

APPROVED

Board of Directors of the Open Joint-Stock Company North-West Telecom  
Minutes # \_\_\_\_\_ of \_\_\_\_\_ 2003

Deputy Chairperson of the Board of Directors D.V. Levkovsky  
(signature)

Official seal

**QUARTERLY REPORT**  
**OF THE ISSUER OF ISSUED SECURITIES**  
**for: the 2nd quarter of 2003**

***Open Joint-Stock Company North-West Telecom***  
***Issuer's code 00119-A***

***Place of business: St. Petersburg, Russia***

***Mailing address: 14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg,  
191186***

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

General Manager A.A. Sysoyev \_\_\_\_\_  
(signature)

Chief Accountant A.V. Dvoretiskikh \_\_\_\_\_  
(signature)

Official seal

Contact person: ***Vladislav Yuryevich Smyslov***  
***Shareholders and Securities Department Manager***  
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## A. Data on the Issuer

### 9. Full official name of the Issuer company

*Open Joint-Stock Company North-West Telecom*  
*OJSC North-West Telecom*

### 10. Abbreviated name

*OJSC North-West Telecom*  
*OJSC N. W. Telecom*

### 11. Data on changes in the name and organizational and legal form of the Issuer

*Petersburg Telephone Network Open Joint-Stock Company*  
*OJSC PTN*

Introduced on: *16.05.1996*

*Petersburg Telephone Network Public-Type Company*  
*OTJSC PTN*

Introduced on: *6.05.1993*

Current name introduced on: *10.12.2001*

### 12. Data on Issuer's state registration and licenses

Date of the Issuer's state registration: *6.05.1993*

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*

Licenses:

Number: *19132*

Date of issue: *27.08.2001*

Period: *till 27.08.2006*

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

Areas of activities: *Videoconferencing services (with Addendum # 1) in the territory of the Republic of Karelia, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts and Saint Petersburg*

Number: *17591*

Date of issue: *3.04.2001*

Period: *till 03.04.2006*

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*

Number: *22791*

Date of issue: *11.07.2002*

Period: *till 11.07.2007*

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**

Number: **22792**

Date of issue: **11.07.2002**

Period: **till 11.07.2007**

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**

Number: **23224**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

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**

Number: **23225**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

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**

Number: **23226**

Date of issue: **14.11.2002**

Period: **till 14.11.2007**

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**

Number: **23227**

Date of issue: **4.10.2002**

Period: **till 4.10.2012**

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**

Number: **24074**

Date of issue: **14.11.2002**

Period: **till 01.02.2006**

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**

Number: **24658**

Date of issue: **14.11.2002**

Period: **till 30.12.2007**

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**

Number: **3166**

Date of issue: **24.01.1997**

Period: **till 01.07.2006**

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**

Number: **D 341184**

Date of issue: **25.07.2002**

Period: **till 25.07.2007**

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

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

Number: **D 341156**

Date of issue: **25.07.2002**

Period: **till 25.07.2007**

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

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

Number: **PI #2-6254**

Date of issue: **15.11.2002**

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**

Number: **12972**

Date of issue: **8.10.1999**

Period: **till 8.10.2004**

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)***

Number: ***12842***

Date of issue: ***9.09.1999***

Period: ***till 9.09.2004***

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.***

Number: ***14799***

Date of issue: ***21.04.2000***

Period: ***till 21.04.2005***

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***

Number: ***14838***

Date of issue: ***21.04.2000***

Period: ***till 21.04.2005***

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)***

Number: ***15664***

Date of issue: ***21.04.2000***

Period: ***till 21.04.2005***

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***

### **13. Tax-payer's identification number**

***7808020593***

### **14. Branch to which the Issuer belongs**

OKONKh (All-Russia Classifier of National Economy Branches) codes:  
***52300/72200***

### **15. Place of business, mailing address and contact telephone Nos. of the Issuer**

Place of business: ***St. Petersburg, Russia***

Mailing address: ***14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186***

Tel: ***(812) 315-47-06*** Fax: ***(812) 110-62-77***

e-mail: ***office@nwtelecom.ru***

#### 16. Data on Issuer's auditor

Name: **Ernst and Jang Vneshaudit Private Joint-Stock Company**  
Place of business: **3 Konnogvardeiskiy bulvar, St. Petersburg, 190000**  
TIN: **7717025097**  
Mailing address: **3 Konnogvardeiskiy bulvar, St. Petersburg, 190000**  
Tel: **(812) 325-8100** Fax: **(812) 3258101**  
e-mail: **none**

Data on Auditor's license:  
No. of license: **E003246**  
Date of issue: **17.01.2003**  
Period: **till 17.01.2008**  
Authority issuing the license: **Ministry of Finance of the Russian Federation**

#### 17. Data on organizations registering titles to Issuer's securities

Registrar:  
Name: **Registrar-Svyaz Private Company**  
Place of business: **Russia, Moscow**  
Mailing address: **15A, ul. Kalanchevskaya, POB 45, Moscow, 107078**  
Tel: **(812) 975-3605** Fax: **(095) 975-3605**  
e-mail: **regsw@asvt.ru**

License:  
No. of license: **10-000-1-00258**  
Date of issue: **1.10.2002**  
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: **18.07.2002**

Depository providing centralized care of issuer's securities:  
Name: **National Depository Centre Nonprofit Partnership**  
Place of business: **12 ul. Zhitnaya, Moscow, Russia**  
Mailing address: **1/13 Sredniy Kislovskiy per., Moscow, Russia, 103009**  
Tel: **(095) 956-2790, (095) 956-2791** Fax: **(095) 956-2792**  
e-mail: **none**

License:  
No. of license: **177-03437-000010**  
Date of issue: **4.12.2000**  
Period: **not determined**  
Authority issuing the license: **Federal Commission for Securities Market**

Date of the operation beginning: **10.04.2002**

## 18. Issuer's depository

*No depository*

## 19. Issuer's participants

Total number of shareholders(participants) **32 038**

Shareholders (participants) holding at least 5 per cent of the Issuer's authorized capital:

19.1. 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***

Share in the Issuer's authorized capital: **39.89 %**

Shareholders (participants) holding at least 25 per cent of the authorized capital of the Issuer's shareholder (participant):

19.1.1. 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**

19.1.2. Name: ***Ministry of Privity of RF***

Place of business: ***9 Nikolsky per., Moscow, 103685***

Mailing address: ***9 Nikolsky per., Moscow, 103685***

Share in the authorized capital of the Issuer's shareholder (participant): **50 % + 1 share**

19.1.3. Name: ***Russian Fund of Federal Property***

Place of business: ***9 Leninsky pr-t, Moscow, 117049***

Mailing address: ***9 Leninsky pr-t, Moscow, 117049***

Share in the authorized capital of the Issuer's shareholder (participant): **25% -2 shares**

19.2. Name: ***Brunswick UBS Warburg Nominees Private Company***

Place of business: ***52, emb. Kosmodamyanskaya, building 4, Moscow, 115054***

Mailing address: ***2/2 Paveletskaya square, Moscow, 115054***

Share in the Issuer's authorized capital: **13.17 % (nominal holder)**

Shareholders (participants) holding at least 25 per cent of the authorized capital of the Issuer's shareholder (participant):

19.2.1. 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 %**

19.3. Name: ***Depository Clearing Company - Private Company***

Place of business: ***13, ul. 1st Tverskaya-Yamskaya, Moscow, 125047, Russia***

Mailing address: ***14/2 Staraya Basmannaya ul., building 4, Moscow, 103064, Russia***

Share in the Issuer's authorized capital: **8.79 % (nominal holder)**

Shareholders (participants) holding at least 25 per cent of the authorized capital of the Issuer's shareholder (participant):

***no such parties***

19.4. Name: ***ZAO ING-Bank (Eurasia) Private Joint-Stock Company***

Place of business: **31 ul. Krasnaya Presnya, Moscow, Russia**

Mailing address: **31 ul. Krasnaya Presnya, Moscow, 123022**

Share in the Issuer's authorized capital: **7.16 % (nominal holder)**

Shareholders (participants) holding at least 25 per cent of the authorized capital of the Issuer's shareholder (participant):

**no such parties**

19.5. Name: **Lindsell Enterprises Limited**

Place of business: **2-4 Arch Makarios III Avenue Capital Center, 9th floor 1505, Nicosia Cyprus**

Mailing address: **17-23, ul. Taganskaya, korp. C 6th floor, Moscow, 109104 NCH ADVISORS INC. for Lindsell Enterprises Ltd**

Share in the Issuer's authorized capital: **7.07 %**

Shareholders (participants) holding at least 25 per cent of the authorized capital of the Issuer's shareholder (participant):

**no such parties**

## **20. Issuer's management bodies structure**

***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 (Supervisory Board) according to its Articles of Association (incorporation documents):

**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 (incorporation documents):

**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.**

## 21. Members of Issuer's Board of Directors (Supervisory Board).

Board of Directors

Chairperson: *Valery Nikolayevich Yashin*

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*

Area of business: *local telephone communication services*

Position: *General Manager*

Period: *1994 - 1999*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*

Area of business: *communication services*

Position: *Chairperson of the Management Board*

Period: *1994 – till now*

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

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: *1999 – till now*

Organization: *Investment Communication Company - Open Joint-Stock Company*

Area of business: *Communication*

Position: *General Manager*

Period: *2000 – till now*

Organization: *Investment Communication Company - Open Joint-Stock Company*

Area of business: *communication*

Position: *Chairperson of the Management Board*

Period: *2001 – till now*

Organization: *Mobitel Private Company*

Area of business: *Design, construction and operation of digital telecommunication facilities*

Position: *member of the Board of Directors*

Period: *2001 – till now*

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

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Rostelecom Open Joint-Stock Company*

Area of business: *communication services*

Position: *Chairperson of the Board of Directors*

Period: **2001 – till now**

Organization: **TsentrTelecom Open Joint-Stock Company**

Area of business: **communication services**

Position: **Chairperson of the Board of Directors**

Period: **2001 - 2002**

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

Area of business: **information services, production and replication of information products**

Position: **Chairperson of the Board of Directors**

Period: **2001 – till now**

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

Area of business: **communication services**

Position: **Chairperson of the Board of Directors**

Period: **2001 - 2002**

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

Area of business: **communication services**

Position: **Chairperson of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **implementing investment programmes and projects in the field of international and domestic communication facilities; organization of scientific and applied scientific research in the field of communication facilities.**

Position: **Chairperson of the Board of Directors**

Period: **2001 – till now**

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

Area of business: **Non-governmental pension security**

Position: **Chairperson of the Fund Council**

Period: **2002 – till now**

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

Area of business: **communication services**

Position: **Chairperson of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **Non-governmental pension security**

Position: **Chairperson of the Fund Council**

Period: **2002 – till now**

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

Area of business: **telecommunication services**

Position: **Chairperson of the Board of Directors**

Period: **2003 – till now**

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

Area of business: *facilitating Foundation members*

Position: *member of the Management Board*

Period: *2003 – till now*

Organization: *St. Petersburg Payphones Private Company*

Area of business: *payphone communication services*

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *0.172%*

Shares in the Issuer's subsidiaries/affiliates:

*no shares*

Remuneration paid for the quarter under report:

*This information is confidential*

*Aleksandr Vyacheslavovich Ikonnikov*

Year of birth: *1971*

Posts for the recent 5 years:

Period: *1997 - 1999*

Organization: *Ministry of Fuel and Power Engineering of the Russian Federation*

Area of business: *government service*

Position: *Head of the Department for foreign economic relations*

Period: *1999 - 2000*

Organization: *National Association of stock market members*

Area of business: *protection of investors' interests; ensuring the conditions for professional activities of stock market participants*

Position: *Deputy Chairperson of Executive Council*

Period: *2002 – till now*

Organization: *Association of Independent Directors*

Area of business: *representation of interests of participants*

Position: *Chairperson of the Management Board*

Period: *2002 – till now*

Organization: *Association for Investors' Rights Protection*

Area of business: *representation of interests of participants*

Position: *Director*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company - Central Telecommunication Company*

Area of business: *telecommunication services*

Position: *member of the Board of Directors*

Period: *2003 – till now*

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

Area of business: *communication services*

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Vadim Yevgenyevich Belov**

Year of birth: **1958**

Posts for the recent 5 years:

Period: **1997 - 1998**

Organization: **Joint-Stock Commercial Bank "International Financial Corporation"**

Area of business: **investment services**

Position: **Deputy Chairperson of the Management Board**

Period: **1998 - 1999**

Organization: **SPK Capital Limited**

Area of business: **investment services**

Position: **Managing Director of the Moscow Representative office**

Period: **1999 – till now**

Organization: **Investment Communication Company - Open Joint-Stock Company**

Area of business: **communication**

Position: **Deputy General Manager**

Period: **1999 - 2002**

Organization: **Volgogradelectrosvyaz Public Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2000 – till now**

Organization: **Investment Communication Company - Open Joint-Stock Company**

Area of business: **communication**

Position: **member of the Management Board**

Period: **2001 - 2002**

Organization: **Sibirtelecom Public Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

Organization: **Open Joint-Stock Company Svyazinform of Chelyabinsk Oblast**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2002 – till now**

Organization: **Open Joint-Stock Company "South Telecommunication Company"**



Area of business: *communication services*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *Rostelecom Open Joint-Stock Company*

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Uralsvyazinform Public Company*

Area of business: *communication services*

Position: *Chairperson of the Board of Directors*

Period: *2002 - 2002*

Organization: *Public Company Uraltelecom of Sverdlovsk Oblast*

Area of business: *communication services*

Position: *Chairperson of the Board of Directors*

Period: *2002 - 2002*

Organization: *Public Company Electrosvyaz of Rostov Oblast*

Area of business: *communication services*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *TsentrTelecom Open Joint-Stock Company*

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: *2002 - 2003*

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

Area of business: *banking services*

Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Tsentralny Telegraf Public Company*

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *RTK-Invest Private Company*

Area of business: *financial services*

Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

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

Area of business: *communication services*

Position: *member of the Board of Directors*

Period: **2002 – till now**

Organization: **RTK-Leasing Private Company**

Area of business: **leasing services**

Position: **Member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **research**

Position: **Chairperson of the Board of Directors**

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

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

Ivan Ivanovich Rodionov

Year of birth: **1953**

Posts for the recent 5 years:

Period: **1997 – till now**

Organization: **Brunswick Capital Management Investment Fund**

Area of business: **investment services**

Position: **Director of Analytical Department**

Period: **2001 - 2002**

Organization: **Artelecom Public Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Public Company Electrosvyaz of the Republic of Karelia.**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **communication services**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Sergey Vladimirovich Soldatenkov**

Year of birth: **1963**

Posts for the recent 5 years:

Period: **1994 - 1998**

Organization: **Delta Telecom Private Company**

Area of business: **cellular communication services**

Position: **General Manager**

Period: **1998 - 1999**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **implementing investment programmes and projects in the field of international and domestic communication facilities; organization of scientific and applied scientific research in the field of communication facilities.**

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**

Area of business: **local telephone communication services**

Position: **First Deputy General Manager – Commercial Manager**

Period: **2000 - 2002**

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

Area of business: **communication services**

Position: **Chairperson of the Management Board**

Period: **2000 - 2002**

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

Area of business: **communication services**

Position: **General Manager**

Period: **2001 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Megafon Open Joint-Stock Company**

Area of business: **cellular mobile communication services in the GSM-900/1800 federal standard**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **implementing investment programmes and projects in the field of international**

**and domestic communication facilities; organization of scientific and applied scientific research in the field of communication facilities.**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Delta Telecom Private Company**

Area of business: **cellular communication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **North-West Telecombank Private Company**

Area of business: **banking services**

Position: **member of the Supervisory Board**

Period: **2002 – till now**

Organization: **Sonik Duo Private Company**

Area of business: **cellular communication services**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Megafon Open Joint-Stock Company**

Area of business: **cellular mobile communication services in the GSM-900/1800 federal standard**

Position: **Chairperson of the Management Board**

Period: **2003 – till now**

Organization: **Megafon Open Joint-Stock Company**

Area of business: **cellular mobile communication services in the GSM-900/1800 federal standard**

Position: **General Manager**

Share in the Issuer's authorized capital: **0.0024%**

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

**Dmitry Vladimirovich Levkovsky**

Year of birth: **1965**

Posts for the recent 5 years:

Period: **1995 – till now**

Organization: **NCH Advisors, Inc**

Area of business: **Consulting services**

Position: **Vice-President**

Period: **2000 – till now**

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

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Uralsvyazinform Public Company**  
Area of business: **communication services**  
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**

Remuneration paid for the quarter under report:  
**This information is confidential**

**Irina Mikhailovna Ragozina**

Year of birth: **1950**

Posts for the recent 5 years:  
Period: **1996 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **1997 - 1999**  
Organization: **Investment Communication Company - Open Joint-Stock Company**  
Area of business: **communication**  
Position: **Shareholding Management Service Manager**

Period: **1999 – till now**  
Organization: **Investment Communication Company - Open Joint-Stock Company**  
Area of business: **communication**  
Position: **Corporate Management Department Director**

Period: **2001 – till now**  
Organization: **Moscow City Telephone Network Open Joint-Stock Company**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **2001 - 2002**  
Organization: **Open Joint-Stock Company Electrosvyaz of Kurgan Oblast**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **2001 - 2002**  
Organization: **Kamchatsvyazinform Open Joint-Stock Company**  
Area of business: **communication services**  
Position: **Chairperson of the Board of Directors**

Period: **2001 - 2002**  
Organization: **Open Joint-Stock Company Svyazinform of Chelyabinsk Oblast**

Area of business: **communication services**

Position: **Chairperson of the Board of Directors**

Period: **2002 – till now**

Organization: **Rostelecom Open Joint-Stock Company**

Area of business: **communication services**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Yury Alexandrovich Bilibin**

Year of birth: **1971**

Posts for the recent 5 years:

Period: **1997 - 1998**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **local telephone communication services**

Position: **Manager of the Department for Relations with Subsidiaries**

Period: **1998 - 1999**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **local telephone communication services**

Position: **Manager of the Long-Term Investment and Securities Department**

Period: **1999 - 2000**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **local telephone communication services**

Position: **Deputy Commercial Manager**

Period: **2000 – till now**

Organization: **Investment Communication Company - Open Joint-Stock Company**

Area of business: **communication**

Position: **Assistant General Manager**

Period: **2000 – till now**

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

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Medexpress Private Insurance Company**

Area of business: **insurance**

Position: **member of the Supervisory Board**

Period: **2001 – till now**

Organization: **North-West Telecombank Private Company**

Area of business: **banking services**

Position: **member of the Supervisory Board**

Period: **2001 – till now**

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

Area of business: **telecommunication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

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

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Open Joint-Stock Company Svyazinform of Samara Oblast**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Uralsvyazinform Public Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Magadansvyazinform Open Joint-Stock Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Murmanelectrosvyaz Open Joint-Stock Company**

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **Open Joint-Stock Company The St. Petersburg Bank of Reconstruction and Development**

Area of business: **banking services**

Position: **Chairperson of the Board of Directors**

Period: **2001 - 2002**

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

Area of business: **communication services**

Position: **member of the Board of Directors**

Period: **2001 – till now**

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

Area of business: **banking services**  
Position: **member of the Board of Directors**

Period: **2001 – till now**  
Organization: **Rostelecom-Garantiya Non-Governmental Pension Fund**  
Area of business: **Non-governmental pension security**  
Position: **Fund member**

Period: **2002 – till now**  
Organization: **RTK-Leasing Private Company**  
Area of business: **Financial lease (leasing)**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **RTK-Invest Private Company**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **Private company "Interfax-Telecom Informational agency "**  
Area of business: **informational service**  
Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Svyazinvest-Media Open Joint-Stock Company**  
Area of business: **information services, production and replication of information products**  
Position: **Chairperson of the Board of Directors**

Period: **2002 – till now**  
Organization: **Mobitel Private Company**  
Area of business: **telecommunication services**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **Lensvyaz Open Joint-Stock Company**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **2002 - 2002**  
Organization: **Public Company Electrosvyaz of Kaliningrad Oblast**  
Area of business: **communication services**  
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**

Remuneration paid for the quarter under report:  
**This information is confidential**



**Alexandr Alexandrovich Gogol**

Year of birth: **1946**

Posts for the recent 5 years:

Period: **1998 – till now**

Organization: **Prof. M.A. Bonch-Bruyevich Saint Petersburg State University of Telecommunication**

Area of business: **education**

Position: **Rector**

Period: **2000 – till now**

Organization: **St. Petersburg Telecommunication Centre - Private Company**

Area of business: **communication specialists training**

Position: **Member of the Board of Directors**

Period: **2003 – till now**

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

Area of business: **communication services**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Alexandr Abramovich Sysoyev**

Year of birth: **1949**

Posts for the recent 5 years:

Period: **1995 - 1998**

Organization: **Open Joint-Stock Company Saint Petersburg Telegraph**

Area of business: **documentary telecommunication**

Position: **Chairperson of the Management Board**

Period: **1995 - 1998**

Organization: **Open Joint-Stock Company Saint Petersburg Telegraph**

Area of business: **documentary telecommunication**

Position: **General Manager**

Period: **1998 - 2002**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **communication services**

Position: **General Manager**

Period: **1998 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **1998 - 2002**  
Organization: **Lensvyaz Open Joint-Stock Company**  
Area of business: **communication services**  
Position: **Chairperson of the Management Board**

Period: **2002 – till now**  
Organization: **Telecominvest Open Joint-Stock Company**  
Area of business: **implementing investment programmes and projects in the field of international and domestic communication facilities; organization of scientific and applied scientific research in the field of communication facilities.**  
Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Area of business: **communication services**  
Position: **Chairperson of the Management Board**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Area of business: **communication services**  
Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Area of business: **communication services**  
Position: **General Manager**

Period: **2002 – till now**  
Organization: **Delta Telecom Private Company**  
Area of business: **cellular communication services**  
Position: **member of the Board of Directors**

Period: **2003 – till now**  
Organization: **St. Petersburg Telecommunication Centre - Private Company**  
Area of business: **communication specialists training**  
Position: **member of the Board of Directors**

Period: **2003 – till now**  
Organization: **Neva Kabel Private Company**  
Area of business: **production of telephone cable**  
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **0.0376%**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

Remuneration paid for the quarter under report:

***This information is confidential***

***Oleg Anatolyevich Lebedinets***

Year of birth: ***1977***

Posts for the recent 5 years:

Period: ***1999 - 2000***

Organization: ***Wood & Company - Investment company***

Area of business: ***investment services***

Position: ***Financial analyst***

Period: ***2000 - 2000***

Organization: ***Alfa Capital Investment bank***

Area of business: ***banking services***

Position: ***Deputy Director of the Research Department***

Period: ***2000 – till now***

Organization: ***Brunswick Asset Management***

Area of business: ***investment***

Position: ***Director of the Investment fund Analytical department***

Period: ***2002 - 2003***

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

Area of business: ***communication services***

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***

Remuneration paid for the quarter under report:

***This information is confidential***

## 22. Issuer's sole and collegiate management bodies, and managing Issuer's officials

Issuer's sole executive body, and members of the collegiate executive body:

**Igor Nikolayevich Samylin**

Year of birth: **1957**

Posts for the recent 5 years:

Period: **1997 - 1998**

Organization: **Neda Private Company**

Area of business: **participation in management bodies**

Position: **General Manager**

Period: **1998 - 1999**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **Vyborgsky Telephone Centre Manager**

Period: **1999 - 2000**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **customer relations**

Position: **Customers Department Manager - Customers Manager**

Period: **2000 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **2000 - 2002**

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

Area of business: **commercial activities**

Position: **First Deputy General Manager - Commercial manager, head of the Petersburg Telephone Network branch**

Period: **2001 – till now**

Organization: **Petersburg Transit Telecom Public Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Production Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Murmanelectrosvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2003**

Organization: **St. Petersburg Telecommunication Centre - Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **"St. Petersburg Informational Company" Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Public Company Electrosvyaz of Kaliningrad Oblast**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **PeterStar Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

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

Area of business: **commercial activities, participation in management bodies**

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**

Area of business: **participation in management bodies**

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**

Area of business: **participation in management bodies**

Position: **regional manager of the Petersburg Telephone Network branch**

Period: **2002 – till now**

Organization: **Giprosvyaz SPb Public Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 – till now**

Organization: **TCI Telesense Private Company**

Area of business: **participation in management bodies**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Nikolay Gennadyevich Bredkov**

Year of birth: **1953**

Posts for the recent 5 years:

Period: **1996 - 1999**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **Economics and Finance**

Position: **Deputy General Manager in charge of Economics and Finance**

Period: **1999 - 2000**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **Economics and Finance**

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: **Public Company Electrosvyaz of the Republic of Karelia.**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2000 - 2002**

Organization: **Artelecom Public Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Public Company Electrosvyaz of Vologda Oblast**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **Cherepovetsectrosvyaz Public Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

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

Area of business: **structural reorganization**

Position: **Manager in charge of structural reorganization**

Period: **2002 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **2002 – till now**

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

Area of business: **Corporate Management**

Position: **Deputy General Manager in charge of corporate management**

Period: **2003 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **WestBaltTelecom Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Vologda Cellular Communication Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **0.00633%**

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

**Maya Mikhaylovna Semchenko**

Year of birth: **1967**

Posts for the recent 5 years:

Period: **1995 - 2000**

Organization: **Delta Telecom Private Company**

Area of business: **accounting, finance**

Position: **Chief Accountant, Financial Manager**

Period: **2000 - 2002**

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

Area of business: **accounting**

Position: **Chief Accountant, Accounting Board Manager**

Period: **2000 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **2001 - 2003**

Organization: **Open Joint-Stock Company The St. Petersburg Bank of Reconstruction and Development**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **accounting**

Position: **Chief Accountant**

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

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

**Vladimir Alexandrovich Akulich**

Year of birth: **1956**

Posts for the recent 5 years:

Period: **1992 - 1998**

Organization: **PeterStar Private Company**

Area of business: **participation in management bodies**

Position: **General Manager**

Period: **1998 - 2000**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **construction**

Position: **Construction Manager**

Period: **2000 - 2000**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **Deputy General Manager**

Period: **2000 - 2002**

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

Area of business: **long-distance and international communication**

Position: **Long-Distance International Communication Manager – Manager of the Long-Distance International Telephone branch**



Period: **2000 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **2001 - 2002**

Organization: **Novgorodtelecom Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

Organization: **St. Petersburg International Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 - 2002**

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

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **technical policy**

Position: **Deputy General Manager - Manager in charge of strategic development and technical policy**

Period: **2002 – till now**

Organization: **Giprosvyaz SPb Public Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

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

Area of business: **technical policy**

Position: **Deputy General Manager in charge of strategic development and technical policy - Head of GMMTTU (City Long-Distance and International Telegraph and Telephone Centre) of the Petersburg Telephone Network branch**

Period: **2003 – till now**

Organization: **Kaliningrad Mobile Networks Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Vologda Cellular Communication Private Company**

Area of business: **participation in management bodies**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Vladimir Nikolayevich Vorozheykin**

Year of birth: **1949**

Posts for the recent 5 years:

Period: **1997 - 1999**

Organization: **The Federal Service of Russia for Regulation of Natural Monopolies in the Field of Transport**

Area of business: **government service**

Position: **Manager of the Federal Service of Russia for Regulation of Natural Monopolies in the Field of Transport for the North-West**

Period: **1999 - 2002**

Organization: **The Territorial Board for St. Petersburg and Leningrad Oblast of the Ministry of RF for Antimonopoly Policy and Support of Business**

Area of business: **government service**

Position: **Deputy Manager of the Territorial Board**

Period: **2002 – till now**

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

Area of business: **Personnel management**

Position: **Manager in charge of personnel**

Period: **2002 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **2002 - 2002**

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

Area of business: **Personnel management**

Position: **Personnel management Department Director**

Period: **2003 – till now**

Organization: **St. Petersburg Telecommunication Centre - Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Vologda Cellular Communication Private Company**

Area of business: **participation in management bodies**

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**

Remuneration paid for the quarter under report:

**This information is confidential**

**Alexandr Abramovich Sysoyev**

Year of birth: **1949**

Posts for the recent 5 years:

Period: **1995 - 1998**

Organization: **Open Joint-Stock Company Saint Petersburg Telegraph**

Area of business: **participation in management bodies**

Position: **Chairperson of the Management Board**

Period: **1995 - 1998**

Organization: **Open Joint-Stock Company Saint Petersburg Telegraph**

Area of business: **participation in management bodies**

Position: **General Manager**

Period: **1998 - 2002**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **General Manager**

Period: **1998 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **1998 - 2002**

Organization: **Lensvyaz Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **Chairperson of the Management Board**

Period: **2002 – till now**

Organization: **Telecominvest Open Joint-Stock Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2002 – till now**

