

**ОАО «ВолгаТелеком»**

603000 Russia, Nizhniy Novgorod,

M. Gorky sq., Post House,

phone (8312) 33-20-47, fax (8312) 30-67-68, e-mail: tn@sinn.ru, www.volga-telecom.ru

№ 25-8/342Date: 05.06.2003 ?

Security and Exchange Commission  
Office of International Corporate Finance  
Stop 3-2  
450 Fifth Street, NW  
Washington, DC 20549



03029014

SUPPL

03 AUG -1 AM 7:21

**Re: Joint-stock company " VolgaTelecom ", Exemption № 82-4642**

Dear sirs,

In connection with the exemption of joint-stock company " VolgaTelecom ", according to rule 12g3-2 (b), from requirements of the Law on securities and stock exchanges of 1934 on registration of reporting and according to the further requirements of rule 12g3-2 (b), we enclose the following documents:

1. The notice to ADR holders about the annual general meeting of stockholders;
2. The notice to the stockholder;
3. The voting ballots;
4. The project of Regulations on the procedure of the general meeting of stockholders of the Society in a new wording;
5. annual accounts of the Society;
6. The conclusion of the Revision Committee of the Society;
7. The conclusion of the Auditor of the Society;
8. Information on candidates for members of the Board of Directors of the Society;
9. Information on candidates for the Revision Committee of the Society.
10. Information on availability or absence of the written consent of candidates to stand for Management and Control bodies of the Society;
11. Recommendations on payment of dividends for 2002;
12. Projects of decisions on the agenda issues.

PROCESSED

AUG 12 2003

THOMSON  
FINANCIAL

J. P. Morgan Bank is the depository bank for the above-named company according to form F-6, registration number 333-86930 on an ADR program for common shares.

If you have any questions, do not hesitate to call me directly at the following phone: 7-8312-33-47-93 or François Raush, the manager of ADR program of joint-stock company " VolgaTelecom " in J. P. Morgan Bank to. +44 207 777 2022 (London).

Yours faithfully,  
First Deputy General Director

A.V. Arakcheyev

1283-2(b)



Открытое акционерное общество

**ВОЛГАТЕЛЕКОМ**

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tn@sinn.ru, www.volga-telecom.ru

03 AUG -1 11:21

re № 05.06.2003 № 25-8/343  
of \_\_\_\_\_

Банк Дж. П. Морган  
Факс: +44 207 325 8094  
Тел. +44 207 777 2022 Лондон (Франсуа Рауш)

**Извещение держателю АДР в форме акций ОАО «ВолгаТелеком»**

The board of directors decided to hold the annual general meeting of stockholders on June 27, 2003 in form of joint presence The list of the persons having the right to participation in the annual general meeting of stockholders, is made on the basis of the data of the registry of stockholders as of 18-00 (local time) on May, 8, 2003.

**THE AGENDA:**

1. Approval of the annual report, annual accounts, including the profit and loss statement (the account of profits and losses), distribution of the profit and losses of the Society by results of accounting (2002) fiscal year.
2. Payment of dividends for 2002, the size, terms and form of their payment for shares of each category.
3. Election of members of the Board of directors of the Society.
4. Election of members of the Revision committee of the Society.
5. Approval of the Auditor of the Society for 2003.
6. Approval of Regulations about the procedure of the general meeting of stockholders of the Society in a new wording.
7. Definition of the size of remuneration to members of the Board of directors of the Society.

Yours faithfully,  
First Deputy General Director

A.V. Arakcheyev

1283-2(b)



Открытое акционерное общество  
**ВОЛГАТЕЛЕКОМ**

03 AUG -1 AM 7:21

603000 Russia, Nizhniy Novgorod, M. Gorky square, Post House,

The address to which stockholders can send the filled ballots - 603000 Russia, Nizhniy Novgorod, M.Gorky sq., Post House.  
The form of the assembly - the annual general meeting of stockholders in form of joint presence of stockholders with a preliminary submission of voting ballots

Date of the assembly June 27, 2003.

Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.

Time of the beginning of registration - 8:00 hours.

Time of the beginning of assembly - 10:00 hours.

**BALLOT № 1 FOR VOTING ON ISSUE № 1 OF THE AGENDA:**

**«APPROVAL OF THE ANNUAL REPORT, ANNUAL ACCOUNTS, INCLUDING PROFIT AND LOSS STATEMENT (ACCOUNT OF PROFITS AND LOSSES), DISTRIBUTION OF PROFIT AND LOSSES OF THE SOCIETY BY RESULTS OF ACCOUNTING (2002) FISCAL YEAR»**

\_\_\_\_\_  
(name or title of the stockholder)

ID code:

Amount of voting shares:

Number of votes:

Decision: to approve the annual report, annual accounts, including profit and loss statement (account of profits and losses), distribution of profit and losses of the Society by results of accounting (2002) fiscal years.

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\*0000000150112\*

\*0000000150112\*

**FOR**

**AGAINST**

**ABSTENTION**

\_\_\_\_\_

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Votes

Votes

Votes

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available.  
They should be necessarily marked with  or :

voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly

voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly

part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly

voting is carried out according to instruction of owners of depository securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

\_\_\_\_\_

The ballot should be necessarily signed by the stockholder (his proxy)

(See reverse)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depositary securities.

Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.

1285-2(b)



Открытое акционерное общество  
**ВОЛГАТЕЛЕКОМ**

603000 Russia, Nizhniy Novgorod, M. Gorky square, Post House,

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The form of the assembly - the annual general meeting of stockholders in form of joint presence of stockholders with a preliminary submission of voting ballots

Date of the assembly June 27, 2003.

Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.

Time of the beginning of registration - 8:00 hours.

Time of the beginning of assembly - 10:00 hours.

BALLOT № 2 FOR VOTING ON ISSUE № 2 OF THE AGENDA:

«About payment of dividends for 2002, size, terms and form of their payment for shares of each category»

\_\_\_\_\_  
(name or title of the stockholder)

ID code:

Amount of voting shares:

Number of votes:

Decision:

**To pay dividends for 2002:**

- for common shares at a rate of 0, 7066 Rubles per share in monetary form or in form of other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.

- for preferred shares at a rate of 1,7954 Rubles per share in monetary form or in form of other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.

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**FOR**

**AGAINST**

**ABSTENTION**

\_\_\_\_\_

Votes

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Votes

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Votes

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available.

They should be necessarily marked with  or :

- voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out according to instruction of owners of depository securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

\_\_\_\_\_

The ballot should be necessarily signed by the stockholder (his proxy)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depositary securities.

Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.

123-2(6)



Открытое акционерное общество  
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The form of the assembly - the annual general meeting of stockholders in form of joint presence of stockholders with a preliminary submission of voting ballots

Date of the assembly June 27, 2003.

Place of the assembly - Nizhny Novgorod, M. Gorky sq., Post House.

Time of the beginning of registration - 8:00 hours.

Time of the beginning of assembly - 10:00 hours.

**BALLOT № 3 FOR VOTING ON ISSUE № 3 OF THE AGENDA:**

**«Election of members of the Board of directors of the Society»**

(name or title of the stockholder)

ID code:

Amount of voting shares:

Quantitative strength of the Board of directors: 11 persons

Number of votes:

Amount of candidates: 17 persons

Decision: to elect members of the Board of directors of the Society:

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|     |  |
|-----|--|
| FOR |  |
|-----|--|

votes

|                           |  |
|---------------------------|--|
| AGAINST<br>all candidates |  |
|---------------------------|--|

votes

|                              |  |
|------------------------------|--|
| ABSTENTION<br>all candidates |  |
|------------------------------|--|

votes

| Candidates (name) |                                   | votes FOR |
|-------------------|-----------------------------------|-----------|
| 1                 | Bilibin Yury Aleksandrovich       |           |
| 2                 | Bobin Maxim Viktorovich           |           |
| 3                 | Vasiliev Michael Borisovich       |           |
| 4                 | Grigorieva Alla Borisovna         |           |
| 5                 | Grigorieva Lyubov Ivanovna        |           |
| 6                 | Dudchenko Vladimir Vladimirovich  |           |
| 7                 | Zabuzova Elena Viktorovna         |           |
| 8                 | Kozin Vladimir Vladimirovich      |           |
| 9                 | Lopatin Alexander Vladimirovich   |           |
| 10                | Lyulin Vladimir Fedorovich        |           |
| 11                | Marin Igor Ivanovich              |           |
| 12                | Peter Montgomery Halloran         |           |
| 13                | Romsky Georgy Alekseyevich        |           |
| 14                | Savchenko Victor Dmitrievich      |           |
| 15                | Fedorov Oleg Romanovich           |           |
| 16                | Chernogorodsky Sergey Valerievich |           |
| 17                | Yurchenko Eugeny Valerievich      |           |

Signature of the stockholder (his proxy)

|  |
|--|
|  |
|--|

The ballot should be necessarily signed by the stockholder (his proxy)  
(See reverse)

Election of members of the Board of directors is carried out by cumulative voting, i.e. the number of votes belonging to the stockholder is multiplied by 11 (number of persons to be elected for the Board of directors).

**The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available. They should be necessarily marked with  or .**

- voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out according to instruction of owners of depositary securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right oa participation in the general meeting - May 8, 2003.

**If the voter has chosen the voting option 'pro', the voter has the right to give all his votes completely for one candidate or to distribute them between two and more candidates.**

The ballot in which the total number of votes given for candidates, exceeds the number of votes belonging to the stockholder at voting on the specified issue, **is nullified.**

The fractional part of a vote received as a result of multiplication of votes belonging to the stockholder, owner of the fractional share, by number of persons to be elected for the Board of directors of the Society, can be given only for one candidate.

The candidates who collected the greatest number of votes are considered selected to the Board of directors of the Society .



1283-2(b)



Открытое акционерное общество  
**ВОЛГАТЕЛЕКОМ**

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The form of the assembly - the annual general meeting of stockholders in form of joint presence of stockholders with a preliminary submission of voting ballots

Date of the assembly June 27, 2003.  
Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.  
Time of the beginning of registration - 8:00 hours.  
Time of the beginning of assembly - 10:00 hours.

BALLOT № 4 FOR VOTING ON ISSUE № 4 OF THE AGENDA:  
«Election of members of the Revision committee of the Society»

(name or title of the stockholder)

ID code: 1234567890987  
Amount of voting shares:  
Number of votes:  
Decision: to elect the Revision committee of the Society:

|   | Candidates                       | Voting options           |  |                          |  |                          |  |
|---|----------------------------------|--------------------------|--|--------------------------|--|--------------------------|--|
|   |                                  | FOR                      |  | AGAINST                  |  | ABSTENTION               |  |
| 1 | Belyaev Konstantin Vladimirovich | <input type="checkbox"/> |  | <input type="checkbox"/> |  | <input type="checkbox"/> |  |
| 2 | Greseva Lyubov Aleksandrovna     | <input type="checkbox"/> |  | <input type="checkbox"/> |  | <input type="checkbox"/> |  |
| 3 | Podosinov Sergey Vladimirovich   | <input type="checkbox"/> |  | <input type="checkbox"/> |  | <input type="checkbox"/> |  |
| 4 | Tareyeva Larissa Valerievna      | <input type="checkbox"/> |  | <input type="checkbox"/> |  | <input type="checkbox"/> |  |
| 5 | Feklin Alexander Vasiljevich     | <input type="checkbox"/> |  | <input type="checkbox"/> |  | <input type="checkbox"/> |  |
|   |                                  | votes                    |  | votes                    |  | votes                    |  |

The revision committee will be elected in the size of 5 (five) persons. In case if the 'pro' option is left in the ballot for more than 5 candidates, the ballot is nullified, except the ballots containing number of votes opposite to voting options.

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available. They should be necessarily marked with  or :

- voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out according to instruction of owners of depository securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

The ballot should be necessarily signed by the stockholder (his proxy)  
(See reverse)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depository securities.

### Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.

1285-2(b)



Открытое акционерное общество  
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Date of the assembly June 27, 2003.  
Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.  
Time of the beginning of registration - 8:00 hours.  
Time of the beginning of assembly - 10:00 hours.

BALLOT № 5 FOR VOTING ON ISSUE № 5 OF THE AGENDA:

**«Approval of the Auditor of the Society for 2003»**

\_\_\_\_\_ (name or title of the stockholder)

ID code:

Amount of voting shares:

Number of votes:

Decision: **to approve CJSC «Ernest and Young Vneshaudit» as Auditor of the Society for 2003.**

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\*0000000150112\*

\*0000000150112\*

**FOR**

**AGAINST**

**ABSTENTION**

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\_\_\_\_\_

votes

votes

votes

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available.

They should be necessarily marked with  or .

voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly

voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly

part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly

voting is carried out according to instruction of owners of depository securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

\_\_\_\_\_

The ballot should be necessarily signed by the stockholder (his proxy)  
(See reverse)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depositary securities.

Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.



Открытое акционерное общество  
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Date of the assembly June 27, 2003.

Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.

Time of the beginning of registration - 8:00 hours.

Time of the beginning of assembly - 10:00 hours.

BALLOT № 6 FOR VOTING ON ISSUE № 6 OF THE AGENDA:

**«Approval of Regulations on procedure of the general meeting of stockholders of the Society in a new wording»**

\_\_\_\_\_  
(name or title of the stockholder)

ID code:

Amount of voting shares:

Number of votes:

Decision: **to approve Regulations on procedure of the general meeting of stockholders of the Society in a new wording**

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\*0000000150112\*

\*0000000150112\*

**FOR**

**AGAINST**

**ABSTENTION**

\_\_\_\_\_

votes

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votes

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votes

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available.

They should be necessarily marked with  or .

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voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly

part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly

voting is carried out according to instruction of owners of depositary securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

\_\_\_\_\_

The ballot should be necessarily signed by the stockholder (his proxy)

(See reverse)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depositary securities.

Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.

7283-2(b)



Открытое акционерное общество  
**ВОЛГАТЕЛЕКОМ**

603000 Russia, Nizhniy Novgorod, M. Gorky square, Post House,

The address to which stockholders can send the filled ballots - 603000 Russia, Nizhniy Novgorod, M.Gorky sq., Post House.

The form of the assembly - the annual general meeting of stockholders in form of joint presence of stockholders with a preliminary submission of voting ballots

Date of the assembly June 27, 2003.

Place of the assembly - Nizhniy Novgorod, M. Gorky sq., Post House.

Time of the beginning of registration - 8:00 hours.

Time of the beginning of assembly - 10:00 hours.

BALLOT № 7 FOR VOTING ON ISSUE № 7 OF THE AGENDA:

**«Definition of the size of remuneration to members of the Board of directors of the Society»**

\_\_\_\_\_  
(name or title of the stockholder)

ID code:

Amount of voting shares:

Number of votes:

**Decision:** to approve the following norms (percent of deductions for payment of quarterly and annual compensation to members of the Board of directors:

- at a rate of 0.006 % from proceeds of the Society from sales of the goods, production, works, services for accounting quarter according to accounts of the Society to each member of the Board of directors;
- at a rate of 0.4 % from net profit of the Society for report year according to accounts of the Society for all members of the Board of directors of the Society.

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**FOR**

**AGAINST**

**ABSTENTION**

votes

votes

votes

The number of votes opposite to voting options is put down only if at least one of the conditions mentioned below is available.  
They should be necessarily marked with  or .

