(8552)	
Line 622 from Form 1	1622				
Line 623 from Form 1	1623		8552	8552	From line 246
Line 624 from Form 1	1624	34237	34237		
Line 625 from Form 1	1625	18456	18456		
Line 626 from Form 1	1626	55093	55093		
Line 627 from Form 1	1627	53910	53910		
Line 628 from Form 1	1628	13510	13510		
Line 630 from Form 1	1630	99300	99300		
Line 640 from	1640	50091	50091		



Form 1					
Line 650 from Form 1	1650				
Line 660 from Form 1	1660				
Line 690 from Form 1	1690	523561	523561		
Line 700 from Form 1	1700	2803706	3404434	600728	

### Interpretation of the indices of Form No 2 "Profits and Losses Statement"

Changes in Form No 2 "Profit and loss statement"

Thousand rubles

Description	Line code	Column 4 of form 2 2001	Column 3 of form 2 2000	Change (Column 3 - column 4)	Comments
1	2	3	4	5	6
Net revenue from sales (with the exception of VAT, excises and other obligatory payments)(line010)	0910	2173973	2173973		
Cost price of goods, services sold (line 020)	0914	1624265	1624265		
Gross profit (line 029)	0920	549708	549708		
Commercial expenses (030)	0921	4355	4355		
Management expenses (040)	0924				
Profit (loss) from sales (050)	0927	545353	545353		
Interest income (060)	0928	15	15		
Interest expenses (070)	0932	41426	41426		
Income from participation in other enterprises (080)	0935	2187	2187		
Other operating	0938	297066	297066		

income (090)					
Other operating expenses (100)	0945	269426	269426		
Non-sales income (120)	0955	29168	29168		
Non-sales expenses (130)	0959	92544	81423	11121	Change of accounting methodology
Profit (loss) before taxation	0964	470393	481514	(11121)	Change of accounting methodology
Profit tax and other similar obligatory payments (1.150)	0965	90480	90480		
Profit (loss) from regular activity (1.160)	0967	379034	391034		Change of accounting methodology
Extraordinary profits (170)	0968				
Emergency losses (180)	0970	1967	1967		
Net profit (retained profit (loss) of the reported period)	<b>0972</b>	377946	389067	(11121)	Change of accounting methodology

Description of revenue and cost price of the regular types of activities

Description	Line code	Revenue (line 010 of Form No 2)								Cost price (line 020 of Form No 2)	
		Charged		Paid						2001	2000
		2001	2000	Cash		swapping		interpayment			
				2001	2000	2001	2000	2001	2000	2001	2000
1	2	3	4	5	6	7	8	9	10	11	12
Telecom services	2700	2476806	1910173	2291074	1722873		27400		159900	1843221	1382349
Trading activity	2710	42822	80520	42822	69400				11120	40628	72628
Auxiliary production	2720										
Activity as an agency	2730	29186	9764	29186	9764						
Lease of property	2740	6825	4756	6825					4756		
Design works	2750										
Transport services	2760	10457	6430	10457					6430		
other	2770	31130	162330	117948	83803		56650		21877	76878	169288
<b>TOTAL:</b>	<b>2800</b>	<b>2597226</b>	<b>2173973</b>	<b>2498312</b>	<b>1885840</b>		<b>84050</b>		<b>204083</b>	<b>1960727</b>	<b>1624265</b>

Interest income and expenses

Thousand rubles

Description	Line code	Line 060		Line 070	
		For the reporting period	For the same period of the previous year	For the reporting period	For the same period of the previous year
		3	4	5	6
1	2	3	4	5	6
For usage of the Company's cash resources by natural and juridical persons	1800				
For usage of means on the Company's accounts by banks	1810	9	15		

on the Company's accounts by banks					
Bond interest	1820				
Deposit accounts	1830				
Bill interest	1840				
Credit interest	1850			50410	41426
Loan interest	1860				
Commercial credit interest	1870				
Other	1880				
<b>TOTAL:</b>	<b>1900</b>	9	15	50410	41426

“Other operating profits and losses”

thousand rubles

Description	Line code	Line 090		Line 100	
		For the reporting period	For the same period of the previous year	For the reporting period	For the same period of the previous year
1	2	3	4	5	6
Profit (loss) from sale of fixed assets	1950	34304	201666	39915	143401
Profit (loss) from sale of other property	1960	16976	82906	17073	63646
Profit (loss) from lease of property	1970	900	2769	21	804
Revenues from joint ventures	1980				
Reimbursement of expenses for civil defense	1990				
Taxes and charges at the expense of financial results	2000			50926	55736
Expenditures for maintenance of preserved productive capacities and objects	2010				
Charges for bank services	2020			2236	4969
Money deducted for appraisal reserves:	2030			21	723

Bad debts	2040				
Loss of shares' value	2050			21	723
Formation of other reserves	2060				
other	2070	6000	9725	125	147
<b>TOTAL:</b>	<b>2100</b>	58180	297066	110317	269426

“Non-sales profits and losses”

thousand rubles

Description	Line code	Line 120		Line 130	
		For the reporting period	For the same period of the previous year	For the reporting period	For the same period of the previous year
1	2	3	4	5	6
Fines, penalties, forfeits resulting from improper execution of obligations under contracts	2150	432	334	416	57
Assets received free of charge including gifts	2160	2311	727		
Recovery of damages	2170	609	4717		
Value of property revealed after inventory	2180	32	250	142	568
Profit (loss) of past years revealed in the reported year	2190	5453	679	5007	21274
Amounts of accounts receivable and deposited with expired limitation of action	2200	1014	212		
Positive (negative) stock exchange differences when operating with foreign currency	2210	6649	19843	23194	23187
Positive (negative) differences of amounts of loans and credits at the moment of redemption	2220	122	386	845	775
Legal costs	2230			538	51
Accounts receivable with expired limitation of action	2240	26	139	2090	4807
Expenses for recovery of damages	2250			5	63
Additional payments of profit tax	2260	2308	1187	4704	4882
Losses from thefts	2270			72	73

of material valuables when party at fault is not established by a court					
Charity	2280			4101	11121
Material assistance in accordance with approved collective agreement	2290			6620	3816
Running costs of the Board of Directors	2300			6626	3608
Other	2310	1912	694	65346	18262
<b>TOTAL:</b>	<b>2350</b>	<b>20868</b>	<b>29168</b>	<b>119706</b>	<b>92544</b>

“Profit tax and other payments at the expense of profit”

thousand rubles

Description	Line code	Line 150	
		For the reporting period	For the same period of the previous year
1	2	3	4
Profit tax	2400	109206	83049
Penalties paid to budget	2410	23	21
Penalties paid to non-budget funds	2420		19
other	2430	7844	7391
<b>TOTAL:</b>	<b>2450</b>	<b>117073</b>	<b>90480</b>

“Emergency costs”

thousand rubles

Description	Line code	Line 180	
		For the reporting period	For the same period of the previous year
1	2	3	4
Cost value of lost property	2600		

Losses from writing-off fixed assets made worthless by natural disasters	2610	3677	1967
Other	2620		
<b>TOTAL:</b>	<b>2650</b>	<b>3677</b>	<b>1967</b>

Taxes to be paid to budget for the reporting period.

Thousand rubles

Tax	Line code	Amount of tax for the reporting period				Change in 2000	Change in 2001
		According to tax calculations for 2000	According to tax calculations for 2001	According to accounting method for 2000	According to accounting method for 2001	Column 3 – col.5	Column 4– col.6
1	2	3	4	5	6	7	8
VAT	0010	549354	389683	549354	389683		
Profit tax Line 150 of Form 2	0020	90480	117073	90480	117073		
Road-transport tax	0030	27983	25609	27983	25609		

#### “Other receipts”

Interpretation of Form 4 “Cash flow statement”

Table No 18

thousand rubles

Description	Line code	Line 110
1	2	3
VAT, sales tax	3000	348629
Penalties, fines	3010	
Settlements with advance holders (acc.71)	3020	
Other receipts from personnel account 73	3030	
Other	3040	
<b>TOTAL:</b>	<b>3050</b>	<b>348629</b>

#### “Other payments”

Interpretation of Form 4 “Cash flow statement”

thousand rubles

Description	Line code	Line 250
1	2	3
VAT, sales tax	3100	
Penalties, fines	3110	
Other payments to personnel	3120	841
Other	3130	21490
<b>TOTAL:</b>	<b>3150</b>	<b>22331</b>

### Currency transactions and exchange control

Foreign currencies, and dollar of the United States of America especially, play an important role in estimating economic parameters of business activity in Russia. In the table below you can see US dollar rate at December 31, 2001, 2000, 1999.

December 31	Exchange rate, rubles
2001	30.14
2000	28.16

The main Company's currency risk, that is exchange rate of a Russian ruble, became stabilized in 2001. The forecast for 2002 remains stable. In theory three situations may appear:

4. Appreciation of a ruble rate
5. Reduction of a ruble rate
6. Stabilization of a ruble rate

The first situation is connected with possible crisis of US economy, increase of currency revenues due to growth of Russian export prices.

When a ruble rate decreases, the following risks appear:

- Currency credits and debts to foreign suppliers increase exchange rate differences which decrease the Company's profit
- Cost of foreign equipment and spare parts grows, requires additional resources and increases cost price of the provided telecom services.

The Company's currency assets and liabilities as at 01.01.2002

Description	Thousand rubles	Thousand USD	Thousand DM
<b>Currency assets</b>			
-cash means in foreign currency	73.5	2.5	-
<b>Currency liabilities:</b>			
- debts to suppliers and contractors	332878	8926.9	4713.6
(currency assets – currency liabilities)	332802.5	8929.4	4713.6

The Company's currency liabilities exceed its currency assets (resources). So, if the exchange rate of the Russian ruble decreases, negative exchange rate differences may result in losses and necessity of additional resources for liquidation of currency debts.

### Inflation



Situation in Russian economy is characterized by high rate of inflation. In the table below you can see information about annual rates of inflation for the three-year period ending on December 31, 2001.

<b>December 31</b>	<b>Annual inflation, %</b>
2001	18.6
2000	20.2
1999	36.5

The main risks from inflation: growth of cost price due to rise in prices of material resources and increase of wages may not be accompanied by tariff growth for provided services; profit from key activity may decrease.

### **The rate of interest**

Shortage of owned current assets for supporting regular activities and payments to suppliers forces the Company to attract short-term and long-term bank credits. In 2001 the Company did not have overdue liabilities under credits. Bank credits amount to 352 million rubles including 170 million rubles of long-term credits for 1 or 2 years. Interest rates of long-term credits vary from 18 to 20 %, short-term credits – from 17 to 20 %. Average interest rate decreased by 2% in 2001, from 20.7% to 18.7%.

### **Political and economic situation in Russia**

Considerable political, economic and social changes took place in Russia during the last ten years. Being a country with transition economy Russia now has not got developed business and legislative infrastructure as the countries with developed market economy have.

Government of the Russian Federation is trying now to solve these problems but the reforms aimed at creation of banking, court, fiscal and legislative systems existing in the countries with developed market relations, have not yet been completed. As a result, economic activity in Russia is subjected to considerable risks, it was proved by default and devaluation of a ruble in August 1998.

These risks still remain in Russian economy today resulting in non-convertible national currency abroad, burdensome exchange control, low level of liquidity in the markets of long-term crediting and investments and high level of inflation. In the foreseeable future the Company's activity can be subjected to such risks and consequences.

### **Events that took place after the reporting date**

In accordance with PBU 7/98 "event after the reporting date is a fact of economic activity, that influenced or may influence a company's financial situation and results of its activity, that took place during the period between the reporting date and the date of signing the accounting records of the reporting year.

The fact of economic activity, that took place during the period between the reporting date and the date of signing the accounting records for the year 2001, is the following:

In order to execute preliminary agreement of 28 December 2001 the Company concluded a Sale Contract with "Mobile TeleSystems" PJSC on the shares' purchase and sale, namely on sale of the

Company's 24%-stake in "Kuban-GSM" CJSC stock capital. The Contract was concluded on 3 January 2002. Total purchase price amounted to 33 600 000 USD in ruble equivalent using exchange rate of the Central bank of Russia at the date of payment. The Company executed all the terms under the Contract that is confirmed by Closing Act of 25 March 2002. The new shareholder was registered on 29 March 2002. The Board of Directors plans to use means from sale of the shares for dividend payments and financing shortage of current assets at the end of the reporting year.

Planned distribution of profit of the year 2001 refers to the event after the reporting period:

**Main directions of the distribution of the retained income for the year 2001**

Description	Line code	Planned distribution of profit of the current year
Retained income	0070	326525
Distribution of profit:	0080	307573
For covering expenses of the past years	0090	
For dividend payments	0010	291573
For formation of the reserve fund in accordance with legislation	0110	16000
For forming a special fund of the Company's shareholders (in accordance with constituent documents)	0120	
Retained income balance	0150	18952

**Conditional facts of economic activity**

As at 31 December 2001 debt balance of "Kuban-GSM" CJSC guaranteed by "Southern Telecommunications Company" PJSC under the Contract with "Ericsson Radio Systems AK" amounted to 3980367.02 USD.

Other essential conditional facts of the Company economic activity have not taken place by the accounting date.

**Conclusion**

The accounting reports present in all material respects financial situation of "Southern Telecommunications Company" PJSC, financial results of its activity and changes in its financial position.

The accounting reports are drawn up in accordance with generally accepted in the Russian Federation accounting principles.

General director

V.L.Gorbachev

1st Deputy Chief accountant

A.A. Pustovit

## **Explanatory note to the accounting records of “Southern Telecommunications Company” PJSC for the year 2002**

This explanatory note is an essential part of the Annual Report of "Southern Telecommunications Company" PJSC (hereinafter – the Company) for the year 2002, prepared in accordance with legislation of the Russian Federation.

### **1. ORGANIZATIONAL FRAMEWORK AND BUSINESS OF THE COMPANY**

#### *1.1. Description of the Company*

Public Joint Stock Company “Southern Telecommunications Company”, abbreviated name – “UTK” PJSC, tax payer’s number – 2308025192 (hereinafter – “the Company”) was registered on May 20, 1994 by the Registration Chamber of Krasnodar under registration number # 186-p at the address: 66, Karasunskaya street, Krasnodar? 350 000.