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

Area of business: **participation in management bodies**

Position: **General Manager**

Period: **2002 – till now**

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

Area of business: **participation in management bodies**

Position: **Chairperson of the Management Board**

Period: **2002 – till now**

Organization: **Delta Telecom Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **St. Petersburg Telecommunication Centre - Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Period: **2003 – till now**

Organization: **Neva Kabel Private Company**

Area of business: **participation in management bodies**

Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **0.0376%**

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

**Grigory Borisovich Chernyak**

Year of birth: **1949**

Posts for the recent 5 years:

Period: **1994 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

Period: **1994 - 2001**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Area of business: **administration**

Position: **General Issues Manager**

Period: **2001 – till now**

Organization: ***U Krasnogo Mosta Private Company***  
Area of business: ***participation in management bodies***  
Position: ***member of the Board of Directors***

Period: ***2001 – till now***

Organization: ***Medexpress Private Insurance Company***  
Area of business: ***participation in management bodies***  
Position: ***member of the Supervisory Board***

Period: ***2001 - 2002***

Organization: ***Zenith Football Club Private Company***  
Area of business: ***participation in management bodies***  
Position: ***member of the Board of Directors***

Period: ***2002 – till now***

Organization: ***Lensvyaz Open Joint-Stock Company***  
Area of business: ***participation in management bodies***  
Position: ***member of the Management Board***

Period: ***2002 – till now***

Organization: ***Open Joint-Stock Company North-West Telecom***  
Area of business: ***property management***  
Position: ***Deputy General Manager - manager in charge of property management***

Period: ***2002 - 2002***

Organization: ***Open Joint-Stock Company North-West Telecom***  
Area of business: ***administration***  
Position: ***Deputy General manager in charge of common issues***

Share in the Issuer's authorized capital: ***0.04%***

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

Remuneration paid for the quarter under report:  
***This information is confidential***

***Alexey Vladimirovich Shalagin***

Year of birth: ***1958***

Posts for the recent 5 years:

Period: ***1997 - 2001***

Organization: ***Public Joint-Stock Company Industry and Construction Bank***  
Area of business: ***participation in management bodies***  
Position: ***Deputy head of the Board***

Period: ***2001 - 2002***

Organization: ***Public Joint-Stock Company Industry and Construction Bank***  
Area of business: ***participation in management bodies***  
Position: ***Deputy branch manager***

Period: **2002 – till now**

Organization: **OJSC North-West Telecom**

Area of business: **Economics and Finance**

Position: **Deputy General Manager- Director in charge of Economics and Finance**

Period: **2003 – till now**

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

Area of business: **participation in management bodies**

Position: **member of the Management Board**

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

Shares in the Issuer's subsidiaries/affiliates:

**no shares**

Remuneration paid for the quarter under report:

**This information is confidential**

Person acting as the sole executive body of the Issuer: **Alexandr Abramovich Sysoyev**

### **23. Remuneration paid to the members of the Board of Directors (Supervisory Board) and to other Issuer's officials**

Aggregate amount of remuneration paid to all persons listed in clauses 21 and 22 for the period under report:

Wages (roubles): **2 978 356**

Bonuses (roubles): **1 032 000**

Commission (roubles): **0**

Other property compensations (roubles) **0**

Total (roubles): **4 010 356**

**See also clauses 21 and 22**

### **24. Data on corporations, in which the Issuer is a participant**

Corporations, in which the Issuer holds at least 5 per cent of the authorized capital:

Name: **Pagetelecom Limited Liability Company**

Place of business: **6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627**

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

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

Name: **Tsentrum Limited Liability Company**

Place of business: **22, ul. Antikainena, Petrozavodsk, 185000**

Mailing address: **22, ul. Antikainena, Petrozavodsk, 185000**

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

Name: **AMT Limited Liability Company**

Place of business: **3-5 ul. B. Morskaya, St. Petersburg 191186**

Mailing address: **k.201, d.14, Sinopskaya nab., St. Petersburg 193167**

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

Name: ***Polycomp Limited Liability Company***  
Place of business: ***20 ul. B. Morskaya, St. Petersburg, 191186***  
Mailing address: ***20 ul. B. Morskaya, St. Petersburg, 191186***  
Issuer's share in the authorized capital of the corporation: ***90 %***

Name: ***Arkhangelsk City Telephone Network Limited Liability Company***  
Place of business: ***4, pr. Priorova, Arkhangelsk, 163071***  
Mailing address: ***4, pr. Priorova, Arkhangelsk, 163071***  
Issuer's share in the authorized capital of the corporation: ***77 %***

Name: ***Vologda Cellular Communication Private 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 %***

Name: ***St. Petersburg Telecommunication Centre - Private Company***  
Place of business: ***24, pr. Bolshevikov pr., St. Petersburg***  
Mailing address: ***30/32, 3-liniya, Vasilyevsky Ostrov, St. Petersburg, 199053***  
Issuer's share in the authorized capital of the corporation: ***54.38 %***

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: ***52 %***

Name: ***Novgorod Datacom Limited Liability Company***  
Place of business: ***22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod 173003***  
Mailing address: ***22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod 173003***  
Issuer's share in the authorized capital of the corporation: ***52 %***

Name: ***Kolatelecom Open Joint-Stock Company***  
Place of business: ***43, pr. Lenina, Murmansk, 183709***  
Mailing address: ***43, pr. Lenina, Murmansk, 183709***  
Issuer's share in the authorized capital of the corporation: ***50 %***

Name: ***NEVA KABEL Private Company***  
Place of business: ***8 proyezd, 9 kvartal, Promzona Parnas, St. Petersburg, 194292***  
Mailing address: ***8 proyezd, 9 kvartal, Promzona Parnas, St. Petersburg, 194292***  
Issuer's share in the authorized capital of the corporation: ***48.97 %***

Name: ***Delta Telecom Private Company***  
Place of business: ***22 ul. B. Morskaya, St. Petersburg, Russia, 191186***  
Mailing address: ***22 ul. B. Morskaya, St. Petersburg, Russia, 191186***  
Issuer's share in the authorized capital of the corporation: ***43.12 %***

Name: ***Commercial Television and Radio Private 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 %**

Name: **Medexpress Private Insurance Company**

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

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

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

Name: **Kaliningrad Mobile Networks Private Company**

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

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016**

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

Name: **WestBaltTelecom Private Company**

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

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016**

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

Name: **Octagon Technologies Private Company**

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

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

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

Name: **Tele-Nord Public 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 %**

Name: **Dancell Private Type 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 %**

Name: **non-bank crediting organization Northern Clearing Chamber – a private 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: **19.97 %**

Name: **Telecominvest Open Joint-Stock Company**

Place of business: **24, ul. B. Morskaya, St. Petersburg, 191186**

Mailing address: **54, Nevsky pr., St. Petersburg, 191186**

Issuer's share in the authorized capital of the corporation: **15 %**

Name: **North-West Telecombank Private 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 %**

Name: **FORE Private 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 %**

Name: **Rostelegraph Private 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: **11.84 %**

Name: **VISA Private 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 %**

Name: **Kit Private Type 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 %**

Name: **TD - Telecom Private Company**

Place of business: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Mailing address: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Issuer's share in the authorized capital of the corporation: **6.7 %**

**25. Participation shares of all corporations, in which the Issuer holds over 5 per cent of the authorized capital, as well as of their officials in the Issuer's authorized capital.**

25.1. 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: **0.37 %**

Officials:

25.1.1. **Oleg Alexandrovich Kurennoy**

Duties of the official: **Sole executive body**

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

25.2. Name: **Pagetelecom Limited Liability Company**

Place of business: **6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627**

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

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

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

Officials:

25.2.1. **Vladimir Vasilyevich Nikandrov**

Duties of the official: **Sole executive body**

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

25.3. Name: **Tsentrum Limited Liability Company**

Place of business: **22, ul. Antikainena, Petrozavodsk, 185000**

Mailing address: **22, ul. Antikainena, Petrozavodsk, 185000**

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

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

Officials:

25.3.1. **Raisa Stepanovna Fomina**

Duties of the official: **Sole executive body**

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

25.4. Name: **Polycomp Limited Liability Company**

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

Mailing address: **20 ul. B. Morskaya, St. Petersburg, Russia, 191186**

Issuer's share in the authorized capital of the corporation: **90 %**

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

Officials:

25.4.1. **Alla Antonovna Sergeyeva**

Duties of the official: **Sole executive body**

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

25.5. Name: **Arkhangelsk City Telephone Network Limited Liability Company**

Place of business: **4, proyezd Priorova, Arkhangelsk, 163071**

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:

25.5.1. **Sergey Arkadyevich Surovtsev**

Duties of the official: **Sole executive body**

Share of the party in the Issuer's authorized capital: **0.019 %**

25.6. Name: **Vologda Cellular Communication Private 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: **0.0013 %**

Officials:

25.6.1. **Nikolay Gennadyevich Bredkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.00633 %**

25.6.2. **Vladimir Nikolayevich Vorozheykin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.6.3. **Vladimir Alexandrovich Akulich**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.6.4. **Georgiy Viktorovich Sviridov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.6.5. **Alexandr Mikhaylovich Tukachinsky**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.6.6. **Evgeniy Alexandrovich Vasilchenko**

Duties of the official: **Sole executive body**

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

25.7. Name: **St. Petersburg Telecommunication Centre - Private Company**

Place of business: **193168 St. Petersburg, pr. 24 pr. Bolshevikov**

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:

25.7.1. **Alexandr Alexandrovich Gogol**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.7.2. **Vitaliy Ivanovich Danilov**

Duties of the official: **member of the collegiate executive body**

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

25.7.3. **Nina Ignatyevna Kalinina**

Duties of the official: **member of the collegiate executive body**

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

25.7.4. **Vitaliy Ivanovich Danilov**

Duties of the official: **Sole executive body**

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

25.7.5. **Alexandr Abramovich Sysoyev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0376 %**

25.7.6. **Vladimir Nikolayevich Vorozheykin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.7.7. **Gennadiy Ivanovich Solovskiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.7.8. **Yuri Borisovich Orlov**

Duties of the official: **member of the collegiate executive body**

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

25.7.9. **Marina Andreyevna Afonina**

Duties of the official: **member of the collegiate executive body**

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

25.7.10. **Vitaliy Ivanovich Danilov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.8. Name: **Novgorod Datacom Limited Liability Company**

Place of business: **22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod 173003**

Mailing address: **22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod 173003**

Issuer's share in the authorized capital of the corporation: **52 %**

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

Officials:

25.8.1. **Sergey Fyodorovich Makarov**

Duties of the official: **Sole executive body**

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

25.9. 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: **52 %**

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**

25.10. Name: **Kolatelecom Open Joint-Stock Company**

Place of business: **43, pr. Lenina, Murmansk, 183709**

Mailing address: **43, pr. Lenina, Murmansk, 183709**

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

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

Officials:

25.10.1. **Vyacheslav Anatolyevich Zaring**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.10.2. **Alexandr Alexeyevich Khlyzov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.10.3. **Tatyana Viktorovna Rusinova**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.10.4. **Alexandr Alexeyevich Khlyzov**

Duties of the official: **Sole executive body**

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

25.11. Name: **NEVA KABEL Private Company**

Place of business: **8 proyezd, 9 kvartal, Promzona Parnas, St. Petersburg, 194292**

Mailing address: **8 proyezd, 9 kvartal, Promzona Parnas, St. Petersburg, 194292**

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:

25.11.1. **Yury Lvovich Matveyev**

Duties of the official: **Sole executive body**

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

25.11.2. **Stefan Vidomski**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.11.3. **Timo Puhakka**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.11.4. **Toivo Erik Victor Lindfors**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.11.5. **Alexandr Abramovich Sysoyev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0376 %**

25.11.6. **Yuriy Konstantinovich Rudov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.12. Name: **Delta Telecom Private Company**

Place of business: **22 ul. B. Morskaya, St. Petersburg, 191186**

Mailing address: **22 ul. B. Morskaya, St. Petersburg, 191186**

Issuer's share in the authorized capital of the corporation: **43.12 %**

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

Officials:

25.12.1. **Victor Ivanovich Ustyuzhanin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.12.2. **Sergey Vladimirovich Soldatenkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0024 %**

25.12.3. **Victor Ivanovich Ustyuzhanin**

Duties of the official: **Sole executive body**

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

25.12.4. **Alexandr Abramovich Sysoyev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0376 %**

25.12.5. **Timur Mairbekovich Khusainov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.12.6. **Maxim Yurievich Gorokhov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.12.7. **Sergey Yuryevich Medvedkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.12.8. **Viktor Mikhaylovich Leonchikov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.13. Name: **Commercial Television and Radio Private 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**

25.14. Name: **Medexpress Private Type Insurance Company**

Place of business: **2, ul. Malaya Konyushennaya, Saint 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:

25.14.1. **Nataliya Yuryevna Shumilova**

Duties of the official: **member of the collegiate executive body**

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

25.14.2. **Vladimir Grigoryevich Kaufman**

Duties of the official: **member of the collegiate executive body**

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

25.14.3. **Grigory Borisovich Chernyak**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.04 %**

25.14.4. **Frieder Booble**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.14.5. **Yury Alexandrovich Bilibin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.14.6. **Gerhard Jurka**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.14.7. **Lidiya Tomovna Beryozka**

Duties of the official: **member of the collegiate executive body**

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

25.14.8. **Sergey Vladimirovich Zazimko**

Duties of the official: **member of the collegiate executive body**

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

25.14.9. **Nataliya Yuryevna Shumilova**

Duties of the official: **Sole executive body**

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

25.15. Name: **Kaliningrad Mobile Networks Private Company**

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

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016**

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:

25.15.1. **Samoil Davidovich Moldavskiy**

Duties of the official: **member of the collegiate executive body**

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

25.15.2. **Oleg Khavshabovich Avdysh**

Duties of the official: **Sole executive body**

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

25.15.3. **Mikhail Valentinovich Krasilnikov**

Duties of the official: **member of the collegiate executive body**

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

25.15.4. **Nataliya Stepanovna Shkoruta**

Duties of the official: **member of the collegiate executive body**

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

25.15.5. **Oleg Khavshabovich Avdysh**

Duties of the official: **member of the collegiate executive body**

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

25.15.6. **Oleg Khavshabovich Avdysh**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.15.7. **Marina Borisovna Nabieva**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.15.8. **Vladimir Alexandrovich Akulich**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.16. Name: **WestBaltTelecom Private Company**

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

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016**

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

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

Officials:

25.16.1. **Nikolay Gennadyevich Bredkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.00633 %**

25.16.2. **Pyotr Valeryevich Mikhaylevskiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.16.3. **Samoil Davidovich Moldavskiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.16.4. **Olga Yakovlevna Blynskaya**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.16.5. **Jacob Gerd**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.16.6. **Samoil Davidovich Moldavskiy**

Duties of the official: **Sole executive body**

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

25.17. Name: **Octagon Technologies Private Company**

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

Mailing address: **pom. 12-H, d. 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**

25.18. Name: **Tele-Nord Public 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:

25.18.1. **Sergey Alexandrovich Nekrasov**



Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.007 %**

25.18.2. **Evgeniy Alexandrovich Kondratkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.18.3. **Sergey Evgenyevich Uzkiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.18.4. **Sergey Evgenyevich Uzkiy**

Duties of the official: **Sole executive body**

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

25.19. Name: **Dancell Private Type 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**

25.20. Name: **non-bank crediting organization Northern Clearing Chamber – a private 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: **19.97 %**

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

Officials:

25.20.1. **Vladimir Ivanovich Belokaminskiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.081 %**

25.20.2. **Alexandr Nikolayevich Preminin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.3. **Alexandr Ivanovich Gladkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.4. **Alexandr Anatolyevich Kalinin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.5. **Vladimir Alexandrovich Kolomentsev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.6. **Vladimir Anatolyevich Strezhnev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.7. **Vitaliy Lvovich Chebotov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.20.8. **Alexandr Nikolayevich Preminin**

Duties of the official: **Sole executive body**

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

25.21. Name: **Telecominvest Open Joint-Stock Company**

Place of business: **24, ul. B. Morskaya, St. Petersburg, 191186**

Mailing address: **54, Nevsky pr., St. Petersburg, 191186**

Issuer's share in the authorized capital of the corporation: **15 %**

Share of the party in the Issuer's authorized capital: **0.007 %**

Officials:

25.21.1. **Valery Nikolayevich Yashin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.172 %**

25.21.2. **Vladimir Alexandrovich Akulich**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.3. **Sergey Vladimirovich Soldatenkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0024 %**

25.21.4. **Alexandr Abramovich Sysoyev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.023 %**

25.21.5. **Peter Schuhardt**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.6. **Annika Christianson**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.7. **Alexandr Nikolayevich Volkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.8. **Igor Nikolayevich Samylin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.9. **Alexandr Alexeyevich Malygayev**

Duties of the official: **member of the collegiate executive body**

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

25.21.10. **Michael Bemke**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.11. **Eloholma Aimo**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.21.12. **Maxim Yurievich Gorokhov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

**Maxim Yurievich Gorokhov**

Duties of the official: **member of the collegiate executive body**

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

25.21.14. **Maxim Yurievich Gorokhov**

Duties of the official: **Sole executive body**

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

25.21.15. **Alexandr Anatolyevich Barunin**

Duties of the official: **member of the collegiate executive body**

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

25.22. Name: **North-West Telecombank Private 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: **0.04 %**

Officials:

25.22.1. **Yury Alexandrovich Bilibin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.2. **Irina Vladimirovna Golovchenko**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.3. **Sergey Vladimirovich Soldatenkov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.0024 %**

25.22.4. **Vitaly Gennadyevich Savelyev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.5. **Yury Igorevich Novikov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.6. **Vera Konstantinovna Losina**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.7. **Galina Sergeyevna Beloglazova**

Duties of the official: **member of the collegiate executive body**

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

25.22.8. **Alexey Vitalyevich Boriskin**

Duties of the official: **member of the collegiate executive body**

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

25.22.9. **Vladimir Vasilyevich Pinchuk**

Duties of the official: **member of the collegiate executive body**

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

25.22.10. **Alexandr Petrovich Chaikin**

Duties of the official: **member of the collegiate executive body**

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

25.22.11. **Maxim Yurievich Gorokhov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.22.12. **Yury Igorevich Novikov**

Duties of the official: **member of the collegiate executive body**

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

25.22.13. **Yury Igorevich Novikov**

Duties of the official: **Sole executive body**

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

25.22.14. **Olga Dmitriyevna Volodina**

Duties of the official: **member of the collegiate executive body**

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

25.22.15. **Alexey Evgenyevich Gorigledzhan**

Duties of the official: **member of the collegiate executive body**

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

25.22.16. **Dmitry Anatolyevich Sergeyev**

Duties of the official: **member of the collegiate executive body**

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

25.23. Name: **FORE Private 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:

25.23.1. **Mikhail Izralyevich Fux**

Duties of the official: **Sole executive body**

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

25.23.2. **Natalya Mikhailovna Puzyryova**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.23.3. **Alexandr Alexandrovich Klyushkin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.23.4. **Mikhail Izralyevich Fux**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.24. Name: **VISA Private 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:

25.24.1. **Viktor Ivanovich Rozov**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.24.2. **Nikolay Valeryevich Sivach**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.24.3. **Alexandr Viktorovich Rozov**

Duties of the official: **Sole executive body**

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

25.24.4. **Gleb Sergeyeovich Nikitin**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.25. Name: **Rostelegraph Private 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: **7.84 %**

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

Officials:

25.25.1. ***Vaagn Artavazdovich Martirosyan***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.2. ***Alik Iosifovich Sazer***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.3. ***Valery Alexandrovich Romanov***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.4. ***Alla Yefimovna Frid***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

Share of the party in the Issuer's authorized capital: **0.005 %**

25.25.5. ***Victor Ivanovich Prilipko***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.6. ***Pavel Alexandrovich Ryazantsev***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.7. ***Konstantin Vladimirovich Pirl***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.8. ***Vladimir Yakovlevich Putilov***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.9. ***Leonty Alexandrovich Yakovlev***

Duties of the official: ***member of the Board of Directors (Supervisory Board)***

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

25.25.10. ***Victor Ivanovich Prilipko***

Duties of the official: ***Sole executive body***

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

25.26. Name: ***Kit Private Type 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**

25.27. Name: **TD - Telecom Private Company**

Place of business: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Mailing address: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Issuer's share in the authorized capital of the corporation: **6.7 %**

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

Officials:

25.27.1. **Vladimir Ivanovich Belokaminskiy**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.081 %**

25.27.2. **Sergey Arkadyevich Surovtsev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.019 %**

25.27.3. **Nina Ivanovna Bakina**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.27.4. **Nikolay Mikhaylovich Vanichev**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

Share of the party in the Issuer's authorized capital: **0.00005 %**

25.27.5. **Nataliya Sergeyevna Sinkova**

Duties of the official: **member of the Board of Directors (Supervisory Board)**

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

25.27.6. **Nataliya Sergeyevna Sinkova**

Duties of the official: **Sole executive body**

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

## 26. Other affiliated parties of the Issuer

26.1. Name: **Dagestan Public Company for Communication and Informatics**  
Place of business: **1, pr-t Lenina, Makhachkala, the Republic of Dagestan, 367012**  
Mailing address: **1, pr-t Lenina, Makhachkala, the Republic of Dagestan, 367012**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.2. Name: **Mobile Telecommunications Private Company**  
Place of business: **55, ul. Plyushchikha, building 2, Moscow, 119121**  
Mailing address: **22, ul. Marxistskaya, building 2, Moscow, 109147**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.3. Name: **RusLeasingSvyaz Private Company**  
Place of business: **6, 2nd Spasonalivkovsky per., Moscow, GSP V-49, 119991**  
Mailing address: **6, 2nd Spasonalivkovsky per., Moscow, 117909**  
Issuer's share in the authorized capital of the corporation: **3.65 %**  
Share of the party in the Issuer's authorized capital: **no share**

26.4. Name: **Startcom Private Company**  
Place of business: **6, 2nd Spasonalivkovsky per., GSP-1, Moscow, 119991**  
Mailing address: **26, ul. Zoologicheskaya, building 2, Moscow, 123242**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.5. Name: **Volgatelecom Open Joint-Stock Company**  
Place of business: **The House of Communication, pl. Maxima Gorkogo, Nizhny Novgorod, 603000**  
Mailing address: **The House of Communication, pl. Maxima Gorkogo, Nizhny Novgorod, 603000**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.6. Name: **Giprosvyaz Public Company**  
Place of business: **11, ul. 3rd Khoroshevskaya, Moscow, 123298**  
Mailing address: **11, ul. 3rd Khoroshevskaya, Moscow, 123298**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.7. Name: **Far-East Company of Electric Communication - Public Company**  
Place of business: **57, ul. Svetlanskaya, Vladivostok, 690600**  
Mailing address: **57, ul. Svetlanskaya, Vladivostok, 690600**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.8. Name: **Lensvyaz Open Joint-Stock Company**  
Place of business: **61, ul. B. Morskaya, St. Petersburg, Russia, 190000**  
Mailing address: **61, ul. B. Morskaya, St. Petersburg, Russia, 190000**  
Issuer's share in the authorized capital of the corporation: **no share**



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

26.9. Name: ***Sibirtelecom Public Company***

Place of business: ***5, ul. Lenina, Novosibirsk, 630099***

Mailing address: ***5, ul. Lenina, Novosibirsk, 630099***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.10. Name: ***Uralsvyazinform Public Company***

Place of business: ***68, ul. Lenina, Perm, 614096***

Mailing address: ***68, ul. Lenina, Perm, 614096***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.11. Name: ***Open Joint-Stock Company - Central Telecommunication Company***

Place of business: ***23, ul. Proletarskaya, Khimki, Moscow Oblast, 141400***

Mailing address: ***6, Degtyarny pereulok, building 2, Moscow, GSP, 103604***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.12. Name: ***Tsentralny Telegraf Public 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: *no share*

Share of the party in the Issuer's authorized capital: *0.0011 %*

26.13. Name: ***Open Joint-Stock Company - Southern Telecommunication Company***

Place of business: ***66, ul. Karasunskaya, Krasnodar, 350000***

Mailing address: ***66, ul. Karasunskaya, Krasnodar, 350000***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.14. Name: ***Public Company for long-distance electric communication Rostelecom***

Place of business: ***5, ul. Delegatskaya, Moscow, 103091***

Mailing address: ***5, ul. Delegatskaya, Moscow, 103091***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.15. Name: ***Kostroma City Telephone Network Public Company***

Place of business: ***6, ul. Gagarina, Kostroma, 156023***

Mailing address: ***6, ul. Gagarina, Kostroma, 156023***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.16. Name: ***Moscow City Telephone Network Open Joint-Stock Company***

Place of business: ***6/2 Degtyarny per., Moscow, 103804***

Mailing address: ***6/2 Degtyarny per., Moscow, 103804***

Issuer's share in the authorized capital of the corporation: *no share*

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

26.17. Name: **Public Company Svyaz of the Republic of Komi.**  
Place of business: **60, ul Lenina, Syktyvkar, the Republic of Komi, Russia**  
Mailing address: **60, ul Lenina, Syktyvkar, the Republic of Komi, Russia, GSP-1, 167981**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

26.18. Name: **FK-Svyaz Private Company**  
Place of business: **14 Volgogradsky pr-t, Moscow, 109316**  
Mailing address: **3, ul. Malaya Semenovskaya, block 1, Moscow, 105023**  
Issuer's share in the authorized capital of the corporation: **no share**  
Share of the party in the Issuer's authorized capital: **no share**

**27. Share of Issuer's participation in the authorized capital of affiliated corporations**

*See clauses 24, 25, 26*

**28. Share of Issuer's affiliated parties', their promoters' and officials' participation in the authorized capital of the Issuer**

*See clauses 24, 25, 26*

**27. Share of Issuer's participation in the authorized capital of affiliated corporations**

*See clauses 24, 25, 26*

**28. Share of Issuer's affiliated parties', their promoters' and officials' participation in the authorized capital of the Issuer**

*See clauses 24, 25, 26*

**29. Parties having 5 and more per cent of votes in the supreme management body of the Issuer**

Name: **Investment Communication Company - Open Joint-Stock Company**

Share: **50.84 %**

Name: **Brunswick UBS Warburg Nominees Private Company**

Share: **14.31 %**

Name: **Depository Clearing Company - Private Company**

Share: **7.75 %**

Name: **Lindsell Enterprises Limited**

Share: **6.72 %**

Name: **ZAO ING-Bank (Eurasia) Private Joint-Stock Company**

Share: **5.6 %**

**30. 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 the 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- Facilitating the provision of the needed volume of the needed volume 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 by ten communication operators from eight regions of Russia – Novgorodtelecom, Artelecom, Murmansktelecom, Electrosvyaz of Pskov Oblast, Cherepovetskelectrosvyaz, Electrosvyaz of the Republic of Karelia, Electrosvyaz of Kaliningrad Oblast and Electrosvyaz of Vologda Oblast.**

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**

### **31. Issuer's branches and representative offices**

Name: **Artelecom of Arkhangelsk oblast**

Place of business: **45, Troitsky prospekt, Arkhangelsk, 163061, Russia**

Mailing address: **45, Troitsky prospekt, Arkhangelsk, 163061, Russia**

Manager: **Vladimir Ivanovich Belokaminskiy**

Date of opening: **11.07.2002**

Period of power of attorney: **31.12.2003**

Name: **Murmanelectrosvyaz**

Place of business: **82-a, pr. Lenina, Murmansk, Russia, 183038**

Mailing address: **82-a, pr. Lenina, Murmansk, Russia, 183038**

Manager: **Vitaly Stanislavovich Vitman**

Date of opening: **11.07.2002**

Period of power of attorney: **31.12.2003**

Name: **Novgorodtelecom**

Place of business: **2, ul. Lyudogoshcha, Veliky Novgorod, 173001, Russia**

Mailing address: **2, ul. Lyudogoshcha, Veliky Novgorod, 173001, Russia**

Manager: **Nikolay Pavlovich Emelyanov**

Date of opening: **11.07.2002**

Period of power of attorney: **31.12.2003**

Name: **Petersburg Telephone Network**

Place of business: **24, ul. Bolshaya Morskaya, St. Petersburg, Russia**

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

Manager: **Igor Nikolayevich Samylin**

Date of opening: **18.12.2001**

Period of power of attorney: **31.12.2003**

Name: **Cherepovetsselectrosvyaz**

Place of business: **29, ul. Kommunistov, Cherepovets, Vologda Oblast, 162602, Russia**

Mailing address: **29, ul. Kommunistov, Cherepovets, Vologda Oblast, 162602, Russia**

