

APPROVED

Board of Directors of the Open Joint-Stock Company North-West Telecom

Minutes # _____ of ____ _____ 2004

A.A. Bondarenko, Secretary of the Board of Directors _____
(signature)

QUARTERLY REPORT

Issuer's code 00119-A

for: the 1st quarter of 2004

Open Joint-Stock Company North-West Telecom

*Place of issuer's business: 14/26, ul. Gorokhovaya (26 ul. Bolshaya Morskaya), St. Petersburg,
191186, Russia*

*The information contained in this Quarterly Report may be disclosed in compliance with the
legislation of the Russian Federation on securities.*

General Manager _____ S.I. Kuznetsov

(signature)

May “___”, 2004

Chief accountant _____ M.M. Semchenko

(signature)

May “___”, 2004

Official seal

Contact person: *Vladislav Yuryevich Smyslov*
Shareholders and Securities Department Manager

Tel: (812) 312-03-81 Fax: (812) 325-83-23

e-mail: vsmyslov@ptn.ru

Address of the Internet page disclosing the information contained in this quarterly report:

<http://www.nwtelecom.ru/pubsas/test--C7740C3BCBAA11D5AE4B0050045260BB/index.html>

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INTRODUCTION

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Abbreviated official name of the issuer company: *OJSC NWT*

b) Place of issuer's business: *14/26, ul. Gorokhovaya (26 ul. Bolshaya Morskaya), St. Petersburg, 191186, Russia*

c) Issuer's contact phone Nos: *(812) 315-4706*
e-mail: office@nwtelecom.ru

d) Address of the Internet page publishing the complete text of the issuer's quarterly report:
<http://www.nwtelecom.ru/pubsas/test--C7740C3BCBAA11D5AE4B0050045260BB/index.html>

e) basic data on securities floated by the issuer:

Type: *stock*
Category: *common*
Number of floated securities: *735,917,222*
Face value: *1 rouble*

Data on registration of the issue by the state:
Date of registration: *12.09.03*
Registration No.: *1-02-00119-A*
Authority of state registration: *Federal Commission for Securities Market of Russia*

Floation method, procedure and timing: *the present issue has been obtained as a result of combining the earlier floated issues (on the basis of the Resolution of the Federal Commission for the Securities Market of Russia No.03-DG-04/13248 of 12.09.03) that had the following state registration numbers: 72-1-5986, 1-04-00119-A, 1-06-00119-A, 1-08-00119-A, 1-09-00119-A, 1-10-00119-A, 1-11-00119-A, 1-12-00119-A, 1-13-00119-A, 1-14-00119-A, 1-15-00119-A*

Type: *stock*
Category (type): *preferred type A*
Number of floated securities: *202,022,788*
Face value: *1 rouble*

Data on registration of the issue by the state:
Date of registration: *12.09.03*
Registration No.: *2-02-00119-A*
Authority of state registration: *Federal Commission for Securities Market of Russia*

Floation method, procedure and timing: *the present issue has been obtained as a result of combining the earlier floated issues (on the basis of the Resolution of the Federal Commission for the Securities Market of Russia No.03-DG-04/13248 of 12.09.03) that had the following state registration numbers: 72-1-5986, 1-05-00119-A, 1-07-00119-A, 2-08-00119-A, 2-09-00119-A, 2-10-00119-A, 2-11-00119-A, 2-12-00119-A, 2-13-00119-A, 2-14-00119-A, 2-15-00119-A*

Type: *bonds*
Category: *interest-bearing*
Series: *01*
Number of floated securities: *300,000*
Face value: *1,000 roubles*

Data on registration of the issue by the state:

Date of registration: *06.03.02*
Registration No.: *4-01-00119-A*
Authority of state registration: *Federal Commission for Securities Market of Russia*

Floataion method: *public subscription*

Floataion procedure: *The Bonds are floated through making transactions of sale and purchase at the Floataion Price of the Bonds, fixed by the Issuer's Board of Directors (starting from the second day of Bonds floataion, when making an operation of sale and purchase, the buyer also pays the accumulated coupon income on Bonds).*

Transactions related to Bonds floataion are made starting from on the first day of the Bonds floataion period till the date when the floataion of the Bonds of the Issue is over.

Bonds are floated in the stock market section of CJSC Moscow Interbank Currency Exchange (hereinafter referred to as MMVB) and in the stock section of CJSC St. Petersburg Currency Exchange (hereinafter referred to as SPVB).

150,000 of Bonds of the issue are floated in the stock market section of MMVB and 150,000 Bonds of the issue in the stock section of SPVB.

Transactions related to floating the Bonds are made as negotiation transactions in the stock market section of MMVB and in the stock section of SPVB by satisfying applications for purchase/sale of Bonds, submitted using the trading and payment systems of MMVB and SPVB respectively.

Sellers of Bonds are authorized Underwriters acting on their own behalf, but on the instructions and for the account of the Issuer:

in the stock market section of MMVB:

- Joint-Stock Commercial Bank Moskovsky Delovoy Mir (Open Joint-Stock Company)

in the stock section of SPVB:

- North-West Telecombank Closed Joint-Stock Company,

- Joint-Stock Commercial Bank MENATEP St. Petersburg (Open Joint-Stock Company)

Floataion start date: *April 10, 2002*

Floataion end date: *April 10, 2002*

Floataion price: *96.5% of the face value*

Security conditions: *no security is provided for*

Type: *bonds*

Category: *interest-bearing*

Series: *02*

Number of floated securities: *1,500,000*

Face value: *1,000 roubles*

Data on registration of the issue by the state:

Date of registration: *08.07.03*

Registration No.: *4-02-00119-A*

Authority of state registration: *Federal Commission for Securities Market of Russia*

Floataion method: *public subscription*

Floataion procedure: *Bonds shall be floated by making transactions of purchase and sale.*

Transactions related to Bonds floataion are made starting from the first day of the Bonds floataion period till the date when the floataion of the Bonds is over.

Transactions in Bonds floataion shall be made in the Stock Market Section of the Closed Joint-Stock Company Moscow Interbank Currency Exchange by the Underwriters satisfying applications for the purchase of Bonds, filed using the trading and payment systems of MMVB, by members of the Stock Market Section of MMVB acting both in their own name and for their own account, and for the account and on behalf of their clients.

If a potential buyer is not a Member of the Section of the Stock Market of MMVB, he shall make an appropriate contract with any broker being a Member of the Section of the Stock Market of MMVB and shall instruct him to acquire Bonds.

A potential buyer of Bonds, being a Member of the Section of the Stock Market of MMVB, shall act independently.

The potential buyer of Bonds must open a respective custody account with NDC or with any other depository being a depositor of NDC. The procedure and timing of opening custody accounts are established by the bylaws of respective depositories.

a) Procedure of Determining the Interest Rate of the First Coupon

The interest rate of the first coupon is determined according to the results of the auction held at the Moscow Interbank Currency Exchange (MMVB). The auction to determine the interest rate of the first coupon (hereinafter referred to as auction, or auction to determine the rate of the first coupon) is held on the starting date of Bonds floatation.

On the day when the auction to determine the interest rate of the first coupon is held, Members of the Stock Market Section of MMVB submit applications for the auction, using the trading system of MMVB both for their own account and for the account and on behalf of clients. The time for submitting applications for the auction to determine the interest rate of the first coupon is established by MMVB upon agreement with the Issuer and the Underwriters. Applications for acquisition of Bonds are to be sent by members of the stock market section of MMVB to the Underwriter with the indication of the following significant conditions:

1) Purchase price: 100% (one hundred per cent) of the face value;

2) Number of Bonds, that the potential buyer would like to acquire, if the Issuer assigns the interest rate of the first coupon as greater or equal to the acceptable interest rate of the first coupon indicated in the application.

3) Interest rate of the first coupon acceptable for the investor. The term "Acceptable interest" means the minimum interest rate of the first coupon, which, if announced by the Issuer, would make the potential investor ready to buy the number of Bonds indicated in the application at the price of 100% (one hundred per cent) of the face value. The acceptable interest rate of the first coupon must be expressed in per cent per annum accurate to a hundredth of per cent.

Money must be reserved in the amount sufficient for complete payment of the Bonds stated in the applications, taking into account the MMVB's commission fee.

Applications, in which one or several of the above significant conditions do not comply with the requirements set forth in items 1-3, and applications that are not secured by money as provided for in the previous paragraph are not permitted for participation in the auction to determine the interest rate of the first coupon.

Upon expiry of the period for filing applications for the auction to determine the interest rate of the first coupon, MMVB makes up the summary list of entered applications and hands it over to the Issuer and the Underwriters.

On the basis of the analysis of the summary list of applications submitted for participation in the auction, the Issuer takes a decision on the interest rate of the first coupon and advises the Underwriters and MMVB in writing on the decision taken.

After information is received from the Issuer on the established interest rate of the first coupon, the Underwriters make transactions by submitting cross-applications against the applications, in which the interest rate of the first coupon is less than or equal to the established interest rate of the first coupon. The time of effecting operations in the framework of the auction to determine the rate of the Bonds first coupon and making transactions to float them is to be established by Moscow Interbank Currency Exchange (MMVB) upon agreement with the Issuer and the Underwriters.

The filed applications for the purchase of Bonds are to be fully satisfied by the Underwriters, unless the number of Bonds stated in the purchase application exceeds the number of the Bonds that have not been floated. If the volume of a Bonds purchase application exceeds the number of the Bonds that have not been floated, such a securities purchase application shall be satisfied in the amount of the unfloated residue of the Bonds. In such a case, Bond purchase applications are to be satisfied by the Underwriters as follows: 1) applications shall be satisfied in the ascending order of the interest rate of the first coupon as stated in such applications, i.e. the first application to be satisfied is the one with the minimum indicated rate of the first coupon of all filed applications, the second application to be satisfied is the one with the minimum rate of the first coupon of the applications that remain unsatisfied, etc.; 2) in case of equal rates of the first coupon, stated in the applications, they shall be satisfied according to the sequence in which they have been filed. If all Bonds have been floated, there shall be no further transactions made.

After the interest rate of the first coupon is established and the applications filed in the course of the auction are satisfied, the members of the Stock Market Section acting in their own name both for their own account and for the account and on behalf of potential buyers may submit target applications for the purchase of Bonds during the floatation period. Applications addressed to the Underwriter and having only the T0 settlements code are permitted for filing. Applications shall be filed taking into account the interest rate of the first coupon established by the Issuer.

Starting from the second day of Bonds floatation, the buyer shall pay the accrued Bonds coupon yield for the respective number of days when acquiring Bonds.

A condition of accepting for execution the target Bonds purchase applications filed by Members of the Stock Market Section is to fulfil the conditions of the sufficiency of provided security as stipulated by the Clearing Conditions of MMVB.

If a filed application meets the above conditions, the Underwriter shall make the transaction by filing a cross-application on the day the respective purchase application is filed.

Bonds shall be floated according to the Rules of MMVB and other standard documents of MMVB.

Settlements under made transactions shall be effected according to the Clearing Conditions of MMVB.

The sold Bonds shall be transferred by the Depository to the custody accounts of the Bond buyers on the date of the sale and purchase operation.

Floation start date: ***October 08, 2003***

Floation end date: ***October 08, 2003***

Floation price. ***100% of the face value***

Security conditions: ***The acquisition of Bonds means that the acquirer of Bonds makes a contract, under which a security of the Bonds issue is provided. With the passage of the title to the Bond, the acquirer also receives the rights under the said Contract in the same scope and on the same conditions that exist as of the moment of the passage of the title to the Bond.***

An Offer of Providing a Security in the Form of a Surety for the Purposes of the Bonds Issue by OJSC North-West Telecom shall serve as the document confirming the provision by the Trubsnab Limited Liability Company of a security for the purposes of the Bonds issue.

f) other information: none

This quarterly report contains estimates and forecasts of the authorized management bodies of the issuer in respect of future events and/or actions, development prospects for the industry, in which the issuer mainly operates, and results of issuer's activities, including issuer's plans, probability of the occurrence of certain events and performance of certain actions. Investors must not fully rely on the estimates and forecasts of the issuer's management bodies, as actual results of the issuer's activities in the future may differ from the forecast for many reasons. Acquisition of issuer's securities implies risks that are described in this quarterly report.

I. Brief Data on Members of the Issuer's Management Bodies, Data on Bank Accounts, on the Auditor, Appraiser and Financial Consultant of the Issuer, as well as on Other Persons who have Signed the Quarterly Report

1.1. Members of the Issuer's Management Bodies

1.1.1. Members of Issuer's Board of Directors:

Chairperson: *Valery Nikolayevich Yashin*
Year of birth: *1941*

Alexandr Vyacheslavovich Ikonnikov
Year of birth: *1971*

Vadim Yevgenyevich Belov
Year of birth: *1958*

Ivan Ivanovich Rodionov
Year of birth: *1953*

Sergey Vladimirovich Soldatenkov
Year of birth: *1963*

Dmitry Vladimirovich Levkovsky
Year of birth: *1965*

Irina Mikhailovna Ragozina
Year of birth: *1950*

Yury Alexandrovich Bilibin
Year of birth: *1971*

Alexandr Alexandrovich Gogol
Year of birth: *1946*

Alexandr Abramovich Sysoyev
Year of birth: *1949*

Oleg Anatolyevich Lebedinets
Year of birth: *1977*

1.1.2. Members of the Issuer's collegiate executive body:

Nikolay Gennadyevich Bredkov
Year of birth: *1953*

Sergey Mikhaylovich Gavryushev
Year of birth: *1951*

Ilya Vladimirovich Kravchuk
Year of birth: *1975*

Sergey Ivanovich Kuznetsov
Year of birth: *1953*

Oleg Anatolyevich Semanov

Year of birth: 1967

Igor Nikolayevich Samylin

Year of birth: 1957

Evgeny Borisovich Stepanov

Year of birth: 1978

Maya Mikhaylovna Semchenko

Year of birth: 1967

Elena Vladimirovna Umnova

Year of birth: 1954

Venera Adykhmovna Khusnutdinova

Year of birth: 1973

Vladimir Ivanovich Shumeyko

Year of birth: 1956

Grigory Borisovich Chernyak

Year of birth: 1949

1.1.3. Person holding the position of (acting as) the Issuer's sole executive body

Person acting as the sole executive body of the Issuer: ***Sergey Ivanovich Kuznetsov***

Year of birth: 1953

1.2. Data on Bank Accounts of the Issuer

No.	1.
Name	JSCB Avtobank-NIKOIL OJSC
Full name	Joint-Stock Commercial Bank Open Joint-Stock Company Avtobank-NIKOIL
TIN:	7707027313
Corr. acc.:	30101810100000000774
BIK:	044525774
Address:	8, ul.Efremova, Moscow, 119048

Account No.:	Purpose of account
40702810000001003500	Settlement account

No.	2.
Name	JSCB Agrocredbank CJSC
Full name	Joint-Stock Commercial Bank Agrocredbank Closed Joint-Stock Company
TIN:	3523000385
Corr. acc.:	301018107000000000742
BIK:	041946742
Address:	34 A Sovetskiy pr., Cherepovets, 162602

Account No.:	Purpose of account
407028104000000000670	Settlement account

No. 3.
Name Alfa Bank OJSC
Full name Alfa Bank Open Joint-Stock Company
TIN: 7728168971
Corr. acc.: 3010181020000000593
BIK: 044525593
Address: 9, ul. Mashi Poryvayevoy, Moscow, 107078

Account No.:	Purpose of account
40702810400020501247	Settlement account
40702810200300000147	Settlement account

No. 4.
Name Baltiysky Bank CJSC
Full name Baltiysky Bank Closed Joint-Stock Company
TIN: 7834002576
Corr. acc.: 30101810100000000875
BIK: 044030875
Address: 34, ul. Sadovaya, St. Petersburg, 191023

Account No.:	Purpose of account
40702810700180019023	Settlement account

No. 5.
Name Bank of Foreign Trade
Full name Bank of Foreign Trade Open Joint-Stock Company
TIN: 7702070139
Corr. acc.: 30101810700000000187
BIK: 044525187
Address: 37, ul. Plyushchikha, Moscow, 119992

Account No.:	Purpose of account
40702810810001000495	Settlement account
4070281091000090005	Settlement account (for settlements under corporate cards)
42101810710001000495	Deposit account
40702840110001000495	Current account
40702840310001020495	Special transit account
40702840410001001495	Transit account
40702978010001001495	Transit account
40702978710001000495	Current account
40702978910001020495	Special transit account

No. 6.
Name JSCB Vneshagrobank
Full name Joint-Stock Commercial Bank Vneshagrobank Open Joint-Stock Company
TIN: 7703026580
Corr. acc.: 30101810300000000918
BIK: 044585918
Address: 33/2/5, Gagarinsky per. building 1, Moscow, 121002

Account No.:	Purpose of account
40702810000030000083	Settlement account

No. 7.
Name Vozrozhdenie OJSC
Full name Bank Vozrozhdenie Open Joint-Stock Company
TIN: 5000001042

Corr. acc.: 30101810900000000181
BIK: 044525181
Address: 7/4, Luchnikov per. building 1, Moscow, 101999

Account No.:	Purpose of account
40702810103908740729	Settlement account (for settlements under corporate cards)
40702810303900140729	Settlement account
42101810003906140729	Deposit account

No. 8.
Name Dresdner Bank
Full name Dresdner Bank Closed Joint-Stock Company
TIN: 7831000901
Corr. acc.: 301018109000000000813
BIK: 044030813
Address: 23, ul. Malaya Morskaya, St.Petersburg, 190000

Account No.:	Purpose of account
40702810200002009225	Settlement account
40702840164082009225	Transit account
40702840500002009225	Current account
40702840600002909225	Special transit account

No. 9.
Name JSCB Inkombank
Full name (declared bankrupt by the award of the Court of Arbitration of Moscow dated 01.02.00, No. A40-35610/98-95-27B)
TIN:
Corr. acc.:
BIK:
Address: 41, ul. Komsomola, St. Petersburg, 195009

Account No.:	Purpose of account
40702280602315003204	Transit account
40702756602315003204	Transit account
40702810802310003204	Settlement account
40702810802310003686	Settlement account
40702840102310003204	Current account
40702840102310003686	Current account
40702840602315003204	Transit account
40702840602315003686	Transit account

No. 10.
Name CB Mak-Bank LLC
Full name MIRNINSKY COMMERCIAL BANK MAK-BANK (LIMITED LIABILITY COMPANY)
TIN: 1433001750
Corr. acc.: 30101810100000000766
BIK: 041117766
Address: 36, Pomorskaya ul., Arkhangelsk, 163000

Account No.:	Purpose of account
40702810700100000072	Settlement account

No. 11.
Name MDM-Bank Saint Petersburg
Full name MDM-Bank Saint Petersburg Open Joint-Stock Company
TIN: 7831000179
Corr. acc.: 30101810600000000809

BIK: 044030809
Address: 26, Nevsky pr., St. Petersburg, 191186

Account No.:	Purpose of account
4070281071000003101	Settlement account

No. 12.
Name JSCB Moskovsky Delovoy Mir
Full name Joint-Stock Commercial Bank Moskovsky Delovoy Mir (Open Joint-Stock Company)
TIN: 7706074960
Corr. acc.: 30101810900000000466
BIK: 044525466
Address: 14, ul. Zhytnaya, Moscow, 113035

Account No.:	Purpose of account
40702810800020002580	Settlement account
45204810700020032580	Loan account
40702810001170020001	Settlement account
40702810301170020028	Settlement account
40702810301171020001	Settlement account

No. 13.
Name OFK for Tsentralny District
Full name
TIN:
Corr. acc.:
BIK:
Address:

Account No.:	Purpose of account
40105810155097010023	Budget

No. 14.
Name JSCB Promsvyazbank
Full name Joint-Stock Commercial Bank Promsvyazbank Closed Joint Stock Company
TIN: 7744000912
Corr. acc.: 30101810600000000119
BIK: 044583119
Address: 10, ul. Smirnovskaya, building 22, Moscow, 109052

Account No.:	Purpose of account
40702810000020344772	Settlement account
40702840200021344774	Transit account
40702840600020344773	Current account
40702840800022344775	Special transit account
40702978100020344776	Current account
40702978300022344778	Special transit account
40702978700021344777	Transit account

No. 15.
Name Industry and Construction Bank OJSC
Full name Industry and Construction Bank Open Joint-Stock Company
TIN: 7831000010
Corr. acc.: 30101810200000000791
BIK: 044030791
Address: 38, Nevsky pr., St. Petersburg, 191011

Account No.:	Purpose of account
40702810968000002655	Settlement account

40702810572000002533	Settlement account
40702810137000002059	Settlement account (for settlements under corporate cards)
42108810437000000010	Deposit account
40702810537000001207	Settlement account
40702810351000003986	Settlement account
40702810471000000808	Settlement account

No. 16.
Name Promenergobank OJSC
Full name Promyshlenny Energetichesky Bank (Industry Energy Bank) Open Joint-Stock Company
TIN: 3525018003
Corr. acc.: 30101810700000000797
BIK: 041946797
Address: 52, ul. Sotsialisticheskaya, Cherepovets, 162622

Account No.:	Purpose of account
40702810600000000548	Settlement account

No. 17.
Name Saint Petersburg Bank of Reconstruction and Development
Full name Commercial Bank The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company
TIN: 7831001373
Corr. acc.: 30101810100000000891
BIK: 044030891
Address: 14, Izmaylovsky pr., St. Petersburg, 198005

Account No.:	Purpose of account
40702810400000000309	Settlement account

No. 18.
Name JSCB Svyaz-Bank
Full name Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company
TIN: 7710301140
Corr. acc.: 30101810900000000848
BIK: 044525848
Address: 7, ul. Tverskaya, Moscow, 103375

Account No.:	Purpose of account
40702810400260300018	Settlement account
40702810700220000227	Settlement account
40702840300221000227	Current account
40702840600222000227	Transit account
40702840900223000227	Special transit account
40702978200262000018	Transit account
40702978500223000227	Special transit account
40702978500263000018	Special transit account
40702978900221000227	Current account
40702978900222000227	Transit account
40702978900261000018	Current account

No. 19.
Name Northern Clearing Chamber CJSC
Full name CLOSED JOINT-STOCK COMPANY - NON-BANK CREDIT ORGANIZATION NORTHERN CLEARING CHAMBER
TIN: 2901047470
Corr. acc.: 30103810400000000309

BIK: 041117309
Address: 8, ul. Voskresenskaya, Arkhangelsk, 163061

Account No.:	Purpose of account
30214810200000000023	Settlement participant's account
30214810600000000047	Settlement participant's account
30214810900000000048	Settlement participant's account

No. 20.
Name Northern Bank of the Savings Bank of Russia
Full name Northern Bank - the branch of the Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)
TIN: 7707083893
Corr. acc.: 30101810500000000670
BIK: 047888670
Address: 8, pr. Oktyabrya, Yaroslavl, 150028

Account No.:	Purpose of account
40702810104040100694	Settlement account
40702810212230100131	Settlement account
40702810512230100132	Settlement account
40702810512030100180	Settlement account
40702810912030100181	Settlement account
40702810212290100249	Settlement account
40702810912290100248	Settlement account
40702810804180101332	Settlement account
40702810904180101274	Settlement account
40702810004010400026	Settlement account (for settlements under corporate cards)
40702810104010101678	Settlement account
40702810112000102155	Settlement account
40702810612000102066	Settlement account
40702810712000102173	Settlement account
40702810804010101677	Settlement account
40702810804010101680	Settlement account
40702810812000102154	Settlement account
40702810112090100167	Settlement account
40702810412090100168	Settlement account
40702810404240102121	Settlement account
40702810704240102164	Settlement account
40702810604010101699	Settlement account
40702810804010102074	Settlement account
40702810504010101692	Settlement account
40702810504010102073	Settlement account
40702810004210100317	Settlement account
40702810504210100325	Settlement account
40702810804100100397	Settlement account
40702810804100100423	Settlement account
40702810304140101636	Settlement account
40702810504140101698	Settlement account
40702810004260112355	Settlement account
40702810304140100271	Settlement account

40702810704260112257	Settlement account
40702810212300100278	Settlement account
40702810912300100277	Settlement account
40702810612180100195	Settlement account
40702810812180200196	Settlement account
40702810012270102056	Settlement account
40702810712270102055	Settlement account

No.	21.
Name	North-West Bank of the Savings Bank of RF
Full name	North-West Bank - the branch of the Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)
TIN:	7707083893
Corr. acc.:	30101810500000000653
BIK:	044030653
Address:	2, ul. Krasnykh Tekstilshchikov, St. Petersburg, 193124

Account No.:	Purpose of account
40702810225020000098	Settlement account
40702810425020105120	Settlement account
40702810143050100496	Settlement account
40702810243090100123	Settlement account
40702810343080100127	Settlement account
40702810343100100162	Settlement account
40702810643050109036	Settlement account
40702810743050100508	Settlement account
40702810243150100076	Settlement account
40702810543060100222	Settlement account
40702810543200100082	Settlement account
40702810843060100223	Settlement account
40702810451160191194	Settlement account
40702810651160101191	Settlement account
40702810851160161193	Settlement account
40702810851160171196	Settlement account
40702810951160101192	Settlement account
40702810120170100384	Settlement account
40702810420170100385	Settlement account
40702810520120100154	Settlement account
40702810820120100155	Settlement account
40702810251010199132	Settlement account
40702810551010199133	Settlement account
40702810651030100125	Settlement account
40702810951030100126	Settlement account
40702810655000100218	Settlement account
45201810455000000153	Loan account
40702840055000200050	Transit account
40702840155000100050	Current account
40702840955000300050	Special transit account
40702978655000300031	Special transit account
40702978755000200031	Transit account

40702978855000100031	Current account
40702810143020111664	Settlement account
40702810220010102339	Settlement account
40702810225000103229	Settlement account
40702810243020112013	Settlement account
40702810320010101926	Settlement account
40702810351010102993	Settlement account
40702810451010103533	Settlement account
40702810525000103550	Settlement account
40702810541020403230	Settlement account (for settlements under corporate cards)
40702810855000100555	Settlement account
40702810925000403229	Settlement account
40702810941020003230	Settlement account
40702840420010301926	Special transit account
40702840520010201926	Transit account
40702840620010101926	Current account
40702810455020124830	Settlement account
40702810551010102997	Settlement account
40702810851010102998	Settlement account
40702810725070100192	Settlement account
40702810725670100231	Settlement account
40702810025140000259	Settlement account
40702810625140000222	Settlement account
40702810625030100203	Settlement account
40702810925030100165	Settlement account
40702810220010102342	Settlement account
40702810520010102343	Settlement account
40702810151050103039	Settlement account
40702810251050100246	Settlement account
40702810951050100245	Settlement account
40702810951050102120	Settlement account
40702810443070100189	Settlement account
40702810743180100122	Settlement account
40702810843070100190	Settlement account
40702810051140100204	Settlement account
40702810351140140375	Settlement account
40702810751140100203	Settlement account
40702810751140120089	Settlement account
40702810151010198178	Settlement account
40702810151130101320	Settlement account
40702810451130100319	Settlement account
40702810451130100322	Settlement account
40702810751130102321	Settlement account
40702810125130133463	Settlement account
40702810425130133422	Settlement account
40702810151150102079	Settlement account

40702810151150110087	Settlement account
40702810251150100188	Settlement account
40702810551150100189	Settlement account
40702810020010101938	Settlement account
40702810320010101939	Settlement account
40702810151140101093	Settlement account
40702810251140130087	Settlement account
40702810451140101094	Settlement account
40702810651160181195	Settlement account
40702810755390129472	Settlement account
40702810055130125679	Settlement account
40702810751010103479	Settlement account
40702810751010103534	Settlement account
40702810220180100407	Settlement account
40702810920180100406	Settlement account
40702810043190100171	Settlement account
40702810143020111677	Settlement account
40702810143190100178	Settlement account
40702810243120100064	Settlement account
40702810243130100258	Settlement account
40702810343130107821	Settlement account
40702810343190100172	Settlement account
40702810643110100056	Settlement account
40702810643210100215	Settlement account
40702810943130100260	Settlement account
40702810043170100230	Settlement account
40702810143140100173	Settlement account
40702810743170100239	Settlement account
40702810620020102123	Settlement account
40702810920020102124	Settlement account

No.	22.
Name	North-West Telecombank CJSC
Full name	North-West Telecombank Closed Joint-Stock Company
TIN:	7834000145
Corr. acc.:	30101810700000000822
BIK:	044030822
Address:	12, Baskov per., St. Petersburg, 191014

Account No.:	Purpose of account
40702810500000001011	Settlement account
40702810100000001217	Settlement account
42105810700100841217	Deposit account
42107810400001350590	Deposit account
45201810600004663220	Loan account
40702840100000301217	Special transit account
40702840200000201217	Transit account
40702840300000101217	Current account
40702978700000301217	Special transit account

40702978800000201217	Transit account
40702978900000101217	Current account
40702810200000000590	Settlement account
40702810200000001010	Settlement account
40702810200000001777	Settlement account
40702840300000200011	Transit account
40702840500000301011	Special transit account
40702840700000101011	Current account
40702810600000000776	Settlement account
40702810700000001219	Settlement account
40702810900000001006	Settlement account
40702810100000001013	Settlement account
40702810500000001008	Settlement account
40702810300000001017	Settlement account

1.3. Data on Issuer's auditor (auditors)

Full name: ***Ernst and Jang Vneshaudit Closed Joint-Stock Company***

Abbreviated name: ***Ernst and Jang Vneshaudit CJSC***

Place of business: ***23, ul. Malaya Morskaya, St. Petersburg, 190000***

TIN: ***7717025097***

Tel: ***(812) 103-7800*** Fax: ***(812) 103-7810***

e-mail: ***none***

Data on Auditor's license:

No. of license for auditing: ***E003246***

Date of issue: ***17.01.03***

Period: ***till 17.01.08***

Authority issuing the license: ***Ministry of Finance of the Russian Federation***

Fiscal year, for which the auditor independently checked the issuer's accounts and financial (book-keeping) reports: ***2002***

Factors are described that may have influence on independence of the auditor on the issuer, and measures are indicated that have been taken by the issuer and the auditor to reduce the influence of the said factors.

Issuer's auditor selection procedure:

The auditor is selected at the Annual General Meeting Of The Shareholders

The use of a tender procedure related to the selection of the auditor, and its basic conditions: ***no tender is provided for the selection***

Procedure of proposing a candidate to the position of the auditor for approval by the meeting of the shareholders (participants), including the management body taking the respective decision:

the shareholder(s) holding in the aggregate at least 2 per cent of the Company's voting shares, and/or the Company Board of Directors, also in case of absence of a respective proposal from the shareholders, are entitled to include issues in the agenda of the annual general meeting of the shareholders and to propose candidatures of auditors; in 2003 the candidature of the auditor was proposed by the Board of Directors and approved by the Annual General Meeting of the Shareholders

Information on the work performed by the auditor in the framework of special auditor assignments:

No such work has been done in the period under report

Information on any essential interests connecting the auditor (auditor's officials) with the issuer (issuer's officials): ***there are no essential interests connecting the auditor (auditor's officials) with the issuer***

(issuer's officials)

Share of the auditors (auditor's officials) participation in the authorized capital of the issuer: *none*

Granting of borrowed funds by the issuer to the auditor (auditor's officials): *no borrowed funds have been granted*

Any close business relations (participation in issuer's products (services) promotion, participation in joint business, etc.) or kinship: *none*

Data on issuer's officials who are at the same time auditor's officials: *no such parties*

Procedure of determining the auditor's remuneration amount: *The amount of the auditor's remuneration is based on a number of facts, including the time actually spent by the auditor to provide the services under the agreement, the complexity and value of the services provided and the hourly rates corresponding to the positions of specialists engaged.*

Any postpones or outstanding payments for services provided by the auditor: *none*

1.4. Data on the Issuer's Appraiser

Appraiser(s) employed by the issuer for:

determining the market value of issuer's fixed assets or real estate, for which the issuer carried out re-valuation as recorded in other sections of the quarterly report.

Full name: *RosExpert Consulting and Analytical Centre LLC*

Abbreviated name: *RosExpert LLC*

Place of business: *no data*

Telephone: *(8172) 72-49-16*

Fax: *none*

e-mail: *none*

License for valuation:

A.V. Shepelin Certificate No. 4361 of 4th July 1997 issued by the Appraisal Academy RAA, Moscow.

M.B.Zhiromsky Certificate No. N-680 of 7th October 1998 issued by MIPK REA named after G.V.

Plekhanov

Information on valuation services provided by the appraiser: *determining the market value of fixed assets*

Full name: *Lair Expert Examination Centre*

Abbreviated name: *LLC Lair*

Place of business: *40, ul. Furshtatskaya, St. Petersburg*

Telephone: *(812) 552-9366*

Fax: *none*

e-mail: *none*

No. of license for valuation: *№00004*

Date of issue: *06.08.01*

Period: *till 06.08.04*

Authority issuing the license: *Ministry of Privity of RF*

Information on valuation services provided by the appraiser: *determining the market value of fixed assets*

Full name: *MKD Partner Closed Joint-Stock Company*

Abbreviated name: *MKD Partner CJSC*

Place of business: *2, pl. Truda, St. Petersburg, 190000, Russia*

Telephone: *(812) 311-48-10, (812)311 48 55*

Fax: *(812) 311- 48 -33*

e-mail: *office@mcdhld.spb.ru*

No. of license for valuation: *there are no data on the license, the appraisal was carried out by independent appraiser A.V. Selishchev, Certificate No. 11Zh-02788, Certificate No. MOT-277*

Date of issue: *issued on 20.12.99, issued on 29.06.96*

Period: *no data*

Authority issuing the license: *The Russian Society of Appraisers*

Information on valuation services provided by the appraiser: *Determining the market value of fixed assets*

1.5. Data on the Issuer's Consultants

Full name: *AVK Investment Company Closed Joint-Stock Company*

Abbreviated name: *CJSC IC AVK*

Place of business: *10, Kamennooostrovsky pr., St. Petersburg, 197101, Russia*

Telephone: *(812) 230-7733*

Fax: *(812) 237-0650*

Address of the Internet page used by the financial consultant to provide information on the issuer:

<http://www.avk.ru/siteDatabase.nsf/0/4B815029D15C97FFC3256DB90038ED3F>

No. of the license of a professional participant of the securities market for dealership: *178-03343-010000*

Date of issue: *29.11.00*

Period: *without fixed period*

Authority issuing the license: *Federal Commission for Securities Market of Russia*

No. of the license of a professional participant of the securities market for brokerage: *178-03255-100000*

Date of issue: *29.11.00*

Period: *without fixed period*

Authority issuing the license: *Federal Commission for Securities Market of Russia*

Services provided by the consultant: *consulting services in the framework of the bond loan issue of OJSC NWT.*

The consultant acts on the basis of agreement No.30-OF dated 24.04.03 "Of Consulting Services", which expires from the moment of registration of the Report on the Results of the Issue of Interest-Bearing Documentary Non-Convertible Bonds Payable to Bearer, with Obligatory Centralized Care, Series 02 (starting from 14th November 2003). No agreement of Information Disclosure Monitoring between OJSC NWT and IC AVK CJSC was made as of the end of the period under report.

1.6. Data on Other Parties Who Have Signed the Quarterly Report

there are no such parties

II. Key Information on the Financial and Economic Position of the Issuer

2.1. Indices of Issuer's Financial and Economic Operation

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Value of Issuer's net assets, thousand roubles	3,539,480	6,002,269	6,281,169	10,904,017	11,352,714	12,155,464
Ratio of the borrowed funds and the capital and reserves, %	46.5	28.1	29.4	37.4	61.7	48.7
Ratio of the short-term liabilities and the capital and reserves, %	9.6	10.4	14.8	24.2	34.5	29.7
Cover of debt service payments, %	41.6	349.5	186.5	59.6	51.2	320.0
Outstanding debt level, %	1.91	0.00	0.00	6.6	6.0	5.9
Net assets turnover rate, times	0.4	0.3	0.6	0.9	1.1	1.1
Turnover rate of accounts payable, times	3.6	2.4	3.4	3.8	3.3	4.2
Turnover rate of accounts receivable, times	2.9	1.9	4.1	6.8	10.3	8.5
Share of profit tax in profit before taxes, %	23.4	33.3	47.3	50.1	36.2	25.3

Net assets mean the value of all assets of the organization after deduction of all liabilities from their total amount. The difference between the net assets and the authorized capital is the initial index of the stability of the enterprises financial position. During the last five complete fiscal years, the net assets noticeably exceeded the size of the Company's authorized capital (13-fold as of 01.04.04). When the procedure of takeover of the North-West telecommunication operators by OJSC NWT was completed by the end of 2002, the Company's net assets was 174% higher than the figure for the beginning of 2002. In 2003, the net asset growth was 4%, and in the 1st quarter of 2004, 7.1% against the beginning of the year. The positive trend of this indicator means an improving stability of the Company's financial standing.

The debt-to-equity/reserves ratio (financial dependence coefficient) shows how much borrowed money per rouble of own capital is used by the organization. The proportion of borrowed capital in the structure of the Company's liabilities was constantly growing in 1999 – 2003. As of 01.01.04, there were 62 borrowed kopecks, of which 35 kopecks of short-term liabilities, per rouble of own capital. The significant increase of liabilities in 2003 is attributable to the placement of a three-year bonded debt to a sum of 1.5 billion roubles, which enabled the Company to restructure the accumulated debt and to increase investment in the fixed assets. In the 1st quarter of 2004, the Company's debt was reduced to make 49% of own capital.

The overdue debt segment as of 01.04.04 was 5.9% of the total debt of the Company, decreasing by 0.7% against the beginning of the year 2003. The main bulk of the overdue debt is formed by the debt to the Vneshekonombank as credit agent for the Ministry of Finance of RF, which granted long-term funds to the Company in 1995-96 for the purpose of buying telecommunication equipment from foreign suppliers.

The Company's asset management efficiency is constantly improving, which can be seen in the favourable trend of the net asset turnover rate, with 1 rouble of net assets returning 1.1 roubles in 2003.

The turnover rate of accounts payable over the period under analysis (except for the year 2000) was in the range of 3.3 to 4.2 times a year. In the 1st quarter of 2004, the average period of repayment of accounts payable was 86 days.

From the year 2001 on, the accounts receivable turnover rate was constantly growing, and in 2003 it was 10.3 times a year, that is, the average period of repayment of accounts receivable became shorter (35 days in 2003). This trend indicates efficient dealing of the Company with its debtors. Besides, a shortened period of accounts receivable repayment reduces the need for own current assets. In the 1st quarter of 2004, the accounts receivable turnover rate slightly dropped compared to 2003.

A trend analysis of the above indicators demonstrates a stable financial standing of the Company, its solvency, and a low credit risk level.

2.2. Issuer's Market Capitalization

1999

Market capitalization of common stock: **126,155,304 US dollars**

Market capitalization of preferred stock: **6,734,880 US dollars**

2000

Market capitalization of common stock: **124,243,860 US dollars**

Market capitalization of preferred stock: **12,627,900 US dollars**

2001

Market capitalization of common stock: **198,683,926 US dollars**

Market capitalization of preferred stock: **22,888,170 US dollars**

2002

Market capitalization of common stock: **262,722,448 US dollars**

Market capitalization of preferred stock: **42,525,797 US dollars**

2003

Market capitalization of common stock: **290,687,303 US dollars**

Market capitalization of preferred stock: **61,616,950 US dollars**

1st quarter of 2004

Market capitalization of common stock: **470,987,022 US dollars**

Market capitalization of preferred stock: **86,869,799 US dollars**

Description of the method for determining the Issuer's market capitalization:

market capitalization is calculated as a product of the number of shares of the respective category (type) by the weighted average price of a share of that category (type) calculated by 10 biggest transactions made through the organizer of trade in the securities market (RTS exchange) in the month preceding the month, in which the last quarter under report ends, or in the last month of each completed fiscal year, for which the issuer's market capitalization is indicated.

If, during the month mentioned in this clause, less than 10 transactions are made through the organizer of trade in the securities market, the weighted average price of a share shall be calculated by 10 biggest transactions made through the organizer of trade in the securities market for 3 months preceding the month, in which the last quarter under report ends, or for 3 last months of each completed fiscal year, for which information on the issuer's market capitalization is indicated.

If, during the 3 months mentioned in this clause, less than 10 transactions are made through the organizer of trade in the securities market or information on transactions made cannot be provided by the organizer of trade in the securities market for certain reasons, the method of determining the issuer's market capitalization on the basis of calculating the weighted average price of the shares permitted for circulation by the organizer of trade in the securities market shall not be used.

2.3. Issuer's liabilities

2.3.1. Accounts payable

Structure of accounts payable of OJSC Petersburg Telephone Network as of 31.12.99

In roubles

	Liabilities	Balance as of 31.12.99	The term of the payment					More than 1 year
			Less than 30 days	from 31 to 60 days	from 61 to 90 days	from 91 to 180 days	from 181 days to 1 year	
1	Short-term and long-term liabilities, total, roubles	1,644,233,000	231,690,718	11,072,931	14,649,459	13,936,640	55,822,252	1,317,061,000
2	Accounts payable, total, roubles	247,162,000	217,894,922	555,810	1,389,219	11,007,797	4,689,252	11,625,000
	including:							
3	to suppliers and contractors, roubles	113,002,000	83,734,922	555,810	1,389,219	11,007,797	4,689,252	11,625,000
4	notes payable, roubles	0	0					
5	to affiliated parties of the issuer, roubles	0	0					
6	on wages, roubles	3,785,000	3,785,000					
7	indebtedness to budget and out-of-the-budget funds, roubles	27,988,000	27,988,000					
8	other accounts payable, roubles	102,387,000	102,387,000					
9	Credits, total, roubles	35,999,000					32,400,000	3,599,000
10	Loans, total, roubles	56,443,000	10,671,796	10,517,121	13,260,240	2,928,843	18,733,000	332,000
	including:							
11	Bond loans, roubles	0						
12	Other liabilities, roubles	1,304,629,000	3,124,000					1,301,505,000
	Overdue accounts payable, total, roubles	31,442,000.00	The overdue debt for imported equipment was repaid in 2000-2001.					
	including those to budget and out-of-the-budget funds, roubles	0.00						
	Outstanding debt in respect of credits, roubles	0.00						
	Outstanding debt in respect of loans, roubles	0.00						

Creditors, the debt to each of which is at least 10 per cent of the entire debt:

<i>1. Mitsui & Co., Ltd - Japan</i>	1,069,984,000.00
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There are no liabilities overdue as of the end of the year that amount to five or more per cent of the book value of the assets.