- voting is carried out according to instructions of purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having the right of participation in the assembly
- part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly
- voting is carried out according to instruction of owners of depository securities (securities of a foreign issuer issued according to the foreign legislation and certifying the rights to shares)

Signature of the stockholder (his proxy)

\_\_\_\_\_

The ballot should be necessarily signed by the stockholder (his proxy)  
(See reverse)

Leave only one voting option, except for voting according to instructions of persons who acquired shares after the date of drawing up the list of persons having right of participation in the assembly, or owners of depositary securities.

Cross unnecessary voting options!

If more than one of voting options is left in the ballot in blocks for putting down the number of votes given for each of voting options, the votes given for a specified voting option should be indicated with the mark that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons having right of participation in the general meeting and (or) according to instructions of owners of depositary securities.

The proxy voter a proxy for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the voting is carried out by proxy given for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting.

If, after the date of drawing up the list of persons having right of participation in the general meeting, not all of votes are transferred, the voter should specify the number of votes given for the chosen voting option in the block for putting down the votes opposite to the chosen voting option, and make a mark that the part of shares is transferred after the date of drawing up the list of persons having right of participation in the general meeting. If instructions of purchasers of such shares coinciding with the chosen voting options are received for shares transferred after the date of drawing up the list of persons having right of participation in the general meeting, such votes are summed up.

Date of drawing up the list of persons having right of participation in the general meeting - May 8, 2003.





603000 Russias, Nizhniy Novgorod, a square. M.Gorkogo, Post House,

## NOTICE

### Dear stockholder!

Open joint-stock company "VolgaTelecom" notifies you of the annual general meeting of stockholders which will be held on June 27, 2003 in the form of joint presence at the following address: Nizhniy Novgorod, M.Gorky sq., Post House, the assembly begins at 10:00 h (local time), the registration begins at 8:00 h (local time).

#### Agenda of the general meeting of stockholders:

1. Approval of the annual report, annual accounts, including the profit and loss statement (the account of profits and losses), distribution of the profit and losses of the Society by results of accounting (2002) fiscal year.
2. Payment of dividends for 2002, the size, terms and form of their payment for shares of each category.
3. Election of members of the Board of directors of the Society.
4. Election of members of the Revision committee of the Society.
5. Approval of the Auditor of the Society for 2003.
6. Approval of Regulations about the procedure of the general meeting of stockholders of the Society in a new wording.
7. Definition of the size of remuneration to members of the Board of directors of the Society.

Stockholders, owners of common shares of the Society have a vote on all issues of the agenda of the stockholders meeting.

The List of persons having the right of participation in the annual general meeting of stockholders is made on the basis of data of the registry of stockholders as of 18:00 h (local time) on May 8, 2003.

From June 5, 2003 the persons having the right to participation in the annual general meeting of stockholders, can familiarize themselves with materials of the agenda of the general meeting of stockholders at the following addresses:

Nizhniy Novgorod, M.Gorky sq., Post House, from 9:00 h to 20:00 h (local time),  
Kirov, Drelevskogo street, 43/1, from 8:00 h to 17:00 h (local time),  
Ioshkar Ola, Sovetskaya street, 138, from 8:00 h to 17:00 h (local time),  
Saransk, Bolshevikskaya street, 13, from 8:30 h to 17:30 h (local time),  
Orenburg, Volodarskogo street, 11, from 9:00 h to 18:00 h (local time),  
Penza, Kuprin street, 1/3, from 8:00 h to 17:00 h (local time),  
Samara, Krasnoarmeyskaya street, 17, from 8:00 h to 17:00 h (local time),  
Saratov, Kiselyov street, 40, from 8:00 h to 17:00 h (local time),  
Ulyanovsk, L. Tolstoy street, 60, from 8:00 h to 17:00 h (local time),  
Izhevsk, Pushkinskaya street, 278, from 8:00 h to 17:00 h (local time),  
Cheboksary, Lenin. pr, 2, from 8:00 h to 17:00 h (local time),

And also on the web-site of the Society in the Internet at the following address: [www.sviazinform.nnov.ru](http://www.sviazinform.nnov.ru).

The stockholder (the representative of the stockholder) has the right to vote ahead of schedule, by directing properly filled ballots for voting to the following address: 603000, Nizhniy Novgorod, M.Gorky sq., Post House. The votes submitted by voting ballots are taken into account at definition of the quorum and summarizing of voting results under condition of their reception by the Society not later than two days prior to the date of the assembly, i.e. prior to June 24, 2003 inclusive.

If the voting is carried out by proxy by sending the voting ballots, it is necessary to attach the power of attorney (on the basis of which the representative acts) to the ballots, or a properly certified copy, or a document confirming the rights of the representative to act without the power of attorney on behalf of the stockholder, a legal person.

At appearance in the annual general meeting, the stockholders should have an identification document, voting ballots. The stockholder having the right of participation in the general meeting, can direct a proxy for participation in the assembly. Powers of proxies of stockholders (physical persons) should be confirmed with the power of attorney certified by a public notary, or in a different way established by the Civil code of the Russian Federation. Powers of representatives of stockholders (legal persons) should be confirmed with the power of attorney certified by the stockholder, or a document confirming the rights of the representative to act without the power of attorney on behalf of the stockholder (legal person).

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Project

AUTHORIZED  
by the Annual general meeting of stockholders  
of OJSC "VolgaTelecom "

" " \_\_\_\_\_ 200 \_\_\_\_.

Minutes # \_\_\_\_ from " " \_\_\_\_\_ 2003.

Chairman of the annual general meeting of stockholders of OJSC "VolgaTelecom  
"

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## REGULATIONS

About the procedure of the general meeting of stockholders of open joint-stock  
company "VolgaTelecom" (OJSC "VolgaTelecom")

New edition

Nizhniy Novgorod

2003.

The present regulation on the procedure of the general meeting of stockholders of open joint-stock company " VolgaTelecom " (OJSC " VolgaTelecom ") (further - Regulations) according to **the current legislation of the Russian Federation** and the Charter of open joint-stock company " VolgaTelecom " (further - the Society) defines the procedure of the general meeting of stockholders and other issues connected to preparation and carrying out of annual and extraordinary general meetings of stockholders of the Society.

## 1. THE GENERAL MEETING OF STOCKHOLDERS: KINDS, FORMS AND TERMS.

1.1. The general meeting of stockholders is the supreme management body of the Society.

1.2. The Society is obliged to convoke the annual general meeting of stockholders annually. The following issues should be solved in the annual general meeting of stockholders:

Election of the Board of directors of the Society,  
Election of the Revision committee of the Society,  
Approval of the Auditor of the Society,

Approval of annual reports, annual accounting documents, including profit and loss statements (accounts of profits and losses) of the Society, and also distribution of the profit, including payment (declaration) of dividends, and losses of the Society by results of the fiscal year, also other questions can be resolved which are attributed to the competence of the general meeting of stockholders.

1.3. The general meetings of stockholders held besides the annual general meeting are extraordinary.

The extraordinary general meeting of stockholders is held following a decision of the Board of directors on the basis of its own initiative, the requirement of the Revision committee of the Society, the auditor of the Society, and also the stockholders (stockholder) who own not less than 10 percent of voting shares of the Society at the date of presentation of the requirement, following the procedure stipulated by the present Regulations.

1.4. The general meeting of stockholders can be held in the form of an assembly in form of joint presence of stockholders for discussion of of the agenda issues and adoption of decisions on the issues put to voting, In the form of an absentee voting.

The general meeting of stockholders, the agenda of which includes issues of election of the Board of directors of the Society, election of the Revision committee of the Society, approval of the auditor of the Society, and approval of annual reports, an annual accounts, including profit and loss statements (accounts of profits and losses) of the Society, questions of distribution of the profit, including payment (declaration) of dividends, and losses of the Society by results of the fiscal year cannot be held in the form of an absentee voting.

1.5. The annual general meeting of stockholders is held not earlier than in four months and not later than in six months after the termination of the fiscal year.

1.6. The extraordinary general meeting of stockholders convoked on demand of the Revision committee of the Society, the auditor of the Society or the stockholders (stockholder) who own not less than 10 percent of voting shares of the Society, should be performed within 40 days from the moment of presentation of the requirement about convoking the extraordinary general meeting of stockholders.

1.7. The extraordinary general meeting of stockholders convoked on demand of the Revision committee of the Society, the auditor of the Society or the stockholders (stockholder) who own not less than 10 percent of voting shares of the Society the agenda of which contains an issue of election of members of the Board of directors of the Society, should be held within 70 days from the moment of presentation of the request about convoking the extraordinary general meeting of stockholders.

1.8. In the case when the amount of members of the Board of directors of the Society is less than the quorum necessary for holding sessions of the Board of directors of the Society, the extraordinary general meeting of stockholders convoked following a decision of the Board of directors of the Society on the basis of its own initiative for the decision of an issue of election of the Board of directors of the Society, should be held within 70 days from the moment of the adoption of a decision to convoke the meeting by the Board of directors of the Society.

1.9. With exception of the case specified in item 1.8 of the present regulation, the extraordinary general meeting of stockholders convoked following a decision of the Board of directors of the Society on the basis of its own initiative for the decision of any issues of the competence of the general meeting of stockholders, including questions:

- About the preschedule termination of powers of the Board of directors of the Society and about election of the Board of directors of the Society (in the case when the amount of members of the Board of directors of the Society makes a quorum necessary for sessions of the Board of directors of the Society),

- About election of the Board of directors of the Society (in the case when the Board of directors has not been elected for any reason),

It is held in time, determined by the Board of directors of the Society, in view of requests of the current legislation and the Charter of the Society.

## 2. THE PROCEDURE OF PROPOSALS ABOUT INCLUDING ISSUES IN THE AGENDA OF THE ANNUAL GENERAL MEETING OF STOCKHOLDERS AND ABOUT NOMINATION CANDIDATES FOR THE MANAGEMENT BODIES OF THE SOCIETY ELECTED BY THE GENERAL MEETING OF STOCKHOLDERS AND PRESENTATION OF REQUESTS ABOUT CONVOCAION OF THE EXTRAORDINARY GENERAL MEETING OF STOCKHOLDERS.

2.1. A proposal to include issues into the agenda of the annual general meeting of stockholders and a candidate nomination proposal for the management bodies of the Society elected by general meeting of stockholders, can be moved, or requests of convoking an extraordinary general meeting are submitted by way of:

- submission per mail to the address (location) of the sole CEO of the Society, contained in the uniform state registry of legal persons;

- By a delivery with receipt acknowledgment to the person who is carrying out functions of a sole executive of the Society, Chairman of the Board of directors of the Society, the Corporate secretary of the Society or other person, authorized to accept the written correspondence addressed to the Society;

- Submission by means of facsimile communication.

2.2. The proposal to include issues into the agenda of the annual general meeting of stockholders and a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders, should contain the information stipulated by item 53 of the

meeting of stockholders should contain the information stipulated by item 55 of the Federal law «About joint-stock companies». The corresponding requirements of item 53 of the Federal law «About joint-stock companies» are applied for candidate nomination proposals for executive bodies of the Society elected by the general meeting of stockholders, contained in the request of convoking an extraordinary general meeting of stockholders.

2.3. The proposal for the agenda of the annual general meeting of stockholders, a candidate nomination proposal for the bodies of the Society elected by the general meeting of stockholders, and the request of an extraordinary general meeting are accepted from those stockholders, who (whose representatives) signed them.

2.4. The stake of the voting shares belonging to the stockholder (stockholders), moving a proposal for the agenda of the annual general meeting of stockholders and/or promoting candidates for the executive bodies of the Society elected by the general meeting of stockholders, is defined for the date of submission of such proposal.

The stake of the voting shares belonging to the stockholder (stockholders), demanding convocation of an extraordinary general meeting is defined for the date of presentation of such request.

2.5. In case if the proposal for the agenda of the annual general meeting of stockholders, a candidate nomination proposal for executive bodies of the Society elected by the general meeting of stockholders, or the request of an extraordinary general meeting is signed by a representative of the stockholder, the power of attorney (the copy of the power of attorney certified as due), containing information about the person represented and the representative which according to the Federal law "About joint-stock companies" should be contained in the power of attorney for the voting, made out according to requests of the Federal law "About joint-stock companies" to registration of the power of attorney for voting should be attached to such a proposal.

2.6. In case if the proposal for the agenda of the annual general meeting, a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders, or the request of an extraordinary general meeting is signed by the stockholder (his representative), whose rights to shares are accounted for in a depot account of the depositary, the extract from the depot account of the stockholder in the depositary which registers the rights to the specified shares should be attached to such a proposal (request).

2.7. At the nomination in the Board of directors, the Revision committee of the Society, the written consent of the nominated candidate and the information on the candidate, subject to be granted to the persons having the right of participation in the general meeting, can be attached to the proposal during preparation of the general meeting.

2.8. If the proposal for the agenda of the annual general meeting or a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders is sent by mail, the date of motion is the date specified in the impression of a date stamp, confirming the submission date of the mail item.

If the request of the extraordinary general meeting is sent by unregistered mail, the date of presentation of such request is the date specified in the impression of a date stamp, confirming the reception date of the mail item and in case if the request of the extraordinary general meeting is sent by certified mail or other registered item of mail, the date of delivery of the mail item to the addressee on receipt endorsement.

2.9. If the proposal for the agenda of the annual general meeting, a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders, or the request of the extraordinary general meeting is delivered with a receipt endorsement, the date of motion or of presentation of the request is the delivery date.

2.10. If the proposal for the agenda of the annual general meeting, a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders or the request of the extraordinary general meeting is sent by facsimile, the date of motion or of presentation of the request is the date of reception of the facsimile message by the Society following the procedure stipulated by paragraph two of present item.

The facsimile message containing the proposal or the request, should be sent to the number of a fax of the Society and received by the Society within the limits of official time of termination of the working day established in the Society. At the transmission of the facsimile message, the surname of the person sending the text, the date and the time of transmission, and also the surname of the person receiving it are indicated. In addition, the person sending the text, is obliged to demand a confirmation of receipt of the text, and the person receiving the text is obliged to confirm its reception by sending a return facsimile message.

At reception of the original of the proposal or the request sent by fax by the Society, the date of motion or presentation of the request is the date of reception of the facsimile message by the Society.

2.11. The board of directors of the Society is obliged to consider the arrived proposals for the agenda of the annual general meeting of stockholders or a candidate nomination proposal for the management bodies of the Society elected by the general meeting of stockholders, and to make corresponding decisions not later than five days after the termination of term of motions established by the Charter of the Society.

Proposals for the agenda of the annual general meeting of stockholders or candidate nomination proposals for the management bodies of the Society elected by the general meeting of stockholders, received by the Society after the established date of consideration of motions are also considered by the Board of directors following the procedure stipulated by the current legislation.

2.12. Motions received by the Society to include issues into the agenda of the annual general meeting of stockholders, candidate nomination proposals for the management bodies of the Society elected by the general meeting of stockholders, and requests of convocation of the extraordinary general meeting of stockholders can be revoked by the persons who put the motions and presented the requests. Such revocation should be sent in any way stipulated by item 2.1 of the present regulation for sending proposals and for presentation of requests. In addition, the date of reception of mail by the Society, the date of its delivery, or the date of reception of the fax by the Society is considered to be the date of reception of the revocation.