Manager: **Yury Alexandrovich Pochekin**

Date of opening: **11.07.2002**

Period of power of attorney: **31.12.2003**

Name: **Electrosvyaz of Vologda Oblast**

Place of business: **4, Sovetsky prospekt, Vologda, 160035, Russia**

Mailing address: **4, Sovetsky prospekt, Vologda, 160035, Russia**

Manager: **Alexandr Alexeyevich Kliman**

Date of opening: **11.07.2002**

Period of power of attorney: **31.12.2003**

Name: **Electrosvyaz of Kaliningrad Oblast**

Place of business: **24, ul. Bolnichnaya, Kaliningrad, 236024, Russia**

Mailing address: **24, ul. Bolnichnaya, Kaliningrad, 236024, Russia**

Manager: *Alexandr Vladimirovich Andreyev*

Date of opening: *11.07.2002*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of the Republic of Karelia*

Place of business: *5, ul. Dzerzhinskogo, Petrozavodsk, the Republic of Karelia, 185000, Russia*

Mailing address: *5, ul. Dzerzhinskogo, Petrozavodsk, the Republic of Karelia, 185000, Russia*

Manager: *Sergey Mikhaylovich Gavryushev*

Date of opening: *11.07.2002*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of Pskov oblast*

Place of business: *5, Oktyabrsky pr., Pskov, 180000, Russia*

Mailing address: *5, Oktyabrsky pr., Pskov, 180000, Russia*

Manager: *Nikolay Alexeyevich Shalnev*

Date of opening: *11.07.2002*

Period of power of attorney: *31.12.2003*

### **32. Number of Issuer's employees**

The average number of the Issuer's employees in the period under report, including the personnel of its branches and representative offices: **29 912**

### **33. Description of Issuer's basic areas of operation**

*General Trends in the Issuer's Industry (Communication).*

*During several recent years, the communication industry of Russia has been dynamically and stably developing against the background of the growth of Russian economy.*

*The communication industry of Russia includes operators established on the basis of former state communication enterprises, and new operators founded during the last 10 or 12 years.*

*Russian regional communication operators install and maintain subscriber communication lines, switch and transmit local communication signals and provide access to long-distance and international networks. Copper cables are normally used for signal transmission between subscribers and local exchanges.*

*A typical regional communication operator company organizes the functioning and servicing of the telephone network of a particular region; it provides the services of local telephone communication for subscribers in the region; and provides long-distance and international communication services, using the Rostelecom network.*

*OAO Rostelecom is the principal long-distance and international communication operator in Russia. OAO Rostelecom provides long-distance and international exchange services, ensuring the access of other communication operators to the national network and to international communication channels.*

*OAO Svyazinvest is the holding company uniting the controlling stock of most regional communication operators, and the controlling stock of OAO Rostelecom. At the moment, 75% + 1 share of OAO Svyazinvest belong to the state which is represented by the Ministry of State Property of the Russian Federation.*

### **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 AO PTN's stock.***

***In 1996 OJSC 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 17<sup>th</sup> 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 31<sup>st</sup> October 2002 the following companies providing telecommunication services in the territory of the North-Western Federal District were affiliated with OJSC North-West Telecom:***

***Public Company Artelecom of Arkhangelsk Oblast***

***Murmanelectrosvyaz Public Company***

***Novgorodtelecom Open Joint-Stock Company***

***Public Company Electrosvyaz of Pskov Oblast***

***Cherepovetsectrosvyaz Public Company***

***Public Company Electrosvyaz of Vologda Oblast***

***Public Company Electrosvyaz of Kaliningrad Oblast***

***Public Company Electrosvyaz of the Republic of Karelia.***

***Later the affiliation of Open Joint-Stock Company Svyaz of the Komi Republic and Open Joint-Stock Company Lensvyaz 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 St. Petersburg and 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.*

### **BASIC PRODUCTS (SERVICES)**

*Description of basic products (services) that have produced over 10% of the Issuer's sales (receipts) volume*

*The basic products (services) of OJSC North-West Telecom, that have produced over 10% of the sales, are services of telephone communication for individuals and organizations in the territory of St. Petersburg and in some territories of Leningrad Oblast and since November 2002 - in the territories of the whole North-Western region.*

*The main income of OJSC North-West Telecom from the basic services is formed on the basis of the monthly subscriber fee for the use of the telephone and providing long-distance and international telephone services. The dynamics of income from the basic services and its share in the total volume of sales of OJSC North-West Telecom for the years 2000, 2001 and 2002 are shown below.*

	2000		2001		2002	
	thousand roubles	%	thousand roubles	%	thousand roubles	%
<i>Subscriber fee</i>	1315950	72,7	1417445	40,3	2930427	51,6
<i>Long-distance and international telephone services</i>	-	-	1819461	36,6	2440710	43

*Exported products (services)*

*2000*

*Exported products (services) none*

*2001*

*Exported products (services) none*

*2002*

*Exported products (services) none*

*OJSC North-West Telecom does not deal with export of products (services).*

### **BASIC AREAS OF BUSINESS AND THEIR SHARE IN THE TOTAL VOLUME OF SALES**

*According to the Articles of Association of OJSC North-West Telecom, the basic areas of the Company's business are:*

- 1. Providing services to the authorities and management bodies, as well as to other corporations and individuals in the field of telecommunications.*
- 2. Creating and operating backbone networks, regional (area) and local telecommunication networks, as well as control and signaling facilities.*
- 3. Design, introduction and operation of the telecommunication network for transmission of*

*various kinds of information (voice data transmission, facsimile and cable transmission, other types), as well as organization and operation of the telematic service (Telex, Videotex, Telefax, e-mail) on the basis of digital transmission and switching systems.*

*4. Gas facilities operation.*

*5. Organization of warranty servicing, maintenance and after-sale servicing, as well as repair of various technical facilities, including the most sophisticated ones.*

*6. Design, development and implementation of advanced technologies in various industrial areas.*

*7. Production and sales of components and spare parts for various systems, mechanisms and devices.*

*8. Design, construction, renovation, restoration and operation of production and non-production buildings and facilities, including housing, hotels, camping sites and motels.*

*9. Production of construction materials, parts and equipment, including structures of metal, concrete, wood and other materials.*

*10. Procurement, processing and sale of wood, production of joinery and furniture.*

*11. Design and development of software and dataware for automated systems of various applications.*

*12. Manufacture, processing and sale of animal and vegetable products, including wild species.*

*13. Production and sale of consumer goods.*

*14. Trading, purchasing and commercial agency, including consignment trade.*

*15. Participation in organization of stock exchanges, commodity exchanges and other exchanges, as well as trading houses both in RF and abroad according to the procedures established by the law.*

*16. Dealership and brokerage according to the procedures established by the law.*

*17. Specialists training and further education both in RF and abroad.*

*18. Creating a network of company shops in RF and abroad.*

*19. Providing services in the field of:*

*- tourism, including international and non-traditional tourism;*

*- cargo and passenger carriages by motor road, railway, by water and by other modes of transport;*

*- hotel servicing, including motels and camping sites;*

*- consulting, marketing and engineering;*

*- information activities, including those in the on-line and off-line modes in compliance with the active law;*

*- production of advertising facilities; advertising services.*

*20. Sale and acquisition of patents, inventions and know-hows according to the procedure established by the law.*

*21. Organization of and participation in fairs, auctions and trade exhibitions according to the procedure established by the law.*

*Organization of cultural exchanges without currency payments.*

*Carrying out work related to the use of data considered a state secret and to provision of services to protect a state secret.*

*Basic areas of business and their share in the total volume of sales*

*For the three recent fiscal years, over 10% of receipts from OJSC North-West Telecom's sales were from services in the field of telecommunication, which is the priority area for the Company.*

*Other areas of Company's business, with which it deals in practice, are mainly auxiliary activities helping in one way or another the priority business of telecommunication services.*

<i>Areas of activities:</i>	<i>Shares in the total income, %</i>		
	<i>2000</i>	<i>2001</i>	<i>2002</i>



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<b>Telecommunication services</b>	<b>95,9</b>	<b>93,2</b>	<b>96,6</b>
<b>Other areas of business</b>	<b>4,1</b>	<b>6,8</b>	<b>3,4</b>

**Prevailing areas of business**

**OJSC North-West Telecom's prevailing area of business, which has the priority significance, is the business of telecommunication services provision, including provision of local, long-distance and international telephone communication services in the territory of St. Petersburg and a number of districts of Leningrad Oblast, and since November 2002 - in the whole territory of the North-Western region .**

**SOURCES OF RAW MATERIALS, COMPONENTS AND SERVICES**

**Names of the suppliers, on which over 10% of all inventories supplies fall, their shares in the total volume of supplies**

**Given below are data on the suppliers, on which over 10% of all inventories fall.**

**For the year 2002 the share of imports in all inventory holdings supplies to the Company was 25.99 %.**

**In the 1st quarter of the year 2003 the share of imports in all inventory holdings supplies to the Company was 10.97 %.**

**Availability of the sources of raw materials, components and services in the future.**

**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.**

**ISSUER'S PRODUCTS (JOBS, SERVICES) SALES MARKET**

**Names of the consumers, on the turnover with which over 10% of all receipts from the sale of products (jobs, services) fall, their share in the total volume of supplies**

**The key buyers of the Issuer's products are enterprises of all forms of ownership, and individuals of the North-Western region.**

**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.**

**Given below are data on the consumers, on which over 10% of all receipts from the sale of products, jobs and services fall in the years 2000, 2001 and 2002.**

**2000**

*There are no consumers, on which over 10% of all receipts from the sale of products, jobs and services would fall.*

**2001**

*There are no consumers, on which over 10% of all receipts from the sale of products, jobs and services would fall.*

**2002**

*There are no consumers, on which over 10% of all receipts from the sale of products, jobs and services would fall.*

*Because of the peculiarities of OJSC North-West Telecom's business, which is done on a mass scale, there are no such consumers, on which over 10% of the sales volume would fall.*

*Negative factors that may significantly affect the sale of products, jobs or services by the Issuer*

*Negative factors that may later significantly affect the sale of products, jobs or services provided by OJSC North-West Telecom include:*

- I) reduced general solvency of the St. Petersburg's population;*
- II) deteriorated financial position of enterprises and organizations of St. Petersburg, Which will result in increased accounts receivable of OJSC North-West Telecom's communication services consumers.*

**PRACTICE OF ACTIVITIES IN RESPECT OF RESERVES.**

*The Issuer's policy in respect of reserves is set forth in the Provisions on the Accounting Policy of OJSC North-West Telecom.*

*Inventories (raw materials and goods) are taken for accounting on the basis of the actual expenses for their acquisition or manufacture.*

*Evaluation of retiring inventories (except for precious metals) is carried out according to the average prime cost.*

*Turnover ratio and its calculation methods:*

*The inventories turnover ratio (ITR) reflecting the inventories use rate is calculated as follows:*

$$ITR = \text{line 010 (form 2 of the accounting report)} / ((Ib + Ie)/2)$$

*where Ib is the value of inventories as of the beginning of the period (line 210 (form 1 of the accounting report)),*

*and Ie is the value of inventories as of the end of the period (line 210 (form 1 of the accounting report))*

*To calculate the duration of one cycle of inventories turnover in days, 365 days must be divided by the factor ITR.*

**SEASONAL NATURE OF BUSINESS**

*OJSC North-West Telecom's prevailing area of business, which has the priority significance for*

**gaining income, is the business of local telephone communication services in the territory of St. Petersburg, and since November 2002 - in the whole territory of the North-Western region (see the 'Share of the operating income' section) with tariff income.**

**In compliance with the active Price List of OJSC North-West Telecom, the tariff income has been established and is exacted on a monthly basis, the rate amount being fixed.**

**Thus, the business of OJSC North-West Telecom and its share in the total income are not of seasonal nature.**

## **FUTURE OBLIGATIONS**

### **Issuer's future essential obligations**

**Future essential obligations of OJSC North-West Telecom are related to supplies of up-to-date digital equipment for the continuing upgrading of the St. Petersburg general-use telephone network and the forthcoming transition to time billing of local calls in the form of fulfilling the obligations under the earlier received tied credits from suppliers.**

**Given below are data on the equipment suppliers with whom OJSC North-West Telecom is bound by future obligations.**

<b>Supplier</b>	<b>Type of equipment</b>
<b>Mitsui &amp; Sumitomo &amp; NEC Co. Ltd.</b>	<b>SDH data transmission system</b>
<b>DSC Communications</b>	<b>subscriber access equipment</b>
<b>NOKIA</b>	<b>switching equipment</b>
<b>Lucent Technologies</b>	<b>telecommunication equipment</b>
<b>Elsys</b>	<b>telecommunication equipment</b>
<b>Alcatel</b>	<b>telecommunication equipment</b>

**In compliance with the contracts that have been made and the agreements that have been achieved, obligations of OJSC North-West Telecom to the said suppliers will be fulfilled in the period from 2001 to 2004 inclusive.**

**Negative effect that the said obligations may have on the Issuer**

**The basic problem is related to the risk of rouble's sharp devaluation, as all contracts are denominated in US dollars, and OJSC North-West Telecom receives in fact 100% of its income in roubles, due to which there may arise a situation when there would not be sufficient own funds to fulfil the earlier undertaken obligations.**

## **PRINCIPAL COMPETITORS**

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

### **1. MegaPhone, North-Western branch**

**The company provides services of local, long-distance and international cellular communication in the GSM digital standard, in the frequency band of 900 and 1800 MHz.**

**Territory – Oblasts: Leningrad, Arkhangelsk, Vologda, Murmansk, Novgorod, Kaliningrad and Pskov Oblasts; cities: St. Petersburg; Republics: Karelia.**

**The key clients of the company are residents of St. Petersburg and Leningrad Oblast with medium and high income. There are many corporate clients from all industries among clients**

**of the company.**

**MegaPhone is the leader of the cellular communication market of St. Petersburg, its market share being 57%.**

**Strengths: high quality of provided services, well-developed own network, many corporate clients, a wide range of digital cellular communication services, and unification of North-Western GSM and Megaphone into a single network, due to which the company has significantly expanded its geographic presence in the Russian and foreign markets.**

## **2. Golden Telecom, a branch in St. Petersburg**

**Services: local, long-distance and international telephone communication, dial-up and dedicated access (SDSL) to the Internet, ISDN network services (telephony, video conference communication, Internet), Frame Relay (Internet, data transmission), co-location, web-hosting (registration of domains and placement of web-servers).**

**Territory – Oblasts: Moscow, Leningrad, Pskov and Kaliningrad Oblasts; cities: St. Petersburg, Moscow.**

**The company is mainly aimed at the corporate and mass market, small- and medium-size companies, and it is from the business sector that gains the bulk of its income.**

**The company owns 19% of the Russian Internet services and data transmission market, having 140 points of presence in Russia at its disposal.**

**Strengths: high quality and wide range of provided services; introduction of new services; a flexible rate policy; merger with bigger communication operator companies. The company has united with the Sovintel company.**

**At the moment, the company has over 100 employees.**

**General financial indices for the year 2002:**

**- (net) receipts from sales: \$199 MIO;**

**- sales profit before depreciation (EBITDA): \$61 MIO.**

**It is expected that in 2003 the receipts will grow by 60% to \$318 MIO, while EBITDA will grow by 89% to \$116 MIO. Later, Golden Telecom will be growing by 8-9% per year.**

## **3. Equant/Global One, the St. Petersburg Representative Office**

**Services: local, long-distance and international telephone communication (including CONTACT card and Global Calling Card), dial-up and dedicated access to the Internet, services of X.25, Frame Relay, ATM, ISDN, data and message transmission, corporate networks, end-to-end solutions, video conferences, unification of local networks, solutions of IP-telephony for operators (including those using telephone cards), access to electronic auctions, the Reuters dealing systems, the interbank payment system SWIFT, to international systems of electronic payments and money transfer, web-hosting, web-design;**

**Territory: national network. The company has representative offices in 14 major Russian regions, over 100 partner organizations deal with distribution in Russia; there is an up-to-date communication network with access from 220 countries, including 300 cities of Russia, CIS and Baltic countries.**

**Strengths: a wide range of services, constant introduction and improvement of new services, provision of comprehensive servicing, a well-developed infrastructure, high quality of services.**

**Weaknesses: the company adheres to a conservative manner of development, there are high prices of services.**

**Structure of income (according to the company's data): local, long-distance and international telephony - 30-40%, dedicated access to the Internet - 25%, data transmission - 5-10%, services to communication operators – 20%. The company owns 19% of the Russian Internet services and data transmission market, having 300 points of presence in Russia at its disposal.**

**The most profitable for the company are communication operators, transport (mainly, sea transport), industrial enterprises and commercial banks. The company mainly specializes in the construction of corporate data transmission networks and aims at end-to-end solutions.**

**There are about 30 employees in St. Petersburg (about 600 in Moscow and in Russia on the whole).**

## **4. PeterStar**

**Services:** local, long-distance and international telephone communication (including that by telephone cards), organization of dial-up and dedicated high-speed digital data transmission channels, wireless access to the telephone network, data transmission services using the ATM, ISDN and Frame Relay technologies, as well as wideband access, Long Reach Ethernet, DSL, dial-up and dedicated access to the Internet, corporate networks construction, video conference communication, office telephone exchanges with installation on a turnkey basis and complete maintenance, connection to external trading and information systems, the 777 operator services for clients.

**Territory:** national network.

**Strengths:** high quality and wide range of provided telecommunication services, constant design and introduction of new services.

**Weaknesses:** high rates for the services, payment for outbound calls.

The main source of the company's income is the business sector (up to 95%), the rest being the population (up to 5%). The company occupies 27.4% of the business telephony market; 7% of the mass Internet access market; and 39.4% of the data transmission market (according to the results of the year 2001).

About 400 employees work for the company.

#### **5. MTS (Telecom XXI)**

The company provides services of local, long-distance and international cellular communication in the GSM digital standard, in the frequency band of 900 and 1800 MHz.

**Territory – Oblasts:** Leningrad, Arkhangelsk, Vologda, Murmansk, Novgorod, Kaliningrad and Pskov Oblasts; **cities:** St. Petersburg; **Republics:** Karelia.

The key clients of the company are residents of St. Petersburg and Leningrad Oblast with medium and high income. The company has acquired its clients base (more than 500,000 people) due to a powerful advertising campaign and competitive rates.

The share of MTS in the cellular communication market of St. Petersburg as of the end of February 2003 was 36%.

**Strengths:** rate plans for cellular communication services provision, that are new for St. Petersburg; rapid construction of new base stations in Leningrad Oblast, a wide range of telecommunication services, flexibility of rate plans; the services of the company are intended for people with medium and high income, which, in its turn, has significantly increased the number of subscribers with medium income. **Weaknesses:** the network has been built starting from the beginning of the year 2002; and in spite of the rapid development rate, there happen some failures in its operation, which, in its turn, affects the quality of provided services.

There are over 700 employees in St. Petersburg and over 300 in the North-West branches.

#### **6. National Payphone Network**

**Payphone Communication Services.**

**Territory – Republics:** Karelia, Komi, Tatarstan; **Krays:** Krasnodar Kray; **Oblasts:** Arkhangelsk, Volgograd, Vologda, Ivanovo, Kaliningrad, Leningrad, Moscow, Murmansk, Nizhny Novgorod, Novgorod, Pskov, Rostov, Saratov, Sverdlovsk and Ulyanovsk Oblasts; **cities:** St. Petersburg, Moscow.

**Strengths:** development of a single payphone network all over Russia.

**Weaknesses:** at the moment, the level of single payphone network coverage of entire Russia is not very high, people cannot use a TC from a home telephone set.

The bulk of the company's services consumers are the residents of the city. The bulk of the income is gained from the population, and only 10-15% is the income from the business sector.

150 persons work for the company.

#### **7. BCL**

**Services:** local, long-distance and international telephone communication (including that on the basis of own network of payphones), dial-up and dedicated access to the Internet (including that on the basis of Ethernet in business centers), access via dedicated channels in Moscow and in over 30 countries of the world on the conditions of One Stop Shopping, data transmission services (using the Frame Relay and ATM technologies, on the basis of dedicated channels, by the X.25 protocol),

**installation of digital P.A.X. – of the leading producers of telecommunication equipment; Avaya and Nortel - Definity, Meridian or Mercator, web-hosting, colocation, e-mail exchange, services of transit and termination of VoIP traffic, services of leasing dedicated channels.**

**Territory – Republics: Karelia, Komi; Oblasts: Arkhangelsk, Vologda, Leningrad, Murmansk, Novgorod, Pskov and Tver Oblasts; cities: St. Petersburg, Moscow.**

**Strengths: highly skilled personnel and qualified approach aimed at the buyer, a wide dealership network.**

**Weaknesses: a weakly developed infrastructure, closed information on rates for services provided. About 100 employees work for the company.**

#### **8. Petersburg Transit Telecom**

**The company operates in the wholesale market, selling telecommunication resources (line and channel capacity) to big communication operators.**

**Territory: the cities of St. Petersburg and Moscow.**

**Strengths: a well-developed own infrastructure, provision of services to communication operators only, individual solution of rate plans.**

**Weaknesses: small coverage area (Moscow and St. Petersburg only).**

**Main consumers: communication operators (wholesale buyers of communication channels)**

**About 130 persons work for the company.**

#### **9. LANCK-Telecom**

**Services: long-distance and international communication based on the up-to-date method of voice transmission via digital and dedicated channels; data transmission and telematic services; constant connection to the Internet via dial-up and dedicated lines, digital channels in the SDH network and virtual channels in the Frame Relay network using the ISDN technology; HPNA; web-hosting and web-design.**

**Territory: St. Petersburg and Leningrad Oblast.**

**Strengths: the established image of the company.**

**Weaknesses: a weakly developed rate policy, a strong competition with local communication operators and Internet providers, high dependence on services suppliers (lease of channels).**

**The company is getting most of its income (about 60%) from providing services to the population, and the rest of the income comes from the business sector, in which the most profitable are commercial banks and companies operating in the field of trade and public catering.**

**About 50 persons work for the company.**

#### **10. Comin**

**Services: leasing long-distance and international satellite communication channels; provision of services in satellite communication, telecasting and broadcasting; telematic services; connection to the Internet; delivery, deployment and installation of equipment and stations of satellite and radio-relay communication.**

**Territory: national network.**

**Strengths: uniqueness and a wide range of services, high speed of organizing a communication channel with any place in Russia (the capacity of organizing a communication channel with any place in Russia within 3 months), originality of services provided.**

**Weaknesses: the company's activities directly depend on the development of communication operators who, in their turn, are leasing communication channels.**

**The company mainly works only with communication operators, leasing out communication channels to them, the only exception being the provision of telematic services, where the population's share is about 1%.**

**About 100 persons work for the company.**

**Based on the obtained official data of the St. Petersburg Committee of Statistics, the following conclusions may be drawn:**

**1. The bulk of money of the entire communication services market of St. Petersburg falls on North-Western GSM (today it is a part of the Megaphone network), a little more than a third of the market income;**

- 2. The second company by the income gained is OJSC PTN, today OJSC North-West Telecom, almost a fourth of the entire market falling on this company;**
- 3. The third company by the income gained is Sovintel.**

*Actually, OJSC North-West Telecom is the monopolist in the market of telecommunication services provided. The shares of market ownership by certain services reach 100%. i.e. the share of absolute ownership for the segment. In each of the Issuer's branches a weakness in the development of Internet technologies is observed. In fact, all regional branches control about a half of the local market of dial-up access to the Internet. In some areas of the North-Western Federal District, OJSC North-West Telecom owns up to 60% of the market; however, the situation with dedicated access is much worse. One of the basic causes of the current situation is the poor physical state of the communication equipment. To change this position, much investment for renewal of fixed assets is required.*

*Percentages of the Issuer and its competitors (according to the Issuer) for the three completed fiscal years preceding the date of approval of the decision on the issue of Bonds, or for each completed fiscal year from the moment of foundation, if the Issuer has been operating for less than three years:*

## **RISK FACTORS**

*Impact of the situation deterioration in the Issuer's industry on its operation and execution of obligations under the Bonds.*

*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. MTN and MegaPhone have already won significant shares of the market. By the moment, another operator – Biline (OJSC Vympelcom) 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.*

### **Impact of Regional Development on Issuer's Operation**

#### **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.*

*The total income of the communication industry in RF increase by 20-25% annually. In the three years to come, the volume of the Russian market of telecommunications will be increasing by about 15% annually. In 2000 it was about 4.6 billion US dollars (1.8% of the GDP – 250 billion), while in 2001 its share increased to 1.9% (5.4 and 290 billion US dollars respectively). Traditional operators had about 55% of all income of the industry in the year 2001.*

*According to the Ministry of Communication, the total income of the communication industry for the year 2002 in Russia was 270 billion roubles. New and traditional operators provided communication and data transmission services worth of about 270 billion roubles all in all, which is 25% more than in 2001. Telecommunication companies had 47% of the industry's income (about 127.5 billion roubles). The income of the cellular communication subindustry in 2002 was over 37% of the entire income of the communication industry. In 2002, over 50,000 km of cable and radio-relay communication lines, 3 MIO lines of automatic telephone exchanges of fixed city and rural telephone networks, over 12 MIO lines of mobile telephone communication and over 70,000 long-distance and international telephone channels were commissioned. The growth in the number of base telephone sets of the local telephone network was 1.8 MIO units, mainly due to telephone sets installed for the population.*

*In Russia on the average, digitalization of local telephone networks increased from 36.2% in 2001 to 40% in 2002, that of backbone networks from 87.4% to 92%, and the use of fibre-optic transmission systems on backbone networks from 71.5% to 78.0%. The telephone density made*



**25.6 telephone sets for 100 persons on the population against 24.1 in 2001. The number of payphones with the card payment system increased by 13% and was 127.5 thousand pcs. As of 1<sup>st</sup> January 2003, 14602 licenses operated in the industry, including 11894 for telecommunication services, 2515 for telecasting and broadcasting, 187 for mail services and 6 for international information exchange. 1703 certificates for various kinds of communication equipment were issued in 2002.**

#### **Forecast of a possible change of the situation**

**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 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.**

**In 2002 the volume of the telecommunication market of the North-Western region made about 30 billion roubles. 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. The North-Western Federal District holds the third place among Federal Districts of RF by income from communication services for the first half of 2002.**

**Forecast of the influence of situation changes in the region on the Issuer's operation and on performance of the obligations under bonds. 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 under bonds through Company's income from operation, and, if necessary, it will attract short-term loans from commercial banks for that purpose.**

#### **Currency risks.**

***Influence of Currency Exchange Rate Fluctuation on the Issuer's Operation and on Performance of the Obligations under the Bonds***

***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. E.g., the share of foreign suppliers in the structure of the supplies of inventory holdings for the year 2002 is 25.99%.***

***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. As of 1<sup>st</sup> January 2003, the amount of sum differences under contracts with Vnesheconombank was 143 MIO roubles. The amount has not undergone any serious changes later.***

***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 under the Bonds, 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.***

***Description of the influence of inflation.***

***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 2003 – 12% 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.*

#### **34. Investment declaration. Description of Issuer's business**

*To be submitted by investment funds only.*

#### **35. Plans of Issuer's future operation:**

##### *Brief Description of Issuer's Future Operation Plans*

*On 31<sup>st</sup> October 2002 eight earlier independent telecommunication companies were affiliated with OJSC North-West Telecom, and the integration process started, which, until 01.11.02 took place in the situation of independent operation of the affiliated companies in compliance with the Provisions on Budgeting approved by those companies. In October the Company considered plans of future operation and basic parameters of the budget for the year 2003.*

*The united Company has become the major supplier of telecommunication services in the territory of 1.2 MIO sq. m in area with the population of about 12 MIO people, providing services to 3.3 MIO commissioned lines (as of 01.10.02).*

*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's development strategy is aimed at winning the telecommunication services market throughout the North-Western region of Russia.*

#### *Sources of Future Income*

*According to the business plan of OJSC North-West Telecom, the forecasted gross income of the Company in 2003 is at least 11 billion roubles.*

#### *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.*

*The total amount of capital investment aimed at developing the business directly connected with the commissioning of 220,472 lines is 68% of the Investment Plan volume.*

#### *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.**

### **36. Data on Issuer's authorized capital**

The amount of the Issuer's authorized capital is **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 %**

### **37. Data on the share of the state (municipal entity) in the Issuer's authorized capital.**

Share of the Issuer's authorized capital owned by the state (municipality):

Type of ownership: **federal**

Share: **0.00365%**

Manager of the block: **Federal State Unitary Enterprise "All-Russia State Telecasting and Broadcasting Company"**

Type of ownership: **of entities of RF**

Share: **0.00072%**

Manager of the block: **Department of Proprietary Relations of Vologda Oblast**

Type of ownership: **of entities of RF**

Share: **0.000097%**

Manager of the block: **Property Fund of Novgorod oblast**

Issuer's stock holding fixed as state (municipality) property:

**there is no such share**

A special right of participation for the Russian Federation, entities of the Russian Federation or municipal entities in managing the Issuer ('golden share'):

**not applied**

### **38. Data on announced Issuer's shares.**

#### **38.1**

Stock category: **common**

Form of shares: **registered non-documentary**

Full name of the category/type of announced shares: **common registered non-documentary shares**

