

OAO “Sibirtelecom”  
Consolidated Interim Balance Sheet (Unaudited)  
As of June 30, 2004  
*(in thousand rubles)*

	<u>As of June 30, 2004</u>
<b>ASSETS</b>	
<b>Non-currents Assets:</b>	
Property, Plant and Equipment, net	21,703,733
Intangible Assets and Goodwill, net	1,223,314
Investments in Associates	35,155
Other Long-term Investments	60,511
Other Financial Assets	68,784
Advances to Suppliers of Equipment	739,997
<b>Total Non-current Assets</b>	<u>23,831,494</u>
<b>Current Assets:</b>	
Inventories	698,848
Trade Accounts Receivable, net	1,768,051
Short-term Investments	17,764
Other Current Assets	1,457,766
Cash and Cash Equivalents	570,300
<b>Total Current Assets</b>	<u>4,512,729</u>
<b>TOTAL ASSETS</b>	<u><u>28,344,223</u></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	
<b>Shareholders' Equity:</b>	
Preference Shares	586,263
Ordinary Shares	1,801,710
Inflation Impact on Share Capital	1,153,158
Change in Fair Value of Financial Assets Available-for-Sale	
Retained Earnings and Other Reserves	12,199,665
<b>Total Shareholders' Equity</b>	<u>15,740,796</u>
<b>Minority Interest</b>	14,406
<b>Non-current Liabilities:</b>	
Long-term Loans	3,533,421
Obligation under Finance Lease	1,026,645
Equipment Contributions	243,988
Deferred Income Tax Liability, net	1,783,575
Other Non-current Liabilities	79,787
<b>Total Non-current liabilities</b>	<u>6,667,416</u>
<b>Current Liabilities:</b>	
Trade Accounts Payable and Accrued Liabilities	1,894,319
Payables to OAO “Rostelecom”	270,716
Taxes and Social Obligations	832,279
Dividends Payable	339,762
Short-term Loans	603,840
Current Portion of Long-term loans	1,576,511
Current Portion of Obligation under Finance Lease	404,179
<b>Total Current Liabilities</b>	<u>5,921,605</u>
<b>Commitments and contingencies</b>	
<b>Total Shareholders' Equity and Liabilities</b>	<u><u>28,344,223</u></u>

**OA O “Sibirtelecom”**  
**Consolidated Interim Statement of Operations (Unaudited)**  
**For the 6-month period ended June 30, 2004**  
*(in thousand rubles)*

	<b>Six month ended June 30, 2004</b>
<b>Revenues</b>	<b>10,402,981</b>
<b>Operating expenses:</b>	
Wages, Salaries, Other Benefits and Payroll Taxes	(3,462,627)
Depreciation and Amortization	(983,985)
Materials, Repairs, Maintenance and Utilities	(925,002)
Taxes Other than Income Tax	(178,078)
Interconnection Charges	(1,606,328)
Bad Debts (Expense) /Reversal	(149,938)
Loss on Disposal of Property, Plant and Equipment	(86,647)
Other Operating Expenses	(905,635)
<b>Total Operating Expenses</b>	<b>(8,298,240)</b>
<b>Operating income</b>	<b>2,104,741</b>
Income from Associates	2,663
Interest Expenses, net	(487,648)
Income (expenses) from Other Investments, net	45,849
Other Income (Expenses), net	(70,714)
Foreign Exchange Gain (Loss), net	44,407
Net Monetary Gain	–
<b>Income before Taxation and Minority Interest</b>	<b>1,639,298</b>
<b>Income Tax Expense, net</b>	<b>(556,681)</b>
<b>Income before Minority Interest</b>	<b>1,082,617</b>
<b>Minority Interest</b>	<b>47</b>
<b>Net Income</b>	<b>1,082,665</b>