### 3. PREPARATION FOR THE GENERAL MEETING OF STOCKHOLDERS

3.1. During preparation of the general meeting of stockholders the Board of directors of the Society defines:

The form of of the general meeting of stockholders;

The date, place and time of the general meeting of stockholders and the mail address to which the filled ballots can be sent, or if the general meeting of stockholders is held in form of an absentee voting, the deadline for reception of voting ballots and the mail address to which the filled ballots should be sent;

Time of the beginning of registration of the persons participating in the general meeting of stockholders;

Date of drawing up the list of the persons having the right to participate in the general meeting of stockholders;

The agenda of the general meeting of stockholders;

The type (types) of preferred shares, the owners of which possess a vote on issues of the agenda of the general meeting of stockholders;

Stockholder notification procedure for the general meeting of stockholders;

The list of information (materials) given to stockholders during the preparation of the general meeting of stockholders, and the procedure of its delivering;

The form and the text of a voting ballot.

3.2. The place of the general meeting of stockholders should be determined in the city where the Society is located, or other locality in the territory of the Russian Federation, where a branch or representation of the Society is located.

3.3. At the definition of the time of the general meeting of stockholders the number of the issues included in the agenda of the meeting should be taken into account. The time of the meeting cannot be determined earlier than at 9 and after 22 hours of local time.

3.4. At the definition of the beginning time of the of registration of the persons participating in the general meeting of stockholders, the amount of persons included in the corresponding list should be taken into account.

3.5. At the approval of the agenda of the general meeting of stockholders, the Board of directors of the Society has the right to unite two and more issues of the competence of the general meeting of stockholders into one issue of the agenda of the meeting.

Integration of questions is allowed only in case if the decision on one of such issues is impossible without adoption of decisions on other, related issues.

The following issues cannot be integrated:

Issues, voting of which is carried out by different voters;

Issues which require a different number of votes of stockholders (owners of voting shares participating in the meeting) for adoption of a decision.

#### 4. NOTICE OF THE GENERAL MEETING OF STOCKHOLDERS.

4.1. The notice of the general meeting of stockholders should be made not later than 20 days, and the notice of the general meeting of stockholders the agenda of which contains an issue of reorganization of the Society - not later than 30 days before date of the meeting.

In case if the proposed agenda of the extraordinary general meeting of stockholders contains an issue of election of the Board of directors of the Society, the notice of convoking an extraordinary general meeting of stockholders should be made not later than 50 days before date of the meeting.

The notice of the general meeting of stockholders should be made in the form stipulated by the current legislation of the Russian Federation and the Charter of the Society, in the procedure determined by the Board of directors of the Society.

4.2. The notice of the general meeting of stockholders should specify:

The long title of the Society and the location of the Society;

The form of the general meeting of stockholders (assembly or an absentee voting);

The date, place and time of the general meeting of stockholders and the mail address to which the filled ballots can be sent, or, in case if the general meeting of stockholders is held in form of an absentee voting, the closing date of reception of voting ballots and the mail address to which the filled ballots should be sent;

Time of the beginning of registration of persons (their representatives), participating in the general meeting of stockholders;

Date of drawing up the list of the persons having the right of participation in the general meeting of stockholders;

The agenda of the general meeting of stockholders;

The procedure of confirmation of their powers by representatives of the persons having the right of participation in the general meeting of stockholders;

Procedure of examination of the information (materials) subject to be granted to persons having the right of participation in the general meeting, during preparation of the general meeting, and address (address) at which it is possible to familiarize oneself with it (the address (location) of the sole executive of the Society, and also addresses of other places where the information (materials) will be given.

4.3. The notice to stockholders about of the general meeting of stockholders the agenda of which includes issues the voting on which can entail occurrence of the right to demand the repayment of shares by the Society, except information specified in item 4.2 of the present regulation, should contain the following information

About the right of stockholders (owners of voting shares of the Society) to demand the repayment of shares belonging to them by the Society if they voted against adoption of a decision or did not take part in voting these issues;

About the price and the procedure of the repayment of shares.

4.4. The notice to stockholders of convoking an extraordinary general meeting of stockholders, the agenda of which contains an issue of election of the Board of directors of the Society, besides of information specified in item 4.2 of the present regulation, should contain the information on the procedure and terms of promotion of candidates for the Board of directors of the Society by the stockholders (stockholder) who own not less than 2 percent of voting shares of the Society in aggregate.

4.5. Beside the information specified in items 4.2 - 4.4 of the present regulations, the notice of the general meeting of stockholders can contain other information on the procedure of participation of stockholders in the general meeting of stockholders.

## 5. QUORUM OF THE GENERAL MEETING OF STOCKHOLDERS. THE REPEATED GENERAL MEETING OF STOCKHOLDERS.

5.1. The general meeting of stockholders is competent (has quorum) if the stockholders possessing in aggregate more than half of votes of the placed voting shares of the Society have taken part in it.

The stockholders registered for participation in the general meeting of stockholders, and stockholders whose ballots are received not later than two days before the date of the general meeting of stockholders are considered to have taken part in it. Stockholders whose ballots are received before the closing date of reception of ballots are considered to have taken part in the



5.2. At absence of the quorum necessary for the annual general meeting of stockholders, a repeated general meeting of stockholders with the same agenda should be held. At absence of the quorum necessary for convoking an extraordinary general meeting of stockholders, the repeated general meeting of stockholders with the same agenda can be held.

The repeated general meeting of stockholders is competent (has quorum) if the stockholders possessing in aggregate not less than 30 percent of votes of placed voting shares of the Society have taken part in it.

When holding a repeated general meeting of stockholders less than 40 days after the failed general meeting of stockholders, the persons having the right of participation in the general meeting of stockholders, are defined according to the list of persons having the right of participation in the specified general meeting of stockholders.

5.3. On results of definition of the quorum on the issues of the agenda of the general meeting of stockholders, the Registrar of the Society, which is carrying out the functions of the tellers, makes a report on definition of the quorum, signed by the persons authorized by the Registrar.

If the necessary quorum for the general meeting of stockholders is present, the report on definition of the quorum is made not later than 15 days after closing the assembly or after closing date of reception of ballots in case of assembly in form of an absentee voting.

In case of absence of the quorum necessary for the general meeting of stockholders, the report on definition of quorum is made not later than 15 days after the planned date of the meeting or after the planned closing date of reception of ballots, if the failed meeting had to be held in form of an absentee voting.

## 6. PERSONS VOTING IN THE GENERAL MEETING OF STOCKHOLDERS.

6.1. If the agenda of the general meeting of stockholders includes issues, voting on which is carried out by different groups of voters, the definition of the quorum for adoption of a decision on these issues is carried out separately. In addition, the absence of the quorum for adoption of a decision on issues, voting on which is carried out by one group of voters, does not interfere with adoption of a decision on issues, voting on which is carried out by other group of voters for acceptance of which the quorum is present.

6.2. The issues of competence of the general meeting of stockholders, for voting on which the voters are defined separately, concern:

- 1) Election of members of a revision committee and preschedule termination of powers;
- 2) Adoption of a decision on approval of transactions in fulfilment of which there is an interested party;
- 3) Discharge the person, who independently or together with affiliated persons acquired 30 or more percent of the placed common shares of the Society, from the duty of purchasing shares from other stockholders of the Society;
- 4) Reorganization of the Society;
- 5) Liquidation of the Society, appointment of the liquidation commission and approval of intermediate and final liquidating balances;
- 6) amendments and additions to the Charter of the Society limiting stockholders' rights (owners of preferred shares of a certain type, including cases of definition or increase of the size of the dividend and (or) definitions or increases of the liquidation cost, paid for preferred shares of the prior tier, and also granting to stockholders (owners of preferred shares) of other type of privileges

6.3. Stockholders, owners of shares of the Society voting on all issues of competence of the general meeting of stockholders, except members of the Board of directors of the Society or persons occupying posts in management bodies of the Society, possess a vote in the general meeting of stockholders on the issue specified in subitem 1 of item 6.2 of the present regulation, .

Stockholders, owners of shares of the Society voting on all issues of competence of the general meeting not interested in fulfilment of the transactions, possess a vote in the general meeting of stockholders on the issue specified in subitem 2 of item 6.2 of the present regulation, .

The stockholders, owners of shares of the Society voting on all issues of competence of the general meeting of stockholders, except the person who independently acquired 30 or more percent of the placed common shares of the Society, and his affiliated persons possess a vote in the general meeting of stockholders on the issue specified in subitem 3 of item 6.2 of the present regulation.

The stockholders, owners of common shares of the Society and the stockholders, owners of preferred shares of the Society of each type possess a vote in the general meeting of stockholders on the issues specified in subitems 4, 5 of item 6.2 of the present regulation, .

The stockholders, owners of shares of the Society voting on all issues of competence of the general meeting of stockholders, and the stockholders, owners of preferred shares of the Society of each type with limited rights possess a vote in the general meeting of stockholders on the issue specified in subitem 6 of item 6.2 of the present regulation.

6.4. The group voting on issues of the agenda of the general meeting of stockholders is defined for the date of drawing up the list of persons having the right of participation in the general meeting of stockholders.

6.5. If definition of the quorum for different issues of the agenda of the assembly is to be carried out separately, the information on presence (absence) of the quorum for each issues of this kind is specified in the report on definition of the quorum.

## 7. THE BODIES FORMED FOR THE GENERAL MEETING OF STOCKHOLDERS.

7.1. Chairman of the general meeting of stockholders is the person determined by the Charter of the Society. The Chairman of the general meeting of stockholders conducts the assembly, including

- 1) Declares opening and closing of the assembly,
- 2) Declares the persons presenting information on issues of the agenda,
- 3) Supervises the course of discussion of issues of the agenda,
- 4) Carries out other functions stipulated by the present Regulations.

7.2. For participation in conducting the general meeting of stockholders held in form of an assembly, following a decision of the Chairman of the assembly, the Presidium of the general meeting of stockholders can be formed.

The Chairman and the members of Presidium of the assembly jointly conduct the general meeting of stockholders and carry out the functions stipulated by subitems 1 - 3 of item 7.1 of the present regulation.

7.3. In case if there is no person presiding the general meeting according to the Charter of the Society in the extraordinary general meeting held following a decision of bodies and persons having the right to demand convocation of the extraordinary general meeting, the Chairman of the general meeting is the person who adopted the decision of holding an extraordinary general meeting (his

representative), or, if the decision on holding an extraordinary general meeting is adopted by several persons or members of a joint body, it is one of them appointed by their decision.

7.4. A Secretary (Secretary) of the general meeting of stockholders is appointed by the Chairman of the general meeting of stockholders for taking the minutes of the general meeting of stockholders.

7.5. In case if a Corporate secretary of the Society is appointed in the Society, the Corporate secretary, as the secretary of the general meeting of stockholders, carries out the following functions:

1) Taking necessary measures for preparation and conducting of the general meeting of stockholders according to requirements of the legislation, the Charter and other internal documents of the Society on the basis of the decision on the general meeting of stockholders adopted by the Board of directors of the Society or other bodies and persons according to requirements of the legislation and the Charter of the Society;

2) Preparation of instructions for the Registrar of the Society about drawing up the list of persons having the right of participation in the general meeting of stockholders, and the list of the persons qualified to receive dividends for shares;

3) Gathering materials which should be presented to the general meeting of stockholders, providing access to them, confirming and delivering copies of the documents on demand of the persons having the right to participate in the general meeting of stockholders;

4) The notice on the general meeting of stockholders to all members of management and control bodies of the Society;

5) Gathering the filled voting ballots received by the Society to addresses determined for their reception, and duly transfer of such ballots to the Registrar of the Society which is carrying out the tellers functions;

6) Answering questions of participants of the general meeting concerning the procedure of the meeting in connection with application of the present regulation and observance of requirements of the current legislation, and also taking measures for resolution of conflicts in connection with the procedure of preparation and conduct of the general meeting of stockholders;

7) The organization of recording the minutes of the general meeting of stockholders.

In case if the Corporate secretary is not appointed or absent at the general meeting of stockholders or during a certain moment of its preparation, the specified functions are carried out by the Secretary of the assembly and/or other persons of the Society.

7.6. Functions of tellers of the Society are carried out by the Registrar of the Society. In addition, the Registrar of the Society checks the powers and registers the persons participating in the general meeting of stockholders, defines the quorum of the general meeting of stockholders, explains the questions arising in connection with voting by stockholders (their representatives) in the general meeting, explains the voting procedure for the issues which are put to vote, assures observance of the established voting procedure and of rights of stockholders to participate in voting, counts the votes and results of voting, makes the report on results of voting, transfers the voting ballots to the archive, carries out other functions stipulated by the present Regulations.

At realization of functions of tellers, the Registrar of the Society has the right:

- To conduct ledgers and other registration registers of any forms at its own discretion;

- to define forms of the minutes independently in compliance with requirements of the current legislation and the present regulation .

8. THE PROCEDURE OF THE GENERAL MEETING OF STOCKHOLDERS AND VOTING ON ISSUES OF THE AGENDA OF THE GENERAL MEETING OF STOCKHOLDERS HELD IN FORM OF AN ASSEMBLY (JOINT PRESENCE OF STOCKHOLDERS FOR DISCUSSION OF ISSUES OF THE AGENDA AND ADOPTION OF DECISIONS ON THE ISSUES PUT TO VOTING).

8.1. Registration for participation in the general meeting is obligatory for persons (their representatives), included in the list of persons having the right of participation in the general meeting, except persons (their representatives) whose ballots are received not later than two days before the date of the assembly. The persons (representatives) having the right of participation in the assembly whose ballots are received not later than two days before the date of the assembly, have the right to be present at the assembly.

In case if before registration of the representative of the person having the right of participation in the assembly, the Society or the Registrar who is carrying out functions of the tellers, receipts the notice on replacement (retirement) of the representative, the person having the right of participation in the assembly (including the new representative working on the basis of the power of attorney for voting) is subject to registration for participation in the assembly.

Purchasers of the shares transferred after the date of drawing up the list of persons, having the right of participation in the assembly, are subject to registration for participation in the assembly if the person included in the list of persons having the right of participation in the assembly gives powers of attorney for voting with such shares to the purchasers.

8.2. The general meeting held in form of an assembly, opens, if by the time of beginning of the meeting there is a quorum even for one of the issues included in the agenda of the general meeting. Registration of the persons having the right of participation in the general meeting, not registered for participation in the general meeting before its opening, terminates at the moment of the end of discussion of the last issue of the agenda of the general meeting for which there is a quorum.

8.3. In case if by the time of the beginning of the general meeting of stockholders there is no quorum for one of the issues included in the agenda, the Registrar who is carrying out functions of the tellers notifies the Chairman of the general meeting of stockholders. The Chairman of the assembly makes a decision on the term of carry of opening of the general meeting of stockholders. In addition opening of the general meeting of stockholders cannot be transferred more than at 2 o'clock.

In case of postponement of the opening of the general meeting of stockholders, the actual opening time of assembly is reflected the in the minutes of the general meeting of stockholders.

8.4. Consideration of issues in the general meeting of stockholders is carried out according to the sequence determined by the authorized agenda.

The sequence of consideration of issues can be changed following a decision of the Chairman of the assembly.

8.5. Discussion of issues of the agenda of the general meeting of stockholders consists in representation of information on issues of the agenda and in giving them (if necessary) explanations to issues of the agenda and submitted information to the persons participating in assembly, .

Discussion of issues of the agenda of the assembly occurs following the procedure determined by items 8.6 - 8.9 of the present regulations.

8.6. The information to the discussed issue of the agenda is presented in form of reports (notes) to the persons participating in the assembly by speakers appointed by the Chairman.

Persons (their representatives), participating in the assembly, who declared their intention to present additional information to issues of the agenda should submit an application. Such applications should be submitted in written form to the Chairman of the general meeting of stockholders prior to the beginning of consideration of the corresponding issue of the agenda of the assembly. In the application, the name (title) of the person, the formulation of the issue of the agenda to which the information is presented, the time necessary for the speaker, the number of votes with which the person votes the discussed issue of the assembly agenda are specified.