Structure of accounts payable of OJSC Petersburg Telephone Network as of 31.12.00

In roubles

	Liabilities	Balance as of 31.12.00	The term of the payment					
			Less than 30 days	from 31 to 60 days	from 61 to 90 days	from 91 to 180 days	from 181 days to 1 year	More than 1 year
1	Short-term and long-term liabilities, total, roubles	1,684,593,000	463,681,755	37,388,374	28,010,235	54,562,280	39,641,356	1,061,309,000
2	Accounts payable, total, roubles	521,489,000	416,073,755	7,388,374	8,823,235	49,562,280	39,641,356	0
	including:							
3	to suppliers and contractors, roubles	190,306,000	106,213,404	7,388,374	8,823,235	28,239,631	39,641,356	
4	notes payable, roubles	0						
5	to affiliated parties of the issuer, roubles	0						
6	on wages, roubles	17,587,000	17,587,000					
7	indebtedness to budget and out-of-the-budget funds, roubles	72,303,000	50,980,351			21,322,649		
8	other accounts payable, roubles	241,293,000	241,293,000					
9	Credits, total, roubles	80,000,000	30,000,000	30,000,000	15,000,000	5,000,000		
10	Loans, total, roubles	64,341,000			4,187,000			60,154,000
	including:							
11	Bond loans, roubles	0						
12	Other liabilities, roubles	1,018,763,000	17,608,000					1,001,155,000
	Overdue accounts payable, total, roubles	0.00						
	including those to budget and out-of-the-budget funds, roubles	0.00						
	Outstanding debt in respect of credits, roubles	0.00						
	Outstanding debt in respect of loans, roubles	0.00						

Creditors, the debt to each of which is at least 10 per cent of the entire debt:

<i>Mitsui & Co., Ltd - Japan</i>	936,192,000.00
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There are no liabilities overdue as of the end of the year that amount to five or more per cent of the book value of the assets.

Structure of accounts payable of OJSC Petersburg Telephone Network as of 31.12.01

In roubles

	Liabilities	Balance as of 31.12.01	The term of the payment					
			Less than 30 days	from 31 to 60 days	from 61 to 90 days	from 91 to 180 days	from 181 days to 1 year	More than 1 year
1	Short-term and long-term liabilities, total, roubles	1,843,582,000	626,142,293	121,007,122	75,786,510	29,586,793	77,930,282	913,129,000
2	Accounts payable, total, roubles	803,704,000	606,593,293	33,807,122	75,786,510	29,586,793	57,930,282	0

	including:							
3	to suppliers and contractors, roubles	297,066,000	154,607,803	33,807,122	21,134,000	29,586,793	57,930,282	
4	notes payable, roubles	0	0					
5	to affiliated parties of the issuer, roubles	0	0					
6	on wages, roubles	4,866,000	4,866,000					
7	indebtedness to budget and out-of-the-budget funds, roubles	100,429,000	45,776,490		54,652,510			
8	other accounts payable, roubles	401,343,000	401,343,000					
9	Credits, total, roubles	50,000,000		30,000,000			20,000,000	
10	Loans, total, roubles	60,154,000		57,200,000				2,954,000
	including:							
11	Bond loans, roubles	0						
12	Other liabilities, roubles	929,724,000	19,549,000					910,175,000
	Overdue accounts payable, total, roubles	0.00						
	including those to budget and out-of-the-budget funds, roubles	0.00						
	Outstanding debt in respect of credits, roubles	0.00						
	Outstanding debt in respect of loans, roubles	0.00						

Creditors, the debt to each of which is at least 10 per cent of the entire debt:	
Mitsui & Co., Ltd - Japan	738,567,000.00

There are no liabilities overdue as of the end of the year that amount to five or more per cent of the book value of the assets.

Structure of accounts payable of OJSC North-West Telecom as of 31.12.02

In roubles

	Liabilities	Balance as of 31.12.02	The term of the payment					More than 1 year
			Less than 30 days	from 31 to 60 days	from 61 to 90 days	from 91 to 180 days	from 181 days to 1 year	
1	Short-term and long-term liabilities, total, roubles	4,064,357,213	1,614,002,956	93,465,424	75,542,169	260,431,546	590,496,246	1,430,418,872
2	Accounts payable, total, roubles	1,974,042,617	1,608,002,956	53,465,424	46,842,169	134,911,769	130,820,299	0
	including:							
3	to suppliers and contractors, roubles	579,289,162	455,445,428	19,713,185	13,179,158	18,475,820	72,475,571	0
4	notes payable, roubles	0	0	0	0	0	0	0
5	to affiliated parties of the issuer, roubles	2,258,000	2,258,000	0	0	0	0	0
6	on wages, roubles	56,064,711	56,064,711	0	0	0	0	0
7	indebtedness to budget and out-of-the-budget funds, roubles	275,012,711	269,494,190	0	5,518,521	0	0	0
8	other accounts payable, roubles	1,061,418,033	824,740,627	33,752,239	28,144,490	116,435,949	58,344,728	0
9	Credits, total, roubles	226,329,248	6,000,000	40,000,000	28700000	113091908	21,153,868	17,383,472
10	Loans, total, roubles	787,298,974	0	0	0	12,427,869	357,632,209	417,238,896

	including:							
11	Bond loans, roubles	312,427,869	0	0	0	12,427,869	0	300,000,000
12	Other liabilities, roubles	1,076,686,374	0	0	0	0	80,889,870	995,796,504
	Overdue accounts payable, total, roubles	13,999,800						
	including those to budget and out-of-the-budget funds, roubles	0						
	Outstanding debt in respect of credits, roubles	0						
	Outstanding debt in respect of loans, roubles	245751162						

Structure of accounts payable of OJSC North-West Telecom as of 31.12.03
thousand roubles

Liabilities	The term of the payment						
	As of 31.12.03	Less than 30 days	from 30 to 60 days	from 60 to 90 days	from 90 to 180 days	from 180 days to 1 year	more than 1 year
Short-term and long-term liabilities, total, roubles	6,178,173	2,536,013	130,249	124,475	565,661	496,739	2,325,036
Accounts payable, total	3,695,400	1,948,850	123,002	111,610	219,871	439,164	852,903
including:							
To suppliers and contractors	989,168	508,314	63,881	37,986	93,436	285,552	-
Notes payable	15,044	-	-	-	-	-	15,044
To affiliated parties	1,345,446	195,505	27,888	62,447	108,890	112,856	837,859
On wages	60,555	60,555	-	-	-	-	-
Indebtedness to budget and out-of-the-budget funds	279,663	274,760	-	-	4,903	-	-
Other accounts payable	1,005,524	909,716	31,233	11,177	12,642	40,756	-
Credits, total	-	-	-	-	-	-	-
Loans, total	1,794,528	540,287	7,247	12,865	345,790	57,575	830,764
including:							
Bond loans	1,085,424	24,510	-	-	310,914	-	750,000
Other liabilities	688,245	46,876	-	-	-	-	641,369
Overdue accounts payable, total, roubles	418,087						
including:							
To budget and out-of-the-budget funds	-						
Outstanding debt in respect of credits	-						
Outstanding debt in respect of loans	417,255						
Other creditors	832						

Structure of accounts payable of OJSC North-West Telecom as of 31.03.04

thousand roubles

Liabilities	The term of the payment
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	As of 31.03.04	Less than 30 days	from 30 to 60 days	from 60 to 90 days	from 90 to 180 days	from 180 days to 1 year	more than 1 year
Short-term and long-term liabilities, total	5,904,719	2,765,721	106,763	108,461	232,343	388,000	2,303,430
Accounts payable, total	2,381,089	1,622,459	96,559	105,885	210,493	345,692	-
including:							
To suppliers and contractors	643,335	289,810	44,293	18,555	93,317	197,361	-
Notes payable	15,044						15,044
To affiliated parties	1,210,806	177,088	25,261	56,565	98,632	102,225	751,035
On wages	145,406	145,406					-
Indebtedness to budget and out-of-the-budget funds	437,655	432,707	684	659	2,315	1,290	-
Other accounts payable	694,922	577,449	26,322	30,106	16,229	44,816	-
Credits, total	-	-	-	-	-	-	-
Loans, total	1,799,305	815,174	10,204	2,576	21,850	42,308	907,193
including:							
Bond loans	750,000						750,000
Other liabilities	958,246	328,088	-	-	-	-	630,158
Overdue accounts payable, total	350,771						
including:							
To budget and out-of-the-budget funds	-						
Outstanding debt in respect of credits	-						
Outstanding debt in respect of loans	350,771						
Other creditors	-						

2.3.2. Issuer's Crediting History

OJSC North-West Telecom did not enter any credit or loan agreements during 1999 – 1st quarter of 2004, where the principal debt makes (made) 10 or more per cent of the Company's net asset value as of the date of the last completed report quarter preceding the signing of a credit or loan agreement.

2.3.3. Issuer's Liabilities of Security Granted to Third Parties

The total sum of the issuer's liabilities based on the security provided thereby, and the sum of third persons' liabilities where the issuer provided security to third persons, such as pledge or warranty, for the 1st quarter of 2004: **984,390,383.73 roubles**

Information on each of the liabilities of the issuer based on the security provided to third persons in the report quarter, including that in the form of pledge or warranty, and making at least 5 per cent of the book value of the issuer's assets in the quarter under report, specifying: **no such commitments**

2.3.4. Other liabilities of the Issuer

As of 31.03.04, OJSC North-West Telecom (as a united company) had no agreements, including futures contracts not recorded in its balance sheet, that might materially affect the financial standing of the issuer, its marketability, funding sources and terms of funds use, business results, and costs.

2.4. Goals of the Issue and Areas of Using the Funds Received as a Result of Floating the Issued Securities

Indicate the goals of the issue and areas of using the funds received as a result of floating the issued securities: *it is planned that the funds obtained from floating the bonds will be used for development of OJSC North-West Telecoms investment programmes, as well as for restructuring the rouble and currency debt of the Company in order to reduce its service costs.*

2.5. Risks Related to Acquisition of Floated Issued Securities (to be Floated)

2.5.1. Industry Risks:

Main industry risks for the Issuer may be reduced to the following:

1) Strengthening of Competition

The Issuer is facing a growing competition from other operators, which may lead to a reduction of the operation margin, a decrease in the market share and a reduction of the price of our services.

The Russian market of telecommunication services is becoming very competitive. The trend of the Russian Government's licensing policy consists in increasing the competition between suppliers of telecommunication services. The Ministry of Communication has abandoned the principle of issuing exclusive licenses for each technological standard for a region, and adopted the principle of issuing several licenses covering the same territory. Competitors of OJSC North-West Telecom are in a more favourable position, as they are free in choosing services to be provided and a price policy, unlike the Issuer who has to bear the social burden and is restricted in the possibility of changing the rates.

In this respect, mobile communication operators are the strongest competitors of the Issuer. MegaFon, MTS and BeeLine (Vypelcom OJSC) have already won significant shares of the market. By the moment, another operator – Swedish Tele2 has started its operation in the cellular communication services market.

2) State Regulation of the Industry

In compliance with the legislation of Russia, a license has to be obtained for provision of communication services. Uncertainty in the regulation in respect of prolonging our licenses may lead to incapability of prolonging our licenses or to an increase of our obligations and a reduction of our rights according to the conditions of prolonged licenses, which increases expenses and may limit the area of communication services provision.

The period of our licenses expires at different times in the range of the years 2003 – 2012 and can be prolonged after submitting an application to the Ministry of Communication. Officials in the Ministry of Communication may decide anything as to prolonging the licenses and we cannot be sure whether our licenses will be prolonged or not. Besides, even if they are prolonged, this may take place with extra obligations, including extra fees, or with a reduced coverage area. If we are not able to prolong our licenses or get renewed licenses on conditions similar to the current conditions, the scope of services provided by us and the number of subscribers may decrease.

Besides licensing, there are other possible risks related to the state regulation of the industry, the level of which is quite high due to the strategic significance of the industry.

3) Decrease in the Solvent Demand for Provided Communication Services

A reduction of company's receipts may also be caused by a decrease in the demand for provided services. Such a reduction is possible in different situations, e.g. in case of higher inflation (see inflation risks), growth of rates as a result of increased costs, in case of a general decrease in solvent demand and in other cases.

However, on the whole industry risks are evaluated as minimal, for as a result of industry enterprises restructuring, OJSC North-West Telecom has acquired the status of a natural monopolist in the entire North-Western region, and the resistance of such companies to unfavourable conditions of the environment is very high.

In case of unfavourable development of the situation in the region, the issuer plans to:

- optimize the structure of production expenses;*
- reduce enterprise's expenses, including reduction and revision of issuer's investment policy;*
- change the structure of provided services for the purpose of maximizing the income of the enterprise.*

2.5.2. Country Risks and Regional Risks

Forecast of the influence of situation changes in the region on the Issuer's operation. Issuer's actions in case of adverse effect of changes on the operation.

A deterioration of the economic situation in the North-Western region may take place in case of material changes in the economic situation in Russia, including drastic changes in the exchange rate of the national currency, which may entail a reduction of the number of industrial and agricultural enterprises of all forms of ownership operating in the region, a growth of unemployment and a slowdown of the population's solvent demand.

Such developments would result in a suspension of implementing the Issuer's investment programme, a reduction of the volume growth of communication services provided by the Issuer in the territory of the region and a growth impairment of the income base.

In such a case, the Issuer will fulfil the obligations through Company's income from operation, and, if necessary, it will attract short-term loans from commercial banks for that purpose.

2.5.3. Financial Risks

Changes of the currency exchange rate may increase our expenses, reduce our reserves or hamper repayment of our debts.

Changes of the currency exchange rate may increase the expenses and reduce the reserves of the Issuer. During the recent several years there has been a significant fluctuation of the rouble as compared to the main world currencies, which has been mainly expressed in the fall of the exchange rate of the rouble. The Central Bank of RF has imposed various restrictions on trading operations involving foreign currency, trying to support the rouble exchange rate. The capability of the Government and of the Central Bank of RF to support a stable rouble exchange rate will depend on many political and economic factors. These factors include the capability of funding the budget deficit without resorting to issuing banknotes, control of the inflation level and maintaining sufficient foreign currency reserves to support the rouble exchange rate.

A certain part of expenses and liabilities of the Issuer is nominated in foreign currency or rigidly tied to the exchange rate of such foreign currencies as the US dollar and Euro. This includes, among other things, investment and borrowing.

Besides, there are significant loans provided to us by Vnesheconombank (Foreign Economic Bank) expressed in Euros or tied to the exchange rate of Euro. As to the latter type of loans (tied to Euro), in compliance with the accounting policy pursued by us, we carry out revaluation at the moment of repaying a debt only.

Thus, a further devaluation of the rouble relative to the main world currencies may have an adverse effect on the Issuer by increasing expenses in roubles. In case of a decrease of the rouble exchange rate ahead of the increase of the rates for services, the Issuer may experience difficulties in payment or re-financing of a debt in foreign currency.

We will not be able to eliminate this risk by tying our rates to the US dollar/Euro exchange rate because of the state regulation of rates for most of the communication services provided by us.

A significant devaluation of the rouble (e.g., by 25-50%) can make it more difficult for the Issuer to fulfil the obligations, as in such a case even the respective increase of rates may become insufficient to make up the drop in the volume of services in kind, which will be caused by the slowdown of the population's purchasing capacity. In such a case, OJSC North-West Telecom is planning to take the following measures:

- optimize costs, including measures to limit expenses for wages;*
- revise the investment programme;*
- take measures to increase the turnover of the accounts receivable.*

At the same time, under the current conditions of stabilization of the economy and a significant increase of the gold and exchange currency reserves of the Central Bank of RF, most forecasts predict a low level of rouble devaluation, at least relative to the US dollar, or even some strengthening of the rouble, which may, vice versa, have a positive effect on operational profitability of the company.

The risk of the influence of inflation may arise if the received monetary income is devalued from the standpoint of the real purchasing power of money quicker than it is growing nominally. Inflation growth leads to increased expenses of the enterprise due to the growth of suppliers' prices. This is made up by indexing from time to time the prices of the services provided by the Issuer, in the amount agreed upon with the Ministry of Antimonopoly Policy and taking into account the inflation rate. However, with a considerable inflation level, such indexing may fail to correspond to the costs level, which may lead to increased expenses of the enterprise (because of the increased prices of fixed assets) and, as a consequence, to a drop in profits of the Issuer and, respectively, in the profitability of its business. This is aggravated by the fact that inflation is usually accompanied by devaluation of the rouble, and in such a case the currency risks are actualized, too.

Besides, a growth of inflation will lead to an increase in the value of borrowed funds for the Issuer, which may result in a shortage of the enterprise's circulating funds. On the other hand, according to the Issuer, inflation levels with which OJSC North-West Telecom may have difficulties in fulfilling its obligations to bond holders are much higher than the inflation level planned in the Russia's federal budget for the year 2004 -10% per annum, being 30%--40% per annum.

The main inflation-related risk of the Issuer is an increase in the prime cost in respect of material and fuel resources, which is far ahead of the change in the rates for communication services.

In case of inflation growth, the issuer is planning to take measures to limit the growth of expenses and to pay special attention to increasing the turnover of circulating assets, including a change in the existing contractual relations with the consumers for the purpose of reducing the accounts receivable of buyers.

2.5.4. Legal Risks

OJSC North-West Telecom (hereinafter referred to as the Issuer) considers as one of the risks related to the change in the active law the fact that starting from 1st January 2004, Chapter 30 "Tax on Property of Organizations" of the Tax Code of the Russian Federation takes effect, canceling the property tax privilege that was earlier applied by the Issuer – exemption from paying the property tax on the balance value of communication lines. To minimize tax consequences, the Issuer has initiated considering the issue of providing privileges similar to those cancelled, at the level of the Federation entities, in which the Issuer operates.

The possibility of consequences (unfavourable for the Issuer) of changes in the existing court practices in respect of cases related to indemnification by the state for losses inflicted to the Issuer in connection with the provision of benefits to certain categories of citizens shall be also considered as a legal risk.

Unfavourable changes in the court practices may result in increased amounts of income that will not be received by the Issuer and, consequently, in increased accounts receivable of the Issuer.

As according to the active law the primary business of the Issuer is subject to licensing and the list of licensing terms is formed and annually adjusted by the Government of RF in compliance with the law "On Communication", there is a risk that the "licensing load" on the Issuer will grow (that there will be more licensing terms) and a risk that the area of communication services provision by the Issuer will be restricted.

There are no legal risks related to changes of the currency laws or customs control rules, that could have a significant influence on Issuer's activities results or on the results of current judicial proceedings.

2.5.5. Risks Related to Operation of the Issuer

There are no such risks

III. Detailed Information on the Issuer

3.1. The History of the Issuer's Foundation and Development

3.1.1. Data on the Issuer's Official Name (Name)

Full official name: *Open Joint-Stock Company North-West Telecom*

Abbreviated official name: *OJSC NWT*

The current name was introduced on: *10.12.01*

Grounds for the introduction of the current name: *the name has been introduced in compliance with the decision of the general meeting of the shareholders of 28.11.01, Minutes No.1*

Previous names of the Issuer:

Full official name: *Petersburg Telephone Network Open Joint-Stock Company*

Abbreviated official name: *PTN OJSC*

The name was introduced on: *16.05.96*

Ground of introducing the name: *the name has been introduced in compliance with the decision of the general meeting of the shareholders of 18.04.96, Minutes No.1, in order to bring the name in line with the Civil Code of RF and the Federal Law On Joint-Stock Companies*

Full official name: *Petersburg Telephone Network Open Type Joint-Stock Company*

Abbreviated official name: *PTN OTJSC*

The name was introduced on: *06.05.93*

Ground of introducing the name: *the name has been introduced as a result of re-organization of the state communication and information engineering enterprise The Leningrad City Telephone Network Awarded the Order of the Red Banner of Labour in compliance with the Decree of the President of the Russian Federation of 01.07.92 No. 721 "On Organizational Measures of Transforming State Enterprises and Voluntary Associations of State Enterprises into Stock Companies"*

3.1.2. Data on the State Registration of the Issuer:

Date of the Issuer's state registration: *06.05.93*

No. of the certificate of registration by the state (or any other document confirming the registration of the Issuer by the state): *2717*

Authority of state registration: *Registration Chamber of St. Petersburg Mayor's Office*

According to the data indicated in the certificate of making an entry in the Single State Register of Legal Entities on the legal entity registered before 1st July 2002:

Basic state registration No. of the legal entity: *1027809169849*

Date of registration: *17.07.02*

Name of registering authority: *Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg*

3.1.3. Data on Issuer's Foundation and Development

Period of the issuer's existence from the date of its registration by the state: *10 years and 7 months*

Date, to which the issuer will exist: *the issuer was established for an unlimited period.*

HISTORY OF ISSUER'S FOUNDATION AND BUSINESS

Brief Description of the History of Issuer's Foundation and Business

The enterprise providing telephone communication for St. Petersburg - Petrograd - Leningrad - St. Petersburg was established in 1882 when the rights of arranging and operating telephone communications in St. Petersburg were granted to the international company Bell's Telephones.

In compliance with the Decree of the RF President No. 721 of July 1, 1992 On Organizational Measures for Transformation of State-Run Enterprises ... into Joint-Stock Companies, privatization of the State-Run Leningrad City Telephone Network (LGTS) started.

On July 14, 1992, on the basis of the Order for the LGTS, a privatization commission was formed. From July to September 1992 the foundation documents of the Company were prepared (Articles of Association, Privatization Plan, Property Evaluation Statement, etc.).

On April 8, 1993, Resolution No. 613-r of GKI (State Committee for Property) of RF On Privatization of LGTS was signed.

On May 6, 1993, the Registration Chamber of the St. Petersburg Mayor's Office issued the Certificate of Registration of the Open Type Joint-Stock Company Petersburg Telephone Network (JSC PTN), and on May 31, 1993, the Financial Board of the St. Petersburg Mayor's Office registered the issue of JSC PTN's stock.

In 1996 OTJSC PTN was transformed into OJSC PTN, and respective amendments were introduced to the Articles of Association.

On November 28, 2001, on the basis of a decision of an extraordinary General Meeting of the Shareholders, in the framework of re-organization in the form of affiliation of 8 telecommunication operators of the North-Western region with OJSC PTN, the latter was transformed into OJSC North-West Telecom, and then the respective amendments were introduced to the Articles of Association.

On 17th July 2002 OJSC North-West Telecom was re-registered by the Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg and received its basic registration No.: 1027809169849.

On 31st October 2002 the following companies providing telecommunication services in the territory of the North-Western Federal District were affiliated with OJSC North-West Telecom:

- *Artelecom of Arkhangelsk Oblast Open Joint-Stock Company*
- *Murmanelectrosvyaz Open Joint-Stock Company*
- *Novgorodtelecom Open Joint-Stock Company*
- *Electrosvyaz of Pskov Oblast Open Joint-Stock Company*
- *Cherepovetssectrosvyaz Open Joint-Stock Company*
- *Electrosvyaz of Vologda Oblast Open Joint-Stock Company*
- *Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company*
- *Electrosvyaz of the Republic of Karelia Open Joint-Stock Company.*

In the end of 2003 and the beginning of 2004, the Cherepovetsselectrosviaz subsidiary was wound up by its incorporation in the structure of the Electrosviaz of Vologda Oblast subsidiary.

In 2004 the affiliation of Svyaz Open Joint-Stock Company of the Komi Republic and Lensvyaz Open Joint-Stock Company is expected.

Goals of Establishing the Issuer

The main goals of establishing the North-West Telecom Open Joint-Stock Company are to organize and provide local telephone services and, starting from December 28, 2000, long-distance and international telephone communication services for subscribers in the territory of in the territory of St. Petersburg and in certain territories of Leningrad Oblast and after affiliation of 8 telecommunication operators of the North-Western Federal Region, the company provides telecommunication services within all the North-Western Federal Region, excluding Leningrad Oblast and Komi Republic.

OJSC North-West Telecom also provides accompanying communication services, such as leasing out channels for data transmission of automated control, telegraph and broadcasting systems, renders radiotelephone communication services and reference services, and Internet access services.

MISSION

Providing all kinds of telecommunication services to the population and organizations of St. Petersburg and the North-West of Russia in interaction with local and federal authorities, using up-to-date technologies and labour of skilled workers and retaining the leading positions among communication operators.

3.1.4. Contact Information

Place of issuer's business: 14/26, ul. Gorokhovaya (26 ul. Bolshaya Morskaya), St. Petersburg, 191186, Russia

Location of the standing executive body of the issuer: 14/26, ul. Gorokhovaya (26, ul. Bolshaya Morskaya), St. Petersburg, 191186, Russia

Telephone: (812) 315-4706

Fax: (812) 110-6277

e-mail: office@nwtelecom.ru

URL of the page in the Internet with information on the Issuer and on securities issued and/or to be issued by it: <http://www.nwtelecom.ru/>

Location of the special division of the issuer for work with shareholders and investors of the issuer: 14/26, ul. Gorokhovaya (26, ul. Bolshaya Morskaya), St. Petersburg, 191186, Russia

Telephone: (812) 312-0381

Fax: (812) 325-8323

e-mail: ysmyslov@ptn.ru

3.1.5. Taxpayer Identification Number

7808020593

3.1.6. Issuer's branches and representative offices

Name: *Artelecom of Arkhangelsk oblast*
Date of opening: *11.07.02*
Place of business: *45, Troitsky prospekt, Arkhangelsk, 163061, Russia*
Manager: *Vladimir Ivanovich Belokaminskiy*
Period of power of attorney: *31.12.03*

Name: *Murmanelectrosvyaz*
Date of opening: *11.07.02*
Place of business: *82-a, pr. Lenina, Murmansk, Russia, 183038*
Manager: *Vitaly Stanislavovich Vitman*
Period of power of attorney: *31.12.03*

Name: *Novgorodtelecom*
Date of opening: *11.07.02*
Place of business: *2, ul. Lyudogoshcha, Veliky Novgorod, 173001, Russia*
Manager: *Nikolay Pavlovich Emelyanov*
Period of power of attorney: *31.12.03*

Name: *Petersburg Telephone Network*
Date of opening: *18.12.01*
Place of business: *24, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia*
Manager: *Igor Nikolayevich Samylin*
Period of power of attorney: *31.12.03*

Name: *Electrosvyaz of Vologda Oblast*
Date of opening: *11.07.02*
Place of business: *4, Sovetsky prospekt, Vologda, 160035, Russia*
Manager: *Alexandr Alexeyevich Kliman*
Period of power of attorney: *31.12.03*

Name: *Electrosvyaz of Kaliningrad Oblast*
Date of opening: *11.07.02*
Place of business: *24, ul. Bolnichnaya, Kaliningrad, 236024, Russia*
Manager: *Alexandr Vladimirovich Andreyev*
Period of power of attorney: *31.12.03*

Name: *Electrosvyaz of the Republic of Karelia*
Date of opening: *11.07.02*
Place of business: *5, ul. Dzerzhinskogo, Petrozavodsk, the Republic of Karelia, 185000, Russia*
Manager: *Sergey Mikhaylovich Gavryushev*
Period of power of attorney: *31.12.03*

Name: *Electrosvyaz of Pskov oblast*
Date of opening: *11.07.02*
Place of business: *5, Oktyabrsky pr., Pskov, 180000, Russia*
Manager: *Nikolay Alexeyevich Shalnev*
Period of power of attorney: *31.12.03*

3.2. Basic Business Activities of the Issuer

3.2.1. Branch to which the Issuer belongs

Codes of basic branch areas of the issuer's activities according to the OKVED classifier:

Basic code: *64.20.11*

Other codes: *64.20.3; 64.20.22; 64.20.21; 64.20.12*

3.2.2. Basic Business Activities of the Issuer

Types of products (works, services) that have produced over 10% of the Issuer's sales (receipts) volume in the quarter under report:

Long-distance and international telephone connections, thousand min.,

In compliance with the Resolution of the Government of RF dated 26.09.97 No. 1235 (version of 14.01.02) "On Approval of the Rules for Provision of Telephone Communication Services":

Long-distance telephone communication is a telephone connection between users situated in the territory of different entities of the Russian Federation or different administrative districts of one entity of the Russian Federation (except for districts within a city);

International telephone communication is a telephone connection between a user situated in the territory of the Russian Federation and a user situated in the territory of another state.

Volumes of provided long-distance and international communication services are measured in thousands of minutes of calls. The price of the service is determined in roubles and kopecks per minute of a call (depending on the distance between the issuer's subscriber and the user with whom the telephone connection is provided, the type of subscriber and the discounts applied).

Local telephone communication services (city telephone communication, rural telephone communication), subscriber fee system.

In compliance with the Resolution of the Government of RF dated 26.09.97 No. 1235 (version of 14.01.02) "On Approval of the Rules for Provision of Telephone Communication Services", local telephone communication is a telephone connection between users situated within one inhabited locality or administrative district.

Volumes of provided local telephone communication services are measured by the number of serviced subscribers (telephone lines) of all types (population, budgetary organizations, commercial organizations). The price of the service is determined as the monthly subscriber fee for servicing and is established by the issuer upon agreement with the regulating state authority for each type of subscriber.

The local communication earnings are the largest segment (43.5%) in the earnings structure of OJSC North-West Telecom, with the earnings from long-distance and international communication at 37.5%.

The table shows the structure of earnings from communication services of OJSC North-West Telecom
thousand roubles

	<i>1999 PTN</i>	<i>2000 PTN</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>the 1st quarter of 2004</i>
<i>Income from long-distance and international communication</i>	-	-	<i>1,819,462</i>	<i>4,082,790</i>	<i>4,645,290</i>	<i>1,125,442</i>
<i>Income from city communication</i>	<i>1,147,522</i>	<i>1,571,351</i>	<i>1,892,864</i>	<i>4,461,462</i>	<i>5,516,154</i>	<i>1,442,462</i>
<i>Income from rural areas communication</i>	-	-	-	<i>222,521</i>	<i>278,805</i>	<i>79,015</i>
<i>Income from new services</i>	-	-	<i>11,881</i>	<i>270,647</i>	<i>437,252</i>	<i>149,161</i>
<i>Income from other communication services</i>	<i>168,604</i>	<i>220,316</i>	<i>151,638</i>	<i>740,747</i>	<i>1,082,477</i>	<i>445,766</i>

TOTAL	1,316,126	1,791,667	3,875,845	9,778,167	11,959,978	3,241,846
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3.2.3. Basic Types of Products (Jobs, Services)

Dynamics of Changes in the Selling Prices of Products (Jobs, Services):

	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Product 1 - Long-distance and international telephone connections						
<i>Volume of product 1 production, thousand min (Long-distance and international telephone connections, outbound)</i>	0	0	987,452	1,209,555	1,403,083	-
<i>Price of product 1, thousand roubles</i>	0	0	0.00389	0.00338	0.00350	-
<i>Volume of receipts from long-distance and international communication, thousand roubles</i>	0	0	3,842,731	4,082,790	4,916,323	1,126,063
<i>Share of the total amount of receipts, %</i>	0.00%	0.00%	53.12%	46.57%	47.65%	42.53%
<i>Note: No data is available on the PTN traffic in 1999-2000, as PTN did not provide long-distance/international services before 2001.</i>						
Product 2: Local telephone communication services (city and rural telephone communication)						
<i>Volume of product 2 production, pcs. (Number of users of the service – number of city and rural telephone communication subscriber sets, without payphones)</i>	1,723,107	1,751,289	3,203,048	3,344,728	3,436,450	no data
<i>Price of product 2, thousand roubles</i>	0.05550	0.07477	0.08823	0.11670	0.13096	no data
<i>Volume of receipts from local telephone communication, thousand roubles</i>	1,147,522	1,571,351	3,391,361	4,683,983	5,400,347	1,521,477
<i>Share of the total amount of receipts, %</i>	100.00%	100.00%	46.88%	53.43%	52.35%	57.47%
<i>Total amount of receipts, thousand roubles</i>	1,147,522	1,571,351	7,234,092	8,766,773	10,316,670	2,647,540

The sales system is described for each of the indicated basic types of products (jobs, services) of the issuer in per cent of the general sales volume:

Index	Period					
	1999	2000	2001	2002	2003	the 1 st quarter of 2004
<i>Long-distance and international telephone</i>						

<i>connections, thousand min</i>						
Direct sales, %	-	-	100	100	100	100
Own trading network, %	-	-	-	-	-	
Controlled trading network, %	-	-	-	-	-	
<i>Local telephone communication services (city telephone communication, rural telephone communication), subscriber fee system.</i>						
Direct sales, %	100	100	100	100	100	100
Own trading network, %	-	-	-	-	-	-
Controlled trading network, %	-	-	-	-	-	-

Structure of Issuer's expenses for the production and sales of products (jobs, services) by the listed items in per cent of the total prime cost:

No.	Expenses Item	2003	the 1 st quarter of 2004
1.	Raw materials, %	4.190	3.675
2.	Acquired componentry, semi-finished items, %	0.000	0.000
3.	Jobs and services of production nature, performed by external organizations, %	32.319	35.301
4.	Fuel, %	0.900	0.965
5.	Electrical power, %	1.876	2.117
6.	Expenses for wages, %	27.529	27.377
7.	Interest on loans, %	0.000	0.000
8.	Rental, %	1.355	1.413
9.	Deductions for social needs, %	8.561	9.194
10.	Depreciation of fixed assets, %	10.211	12.938
11.	Taxes included in products prime cost, %	0.186	0.083
12.	Other expenses (explain), %	12.873	6.938
12.1.	<i>depreciation of intangible assets, %</i>	<i>0.001</i>	<i>0.001</i>
12.2.	<i>remuneration for innovations, %</i>	<i>0.000</i>	<i>0.000</i>
12.3.	<i>obligatory insurance payments, %</i>	<i>1.036</i>	<i>1.421</i>
12.4.	<i>representation (entertainment) expenses, %</i>	<i>0.088</i>	<i>0.068</i>
12.5.	<i>other, %</i>	<i>11.749</i>	<i>5.448</i>
13.	Total: expenses for production and sales of products (jobs, services) (prime cost), %	100.000	100.000

3.2.4. Names of the issuer's suppliers, on whom 10% and more of all inventory holdings supplies fall, with the indication of their shares in the total volume of supplies

The Issuer does not have any suppliers, on whom at least 10% of all inventory holdings supplies fall.

Forecasts of the accessibility of material assets sources are estimated as favourable. The key sources of material assets are reliable and long-term partners of the Issuer, whose production activities are aimed at telecommunication companies who are the main consumers. No changes in the structure of material assets suppliers are planned. The offer of producers and sellers of imported products used in the Issuer's

production activities considerably exceed the Issuer's demand for them. Thus, no difficulties in accessibility of material assets sources are expected.

3.2.5. Issuer's Products (Jobs, Services) Sales Markets

The key buyers of the Issuer's products are enterprises of all forms of ownership, and individuals of the North-Western region of the Russian Federation. There are no consumers of Issuer's products, on whom at least 10% of the total receipts from Issuer's sales fall.

Possible adverse factors that may affect the sales of the Issuer's products are:

- Deterioration of the legal, political and economic situation in the country and in the Issuer's business region;*
- Intensification of investment in alternative telecommunication enterprises of the Issuer's business region;*
- State regulation of the company's commercial activities.*

3.2.6. Practice of activities in respect of circulating capital and inventories

The method of inventories recording in the Company's accounting is described in the Provisions on the Accounting Policy of OJSC North-West Telecom.

Accounting of inventories shall be based on Accounting Prices. Accounting of transportation and procurement expenses shall be recorded on account 16 "Deviation in the Value of Materials". Evaluation of retiring inventories (except for precious metals) is carried out according to the average prime cost.

The inventories use rate is described by the turnover factor (times or days):

ITR (times) = Prime cost of sold products (line 020, form 2) / ((Ib + Ie)/2);

*ITR (days) = 365 * ((Ib + Ie)/2) / Prime cost of sold products;*

where Ib, Ie is the value of inventories as of the beginning (the end) of the period (line 210 of the balance sheet).

Index	1999	2000	2001	2002	2003	the 1st quarter of 2004
Inventories turnover ratio, times	18	17	27	23	24	26
Inventories turnover length, days	20	21	13	16	15	14

The high turnover rate of inventories is explained by their slight proportion in the Company's circulating and overall assets, as inventories play an auxiliary role in communication services production. In the 1st quarter of 2004, the share of inventories in the Company's circulating assets dropped by 4.5% to 12.6%, their share in the overall assets being 2% as of 01.04.04.

The main bulk of the circulating assets of the Company are accounts receivable (56% as of 01.04.04). The Company steadily works to reduce its accounts receivable and to improve their turnover rate. Over the year 2003, the accounts receivable was reduced by 298,229 thousand roubles (20%).

3.2.7. Raw Materials

Due to the peculiarities of OJSC North-West Telecom's activities, whose key business area is the provision of communication services, no raw material resources are used.

3.2.8. Key Competitors

Competitive conditions of Issuer's business. Markets in which the Issuer operates or intends to operate. Principal existing and expected competitors.

In the sector of telephone services to residents, OJSC North-West Telecom is the leader in terms of physical quantities. With the regional subsidiaries, the segment of local services to residents is 60 to 98 per cent. As to the business sector, which is the most profitable today, its physical segment with the regional subsidiaries is 30% to 85 %.

The OJSC North-West Telecom market share related to long-distance/international fixed telephone communication services in the North-West is 55%. Furthermore, a 10% increase against 2002 is observed

in the long-distance/international communication traffic. In the nearest years, we expect further growth of traffic (both long-distance and international), along with the traffic growth rates decreasing by approximately 1-2% a year. The drop of the traffic growth rate is partly explainable by the aggressive activity of alternative operators (including mobile communication operators), and by wider use of IP telephony.

Typical for the Internet services market is a high competition level. Furthermore it is just this market segment, of all those where OJSC North-West Telecom is present, is developing at the fastest rate. The position of OJSC North-West Telecom in dial-up access was leading in 2003 with such subsidiaries as: Artelecom of Arkhangelsk Oblast, Electrosvyaz of the Republic of Karelia, Electrosvyaz of Pskov Oblast. As regards dedicated access to the Internet, this services needs aggressive promotion both to the corporate sector and to well-paid residents. A 30%-40% increase in the demand for dedicated lines is predicted due to implementation of TCMS (time-based cost accounting system for local telephone conversations) and stricter requirements for data transmission rates.

Principal competitors of OJSC North-West Telecom:

No.	Company Communication services provided	Country of registrati on	Volume of sold products	Market share, % 2003
1	<i>Novgorod Datacom CJSC Internet, Connection to a fiber optic ATM network; data transmission</i>	<i>RF</i>	<i>Income: on dedicated channel – 20,750 thousand roubles, on dial-up channel – 12,450 thousand roubles</i>	<i>Novgorod (50%)</i>
2	<i>Polarcom OJSC Internet</i>	<i>RF</i>	<i>Income: on dedicated channel - 1,020 thousand roubles, on dial-up channel - 720 thousand roubles</i>	<i>Murmansk (31% - on dial-up channel, 17% - on dedicated channel</i>
3	<i>SvyazServis LLC Internet</i>	<i>RF</i>	<i>Income: on dedicated channel - 11,851 thousand roubles on dial-up channel - 7,287</i>	<i>Karelia (Petrozavodsk) Dedicated channel market segment - 72% Dial-up channel market segment -30%</i>
4	<i>Gazkomplektelecom CJSC Internet</i>	<i>RF</i>	<i>Income: on dedicated channel -5,910 thousand roubles, on dial-up channel -12,300 thousand roubles</i>	<i>Kaliningrad (31% - on dedicated channel, 21% - on dial-up channel)</i>
5	<i>Internet Arkhangelsk CJSC Internet Telephony Services (IP-telephony, local telephony), x 25, Frame Rela</i>	<i>RF</i>	<i>Arkhangelsk - Income: on dedicated channel - 417 thousand roubles, on dial-up channel - 181 thousand roubles Vologda - Income: on dedicated channel - 1,564 thousand roubles, on dial-up channel - 6,195 thousand roubles</i>	<i>Arkhangelsk (23% - dial-up channel, 9% - dedicated channel); Vologda (20% - dedicated channel, 10% - dial-up channel)</i>
6	<i>Arcom LLC IP-telephony Internet access</i>	<i>RF</i>	<i>Income - 24,600 thousand roubles</i>	<i>Murmansk Oblast 8 %</i>
7	<i>WEB Plus CJSC IP-telephony Internet access</i>	<i>RF</i>	<i>Income - about \$9 MIO</i>	<i>St. Petersburg 35% - Internet</i>

8	<i>WestBalt Telecom CJSC Internet Long-distance and international communication</i>	<i>RF</i>	<i>Income - 127,458 thousand roubles</i>	<i>Kaliningrad Local telephony - 11%, Long-distance and international communication - about 10%, Internet - about 7%</i>
9	<i>OJSC North-West Communication & Telecommunication Company SZKTI Local telephone communication, lease of channels, IP-telephony</i>	<i>RF</i>	<i>Income - 13,500 thousand roubles</i>	<i>Murmansk Oblast 5%</i>
10	<i>Peterstar CJSC Local, long-distance and international communication; Data transmission and lease of dedicated channels; Internet access; System integration.</i>	<i>RF</i>	<i>Income - \$56 MIO</i>	<i>St. Petersburg 9% - Internet market segment; 8% - telephony market segment</i>
11	<i>Metrocom CJSC Local, long-distance and international communication; Data transmission and lease of dedicated channels; Internet access;</i>	<i>RF</i>	<i>Income - about \$2 MIO</i>	<i>St. Petersburg 3%</i>
12	<i>SCS Sovintel LLC Local, long-distance and international communication; Data transmission and lease of dedicated channels; Internet access;</i>	<i>RF</i>	<i>Income - 3,782 thousand roubles</i>	<i>St. Petersburg, North-West, 5%</i>

The main advantages of OJSC North-West Telecom over its competitors are:

- 1. Low charge rates for the Company's services;*
- 2. Developed infrastructure, geographically widespread network of covering;*
- 3. Wide range of telecommunication services;*
- 4. IP telephony market presence;*
- 5. The interregional company of the North-West is the leader in phone set density with 32 sets per 100 residents, which is 1.33 times higher than Russia's average figure.*

To remain competitive, OJSC North-West Telecom pursues a strategy of integrated growth intended to develop and update the existing communication network, and to build of new telecommunication networks enabling high-end technology services like ISDN or xDSL. Besides, a project is underway to set up a multiservice communication network, which will contribute to creation of a common information space in the region.