Main activities under granted licenses are the following:

- Providing telecom services
- Communication lines renting
- Data transmission via trunk lines
- Construction of buildings and facilities of the I or II levels of responsibility according to national standard
- Installation, adjustment, repair and technical maintenance of fire safety equipment and fire-protection systems (except for those referred to building activity).

#### *1.2. Information on essential events*

The main event of the year 2002 is the Company’s reorganization through merger of the following telecom operators of the south of Russia into it.

- “Electrosvyaz of Adygeia Republic” JSC;
- “Svyazinform” Astrakhan Region” JSC;
- “Volgogradelectrosvyaz” JSC
- “KabBalktelecom” JSC
- “Electrosvyaz” Kalmykia Republic” JSC
- “Karachaevo-Cherkesskelectrosvyaz” JSC
- “Kubanelectrosvyaz” JSC
- “Rostovelectrosvyaz” JSC
- “Sevosetinelectrosvyaz” JSC
- “Electrosvyaz” Stavropol Territory” JSC

Organizational framework of the mega-regional entity “UTK” PJSC is constructed in accordance with multi-divisional type. The Company incorporates ten branches functioning on geographical basis and three branches functioning on technological basis.

The present organizational framework of the Company is considered optimal and efficient.

#### *1.3. Information on the Company’s Registrar and Auditor*

“Registrator-Svyaz” CJSC is the Company’s Registrar. .  
 “Ernst and Young Vneshaudit” CJSC is the Company’s Auditor.

#### 1.4. Information on the governing bodies

Chairman of the Board of Directors:

<b>Belov V.E.</b>	- Deputy General Director “Svyazinvest” OJSC
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Members of the Board of Directors :

<b>Volkovysski I.V.</b>	– Head of the Administrative board of the Presidential Plenipotentiary in the Southern Federal District
<b>Gorbachev V.L.</b>	- General Director “UTK” PJSC
<b>Yevdokimenko V.M.</b>	- General Director of the Department for transport and communications of the Krasnodar Territory Government.
<b>Zabuzova E.V.</b>	- Deputy Director – Head of the section of Department for Economic and Tariff policy, OJSC “Svyazinvest”
<b>Osipchuk A.I.</b>	- 1 <sup>st</sup> Deputy General Director “Svyazinvest” OJSC
<b>Romski G.A.</b>	- Deputy General Director “Svyazinvest” OJSC
<b>Ukhina I.P.</b>	- Deputy Director of Department for Corporate Governance, OJSC “Svyazinvest”.
<b>Hern D.A.</b>	- Representative of CB “J.P.Morgan Bank International”

Amount of remuneration paid to the Board of Directors is RUR -

Management Board of “Southern Telecommunications Company” PJSC, appointed by the Company’s Board of Directors includes the following members:

<b>Gorbachev V.L.</b>	General Director, “Southern Telecommunications Company” PJSC
<b>Laskavy L.L.</b>	– 1 <sup>st</sup> Deputy General Director “Southern Telecommunications Company” PJSC
<b>Apalko A.V.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Sadokhina A.M.</b>	– 1 <sup>st</sup> Deputy General Director “Southern Telecommunications Company” PJSC
<b>Ignatenko I.F.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Kraev A.O.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Kruzhkov V.A.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Litvinov A.A.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Statuev V.A.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC
<b>Kharchenko S.N.</b>	- Deputy General Director “Southern Telecommunications Company” PJSC

	PJSC
<b>Shipulin A.P.</b>	- Deputy General Director "Southern Telecommunications Company" PJSC
<b>Fefilova S.G.</b>	- Chief Accountant "Southern Telecommunications Company" PJSC
<b>Ignatenko N.I</b>	- Head of legal department "Southern Telecommunications Company" PJSC

Amount of remuneration paid to the Management Board is RUR -

Information on the affiliated persons' activities in the year 2002 is revealed in detail in section 11 "Affiliated persons".

Members of the Auditing Commission are:

<b>Prokofyeva I.V.</b>	.- Head of the Section of Internal Audit "Svyazinvest" OJSC
<b>Andreeva A.M.</b>	-Head of the section of accounts receivable and payable "UTK" PJSC
<b>Kozin V.V.</b>	- Head of the Section of Direct Investments and Property, "Svyazinvest" OJSC

Amount of remuneration paid to the Auditing Commission is RUR -

## 2. MAIN REGULATIONS OF ACCOUNTING POLICY

### 2.1. Intangible assets

In relation to the intangible assets accounting the regulations PBU 12/2000 are used (approved by the Order of the RF Ministry of Finance from October 16, 2000 № 91Н).

Intangible assets are accepted for accounting on their initial cost.

The amount of amortization allocation on intangible assets is determined on monthly basis by norms calculated on the assumption of their initial cost and the term of useful use by linear method. The determination of the term of useful use of intangible assets is made taking into consideration:

- The term of action of the patent, certificate and other limitations of the terms of use of the objects of intellectual property in compliance with the Russian Federation legislation;
- The intended term of use of the object during which the organization can receive the economic profit (income). The intended term of useful use of the object of intangible assets is determined by the specially established commission in compliance with methodical regulations on the accounting of intangible assets, approved by the general Director of the organization.
- For intangible assets in relation to which it is impossible to determine the term of useful use the norms of amortization assessments are established for 20 years.

### 2.2. Main assets

The main assets consist of assets with the term of useful use over 12 months. The main assets are accounted according to regulations PBU 6/01 (approved by the Order of RF Ministry of Finance on 30.03.2001 №26н). The main assets are approved for accounting on their initial cost.

The reappraisal has been effected by "KabBalkTelecom" by groups:

- Machines and equipment – communication equipment – ATE.
- Other intangible assets.

The initial cost and the accumulated wear have increased by 89333 thousand rubles and 60290 thousand rubles respectively.

In the accountancy the main assets are shown according to their initial or current (recovery) cost (in cases of reappraisal) of the object of the main assets and norms of amortization, calculated on the assumption of the term of useful use of this object.

For objects of main assets with the cost under 10 000 rubles the amortization is calculated in the amount of 100% and discarded for expenses of production as they are delivered to the production or operation. Only in "Volgogradelectrosviaz" there had been significant differences: the charge-off of the main assets under 10 000 rubles had been accounted on the off-balance accounts.

For fixed assets received from the leasing agreements the coefficient of accelerated amortization determined by the terms of the agreement, which was 3 in 2002.

An expense for all kinds of repairs is included into the cost of the accountancy of the period when they had been effected. The reserve of outstanding expenses for main repairs is not established.

### ***2.3. Inventory resources***

Inventory resources (raw materials, materials, goods) are accepted for accountancy by actual expense for their acquisition or manufacture.

The assessment of the mortality of inventory resources (except precious metals) is effected by mean cost, by the cost of each unit of precious metals.

### ***2.4. The order of the conversion of assets and liabilities in foreign currency***

The conversion of foreign currency in the cash office of the Company, means on the accounts in credit organizations, monetary and payment documents, short date securities, mean on the settlements (including loan liabilities), balance means of the purpose financing received from the budget or foreign sources within the technical or other assistance of Russian Federation in compliance with concluded agreements in foreign currency into rubles is executed as of the date of the effecting the transaction in foreign currency and as of the date of effecting the accountancy.

### ***2.5. The order of establishing the reserves***

The Company establishes the following reserves:

□ Reserves on doubtful debts.

The magnitude of the reserve is determined separately for each debt on the grounds of the inventory taking depending on the solvency of the debtor and the possibility of acquittance of the debt. The establishment of the given reserve is intended as by the accountancy and tax legislation (enacted from January 1, by the Chapter 25 of the Tax Code). For the purpose of accountancy the accounts receivable is reserved when it is outstanding over 90 days in full amount.

For the purpose of taxation the reserve for doubtful debts is established in compliance with Tax legislation.

□ Reserve for the depreciation of deposits in securities has not been established by the Company

Accounts receivable of customers is reflected on deduction of the reserve for doubtful debts. Part of the accounts receivable of the Company is from the state institutions and other budget organizations. The possibility of recovery of these accounts receivable depends upon certain political and economic factors accounted for by the Company in establishing the reserve for doubtful debts.

### ***2.6. Order of accounting the credits and loans received***

The Organization executes the diversion of the long-term indebtedness on credits received and loans into the short term on the date when under the terms of the loan and/or credit there remains 365 days till the recurrence of the loan.

The inclusion of additional expenses associated with the reception of credits and loans, placement of loan liabilities is executed during the accountancy period when the said expenses have been effected.

### ***2.7. The outstanding expenses***

the outstanding expenses comprise the expenses assumed during the accountancy period, but they can not be included into the cost of realized services works and goods in this accountancy period. The outstanding expenses are to uniformly discarded on account of respective sources of cover during the period they are related to.

### ***2.8. The order of establishing the profit***

The profit of the Company comprises the profit from ordinary kinds of activities and other profits(operation, off-realization and extraordinary profits).

The profit is registered according to the method of accrual, that is during rendering services, it does not include the V.A.T. and the sale tax.

### ***2.9. The order of establishing expenses***

Expenses, depending on their character, terms of execution and trends of activities are divided into the expenses for ordinary kinds of activities, operation, off-realization and extraordinary expenses.

Expenses for ordinary kinds of activities are accepted for accountancy in the amount expressed in monetary form equal to the amount of payment in money or in other form and the amount of the amount payable.

#### ***2.10. he order of accountancy of the state assistance.***

The budget funds are accepted as they are actually received in money and in other resources differing from money means.

#### ***2.11. Inventory taking of the property and liabilities is executed as follows:***

- Main assets – at least once in two years as of November 1 of the reporting year.
- Intangible assets – annually as of December 1 of the reporting year.
- Incomplete capital construction and other capital investments, -annually as of November 1 of the reporting year.
- Raw materials, materials, equipment for installation, semi products, goods, ready products in stores – annually as of November 1 of the reporting year.
- Precious metals –two times per year.
- Incomplete manufacture – quarterly as of the state by the end of the quarter.
- Profits and expenses outstanding for future periods – annually as of December 31 of the reporting year.
- Monetary funds on the accounts in banks – annually as of December 31 of the reporting year.
- Money in the cash office – at least once per quarter.
- Long term financial investments – annually as of December 31 of the reporting year.
- Short term financial investments, monetary documents – quarterly as of the end of the quarter.
- Settlements with debtors and the reserve for doubtful debts – quarterly as of the state by the end of the quarter.
- Settlements with creditors (settlements with communication operators) – quarterly as of the state by the end of the quarter, with other creditors – annually as of December 31 of the reporting year.
- Settlements for taxes and mandatory assignments to the budget and off-budget funds – at least once per year.
- Settlements for purpose financing – annually as of December 31 of the reporting year.
- Intra-enterprise settlements – at least once per quarter.
- Settlements with the personnel and accountable persons – annually as of December 31 of the reporting year.

#### ***2.12. Expenses for pension provision***

The Company pays all installments to the Pension Fund of Russian Federation and to social security funds and employment in relation to its employees. The installments of the Company to the Pension Fund amount to 28% of the salary fund of the personnel and are accounted as expenses in the process of their accumulation.



In addition to the scheme of the state pension provision the Company participates in the Program of single annual payments of material assistance for unemployed pensioners according to the collective agreement.

The Company also participates in the Pension program with advance determined installments executed within the scheme of off-state pension provisioning. (See also Item 14 of the present Explanatory Note).

### ***2.13. Profit per one share***

In compliance with the methodical recommendations on the disclosure of information concerning profits per one share (approved by the Order of the RF Ministry of finance on March 21 2000 #29H) the profit per one share is calculated by dividing the net profit for the accountancy period remaining the possession of shareholder by the mean weighed number of equities in circulation during this period. According to the accountancy the profit per equity for 2002 was 0.4639 rubles.

### ***2.14. Reorganization of the Company through merger***

Before the date of reorganization the accountancy policies of the basic organization and of merging organizations had no significant differences.

The accountancy policy of OAO "Volgogradelectrosviaz" had differences in the order of reflecting the fixed assets with the cost under 10 thousand rubles.

- The Fixed assets under 20 000 rubles have been accounted for in the off-balance accounts.
- The said fixed assets possessed 100% wear. This difference had no influence on the value of the balance and the financial balance.

As of the date of the reorganization the inventory taking had been executed as well as of the affiliated organizations. According to the results of inventory taking special assets which can not be transferred within the succession (licenses, trade marks, letterheads, documents of strict reporting with the letterhead of the organization) had been discarded.

### ***2.15. Major changes in the accountancy policy for 2002 compared to 2001***

The following significant amendments had been incorporated into the accountancy policies of the basic and affiliated organizations for 2002 compared to the accountancy policies for 2001:

- The establishment of the reserve for doubtful debts.

In 2002 for the purposes of the accountancy the debts outstanding over 90 days is reserved in full amount, the debts outstanding with terms of occurrence under 90 days is not reserved. On 2001 the reserve for doubtful debts was not established in affiliated companies.

On the opinion of the management of the Company the application of the said element of the accountancy policy provides for more significant presentation of the economic activity of the company for 2002. The consequences of the amendments of the accountancy policy were not reflected in the

adjustments of data due to the fact that the assessment in monetary form of these consequences in relation to the periods preceding the accountancy period can not be executed with sufficient reliability and significance.