Face value (roubles) **1**

Number: **36 517**

Total (roubles): **36 517**

Placement conditions: **The placement conditions are not defined in the Articles of Association**

#### **38.2**

Stock category: **preferred**

Stock type: **A**

Form of shares: **registered non-documentary**

Full name of the category/type of announced shares: **preferred registered non-documentary type A shares**

Face value (roubles) **1**

Number: **64 605**

Total (roubles): **64 605**

Placement conditions: **The placement conditions are not defined in the Articles of Association**

**39. Issuer's essential agreements and commitments**

**none**

**40. Issuer's commitments in the field of issuing shares and securities convertible into shares**

**There are no Issuer's commitments in the field of issuing shares and securities convertible into shares.**

#### **41. Data on sanctions applied to the Issuer and on its participation in court proceedings and audits**

##### **Sanctions applied to the Issuer by the state authorities and the court for the three fiscal years preceding the year of the quarter under report, and for the current year:**

Date of sanction: **17.08.2000**

Authority applying the sanction: **St. Petersburg State Tax Inspectorate**

Grounds of applying the sanction: **Failure to comply with the property registration schedule**

Type of sanction: **fine**

Amount of sanction (roubles): **5 000**

Sanction execution progress: **executed**

Date of sanction: **20.11.2000**

Authority applying the sanction: **St. Petersburg State Tax Inspectorate**

Grounds of applying the sanction: **Under extra calculations for the years 1997-2000**

Type of sanction: **penalty**

Amount of sanction (roubles): **4 199 501**

Sanction execution progress: **executed**

Date of sanction: **24.11.2000**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 04-31/1097 on Long-Distance International Telephone Company inspection report. Understatement of the profit tax**

Type of sanction: **arrears**

Amount of sanction (roubles): **5 709 527**

Sanction execution progress: **executed**

Date of sanction: **24.11.2000**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 04-31/1097 on Long-Distance International Telephone Company inspection report. Understatement of the profit tax**

Type of sanction: **arrears**

Amount of sanction (roubles): **3 305 515**

Sanction execution progress: **executed**

Date of sanction: **30.12.2000**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Monchegorsk**

Grounds of applying the sanction: **Failure to submit VAT returns in 2000**

Type of sanction: **Fine on VAT**

Amount of sanction (roubles): **100**

Sanction execution progress: **executed**

Date of sanction: **17.10.2001**

Authority applying the sanction: **The St. Petersburg and Leningrad Oblast Territorial Board of the**

**Ministry of Antimonopoly Policy of RF**

Grounds of applying the sanction: **Violation of clause 4, article 17 of the Law on Competition**

Type of sanction: **fine**

Amount of sanction (roubles): **2 500**

Sanction execution progress: **executed**

Date of sanction: **26.12.2001**

Authority applying the sanction: **The Federal Commission for Securities Market of RF**

Grounds of applying the sanction: **Failure to comply with the schedule of submitting the quarterly report of securities Issuer for the 3rd quarter of 2001**

Type of sanction: **fine**

Amount of sanction (roubles): **12 000**

Sanction execution progress: **executed**

Date of sanction: **29.03.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Petrogradsky District of St. Petersburg**

Grounds of applying the sanction: **Overdue VAT and Sales Tax payment by Petrogradsky Telephone Centre**

Type of sanction: **penalty**

Amount of sanction (roubles): **5 383**

Sanction execution progress: **executed**

Date of sanction: **29.03.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Failure to observe the timing of providing a notice on opening (closing) bank accounts**

Type of sanction: **fine**

Amount of sanction (roubles): **45 000**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Decision No. 27/46 on Long-Distance International Telephone Company inspection report. Understatement of the profit tax**

Type of sanction: **fine**

Amount of sanction (roubles): **15 000**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Decision No. 27/46 on Long-Distance International Telephone Company inspection report. Understatement of the profit tax**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 120**

Sanction execution progress: **executed**



Date of sanction: **22.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Decision No. 27/46 on Long-Distance International Telephone Company inspection report. Understatement of VAT**

Type of sanction: **fine**

Amount of sanction (roubles): **1 257**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Decision No. 27/46 on Long-Distance International Telephone Company inspection report. Understatement of VAT**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 257**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 11-31/438 on inspection report. Understatement of the profit tax**

Type of sanction: **fine**

Amount of sanction (roubles): **614 995**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 11-31/438 on inspection report. Understatement of the profit tax**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 461 811**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 11-31/438 on inspection report. Understatement of VAT**

Type of sanction: **fine**

Amount of sanction (roubles): **491 850**

Sanction execution progress: **executed**

Date of sanction: **22.04.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Decision No. 11-31/438 on inspection report. Understatement of VAT**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 540 933**

Sanction execution progress: **executed**

Date of sanction: **25.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **Decision No 15-18/4189. Failure to comply with the schedule of submitting returns on tax for the maintenance of law-enforcement authorities.**

Type of sanction: **fine**

Amount of sanction (roubles): **800**

Sanction execution progress: **executed**

Date of sanction: **25.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **Decision No 15-18/4189. Failure to comply with the schedule of submitting returns on property tax.**

Type of sanction: **fine**

Amount of sanction (roubles): **31 366**

Sanction execution progress: **executed**

Date of sanction: **25.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **Decision No 15-18/4189. Failure to comply with the schedule of submitting returns on duty for territory cleaning.**

Type of sanction: **fine**

Amount of sanction (roubles): **7 090**

Sanction execution progress: **executed**

Date of sanction: **25.04.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **Decision No 15-18/4189. Failure to comply with the schedule of submitting returns on duty for needs of educational institutions.**

Type of sanction: **fine**

Amount of sanction (roubles): **644**

Sanction execution progress: **executed**

Date of sanction: **30.04.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Failure to observe the timing of providing a notice on opening (closing) bank accounts**

Type of sanction: **fine**

Amount of sanction (roubles): **15 000**

Sanction execution progress: **executed**

Date of sanction: **17.05.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Under property tax recalculation**

Type of sanction: **penalty**

Amount of sanction (roubles): **8 181 734**

Sanction execution progress: **executed**

Date of sanction: **30.06.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kalininsky District of St. Petersburg**

Grounds of applying the sanction: **Road user tax**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 407**

Sanction execution progress: **executed**

Date of sanction: **30.06.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Road user tax of Moskovsky Telephone Centre**

Type of sanction: **penalty**

Amount of sanction (roubles): **6 809**

Sanction execution progress: **executed**

Date of sanction: **30.06.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Tax on income of individuals at Recreation and Disease Prevention Centre**

Type of sanction: **penalty**

Amount of sanction (roubles): **411**

Sanction execution progress: **executed**

Date of sanction: **30.06.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Delay in VAT payment**

Type of sanction: **penalty**

Amount of sanction (roubles): **2 136**

Sanction execution progress: **executed**

Date of sanction: **30.06.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Delay in VAT payment by PTN Company**

Type of sanction: **penalty**

Amount of sanction (roubles): **11 344**

Sanction execution progress: **executed**

Date of sanction: **18.07.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Violation of the antimonopoly legislation**

Type of sanction: **fine**

Amount of sanction (roubles): **10 000**

Sanction execution progress: **executed**

Date of sanction: **25.09.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Priozersk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to comply with the schedule of submitting returns on tax for the maintenance of law-enforcement authorities.**

Type of sanction: **fine**

Amount of sanction (roubles): **100**

Sanction execution progress: **executed**

Date of sanction: **25.09.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Priozersk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to comply with the schedule of submitting returns on duty for territory cleaning**

Type of sanction: **fine**

Amount of sanction (roubles): **100**

Sanction execution progress: **executed**

Date of sanction: **25.09.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Priozersk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to comply with the schedule of submitting returns on property tax.**

Type of sanction: **fine**

Amount of sanction (roubles): **8 295**

Sanction execution progress: **executed**

Date of sanction: **25.09.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Property tax of Recreation and Disease Prevention Centre**

Type of sanction: **fine**

Amount of sanction (roubles): **2 934**

Sanction execution progress: **executed**

Date of sanction: **30.09.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian**

**Federation for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Delay in VAT payment by Nekrasovsky Telephone Centre**

Type of sanction: **penalty**

Amount of sanction (roubles): **12 056**

Sanction execution progress: **executed**

Date of sanction: **31.10.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on militia tax**

Amount of sanction (roubles): **1 624**

Sanction execution progress: **executed**

Date of sanction: **31.10.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Delay of VAT payment under additional calculations**

Type of sanction: **penalty**

Amount of sanction (roubles): **268 283**

Sanction execution progress: **executed**

Date of sanction: **31.10.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **31 927**

Sanction execution progress: **executed**

Date of sanction: **31.10.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Advertising tax under additional calculations**

Type of sanction: **penalty**

Amount of sanction (roubles): **32 512**

Sanction execution progress: **executed**

Date of sanction: **31.10.2002**

Authority applying the sanction: **Interdistrict Inspectorate No. 1 of the Ministry of Taxes and Fees of the Russian Federation for St. Petersburg**

Grounds of applying the sanction: **Roads user tax under additional calculations**

Type of sanction: **penalty**

Amount of sanction (roubles): **63 691**

Sanction execution progress: **executed**

Date of sanction: **1.11.2002**

Authority applying the sanction: **Fund of obligatory medical insurance**

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): **5**

Sanction execution progress: ***executed***

Date of sanction: ***1.11.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk***

Grounds of applying the sanction: ***article 75 of the Tax Code of The Russian Federation. Failure to pay the Single Social Tax in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): **12 767**

Sanction execution progress: ***executed***

Date of sanction: ***1.11.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk***

Grounds of applying the sanction: ***article 75 of the Tax Code of the Russian Federation. Failure to pay for accident insurance in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): **5 194**

Sanction execution progress: ***executed***

Date of sanction: ***1.11.2002***

Authority applying the sanction: ***Branch of Pension fund for Pskov, Gdov***

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): **1 149**

Sanction execution progress: ***executed***

Date of sanction: ***1.11.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk***

Grounds of applying the sanction: ***article 75 of the Tax Code of The Russian Federation. Failure to pay tax for maintenance of housing stock and social and cultural sphere objects in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): **32 007**

Sanction execution progress: ***executed***

Date of sanction: ***1.11.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Pskov, for Opochka***

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***Penalty on property tax***

Amount of sanction (roubles): **71**

Sanction execution progress: **executed**

Date of sanction: **1.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Oepochka**

Grounds of applying the sanction: **Failure to pay in due time and submit tax returns**

Type of sanction: **Fines and penalties on income tax**

Amount of sanction (roubles): **362**

Sanction execution progress: **executed**

Date of sanction: **1.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Pskov**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on tax on environment pollution**

Amount of sanction (roubles): **56**

Sanction execution progress: **executed**

Date of sanction: **1.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Pskov**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on land tax**

Amount of sanction (roubles): **73**

Sanction execution progress: **executed**

Date of sanction: **4.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **7 864**

Sanction execution progress: **executed**

Date of sanction: **12.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Fine**

Type of sanction: **Fine for forest offence**

Amount of sanction (roubles): **50**

Sanction execution progress: **executed**

Date of sanction: **12.11.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on tax on owners of motor vehicles, on property tax**

Amount of sanction (roubles): **2 201**

Sanction execution progress: **executed**

Date of sanction: **12.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**  
Type of sanction: **Penalty on land tax**  
Amount of sanction (roubles): **4 047**  
Sanction execution progress: **executed**

Date of sanction: **12.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**  
Type of sanction: **Penalty on the tax on environment pollution**  
Amount of sanction (roubles): **7 015**  
Sanction execution progress: **executed**

Date of sanction: **12.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **fine**  
Type of sanction: **Fine on the tax on environment pollution**  
Amount of sanction (roubles): **50**  
Sanction execution progress: **executed**

Date of sanction: **12.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**  
Type of sanction: **Penalty on property tax**  
Amount of sanction (roubles): **17 818**  
Sanction execution progress: **executed**

Date of sanction: **12.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**  
Type of sanction: **Penalty on road user tax**  
Amount of sanction (roubles): **76 756**  
Sanction execution progress: **executed**

Date of sanction: **20.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty for the profit tax**  
Amount of sanction (roubles): **520**  
Sanction execution progress: **executed**

Date of sanction: **25.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Belomorsk**  
Grounds of applying the sanction: **Under inspection report to the Employment Fund**



Type of sanction: **penalty**  
Amount of sanction (roubles): **1 687**  
Sanction execution progress: **executed**

Date of sanction: **26.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**  
Type of sanction: **Fine for forest offence**  
Amount of sanction (roubles): **7 414**  
Sanction execution progress: **executed**

Date of sanction: **28.11.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty for the profit tax**  
Amount of sanction (roubles): **27 511**  
Sanction execution progress: **executed**

Date of sanction: **1.12.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Severomorsk**  
Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**  
Amount of sanction (roubles): **176**  
Sanction execution progress: **not executed**

Date of sanction: **1.12.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Olenegorsk**  
Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**  
Amount of sanction (roubles): **1 208**  
Sanction execution progress: **not executed**

Date of sanction: **1.12.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kandalaksha**  
Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty for the profit tax**  
Amount of sanction (roubles): **450**  
Sanction execution progress: **not executed**

Date of sanction: **1.12.2002**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***Penalty on withdrawn taxes***

Amount of sanction (roubles): **3 996**

Sanction execution progress: ***not executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on property tax***

Amount of sanction (roubles): **28 962**

Sanction execution progress: ***executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk***

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***Penalty on VAT***

Amount of sanction (roubles): **28 880**

Sanction execution progress: ***executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on the Single Social Tax***

Amount of sanction (roubles): **6 872**

Sanction execution progress: ***executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Pskov***

Grounds of applying the sanction: ***Return of overcharged payments for the 1st half of 2002 (calculation collation statement)***

Type of sanction: ***Penalty on the profit tax***

Amount of sanction (roubles): **-584**

Sanction execution progress: ***executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Opochka***

Grounds of applying the sanction: ***Failure to pay in due time***

Type of sanction: ***Penalty on land tax***

Amount of sanction (roubles): **3**

Sanction execution progress: ***executed***

Date of sanction: **1.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for OPOCHKA**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **395**

Sanction execution progress: **executed**

Date of sanction: **1.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Velikye Luki, Nevel, Ostrov, Pskov**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **555**

Sanction execution progress: **executed**

Date of sanction: **11.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **1 493**

Sanction execution progress: **executed**

Date of sanction: **11.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **342**

Sanction execution progress: **executed**

Date of sanction: **16.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **4 187**

Sanction execution progress: **executed**

Date of sanction: **17.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kondopoga**

Grounds of applying the sanction: **Inspection report for the income of individuals for the years 1999-2000**

Type of sanction: **fine**

Amount of sanction (roubles): **50**

Sanction execution progress: ***executed***

Date of sanction: ***23.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kondopoga***

Grounds of applying the sanction: ***Delay in payment to the Employment Fund***

Type of sanction: ***fine***

Amount of sanction (roubles): ***5***

Sanction execution progress: ***executed***

Date of sanction: ***23.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on the profit tax***

Amount of sanction (roubles): ***5 425***

Sanction execution progress: ***executed***

Date of sanction: ***25.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on property tax***

Amount of sanction (roubles): ***2 714***

Sanction execution progress: ***executed***

Date of sanction: ***25.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on the profit tax***

Amount of sanction (roubles): ***2 181***

Sanction execution progress: ***executed***

Date of sanction: ***30.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation No.5 for Gvardeysk***

Grounds of applying the sanction: ***Delay in payment***

Type of sanction: ***Penalty on sales tax***

Amount of sanction (roubles): ***290***

Sanction execution progress: ***executed***

Date of sanction: ***30.12.2002***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation No.5 for Gvardeysk***

Grounds of applying the sanction: ***Delay in payment***

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **1 831**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation No.5 for Gvardeysk**

Grounds of applying the sanction: **Delay in payment**

Type of sanction: **Penalty on tax on income of individuals**

Amount of sanction (roubles): **1 399**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation No.5 for Gvardeysk**

Grounds of applying the sanction: **Delay in payment**

Type of sanction: **Penalty on the Single Social Tax**

Amount of sanction (roubles): **85**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation No.5 for Gvardeysk**

Grounds of applying the sanction: **Delay in payment**

Type of sanction: **Penalty on militia tax**

Amount of sanction (roubles): **34**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **24 485**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Olenegorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **692**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Monchegorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **614**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Olenegorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **1 870**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Severomorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **618**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Polyarny**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **56 696**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Monchegorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **29**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the tax on environment pollution**

Amount of sanction (roubles): **4 358**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Olenegorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the tax on environment pollution**

Amount of sanction (roubles): **5 771**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Snezhnogorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **1 655**

Sanction execution progress: **executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Snezhnogorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **4 216**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Severomorsk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **665**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kovdor**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on property tax**

Amount of sanction (roubles): **158**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kovdor**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **571**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kovdor**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on tax on environment pollution**

Amount of sanction (roubles): **5 771**

Sanction execution progress: **not executed**

Date of sanction: **30.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **22 744**

Sanction execution progress: **executed**

Date of sanction: **31.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets**

Grounds of applying the sanction: **Failure to pay tax on land in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **232**

Sanction execution progress: **executed**

Date of sanction: **31.12.2002**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Tax on income of individuals of Motor depot**

Type of sanction: **penalty**

Amount of sanction (roubles): **8 048**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **4 383**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**



Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on militia tax**

Amount of sanction (roubles): **1 902**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **35 716**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Murmansk**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on sales tax**

Amount of sanction (roubles): **3 740**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets**

Grounds of applying the sanction: **Failure to pay road user tax in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **180**

Sanction execution progress: **executed**

Date of sanction: **1.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Nevel**

Grounds of applying the sanction: **Failure to pay in due time**

Type of sanction: **Penalty on income tax**

Amount of sanction (roubles): **74**

Sanction execution progress: **executed**

Date of sanction: **2.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets**

Grounds of applying the sanction: **Failure to pay income tax in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **168**

Sanction execution progress: ***executed***

Date of sanction: **3.01.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on the Single Social Tax***

Amount of sanction (roubles): **622**

Sanction execution progress: ***executed***

Date of sanction: **9.01.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on militia tax***

Amount of sanction (roubles): **4**

Sanction execution progress: ***executed***

Date of sanction: **9.01.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on property tax***

Amount of sanction (roubles): **1 914**

Sanction execution progress: ***executed***

Date of sanction: **9.01.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: ***Overdue payment***

Type of sanction: ***Penalty on land tax***

Amount of sanction (roubles): **272**

Sanction execution progress: ***executed***

Date of sanction: **14.01.2003**

Authority applying the sanction: ***Interdistrict Inspectorate No.1 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast***

Grounds of applying the sanction: ***Failure to comply with the schedule for tax payment***

Type of sanction: ***Penalty on the profit tax (local budget)***

Amount of sanction (roubles): **3 143**

Sanction execution progress: ***executed***

Date of sanction: **14.01.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda***

Grounds of applying the sanction: ***Failure to comply with the schedule for tax payment***

Type of sanction: **Penalty on land tax**

Amount of sanction (roubles): **3 183**

Sanction execution progress: **executed**

Date of sanction: **14.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on single tax on imputed income**

Amount of sanction (roubles): **2**

Sanction execution progress: **executed**

Date of sanction: **17.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Petrozavodsk**

Grounds of applying the sanction: **Delay in payment of the profit tax**

Type of sanction: **penalty**

Amount of sanction (roubles): **26 152**

Sanction execution progress: **executed**

Date of sanction: **20.01.2003**

Authority applying the sanction: **Social Insurance Fund for Pitkyaranta**

Grounds of applying the sanction: **Delay in payment for social insurance**

Type of sanction: **penalty**

Amount of sanction (roubles): **9**

Sanction execution progress: **executed**

Date of sanction: **27.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets**

Grounds of applying the sanction: **Failure to pay income tax in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **40**

Sanction execution progress: **executed**

Date of sanction: **29.01.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry on Taxes and Duties for major tax-payers**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on VAT**

Amount of sanction (roubles): **903**

Sanction execution progress: **executed**

Date of sanction: **29.01.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry on Taxes and Duties for major tax-payers**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on the profit tax (federal budget)**

Amount of sanction (roubles): **9 843**

Sanction execution progress: **executed**

Date of sanction: **29.01.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry on Taxes and Duties for major tax-payers**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Fine on VAT**

Amount of sanction (roubles): **280**

Sanction execution progress: **executed**

Date of sanction: **29.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Petrozavodsk**

Grounds of applying the sanction: **Delay in payment of Single Social Tax (pension insurance part)**

Type of sanction: **penalty**

Amount of sanction (roubles): **421**

Sanction execution progress: **executed**

Date of sanction: **30.01.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry on Taxes and Duties for major tax-payers**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on the profit tax (federal budget)**

Amount of sanction (roubles): **28 935**

Sanction execution progress: **executed**

Date of sanction: **31.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **Duty for maintenance of law-enforcement authorities for Oblast (Regional) Telephone Centre**

Type of sanction: **penalty**

Amount of sanction (roubles): **5**

Sanction execution progress: **executed**

Date of sanction: **31.01.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**

Grounds of applying the sanction: **duty on territory cleaning of Oblast (Regional) Telephone Centre**

Type of sanction: **penalty**  
Amount of sanction (roubles): **12 186**  
Sanction execution progress: **executed**

Date of sanction: **31.01.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**  
Grounds of applying the sanction: **Property tax of Oblast (Regional) Telephone Centre**

Type of sanction: **penalty**  
Amount of sanction (roubles): **47 169**  
Sanction execution progress: **executed**

Date of sanction: **31.01.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets**  
Grounds of applying the sanction: **Failure to pay income tax in due time**

Type of sanction: **penalty**  
Amount of sanction (roubles): **100**  
Sanction execution progress: **executed**

Date of sanction: **31.01.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Gatchina district of Leningrad oblast**  
Grounds of applying the sanction: **Duty for needs of educational institutions of Oblast (Regional) Telephone Centre**

Type of sanction: **penalty**  
Amount of sanction (roubles): **1 122**  
Sanction execution progress: **executed**

Date of sanction: **1.02.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**  
Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure to pay taxes in due time (property tax)**

Type of sanction: **penalty (charged by paper method)**  
Amount of sanction (roubles): **305**  
Sanction execution progress: **executed**

Date of sanction: **1.02.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Pinega district**  
Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure to pay taxes in due time (duty for needs of educational institutions)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **284**

Sanction execution progress: ***executed***

Date of sanction: **1.02.2003**

Authority applying the sanction: ***Interdistrict inspectorate on major tax-payers for Vologda Oblast***

Grounds of applying the sanction: ***Failure to comply with the schedule for tax payment***

Type of sanction: ***Penalty on militia tax***

Amount of sanction (roubles): **59**

Sanction execution progress: ***executed***

Date of sanction: **10.02.2003**

Authority applying the sanction: ***Interdistrict inspectorate No. 9 of the Ministry of Taxes and Fees for Pskov Oblast***

Grounds of applying the sanction: ***Income tax, inspection report of 27.01.2003. Adjustment of charged amount of tax.***

Type of sanction: ***penalty***

Amount of sanction (roubles): **49**

Sanction execution progress: ***executed***

Date of sanction: **10.02.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Velikie Luki***

Grounds of applying the sanction: ***Error in payment order***

Type of sanction: ***penalty***

Amount of sanction (roubles): **21**

Sanction execution progress: ***executed***

Date of sanction: **10.02.2003**

Authority applying the sanction: ***Interdistrict inspectorate No. 9 of the Ministry of Taxes and Fees for Pskov Oblast***

Grounds of applying the sanction: ***Income tax, inspection report of 27.01.2003. Adjustment of charged amount of tax.***

Type of sanction: ***penalty***

Amount of sanction (roubles): **25**

Sanction execution progress: ***executed***

Date of sanction: **10.02.2003**

Authority applying the sanction: ***Interdistrict inspectorate No. 9 of the Ministry of Taxes and Fees for Pskov Oblast***

Grounds of applying the sanction: ***Sales tax, adjusted calculation, July – November, 2002***

Type of sanction: ***penalty***

Amount of sanction (roubles): **377**

Sanction execution progress: ***executed***

Date of sanction: **13.02.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on property tax***

Amount of sanction (roubles): ***41***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on the Single Social Tax***

Amount of sanction (roubles): ***1 577***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on VAT***

Amount of sanction (roubles): ***259***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on income tax of individuals***

Amount of sanction (roubles): ***15 600***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on tax on Housing and Communal services***

Amount of sanction (roubles): ***91***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: ***Penalty on road user tax***

Amount of sanction (roubles): ***16***

Sanction execution progress: ***executed***

Date of sanction: ***13.02.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees***

Grounds of applying the sanction: *according to the inspection report*

Type of sanction: **penalty on advertising tax**

Amount of sanction (roubles): **352**

Sanction execution progress: **executed**

Date of sanction: **13.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **according to the inspection report**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **28 231**

Sanction execution progress: **executed**

Date of sanction: **19.02.2003**

Authority applying the sanction: **Interdistrict inspectorate No. 5 of the Ministry of Taxes and Fees for Pskov Oblast**

Grounds of applying the sanction: **Sales tax, adjusted calculation for December, 2002**

Type of sanction: **penalty**

Amount of sanction (roubles): **158**

Sanction execution progress: **executed**

Date of sanction: **20.02.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.10 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on income tax of individuals**

Amount of sanction (roubles): **95**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on tax on Housing and Communal services**

Amount of sanction (roubles): **4 603**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **penalty in respect of the tax on the use of the Earth's interior**

Amount of sanction (roubles): **105**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**



Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **penalty on payment for land**

Amount of sanction (roubles): **2 665**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **penalty on advertising tax**

Amount of sanction (roubles): **4 840**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on tax on owners of motor vehicles**

Amount of sanction (roubles): **422**

Sanction execution progress: **executed**

Date of sanction: **21.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **field inspection report**

Type of sanction: **Penalty on duty for needs of educational institutions**

Amount of sanction (roubles): **1 038**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **penalty on advertising tax**

Amount of sanction (roubles): **60**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on Single Social Tax payment to Territorial Fund of Obligatory**

**Medical insurance**

Amount of sanction (roubles): **381**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.10 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on Single Social Tax payment to Territorial Fund of Obligatory Medical insurance**

Amount of sanction (roubles): **30**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty, Pension insurance fund**

Amount of sanction (roubles): **523**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty, Pension insurance fund, accumulation**

Amount of sanction (roubles): **270**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Fine on Single Social Tax payment to Federal Fund of Obligatory Medical insurance**

Amount of sanction (roubles): **12**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **failure to submit data**

Type of sanction: **Fine on income tax of individuals**

Amount of sanction (roubles): **500**

Sanction execution progress: **executed**

Date of sanction: **26.02.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on income tax of individuals**

Amount of sanction (roubles): **1 172**

Sanction execution progress: **executed**

Date of sanction: **27.02.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.4 of the Ministry of Taxes and Fees for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on income tax of individuals**

Amount of sanction (roubles): **592**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of the Russian Federation. Failure to pay taxes in due time (profit tax)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **184**

Sanction execution progress: **not executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.9 of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk oblast**

Grounds of applying the sanction: **article 75 of the Tax Code of the Russian Federation. Failure to pay taxes in due time (road user tax)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **11 024**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of the Russian Federation. Failure to pay taxes in due time (land tax)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **1 237**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure**

**to pay taxes in due time (tax on owners of motor vehicles)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **691**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure to pay taxes in due time (tax on environment pollution)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **1 911**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure to pay taxes in due time (Single Social Tax)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **1 577**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.9 of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk oblast**

Grounds of applying the sanction: **article 75 of the Tax Code of the Russian Federation. Failure to pay taxes in due time (for accident insurance)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **39**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.9 of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk oblast**

Grounds of applying the sanction: **article 75 of the Tax Code of The Russian Federation. Failure to pay taxes in due time (duty for needs of educational institutions)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **5 095**

Sanction execution progress: **executed**

Date of sanction: **1.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **article 75 of the Tax Code of the Russian Federation. Failure to**

**pay taxes in due time (road user tax)**

Type of sanction: **penalty (charged by paper method)**

Amount of sanction (roubles): **101**

Sanction execution progress: **executed**

Date of sanction: **17.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Segezha**

Grounds of applying the sanction: **Delay in payment of the profit tax**

Type of sanction: **penalty**

Amount of sanction (roubles): **321**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Interdistrict inspectorate on major tax-payers for Vologda Oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty to the Pension Fund**

Amount of sanction (roubles): **76**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on payment of Single Social Tax to Social Insurance Fund**

Amount of sanction (roubles): **303**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.10 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on payment of Single Social Tax to Social Insurance Fund**

Amount of sanction (roubles): **38**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Interdistrict inspectorate on major tax-payers for Vologda Oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on payment of Single Social Tax to Social Insurance Fund**