8.7. Each person (representative) participating in the assembly, has the right to apply for explanation of any issue of the assembly agenda and the information submitted to him to the Chairman of the assembly, to members of Presidium of the assembly or to the person (persons) who have presented the information. Such application should be sent in written form to the Chairman of the general meeting of stockholders prior to the beginning of discussion of the following issue of the assembly agenda with indication of the name (title) of the person participating in the assembly, number of votes with which the person votes the discussed issue of the assembly agenda.

Each written application properly made, should be examined in the assembly.

If, in opinion of the Chairman of the assembly, a member of Presidium of assembly or the person (persons) who have presented the information it is not possible to give an exhaustive explanation immediately, or the person (representative) participating in the assembly demands a written explanation of the issue of interest, such written explanation should be sent to the person in question not later than 10 days after closing the general meeting of stockholders. The written explanation can be given only in case of appropriate registration of the application according to paragraph 1 of the present item.

8.8. The time of reports on issues of the assembly agenda and for explanations concerning the arrived applications is defined by the Chairman of the assembly. In addition:

- The speaker appointed by the Chairman of the assembly gets for his contribution at the meeting from 10 to 45 minutes;
- the person (his representative), participating in the assembly with additional information on an agenda is given not less than 5 minutes for his contribution;
- For contribution with an explanation of the arrived application, it is allocated at least 10 minutes.

The time allocated by the Chairman of the assembly for a contribution can be used by the speaker not in full extent.

The Chairman of the assembly has no right to make comments on a contribution, neither to interrupt the speaker, except for cases if the speaker breaks the procedure of the assembly stipulated by the present Regulations.

8.9. Necessity of breaks during the general meeting of stockholders and their duration is defined by the Chairman of the assembly.

The break during the general meeting of stockholders cannot be announced during discussion of an agenda issue.

8.10. An opportunity to vote on the agenda issues of the assembly at any time from the moment of opening the assembly till the moment of the termination of voting time determined according to item 8.11 of the present regulation, and the beginning of calculation of votes on the

agenda issues of the assembly is given to persons (their representatives) registered for participation in the general meeting of stockholders, .

8.11. After discussion of the last agenda issue of the general meeting of stockholders of which there is a quorum, the Chairman of the assembly gives additional 30 minutes or more for voting on the agenda issues of the assembly.

8.12. Results of voting and decisions adopted by the general meeting can be

1) announced in the general meeting of stockholders

Or

2) reported the persons having the right of participation in the assembly, in accordance with established procedure.

8.13. The general meeting of stockholders is closed

1) at the moment when all decisions are adopted by the assembly during the meeting, and the voting results, in a case stipulated by subitem 1 of item 8.12 of the present regulation, are announced,

Or

2) At the moment of the expiration of time given for voting on issues of the agenda according to item 8.11 of the present regulation, in a case stipulated by subitem 2 of item 8.12 of the present regulation.

The general meeting by the moment of opening of which there was a quorum only for separate issues of the agenda, cannot be closed, if, by the moment of the termination of registration, persons whose registration provides a quorum for adoption of a decision on other issues of the agenda of the general meeting were registered.

## 9. THE VOTING BALLOT OF THE GENERAL MEETING OF STOCKHOLDERS.

9.1. Voting on issues of the agenda of the general meeting of stockholders is carried out only by voting ballots.

The voting ballot should be sent or handed with a receipt endorsement to each person specified in the list of persons having the right of participation in the general meeting of stockholders not later than 20 days prior to the date of the general meeting of stockholders. The voting ballot is sent by certified mail.

On demand of the persons registered for participation in the general meeting held in form of an assembly whose ballots are not received by the Society or are received later than two days prior to date of the assembly, only voting ballots marked "as repeated" delivery can be given to them.

If during the general meeting of stockholders in form of an assembly, the Society or the Registrar who is carrying out functions of the tellers, receives a notice of replacement (retirement) of the representative before registration of the representative, whose authorities terminate from a person having the right of participation in the general meeting of stockholders, the person having the right of participation in the assembly must be given voting ballots, (including the new representative acting on the basis of a proxy voter).

When a general meeting of stockholders in form of an assembly is held, voting ballots should be given to purchasers of the shares transferred after the date of drawing up the list of persons, having the right of participation in the assembly, registered for participation in the assembly, if the person included in in the list of persons, having the right of participation in the assembly gives powers of attorney for a proxy voting with the specified shares to the purchasers.

When the general meeting of stockholders is held in form of an absentee voting, the purchasers of shares transferred after the date of drawing up the list of persons having the right of participation in the assembly should be given voting ballots, if the person included in the list gives powers of attorney for proxy voting with the specified shares to the purchasers, only in case of their application:

- to the Society, if the submission (delivery) of voting ballots is carried out by the Society independently,

or

- to the Registrar of the Society, if the submission (delivery) of voting ballots is carried out by the Registrar under the contract made with the Society.

9.2. The voting ballot should contain:

1) The long title of the Society and the location of the Society;  
2) The form of the general meeting of stockholders (assembly or an absentee voting);  
3) the date, place and time of the general meeting of stockholders and the mail address to which the filled ballots can be sent, or in case of the general meeting of stockholders in form of an absentee voting, the closing date of reception of voting ballots and the mail address to which the filled ballots should be sent;

4) Formulations of decisions on each issue (name of each candidate), voting on which is carried out by the specified ballot;

5) Voting options on each issue of the agenda, expressed by formulations pro, contra or "abstained" and the blocks opposite of each voting option for putting the poll, votes given for each voting option, and in a case if the ballot is used for cumulative voting concerning election of members of the board of directors, also:

- the instruction that election of members of the Board of directors of the Society is carried out by cumulative voting, and an explanation of the essence of cumulative voting,

- A block for putting down opposite to the name of each candidate of the poll, given for the candidate by the person participating in the assembly, who chose the voting option "pro",

- An explanation that the fractional part of a vote calculated as a result of multiplication of the poll, belonging to the stockholder, owner of a fractional share, by the number of persons to be elected for the Board of directors of the Society, can be given only for one candidate;

6) A mention that the voting ballot should be signed by the stockholder;

7) Explanations that:

The voter has the right to choose only one voting option, except for cases of voting according to instructions of persons who acquired the shares after the date of drawing up the list of persons having the right of participation in the assembly, or according to instructions of owners of depositary securities;

If in the ballot there are left more than one voting option in the blocks for putting down the number of votes, given for each of voting options, the poll of corresponding voting options should be specified, and the mark is made that the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list having the right of participation in the assembly, and (or) according to instructions of the owners of depositary securities;

When voting by proxy with shares transferred after the date of drawing up the list of persons having the right of participation in the general meeting, the proxy voter should specify the number of votes given for a voting option in the appropriate block for putting down the number of votes opposite to the chosen voting option, and to make a mark that the voting is carried out by a proxy with shares transferred after the date of drawing up the list of persons having the right of participation in the assembly;

If after the date of drawing up the list of persons having the right of participation in the assembly, not all shares are transferred, the voter should specify the poll given for his voting option in the block for putting down the poll opposite to the chosen voting option and make a mark that a part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly. If the shares transferred after the date of drawing up the list of persons having the right of participation in the assembly are instructed with an order of purchasers of these shares which coincide with the option chosen by the voter, these votes are summed up.

Besides, the ballot can also specify:

- 1) The formulation of each issue put for voting, and the sequence of its consideration;
- 2) the way of marking the chosen voting option;
- 3) the surname, name and patronymic of the person having the right of participation in the general meeting of stockholders;
- 4) the number of votes with which the person having the right of participation in the general meeting of stockholders can vote, on each issue of the agenda of the assembly;
- 5) blocks to put down the figure indicating the poll marked by the persons who have specified the chosen voting option (options) in the following cases:
  - the voting is carried out according to instructions of purchasers of the shares transferred after the date of drawing up the list of persons, having the right of participation in the assembly,
  - the voting is carried out according to instructions of owners of depositary securities;
  - the voting is carried out by proxy, given for the shares transferred after the date of drawing up the list of persons having the right of participation in the assembly;
  - a part of shares is transferred after the date of drawing up the list of persons having the right of participation in the assembly;
- 6) other information determined by the Board of directors of the Society.

The voting ballot should not contain two or more issues of the agenda of the general meeting of stockholders if the voting on these issues is carried out by different groups of voters.

9.3. The following ballots are invalid:

- 1) Voting ballots in which there is chosen more than one voting option by the voter, except for cases when the voting is carried out according to instructions of persons who acquired shares after the date of drawing up the list of persons having the right of participation in the assembly, or according to instructions of owners of depositary securities;
- 2) The voting ballots received by the Society signed by the representative, acting on the basis of the proxy for voting, in case of reception by the Society or the Registrar who is carrying out functions of tellers, of the notice of replacement (retirement) of this representative not later than two days prior to the date of the general meeting;
- 3) There are found two or more filled ballots of one person with different voting options of the same voter on one issue of the agenda of the general meeting, except the cases when the voting ballots are signed by the person who was giving the proxy for voting with shares transferred after the date of drawing up the list of persons having the right of participation in the assembly, and (or) by persons acting on the basis of such proxies in which the blocks for putting down the number of votes given for each of the voting options, the number of votes given for specified voting options is specified, and contain the corresponding marks stipulated by item 9.2 of the present regulation;
- 4) the voting ballot for election of members of the Revision committee of the Society in which the voting option 'pro' is chosen for a bigger number of candidates than the number of persons to be elected for the Revision committee of the Society, except the cases when the voting ballots are signed by the person who is carrying out voting with shares transferred after the date of drawing up the list of persons having the right of participation in the assembly, according to the instructions



received from purchasers of such shares, and (or) the person who is carrying out voting with shares, circulating outside the Russian Federation in the form of depositary securities, according to the instructions received from owners of depositary securities, and the prorer marks stipulated by item 9.2 of the present regulation are made.

9.4. If the voting ballot contains some questions put on voting, a recognition of the ballot as void for one or several issues does not entail a recognition of the voting ballot as void as a whole.

9.5. The votes submitted by a nullified voting ballot, for one, several or all issues voted with the specified ballot are not taken into account at summing up the vots on those issues for which the specified ballot is nullified.

The invadation of a voting ballot regarding voting on one, several or all issues voted with this ballot is not the basis for invalidation of votes with the specified ballot at the definition of the quorum.

#### 10. EXPENSES FOR PREPARATION AND EXECUTION OF THE GENERAL MEETING OF STOCKHOLDERS.

10.1. The list of expenses for preparation and execution of the annual general meeting of stockholders and the extraordinary general meeting of stockholders held following a decision of of the Board of directors of the Society on the basis of its own initiative, the requirement of the Revision committee of the Society, the auditor of the Society, and also the stockholders (stockholder), owners of not less than 10 percent of voting shares of the Society for the date of presentation of the requirement, is made and approved by the Management board of the Society.

10.2. In case if during the term established by the Board of directors of the Society the decision on convocation of the extraordinary general meeting of stockholders is not adopted or the decision on refusal of the convocation is adopted, and the extraordinary general meeting of stockholders is called by bodies and persons demanding its convocation, and the general meeting of stockholders adopted a decision on reimbursement of costs for preparation and convocation of an extraordinary general meeting of stockholders is adpted at the expense of means of the Society, only documentarily confirmed expenses made by bodies and persons who possessed powers necessary for convocation and holding of an extraordinary general meeting of stockholders are subject to compensation.

#### 11. THE PROCEDURE OF APPROVAL OF REGULATIONS AND AMENDMENTS AND ADDITIONS.

11.1. The present regulation is approved by the general meeting of stockholders by majority of votes of stockholders, owners of voting shares of the Society participating in the assembly.

11.2. The present regulation can be amended and changed by the general meeting of stockholders by majority of votes of stockholders, owners of voting shares of the Society participating in the assembly.

11.3. If, as a result of change of the legislation of the Russian Federation or the Charter of the Society, separate articles of the present regulation are in contradiction with them, the Regulation is applied only in parts not contradicting with the current legislation and the Charter of the Society.

1283-2(b)

**BALANCE SHEET**

of December 31, 2002

Region

Volga Region

Organization

PJSC "VolgaTelecom"

Tax payer ID

5260901817

Type of activity

telecommunications

Legal form of organization /form of ownership

PJSC

Measurement unit:

Thousand Rubles

Form № 01 OKUD

Date (year, month, day)

03 AUG - 1 17:21

OKPO

Tax Payer ID

OKDP

OKOPF/OKFS

OKEI

| CODES      |    |    |
|------------|----|----|
| 0710001    |    |    |
| 2003       | 03 | 31 |
| 01142788   |    |    |
| 5260901817 |    |    |
| 52300      |    |    |
| 47         | 16 |    |
| 384        |    |    |

Address:

603000, N.Novgorod, Maxim Gorky sq., Post House

Date of approval

Date of sending (accepting)

|          |
|----------|
|          |
| 31.03.03 |

| ASSETS  | Code of line | Beginning of Report Period* | Beginning of Report Period with parameters of the affiliated organizations** | End of Report Period with parameters of the affiliated organizations*** |
|---|--------------|-----------------------------|--|---|
| 1   | 2            | 3                           | 4  | 5   |
| <b>I. NON-CIRCULATING ASSETS</b>  |              |                             |  |   |
| Intangibles (04,05)   | 110          | -                           | 465  | 60  |
| including:  |              |                             |  |   |
| patents, licenses, trade marks (service marks), other analogous rights and assets | 111          | -                           | 465  | 60  |
| Organization expenses   | 112          | -                           | X  | X   |
| The Company's standing  | 113          | -                           | X  | X   |
| Fixed assets  | 120          | 2 362 485                   | 10 136 469   | 12 410 903  |
| including:  |              |                             |  |   |
| Land and nature objects   | 121          | 86                          | 2 313  | 2 702   |
| Buildings, machines and equipment   | 122          | 1 668 486                   | 7 434 654  | 8 931 149   |
| Outstanding construction works  | 130          | 200 980                     | 660 625  | 859 593   |
| Profitable investments in stocks of materials and capital equipment, including:   | 135          | -                           | 159  | 104   |
| Property for leasing  | 136          | -                           | -  | -   |
| Property given on the contract of hire  | 137          | -                           | 159  | 104   |
| Long-term financial investments   | 140          | 26 319                      | 72 858   | 72 316  |
| including:  |              |                             |  |   |
| investment in affiliates  | 141          | 4                           | 4 081  | 2 138   |
| investment in dependent companies   | 142          | 12 762                      | 33 780   | 33 180  |
| investment in others companies  | 143          | 13 225                      | 20 434   | 20 382  |
| investment in organizations for the term over 12 months                           | 144          | 328                         | 328  | -   |
| other long-term financial investments   | 145          | -                           | 14 235   | 16 616  |
| Other non-circulating assets  | 150          | -                           | -  | -   |
| <b>Part I Total</b>   | <b>190</b>   | <b>2 589 784</b>            | <b>10 870 576</b>  | <b>13 342 976</b>   |