### 3. CHANGE IN OPENING BALANCE AS OF JANUARY 1, 2002

Opening balance as of January 1, 2002 in balance sheet of "Southern Telecommunications Company" PJSC was changed because of change of accounting methodology for the year 2002.:

Table №1

line №	31.12.2001 (*)	01.01.2002 (*)	Change, Δ (+/-)	Description
line.110 of F.1	2506	1984	-522	Change of methodology
Line111 of F.1	79	1984	1905	Change of methodology
Line112 of F.1				
Line113 of F.1				
Line120 of F.1	3152832	3171128	18296	Change of methodology.
Line121 of F.1				
Line122 of F.1	2162094	2182605	20511	Change of methodology
Line130 of F.1	170974	170974		
Line135 of F.1				
Line136 of F.1				
Line137 of F.1				
Line140 of F.1	318195	318195		
Line141 of F.1	305049	288780	-16269	Not corresponding with the methodology
Line142 of F.1	332	332		
Line143 of F.1	2814	2814		
Line144 of F.1	10000	10000		
Line145 of F.1		16269	16269	Not corresponding with the methodology
Line150 of F.1				
Line190 of F.1	3644507	3662281	17774	Change of methodology
Line210 of F.1	162267	144493	-17774	Change of methodology
Line211 of F.1	138311	107805	-30506	Change of methodology
Line212 of F.1	1	1		

Line213 of F.1				
Line214 of F.1	<b>7209</b>	<b>7209</b>		
Line215 of F.1				
Line216 of F.1	<b>16746</b>	<b>29478</b>	<b>12732</b>	<b>Change of methodology</b>
Line217 of F.1				
Line220 of F.1	<b>40383</b>	<b>40383</b>		
Line230 of F.1	<b>2441</b>	<b>2441</b>		
Line231 of F.1				
Line232 of F.1				
Line233 of F.1				
Line234 of F.1				
Line235 of F.1	<b>2441</b>	<b>2441</b>		
Line240 of F.1	<b>195525</b>	<b>195525</b>		
Line241 of F.1	<b>115200</b>	<b>115200</b>		
Line242 of F.1				
Line243 of F.1	<b>1333</b>	<b>1333</b>		
Line244 of F.1				
Line245 of F.1	<b>1330</b>	<b>1330</b>		
Line246 of F.1	<b>77662</b>	<b>77662</b>		
Line250 of F.1				
Line251 of F.1				
Line252 of F.1				
Line253 of F.1				
Line260 of F.1	<b>35092</b>	<b>35092</b>		
Line261 of F.1	<b>1884</b>	<b>1884</b>		
Line262 of F.1	<b>28071</b>	<b>28071</b>		
Line263 of F.1	<b>76</b>	<b>76</b>		
Line264 of F.1	<b>5061</b>	<b>5061</b>		
Line270 of F.1				
Line290 of F.1	<b>435708</b>	<b>417934</b>	<b>-17774</b>	<b>Change of methodology</b>
Line300 of F.1	<b>4080215</b>	<b>4080215</b>		
Line410 of F.1	<b>506143</b>	<b>506143</b>		
Line420 of F.1	<b>1406091</b>	<b>1406091</b>		
Line430 of F.1	<b>47260</b>	<b>47260</b>		
Line431 of F.1	<b>47260</b>	<b>47260</b>		
Line432 of F.1				
Line440 of F.1				
Line460 of F.1	<b>816450</b>	<b>816450</b>		
Line465 of F.1				
Line470 of F.1				
Line475 of F.1				
Line490 of F.1	<b>2775944</b>	<b>2775944</b>		
Line510 of F.1	<b>185533</b>	<b>185533</b>		
Line511 of F.1	<b>170000</b>	<b>170000</b>		

Line512 of F.1	15533	15533		
Line520 of F.1	332878	332878		
Line590 of F.1	518411	518411		
Line610 of F.1	182497	182497		
Line611 of F.1	182497	182497		
Line612 of F.1				
Line620 of F.1	421486	421486		
Line621 of F.1	178919	178919		
Line622 of F.1				
Line623 of F.1	16896	16896		
Line624 of F.1	40585	40585		
Line625 of F.1	24630	24630		
Line626 of F.1	84095	84095		
Line627 of F.1	63765	63765		
Line628 of F.1	12596	12596		
Line630 of F.1	41259	41259		
Line640 of F.1	140618	140618		
Line650 of F.1				
Line660 of F.1				
Line690 of F.1	785860	785860		
Line700 of F.1	4080215	4080215		
Line910 of F.1	47830	47830		
Line911 of F.1	29186	29186		
Line920 of F.1	261	261		
Line930 of F.1				
Line940 of F.1	15254	15254		
Line950 of F.1				
Line960 of F.1	865422	985390	119968	Technical error
Line970 of F.1		177		Discovered during inventory.
Line980 of F.1				
Line990 of F.1		38929		Discovered during inventory

(\* - indices of core company)

#### 4. ANALYSIS AND ASSESSMENT OF THE BALANCE STRUCTURE

Quotient	Formula	31.12.2002 (accounting for affiliated)	Standard C(*)
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		organizations)	
Coefficient of absolute liquidity	Line 250+Line 260 (f.№1) Line 610+Line 620 (f.№1)	0.05	
Coefficient of current liquidity	Line 290 (f.№1) Line 690-(line 640+Line 650)(f.№1)	0.56	1 – 1.5
Coefficient of procurement with own circulating means	Line 490-Line 190 (f.№1) Line 290 (f.№1)	-1.36	>0.1
Breakeven of sales	Line 050 (f.№2)*100% Line 010 (f. №2)	25.62	

\* This standard shows the satisfactory balance structure

The Management of the Company is planning to perform the restructuring of the short term accounts payable and short term credits and loans for the purpose of increasing the quotients of liquidity:

- 1) In March 2003 the Sverbank RF credit the amount of 150 mln rubles has been redeemed.
- 2) Negotiations on the loan restructuring extended by “Vnecheconombank” are under way.

## 5. DYNAMICS OF PROFITS FOR 2002

Table 3 (in thousand rubles)

Kind of activity	Proceeds (line 010, F.№2)		Cost (Line 020, 030, 040, F.№2)		Profit (Line 050, F. №2)		Dynamics of profit and Δ,%
	22002	2001	2002	2001	2002	2001	
<b>Accounting for affiliate organizations</b>							
Rendering communication services	10214300	7933645	7586372	5388528	2627928	2545117	3.25
Other	317681	284844	248417	69960	69264	-385116	-117.99
<b>TOTAL</b>	<b>10531981</b>	<b>82118489</b>	<b>7834789</b>	<b>6058488</b>	<b>2697192</b>	<b>2160001</b>	<b>24.87</b>

The total result and the purpose of activity of the Company is the profit the amount of which characterizes the effectiveness of performance. The operation profit for 2002 amounted to 2697.2 mln rubles, the rate of increase was 124.87%. The profit before tax increased by 57.4% and reached 2296.6 mln rubles. The significant increase of profit is explained by the realization of financial assets (securities). The net profit for 2002 amounted to 1561.9 mln rubles.

In 2002 the Branches of PJSC “Southern Telecommunications Company” received the proceeds from the realization of commodities, works and services for the amount of 10529.5 mln rubles, or by 2311.0 mln rubles or by 28,1% is over the level of the preceding year. The rate of increase of profits exceed the rate of inflation thus providing the positive dynamics of the volume of rendered services.

In considering the structure of profits for communication service, in comparison to the respective period of the last year, the following changes have taken place in units weights of sub-branches:

Description	Line code	2002	Unit weight of profits of sub-branches in total amount of tariff income	2001	Unit weight of profits of sub-branches in total amount of tariff income
		For the reporting period		For the same period of the previous year accountancy period	
1	2	3	4	5	6
<b>Domestic long-distance and international telephony</b>	3800	5451094	51.76%	44748223	54.4%
<b>Urban and rural telephony</b>	3810	3832808	36.39%	2830837	34.4%
<b>Radio communication, Radio broadcasting, television, satellite communication</b>	3820	13157	0.12%	12247	0.1%
<b>Wired communication</b>	3830	154684	1.47%	150404	1.8%
<b>Wireless radio communication</b>	3840	44279	0.42%	21653	0.3%
<b>Income from value-added services</b>	3850	289788	2.75%	42661	0.5%
<b>Other telecom services</b>	3860	428490	4.07%	401020	4.9%
<b>Other sales income</b>	3870	317681	3.02%	284844	3.5%
<b>TOTAL (Line 010, F.2)</b>	3890	10531981	100.00%	8218489	100.00%

The structure of profits from telecom services traditionally shows the greatest unit weight of the trunk calls and international calls. Profits from the trunk calls and international calls have increased in 2002 compared to the preceding year by 976.3 mln rubles. their share in the profits has decreased by 2.6%. The increase of profits from the services of rural and municipal telephone communication in absolute numeration amounted to 1002 mln rubles. The unit weight of profits from the urban and rural telephone communication increased by 2.0% on account of tariff increase and the increase of the number of telephone sets.

The gain trend of the main economic quotients has permitted the Company to reserve the positive dynamics of the effectiveness of economic activity. The Proceeds per line have increased by 22.8% and amounted to 3281 rubles, the proceeds per one employee was 237.9 thousand rubles, the rate of increase was 138.5%, the number of lines per employee in 2002 was 72.5 lines, or by 12.9% over the level of the preceding year.

## **6. COMPARABILITY OF QUOTIENTS OF ACCOUNTANCY**

On 31.10.2002 legal persons as affiliated to the Company have ceased to be existent, this had been entered into the State Register of legal persons.

Respectively, forms of presenting the accountancy for 2002 are different from the principles of drawing the accountancy during the preceding accountancy periods.

Data for the accountancy period are disclosed in the appended accountancy accounting for the affiliated organizations from the date of registration as of December 31, 2002 and also considering for the affiliated organizations for the whole 2002. Data on the basic organization and affiliated organizations by the end of the year are designated in the appended accountancy by the words "For the accountancy period" (or "for 2002"). Data on the basic and affiliated organizations for the period from 01.01.2002 to 31.12.2002 are designated by the words "For the accountancy period accounting for affiliated organizations" (or "for 2002 accounting for affiliated organizations").

Data on the preceding accountancy period have also been adjusted for comparability with the accountancy for 2002. The appended accountancy the adjusted data as of 01.01.2002 are designated by the words "As of the beginning of the accountancy period accounting for affiliated organizations" (or "01.01.2002 accounting for quotients of affiliated organizations") and for 2001 by words "For the similar period of the preceding year accounting for affiliated organizations" (or "2001 accounting for affiliated organizations").

Quotients of affiliated organizations for the beginning of the year and by the date of reorganization have been included into the appended accountancy exclusively for the purposes of presenting the comparable information on the financial state and on the results of financial-economic activities of PJSC "Southern Telecommunications Company" for 2001 and 2002 in compliance with the Rules of Accountancy "Accountancy of the Company" (PBU 4/99).





NOTES TO ESSENTIAL FACTS OF BALANCE SHEET

7.1. Fixed assets

In the table you can see fixed assets movement during the reporting year by main groups (receipt, retirement, etc)

Table №4 RUR

ths

Groups of fixed assets	Original cost as of 31.12.2001		Revaluation of fixed assets as of 01.01.2002		recovered cost as of 01.01.2002		On-year receipt		On-year retirement, total		recovered cost as of 31.12.2002
	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	
1	2	3	4	5	6	7	8	9	10	11	12
Land	14	14			14	14	5	2			19
Building	1 808 910	1 365 405			1 808 910	1 365 405	76 811	25 589	28 417	17 941	1 857 304
Facilities	5 232 433	3 672 027			5 232 433	3 672 027	900 048	282 582	64 448	42 513	6 068 033
Machines and equipment	9 120 142	6 604 728	89 184	89 184	9 209 326	6 693 912	1 993 374	1 307 775	78 361	55 034	11 124 339
Vehicles	236 125	153 710			236 125	153 710	72 957	37 706	1 944		307 138
Other	124 899	73 518	148	148	125 047	73 666	60 588	32 701	8 758		176 877
<b>TOTAL</b>	16 522 523	11 869 402	89 332	89 332	855	734	3 103 783	1 686 355	181 928	115 488	19 533 710

Amount of accumulated depreciation of fixed assets:

Table №5

Groups of fixed assets	Accumulated depreciation as of 31.12.2001		Revaluation of depreciation as of 01.01.2002 in accordance with revaluation of fixed assets		Accumulated depreciation taking into account revaluation as of 01.01.2002		Depreciation charges in 2002		Depreciation written-off to retired fixed assets in 2002, total		Accumulated depreciation as of 31.12.2002
	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies	Total (including merged companies)	Including merged companies before the date of reorganization	Total (including merged companies) (*)	Including merged companies before the date of reorganization	
1	2	3	4	5	6	7	8	9	10	11	12
Land	482 605	392 689			482 605	392 689	27 981	20 651	8 938	8 033	501 648
Building	2 609 804	1 988 201			2 609 804	1 988 201	189 209	110 485	22 599	20 312	2 776 415
Facilities	3 023 741	2 312 174	60 289	60 289	3 084 030	2 372 463	483 781	275 818	28 888	25 964	3 538 923
Machines and equipment	129 015	89 597			129 016	89 597	22 826	12 379	5 291	4 755	146 550
Vehicles	44 318	24 829			44 317	24 829	46 865	30 432	7 737	6 954	83 445
Other	6 289 483	4 807 464	60 289	60 289	6 349 772	4 867 779	770 662	449 765	73 453	66 018	7 046 981

*Useful life of fixed assets, years*

<b>Groups of fixed assets</b>	<b>Years</b>
Buildings	<b>50-100</b>
Facilities	<b>10-50</b>
Machines and equipment	<b>10-25</b>
Vehicles	<b>5-10</b>
Other	<b>1-5</b>

*Fixed assets received under leasing agreements*

In 2001-2002 the Company concluded 52 leasing agreements including 7 agreements with "Promsvyazleasing", 44 agreements – with "RTK-Leasing" and 1 agreement – with "PS Leasing" Ltd. These agreements provide for lease of switchboards and other telecom equipment supplied during 2001-2002. Term of lease is from 32 to 60 months.

As of December 31, 2002 contract value of leased equipment stood at RUR 681459 ths. Property transferred under leasing agreements is included in balance sheets of lessee and lesser.

According to the terms of leasing agreements the supplied equipment is recorded in the off-balance accounts and in balance sheets of the branches. Depreciation of fixed assets obtained under leasing agreements, is charged with the method of straight-line depreciation based on fixed assets useful life from putting them into service using accelerated amortization factor determined by the agreement terms which in 2002 was 3.

The Company approved the resolution on centralization of leasing operations' record keeping and accounting at the level of general directorate since 2003.

As of December 31, 2002 and 2001 value of equipment received under leasing agreements stood at (including merged companies):

Table №6

	<b>2002</b>	<b>2001</b>
	RUR ths	RUR ths
Initial cost	330486	64816
Depreciation charges	36960	none
<b>Balance sheet value of fixed assets in leasing</b>	<b>293526</b>	<b>64816</b>
Fixed assets under leasing agreements in account 08	87 414	

Leasing obligations:

Table №7

Date of payments	<u>RUR ths</u>
2003	303420
2004 – 2007	758993
After 2007	20033
<b>Total: leasing obligations</b>	<b>1 082 446</b>



Information from angle of the branches.