Amount of sanction (roubles): **8**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty on payment of Single Social Tax to the Federal Fund of Obligatory Medical Insurance**

Amount of sanction (roubles): **658**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Vologda**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty to the Pension Fund**

Amount of sanction (roubles): **1 052**

Sanction execution progress: **executed**

Date of sanction: **26.03.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.10 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **Penalty to the Pension Fund**

Amount of sanction (roubles): **268**

Sanction execution progress: **executed**

Date of sanction: **31.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Overdue payment**

Type of sanction: **Penalty on the profit tax**

Amount of sanction (roubles): **575**

Sanction execution progress: **executed**

Date of sanction: **31.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Admiralteysky district of Saint Petersburg**

Grounds of applying the sanction: **Sales tax under additional returns**

Type of sanction: **penalty**

Amount of sanction (roubles): **27 231**

Sanction execution progress: **executed**

Date of sanction: **31.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Petrogradsky district of Saint Petersburg**

Grounds of applying the sanction: **Sales tax under additional returns**

Type of sanction: **penalty**

Amount of sanction (roubles): **21 342**

Sanction execution progress: **executed**

Date of sanction: **31.03.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian**

**Federation for Tsentralny district of Saint Petersburg**

Grounds of applying the sanction: *Sales tax under additional returns*

Type of sanction: *penalty*

Amount of sanction (roubles): *337 909*

Sanction execution progress: *executed*

Date of sanction: *31.03.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kalininsky district of Saint Petersburg*

Grounds of applying the sanction: *Sales tax under additional returns*

Type of sanction: *penalty*

Amount of sanction (roubles): *271 382*

Sanction execution progress: *executed*

Date of sanction: *31.03.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kurortny district of Saint Petersburg*

Grounds of applying the sanction: *Sales tax under additional returns*

Type of sanction: *penalty*

Amount of sanction (roubles): *1 401*

Sanction execution progress: *executed*

Date of sanction: *1.04.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Pskov*

Grounds of applying the sanction: *Failure to pay in due time*

Type of sanction: *penalty on advertising tax*

Amount of sanction (roubles): *2*

Sanction execution progress: *executed*

Date of sanction: *1.04.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk*

Grounds of applying the sanction: *Tax on owners of motor vehicles. Incorrect application of tax calculation rates.*

Type of sanction: *fine*

Amount of sanction (roubles): *635*

Sanction execution progress: *executed*

Date of sanction: *1.04.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg*

Grounds of applying the sanction: *Federal Fund of Obligatory Medical Insurance of the Russian Federation*

Type of sanction: *fine*

Amount of sanction (roubles): **33**

Sanction execution progress: ***executed***

Date of sanction: ***1.04.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Segezha***

Grounds of applying the sanction: ***Profit of RC, delay in payments as a result of the absence of monetary funds on the checking account***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***129.3***

Sanction execution progress: ***executed***

Date of sanction: ***1.04.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Cherepovets***

Grounds of applying the sanction: ***Income tax for individuals, documentary check by Tax Inspectorate for the period of 01.01.99 - 18.10.02***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***2 355.21***

Sanction execution progress: ***executed***

Date of sanction: ***1.04.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Petrozavodsk***

Grounds of applying the sanction: ***NDFL (income tax for individuals), delay in payments as a result of the absence of monetary funds on the checking account***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***21 840.54***

Sanction execution progress: ***executed***

Date of sanction: ***1.04.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***

Grounds of applying the sanction: ***Federal Fund of Obligatory Medical Insurance of the Russian Federation***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***117***

Sanction execution progress: ***executed***

Date of sanction: ***1.04.2003***

Authority applying the sanction: ***Social Insurance Fund***

Grounds of applying the sanction: ***Insurance premium - 0.2% of an accident***

Type of sanction: ***fine***

Amount of sanction (roubles): ***21***

Sanction execution progress: ***executed***



Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Single Social Tax (Social Insurance Fund of the Russian Federation) under field inspection report**

Type of sanction: **penalty**

Amount of sanction (roubles): **5 215**

Sanction execution progress: **executed**

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **Tax on owners of motor vehicles. Incorrect application of tax calculation rates.**

Type of sanction: **penalty**

Amount of sanction (roubles): **79.21**

Sanction execution progress: **executed**

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Tax on income of individuals under field inspection report**

Type of sanction: **penalty**

Amount of sanction (roubles): **44 848**

Sanction execution progress: **executed**

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Social Insurance Fund of the Russian Federation under field inspection report**

Type of sanction: **fine**

Amount of sanction (roubles): **897**

Sanction execution progress: **executed**

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **Tax on owners of motor vehicles. Incorrect application of tax calculation rates.**

Type of sanction: **penalty**

Amount of sanction (roubles): **793**

Sanction execution progress: **executed**

Date of sanction: **1.04.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.3 of the Ministry of Taxes and Fees for Vologda oblast**

Grounds of applying the sanction: **20% arrears (30 roubles), NDFL (income tax for individuals)**

Type of sanction: ***fine***

Amount of sanction (roubles): **6**

Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny district**

Grounds of applying the sanction: **Pension Fund of the Russian Federation under field inspection report**

Type of sanction: ***fine***

Amount of sanction (roubles): **4 650**

Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **Environment pollution fee, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: ***penalty***

Amount of sanction (roubles): **3.04**

Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**

Authority applying the sanction: **Social Insurance Fund**

Grounds of applying the sanction: **FSS' (Social Insurance Fund's) field inspection report (understatement of the wages fund for compensation for unused leaves according to article 126 of the Labour Code of RF)**

Type of sanction: ***fine***

Amount of sanction (roubles): **21**

Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.5 of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Penalty for incomplete advance payments**

Type of sanction: ***penalty***

Amount of sanction (roubles): **117.15**

Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: **Single Social Tax to the Federal Fund of Obligatory Medical**

**Insurance under field inspection report**

Type of sanction: **penalty**  
Amount of sanction (roubles): **260**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **Single Social Tax under field inspection report**

Type of sanction: **penalty**  
Amount of sanction (roubles): **36 509**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kondopoga**  
Grounds of applying the sanction: **Profit of local budget, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **380.27**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **Territorial Fund of Obligatory Medical Insurance of RF, acc. to the field inspection report**

Type of sanction: **fine**  
Amount of sanction (roubles): **564**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny district**  
Grounds of applying the sanction: **Single Social Tax to the Federal Fund of Obligatory Medical Insurance under field inspection report**

Type of sanction: **fine**  
Amount of sanction (roubles): **163**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **Single Social Tax (Territorial Fund of Obligatory Medical Insurance) of RF, acc. to the field inspection report**

Type of sanction: ***fine***  
Amount of sanction (roubles): **2 771**  
Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**  
Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***  
Grounds of applying the sanction: ***Single Social Tax (Social Insurance Fund of the Russian Federation) under field inspection report***

Type of sanction: ***fine***  
Amount of sanction (roubles): **3 260**  
Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**  
Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***  
Grounds of applying the sanction: ***Territorial Fund of Obligatory Medical Insurance (TOMS) of RF, acc. to the field inspection report***

Type of sanction: ***penalty***  
Amount of sanction (roubles): **2 005**  
Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**  
Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***  
Grounds of applying the sanction: ***Pension fund of Russian Federation under field inspection report***

Type of sanction: ***penalty***  
Amount of sanction (roubles): **16 518**  
Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**  
Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***  
Grounds of applying the sanction: ***Single Social Tax under field inspection report***

Type of sanction: ***fine***  
Amount of sanction (roubles): **22 823**  
Sanction execution progress: ***executed***

Date of sanction: **1.04.2003**  
Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***  
Grounds of applying the sanction: ***Social Insurance Fund of the Russian Federation under field inspection report***

Type of sanction: **penalty**  
Amount of sanction (roubles): **3 184**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **Single Social Tax (Territorial Fund of Obligatory Medical Insurance) of RF, acc. to the field inspection report**

Type of sanction: **penalty**  
Amount of sanction (roubles): **4 433**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Failure to comply with the schedule for tax payment**

Type of sanction: **penalty**  
Amount of sanction (roubles): **681.2**  
Sanction execution progress: **executed**

Date of sanction: **1.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **Tax on income of individuals under field inspection report**

Type of sanction: **penalty**  
Amount of sanction (roubles): **126 791**  
Sanction execution progress: **executed**

Date of sanction: **4.04.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Veliky Novgorod**  
Grounds of applying the sanction: **Failure to comply with the schedule for tax payment. In March 2003, as a result of the internal audit check, a taxable base in respect of the advertising tax was revealed**

Type of sanction: **penalty**  
Amount of sanction (roubles): **3 624**  
Sanction execution progress: **executed**

Date of sanction: **7.04.2003**  
Authority applying the sanction: **Inspectorate No.5 of the Ministry of Taxes and Fees for Kaliningrad oblast (Gvardeysk)**  
Grounds of applying the sanction: **Failure to transfer in time the motor road user tax due to the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **2 039.37**

Sanction execution progress: **executed**

Date of sanction: **15.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Pinezhsky district**

Grounds of applying the sanction: **Submission of adjusted calculations in the 1<sup>st</sup> quarter of 2001 when the Pinezhsky Branch was closed**

Type of sanction: **fine**

Amount of sanction (roubles): **39.6**

Sanction execution progress: **executed**

Date of sanction: **25.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Pinezhsky district**

Grounds of applying the sanction: **An adjusted declaration for the Pinezhsky Branch was submitted when the Pinezhsky Branch was closed in the 1<sup>st</sup> quarter of 2001.**

Type of sanction: **penalty**

Amount of sanction (roubles): **412.46**

Sanction execution progress: **executed**

Date of sanction: **30.04.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry of Taxes and Fees of the Russian Federation on major tax-payers for Vologda Oblast**

Grounds of applying the sanction: **Failure to effect payment because money was entered on a wrong account**

Type of sanction: **penalty**

Amount of sanction (roubles): **5 778.57**

Sanction execution progress: **executed**

Date of sanction: **30.04.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry of Taxes and Fees of the Russian Federation on major tax-payers for Vologda Oblast**

Grounds of applying the sanction: **Fine under inspection report**

Type of sanction: **fine**

Amount of sanction (roubles): **280**

Sanction execution progress: **executed**

Date of sanction: **30.04.2003**

Authority applying the sanction: **Interdistrict Inspectorate of the Ministry of Taxes and Fees of the Russian Federation on major tax-payers for Vologda Oblast**

Grounds of applying the sanction: **Charging the penalty under inspection report**

Type of sanction: **penalty**

Amount of sanction (roubles): **903**

Sanction execution progress: **executed**

Date of sanction: **30.04.2003**

Authority applying the sanction: ***Interdistrict Inspectorate of the Ministry of Taxes and Fees of the Russian Federation on major tax-payers for Vologda Oblast***

Grounds of applying the sanction: ***Failure to effect payment because money was entered on a wrong account***

Type of sanction: ***penalty***

Amount of sanction (roubles): **19 036.17**

Sanction execution progress: ***executed***

Date of sanction: **30.04.2003**

Authority applying the sanction: ***Interdistrict Inspectorate of the Ministry of Taxes and Fees of the Russian Federation on major tax-payers for Vologda Oblast***

Grounds of applying the sanction: ***Penalty recalculation***

Type of sanction: ***penalty***

Amount of sanction (roubles): **-1 277.78**

Sanction execution progress: ***executed***

Date of sanction: **30.04.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Gatchina district***

Grounds of applying the sanction: ***failure to pay in time the tax of the Oblast (Regional) Telephone Centre, that was transferred to PTN for the year 2001, as the Oblast Telephone Centre submitted tax returns before liquidation, however, did not pay the tax***

Type of sanction: ***penalty***

Amount of sanction (roubles): **12.59**

Sanction execution progress: ***executed***

Date of sanction: **30.04.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Moskovsky District of St. Petersburg***

Grounds of applying the sanction: ***on the basis of adjusted tax returns for January and February 2003, as sales tax amounts in respect of other sales of the motor depot were also added to SUN***

Type of sanction: ***penalty***

Amount of sanction (roubles): **10**

Sanction execution progress: ***executed***

Date of sanction: **30.04.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Moskovsky District of St. Petersburg***

Grounds of applying the sanction: ***on the basis of adjusted tax returns for January and February 2003, as sales tax amounts in respect of other sales of the motor depot were also added to SUN***

Type of sanction: ***penalty***

Amount of sanction (roubles): **2**

Sanction execution progress: ***executed***

Date of sanction: **30.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Murmansk**

Grounds of applying the sanction: **Extra charging of the fine for failure to submit the calculation for the year 2001 in time**

Type of sanction: **fine**

Amount of sanction (roubles): **90**

Sanction execution progress: **not executed**

Date of sanction: **30.04.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **on the basis of adjusted tax returns for January and February 2003, as sales tax amounts in respect of other sales of the MTU telephone centre were also added to SUN**

Type of sanction: **penalty**

Amount of sanction (roubles): **2**

Sanction execution progress: **executed**

Date of sanction: **1.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Kondopoga**

Grounds of applying the sanction: **Profit of RC, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **4 053.06**

Sanction execution progress: **executed**

Date of sanction: **1.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **Pension Fund, insurance part, failure to perform extra calculation in time in connection with a technical error in the programme**

Type of sanction: **penalty**

Amount of sanction (roubles): **24.4**

Sanction execution progress: **executed**

Date of sanction: **1.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **FFMS (Federal Medical Insurance Fund), delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **11.78**

Sanction execution progress: **executed**



Date of sanction: **1.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **TFMS (Territorial Medical Insurance Fund), delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **83.3**

Sanction execution progress: **executed**

Date of sanction: **1.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Medvezhyegorsk**

Grounds of applying the sanction: **FSS (Social Insurance Fund), delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **7**

Sanction execution progress: **executed**

Date of sanction: **1.05.2003**

Authority applying the sanction: **Novgorod regional branch of Social Insurance Fund**

Grounds of applying the sanction: **Failure to pay insurance premiums to the Social Insurance Fund in due time in connection with the insufficiency of funds on the account, wages were paid before full payment of the tax.**

Type of sanction: **penalty**

Amount of sanction (roubles): **102**

Sanction execution progress: **executed**

Date of sanction: **5.05.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.8 of the Ministry of Taxes and Fees of the Russian Federation for Vologda oblast**

Grounds of applying the sanction: **Failure to comply with the schedule for profit tax payment**

Type of sanction: **penalty**

Amount of sanction (roubles): **51.36**

Sanction execution progress: **executed**

Date of sanction: **10.05.2003**

Authority applying the sanction: **Interdistrict inspectorate No. 9 of the Ministry of Taxes and Fees for Pskov Oblast**

Grounds of applying the sanction: **Transport tax, recalculation of the tax for year 2003**

Type of sanction: **penalty**

Amount of sanction (roubles): **10**

Sanction execution progress: **executed**

Date of sanction: **14.05.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian**

**Federation for Veliky Novgorod**

Grounds of applying the sanction: ***Incorrect tax code indicated in payment order***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***413.6***

Sanction execution progress: ***executed***

Date of sanction: ***22.05.2003***

Authority applying the sanction: ***Interdistrict inspectorate No. 4 of the Ministry of Taxes and Fees for Pskov Oblast***

Grounds of applying the sanction: ***Single Social Tax (Social Insurance), incomplete tax payment in connection with the return of overpayment to the Social Insurance Fund***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***357***

Sanction execution progress: ***executed***

Date of sanction: ***28.05.2003***

Authority applying the sanction: ***Interdistrict Inspectorate No.3 of the Ministry of Taxes and Fees for Vologda oblast***

Grounds of applying the sanction: ***Failure to pay the environment pollution fee in due time***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***1.55***

Sanction execution progress: ***executed***

Date of sanction: ***31.05.2003***

Authority applying the sanction: ***Interdistrict Inspectorate No.2 of the Ministry of Taxes and Fees of The Russian Federation for Novgorod oblast***

Grounds of applying the sanction: ***Failure to comply with the schedule for sales tax payment***

Type of sanction: ***fine***

Amount of sanction (roubles): ***6 085***

Sanction execution progress: ***executed***

Date of sanction: ***31.05.2003***

Authority applying the sanction: ***Kaliningrad regional branch of the Social Insurance Fund of the Russian Federation***

Grounds of applying the sanction: ***undercalculation of insurance premiums for payments, not reducing the tax base for the profit tax***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***43***

Sanction execution progress: ***executed***

Date of sanction: ***31.05.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***

Grounds of applying the sanction: ***on the basis of adjusted tax returns for the year 2002 – adjustment of the sale tax, as the initial ASR reports on the sale tax did not show the adjustments shown in the accounting base later***

Type of sanction: **penalty**  
Amount of sanction (roubles): **3 766.34**  
Sanction execution progress: **executed**

Date of sanction: **31.05.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Gatchina district**  
Grounds of applying the sanction: **failure to pay the property tax to the local budget in time because of the return of the payment order due to a change of details**

Type of sanction: **penalty**  
Amount of sanction (roubles): **176.38**  
Sanction execution progress: **executed**

Date of sanction: **31.05.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny district**  
Grounds of applying the sanction: **on the basis of adjusted tax returns for the year 2002 – adjustment of the sale tax, as the initial ASR reports on the sale tax did not show the adjustments shown in the accounting base later**

Type of sanction: **penalty**  
Amount of sanction (roubles): **39 899.65**  
Sanction execution progress: **executed**

Date of sanction: **31.05.2003**  
Authority applying the sanction: **Kaliningrad regional branch of the Social Insurance Fund of the Russian Federation**  
Grounds of applying the sanction: **undercalculation of insurance premiums for payments, not reducing the tax base for the profit tax**

Type of sanction: **fine**  
Amount of sanction (roubles): **337**  
Sanction execution progress: **executed**

Date of sanction: **31.05.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**  
Grounds of applying the sanction: **failure to pay in time the motor road user tax, as the tax for the year 2002 was paid on 15.01.03, while the actual tax return amount was calculated by 30.03.03 (date of tax return submission)**

Type of sanction: **penalty**  
Amount of sanction (roubles): **29 342.46**  
Sanction execution progress: **executed**

Date of sanction: **31.05.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg**

Grounds of applying the sanction: ***on the basis of adjusted tax return for the 3<sup>rd</sup> quarter of year 2002 – adjustment of the advertising tax in compliance with the accounting data***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***2 622.03***

Sanction execution progress: ***executed***

Date of sanction: ***31.05.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***

Grounds of applying the sanction: ***on the basis of adjusted tax returns for the year 2002 – adjustment of the sales tax ASR reports with the accounting base***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***13 108.61***

Sanction execution progress: ***executed***

Date of sanction: ***31.05.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Tsentralny District of St. Petersburg***

Grounds of applying the sanction: ***on the basis of adjusted tax returns for the year 2002 – adjustment of the sales tax ASR reports with the accounting base***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***1 491.6***

Sanction execution progress: ***executed***

Date of sanction: ***1.06.2003***

Authority applying the sanction: ***Inspectorate No.3 of the Ministry of Taxes and Fees for Kostomuksha***

Grounds of applying the sanction: ***VAT, failure to pay the tax in time (in parts)***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***2 165***

Sanction execution progress: ***executed***

Date of sanction: ***1.06.2003***

Authority applying the sanction: ***Inspectorate No.3 of the Ministry of Taxes and Fees for Kostomuksha***

Grounds of applying the sanction: ***Land tax, delay in payments as a result of the absence of monetary funds on the checking account***

Type of sanction: ***penalty***

Amount of sanction (roubles): ***44.62***

Sanction execution progress: ***executed***

Date of sanction: ***1.06.2003***

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Segezha***

Grounds of applying the sanction: ***Fee for territory improvement and other purposes, failure to pay the tax in time***

Type of sanction: **penalty**  
Amount of sanction (roubles): **14.47**  
Sanction execution progress: **executed**

Date of sanction: **1.06.2003**  
Authority applying the sanction: **Inspectorate No. 4 of the Ministry of Taxes and Fees for Muezerka**  
Grounds of applying the sanction: **Sales tax, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **1 557.09**  
Sanction execution progress: **executed**

Date of sanction: **1.06.2003**  
Authority applying the sanction: **Inspectorate No.3 of the Ministry of Taxes and Fees for Kostomuksha**  
Grounds of applying the sanction: **Environment pollution fee, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **27.19**  
Sanction execution progress: **executed**

Date of sanction: **1.06.2003**  
Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Kem**  
Grounds of applying the sanction: **VAT, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **233 198.51**  
Sanction execution progress: **not executed**

Date of sanction: **1.06.2003**  
Authority applying the sanction: **Interdistrict Inspectorate No.5 of the Ministry of Taxes and Fees**  
Grounds of applying the sanction: **Incomplete transfer, an error during the print of the payment order**

Type of sanction: **penalty**  
Amount of sanction (roubles): **655.22**  
Sanction execution progress: **executed**

Date of sanction: **1.06.2003**  
Authority applying the sanction: **Inspectorate No. 4 of the Ministry of Taxes and Fees for Muezerka**  
Grounds of applying the sanction: **Militia, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**  
Amount of sanction (roubles): **213.14**

Sanction execution progress: **executed**

Date of sanction: **1.06.2003**

Authority applying the sanction: **Inspectorate No.3 of the Ministry of Taxes and Fees for Kostomuksha**

Grounds of applying the sanction: **Sales tax, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **265.83**

Sanction execution progress: **executed**

Date of sanction: **1.06.2003**

Authority applying the sanction: **Inspectorate No. 4 of the Ministry of Taxes and Fees for Muezerka**

Grounds of applying the sanction: **Land tax, delay in payments as a result of the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **21.79**

Sanction execution progress: **executed**

Date of sanction: **1.06.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.5 of the Ministry of Taxes and Fees**

Grounds of applying the sanction: **Incomplete transfer, an error during the print of the payment order**

Type of sanction: **penalty**

Amount of sanction (roubles): **15.86**

Sanction execution progress: **executed**

Date of sanction: **1.06.2003**

Authority applying the sanction: **Interdistrict Inspectorate No. 3 of the Ministry of Taxes and Fees for Snezhnogorsk**

Grounds of applying the sanction: **Property tax for the 3<sup>rd</sup> quarter of 1999 for Snezhnogorsky UES paid to the budget in the location of OP**

Type of sanction: **penalty**

Amount of sanction (roubles): **8 409**

Sanction execution progress: **executed**

Date of sanction: **1.06.2003**

Authority applying the sanction: **Inspectorate No. 4 of the Ministry of Taxes and Fees for Muezerka**

Grounds of applying the sanction: **Housing and utilities, delay in agreement on set-off, Muyezerky district financial department**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 828.45**

Sanction execution progress: **executed**

Date of sanction: **10.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **Submission of an adjusted calculation because of incorrect data provided by the mechanic on powers of the engine**

Type of sanction: **penalty**

Amount of sanction (roubles): **269.48**

Sanction execution progress: **executed**

Date of sanction: **10.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Arkhangelsk**

Grounds of applying the sanction: **Failure to pay the fee in time in connection with submission of adjusted calculations (adjustment of the tax base)**

Type of sanction: **penalty**

Amount of sanction (roubles): **846.22**

Sanction execution progress: **executed**

Date of sanction: **17.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Murmansk**

Grounds of applying the sanction: **20% of the additionally charged amount of the income tax for individuals according to the documentary check statement No.08.3-12/989 of 27.11.2002**

Type of sanction: **fine**

Amount of sanction (roubles): **90**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry on Taxes and Duties for major taxpayers**

Grounds of applying the sanction: **20% of the additionally charged amount of VAT according to the documentary check statement No.39 of 15.12.2002**

Type of sanction: **fine**

Amount of sanction (roubles): **8 566**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Single Social Tax to the Territorial Fund of Obligatory Medical Insurance due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **685.28**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Insurance Premium /accumulation part/ due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **1 056.19**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Single Social Tax to the Federal Fund of Obligatory Medical Insurance due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **43.24**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Priozersk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to pay in time the fee for the needs of educational institutions, as the Inspectorate of the Ministry of Taxes and Fees had sent a letter on taking into account the overpayment as payment of the fee, however, did not fulfil it**

Type of sanction: **penalty**

Amount of sanction (roubles): **207.08**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Moskovsky District of St. Petersburg**

Grounds of applying the sanction: **Penalty decreased on the basis of collation statement of Inspectorate of the Ministry of Taxes and Fees**

Type of sanction: **penalty**

Amount of sanction (roubles): **-762.5**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Vsevolozhsk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to pay the duty for maintenance of law-enforcement authorities for the March, 2002 in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **0.3**

Sanction execution progress: **executed**



Date of sanction: **30.06.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Admiralteysky District of St. Petersburg***

Grounds of applying the sanction: ***Penalty decreased on the basis of collation statement of Inspectorate of the Ministry of Taxes and Fees***

Type of sanction: ***penalty***

Amount of sanction (roubles): **-895.92**

Sanction execution progress: ***executed***

Date of sanction: **30.06.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad***

Grounds of applying the sanction: ***Failure to transfer in time the water facilities use tax due to the absence of monetary funds on the checking account***

Type of sanction: ***penalty***

Amount of sanction (roubles): **39.77**

Sanction execution progress: ***executed***

Date of sanction: **30.06.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Segezha***

Grounds of applying the sanction: ***Fee for territory improvement and other purposes, failure to pay the tax in time***

Type of sanction: ***fine***

Amount of sanction (roubles): **100**

Sanction execution progress: ***not executed***

Date of sanction: **30.06.2003**

Authority applying the sanction: ***Inter-District Inspectorate No. 4 of the Ministry of Taxes and Fees for Pskov Oblast***

Grounds of applying the sanction: ***Property tax, incomplete payment of the tax in connection with the return of the overpayment upon conclusion of the Inter-district Inspectorate of the Ministry of Taxes and Fees***

Type of sanction: ***penalty***

Amount of sanction (roubles): **29.25**

Sanction execution progress: ***executed***

Date of sanction: **30.06.2003**

Authority applying the sanction: ***Inspectorate of the Ministry of Taxes and Fees for Vsevolozhsk district of Leningrad oblast***

Grounds of applying the sanction: ***Failure to pay in time the property tax to the local budget, as a lesser amount of tax was paid due to an error***

Type of sanction: ***penalty***

Amount of sanction (roubles): **1 166.78**

Sanction execution progress: ***executed***

Date of sanction: **30.06.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.5 of the Ministry of Taxes and Fees (Gvardeysk)**

Grounds of applying the sanction: **Failure to transfer in time the profit tax due to the absence of monetary funds on the checking account**

Type of sanction: **penalty**

Amount of sanction (roubles): **101.04**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Interdistrict Inspectorate No.5 of the Ministry of Taxes and Fees for Kaliningrad oblast (Polessk)**

Grounds of applying the sanction: **Failure to transfer in time the Sales Tax due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **241.38**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Single Social Tax to the Social Insurance Fund due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **105.28**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Vsevolozhsk district of Leningrad oblast**

Grounds of applying the sanction: **Failure to pay the duty for maintenance of law-enforcement authorities for the March, 2002 in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **0.06**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate No.5 of the Ministry of Taxes and Fees for Kaliningrad oblast (Gvardeysk)**

Grounds of applying the sanction: **Failure to transfer in time the Sales Tax due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **254.2**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Interdistrict inspectorate No. 4 of the Ministry of Taxes and Fees for Pskov Oblast**

Grounds of applying the sanction: **Duty for maintenance of law-enforcement authorities, error in payment order**

Type of sanction: **penalty**

Amount of sanction (roubles): **13.64**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Sales Tax due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **985.02**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad**

Grounds of applying the sanction: **Failure to transfer in time the Single Social Tax to the Federal Budget due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **4 968.93**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Kaliningrad regional branch of the Social Insurance Fund of the Russian Federation**

Grounds of applying the sanction: **Failure to transfer in time due to the absence of monetary funds on the account**

Type of sanction: **penalty**

Amount of sanction (roubles): **68**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Inspectorate of the Ministry of Taxes and Fees for Vologda**

Grounds of applying the sanction: **Failure to pay the Single social tax in due time**

Type of sanction: **penalty**

Amount of sanction (roubles): **6.79**

Sanction execution progress: **executed**

Date of sanction: **30.06.2003**

Authority applying the sanction: **Interdistrict inspectorate No. 4 of the Ministry of Taxes and Fees**

**for Pskov Oblast**

Grounds of applying the sanction: *Land tax, error in payment order*

Type of sanction: *penalty*

Amount of sanction (roubles): *255.14*

Sanction execution progress: *executed*

Date of sanction: *30.06.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees for Leningradsky district of Kaliningrad*

Grounds of applying the sanction: *Failure to transfer in time deductions for reproduction of mineral and raw materials resources due to the absence of monetary funds on the account*

Type of sanction: *penalty*

Amount of sanction (roubles): *2.2*

Sanction execution progress: *executed*

Date of sanction: *30.06.2003*

Authority applying the sanction: *Inspectorate of the Ministry of Taxes and Fees for Vsevolozhsk district of Leningrad oblast*