| ASSETS  | Code<br>of line | Beginning of<br>Report Period* | Beginning of<br>Report Period with<br>parameters of the<br>affiliated<br>organizations** | End of Report<br>Period with<br>parameters of the<br>affiliated<br>organizations*** |
|---|-----------------|--------------------------------|--|---|
| 1   | 2               | 3                              | 4  | 5   |
| <b>II. CIRCULATING ASSETS</b>   |                 |                                |  |   |
| Inventories   | 210             | 90 109                         | 400 056  | 443 555   |
| including:  |                 |                                |  |   |
| Raw materials, supplies and other similar values  | 211             | 76 285                         | 293 153  | 339 006   |
| livestock for rearing and fattening   | 212             | -                              | 7  | 4   |
| expenses in work in progress (distribution costs)   | 213             | -                              | 1 129  | 1 456   |
| Finished commodity and goods for resale   | 214             | 5 265                          | 57 920   | 52 434  |
| goods shipped   | 215             | -                              | 264  | 187   |
| deferred expenses   | 216             | 8 559                          | 47 583   | 50 468  |
| Other inventories and expenses  | 217             | -                              | -  | -   |
| VAT for acquired valuables  | 220             | 43 212                         | 176 236  | 569 731   |
| Accounts receivable ( the payments on which are expected more<br>than in 12 months after report date) | 230             | -                              | 13 672   | 23 658  |
| including:  |                 |                                |  |   |
| Buyers and customers  | 231             | -                              | 808  | 2   |
| bills receivable  | 232             | -                              | -  | -   |
| debt of affiliates and subsidiaries   | 233             | -                              | -  | -   |
| advances paid out   | 234             | -                              | -  | 1 975   |
| other debtors   | 235             | -                              | 12 864   | 21 681  |
| Accounts receivable (payments within 12 months after report date)                                     | 240             | 337 454                        | 1 185 300  | 1 093 813   |
| including:  |                 |                                |  |   |
| buyers and customers  | 241             | 257 503                        | 902 462  | 806 560   |
| bills receivable  | 242             | 82                             | 3 936  | 1 666   |
| debt of affiliates and subsidiaries   | 243             | -                              | 291  | 36  |
| debt of participants (founders) in contributions to charter capital                                   | 244             | X                              | X  | X   |
| advances paid out   | 245             | 17 857                         | 91 072   | 133 768   |
| other debtors   | 246             | 62 012                         | 187 539  | 151 783   |
| Short-term financial investments,   | 250             | 94                             | 3 829  | 13 233  |
| including:  |                 |                                |  |   |
| loans for the term of less than 12 months   | 251             | -                              | 100  | 1 935   |
| own shares redeemed from shareholders   | 252             | 94                             | 225  | -   |
| other short-term financial investments  | 253             | -                              | 3 504  | 11 298  |
| Monetary resources,   | 260             | 18 623                         | 152 834  | 145 563   |
| including:  |                 |                                |  |   |
| Cash  | 261             | 2 087                          | 5 983  | 6 073   |
| settlement accounts   | 262             | 15 622                         | 122 337  | 122 737   |
| foreign exchange accounts   | 263             | -                              | 33   | 3   |
| other monetary funds  | 264             | 914                            | 24 481   | 16 750  |
| Other circulating assets  | 270             | -                              | -  | -   |
| <b>Part II Total</b>  | <b>290</b>      | <b>489 492</b>                 | <b>1 931 927</b>   | <b>2 289 553</b>  |
| <b>BALANCE (sum of lines 190+290)</b>   | <b>300</b>      | <b>3 079 276</b>               | <b>12 802 503</b>  | <b>15 632 529</b>   |

| LIABILITIES  | Code of line | Beginning of Report Period* | Beginning of Report Period with parameters of the affiliated organizations** | End of Report Period with parameters of the affiliated organizations*** |
|--|--------------|-----------------------------|--|---|
| 1  | 2            | 3                           | 4  | 5   |
| <b>III. CAPITAL AND RESERVES</b>                               |              |                             |  |   |
| Charter capital  | 410          | 583 388                     | 1 639 765  | 1 639 765   |
| Additional capital   | 420          | 951 268                     | 4 172 421  | 4 139 098   |
| Reserve capital  | 430          | 58 798                      | 58 798   | 72 832  |
| including:   |              |                             |  |   |
| reserve funds, formed according to laws and regulations        | 431          | 58 798                      | 58 798   | 72 832  |
| reserves, formed according to articles of association          | 432          | -                           | -  | -   |
| Social Security Fund   | 440          | 313                         | 5 557  | -   |
| Retained profit of past years                                  | 460          | 973 935                     | 4 311 659  | 4 180 221   |
| Uncovered past years losses                                    | 465          | -                           | -  | -   |
| Report year retained profit                                    | 470          | X                           | X  | 1 471 951   |
| Uncovered report year losses                                   | 475          | X                           | X  | -   |
| <b>Part III Total</b>  | <b>490</b>   | <b>2 567 702</b>            | <b>10 188 200</b>  | <b>11 503 867</b>   |
| <b>IV. LONG-TERM LIABILITIES</b>                               |              |                             |  |   |
| Loans and credits (borrowed funds)                             | 510          | 6 406                       | 258 598  | 386 657   |
| including:   |              |                             |  |   |
| bank credits to be settled in over 12 months after report date | 511          | -                           | 48 629   | 227 573   |
| borrowings to be settled in over 12 months after report date   | 512          | 6 406                       | 209 969  | 159 084   |
| Other long-term liabilities                                    | 520          | 76 915                      | 327 453  | 510 631   |
| <b>Part IV Total</b>   | <b>590</b>   | <b>83 321</b>               | <b>586 051</b>   | <b>897 288</b>  |
| <b>V. SHORT-TERM LIABILITIES</b>                               |              |                             |  |   |
| Borrowed funds and credits,                                    | 610          | 146 321                     | 649 399  | 927 466   |
| including:   |              |                             |  |   |
| bank credits to be settled within 12 months after report date  | 611          | 1 663                       | 439 342  | 781 102   |
| borrowings to be settled within 12 months after report date    | 612          | 144 658                     | 210 057  | 146 364   |
| Accounts payable,  | 620          | 229 048                     | 1 203 773  | 2 037 751   |
| including:   |              |                             |  |   |
| suppliers and contractors                                      | 621          | 55 534                      | 415 973  | 786 486   |
| notes payable  | 622          | -                           | 496  | 12 310  |
| debt to affiliates and subsidiaries                            | 623          | -                           | 1 897  | 1 674   |
| wages arrears  | 624          | 11 874                      | 101 082  | 110 729   |
| debt to State Off-budget Funds                                 | 625          | 9 331                       | 59 741   | 45 486  |
| debt to budget   | 626          | 35 182                      | 164 203  | 292 458   |
| advance payments received                                      | 627          | 23 394                      | 189 408  | 293 303   |
| other creditors  | 628          | 93 733                      | 270 973  | 495 305   |
| Debt to participants (founders) in profit payments             | 630          | 6 146                       | 20 850   | 56 671  |
| Deferred revenues  | 640          | 46 738                      | 154 230  | 209 486   |
| Reserves for deferred expenses                                 | 650          | -                           | -  | X   |
| Other short-term liabilities                                   | 660          | X                           | X  | X   |
| <b>Part V Total</b>  | <b>690</b>   | <b>428 253</b>              | <b>2 028 252</b>   | <b>3 231 374</b>  |
| <b>BALANCE (sum of lines 490+590+690)</b>                      | <b>700</b>   | <b>3 079 276</b>            | <b>12 802 503</b>  | <b>15 632 529</b>   |

**VALUABLES CERTIFICATE FOR EXTRA-BALANCE ACCOUNTS**

| Index name   | Code of line | Beginning of report period | Beginning of Report Period with parameters of the affiliated organizations** | End of Report Period with parameters of the affiliated organizations*** |
|--|--------------|----------------------------|--|---|
| 1  | 2            | 3                          | 4  | 5   |
| Leasehold fixed assets including leasing                           | 910          | 5 494                      | 110 032  | 171 776   |
|  | 911          | 5 494                      | 102 756  | 160 395   |
| Inventory holdings received in custody                             | 920          | -                          | 157  | 989   |
| Commodities received on commission                                 | 930          | 69                         | 72   | 800   |
| Accounts receivable of insolvent debtors written-off as a loss     | 940          | 35 663                     | 135 644  | 177 340   |
| Cover funds for liabilities and payments received                  | 950          | -                          | 18 242   | -   |
| Cover funds for liabilities and payments given                     | 960          | 251 785                    | 1 209 550  | 1 903 425   |
| Housing facilities depreciation                                    | 970          | 1 155                      | 47 248   | 39 169  |
| Depreciation of land improvement objects and other similar objects | 980          | -                          | -  | -   |
| Registered high-security forms                                     | 990          | 4 496                      | 13 812   | 15 638  |

\* column 3: Parameters of principal organization on 01.01.2002

\*\* column 4: Parameters of principal organization and affiliated organizations on 01.01.2002, received by summation

\*\*\* column 5: Parameters of principal organization and affiliated organizations on 31.12.2002

Manager \_\_\_\_\_ / Lulin V.F. /  
 (signature) (name in block letters)

Chief accountant \_\_\_\_\_ / Popkov N.I. /  
 (signature) (name in block letters)

(qualification certificate of professional accountant of " \_\_\_\_\_"  
 № \_\_\_\_\_ )

" \_\_\_\_\_ " \_\_\_\_\_ г.

1253-2(b)

**PROFIT AND LOSS REPORT**

for **2002 year**  
 Region **Volga Region**  
 Organization **PJSC "VolgaTelecom"**  
 Tax payer ID **5260901817**  
 Sector (Activity Type): **telecommunications**  
 Organizational and legal form **PJSC**  
 Measurement unit: **Thousand Rubles**

FORM № 02 (OKUD)

Date year, month, day

CODES

0710002

003 03 3

OKPO

01142788

TAXPAYER ID

5260901817

OKPD

52300

OKOPF/OKFS

47 16

OKEI

384

Date of approval

Date of submission (acceptance)

31.03.03

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| Index name   | Code of line | Report period* | Report period with parameters of the affiliated companies** | Analogous period of prior year with parameters of the affiliated companies*** |
|--|--------------|----------------|---|---|
| 1  | 2            | 3              |   | 4   |
| <b>I. Regular Operation Profit and losses</b>  |              |                |   |   |
| proceeds (net) of sales of goods, products, works, services (minus VAT, excise taxes and similar mandatory payments) | 010          | 3 046 450      | 10 967 595  | 7 696 827   |
| Including: of sales of telecom services  | 011          | 2 935 409      | 10 587 627  | 7 370 302   |
| Costs of commodities, products, works, services sold   | 020          | (2132205)      | (7796630)   | (5990427)   |
| Including: telecom services sold   | 021          | (2034042)      | (7449909)   | (5593009)   |
| Gross profit   | 029          | 914 245        | 3 170 965   | 1 706 400   |
| Commercial expenses  | 030          | -              | -   | -   |
| Management expenses  | 040          | -              | -   | -   |
| Profit (Loss) from sales (lines 010-020-030-040)   | 050          | 914 245        | 3 170 965   | 1 706 400   |
| <b>II. Operation income and expenses</b>   |              |                |   |   |
| Interest receivable  | 060          | 983            | 2 778   | 1 586   |
| Interest payable   | 070          | (11943)        | (126059)  | (98261)   |
| Income from participation in other ventures  | 080          | 9 834          | 13 470  | 12 625  |
| Other operation income   | 090          | 42 943         | 163 794   | 185 976   |
| Other operation expenses   | 100          | (179916)       | (729389)  | (234417)  |
| <b>III. Non-Sales Income and Expenses</b>  |              |                |   |   |
| non-sales income   | 120          | 136 908        | 215 421   | 144 546   |
| non-sales expenses   | 130          | (256121)       | (720512)  | (550403)  |
| Profit (loss) before taxes (сгп.050+060-070+080+090-100+120-130)   | 140          | 656 933        | 1 990 468   | 1 168 052   |
| Income tax and other similar mandatory payments  | 150          | (193928)       | (518609)  | (572026)  |
| Profit (loss) from regular operation   | 160          | 463 005        | 1 471 859   | 596 026   |
| <b>IV. Extraordinary income and expenses</b>   |              |                |   |   |
| Extraordinary income   | 170          | 11             | 150   | 990   |
| Extraordinary expenses   | 180          | (17)           | (58)  | (43)  |
| Net profit (retained profit (loss) of report period) (lines 160+170-180)   | 190          | 462 999        | 1 471 951   | 596 973   |

| Index name  | Code of line | Report period | Analogous period of prior year |
|---|--------------|---------------|--------------------------------|
| 1   | 2            | 3             | 4                              |
| <b>FOR REFERENCE ONLY:</b>  |              |               |                                |
| Dividends per share:<br>Preferred<br>common                                       | Type A       |               |                                |
|   | 201          | 0,00182000    | 0,00095000                     |
|   | 202          | 0,00070000    | 0,00032000                     |
| Estimate of dividends per share for the next year:<br>Type A preferred<br>common  |              | 3             |                                |
|   | 203          | 0,00198000    |                                |
|   | 204          | 0,00066000    |                                |
| Dividends per one share:<br>preferred   | Type B       | 3             | 4                              |
|   | 205          | -             | -                              |
| Estimate of dividends per one share for the next report year:<br>Type B preferred |              | 3             |                                |
|   | 206          | -             |                                |

### Explanation of single profits and losses

| Index name   | code of line | Report period |       |         |         | Analogous period of prior year |         |
|--|--------------|---------------|-------|---------|---------|--------------------------------|---------|
|  |              | profit        |       | loss    |         | profit***                      | loss*** |
|  |              | *             | **    | *       | **      |                                |         |
| 1  | 2            | 3             | 4     | 5       | 6       | 7                              | 8       |
| Fines, penalties and forfeits which were acknowledged or to be collected according to an arbitrage or court judgment | 210          | 12288         | 18866 | (2006)  | (6413)  | 9508                           | (5217)  |
| Past years profit (loss)   | 220          | 2739          | 8600  | (5643)  | (14639) | 5678                           | (2343)  |
| Payment of damages, caused by default of an obligation or its undue fulfillment                                      | 230          | 39532         | 47376 | (88)    | (1280)  | 2375                           | (87)    |
| Exchange rate margins in foreign currency operations   | 240          | 5276          | 15278 | (29986) | (69599) | 31733                          | (10445) |
| Inventory depreciation by the end of report period   | 250          | X             | X     | X       | X       | X                              | X       |
| Debt amortization for overdue accounts payable and receivable with expired limitation period                         | 260          | 1706          | 4284  | (1483)  | (14860) | 20965                          | (14218) |

\* column 3, 5: Parameters of base organization for the period with 01.01.2002 till 31.12.2002 and affiliated organizations for the period from the date of reorganization on 31.12.2002, received by summation

\*\* column 4, 6: Parameters of base organization and affiliated organizations for the period with 01.01.2002 till 31.12.2002, received by summation

\*\*\* column 7, 8: Parameters of base organization and affiliated organizations for the period with 01.01.2002 till 31.12.2002, received by summation

1283-2(b)