RUR ths

Branch	In the lesser's balance sheet as of 31.12.02	2002		2001		Date of payments under leasing obligations			Total leasing obligations
		Initial cost	Depreciation charges	Initial cost	Depreciation charges	2003	2004-2007	after 2007	
“Rostovelectrosvyaz”		82 251				93 478	304 042	17 903	415 423
“Volgogradelectrosvyaz”	361 657	178 982	36 960	43 325		114 579	247 078		361 657
Stavropolelectrosvyaz		31 259				40 717	101 416		142 133
Astrakhanelectrosvyaz	37 994	37 994		21 491		54 646	106 457	2	163 233
TOTAL	399 651	330 486	36 960	64 816		303 420	758 993	20 033	1 082 446

As of December 31, 2002 advance payment to lessors under leasing agreements amounting to RUR 2763 ths, is reflected in line 245 of the attached balance sheet.

7.2. *Construction in progress*  
Line 130 «Unfinished construction» of Form №1 «Balance sheet»

Table №8

Structure of construction in progress	Capexes on fixed assets of production purpose as of 31.12.02, RUR ths	Capexes on fixed assets of non-production purpose as of 31.12.02, RUR ths	TOTAL:
Account 08 «capex on long-term assets»	736494	39880	776374

<b>TOTAL:</b>								
Including: Construction, modernization and reconstruction of fixed assets by contract	396650		34332				430982	
Construction, modernization and reconstruction of fixed assets by own strength	44007		3890				47897	
Capex on leased fixed assets	218					218		
Acquisition of separate objects of fixed assets	96435		69			96504		
Acquisition of fixed assets under leasing agreements	87414					87414		
Acquisition of separate objects of fixed assets according to investment projects other	841		89			930		
	110929		1500			112429		
<b>Account 07 «Equipment to be installed»</b>	X		X			177290		

### 7.3. Financial investments

Long-term and short-term financial investments of "Southern Telecommunications Company" PJSC in 2002:

Table №9 RUR

ths

	Balance as of 01.01.2002		Received		Retired		Balance as of 31.12.2002
	Total (including merged companies )	Including merged companies	Total (including merged companies )	Including merged companies before the date of reorganizati on	Total (including merged companies)	Including merged companies before the date of reorganizati on	
1	2	3	4	5	6	7	8
<b>Financial investments</b>							
<b>Long-term financial investments, including:</b>							
- shares and holdings in charter capitals	367981	76055	2209	2158	7921	5521	362269
- bonds							
- investments under particular partnership agreement	29283	13014			13014	13014	16269
- Promissory notes							
- Loans granted	10000						10000
- Other	44	44	76	76			120
<b>Reserves on depreciation</b>							
<b>Total Line 140 F.1</b>	<b>407308</b>	<b>89113</b>	<b>2285</b>	<b>2234</b>	<b>20935</b>	<b>18535</b>	<b>388658</b>
<b>Short-term financial investments, including:</b>							
-Bonds	81	81	383	383	414	414	50
-Promissory notes	90	90	49967	6596	48519	7019	1538
-Loans granted	536	536	1871		2407	538	
- investments under particular partnership agreement							
-Deposit accounts							
- Other short-term accounts	1902	1902	350	350	2249	2249	3
<b>Own shares redeemed from shareholders</b>	<b>506</b>	<b>506</b>			<b>506</b>	<b>506</b>	



<b>Reserves under depreciation</b>							
<b>Total Line 250 F.1</b>	<b>3115</b>	<b>3115</b>	<b>52571</b>	<b>7329</b>	<b>54095</b>	<b>10726</b>	<b>1591</b>
<b>TOTAL:</b>	<b>410423</b>	<b>92228</b>	<b>55271</b>	<b>9563</b>	<b>56188</b>	<b>29261</b>	<b>390249</b>

#### 7.4. Shares and holdings in charter capitals

Information on the Company's main investments in charter capitals of affiliates, subsidiaries and other companies

Table №10

Name of the company	Type of activity	Investment s, as of 31/12/2002	Share in charter capital	Share of voting shares	Balance currency	Earnings
1	2	3	4	5	6	7
<u>Affiliated companies</u>						
“Telesot-Alania” CJSC	Cellular communication	143	53	100	86658	108457
“Interelectrosvyaz” CJSC	Local telephony	1841	100	100	938	88
“Stavtelecom” CJSC	Local, international telephony, data transfer	2550	51	100	115299	71778
“Health-care complex “Orbita” CJSC	Health-improving services	201627	100	100	308060	99046
“Yugsvyazstroy” CJSC	Construction works	15500	100	100	66719	183750
“Avtocenter-Yug” CJSC	Transport	35201	100	100	26990	13682
“Armavirski zavod svyazi” CJSC	Cable production	18000	100	100	79286	109804
“CMTO” CJSC	Material support	16100	100	100	22248	42527
Other		510				
<b>Total, affiliated companies</b>	X	291472	X	X	706198	629132
<u>Subsidiaries</u>						
“Volgograd Mobile” CJSC	Cellular radio telephony	3698	50	50	273025	57255
“Volgograd-GSM CJSC	Cellular radio telephony	50	50	50	475522	566695
“Stavropolskaya sotovaya svyaz” CJSC	Cellular communication	27106	50	50	40837	19133
Other		13436				
<b>Total, subsidiaries</b>	X		X	X		

		44290			789384	643083
<u>Financial investments in other companies</u>	X	26507	X	X		
Reserve on depreciation	X		X	X	X	X
<b>Total financial investments in charter capitals</b>	<b>X</b>	<b>362269</b>	<b>X</b>	<b>X</b>		

Income earned as dividends from long-term financial investments are reflected in account "Income from holding in other companies" of Income Statement in amount of RUR 8746 ths (in 2001 - RUR 14404 ths)

#### 7.5. Loans granted

##### Structure of loans granted

Table №11

Name of borrower	Amount of loan as of 31.12.2002	Maturity of loan	Annual percentage rate	Security (name of assets, balance sheet value as of 31.12.02)
1	2	3	4	5
<b>Long-term Loans</b>				
"Orbita" CJSC	10000	January 2003		
<b>Long-term loans, total</b>	10000	x	x	X
<b>LOANS, TOTAL:</b>	10000	x	x	X

(\* - including merged companies from 01.01.2002 to 31.12.2002)

#### 7.6. Inventories

Inventories structure:

Table №12

<b>Inventories</b>	<b>Balance as of 01.01.2002 (including indices of the merged companies)</b>	<b>Balance as of 31.12.2002</b>
<b><i>Cable</i></b>	<b>80 962</b>	<b>138 625</b>
Copper cable	70 221	124 859
Optical fiber	10 741	13 767
<b><i>Other inventories</i></b>	<b>75 257</b>	<b>100 708</b>
<b><i>Fuel</i></b>	<b>5 284</b>	<b>7 029</b>
<b><i>Spare parts</i></b>	<b>64 299</b>	<b>71 605</b>
<b><i>Other inventory</i></b>	<b>32 981</b>	<b>43 892</b>
<b><i>Materials to be processed elsewhere</i></b>	<b>33</b>	<b>3 965</b>
<b><i>Construction materials</i></b>	<b>41 748</b>	<b>74 296</b>
Construction materials in stock	13 899	39 521
Construction materials, transferred to contractor	18 640	20 967
Construction materials transferred for construction	9 209	13 808
<b><i>Inventory and materials</i></b>	<b>42 390</b>	<b>61 645</b>
Working clothes	4 841	15 740
Inventory and materials	28 967	35 059
Instruments	8 582	10 846
<b><i>Precious metals</i></b>	<b>22</b>	<b>104</b>
<b><i>Repayable waste products (excluding precious metals)</i></b>	<b>80</b>	<b>121</b>
<b><i>Divergencies</i></b>	<b>111</b>	<b>999</b>
<b>Total (Line 211 F №1)</b>	<b>343 166</b>	<b>502 990</b>

As of 31.12.2002 value of inventories was not on security.

**7.7. Accounts receivable**

Table №13

RUR ths	Major customers	Receivables to be paid before 12 months from the reporting date			
		Receivables to be paid after 12 months from the reporting date (Line 231 c. 5 f.1)	Total accounts receivable	Reserve for bad debt expense	Accounts receivable minus reserve for bad debt (Line 241 c 5 f.1)
	1	2	3	4	5
	Residential customers (for telecom services)		435282	25016	413266
	Compensation of benefits (for telecom services)		67355	23289	44066
	Budget organizations (for telecom services)		142566	78010	64556
	Other organizations (for telecom services)	303	294720	59459	235261
	Auxiliary kinds of activity		53674	1089	52585
	<b>Total accounts receivable</b>	<b>303</b>	<b>996597</b>	<b>186863</b>	<b>809734</b>

**7.8 Other debtors**

Table №14

RUR ths

Category	Receivables to be paid after 12 months from the reporting date (Line 235 c.5 f.1)		Receivables to be paid before 12 months from the reporting date			
	1	2	3	4	5	
Taxes			91458	X		91458
Settlements with advance holders		X	1113	X		1113
Settlements with employees on other operations	3431		12131	X		12131
Insurance contributions			36	X		36
Payments under claims			20750	X		20750
Others			62940		1174	61766
<b>Total accounts receivable</b>	<b>3431</b>		<b>188428</b>	<b>1174</b>		<b>187254</b>

## 7.9. Capital and reserves

### *Change of capital structure resulted from reorganization*

As at the date of making the report the Company increased the retained profit of the past years because of the necessity to register new charter capital being smaller than the sum of the merged companies' charter capitals.

Besides, additional capital from retained profit of the past years with regard to revaluation of fixed assets was allocated for regional branches for correct reflection of operations on fixed assets movement in balance sheet.

#### *7.9.1. Charter capital*

State registration of amendments to the Charter was completed on January 21, 2003. However, change of charter capital was recognized as a material fact, confirming economic conditions under which the Company operated at the reporting date and, in accordance with requirement of PBU 7/98 "Events (material facts) after the reporting date" it was reflected in the attached accounting reports as of December 31, 2002 (See also item 15 "Events occurred after December 31, 2002" hereof).

#### *The Company's charter capital < sum of charter capitals of the merged companies*

The Company Charter capital after reorganization became smaller than the sum of charter capitals of the merged companies and the core company before consolidation. This reduction was caused by:

- reduction of charter capitals of the merged companies resulted from cancellation of own shares redeemed from shareholders;
- increase in capital of the core company resulted from exchange of the merged companies' shares for shares of the core company.

As of December 31, 2002 the Company charter capital is RUR 1 297 779 thousand, composed of nominal value of distributed shares, and consists of:

name	Number of shares		Par value of a common and preferred share, ruble	Nominal value of preferred stock, RUR ths	Nominal value of common stock, RUR ths	Total nominal value of shares, RUR ths
	Preferred stock (shares)	Preferred stock (shares)				
Juridical persons, including	705 215 126	2 555 278 473	0,33	232 720,99	843 241,90	1 075 962,89
OJSC "Investitsionnaya Kompaniya Svyazi" – holder	0	1 500 670 705	0,33	0,00	495 221,33	495 221,33
CJSC "Depositary and Clearing Company" – nominal holder	174 363 776	326 415 976	0,33	57 540,05	107 717,27	165 257,32
CJSC "ING BANK EUROASIA ZAO" – nominal holder	125 222 737	283 548 184	0,33	41 323,50	93 570,90	134 894,40
CJSC "ABN AMRO BANK A.O." – nominal holder	170 571 280	38 789 791	0,33	56 288,52	12 800,63	69 089,15
KB "J.P. Morgan Bank International"(Ltd) – nominal holder	57 140 400	118 350 532	0,33	18 856,33	39 055,68	57 912,01
CJSC "Branswick U B S Warburg Nominees" – nominal holder	46 291 697	57 990 195	0,33	15 276,26	19 136,76	34 413,02
LINSELL ENTERPRISES LIMITED	24 769 401	58 359 587	0,33	8 173,90	19 258,66	27 432,57

<b>CJSC KB "CITYBANK" – nominal holder</b>	<b>30 271 940</b>	<b>27 451 947</b>	<b>0,33</b>	<b>9 989,74</b>	<b>9 059,14</b>	<b>19 048,88</b>
Natural persons	266 936 712	405 234 491	0,33	88 089,11	133 727,38	221 816,49
<b>TOTAL</b>	<b>972 151 838</b>	<b>2 960 512 964</b>	<b>0,33</b>	<b>320 810,11</b>	<b>976 969,28</b>	<b>1 297 779,38</b>

During 2002 the following actions were carried out:

1. On January 21, 2002 the Company shares were exchanged through split-up with split-up ratio 1:109. New number of "UTK" PJSC registered common shares is 1 150 323 325 shares with par value of 0.33 ruble (previous number – 10 553 425 shares with par value of 35.97 rubles). New number of "UTK" PJSC registered preference shares is 383 442 925 shares with a par value of 0.33 ruble (previous number – 3 517 825 shares with a par value of 35.97 rubles). Pursuant to the Decree of FCSM of Russia №235/p of February 26, 2002 state registration of reports on the results of issues of "UTK" PJSC common and preferred shares was made.

2. Pursuant to the Decree of FCSM of Russia №1012/p of August 15, 2002 state registration of issues of securities of the merged companies of the Southern Federal District to be exchanged for "UTK" PJSC securities during reorganization. Reports on the results of securities' issues were registered by FCSM of Russia on December 20, 2002.

On October 31, 2002 shares and bonds of the merging companies were exchanged for shares and bonds of "Southern Telecommunications Company" PJSC in accordance with exchange ratios.

The reorganization of ten telecom operators of the Southern Federal District including: "Svyazinform" Astrakhan Region" JSC, "Karachaevo-Cherkesskelectrosvyaz" JSC, "Electrosvyaz" Kalmykia Republic" JSC, "Electrosvyaz" Stavropol Territory" JSC, "KabBalktelecom" JSC, "Sevosetinelectrosvyaz" JSC, "Electrosvyaz of Adygeia Republic" JSC, "Volgogradelectrosvyaz" JSC, "Rostovelectrosvyaz" JSC, "Southern Telecommunications Company" PJSC. These companies became branches of "Southern Telecommunications Company" PJSC.

### 7.9.2 Owned shares

During 2002 the Company repurchased 54500 common shares at the price of RUR 1.18 per one share and 21800 preference shares at the price of RUR 0.73 per one share.