Grounds of applying the sanction: *Failure to pay in time, as the property tax to the oblast (regional) budget was paid in a lesser amount due to an error*

Type of sanction: *penalty*

Amount of sanction (roubles): *1 152.57*

Sanction execution progress: *executed*

**Description of the essence of all court proceedings, pending or finished in the quarter under report, that may seriously affect the Issuer's business:**

*As of the current moment, the bulk of disputes, in which the Company has to participate as defendant, is comprised by cases based on actions of communication services consumers in connection with failure to provide, or to provide with good quality or to provide in time communication services, actions for indemnification for moral damage to individuals under the law "On Protecting Consumers' Rights", actions related to failure to provide privileges to certain categories of consumers, and pre-agreement disputes with legal entities.*

*The arbitration court system of the Northwestern region is also considering disputes based on actions of state authorities (tax authorities, antimonopoly authorities, state property management authorities, etc.), related to normal business activities of the Company. On the whole, there are no court proceedings, in which OJSC North-West Telecom acts as defendant and which could have an essential effect on the operations or the financial results of the Company.*

*The Company is the defendant in actions of minority shareholders, related to recognizing as invalid the decisions of the meetings of the Board of Directors and the General Meetings of the Shareholders, that took the decision on re-organization of the Company in 1999-2002.*

*The legal service of OJSC North-West Telecom estimates the probability of a favourable outcome of these cases as high, because at the moment, after the re-organization process is over, the attitude of the courts looks as quite definite: the re-organization procedure itself (both on the whole, and the individual decisions of authorized bodies) has been the subject of study during court sessions more than once; the courts have drawn a conclusion that the re-organization has been carried out in compliance with the laws and that there are no grounds for recognizing any decisions of the authorized bodies as invalid.*

*All court proceedings related to exacting the debt from OJSC North-West Telecom to LLC NPK Zenith, in which the Company acted as defendant, have been terminated by the moment.*

**Description of the grounds of all inspections of the Issuer, pending or finished in the quarter under report, by state authorities, as well as audits of the Issuer carried out upon request of its participants (shareholders):**

*No such inspections have been carried out in the quarter under report.*

**42. Essential facts (events, actions) that took place in the quarter under report**

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

Code: **1100119A10042003**

**Type of securities: bonds**

**Form of securities: documentary, payable to bearer**

**Series: 01**

**Period of yield payment: From 10 April 2003 to 10 April 2003**

**Paid interest per share: 18% per annum (90 roubles 25 kopecks)**

**Total number of Bonds of one series: 300,000**

**Form of yield payment: monetary**

Date of fact (event, action): **11.04.2003**

Code: **1300119A11042003**

**Date of the meeting of the Board of Directors 11 April 2003**

**Form of holding the meeting: attendance**

**The following persons took part in the meeting:**

**Chairperson of the Board of Directors**

**Valery Nikolayevich Yashin**

**Members of the Board of Directors:**

**Vadim Yevgenyevich Belov, Yury Alexandrovich Bilibin, Benjamin Stephan David Vilkening, Alexandr Alexandrovich Gogol, Alexandr Vyacheslavovich Ikonnikov, Dmitry Vladimirovich Levkovsky, Irina Mikhaylovna Ragozina, Ivan Ivanovich Rodionov, Sergey Vladimirovich Soldatenkov, Alexandr Abramovich Sysoyev**

**Number of participants in the meeting out of the total number of the Members of the Board of Directors: 11 There is the quorum for taking decisions.**

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**2. ISSUES CONSIDERED:**

**On approving related-party transactions in the interpretation of Chapter XI of the Federal Law On Joint-Stock Companies, viz. contracts of voluntary medical insurance of working citizens with ICJSC Medexpress.**

**DECISION**

**2.1. Contract of Voluntary Medical Insurance 172/2003 with ICJSC Medexpress shall be approved**

**2.2. Contract of Voluntary Medical Insurance 174/2003 with ICJSC Medexpress shall be approved**

**2.3. Contract of Voluntary Medical Insurance 175/2003 with ICJSC Medexpress shall be approved**

**2.4. Contract of Voluntary Medical Insurance 178/2003 with ICJSC Medexpress shall be approved**

Date of fact (event, action): **17.04.2003**

Code: **1800119A17042003**

***Sale of the share holding in the Authorized Capital of OJSC KB SPBRR***

***Full official name of the corporation, the share holding in the Authorized Capital of which has changed:***

***Public Joint-Stock Company Commercial Bank - St. Petersburg Bank of Reconstruction and Development***

***Place of business: 17, Izmailovsky pr., St. Petersburg, Russia***

***Mailing address: 17, Izmailovsky pr., St. Petersburg, 198052***

***Share in the Authorized Capital before the change: 18,3%***

***Share in the Authorized Capital after the change: 0%***

***Date on which the issuer's share in the authorized capital changed: 17 April 2003***

Date of fact (event, action): **23.06.2003**

Code: **1100119A23062003**

***Type of securities: registered non-documentary shares***

***Category: preferred***

***Type: A***

***Date of taking the decision on dividend payment: 23 June 2003***

***Period of dividend payment: From 15 August 2003 to 31 December 2003***

***Authority taking the decision on dividend payment: annual general meeting of the shareholders of OJSC North-West Telecom***

***Dividend accrued per type A preferred share: 14 kopecks per share***

***Total number of preferred shares of A type: 202,022,788***

***Form of yield payment: monetary***

***Type of securities: registered non-documentary shares***

***Category: common***

***Date of taking the decision on dividend payment: 23 June 2003***

***Period of dividend payment: From 15 August 2003 to 31 December 2003***

***Authority taking the decision on dividend payment: annual general meeting of the shareholders of OJSC North-West Telecom***

***Amount of dividend charged on a common share : 6,4 копейки на одну акцию***

**Total number of preferred shares of A type: 735 917 222**

**Accrued yield payment form: monetary**

Date of fact (event, action): **23.06.2003**

Code: **0100119A23062003**

**Management body, in which the change has taken place: Board of Directors**

**Full names of the persons elected to the management body of OJSC North-West Telecom and shares of the said persons in the Authorized Capital:**

<b>Vadim Yevgenyevich Belov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Yury Alexandrovich Bilibin</b>	<b>no share in the Issuer's authorized capital</b>
<b>Alexandr Alexandrovich Gogol</b>	<b>no share in the Issuer's authorized capital</b>
<b>Alexandr Vyacheslavovich Ikonnikov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Oleg Anatolyevich Lebedinets</b>	<b>no share in the Issuer's authorized capital</b>
<b>Dmitry Vladimirovich Levkovsky</b>	<b>no share in the Issuer's authorized capital</b>
<b>Irina Mikhaylovna Ragozina</b>	<b>no share in the Issuer's authorized capital</b>
<b>Ivan Ivanovich Rodionov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Sergey Vladimirovich Soldatenkov</b>	<b>share in the Issuer's authorized capital - 0,0024 %</b>
<b>Alexandr Abramovich Sysoyev</b>	<b>share in the Issuer's authorized capital - 0,376%</b>
<b>Valery Nikolayevich Yashin</b>	<b>share in the Issuer's authorized capital- 0,172%</b>

**Chairperson of the Board of Directors V.N. Yashin**

**From the moment of election, the powers of the following members of the former Board of Directors have been terminated:**

<b>Vadim Yevgenyevich Belov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Yury Alexandrovich Bilibin</b>	<b>no share in the Issuer's authorized capital</b>
<b>Alexandr Alexandrovich Gogol</b>	<b>no share in the Issuer's authorized capital</b>
<b>Alexandr Vyacheslavovich Ikonnikov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Oleg Anatolyevich Lebedinets</b>	<b>no share in the Issuer's authorized capital</b>
<b>Dmitry Vladimirovich Levkovsky</b>	<b>no share in the Issuer's authorized capital</b>
<b>Irina Mikhaylovna Ragozina</b>	<b>no share in the Issuer's authorized capital</b>
<b>Ivan Ivanovich Rodionov</b>	<b>no share in the Issuer's authorized capital</b>
<b>Sergey Vladimirovich Soldatenkov</b>	<b>share in the Issuer's authorized capital - 0,0024 %</b>
<b>Alexandr Abramovich Sysoyev</b>	<b>share in the Issuer's authorized capital - 0,376%</b>
<b>Valery Nikolayevich Yashin</b>	<b>share in the Issuer's authorized capital- 0,172%</b>

**Date, on which the said change took place: 23 June 2003**

**Authorized body of OJSC North-West Telecom taking the decision: Annual general meeting of the shareholders of OJSC North-West Telecom**



**43. Data on re-organization of the Issuer, its subsidiaries and affiliates.**

*There was no re-organization of the Issuer, its subsidiaries and affiliates in the quarter under report.*

**44. Extra essential general information on the Issuer**

*On 17<sup>th</sup> July 2002 the Inspectorate of the Ministry of the Russian Federation for Taxes and Fees for Tsentralny District of St. Petersburg issued the Certificate of making an entry in the Single State Register of Legal Entities on the legal entity registered before 1<sup>st</sup> July 2002.*

*Basic state registration No. - 1027809169849*

**B. Data on Financial and Economic Operation of the Issuer**

**45. Annual accounts and reports for the three last fiscal years**

*Not submitted for the current reporting period*

**46. Issuer's accounts and reports for the quarter under report**

*See Appendix*

**47. Facts that have resulted in an increase or decrease of Issuer's assets by more than 10 per cent for the quarter under report**

Issuer's assets as of the date of the end of the quarter preceding the quarter under report: *15,110,555 thousand roubles*

Issuer's assets as of the date of the end of the quarter under report: *15,671,668 thousand roubles*

**48. Facts that have resulted in an increase of Issuer's profit (losses) in the quarter under report by more than 20 per cent as compared to the previous quarter**

*No such facts*

Issuer's profit (losses) for the quarter preceding the quarter under report: *330,651 thousand roubles*

Issuer's profit (losses) for the quarter under report: *314,050 thousand roubles*

**49. Data on forming and using the reserve and other special funds of the Issuer**

*Since 2002, for the purposes of accounting, the accounts receivable exceeding 90 days is fully reserved, while the accounts receivable with the period up to 90 days is not reserved.*

*Under the Federal Law On Joint-Stock Companies, early in 2003 a reserve in the amount of 29,375 thousand roubles was formed. As of the end of the period under report, it was 46,897 thousand roubles.*

*No Issuer's employees joint-stock fund has been formed at the enterprise.*

**50. Issuer's transactions in the quarter under report amounting to 10 and more per cent of Issuer's assets as of the end of the quarter preceding the quarter under report**

*No such transactions have been made*

**51. Data on allocation of funds raised by the Issuer as a result of issued securities placement**

*There has been no such allocation of funds in the quarter under report.*

**55. Other essential information on financial and economic activities of the Issuer**

*Information on the sections "Financial Investment, "Borrowed Funds" and "Debts" is commercial classified information and, therefore, it is not provided, as its disclosure may adversely affect the Issuer's competitive capacity.*

***This section contains data on the Issuer in compliance with the changes in the Federal Law “On the Securities Market” in respect of disclosing information, which took effect on 4<sup>th</sup> July 2003.***

***1) Names of credit organizations, with which checking and other accounts of the Issuer’s have been opened.***

***Bank: Stock Commercial Bank AGROCREDBANK (Private Joint-Stock Company)***

***Abbreviated name: ACB ZAO AGROCREDBANK***

***TIN: 3523000385***

***Place of business: 34A, SOVETSKY PR., CHEREPOVETS, RUSSIA***

***Mailing address: 34A, SOVETSKY PR., CHEREPOVETS, 162602***

***Bank: Public Joint-Stock Company Commercial Bank Baltonexim Bank***

***Abbreviated name: Baltonexim Bank***

***TIN: 7831001415***

***Place of business: 6, UL. PROLETARSKOY DIKTATORY, ST. PETERSBURG, RUSSIA***

***Mailing address: 6, PL. PROLETARSKOY DIKTATORY, ST. PETERSBURG, 193124***

***Bank: Joint-Stock Commercial Bank AVTOBANK Open Joint-Stock Company***

***Abbreviated name: SCB AVTOBANK OJSC***

***TIN: 7707027313***

***Place of business: 41, UL. LESNAYA, MOSCOW, RUSSIA***

***Mailing address: 41, UL. LESNAYA, MOSCOW, 127055***

***Bank: Dresdner Bank Private Joint Stock Company***

***Abbreviated name: PJSC Dresdner Bank***

***TIN: 7831000901***

***Place of business: 23, UL. MALAYA MORSKAYA, SAINT PETERSBURG RUSSIA***

***Mailing address: 23, UL. MALAYA MORSKAYA, SAINT PETERSBURG, 190000***

***Bank: non-bank crediting organization Northern Clearing Chamber – a private stock company***

***Abbreviated name: PSC NBCO Northern Clearing Chamber***

***TIN: 2901047470***

***Place of business: 8, VOSKRESENSKAYA UL., ARKHANGELSK, RUSSIA***

***Mailing address: 8, VOSKRESENSKAYA UL., ARKHANGELSK, 163000***

***Bank: North-West Telecombank Private Company***

***Abbreviated name: Telecombank Private Company***

***TIN: 7834000145***

***Place of business: 12, BASKOV PER., ST. PETERSBURG, RUSSIA***

***Mailing address: 12, BASKOV PER., ST. PETERSBURG, 191014***

***Bank: Public Joint-Stock Company Commercial Bank - St. Petersburg Bank of Reconstruction and Development***

***Abbreviated name: ZAO CB St. Petersburg Bank of Reconstruction and Development***

***TIN: 7831001373***

***Place of business: 14, IZMAILOVSKY PR., ST. PETERSBURG, RUSSIA***

***Mailing address: 14, IZMAILOVSKY PR., ST. PETERSBURG, 198005***

***Bank: Marine Commercial Bank of Kaliningrad Limited Liability Company***

***Abbreviated name: CB Marine Bank (OOO)***

***TIN: 3900000873***

***Place of business: 68 KIEVSKAYA UL., KALININGRAD, RUSSIA***

***Mailing address: 68 KIEVSKAYA UL., KALININGRAD, 236005***

***Bank: Baltiysky Bank Private Company***

**Abbreviated name: ZAO Baltiysky Bank**

**TIN: 7834002576**

**Place of business: 34, SADOVAYA UL., ST. PETERSBURG, RUSSIA**

**Mailing address: 34, SADOVAYA UL., ST. PETERSBURG, 191023**

**Bank: Joint Stock Commercial Bank Promsvyazbank (Private Joint Stock Company)**

**Abbreviated name: JSCB Promsvyazbank (ZAO)**

**TIN: 7744000912**

**Place of business: 10, SMIRNOVSKAYA UL., BUIDING 22, MOSCOW, RUSSIA**

**Mailing address: 10, SMIRNOVSKAYA UL., BUIDING 22, MOSCOW, 109052**

**Bank: Open Joint-Stock Company Alfa Bank**

**Abbreviated name: OAO Alfa Bank**

**TIN: 7728168971**

**Place of business: 9, UL. MASHI PORYVAYEVOY, MOSCOW, RUSSIA**

**Mailing address: 9, UL. MASHI PORYVAYEVOY, MOSCOW, 107078**

**Bank: Public Joint-Stock Company MDM-Bank, Saint Petersburg**

**Abbreviated name: OAO MDM-Bank SPb**

**TIN: 7831000179**

**Place of business: 26, NEVSKY PR., ST. PETERSBURG, RUSSIA**

**Mailing address: 26, NEVSKY PR., ST. PETERSBURG, 191186**

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

**Abbreviated name: OAO MDM-Bank**

**TIN: 7706074960**

**Place of business: 3, UL. SADOVNICHESKAYA, MOSCOW, RUSSIA**

**Mailing address: 3, UL. SADOVNICHESKAYA, MOSCOW, 113035**

**Bank: Public Joint-Stock Company Commercial Bank MONCHEBANK**

**Abbreviated name: OJSC MONCHEBANK**

**TIN: 5107040020**

**Place of business: 14, LENINA PR., MURMANSK, RUSSIA**

**Mailing address: 14, LENINA PR., MURMANSK, 183032**

**Bank: Open Joint-Stock Company MURMANSK SOCIAL COMMERCIAL BANK**

**Abbreviated name: OJSC MSCB**

**TIN: 5190900165**

**Place of business: 14, LENINA PR., MURMANSK, RUSSIA**

**Mailing address: 12, LENINA PR., MURMANSK, 183010**

**Bank: Public Joint-Stock Company Industry and Construction Bank, Saint Petersburg**

**Abbreviated name: OAO PSB**

**TIN: 7831000010**

**Place of business: 17/18, KOVENSKY PER., ST. PETERSBURG, RUSSIA**

**Mailing address: 191014. 17/18, KOVENSKY PER., ST. PETERSBURG, RUSSIA**

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

**Abbreviated name: OAO ACB Svyaz-Bank**

**TIN: 7710301140**

**Place of business: 7 UL. TVERSKAYA, MOSCOW, RUSSIA**

**Mailing address: 7 UL. TVERSKAYA, MOSCOW, 103375**

**Bank: Bank of Foreign Trade (Open Joint Stock Company)**

**Abbreviated name: OAO Vneshtorgbank**

**TIN: 7702070139**

**Place of business: 16, UL. KUZNETSKIY MOST, MOSCOW, RUSSIA**

**Mailing address: 16, ul. Kuznetskiy most, Moscow, 103031**

**Bank: Public Joint-Stock Company Commercial Bank VELIKIE LUKI BANK**

**Abbreviated name: OAO KB VELIKIE LUKI BANK**

**TIN: 6025001470**

**Place of business: 27A, KOMSOMOLSKAYA UL., VELIKIE LUKI, RUSSIA**

**Mailing address: 27A, KOMSOMOLSKAYA UL., VELIKIE LUKI, 182100**

**Bank: Public Joint-Stock Company Novgorod Universal Commercial Bank NOVOBANK**

**Abbreviated name: OAO UKB NOVOBANK**

**TIN: 5321029402**

**Place of business: 20, VELIKAYA UL., VELIKIY NOVGOROD, RUSSIA**

**Mailing address: 20, VELIKAYA UL., VELIKIY NOVGOROD, 173003**

**Bank: Open Joint Stock Company Bank Vozrozhdenie**

**Abbreviated name: Bank Vozrozhdenie (OAO)**

**TIN: 5000001042**

**Place of business: 7/4, LUCHNIKOV PER., BUILDING 1, GSP-9, MOSCOW, RUSSIA**

**Mailing address: 7/4, LUCHNIKOV PER., BUILDING 1, GSP-9, MOSCOW, 101999**

**Bank: Joint Stock Commercial Bank Vneshagrobank (Open Joint Stock Company)**

**Abbreviated name: AKB Vneshagrobank (OAO)**

**TIN: 7703026680**

**Place of business: 33/2/5, GAGARINSKY PER., BUILDING 1, MOSCOW, RUSSIA**

**Mailing address: 33/2/5, GAGARINSKY PER., BUILDING 1, MOSCOW, 121002**

**Bank: Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)**

**Abbreviated name: Sberbank of Russia OAO**

**TIN: 7707083893**

**Place of business: 19 UL. VAVILOVA, MOSCOW, RUSSIA**

**Mailing address: 19 UL. VAVILOVA, MOSCOW, 117997**

**Bank: Open Joint-Stock Company Promyshlenny Energetichesky Bank (Industry Energy Bank)**

**Abbreviated name: OAO PROMENERGOBANK**

**TIN: 3525018003**

**Place of business: 12 UL. BATIUSHKOVA, VOLOGDA, RUSSIA**

**Mailing address: 12 UL. BATIUSHKOVA, VOLOGDA, 160001**

**Bank: Joint Stock Commercial Bank MENATEP Saint Petersburg - Open Joint Stock Company**

**Abbreviated name: OAO Bank Menatep SPb**

**TIN: 7831001567**

**Place of business: 1, NEVSKY PR., ST. PETERSBURG, RUSSIA**

**Mailing address: 1, NEVSKY PR., ST. PETERSBURG, 191186**

**Bank: Joint-Stock Commercial Bank Moskovsky Industrialny Bank (Open Joint-Stock Company)**

**Abbreviated name: OAO MInB**

**TIN: 7725039953**

**Place of business: 5 UL. ORDZHONIKIDZE, MOSCOW, RUSSIA**

**Mailing address: 5 UL. ORDZHONIKIDZE, MOSCOW, 115419**

**Bank: MIRNINSKY COMMERCIAL BANK MAK-BANK (LIMITED LIABILITY COMPANY)**

**Abbreviated name: KB MAK- Bank (OOO)**

**TIN: 1433001750**

**Place of business: 23/5, BOLSHAYA YAKIMANKA UL., MOSCOW, RUSSIA**

**Mailing address: 23/5, BOLSHAYA YAKIMANKA UL., MOSCOW, 109180**

## **2) Information on financial and economic operations**

	<b>RETURNS</b> (thousand roubles)	<b>NET PROFIT</b> (thousand roubles)	<b>CAPITALIZATION</b> (thousand dollars) according to the data of RTS
2002	10 091 841*	420 794**	305 248
2001	3,951,387	364,112	235,763
2000	1,827,768	377,271	130,488
1999	1,370,636	91,852	140,535
1998	1,009,896	-513,720	126,009

\* taking into account 8 affiliated telecommunication operators

\*\* such an insignificant increase in the net profit as compared to proceeds can be explained by the fact of making the doubtful debt reserve.

### 3) Data on remuneration for each management body (addition to the "Remuneration" section)

Standards of deductions for calculation of remuneration to Members of the Board of Directors of the Company according to their term of office:

- quarterly – to each Member of the Board of Directors in the amount of 0.0062% of the proceeds from sales of goods, products, jobs or services for the reporting quarter according to the data of the Company's accounts and reports;
- annual – for all Members of the Board of Directors in the amount of 0.4% of the net profit for the year under report according to the data of the Company's accounts and reports.

### Data on Related-Party Transactions Made in 2002

<b>Subject of contract</b>	<b>Parties to the contract</b>	<b>Price of contract</b>
sale of a block of shares	OJSC NWT, Zenith Football Club Private Company	1.2 million roubles
payment for medical services to citizens included in the lists submitted by OJSC NWT	OJSC NWT, Medexpress Private Company	4,304,462 roubles
payment for medical services to citizens included in the lists submitted by OJSC NWT	OJSC NWT, Medexpress Private Company	7,113,370 roubles
lease of premises owned by OJSC NWT	OJSC NWT, OJSC Lensvyaz	493,392.02 conventional units
Leasing of switching equipment of CJSC NEC-NEVA	OJSC NWT, OJSC RTK-Leasing	417 741 529,2 YPE
timeless target transfer of monetary funds	OJSC NWT, Non-Profit Partnership - Centre for Research of Telecommunications Development Problems	1% of OJSC NWT's receipts annually

<b>granting a loan in the overdraft form</b>	<b>OJSC NWT, Telecombank Private Company</b>	<b>38 million roubles</b>
<b>Property leasing</b>	<b>OJSC NWT, OJSC RTK-Leasing</b>	<b>116,560,562 roubles</b>

## **B. Data on Issuer's Securities**

### **56. Data on Issuer's stock**

Issue No.: **1**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **371 727**

Total amount of the issue: **371 727**

Data on registration of the issue by the state:

Date of registration: **31.05.1993**

Registration No.: **72-1p-471**

Authority of state registration: **finance authorities**

Placement method: **according to the privatization plan**

Period of placement: **from 31.05.1993 to 30.09.1996**

Current state of the issue: **all securities of the issue have been retired (cancelled)**

Number of actually placed securities in compliance with the registered report on the results of the issue: **371 727**

Data on state registration of the report on the results of the issue:

Date of registration: **9.10.1996**

Authority of state registration: **finance authorities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**There is no trade in securities of this issue, as all the securities of the issue have been cancelled**

Extra essential information on the securities of the issue:

**none**

Issue No.: **1**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **140 310**

Total amount of the issue: **140 310**

Data on registration of the issue by the state:

Date of registration: **31.05.1993**

Registration No.: **72-1p-471**

Authority of state registration: **finance authorities**

Placement method: **according to the privatization plan**

Period of placement: **from 31.05.1993 to 30.09.1996**

Current state of the issue: **all securities of the issue have been retired (cancelled)**

Number of actually placed securities in compliance with the registered report on the results of the issue: **140 310**

Data on state registration of the report on the results of the issue:

Date of registration: **9.10.1996**

Authority of state registration: **finance authorities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**There is no trade in securities of this issue, as all the securities of the issue have been cancelled**

Extra essential information on the securities of the issue:

**none**

Issue No.: **1**

Category: **preferred**

Stock type: **B**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **265 421**

Total amount of the issue: **265 421**

Data on registration of the issue by the state:

Date of registration: **31.05.1993**

Registration No.: **72-1p-471**

Authority of state registration: **finance authorities**

Placement method: **according to the privatization plan**

Period of placement: **from 31.05.1993 to 30.09.1996**

Current state of the issue: **all securities of the issue have been retired (cancelled)**

Number of actually placed securities in compliance with the registered report on the results of the issue: **265 421**

Data on state registration of the report on the results of the issue:

Date of registration: **9.10.1996**

Authority of state registration: **finance authorities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**There is no trade in securities of this issue, as all the securities of the issue have been cancelled**

Extra essential information on the securities of the issue:

**none**

Issue No.: **2**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **382 288 800**

Total amount of the issue: **382 288 800**

Data on registration of the issue by the state:

Date of registration: **16.09.1996**

Registration No.: **72-1-5986**

Authority of state registration: **finance authorities**

Placement method: **closed subscription**

Period of placement: **from 16.09.1996 to 18.02.1997**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **382 288 800**

Data on state registration of the report on the results of the issue:

Date of registration: **18.02.1997**

Authority of state registration: **finance authorities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**Common stock of OJSC PTN is traded in through the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, Section of Corporate Securities of the St. Petersburg Currency Exchange and the Moscow Interbank Currency Exchange**

Extra essential information on the securities of the issue:



**none**

Issue No.: 2

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **84 186 000**

Total amount of the issue: **84 186 000**

Data on registration of the issue by the state:

Date of registration: **16.09.1996**

Registration No.: **72-1-5986**

Authority of state registration: **finance authorities**

Placement method: **closed subscription**

Period of placement: **from 16.09.1996 to 18.02.1997**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **84 186 000**

Data on state registration of the report on the results of the issue:

Date of registration: **18.02.1997**

Authority of state registration: **finance authorities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**Preferred stock of OJSC PTN is traded in through the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, Section of Corporate Securities of the St. Petersburg Currency Exchange and the Moscow Interbank Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: 3

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **43 200 000**

Total amount of the issue: **43 200 000**

Data on registration of the issue by the state:

Date of registration: **10.10.1997**

Registration No.: **2-03-00119-A**

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

Placement method: **public subscription**

Period of placement: **from 10.10.1997 to 29.07.1998**

Current state of the issue: **the issue of securities has been recognized as invalid**

Date of taking the decision on recognizing the issue invalid: **8.02.1999**

Authority taking the decision on recognizing the issue invalid: **Federal Commission for Securities Market of Russia**

Grounds for recognizing the issue invalid: **there has been no placement of securities**

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**There is no trade in securities of this issue, as the securities issue has been recognized invalid**

Extra essential information on the securities of the issue:

**none**

Issue No.: **4**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **5 288 520**

Total amount of the issue: **5 288 520**

Data on registration of the issue by the state:

Date of registration: **7.12.2000**

Registration No.: **1-04-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 28.12.2000 to 28.12.2000**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **5 287 564**

Data on state registration of the report on the results of the issue:

Date of registration: **28.02.2001**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange and at the Moscow Interbank Currency Exchange***

Extra essential information on the securities of the issue:

***none***

Issue No.: **5**

Category: ***preferred***

Stock type: **A**

Form of securities: ***registered non-documentary***

Face value of one bond of the issue: **1**

Number of issued securities: **1 762 463**

Total amount of the issue: **1 762 463**

Data on registration of the issue by the state:

Date of registration: **7.12.2000**

Registration No.: **2-05-00119-A**

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

Placement method: ***conversion during re-organization***

Period of placement: ***from 28.12.2000 to 28.12.2000***

Current state of the issue: ***the placement is over***

Number of actually placed securities in compliance with the registered report on the results of the issue: **1 762 439**

Data on state registration of the report on the results of the issue:

Date of registration: **28.02.2001**

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

Restrictions in circulation of the securities of the issue (if any):

***none***

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange and at the Moscow Interbank Currency Exchange***

Extra essential information on the securities of the issue:

***none***

Issue No.: **6**

Category: ***common***

Form of securities: ***registered non-documentary***

Face value of one bond of the issue: **1**

Number of issued securities: **85 483 202**

Total amount of the issue: **85 483 202**

Data on registration of the issue by the state:

Date of registration: **7.12.2000**

Registration No.: **1-06-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 28.12.2000 to 28.12.2000**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **85 480 602**