3.2.9. Data on the fact that the issuer holds licenses:

License: *17591*

Date of issue: *03.04.01*

Period: *till 03.04.06*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *mobile radiotelephone communication services (with Annex No.1) in the territory of St. Petersburg*

License: *22791*

Date of issue: *11.07.02*

Period: *till 11.07.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *Telematic services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg*

License: *22792*

Date of issue: *11.07.02*

Period: *till 11.07.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *Data transmission services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg*

License: *23224*

Date of issue: *01.08.02*

Period: *till 01.08.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *Leasing out communication channels in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg*

License: *23225*

Date of issue: *01.08.02*

Period: *till 01.08.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *Long-distance and international telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg*

License: *23226*

Date of issue: *14.11.02*

Period: *till 14.11.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *Telegraph communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg*

License: *23227*

Date of issue: *04.10.02*

Period: *till 04.10.12*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *provision of local and intra-zone telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod and Pskov Oblasts, Nenets Autonomous Area, and Saint Petersburg*

License: *24074*

Date of issue: *14.11.02*

Period: *till 01.02.06*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *provision of cellular radio telephone communication services in the 450 MHz band in the territory of Arkhangelsk Oblast*

License: *24658*

Date of issue: *14.11.02*

Period: *till 30.12.07*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *provision of wired network sound broadcasting in the territory of Arkhangelsk, Vologda, Kaliningrad, Murmansk, Novgorod and Pskov Oblasts, the Republic of Karelia and the Nenets Autonomous Area*

License: **3166**

Date of issue: **24.01.97**

Period: **till 01.07.06**

Authority issuing the license: **Ministry of Communication of the Russian Federation**

Areas of activities: **Local and long-distance telephone communication services (with Annexes Nos.1-5) in the territory of Leningrad Oblast**

License: **D 341184**

Date of issue: **25.07.02**

Period: **till 25.07.07**

Authority issuing the license: **State Committee of RF for Construction and Housing and Communal Services**

Areas of activities: **design of 1st and 2nd responsibility level buildings and facilities in compliance with the state standard in the territory of RF**

License: **D 341156**

Date of issue: **25.07.02**

Period: **till 25.07.07**

Authority issuing the license: **State Committee of RF for Construction and Housing and Communal Services**

Areas of activities: **construction of 1st and 2nd responsibility level buildings and facilities in compliance with the state standard in the territory of RF**

License: **PI #2-6254**

Date of issue: **15.11.02**

Period: **not determined**

Authority issuing the license: **Ministry of RF for Press, Telecasting, Broadcasting and Mass Media**

Areas of activities: **Certificate of registration of the edition Ves Peterburg. A reference periodical. Distributed in St. Petersburg and Leningrad Oblast**

License: **12972**

Date of issue: **08.10.99**

Period: **till 08.10.04**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-5) in the territory of Arkhangelsk Oblast)**

License: **12842**

Date of issue: **09.09.99**

Period: **till 09.09.04**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: **License for provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of Vologda.**

License: **14799**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of the village of Lovozero, Murmansk Oblast**

License: **14838**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-4) in the territory of Murmansk Oblast)**

License: **15664**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**
 Areas of activities: **provision of services in telecasting of programmes (with addenda Nos. 1-2) in the territory of Pskov Oblast**

License: **1535**

Date of issue: **02.06.03**

Period: **till 02.06.08**

Authority issuing the license: **Board of Russian Federal Security Service for Saint Petersburg and Leningrad oblast**

Areas of activities: **carrying out work related to the use of data considered a state secret**

License: **1536**

Date of issue: **02.06.03**

Period: **till 02.06.08**

Authority issuing the license: **Board of Russian Federal Security Service for Saint Petersburg and Leningrad oblast**

Areas of activities: **measures and/or services of state secrets protection**

License: **24460**

Date of issue: **15.12.02**

Period: **till 15.12.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **personal radio paging services in the territories of Novgorod and Murmansk Oblasts**

License: **30205**

Date of issue: **30.12.03**

Period: **till 30.12.13**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of cellular radio telephone communication services in the 450 MHz band (according to the technology IMT-MC 450)**

License: **853h**

Date of issue: **15.03.04**

Period: **till 15.03.09**

Authority issuing the license: **The Licensing, Certification, and State Secret Protection Centre of the FSS of Russia**

Areas of activities: **maintenance of coding (encrypting) facilities**

License: **854r**

Date of issue: **15.03.04**

Period: **till 15.03.09**

Authority issuing the license: **The Licensing, Certification, and State Secret Protection Centre of the FSS of Russia**

Areas of activities: **distribution of coding (encrypting) facilities**

License: **855u**

Date of issue: **15.03.04**

Period: **till 15.03.09**

Authority issuing the license: **The Licensing, Certification, and State Secret Protection Centre of the FSS of Russia**

Areas of activities: **information coding services provided**

3.2.10. Issuer's joint activity

Cooperation with other organizations <*>, and Issuer's subsidiaries founded with investments by third parties	Amount of investments, thousand roubles	Net profit (loss) thousand roubles						Income from investments thousand roubles					
		1999	2000	2001	2002	2003	the 1 st quarter of 2004	1999	2000	2001	2002	2003	the 1 st quarter of 2004

<i>Polycomp Limited Liability Company</i>	4	-12	10	17	158	32	-10	0	0	0	0	0	0
<i>Artelecom Service Limited Liability Company</i>	62,052	18,625	16586	530	16123	1131		0	0	0	0	0	0
<i>Vologda Cellular Communication Closed Joint-Stock Company</i>	33	no data	1818	2953	-56	-2331		0	0	0	0	0	0
<i>St. Petersburg Telecommunication Centre Closed Joint-Stock Company</i>	2,151	no data	14	57	-71	-1245		0	0	0	0	0	0
<i>Novgorod Datacom Limited Liability Company</i>	52	1167	412	-199	5	450		0	0	0	0	0	0
<i>Kolatelecom Open Joint-Stock Company</i>	75	no data	6553	7218	4535	15401		0	0	0	0	0	0
<i>Bona Limited Liability Company</i>	2	No operations											
<i>FORE Private Company <*></i>	4055	-1126	-128	-941	-901			0	0	0	0	0	0

3.2.13. Extra Requirements for Issuers Whose Key Activities Consist in Provision of Communication Services

a) License for provision of communication services

License: **17591**

Date of issue: **03.04.01**

Period: **till 03.04.06**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **mobile radiotelephone communication services (with Annex No.1) in the territory of St. Petersburg**

License: **22791**

Date of issue: **11.07.02**

Period: **till 11.07.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **Telematic services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **22792**

Date of issue: **11.07.02**

Period: **till 11.07.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **Data transmission services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23224**

Date of issue: **01.08.02**

Period: **till 01.08.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **Leasing out communication channels in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23225**

Date of issue: **01.08.02**

Period: **till 01.08.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **Long-distance and international telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23226**

Date of issue: **14.11.02**

Period: **till 14.11.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **Telegraph communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23227**

Date of issue: **04.10.02**

Period: **till 04.10.12**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of local and intra-zone telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod and Pskov Oblasts, Nenets Autonomous Area, and Saint Petersburg**

License: **24074**

Date of issue: **14.11.02**

Period: **till 01.02.06**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of cellular radio telephone communication services in the 450 MHz band in the territory of Arkhangelsk Oblast**

License: **24658**

Date of issue: **14.11.02**

Period: **till 30.12.07**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of wired network sound broadcasting in the territory of Arkhangelsk, Vologda, Kaliningrad, Murmansk, Novgorod and Pskov Oblasts, the Republic of Karelia and the Nenets Autonomous Area**

License: **3166**

Date of issue: **24.01.97**

Period: **till 01.07.06**

Authority issuing the license: **Ministry of Communication of the Russian Federation**

Areas of activities: **Local and long-distance telephone communication services (with Annexes Nos.1-5) in the territory of Leningrad Oblast**

License: **12972**

Date of issue: **08.10.99**

Period: **till 08.10.04**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-5) in the territory of Arkhangelsk Oblast)**

License: **12842**

Date of issue: **09.09.99**

Period: **till 09.09.04**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: **License for provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of Vologda.**

License: **14799**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of the village of Lovozero, Murmansk Oblast**

License: **14838**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**
Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-4) in the territory of Murmansk Oblast**

License: **15664**

Date of issue: **21.04.00**

Period: **till 21.04.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**
Areas of activities: **provision of services in telecasting of programmes (with addenda Nos. 1-2) in the territory of Pskov Oblast**

License: **24460**

Date of issue: **15.12.02**

Period: **till 15.12.05**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**
Areas of activities: **personal radio paging services in the territories of Novgorod and Murmansk Oblasts**

License: **30205**

Date of issue: **30.12.03**

Period: **till 30.12.13**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**
Areas of activities: **provision of cellular radio telephone communication services in the 450 MHz band (according to the technology IMT-MC 450)**

Issuer's commitments to create a subscriber base under the said licenses: **all obligations of creating the subscriber base and other terms of licenses are fulfilled within the established time and in the full volume**

Factors that may have an adverse effect on the Issuer's performance of its commitments under the licenses, and possibilities of their occurrence: **there are no such factors**

b) Communication Networks

The telecommunication network of OJSC North-West Telecom includes the following basic constituents:

- **Local stationary telephone networks, including city and rural networks;**
- **Elements of the long-distance and international telephone network;**
- **Wireless communication networks, including cellular mobile communication networks, mobile radio telephone (trunking) communication, personal radio call, and subscriber radio access;**
- **Document telecommunication networks, including traditional telegraph communication networks and data transmission and telematic services networks;**
- **Wired radio networks;**
- **Primary networks:**
 - **local;**
 - **intra-zone.**

Description of OJSC NWT networks as of 31.03.04.

1. Local stationary telephone networks, including city and rural networks

Data on the number of telephone exchanges, installed and commissioned capacity of telephone exchanges of city and rural telephone networks are given in the table.

Branch	Number of telephone exchanges		Installed capacity, thousand lines		Total commissioned capacity, thousand lines	
	City Telephone Networks	Rural Telephone Networks	City Telephone Networks	Rural Telephone Networks	City Telephone Networks	Rural Telephone Networks
Artelecom	109	458	307,242	61,956	292,568	53,906
Electrosvyaz of Vologda	58	439	270,757	62,202	255,777	52,368

<i>Oblast</i>						
<i>Electrosvyaz of Kaliningrad Oblast</i>	70	192	166,865	20,226	155,281	17,230
<i>Electrosvyaz of the Republic of Karelia</i>	81	196	184,871	30,040	174,781	27,017
<i>Murmanelectrosvyaz</i>	60	34	274,383	11,276	269,575	10,599
<i>Novgorodtelecom</i>	83	267	147,517	30,827	141,706	25,209
<i>Electrosvyaz of Pskov oblast</i>	57	347	112,931	40,038	108,967	32,526
<i>PTN</i>	332	-	2,026,230	-	1,870,715	-
<i>Total for OJSC NWT</i>	850	1,929	3,490,796	256,565	3,269,370	218,855

The digitalization level for the local telephone network of OJSC NWT on the whole is 41.73%, 43.93% on city telephone networks and 11.73% on rural telephone networks.

Payphones have been installed on the network of OJSC NWT. Data on the number of payphones are given in the table No. 1a.

Table No. 1a

<i>Branch</i>	<i>Number of payphones, (pcs.)</i>
<i>Artelecom</i>	1,073
<i>Electrosvyaz of Vologda Oblast</i>	954
<i>Electrosvyaz of Kaliningrad Oblast</i>	1,209
<i>Electrosvyaz of the Republic of Karelia</i>	295
<i>Murmanelectrosvyaz</i>	1,819
<i>Novgorodtelecom</i>	879
<i>Electrosvyaz of Pskov oblast</i>	630
<i>PTN</i>	23
<i>Total for OJSC NWT</i>	6,882

2. Long-distance and international telephone network

At the moment, 18 automatic long-distance telephone exchanges operate in branches of OJSC NWT. The automatic long-distance telephone exchanges are connected to each other, to automatic switching centers, international switching centers and international telephone exchanges of OJSC Rostelecom.

Data on the installed and commissioned capacity of the automatic long-distance telephone exchanges are given in Table

<i>Branch</i>	<i>Installed capacity of automatic long-distance telephone exchanges, thousand channels</i>	<i>Commissioned capacity of automatic long-distance telephone exchanges, thousand channels</i>
<i>Artelecom</i>	6,196	5,149
<i>Electrosvyaz of Vologda Oblast</i>	5,510	4,107
<i>Electrosvyaz of Kaliningrad Oblast</i>	7,523	4,523
<i>Electrosvyaz of the Republic of Karelia</i>	3,218	2,806
<i>Murmanelectrosvyaz</i>	4,164	4,022
<i>Novgorodtelecom</i>	2,453	2,262
<i>Electrosvyaz of Pskov oblast</i>	3,557	3,265
<i>PTN</i>	27,375	19,224
<i>Total for OJSC NWT</i>	60,000	45,358

There are switching halls and two-frequency semiautomatic equipment for servicing of the non-automatic part of exchange at automatic long-distance telephone exchanges.

3. Wireless networks

Data on the composition and number of subscribers of wireless networks for branches of OJSC NWT are given in the Table

<i>Branch</i>	<i>Number of subscriber stations connected to the network, pcs.</i>			
	<i>Cellular mobile communication (NMT-450)</i>	<i>Trunking</i>	<i>Personal radio call</i>	<i>Subscriber radio access</i>

<i>Artelecom</i>	<i>6,184</i>	<i>171</i>	<i>-</i>	<i>92</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>-</i>	<i>198</i>	<i>-</i>	<i>54</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>-</i>	<i>194</i>	<i>-</i>	<i>-</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>91</i>
<i>Murmanelectrosvyaz</i>	<i>-</i>	<i>-</i>	<i>590</i>	<i>275</i>
<i>Novgorodtelecom</i>	<i>-</i>	<i>215</i>	<i>671</i>	<i>416</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>202</i>
<i>PTN</i>	<i>-</i>	<i>976</i>	<i>-</i>	<i>619</i>
<i>Total for OJSC NWT</i>	<i>6,184</i>	<i>1,754</i>	<i>1,261</i>	<i>1,749</i>

The NMT-450 standard cellular mobile communication network is deployed in Arkhangelsk Oblast and operated by the Artelecom branch.

Trunking networks are organized on the basis of mobile radiotelephone communication systems Altay-3M in the frequency band of 300 MHz (15 base stations - BS - in St. Petersburg, 2 BS in Arkhangelsk, 3 BS in Kaliningrad, 2 BS in Novgorod and 2 BS in Vologda).

The personal radio call networks of the POCSAG standard are deployed on the basis of GM-300 (Motorola) equipment in the frequency band of 160 MHz (7 transmitters in Murmansk and Murmansk Oblast, and 4 transmitters in Veliky Novgorod and Novgorod Oblast).

Subscriber radio access networks are built on the basis of Airspan-60, Airspan-4000 (St. Petersburg), DECT, KART-4 and Airlink-512S systems equipment.

The frequency allocation data for wireless networks is presented in Table 8.

4. Document telecommunication networks

4.1. Telegraph networks (Tributary Office Telegraph Communication, switched channel telegraph service/ Telex)

Due to the decreased demand for traditional services of telegraph communication, there is no increase in the volumes of telegraph networks. Nevertheless, telegraph networks continue to operate, are maintained at the appropriate level and upgraded. A gradual replacement of telegraph sets by modern computer-based terminals and replacement of obsolete message switching centers by modern united switching stations is taking place.

Data on outbound telegraph traffic (paid telegrams) for the 1st quarter of 2004 are given in the table.

<i>Branch</i>	<i>Outbound telegraph exchange for the 1st quarter of 2004 (thousand telegrams)</i>
<i>Artelecom</i>	<i>104</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>77</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>68</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>42</i>
<i>Murmanelectrosvyaz</i>	<i>111</i>
<i>Novgorodtelecom</i>	<i>32</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>37</i>
<i>PTN</i>	<i>104</i>
<i>Total for OJSC NWT</i>	<i>574</i>

4.2. Data transmission and telematic service networks

In the framework of document telecommunication networks of OJSC NWT, up-to-date data transmission and telematic service networks are being developed, ensuring corporate users' data exchange, access to the Internet, e-mail, video communication, etc.

The data on the number of consumers' installations of data transmission and telematic service networks and on the volume of Internet traffic are given in the Table No. 5.

Table No. 5

<i>Branch</i>	<i>Number of consumers' installations, pcs.</i>	<i>Internet traffic in the 1st quarter of 2004, Gbytes</i>
<i>Artelecom</i>	<i>38,254</i>	<i>8,403.1</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>17,759</i>	<i>3,795.0</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>3,005</i>	<i>5,651.6</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>20,968</i>	<i>2,740.0</i>
<i>Murmanelectrosvyaz</i>	<i>8,951</i>	<i>5,672.1</i>

<i>Novgorodtelecom</i>	<i>3,838</i>	<i>308.4</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>10,043</i>	<i>2,525.2</i>
<i>PTN</i>	<i>193,551</i>	<i>2,163.7</i>
<i>Total for OJSC NWT</i>	<i>296,369</i>	<i>31,259.2</i>

At the moment, the regional multiservice network of OJSC North-West Telecom is being developed. A segment of a multiservice network in St. Petersburg is operating on the basis of Alcatel's equipment (ATM/FR switchboards, DISLAM), fragments of a multiservice network in Arkhangelsk Oblast and Cherepovets are under construction and those in Murmansk Oblast and Novgorod Oblast are under design.

4.3. Wired radio networks

Wired radio networks are developed in compliance with the Programme of Wired Radio Development for the period to the year 2010 for Entities of the Russian Federation. The level of wired radio networks state differs significantly in cities and villages, which determines the areas of these networks development: in the cities (towns) and rural areas where wired radio networks exist and are profitable, they are developed by replacement of obsolete and worn equipment, while in the areas where there are no wired radio networks or where they are unprofitable, their use is replaced by on-air (ultra-short waves - FM) broadcasting.

Data on the number of broadcasting points of wired radio networks are given in the table.

<i>Branch</i>	<i>Number of broadcasting sets, thousand pcs.</i>		<i>Number of broadcasting sets retrofitted for ultra-short waves FM broadcasting, thousand pcs.</i>	
	<i>Total</i>	<i>Including multi-programme ones</i>	<i>Total</i>	<i>Including those in rural areas</i>
<i>Artelecom</i>	<i>151,793</i>	<i>118,222</i>	<i>14,340</i>	<i>12,663</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>133,634</i>	<i>118,956</i>	<i>20,870</i>	<i>18,090</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>114,240</i>	<i>110,067</i>	<i>2,050</i>	<i>1,916</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>144,646</i>	<i>126,052</i>	<i>2,379</i>	<i>2,237</i>
<i>Murmanelectrosvyaz</i>	<i>219,837</i>	<i>214,659</i>	<i>-</i>	<i>-</i>
<i>Novgorodtelecom</i>	<i>53,113</i>	<i>47,949</i>	<i>30,328</i>	<i>25,727</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>37,878</i>	<i>25,923</i>	<i>1,902</i>	<i>1,456</i>
<i>Total for OJSC NWT</i>	<i>855,141</i>	<i>761,828</i>	<i>71,869</i>	<i>62,089</i>

5. Primary networks

5.1. Local primary networks

Local primary networks of NWT include interoffice city cable and radio-relay lines; cable, aerial and radio-relay connecting lines on rural telephone networks; subscriber access networks.

Interoffice city cable primary networks are developed on the basis of fibre-optic transmission lines only, using SDH transmission systems of the STM-1 – STM-4 levels, made by Siemens, Alcatel, ECI, NEC, Lucent Technologies, Ericsson.

In urban and rural areas where laying of fibre-optic cables is impossible or economically inadvisable, radio-relay lines are used. Radio-relay lines with PDH systems (IKM-15, IKM-30, Nx E1, E3) and SDH systems (STM-1), as well as thin-route radio-relay lines (Nx voice-frequency channels) are used.

Local primary networks in rural areas mainly use metal cables with the IKM-30 and IKM-15 transmission systems, as well as multiplexers and modems using the xDSL technology (Nx E1, E3).

Subscriber access is organized via metallic circuits in metal or optic cables, via digital channels using the xDSL technology and using radio access technologies.

5.2. Intrazone primary networks

Central-office primary networks use fibre-optic cables with SDH transmission systems of the STM-1 – STM-4 levels and optic linear terminals (Nx E1); metal cables with digital PDH systems IKM-120, IKM-480, IKM-30, IKM-15 and analog transmission systems K-60P, K-120, K-300, K-1020S; aerial lines; as well as radio-relay lines with the PDH and SDH systems and thin-route radio-relay lines.

The trunk line resource leased from OJSC Rostelecom and from other operators on a long-term basis use used for the central-office communication. The capacity of leased channels is 481.5 thousand channel-km, or 21.7% of the capacity of central-office primary networks.

The data on the connecting lines and the line facilities on the City Telephone Network and the Rural Telephone Network is presented in the table.

<i>Branch</i>	<i>Length of transmission lines, km</i>			<i>Length of channels, thousand channel-km</i>		
	<i>Cable</i>	<i>Radio-relay</i>	<i>Air</i>	<i>Cable</i>	<i>Air</i>	<i>Radio-relay</i>
<i>Artelecom</i>	<i>375.8</i>	<i>272.1</i>	<i>1,051.45</i>	<i>133</i>	<i>27.2</i>	<i>94.6</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>847.9</i>	<i>100.6</i>	<i>368.94</i>	<i>105.3</i>	<i>4.2</i>	<i>18.6</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>1,181.6</i>	<i>-</i>	<i>-</i>	<i>117.1</i>	<i>-</i>	<i>-</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>724.4</i>	<i>18.7</i>	<i>473.08</i>	<i>182.9</i>	<i>8.3</i>	<i>1.1</i>
<i>Murmanelectrosvyaz</i>	<i>760.6</i>	<i>19.7</i>	<i>331.08</i>	<i>561.1</i>	<i>6.1</i>	<i>2.9</i>
<i>Novgorodtelecom</i>	<i>894.2</i>	<i>41.5</i>	<i>480.9</i>	<i>313.6</i>	<i>7.5</i>	<i>1.3</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>2,071.7</i>	<i>-</i>	<i>-</i>	<i>1,021.9</i>	<i>0.4</i>	<i>-</i>
<i>Total for OJSC NWT</i>	<i>6,856.1</i>	<i>452.6</i>	<i>2,705.45</i>	<i>2,434.9</i>	<i>53.7</i>	<i>118.5</i>

The frequency allocation data for local 1st level networks and Intrazone Primary Networks is presented in the table.

3.4. Plans of Issuer's Future Operation

Brief Description of Issuer's Future Operation Plans

At the moment, besides the up-to date digital equipment of telephone centers, digital equipment of telephone exchanges and data transmission systems, OJSC North-West Telecom has a lot of obsolete equipment. The obsolete and worn out equipment does not make it possible to make a qualitatively new step in the development of OJSC North-West Telecom's network - transition to the digital network with a wide range of new services. In this connection, OJSC North-West Telecom's strategy will be aimed at restructuring the network topology and at replacing the obsolete equipment. To solve that task, renovation and re-equipment of switching systems and line structures are planned, as well as expansion of the existing telephone exchanges, renovation of technical premises and other operations aimed at replacement and improvement of the obsolete and worn out equipment.

The key tasks to be tackled by the company within the five years to come include:

- satisfying citizens' applications for installation of telephone lines;*
- transition to the time-based call billing system throughout the North-Western District of Russia;*
- development of extra services (Internet, data transmission, complete set services to business clients);*
- increasing the company's share in the markets of new services.*

Solving these tasks will require much effort in developing the communication networks infrastructure. The key areas of developing telecommunication networks of OJSC North-West Telecom are:

- telephone network digitalization;*
- creating intelligent networks;*
- creating multiservice networks for provision of integrated services;*
- digitalization of primary public networks.*

OJSC North-West Telecom's financial plans provide for:

- increasing receipts through increasing the volume of provided services;*

- *reducing the specific value of expenses;*
- *significantly reducing and liquidating the accounts receivable for communication services;*
- *pursuing a flexible rate policy;*
- *attracting new investment.*

The Company development strategy is aimed at spreading to the telecommunication services market throughout the North-Western region of Russia.

Sources of Future Income

The forecasted gross income of the Company for the year 2004 is about 14 billion roubles without taking into account the reorganization in the form of affiliation of OJSC Lensvyaz and OJSC Svyaz of the Republic of Komi with OJSC NWT

Plans for Organizing, Expanding or Curtailing New Operating Facilities

There are no plans for organization of new operating facilities or their curtailment, the Company will continue its operation under the existing licenses.

Design of New Product Types

No design of new product types is planned by OJSC North-West Telecom: the Company is planning to do its business in the framework of the active licenses.

Upgrading and Renovation of Key Assets

To introduce new equipment, upgrade the obsolete equipment and to improve the operating processes, OJSC North-West Telecom is purchasing and installing modern digital equipment for new electronic type automatic telephone exchanges.

Possible changes in Issuer's business field

OJSC North-West Telecom does not plan any changes in the field of its principal business - provision of communication services in compliance with the active licenses and the Company's Articles of Association.

3.5. Participation of the Issuer in industrial, banking and financial groups, holdings, concerns and associations

Organization: *Iskra - the Association of Operators of the Federal Business Servicing Network (BSN)*

Place and functions of the Issuer in the organization: *The OJSC North-West Telecom is a participant in the Iskra BSN Association from November 28, 2001 pursuant to the decision of the Extraordinary Meeting of the Company's Shareholders.*

As a member of the Association, the Company has the following functions:

1. *Participation in the management of the Association*
2. *Representing the Association in its operation regions*
3. *Paying annual target fees in due time, the amount of the fees being determined by the General Meeting of the Members*
4. *Providing information required to resolve issues related to the operation of the Association*

According to the Articles of Association, the basic tasks of the Association are:

- *Facilitating the development of a Mutually Coordinated Communication Network of the Russian Federation*
- *Facilitating the development of the leased Federal Business Servicing Network Iskra (hereinafter referred to as Iskra BSN)*
- *Facilitating the provision of the needed volume and quality of up-to-date communication services rendered to customers in Russia*
- *Facilitating the development of the research, technical, economic and organizational bases of Iskra BSN*

- *Facilitating the distribution of standardized solutions in creating the Iskra BSN*
- *Studying and facilitating the coordination of the interests of domestic developers, suppliers and consumers of Iskra BSN's services*
- *Distributing the advanced experience of digital networks organization in Russia and abroad*
- *Developing proposals on development of Iskra BSN*
- *Facilitating the development of the Russian market of communication services, finding the needs of consumers, advertising the capacities and advantages of Iskra BSN*

Organization: *Association of Telecommunication Operators of the North-Western Region of the Russian Federation*

Place and functions of the Issuer in the organization: *OJSC North-West Telecom is a promoter and a permanent member of the Association. Functions of OJSC North-West Telecom in the Association:*

1. *Making contributions to centralized and specialized funds formed by the Association to ensure the formation of funding sources and implementation of regional programmes*
2. *Funding and crediting on favourable conditions projects and programmes adopted by the Association*
3. *Participation on a contractual basis in affairs of joint, mixed and other ventures, and market structures established by the Association*
4. *Assigning to the bodies of the Association the required premises, communication facilities, office facilities, furniture and other office equipment and transport necessary for the Association to achieve the goals established by the incorporation documents.*

The Association was founded in September 1996 and now comprises OJSC North-West Telecom and OJSC Lensvyaz

Organization: *Association of Operators of the Federal Cellular Network NMT-450*

Place and functions of the Issuer in the organization: *The Association was established for the purpose of facilitating the development of the federal public network of mobile radio telephone communication of Russia. OJSC North-West Telecom is a member of the Association.*

As a member of the organization, the Issuer performs the following functions:

1. *Paying annual membership fees in due time*
2. *Facilitating the solution of issues of developing the Federal Cellular Network NMT-450*
3. *Organizing interaction with local and federal authorities*

Organization: *Association of the Documentary Telecommunication*

Place and functions of the Issuer in the organization: *The Association was founded for the purpose of facilitating the implementation of the state policy in the field of telecommunication, facilitating the study of users' needs, agreeing upon and coordinating their interests with the interests of information and telecommunication systems manufactures and operators, facilitating the creation of a legislatively grounded standard and law mechanism of developing the information and telecommunication technologies and their applications, facilitating the integration of Russian telecommunication and information systems into the European and world infrastructures. OJSC North-West Telecom is a member of the Association.*

As a member of the organization, the Issuer performs the following functions:

1. *Paying annual membership fees in due time*
2. *Facilitating the implementation of decisions taken by the state authority in the field of telecommunications*
3. *Facilitating the cooperation of departments and organizations in creating and using telecommunication networks*
4. *Facilitating the design and implementation of programmes for the development of data transmission networks and systems, telematic services, etc.*

3.6. Issuer's subsidiaries and affiliates

Full and abbreviated official name: *Pagetelecom Limited Liability Company, Pagetelecom LLC*

Place of business: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, Russia*

Mailing address: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627, Russia*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.002%*

Basic areas of business of the company: *Personal radio call services*

Participation in the company makes it possible to satisfy the consumers' demand of the residents of the city of Cherepovets and Cherepovets District for paging communication services.

Full and abbreviated official name: *Tsentrum Limited Liability Company, Tsentrum LLC*

Place of business: *22, ul. Antikainena, Petrozavodsk, the Republic of Karelia*

Mailing address: *22, ul. Antikainena, Petrozavodsk, 185000, the Republic of Karelia*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: *Trading and agency, including production and sales of foodstuffs for public catering*

Social efficiency of participation: providing uninterrupted high-quality meals for the working team of the regional branch.

Full and abbreviated official name: *AMT Limited Liability Company, AMT LLC*

Place of business: *k.201, d.14, Sinopskaya nab., St. Petersburg, 193167, Russia*

Mailing address: *3-5 ul. B. Morskaya, St. Petersburg, 191186*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.30 %*

Basic areas of business of the company: *Operation in the securities market within the limits established by the active law.*

Participation in organizing a secondary market of Issuer's securities

Full and abbreviated official name: *RSU-Telecom Limited Liability Company, RSU-Telecom LLC*

Place of business: *18, pr. Stachek, block 2, letter B, Saint Petersburg, Russia*

Mailing address: *18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0%*

Basic areas of business of the company: *construction, operation and renovation of production, social, cultural and utility facilities, including communication facilities.*

Full and abbreviated official name: *Recreation and Disease Prevention Centre "Svyazist" Limited Liability Company, RDPC "Svyazist" LLC*

Place of business: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, Russia*

Mailing address: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: *provision of services in health centre and resort treatment and care*

Full and abbreviated official name: *Polycomp Limited Liability Company, Polycomp LLC*

Place of business: *20, ul. B. Morskaya, St. Petersburg, 191186, Russia*

Mailing address: *24, ul. B. Morskaya, St. Petersburg, 191186, Russia*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **90 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **publishing**
Making various forms and advertising products for the issuer.

Full and abbreviated official name: **Artelecom Service Limited Liability Company, Artelecom Service LLC**
Place of business: **the Russian Federation, the city of Arkhangelsk**
Mailing address: **4, proyezd Priorova, Arkhangelsk, 163071**
Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **77 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **Local telephone communication services; Hotel and domestic services, sporting and recreation services, touring, and other services; Setting up and commercial operation of catering outlets such as restaurants, cafes, bars, and similar facilities.**
The Issuer provides unified management of the communication network of the city of Arkhangelsk, there is a single centre for settlements with subscribers for communication services of the two networks.

Full and abbreviated official name: **Vologda Cellular Communication Closed Joint-Stock Company, VCC CJSC**

Place of business: **103, ul. Zosimovskaya, Vologda, the Russian Federation**
Mailing address: **103, ul. Zosimovskaya, Vologda, 160009, the Russian Federation**
Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **60 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **Cellular communication services of the NMT-450 standard**

Full and abbreviated official name: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company, SPb Telecommunication Centre CJSC**

Place of business: **24, Bolshevikov pr., St. Petersburg, 193232, the Russian Federation**
Mailing address: **30/32, 3-liniya, Vasilyevsky Ostrov, St. Petersburg, 199053**
Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **54.38 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **Further professional training of telecommunication specialists**
The issuer maintains a high professional level of the employees with much lower expenses for further professional training

Full and abbreviated official name: **Bona Limited Liability Company, Bona LLC**

Place of business: **45, Troitsky prospekt, Arkhangelsk, 163061**
Mailing address: **45, Troitsky prospekt, Arkhangelsk, 163061**
Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **51 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **No operation, under liquidation**

Full and abbreviated official name: **Novgorod Datacom Limited Liability Company, Novgorod Datacom LLC**

Place of business: **22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod, 173526**
Mailing address: **20, ul. Mikhaylova, Veliky Novgorod, 173000**
Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company
Issuer's share in the authorized capital of the corporation: **52 %**
Share of the party in the Issuer's authorized capital: **0 %**
Basic areas of business of the company: **Data transmission services; Telematic services; Speech communication services /speech information transmission telematic services**

Full and abbreviated official name: **Kolatelecom Open Joint-Stock Company, Kolatelecom OJSC**

Place of business: *the city of Murmansk*

Mailing address: *5/23, ul. Vorovskogo, Murmansk, 183038*

Ground, on which the company is considered a subsidiary of the issuer:

Prevailing interest in the authorized capital of the company

Issuer's share in the authorized capital of the corporation: *50 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***Long-distance and international communication via dedicated network services; Leasing out communication channels; Data transmission services; Telematic services; Cable network telecasting and broadcasting of programmes services***

Full and abbreviated official name: ***NEVA KABEL Closed Joint-Stock Company, NEVA KABEL CJSC***

Place of business: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, Russia***

Mailing address: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, 194292, Russia***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: *48.97 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***Production and sales of high-quality telephone cables***

Full and abbreviated official name: ***Commercial Television and Radio Closed Joint-Stock Company, Com TV CJSC***

Place of business: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Mailing address: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: *40 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***No operation, under liquidation***

Full and abbreviated official name: ***Medexpress Insurance Closed Joint-Stock Company, Medexpress ICJSC***

Place of business: ***2, ul. Malaya Konyushennaya, St. Petersburg, 191186***

Mailing address: ***14, ul. Gorokhovaya, St. Petersburg, 191186***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: *34.59 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***Voluntary medical insurance: all varieties of personal and proprietary insurance***

Social effect of participation: insurance of Issuer's employees

Full and abbreviated official name: ***Kaliningrad Mobile Networks Open Joint-Stock Company, KMS OJSC***

Place of business: ***24, ul. Bolnichnaya, Kaliningrad, 236040, the Russian Federation***

Mailing address: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: *33.5 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***Cellular communication services of the NMT-450 standard***

Full and abbreviated official name: ***WestBaltTelecom Closed Joint-Stock Company, WBT CJSC***

Place of business: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Mailing address: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: *28 %*

Share of the party in the Issuer's authorized capital: *0 %*

Basic areas of business of the company: ***Provision of local, long-distance and international telephone communication services***

Full and abbreviated official name: ***Octagon Technologies Closed Joint-Stock Company, OCTATECH CJSC***

Place of business: ***pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036***

Mailing address: *pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036*

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: **26.4 %**

Share of the party in the Issuer's authorized capital: **0 %**

Basic areas of business of the company: ***no operations, the company is being liquidated***

Full and abbreviated official name: ***Tele-Nord Open Joint-Stock Company, Tele-Nord OJSC***

Place of business: ***5, ul. Samoylovoy, Murmansk, 183038, Russia***

Mailing address: ***5, ul. Samoylovoy, Murmansk, 183038, Russia***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: **25 %**

Share of the party in the Issuer's authorized capital: **0 %**

Basic areas of business of the company: ***Cellular communication services of the NMT-450 standard***

Full and abbreviated official name: ***Dancell, Saint Petersburg Closed Type Joint-Stock Company***

Place of business: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Mailing address: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Ground, on which the company is considered a dependent company of the issuer:

The issuer holds over 20% of voting shares

Issuer's share in the authorized capital of the corporation: **23.65 %**

Share of the party in the Issuer's authorized capital: **0 %**

Basic areas of business of the company: ***no operations, the company is being liquidated***

3.7. Composition, Structure and Value of Issuer's Fixed Assets, Information on Plans for Acquisition, Replacement and Retirement of Fixed Assets, and on all Facts of Issuer's Fixed Assets Burdening

3.7.1. Fixed assets

Fixed assets as of 31.12.03

roubles

<i>Group of fixed assets</i>	<i>Initial value</i>	<i>Amount of depreciation</i>	<i>Residual (less depreciation) value</i>
<i>Land plots and nature management sites</i>	<i>5,127,561</i>		<i>5,127,561</i>
<i>Buildings</i>	<i>4,156,915,542</i>	<i>955,968,189</i>	<i>3,200,947,353</i>
<i>Communication lines</i>	<i>5,586,399,798</i>	<i>3,270,845,802</i>	<i>2,315,553,996</i>
<i>Other facilities</i>	<i>502,608,134</i>	<i>208,430,516</i>	<i>294,177,618</i>
<i>Transport facilities</i>	<i>191,280,811</i>	<i>104,544,390</i>	<i>86,736,421</i>
<i>Switchboards</i>	<i>4,163,798,199</i>	<i>1,459,814,970</i>	<i>2,703,983,229</i>
<i>Other equipment of communication networks</i>	<i>6,113,948,523</i>	<i>2,375,157,262</i>	<i>3,738,791,261</i>
<i>Computing and office facilities</i>	<i>711,489,075</i>	<i>376,121,054</i>	<i>335,368,021</i>
<i>Other fixed assets</i>	<i>1,353,609,233</i>	<i>691,140,245</i>	<i>662,468,988</i>
Total:	<i>22,785,176,876</i>	<i>9,442,022,428</i>	<i>13,343,154,448</i>

Fixed assets as of 31.03.04

roubles

<i>Group of fixed assets</i>	<i>Initial value</i>	<i>Amount of depreciation</i>	<i>Residual (less depreciation) value</i>
<i>Land plots and nature management sites</i>	13,582,065.22	-	13,582,065.22
<i>Buildings</i>	4,131,494,272.00	977,083,385.00	3,154,410,887.00
<i>Communication lines</i>	5,778,943,040.00	3,321,422,789.00	2,457,520,251.00
<i>Other facilities</i>	529,606,628.00	215,463,372.00	314,143,256.00
<i>Transport facilities</i>	203,888,512.00	110,653,752.00	93,234,760.00
<i>Switchboards</i>	4,688,889,143.00	1,799,132,577.00	2,889,756,566.00
<i>Other equipment of communication networks</i>	5,613,430,911.00	2,233,691,033.00	3,379,739,878.00
<i>Computing and office facilities</i>	721,279,633.00	401,388,835.00	319,890,798.00
<i>Other fixed assets</i>	1,242,596,966.00	696,095,671.00	546,501,295.00
TOTAL	22,923,711,170.22	9,754,931,414.00	13,168,779,756.22

As before 31st October 2002 branches of OJSC North-West Telecom were independent legal entities, data on revaluation of fixed assets and on revaluation of fixed assets leased on a long-term basis are presented in a breakdown by branches that performed revaluation for the period under report.