As of the date of reorganization the Company owned shares, repurchased from shareholders, including 54500 common and 21800 preference shares were cancelled and the charter capital was decreased by nominal value of the cancelled shares amounting to RUR 18 909.

Difference between balance and nominal value of redeemed shares amounting to RUR 55045 is reflected in account "Operating costs" of the attached accounting reports.

(As of December 31, 2002 the Company had no owned common and preferred shares).

### 7.9.3 Profit distribution

Planned profit distribution (2002) of the consolidated company to be approved by General Shareholders' Meeting in 2003:

Table №16

	RUR Ths
<b>I. Capital before distribution of the reported year profit</b>	
1. Charter capital	1 297 779
2. Reserves	63 260
3. Additional capital	4 215 276
4. Retained earnings of the past years	3 110 340
5. Income of the reported year	1 561 915
6. Total capital before profit distribution	10 248 570
<b>II. Distribution of earnings of the reported year.</b>	
1. formation of the reserve fund	
2. forming a special fund of the Company's shareholders (in accordance with constituent documents)	
3. dividend payments	396 867
4. capital investments	610 162
5. Retained earnings balance	554 886
4. Results of the reported year income distribution	1 561 915
<b>III. Capital after distribution of income</b>	
1. Charter capital	1 297 779
2. Reserves	63 260
3. Additional capital	4 215 276
4. Retained earnings of the past years	4 275 388
<b>IV. Increase (decrease) of capital with regard to retained earnings of the reported year.</b>	1 165 048

Allocation of the reported year income should be approved by Annual General Shareholders' Meeting.

#### **7.9.4 Reserve capital**



The Company Board of Directors did not recommend to increase the reserve capital because accrual reserves exceeded 5% of the Company charter capital.

#### 7.9.5 Dividends

Annual General Shareholders' Meeting of "UTK" PJSC and the merged companies held on June 21, 2002, approved the following dividends for the year, ended December 31, 2001:

Shares	Total dividends (total, including merged companies) RUR ths	Dividends (core company), RUR ths
Class A preferred shares	202 276,86	72 497,27
Common shares	364 656,13	217 492,83
TOTAL	566 932,99	289 990,10

The Company Board of Directors recommended the following dividends for the year 2002:

Table №18

Shares	Number of shares	of Dividend one RUR	per Total amount of share, dividends, RUR ths
1	2	3	4
Class A preferred shares	972 151 838	0.2042	198 513
Common shares	2 960 512 964	0.0670	198 354
Total	3 932 664 802		396 867

Dividends for the year 2002 are not reflected in the attached financial reports. After their approval by the Annual General Shareholders' Meeting the dividends will be reflected as usage of retained income during the year ended December 31, 2003.

#### 7.10 Credits and loans

Liabilities' structure:

Table №19. RUR ths

Name of the bank	As of 01.01.2002				As of 31.12.2002	
	Short-term liabilities		Long-term liabilities		Short-term liabilities	Long-term liabilities
	Total, including merged companies	Core company	Total, including merged companies	Core company		
1	2	3	4	5	6	7
Bank credits						
VKB BANK	5 949	-	3 979	-	-	49
VKA BANK	222	-	35 222	-	13 010	21 046
Volgogradski branch of "Alfa-Bank" JSC	-	-	190 820	-	126 023	59 185
Sberbank-Volgogradski branch #1	87 998	-	-	-	152 601	-
JSC AKB "Volgoprombank" "6	39 000	-	-	-	39 000	-
Financial department of Chernozemelski region of Kalmykia Republic	994	-	-	-	-	-
North-Caucasian bank SB RF Kalmykia section 8579	-	-	-	-	600	-
Clearing bank, Elista	-	-	-	-	180	-
AKB "Yugbank"	11 000	11 000	60 000	60 000	-	-
SB RF	171 497	171 497	110 000	110 000	470 000	150 000
AKB "Bank of Moscow"	-	-	-	-	20 000	-
Vnesheconombank	137 794	-	127 047	-		
JSC AB Incombank	237 228	-	70 195	-	212 228	8 571
North-Caucasian bank of Sberbank	-	-	-	-	1 667	

bank of Sberbank of RF							-	
Other						955		
<b>Total on credits</b>	<b>691</b>	<b>182</b>				<b>1 036</b>		
	<b>682</b>	<b>497</b>		<b>597 262</b>	<b>170 000</b>	<b>264</b>	<b>238 851</b>	
	<b>LOANS</b>							
<i>Loans from the companies of "Svyazinvest" group</i>	-	-		51 243	15 233	47064	-	
Residents-commercial credit	-	-		29 944		-	29 788	
Loan Sochi	-	-		300	300	-	282	
Center of economic development Tryokhgorny, Volgograd	42 031	-		28 087	-			
"UTK" PJSC – foreign exchange difference-telegram	-	-		40 371	-	-	-	
LONIIS	-	-		24 610	-	71499	-	
ISKRATEL	-	-		23 557	-	-	-	
"Stavtelesot" CJSC						5660	24 071	
Other borrowings				13 791			5 861	
<b>Total on loans</b>	<b>42 031</b>			<b>211 902</b>	<b>15533</b>	<b>124 223</b>	<b>60 002</b>	

**Description of credits and loans Example № 1**

**Table №19.1**

Name of supplier/creditor	Date of Agreement	Currency of a loan (RUR/USD/etc)	Principal sum (RUR ths)	Interest rate	Intervals of interest payments (monthl	Received in 2002 (RUR ths) (*)	Interest added (RUR ths) (*)	Repaid during the year (*)	Debt as of 31.12.02	Value of security as of 31.12.02 (RUR ths)
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					(monthl y, quarterl y, annually)			Princi pal sum (RUR ths)	% (RUR ths)	Princi pal sum (RUR ths)	% (RUR ths)	
1	2	3	4	5	6	7	8	9	10	11	12	13
OSB 8619	13.1 1.20 02	RUR	15000 0	18	monthly	15000 0	3210		3210	15000 0		288817
OSB 8619	27.0 5.20 02	RUR	30000 0	18	monthly	30000 0	31496		3149 6	30000 0		832610
OSB 8619	06.0 9.20 02	RUR	15000 0	16	monthly	15000 0	7346		7346	15000 0		199856
Volg ogra d bran ch of Alfa - bank	28.0 6.20 02	RUR	25000	21	monthly	25000	2675,3 4		2660, 96	25000	14,38	25700
	09.0 8.20 02	RUR	10000	20	monthly	10000	487,67	10000	487,6 7			
	16.0 8.20 02	RUR	10000	20	monthly	10000	498,63	10000	498,6 3			
	26.0 8.20 02	RUR	10000	20	monthly	10000	504,11	10000	504,1 1			
	20.1 1.20 02	RUR	10000	20	monthly	10000	224,66		219,1 8	10000	5,48	10968,24
	25.1 1.20 02	RUR	10000	19	monthly	10000	187,40		182,1 9	10000	5,21	10478,60
	27.1 1.20 02	RUR	10000	19	monthly	10000	176,99		171,7 8	10000	5,21	10968,04
	19.1 2.20 01	USD	6517, 3	7	monthly		370,46	2234,5	370,4 6	4096, 61		175123,2 6

(\* - taking into account merged companies from 01.01.2002 to 31.12.2002

Repayment schedule of other long-term liabilities as of December 31, 2002:

Table №20

Amount (RUR ths)	
2004	460164
2005	341246
2006	201441
2007	79324
After 2007	31735
<b>Total long-term borrowings (Line 590 f.1)</b>	<b>1230148</b>

## 7.11 Accounts payable

### 7.11.1 Taxes payable

Table №21

Payables to budget and extra-budgetary funds	Taxes payable		
	As of 01.01.2002		As of 31.12.2002
	Total, including indices of merged companies	Core company	
1	2	3	4
VAT	108151	49241	106778
Income tax	18212		45649
Property tax	45253	15678	38591
Income tax on individuals	29809	13351	25716
Single tax on imputed earnings			
Sales tax	15208	3263	32505
Social security taxes	69986	24450	61211
Other	5 207	18270	4940
<b>TOTAL (Line 625 + Line 626 f 1):</b>	<b>291826</b>	<b>124 253</b>	<b>315 390</b>

## 8. NOTES TO INCOME STATEMENT

### 8.1. Revenues from key activity

Sales revenues (excl. VAT, excises and other compulsory payments), prime cost of provided services:

Table №23

Table №23

Structure of revenues from sale productions, services	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Long-distance and international communication	2422457	5451094	4474823
City and rural telephony	1703114	3832808	2830837
Radio communication, broadcasting, TV, satellite communication	2193	13157	12247
Wired radio	68799	154684	150404
Wireless radio communication	19657	44279	21653
Revenues from new communication services	128705	289788	42661
Other services	190483	428490	401020
Other spellings revenues	144765	317681	284844
TOTAL (line 010, 2)	4680171	10531981	8218489

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.

### 8.2. Operating costs

Structure of special entries costs:

Table №24

Expenditures entries	2002	2001
----------------------	------	------

	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Wages and salaries	1142571	2489941	1951772
Assignments to social funds	404235	876607	692756
Fixed assets depreciation	302428	770662	635977
Material expenses	475004	1052881	822009
Payments to Rostelecom	493645	1144109	828136
Taxes referred to cost price	60482	128645	83023
Assignments to NIOKR fund	4332	13269	74490
Miscellaneous	639070	1358675	970325
Total (lines 020+030+040, form 2)	3521767	7834789	6058488

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.

### 8.3. Operating profits and losses

Structure of operating profits:

Table №25

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Joint activities' revenue	1047	6137	6208
Revenue from sales and retirement of fixed assets	26639	38016	43248
Revenue from sales and retirement of other assets	1126793	1374591	39520
Other operating income	28058	28754	20100
TOTAL (line 090, 2)	1182537	1447498	109076

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.

Structure of operating costs:

Table №26

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Expenditures from participation in other enterprises	21	1367	
Expenditures from participation in joint activity		19	
Expenditures for payment lending agencies' services	8624	26490	13018
Insurance costs			
Sales costs and retirement of assets	137046	163001	44885
Bad debt reserves	48024	237016	64044
Investment depreciation of securities' reserves			
Tax collection expenses	88944	174216	152907
Others	5908	73546	90
Total (line 100, 2)	288567	675655	274944

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.

#### 8.4. Non-sales profits and losses

Structure of non-sales profits;

Table №27

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Fines, penalties, forfeits for breach of agreements		8160	7617



	4106		
Receipts of payment damages	1138	2389	1252
Profit of past years, discovered at the reported period	51479	62156	24932
Differences in exchange	1942	16910	80823
Differences in sum	1608	3119	1098
Property cost revealed as a result of inventory	1157	1204	637
Assets received for gratis	5656	19178	32157
Other non-sales profits	61995	107430	50743
Total (line 120,2)	129081	220546	199259

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.)

Structure of non-sales losses:

Table №28

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**	Taking into account the indices of merged companies (**
1	2	3	4
Fines, penalties, forfeits	465	30932	1650
Payment of damages	261	439	66
Damages of past years, discovered at the reported period	49929	197661	43910
Differences in exchange	77942	299138	151744
Differences in sum	17238	189667	282293
Cost of lacked property as a result of inventory	30	163	155
Written –off account receivable of limitation of action expired term	1145	6993	15037
Written –off account receivable of limitation of action expired term and other receivables unreal for recovery (penalty)	1343		

		16032	4867
Charity and sponsorship	39546	53261	18247
Board of Director's fee	2270	22863	13875
Securities expenditure	6493	6493	
Materials payment	19769	149020	67454
Others	165003	253585	13591
Total (line 130,2)	381434	1226247	612889

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002.)

### 8.5. Profit tax and other similar payments

Table №29

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Profit tax ***	397172	669302	446128
Budgetary forfeits		4948	4313
Non-budgetary forfeits			914
Others	14188	17292	26606
Total (line 150 ,2)	411360	691542	477961

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002).

\*\*\* Including: tax profit during period of transmission

### 8.6. Extraordinary profits and losses

Structure of extraordinary losses:

Table №30

Description	2002	2001
-------------	------	------

	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Insurance refund received			
Security prices after write-off assets			
Others	62	62	7
Total (line 170 F2)	62	62	7

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002).

Structure of extraordinary losses:

Table №31

Description	2002		2001
	For the reported period (*)	Taking into account the indices of merged companies (**)	Taking into account the indices of merged companies (**)
1	2	3	4
Costs of stolen property	5478	11324	
Loss from useless fixed assets because natural disaster	18395	31917	3677
Others			7
Total (line 180 form 2)	23873	43241	3684

(\* - Company for the period with 01.01.2002 till 31.12.2002 and Merged companies from the date of reorganization till 31.12.2002

(\*\* - Company and Merged companies for the period with 2001 till 2002).

## **9. PROFIT PER ONE SHARE**

The issuer's profit (loss) per one share is determined as attitude of the issuer's profit (loss) during the year terminating on December 31, 2002, to the average amount of the common shares which is turned during the accounting period.

Issuer's profit (loss) during the year 2002 is determined according to Order Minister of finance of the Russian Federation from March 21, 2000 № 29 by reduction (increase) of the accounting period's profit (loss). Profit (loss) rested at the issuer's disposal after taxation and similar compulsory payments in budget and non-budget-funds to the amount of dividends under preference shares is charged to the shareholders for the reported period. Issuer's profit (loss) accounting of the reported period dividends under preference shares is ignored including cumulative dividends for the previous accounting periods, which have been paid or declared. Profit per one share constituted 0,4639 rubles according to accounting reports for the year 2002.

## **10. CESSATION OF ACTIVITY**

There was no cessation of activity in 2002

## **11 AFFILIATED PERSONS**

Pursuant to the Federal Law № 948-I of March 22, 1991 "On Competition and Limitation of Monopoly in Commodity Markets", "Affiliated persons are natural and juridical persons able to exert influence on activity of juridical and (or) natural persons acting as entrepreneurs." Operations with affiliated persons include acquisition and sale of goods, works, services (including under non-monetary contracts); acquisition and sale of fixed assets and other assets; lease of property or its offer for rent; transfer of the results of research and experimental development activities; financial operations including loaning and holding in charter capitals of other organizations; provision and receipt of guarantees and securities; other operations).

The bargain having interested motives.