Data on state registration of the report on the results of the issue:

Date of registration: **28.02.2001**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange and at the Moscow Interbank Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: 7

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **28 493 803**

Total amount of the issue: **28 493 803**

Data on registration of the issue by the state:

Date of registration: **7.12.2000**

Registration No.: **2-07-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 28.12.2000 to 28.12.2000**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **28 492 412**

Data on state registration of the report on the results of the issue:

Date of registration: **28.02.2001**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange and at the Moscow Interbank Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **8**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **55 000 200**

Total amount of the issue: **55 000 200**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-08-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **54 997 606**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **8**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **19 338 460**

Total amount of the issue: **19 338 460**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-08-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **18 333 163**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **9**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **62 227 264**

Total amount of the issue: **62 227 264**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-09-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: ***the placement is over***

Number of actually placed securities in compliance with the registered report on the results of the issue: **62 224 850**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

***none***

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange***

Extra essential information on the securities of the issue:

***none***

Issue No.: **9**

Category: ***preferred***

Stock type: ***A***

Form of securities: ***registered non-documentary***

Face value of one bond of the issue: **1**

Number of issued securities: **20 744 994**

Total amount of the issue: **20 744 994**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-09-00119-A**

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

Placement method: ***conversion during re-organization***

Period of placement: ***from 31.10.2002 to 31.10.2002***

Current state of the issue: ***the placement is over***

Number of actually placed securities in compliance with the registered report on the results of the issue: **20 730 266**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

***none***

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St.***

**Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **10**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **23 483 244**

Total amount of the issue: **23 483 244**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-10-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **23 455 458**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **10**

Category: **preferred**

Stock type: **A**

Form of securities: **registered documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **7 828 083**

Total amount of the issue: **7 828 083**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**



Registration No.: **2-10-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **7 790 694**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **11**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **16 661 708**

Total amount of the issue: **16 661 708**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-11-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **16 660 997**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **11**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **5 554 954**

Total amount of the issue: **5 554 954**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-11-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **5 553 754**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **12**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **38 637 398**

Total amount of the issue: **38 637 398**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-12-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **38 636 440**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **12**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **12 880 669**

Total amount of the issue: **12 880 669**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-12-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **12 878 823**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **13**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **15 611 715**

Total amount of the issue: **15 611 715**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-13-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **15 610 781**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **13**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **5 206 324**

Total amount of the issue: **5 206 324**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-13-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **5 203 638**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **14**

Category: **common**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **35 779 574**

Total amount of the issue: **35 779 574**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-14-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **35 779 115**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

Issue No.: **14**

Category: **preferred**

Stock type: **A**

Form of securities: **registered non-documentary**

Face value of one bond of the issue: **1**

Number of issued securities: **11 927 338**

Total amount of the issue: **11 927 338**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-14-00119--A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **11 926 568**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange***

Extra essential information on the securities of the issue:

***none***

Issue No.: **15**

Category: ***common***

Form of securities: ***registered non-documentary***

Face value of one bond of the issue: **1**

Number of issued securities: **15 495 670**

Total amount of the issue: **15 495 670**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **1-15-00119-A**

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

Placement method: ***conversion during re-organization***

Period of placement: ***from 31.10.2002 to 31.10.2002***

Current state of the issue: ***the placement is over***

Number of actually placed securities in compliance with the registered report on the results of the issue: **15 495 009**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

***none***

Market information on the securities of the issue:

***As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange***

Extra essential information on the securities of the issue:

***none***

Issue No.: **15**

Category: ***preferred***

Stock type: **A**

Form of securities: ***registered non-documentary***

Face value of one bond of the issue: **1**

Number of issued securities: **5 165 720**

Total amount of the issue: **5 165 720**

Data on registration of the issue by the state:

Date of registration: **9.10.2002**

Registration No.: **2-15-00119-A**

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

Placement method: **conversion during re-organization**

Period of placement: **from 31.10.2002 to 31.10.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **5 165 031**

Data on state registration of the report on the results of the issue:

Date of registration: **27.12.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**none**

Market information on the securities of the issue:

**As of the date of the report, there was trade in shares of the issue in the Russian Trading System (RTS), at the St. Petersburg Stock Exchange, in the Section of Corporate Securities of the St. Petersburg Currency Exchange**

Extra essential information on the securities of the issue:

**none**

#### **57. Data on Issuer's bonds.**

Issue No.: **1**

Series: **01**

Category: **interest-bearing**

Form of securities: **documentary, payable to bearer**

Face value of one bond of the issue: 1,000 roubles

Number of issued securities: **300 000**

Total amount of the issue: **300 000 000**

Data on registration of the issue by the state:

Date of registration: **6.03.2002**

Registration No.: **4-01-00119-A**

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

Placement method: **public subscription**

Period of placement: **from 10.04.2002 to 24.04.2002**

Current state of the issue: **the placement is over**

Number of actually placed securities in compliance with the registered report on the results of the issue: **300 000**



Data on state registration of the report on the results of the issue:

Date of registration: **15.05.2002**

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

Restrictions in circulation of the securities of the issue (if any):

**There are no restrictions in the circulation of issued securities in the secondary market.**

Market information on the securities of the issue:

**Trading in securities of the issue take place at the Moscow Interbank Currency Exchange, at the St. Petersburg Currency Exchange, in the Russian Trading System (RTS) and in the off-exchange market.**

Circulation period of the issued bonds: **from 10.04.2002 to 09.04.2004**

Income on bonds of the issue:

in per cent of face value: **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 placement price is considered as the bond yield.**

**The Bonds have five coupons.**

**The Bonds placement 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 placement 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 placement 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 placement 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 placement 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:**

$$K_j = C_j * Nom * (T(j) - T(j-1)) / 365 / 100 \%$$

**where,**

**j is the No. of the coupon period, j=1,2,3,4,5;**

**K<sub>j</sub> is the amount of coupon payment on each Bond;**

**Nom is the face value of one Bond;**

**C<sub>j</sub> 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 placement 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 placement 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 placement 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 placement 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 placement 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 Private Company, ZAO Telecombank; 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 and 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 depo 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 Depositary, 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.**

other property equivalent per Bond (roubles): *not applied*

other yield and rights on Bonds of the issue: *not applied*

Period of redemption: **From The 730th (seven hundred thirtieth) day from the day when placement of the issued Bonds starts is considered the day of the issued Bonds redemption start. To The dates of redemption start and completion coincide.**

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 Depositary 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 Depositary Centre's) depositors in favour of Bond Owners who are such Owners as of the and 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 depo 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 Depositary, 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.***

***Early redemption is not provided for***

Security on bonds of the issue:

***No security is provided for***

Yield on the issued Bonds, paid in the quarter under report:

money: ***27,075,000 roubles for 300000 Bonds***

other property equivalent: ***0 roubles***

other interests and (or) other income: ***0 roubles***

Extra essential information on the securities of the issue:

***none***

## D. Other Data on Issuer's Securities

### 58, 59, 60. Rights of the holders of Issuer's shares. Dividend on Issuer's shares.

#### 58.1

Stock category: *common*

Form of shares: *registered non-documentary*

Full name of the category/type of shares: *common registered non-documentary shares*

Rights of a holder of shares of this category (type):

*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 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.**

Dividend on shares of this category (type):

Period: **2000**

Amount of dividend charged on a share (roubles): **0.012**

Total amount of dividend charged on shares of this category (type) (roubles): **4 587 465.6**

Period: **2001**

Amount of dividend charged on a share (roubles): **0.119**

Total amount of dividend charged on shares of this category (type) (roubles): **56 293 778.9**

Period: **2002**

Amount of dividend charged on a share (roubles): **0.077**

Total amount of dividend charged on shares of this category (type) (roubles): **36 425 386.38**

Period: **the 1st quarter of 2003**

Amount of dividend charged on a share (roubles): **0**

Total amount of dividend charged on shares of this category (type) (roubles): **0**

Period: **the 2nd quarter of 2003**

Amount of dividend charged on a share (roubles): **0.14**

Total amount of dividend charged on shares of this category (type) (roubles): **47098710.7**

Amount of dividend charged on shares of this category (type), the period of payment on which has not started yet (roubles): **47098710.7**

## **58.2**

Stock category: **preferred**

Stock type: **A**

Form of shares: **registered non-documentary**

Full name of the category/type of shares: **preferred registered non-documentary type A shares**

Rights of a holder of shares of this category (type):

**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 type A 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 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.*

Dividend on shares of this category (type):

Period: 2000

Amount of dividend charged on a share (roubles): **0.079**

Total amount of dividend charged on shares of this category (type) (roubles): **6 650 694**

Period: **2001**

Amount of dividend charged on a share (roubles): **0.257**

Total amount of dividend charged on shares of this category (type) (roubles): **29 411 298.7**

Period: **2002**

Amount of dividend charged on a share (roubles): **0.248**

Total amount of dividend charged on shares of this category (type) (roubles): **28 381 331.05**

Period: **the 1st quarter of 2003**

Amount of dividend charged on a share (roubles): **0**

Total amount of dividend charged on shares of this category (type) (roubles): **0**

Period: **the 2nd quarter of 2003**

Amount of dividend charged on a share (roubles): **0.064**

Total amount of dividend charged on shares of this category (type) (roubles): **28283198.82**

Amount of dividend charged on shares of this category (type), the period of payment on which has not started yet (roubles): **28283198.82**

#### **61. Restrictions in circulation of securities.**

*See clauses 56 and 57*

#### **62. Other essential information on Issuer's securities.**

*Total amount of dividend actually paid on common and preferred shares, including payments for previous years:*

*Period of payment: 2000*

*Paid amount of dividend, roubles: 6 929 660,29*

*Period of payment: 2001*

*Paid amount of dividend, roubles: 67 292 541,97*

*Period of payment: 2002*

*Paid amount of dividend, roubles: 60 162 069,17*

*Period of payment: the 1st quarter of 2003*

*Paid amount of dividend, roubles: 7 960 965,35*

*Period of payment: the 2nd quarter of 2003*

*Paid amount of dividend, roubles: 231 079,65*

*The nonprofit partnership National Depository Centre deals with the accounting and centralized care of the certificate of OJSC North-West Telecom's Bonds, state registration No. of the issue: 4-01-00119-A*



**APPENDIX**  
**Accounts and Reports**  
**for the 1<sup>st</sup> half of the year 2003**

## ACCOUNTING POLICY

*ORDER of 31 December of the year 2002*

*on Accounting policy of OJSC North-West Telecom for the year 2003*

*Based on: The Federal Law of RF "On Accounting" 129-FZ dated 21.11.96,  
The Provisions on Accounting and Reporting in the Russian Federation, approved by the Order  
of the Ministry of Finance of Russia, of 29.07.98, No. 34n;  
The Provisions on Accounting "Accounting Policy of an Enterprise – Accounting Rules 1/98,  
approved by the Order of the Ministry of Finance of RF, of 09.12.98 No. 60n;  
The Provisions on Accounting "Accounts and Reports of an Enterprise – Accounting Rules 4/99,  
approved by the Order of the Ministry of Finance of RF, of 28.06.2000 No. 60n;  
Card of Accounts for Book-Keeping in Financial and Economic Operations of Enterprises, and  
the Instructions on its application, approved by the Order of the Ministry of Finance of RF, of  
31<sup>st</sup> October 2000, No. 94n;  
and the Tax Code of RF,*

*I ORDER the following:*

*Accounting and tax reporting as well as financial reporting in 2003 shall comply with the  
Accounting Policy.*

*General Manager*

*A.A. Sysoyev*

### **PROVISIONS ON ACCOUNTING POLICY IN THE BOOK-KEEPING OF OJSC NORTH- WEST TELECOM FOR THE YEAR 2003**

#### **INTRODUCTION**

*These Provisions on Accounting Policy of the Company have been developed in compliance with  
the requirements of the laws on accounting of the Russian Federation.*

*For the purposes of these Provisions, Accounting Policy of the Company means the aggregate of  
the accounting methods selected by it, grounded and disclosed for various users – primary  
observation, cost measurement, current grouping and summary generalization of the operation  
facts – aimed at obtaining financial and managerial information as prompt, complete, impartial  
and reliable as possible.*

*In the cases where the standard accounting regulation system of the Russian Federation did not  
provide for an accounting method for a certain issue, the respective accounting method was  
developed during the development of the accounting policy by the Company, proceeding from the  
active law.*

*Being the basis of the accounting system, the Company's accounting policy must ensure the  
following:*

- observing the fundamental principles of accounting, such as completeness, timeliness, caution,  
priority of content over form, consistency, rationality, continuity of activities and constancy;*
- observance of the general requirements for accounts and reports: completeness, essentiality,  
neutrality, comparability, commensurability;*
- reliability of reports prepared by the Company – accounting reports, tax reports, and statistical*

*reports;*

- unity of the methods used in organizing and keeping accounts in the Company on the whole and in its structural units;*
- efficacy and flexibility of the accounting system response to changes in the conditions of financial and economic operations, including changes in legislative and standard acts;*

*Along with the general obligatory requirements and rules, these Provisions take into account peculiarities of the Company:*

- availability of bylaws taking into account the industry specificity of the enterprise;*
- availability of many structural units, which, in a number of cases, are situated far from the Company's Central Management Board's location;*

*The Provisions consistently describe the accounting methods that were adopted when the accounting policy was being prepared and which essentially influence the estimation and the taking of decisions by interested users of accounts and reports and without the knowledge of using which it is impossible to estimate the financial standing, cash flow or financial results of the Company's business.*

*The accounting methods selected by the Company when this accounting policy was formed are approved by the order of the Company's General Manager and are applied starting from 1<sup>st</sup> January 2003.*

*All persons having to do with deciding the issues covered by the accounting policy shall be guided by these Provisions in their activities:*

- Management of the Company;*
- managers of branches and structural units in charge of organization and status of accounting in the units headed by them;*
- workers of services and departments in charge of timely preparation and revision of standard and reference information and in charge of bringing it to the notice of executive units;*
- workers of services and units in charge of timely submission of source documents to the accountants' office;*
- workers of the accountants' service in charge of timely and quality performance of all accounting operations and making up reliable reports of all kinds;*
- other employees.*

*The accounting policy has been prepared for the year 2003 and is not subject to changes, except for the following cases:*

- changes in the legislation of the Russian Federation or standard acts on accounting;*
- development of new accounting methods;*
- essential changes in the operation conditions as a result of re-organization, change of owners, or change of the areas of business, etc.*

*All and any amendments introduced to the text of the Provisions on the Company's Accounting Policy shall be approved by the General Manager of the Company.*

*Any changes in the accounting policy shall take effect starting from 1<sup>st</sup> January of the year (start of the fiscal year) following the year of its approval.*

*Responsibility for observing the methodology shall rest with the General Manager of the Company.*

## **1. ORGANIZATIONAL ASPECTS OF THE ACCOUNTING POLICY**

### **1.1. General Data on the Company**

***The Open Joint-Stock Company North-West Telecom was founded by the City Property Management Committee of the St. Petersburg Mayor's Office – the territorial agency of the State Property Management Committee of the Russian Federation by the decision dated 10<sup>th</sup> February 1993 through re-organization of the state communication and informatization enterprise 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 dated 1<sup>st</sup> July 1992 No. 721 "On Organizational Measures of Transforming State Enterprises and Voluntary Associations of State Enterprises into Joint-Stock Companies", and the resolution of the Government of the Russian Federation dated 28<sup>th</sup> December 1992 No. 1003 "On Privatization of Communication Enterprises".***

***The City Property Management Committee of the St. Petersburg Mayor's Office – the territorial agency of the State Property Management Committee of the Russian Federation – is the founder of OJSC North-West Telecom. Property of OJSC North-West Telecom is owned by the Company.***

***According to the Articles of Association, the main goal of the Company is to gain profit through meeting public needs in products (jobs, services) in the field of telecommunication and in other fields.***

***The Company's Articles of Association provide for the following fields of activities:***

- Providing services to the authorities and management bodies, as well as to other corporations and individuals in the field of telecommunications;***
- Creating and operating backbone networks, regional (area) and local telecommunication networks, as well as control and signaling facilities;***
- Design, introduction and operation of the telecommunication network for transmission of various kinds of information (voice data transmission, facsimile and cable transmission, other types), as well as organization and operation of the telematic service (Telex, Videotex, Telefax, e-mail) on the basis of digital transmission and switching systems;***
- Gas facilities operation;***
- Organization of warranty servicing, maintenance and after-sale servicing, as well as repair of various technical facilities, including the most sophisticated ones;***
- Design, development and implementation of advanced technologies in various industrial areas;***
- Production and sales of components and spare parts for various systems, mechanisms and devices;***
- Design, construction, renovation, restoration and operation of production and non-production buildings and facilities, including housing, hotels, camping sites and motels;***
- Production of construction materials, parts and equipment, including structures of metal, concrete, wood and other materials;***
- Procurement, processing and sale of wood, production of joinery and furniture;***
- Design and development of software and dataware for automated systems of various applications;***
- Manufacture, processing and sale of animal and vegetable products, including wild species;***
- Production and sale of consumer goods;***
- Trading, purchasing and commercial agency, including consignment trade;***
- Participation in organization of stock exchanges, commodity exchanges and other exchanges, as well as trading houses both in RF and abroad according to the procedures established by the law;***
- Dealership and brokerage according to the procedures established by the law;***
- Specialists training and further education both in RF and abroad;***
- Creating a network of company shops in RF and abroad.***

- *Providing services in the field of tourism, including foreign countries tourism and non-traditional tourism; cargo and cargo-and-passenger carriages by motor road, railway, water and other transport facilities; hotel servicing, including motels and campings; consulting, marketing and engineering; information services, including those in the on-line and off-line modes in compliance with the active law; production of advertising media and provision of advertising services;*
- *Sale and acquisition of patents, inventions and know-hows according to the procedure established by the law;*
- *Organization of and participation in fairs, auctions and trade exhibitions according to the procedure established by the law;*
- *Organization of cultural exchanges without currency payments;*
- *Carrying out work related to the use of data considered a state secret and to provision of services to protect a state secret;*
- *Other activities beyond the scope of the activities stipulated by the Articles of Association, which do not contradict the active law.*

*The organization has three management levels:*

- *General Directorate of the Company;*
- *Regional Branches;*
- *structural units.*

*The units shall act on the basis of the Provisions approved according to the established procedure.*

### **1.2. Principles of Accounting Service Organization**

*The term “accounting service” defines a complex of structural units and officials performing the operations of collecting, processing and analyzing source information and making up reports on its basis for various groups of users.*

*At each level of management, the accounting service ensures collection and processing of information for the purpose of providing data to users for working out, grounding and taking decisions at their level of management and for providing the superior management bodies with information required for working out, grounding and taking decisions at a higher level of management.*

*Accounting practice and control shall be the responsibility of the accounting service of the Company, headed by the Chief Accountant. The accounting service of the Company includes accountants’ offices of units directly headed by the Chief Accountants of such units. The duties of the central accountants’ office shall be performed by the accountants’ office of the Company’s General Directorate.*

### **1.3. Document Turnover Organization Procedure, and Accounting Documentation Processing Technology**

*The Company’s document turnover rules and organization procedure, document turnover schedule and source accounting document processing technology, including:*

- *source document creation procedure;*
- *source document check procedure;*
- *procedure and timing of transferring the documents for accounting records;*
- *procedure of transferring the documents to the archives, -*  
*shall be regulated by the Provisions on the Document Turnover System.*

***The Company shall use unified forms for source accounting documentation, approved by the State Statistics Committee of Russia.***

***When recording financial and economic operations, for which no unified forms have been provided for, independently developed forms of source accounting documents shall be used (among other things, those included in the Provisions on the Document Turnover System), that are contained in the bylaws on the document turnover system and that include the following obligatory details established by the Federal Law dated 21.11.96 No. 129-FZ "On Accounting":***

- name of document;***
- date of making up the document;***
- name of organization, on behalf of which the document was made up;***
- contents of the economic operation;***
- indices of the economic operation in kind and in monetary terms;***
- positions of officials responsible for an economic operation and for correctly recording it;***
- signatures of said officials.***

***The right of signing source accounting documents shall be established by Company's bylaws.***

***The Company shall use the computer technology of accounting information processing.***

***Accounting registers with the synthetic and analytical accounts of shipment of and payment for provided services, performed jobs and shipped inventory holdings shall be made up using computer facilities and shall be stored in the electronic form.***

#### ***1.4. Property and Liabilities Inventory Organization and Performance Procedure***

***All property irrespective of location and all kinds of liabilities of the Company are subject to inventory.***

***The Company shall hold the inventory according to the following timing:***

- that of fixed assets – at least once in every two years as of 1<sup>st</sup> November of the year under report;***
- that of intangible assets – annually as of 1<sup>st</sup> December of the year under report;***
- that of capital construction in progress and other capital investments – annually as of 1<sup>st</sup> November of the year under report;***
- that of raw materials, components, precious metals, equipment for installation, semi-finished products, goods, finished products at warehouses – annually as of 1<sup>st</sup> November of the year under report;***
- that of production in progress – on a quarterly basis as of the end of the quarter;***
- that of deferred income and expenses - annually as of 31<sup>st</sup> December of the year under report;***
- that of monies on accounts with bank institutions - annually as of 31<sup>st</sup> December of the year under report;***
- that of cash on hand – at least once in a quarter;***
- that of long-term financial investment – annually as of 31<sup>st</sup> December of the year under report;***
- that of short-term financial investment and monetary instruments - on a quarterly basis as of the end of the quarter;***
- that of settlements with debtors, and doubtful debt reserve – on a quarterly basis as of the end of the quarter;***
- that of settlements with creditors (in respect of settlements with communication operators) on a quarterly basis as of the end of the quarter, and with other creditors – once a year as of 31<sup>st</sup> December of the year under report;***
- that of settlements in respect of taxes and obligatory deductions to the budget and off-budget funds, and in respect of target financing - annually as of 31<sup>st</sup> December of the year under report;***
- that of internal settlements – at least once in a quarter;***

- that of settlements with the personnel and advance holders – on a quarterly basis as of the end of the quarter;
- that of other settlements and obligations - annually as of 31<sup>st</sup> December of the year under report.

*To hold the inventory at the level of the Company's General Directorate and Branch Management Boards, standing inventory commissions are established, the members of which shall be approved by:*

- the General Manager of the Company for the Company's General Directorate;
- the Branch Director for Regional Branches and their structural units.

*The detailed procedure of organizing and holding the inventory of property and liabilities of the Company is set forth in the Provisions on the Procedure of Holding the Inventory of Assets and Liabilities and Measures to Ensure Safety of Assets.*

#### **1.5. The Procedure of Making up the Company's Accounts and Reports**

*The Company's accounts and reports shall be made up according to the procedure and within the time provided for by the Federal Law dated 21.11.96 No. 129-FZ "On Accounting" and other standard acts of the Russian Federation, regulating the accounting.*

*The Company's accounts and reports shall be prepared by the accountants' office of the Company's General Directorate on the basis of generalized information on the property, liabilities and operation results, taking into account the information provided by accountants' offices of Regional Branches. Accounts and reports shall be prepared by the accountants' offices of Regional Branches on the basis of the data provided by accountants' offices of structural units.*

*When accounts and reports are made up, the forms developed by the Company taking into account the recommendation contained in the appropriate standard documents shall be applied.*

*Internal accounting forms and the concrete timing of submitting them are given in the bylaws on the Company's accounts and reports preparation procedure.*

#### **1.6. Company's Working Card of Accounts**

*A Single Working Card of Accounts shall be used in the accounting by all units of the Company. (Appendix 1)*

*The procedure of applying the Single Working Card of Accounts, including the distribution of terms of reference in keeping accounts and control accounts among accountants' services of various levels of the Company's management, shall be regulated by the Instructions on Applying the Single Working Card of Accounts.*

*Amendments introduced to the Working Card of Accounts shall be approved by the Company's General Manager.*

## **2. METHODOLOGICAL ASPECTS OF THE ACCOUNTING POLICY**

### **2.1. Intangible Assets Accounting Procedure**

*The total amount of depreciation deductions for intangible assets shall be determined on the monthly basis according to the standards calculated proceeding from their initial cost and their*

***useful life, by the linear method.***

***The expected useful life of intangible assets shall be determined when they are recorded, by a specially formed commission, and shall be approved by the General Manager of the Company.***

***The value of intangible assets shall be retired by accumulating the amounts of the charged depreciation on account 05 "Depreciation of Intangible Assets".***

***The procedure of accounting the objects of intangible assets is set forth in the Methodological Instructions on Intangible Assets Accounting.***

## ***2.2. Fixed Assets Accounting Procedure***

***There is no re-valuation of fixed assets in 2003.***

***Depreciation by objects of fixed assets shall be charged by the linear method based on the initial value or replacement value (in case of any re-valuations taking place) of an object of fixed assets and the standard depreciation calculated proceeding from the useful life of such an object.***

***The useful life by groups of uniform objects of fixed assets shall be determined by the fixed assets acceptance commission and shall be approved by the Company's General Manager.***

***For acquired fixed assets that have already been operated, the useful life shall be determined based on the actual operation time and the expected fixed assets useful life in the Company.***

***Objects of fixed assets, the value of which does not exceed 10,000 roubles per unit, as well as books, brochures and the like editions, acquired starting from 01.01.02, shall be written off to production costs (expenses for sale) as they are released to production or operation using account 02 "Depreciation of fixed assets". To ensure safety of such objects in the production or operation, the Company shall exercise a proper control over their flow on account 01 "Fixed Assets".***

***Objects of capital construction, that are in temporary operation before final commissioning, as well as real estate objects that have no documents that would confirm the state registration of real estate objects in the cases provided for by the law, shall be depreciated starting from the first day of the month following the month of the start of their actual use.***

***For fixed assets received under contracts of leasing, the accelerated depreciation coefficient provided for by the terms of the contract, however, not higher than 3, shall be used.***

***Expenses for all kinds of repairs shall be included in the prime cost of the period under report, in which they were incurred. No reserve of future expenses for fixed assets repairs is formed.***

***The fixed assets objects accounting procedure is given in the Methodological Instructions on Fixed Assets Accounting and the Methodological Instructions on Capital Construction Accounting.***

## ***2.3. Inventories Accounting Procedure***

***The actual prime cost of inventories shall be formed in the accounts and reports of the Company using accounts 15 "Procurement and Acquisition of Stocks of Materials and Capital Equipment" and 16 "Deviation in the Value of Stocks of Materials and Capital Equipment".***



***Accounting of inventories on accounts 10 "Materials" and 41 "Goods" shall be based on Accounting Prices.***

***Inventories (raw materials, components and goods) shall be accepted for accounting at the accounting price, which is deemed to mean here the following:***

- when inventories are acquired on a paid basis – the supplier's price according to the contract of delivery (sale and purchase);***
- when inventories are made by the organization itself – the total of actual costs related to the production;***
- when inventories are contributed as investment in the authorized capital of the Company – the monetary evaluation agreed upon by the founders (participants) of the Company taking into account the requirements of the Law On Joint-Stock Companies;***
- when inventories are received by the organization under a contract of donation or on a gratuitous basis or remain from retirement of fixed assets and other property - the current market value as of the date of accepting for accounting;***
- when inventories are received under contracts providing for execution of obligations (payment) in non-monetary funds – the value of assets transferred or to be transferred by the Organization.***

***Transportation and procurement expenses (TPE) and expenses related to bringing materials to the state, in which they are suitable for use for the purposes provided for by the Company, shall be recorded on account 16 "Deviation in the Value of Materials" irrespective of the percentage of TPE or the value of deviations as compared to the accounting cost of a material.***

***Goods in retail trade recorded on account 42.02 shall be shown in the accounting at the selling prices.***

***Costs of procurement and delivery of goods intended for sale through retail and wholesale trading chains shall be recorded within the distribution costs before warehouses in the Company.***

***Finished products shall be taken into account according to the actual production prime cost of manufacture without using account 40 "Output of Products (Jobs, Services)."***

***Retiring inventories shall be valued by the following methods:***

***According to the average prime cost:***

- raw stock;***
- materials;***
- finished products;***
- goods for resale;***

***According to the prime cost of each unit:***

- precious metals.***

***The procedure of inventories accounting shall be regulated by the Methodological Instructions on Inventories Accounting.***

#### ***2.4. Procedure of Re-Calculating Assets and Liabilities Expressed in Foreign Currency***

***Re-calculation of the value of banknotes at the Company's cashier's office, funds on accounts with lending agencies, monetary instruments and payment documents, short-term securities, monies in settlements (including those under loan liabilities) with legal entities and individuals, balances of funds earmarked for a special purpose and received from the budget or from foreign sources in the framework of technical or other assistance to the Russian Federation in compliance with the appropriate agreements (treaties), expressed in a foreign currency, into***

*roubles shall be effected as of the date of making an operation in the foreign currency and as of the reporting date of making up the accounts and reports.*

