

## BALANCE SHEET

Form No. 01 according to OKUD

as of

**December 31, 2006**

Date (year, month, day)

**2006.12.31**

Organization

**CenterTelecom OJSC**

OKPO

**01140111**

Taxpayer identification code

**5000000970**

TIC

**5000000970**

Type of activity

**telecommunication services**

OKVED

**64.20**

Legal status /form of ownership

**open joint stock company/mixed**

OKOPF/OKFS

**47/31**

Unit of measure:

**thos. RUR**

OKEI

**384**

Address:

**build. 2, 6 Degtyarnyi per., Moscow, 125993**

Date of authorization

Date of sending (acceptance)

ASSETS	Notes	Indicator code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
<b>I. NON-CURRENT ASSETS</b>		110	110	484	1 409
Intangible assets					
Fixed assets	6.1.	120	120	31 783 017	31 482 470
Construction in progress	6.2.	130	130	2 026 268	2 241 669
Interest-bearing investments into tangible assets		135	135	1 434	1 447
Long-term financial investments	6.3.	140	<b>140</b>	1 639 211	1 672 181
including:					
investments into subsidiary companies			141	1 604 137	551 053
investments into associated companies			142	2 840	25
investments into other organizations			143	25 362	26 709
other long-term financial investments			144	6 872	1 094 394
Deferred tax assets	6.4.	145	145	296 658	408 440
Other non-current assets	6.5.	150	150	3 428 746	3 259 289
<b>Total section I</b>		<b>190</b>	<b>190</b>	<b>39 175 818</b>	<b>39 066 905</b>

ASSETS	Notes	Indicator code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
<b>II. CURRENT ASSETS</b>		210	<b>210</b>	1 152 747	2 181 929
Inventory					
<i>including:</i>					
raw materials, consumables and other similar assets	6.6.	211	211	537 544	490 098
work in progress (distribution costs)		213	213	516	50
finished goods and goods for resale		214	214	16 049	18 828
dispatched goods		215	215	55	530
prepaid expenses	6.6.	216	216	598 583	1 672 423
other inventories and costs		217	217		
VAT on purchased assets	6.7.	220	220	1 720 958	903 879
Accounts receivable (where settlement is expected in over 12 months after the reporting date)		230	<b>230</b>	17 824	7 717
<i>including:</i>					
trade receivables		231	231		
advances given			232		
other debtors			233	17 824	7 717
Accounts receivable (where settlement is expected within 12 months after the reporting date)		240	<b>240</b>	2 220 105	3 145 925
<i>including:</i>					
trade receivables	6.8.	241	241	1 705 214	2 360 116
advances given			242	146 786	119 164
other debtors	6.9.		243	368 105	666 645
Short-term financial investments	6.3.	250	250	4 200	1 194 061
Cash		260	260	952 823	875 372
Other current assets		270	270	2 008	1 300
<b>Total section II</b>		290	<b>290</b>	6 070 665	8 310 183
<b>BALANCE (sum of lines 190+290)</b>		300	<b>300</b>	45 246 483	47 377 088