Branch Artelecom of Arkhangelsk oblast

roubles

<i>Group of fixed assets</i>	<i>Complete value prior to revaluation</i>	<i>Residual (less depreciation) value prior to revaluation</i>	<i>Date of revaluation</i>	<i>Complete value after revaluation</i>	<i>Residual (less depreciation) value after revaluation</i>
Fixed assets in operation (except for social sphere)	1,403,065,277	701,718,608	01.01.99	1,567,309,156	812,559,426
Land plots and nature management sites	1,390	1,390	01.01.99	1,390	1,390
Buildings, except for social sphere	225,152,938	152,380,665	01.01.99	250,625,061	174,016,933
Communication lines	464,659,010	184,400,816	01.01.99	497,939,950	209,911,978
Other facilities, except for social sphere	131,057,669	52,010,487	01.01.99	140,444,601	59,205,943
Transport facilities, except for social sphere	21,477,512	8,268,035	01.01.99	24,342,827	10,491,785
Switchboards	395,686,317	213,773,852	01.01.99	460,041,875	250,439,425
Other equipment of communication networks	153,878,012	83,134,275	01.01.99	178,905,173	97,393,110
Computing and office facilities	7,902,936	5,888,405	01.01.99	10,604,525	8,408,976
Other fixed assets, except for social sphere	3,249,493	1,860,683	01.01.99	4,403,754	2,689,886
Fixed assets, the depreciation of which is included in account 29	16,775,797	15,600,140	01.01.99	19,474,559	18,166,648
Not intended (according to IAS) for gaining income		-	01.01.99		

Intended (according to IAS) for gaining income	16,775,797	15,600,140	01.01.99	19,474,559	18,166,648
	1,419,841,074	717,318,748		1,586,783,715	830,726,074

Revaluation was carried out according to the coefficients of the State Statistics Committee of the Russian Federation

The branch Murmanelectrosvyaz

roubles

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
facilities	1800838.84	1384593.02	30.06.00	24998630.66	19220448.13
facilities (transmission devices)	4689668.9	1091643.04	30.06.99	27127244.77	6314575.44
facilities (transmission devices)	1488033	633848	31.12.99	31919123	9926776
facilities (transmission devices)	61099438.81	11842438.49	30.09.00	145317805.8	25288785.76
facilities (transmission devices)	55215223.94	20020800.17	01.01.01	614507636.7	243197289.9
machines and equipment	24272476.3	17778880.93	30.09.00	78604800	57575723.32
	148565679.8	52752203.65		922475240.9	361523598.5

*Revaluation was carried out with the participation of an appraiser.
Revaluation method: according to the market value*

The branch Novgorodtelecom

roubles

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
Other network equipment in operation	6418299.57	2060613	01.01.01	1584900.8	5088368.26
TOTAL	6418299.57	2060613	01.01.01	1584900.8	5088368.26

Revaluation method: according to the market value and in accordance with the accounts, invoices, information and price-lists of suppliers of similar equipment as of the date of the revaluation.

The branch Petersburg Telephone Network

roubles

Group of fixed assets According to the card of accounts	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
buildings					

Buildings, except for social sphere	766212923.48	610573685.37	2000	2359987299.81	1846843480.13
Not intended (according to IAS) for gaining income	936400.00	554816.35	2000	5753200.00	3408767.01
Total:	767149323.48	611128501.72		2365740499.81	1850252247.14
facilities					
Communication lines	1512985.03	437375.61	2000	1278486.73	371603.23
equipment					
Switchboards	166431439.79	64377616.53	2000	101842543.18	39702932.10
Other equipment of communication networks	434000792.72	220205214.14	2000	344725547.66	179422980.03
Other equipment of communication networks up to 10.000 roubles	877052657.15	386884408.03	2000	659765327.05	299850621.70
Total:	1477484889.66	671467238.70		1106333417.89	518976533.83
other	99552224.72	38977034.67	2000	82774746.99	32487585.62
TOTAL	2345699422.89	1322010150.70		3556127151.42	2402087969.82

Revaluation method: direct recalculation on the basis of the data confirmed by documents

Evaluation of buildings and facilities was mainly carried out by the index method - using the indices of rise in prices of construction and installation in industrial engineering in the region as of December 1999.

The basic information for using the indices of rise in prices normally consists in data on the estimate value of facilities or on actually incurred expenses for their construction as included in the inventory list of fixed assets during commissioning. If the said information is not available, valuation is performed based on the functional purpose, construction volume or area of the site, using the standard values of the comparison unit cost in basic prices.

To determine the complete replacement value of the produced equipment, as well as other fixed assets, information on market prices for valuation objects or their functional analogues in the region as of December 1999 was used. If and when necessary, such information was adjusted for the existing differences between the valuation object and its functional analogues.

The branch Electrosvyaz of Pskov Oblast

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
Buildings	115032	89846	As of 01.01.99	133989	104316
Facilities	227321	62601	As of 01.01.99	255565	75600
Machines and equipment	155117	90317	As of 01.01.99	293205	209857
Transport facilities	11469	4916	As of 01.01.99	14226	6283
Production and economic implements	814	408	As of 01.01.99	951	547
Work stock	6	1	As of 01.01.99	7	1
Other types of fixed assets	65	65	As of 01.01.99	65	65
TOTAL	509824	248154	As of 01.01.99	698008	396669

Revaluation method: according to the coefficients of the State Statistics Committee of the Russian Federation using the statistics and market value according to the manufacturer's information

There are no plans for acquisition, replacement or withdrawal of fixed assets, the value of which is 10 and more per cent of the value of fixed assets of the Issuer and other fixed assets at the Issuer's discretion.

There are no facts of Issuer's fixed assets burdening (with the indication of the nature of burdening, the moment when the burdening arises, its period and other terms at the Issuer's discretion).

3.7.2. Value of Issuer's Real Estate

<i>Cost of real estate as of 31.12.03, roubles</i>		
<i>Initial value</i>	<i>Amount of charged depreciation</i>	<i>Residual value</i>
10,251,051,035	4,435,244,507	5,815,806,528

<i>Cost of real estate as of 31.03.04, roubles</i>		
<i>Initial value</i>	<i>Amount of charged depreciation</i>	<i>Residual value</i>
10,453,626,005	4,513,969,546	5,939,656,459

During 12 months before the date of the end of the quarter under report, no valuation of real estate owned or leased by the Issuer on a long-term basis.

IV. Data on Financial and Economic Operation of the Issuer

4.1. Results of the Financial and Economic Operation of the Issuer

4.1.1. Profit and loss

Indices showing profitability and unprofitability of the issuer for the respective period under report:

No.	Index	Unit of measurement	period					the 1 st quarter of 2004
			1999	2000	2001	2002	2003	
1	returns from sales of goods, products, works and services	thousand roubles	1,370,636	1,827,768	3,951,387	10,091,841	12,336,392	3,344,974
2	Gross profit	thousand roubles	471,561	579,494	1,237,444	2,648,472	2,852,668	831,128
3	Net profit (retained profit) (uncovered loss)	thousand roubles	91,852	377,271	364,112	327,264	837,478	680,525
4	Working efficiency	thousand roubles / persons	189.65	256.10	432.93	335.95	430.97	123.90
5	Capital productivity	%	33.38	30.99	64.49	92.14	92.45	25.40
6	Profitability of assets	%	1.58	4.91	4.48	2.19	4.75	3.78
7	Profitability of own capital	%	2.21	6.29	5.80	3.00	7.30	5.60
8	Profitability of products (sales)	%	33.68	31.50	30.29	26.24	23.12	24.85
9	The value of uncovered loss as of the date under report	thousand roubles	none	none	none	none	none	none
10	Ratio of uncovered loss as of date under report and balance currency	thousand roubles	none	none	none	none	none	none

Variation of the Company's business performances shows uneven trends. This is attributable to the Company restructuring process that has been going on for several recent years. For example, the data for 1999-2001 is presented in terms of PTN, while the data for 2002, 2003, and the 1st quarter of 2004 is presented as consolidated for the Company as a whole (including the Petersburg Telephone Network and all the affiliated subsidiaries). Besides, the structure of the 2000 Profit and Loss Statement did not consider the receipts of OJSC MMT and OJSC Telegraph before their takeover by OJSC PTN (the takeover took place in the last week of December 2000), which entailed a dramatic (more than double) increase of receipts and gross profit indicators in the year 2001 as compared to 2000.

The year 2002 saw serious changes in the Company's accounting policy as compared to the accounting policy of the parent company and the affiliated companies that was used in 2001. The changes were aimed at more reliable presentation of facts of business activity, and at compliance of the reporting with international standards. These changes in particular include generation of a bad debt reserve in 2002, which had a very significant effect on the formulation of a final financial result of the Company's business.

The total sum of costs to set up a reserve out of current profits was 792 MIO roubles in 2002. Using the new-established reserve, accounts receivable to an amount of 129 MIO roubles were written off. Of these, 103 MIO roubles were written off as the debts of benefit groups of citizens.

Therefore, the bad debt reserve amounted to 663 MIO roubles as of 01.01.03.

It should be emphasized that not only had the Company to establish a reserve for the accounts receivable of the year 2002, but it also had to "expose itself" to bad debts originating from 2001 and 2000. According to the accounting data, assuming implementation of BDR for accounts receivable in 2000 and 2001 as of 01.01.01 and 01.01.02, the sum of costs of setting up a bad debt reserve out of the 2002 current profits would have been 144 MIO roubles and not 792 MIO roubles.

Thus, assuming analytical building of BDR, i.e. distributing the costs among the periods of occurrence of debts, the Company's net profit for 2002 would be 975 MIO roubles and not 327 MIO roubles.

4.1.2. Factors That Have Influenced the Change of the Amount of Receipts from Issuer's Sales of Goods, Products, Jobs, Services and Profits (Losses) of the Issuer from the Principal Activity

The major impact on the Company's earnings growth rate (the factor of the Company's structural re-organization set aside) is from the stage-by-stage increase of tariffs for regulated communication services over the recent years.

Trends of charge rates for basic PTN services

Effective month and year	Subscriber fee per month (roubles)			Installation fee (roubles)			Note	Effective month and year
	apartment individual	corporate		apartment individual	corporate			
		budgetary	self-supporting		budgetary	self-supporting		
August 2000	47.62	95	145	1210	2470	3770	For apts.: incl. VAT 20%	August 2000
Growth rate, %	100.00	100.00	100.00	100.00	100.00	100.00		
March 2001	70	145	145	1500	2700	4000	For apts.: incl. VAT 20%	March 2001
Growth rate, %	147.00	152.63	100.00	123.97	109.31	106.10		
November 2001	70	145	145	3000	6000	6000	For apts.: incl. VAT 20%	November 2001
Growth rate, %	100.00	100.00	100.00	200.00	222.22	150.00		
January 2002	85	145	145	3000	6000	6000	For apts.: incl. VAT 20%	January 2002
Growth rate, %	121.43	100.00	100.00	100.00	100.00	100.00		
September 2002	100	170	170	3000	6000	6000	For apts.: incl. VAT 20%	September 2002
Growth rate, %	117.65	117.24	117.24	100.00	100.00	100.00		
July 2003	130	195	195	3000	6000	6000	For apts.: incl. VAT 20%	July 2003
Growth rate, %	130.00	114.71	114.71	100.00	100.00	100.00		
January 2004	130	195	195	3000	6000	6000	For apts.: incl. VAT 18%	January 2004
Growth rate, %	100.00	100.00	100.00	100.00	100.00	100.00		

4.2. Issuer's Liquidity

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004

Own circulating assets, thousand roubles	-1,176,546	-415,241	-514,002	-1,430,186	-4,445,960	-3,085,952
Financial dependence ratio	0.46	0.28	0.29	0.37	0.61	0.48
Own assets autonomy ratio	0.68	0.78	0.77	0.73	0.62	0.67
Availability of own circulating assets for reserves	-23.2	-4.3	-5.0	-3.9	-10.3	-8.7
Fixed assets index	1.33	1.07	1.08	1.13	1.39	1.25
Current liquidity ratio	1.38	2.04	1.43	1.00	0.65	0.78
Quick liquidity ratio	1.21	1.76	1.16	0.70	0.38	0.56

Liquidity indices describe the ability of a company to fulfill its short-term liabilities, and are developed on the basis of correspondence of a part of circulating assets to short-term liabilities.

Own circulating assets are understood as the part of own capital allocated to funding of circulating assets. The negative value of own circulating assets shows that investment is partially financed from borrowed funds.

The financial dependence ratio shows how much borrowed money per rouble of the own capital is used. The proportion of borrowed capital in the structure of the Company's liabilities was constantly growing in 1999 – 2003. The significant increase of liabilities in 2003 is attributable to the placement of a three-year bonded debt to a sum of 1.5 billion roubles, which enabled the Company to restructure the accumulated debt and to increase investment in the fixed assets. In the 1st quarter of 2004, the Company's debt was reduced to make 49% of own capital. Borrowed to own capital ratio is much below the critical value of 80%, which describes the financial stability of the Company as high.

The own assets autonomy ratio shows the share of own capital in the assets, its minimum standard value is 0.5 to 0.6. In the 1st quarter of 2004, the autonomy ratio increased by 5% to 67% against the beginning of the year, which is an evidence of a higher financial stability of the Company. The ratio value exceeds the standard value, which describes the rate of financial independence from creditors as high.

As the non-circulating assets of the company are partially financed from borrowed funds, availability of own circulating funds for reserves is negative.

The fixed assets index is higher than the recommended value (0.9) in the analyzed period, while the recommended value has been calculated for enterprises with medium capital coefficient. Communication enterprises are considered to be enterprises with a high capital coefficient.

The current liquidity ratio shows the general availability of circulating funds for the short-term debt of the enterprise, the recommended value for Russian enterprises being from 1 to 2. The liquidity ratio was decreasing over 2001-2003. As of the end of 2003, the Company's current liquidity dropped to 0.65, which is lower than the recommended minimum value. The origin of the decrease is higher role of short-term liabilities with a slightly lower proportion of circulating assets in the balance structure in 2003.

The main factors that governed the growth of short-term liabilities in 2003 are:

- *reappraisal of the debt to the Vneshekonombank;*
- *conversion of the debt for the 1st issue bonds from long-term liabilities to short-term liabilities;*
- *an increase in the debt to suppliers, including the leasing payments due in 2004.*

However, the value of the current liquidity ratio meets the requirements of the Company creditor banks (i.e. exceeding or equal to 0.6). In 2004, we intend to cut down the share of short-term liabilities in the balance structure, and thus to improve the liquidity indicators, as a result of the Company's pursued policy of debt liabilities restructuring and their service cost cutting. Apart from debt liabilities restructuring, the financial standing of the Company will be positively influenced by implementation of a treasury system from January 2004, which will result in higher management efficiency and better control over the cash flows of the Company, and in optimization of borrowing practices.

By the results of the 1st quarter of 2004, the marketability coefficient grew by 20% and reached 0.78.

The trend of the quick liquidity ratio depends on the same factors that govern the current liquidity.

The coefficient analysis indicates a stable financial standing of the Company. The action taken enabled a serious improvement of marketability in the 1st quarter of 2004. The Company's solvency is maintained high, which is confirmed by the low level of overdue debts under credits and loans, and by current payments effected without any delay.

4.3. Amount, Structure and Sufficiency of Issuer's Capital and Circulating Funds

4.3.1. Amount and Structure of Issuer's Circulating Funds

Amount of own capital, thousand roubles

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Authorized capital	466,475	587,498	587,498	937,940	937,940	937,940
Added capital	3,539,683	4,975,890	4,966,187	6,941,473	6,859,040	6,854,918
Capital reserves	0	4,610	23,474	29,375	46,897	46,897
Retained net profit (uncovered loss)	-467,780	432,747	702,014	2,964,896	3,477,942	4,277,150
Total capital value	3,538,378	6,000,745	6,279,173	10,873,684	11,321,819	12,116,905

Own capital structure

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Authorized capital	13.2%	9.8%	9.4%	8.6%	8.3%	7.7%
Added capital	100.0%	82.9%	79.1%	63.8%	60.6%	56.6%
Capital reserves	0.0%	0.1%	0.4%	0.3%	0.4%	0.4%
Retained net profit (uncovered loss)	-13.2%	7.2%	11.2%	27.3%	30.7%	35.3%
Total capital value	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In the five recent years, the Company's own capital significantly increased, the average growth rate being:

- 4.1% - 4.6% for the years 2001 and 2003;
- 70% and 73% for the years 2000 and 2002.

The noticeable growth in 2000 and 2002 is related to affiliation by the Company of other fixed communication operators in these years. The share of own capital in the Company's assets was decreasing over the years 2001-2003, from 78% as of 01.01.01 to 62% as of the beginning of 2004, but it increased to 67% in the 1st quarter of 2004. Thus, the amount of own capital is sufficient to ensure the necessary level of financial independence on creditors.

The retained profit share in the own capital structure greatly increased over the period under analysis: from 7.2% in 2000 to 35.3% as of 01.04.04. This variation is due to the fact that up to 80% of the Company's net profit is re-invested in the business, i.e. in fixed and other assets.

The size of the reserve fund after 01.01.04 has been corresponding to the level set by the Federal Law On Joint-Stock Companies, i.e. 5% of the authorized capital.

Amount of circulating assets, thousand roubles

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Stock	50,650	96,207	103,041	365,152	432,790	355,384
Value added tax on acquired values	7,820	75,269	143,809	407,099	615,000	424,346
Accounts receivable (expected in over 12 months after the reporting date)	108,917	92,177	37	13,169	31,847	43,522
Accounts receivable (expected within 12 months after the reporting date)	355,839	858,466	967,321	1,479,794	1,162,887	1,528,713
Short-term financial investments	13,535	86,630	5,836	4,913	14,841	206,528
Monetary funds	39,843	151,256	107,577	346,880	279,988	263,629
Other current assets	0	0	0	0	507	1,608

Total current assets value	576,604	1,360,005	1,327,621	2,617,007	2,537,860	2,823,730
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Structure of circulating assets, thousand roubles

Index	1999	2000	2001	2002	2003	the 1 st quarter of 2004
Stock	8.8%	7.1%	7.8%	14.0%	17.1%	12.6%
Value added tax on acquired values	1.4%	5.5%	10.8%	15.6%	24.2%	15.0%
Accounts receivable (expected in over 12 months after the reporting date)	18.9%	6.8%	0.0%	0.5%	1.3%	1.5%
Accounts receivable (expected within 12 months after the reporting date)	61.7%	63.1%	72.9%	56.5%	45.8%	54.1%
Short-term financial investments	2.3%	6.4%	0.4%	0.2%	0.6%	7.3%
Monetary funds	6.9%	11.1%	8.1%	13.3%	11.0%	9.3%
Other current assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Total current assets value	100%	100%	100%	100%	100%	100%

The trend of the Company's circulating assets over the period under analysis was governed by the organizational changes that were going on, and by the industrial specificity of the business. The considerable increase in 2000 (136%) and 2002 (97%) is attributable to affiliation by the Company of other fixed communication operators in these years (OJSC MMT and OJSC PTN in 2000, and operators of the North-Western Region, in 2002). A feature of the industry is high fund consumption rate of communication services, while the circulating assets share in the overall assets is low, varying between 16% and 18% in 2000 – 2002. In 2003, the amount of circulating assets decreased by 3%, and their segment in the overall assets, by 3.7% to make 13.86%. In the 1st quarter of 2004, the circulating assets increased by 11.3% (285,870 thousand roubles) against the beginning of the year, with their share in the overall assets increasing by 1.8% to reach 15.67%.

Accounts receivable predominate in the structure of circulating assets, which is also related to the industrial specificity. The Company's policy in respect of circulating assets is primarily aimed at cutting down accounts receivable, improving its quality (reducing the overdue debt segment), and speeding up the turnover. In the period under analysis, the share of accounts receivable in the circulating assets dropped from 81% as of 01.01.00 to 56% as of 01.01.04, where the long-term accounts receivable segment does not exceed 1.5%. The share of stores in the circulating assets was growing in 2001-2003 (from 7.1% to 17.1%), however it decreased by 4.5% in the 1st quarter of 2004. The monetary funds are kept at a level sufficient to fulfill the Company's current liabilities; the cash proportion in the circulating assets was within 8%-13%. The own assets are funded from corporate internal sources, as well as from credits and loans.

4.3.2. Issuer's Capital and Circulating Assets Adequacy

The Company's short-term liabilities as of 01.04.04 are 3,601,289 thousand roubles, which make 29.7% of own capital, i.e. the amount of own capital is sufficient to fulfill the short-term liabilities.

The Company's average daily operating debt service expenses (interest payable, line 070 of form 2) was 669.82 thousand roubles in the 1st quarter of 2004. The amount of the circulating assets (2,823,730 thousand roubles as of 01.04.04) is sufficient to cover the interest payment amount planned for the 2nd quarter of 2004 (77,433 thousand roubles).

4.3.3. Monetary funds

The Company's monetary funds requirement for the year 2004 is 21,617 MIO roubles, for the next quarter (2nd quarter of 2004) is 5,329 MIO roubles, including those for financing:

- operating (current) activities - 13,441 MIO roubles, as of 2nd quarter - 3,311 MIO roubles*
- investment programme - 4,328 MIO roubles, as of 2nd quarter - 898 MIO roubles*
- financial activities (repayment of earlier obtained liabilities) - 3,848 MIO roubles, as of 2nd quarter - 1,120 MIO roubles*

Monetary funds are expected to be received from the following sources:

- *operating activities (communication services) - 15,927 MIO roubles, or 74% of total receipts.*
- *investing activity (sale of non-circulating assets, and other investment earnings) - 1,270 MIO roubles.*
- *outside funding (credits and loans received) - 4,203 MIO roubles (to fund the Company's investment programme and to repay previously obtained short-term bank credits.)*

The sum of other investment earnings predicts receipts from the sale of a holding of the Company's bonds repurchased during the primary placement of the 2nd bond loan, in the amount of 758,903 thousand roubles.

External borrowings to an amount of 4,203 MIO roubles are planned for the Company as a whole in 2004, including the placement of the 3rd bond loan in the amount of 1,600 MIO roubles, 1,000 MIO roubles of "bridge funding", and a short-time overdraft of 400 MIO roubles quarterly to cover cash spreads.

Data on Company's frozen accounts with banks as of 31.03.04.

No.	Branch	Account No.:	Data on frozen bank account balances	Information accounts payable, collected in the banks files
1	Petersburg Telephone Network	with the St. Petersburg branch of AKB Incombank the bank has gone bankrupt		none
		40702810802310003686	2600.18 roubles	
		40702840602315003686		
		40702840102310003686		
		40702280602315003204		
		40702756602315003204		
		40702840602315003204		
		40702840102310003204	585.41 USD or 17,920.51 roubles	
		40702810802310003204		

4.3.4. Issuer's Financial Investment

Amount of all financial investment of the issuer as of the end of the last quarter under report: **369,134 thousand roubles**

Financial investment of the issuer, making over 10 per cent of all financial investment as of the end of the last quarter under report:

Full and abbreviated official name: **Artelecom Service Limited Liability Company, Artelecom Service LLC**

Place of business: **the Russian Federation, the city of Arkhangelsk**

Mailing address: **4, proyezd Priorova, Arkhangelsk, 163071**

TIN: **2901005600**

Investment size as percentage of the authorized capital: **77 %**

Investment size in terms of cash: **62,059 thousand roubles**

Size of income from an object of investment, or method for its calculation; payment deadline: **the issuer has no income from this investment**

4.3.5. Issuer's intangible assets

Intangible assets as of 31.12.03

Name of the intangible asset	Initial value as of 31.12.03, roubles	Accumulated depreciation as of 31.12.03, roubles	Depreciation charged as of year 2003, roubles	Residual value as of 31.12.03, roubles	Period of depreciation, months	Date of occurrence	RF
Telephone Reference Books Trademark	2,650	1,370	771	1,280	120	31.10.00	Murmansk
Communication Cards Trademark	2,901	870	290	2,031	120	01.07.00	Murmansk
<i>Total:</i>	<i>5,551</i>	<i>2,240</i>	<i>3,311</i>	<i>3,311</i>			
Certification of Pskovelectrosvyaz ASR (automatic billing system)	303,570	303,570	92,757	0	36	30.11.00	Pskov
Upgrading of Pskovelectrosvyaz ASR (automatic billing system)	20,705	13,609	10,503	7,096	60	29.06.01	Pskov
<i>Total:</i>	<i>324,274</i>	<i>317,179</i>	<i>103,260</i>	<i>7,096</i>	<i>96</i>		
TOTAL INTANGIBLE ASSETS	329,825	319,419	106,571	10,407			

Intangible assets as of 31.03.04

Name of the intangible asset	Initial value	Depreciation charged	Residual (less depreciation) value
<i>Excl. right for ASR software</i>	<i>837143.33</i>	<i>320477.29</i>	<i>516666.04</i>
<i>TOTAL</i>	<i>837143.33</i>	<i>320477.29</i>	<i>516666.04</i>

4.4. Data on the policy and expenses of the issuer in the field of scientific and technical development, in respect of licenses and patents, new designs and research

Development of OJSC NWT is implemented in compliance with the General Schedule for the Development of Telecommunication Networks of the Interregional Company North-West Telecom, prepared by OJSC Giprosvyaz to the order of OJSC NWT in 2002.

The procedure of trademark registration is under way. There have been no expenses for development or registration of the trademark in the 1st quarter of 2004.

4.5. Analysis of the Development Trends in the Field of the Issuer's Principal Activity**Economic Prospects of the Region's Development**

The socio-economic contribution of the North-Western region in the GDP of Russia in 2002 amounted to 9.4% (or 889.4 billion roubles). The most economically developed regions of the district are St. Petersburg, the Murmansk, Leningrad, Arkhangelsk and Vologda Oblasts, their share being about 83% of the gross regional product of the united territory, 70% of the population's income and 70% of the communication services market.

According to the results of the last months of 2003, the growth rate in the communication industry remained at the level exceeding 20%. In October 2003, as compared to October 2002, the growth of the communication services volume by 25.6% and for 10 months it by 21.8%. It should be noted, though, that the growth rate of paid communication services for the population was much lower than for the industry on the whole; however, it exceeded the growth rate of Russia's economy on the whole. According to the results of October 2003, the growth rate of paid communication services for the population was 14.6%, and according to the results of January-October 2003, the growth as compared to the same period of 2002 was

12.8%. It is noteworthy that the growth rate in the industry remained quite high with a comparatively slow growth of tariffs, which is dealt with below.

The high growth rate for the period remained in the non-traditional communication services sector, too. Thus, according to the AC&M-Consulting analytical agency, the number of cellular communication subscribers in Russia as of 31st October 2003 was 31,920 million people, which is 1,640 million people or 5.4% more than in the previous month.

The financial condition of the industry remained good in fact throughout the year 2003. The balanced financial result of communication enterprises grew in January-August 2003 as compared to January-August 2002 by 77.3% to the level of 62.9 billion – this is one of the best figures among all industries of Russia's economy. Among all industries of Russia's economy, only commerce and public catering had a better share of profitable enterprises, and this figure was better than in 2002.

Forecast of a possible change of the situation

In spite of experts' warnings that the state of Russia's economy could worsen by the end of 2003, its growth rate remained quite high, increasing gradually from month to month. This trend is observed in the beginning of 2004. Thus, while according to the results of January 2004 the growth of the gross domestic product as compared to the same period of 2003 was 7.9%, according to the results of February 2004 as compared to the same period of 2003 it was already 8.7%. The growth of the gross domestic product in February as compared to January 2004 was 0.6%. According to forecasts, in the year 2004, the communication market in this country will grow to 8 billion US dollars, which corresponds to 2.05% of the GDP (390 billion US dollars). The key growth factors are the general improvement of the economic situation, strengthened rouble, penetration of mobile communication to regions and restructuring of local communication rates. Thus, the potential investors' interest in this segment of the market is quite high.

The North-Western region is one of well-developed telecommunication markets. A manifestation of that is the significant percentage of income from telecommunication services in the North-Western region in the income of the Russian communication industry – about 16%. The North-Western region is one of well-developed telecommunication markets. A manifestation of that is the significant percentage of income from telecommunication services in the North-Western region in the income of the Russian communication industry – about 16%. The market of the region is characterized by strong competition. The market share is strongly differentiated by regions: in St. Petersburg OJSC North-West Telecom controls only 20% of the market, while its regional branches occupy 52.5% of the telecommunication market.

On the whole, the communication market development rates in the license territory of OJSC North-West Telecom are non-uniform: there is a more intensive development in regions than in St. Petersburg. This can be explained by the relative saturation of the market of communication services of St. Petersburg and by the increased expenses for communication in regions. Thus, with the existing market development level, for further development the Company must use extensive methods of gaining extra income from permanent subscribers more actively.

Due to the geographical location of the North-Western Federal District, a number of territories of which have not been sufficiently developed or populated, the communication enterprises of the District hold quite modest positions in Russia. At the same time, the District takes the first place in Russia by e-mail traffic, leaving other territories far behind, which can be explained by the fact that the territory of the District is crossed by communication channels used for information exchange with foreign countries.

V. Detailed Data on the Persons Who are Members of the Issuer's Management Bodies, Issuer's Bodies for Control over its Financial and Economic Operation, and Brief Data on the Workers (Employees) of the Issuer

5.1. The data on Issuer's structure and terms of reference of the management body.

The Company's General Meeting of the Shareholders is the supreme management body of the Issuer. The Company's Board of Directors consisting of 11 persons deals with the general management of Issuer's activities.

Executive bodies of the Company deal with the management of Issuer's current activities.

The General Manager is the sole executive authority, while the Management Board is the collegiate executive body.

Terms of reference of the general meeting of the Issuer's shareholders (participants) according to its Articles of Association (incorporation documents):

The terms of reference of the general meeting of the shareholders include the following issues that cannot be handed over for consideration by the Board of Directors, General Manager or Management Board of the Company:

- 1) introducing amendments and additions to the Articles of Association or approving the Articles of Association of the Company in a new version (except for the cases provided for by the Federal Law On Joint-Stock Companies), decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting);*
- 2) re-organization of the Company, decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 3) liquidation of the Company, appointing the liquidation committee and approval of the intermediate and final balance sheets, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 4) electing members of the Board of Directors by cumulative voting;*
- 5) early termination of the powers of Members of the Board of Directors, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 6) determining the number, face value and category of stated shares of the Company and the rights granted by those shares, the decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 7) increasing the Company's authorized capital by increasing the face value of shares, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 8) increasing the authorized capital of the Company by floating extra shares through public subscription in case the number of extra floated shares is more than 25 per cent of the common stock earlier floated by the Company, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 9) increasing the Company's authorized capital by floating extra shares through closed subscription, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 10) reducing the Company's authorized capital by reducing the face value of shares, through the Company acquiring a part of shares for the purpose of reducing their total number, as well as by retiring shares acquired or redeemed by the Company, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 11) electing the members of the Auditing Committee of the Company and early termination of their powers, the decisions being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 12) approving the auditor of the Company, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 13) approving annual reports, annual accounts of the Company, including profit and loss reports (profit and loss accounts) of the Company, as well as distribution of profit, including payment (statement) of dividend, and losses of the Company on the basis of the results of the fiscal year, the decisions being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 14) determining the procedure of holding the general meeting of the shareholders of the Company, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 15) splitting and consolidating shares, the decisions being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 16) taking a decision on approval of party-related transactions, the decision being taken in the cases and according to the procedure provided for by chapter XI of the Federal Law On Joint-Stock Companies;*
- 17) taking a decision on approval of big transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is more than 50% of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date, except for transactions performed in the course of normal economic operation of the Company, transactions related to floatation of common stock of the Company through subscription (realization), as well as transactions related to floatation of issued securities convertible into the Company's common stock, the decision being taken by the majority of three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 18) taking a decision on participation in holding companies, financial and industrial groups,*

- associations and other unions of commercial organizations, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;
- 19) approving by-laws regulating the operation of the Company's bodies, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;
- 20) floatation by the Company of bonds convertible into shares, and other issued securities convertible into shares, if the said bonds (or other issued securities) are floated through closed subscription or through public subscription, when in case of public subscription convertible bonds (or other issued securities) may be converted into common shares of the Company, making more than 25 per cent of the earlier floated common shares, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;
- 21) taking a decision on making up for the Company's account expenses for preparation and holding of an extraordinary general meeting of the Company's shareholders in the case when, contrary to the requirements of the active law of the Russian Federation, the Board of Directors has not taken a decision on convoking an extraordinary meeting and the meeting is convoked by other parties. The decision is taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;
- 22) relieving a party, who, independently or jointly with its affiliated parties, has acquired 30 and more per cent of floated common stock of the Company, from the duty of acquiring shares from other shareholders of the Company, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting, except for the votes granted by the shares held by the said party and its affiliated parties;
- 23) taking a decision on transferring the powers of the single executive body of the Company to a managing organization or to a manager, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;
- 24) deciding other issues provided for by the Federal Law On Joint-Stock Companies and by the Articles of Association.

Terms of reference of the Issuer's Board of Directors according to its Articles of Association:

The terms of reference of the Company's Board of Directors include the following issues:

- 1) determining the priority areas of the Company's activities, including approval of the annual budget, medium- and long-term budgets, strategies and programmes of the Company's development, introducing amendments to the said documents, considering the results of their fulfillment;
- 2) preliminarily approving operations which are beyond the framework established by the annual budget of the Company;
- 3) convoking the annual and extraordinary General Meetings of the Company Shareholders, except for the cases provided for by clause 8 of article 55 of the Federal Law On Joint-Stock Companies;
- 4) approving the agenda of the General Meeting of the Shareholders;
- 5) setting the date for making up the list of the shareholders entitled to participation in the General Meeting of the Shareholders, and other issues included in the terms of reference of the Board of Directors in compliance with chapter VII of the Federal Law On Joint-Stock Companies and related to preparation and holding of the General Meeting of the Shareholders;
- 6) preliminarily approving the annual report of the Company;
- 7) increasing the authorized capital of the Company by the Company floating extra shares within the limits of the number of stated shares as established by the Articles of Association, except for the cases provided for by subclauses 8 and 9 of clause 12.2 of the Articles of Association;
- 8) floatation by the Company of bonds and other issued securities in the case when, under the terms of floatation of such bonds and other issued securities, they are not convertible into Company's shares;
- 9) floatation by the Company of bonds convertible into shares, and other issued securities convertible into shares, if such bonds (other issued securities) are floated through public subscription and the convertible bonds (other issued securities) can be converted into common stock of the Company making 25 and less per cent of earlier floated common stock;
- 10) determining the price (monetary valuation) of the property, floatation and redemption price of issued securities in the cases provided for by the Federal Law On Joint-Stock Companies;
- 11) approving decisions on the issue of securities, prospectuses of securities issue, reports on the results of Company's securities issue, quarterly reports of the issuer of issued securities, reports on the results of Company's shares acquisition for the purpose of retiring them;
- 12) acquisition of shares, bonds and other securities floated by the Company;

- 13) approval of the Company's registrar and the terms of the contract with him, as well as taking a decision on terminating the contract with him;
- 14) recommendations on the amount of dividend earned by shares, the form and time of its payment, and approval of a bylaw on dividend earned by shares of the Company;
- 15) the use of the reserve and other funds of the Company;
- 16) control over the use of internal control procedures;
- 17) recommendations on the amount of remunerations and reimbursements paid to the members of the Company's Auditing Committee, approval of the terms of the contract made with the auditor, including the determination of his remuneration;
- 18) approval of the Provisions on the Structural Division of the Company Exercising Internal Control, agreeing upon candidates for the position of its manager and consideration of other issues, decisions on which must be taken by the Board of Directors in compliance with the Provisions on the said Division;
- 19) approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is from 0.75 to 25% of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date;
- 20) approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is from 25 to 50 % of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date, except for transactions made in the course of normal economic operation of the Company, transactions related to floatation of shares of the Company through subscription (realization), as well as transactions related to floatation of issued securities convertible into the Company's shares;
- 21) approval of party-related transactions in the cases provided for by chapter XI of the Federal Law On Joint-Stock Companies;
- 22) agreeing upon the organizational structure of the Company, including the basic functions of the structural divisions;
- 23) creating branches, opening and liquidating representative offices, approving Provisions on them;
- 24) preliminarily agreeing upon candidates for positions of branch and representative office managers and dismissal of such managers;
- 25) determining the priority areas of the branches activities;
- 26) appointing the single executive body (General Manager), establishing the term of its office, and early termination of its powers;
- 27) electing (re-electing) the Chairperson of the Board of Directors of the Company and his/her deputy;
- 28) forming the collective executive authority (Management Board), establishing the term of its office, and early termination of the powers of the Management Board members;
- 29) agreeing upon combining positions in management bodies of other organizations by the person acting as the single executive body of the Company and by members of the Company's Management Board;
- 30) permitting to work for and receive wages from other organizations for the person acting as the single executive body;
- 31) forming standing or provisional (to resolve certain issues) committees of the Board of Directors, and approving the Provisions on them;
- 32) appointing and dismissing the corporate Secretary of the Company, and approving the Provisions on the staff of the corporate Secretary of the Company;
- 33) approving terms of contracts (additional agreements) made with the General Manager, Members of the Management Board, managers of branches and representative offices, the manager of the Company's structural division exercising the internal control, with the Corporate Secretary of the Company, and considering issues, the decisions on which must be taken by the Board of Directors in compliance with the said contracts;
- 34) taking decisions on participation (affiliation as a participant, termination of participation, change of the share of participation) of the Company in other organizations through purchasing or selling stock or shares of other organizations and through investing extra contributions to the authorized capitals of such organizations;
- 35) taking decisions on Company's participation in nonprofit organizations, except for the cases provided for by subclause 18 of clause 12.2 of the Articles of Association, by affiliation as a participant, termination of participation, by investing extra contributions (fees) related to participation of the Company in nonprofit organizations;
- 36) taking decisions on the issues of the agenda of general meetings of subsidiaries (supreme management bodies of other organizations), in which the Company is the only participant;

- 37) *determining the procedure of the Company's interaction with organizations in which the Company participates;*
- 38) *approving the bylaw on the issues of disclosing information on the Company;*
- 39) *approving other bylaws of the Company, besides the ones provided for in clause 13.4 of the Articles of Association, that regulate the issues included in the terms of reference of the Company's Board of Directors, except for the bylaws, the approval of which is included by the Company's Articles of Association in the terms of reference of the general meeting of the shareholders and executive bodies of the Company;*
- 40) *other issues provided for by the Federal Law On Joint-Stock Companies and by the Articles of Association.*

Terms of reference of the Issuer's sole and collegiate executive bodies according to its Articles of Association:

The terms of reference of the Board of Directors include the following issues:

- 1) *The General Manager shall deal with the management of the current activities of the Company and shall be appointed by the general meeting of the shareholders for a period not exceeding five years.*
- 2) *The General Manager shall take decisions on issues that are not included by the Articles of Association in the terms of reference of the general meeting of the shareholders, the Board of Directors or the Management Board of the Company.*
- 3) *The General Manager acts as the Chairperson of the Management Board.*
- 4) *The General Manager shall preside over the general meeting of the shareholders.*

The terms of reference of the Company's Management Board include the following issues of managing the current activities of the Company:

- 1) *developing proposals on the priority areas of the Company's activities, including draft annual budgets, medium- and long-term budgets, strategies and programmes of the Company's development, proposals on introducing amendments to the said documents;*
- 2) *developing and approving internal control procedures;*
- 3) *determining the personnel and social policy of the Company;*
- 4) *considering and taking a decision on making collective agreements and covenants, and approving the bylaw regulating the general provisions on labour incentives;*
- 5) *preparing materials and draft decisions on issues to be considered by the general meeting of the shareholders and the Board of Directors, and presenting the materials to committees of the Board of Directors;*
- 6) *working out the engineering, financial, economic and rate policy of the Company and its branches, strategies and programmes for development of branches;*
- 7) *working out the accounting policy, control over improvement of the methodology of book-keeping and managerial accounting, as well as over the introduction of reporting according to international accounting standards in the Company and branches;*
- 8) *working out the methodology of planning, budgeting and controlling of the Company and its branches;*
- 9) *working out the policy of ensuring the Company's and branches security;*
- 10) *determining the amount, form and procedure of endowing branches with property and withdrawing it from them;*
- 11) *determining the number of the members of collective executive bodies of branches and appointing them, as well as early termination of their powers, approving the Provisions on the Collective Executive Body of a Branch;*
- 12) *preliminarily agreeing upon candidates for the positions of deputy managers and chief accountants or branches and representative offices and dismissal of the said officials;*
- 13) *approving terms of contracts (additional agreements) made with members of collective executive bodies of branches, with deputy managers, and chief accountants or branches and representative offices, and considering issues, the decisions on which are to be taken by the Management Board in compliance with the above agreements;*
- 14) *approving annual and quarterly budgets of branches, introducing amendments to the said documents and considering the results of fulfilling them;*
- 15) *analysis of the results of the operation of Company's structural divisions, including separate*

divisions, and working out obligatory instructions for improvement of their operation;
16) approving the bylaws regulating the issues included in the terms of reference of the Company's Management Board, except for the bylaws approved by the general meeting of the shareholders and by the Board of Directors of the Company.