**CAPITAL MOVEMENT REPORT**

Region for **2002 year**  
**Volga Region**

Organization **PJSC "VolgaTelecom"**

Tax payer ID **5260901817**

Sector (Activity Type): **telecommunications**

Organizational and legal form **PJSC**

Measurement unit: **Thousand Rubles**

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| CODES                   |            |
|-------------------------|------------|
| Form № 03 OKUD          | 0710003    |
| Date (year, month, day) | 2003 03 31 |
| OKPO                    | 01142788   |
| TAXPAYER ID             | 5260901817 |
| OKPD                    | 52300      |
| OKOPF/OKFS              | 47 16      |
| OKEI                    | 384        |

| Index name   | Code of line | Balance at the beginning of report year of principal organization | Has arrived         |                   | Is spent            |                   | Balance at the end of report year with parameters of the affiliated companies** |
|--|--------------|---|---------------------|-------------------|---------------------|-------------------|---|
|  |              |   | In accounting year* | On reorganization | In accounting year* | On reorganization |   |
| 1  | 2            | 3   | 4                   | 5                 | 6                   | 7                 | 8   |
| <b>I. CAPITAL</b>  |              |   |                     |                   |                     |                   |   |
| Charter Capital  | 010          | 583388  | -                   | 1056450           | (73)                | X                 | 1639765   |
| Capital gains  | 020          | 951268  | -                   | 3188396           | (566)               | X                 | 4139098   |
| Property value growth at reassessment                                  | 021          | 739468  | -                   | 3188396           | (566)               | X                 | 3927298   |
| Reserve funds  | 030          | 58798   | 14034               | X                 | -                   | X                 | 72832   |
| Resrves formed according to Articles of Association                    | 040          | -   | -                   | X                 | -                   | X                 | -   |
| Undistributed profit of prior years - total                            | 050          | 973935  | 879                 | 3275436           | (70029)             | -                 | 4180221   |
| including: capital investment financing source for industrial purposes | 051          | 80000   | X                   | 565111            | X                   | X                 | 645111  |
| Uncovered loss of prior year   | 052          | -   | -                   | -                 | -                   | X                 | -   |
| Undistributed profit (uncovered loss) of report period - total         | 055          | X   | 462999              | 1008952           | X                   | X                 | 1471951   |
| Social funds   | 060          | 313   | -                   | X                 | (313)               | X                 | -   |
| <b>Part I total</b>  | <b>079</b>   | <b>2567702</b>  | <b>477912</b>       | <b>8529234</b>    | <b>70981</b>        | <b>-</b>          | <b>11503867</b>   |



| Index name                                     | Code of line | Balance at the beginning of report year of principal organization | Has arrived         |                   | Is spent            | Balance at the end of report year with parameters of the affiliated companies** |
|--|--------------|---|---------------------|-------------------|---------------------|---|
|  |              |   | In accounting year* | On reorganization | In accounting year* |   |
| 1  | 2            | 3   | 4                   | 5                 | 6                   | 7   |
| <b>II. Reserve for future expenses - total</b> | <b>080</b>   | -   | X                   | -                 | -                   | X   |
| including:                                     |              |   |                     |                   |                     |   |
| for vacations                                  | 081          | -   | X                   | -                 | -                   | X   |
| for repairs of assets                          | 082          | -   | X                   | -                 | -                   | X   |
| for insurance                                  | 083          | -   | X                   | -                 | -                   | X   |
| for rewards according to year results          | 084          | -   | X                   | -                 | -                   | X   |
| other (explanation)                            | 085          | -   | X                   | -                 | -                   | X   |
| <b>Part II total</b>                           | <b>089</b>   | -   | X                   | -                 | -                   | X   |
| <b>III. Estimate of reserves - total</b>       | <b>090</b>   | -   | 72416               | 346480            | (152863)            | 266033  |
| including:                                     |              |   |                     |                   |                     |   |
| for doubtful debts                             | 091          | -   | 72416               | 346480            | (152863)            | 266033  |
| provision for securities                       | 092          | -   | -                   | -                 | -                   | -   |
| <b>Part III total</b>                          | <b>099</b>   | -   | 72416               | 346480            | (152863)            | 266033  |

\* Parameters of principal organization for the period with 01.01.2002 till 31.12.2002 and joined organizations for the period from the date of reorganization on 31.12.2002 (without revolutions on reorganization)

\*\* Parameters of principal organization and joined organizations on 31.12.2002

#### IV. Capital Movement

| Index name  | Code of line | Report year | Analogous period of prior year |
|---|--------------|-------------|--------------------------------|
| 1   | 2            | 3           | 4                              |
| Equity Size at the beginning of report period*  | 100          | 2567702     | 2291523                        |
| Capital Gains - Total**   | 110          | 8992233     | 280713                         |
| including: on account of additional shares issue  | 111          | X           | X                              |
| on account of assets reassessment   | 112          | X           | X                              |
| on account of property increment  | 113          | X           | X                              |
| on account of legal entity reorganization (merger, take-over)                                       | 114          | 8529234     | X                              |
| on account of revenues which are assigned to capital gains according to accountancy regulations     | 115          | X           | X                              |
| Other   | 116          | 462999      | 280713                         |
| Capital Decrease Total***   | 120          | (56068)     | (4534)                         |
| including: on account of reduction of share nominal value   | 121          | X           | X                              |
| on account of reduction of shares number  | 122          | 73          | X                              |
| on account of legal entity reorganization (split, de-merger)  | 123          | X           | X                              |
| on account of expenses which are assigned to capital reduction according to accountancy regulations | 124          | X           | X                              |

\*\*\* Parameters of principal organization for the period with 01.01.2002 till 31.12.2002 and joined organizations for the period from the date of reorganization on 31.12.2002

\*\*\*\* Parameters of the interregional company

column 4: Parameters of principal organization and affiliated organizations for the period from 01.01.2002 to 31.12.2002, calculated by summing

| Index name                            | Code of line | Balance at the beginning of report year of principal organization | Has arrived         |                   | Is spent            | Balance at the end of report year with parameters of the affiliated companies** |
|---------------------------------------|--------------|---|---------------------|-------------------|---------------------|---|
|                                       |              |   | In accounting year* | On reorganization | In accounting year* |   |
| 1                                     | 2            | 3   | 4                   | 5                 | 6                   | 7   |
| Target financing and earnings - Total | 140          | 5   | 13622               | 32909             | (38375)             | 8161  |
| including: from Budget                | 141          | 5   | 13622               | 28543             | (36102)             | 6068  |
| from extrabudgetary funds             | 142          | -   | -                   | 31                | -                   | 31  |
| legal entities                        | 143          | -   | -                   | 562               | -                   | 562   |
| physical persons                      | 144          | -   | -                   | 2273              | (2273)              | -   |
| other (explanation)                   | 145          | -   | -                   | 1500              | -                   | 1500  |

\* Parameters of principal organization for the period from 01.01.2002 to 31.12.2002 and joined organizations for the period from the date of reorganization to 31.12.2002

\*\* Parameters of principal organization and affiliated organizations on 31.12.2002

#### Reference

| index name | code of line | Balance at the beginning of report year* | Balance at the end of report year** |
|------------|--------------|--|-------------------------------------|
| 1          | 2            | 3  | 4                                   |
| Net assets | 150          | 10342200                                 | 11705192                            |

\* column 3: Parameters of principal organization and affiliated organizations on 01.01.2002, received by summation

\*\* column 4: Parameters of the interregional company (principal organization and affiliated organizations) on 31.12.2002

|   |     | from Budget   |               | Extrabudgetary funds |               |
|---|-----|---------------|---------------|----------------------|---------------|
|   |     | Report year * | Prior year ** | Report year *        | Prior year ** |
| 1   | 2   | 3             | 4             | 5                    | 6             |
| Received for: regular operation expenses - Total* | 160 | 24171         | 69178         | -                    | -             |
| Capital investment in non-current assets          | 170 | 22360         | 19905         | -                    | -             |
| including: objects construction                   | 171 | 4294          | -             | -                    | -             |
| Equipment acquisition                             | 172 | 13622         | 19905         | -                    | -             |
| Other (explanation)                               | 173 | 4444          | -             | -                    | -             |
| for emergency circumstances                       | 180 | -             | -             | -                    | -             |

\* Parameters of principal organization for the period from 01.01.2002 to 31.12.2002 and joined organizations for the period from the date of reorganization on 31.12.2002

\*\* Parameters of principal organization and joined organizations for the period with 01.01.2002 till 31.12.2002, calculated by summing up

1253-2(b)

## CASH MOVEMENT REPORT

|                           |     |                     |                         |            |
|---------------------------|-----|---------------------|-------------------------|------------|
| Region                    | for | 2002 year           | Form № 04 OKUD          | 0710004    |
| Organization              |     | Volga Region        | Date (year, month, day) | 2002 03 25 |
| Taxpayer ID               |     | PJSC "VolgaTelecom" | OKPO                    | 01142788   |
| Activity sector           |     | 5260901817          | INN                     | 5260901817 |
| Legal form /property form |     | el.communication    | OKDP                    | 52300      |
| Measurement unit          |     | PJSC                | OKOPF/OKFS              | 47 16      |
|                           |     | Thousand Rubles     | OKEI                    | 384        |

| Index name   | code of line | Total            | including         |                     |                      |
|--|--------------|------------------|-------------------|---------------------|----------------------|
|  |              |                  | current operation | investment activity | financial operations |
| 1  | 2            | 3                | 4                 | 5                   | 6                    |
| <b>1. Cash Balance at the beginning of the year (base organization)</b>              | 010          | 17709            | X                 | X                   | X                    |
| <b>2. Cash earnings - Total</b>  | <b>020</b>   | <b>4287106</b>   | <b>4268385</b>    | <b>18721</b>        |                      |
| including: proceeds of sale of commodities, products, work and services              | 030          | 3494786          | 3494786           | X                   | X                    |
| proceeds of sales of fixed assets and other property                                 | 040          | 2102             |                   | 2102                |                      |
| Advance payments received from buyers (customers)                                    | 050          | 293303           | 293303            | X                   | X                    |
| Budgetary allocations and other target financing                                     | 060          | 29973            | 24171             | 5802                |                      |
| on a cost-free basis   | 070          |                  |                   |                     |                      |
| Received credits   | 080          | 76578            | 76578             |                     |                      |
| Received borrowings  | 085          | 1700             | 1700              |                     |                      |
| dividends, financial investment interest   | 090          | 10817            | X                 | 10817               |                      |
| other revenues   | 110          | 377847           | 377847            |                     |                      |
| <i>including: cash Balance of affiliated organizations on date of reorganization</i> | 111          | 103951           | X                 | X                   | X                    |
| <b>3. Allocated cash - Total</b>   | <b>120</b>   | <b>(4278709)</b> | <b>2590002</b>    | <b>717044</b>       | <b>2876</b>          |
| including: for payment of acquired commodities, payment of work, services            | 130          | 1594658          | 1300295           | 294363              |                      |
| Salaries and wages   | 140          | 729979           | X                 | X                   | X                    |
| contributions to non-budgetary State funds   | 150          | 238808           | X                 | X                   | X                    |
| sums paid out on account   | 160          | 34411            | 34411             |                     |                      |
| advance payments   | 170          | 240800           | 57566             | 183234              |                      |
| shared construction works payment  | 180          |                  | X                 |                     | X                    |
| payment of machines, equipment and transport facilities                              | 190          | 165372           | 68                | 165304              | X                    |
| financial investment   | 200          | 2381             | X                 | 2381                |                      |
| payment of dividends, securities interest  | 210          | 33608            | X                 | 33608               |                      |

| 1  | 2          | 3             | 4        | 5        | 6        |
|--|------------|---------------|----------|----------|----------|
| other payments, transfers etc.   | 250        | 345024        | 340272   | 1876     | 2876     |
| <b>4. Cash balance at the end of report period (interregional company)</b>   | <b>260</b> | <b>130057</b> | <b>X</b> | <b>X</b> | <b>X</b> |
| For reference: From line 020 received in cash (except line 100 data) - Total | 270        | 2224427       |          |          |          |
| including: settlements with legal entities                                   | 280        | 324464        |          |          |          |
| with physical persons  | 290        | 1899963       |          |          |          |
| including: with application: of cash registers:                              | 291        | 1564386       |          |          |          |
| registered high-security forms   | 292        | 334762        |          |          |          |
| other  | 293        | 815           |          |          |          |
| Money in cash: paid from bank to the Company's Cashiers                      | 295        | 271639        |          |          |          |
| paid from the Company's Cashiers to the bank                                 | 296        | 1508816       |          |          |          |

Principal \_\_\_\_\_ / Lulin V.F. /  
 (signature) (name in block letters)

Chief accountant \_\_\_\_\_ / Popkov N.I. /  
 (signature) (name in block letters)

" " \_\_\_\_\_

1253-2(6)

**BALANCE SHEET SUPPLEMENT**

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Form № 05 OKUD

Date (year, month, day)

| CODES      |            |
|------------|------------|
| 0710005    |            |
| 2002 03 25 |            |
| OKPO       | 01142788   |
| INN        | 5260901817 |
| OKDP       | 52300      |
| OKOPF/OKFS | 47 16      |
| OKEI       | 384        |

for 2002 year

Region Volga Region  
 Organization PJSC "VolgaTelecom"  
 Tax payer ID 5260901817  
 Type of activity telecommunications  
 Legal form of organization PJSC  
 /form of ownership PJSC  
 Measurement unit: Thousand Rubles

**1. DEBT MOVEMENTS**

| Index                         | Code of line | Beginning of year balance with parameters of the affiliated organizations | Received ** | Repaid ** | End of year balance with parameters of the affiliated organizations |
|-------------------------------|--------------|---|-------------|-----------|---|
| 1                             | 2            | 3   | 4           | 5         | 6   |
| Long-term credits             | 110          | 48629   | 328919      | (149975)  | 227573  |
| including: not repaid on term | 111          | X   | X           | X         | X   |
| Long-term borrowings          | 120          | 209969  | 48410       | (99295)   | 159084  |
| including: not repaid on term | 121          | X   | X           | X         | X   |
| Short-term credits            | 130          | 439342  | 1573752     | (1231992) | 781102  |
| including: not repaid on term | 131          | 20910   | 33706       | (19589)   | 35027   |
| Short-term borrowings         | 140          | 210057  | 129404      | (193097)  | 146364  |
| including: not repaid on term | 141          | 40155   | 23703       | -         | 63858   |

**2. ACCOUNTS RECEIVABLE AND PAYABLE**

| Index   | Code of line | Beginning of year balance with parameters of the affiliated organizations | Incurring of debt ** | Debt repayment ** | End of year balance with parameters of the affiliated organizations |
|---|--------------|---|----------------------|-------------------|---|
| 1   | 2            | 3   | 4                    | 5                 | 6   |
| Accounts receivable: Short-term   | 210          | 1185300   | 30257887             | (30083341)        | 1359846   |
| including: not repaid on term   | 211          | 530488  | 8775417              | (8770772)         | 535133  |
| more than 3 months of rreport date  | 212          | 328349  | 4786166              | (4794120)         | 320395  |
| long-term   | 220          | 13672   | 35062                | (25076)           | 23658   |
| including: not repaid on term   | 221          | X   | X                    | X                 | X   |
| more than 3 months of rreport date  | 222          | X   | X                    | X                 | X   |
| from line 220: debt to be repaid in more than 12 months after report date | 223          | 13672   | 35062                | (25076)           | 23658   |

| Index   | Code of line | Beginning of year balance with parameters of the affiliated organizations | Incurring of debt ** | Debt repayment ** | End of year balance with parameters of the affiliated organizations |
|---|--------------|---|----------------------|-------------------|---|
| 1   | 2            | 3   | 4                    | 5                 | 6   |
| <b>Accounts payable:: Short-term</b>                                      | 230          | 1203773   | 32385032             | (31551054)        | 2037751   |
| including: not repaid on term   | 231          | 122806  | 6103550              | (5993137)         | 233219  |
| more than 3 months  | 232          | 84905   | 3710668              | (3689960)         | 105613  |
| long-term   | 240          | 327453  | 1105053              | (921875)          | 510631  |
| including: not repaid on term   | 241          | X   | X                    | X                 | X   |
| more than 3 months  | 242          | X   | X                    | X                 | X   |
| from line 240: debt to be repaid in more than 12 months after report date | 243          | 327453  | 1105053              | (921875)          | 510631  |
| <b>Collaterals: received</b>  | 250          | 18242   | 1758                 | (20000)           | -   |
| incl.: from a third person  | 251          | 1742  | 1758                 | (3500)            | -   |
| given   | 260          | 1209550   | 1797671              | (1103796)         | 1903425   |
| incl.: to a third person  | 261          | 88311   | 380907               | (150546)          | 318672  |