Date of the occurrence of the fact (event, action): *28.01.2002*

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

1. To approve Contractor's Agreement №24/1 with "Yugsvyazstroy" CJSC on construction of city telephone exchange "ATSE-4" in Slavyansk-on-Kuban (building of telephone canalization). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 625 562 (six hundred twenty five thousand five hundred and sixty two) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
2. To approve Contractor's Agreement №25/1 with "Yugsvyazstroy" CJSC on extension of local telephone exchange in village Pavlovskaya by 700 numbers (building of trunk network). To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 180 536 (one million one hundred eighty thousand five hundred and thirty six) rubles. Terms of the Agreement: starting date – March 2002, deadline – 27 December 2002.
3. To approve Contractor's Agreement №25/2 with "Yugsvyazstroy" CJSC on extension of local telephone exchange in village Pavlovskaya by 700 numbers (building of telephone canalization). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy"

CJSC based on market prices amounting to 1 846 858( one million eight hundred forty six thousand eight hundred and fifty eight) rubles. Terms of the Agreement: starting date – March 2002, deadline – 27 December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company “Yugsvyazstroy”.

Seat: 110/1, Aivazovskogo Str.,Krasnodar.

Postal address: 110/1, Aivazovskogo Str.,Krasnodar, 350040

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 22.01.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

1. To approve Contractor's Agreement №10/1 with “Yugsvyazstroy” CJSC on reconstruction of rural telephone exchange in village Vyselki with installation of PBX of SI-2000 type having capacity of 2976 numbers (building of telephone canalization). To determine scope cost under the aforesaid Agreement with “Yugsvyazstroy” CJSC based on market prices amounting to 2 864 936 ( two million eight hundred sixty four thousand nine hundred and thirty six) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
2. To approve Contractor's Agreement №10/2 with “Yugsvyazstroy” CJSC on reconstruction of rural telephone exchange in village Vyselki with installation of PBX of SI-2000 type having capacity of 2976 numbers (building of trunk network). To determine scope cost under the aforesaid Agreement with “Yugsvyazstroy” CJSC based on market prices amounting to 1 496 192 ( one million four hundred ninety six thousand one hundred and ninety two) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
3. To approve Contractor's Agreement №10/3 with “Yugsvyazstroy” CJSC on reconstruction of rural telephone exchange in village Vyselki with installation of PBX of SI-2000 type having capacity of 2976 numbers (building of distribution network). To determine scope cost under the aforesaid Agreement with “Yugsvyazstroy” CJSC based on market prices amounting to 2 273 502 ( two million two hundred seventy three thousand five hundred and two) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company “Yugsvyazstroy”.

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 1.03.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on 26 February 2002 the following resolutions were approved (Protocol №25 of 26.02.2002):

- 1) To approve Contractor's Agreement №110 with “Yugsvyazstroy” CJSC on replacement of wooden window-frames by aluminum ones in the building of Krasnodar City

Telecommunication Center, subsidiary of "UTK" PJSC, at the following address: 294, Golovatogo Str., Krasnodar. To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 527 775 (one million five hundred twenty seven thousand seven hundred and seventy five) rubles. Terms of the Agreement: starting date – March 2002, deadline – July 2002.

- 2) To approve Contractor's Agreement №4/1 with "Yugsvyazstroy" CJSC on major repairs of administrative building at the following address: 66, Karasunskaya Str., Krasnodar. To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 3 074 000 (three million seventy four thousand) rubles. Terms of the Agreement: starting date – March 2002, deadline – April 2002.
- 3) To approve Contractor's Agreement № 5 with "Yugsvyazstroy" CJSC on capital construction of the object "block of 106 flats with attached department store in Turgeneva Street in Krasnodar". To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 41 067 504 (forty one million sixty seven thousand five hundred and four) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str., Krasnodar.

Mailing address: 110/1, Aivazovskogo Str., Krasnodar

The bargain having interested motives.

Date of the occurrence of the fact (event, action): 21.03.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 18, 2002 the following resolutions were approved (Protocol №34 of 18.04.2002):

2. To approve Contractor's Agreement №33/1 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PBX-6 of SI-2000 type having capacity of 1024 numbers in Temryuk including external module PSE-6/1 with capacity of 512 numbers in Golubitskaya" (building of telephone canalization). To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 895 053 (one million eight hundred ninety five thousand and fifty three) rubles. Terms of the Agreement: starting date – April 2002, deadline – December 2002.
3. To approve Contractor's Agreement №33/2 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PBX-6 of SI-2000 type having capacity of 1024 numbers in Temryuk including external module PSE-6/1 with capacity of 512 numbers in Golubitskaya" (building of trunk network). To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 326 997 (one million three hundred twenty six thousand nine hundred and ninety seven) rubles. Terms of the Agreement: starting date – April 2002, deadline – December 2002.
4. To approve Contractor's Agreement №33/3 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PBX-6 of SI-2000 type having capacity of 1024 numbers in Temryuk including external module PSE-6/1 with capacity of 512 numbers in Golubitskaya" (building of distribution network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 729 578 (seven hundred twenty

nine thousand five hundred and seventy eight) rubles. Terms of the Agreement: starting date – April 2002, deadline – December 2002.

5. To approve Contractor's Agreement №33/4 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PBX-6 of SI-2000 type having capacity of 1024 numbers in Temryuk including external module PSE-6/1 with capacity of 512 numbers in Golubitskaya" (laying of fiber-optic cable). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 418 434 (four hundred eighteen thousand four hundred and thirty four) rubles. Terms of the Agreement: starting date – April 2002, deadline – December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 24.01.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 09.04.2002):

1. To approve Contractor's Agreement №36/2 with "Yugsvyazstroy" CJSC on reconstruction and extension of local telephone exchange in village Novo-Dzherelievskaya, Bryukhovetsk District, with installation of "Kvant"-type PBX having capacity of 1024 numbers (building of trunk network). To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 625 565(six hundred twenty five thousand five hundred and sixty five) rubles. Terms of the Agreement: starting date – March 2002, deadline – September 2002.
2. To approve Contractor's Agreement №36/1 with "Yugsvyazstroy" CJSC on reconstruction and extension of local telephone exchange in village Novo-Dzherelievskaya, Bryukhovetsk District, with installation of "Kvant"-type PBX having capacity of 1024 numbers (building of telephone canalization). To determine approximate scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 350 356(three hundred fifty thousand three hundred and fifty six) rubles. Terms of the Agreement: starting date – March 2002, deadline – September 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 6.03.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 09.04.2002):

1. To approve Contractor's Agreement №55 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PSE-3 of SI-2000 type having capacity of 240 numbers in Inal Bay, Tuapse District, from Dzhubga PBX including MSS" (building of telephone canalization). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 2 835 860 (two million eight hundred thirty five thousand eight hundred and sixty) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
2. To approve Contractor's Agreement №56 with "Yugsvyazstroy" CJSC on execution of works at the object "Construction of PSE-3 of SI-2000 type having capacity of 240 numbers in Inal Bay, Tuapse District, from Dzhubga PBX including MSS" (building of distribution network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 796 862 (seven hundred ninety six thousand eight hundred and sixty two) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 21.01.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

1. To approve Contractor's Agreement №29/1 with "Yugsvyazstroy" CJSC on reconstruction of city telephone exchange in Abinsk with installation of "Krazar"-type PBX having capacity of 2800 numbers (building of telephone canalization). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 11 739 166(eleven million seven hundred thirty nine thousand one hundred and sixty six) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
2. To approve Contractor's Agreement №29/2 with "Yugsvyazstroy" CJSC on reconstruction of city telephone exchange in Abinsk with installation of "Krazar"-type PBX having capacity of 2800 numbers (building of trunk network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 6 511 105(six million five hundred eleven thousand one hundred and five) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.
3. To approve Contractor's Agreement №29/3 with "Yugsvyazstroy" CJSC on reconstruction of city telephone exchange in Abinsk with installation of "Krazar"-type PBX having capacity of 2800 numbers (building of distribution network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 3 548 454 (three million five hundred forty eight thousand four hundred and fifty four) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.



Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 20.03.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

- 1) To approve Contractor's Agreement №21/1 with "Yugsvyazstroy" CJSC on major repairs at the object "Reconstruction of Rural Telephone Exchange in village Novomikhailovski with extension OPS-92 and PSE of SI-2000 type having capacity of 242 numbers including SL (connecting circuit)" (building of telephone canalization). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 553 194 ( five hundred fifty three thousand one hundred and ninety four) rubles. Terms of the Agreement: starting date – April 2002, deadline – September 2002.
- 2) To approve Contractor's Agreement №21/2 with "Yugsvyazstroy" CJSC on major repairs at the object "Reconstruction of Rural Telephone Exchange in village Novomikhailovski with extension OPS-92 and PSE of SI-2000 type having capacity of 242 numbers including SL (connecting circuit)" (building of trunking network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 225 718 ( one million two hundred twenty five thousand seven hundred and eighteen) rubles. Terms of the Agreement: starting date – April 2002, deadline – September 2002.
- 3) To approve Contractor's Agreement №21/3 with "Yugsvyazstroy" CJSC on major repairs at the object "Reconstruction of Rural Telephone Exchange in village Novomikhailovski with extension OPS-92 and PSE of SI-2000 type having capacity of 242 numbers including SL (connecting circuit)" (building of distribution network). To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 1 012 698 ( one million twelve thousand six hundred and ninety eight) rubles. Terms of the Agreement: starting date – April 2002, deadline – September 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 6.05.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

- 1) To approve Agreement №1 with "CMTO" CJSC on supply of maintenance and service materials to Anapa joint communication center – "UTK" PJSC's subsidiary. To determine

- scope cost under the aforesaid Agreement based on market prices approximating 915 527 (nine hundred fifteen thousand five hundred and twenty-seven) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
- 2) To approve Agreement №2 with “CMTO” CJSC on purchase and sale of maintenance materials to Armavir joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 363 505 (one million three hundred sixty three thousand five hundred and five) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 3) To approve Agreement №3 with “CMTO” CJSC on purchase and sale of maintenance materials to Yeisk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 690 748(six hundred ninety thousand seven hundred and forty-eight) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 4) To approve Agreement №4 with “CMTO” CJSC on purchase and sale of maintenance materials to Dinskaya district communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 736 181(seven hundred thirty-six thousand one hundred and eighty-one) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 5) To approve Agreement №5 with “CMTO” CJSC on purchase and sale of maintenance materials to Kanevskaya joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 360 875(three hundred sixty thousand eight hundred and seventy-five) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 6) To approve Agreement №6 with “CMTO” CJSC on purchase and sale of maintenance materials to Kropotkin joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 794 527 (one million seven hundred ninety-four thousand five hundred and twenty-seven) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 7) To approve Agreement №7 with “CMTO” CJSC on purchase and sale of maintenance materials to Korenovsk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 746 413(seven hundred forty-six thousand four hundred and thirteen) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 8) To approve Agreement №8 with “CMTO” CJSC on purchase and sale of maintenance materials to Krymsk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 269 930(one million two hundred sixty-nine thousand nine hundred and thirty) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 9) To approve Agreement №9 with “CMTO” CJSC on purchase and sale of maintenance materials to Kurganinsk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 681 653(six hundred eighty-one thousand six hundred and fifty-three) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 10) To approve Agreement №10 with “CMTO” CJSC on purchase and sale of maintenance materials to Novorossiysk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 955

- 264(nine hundred fifty-five thousand two hundred and sixty four) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
- 11) To approve Agreement №11 with “CMTO” CJSC on purchase and sale of maintenance materials to Pavlovskaya joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 780 000(seven hundred eighty thousand) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 12) To approve Agreement №12 with “CMTO” CJSC on purchase and sale of maintenance materials to “Sochielectrosvyaz” – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 021 915( one million twenty-one thousand nine hundred and fifteen) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 13) To approve Agreement №14 with “CMTO” CJSC on purchase and sale of maintenance materials to Timashevsk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 992 652 (nine hundred ninety-two thousand six hundred and fifty-two) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 14) To approve Agreement №15 with “CMTO” CJSC on purchase and sale of maintenance materials to Tikhoretsk joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 826 375(eight hundred twenty-six thousand three hundred and seventy-five) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 15) To approve Agreement №16 with “CMTO” CJSC on purchase and sale of maintenance materials to Tuapse joint communication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 089 218( one million eighty-nine thousand two hundred and eighteen) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 16) To approve Agreement №17 with “CMTO” CJSC on purchase and sale of maintenance materials to Krasnodar city telecommunication center – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 1 729 978 ( one million seven hundred twenty-nine thousand nine hundred and seventy-eight) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.
  - 17) To approve Agreement №21 with “CMTO” CJSC on purchase and sale of maintenance materials to “Kubansvyazservice” – “UTK” PJSC’s subsidiary. To determine scope cost under the aforesaid Agreement based on market prices approximating 388 150(three hundred eighty-eight thousand one hundred and fifty) rubles. Terms of the Agreement: starting date – March 2002, deadline – 31 December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company “Center of material and technical supplies”.

Location: 5/2, Vishnyakovoy Str.,Krasnodar.

Mailing address: 5/2, Vishnyakovoy Str.,Krasnodar, 350001.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 9.04.2002

At the meeting of "Southern Telecommunications Company" PJSC's Board of Directors held on April 9, 2002 the following resolutions were approved (Protocol №31 of 9.04.2002):

1. To approve Contractor's Agreement №15 with "Yugsvyazstroy" CJSC on major repairs at the object "OES №80" located at 160-170 Uraljskaya Street Krasnodar. To determine scope cost under the aforesaid Agreement with "Yugsvyazstroy" CJSC based on market prices amounting to 887 286 ( eight hundred eighty seven thousand two hundred and eighty six) rubles. Terms of the Agreement: starting date – March 2002, deadline – December 2002.

Full identifying name of the Contractor:

Closed Joint Stock Company "Yugsvyazstroy".

Location: 110/1, Aivazovskogo Str.,Krasnodar.

Mailing address: 110/1, Aivazovskogo Str.,Krasnodar.

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 30.09.2002

"UTK" PJSC's body which approved the resolution on making a bargain: Board of Directors (Protocol №13 of 29 October 2002)

Full registered name of the Contractor:

Open Joint Stock Company "RTK-LEASING"

Seat: 5, Delegatskaya Str., Moscow, 103091

Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110

Date of making the bargain: 30 September 2002

Description of the bargain:

Cost of services provided to the Company under the Leasing Agreement № 595-204/02 with "RTK-LEASING" OJSC based on market prices constitutes 22.6 percent per annum (with an allowance for insurance).