Data on availability of an issuer's bylaw establishing the rules of issuer's corporate behaviour: *there is no such bylaw*

5.2. Information on Members of the Issuer's Management Bodies

Members of the Issuer's Board of Directors:

Chairperson: *Valery Nikolayevich Yashin*
Education: *Higher*

Members of the Board of Directors:
Valery Nikolayevich Yashin
Year of birth: *1941*

Posts for the recent 5 years:
Period: *1993 - 1999*
Organization: *Petersburg Telephone Network Open Joint-Stock Company*
Position: *General Manager*

Period: *1994 - 1999*
Organization: *Petersburg Telephone Network Open Joint-Stock Company*
Position: *Chairperson of the Management Board*

Period: *1996 – till now*
Organization: *Telecom-Soyuz Non-Governmental Pension Fund*
Position: *Chairperson of the Fund Council*

Period: *1997 - 2000*
Organization: *St. Petersburg Long-Distance International Telephone Open Joint-Stock Company*
Position: *Member of the Supervisory Board*

Period: *1998 – till now*
Organization: *St. Petersburg Payphones Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *1999 - 2002*
Organization: *Petersburg Telephone Network Open Joint-Stock Company (Starting from year 2001 Open Joint-Stock Company North-West Telecom)*
Position: *Member of the Board of Directors*

Period: *1999 – till now*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *General Manager*

Period: *1999 – till now*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *Chairperson of the Management Board*

Period: *2000 - 2003*
Organization: *Mobile Telecommunications Private Company*
Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*
Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Chairperson of the Board of Directors*

Period: *2000 – till now*

Organization: *Moscow City Telephone Network Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2000 – till now*

Organization: *Public Company for long-distance electric communication Rostelecom*

Position: *Chairperson of the Board of Directors*

Period: *2000 – till now*

Organization: *Electrosvyaz of Moscow Oblast Open Joint-Stock Company*

(Starting from year 2001 Central Telecommunication Company Open Joint-Stock Company)

Position: *Chairperson of the Board of Directors*

Period: *2000 - 2002*

Organization: *Svyazinvest-Media Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2001 – till now*

Organization: *RTComm.RU Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Oryol Oblast Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *1998 – till now*

Organization: *Telecominvest Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2001 - 2003*

Organization: *Rostelecom-Garantiya Non-Governmental Pension Fund*

Position: *Chairperson of the Fund Council*

Period: *2001 – till now*

Organization: *National Payphone Network Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *The Russian Foundation of the History of Communications*

Position: *member of the Management Board*

Period: *2003 – till now*

Organization: *FC Zenith Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *0.1736%*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Alexandr Vyacheslavovich Ikonnikov

Year of birth: *1971*

Education: *Higher*

Posts for the recent 5 years:

Period: *1997 - 1999*

Organization: *Ministry of Fuel and Power Engineering of the Russian Federation*
Position: *Head of the Department for foreign economic relations*

Period: *1999 - 2000*

Organization: *National Association of stock market members*
Position: *Deputy Chairperson of Executive Council*

Period: *2002 – till now*

Organization: *Association of Independent Directors*
Position: *Chairperson of the Management Board*

Period: *2002 – till now*

Organization: *Association for Investors' Rights Protection*
Position: *Director*

Period: *2002 – till now*

Organization: *Central Telecommunication Company Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:
no shares

Vadim Yevgenyevich Belov

Year of birth: *1958*

Education: *Higher*

Posts for the recent 5 years:

Period: *1997 - 1998*

Organization: *Joint-Stock Commercial Bank "International Financial Corporation"*
Position: *Deputy Chairperson of the Management Board*

Period: *1998 - 1999*

Organization: *SPK Capital Limited*
Position: *Managing Director of the Moscow Representative office*

Period: *1999 - 2000*

Organization: *Electrosvyaz Open Joint-Stock Company in Volgograd*
Position: *Chairperson of the Board of Directors*

Period: *1999 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *Deputy General Manager*

Period: *1999 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *member of the Management Board*

Period: *1999 - 2001*

Organization: *Uralsvyazinform Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *1999 - 2000*

Organization: *Electrosvyaz of Moscow Oblast Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *1999 - 2000*

Organization: *Kirovelectrosvyaz Open Joint-Stock Company*
Position: *Chairperson of the Supervisory Board*

Period: *1999 - 2000*

Organization: *Electrosvyaz of Stavropol Kray Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *1999 - 2000*

Organization: *Electrosvyaz of Primorsk Kray Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *1999 - 2001*

Organization: *Kubanelectrosvyaz Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2000- 2001*

Organization: *Electrosvyaz of Moscow Oblast Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2000 - 2002*

Organization: *Electrosvyaz Open Joint-Stock Company in Volgograd*
Position: *member of the Board of Directors*

Period: *2000 – till now*

Organization: *Public Company for long-distance electric communication Rostelecom*
Position: *member of the Board of Directors*

Period: *2001 – 2002*

Organization: *Uralsvyazinform Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Uralsvyazinform Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Sibirtelecom Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *South Telecommunication Company Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Uraltelecom of Sverdlovsk Oblast Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2001 – till now*

Organization: *Central Telecommunication Company Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Rostelecom-Garantiya Non-Governmental Pension Fund*
Position: *Member of the Fund Council*

Period: *2002 - 2002*

Organization: *Svyazinform of Chelyabinsk Oblast Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Rostov Oblast Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2002 - 2003*

Organization: *Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Tsentralny Telegraf Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *RTK-Invest Closed Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *RTK-Leasing Closed Joint-Stock Company*

Position: *Member of the Board of Directors*

Period: *2002 – till now*

Organization: *Non-Profit Partnership Centre for Research of Telecommunications Development Problems*

Position: *Chairman of the Board of the Partnership*

Period: *2002 - 2003*

Organization: *Telecom-Soyuz Non-Governmental Pension Fund*

Position: *Member of the Fund Council*

Share in the Issuer's authorized capital: *0.00003%*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Ivan Ivanovich Rodionov

Year of birth: *1953*

Education: *Higher*

Posts for the recent 5 years:

Period: *1997 – till now*

Organization: *Brunswick Capital Management Investment Fund*

Position: *Managing director*

Period: *2001 - 2002*

Organization: *Artelecom Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of the Republic of Karelia Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Sergey Vladimirovich Soldatenkov

Year of birth: **1963**
Education: **Higher**

Posts for the recent 5 years:
Period: **1994 - 1998**
Organization: **Delta Telecom Closed Joint-Stock Company**
Position: **General Manager**

Period: **1998 - 1999**
Organization: **Telecominvest Open Joint-Stock Company**
Position: **Deputy General Manager**

Period: **1999 – till now**
Organization: **Open Joint-Stock Company North-West Telecom**
Area of business: **communication services**
Position: **member of the Board of Directors**

Period: **1999 - 2000**
Organization: **Petersburg Telephone Network Open Joint-Stock Company**
Position: **First Deputy General Manager - Commercial Manager**

Period: **2000 - 2002**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **Chairperson of the Management Board**

Period: **2000 - 2002**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **General Manager**

Period: **2001 - 2003**
Organization: **Lensvyaz Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2001 – till now**
Organization: **Megafon Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2001 – till now**
Organization: **Telecominvest Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2001 - 2003**
Organization: **Delta Telecom Closed Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2001 - 2003**
Organization: **North-West Telecombank Closed Joint-Stock Company**
Position: **member of the Supervisory Board**

Period: **2002 – till now**
Organization: **Sonik Duo Closed Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2003 – till now**
Organization: **Megafon Open Joint-Stock Company**
Position: **Chairperson of the Management Board**

Period: **2003 – till now**
Organization: **Megafon Open Joint-Stock Company**
Position: **General Manager**

Share in the Issuer's authorized capital: **0.00249%**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Dmitry Vladimirovich Levkovsky

Year of birth: **1965**

Education: **Higher**

Posts for the recent 5 years:

Period: **1995 – till now**

Organization: **"NCH Advisors, Inc"**

Position: **Vice-President**

Period: **2000 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **member of the Board of Directors**

Period: **2002 – till now**

Organization: **Uralsvyazinform Open Joint-Stock Company**

Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Irina Mikhailovna Ragozina

Year of birth: **1950**

Education: **Higher**

Posts for the recent 5 years:

Period: **1996 – till now**

Organization: **Petersburg Telephone Network Open Joint-Stock Company
(Starting from year 2001 Open Joint-Stock Company North-West Telecom)**

Position: **member of the Board of Directors**

Period: **1997 - 1999**

Organization: **Investment Communication Company Open Joint-Stock Company**

Position: **Shareholding Management Service Manager**

Period: **1998 - 1999**

Organization: **Giprosvyaz Open Joint-Stock Company**

Position: **Chairperson of the Board of Directors**

Period: **1998 - 1999**

Organization: **Electrosvyaz of Vladimir Oblast Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **1998 - 2001**

Organization: **Kamchatsvyazinform Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **1998 - 2002**

Organization: **Svyazinform of Chelyabinsk Oblast Open Joint-Stock Company**

Position: **Chairperson of the Board of Directors**

Period: **1999 - 2000**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **1999 – till now**

Organization: **Investment Communication Company Open Joint-Stock Company**

Position: *Corporate Management Department Director*

Period: *2000 – till now*

Organization: *Moscow City Telephone Network Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2000 - 2000*

Organization: *St. Petersburg Long-Distance International Telephone Open Joint-Stock Company*

Position: *member of the Supervisory Board*

Period: *2001 - 2002*

Organization: *Kamchatsvyazinform Open Joint-Stock Company*

Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Kurgan Oblast Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Public Company for long-distance electric communication Rostelecom*

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Yury Alexandrovich Bilibin

Year of birth: *1971*

Education: *Higher*

Posts for the recent 5 years:

Period: *1998 - 1999*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*

Position: *Manager of the Long-Term Investment and Securities Department*

Period: *1999 - 2000*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*

Position: *Deputy Commercial Manager, Investment and International Relations Department of the Service of Commerce Manager*

Period: *2000 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*

Position: *General Manager Assistant*

Period: *2000 – till now*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*

(Starting from year 2001 Open Joint-Stock Company North-West Telecom)

Position: *Member of the Board of Directors*

Period: *2001 – till now*

Organization: *Medexpress Insurance Closed Joint-Stock Company*

Position: *member of the Supervisory Board*

Period: *2001 – till now*

Organization: *North-West Telecombank Closed Joint-Stock Company*

Position: *member of the Supervisory Board*

Period: *2001 – till now*

Organization: *National Payphone Network Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 – till now*
Organization: *RTComm.RU Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*
Organization: *Svyazinform of Samara Oblast Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 – till now*
Organization: *Uralsvyazinform Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*
Organization: *Magadansvyazinform Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*
Organization: *Murmanelectrosvyaz Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2003*
Organization: *The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*
Organization: *Electrosvyaz of Oryol Oblast Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 – till now*
Organization: *Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2003*
Organization: *Rostelecom-Garantiya Non-Governmental Pension Fund*
Position: *Member of the Fund Council*

Period: *2002 – till now*
Organization: *RTK-Leasing Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 - 2003*
Organization: *RTK-Invest Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 - 2003*
Organization: *Interfax-Telecom Informational Agency Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 – till now*
Organization: *Svyazinvest-Media Open Joint-Stock Company*
Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*
Organization: *Mobile Telecommunications Private Company*
Position: *member of the Board of Directors*

Period: *2002 - 2003*
Organization: *Lensvyaz Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: **2002 - 2002**

Organization: ***Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: ***no share***

Shares in the Issuer's subsidiaries/affiliates:

no shares

Alexandr Alexandrovich Gogol

Year of birth: ***1946***

Education: ***Higher***

Posts for the recent 5 years:

Period: ***1998 – till now***

Organization: ***Prof. M.A. Bonch-Bruyevich Saint Petersburg State University of Telecommunication***

Position: ***Rector***

Period: ***2000 – till now***

Organization: ***St. Petersburg Telecommunication Centre Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Open Joint-Stock Company North-West Telecom***

Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: ***no share***

Shares in the Issuer's subsidiaries/affiliates:

no shares

Alexandr Abramovich Sysoyev

Year of birth: ***1949***

Education: ***Higher***

Posts for the recent 5 years:

Period: ***1995 - 1998***

Organization: ***Saint Petersburg Telegraph Open Joint-Stock Company***

Position: ***Chairperson of the Management Board***

Period: ***1995 - 1998***

Organization: ***Saint Petersburg Telegraph Open Joint-Stock Company***

Position: ***General Manager***

Period: ***1998 - 2002***

Organization: ***Lensvyaz Open Joint-Stock Company***

Position: ***General Manager***

Period: ***1998 - 2003***

Organization: ***Lensvyaz Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: ***1998 - 2002***

Organization: ***Lensvyaz Open Joint-Stock Company***

Position: ***Chairperson of the Management Board***

Period: ***2002 – till now***

Organization: ***Telecominvest Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: ***2002 - 2003***

Organization: ***Open Joint-Stock Company North-West Telecom***

Position: ***Chairperson of the Management Board***

Period: **2002 – till now**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **member of the Board of Directors**

Period: **2002 - 2003**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **General Manager**

Period: **2002 – till now**
Organization: **Delta Telecom Closed Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2003 – till now**
Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**
Area of business: **communication specialists training**
Position: **member of the Board of Directors**

Period: **2003 - 2003**
Organization: **Neva Kabel Closed Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2003 – till now**
Organization: **Kolatelecom Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2003 - 2004**
Organization: **Non-Profit Partnership Centre for Research of Telecommunications Problems**
Position: **Member of the Board of the Partnership**

Share in the Issuer's authorized capital: **0.02357%**
Shares in the Issuer's subsidiaries/affiliates:
no shares

Oleg Anatolyevich Lebedinets

Year of birth: **1977**

Education:

Posts for the recent 5 years:

Period: **1999 - 2000**
Organization: **Wood & Company Investment Company**
Position: **Financial analyst**

Period: **2000 - 2000**
Organization: **Alfa Capital Investment Bank**
Position: **Deputy Director of the Research Department**

Period: **2000 – till now**
Organization: **Brunswick Asset Management**
Position: **Director of the Investment fund Analytical department**

Period: **2002 – till now**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**
Shares in the Issuer's subsidiaries/affiliates:
no shares

Issuer's Collegiate executive management body

Igor Nikolayevich Samylin

Year of birth: **1957**

Education: **Higher**

Posts for the recent 5 years:

Period: **1998 - 1999**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Position: **Vyborgsky Telephone Centre Manager**

Period: **1999 - 2000**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Position: **Customers Department Manager - Customers Manager**

Period: **2000 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **member of the Management Board**

Period: **2000 - 2002**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **First Deputy General Manager - Commercial manager, head of the Petersburg Telephone Network branch**

Period: **2001 – till now**

Organization: **Petersburg Transit Telecom Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **Telecominvest Production Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Murmanelectrosvyaz Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **St. Petersburg Informational Company Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **PeterStar Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *Deputy General Manager in charge of commercial affairs Regional Manager of the Petersburg Telephone Network branch*

Period: *2002 - 2003*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *Deputy General manager - Manager for strategic policy and business development - regional manager of the Petersburg Telephone Network branch*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *regional manager of the Petersburg Telephone Network branch*

Period: *2002 - 2003*

Organization: *Giprosvyaz SPb Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *TCI Telesense Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *Delta Telecom Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Nikolay Gennadyevich Bredkov

Year of birth: *1953*

Education: *Higher*

Posts for the recent 5 years:

Period: *1996 - 1999*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*
Position: *Deputy General Manager in charge of Economics and Finance*

Period: *1999 - 2000*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*
Position: *Deputy Economics and Finance Director - Manager of the Labour Organization and Remuneration Department of the Financial Economic Service of the Central Directorate*

Period: *2000 - 2002*

Organization: *Electrosvyaz of the Republic of Karelia Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2000 - 2002*

Organization: *Artelecom Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Vologda Oblast Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Cherepovetsectrosvyaz Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Manager in charge of structural reorganization*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *member of the Management Board*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Deputy General Manager in charge of corporate management*

Period: *2003 – till now*

Organization: *Lensvyaz Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *WestBaltTelecom Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *Vologda Cellular Communication Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *Tele-Nord Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2003 – till now*

Organization: *TD-Telecom Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *0.0039%*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Maya Mikhaylovna Semchenko

Year of birth: *1967*

Education: *Higher*

Posts for the recent 5 years:

Period: *1995 - 2000*

Organization: *Delta Telecom Closed Joint-Stock Company*

Position: *Chief Accountant, Financial Manager*

Period: *2000 - 2002*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Chief Accountant, Accounting Board Manager*

Period: *2000 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *member of the Management Board*

Period: *2001 - 2003*

Organization: *The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Chief Accountant*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

no shares

Evgeny Borisovich Stepanov

Year of birth: **1978**

Education: **Higher**

Posts for the recent 5 years:

Period: **1997 - 2000**

Organization: **Telecominvest Closed Joint-Stock Company**

Position: **Assistant Personnel Contacts Manager**

Period: **2000 - 2003**

Organization: **Telecominvest Closed Joint-Stock Company**

Position: **Personnel Manager**

Period: **2003 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Director in charge of personnel management**

Period: **2003 – till now**

Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Elena Vladimirovna Umnova

Year of birth: **1954**

Education: **Higher**

Posts for the recent 5 years:

Period: **1999 - 2003**

Organization: **Bank MENATEP Saint Petersburg Open Joint-Stock Company**

Position: **Deputy Branch Manager in Voronezh**

Period: **2003 – till now**

Organization: **Investment Communication Company Open Joint-Stock Company**

Position: **Finance Department Manager**

Period: **2003 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **member of the Management Board**

Share in the Issuer's authorized capital: **no share**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Sergey Mikhaylovich Gavryushev

Year of birth: **1951**

Education: **Higher**

Posts for the recent 5 years:

Period: **1999 - 2002**

Organization: **Electrosvyaz of the Republic of Karelia Open Joint-Stock Company**

Position: **General Manager**

Period: **2002 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Regional Manager of the Branch Electrosvyaz of the Republic of Karelia**

Share in the Issuer's authorized capital: **0.154 %**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Ilya Vladimirovich Kravchuk

Year of birth: **1975**

Education: **Higher**

Posts for the recent 5 years:

Period: **1998 - 2002**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **Securities Department Manager, Marketing and Services Sale Department Manager**

Period: **2002 - 2002**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **Commercial Manager**

Period: **2002 - 2003**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **General Manager Assistant**

Period: **2003 - 2003**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Acting as Deputy General Manager – Manager in charge of operational management and business development**

Period: **2003 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General Manager – Manager in charge of operational management and business development**

Period: **2003 – till now**

Organization: **SPIK Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Oleg Anatolyevich Semanov

Year of birth: **1967**

Education: **Higher**

Posts for the recent 5 years:

Period: **1998 - 2002**

Organization: **Artelecom of Arkhangelsk Oblast Open Joint-Stock Company**

Position: **Communication Network Operation and Operational Technical Management Director**

Period: **2002 - 2003**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy Regional Operation Director of the Branch Artelecom of Arkhangelsk Oblast**

Period: **2003 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General Manager - Manager in charge of strategic development and technical policy**

Share in the Issuer's authorized capital: **0.0025 %**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Grigory Borisovich Chernyak

Year of birth: **1949**
Education: **Higher**

Posts for the recent 5 years:

Period: **1994 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **member of the Management Board**

Period: **1994 - 2001**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Position: **General Issues Manager**

Period: **2001 – till now**

Organization: **U Krasnogo Mosta Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Medexpress Insurance Closed Joint-Stock Company**

Position: **member of the Supervisory Board**

Period: **2001 - 2002**

Organization: **Zenith Football Club Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General manager in charge of common issues**

Period: **2002 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **member of the Management Board**

Period: **2002 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General Manager - manager in charge of property management**

Period: **2002 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **General Issues Manager of the Petersburg Telephone Network branch**

Period: **2002 – till now**

Organization: **The Russian Foundation of the History of Communications Non-Profit Partnership**

Position: **Member of the Board of the Partnership**

Period: **2003 – till now**

Organization: **Neva Kabel Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Traffic safety Foundation “OBDD-Neva” Non-Profit Partnership**

Position: **Member of the Board of Founders**

Share in the Issuer's authorized capital: **0.04%**

Shares in the Issuer's subsidiaries/affiliates:

no shares

Sergey Ivanovich Kuznetsov

Year of birth: **1953**

Posts for the recent 5 years:

Period: **1998 - 2001**

Organization: *PeterStar Closed Joint-Stock Company*
Position: *General Manager*

Period: *2001 – till now*

Organization: *Globalstar - Space Telecommunications Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Telmos Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company for long-distance electric communication Rostelecom*
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *RTComm.RU Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Joint-Stock Commercial Bank Svyaz-Bank Open Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Open Joint-Stock Company for long-distance electric communication Rostelecom*
Position: *General Manager*

Period: *2003 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *General Manager*

Period: *2004 – till now*

Organization: *Non-Profit Partnership Centre for Research of Telecommunications Problems*
Position: *Member of the Board of the Partnership*

Share in the Issuer's authorized capital: *0.00142%*

Shares in the Issuer's subsidiaries/affiliates:
no shares

Person acting as the sole executive body of the Issuer:

Sergey Ivanovich Kuznetsov

Year of birth: *1953*

Posts for the recent 5 years:

Period: *1998 - 2001*

Organization: *PeterStar Closed Joint-Stock Company*
Position: *General Manager*

Period: *2001 – till now*

Organization: *Globalstar - Space Telecommunications Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Telmos Closed Joint-Stock Company*
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company for long-distance electric communication Rostelecom*
Position: *member of the Board of Directors*

Period: **2002 – till now**
Organization: **RTComm.RU Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2002 – till now**
Organization: **Joint-Stock Commercial Bank Svyaz-Bank Open Joint-Stock Company**
Position: **member of the Board of Directors**

Period: **2001 - 2003**
Organization: **Open Joint-Stock Company for long-distance electric communication Rostelecom**
Position: **General Manager**

Period: **2003 – till now**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **General Manager**

Period: **2004 – till now**
Organization: **Non-Profit Partnership Centre for Research of Telecommunications Problems**
Position: **Member of the Board of the Partnership**

Share in the Issuer's authorized capital: **0.00142%**
Shares in the Issuer's subsidiaries/affiliates:
no shares

Nature of kinship of the above persons with any other persons who are members of the issuer's management bodies and/or bodies of control over financial and economic activities of the issuer: **persons in the Board of Directors, collective and single executive management bodies of the issuer have no kinship with any other persons who are members of the issuer's management bodies and/or bodies of control over financial and economic activities of the issuer**

5.3. Data on the Amount of Remuneration, Privileges and/or Reimbursement of Expenses for Each of the Issuer's Management Bodies:

Aggregate amount of remuneration paid to the members of the Board of Directors for the Year 2003:

Wages (roubles): **1,640,363.97**

Bonuses (roubles): **1,117,740.77**

Commission (roubles): **7,309,437**

Privileges and/or reimbursement of expenses (roubles): **3,345,801**

Other property compensations (roubles): **0**

Total (roubles): **13,675,842.74**

Aggregate amount of remuneration paid to the members of the Management Board for the Year 2003:

Wages (roubles): **12,775,674.39**

Bonuses (roubles): **6,024,896.39**

Commission (roubles): **2,776,163**

Privileges and/or reimbursement of expenses (roubles): **3,064,264**

Other property compensations (roubles): **0**

Total (roubles): **24,640,997.78**

Data on existing agreements in respect of such payments in the current fiscal year: **there are no such agreements**

5.4. Data on the Structure and Terms of Reference of the Bodies of Control over Financial and Economic Operation of the Issuer

To exercise control over financial and economic operation, the Company creates an Auditing Committee, a special structural division exercising the internal control functions.

The Auditing Committee is an independent control body of the Company, elected at the annual general meeting of the shareholders for a period till the next annual general meeting of the shareholders, with 7 members.

The terms of reference of the Auditing Committee include:

- checking the reliability of the data contained in the reports and other financial documents of the Company;

- revealing any facts of violation of the procedure for book-keeping and submission of financial reports, established by the legal acts of the Russian Federation;

- checking the observance of the legal standards in tax calculation and payment;

- revealing any facts of violation of the legal acts of the Russian Federation, in compliance with which the Company performs its financial and economic operations;

- evaluating the economic advisability of financial and economic operations of the Company.

Starting from December 2002 the Internal Audit Department started functioning in OJSC North-West Telecom.

As of the date of the end of the period under report, the Department comprised:

Alexandr Nikolayevich Levashev

Larisa Alexandrovna Smirnova

Tatyana Arkadyevna Romanova

Basic functions of the Internal Audit Department:

- periodic control of the compliance of financial and economic operations transacted by the Company, its branches and other structural units with the interests of the Company, protection of Company's assets;

- independent appraisal and analysis of Company's financial state on the whole, of the financial state of its branches and other structural units;

- periodic control of the observance by the Company, its branches and other structural units of legislative and other standard acts (including bylaws) regulating their activities, as well as of decisions of the General Meeting of the Shareholders of the Company, the Board of Directors of the Company, the single and joint executive bodies of the Company;

- checking the efficiency of the internal control system, control over cash flows and over related-party transactions, proving the reliability of accounts and reports and operational information of the Company its branches and other structural units;

- consulting on issues of financial and tax legislation;

- interaction with external auditors, representatives of tax and other supervision authorities.

Accountability of the Internal Audit Department: In compliance with clause 16 of the active Articles of Association of the Company, the Board of Directors shall exercise control over the application of internal audit procedures. In compliance with clause 2.1 of the active "Provisions on the Committee for Reporting and Remunerations of the Board of Directors of OJSC North-West Telecom", this Committee ensures control of the Board of Directors in respect of internal audit issues.

Interaction of the Internal Audit Department with the executive bodies of the Issuer and with the Board of Directors: a report on audits is submitted to the Board of Directors (upon request) and to the General Manager of the Company. Planned audits shall be conducted in compliance with the annual auditing plan approved by the General Manager.

Interaction of the Internal Audit Department and the external auditor: reports on results of audit by external auditors are to be received

5.5. Information on Members of the Bodies for Control over the Financial and Economic Activities of the Issuer

Personal composition of the Auditing Committee and other issuer's bodies for control over its financial and economic activities:

Full name: *Natalia Vladimirovna Fedorova*

Year of birth: *1962*

Education: *Higher*

Period: *1998 - 2002*

Organization: *Electrosvyaz of Pskov Oblast Open Joint-Stock Company*

Position: *Chief Accountant*

Period: *2002 - till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Chief accountant of the Electrosvyaz of Pskov Oblast branch, OJSC Nort-West Telecom*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0.022*

Percentage of issuer's common stock held by the said party (%): *0.026*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Andrey Yakovlevich Lang*

Year of birth: *1970*

Education: *Higher*

Period: *1999 - 2001*

Organization: *Industry and Construction Bank Saint Petersburg Open Joint-Stock Company*

Position: *Deputy Manager of the Planning and Budget Department – Head of the Financial Management Sector*

Period: *2001 - 2002*

Organization: *Industry and Construction Bank Saint Petersburg Open Joint-Stock Company*

Position: *Manager of the Planning and Budget Department – Head of the Financial Management Sector*

Period: *2002 - till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Deputy General Manager in charge of Economics and Finance*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Larisa Mikhaylovna Tareyeva*
Year of birth: *1977*
Education: *Higher*

Period: *1999-2000*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *1st Category Specialist of the Department of Direct Investment and Equity*

Period: *2000-2001*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *1st Category Specialist of the Department of Direct Investment and Property*

Period: *2001-2003*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *Leading Specialist of the Corporate Financing and Direct Investment Department*

Period: *2003 – till now*
Organization: *Investment Communication Company Open Joint-Stock Company*
Position: *Leading Specialist of the Department of Direct Investment and Property*

Period: *2003 – till now*
Organization: *Narodny Telefon Saratov (Saratov People's Telephone) Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Volgograd GSM Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Uralvestcom Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Novocom Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Samara-Telecom Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Yugsvyazstroy Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Period: *2003 – till now*
Organization: *Health-Improvement Centre Orbita Closed Joint-Stock Company*
Position: *Member of the Board of Directors*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Irina Viktorovna Prokofyeva***

Year of birth: ***1968***

Education: ***Higher***

Period: ***1997 - 1998***

Organization: ***State Tax Inspectorate for St. Petersburg***

Position: ***Senior State Tax Officer of the Board for Tax Control of City Tax-Payers***

Period: ***1998 - 2001***

Organization: ***Telecominvest Open Joint-Stock Company***

Position: ***Taxation specialist***

Period: ***2001 - 2001***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Deputy Manager of the Department of Internal Audit and Economic Analysis***

Period: ***2001 - 2003***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Deputy Director - Manager of the Unit of Internal Audit of the Department of Internal Audit and Economic Analysis***

Period: ***2003 – till now***

Organization: ***Yermak RMS Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 - till now***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Manager of the Department of Internal Audit***

Period: ***2003 - till now***

Organization: ***Open Joint-Stock Company North-West Telecom***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: ***Central Telecommunication Company Open Joint-Stock Company***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: ***Uralsvyazinform Open Joint-Stock Company***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: ***Sibirtelecom Open Joint-Stock Company***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: ***Southern Telecommunication Company Open Joint-Stock Company***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: ***Lensvyaz Open Joint-Stock Company***

Position: ***member of the Auditing Committee***

Period: ***2003 - till now***

Organization: *Giprosvyaz Open Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Stek GSM Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Yugsvyazstroy Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Orenburg-GSM Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *JSICB Pochtobank Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Primtelefon Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Teleross-Kubanelectrosvyaz Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *WestBaltTelecom Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Health-Improvement Centre Orbita Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Volgogradsky-GSM Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *CMTO Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *Westelcom Closed Joint-Stock Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *South-Ural Cellular Phone Limited Liability Company*
Position: *member of the Auditing Committee*

Period: *2003 - till now*
Organization: *DZAO Armavirsky Zavod Svyazi*
Position: *member of the Auditing Committee*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Mariya Leonidovna Pravdina***

Year of birth: ***1971***

Education: ***Higher***

Period: ***1998 - 2000***

Organization: ***State Tax Inspectorate for Saint Petersburg***

Position: ***Chief State Tax Officer***

Period: ***2000- 2002***

Organization: ***Open Joint-Stock Company North-West Telecom***

Position: ***Contract Department Manager of the Petersburg Telephone Network branch***

Period: ***2002- 2004***

Organization: ***Open Joint-Stock Company North-West Telecom***

Position: ***Head of the Investment department***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Sergey Imanovich Alekhin***

Year of birth: ***1977***

Education: ***Higher***

Period: ***1998 - 1999***

Organization: ***Craft Limited Liability Company***

Position: ***Chief accountant***

Period: ***1999 - 2000***

Organization: ***NPP Energoresurs Closed Type Joint-Stock Company***

Position: ***Chief accountant***

Period: **2000 - 2000**
Organization: **Avista-S Limited Liability Company**
Position: **Chief accountant**

Period: **2000 - 2000**
Organization: **Editorial Board of the Glavbukh Magazine Closed Joint-Stock Company**
Position: **expert editor**

Period: **2000 - 2003**
Organization: **Investment Communication Company Open Joint-Stock Company**
Position: **Leading Specialist of the Unit of Internal Audit of the Department of Internal Audit and Economic Analysis**

Period: **2003 – till now**
Organization: **Investment Communication Company Open Joint-Stock Company**
Position: **Leading Specialist of the Internal Audit Department**

Period: **2003 – till now**
Organization: **Open Joint-Stock Company North-West Telecom**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Sibirtelecom Open Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Dalsvyaz Open Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Tsentralny Telegraf Open Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **VSNET Closed Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **TeleRoss-Ekaterinburg Closed Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Nizhny Novgorod Cellular Communication Closed Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Novocom Closed Joint-Stock Company**
Position: **member of the Auditing Committee**

Period: **2003 – till now**
Organization: **Mobile Telecommunications Closed Joint-Stock Company**
Position: **member of the Auditing Committee**

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Konstantin Vladimirovich Belyaev***

Year of birth: ***1968***

Education: ***Higher***

Period: ***1996-2001***

Organization: ***Artelecom of Arkhangelsk Oblast Open Joint-Stock Company***

Position: ***Deputy Chief accountant, Chief accountant***

Period: ***2001 – till now***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Chief accountant***

Period: ***2002 - 2002***

Organization: ***Artelecom of Arkhangelsk Oblast Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: ***2002 - 2002***

Organization: ***Yaroslavl Telecommunication Network Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: ***2003 – 2003***

Organization: ***Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0.0008**

Percentage of issuer's common stock held by the said party (%): **0.0007**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Personal composition of other issuer's bodies for control over its financial and economic activities (Internal Audit Department):

Full name: *Alexandr Nikolayevich Levashev*
Year of birth: *1972*
Education: *Higher*

Period: *1995 - 2000*
Organization: *Elf Limited Liability Company*
Position: *Expert*

Period: *2000 - 2001*
Organization: *Budimir Limited Liability Company*
Position: *Consultant*

Period: *2001 - 2002*
Organization: *Lensvyaz Open Joint-Stock Company*
Position: *Leading Accountant*

Period: *2002 - 2002*
Organization: *Lensvyaz Open Joint-Stock Company*
Position: *Deputy Chief Accountant*

Period: *2002 – till now*
Organization: *Open Joint-Stock Company North-West Telecom*
Position: *Manager of the Internal Audit Department*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Larisa Alexandrovna Smirnova*
Year of birth: *1975*
Education: *Higher*

Period: *1999 – 2002*
Organization: *Financial Control Department of the Ministry of Finance of RF for the Kingisepp District and Ivan Gorod*
Position: *Treasurer*

Period: *2002 – 2002*
Organization: *Lensvyaz Open Joint-Stock Company*
Position: *Economist of the Zapadny (“Western”) branch*

Period: *2002 – 2002*
Organization: *Lensvyaz Open Joint-Stock Company*
Position: *1st Category Economist of the Treasury*

Period: *2002 – 2003*

Organization: *Lensvyaz Open Joint-Stock Company*
Position: *1st Category Economist of the Financial Department*

Period: *2003 – 2003*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *1st Category Specialist of the Internal Audit Department*

Period: *2003 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *Leading Specialist of the Internal Audit Department*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Tatyana Arkadyevna Romanova*
Year of birth: *1955*
Education: *Higher*

Period: *1996 – 2001*

Organization: *St. Petersburg Long-Distance International Telephone Open Joint-Stock Company*
Position: *Leading Specialist of the Planning and Forecasting Department*

Period: *2001 – 2004*

Organization: *Open Joint-Stock Company North-West Telecom, the branch Petersburg Telephone Network*

Position: *Deputy Chief Accountant of the Main Long-distance and International Telephone Telegraph Centre*

Period: *2004 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*
Position: *Leading Specialist of the Internal Audit Department*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0.00002*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Nature of any kinship between members of the issuer's bodies of control over its financial and economic activities, members of the board of directors of the issuer, members of the collective executive body of the issuer or the person acting as the single executive body of the issuer: ***members of the Issuer's bodies for control over its financial and economic activities have no relationship with members of the Issuer's Board of Directors, members of the Issuer's joint executive body, with the single executive body of the Issuer or with each other.***

5.6. Data on the Amount of Remuneration, Privileges and/or Reimbursement of Expenses for the Body of Control over the Financial and Economic Activities of the Issuer

The aggregate amount of remuneration paid to the body of control over the financial and economic activities of the issuer for the Year 2003:

Wages (roubles): **1,821,464.5**

Bonuses (roubles): **1,486,887**

Commission (roubles): **1,603,148**

Privileges and/or reimbursement of expenses (roubles): **297,364**

Other property compensations (roubles): **0**

Total (roubles): **5,208,864**

Aggregate amount of remuneration paid to other issuer's bodies for control over its financial and economic activities:

Wages (roubles): **850,878**

Bonuses (roubles): **337,177**

Commission (roubles): **0**

Privileges and/or reimbursement of expenses (roubles): **285,055**

Other property compensations (roubles): **0**

Total (roubles): **1,473,111**

5.7. Data on the Number of and Generalized Data on the Education and Composition of the Issuer's Workers (Employees) and on Any Changes in the Number of the Issuer's Workers (Employees)

No.	Index	Unit of measurement	1999	2000	2001	2002	2003	the 1 st quarter of 2004
1	Average number, total	persons	7,271	7,181	9,563	31,260	29,157	27,322
2	including average personnel number	persons	7,227	7,137	9,127	30,040	28,625	26,998
			as of 01.01.00	as of 01.01.01	as of 01.01.02	as of 01.01.03	as of 01.01.04	as of 01.01.04
3	Payroll number of employees, total	persons	7,295	7,198	8,986	30,550	27,909	27,833
	of the total number (line 3)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	- younger than 25 y.o.	persons	705	694	865	2,198	1,944	1,898

- younger than 25 y.o.	%	9.7%	9.6%	9.6%	7.2%	7.0%	6.8%
- 25 to 35 y.o.	persons	1,771	1,647	2,067	7,176	6,328	6,242
- 25 to 35 y.o.	%	24.3%	22.9%	23.0%	23.5%	22.7%	22.4%
- 35 to 55 y.o.	persons	4,319	4,326	5,391	19,322	18,158	18,084
- 35 to 55 y.o.	%	59.2%	60.1%	60.0%	63.3%	65.1%	65.0%
- older than 55 y.o.	persons	500	531	663	1,854	1,479	1,609
- older than 55 y.o.	%	6.9%	7.4%	7.4%	6.1%	5.3%	5.8%
of the total number (line 3)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- those who have graduated from secondary and/or complete general education schools	persons	2,182	2,117	2,655	9,947	8,612	8,308
- those who have graduated from secondary and/or complete general education schools	%	29.9%	29.4%	29.6%	32.6%	30.9%	29.9%
- those who have graduated from primary and/or secondary vocational schools	persons	3,175	3,143	3,704	14,005	12,891	13,014
- those who have graduated from primary and/or secondary vocational schools	%	43.5%	43.7%	41.2%	45.8%	46.2%	46.8%
- those who have graduated from higher schools	persons	1,938	1,938	2,627	6,598	6,406	6,511
- those who have graduated from higher schools	%	26.6%	26.9%	29.2%	21.6%	23.0%	23.4%

5.8. Data on Any Obligations of the Issuer to Workers (Employees) Concerning the Possibility of their Participation in the Authorized Capital (Unit Investment Fund) of the Issuer

No agreements or obligations of the issuer have been provided for concerning the possibility of issuer's workers (employees) participation in its authorized capital (unit investment fund).

VI. Data on the Issuer's Participants (Shareholders) and on Party-Related Transactions Made by the Issuer

6.1. Data on the Issuer's total number of shareholders (participants)

Issuer's total number of participants as of the date of the end of the quarter under report:
30870

Total number of parties registered in the shareholders register of the issuer as of the date of the end of the last quarter under report:
30870

Total number of nominal holders of issuer's shares:
37

6.2. Data on the Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund) or at least 5 per cent of its common stock, as well as data on participants (shareholders) of such parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of their common stock

Name: **Investment Communication Company Open Joint-Stock Company**

Place of business: **str. 2, 55, Plyushchikha, Moscow, Russia**

Mailing address: **str. 2, 55, Plyushchikha, Moscow, 119121**

TIN: **7710158355**

Share in the Issuer's authorized capital: **39.893 %**

Percentage of common shares: **50.8443 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

Name: **MUSTCOM LIMITED**

Place of business: **3 Themistoklis Dervis Street Julia House CY-1066 Nicosia, Cyprus**

Mailing address: **9, Dmitrovsky per., Moscow, 103031**

Share in the authorized capital of the Issuer's shareholder (participant): **25% + 1 share**

Percentage of common shares: **25% + 1 share**

Name: **Ministry of Privity of RF**

Place of business: **9, Nikolsky per., Moscow, 103685**

Mailing address: **9, Nikolsky per., Moscow, 103685**

TIN: **7710144747**

Share in the authorized capital of the Issuer's shareholder (participant): **50 % + 1 share**

Percentage of common shares: **50 % + 1 share**

Name: **Russian Fund of Federal Property**

Place of business: **9, Leninsky pr-t, Moscow, 117049**

Mailing address: **9, Leninsky pr-t, Moscow, 117049**

TIN: **7704097841**

Share in the authorized capital of the Issuer's shareholder (participant): **25% -2 shares**

Percentage of common shares: **25% -2 shares**

Full name: **Brunswick UBS Nominees Closed Joint-Stock Company (nominal holder)**

Abbreviated name: **Brunswick UBS Nominees CJSC**

Place of business: **52, Kosmodamyanskaya nab., building 4, Moscow, 115054**

Mailing address: **2/2, Paveletskaya square, Moscow, 115054**

TIN: **7711080038**

Share in the Issuer's authorized capital: **17.4703 %**

Percentage of common shares: **17.9779 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

Name: **Brunswick Warburg (Russia) Ltd.**

Place of business: **The issuer has no data**

Mailing address: **The issuer has no data**

Share in the authorized capital of the Issuer's shareholder (participant): **100 %**

Full name: **Depository Clearing Company Closed Joint-Stock Company (nominal holder)**

Abbreviated name: **DCC CJSC**

Place of business: **13, ul. Tverskaya-Yamskaya, Moscow, 125047**

Mailing address: *14/2, ul. Staraya Basmannaya, building 4, Moscow, 103064*

TIN: *7710021150*

Share in the Issuer's authorized capital: *8.714 %*

Percentage of common shares: *6.9426 %*

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

The issuer has no data

Full name: **ING Bank (EURASIA) CJSC Closed Joint-Stock Company**

Abbreviated name: *ING Bank (EURASIA)*

Place of business: *31, ul.Krasnaya Presnya, Moscow, 123022*

Mailing address: *31, ul.Krasnaya Presnya, Moscow, 123022, Russia*

TIN: *7712014310*

Share in the Issuer's authorized capital: *4.9824 %*

Percentage of common shares: *5.4081 %*

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

The issuer has no data

6.3. Data on the share of the state or the municipal unit in the authorized capital (unit investment fund) of the issuer and on availability of a special right ("golden share")

Share of the Issuer's authorized capital owned by the state (municipality):

Type of ownership: *federal*

Share: *0.0007%*

Manager of the block: *Ministry of Proprietary Relations of the Russian Federation*

Type of ownership: *of entities of RF*

Share: *0.000012%*

Manager of the block: *Department of Proprietary Relations of Vologda Oblast*

A special right of participation for the Russian Federation, entities of the Russian Federation or municipal entities in managing the Issuer ('golden share'):

no such special right is provided for

6.4. Data on Restrictions for Participation in the Authorized Capital (Unit Investment Fund) of the Issuer

If any restrictions of the number of shares held by one shareholder and/or their aggregate face value, and/or the maximum number of votes granted to one shareholder are established by the Articles of Association of the issuer, which is a joint-stock company, then such restrictions must be listed: ***no such restrictions have been provided for by the Articles of Association of the issuer.***

If any restrictions of the share of foreign parties participation in the authorized capital of the issuer have been established by the legislation of the Russian Federation or by other standard legal acts of the Russian Federation, then such restrictions must be listed or it must be stated that there are no such restrictions: ***there are no such restrictions***

Other restrictions related with Participation in the Authorized Capital (Unit Investment Fund) of the Issuer: ***there are no other restrictions***

6.5. Data on changes in the composition and size of participation of the Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund) or at least 5 per cent of its common stock

Compositions of the issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock as determined as of the date of the list of parties entitled to participation in each general meeting of the shareholders (participants) of the issuer, held for the 5 recent completed fiscal years preceding the date of the end of the quarter under report.