LIABILITIES	Notes	Indicator code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
<b>III. CAPITAL AND RESERVES</b>					
Charter capital	6.10.	410	410	6 311 999	6 311 999
Additional capital	6.11.	420	420	70 946	70 946
Reserve capital	6.12.	430	430	31 560	64 985
Company shares redeemed from shareholders	6.13.	411	440		
Retained profit (uncovered loss) of past years		470	460	8 970 692	8 752 195
Retained profit (uncovered loss) of the reporting period		470	470	X	2 047 849
<b>Total section III</b>		490	<b>490</b>	15 385 197	17 247 974
<b>IV. LONG-TERM LIABILITIES</b>					
Loans and borrowings	6.15.	510	<b>510</b>	6 633 498	17 412 971
<i>including:</i>					
loans			511	3 992 576	3 028 077
borrowings			512	2 640 922	14 384 894
Deferred tax liabilities	6.16.	515	515	741 179	1 124 593
Other long-term liabilities	6.17.	520	520	2 547 974	1 449 667
<b>Total section IV</b>		590	<b>590</b>	9 922 651	19 987 231
<b>V. SHORT-TERM LIABILITIES</b>					
Loans and borrowings	6.15.	610	<b>610</b>	14 336 842	3 907 870
<i>including:</i>					
loans			611	3 931 458	47 102
borrowings			612	10 405 384	3 860 768
Accounts payable		620	<b>620</b>	4 642 364	4 949 471
<i>including:</i>					
trade accounts payable	6.18.	621	621	2 739 946	3 576 644
advances received		625	622	427 245	425 181
accrued payroll		622	623	2 332	1 587
payable to State non-budgetary funds		623	624	10 644	9 316
taxes and levies payable	6.18.	624	625	526 140	239 424
other payables	6.18.	625	626	936 057	697 319
Dividends payable		630	630	7 916	10 391
Deferred income	6.19.	640	640	499 438	466 651
Reserves for future expenses	6.20.	650	650	452 075	680 930
Other short-term liabilities	6.21.	660	660		126 570
<b>Total section V</b>		690	<b>690</b>	19 938 635	10 141 883
<b>BALANCE</b> (sum of lines 490+590+690)		700	<b>700</b>	45 246 483	47 377 088

**Information about inventories accounted on off-balance accounts**

Indicator	Notes	Indicator code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Leased fixed assets	6.22.	910	901	2 486 213	2 614 350
including capital leases		911	911	478 543	1 857 397
Inventory items accepted into custody		920	902	97 513	135 053
Goods accepted on commission		930	903	8 233	7 788
Bad debt written off to losses		940	904	445 898	591 608
Assets received as collateral for liabilities and payments	6.23.	950	905	8 006 514	8 998 488
Assets pledged as collateral for liabilities and payments	6.24.	960	906	17 881 929	10 762 900
Depreciation of housing assets		970	907	18 425	14 056
Depreciation of land improvements and other similar assets		980	908	2 084	1 464
Intangible assets obtained for use			909	225 912	364 605

**Information about net assets value**

Indicator	Notes	Indicator code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Net assets			1000	15 884 635	17 714 625

CEO \_\_\_\_\_ S. V. Pridantsev  
(signature) (name)

Chief accountant \_\_\_\_\_ A. D. Kartashov  
(signature) (name)

April 11, 2007

## PROFIT AND LOSS STATEMENT

Form No. 02 according to OKUD

			<b>CODES</b>
for	<b>2006</b>	Date (year, month, day)	<b>0710002</b>
			<b>2006.12.31</b>
Organization	<b>CenterTelecom OJSC</b>	OKPO	<b>01140111</b>
Taxpayer identification code	<b>5000000970</b>	TIC	<b>5000000970</b>
Type of activity	<b>telecommunication services</b>	OKVED	<b>64.20</b>
Legal status /form of ownership	<b>open joint stock company/mixed</b>	OKOPF/OKFS	<b>47/31</b>
Unit of measure:	<b>thos. RUR</b>	OKEI	<b>384</b>

Indicator	Notes	Indicator code	Line code	Reporting period	Similar period of the previous year
1	1a	2	2a	3	4
<b>I. Operating income and expenses</b>					
<b>Revenue (net of value added tax, excise duties and similar obligatory charges)</b>	7.1.	010	010	28 395 257	27 593 610
including that from sale of: telecommunication services			011	26 606 202	27 235 855
<b>Cost of goods, products, works, services sold</b>	7.2.	020	020	(21 212 271)	(21 662 209)
including: telecommunication services			021	(20 398 390)	(21 501 117)
<b>Profit (loss) from operations</b>		050	<b>050</b>	7 182 986	5 931 401
<b>II. OTHER INCOME AND EXPENSES</b>					
Interest receivable		060	060	47 460	2 949
Interest payable		070	070	(2 186 412)	(2 349 935)
Income from equity participation		080	080	15 472	6 163
Other income	7.3.	090	090	1 465 232	343 571
Other expenses	7.3.	100	100	(3 155 230)	(2 547 607)
<b>Profit (loss) before taxation</b>		140	<b>140</b>	3 369 508	1 386 542
<b>Profit tax expenses (lines - 151+/-152+/-153) including:</b>	7.4.		<b>150</b>	(1 321 659)	(731 619)
deferred tax liabilities		142	151	(393 916)	(159 608)
deferred tax assets		141	152	113 009	56 882
Current profit tax		150	153	(1 263 512)	(628 893)
Profit tax on adjusted returns for past periods			154	222 760	
<b>Profit (loss) after tax</b>	7.5.	190	<b>190</b>	2 047 849	654 923