The bargain having interested motives - the Agreement of finance lease of personal assets № 595-204/02 with "RTK-LEASING" OJSC was approved on the following essential conditions:

- amount of lease payments – 13 332 781 rubles ( ex VAT);
- subject of an Agreement - leasing of switching equipment;
- term of leasing – 5 (five) years;
- time of delivery of the equipment – 4 quarter of 2002
- right of property passes on to the lessee after settlement of all lease payments

Cost of services provided to the Company under the Leasing Agreement № 579-204/02 with "RTK-LEASING" OJSC based on market prices constitutes 22.6 percent per annum (with an allowance for insurance).

The bargain having interested motives - the Agreement of finance lease of personal assets № 579-204/02 with "RTK-LEASING" OJSC - was approved on the following essential conditions:

- amount of lease payments – 6 152 344 rubles ( ex VAT);
- subject of an Agreement - leasing of switching equipment;
- term of leasing – 5 (five) years;
- time of delivery of the equipment – 4 quarter of 2002

- right of property passes on to the lessee after settlement of all lease payments
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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 29.10.2002

“UTK” PJSC’s body which approved the resolution on making a bargain: Board of Directors (Protocol №13 of 29 October 2002)

Full registered name of the Contractor:

Open Joint Stock Company “RTK-LEASING”

Seat: 5, Delegatskaya Str., Moscow, 103091

Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110

Date of making the bargain: 30 September 2002

Description of the bargain:

Cost of services provided to the Company under the Leasing Agreement № 594-204/02 with “RTK-LEASING” OJSC based on market prices constitutes 22.6 percent per annum (with an allowance for insurance).

The bargain having interested motives - the Agreement of finance lease of personal assets № 594-204/02 with “RTK-LEASING” OJSC was approved on the following essential conditions:

- amount of lease payments – 77 634 917 rubles ( ex VAT);
- subject of an Agreement - leasing of switching equipment;
- term of leasing – 5 (five) years;
- time of delivery of the equipment – 4 quarter of 2002

- right of property passes on to the lessee after settlement of all lease payments

2. To determine the cost of services provided to the Company under the Leasing Agreement № 595-204/02 with “RTK-LEASING” OJSC based on market prices constituting 22.6 percent per annum (with an allowance for insurance).

To approve the conclusion of the bargain having interested motives - the Agreement of finance lease of personal assets № 595-204/02 with “RTK-LEASING” OJSC - on the following essential conditions:

- amount of lease payments – 13 332 781 rubles ( ex VAT);
- subject of an Agreement - leasing of switching equipment;
- term of leasing – 5 (five) years;
- time of delivery of the equipment – 4 quarter of 2002

- right of property passes on to the lessee after settlement of all lease payments

3. To determine the cost of services provided to the Company under the Leasing Agreement № 579-204/02 with “RTK-LEASING” OJSC based on market prices constituting 22.6 percent per annum (with an allowance for insurance).

To approve the conclusion of the bargain having interested motives - the Agreement of finance lease of personal assets № 579-204/02 with “RTK-LEASING” OJSC - on the following essential conditions:

- amount of lease payments – 6 152 344 rubles ( ex VAT);
- subject of an Agreement - leasing of switching equipment;
- term of leasing – 5 (five) years;
- time of delivery of the equipment – 4 quarter of 2002
- right of property passes on to the lessee after settlement of all lease payments.

**7 out of 9 members of the Board take part in the voting. There is a quorum for conducting the Board of Directors' meeting.**

The resolutions were approved by a solid vote

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 24.12.2002

“Southern Telecommunications Company” PJSC informs that at the meeting of its Board of Directors held on 24 December 2002 the following resolutions were adopted (Protocol № 17 of 24.12.2002):

On the item : “Approval of the Agreement on reception of prepaid phone cards and Lease contract with OAO “Natsionaljnaya taksofonnaya set”, having interested motives”.

3. To approve the bargain with OAO “Natsionaljnaya taksofonnaya set”, having interested motives pursuant to Part XI of the Federal Law “On Joint Stock Companies”, namely Lease Contract on SAM-module, on the following conditions:

- term of lease – 1 (one) year;
- monthly rental fee per one SAM-module under the Lease Contract with OAO “NTS” shall be determined as equivalent of 1 USD (inc VAT). Lease value amounts to 1000000 rubles including VAT.

4. To approve the bargain with OAO “NTS”, having interested motives pursuant to Part XI of the Federal Law “On Joint Stock Companies”, namely the Agreement on reception of prepaid phone cards, taking into consideration the abovementioned notes, on the following conditions:

- “UTK” PJSC shall provide telecom services paid by prepaid phone cards of OAO “NTS” according to tariffs set by “UTK” PJSC;
- OAO “NTS” shall pay an account of “UTK” PJSC within 10 bank days from its reception;
- Contract term shall be 1 (one) year. Price of one tariff unit based on market prices shall be determined 1 ruble 08 copecks.

5. To make provisions in the “UTK” PJSC budget for the year 2003 for realization of the “Concept on unified prepaid phone card in Russia” amounting to 3000000 rubles.

On the item “Approval of Supplement to the Lease Agreement №25/12 of 1 April 2002 with “Kuban-GSM” CJSC as the bargain having interested motives”.

1. To approve the Supplement to the Lease Agreement №25/12 of 1 April 2002 with “Kuban-GSM” CJSC on renting the office mentioned in paragraph 32 of Appendix №1. Monthly rental fee based on market prices shall be 5 870.5 (five thousand eight hundred and seventy) rubles including VAT.

**6 out of 9 members of the Board take part in the voting. There is a quorum for conducting the Board of Directors' meeting.**

**The resolutions were approved by a solid vote.**

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The bargain having interested motives.

Date of the occurrence of the fact (event, action): 10.10.2002

“UTK” PJSC’s body which approved the resolution on making a bargain: Board of Directors (Protocol №13 of 29 October 2002)

Full registered name of the Contractor:

Open Joint Stock Company “RTK-LEASING”

Seat: 5, Delegatskaya Str., Moscow, 103091  
Postal address: building 2A, 42, Shchepkina Str., Moscow, 129110

Date of making the bargain: 30 September 2002

Description of the bargain:

Cost of services provided to the Company under the Leasing Agreement № 594-204/02 with "RTK-LEASING" OJSC based on market prices constitutes 22.6 percent per annum (with an allowance for insurance).

The bargain having interested motives - the Agreement of finance lease of personal assets № 594-204/02 with "RTK-LEASING" OJSC was approved on the following essential conditions:

- amount of lease payments – 77 634 917 rubles ( ex VAT);
  - subject of an Agreement - leasing of switching equipment;
  - term of leasing – 5 (five) years;
  - time of delivery of the equipment – 4 quarter of 2002
- right of property passes on to the lessee after settlement of all lease payments
- 

## 12. STATE SUPPORT

During 2002 the following funds were allotted to the Company in the context of state support.

Table №34 RUR ths

Description	Amount
1	2
Financing capex on purchase, construction or other acquisition of long-term assets (fixed assets, etc)	18437
Financing operating expenses	308817
Budget credit	
Other forms of state support	
ИТОГО	327254

## 13. OFF-STATE PENSION PROVISIONING

In 2002 the Company have concluded agreements with the off-state pension Fund NPS "Telecom-Soyuz". According to this agreement the Company has committed to pay fixed installments in amounts agreed by the Parties on the annual grounds.

According to the accepted **RULES** at the Company the pension fund calculates individually for each pensioner the off-state pension.

The total amounts for the off-state pension insurance paid by the Company in 2002 amounted to 56788 thousand rubles (accounting for affiliated organizations). The following Branches had not concluded agreement of the off-state pension provisioning with the Company: "Electrosviaz" of the Republic of Kalmykia "KabBalTelekom", "Karachayevo-Cherkesskelectrosvyaz". For 2003 the amount of agreements with the off-state pension fund has not been definitely settled.

There exists the agreement with Stavropol off-state pension Fund. The relation with this Fund are based in compliance with the Federal Law №75-ФЗ from May 07, 1998 "On the off-state pension funds" and the Decision of the RF Government № 463 from May 20, 1998 "On the program of the pension reform in Russian Federation:".

#### **14. EVENTS WHICH HAVE OCCURRED AFTER DECEMBER 31, 2002 (PBU 7/98)**

- On 28.02.2003 the RF Joint Stock Saving Bank had opened for PJSC "Southern Telecommunications Company" the non-renewable credit line with the limit of 600 mln rubles for the replenishment of circulating assets and to finance capital investments for the term of 24.01.2006 at 20% interest rate. The mortgage included the equipment with the cost of 729655 500 rubles and the balance cost of 642 573 000 rubles as of 21.02.2003.
- Under the agreement for rendering information-consulting services concluded with ZAO "Renaissance Capital" the Act had been signed for executed works on the Step V of "Assistance for Affiliated companies in performing measures on removing the affiliated companies from the Register in the tax bodies and funds and the cessation of activities of the affiliated companies" in the amount of \$ 768 386.00 including V.A.T. this Act is the major basis for performing settlements, and it has been drawn on 04.01.2003.
- The Board of Directors of the company had approved the conclusion of the agreement on crediting with the Volgograd Branch of OAO "Alpha-Bank" for the amount of 300 mln rubles at 15.5% interest rate for 24 months, with additional agreements for the term not exceeding 100 days without exceeding the limit amount of 300 mln rubles. To secure the liabilities of the Company the conclusion of the agreement on the mortgage of the telecommunication equipment has been concluded for the amount not over 498 mln rubles.

#### **15. CONDITIONAL FACTORS OF ECONOMIC ACTIVITY (PBU 8/98)**

On 14.10.2002 the RF Savings Bank and PJSC "Southern Telecommunications Company" have concluded the agreement of bail. The subject of the agreement is the commitment of the Company before the Savings Bank of Russian Federation the liability for the execution by OAO "RTC-LEASING" of liabilities rising on the basis of the concluded agreement between the Savings Bank and the "OAO RTC-Leasing:" on the opening of the non-renewable credit line in the amount of 313 590 thousand rubles. The redemption of the extended credit is executed on the quarterly basis in the amount of 1/17 (one seventeenth) of the used limit of the credit line as of 1.06.2003 beginning from 7.08.2003. The annual interest rate for credit use of is 22%. The credit line for OAO RTC-Leasing has been opened to finance the expenses associated with the acquisition of equipment and subsequent transfer for leasing for the PJSC "Southern Telecommunications Company". The Company no other substantial conditional factors of the economic activity for the period from January 1, 2003 till the date of signing the accountancy.

##### ***15.1. Licenses***

The major part of profit of the Company has been received from operations executed in compliance with licenses for rendering services of electric communications issued by the RF Ministry for



Communications and Information. In October 2002 the united company obtained licenses for rendering services in the sphere of communication.

The Management is of opinion that there are no grounds for the liquidation or suspending of licenses.

### ***15.2. Political situation***

Changes in political situation, legislation, tax and regulation influence the financial-economic activity and profitability of operation of the Company in Russia. The character and frequency of such changes and the associated risks which are not covered by insurance, they are unpredicted as well as their influence for the future and profitability of the Company' operations.

### ***15.3. Taxation***

At present there are several taxes set up at the Federal and regional levels: the V.A.T., income tax, tax on the use of automobile roads, sales tax, unique social tax, other taxes and installments for social insurance and security.

The Management of the Company supposes that tax liabilities are fully represented in the appended accountancy.

### ***15.4. Actual and potential claims***

PJSC "Southern Telecommunications Company» participates in all hearings occurring in the process of the financial-economic activities. Due to the favorable outcome of hearings with tax inspection the total amount of claims amounted to 16 165 thousand rubles.

### ***15.5. Insurance***

The Company has significantly but not completely insured the main production assets. The compensation for losses has not been stipulated in cases of breaks in activities or in the case liability before the third party for the property or ecological damage prejudiced as the results of accidents or other incidents associated with the property of the Company or its activity. Up till the time as the Company gets the appropriate insurance coverage there exists the risk that the loss or the destruction of the part of the property can significantly negatively influence the activity and the financial status of PJSC "Southern Telecommunications Company".

### ***15.6. Policy in the sphere of the branch regulation***

At present the reforming of the Russian Telecommunication branch is continuing. It is impossible at present to assess the future trends and the impact of such reforms on the activity of the Company. The potential reforms in the tariff policies also can significantly influence on the activities of the Group. Taking into account the uncertainty existing in relation to the future policy of the branch regulation the Management of the Company does not possess the possibility the rate of the influence of possible changes of the branch regulation on the financial position and the results of the activities of PJSC "Southern Telecommunications Company".

General Director \_\_\_\_\_ Gorbachev V. L.

Chief Accountant \_\_\_\_\_ Fefilova S. G.

**Reference on balance sheet currency change.**

All the lines of the table must be filled with explanations of the changes (irrespective of presence of changes in opening balance).