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **27.04.99**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.8**
Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: ***Stotter Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **15.698**
Percentage of issuer's common stock held by the said party (%): **17.574**

Full official name: ***Machaon Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**
Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **03.04.00**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.8**
Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: ***Stotter Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **13.768**
Percentage of issuer's common stock held by the said party (%): **15.22**

Full official name: ***Machaon Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**
Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **20.04.00**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: **Investment Communication Company Open Joint-Stock Company**

Abbreviated official name: Svyazinvest OJSC

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.8**

Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: **Stotter Limited**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **13.768**

Percentage of issuer's common stock held by the said party (%): **15.22**

Full official name: **Machaon Limited**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**

Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **02.04.01**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: **Investment Communication Company Open Joint-Stock Company**

Abbreviated official name: **Svyazinvest OJSC**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**

Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: **Stotter Limited**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**

Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: **Machaon Limited**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**

Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: **DCL-KF Corporation**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**

Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **01.10.01**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: **Investment Communication Company Open Joint-Stock Company**

Abbreviated official name: **Svyazinvest OJSC**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**

Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: **Stotter Limited**

Abbreviated official name: **The issuer has no data**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**
Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: ***Machaon Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**
Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: ***DCL-KF Corporation***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**
Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **08.05.02**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**
Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: ***Stotter Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**
Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: ***Machaon Limited***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**
Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: ***DCL-KF Corporation***
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**
Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **05.05.03**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **39.893**
Percentage of issuer's common stock held by the said party (%): **50.844**

Full official name: ***Lindsell Enterprises Limited***
Abbreviated official name: ***Lindsell Enterprises Ltd***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.633**
 Percentage of issuer's common stock held by the said party (%): **6.298**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **27.02.04**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***
 Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **39.893**
 Percentage of issuer's common stock held by the said party (%): **50.844**

Full official name: ***Lindsell Enterprises Limited***
 Abbreviated official name: ***Lindsell Enterprises Ltd***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.13**
 Percentage of issuer's common stock held by the said party (%): **5.6**

6.6. Data on Related-Party Transactions Made by the Issuer

Total amount of related-party transactions approved by each management body of the issuer, based on the results of the last quarter under report:

**122,991.34 conventional units and
 195,391,986.92 roubles**

Transaction (a group of interrelated transactions) with the price of 5 and more per cent of the balance value of the issuer's assets as determined based on the data of its accounts and reports as of the last reporting date: ***there have been no such transactions in the period under report***

Party-related transaction (a group of interrelated transactions), the decision on approving which was not taken by the Board of Directors (Supervisory Board) or the general meeting of the shareholders (participants) of the issuer in the cases when such approval was obligatory according to the laws of the Russian Federation: ***there have been no such transactions in the period under report***

6.7. Data on the amount of accounts receivable

thousand roubles

Type of accounts receivable	1999		2000		2001	
	Short-term debt	Long-term debt	Short-term debt	Long-term debt	Short-term debt	Long-term debt
buyers and customers	215,657		673,194	84,671	857,258	
notes receivable						
debts of subsidiary and associate companies						
debts of participants (founders) by contributions to the authorized capital						

advances distributed	65,582		83,065	770	22,941	
other debtors	74,600	108,917	102,207	6,736	87,122	37
TOTAL	355,839	108,917	858,466	92,177	967,321	37

Data on accounts receivable for the year 2002

thousand roubles

Type of accounts receivable	Period in which the debt arises					TOTAL
	0-45	45-90	90-180	180-360	more than 1 year	
overdue one	437,434	170,684	72,949	169,407	421,047	1 271,521
buyers and customers	368,419	-	-	-	-	368,419
advances distributed	218,287	58,928	17,557	18,916	7,173	320,861
other debtors	138,456	38,699	948	7,071	10,392	195,565
TOTAL:	1,162,596	268,311	94,454	195,394	438611	2,156,366

As of 31.12.02, the doubtful debt reserve was 663,403 thousand roubles.

Data on accounts receivable for the year 2003

thousand roubles

Type of accounts receivable	Period in which the debt arises					TOTAL
	0-45	45-90	90-180	180-360	more than 1 year	
overdue one	181,984	120,538	158,307	89,605	377,949	928,383
buyers and customers	802,504	-	-	-	-	802,504
advances distributed	47,106	5,785	5,168	2,705	4,312	65,076
other debtors	93,662	9,587	746	5,770	15,569	125,334
TOTAL:	1,125,256	135,910	164,221	98,080	397,829	1,921,297

As of 31.12.03, the doubtful debt reserve was 753,121 thousand roubles.

Data on accounts receivable for the 1st quarter of the year 2004

roubles

Type of accounts receivable	Period in which the debt arises					TOTAL
	0-45	45-90	90-180	180-360	more than 1 year	
overdue one, roubles	165,577,972	77,820,192	226,865,547	157,637,983	369,327,313	997,229,007
buyers and customers, roubles	1,111,584,884	0	0	0	0	1,111,584,884
advances distributed, roubles	61,161,948	6,198,848	9,504,313	966,821	3,374,506	81,206,436
other receivables, roubles	74,208,923	5,375,637	4,156,887	9,934,556	4,800,316	98,476,319
TOTAL:	1,412,533,727	89,394,677	240,526,747	168,539,360	377,502,135	2,288,496,646

VII. Issuer's Accounts and Reports and other financial information

7.1. Issuer's Annual Accounts and Reports

See Appendix 1

7.2. Issuer's quarterly Accounts and Reports for the last completed quarter under report

See Appendix 2

7.3. Issuer's Summary Accounts for the Three Last Completed Fiscal Years or for Each Completed Fiscal Year

Grounds of not submitting:

The duty of an organization to make up summary accounts is established by clause 91 of the Order of the Ministry of Finance of RF No. 34n "On Approving the Provisions on Book-Keeping and Reporting in the Russian Federation" of 29.07.98.

In compliance with the said order, if an organization has subsidiaries or dependent companies, summary accounts are to be made up besides own accounting report, including the reporting indices of such companies situated in the territory of the Russian Federation and outside the Russian Federation, according to the procedure established by the Ministry of Finance of the Russian Federation.

Meanwhile, no procedure for making up summary (consolidated) reports has been established by the Ministry of Finance of the Russian Federation by today. The only document concerning making up such reports is the Order of the Ministry of Finance No. 112 of 30th December 1996. "On Methodological Recommendations for Making up and Submitting Summary Accounts" Meanwhile, this act is not a normative act (according to the resolution of the Ministry of Justice of the Russian Federation of 19th March 1997, No. 07-02-285-97, this order of the Ministry of Finance does not require state registration), is of purely methodological nature, and, besides, that document does not establish a procedure, but just determines the general approaches towards making up summary accounts. There are no explanations or instructions in respect of applying that order.

At the same time, according to clause 8 of the Order, a Group may abstain from making up summary accounts according to the rules provided for by the standard acts and methodological instructions on book-keeping of the Ministry of Finance of the Russian Federation, if the following conditions are simultaneously observed:

the summary accounts have been made up on the basis of the International Accounting Standards (IAS) prepared by the International Accounting Standards Committee;

- the Group must ensure reliability of the summary accounts made up on the basis of IAS;*
- the explanatory note to the summary accounts contains the list of applied accounting requirements, discloses the book-keeping methods, including evaluations differing from the rules provided for by the standard acts and methodological instructions on accounting of the Ministry of Finance of the Russian Federation.*

7.4. Data on the Total Amount of Exports and on the Share of Exports in the Total Volumes of Sales

The issuer neither deals with sales of products or goods, nor performs jobs, nor provides services outside the Russian Federation.

7.5. Data on Any Essential Changes that Have Taken Place in the Composition of Issuer's Property after the Date of Expiry of the Last Completed Fiscal Year

There have been no essential changes in the composition of issuer's property after the date of expiry of the last completed fiscal year.

7.6. Data on Issuer's Participation in Any Court Proceedings, if Such Participation May Materially Affect Financial or Economic Operation of the Issuer

As of 31st March 2003 and during the three years preceding that date, OJSC North-West Telecom did not take part in any court proceedings, the results of which might materially affect the financial and economic operation of the Issuer and results of current court proceedings. Among other things, in the said period the Issuer did not take part in any court cases related to contesting the rights to Issuer's licenses, related to recognizing the Issuer and/or its subsidiaries and/or affiliates bankrupt, to alienation of Issuer's property (assets) or to exacting a debt in respect of taxes or fees to the budget or non-budgetary funds in any significant amount.

VIII. Extra Data on the Issuer and the Issued Securities Floated by the Issuer

8.1. Extra Data on the Issuer

8.1.1. Data on the Amount and Structure of the Authorized Capital (Unit Fund) of the Issuer

Amount of the Issuer's authorized capital as of the date of the expiry of the last quarter under report (roubles): **937,940,010**

Breakdown of the authorized capital by share categories:

Common stock:

Total (roubles): **735,917,222**

Share in the Issuer's authorized capital: **78.461012 %**

Preferred stock:

Total (roubles): **202,022,788**

Share in the Issuer's authorized capital: **21.538988 %**

Category of stock circulating outside the Russian Federation: **common registered non-documentary**

Percentage of stock circulating outside the Russian Federation in the total number of the stock of the respective category: **3.3%**

Name and location of the foreign issuer whose securities certify the rights in respect of issuer's stock of the respective category: **JPMorgan Chase Bank is the issuer under the 1st level ADR programme of OJSC NWT.**

Brief description of the programme (type of programme) for the issue of foreign issuer's securities certifying the rights in respect of the stock of the respective category: **1st level ADR**

Data on obtaining a permission from the Federal Commission for circulation of issuer's stock of the respective category outside the Russian Federation (if applicable): **Resolution No. 1590/r of 11th August 2001, Resolution No. 1590/r of 3rd January 2002.**

Name of foreign organizer of trade (organizer of trade) through whom foreign issuer's securities certifying the rights in respect of issuer's shares circulate (if there is such a circulation): **according to the circulation conditions in the framework of 1st level ADR programme, trade is effected in the off-exchange market only**

8.1.2. Data on Changes in the Amount of the Authorized Capital (Unit Fund) of the Issuer

Period starting date: **January 1, 1999**

Amount of authorized capital before change, roubles	Number of common shares	Face value (roubles)	Number of preferred shares	Face value (roubles)	Issuer's management body taking the decision on changing AC	No and date of making up the minutes	Amount of authorized capital after change, roubles
466,474,800	382,288,800	1	84,186,000	1	General meeting of the shareholders	03.04.00 №1	587,497,817
587,497,817	473,056,966	1	114,440,851	1	General meeting of the shareholders	25.06.02 №01-02	937,940,010

8.1.3. Data on Formation and Use of the Reserve and other Funds of the Issuer

In compliance with the Articles of Association, the Issuer forms a reserve in the amount of 5 per cent of the authorized capital.

As of 01.01.03, a reserve had been formed in the amount of 29,375 thousand roubles, which amounted to 3.13 per cent of the authorized capital.

As of 01.10.03, 17,522 thousand roubles were deducted to the reserve, as a result of which the amount of the reserve as of 01.10.03 was 46,897 thousand roubles, or 5% of the Issuer's authorized capital.

As of 31.03.04 the reserve is 46,897 thousand roubles, or 5% of the Issuer's authorized capital.

8.1.4. Data on the Procedure of Convoking and Holding the Meeting (Session) of the Supreme Management Body of the Issuer

Name of the supreme management body of the issuer: ***General meeting of the shareholders***

Procedure of notifying the shareholders (participants) on holding the meeting (session) of the supreme management body of the issuer:

1. A notification on holding a general meeting of the shareholders must be provided not later than 20 days in advance, while a notification on holding a general meeting of the shareholders, the agenda of which contains an issue of Company re-organization must be provided not later than 30 days before the date it is to be held.

If the proposed agenda of an extraordinary general meeting of the shareholders contains the issue of electing the Board of Directors of the Company, a notification on holding an extraordinary general meeting of the shareholders must be provided not later than 50 days before the date of holding it.

Within the time specified, the notification on holding a general meeting of the shareholders must be sent to each person indicated in the list of those entitled to participation in the general meeting of the shareholders by registered mail or delivered to each of said persons against signature, or published in the Izvestiya newspaper.

2. The notification on holding a general meeting of the shareholders must contain:

full official name of the Company and location of the Company;

form of holding the general meeting of the shareholders (meeting or absentee voting);

date, place and time of holding the general meeting of the shareholders, and the mailing address to which filled in ballots may be sent, or, in case of holding the general meeting of the shareholders in the form of absentee voting, the date of finishing the acceptance of voting ballots and the mailing address to which filled in ballots are to be sent;

starting time of registration of the persons (their representatives) taking part in the general meeting of the shareholders;

date when the list of parties entitled to participation in the general meeting of the shareholders was made up;

agenda of the general meeting of the shareholders;

procedure of confirming their powers by representatives of those entitled to participation in the general meeting of the shareholders;

procedure of getting familiarized with the information (materials) to be provided to those entitled to participation in the general meeting during preparation for the general meeting, and the address(es) at which it is possible to get familiarized with it (address (location) of the single executive body of the Company, as well as addresses of other places where the information (materials) will be provided).

3. The notification to shareholders on holding a general meeting of the shareholders, the agenda of which includes issues, the voting on which may entail the right of demanding redemption of shares by the Company, must contain, besides the information listed in 2, the following information:

on whether the shareholders holding the voting shares of the Company are entitled to demand redemption of their shares by the Company, if they vote against taking a decision or do not take part in the voting on such issues;

on the price and procedure of shares redemption.

4. The notification to shareholders on holding an extraordinary general meeting of the shareholders, the agenda of which includes the issue of electing the Company's Board of Directors, must contain, besides the information listed in 2, also information on the procedure and timing of proposing candidates to the Company's Board of Directors by the shareholder(s) holding in the aggregate not less than 2 per cent of the Company's voting shares.

5. Besides the information listed in 2 – 4, the notification on holding a general meeting of the shareholders may contain other information on the procedure of shareholders participation in the general meeting of the shareholders.

Parties (bodies) entitled to convoke (demand holding) an extraordinary meeting (session) of the issuer's supreme management body, and procedure of sending (presenting) such demands:

An extraordinary general meeting of the shareholders shall be held upon decision of the Board of Directors on the basis of its own initiative, a demand of the Company's Auditing Committee, Company's Auditor, or shareholder(s) holding at least 10 per cent of the Company's voting shares as of the date the demand is presented.

Demands on holding an extraordinary general meeting may be presented by:

sending them by mail to the address (location) of the single executive body of the Company as indicated in the single state register of legal entities;
delivering against signature to the person acting as the single executive body of the Company, to the Chairperson of the Board of Directors of the Company, Corporate Secretary of the Company or to another person entitled to accept written mail sent to the Company;
faxing.

Procedure of fixing the date of holding the meeting (session) of the supreme management body of the issuer:

the date, place and time of holding the general meeting of the shareholders, and the mailing address to which filled in ballots may be sent, or, in case of holding the general meeting of the shareholders in the form of absentee voting, the date of finishing the acceptance of voting ballots and the mailing address to which filled in ballots are to be sent are determined by the Board of Directors of the Company

1. An annual general meeting of the shareholders shall be held not earlier than four months and not later than six months upon expiry of the fiscal year.

2. An extraordinary general meeting of the shareholders convoked upon demand of the Auditing Committee of the Company, auditor of the Company or the shareholder(s) holding not less than 10 per cent of the voting shares of the Company must be held within 40 days from the moment the demand on holding an extraordinary general meeting of the shareholders is presented.

3. An extraordinary general meeting of the shareholders convoked upon demand of the Auditing Committee of the Company, auditor of the Company or the shareholder(s) holding not less than 10 per cent of the voting shares of the Company, the agenda of which contains the issue of electing the Company's Board of Directors, must be held within 70 days from the moment the demand on holding an extraordinary general meeting of the shareholders is presented.

4. If the number of the members of the Board of Directors of the Company becomes less than the quorum required for holding sessions of the Company's Board of Directors, an extraordinary general meeting of the shareholders convoked upon decision of the Company's Board of Directors on the basis of its own initiative to decide the issue of electing the Board of Directors of the Company must be held within 70 days from the moment the decision to hold it is taken by the Board of Directors of the Company.

5. Except for the case mentioned in 4, an extraordinary general meeting of the shareholders convoked upon decision of the Company's Board of Directors on the basis of its own initiative to decide any issues within the terms of reference of the general meeting of the shareholders, including the issues of:

- early termination of the powers of the Company's Board of Directors and electing the Company's Board of Directors (when the number of the members of the Board of Directors of the Company is not less than the quorum required for holding sessions of the Company's Board of Directors),
- electing the Company's Board of Directors (if the Board of Directors has not been elected for a certain reason),

must be held within the time fixed by the Company's Board of Directors, taking into account the requirements of the active law and the Articles of Association of the Company.

Parties entitled to put forward motions to the agenda of the meeting (session) of the supreme management body of the issuer, procedure of putting forward such motions: *the shareholder(s) holding in the aggregate at least 2 per cent of the Company's voting shares are entitled to put forward motions to the agenda of the annual general meeting of the shareholders and to propose candidates to the Board of Directors of the Company and to the Auditing Committee of the Company, the number of which may not exceed the number of members of the respective body as established by the Articles of Association. Such proposals must be received by the Company not later than 60 days after the expiry of the fiscal year.*

Parties entitled to get familiarized with the information (materials) provided for preparation and holding of the meeting (session) of the supreme management body of the issuer, and procedure of getting familiarized with such information (materials):

The list of persons entitled to participation in the general meeting of the shareholders is made up on the basis of the data from the Company's shareholders register.

The following information (materials) is provided to the persons entitled to participation in the general meeting of the shareholders according to the procedure and to the address(es) indicated in the notification on holding the general meeting of the shareholders:

- annual accounts and reports, including the conclusion of the auditor and the conclusion of the Auditing Committee of the Company on the results of the inspection of the annual accounts and reports;
- data on candidates to the Company's Board of Directors and the Company's Auditing Committee;
- draft amendments and additions to the Articles of Association of the Company or draft Articles of Association in a new version;
- draft bylaws of the Company;
- other draft documents, the adoption of which is provided for by draft decisions of the general meeting of the shareholders;
- draft decisions of the general meeting of the shareholders;
- other information (materials) required for submission in compliance with the active law;

- other information (materials) for taking decisions on the issues of the agenda of the general meeting of the shareholders, included by the Board of Directors in the list of information (materials) provided to shareholders during preparation for the general meeting of the shareholders.

A notification on holding a general meeting of the shareholders must be provided not later than 20 days in advance, while a notification on holding a general meeting of the shareholders, the agenda of which contains an issue of Company re-organization must be provided not later than 30 days before the date it is to be held.

Within the time specified, the notification on holding a general meeting of the shareholders must be sent to each person indicated in the list of those entitled to participation in the general meeting of the shareholders by registered mail or delivered to each of said persons against signature, or published in the *Izvestiya* newspaper.

8.1.5. Data on Commercial Organizations, in Which the Issuer Holds not Less Than 5 Per Cent of the Authorized Capital (Unit Fund) or at Least 5 Per Cent of Common Stock

Name: ***RSU-Telecom Limited Liability Company***

Place of business: ***18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095, Russia***

Mailing address: ***18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095, Russia***

Issuer's share in the authorized capital of the corporation: ***100 %***

Share of the party in the Issuer's authorized capital: ***0 %***

Officials:

Bukin Sergey Grigoryevich

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0%***

Grigory Borisovich Chernyak

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.04 %***

Alexandr Alexandrovich Shkryl

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.00068 %***

Andrey Alexeyevich Kulazhenkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Recreation and Disease Prevention Centre "Svyazist" Limited Liability Company***

Place of business: ***poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732, Russia***

Mailing address: ***poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732, Russia***

Issuer's share in the authorized capital of the corporation: ***100 %***

Share of the party in the Issuer's authorized capital: ***0 %***

Officials:

Yuri Nikolayevich Vinogradov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.00006%***

Grigory Borisovich Chernyak

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.04 %***

Nikolay Gennadyevich Bredkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0.0039%**

Tatyana Alexandrovna Shuyskaya

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0.00158%**

Name: ***AMT Limited Liability Company***

Place of business: ***3-5 ul. B. Morskaya, St. Petersburg, 193167***

Mailing address: ***k.201, d.14, Sinopskaya nab., St. Petersburg, 193167***

Issuer's share in the authorized capital of the corporation: **100 %**

Share of the party in the Issuer's authorized capital: **0.29741 %**

Officials:

Vadim Vladimirovich Kotov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Pagetelecom Limited Liability Company***

Place of business: ***6, pr. Stroiteley, Cherepovets, Vologda Oblast, Russia***

Mailing address: ***6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627, Russia***

Issuer's share in the authorized capital of the corporation: **100 %**

Share of the party in the Issuer's authorized capital: **0.00203 %**

Officials:

Vladimir Vasilyevich Nikandrov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0.00217 %**

Name: ***Tsentrum Limited Liability Company***

Place of business: ***22, ul. Antikainena, Petrozavodsk, the Republic of Karelia***

Mailing address: ***22, ul. Antikainena, Petrozavodsk, 185000, the Republic of Karelia***

Issuer's share in the authorized capital of the corporation: **100 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

Raisa Stepanovna Fomina

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Polycomp Limited Liability Company***

Place of business: ***20, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia***

Mailing address: ***24, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia***

Issuer's share in the authorized capital of the corporation: **90 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

Alla Antonovna Sergeyeva

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Artelecom Service Limited Liability Company***

Place of business: ***the Russian Federation, the city of Arkhangelsk***

Mailing address: ***4, proyezd Priorova, Arkhangelsk, 163071***

Issuer's share in the authorized capital of the corporation: **77 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

Sergey Arkadyevich Surovtsev

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.01945 %***

Name: ***Vologda Cellular Communication Closed Joint-Stock Company***

Place of business: ***103, ul. Zosimovskaya, Vologda, 160009***

Mailing address: ***103, ul. Zosimovskaya, Vologda, 160009***

Issuer's share in the authorized capital of the corporation: ***60 %***

Share of the party in the Issuer's authorized capital: ***0%***

Officials:

Nikolay Gennadyevich Bredkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.0039%***

Vladimir Nikolayevich Vorozheykin

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Vladimir Alexandrovich Akulich

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Georgiy Viktorovich Sviridov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Mikhaylovich Tukachinsky

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Evgeniy Alexandrovich Vasilchenko

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***St. Petersburg Telecommunication Centre Closed Joint-Stock Company***

Place of business: ***24, Bolshhevikov pr., St. Petersburg, 193232, the Russian Federation***

Mailing address: ***30/32, 3-liniya, Vasilyevsky Ostrov, St. Petersburg, 199053***

Issuer's share in the authorized capital of the corporation: ***54.38 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Alexandr Alexandrovich Gogol

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Vitaliy Ivanovich Danilov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Alexandrovich Vavilin

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.01845 %***

Evgeny Borisovich Stepanov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Gennadiy Ivanovich Solovskiy

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Daniil Yuryevich Kulikov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Novgorod Datacom Limited Liability Company***

Place of business: ***22, ul. Industrialnaya, pos. Pankovka, Novgorod district, Novgorod Oblast, 173526***

Mailing address: ***20, ul. Mikhaylova, Veliky Novgorod, 173000***

Issuer's share in the authorized capital of the corporation: ***52 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Sergey Fyodorovich Makarov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.00025 %***

Name: ***Bona Limited Liability Company***

Place of business: ***45, Troitsky prospekt, Arkhangelsk, 163061***

Mailing address: ***45, Troitsky prospekt, Arkhangelsk, 163061***

Issuer's share in the authorized capital of the corporation: ***51 %***

Share of the party in the Issuer's authorized capital: ***no share***

Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation

Name: ***Kolatelecom Open Joint-Stock Company***

Place of business: ***the city of Murmansk***

Mailing address: ***5/23, ul. Vorovskogo, Murmansk, 183038***

Issuer's share in the authorized capital of the corporation: ***50 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Alexandr Abramovich Sysoyev

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.02357 %***

Alexandr Alexeyevich Khlyzov

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.00158 %***

Nikolay Borisovich Korzenev

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0%***

Name: ***NEVA KABEL Closed Joint-Stock Company***

Place of business: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, Russia***

Mailing address: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, 194292, Russia***

Issuer's share in the authorized capital of the corporation: ***48.97 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Stefan Vidomski

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Timo Puhakka

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Toivo Erik Victor Lindfors

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Grigory Borisovich Chernyak

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.04 %***

Yuriy Konstantinovich Rudov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Yury Lvovich Matveyev

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Commercial Television and Radio Closed Joint-Stock Company***

Place of business: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Mailing address: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Issuer's share in the authorized capital of the corporation: ***40 %***

Share of the party in the Issuer's authorized capital: ***no share***

Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation

Name: ***Medexpress Insurance Closed Type Joint-Stock Company***

Place of business: ***2, ul. Malaya Konyushennaya, St. Petersburg, 191186***

Mailing address: ***14, ul. Gorokhovaya, St. Petersburg, 191186***

Issuer's share in the authorized capital of the corporation: ***34.59 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Grigory Borisovich Chernyak

Duties of the official: ***Chairperson of the Supervisory Board***

Share of the party in the Issuer's authorized capital: ***0.04 %***

Frieder Booble

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: ***0 %***

Yury Alexandrovich Bilibin

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: ***0 %***

Gerhard Jurka

Duties of the official: **Member of the Supervisory Board**
Share of the party in the Issuer's authorized capital: **0 %**

Nataliya Yuryevna Shumilova

Duties of the official: **Member of the collegiate executive body, sole executive body**
Share of the party in the Issuer's authorized capital: **0 %**

Vladimir Grigoryevich Kaufman

Duties of the official: **Member of the collegiate executive body**
Share of the party in the Issuer's authorized capital: **0 %**

Lidiya Tomovna Beryozka

Duties of the official: **Member of the collegiate executive body**
Share of the party in the Issuer's authorized capital: **0 %**

Yury Alexandrovich Samovarov

Duties of the official: **Member of the collegiate executive body**
Share of the party in the Issuer's authorized capital: **0 %**

Name: **Kaliningrad Mobile Networks Closed Joint-Stock Company**

Place of business: **24, ul. Bolnichnaya, Kaliningrad, 236040, the Russian Federation**

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation**

Issuer's share in the authorized capital of the corporation: **33.5 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

Vladimir Alexandrovich Akulich

Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Kramton Stanley

Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Vyacheslav Ivanovich Reshetko

Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Oleg Khavshabovich Avdysh

Duties of the official: **Sole executive body**
Share of the party in the Issuer's authorized capital: **0 %**

Name: **WestBaltTelecom Closed Joint-Stock Company**

Place of business: **2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation**

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation**

Issuer's share in the authorized capital of the corporation: **28 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

Nikolay Gennadyevich Bredkov

Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0.0039 %**

Pyotr Valeryevich Mikhaylevskiy

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Samoil Davidovich Moldavskiy

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.00118 %***

Olga Yakovlevna Blynskaya

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Jacob Gerd

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Octagon Technologies Closed Joint-Stock Company***

Place of business: ***pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036***

Mailing address: ***pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036***

Issuer's share in the authorized capital of the corporation: ***26.4 %***

Share of the party in the Issuer's authorized capital: ***no share***

Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation

Name: ***Tele-Nord Open Joint-Stock Company***

Place of business: ***5, ul. Samoylovoy, Murmansk, 183038***

Mailing address: ***5, ul. Samoylovoy, Murmansk, 183038***

Issuer's share in the authorized capital of the corporation: ***25 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Nikolay Gennadyevich Bredkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.0039 %***

Oleg Alexandrovich Kurennoy

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Denis Valeryevich Malyshev

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Anatolyevich Nepomiluyev

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.00098 %***

Name: ***Dancell Closed Type Joint-Stock Company***

Place of business: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Mailing address: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Issuer's share in the authorized capital of the corporation: ***23.65 %***

Share of the party in the Issuer's authorized capital: ***no share***

Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation

Name: ***Non-bank crediting organization Northern Clearing Chamber Closed Joint-Stock Company***

Place of business: ***8, ul. Voskresenskaya, Arkhangelsk, 163061***

Mailing address: ***8, ul. Voskresenskaya, Arkhangelsk, 163061***

Issuer's share in the authorized capital of the corporation: ***19.98 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Stanislav Vladimirovich Potyomkin

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0%***

Alexandr Nikolayevich Preminin

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Ivanovich Gladkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Lyudmila Petrovna Karpova

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexey Vladimirovich Shalagin

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Vladimir Anatolyevich Strezhnev

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Vitaliy Lvovich Chebotov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Telecominvest Open Joint-Stock Company***

Place of business: ***54, Nevsky pr., St. Petersburg, 191011, Russia***

Mailing address: ***54, Nevsky pr., St. Petersburg, 191011, Russia***

Issuer's share in the authorized capital of the corporation: ***15 %***

Share of the party in the Issuer's authorized capital: ***0.007 %***

Officials:

Valery Nikolayevich Yashin

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.1736 %***

Vladimir Alexandrovich Akulich

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Sergey Vladimirovich Soldatenkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.00249 %***

Alexandr Abramovich Sysoyev

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.02357 %***

Piter Schuchardt

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Annika Christianson

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Nikolayevich Volkov

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.00011 %***

Igor Nikolayevich Samylin

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Michael Bemke

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Aimo Eloholma

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

Maxim Yurievich Gorokhov

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Alexeyevich Malygayev

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Alexandr Anatolyevich Barunin

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***North-West Telecombank Closed Joint-Stock Company***

Place of business: ***12, Baskov per., St. Petersburg, 191014***

Mailing address: ***12, Baskov per., St. Petersburg, 191014***

Issuer's share in the authorized capital of the corporation: ***14.23 %***

Share of the party in the Issuer's authorized capital: ***0.044 %***

Officials:

Yury Alexandrovich Bilibin

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: ***0 %***

Irina Vladimirovna Golovchenko

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

Venera Adykhmovna Khusnutdinova

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0%**

Maxim Yurievich Gorokhov

Duties of the official: ***Chairperson of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

Alexandr Anatolyevich Barunin

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

Sergey Victorovich Ivanov

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0.00043 %**

Mikhail Grigoryevich Trufanov

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0.00436 %**

Vera Ivanovna Korotayeva

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Sergey Victorovich Ivanov

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0.00043 %**

Olga Dmitriyevna Volodina

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Sergey Victorovich Ivanov

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***FORE Closed Joint-Stock Company***

Place of business: ***6, ul. Marata, St. Petersburg, 191002***

Mailing address: ***120, pr. Obukhovskoy Oborony, St. Petersburg, 193012***

Issuer's share in the authorized capital of the corporation: **13.3 %**

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Natalya Mikhailovna Puzyryova

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Alexandr Alexandrovich Klyushkin

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Mikhail Izralyevich Fux

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***VISA Closed Joint-Stock Company***

Place of business: ***11, Sapyorny per., St. Petersburg, 191014***

Mailing address: ***11, Sapyorny per., St. Petersburg, 191014***

Issuer's share in the authorized capital of the corporation: **10 %**

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Viktor Ivanovich Rozov

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Nikolay Valeryevich Sivach

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Gleb Sergeyevich Nikitin

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Rostelegraph Closed Joint-Stock Company***

Place of business: ***7, ul. Tverskaya, Moscow, 103375***

Mailing address: ***7, ul. Tverskaya, Moscow, 103375***

Issuer's share in the authorized capital of the corporation: **11.76%**

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

Vaagn Artavazdovich Martirosyan

Duties of the official: ***Chairperson of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Igor Viktorovich Zabolotny

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Yury Vasilyevich Kuzmenko

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Olga Matveyevna Rybakina

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0%**

Victor Ivanovich Prilipko

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Pavel Alexandrovich Ryazantsev

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Konstantin Vladimirovich Pirl
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Vladimir Yakovlevich Putilov
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Sergey Andreyevich Tokarenko
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Name: **Kit Closed Type Joint-Stock Company**
Place of business: **7, ul. Pochtamtskaya, St. Petersburg, 103375**
Mailing address: **7, ul. Pochtamtskaya, St. Petersburg, 103375**
Issuer's share in the authorized capital of the corporation: **6.97 %**
Share of the party in the Issuer's authorized capital: **no share**
Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation

Name: **TD-Telecom Closed Joint-Stock Company**
Place of business: **8, Voskresenskaya ul. 6th floor, Arkhangelsk, 163061**
Mailing address: **8, Voskresenskaya ul. 6th floor, Arkhangelsk, 163061**
Issuer's share in the authorized capital of the corporation: **6.72 %**
Share of the party in the Issuer's authorized capital: **no share**
Officials:

Nikolay Gennadyevich Bredkov
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0.0039 %**

Sergey Arkadyevich Surovtsev
Duties of the official: **Chairperson of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0.01945 %**

Nina Ivanovna Bakina
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

Nikolay Mikhaylovich Vanichev
Duties of the official: **Member of the Board of Directors, Sole executive body**
Share of the party in the Issuer's authorized capital: **0.00005 %**

Nataliya Sergeevna Sinkova
Duties of the official: **Member of the Board of Directors**
Share of the party in the Issuer's authorized capital: **0 %**

8.1.6. Data on Material Transactions Made by the Issuer

Material transactions (groups of interrelated transactions) the amount of commitments under which is 10 and more per cent of the balance value of the issuer's assets according to its accounts for the last completed period under report, preceding the date of the transaction: **none**

8.1.7. Data on Credit Ratings of the Issuer

Object of assigning the rating: *issuer*

Rating	Period			
	2001	2002	2003	1st quarter of the year 2004
International credit rating	CCC/stable	CCC/stable	B- / stable	B- / stable

Object of assigning the rating: *issuer's securities*

Type of securities: *bonds*

Category (type): *documentary, payable to bearer*

Series: *01*

Form: *interest-bearing*

The state registration No. of the securities issue: *4-01-00119-A*

Date of state registration: *March 6, 2002*

Rating	Period		
	2002	2003	1 st quarter of the year 2004
Credit rating according to the Russian scale	ruBB	ruBBB	ruBBB

Object of assigning the rating: *issuer's securities*

Type of securities: *bonds*

Category (type): *documentary non-convertible, payable to bearer, with obligatory centralized care*

Series: *02*

Form: *interest-bearing*

The state registration No. of the securities issue: *4-02-00119-A*

Date of state registration: *July 8, 2003*

Rating	Period	
	2003	1 st quarter of the year 2004
Credit rating according to the Russian scale	ruBBB	ruBBB

Full official name of the organization that gave the credit ratings:

Standard & Poors International Services, Inc.

Abbreviated official name:

none

Place of business:

4/7, Vozdvizhenka ul., building 2

Brief description of the method of assigning the credit rating:

Depending on categories of issuers and type of rating, there are different methods of Standard & Poor's rating assignment. Thus, in the case of companies, the characteristics of the business (market, position in competition, management and strategy) are analyzed, as well as the financial profile (financial policy, profitability, capital structure, cash flow indices, financial flexibility); in the case of regional and local authorities, the economic position, development predictability, and stability of the support of the state and municipal finance system, management quality and institutional nature of procedures, financial flexibility, fulfillment of the budget, liquidity and debt management, debt load, contingent liabilities are analyzed, and in the case of banks, business factors (market position, ownership structure, strategy and management) and financial factors (quality of assets, profitability, funding and liquidity management, and capital) are analyzed.

More detailed information on the ratings assigned by Standard & Poor's International Services, Inc. can be obtained from the site at <http://www.standardandpoors.ru>

8.2. Data on Each Category of Issuer's Shares

Stock category: *common*

Face value (roubles): *1*

Number of shares in circulation (number of shares that are not retired or cancelled) (pcs.): *735,917,222*

Number of extra shares in the process of floatation (number of shares of the extra issue, for which there has been no state registration of the report of the results of their issue): *0*

Number of stated shares: *36,517*

Number of shares on the issuer's balance sheet: *0*

Number of extra shares that may be floated as a result of converting floated securities convertible into shares or as a result of fulfilling the obligations under issuer's options: *0*

The state registration No: *1-02-00119-A*

Date of state registration: *September 9, 2003*

Rights granted by shares to their holders:

Each common share of the Company grants equal volumes of rights to the shareholders holding them.

1. Participating in the General Meeting of the Shareholders with the right of vote on all issues within its terms of reference. One common share grants the right of one vote at the meeting of the shareholders, except for cumulative voting.

2. Proposing candidates, electing and being elected to the management and control bodies of OJSC North-West Telecom, putting forward issues to the agenda of the general meeting of the shareholders in compliance with the Company's Articles of Association.

3. Receiving the dividend.

4. The right of priority acquisition of securities in the amount proportionate to the number of voting shares held by a shareholder, if OJSC North-West Telecom places through public subscription voting shares and securities convertible into voting shares.

5. Getting a part of OJSC North-West Telecom's property in case of its liquidation.

6. Appealing in the court against decisions taken by the General Meeting of the Shareholders with a breach of the Federal Law, other enactments of the Russian Federation and the Articles of Association of OJSC North-West Telecom.

7. Having free access to documents of OJSC North-West Telecom and getting their copies on a paid basis.

8. Shareholders holding at least 10 per cent of the Company's voting shares are entitled to demand an audit (inspection) of the Company's financial and economic operation.

9. Other rights provided for by the active law of the Russian Federation:

a. Alienating shares held by him without consent of other shareholders of the Company thereto.

b. Shareholders holding at least 10 per cent of the Company's voting shares are entitled to demand holding an extraordinary general meeting of the shareholders of the Company.

c. Attending general meetings of the shareholders personally or through their authorized representatives.

d. Shareholders holding voting shares are entitled to demand that the Company redeem all or part of their shares in the following cases:

- re-organization of the Company, or a big transaction, the decision on making which is taken by the general meeting of the shareholders, if they have voted against taking a decision on its re-organization or on making the said transaction or if they have not taken part in the voting on those issues;

- introduction of amendments and additions to the Company's Articles of Association or approval of the Articles of Association in a new version, restricting their rights, if they have voted against taking the respective decision or if they have not taken part in the voting.

e. Shareholders of the Company, who have voted against or who have not taken part in voting in respect of floating through closed subscription shares and issued securities convertible into shares, have the priority right of acquiring extra shares and issued securities convertible into shares, floated through closed subscription, in the amount proportionate to the number of the shares of that category (type) held by them. The said right does not cover floatation of shares and other issued securities convertible into shares through closed subscription only among shareholders, if in such a case the shareholders have the possibility of acquiring an integral number of floated shares and other issued securities convertible into shares in proportion to the number of the shares of the respective category (type) held by them.

f. Getting excerpts from the shareholders register according to the procedure established by the active law.

g. Other rights provided for by the Federal Law On Joint-Stock Companies and other active legal acts of the Russian Federation.

Stock category: *preferred type A*

Face value (roubles): *1*

Number of shares in circulation (number of shares that are not retired or cancelled): *202,022,788*

Number of extra shares in the process of floatation (number of shares of the extra issue, for which there has been no state registration of the report of the results of their issue): *0*

Number of stated shares: *64,605*

Number of shares on the issuer's balance sheet: *0*

Number of extra shares that may be floated as a result of converting floated securities convertible into shares or as a result of fulfilling the obligations under issuer's options: *0*

The state registration No: *2-02-00119-A*

Date of state registration: *September 9, 2003*

Rights granted by shares to their holders:

Company's preferred shares of one type grant to the shareholders holding them equal volumes of rights and have equal face value.

1. Shareholders holding Company's preferred shares do not have the right of vote at the general meeting of the shareholders, except for the following cases when they do have the right of participation in the general meeting of the shareholders with the right of vote:

- when deciding the issues of re-organization and liquidation of OJSC North-West Telecom;

- when introducing amendments and additions to the Articles of Association of OJSC North-West Telecom, restricting the rights of the shareholders holding preferred shares, including the cases of determining or increasing the size of the dividend and/or determining or increasing the liquidation value, paid under preferred stock of the previous turn, as well as the cases of providing privileges in the priority of paying the dividend and/or the liquidation value of OJSC North-West Telecom's property.

2. Shareholders holding the preferred shares, the amount of dividend for which is determined in the Articles of Association of the Company, are entitled to participate in the general meeting of the shareholders with the right of vote on all issues of its terms of reference, starting from the meeting following the annual general meeting of the shareholders, which did not take a decision on dividend payment or took a decision on incomplete payment of dividend under the preferred shares of that type. The right of the shareholders holding preferred shares to participate in the general meeting of the shareholders terminates from the moment of the first full payment of dividend under the said shares.

3. Appealing in the court against decisions taken by the General Meeting of the Shareholders with a breach of the Federal Law, other enactments of the Russian Federation and the Articles of Association of OJSC North-West Telecom.

4. Having free access to documents of OJSC North-West Telecom and getting their copies on a paid basis.

5. Receiving the liquidation value of shares in case of liquidation of OJSC North-West Telecom in the amount of the face value of such shares.

6. Receiving an annual fixed dividend according to the procedure established by the Articles of Association of OJSC North-West Telecom.

The amount paid as dividend on each preferred share is 10% of the Company's net profit, divided by the number of shares corresponding to 25% of the authorized capital, the net profit being determined on the basis of the results of the last fiscal year. If the total amount of dividend paid by the Company on each common share in a certain year exceeds the amount to be paid as dividend on each preferred share, then the amount of dividend paid on preferred shares must be increased to the amount of dividend paid on common shares.

7. Other rights provided for by the active law of the Russian Federation:

a. Alienating shares held by him without consent of other shareholders of the Company thereto.

b. Attending general meetings of the shareholders personally or through their authorized representatives.

c. Priority right of acquiring extra shares and issued securities convertible into shares, floated through public subscription, in the amount proportionate to the number of the shares of that category (type) held by them.

d. Shareholders of the Company, who have voted against or who have not taken part in voting in respect of floating through closed subscription shares and issued securities convertible into shares, have the priority right of acquiring extra shares and issued securities convertible into shares, floated through closed subscription, in the amount proportionate to the number of the shares of that category (type) held by them. The said right does not cover floatation of shares and other issued securities convertible into shares through closed subscription only among shareholders, if in such a case the shareholders have the possibility of acquiring an integral number of floated shares and other issued securities convertible into shares in proportion to the number of the shares of the respective category (type) held by them.

f. Getting excerpts from the shareholders register according to the procedure established by the active law.

g. Shareholders holding preferred shares, who have been granted the right of vote, are entitled to demand that the Company redeem all or part of their shares in the following cases:

- re-organization of the Company, or a big transaction, the decision on making which is taken by the general meeting of the shareholders, if they have voted against taking a decision on its re-organization or on making the said transaction or if they have not taken part in the voting on those issues;

- introduction of amendments and additions to the Company's Articles of Association or approval of the Articles of Association in a new version restricting their rights, if they have voted against taking the respective decision or if they have not taken part in the voting.

h. Other rights provided for by the Federal Law On Joint-Stock Companies and other active legal acts of the Russian Federation.