TRANSLATION OF ORIGINAL RUSSIAN VERSION

Indicator	Notes	Indicator code	Line code	Reporting period	Similar period of the previous year
1	1a	2	2a	3	4
<b>BY REFERENCE</b> Imputed expenses/income on profit tax	7.4.		201	(808 682)	(332 770)
Permanent tax liabilities	7.4.	200	202	(512 977)	(398 849)
Permanent tax assets		200	203		

Indicator	Notes	Indicator code	Line code	Reporting period	Similar period of the previous year
1	1a	2	2a	3	4
Basic earnings (loss) per share	7.6.		301	1,16797	0,37267
Diluted earnings (loss) per share	7.6.		302		

\* To be completed in annual financial statements

### Breakdown of individual profits and losses

Indicator	Indicator code	Line code	Reporting period		Similar period of the previous year	
			profit	loss	profit	loss
1	1a	2	3	4	5	6
Fines, penalties, punitive damages recognized or imposed by a court (arbitration court) ruling		401	11 881	(31 217)	19 522	(29 488)
Profit (loss) brought forward		402	37 397	(1 136 965)	43 204	(61 275)
Reimbursement of damages caused by non-fulfillment or improper fulfillment of obligations		403	9 053	(1 666)	5 794	(1 241)
Exchange gains/losses from foreign currency transactions		404	86 497	(62 324)	100 690	(33 412)
Deductions to valuation reserves		405	1 118 165	(163 167)	159 199	(530 112)
Accounts receivable and accounts payable written off upon expiration of the recovery period		406	181 547	(16 501)	12 391	(27 061)

CEO \_\_\_\_\_ S. V. Pridantsev  
(signature) (name)

Chief accountant \_\_\_\_\_ A. D. Kartashov  
(name)

April 11, 2007

## STATEMENT OF CHANGES IN CAPITAL

Form No. 03 according to OKUD

**CODES**

for

**2006**

Date (year, month, day)

**2006.12.31**

Organization

**CenterTelecom OJSC**

OKPO

**01140111**

Taxpayer identification code

**5000000970**

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Type of activity

**telecommunication services**

OKVED

**64.20**

Legal status/ form of ownership

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OKOPF/OKFS

**47/31**

Unit of measure:

**thos. RUR**

OKEI

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### 1. Changes in capital

Indicator	Indicat or code	Line code	Authorized capital	Earned capital	Reserve capital	Retained profit (uncovered loss)	Total
1	1a	2	3	4	5	6	7
<b>Balance as of December 31, 2004</b>		<b>100</b>	631 200	5 751 745	31 560	8 483 876	14 898 381
<b>2005</b>							
Changes in accounting policies		101	X	X	X		
Result from fixed asset revaluation		102	X		X		
Other		103	X		X		
<b>Balance as of January 1, 2005</b>		<b>104</b>	631 200	5 751 745	31 560	8 483 876	14 898 381
<b>Changes in capital items:</b>		<b>200</b>	5 680 799	(5 680 799)		515 724	515 724
Difference arising from foreign currency translation		201	X		X	X	
Net profit (loss) of the reporting year		202	X	X	X	654 923	654 923
Dividends		203	X	X	X	(139 199)	(139 199)
Appropriations to the reserve fund		204	X	X			
Additional shares issue on account of own sources		205			X		
Increase in the par value of shares		206	5 680 799	(5 680 799)	X		
Changes in capital by disposal of fixed assets		207	X		X		
Other		208					
<b>Increase in capital through:</b>		<b>210</b>					
additional issue of share		211			X	X	
reorganization of the legal entity		212					
other		213					
<b>Decrease in capital through:</b>		<b>220</b>				(28 908)	(28 908)
decrease in the number of shares		221		X	X		
decrease in the par value of shares		222		X	X	X	
reorganization of the legal entity		223					
other		224				(28 908)	(28 908)
<b>Balance as of December 31, 2005</b>		<b>300</b>	6 311 999	70 946	31 560	8 970 692	15 385 197
<b>2006</b>							
Result from fixed asset revaluation		301	X	X	X		
Effect of fixed assets revaluation		302	X		X		
Other		303	X		X		
<b>Balance as of January 1, 2006</b>	<b>100</b>	<b>304</b>	6 311 999	70 946	31 560	8 970 692	15 385 197
<b>Changes in capital items:</b>		<b>400</b>			33 425	1 841 186	1 874 611
Difference arising from foreign currency translation		401	X		X	X	
Net profit (loss) of the reporting year		402	X	X	X	2 047 849	2 047 849
Dividends		403	X	X	X	(173 238)	(173 238)
Appropriations to the reserve fund	110	404	X	X	33 425	(33 425)	
Additional shares issue on account of own sources	121	405			X		

Indicator	Indicat or code	Line code	Authorized capital	Earned capital	Reserve capital	Retained profit (uncovered loss)	Total
1	1a	2	3	4	5	6	7
Increase in the par value of shares	122	406			X		
Changes in capital by disposal of fixed assets		407	X		X		
Other		408					
<b>Increase in capital through:</b>		<b>410</b>					
additional shares issue on account of shareholders	121	411			X	X	
reorganization of the legal entity	123	412					
Other		413					
<b>Decrease in capital through:</b>		<b>420</b>				(11 834)	(11 834)
decrease in the number of shares	132	421		X	X		
decrease in the par value of shares	131	422		X	X	X	
reorganization of the legal entity	133	423					
other		424				(11 834)	(11 834)
<b>Balance as of December 31, 2006</b>	<b>140</b>	<b>500</b>	6 311 999	70 946	64 985	10 800 044	17 247 974

## 2. Reserves

Indicator	Indicat or code	Line code	Balance as of the beginning of year	Received	Used / recovered	Balance as of the end of year
1	1a	2	3	4	5	6
<b>Reserves established in accordance with legislation:</b>						
Reserve Fund						
data of 2005		601	31 560			31 560
data of 2006		602	31 560	33 425		64 985
<b>Reserves established in accordance with the charter documents:</b>						
Company's Employee Share Ownership Fund data of 2005		603				
data of 2006		604				
<b>Valuation reserves:</b>						
Provisions for doubtful debts						
data of 2005		605	1 926 414	509 444	(308 030)	2 127 828
data of 2006		606	2 127 828	159 684	(1 303 216)	984 296
<b>Provisions for impairment in value of financial investments</b>						
data of 2005		607	5 509	20 083	(4 178)	21 414
data of 2006		608	21 414	1 056 553	(1 331)	1 076 636
<b>Provisions for impairment in value of inventories</b>						
data of 2005		609		585		585
data of 2006		610	585	14	(585)	14
<b>Provisions for future expenses:</b>						
data of 2005		611	291 542	168 437	(7 904)	452 075
data of 2006		612	452 075	380 650	(151 795)	680 930
<b>Provisions for contingent liabilities:</b>						
data of 2005		613				
data of 2006		614		126 570		126 570

CEO \_\_\_\_\_ S. V. Pridantsev  
(signature) (name)

Chief accountant \_\_\_\_\_ A.D. Kartashov  
(signature) (name)