**PART 2 REFERENCES**

| Index  | Code of line | Beginning of year balance with parameters of the affiliated organizations | Incurring of debt ** | Debt repayment ** | End of year balance with parameters of the affiliated organizations |
|--|--------------|---|----------------------|-------------------|---|
| 1  | 2            | 3   | 4                    | 5                 | 6   |
| <b>1) Movement of bills. Bills drawn</b>                                     | 262          | 496   | 12410                | (596)             | 12310   |
| including: overdue   | 263          | -   | -                    | -                 | -   |
| Bills received   | 264          | 3936  | 10194                | (12464)           | 1666  |
| including: overdue   | 265          | 115   | -                    | -                 | 115   |
| 2) Accounts receivable for supplied products (work, services) at actual cost | 266          | 264   | 3005                 | (3082)            | 187   |

3) List of debtor-organizations, with the largest indebtedness

| The name of organization          | Код строки | End of year balance with parameters of the affiliated organizations |                          |
|-----------------------------------|------------|---|--------------------------|
|                                   |            | TOTAL   | including: over 3 months |
| 1                                 | 2          | 3   | 4                        |
| Budgetary organizations           | 270        | 133353  | 53582                    |
| Physical persons                  | 271        | 508460  | 118515                   |
| Including privilege of a category | 272        | 170920  | 92024                    |
| Commercial organizations          | 273        | 217204  | 85167                    |

4) List of creditor-organizations, with the largest indebtedness

| The name of organization   | Код строки | End of year balance with parameters of the affiliated organizations |                          |
|--|------------|---|--------------------------|
|  |            | TOTAL   | including: over 3 months |
| 1  | 2          | 3   | 4                        |
| Settlements with PJSC "Rostelekom"   | 280        | 90753   | -                        |
| The suppliers of the equipment (Sumitomo, Siemens, Iskratel, Alcatel and others) | 281        | 497125  | 140673                   |
| Leasing Settlements  | 282        | 395837  | 126842                   |

3. DEPRECIABLE ASSETS (PROPERTY)

| Index   | Code of line | Beginning of year balance with parameters of the affiliated organizations | Received (commissioned)** | Retired** | End of year balance with parameters of the affiliated organizations |
|---|--------------|---|---------------------------|-----------|---|
| 1   | 2            | 3   | 4                         | 5         | 6   |
| <b>1. Intangible Assets</b>   |              |   |                           |           |   |
| Rights for Objects of intellectual (industrial) ownership   | 310          | 528   | 14                        | (428)     | 114   |
| including: rights resulting from copyright and other contracts concerning works of science, literature, art and objects of related rights, software, data base etc. | 311          | 498   | -                         | (392)     | 106   |
| from patents for invention, industrial samples, selection achievements, from certificates for models, trade marks and maintenance rights or licenses for their use  | 312          | 30  | 14                        | (36)      | 8   |
| from "know-how" rights  | 313          | -   | -                         | -         | -   |
| Usufruct rights for nature objects  | 320          | 110   | -                         | (110)     | -   |
| Expenses for reorganization   | 330          | X   | X                         | X         | X   |
| Business standing of company  | 340          | X   | X                         | X         | X   |
| Other   | 349          | X   | X                         | X         | X   |
| <b>Total (sum of lines 310+320+330+340+349)</b>   | <b>350</b>   | 638   | 14                        | (538)     | 114   |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations

| Index  | Code of line | Beginning of year balance with parameters of the affiliated organizations | Received (commissioned)** | Retired**       | End of year balance with parameters of the affiliated organizations |
|--|--------------|---|---------------------------|-----------------|---|
| 1  | 2            | 3   | 4                         | 5               | 6   |
| <b>II. Fixed assets.</b>                           |              |   |                           |                 |   |
| Land lots and objects of nature                    | 360          | 2313  | 400                       | (11)            | 2702  |
| Buildings  | 361          | 3098234   | 162190                    | (82848)         | 3177576   |
| constructions                                      | 362          | 6258988   | 1070457                   | (114430)        | 7215015   |
| Machinery and equipment                            | 363          | 9476984   | 2248064                   | (297020)        | 11428008  |
| Means of transport                                 | 364          | 343025  | 43604                     | (15856)         | 370773  |
| Plant and equipment                                | 365          | 78543   | 29152                     | (24925)         | 82770   |
| Workstock  | 366          | 29  | -                         | -               | 29  |
| Productive cattle (livestock)                      | 367          | -   | -                         | -               | -   |
| Plantations  | 368          | 8   | 8                         | -               | 16  |
| Other fixed assets                                 | 369          | 60220   | 38625                     | (35315)         | 63530   |
| <b>Total (sum of lines 360-369)</b>                | <b>370</b>   | <b>19318324</b>   | <b>3592500</b>            | <b>(570405)</b> | <b>22340419</b>   |
| including: production facilities                   | 371          | 19104253  | 3574489                   | (495904)        | 22182838  |
| non-production facilities                          | 372          | 214071  | 18011                     | (74501)         | 157581  |
| <b>IV. Low value items- total</b>                  | <b>373</b>   | <b>X</b>  | <b>X</b>                  | <b>X</b>        | <b>X</b>  |
| including: in store                                | 374          | X   | X                         | X               | X   |
| in service   | 375          | X   | X                         | X               | X   |
| <b>III. EARNING INVESTMENT IN PHYSICAL CAPITAL</b> |              |   |                           |                 |   |
| Property for leasing                               | 381          | -   | -                         | -               | -   |
| Property used at hiring contract                   | 382          | 159   | -                         | (55)            | 104   |
| Other  | 383          | -   | -                         | -               | -   |
| <b>Total (sum of lines 381-383)</b>                | <b>385</b>   | <b>159</b>  | <b>-</b>                  | <b>(55)</b>     | <b>104</b>  |
| Property conveyed in trust                         | 386          | -   | -                         | -               | -   |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations



**Part 3 Reference**

| Index   | Code of line | Beginning of year balance with parameters of the affiliated organizations | End of year balance with parameters of the affiliated organizations |
|---|--------------|---|---|
| 1   | 2            | 3   | 4   |
| From line 371, columns 3 and 6: for lease - Total   | 387          | 89355   | 118479  |
| including:  |              |   |   |
| buildings   | 388          | 33382   | 35794   |
| structures  | 389          | 5026  | 43218   |
| transport means   | 390          | 764   | 793   |
| other (explanation)   | 391          | 50183   | 38674   |
| committed to conservation   | 392          | 3575  | 3632  |
| Depreciation and amortization: intangible assets  | 393          | 173   | 54  |
| <b>Fixed assets - total</b>   | <b>394</b>   | <b>9181855</b>  | <b>9929516</b>  |
| including:  |              |   |   |
| buildings and structures  | 395          | 4445613   | 4623447   |
| machinery, equipment, vehicles  | 396          | 4677017   | 5218928   |
| other (explanation)   | 397          | 59225   | 87141   |
| profitable investment in material valuables   | 398          | -   | -   |
| low value items   | 399          | X   | X   |
| property conveyed in trust management   | 400          | -   | -   |
| <b>For reference: results according to indexation in connection with re-assessment of fixed assets:</b> |              |   |   |
| <b>initial (replacement) value</b>  | 401          | -   | X   |
| <b>amortization</b>   | 402          | -   | X   |
| Mortgaged property  | 403          | 1209550   | 1903425   |
| Value of depreciated property for which depreciation is not calculated - Total                          | 404          | 2419  | 2710  |
| including: intangible assets  | 405          | 106   | 8   |
| fixed assets  | 406          | 2313  | 2702  |
| Changes of value of fixed assets as result of construction, equipment, reconstruction                   | 407          | X   | 83457   |
| Acquisition price and sale price margin   | 408          | X   | X   |
| Value of mortgaged inventories  | 409          | 5000  | 2612  |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations

**4. MOVEMENTS OF FUNDS FOR LONG-TERM INVESTMENT  
AND FINANCIAL INVESTMENT**

| index name  | code of line | Beginning of year balance with parameters of the affiliated organizations | Received (formed)** | Repaid**  | End of year balance with parameters of the affiliated organizations |
|---|--------------|---|---------------------|-----------|---|
| 1   | 2            | 3   | 4                   | 5         | 6   |
| Company's own funds - Total                         | 410          | 27075   | 1563191             | (1589073) | 1193  |
| including profit at the disposal of Company         | 411          | 18362   | 507068              | (525429)  | 1   |
| fixed assets depreciation                           | 412          | -   | 1006129             | (1006129) | -   |
| other (explanation)                                 | 413          | 8713  | 49994               | (57515)   | 1192  |
| Third-party financing - Total                       | 420          | 19979   | 1278338             | (1297445) | 872   |
| including: bank credits                             | 421          | -   | 692250              | (691812)  | 438   |
| borrowed funds of other companies                   | 422          | -   | -                   | -         | -   |
| Shared construction works                           | 423          | -   | -                   | -         | -   |
| from budget   | 424          | 150   | 22360               | (22510)   | -   |
| from non-budgetary funds                            | 425          | -   | -                   | -         | -   |
| other (explanation)                                 | 426          | 19829   | 563728              | (583123)  | 434   |
| Own funds third-party financing Total (410 and 420) | 430          | 47054   | 2841529             | (2886518) | 2065  |
| <b>For reference:</b>                               |              |   |                     |           |   |
| Uncompleted construction                            | 440          | 565255  | 3748654             | (3559373) | 754536  |
| Investment in affiliated companies                  | 450          | 4081  | 1047                | (2990)    | 2138  |
| Investment in controlled companies                  | 460          | 33780   | -                   | (600)     | 33180   |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations

### 5. FINANCE INVESTMENTS

| Index name   | Code of line | Long-term   |   | Short-term  |   |
|--|--------------|---|---|---|---|
|  |              | Beginning of year balance with parameters of the affiliated organizations | End of year balance with parameters of the affiliated organizations | Beginning of year balance with parameters of the affiliated organizations | End of year balance with parameters of the affiliated organizations |
| 1  | 2            | 3   | 4   | 5   | 6   |
| Stakes and shares of other Companies                               | 510          | 58295   | 55700   | -   | -   |
| Bonds and other debt obligations                                   | 520          | 11526   | 11526   | 99  | -   |
| Granted loans  | 530          | 328   | -   | 100   | 1935  |
| Other (explanation)  | 540          | 2709  | 5090  | 3405  | 11298   |
| <b>For reference</b><br>Market value of bonds and other securities | 550          | -   | -   | 31  | -   |

### 6. REGULAR OPERATION EXPENSES

| Index name   | Code of line | Report year with parameters of the affiliated organizations | Prior year with parameters of the affiliated organizations |
|--|--------------|---|--|
| 1  | 2            | 3   | 4  |
| Material expenses  | 610          | 760013  | 629601   |
| including: raw materials                                       | 611          | 501510  | 315608   |
| fuel and energy  | 612          | 139783  | 250328   |
| spare parts  | 613          | 118720  | 63665  |
| Labor costs  | 620          | 2517733   | 1763255  |
| Social funds deductions  | 630          | 873191  | 632811   |
| Depreciation and amortization                                  | 640          | 1013639   | 907520   |
| Other expenses   | 650          | 2632054   | 2057240  |
| including:   |              |   |  |
| taxes included in expenses                                     | 651          | 142490  | 100740   |
| rental payment   | 652          | 84885   | 73742  |
| Manpower training and retraining                               | 653          | 15984   | 15115  |
| Expenditures Total   | 660          | 7796630   | 5990427  |
| Balance movement ( gains [+], decrease [-]): work in progress: |              |   |  |
| expenditures of future periods                                 | 670          | 327   | 295  |
| impending expenses reserve                                     | 680          | 2885  | 15395  |
|  | 690          | -   | 11710  |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations

**7. SOCIAL INDICES**

| Index name  | Code of line | Calculated * | Expended * | Transferred to funds * |
|---|--------------|--------------|------------|------------------------|
| 1   | 2            | 3            | 4          | 5                      |
| Provision for State non-budgetary funds: Social Insurance funding                       | 710          | 107638       | (79476)    | 62260                  |
| Pension (Retirement) funds  | 720          | 660811       | X          | 675816                 |
| Employment funds  | 730          | -            | X          | 331                    |
| Medical insurance funds   | 740          | 91662        | X          | 92676                  |
| Funding of non-governmental pension funds   | 750          | 56060        | X          | 52039                  |
| Insurance premiums of voluntary retirement insurance agreements                         | 755          | -            |            |                        |
| Average number of employees on the payroll  | 760          | 51164        |            |                        |
| Pecuniary disbursements and inducement funds not related to production, works, services | 770          | 100278       |            |                        |
| Revenues from shares and investment in Company's property                               | 780          | 13470        |            |                        |

\* Parameters of principal organization and affiliated organizations

\*\* Parameters of principal organization and affiliated organizations

Principal \_\_\_\_\_ / Lulin V.F. /  
 (signature) (name in block letters)

Chief accountant \_\_\_\_\_ / Popkov N.I. /  
 (signature) (name in block letters)

" " \_\_\_\_\_

**Revision Committee of OJSC "VolgaTelecom"  
STATEMENT**

- by results of check of the annual accounting of OJSC "VolgaTelecom" for 2002;
- by results of check of financial and economic activity of OJSC "VolgaTelecom" for 2002;
- about reliability of the data contained in the annual report, the annual accounting of OJSC "VolgaTelecom" for 2002

April «17», 2003

Moscow

On the basis of Regulations about the revision committee of open joint-stock company "VolgaTelecom", the revision committee of OJSC "VolgaTelecom" consisting of:

- Belyayev K.V.
- Alekhin S.I.
- Kukudzhanova E.N.
- Tareyeva L.V.
- Karelina L.A.

carried out the audit of the annual accounting of OJSC "VolgaTelecom" for 2002.

The Audit was carried out from April 01 to April 14, 2003 on the following directions:

- reliability of the data contained in the annual report, annual accounting for 2002;
- accounting procedures and preparation of the annual accounting statements for 2002.

**General information**

Long title: Open joint-stock company "VolgaTelecom".

Legal address: 603000, N. Novgorod, Gorky sq., Post House

Date of the state registration of the Society: August 01, 2002, registration number - 1025203014781.

Persons responsible for financial and economic activity of the Society during the checked period are:

General director - Lyulin Vladimir Fedorovich

Chief accountant - Popkov Nikolay Ivanovich

The supreme management body of the Society is the general meeting of stockholders, in intervals between assemblies – the Board of directors headed by its Chairman. The executive agency of OJSC "VolgaTelecom" is its Management Board headed by the General director.

**The present check (audit) stated the following:**

During the check it is established, that the Society is guided by norms of the Civil code of the Russian Federation, the Tax code of the Russian Federation and other acts of the Russian Federation at conducting financial and economic activity.