8.3. Data on Any Previous Issues of Issuer's Securities, Except for Issuer's Stock

8.3.1. Data on Issues, All Securities of Which Have Been Retired (Cancelled)

No such issues

8.3.2. Data on Issues, the Securities of Which are Circulating

Form of securities: *bonds*

Series: *01*

Category: *interest-bearing*

Form of securities: *documentary, payable to bearer*

Data on registration of the issue by the state:

The state registration No: *4-01-00119-A*

Date of registration: *06.03.02*

Authority of state registration: *Federal Commission for Securities Market of Russia*

Data on state registration of the report on the results of the issue:

Date of registration: *15.05.02*

Authority of state registration: *Federal Commission for Securities Market of Russia*

Number of issued securities: *300,000*

Face value of one of the securities of the issue (roubles): *1,000*

Total volume of issue at the face value (roubles): *300,000,000*

Current state of the issue: *Floatation is over*

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs): *300,000*

Rights granted by each of the securities of the issue:

A Bond holder is entitled to get the face value of the Bond when the Bond is retired.

A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in the section "Income Born by Bonds of the Issue"

of this decision on the issue.

A Bond holder is entitled to get the face value of the Bond in case of liquidation of the Issuer in the sequence established by article 64 of the Civil Code of the Russian Federation.

A Bond holder is entitled to freely sell or otherwise alienate the Bond.

A Bond holder is entitled to present a Bond of the issue for retirement and to demand immediate reimbursement of the nominal debt under the Bonds.

A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.

The Issuer undertakes to transfer in due time and in the full volume respective amounts required to fulfil the payment commitments in compliance with this decision on the issue to the payment agent under this Bond issue.

All debts of the Issuer under the Bonds of this issue shall be legally equal and equally compulsory.

Conditions and procedure of redemption: *Redemption of Bonds shall be effected by the Payment Agent upon instructions of the Issuer.*

Bonds are redeemed in the currency of the Russian Federation by transfer to depositors of NDC (National Depository Centre) which deals with centralized care of the issued Bonds in favour of Bond Owners. A Bond Owner, if it/he/she is not a depositor of NDC must authorize a Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment and Bond redemption.

Redemption of the Bonds is effected to NDC's (National Depository Centre's) depositors in favour of Bond Owners who are such Owners as of the end of NDC's operation day preceding the seventh day before the day of Bonds redemption (hereinafter referred to as the Date of Making up the List of Bond Holders).

Within 3 (three) working days before the date of Bond redemption, NDC provides the Issuer and/or the Payment Agent with the List of Bond Holders, made up by the Date of Making up the List of Bond Holders, containing the following data:

a) Full name of the Bond Holder.

b) Number of Bonds taken into account on custody accounts of the respective Bond Holder.

c) Location and mailing address of the Bond Holder.

d) Details of the Bond Holder's bank account, viz.:

- Holder's settlement account;

- Holder's individual tax No.;

- name of Holder's bank;

- correspondence account of Holder's bank;

- bank identification code of Holder's bank.

The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.

Within two working days before the date of Bonds redemption, the Issuer transfers the appropriate money to the Payment Agent's account.

On the basis of the list of Bond Holders, provided by the Depository, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond redemption amounts.

On the date of Bonds redemption, the Payment Agent transfers the appropriate monies to accounts of Bond Holders in favour of Bond Owners.

If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

Interest yield, or procedure of determining it:

The aggregate amount of coupon yields charged and paid for each coupon period and the discount in the form of the difference between the redemption price (face value) and the floatation price is considered as the bond yield.

The Bonds have five coupons.

The Bonds floatation start date is considered as the date when the coupon period of the 1st coupon of the issue starts.

The 91st day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 2nd coupon starts.

The 182nd day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 3rd coupon starts.

The 365th day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 4th coupon starts.

The 547th day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 5th coupon starts.

The date of the each coupon payment is considered as the date when the respective coupon period ends.

The coupon interest rate is:

- 20% (twenty per cent) per annum on the first coupon;*
- 19% (nineteen per cent) per annum on the second coupon;*
- 18% (eighteen per cent) per annum on the third coupon;*
- 16% (sixteen per cent) per annum on the fourth coupon;*
- 16% (sixteen per cent) per annum on the fifth coupon.*

The amount of payment on each coupon per Bond is calculated as follows:

$$K_j = C_j * Nom * (T - T(j-1)) / 365 / 100 \%,$$

where,

j is the No. of the coupon period, j=1,2,3,4,5;

K_j is the amount of coupon payment on each Bond;

Nom is the face value of one Bond;

C_j is the amount of the interest rate of the j-th coupon, in per cent per annum;

T(j-1) is the date of the beginning of the j-th coupon period;

T(j) is the date of the end of the j-th coupon period.

The amount of coupon payment is determined to one kopeck (with mathematical rounding off).

Procedure and time of Bond Yield payment

Yield on the five coupons of the Bonds of the issue is to be paid on the following dates:

Coupon yield on the first coupon is to be paid on the 91st day from the day when floatation of the Bonds of the issue starts.

Coupon yield on the 2nd coupon is to be paid on the 182nd day from the day when floatation of the Bonds of the issue starts.

Coupon yield on the 3rd coupon is to be paid on the 365th day from the day when floatation of the Bonds of the issue starts.

Coupon yield on the 4th coupon is to be paid on the 547th day from the day when floatation of the Bonds of the issue starts.

Coupon yield on the last coupon is to be paid simultaneously with redemption of the Bonds on the 730th day from the day when floatation of the Bonds of the issue starts.

Should the date of the Bonds coupon period end fall on a day off, irrespective of whether it is a national holiday or a day off for settlement operations, then payment of the due amount shall be effected on the first working day following the day off. The bond holder is not entitled to demand any interest or any other compensation for such a delay in payment.

Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions of the Issuer (hereinafter referred to as Payment Agent) – its duties are entrusted to:

North-West Telecombank Closed Joint-Stock Company, Telecombank CJSC; place of business: 12, Baskov per., St. Petersburg, 191014

Mailing address: 12, Baskov per., St. Petersburg, 191014

The Issuer may appoint extra payment agents and cancel such appointments. Official announcement of the Issuer on the said actions is to be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers Izvestiya (the regional St. Petersburg circulation) and/or Vedomosti.

Payment of the Bond yield is effected in the currency of the Russian Federation by transfer to NDC's (National Depository Centre's) depositors. A Bond owner holder, if it/he/she is not a depositor of NDC must authorize Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment.

Payment of the Bond yield is effected NDC's (National Depository Centre's) depositors in favour of Bond Owners who are such Owners as of the end of NDC's working day preceding the seventh day before the day of Bond yield payment (hereinafter referred to as the Date of Making up the List of Bond Holders). Execution of obligations in respect of an owner included in the list of Bond Owners is considered as due and proper, including the case of Bonds alienation, after the date of Making up the List of Bond Owners.

Within 3 (three) working days before the date of Bond Yield payment, NDC provides the Issuer and/or the Payment Agent with the List of Bond Holders, made up by the Date of Making up the List of Bond Holders, containing the following data:

- a) Full name of the Bond Holder.*
- b) Number of Bonds taken into account on custody accounts of the respective Bond Holder.*
- c) Location and mailing address of the Bond Holder.*
- d) Details of the Bond Holder's bank account, viz.:*
 - Holder's settlement account;*
 - Holder's individual tax No.;*
 - name of Holder's bank;*
 - correspondence account of Holder's bank;*
 - bank identification code of Holder's bank.*

The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.

Within two working days before the date of Bond Yield payment, the Issuer transfers the appropriate money to the Payment Agent's account.

On the basis of the list of Bond Holders, provided by the Depository, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond yields amounts.

On the date of Bond Yield payment, the Payment Agent transfers the appropriate monies to the accounts of Bond Holders in favour of Bond Owners.

If one person is authorized to receive Bond Yields for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

Security on bonds of the issue:

No security is provided for

Depository providing centralized care of issuer's securities:

Name: *National Depository Centre Nonprofit Partnership*

Abbreviated name: *NDC*

Place of business: *12, ul. Zhitnaya, Moscow, Russia*

Mailing address: *1/13, Sredniy Kislovskiy per., Moscow, 103009, Russia*

Tel: *(095) 956-2790, (095) 956-2791* Fax: *(095) 956-2792*

e-mail: *none*

License:

No. of license: *177-03437-000010*

Date of issue: **04.12.00**

Period: **not determined**

Authority issuing the license: **Federal Commission for Securities Market**

Date of the operation beginning: **10.04.02**

Form of securities: **bonds**

Series: **02**

Category: **interest-bearing non-convertible, with obligatory centralized care**

Form of securities: **documentary, payable to bearer**

Data on registration of the issue by the state:

The state registration No: **4-02-00119-A**

Date of registration: **08.07.03**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Data on state registration of the report on the results of the issue:

Date of registration: **14.11.03**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Number of issued securities: **1,500,000**

Face value of one of the securities of the issue (roubles): **1,000**

Total volume of issue at the face value (roubles): **1,500,000,000**

Current state of the issue: **Floatation is over**

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs):
1 500 000

Rights granted by each of the securities of the issue: **The Bond Holder is entitled to get 30% (thirty per cent) of the face value of the Bonds on the 1092nd (one thousand ninety second) day from the day of the Bonds floatation start.**

The Bond Holder is entitled to get 30% (thirty per cent) of the face value of the Bonds on the 1274th (one thousand two hundred seventy fourth) day from the day of the Bonds floatation start.

The Bond Holder is entitled to get 40% (forty per cent) of the face value of the Bonds at retirement on the 1456th (one thousand four hundred fifty sixth) day from the day of the Bonds floatation start.

A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in Actions of a bond Holder in the case of the Issuer's refusal to fulfil the commitments under the Bonds are shown in sub-item 8.3 of the Decision on the issue and in sub-item 56.11 of the Bonds Prospectus.

A Bond Holder is entitled to demand that the Issuer acquire Bonds within the period established by the Decision on the issue, which is at least 7 (seven) last days of the eighth coupon period at the price and according to the procedure established by the Decision on the issue.

A Bond holder is entitled to get the face value of the Bond that has not been paid off by the Issuer in case of liquidation of the Issuer in the sequence established by article 64 of the Civil Code of the Russian Federation.

The face value of the Bond, that has not been paid off by the Issuer, means above and hereinafter the difference between the face value of each Bond of the issue and the part of the face value of the Bond, that has been paid off by the Issuer in compliance with the Decision on the Issue and the Offering Circular.

A Bond holder is entitled to freely sell or otherwise alienate the Bond. Bond Holders who bought Bonds at the floatation shall not be entitled to make transactions with Bonds prior to registration of the report on the results of the Bonds issue in compliance with the legislation of the Russian Federation.

A Bond holder is entitled to present a Bond of the issue for retirement and to demand immediate reimbursement of the nominal debt under the Bonds in the following cases:

1) a court award on bankruptcy of the Issuer takes effect;

2) a decision on liquidation of the Issuer is taken by the Issuer's body authorized to take such a decision;

3) a court award on bankruptcy of the Warrantor takes effect;

4) a decision on liquidation of the Warrantor is taken by the Warrantor's body authorized to take such a decision;

5) the Issuer does not fulfil its obligation to pay the coupon yield under the Bonds of this issue upon expiry of 10 (ten) working days from the date of payment of the respective coupon yield established in compliance with the conditions of the issue.

6) other cases expressly provided for by the legislation of the Russian Federation.

The Issuer undertakes to transfer in due time and in the full volume respective amounts required to fulfil the payment commitments in compliance with the Decision on the Bonds Issue to the Payment Agent under this Bond issue.

Actions of a bond Holder in the case of the Issuer's refusal to fulfil the commitments under the Bonds are shown in item 8.6 of this Decision on the issue and item 56.11 of the Bonds Prospectus. A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.

Conditions and procedure of redemption:

The face value of Bonds shall be retired in parts on the following dates (hereinafter referred to as the "Dates of retiring a part of the face value of Bonds"):

1. 1092nd (one thousand ninety second) day from the day of the Bonds Issue floatation start – 30% (thirty per cent) of the face value of the Bonds;
2. 1274th (one thousand two hundred seventy fourth) day from the day of the Bonds Issue floatation start – 30% (thirty per cent) of the face value of the Bonds;
3. 1456th (one thousand four hundred fifty sixth) day from the day of the Bonds Issue floatation start -40% (forty per cent) of the face value of the Bonds.

Retirement of a part of the Bonds face value is effected by the payment agent upon instructions of the Issuer (hereinafter referred to as Payment Agent) – its duties are entrusted to:

Full official name of the organization: North-West Telecombank Closed Joint-Stock Company

Abbreviated official name: Telecombank CJSC

Place of business: 12, Baskov per., St. Petersburg, Russia

Mailing address: 12, Baskov per., St. Petersburg, 191014

General license for banking operations: №168

Date of issue: 22.03.00

Period: without limitation of the period

Authority issuing the license: Bank of Russia

The Issuer may appoint extra payment agents and cancel such appointments. Official announcement of the Issuer on the said actions is to be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers Izvestiya and/or Vedomosti (the regional St. Petersburg circulation).

A part of the Bonds face value is retired in the currency of the Russian Federation by a non-cash transaction to depositors of NDC (National Depository Centre) which deals with centralized care of the issued Bonds in favour of Bond Owners.

Retirement of the part of the Bonds face value is effected in favour of Bond Owners who are such Owners as of the end of NDC's operation day preceding the sixth day before the day of Bonds retirement (hereinafter referred to as the Date of Making up the List of Bond Holders for Retirement of a Part of the Bonds Face Value).

The above list of Bond Holders shall include:

1) NDC's depositors, if:

- said parties are owners of the Bonds of the issue;

- said parties are authorized by owners of the Bonds of the issue to receive monetary funds during retirement of a part of the issued Bonds face value;

2) Bond owners who are not NDC's depositors and who have not authorized NDC's depositors dealing with the accounting of the Bonds held by the owners to receive money when a part of the issued Bonds face value is retired.

It is presumed that nominal holders who are NDC's depositors are authorized to receive Bonds retirement money. Not later than on the 3rd (third) working day before the Date of retirement of the part of Bonds face value, NDC's depositors, who are nominal holders and who are not authorized by their clients to receive retirement amounts under the Bonds, shall transfer to the NDC the list of Bond owners, that must contain all the details indicated below in the List of Bond Holders for the retirement of a part of Bonds face value.

A Bond Owner, if it/he/she is not a depositor of NDC may authorize a Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment and retirement of a part of the Bonds face value.

On the basis of the data available and/or submitted by depositors, NDC shall make up the List of Bond Holders for retirement of a part of the face value, which List shall be submitted to the Issuer and/or to the Payment Agent not later than on the 2nd (second) working day before the Date of the retirement of a part of the Bonds face value. The List of Bond Holders for Retirement of a Part of the Face Value shall include the following details:

- a) full official name (official name for non-profit organizations, full personal name for an individual) of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;*
- b) the number of Bonds registered on the custody account of the Owner or on the inter-depository account of the nominal Bonds holder authorized by the Owner to receive the retirement amounts under the Bonds;*
- c) location and mailing address of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;*

d) bank account details of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds, viz:

- No. of the bank account;*
- name of the bank, with which the account is opened;*
- correspondent account of the bank, with which the account is opened;*
- location and mailing address of the bank;*
- bank identification code of the bank, with which the account is opened;*

e) tax-payer's identification No. (INN, or TIN) of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;

f) tax status of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds (resident, non-resident with a permanent representative office in the Russian Federation, non-resident without a permanent representative office in the Russian Federation, etc.).

The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.

Not later than on the 2nd (second) working day before the Date of retirement of a part of the Bonds face value, the Issuer shall transfer the required monetary funds to the Payment Agent's account. On the basis of the list of Bond Holders, provided by the NDC, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond retirement amounts.

On the date of Bonds face value partial retirement, the Payment Agent transfers the appropriate monies to accounts of Bond Holders in favour of Bond Owners.

If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

Should On the date of Bonds face value partial retirement fall on a day off, irrespective of whether it is a national holiday or a day off for settlement operations, then payment of the due amount shall be effected on the first working day following the day off. The bond holder is not entitled to demand any interest or any other compensation for such a delay in payment.

Execution of the obligations under the Bonds in respect of a party included in the List of Bond Holders for Bonds face value partial retirement shall be considered as due and proper also in case of alienation of Bonds after the date on which the above List was made up.

Interest yield, or procedure of determining it:

Coupon (interest) period		Coupon (interest) yield
The start date	The completion date	

1. Coupon: 1

The date of the Bonds floatation start	91 st day from the day when floatation of the Bonds starts	The interest rate of the first coupon is determined by holding an auction among potential buyers of Bonds on the first day of the primary distribution of the issued Bonds. On the day when the auction to determine the
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		<p>interest rate of the first coupon of the Bond is held, Members of the Section of MMVB submit applications for the auction, using the trading system of MMVB both for their own account and for the account and on behalf of clients. The time for submitting applications for the auction to determine the interest rate of the first coupon is established by MMVB upon agreement with the Issuer and the Underwriters. Applications for acquisition of Bonds by Members of the MMVB Section are to be sent to one of the Underwriters with the indication of the following significant conditions:</p> <p>1) Purchase price: 100% (one hundred per cent) of the face value;</p> <p>2) Number of Bonds, that the potential buyer would like to acquire, if the Issuer assigns the interest rate of the first coupon as greater or equal to the acceptable interest rate indicated in the application.</p> <p>3) Interest rate of the first coupon acceptable for the investor. The term “Acceptable interest ” means the minimum interest rate of the first coupon, which, if announced by the Issuer, would make the potential investor ready to buy the number of Bonds indicated in the application at the price of 100% (one hundred per cent) of the face value. The acceptable interest rate must be expressed in per cent per annum accurate to a hundredth of per cent.</p> <p>Money must be reserved in the amount sufficient for complete payment of the Bonds stated in the applications, taking into account the MMVB's commission fee.</p> <p>Applications, in which one or several of the above significant conditions do not comply with the requirements set forth in items 1-3, and applications that are not secured by money as provided for in the previous paragraph are not permitted for participation in the auction to determine the interest rate of the first coupon. Upon expiry of the period for filing applications for auction to determine the interest rate of the first coupon, MMVB makes up the summary list of entered applications filed to each of the Underwriters and hands it over to the Issuer and the Underwriters.</p> <p>On the basis of the analysis of the summary list of applications submitted for participation in the auction, the Issuer takes a decision on the interest rate of the first coupon and advises the Underwriters and MMVB in writing on the decision taken.</p> <p>The organizer shall publish a notice on the interest rate of the first coupon using the trading system of Moscow Interbank Currency Exchange (MMVB) by sending electronic messages to all Members of the Section.</p>
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2. Coupon: 2

91 st day from the day when floatation of the Bonds starts	182 nd day from the day when floatation of the Bonds starts	The amount of coupon rate for the second coupon equals to the amount of coupon rate for the first coupon.
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3. Coupon: 3

182 nd day from the day when floatation of the Bonds starts	273 rd day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the third coupon equals to the amount of coupon rate for the first coupon.
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4. Coupon: 4

273 rd day from the day when floatation of the Bonds of the issue starts	364 th day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the fourth coupon equals to the amount of coupon rate for the first coupon.
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5. Coupon: 5

364 th day from the day when floatation of the Bonds of the issue starts	455 th day from the day when floatation of the Bonds of the issue starts	The coupon rate for the fifth coupon shall be determined according to the following formula: $C(5) = C(1) - 1$ where C(1) is the interest rate of the first coupon, in per cent per annum; and C(5) is the interest rate of the fifth coupon, in per cent per annum;
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6. Coupon: 6

455 th day from the day when floatation of the Bonds of the issue starts	546 th day from the day when floatation of the Bonds starts	The amount of coupon rate for the sixth coupon equals to the amount of coupon rate for the fifth coupon.
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7. Coupon: 7

546 th day from the day when floatation of the Bonds starts	637 th day from the day when floatation of the Bonds starts	The amount of coupon rate for the seventh coupon equals to the amount of coupon rate for the fifth coupon.
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8. Coupon: 8

637 th day from the day when floatation of the Bonds starts	728 th day from the day when floatation of the Bonds starts	The amount of coupon rate for the eighth coupon equals to the amount of coupon rate for the fifth coupon.
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9. Coupon: 9

728 th day from the day when floatation of the Bonds starts	819 th day from the day when floatation of the Bonds starts	The interest rate of the ninth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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10. Coupon: 10

819 th day from the day when floatation of the Bonds starts	910 th day from the day when floatation of the Bonds starts	The interest rate of the tenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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11. Coupon: 11

910 th day from the day when floatation of the Bonds starts	1001 st day from the day when floatation of the Bonds starts	The interest rate of the eleventh coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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12. Coupon: 12

1001 st day from the day when floatation of the Bonds starts	1092 nd day from the day when floatation of the Bonds starts	The interest rate of the twelfth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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13. Coupon: 13

1092 nd day from the day when floatation of the Bonds starts	1183 rd day from the day when floatation of the Bonds starts	The interest rate of the thirteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days
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		before the date of expiry of the eighth coupon period.
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14. Coupon: 14

1183 rd day from the day when floatation of the Bonds starts	1274 th day from the day when floatation of the Bonds starts	The interest rate of the fourteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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15. Coupon: 15

1274 th day from the day when floatation of the Bonds starts	1365 th day from the day when floatation of the Bonds starts	The interest rate of the fifteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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16. Coupon: 16

1365 th day from the day when floatation of the Bonds starts	1456 th day from the day when floatation of the Bonds starts	The interest rate of the sixteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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The Bonds coupon yield for the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth coupon periods is calculated according to the following procedure:

$$K_i = C_i * N_i * (t_i - T_i) / 365 / 100\%$$

where i is the sequence number of the coupon, i= 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,

K_i is the amount of coupon payment on each Bond

C_i is the coupon interest rate

N is the face value of one Bond

t_i is the expiry date of the i-th coupon period

T_i is the starting date of the i-th coupon period.

The Bonds coupon yield for the thirteenth and fourteenth coupon periods is calculated according to the following procedure:

$$K_i = C_i * 0.7 * N * (t_i - T_i) / 365 / 100\%$$

The Bonds coupon yield for the fifteenth and sixteenth coupon periods is calculated according to the following procedure:

$$K_i = C_i * 0.4 * N * (t_i - T_i) / 365 / 100\%$$

The amount of yield on the coupon is calculated accurate to one kopeck (the second decimal place being rounded off according to the mathematical rounding-off rules, viz.: if the third decimal place is greater than or equal to 5, the second decimal place is increased by one, and if the third decimal place is less than 5, the second decimal place is not changed).

Note:

According to the results of the auction held among potential buyers of Bonds on the first day of the primary floatation of the Bonds of the issue at the Moscow Interbank Currency Exchange, the coupon rate from the first to the fourth amounted to 14.2% per annum. According to the procedure for determining the coupons, described above, the coupon rate from the fifth to the eighth will amount to 13.2% per annum.

Terms and Procedure of coupon yield payment:

Payment of the Bond yield is effected in the currency of the Russian Federation by transfer in favour of Bond Owners who are such Owners as of the end of NDC's working day preceding the sixth day before the day of Bond yield payment (hereinafter referred to as the Date of Making up the List of Bond Holders for Coupon Yield Payment).

The above list of Bond Holders shall include:

1) NDC's depositors, if:

- said parties are owners of the Bonds of the issue;
- said parties are authorized by owners of the Bonds of the issue to receive monetary funds during payment of the coupon yield under the issued Bonds;

2) Bond owners who are not NDC's depositors and who have not authorized NDC's depositors dealing with the accounting of the Bonds held by the owners to receive money when the coupon yield under the issued Bonds is paid.

It is presumed that nominal holders who are NDC's depositors are authorized to receive money when the coupon yield under the Bonds is paid. Not later than on the 3rd (third) working day before the date of payment of the coupon yield under the Bonds, NDC's depositors, who are nominal holders and who are not authorized by their clients to receive Bonds coupon yield payment money, shall transfer to the NDC the list of Bond owners, that must contain all the details indicated below in the List of Bond Holders for coupon yield payment.

A Bond Owner, if it/he/she is not a depositor of NDC may authorize a Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment and Bond redemption.

On the basis of the data available and/or submitted by depositors, NDC shall make up the List of Bond Holders for coupon yield payment, which List shall be submitted to the Issuer and/or to the Payment Agent not later than on the 2nd (second) working day before the Date of the Bonds coupon yield payment. The List of Bond Holders for coupon yield payment shall include the following details:

a) full official name (official name for non-profit organizations, full personal name for an individual) of the Owner or nominal holder authorized by the Owner to receive the yield amounts under the Bonds;

b) number of Bonds registered on the custody account of the Owner or on the inter-depository account of the nominal Bonds holder authorized by the Owner to receive the retirement amounts under the Bonds;

c) location and mailing address of the Owner or nominal holder authorized by the Owner to receive the yield amounts under the Bonds;

d) bank account details of the Owner or nominal holder authorized by the Owner to receive the yield amounts under the Bonds, viz:

- No. of the bank account;

- name of the bank, with which the account is opened;

- correspondent account of the bank, with which the account is opened;

- location and mailing address of the bank;

- bank identification code of the bank, with which the account is opened;

e) tax-payer's identification No. (INN, or TIN) of the Owner or nominal holder authorized by the Owner to receive the yield payment amounts under the Bonds;

f) tax status of the Owner or nominal holder authorized by the Owner to receive the amounts of Bonds yield payment (resident, non-resident with a permanent representative office in the Russian Federation, non-resident without a permanent representative office in the Russian Federation, etc.).

The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.

Within two working days before the date of Bond Yield payment, the Issuer transfers the appropriate money to the Payment Agent's account.

On the basis of the list of Bond Holders, provided by the Depositary, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond Yields.

On the date of Bond Yield payment, the Payment Agent transfers the appropriate monies to the accounts of Bond Holders in favour of Bond Owners.

If one person is authorized to receive Bond Yields for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.

No coupon yield on unfloated Bonds shall be accrued or paid.

Issuer's obligations to pay the respective coupon yield under the Bonds shall be considered as executed and fulfilled from the moment the money is written off from the Issuer's account and/or from the correspondent account of the Payment Agent for payment of the coupon yield in favour of the Bond Holders.

Execution of the obligations under the Bonds in respect of a party included in the List of Bond Holders for coupon yield payment shall be considered as due and proper also in case of alienation of Bonds after the date on which the above List was made up.

Security on bonds of the issue: ***The acquisition of Bonds means that the acquirer of Bonds makes a contract, under which a security of the Bonds issue is provided. With the passage of the title to the Bond, the acquirer also receives the rights under the said Contract in the same scope and on the same conditions that exist as of the moment of the passage of the title to the Bond.***

An Offer of Providing a Security in the Form of a Surety for the Purposes of the Bonds Issue by OJSC North-West Telecom shall serve as the document confirming the provision by the Trubsnab Limited Liability Company of a security for the purposes of the Bonds issue.

Depository providing centralized care of issuer's securities:

Name: ***National Depository Centre Nonprofit Partnership***

Abbreviated name: ***NDC***

Place of business: ***12, ul. Zhitnaya, Moscow, Russia***

Mailing address: ***1/13, Sredniy Kislovskiy per., Moscow, 103009, Russia***

Tel: ***(095) 956-2790, (095) 956-2791*** Fax: ***(095) 956-2792***

e-mail: ***none***

License:

No. of license: ***177-03437-000010***

Date of issue: ***04.12.00***

Period: ***not determined***

Authority issuing the license: ***Federal Commission for Securities Market***

Date of the operation beginning: ***10.04.02***

8.3.3. Data on the Issues, the Issuer's Commitments under the Securities of Which Have not Been Fulfilled (Default)

No such issues

8.4. Data on the Persons(S) Providing Security for the Bonds of the Issue

The security has been provided for the interest-bearing documentary non-convertible bonds payable to bearer, with obligatory centralized care, series 02, state registration No. of the issue 4-02-00119-A.

The party providing security:

Full name: ***Trubsnab Limited Liability Company***

Abbreviated name: ***Trubsnab LLC***

TIN: ***2320099881***

Place of business: ***2/1, per. Trunova, Central district, Sochi, Krasnodar krai, 354057***

Mailing address: ***2/1, per. Trunova, Central district, Sochi, Krasnodar krai, 354057***

8.5. Conditions of Ensuring Fulfilment of Commitments under the Bonds of the Issue

The security has been provided for the interest-bearing documentary non-convertible bonds payable to bearer, with obligatory centralized care, series 02, state registration No. of the issue 4-02-00119-A.

Type of security (method of security provided):

surety

Amount of security (roubles): ***1,500,000,000***

Procedure of presenting claims to the warrantor to bond holders:

In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer must return to the owners during retirement of Bonds their face value and must pay the coupon yield under the Bonds within

the time and according to the procedure provided for by the terms and conditions of the Decision on the Bonds issue and the Offering Circular.

Each Bond Holder is entitled to declare his Bonds of this issue as due to retirement and to demand immediate return of the face value of the Bonds, that has not been paid by the Issuer, in the following cases:

- 1) a court award on bankruptcy of the Issuer takes effect;*
- 2) a decision on liquidation of the Issuer is taken by the Issuer's body authorized to take such a decision;*
- 3) a court award on bankruptcy of the Warrantor takes effect;*
- 4) a decision on liquidation of the Warrantor is taken by the Warrantor's body authorized to take such a decision;*
- 5) the Issuer does not fulfil its obligation to pay the coupon yield under the Bonds of this issue upon expiry of 10 (ten) working days from the date of payment of the respective coupon yield established in compliance with the conditions of the issue.*
- 6) other cases expressly provided for by the legislation of the Russian Federation.*

In case of Issuer's refusal to fulfil the obligations under the Bonds, Bond Owners may apply to the court (court of arbitration), suing the Issuer and demanding to retire a Bond and to pay the income accrued on it, as well as to pay interest for failure to retire the Bond in due time in compliance with articles 395 and 811 of the Civil Code of Russia.

Should the Issuer refuse to fulfil the obligations under the Bonds, the Bond Owners and/or nominal Bond Holders shall be entitled to apply to the party providing security for the Bonds issue with a demand to perform Issuer's obligations under the Bonds of the issue for the Issuer in compliance with the terms and conditions of the offer on provision of a security in the form of a surety for the purpose of the Bonds issue.

Should the Issuer fail to fulfil the obligations in respect of repaying the face value of the Bonds and/or payment of the interest yield on the Bonds, the Issuer's obligations to Bond Owners in respect of repaying the face value of the Bonds and/or payment of the interest yield on the Bonds shall be fulfilled for the Issuer by the Trubsnab limited liability company (hereinafter referred to as Company) as follows:

Bond Owners and/or nominal Bond Holders shall present to the Company written requests for the Company to pay the face value of the Bonds and to pay the interest yield on the Bonds (hereinafter referred to as the Demand to Fulfil the Obligations).

The Demand to Fulfil the Obligations shall meet the following conditions:

- it shall be presented to the Company in writing and signed by the Bond Owner (or its authorized representatives);*
- indicated in it shall be: full personal or official name of the Bond Owner, his/its tax-payer's No. (INN - TIN), tax status, place of residence (location), bank account details, Volume of Outstanding Obligations in respect of the Bond Owner sending such a Demand to Fulfil the Obligations;*
- it shall be indicated in the Demand to Fulfil the Obligations that the Issuer has not paid to the Bond Owner or has not paid in full within the time established by the Documents of the Issue:*
 - the principal amount of the debt in retirement of the Bonds;*
 - the coupon yield in the form of interest on the face value of the Bonds;*
 - public irrevocable obligations of the Issuer to redeem its Bonds.*

the Demand to Fulfil the Obligations shall be presented to the Company not later than 90 (ninety) days from the respective due date of Issuer's obligations execution in respect of the Bond Owner sending such a Demand to Fulfil the Obligations;

The Demand to Fulfil the Obligations shall be accompanied by a statement of custody account with NDC or with depositaries being depositors of NDC to confirm the rights of the Bond Owner to his Bonds; The Demand to Fulfil the Obligations and documents enclosed thereto shall be sent to the Company by registered mail, by messenger mail or express mail.

The Company shall consider the Demand to Fulfil the Obligations within 14 (fourteen) days from the day of expiry of the period of 90 (ninety) days from the respective due date of Issuer's obligations execution in respect of the Bond Owner sending such a Demand to Fulfil the Obligations. If the Company chooses to satisfy the Demand to Fulfil the Obligations, the Company shall notify the Bond Owner thereof and, within 30 (thirty) days from the day of expiry of the period for consideration of the Demand to Fulfil the Obligations, shall effect payment in compliance with the terms and conditions of the Offer to the Bond Owner's bank account, the details of which are indicated in the Demand to Fulfil the Obligations.

Should the Warrantor fail to fulfil its obligations in compliance with the terms and conditions of the above offer of providing a security in the form of a surety for the purpose of the Bonds issue or should the Issuer fail to fulfil the obligations to pay the yield and to retire the Bonds, the owners shall be entitled to apply to the court (court of arbitration), suing the Issuer or the Warrantor and demanding to pay the face value and/or the yield accrued on the Bonds and to indemnify them for losses.

The procedure of Bond Owners and/or nominal holder's action in case of Issuer's refusal to fulfil its obligations under the Bonds of the issue is also described in clause 11 of the Decision on Issue.

Value of Issuer's net assets as of the date of providing a security *11,232,245 thousand roubles*

Value of the net assets of the legal entity providing a guarantee securing the execution of Issuer's obligations under the Bonds: *in compliance with the Resolution of the Federal Commission for the Securities Market No. 38/ps of 11th September 2002 that was in effect as of the end of the 1st quarter 2003, no respective requirement was established.*

8.6. Data on Organizations Registering Titles to Issuer's Securities

Registrar:

Full official name: *Registrar-Svyaz Closed Joint-Stock Company*

Abbreviated name: *Registrar-Svyaz CJSC*

Place of business: *Moscow, Russia*

Mailing address: *15A, ul. Kalanchevskaya, POB 45, Moscow, 107078*

Tel: *(095) 975-3605* Fax: *(095) 975-3605*

e-mail: *regsw@asvt.ru*

License:

No. of license: *10-000-1-00258*

Date of issue: *01.10.02*

Period: *not determined*

Authority issuing the license: *Federal Commission for the Securities Market of RF*

Date since which the Issuer's registered securities register is kept by the said registrar: *18.07.02*

Depository: *data on the centralized care of securities are given in clause 8.3.2*

8.7. Data on Legislative Acts Regulating the Issues of Import and Export of Capital That may Influence the Payment of Dividend, Interest and Other Amounts to Non-Residents

There are no respective legislative acts

8.8. Description of the Taxation Procedure for Income under Issuer's Securities That have been Floated and are to be Floated

The active law provides for the following taxation procedure for income on shares depending on the category of the share holder:

Resident legal entities.

Taxation of operations with stock shall comply with Chapter 25 of the Tax Code of RF, put into effect by the Federal Law of 06.08.01 No. 110-FZ.

1. On income from operations with stock.

Tax-payer's income from operations of realization or other withdrawal of securities is determined based on the price of realization or other withdrawal of securities.

Expenses in realization (or other withdrawal) of securities are determined based on the price of securities acquisition and realization costs.

A tax-payer who is a shareholder realizing shares received by him when the authorized capital of the stock company was increased determines income as the difference between the realization price and the initially paid value of the share, adjusted taking into account the change in the number of shares, caused by the increase of the authorized capital.

Tax-payers determine the taxation base for operations with securities circulating in the organized securities market separately from the taxation base for operations with securities that are not circulating in the organized securities market.

Income gained from operations with securities circulating in the organized securities market may not be lessened by expenses or losses from operations with securities that are not circulating in the organized securities market.

Income gained from operations with securities that are not circulating in the organized securities market may not be lessened by expenses or losses from operations with securities circulating in the organized securities market.

The tax rate is 24 per cent.

It shall be noted that:

the tax amount calculated according to the tax rate in the amount of 7.5 per cent is included in the federal budget;

the tax amount calculated according to the tax rate in the amount of 14.5 per cent is included in the budgets of the entities of the Russian Federation;

the tax amount calculated according to the tax rate in the amount of 2 per cent is included in the local budgets.

Legislative (representative) authorities of the entities of the Russian Federation are entitled to reduce the tax rate for certain categories of tax-payers in respect of the tax amounts included in the budgets of the entities of the Russian Federation. In such a case the said rate may not be less than 10.5 per cent.

The tax is determined as the percentage of the tax base corresponding to the tax rate. Based on the results of each reporting (tax) period, tax-payers calculate the amount of the quarterly advance payment, proceeding from the tax rate and the actually gained taxable profit calculated as progressive total from the start of the taxation period until the end of the first quarter, half a year, nine months and one year. The sum total of quarterly advance payments is determined taking into account the earlier calculated amounts of advance payments. During the period (quarter) under report, tax-payers pay monthly advance payments. Monthly advance payments are effected in equal installments in the amount of one third of the payable quarterly advance payment for the quarter preceding the quarter, in which monthly advance payments are effected.

The tax to be paid upon expiry of the tax period shall be paid not later than the time established for submission of tax returns for the respective tax period.

Quarterly advance payments are to be effected not later than the time established for submission of tax returns for the respective period under report.

Tax-payers submit tax returns not later than 30 days from the day of the expiry of the respective period under report.

Tax returns on the results of a tax period are to be submitted by tax-payers not later than the 31st of March of the year following the expired tax period.

2. On income in the form of dividend.

The following rates are applied to the tax base determined as income gained in the form of dividend:

6 per cent on income gained in the form of dividend from Russian organizations.

A Russian organization is the source of the tax-payer's income, the said organization being recognized as the fiscal agent.

In such a case, the amount of the tax to be deducted from the tax-payer's income who receives dividend is calculated by the fiscal agent.

Peculiarities of taxation for foreign organizations that do not operate through a permanent representative office in the Russian Federation and gain income from sources in the Russian Federation
The following types of income gained by a foreign organization, that are not related to its business operations in the Russian Federation are included in income of a foreign organization from sources in the Russian Federation and are subject to a tax deducted from the source of income payment:

- dividend paid to a foreign organization being a shareholder (participant) of Russian organizations;

- income from realization of shares of Russian organizations, over 50 per cent of the assets of which consist of real estate situated in the territory of the Russian Federation.

Tax rate:

15 per cent on income gained in the form of dividend from Russian organizations;

20 per cent - income from realization of Russian organizations stock.

Responsibility to determine the amount of the tax, to deduct that amount from the tax-payer's income and to transfer the tax to the budget rests with the Russian organization that pays the said income to the tax-payer. The tax is deducted with each payment (transfer) of monetary funds.

The fiscal agent must transfer the respective amount of tax within three days after the day of payment (transfer) of monetary funds to a foreign organization or other receipt of income by the foreign organization.

Tax on income of individuals is calculated and paid on the basis of chapter 23 of part two of the Tax Code of the Russian Federation, adopted by the Federal Law of 5th August 2000, No. 117-FZ (in the version of the Federal Law of 29th December 2000, No. 166-FZ) put into effect starting from 1st January 2001 by the Federal Law of 5th August 2000, No. 118-FZ “On Putting into Effect Part Two of the Tax Code of the Russian Federation and Introducing Amendments to Some Legislative Acts of the Russian Federation on Taxes”.

Individuals being tax residents of RF pay the tax for the following types of gained income from operations with stock:

1. On income from operations with stock.

When determining the tax base for income from operations with stock, the income gained from the following operations is taken into account:

purchase and sale of securities circulating in the organized securities market;

purchase and sale of securities that are not circulating in the organized securities market.

The income (loss) related to operations of purchase and sale of securities is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses.

The income (loss) from a transaction of sale and purchase of securities is determined as the difference between the amounts gained from the sale of securities and the expenses for acquisition, sale and storage of securities, actually incurred by the tax-payer (including the expenses reimbursable to the professional participant of the securities market) and confirmed by appropriate documents. The said expenses include:

amounts paid to the seller in compliance with the contract;

payment for services rendered by the depository;

commission to professional participants of the securities market;

stock-exchange fee (commission);

registrar’s remuneration;

other expenses immediately related to purchase, sale and storage of securities and paid for services provided by professional participants of the securities market in the framework of their professional activities.

The income from a transaction of sale and purchase of securities circulating in the organized securities market is reduced by the amount of interest paid for the use of monetary funds attracted for effecting the transaction of sale and purchase of securities, within the amounts calculated proceeding from the effective re-financing rate of the Central Bank of the Russian Federation.

For a transaction with securities circulating in the organized securities market, the loss is determined taking into account the limit of securities market price fluctuation.

If tax-payer’s expenses cannot be evidenced by documents, he is entitled to resort to the property tax deduction. Property deduction in the amount received in the tax period from sale of stock held by the tax-payer for less than three years, however, not exceeding 125,000 roubles. In case of sale of stock held by the tax-payer for three years and longer, the property tax deduction is provided in the amount received by the tax-payer from the sale of the said property.

The tax rate is 13 per cent.

2. On income in the form of dividend.

If a Russian organization is the source of the tax-payer’s income gained in the form of dividend, such organization is considered the fiscal agent and establishes the amount of tax separately for each tax-payer in respect of each payment of the said income at a rate of 6 per cent.

Fiscal agents must deduct the charged amount of tax directly from the tax-payer’s income when it is actually paid.

Fiscal agents must transfer the amounts of the calculated and deducted tax not later than the day following the day of actual receipt of the income by the tax-payer.