April 11, 2007

# CASH FLOW STATEMENT

Form No. 04 according to OKUD

for	<b>2006</b>	Date (year, month, day)	<b>2006.12.31</b>
Organization	<b>CenterTelecom OJSC</b>	OKPO	<b>01140111</b>
Taxpayer identification code	<b>5000000970</b>	TIC	<b>5000000970</b>
Type of activity	<b>telecommunication</b>	OKVED	<b>64.20</b>
Legal status /form of ownership	<b>open joint stock company/mixed</b>	OKOPF/OKFS	<b>47/31</b>
Unit of measure:	<b>thos. RUR</b>	OKEI	<b>384</b>

CODES
<b>0710004</b>
<b>2006.12.31</b>
<b>01140111</b>
<b>5000000970</b>
<b>64.20</b>
<b>47/31</b>
<b>384</b>

Indicator	Indicator code	Line code	Reporting year	Similar period of the previous year
1	1a	2	3	4
<b>Balance of cash at beginning of year</b>		<b>010</b>	952 823	1 369 119
<b>OPERATING ACTIVITIES</b>		<b>020</b>	35 050 786	31 314 386
<b>Cash flows from operating activities</b>				
funds received from buyers, customers		021	27 745 950	30 788 931
funds received as an agent		022	7 033 097	74 216
other earnings		023	271 739	451 239
<b>Cash disbursements for:</b>		<b>030</b>	(26 626 097)	(26 008 358)
payment of goods, works, services, raw material and other current assets purchased	150	031	(7 554 286)	(9 162 732)
payroll	160	032	(6 916 928)	(6 458 238)
payment of interest	170	033	(2 113 053)	(2 412 420)
payment of taxes and levies	180	034	(8 090 973)	(6 543 279)
settlements on agency agreements		035	(950 732)	(65 256)
other expenses		036	(1 000 125)	(1 366 433)
<b>Net cash flows from operating activities</b>		<b>040</b>	8 424 689	5 306 028
<b>INVESTMENT ACTIVITIES</b>		<b>050</b>	1 092 194	312 724
<b>Cash flows from investing activities</b>				
proceeds from sale of fixed asset items and other non-current assets	210	051	17 297	16 885
proceeds from the sale of securities and other financial investments	220	052	1 020 971	138 337
dividends, income from participation received	230	053	14 587	9 984
interest received	240	054	2 170	413
proceeds from repayment of borrowings provided to other entities	250	055		412
other income from investing activities		056	37 169	146 693

Indicator	Indicator code	Line code	Reporting year	Similar period of the previous year
1	1a	2	3	4
<b>Cash disbursements for:</b>		<b>060</b>	(6 555 028)	(6 335 351)
purchase of fixed assets, income-bearing investments in tangible	290	061	(3 272 922)	(6 019 096)
purchase of stock, shares, interests	280	062		(185 126)
purchase of debt securities and other financial investments	300	063	(3 282 106)	(131 004)
loans provided to other entities	310	064		(90)
other expenses on investing activities		065		(35)
<b>Net cash flows from investing activities</b>	<b>340</b>	<b>070</b>	(5 462 834)	(6 022 627)
<b>FINANCIAL ACTIVITIES</b>		<b>080</b>	11 379 167	10 238 572
<b>Cash flows from financing activities</b>				
proceeds from loans and borrowings provided by other entities		081	11 363 270	10 194 064
other income from financing activities		082	15 897	44 508
<b>Cash disbursements for:</b>		<b>090</b>	(14 418 473)	(9 938 269)
repayment of loans and borrowings (net of interest)		091	(12 298 234)	(8 314 481)
repayment of financial lease obligations		092	(1 965 097)	(1 479 185)
dividend payments	170	093	(154 326)	(136 354)
other expenses on financing activities		094	(816)	(8 249)
<b>Net cash flows from financing activities</b>		<b>100</b>	(3 039 306)	300 303
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>110</b>	(77 451)	(416 296)
<b>Balance of cash as of the end of the reporting period</b>		<b>120</b>	875 372	952 823
Effect of changes in the exchange rate of foreign currency to the ruble		130		7

CEO \_\_\_\_\_ S. V. Pridantsev  
(signature) (name)

Chief accountant \_\_\_\_\_ A. D. Kartashov  
(signature) (name)

April 11, 2007