RUR ths  
Table №1

Description	Line code	At the end of 2001 (Column 4 of Form №1 for 2001)	At the beginning of 2002 (Column 3 of Form №1 for 2002)	Change (column 4 – column 3)	Explanation
1	2	3	4	5	6
Line 110 of form 1	1110	4407	2035	(2372)	
Line 111 of form 1	1111	413	2035	1622	
Line 112 of form 1	1112				
Line 113 of form 1	1113				
Line 120 of form 1	1120	10202574	10262083	59509	
Line 121 of form 1	1121	14	14		
Line 122 of form 1	1122	7239046	7387272	148226	
Line 130 of form 1	1130	510045	491010	(19035)	
Line 135 of form 1	1135				
Line 136 of form 1	1136				
Line 137 of form 1	1137				
Line 140 of form 1	1140	407311	407308	(3)	
Line 141 of form 1	1141	310048	310047	(1)	
Line 142 of form 1	1142	49835	49744	(91)	
Line 143 of form 1	1143	37407	24459	(12948)	
Line 144 of form 1	1144	10000	10000		
Line 145 of form 1	1145	21	13058	13037	
Line 150 of form 1	1150				
Line 190 of form 1	1190	11124337	11162436	38099	
Line 210 of form 1	1210	459945	431852	(28093)	
Line 211 of form 1	1211	394862	343166	(51696)	
Line 212 of form 1	1212	1028	1028		
Line 213 of form 1	1213	148	148		
Line 214 of form 1	1214	27850	27850		
Line 215 of form 1	1215	1341	1341		
Line 216 of form 1	1216	34716	58319	23603	

Line217 of form1	1217				
Line220 of form1	1220	158963	158962	(1)	
Line230 of form1	1230	49009	53436	4427	
Line231 of form1	1231	8	8		
Line232 of form1	1232				
Line233 of form1	1233	45425	45425		
Line234 of form1	1234		4311	4311	
Line235 of form1	1235	3576	3692	116	
Line240 of form1	1240	1133878	1145556	11678	
Line241 of form1	1241	818429	825295	6866	
Line242 of form1	1242	1399	1399		
Line243 of form1	1243	2272	2269	(3)	
Line244 of form1	1244				
Line245 of form1	1245	70417	130573	60156	
Line246 of form1	1246	241361	186020	(55341)	
Line250 of form1	1250	4231	3115	(1116)	
Line 251 of form1	1251	536	536		
Line252 of form1	1252	506	506		
Line253 of form1	1253	3189	2073	(1116)	
Line260 of form1	1260	198262	199365	1103	
Line261 of form1	1261	7421	7421		
Line262 of form1	1262	174985	174986	1	
Line263 of form1	1263	577	577		
Line264 of form1	1264	15279	16381	1102	
Line270 of form1	1270				
Line290 of form1	1290	2004288	1992286	(12002)	
Line300 of form1	1300	13005444	13154722	149278	
Line 410 of form1	1410	2641731	1297779	(1343952)	
Line 420 of form1	1420	4672992	4240327	(432665)	
Line 430 of form1	1430	101127	47260	(53867)	
Line 431 of form1	1431	100536	47260	(53276)	
Line 432 of form1	1432	591		(591)	
Line 440 of form1	1440	51504		(51504)	
Line 460 of form1	1460	854278	3496200	2641922	
Line 465 of form1	1465	247042		(247042)	
Line 470 of form1	1470	977933		(977933)	
Line 475 of form1	1475				
Line 490 of form1	1490	9052523	9081566	29043	
Line 510 of form1	1510	1221890	809164	(412726)	
Line 511 of form1	1511	976901	597262	(379639)	
Line 512 of form1	1512	244989	211902	(33087)	
Line 520 of form1	1520	767878	875815	107937	
Line 590 of form1	1590	1989768	1684979	(304789)	
Line 610 of form1	1610	320987	733713	412726	
Line 611 of form1	1611	312043	691682	379639	
Line 612 of form1	1612	8944	42031	33087	

Line 620 of form1	1620	1522872	1411992	(110880)	
Line 621 of form1	1621	662744	537411	(125333)	
Line 622 of form1	1622	48072	48072		
Line 623 of form1	1623	16896	16896		
Line 624 of form1	1624	130706	130375	(331)	
Line 625 of form1	1625	70750	69986	(764)	
Line 626 of form1	1626	219960	221840	1880	
Line 627 of form1	1627	143461	155918	12457	
Line 628 of form1	1628	230283	231494	1211	
Line 630 of form1	1630	55251	55249	(2)	
Line 640 of form1	1640	187224	187223	(1)	
Line 650 of form1	1650				
Line 660 of form1	1660				
Line 690 of form1	1690	2086334	2388177	301843	
Line 700 of form1	1700	13128625	13154722	26097	
Line 910 of form1	1701	105900	105901	1	
Line 911 of form1	1702	83429	83429		
Line 920 of form1	1703	13832	13782	(50)	
Line 930 of form1	1704	37	37		
Line 940 of form1	1705	90729	90460	(269)	
Line 950 of form1	1706	127685		(127685)	
Line 960 of form1	1707	1647463	1895116	247653	
Line 970 of form1	1708	9083	9311	228	
Line 980 of form1	1709				
Line 990 of form1	1710	67611	67495	(116)	

### Changes in the Form №2 " Profit and loss statement"

All the columns of the table must be filled (irrespective of presence of changes in comparable data for the same period of the previous year).

RUR ths  
Table №2.

Description	Line code	Column.3 of form 2 for 2001	Column4 of form2 for2002	Change (column 4 – column 3)	Explanation
1	2	3	4	5	6
Revenues including from sales of telecom services (excl. VAT, excises and other compulsory payments) (line 010)	2910	8209337	8209337		
Cost of goods and services sold (line 020)	2914	5656899	6050468	393569	
Gross profit (line 029)	2920	2552438	2158869	(393569)	
Selling expenses (line 030)	2921	47346		(47346)	
Administrative expenses (line 040)	2924	361168		(361168)	
Sales return (loss) (line050)	2927	2143924	2158869	14945	
Interest income(line 060)	2928	3712	3712		
Interest expenses(line 070)	2932	139048	139048		

Proceeds from participation in other companies (line 080)	2935	14404	14404		
Other operating income(line 090)	2938	109075	109075		
Other operating expenses(line 100)	2945	274854	274854		
Non-operating income(line 120)	2955	199106	199106		
Non-operating expenses(line 130)	2959	597476	612421	14945	
Pre-tax income (loss)	2964	1458843	1458843		
Income tax and similar compulsory payments(line 150)	2965	477233	477233		
Income (loss) from regular operations (line160)	2967	981610	981610		
Extraordinary income (line 170)	2968	7	7		
Emergency expenses(line 180)	2970	3684	3684		
Net income (retained earnings (losses) of the reporting period)	<b>2972</b>	<b>977933</b>	<b>977933</b>		

**Accounts receivable expected to be paid over 12 months after the reporting date**

RUR ths  
Table №3

Customer category	Line code	Line 231 "Buyers and customers"	
		Opening balance	Closing balance
1	2	3	4
Payments of natural persons (on telecom services)	3200		
Reimbursement of expenses for provision of benefits on telecom services	3210		
Payments of budget-funded organization (on telecom services)	3220		
Payments of other organizations (on telecom services)	3230		
Accounts receivable not relating to rendering telecom services	3240	8	303
<b>TOTAL accounts receivable line 231</b>	<b>3250</b>	<b>8</b>	<b>303</b>

Accounts receivable to be paid within 12 months after the reported date

RUR ths  
Table №4

Client category	Line code	Line 241 "Buyers and customers"					
		Opening balance			Opening balance		
		Accounts receivable, total	Reserve on bad debts	Accounts receivable excluding reserve on bad debts (line 241 column 3 form 1 )	Accounts receivable, total	Reserve on bad debts	Accounts receivable excluding reserve on bad debts (line 241 column 4 form 1 )
1	2	3	4	5	6	7	8
Payments of natural persons (on telecom services)	3300	373156	(325)	372831	438282	(25016)	413266
Reimbursement of expenses for provision of benefits on telecom services	3310	36404		36404	67355	(23289)	44066
Payments of budget-funded organization (on telecom services)	3320	128080	(2314)	125766	142566	(78010)	64556
Payments of other organizations (on telecom services)	3330	240054	(3548)	236506	294720	(59459)	235261
Accounts receivable not relating to rendering telecom services	3340	53788		53788	53674	(1089)	52585
<b>TOTAL</b>	<b>3350</b>	<b>831482</b>	<b>(6187)</b>	<b>825295</b>	<b>996597</b>	<b>(186863)</b>	<b>809734</b>



Other debtors

RUR ths  
Table №5

	Код строки	Accounts receivable expected to be paid over 12 months after the reporting date as at 01.01.2002	Accounts receivable expected to be paid over 12 months after the reporting date as at 31.12.2002
1	2	3	4
Taxes	3400		
Settlements with advance holders	3410		
Settlements with employees on other operations	3420	3692	3431
Insurance payments	3430		
Payments under claims	3440		
other	3450		
<b>TOTAL (line. 235 Form.1)</b>	<b>3480</b>	<b>3692</b>	<b>3431</b>

Other debtors  
Table №5

RUR ths

	Line code	Accounts receivable expected to be paid within 12 months after the reporting date as at 01.01.2002	Accounts receivable expected to be paid within 12 months after the reporting date as at 31.12.2002
1	2	3	4
Taxes	3500	52373	91458
Settlements with advance holders	3510	1223	1113
Settlements with employees on other operations	3520	7372	12131
Insurance payments	3530	642	36
Payments under claims	3540	14796	20750
other	3550	109614	61766
<i>Reserve on other accounts receivable</i>	3560		
<b>TOTAL receivables excluding reserve (line246 Form1)</b>	<b>3580</b>	<b>186020</b>	<b>187254</b>

Debts to budget and non-budgetary funds

RUR ths  
Table №7



	<b>Line code</b>	<b>Opening balance as at 01.01.2002</b>	<b>Closing balance as at 31.12.2002</b>
1	2	3	4
VAT	3600	108151	106778
Profit tax	3610	18212	45649
Property tax	3620	45253	38591
Income tax	3630	29809	25716
Single tax on imputed earnings	3640		
Sales tax	3650	15208	32505
Payments on social insurance and security	3660	69986	61211
other	3670	5207	4940
<b>TOTAL (line625+line626 Form.1)</b>	<b>3680</b>	<b>291826</b>	<b>315390</b>

**PROFIT CHANGE**

Table №8  
RUR ths

Type of activity	Line code	Revenue (line 010 form. № 2)		Cost price (lines 020, 030, 040 form.2)		profit( line 050 form .2)		Profit change
		2002	2001	2002	2001	2002	2001	
1	2	3	4	5	6	7	8	9
<b>TOTAL</b>	<b>3700</b>	10567752	8209337	7870560	6050468	2697192	2158869	24,94
Provision of telecom services	3710	10214300	7925136	7586372	5381030	2627928	2544106	3,29
other	3750	353452	284201	284188	669438	69264	(385237)	-117,98



## Revenues in terms of types of activity

Table №9  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Domestic and international long-distance telephony	3800	5451094	4474823
Urban and rural telephony	3810	3832808	2830837
Radio communication, radio and TV broadcasting, satellite communication	3820	13157	12247
Wired radio	3830	154684	150404
Wireless radio communication	3840	44279	21653
Value-added services	3850	289788	42661
Other telecom services	3860	428490	392511
Other sales revenues	3870	353452	284201
<b>TOTAL (line. 010 form.2)</b>	<b>3890</b>	<b>10567752</b>	<b>8209337</b>

## Operating costs

Table №10  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Wages and salaries	3900	2489941	1951772
Social expenses	3910	876607	692756
Depreciation	3920	795044	635997
Material costs	3930	1052881	822009
Payments to "Rostelecom" OJSC	3940	1144109	828136
Taxes included in cost price	3950	128645	91429
Money deducted to NIOKR fund	3960	13261	74490
Other costs	3970	1370072	953879
<b>TOTAL (lines 020+030+040 form 2)</b>	<b>3990</b>	<b>7870560</b>	<b>6050468</b>

## Sales income

Table №11  
RUR ths

	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Income from joint activity	4000	6137	6208

Income from sale and other retirement of main assets	4030	38016	43248
Income from sale and other retirement of other assets	4040	1374591	39520
Other sales income	4050	28754	20099
<b>TOTAL (line 090 form 2)</b>	<b>4070</b>	<b>1447498</b>	<b>109075</b>

## Operating costs

Table №12  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Costs of participation in other companies	4100	1367	
Costs of participation in joint ventures	4110	19	
Payments for services of creditors	4120	26490	13018
Insurance expenses	4130		
Costs of sale and other retirement of assets	4140	163001	44885
Allowances for doubtful accounts	4150	237016	64044
Reserves for default of securities	4160		
Taxes	4170	174216	152907
Other costs	4180	73546	
<b>TOTAL (line 100 form 2)</b>	<b>4190</b>	<b>675655</b>	<b>274854</b>

## Non-operating income

Table №13  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Fines, penalties and forfeitures	4210	8160	7617
Compensation of losses incurred by the Company	4220	2389	1252
Profit of previous years recognized during the reporting year	4230	62156	24932
Foreign exchange gain	4240	16910	80823
Sum differences	4250	3119	1098
Value of assets accounted for during inventory	4260	1204	637
Assets received for gratis	4270	19178	32157
other	4280	107430	50590
<b>TOTAL (line 120 form 2)</b>	<b>4290</b>	<b>220546</b>	<b>199106</b>

## Non-operating expenses

Table №14.  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Fines, penalties and forfeitures	4310	30932	1650
Compensation of damages caused by the Company	4320	439	66
Losses from previous years recognized during the reporting year	4330	197661	43910
Foreign exchange loss	4340	299138	151744
Sum differences	4350	189667	28293
Deficiency of assets value accounted for during inventory	4360	163	155
Accounts receivable on which the limiting term has expired (over three years)	4370	6993	15037
Accounts receivable on which the limiting term has expired and other debts unlikely to be collected	4380	16032	4867
Charity and sponsorship	4390	53261	18247
Reimbursement paid to the Board of Directors	4400	22863	13875
Securities' provision expenditures	4410	6493	
Material payments	4420	149020	82399
other	4430	253585	252178
<b>TOTAL (line 130 form 2)</b>	<b>4450</b>	<b>1226247</b>	<b>612421</b>

## Income tax and similar payments

Table №15  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Income tax	4500	669302	446128
Fines payable to the budget	4510	4948	4313
Fines payable to extra-budgetary funds	4520		914
Other	4530	17292	25878
<b>TOTAL (line 150 form 2)</b>	<b>4550</b>	<b>691542</b>	<b>477233</b>

## Extraordinary income

Table №16  
RUR ths

Description	Line	2002	2001
-------------	------	------	------

	code	For the reporting period	For the same period of the previous year
1	2	3	4
Received insurance compensation	4600		
Cost of values left after assets retirement	4610	62	7
Other extraordinary income	4620		
<b>TOTAL (line 170 form 2)</b>	<b>4640</b>	<b>62</b>	<b>7</b>

## Emergency costs

Table №17  
RUR ths

Description	Line code	2002	2001
		For the reporting period	For the same period of the previous year
1	2	3	4
Cost value of lost inventories	4660	11324	
Losses from retirement of fixed assets made worthless by natural disasters	4670	31917	3677
Other emergency costs	4680		7
<b>TOTAL (line 180 form 2)</b>	<b>4690</b>	<b>43241</b>	<b>3684</b>