Individuals who are not tax residents of RF pay the tax for the following types of income gained from operations with stock:

1. On income from stock realization.

2. On income in the form of dividend.

The tax base is determined without applying tax deductions.

Tax rate: Income gained by individuals who are not tax residents of RF is subject to taxation at the rate of 30%.

When dividend is distributed in favour of a tax-payer who is not a tax resident of RF, the tax is calculated and deducted at the rate of 30% without set-off of the tax amount paid by the organization distributing the dividend to the income of the organization.

Tax payment procedure and timing: For each payment, the fiscal agent must deduct from the tax-payer's income the amount of tax and transfer it to the budget. Fiscal agent transfers the amounts of the calculated and deducted tax not later than the day following the day of actual receipt of the income by the tax-payer.

Value added tax

According to the Taxation Code of the Russian Federation, income from operations with floated Bonds, viz.: income from realization (withdrawal, retirement) of Bonds, as well as coupon yield, is not subject to value added taxation.

Procedure of profit taxation of income gained by non-resident legal entities of the Russian Federation from operations with Bonds

The tax base for operations with Bonds is determined as the sum total of income from realization (retirement) of Bonds, gained in the tax period under report, less the expenses accepted for deduction in the tax period under report.

Income from realization or other kinds of withdrawal of Bonds is determined proceeding from the Bonds realization (retirement) price and the amount of accumulated interest (coupon) yield, paid to the tax-payer by the buyer or by the Issuer, while expenses are determined proceeding from the Bonds acquisition price (including expenses related to their acquisition), realization costs and the amount of accumulated interest (coupon) yield, paid by the tax-payer to the seller. The amount of expenses does not include the amounts of accumulated interest (coupon) yield, that have been taken for deduction when determining the tax base.

If the tax-payer qualifies an operation with Bonds as a futures transaction with financial instruments, the tax base is determined taking into account the provisions of articles 301-305, 326 and 327 of the Tax Code of the Russian Federation. When a tax-payer effects repo (repurchase) operations with Bonds, the tax base is determined taking into account the provisions of articles 282 and 333 of the Tax Code of the Russian Federation.

The realization price is determined as the actual price of realization, if the actual price meets the criteria established by clauses 5 and 6 of article 280 of the Tax Code of the Russian Federation (depending on whether the Bonds are securities that are circulating or are not circulating in the organized securities market)

If the actual price does not meet the requirements established by clauses 5 and 6 of article 280 of the Tax Code of the Russian Federation, then the price determined according to the procedure established by the Tax Code of the Russian Federation is used in taxation.

Tax-payers determine the tax base for operations with securities circulating in the organized securities market separately from the tax base for operations with securities that are not circulating in the organized securities market, except for professional dealers of the securities market. Professional dealers of the securities market form a unified tax base taking into account the income and expenses from operations with securities.

Tax-payers incurring losses from operations with securities are entitled to carry over the said losses to the future in the amount up to 30% (thirty per cent) of the tax base according to the procedure established by article 283 of the Tax Code of the Russian Federation. Carry-over of losses from operations with securities circulating in the organized securities market and with securities that are not circulating in the organized securities market is to be effected separately for the said categories of securities within the profit gained from operations with the said categories of securities. This provision does not cover professional dealers of the securities market. They determine the amount of loss to be carried over to the future, taking into account all income and expenses recognized for the purpose of taxation, including income and expenses in operations with securities.

When a coupon is retired by the Issuer, the taxable interest yield is recognized by the tax-payer based on the established profitability of the Bonds according to the procedure established by the Tax Code of the Russian Federation. Tax-payers determining income and expenses for the purpose of taxation by the accrual

method must calculate and recognize for the purpose of taxation the interest yield on Bonds as of the last date of the (tax) period under report.

The tax rate for income related to operations with Bonds is 24 (twenty four) per cent. Legislative bodies of the entities of Russian Federation may adopt laws reducing the profit tax rate by not more than 4 (four) per cent points.

The taxation procedure for income gained by resident individuals of the Russian Federation from operations with Bonds.

Taxation of income gained by resident individuals of the Russian Federation in the form of coupon payments, income gained after retirement of Bonds or sale of Bonds before the retirement date is at the rate of 13 (thirteen) per cent.

The income (loss) related to operations of purchase and sale of bonds is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses from transactions with securities of this category. In such a case the income (loss) related to transactions of purchase and sale of Bonds is determined as the difference between the amounts obtained from realization of Bonds and the expenses for acquisition, realization and care of Bonds (including expenses reimbursable to a professional participant of the securities market, interest within the limits of the active refinancing rate of the Central Bank of the Russian Federation for the use of funds attracted for the transaction of purchase and sale of Bonds circulating in the organized securities market). Expenses may be taken into account only provided they are actually incurred by the tax-payer and provided there are documents confirming the said expenses.

If tax-payer's expenses cannot be proven by documents, he is entitled to exercise the property tax deduction in the amount not exceeding 125,000 (one hundred twenty five thousand) roubles in case of selling Bonds that were held by the tax-payer for less than three years, or in the amount of the entire gained income in case of selling Bonds that were held by the tax-payer for three years or longer.

For unprofitable transactions with securities circulating in the organized securities market, the amount of loss is determined taking into account the limit border of the securities market price fluctuations. At the moment, the limit border of the market price fluctuations has been fixed in the amount of 19.5 (nineteen point five) per cent.

Calculation and payment of the tax is effected by the fiscal agent upon expiry of the tax period or when it pays money to the tax-payer before the expiry of the respective tax period.

If it is impossible to deduct the calculated tax amount from the tax-payer, the fiscal agent (broker, asset manager or another person effecting operations under a contract of agency, contract of commission or another contract in favour of the tax-payer) notifies in writing the tax authority in its registration location within one month from the moment such a circumstance arises on the impossibility of the said deduction and on the amount of the tax-payer's debt.

In accordance with explanations of the tax authorities, calculation and payment of the tax on the amounts received by the tax-payer in the tax period in connection with transactions of purchase and sale of securities held by it on the basis of the title, to effect which the tax-payer has acted as the seller of securities without making contracts of brokerage servicing, contracts of asset management in the securities market, contracts of commission or agency or any other similar contracts, are effected on the basis of the tax return submitted by the tax-payer to the tax authority upon expiry of the tax period. Tax-payers submit tax returns before 30th April and pay the income tax before 15th July of the year following the year under report.

Procedure of profit taxation of income gained by non-resident legal entities of the Russian Federation from operations with Bonds.

Foreign legal entities operating in the Russian Federation through a permanent representative office determine the tax base from making operations with Bonds and calculate the amount of the tax to be paid to the budget according to the procedure similar to the one established for resident legal entities of the Russian Federation, taking into account the provisions of article 307 of the Tax Code of the Russian Federation.

For foreign legal entities that are not operating in the Russian Federation through a permanent representative office, the received interest yield on Bonds is considered as the income taxable in the Russian

Federation. The tax is to be levied by the fiscal agent being the source of payment at the rate of 20 (twenty) per cent.

If an agreement of avoiding double taxation exists between the Russian Federation and the state where the foreign legal entity receiving the interest income on Bonds is a resident, then the rate provided for by the international treaty is applied.

In such a case, to apply a reduced rate or to be relieved from paying the tax in the territory of the Russian Federation, the foreign legal entity must present prior to payment to the interest yield to the fiscal agent an official confirmation of the fact of its permanent location in the country, with which the Russian Federation has entered into a respective treaty of avoiding double taxation, certified by an authorized body of the respective foreign state.

The taxation procedure for income gained by non-resident individuals of the Russian Federation from operations with Bonds.

Taxation of income gained by non-resident individuals of the Russian Federation in the form of coupon payments, income gained after retirement of Bonds or sale of Bonds before the retirement date is at the rate of 30 (thirty) per cent, unless otherwise provided for by international treaties of avoiding double taxation.

The income (loss) related to operations of purchase and sale of bonds is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses from transactions with securities of this category. Non-resident individuals of the Russian Federation are entitled to a reduction of the taxable income from sale of Bonds by the amounts of actually incurred and documented expenses for their acquisition, realization and care. No property tax deductions to non-resident tax-payers of the Russian Federation are provided for.

For unprofitable transactions with securities circulating in the organized securities market, the amount of loss is determined taking into account the limit border of the securities market price fluctuations. At the moment, the limit border of the market price fluctuations has been fixed in the amount of 19.5 (nineteen point five) per cent.

Calculation and payment of the tax is effected by the fiscal agent upon expiry of the tax period or when it pays money to the tax-payer before the expiry of the respective tax period. When obtaining relief from a tax, effecting a set-off or obtaining tax deductions, a non-resident is entitled to present the required documents both before paying the tax and during one year upon expiry of the tax period, on the basis of the results of which the non-resident claims obtaining relief from a tax, effecting a set-off or obtaining tax deductions. If no required documents are presented, the fiscal agent is obliged to deduct the calculated tax amount. The tax-payer is entitled to return the deducted tax amount after submitting a tax return and confirming documents.

If the tax has not been levied by the fiscal agent, then, upon expiry of the tax period the tax-payer must submit to tax authorities an income statement and pay the tax independently. Tax-payers submit tax returns before 30th April and pay the income tax before 15th July of the year following the year under report.

A treaty on avoiding double taxation, existing between the Russian Federation and the country, where the individual is a resident, may provide for relieving from payment of the tax or paying the tax at a lower rate.

To be relieved from paying a tax, effecting a set-off, obtaining tax deductions or other tax privileges, a non-resident individual of the Russian Federation must submit to respective divisions of the Ministry of the Russian Federation for Taxes and Fees an official evidence that it is a resident of the state with which the Russian Federation has entered into a treaty (agreement) on avoiding double taxation, effective during the respective tax period or a part thereof, as well as a document on the gained income and on payment of tax outside the Russian Federation, certified by the tax authority of the respective foreign state.

Property tax

Bonds are not subject to property tax.

8.9. Data on Stated (Accrued) and Paid Dividend under Issuer's Shares, and on Income Yielded by Issuer's Bonds

Data on stated (accrued) and paid dividend under issuer's shares:

1999

Stock category: *common*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **0**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **27.05.99**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **27.05.99**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1998**

Stock category: *preferred type A*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.01**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **841,860**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **27.05.99**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **27.05.99**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1998**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **668,743**

2000

Stock category: *common*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.012**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **4,587,456.6**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.00**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.00**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1999**

Stock category: *preferred type A*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.079**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **6,650,694**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.00**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.00**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1999**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,239,442.91**

2001

Stock category: **common**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.119**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **56,293,779.55**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.01**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.01**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2000**

Stock category: **preferred type A**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.257**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **29,411,299.1**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.01**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.01**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: **without limitation of the period**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2000**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,539,172.93**

2002

Stock category: **common**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.077**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **36,425,386.37**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.02**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.02**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **01-02**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.02**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2001**

Stock category: **preferred type A**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.248**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **28,381,331.04**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.02**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.02**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **01-02**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.02**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2001**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,539,172.93**

2003

Stock category: **common**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.064**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **47,098,702.208**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **23.06.03**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **23.06.03**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **02-03**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.03**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2002**

Stock category: **preferred type A**

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.14**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **28,283,190.32**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **26.06.03**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **07.06.03**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **02-03**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.03**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2002**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **73,535,324.82**

Form of securities: **bonds**

Series: **01**

Category: **interest-bearing**

Form of securities: **documentary, payable to bearer**

Data on registration of the issue by the state:

The state registration No: **4-01-00119-A**

Date of registration: **06.03.02**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Data on state registration of the report on the results of the issue:

Date of registration: **15.05.02**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Number of issued securities: **300,000**

Face value of one of the securities of the issue (roubles): **1,000**

Total volume of issue at the face value (roubles): **300,000,000**

Current state of the issue: **Floatation is over**

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs): **300,000**

Type of income paid under the bonds of the issue: **interest (coupon)**

Amount of income to be paid under the bonds of the issue in terms of money per bond (roubles): **267.26**

Amount of income to be paid under the bonds of the issue in terms of money in the aggregate for all bonds of the issue (roubles): **80,178,000**

Time fixed for payment of income under the bonds of the issue: **during 1 day**

Form and other conditions of payment of the income under the bonds of the issue: **monetary**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.04.02 to 10.07.02**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **14,958,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 11.07.02 to 09.10.02**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **14,211,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.10.02 to 10.04.03**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **27,075,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.04.03 to 10.10.03**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **23,934,000**

Form of securities: **bonds**

Series: **02**

Category: **interest-bearing**

Form of securities: **documentary, payable to bearer**

Data on registration of the issue by the state:

The state registration No: **4-02-00119-A**

Date of registration: **08.07.03**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Data on state registration of the report on the results of the issue:

Date of registration: **14.11.03**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Number of issued securities: **1,500,000**

Face value of one of the securities of the issue (roubles): **1,000**

Total volume of issue at the face value (roubles): **1,500,000,000**

Current state of the issue: **Floatation is over**

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs):
1,500,000

Type of income paid under the bonds of the issue: **interest (coupon)**

Amount of income to be paid under the bonds of the issue in terms of money per bond (roubles): **35.4**

Amount of income to be paid under the bonds of the issue in terms of money in the aggregate for all bonds of the issue (roubles): **53,100,000**

Time fixed for payment of income under the bonds of the issue: **during 1 day**

Form and other conditions of payment of the income under the bonds of the issue: **monetary**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 08.10.03 to 08.01.04**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **53,100,000**

8.10. Other Data

none

APPENDIX 1
ISSUER'S ANNUAL ACCOUNTS AND REPORTS

ASSETS	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	3	4
I. NON-CIRCULATING ASSETS				
Intangible assets	110	110	115	10
Fixed assets	120	120	10,953,003	13,343,154
Capital investments	130	130	1,208,435	724,863
Profitable investment in stocks of materials and capital equipment	135	135		
Long-term financial investments	140	140	159,481	163,369
including:				
Investment in subsidiaries		141	76,204	77,204
Investment in associate companies		142	33,145	33,092
Investment in other companies		143	33,006	30,047
Other long-term financial investments		144	17,126	23,026
Deferred tax assets	145	145	126,749	261,047
Other non-circulating assets	150	150	205,104	736,553
Total for section I	190	190	12,652,887	15,228,996

II. CURRENT ASSETS				
Stocks	210	210	280,422	315,321
<i>including:</i>				
raw materials, materials and other similar values	211	211	205,362	220,214
expenditures in work-in-process (turnover costs)	213	213	788	582
finished products and goods for resale	214	214	11,111	10,953
shipped goods	215	215		
deferred expenses	216	216	63,161	83,572
other stock and expenses	217	217		
Value added tax on acquired values	220	220	407,099	615,000
Accounts receivable (expected in over 12 months after the reporting date)	230	230	17,009	46,601
<i>including:</i>				
buyers and customers	231	231		6,218
advances distributed		232		2,123
other debtors		233	17,009	38,260
Accounts receivable (expected within 12 months after the reporting date)	240	240	1,355,579	1,121,575
<i>including:</i>				
buyers and customers	241	241	978,949	971,548
advances distributed		242	201,177	62,953
other debtors		243	175,453	87,074
Short-term financial investments	250	250	12,959	6,841
Monetary funds	260	260	338,473	279,988
Other current assets	270	270	362	507
Total for section II	290	290	2,411,903	2,385,833
BALANCE (sum of lines 190 + 290)	300	300	15,064,790	17,614,829

LIABILITIES	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	3	4
III. CAPITAL AND RESERVES				
Authorized capital	410	410	937,940	937,940
Added capital	420	420	6,941,473	6,859,040
Capital reserves	430	430	29,375	46,897
Own shares purchased from the shareholders	411	440		
Retained Profit (Uncovered Loss) of Previous Years.	470	460	2,820,322	2,755,301
Retained profit (uncovered loss) of the period under report	470	470	X	837,478
Total for section III	490	490	10,729,110	11,436,656
IV. LONG-TERM LIABILITIES				
Credits and loans	510	510	434,622	830,764
<i>including:</i>				
credits		511	17,383	
loans		512	417,239	830,764
Deferred tax liabilities	515	515	271,323	400,511
Other long-term liabilities	520	520	906,825	1,093,761
Total for section IV	590	590	1,612,770	2,325,036
V. SHORT-TERM LIABILITIES				
Credits and loans	610	610	579,006	963,764
<i>including:</i>				
credits		611	208,946	
loans		612	370,060	963,764
Accounts payable	620	620	2,063,014	2,842,497
<i>including:</i>				
suppliers and contractors	621	621	909,841	1,496,755
advances received	625	622	363,589	275,147
wage arrears	622	623	56,065	60,555
indebtedness to state out-of-the-budget funds	623	624	28,269	26,627
Debt in respect of taxes and fees	624	625	255,752	253,036
other creditors	625	626	449,498	730,377
Indebtedness to participants (founders) on income payment	630	630	50,557	15,981
Deferred income	640	640	30,333	30,895
Reserves for forthcoming costs	650	650	X	X
Other short-term liabilities	660	660	X	X
Total for section V	690	690	2,722,910	3,853,137
BALANCE (sum of lines 490 + 590 + 690)	700	700	15,064,790	17,614,829

Availability statement of valuables recorded on off-balance accounts

Index	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	3	4
Leased fixed assets	910	900	641,607	877,310
including those under leasing	911	901	200,019	313,535
Inventories accepted for custody	920	902	19,918	12,833
Goods accepted for commission	930	903	539	2,654
Insolvent debtors' indebtedness written-off to loss	940	904	347,181	670,707
Received liability and payment collaterals	950	905		23,748
Received liability and payment collaterals	960	906	492,112	1,033,253
Wear of residential fund	970	907	6,865	7,526
Wear of external improvements and other similar facilities	980	908	2,657	2,983
Funds for payment for communication services		909	5,258	15,892

Statement on the net assets value

Index	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	3	4
Net assets		1000	10,759,443	11,467,551

PROFIT AND LOSS REPORT

Index	Index code	Line code	For the period under report	For the same period of the previous year
1	1a	2	3	4
I. Income from and expenses for normal activities (Net) returns from sale of goods, products, works, services (less the VAT, excise taxes and similar obligatory fees)	010	010	12,336,392	10,091,841
Including that from communication services		011	11,959,978	9,778,167
Prime cost of sold goods, products, works and services	020	020	(9,483,725)	(7,443,369)
including: of communication services		021	(9,316,348)	(7,300,095)
Profit (loss) from sales (lines 010 - 020)	050	050	2,852,667	2,648,472
II. OPERATING INCOME AND EXPENSES				
Interest receivable	060	060	23,326	11,207
Interest payable	070	070	(222,982)	(214,256)
Income from participation in other organizations	080	080	697	489
Other operating income	090	090	358,971	544,470
Other operating expenses	100	100	(1,004,793)	(1,625,542)
III. INCOME AND EXPENSES FROM SOURCES OTHER THAN SALES				
Income from sources other than sales	120	120	261,133	129,317
Expenses for purposes other than sales	130	130	(945,849)	(871,654)
Profit (loss) before taxes (lines 050+060-070+080+090-100+120-130)	140	140	1,323,170	622,503
Expenses for the profit tax (lines -151+152-153) including:		150	(484,480)	(439,801)
Deferred tax liabilities	142	151	(129,099)	(271,323)
Deferred tax assets	141	152	105,815	126,749
Current profit tax	150	153	(461,196)	(295,227)
Profit (loss) from normal activities (lines 140 - 150)		160	838,690	182,702

IV. Extraordinary income and expenses				
Extraordinary income		170	4,223	
Extraordinary expenses		180	(5,435)	(8)
Net profit (retained profit (loss) of the period under report) (lines 160 + 170 - 180)	190	190	837,478	182,694
FOR REFERENCE				
Contingent expenses (income) for the profit tax		201	(320,819)	(157,338)
Fixed tax liabilities	200	202	(178,395)	(462,931)
Fixed tax assets	200	203	14,734	180,468

Index	Index code	Line code	For the period under report	For the same period of the previous year
1	1a	2	3	4
Base profit (loss) per share		301	0.00104	0.00063
Watered profit (loss) per share		302		

* To be filled in the annual accounting report

Explanation of profit and loss items

Index	Index code	Line code	For the period under report		For the same period of the previous year	
			Profit	Loss	Profit	Loss
1	1a	2	3	4	5	6
Fines, penalties and forfeits, which have been acknowledged or for which (arbitration) court awards on recovery have been received		401	8,899	(2,383)	9,702	(54,796)
Profit (loss) of previous years		402	39,497	(196,927)	21,821	(39,052)
Indemnification for losses inflicted by failure to fulfil or to fulfil duly the obligations		403	14,754	(12,210)	2,352	(4,648)
Exchange rates of foreign currency transactions		404	131,526	(147,541)	34,345	(210,561)
Deductions for estimate reserves		405	X	(409,042)	X	(1,128,138)
Writing off accounts receivable and payable		406	14,695	(11,391)	5,134	(113,098)

CAPITAL CHANGES REPORT

1. Change of capital

Index	Index code	Line code	Authorized capital	Added capital	Capital reserves	Retained Profit (Uncovered Loss)	Total:
1	1a	2	3	4	5	6	7
Balance as of December 31, 2001		100	587,498	4,966,187	23,474	702,014	6,279,173
2002 year							
Changes in the accounting policy		101	X	X	X		
Result from revaluation of fixed asset objects		102	X		X		
Other		103	X		X		
Balance as of January 1, 2002		104	587,498	4,966,187	23,474	702,014	6,279,173
Items of capital changes:		200		(5,126)	5,901	65,036	65,811
Result from recalculation of foreign currency		201	X		X	X	
Net profit (loss) of the year under report		202	X	X	X	133,511	133,511
Dividend		203	X	X	X	(67,700)	(67,700)
Deductions to the reserve funds		204	X	X	5,901	(5,901)	
Issue of extra shares from own sources		205			X		
Increasing the face value of shares		206			X		
Change of capital upon the withdrawal of fixed assets		207	X	(5,126)	X	5,126	
Other		208					
Increasing of capital value through:		210	350,442	2,020,714		2,198,063	4,569,219
extra issue of shares at the expense of shareholders		211	350,442		X	X	350,442
corporation re-organization		212		2,020,714		2,198,063	4,218,777
other		213					
Decreasing of capital value through:		220		(40,302)		(217)	(40,519)
reducing the number of shares		221		X	X		
reducing the shares face value		222		X	X	X	
corporation re-organization		223					
other		224		(40,302)		(217)	(40,519)
Balance as of December 31, 2002		300	937,940	6,941,473	29,375	2,964,896	10,873,684
2003 year							
Changes in the accounting policy		301	X	X	X		
Result from revaluation of fixed asset objects		302	X		X		
Other		303	X		X	(144,574)	(144,574)
Balance as of January 1, 2003	100	304	937,940	6,941,473	29,375	2,820,322	10,729,110
Items of capital changes:		400		(29,764)	17,522	774,316	762,074
Result from recalculation of foreign currency		401	X		X	X	
Net profit (loss) of the year under report		402	X	X	X	837,478	837,478
Dividend		403	X	X	X	(75,404)	(75,404)

Deductions to the reserve funds	110	404	X	X	17,522	(17,522)	
Issue of extra shares from own sources	121	405			X		
Increasing the face value of shares	122	406			X		
Change of capital upon the withdrawal of fixed assets		407	X	(29,764)	X	29,764	
Other		408					
Increasing of capital value through:		410					
extra issue of shares at the expense of shareholders	121	411			X	X	
corporation re-organization	123	412					
other		413					
Decreasing of capital value through:		420		(52,669)		(1,859)	(54,528)
reducing the number of shares	132	421		X	X		
reducing the shares face value	131	422		X	X	X	
corporation re-organization	133	423					
other		424		(52,669)		(1,859)	(54,528)
Balance as of December 31, 2003	140	500	937,940	6,859,040	46,897	3,592,779	11,436,656

2. Reserves

Name	Index code	Line code	Balance as of the start of the year	Received	Used / restored	Balance as of the start of the year
1	1a	2	3	4	5	6
Reserve funds formed in accordance with the laws						
Reserve fund data for the year 2002		601	106,618	11,823	(89,066)	29,375
data for the year 2003		602	29,375	17,522		46,897
Reserves formed in compliance with the incorporation documents:						
Joint Stock Fund of the Company's Employees						
data for the year 2002		603	1,681		(1,681)	
data for the year 2003		604				
Estimate reserves:						
Doubtful debt reserves						
data for the year 2002		605		778,281	(114,878)	663,403
data for the year 2003		606	663,403	409,042	(319,324)	753,121
Reserve against depreciation of financial investment						
data for the year 2002		607				
data for the year 2003		608				
Reserve for reduction of the value of stocks of materials and capital equipment						
data for the year 2002		609				
data for the year 2003		610				
Reserves for forthcoming costs:						
Contingent liabilities reserves						
data for the year 2002		611				
data for the year 2003		612				

CASH FLOW REPORT

Index	Index code	Line code	For the year under report
1	1a	2	3
The cash balance as of the start of the year under report		010	338,431
Current operation			
Total received cash from current activities		020	14,245,495
payments received from buyers, customers		021	13,849,594
other income		022	395,901
Monetary funds, assigned:		030	(12,132,626)
for payment for acquired goods, works, services, raw materials and other current assets	150	031	(5,291,900)
for wages	160	032	(2,487,280)
for payment of interest	170	033	(154,332)
for settlements on taxes and fees	180	034	(3,280,720)
for other expenses		035	(918,394)
Net cash from current activities		040	2,112,869
Investment activities			
Total received cash from investment activities		050	1,809,638
returns from sale of fixed assets and other non-circulating assets	210	051	99,923
receipts from retirement and sale of securities, sale of shares, interests and other kinds of financial investment	220	052	1,698,257
Dividend received, income from share participation	230	053	876
Interest received	240	054	7,672
Returns from repayment of loans to other organizations	250	055	1,118
other income from investment activities		056	1,792

Monetary funds, assigned:		060	(4,531,769)
for acquisition and creating of fixed assets items and other non-circulating assets	290	061	(2,491,221)
for acquisition of shares (parts)	280	062	(500)
for acquisition of debt securities and other financial investment	300	063	(2,013,856)
for loans to other organizations	310	064	
other investment operation expenses		065	(26,192)
Net monetary funds from investment activities	340	070	(2,722,131)
Financial activities			
Total received cash from financial activities		080	3,685,134
loans and credits received		081	3,674,573
other income from financial activities		082	10,561
Monetary funds, assigned:		090	(3,134,315)
for loans and credits repayment (with no interest)		091	(2,864,746)
for repayment of liabilities under financial lease		092	(187,497)
for payment of dividend	170	093	(82,072)
other financial operation expenses		094	
Net monetary funds from financial activities		100	550,819
Net increasing (decreasing) of monetary funds		110	(58,443)
The cash balance as of the end of the year under report		120	279,988
Impact of foreign currency to rouble exchange rate fluctuations		130	
			42

APPENDIX TO THE ACCOUNTING BALANCE SHEET

1. Intangible assets

Index	Index code	Line code	As of the start of the year under report	Received	Withdrawn	As of the end of the year under report
1	1a	2	3	4	5	6
Objects of intellectual property (exclusive rights to results of intellectual property)	010	101	330			330
<i>including:</i> those of a patent holder - to an invention, industrial design, utility model	011	102				
those from holder of right for computer programmes, data bases	012	103	324			324
those of an owner - to the trademark, service mark, and name of the place of goods origin	014	104	6			6
others	015	105				
Other	040	106				
Total:		110	330			330

Index	Index code	Line code	As of the start of the year under report	As of the end of the period under report
1	1a	2	3	4
Depreciation of Intangible Assets - total	050	120	215	320
<i>including:</i> <i>those of a patent holder - to an invention, industrial design, utility model</i>		121		
<i>those from holder of right for computer programmes, data bases</i>		122	214	318
<i>those of an owner - to the trademark, service mark, and name of the place of goods origin</i>		123	1	2
<i>others</i>		124		

2. Fixed assets

Index	Index code	Line code	As of the start of the year under report	Received	Withdrawn	As of the end of the year under report
1	1a	2	3	4	5	6
Buildings		201	3,985,769	246,236	(94,472)	4,137,533
Facilities and transmission devices		202	5,728,763	392,684	(32,440)	6,089,007
Machines and equipment		203	8,068,321	2,499,937	(117,140)	10,451,118
Transport facilities		204	169,657	31,270	(9,646)	191,281
Computing and office facilities		205	622,584	97,602	(8,697)	711,489
Housing stock		206	26,797	744	(8,158)	19,383
Land plots and nature management sites		207	4,178	1,337	(388)	5,127
Other types of fixed assets		208	924,366	290,364	(34,491)	1,180,239
Total:		210	19,530,435	3,560,174	(305,432)	22,785,177

Index	Index code	Line code	As of the start of the year under report	As of the end of the year under report
1	1a	2	3	4
Depreciation of fixed assets - total	140	220	8,577,432	9,442,023
including:				
<i>buildings</i>		221	938,453	955,968
<i>facilities and transmission devices</i>		222	3,300,815	3,479,276
<i>machines and equipment</i>		223	3,441,771	3,935,321
<i>transport facilities</i>		224	90,504	104,544
<i>computing and office equipment</i>		225	298,689	376,121
<i>other types of fixed assets</i>		226	507,200	590,793

Index	Index code	Line code	As of the start of the year under report	As of the end of the year under report
1	1a	2	3	4
From line 210: Fixed assets items leased out - total		230	50,716	40,449
including:				
<i>buildings</i>		231	44,884	31,614
<i>facilities and transmission devices</i>		232	2,725	2,725
<i>machines and equipment</i>		233	986	3,285
<i>transport facilities</i>		234	1,996	2,700
<i>other types of fixed assets</i>		235	125	125
From line 210 fixed assets items laid up		240	2,187	6,289

For reference	Index code	Line code	As of the start of the year under report	As of the end of the year under report
1	1a	2	3	4
Result from revaluation of fixed asset objects		250		X
initial (replacement) value	171	251		X
depreciation	172	252		X
Fixed assets items leased - total		260	641,607	877,310
including:				
<i>buildings</i>		261	130,552	130,967
<i>facilities and transmission devices</i>		262	196,936	336,881
<i>machines and equipment</i>		263	280,432	333,366
<i>transport facilities</i>		264	24,727	68,258
<i>other types of fixed assets</i>		265	8,960	7,838
Real estate sites accepted for operation, that are undergoing the state registration process		270	109,997	182,435

3. Profitable investment in stocks of materials and capital equipment

Index	Index code	Line code	As of the start of the year under report	Received	Withdrawn	As of the end of the year under report
1	1a	2	3	4	5	6
Property for leasing out		301				
Property provided under a hire contract		302				
Other		303				
Total:		310				

Index	Index code	Line code	As of the start of the year under report	As of the end of the year under report
1	1a	2	3	4
Depreciation of profitable investment in stocks of materials and capital equipment		311		

4. Expenses for research, design and process work

Type of work name	Index code	Line code	Start of the year under report	Received	Written off	As of the end of the year under report
1	1a	2	3	4	5	6
Total	310	400				

For reference	Index code	Line code	As of the start of the year under report	As of the end of the period under report
1	1a	2	3	4
Total amount of expenses for research, design and process work in progress	320	401		
For reference	Index code	Line code	For the period under report	For the same period of the previous year
1	1a	2	3	4
Total amount of expenses included in expenses for normal operation		402		
Total amount of expenses for research, design and process work, that have not yielded results and have been included in non-operational expenses		403		

5. Financial Investment

Index	Index code	Line code	Long-term		Short-term	
			As of the start of the year under report	As of the end of the period under report	As of the start of the year under report	As of the end of the period under report
1	1a	2	3	4	5	6
Contributions to authorized capitals of other organizations - total	510	501	142,355	140,343		
including: those of subsidiaries and affiliates	511	502	109,349	110,296		
State, municipal and external organization's bonds	515	503	107	219	64	
Notes	520	504				
Provided loans	525	505	12,720	10,514	200	
Deposits	530	506		8,000	8,045	1,073
Other	535	507	4,299	4,293	4,650	5,768
Total:	540	510	159,481	163,369	12,959	6,841
In the total amount – financial investment having the current market value:						
Contributions to authorized capitals of other organizations - total	550	511		239		
including: those of subsidiaries and affiliates	551	512				
State, municipal and external organization's bonds	555	513		219		
Notes	560	514				
Other	565	515				
Total:	570	520		458		
FOR INFORMATION						
For financial investment having the current market value, the change of value as a result of value adjustment	580	521		106		

6. Normal operation expenses (by cost elements)

Index	Index code	Line code	For the year under report 2003	For the previous year 2002
1	1a	2	3	4
Material expenses	710	601	(3,384,161)	(2,613,534)
Expenses for wages	720	602	(2,610,807)	(2,049,517)
Deductions for social needs	730	603	(811,926)	(711,632)
Depreciation	740	604	(968,365)	(784,721)
Other expenses	750	605	(1,708,466)	(1,283,965)
Total for elements of expenses	760	610	(9,483,725)	(7,443,369)
Balance change (accretion [+], reduction [-]): of construction-in-progress	765	621	(206)	(679)
of deferred expenses	766	622	20,411	36,984

7.Guarantees

Index	Index code	Line code	As of the start of the year under report	As of the end of the period under report
1	1a	2	3	4
Received guarantees - total		710		23,748
including:				
guarantees of banks		711		
warranties of third parties		712		
notes		713		
pledged property		714		23,748
including:				
fixed asset objects		715		
securities and other financial investment		716		
other property		717		23,748
other		718		
Issued guarantees - total		720	492,112	1,033,253
including:				
warranties of third parties		721	2,159	848,879
notes		722		
pledged property		723	489,953	184,374
including:				
fixed asset objects		724	486,619	181,879
securities and other financial investment		725		
other property		726	3,334	2,495
other		727		

8. State Aid

Index	Index code	Line code	For the year under report	For the same period of the previous year
1	1a	2	3	4
Budgetary funds received in the year under report - total	910	810	100	215
including:				
Funds for capital expenditure financing		811		195
Funds for current expenditure financing		812	100	20

Index	Index code	Line code	As of the start of the year under report	Received for the period under report	Repaid for the period under report	As of the end of the period under report
1	1a	2	3	4	5	6
Budgetary credits - total	920	820				
Funds for capital expenditure financing		821				
Funds for current expenditure financing		822				

APPENDIX 2
ISSUER'S QUARTERLY ACCOUNTS AND REPORTS FOR THE LAST
COMPLETED QUARTER UNDER REPORT

ASSETS	Explanations	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	2a	3	4
I. NON-CIRCULATING ASSETS					
Intangible assets		110	110	10	517
Fixed assets		120	120	13,491,196	13,168,780
Capital investments		130	130	576,821	617,805
Profitable investment in stocks of materials and capital equipment		135	135		
Long-term financial investments		140	140	163,369	163,366
including:					
Investment in subsidiaries			141	77,204	77,204
Investment in associate companies			142	33,092	33,092
Investment in other companies			143	30,047	30,044
other long-term financial investments			144	23,026	23,026
Deferred tax assets		145	145	261,047	299,662
Other non-circulating assets		150	150	736,193	947,764
Total for section I		190	190	15,228,636	15,197,894

II. CURRENT ASSETS					
Stocks		210	210	315,681	355,384
<i>including:</i>					
raw materials, materials and other similar values		211	211	220,214	236,637
expenditures in work-in-process (turnover costs)		213	213	582	66
finished products and goods for resale		214	214	10,953	10,173
shipped goods		215	215		
deferred expenses		216	216	83,932	108,508
other stock and expenses		217	217		
Value added tax on acquired values		220	220	615,000	424,346
Accounts receivable (expected in over 12 months after the reporting date)		230	230	46,601	43,522
<i>including:</i>					
buyers and customers		231	231	6,218	6,202
advances distributed			232	2,123	2,100
other debtors			233	38,260	35,220
Accounts receivable (expected within 12 months after the reporting date)		240	240	1,121,575	1,528,713
<i>including:</i>					
buyers and customers		241	241	971,548	1,349,030
advances distributed			242	62,953	81,206
other debtors			243	87,074	98,477
Short-term financial investments		250	250	6,841	206,528
Monetary funds		260	260	279,988	263,629
Other current assets		270	270	507	1,608
Total for section II		290	290	2,386,193	2,823,730
BALANCE (sum of lines 190 + 290)		300	300	17,614,829	18,021,624

LIABILITIES	Explanations	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	2a	3	4
III. CAPITAL AND RESERVES					
Authorized capital		410	410	937,940	937,940
Added capital		420	420	6,859,040	6,854,918
Capital reserves		430	430	46,897	46,897
Own shares purchased from the shareholders		411	440		
Retained Profit (Uncovered Loss) of Previous Years.		470	460	3,592,779	3,596,625
Retained profit (uncovered loss) of the period under report		470	470	X	680,525
Total for section III		490	490	11,436,656	12,116,905
IV. LONG-TERM LIABILITIES					
Credits and loans		510	510	830,764	907,193
<i>including:</i>					
credits			511		
loans			512	830,764	907,193
Deferred tax liabilities		515	515	400,511	431,530
Other long-term liabilities		520	520	1,093,761	964,707
Total for section IV		590	590	2,325,036	2,303,430
V. SHORT-TERM LIABILITIES					
Credits and loans		610	610	963,764	892,112
<i>including:</i>					
credits			611		
loans			612	963,764	892,112
Accounts payable		620	620	2,469,900	2,381,089
<i>including:</i>					
suppliers and contractors		621	621	1,496,755	1,103,106
advances received		625	622	275,147	261,080
wage arrears		622	623	60,555	145,406
indebtedness to state out-of-the-budget funds		623	624	26,627	82,070
debt in respect of taxes and fees		624	625	253,041	355,585
other creditors		625	626	357,775	433,842
Indebtedness to participants (founders) on income payment		630	630	15,981	15,520
Deferred income		640	640	30,895	38,559
Reserves for forthcoming costs		650	650	372,597	274,009
Other short-term liabilities		660	660		
Total for section V		690	690	3,853,137	3,601,289
BALANCE (sum of lines 490 + 590 + 690)		700	700	17,614,829	18,021,624

Availability statement of valuables recorded on off-balance accounts

Index	Explanations	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	2a	3	4
Leased fixed assets		910	901	877,310	874,792
including those under leasing		911	911	313,535	312,065
Inventories accepted for custody		920	902	12,833	12,838
Goods accepted for commission		930	903	2,654	3,000
Insolvent debtors' indebtedness written-off to loss		940	904	670,707	677,097
Received liability and payment collaterals		950	905	23,748	22,348
Received liability and payment collaterals		960	906	1,033,253	984,390
Wear of residential fund		970	907	7,526	6,217
Wear of external improvements and other similar facilities		980	908	2,983	2,783
Funds for payment for communication services			909	15,892	18,929

Statement on the net assets value

Index	Explanations	Index code	Line code	As of the beginning of the period under report	As of the end of the period under report
1	1a	2	2a	3	4
Net assets			1000	11,467,551	12,155,464

PROFIT AND LOSS REPORT

Index	Explanations	Index code	Line code	For the period under report	For the same period of the previous year
1	1a	2	2a	3	4
I. Income from and expenses for normal activities (Net) returns from sale of goods, products, works, services (less the VAT, excise taxes and similar obligatory fees)		010	010	3,344,974	2,774,319
including that from the sales: of communication services			011	3,241,846	2,693,657
Prime cost of sold goods, products, works and services		020	020	(2,513,846)	(2,014,914)
including: of communication services			021	(2,480,495)	(1,975,184)
Profit (loss) from sales (lines 010 - 020)		050	050	831,128	759,405
II. OPERATING INCOME AND EXPENSES					
Interest receivable		060	060	7,039	2,047
Interest payable		070	070	(60,284)	(40,449)
Income from participation in other organizations		080	080	11	124
Other operating income		090	090	406,656	6,984
Other operating expenses		100	100	(289,905)	(179,952)
III. INCOME AND EXPENSES FROM SOURCES OTHER THAN SALES					
Income from sources other than sales		120	120	116,469	42,019
Expenses for purposes other than sales		130	130	(102,316)	(124,022)
Profit (loss) before taxes (lines 050+060-070+080+090-100+120-130)		140	140	908,798	466,156
Expenses for the profit tax (lines -151+/-152+/-153) including:			150	(229,782)	(150,559)
Deferred tax liabilities		142	151	(30,952)	(21,790)
Deferred tax assets		141	152	41,372	6,476
Current profit tax		150	153	(240,202)	(135,245)
Profit (loss) from normal activities (lines 140 - 150)			160	679,016	315,597

IV. Extraordinary income and expenses					
Extraordinary income			170	1,664	
Extraordinary expenses			180	(155)	(260)
Net profit (retained profit (loss) of the period under report) (lines 160 + 170 - 180)		190	190	680,525	315,337
FOR REFERENCE					
Contingent expenses / income for the profit tax			201	(218,474)	(112,103)
Fixed tax liabilities		200	202	(22,973)	(41,667)
Fixed tax assets		200	203	11,665	3,211
Index	Explanations	Index code	Line code	For the period under report	For the same period of the previous year
1	1a	2	2a	3	4
Base profit (loss) per share			301	X	X
Watered profit (loss) per share			302	X	X

* To be filled in the annual accounting report

Explanation of profit and loss items

Index	Index code	Line code	For the period under report		For the same period of the previous year	
			Profit	Loss	Profit	Loss
1	1a	2	3	4	5	6
Fines, penalties and forfeits, which have been acknowledged or for which (arbitration) court awards on recovery have been received		401	3,535	(59)	1,130	(1,099)
Profit (loss) of previous years		402	24,792	(31,355)	5,486	(12,586)
Indemnification for losses inflicted by failure to fulfil or to fulfil duly the obligations		403	647	(82)	2,146	(1,926)
Exchange rates of foreign currency transactions		404	33,235	(3,532)	28,493	(31,632)
Deductions for estimate reserves		405		(13,318)		(96,193)
Writing off accounts receivable and payable		406	585	(3,210)	9	(168)