The accounting is prepared proceeding from requirements of the Federal law dated 21.11.96 № 129-FL «About book keeping» (in edition containing the subsequent amendments and additions), «Regulations on book keeping and accounting in the Russian Federation», authorized by the order dated 29.07.98 № 34n of the Ministry of Finance of the Russian Federation, «Regulations on book keeping named « Accounting of the organization» (AR 4/99), authorized by the Order dated 06.07.99 №43n of the Ministry of Finance of the Russian Federation, the order of the Ministry of Finance of the Russian Federation dated 28.06.2000 № 60n «About methodical recommendations for the procedure of formation of parameters of accounting of the organization» (with amendments and additions).

Auditing check included auditing on a test basis of verification of numerical data and explanations contained in accounts.

The revision committee of the Society did not find out gross infringements of the established accounting procedures and preparation of accounting which could essentially affect the reliability of the accounting.

The accounting of OJSC "VolgaTelecom" allows to generate full and objective information on financial and economic processes and results of activity of the Society, necessary for an operative management and administration, and also for the use by investors, suppliers, buyers, creditors, tax, financial, bank bodies and other interested organizations and persons.

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***OJSC "VolgaTelecom"***

Auditor's statement on 2002 accounts.

*April, 2003.*

| <b>PAGE.</b> | <b>CONTENTS</b>   |
|--------------|---|
| 3            | Auditor's statement on OJSC "VolgaTelecom" accounts of an independent auditor firm                |
|              | Supplements   |
| 5            | 1. Accounts of OJSC "VolgaTelecom" for the period from January 1, to December 31, 2002 inclusive: |
|              | Balance sheet   |
|              | Profit and loss statement   |
|              | Report on capital flow  |
|              | Report on movement of money resources   |
|              | Supplement to the balance sheet   |
|              | Explanatory note  |

**AUDITOR'S STATEMENT  
ON THE ACCOUNTING STATEMENTS  
OF OJSC "VOLGATELECOM"  
BY INDEPENDENT AUDITOR FIRM**

For stockholders of OJSC "VolgaTelecom"

**INFORMATION ON THE AUDITOR**

Name: CJSC « ERNEST AND YOUNG VNESHAUDIT »  
 Location: Russia, Moscow 105062, Podsosensky per., 20/12, suite 1-1A.  
 State registration: '033.468 series LO-011903 issued by the Moscow Registration Chamber on March 23, 2000.

The license for realization of auditor activity, including the general and bank audit, and also audit of insurance organizations, funds and stock exchanges, 'E003246, is authorized by the order of the Ministry of Finance of the Russian Federation dated January 17 2003 '9, issued for the period of five years.

**INFORMATION ON THE PERSON AUDITED**

Name: OJSC "VolgaTelecom"  
 Location: 603000. Nizhniv Novgorod, Maxim Gorky sq., Post House

|  |         |  |            |            |
|--|---------|--|------------|------------|
| The license for provision of services of data transmission                                     | 1 23241 | The ministry of the Russian Federation on communication and informations | 01.08.2002 | 01.08.2007 |
| The license for provision of services of local, inter-city and international telecommunication | 1       |  |            |            |
| 24345 The ministry of the Russian Federation on communication and informations                 |         |  | 28.11.2002 |            |
|  |         |  | 28.11.2007 |            |
| The license for provision of services local and intrazonal telecommunication                   | 1 23245 | The ministry of the Russian Federation on communication and informations | 04.10.2002 | 04.10.2012 |

Total: 27 licenses

1. We carried out the audit of OJSC "VolgaTelecom" accounts for the period from January 1 to December 31, 2002 inclusive.
2. The accounting statements of OJSC "VolgaTelecom" consist of a Balance Sheet designated by words «By the end of the accounting period taking into account the figures of the annexed organizations», a Profit and Loss Statement designated by words «In the accounting period», the Report on Capital Flow, the Report on Money Resources Movement, the Supplement to the Balance Sheet and an Explanatory Note, regarding the section designated by words «By the end of the accounting period, taking into account the figures of the annexed organizations» and «In the accounting period». The responsibility for preparation and presentation of this accounting statements is beared by the management of OJSC "VolgaTelecom". Our duty consists in expressing our opinion on reliability in all essential aspects of the mentioned reporting and conformity of accounting procedures to the legislation of the Russian Federation on the basis of the audit carried out.
3. Audit of the Balance Sheet of OJSC "VolgaTelecom" (for the moment OJSC "Nizhegorodsvyazinform") as of December 31, 2001 has been carried out by another auditor organization, whose opinion on reliability of accounts of OJSC "VolgaTelecom" for the year terminating on December 31, 2001, has been stated in a conditionally positive auditor's statement dated April 29, 2002. In this conclusion, the organization paid attention to the fact, that OJSC "VolgaTelecom" did not form a reserve for doubtful accounts receivable the creation of which is regulated by requests of Accounting Standards 8/98 «the Conditional facts of economic activities» that essentially affected the reliability of the accounting statements.
4. We have carried out the audit according to the Federal Law «About audit activities», the authorized federal rules (standards) of audit activities, the rules (standards) of audit activities approved by the Commission for audit activities at the Office of the President of the Russian Federation.
5. The Audit was planned and held so that to receive reasonable confidence that the accounting statements designated by the words «By the end of the accounting period, taking into account the figures of the annexed organizations» and «In the accounting period», does not contain essential distortions. The Audit was made on a sample basis and included inspection on the basis of testing the proofs confirming values and disclosing the information on financial and economic activity in the present accounting statements, evaluation of principles and methods of book keeping, rules of preparation of the accounts and of the significant estimated values received by the management of the legal person audited, and also an evaluation of the general representation of the mentioned accounting statements. We believe, that the audit represents the sufficient grounds for expression of our opinion on reliability in all essential aspects of the accounts



requirements of the Federal Law «About book keeping»<sup>1</sup> 129-FL dated November 21, 1996, and the mentioned above accounts were prepared according to the same Law, it is authentic in all essential aspects and reflects the financial position of OJSC "VolgaTelecom" for December 31, 2002 and the results of its financial and economic activity for the period from January 1 to December 31, 2002 inclusive.

7. As it is specified in section 6 of the explanatory note which was not audited «Comparability of accounts data», OJSC "VolgaTelecom" has been reorganized on November 30, 2002 by fusion of some telecommunication companies of the Volga region federal district. We did not audit the comparable accounting statements or any of their fragments designated by the words «By the beginning of the accounting period taking into account the figures of the annexed organizations» and «In the similar period of the prior year, taking into account the data of annexed organizations», or «In the accounting period, taking into account the attached organizations» which have been included in the attached accounting statements only for the purposes of representation of the comparable financial information.
8. In our unqualified conclusion, we would like to draw your attention to section 4 «Analysis and evaluation of the balance structure» of the explanatory note in which an excess of the current obligations of OJSC "VolgaTelecom" versus the current assets in amount of Rubles 827456 thousand as of December 31, 2002 is described, and also to the plans of the management concerning the mentioned deficiency of working capital.
9. The attached financial reports have not the purpose of representing the financial position and results of activity according to principles or methods of book keeping standard in the countries and administrative territorial-formations other than Russia. Accordingly, the attached financial reports are not intended for the persons not familiar with the Russian principles, procedures and methods of book keeping.

April 16, 2003

Partner  
O.I. Valerius

Auditor  
D.E. Lobachyov  
Qualification certificate for the general audit  
<sup>1</sup> K 002839

1283-2(b)

**INFORMATION**  
about candidates for the Board of directors of OJSC "VolgaTelecom"

| item | name of candidate                     | Place of work and post   | Availability of written approval of the candidate |
|------|---------------------------------------|--|---|
| 1.   | Bilibin<br>Yuriy Aleksandrovich       | deputy general director of OJSC " Svyazinvest "  | submitted   |
| 2.   | Bobin<br>Maksim Viktorovich           | chief of legal department of the Moscow representative office of the company "NCH Advisors, Inc."  | submitted   |
| 3.   | Vasiliev<br>Mikhail Borisovich        | head of the St.-Petersburg Representative office of the company "NCH Advisors, Inc."   | submitted   |
| 4.   | Grigorieva<br>Alla Borisovna          | deputy director – Chief of department of corporate management OJSC " Svyazinvest "   | submitted   |
| 5.   | Grigorieva<br>Lyubov Ivanovna         | deputy general director o Начальник of corporate development of OJSC " VolgaTelecom "  | submitted   |
| 6.   | Dudchenko<br>Vladimir Vladimirovich   | adviser of the Moscow representative office of the company "NCH Advisors, Inc."  | submitted   |
| 7.   | Zabuzova<br>Elena Viktorovna          | deputy director - Chief of a section of Department of economic and tariff policy of OJSC " Svyazinvest "   | submitted   |
| 8.   | Kozin<br>Vladimir Vladimirovich       | deputy director - Chief of a division of Department of corporate financing and direct investment of OJSC " Svyazinvest "   | submitted   |
| 9.   | Lopatin<br>Aleksandr Vladimirovich    | deputy general director of OJSC " Svyazinvest "  | submitted   |
| 10.  | Lyulin<br>Vladimir Fedorovich         | general director of OJSC " VolgaTelecom "  | submitted   |
| 11.  | Marin<br>Igor Ivanovich               | deputy director –Chief of a division of department of marketing and organization of sale of services of OJSC " Svyazinvest ", does not own shares of the Society | submitted   |
| 12.  | Peter<br>Montgomery Halloran          | representative of the company ING Bank (Eurasia) ZAO   | submitted   |
| 13.  | Romskiy<br>Georgiy Alekseyevich       | deputy general director of OJSC " Svyazinvest "  | submitted   |
| 14.  | Savchenko<br>Viktor Dmitrievich       | Director of Department of legal issues of OJSC " Svyazinvest "   | submitted   |
| 15.  | Fedorov<br>Oleg Romanovich            | assistant of executive director of Association of protection of the rights of investors  | submitted   |
| 16.  | Chernogorodskiy<br>Sergey Valerievich | director of Department of equities of OJSC " Svyazinvest "   | submitted   |
| 17.  | Yurchenko<br>Evgeniy Valerievich      | deputy general director of OJSC " Svyazinvest "  | submitted   |

**INFORMATION**  
about candidates for revision committee of OJSC " VolgaTelecom "

| item | name of candidate                    | Place of work and post  | Availability of written approval of the candidate |
|------|--------------------------------------|---|---|
| 1    | Belyayev<br>Konstantin Vladimirovich | chief accountant of OJSC " Svyazinvest ", does not own shares of the Society  | Submitted   |
| 2    | Podosinov<br>Sergey Vladimirovich    | main specialist of Department of internal audit of OJSC " Svyazinvest ", does not own shares of the Society                   | Submitted   |
| 3    | Greseva<br>Lyubov Aleksandrovna      | main specialist of Department of internal audit of OJSC " Svyazinvest ", does not own shares of the Society                   | Submitted   |
| 4    | Tareyeva<br>Larisa Valerievna        | main specialist of Department of direct investment and properties of OJSC " Svyazinvest ", does not own shares of the Society | Submitted   |
| 5    | Feklin<br>Aleksandr Vasilievich      | deputy director of department of internal audit and control   | Submitted   |

1253-2(b)

EXTRACT FROM MINUTES ' 5 of  
Session of the Board of directors of OJSC " VolgaTelecom "  
In form of joint presence

May, 19, 2003

Nizhniy Novgorod

Place: Nizhniy Novgorod, M. Gorky square, Post House;  
Time: 12-30 hours (Moscow time).

Elected to the Board of directors: 11 persons.

Took part in the personal presence part of session: 7 persons: Yurchenko E.V., Lyulin V.F., Bobin M.V., Grigorieva A.B., Savchenko V.D., Fedorov O.R., Chernogorodsky S.V.

Opinion presented by polling by 4 persons: Dudchenko V.V., Zabuzova E.V., Kozin V.V., Romsy G.A.

Invited:

Sipatova T.M. - 1-st deputy general director of finance;  
Arakcheyev A. V. - 1-st deputy general director (Technical director);  
Grigorieva L.I. - deputy general director of corporate development;  
Vystorop V.P. - deputy general director of personnel and general issues;  
Sklyarov I. P. - deputy general director of marketing;  
Popkov N. I.-chief accountant of the Society;  
Shchukina E.K. - director of legal department of the Society;  
Basova M.B. - chairman of trade union council of telecom workers of the Volga district.

THE AGENDA:

3. Recommendations on payment of dividends for 2002: the size, terms, procedure and form of their payment for shares of each category.

**III. To the third question « Recommendations on payment of dividends for 2002: the size, terms, procedure and form of their payment for shares of each category »** Sipatova T M.reported.  
- 1-st deputy general director of finance.

Considering the submitted material, the Board of directors DECIDED:

To recommend the annual general meeting of stockholders to pay dividends for 2002:

- for common shares: at a rate of 0.7066 rubles per share in monetary form or other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.
- for preferred shares: at a rate of 1.7954 rubles per share in monetary form or other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.

Voting: pro - 11; contra - none; "abstention" - none

Chairman of the Board of directors E.V.Yurchenko  
The secretary N.I.Pokrovskaya

Date of drawing up the minutes: May, 22, 2003.

The extract is correct:

Secretary of the Board of directors

N.I.Pokrovskaya

1283-2(6)

**PROPOSED PROJECTS OF DECISIONS ON ISSUES OF THE AGENDA  
OF THE ANNUAL GENERAL MEETING OF STOCKHOLDERS  
OF OPEN JOINT-STOCK COMPANY " VOLGATELECOM ",**

**held on June 27, 2003 at the following address: Nizhniy Novgorod; M. Gorky sq., Post House, in form of  
joint presence of stockholders (their plenipotentiaries) for discussion of issues of the agenda and  
adoption of decisions on them,  
with a preliminary delivery of voting ballots before holding the assembly**

***1. Approval of the annual report, annual accounts, including profit and loss statement (account of profits and losses), distribution of profit and losses of the Society by results of accounting (2002) fiscal year***

**DECISION DRAFT:**

to approve the annual report, annual accounts, including profit and loss statement (account of profits and losses), distribution of profit and losses of the Society by results of accounting (2002) fiscal years.

***2. Payment of dividends for 2002, size, terms and form of their payment for shares of each category***

**DECISION DRAFT:**

To pay dividends for 2002:

- for common shares at a rate of 0.7066 Rubles per share in monetary form or in form of other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.

- for preferred shares at a rate of 1.7954 Rubles per share in monetary form or in form of other property, in case of consent of the stockholder to receive dividends in such form, from 27.07.2003 to 31.12.2003.

***3. Election of members of the Board of directors of the Society.***

**DECISION DRAFT:**

to elect members of the Board of directors of the Society:

(11 candidates who collected the greatest number of votes are considered elected for the Board of directors.)

***4. Election of members of the Revision committee of the Society.***

**DECISION DRAFT:**

To elect the revision committee of the Society in the following structure:

(5 candidates who collected the greatest number of votes are considered elected for the Revision committee of the Society.)

***5. Approval of the Auditor of the Society for 2003.***

**DECISION DRAFT:**

to approve CJSC «Ernest and Young Vneshaudit» as Auditor of the Society for 2003.

***6. Approval of Regulations on procedure of the general meeting of stockholders of the Society in a new wording.***

**DECISION DRAFT:**

to approve Regulations on procedure of the general meeting of stockholders of the Society in a new wording.

***7. Definition of the size of remuneration to members of the Board of directors of the Society***

**DECISION DRAFT:**

to approve the following norms (percent of deductions for payment of quarterly and annual compensation to members of the Board of directors:

- at a rate of 0.006 % from proceeds of the Society from sales of the goods, production, works, services for accounting quarter according to accounts of the Society to each member of the Board of directors;

at a rate of 0.4 % from net profit of the Society for report year according to accounts of the Society for all members of the