## **2.5. Income Records Procedure**

*For income accounting purposes, the normal areas on the Company's operation shall be subdivided into primary and secondary activities.*

*Primary activities mean the operations directly related to communication services provision. All other activities are secondary.*

*The normal areas on the Company's operation include:*

*primary activities:*

- *city telephone communication services;*
  - \* *provision of access to the city telephone network;*
  - \* *provision of local telephone connections (calls) to fixed communication subscribers in cities (provision of a subscriber line for use in cities; passage of local traffic);*
  - \* *provision of local telephone connections from city payphones;*
  - \* *provision of direct lines and trunk lines for use;*
  - \* *other services of the city telephone network (connection, change of owners, etc.);*
- *rural telephone communication services*
  - \* *provision of access to the rural telephone network;*
  - \* *provision of local telephone connections (calls) to fixed communication subscribers in rural areas (provision of a subscriber line for use in rural areas; passage of local traffic);*
  - \* *provision of local telephone connections from rural payphones;*
  - \* *provision of direct lines and trunk lines for use;*
  - \* *other services of the rural telephone network (connection, change of owners, etc.);*
- *long-distance and international telephone communication services*
  - \* *provision of long-distance telephone connections;*
  - \* *provision of long-distance telephone connections from payphones;*
  - \* *provision of international telephone connections;*
  - \* *provision of international telephone connections from payphones;*
  - \* *provision of long-distance and international channels for use;*
  - \* *other services of long-distance and international communication (conferences, maintenance, etc.);*
- *document telecommunication services*
  - \* *inland telegrams;*
  - \* *external telegrams;*
  - \* *provision of telegraph channels for use;*
  - \* *subscriber's telegraphy;*
  - \* *data transmission services;*
  - \* *telematic services;*
  - \* *newspaper pages transmission;*
  - \* *other services of document telecommunication;*
- *radio communication services;*
- *broadcasting services;*
- *telecasting services;*
- *Internet services;*
- *wired radio services*
  - \* *using subscriber radio outlets;*
  - \* *provision of access to wired radio networks;*

- \* **other services of wired radio;**
- **wireless radio communication services;**
- \* **personal radio call services (paging);**
- \* **cellular communication services;**
- \* **other wireless radio communication services;**

**secondary activities:**

- \* **services of leasing out Company's assets;**
- \* **transportation services;**
- \* **consulting, marketing and engineering services;**
- \* **manufacture of products for telecommunication facilities;**
- \* **commercial services;**
- \* **public catering services;**
- \* **construction services;**
- \* **computing services;**
- \* **publishing (publication of reference books and newspapers);**
- \* **information services;**
- \* **education services;**
- \* **security services;**
- \* **intermediary (agency, commission) services;**
- \* **services of providing access to electric power;**
- \* **agency;**
- \* **consumer services;**
- \* **services of recreational and tourist facilities, and hotel servicing;**
- \* **advertising;**
- \* **other activities meeting the criteria set forth above.**

**Income other than normal operation income shall be considered as other income.**

**The procedure of income accounting is provided for in the methodological instructions on income accounting.**

## **2.6. Expenses Records Procedure**

**For expenses accounting purposes, the normal areas on the Company's operation shall be subdivided into primary and secondary activities.**

**There shall be separate accounting of costs by types of services, jobs and products being the objects of calculation.**

**For distribution purposes, the Company shall use the method of cost accounting by production processes.**

**A production process means uniquely a defined activity (a sequence of actions or an aggregate of functions and assignments), which is not limited in time and has an identifiable result.**

**For the purposes of distributing costs into calculation objects, processes are subdivided into basic production processes, auxiliary production processes and joint processes.**

**Basic production processes include processes performed directly for the provision of communication services.**

*Auxiliary production processes include processes required for performing basic and joint production processes and indirectly related to the provision of communication services.*

*Joint production processes include processes required for performing basic production processes, however, not related to the provision of communication services.*

*Actual natural indices of the Company's production operation, the composition of which is determined in the provisions on expenses accounting, shall be the bases for costs distribution.*

*All costs related to primary activities are indirect costs, i.e. they are distributed among calculation objects and shall be taken into account by production processes.*

*Expenses by primary activities shall be recorded on accounts 30 "Basic Production Processes" and 31 "Auxiliary Production Processes".*

*Costs related to secondary activities shall be recorded on accounts 23 "Auxiliary Production Facilities", 29 "Servicing Production Units and Facilities" and 44 "Expenses for Sale" by areas of activity.*

*The complete prime cost of provided services, performed jobs and made products shall be calculated without separation of managerial or commercial expenses.*

*Costs of joint production processes shall be recorded on account 32 "Joint Production Processes".*

*The costs collected on account 31 "Auxiliary Production Processes" shall be distributed between the basic and joint production processes on accounts 30 "Basic Production Processes" and 32 "Joint Production Processes" on the basis of the data on distribution bases provided by production services at the end of the period under report.*

*The costs collected on account 30 "Basic Production Processes" shall be distributed to account 20 "Basic Production" by calculation objects (services) on the basis of the data on distribution bases provided by production services at the end of the period under report, and to account 33 "Equipment Operation Costs" by equipment types of a conventional digital network made up annually by engineering services. Distribution of costs by equipment types shall comply with the calculation data of engineering services on the share of equipment involvement in the basic production processes.*

*The costs collected on account 33 "Equipment Operation Costs" shall be distributed to account 20 "Basic Production" by calculation objects (services) on the basis of the data of engineering services on intensity and duration of using each type of equipment in providing a particular service, to be calculated early in each year or in case of any essential changes in the communication network topography.*

*For the purposes of calculating the prime cost of services, jobs or products of secondary areas of operation, actual expenses for provided services, completed jobs and made products transferred to the warehouse, collected on accounts 23 "Auxiliary Production Facilities" and 29 "Servicing Production Units and Facilities" shall be written off to account 43 "Finished Products" (in case of finished products manufacture), to the respective accounts of production processes (in case of services provision or performance of jobs for primary areas of operation) or to account 90 "Sales", control account 90-04 "Prime Cost of Sales in Secondary Areas of Operation" (in case of services provision or performance of jobs for outside organizations). The debit balance of*

**accounts 23 “Auxiliary Production Facilities” and 29 “Servicing Production Units and Facilities” shows the value of the remaining production in progress.**

**At the end of the period under report, costs placed in account 32 “Joint Production Processes” shall be written off to accounts 20 “Basic Production”, 23 “Auxiliary Production Facilities” and 29 “Servicing Production Units and Facilities” by calculation objects (services, jobs, products) in proportion to the amounts of costs placed in the respective accounts.**

**At the end of the period under report, costs related to the provision of communication services, collected by types of services on account 20 “Basic Production”, shall be written off completely to account 90 “Sales”, control account 90-02 “Prime Cost of Sales (by Primary Areas of Operation” with analysis by calculation objects (services).**

**The procedure of accounting and calculating of the prime cost of products (jobs, services) of secondary areas of operation shall be established by the Organization independently in compliance with the recommendations of industry instructions regulating the said procedure in the industries to which the secondary area of operation in question belongs.**

**Distribution of the expenses of servicing units and facilities by their operation areas (sales, transfer free of charge, provision of services to other units of the Company) shall be effected in proportion to direct expenses.**

## **2.7. Deferrals Accounting Procedure**

**Deferrals include the expenses that have been recognized in the period under report, but cannot be included in the prime cost of sold products (jobs, services) of such a period under report, e.g.:**

- expenses related to the development of new production facilities or product types before the facts of their sale;**
- expenses related to payment for leaves of future periods;**
- expenses related to the acquisition of licenses;**
- property insurance expenses;**
- expenses related to the acquisition of software products and databases under contracts of sale and purchase or contracts of exchange, if such assets do not meet the conditions established for intangible assets;**
- other expenses.**

**Deferrals shall be written off uniformly through respective cover sources during the period, to which they refer. If it is impossible to determine reliably the period, during which incurred expenses must be written off, the calculation period shall be established by a specially formed commission and shall be approved by the order of the General Manager.**

**The deferrals accounting procedure is given in the methodological instructions on expenses accounting.**

## **2.8. Settlements Accounting Procedure**

**Settlements in non-monetary funds shall be recorded separately using account 76.15.**

**The organization shall transfer the long-term debt (accounts receivable and payable) to the short-term debt 365 days before the debt re-payment date according to the contract.**

## **2.9. Received Credits and Loans Accounting Procedure**

***The Company shall transfer the long-term debt in respect of received credits and loans to the short-term debt 365 days before the principal debt amount repayment according to the contract of loan and/or credit .***

***If the organization receives a long-term loan under a contract, the terms of which provide for a periodical repayment of the loan amount, then, 365 days before repayment of each part of the loan, it shall be transferred to the short-term portion of the long-term debt, to the corresponding control account of account 66 "Settlements under Short-Term Credits and Loans".***

***If an agreement of prolonging a contract of short-term loan or postponing the date of repaying the short-term portion of the long-term loan debt is made so that the repayment period of the loan or its said portion exceeds 365 days, the total amount of debt under the loan or its partial repayment must be transferred from the short-term debt to the long-term debt (to the corresponding control account of account 67 "Settlements under Long-Term Credits and Loans").***

***The income due to the lender, including that under issued (sold) debt securities shall be taken into account within operating expenses in the reporting periods, to which such charges refer under the terms of the contract (of issue).***

***Extra expenses related to receiving loans or credits, or floating loan obligations, shall be included in operating expenses in the reporting period, in which the said costs were incurred.***

***The credits and loans accounting procedure is set forth in the Methodological Instructions on Credits and Loans Accounting***

#### ***2.10. Procedure of Organizing the Accounting of Internal Settlements and Transfer of Information by Separate Units***

***For accounting of the internal turnover, the Company shall use account 79 "Internal Settlements".***

***All financial and economic operations between Company's units shall be transacted on the basis of letters of advice through the higher level of management. Operations between structural units of branches shall be transacted through the respective branches. Operations between branches shall be transacted through the Company's General Manager.***

***The list of internal economic operations and the procedure of transacting them are regulated by the methodological instructions on internal settlements accounting.***

#### ***2.11. Special-Purpose Funds Formation Procedure***

***The Company shall not create any funds from profit remaining at its disposal, except for the cases when creating such funds is provided for by the legislation or by the incorporation documents of the Company. In such a case, the procedure of creating and using them is determined on the basis of the decision of the general meeting of the Company's shareholders, taking into account the requirements of the Federal Law On Joint-Stock Companies.***

***The procedure of taking into account and using the retained profit is set forth in the Methodological Instructions on Accounting of Capital.***

#### ***2.12. Procedure of Creating and Using Reserves***

*The Company shall create the following reserves:*

- *securities placement devaluation reserve;*
- *doubtful debt reserves (on a quarterly basis);*
- *a reserve for the reduction of the value of stocks of materials and capital equipment (as of the end of the year under report);*
- *contingent liabilities reserve.*

*A contingent liability is evaluated by selection from an interval of values. The arithmetic mean of the maximum and minimum values of the interval shall be taken as the evaluation result.*

*The procedure of reserves formation is regulated by the methodological instructions on formation of reserves.*

#### *2.13. State Aid Accounting Procedure*

*Budgetary funds (subventions, subsidies) shall be recognized in accounting as monetary funds and resources other than monetary funds are actually received.*

*The procedure of budgetary funds accounting is set forth in the methodological instructions on accounting of special-purpose funding.*

#### *2.14. Financial Investment Accounting Procedure*

*For the purposes of accounting, financial investment shall be classified by types of investment and its term.*

*In case of sale or other withdrawal (including retirement of securities), withdrawn issued securities shall be evaluated by the method of the value of the securities that are acquired first (FIFO), while withdrawn non-issued securities shall be evaluated according to the actual value of each of the securities.*

*By the term, investment can be divided into:*

- *long-term investment - investment made with the intention of gaining an income more than 12 months after the reporting date, if its repayment period exceeds 12 months after the reporting date;*
- *short-term investment:*
  - *investment made without the intention of gaining an income more than 12 months;*
  - *investment, the established repayment period of which does not exceed 12 months after the reporting date;*
  - *securities acquired for resale, irrespective of their retirement time.*

*Long-term financial investment is to be transferred to short-term investment:*

- *due to a change in the intentions of gaining an income during the next 12 months after the reporting date;*
- *if the period before its repayment becomes not more than 12 months after the reporting date.*

*Short-term financial investment, the established repayment period of which exceeds 12 months after the reporting date, is to be transferred to long-term investment (to the respective control account) in case of a change in the initial intention of gaining an income for not more than 12 months after the reporting date.*

***The term of investment shall be evaluated by the official (unit) appointed by the order of the manager of the Company and shall be recorded in the document handed over to the accountants' office according to the form established by the Organization.***

***For debt securities, the difference between the sum total of actual expenses for acquisition of the security and its face value is not included in the financial results.***

***The financial investment accounting procedure is regulated by the Methodological Instructions on Financial Investment Accounting.***



## BALANCE SHEET

as of June 30, 2003

Organization: **OJSC North-West Telecom**

Taxpayer Identification Number

Area of business: **electric communication**

Organizational & Legal form/Form of Ownership: **Joint-Stock Company**

Unit of measurement: **thousand roubles**

Form No.1 under OKUD

Date (year, month, day)

under OKPO

TIN

under OKDP

under OKOPF/O

KFS

under OKEI

Codes

0710001

01166228

7808020593

47/34

ASSETS	Line code	As of the beginning of the period under report	As of the end of the period under report
1	2	3	4
<b>I. NON-CIRCULATING ASSETS</b>			
Intangible assets (04,05)	110	115	63
patents, licenses, trade marks (service marks), other similar rights and assets	111	115	63
organization costs	112		
goodwill	113		
Fixed assets (01,02,03)	120	10 953 003	11 517 138
land plots and objects of nature management	121	4 178	4 195
buildings, machinery and equipment	122	9 698 767	10 218 938
Construction-in-process (07, 08, 16, 61)	130	1 208 435	770 076
Profitable investments in material values (03)	135		
property subject to leasing	136		
hired out property	137		
Long-term financial investments (06,82)	140	159 481	156 483
Investment in subsidiaries	141	76 204	76 204
Investment in associate companies	142	33 145	33 145
Investment in other companies	143	33 006	30 046
loans to organizations for over 12 months	144		
other long-term capital investments	145	17 126	17 088
Other non-circulating assets	150		35 592
TOTAL Section I	190	12 321 034	12 479 352
<b>II. CURRENT ASSETS</b>			
Stock	210	365 152	589 413
raw materials, materials and other similar values (10,12,13, 16)	211	205 362	224 301
livestock in breeding and feeding (11)	212		
expenditures in work-in-process -(turnover costs) (20,21,23,29,30,36,44)	213	788	1 644
finished products and goods for resale (16,40,41)	214	11 111	10 208
shipped goods (45)	215		
deferred expenses (31)	216	147 891	353 260
other stock and expenses	217		
Value added tax on acquired values (19)	220	407 099	380 519
Accounts receivable (expected in over 12 months after the reporting date)	230	16 677	20 713
buyers and customers (62,76,82)	231		93
notes receivable (62)	232		
debts of subsidiary and associate companies (78)	233		
advances distributed (61)	234		60
other debtors	235	16 677	20 560
Accounts receivable (expected within 12 months after the reporting date)	240	1 476 286	1 848 172
buyers and customers (62,76,82)	241	977 149	1 105 592
notes receivable (62)	242	1 800	1 800
debts of subsidiary and associate companies (78)	243		
debts of participants (founders) by contributions to the authorized capital (75)	244		
advances distributed (61)	245	321 551	517 544

other debtors	246	175 786	223 236
Short-term financial investments (56,58,82)	250	12 959	12 500
loans to organizations for less than 12 months	251		
own shares purchased from the shareholders	252		
other short-term capital investments	253		
Monetary funds	260	338 834	340 999
cash on hand (50)	261	4 928	6 009
settlement accounts (51)	262	313 311	271 677
currency accounts (52)	263	574	612
other monetary funds (55, 56, 57)	264	20 021	62 701
Other current assets	270		
TOTAL Section II	290	2 617 007	3 192 316
BALANCE (sum of lines 190 + 290)	300	14 938 041	15 671 668

<b>LIABILITIES</b>	<b>Line code</b>	<b>As of the beginning of the period under report</b>	<b>As of the end of the period under report</b>
1	2	3	4
<b>III. CAPITAL AND RESERVES</b>			
Authorized capital (85)	410	937 940	937 940
Added capital (87)	420	6 941 473	6 933 956
Reserve capital (86)	430	29 375	46 897
reserve funds formed in accordance with the laws	431	29 375	46 897
reserve funds formed in accordance with the by-laws	432		
Social Fund (88)	440		
Target financing and proceeds (96)	450	2 964 896	2 878 032
Retained profit for previous years (88)	460		
Uncovered loss for previous years (88)	465		
Retained profit for the year under report (88)	470		644 701
Uncovered loss for the year under report (88)	475		
TOTAL Section III	490	10 873 684	11 441 526
<b>IV. LONG-TERM LIABILITIES</b>			
Loans and credits (92,95)	510	434 622	98 676
loans from banks to be repaid in over 12 months after the reporting date	511	17 383	20 606
borrowings to be repaid in over 12 months after the reporting date	512	417 239	78 070
Other long-term liabilities	520	906 825	742 690
TOTAL Section IV	590	1 341 447	841 366
<b>V. SHORT-TERM LIABILITIES</b>			
Loans and credits (90,94)	610	579 006	1 140 383
loans from banks to be repaid within 12 months after the reporting date	611	208 946	435 748
borrowings to be repaid within 12 months after the reporting date	612	370 060	704 635
Accounts payable	620	2 063 014	2 095 750
suppliers and contractors (60,76)	621	909 841	904 052
notes payable (60)	622		
debts to subsidiary and associate companies (78)	623		
wage arrears (70)	624	56 065	136 241
indebtedness to state out-of-the-budget funds (69)	625	28 269	72 700
budgetary indebtedness (68)	626	246 658	200 825
advances received (64)	627	363 589	326 167
other creditors	628	458 592	455 765
Indebtedness to participants (founders) on income payment (75)	630	50 557	109 468
Deferred income (83)	640	30 333	43 175
Reserves for forthcoming costs (89)	650		
Other short-term liabilities	660		
TOTAL Section V	690	2 722 910	3 388 776
BALANCE (sum of lines 490 +590 +690)	700	14 938 041	15 671 668

#### STATEMENT OF VALUABLES ACCOUNTED ON OFF-BALANCE ACCOUNTS

<b>Index</b>	<b>Line code</b>	<b>As of the beginning of the period under report</b>	<b>As of the end of the period under report</b>
1	2	3	4
Leased fixed assets (001)	910	628 585	726 921
including those under leasing	911	186 996	265 974
Inventories accepted for custody (002)	920	19 918	18 238
Equipment accepted for installation	922	14 411	15 145
Goods accepted for commission (004)	930	539	209
Insolvent debtors' indebtedness written-off to loss (007)	940	347 181	519 146
Received liability and payment collaterals (008)	950		
Collaterals of liabilities and payments issued (009)	960	492 112	102 557
Wear of residential fund (014)	970	6 865	8 392
Wear of external improvements and other similar facilities (015)	980	2 657	2 840
Strict accounting forms	990	3 415	3 889
Leased out fixed assets	991	18 219	24 473
Economic implements	992	30 844	32 284
Funds for payment for communication services	993	4 099	4 864

## Profit and Loss Report

for the 1<sup>st</sup> half of the year 2003

Organization: **OJSC North-West Telecom**

Taxpayer Identification Number

Area of business: **electric communication**

Organizational & Legal form/Form of Ownership: **Joint-Stock Company**

Unit of measurement: **thousand roubles**

Form No.2 under OKUD

Date (year, month, day)

under OKPO

TIN

under OKDP

under OKOPF/O

KFS

under OKEI

Codes

0710002

01166228

7808020593

47/34

for shipment

Index	Line code	For the period under report	For the same period of the previous year
1	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	5 651 258	4 698 747
including that from the sales: of communication services	011	5 485 943	4 594 717
Prime cost of sold goods, products, works and services	020	(4 168 056)	(3 452 768)
Gross profit	029	4 100 255	3 291 249
Commercial expenses	030		
Management expenses	040		
Profit (loss) from sales (lines (010-020-030-040))	050	1 483 202	1 245 979
II. Operating income and expenses			
Interest receivable	060	3 951	2 279
Interest payable	070	(85 824)	(44 975)
Income from participation in other organizations	080	316	16
Other operating income	090	164 110	68 045
Other operating expenses	100	(486 637)	(558 703)
III. Income and expenses from sources other than sales			
Income from sources other than sales	120	132 807	79 500
Expenses for purposes other than sales	130	(356 904)	(316 756)
Profit (loss) before taxes=(lines 050 + 060 - 070 + 080 + 090 - 100 +120 -130)	140	855 021	475 385
Tax on profit, and other similar obligatory fees	150	(209 869)	(213 544)
Profit (loss) from normal activities	160	645 152	261 844
IV. Extraordinary income and expenses			
Extraordinary income	170		
Extraordinary expenses	180	(451)	(7)
Net profit (retained profit (loss) of the period under report) (lines (160 + 170 - 180))	190	644 701	261 834

### Explanation of profit and loss items

Index	Line code	For the period under report		For the same period of the previous year	
		Profit	Loss	Profit	Loss
1	2	3	4	5	6
Fines, penalties and forfeits, acknowledged, or with a court (arbitration) recovery award	210	3 203	(1 271)	3 934	(830)
Profit (loss) of previous years	220	21 361	(21 906)	19 341	(25 923)
Indemnification for losses inflicted by failure to fulfil or to fulfil duly the obligations	230	6 943	(3 334)	1 062	(100)
Exchange rates of foreign currency transactions	240	88 968	(99 661)	9 026	(133 052)
Reduction of inventory cost as of the end of the period under report	250				

*Open Joint-Stock Company North-West Telecom*  
*INN (individual tax-payer's No.) 7808020593*

Writing off accounts receivable and payable with expired limitation period	260	1 950	(306)	554	(2 282)
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**MINUTES NO. 02-03  
OF THE ANNUAL GENERAL MEETING  
OF SHAREHOLDERS  
OF THE OPEN JOINT-STOCK COMPANY  
NORTH-WEST TELECOM**

**Saint Petersburg**

**23 June 2003**  
**MINUTES No. 02-03**  
**of the Annual General Meeting**  
**of shareholders**  
**of the Open Joint-Stock Company**  
**North-West Telecom**

<b>Place of holding:</b>	14, Sinopskaya naberezhnaya, St. Petersburg, Russia
<b>Time of holding:</b>	June 23, 2003 at 13:00 (starting time of registration 11:00)
<b>Chairperson of the Meeting:</b>	Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom
<b>Head of the Secretariat of the Meeting:</b>	Nikolay Gennadyevich Bredkov
<b>Presidium:</b>	V.E. Belov, Yu.A. Bilibin, A.V. Ikonnikov, I.M. Ragozina, I.I. Rodionov, A.A. Sysoyev, V.N. Yashin
<b>Number of shareholders registered</b>	for participation in the annual General Meeting of the shareholders and their representatives taking into account the absentee voting shareholders - <b>985</b>

**AGENDA**

- 1. Approving the annual report, annual accounts and reports, including the profit and loss report (profit and loss account) of the Company, as well as profit distribution, including that for payment of dividend, and Company's losses based on the results of the fiscal year under report (2002).**
- 2. Determining the amount of the dividend for 2002, the method and timing of dividend payment for shares of each category (type)**
- 3. Electing the Members of the Company's Board of Directors.**
- 4. Electing the Members of the Company's Auditing Committee.**
- 5. Approving the Company's Auditor for the year 2003.**
- 6. Approving the Company's Articles of Association in the new version.**
- 7. Approving the Provisions on the General Meeting of the Company's Shareholders in the new version.**
- 8. Determining the amount of remuneration for Members of the Board of Directors of the Company.**

**SPEAKER:** Chairman of the Meeting A.A. Sysoyev

A.A. Sysoyev greeted those attending the meeting and said that a Company's duty was to hold the general meeting of the shareholders annually in compliance with the Articles of Association.

In compliance with the Provisions on the General Meeting of the Company's Shareholders, **Alexandr Abramovich Sysoyev**, General Manager of OJSC North-West Telecom, is the Chairman of the Meeting.

A Secretariat consisting of six persons ensures holding the meeting. The Secretariat is headed by **Nikolay Gennadyevich Bredkov**.

In compliance with article 56 of the Federal Law On Joint-Stock Companies, the duties of the Returning Board are performed by CJSC Registrator-Svyaz, the Company's registrar.

The total number of floated voting shares of the Company is **735,917,222**, except for those acquired (redeemed) by the Company.

As of **01-00 p.m.**, **945** shareholders and their authorized representatives holding **601,389,982** votes all in all were registered.

The number of votes held by Members of the Board of Directors or officials of the Company's management bodies is **1,704,662**;

The number of votes held by the shareholders entitled to vote in respect of issues Nos. 1, 2, 3, 5, 6, 7, and 8 of the agenda of the meeting is **601,389,982**, or **81.72 per cent** of the total number of floated voting shares of the Company, except for the voting shares acquired (redeemed) by the Company;

The number of votes held by the shareholders entitled to vote in respect of issue No. 4 of the agenda of the meeting (Electing the Auditing Committee of the Company) is **601,394,127**, or **81.91 per cent** of the total number of floated voting shares of the Company, except for the shares acquired (redeemed) by the Company and except for the voting shares held by Members of the Board of Directors or officials of the Company's management bodies.

The quorum for taking decisions on issues Nos. 1, 2, 3, 5, 6, 7, and 8 of the agenda of the meeting is ensured by participation of the shareholders holding all in all over **50 per cent** of the total number of floated voting shares of the Company, except for the voting shares acquired (redeemed) by the Company.

The quorum for taking a decision on issue No. 4 (Electing the Auditing Committee of the Company) is ensured by participation of the shareholders holding all in all over **50 per cent** of the total number of floated voting shares of the Company, except for the shares acquired (redeemed) by the Company and except for the voting shares held by Members of the Board of Directors or officials of the Company's management bodies.

**Thus, there is the quorum for taking decisions on all issues of the agenda of the annual general meeting of the shareholders of OJSC North-West Telecom.**

**On the first issue of the agenda:**

**APPROVING THE ANNUAL REPORT, ANNUAL ACCOUNTS AND REPORTS, INCLUDING THE PROFIT AND LOSS REPORT (PROFIT AND LOSS ACCOUNT) OF THE COMPANY, AS WELL AS PROFIT DISTRIBUTION, INCLUDING THAT FOR PAYMENT OF DIVIDEND, AND COMPANY'S LOSSES BASED ON THE RESULTS OF THE FISCAL YEAR UNDER REPORT (2002).**

**SPEAKER:**

1. **Alexandr Abramovich Sysoyev**, General Manager of the Company  
(A.A. Sysoyev's speech is enclosed in Appendix No.1)
2. Co-speaker: **Alexey Vladimirovich Shalagin** - Deputy General Manager - Manager in charge of Economics and Finance  
(A.V. Shalagin's speech is enclosed in Appendix No.2)

**PARTICIPANTS OF DEBATE:**

Shareholder **Igor Valeryevich Zinichev** (the text of the speech is enclosed in Appendix No. 3);



Shareholder Ivan Anatolyevich Smirnov (the text of the speech is enclosed in Appendix No. 3);

Shareholder Sergey Mikhailovich Moiseyev (the text of the speech is enclosed in Appendix No. 3);

Shareholder Vladimir Nikolayevich Alexeyev (the text of the speech is enclosed in Appendix No. 3);

**THERE HAVE BEEN QUESTIONS FROM:**

I.L. Rudich, shareholder;

K.A. Chistostupova, shareholder;

I.A. Shulga, shareholder;

I.A. Smirnova, shareholder;

P.A. Churkina, shareholder;

M.I. Ofman, shareholder;

I.S. Kvachev, shareholder;

A.A. Taroev, shareholder;

P.I. Netupsky, V.P. Konovalenko, Cheryl Ann Seagsby, shareholders.

**THE QUESTIONS HAVE BEEN ANSWERED BY:**

Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom;

A.V. Shalagin - Deputy General Manager - Manager in charge of Economics and Finance;

V.N. Yashin - Chairperson of the Board of Directors of OJSC North-West Telecom, General Manager of OJSC Svyazinvest

**MOTION FOR VOTING:**

**1. APPROVING THE ANNUAL REPORT, ANNUAL ACCOUNTS AND REPORTS, INCLUDING THE PROFIT AND LOSS REPORT (PROFIT AND LOSS ACCOUNTS) OF THE COMPANY, AS WELL AS PROFIT DISTRIBUTION, INCLUDING THAT FOR PAYMENT OF DIVIDEND, AND COMPANY'S LOSSES BASED ON THE RESULTS OF THE FISCAL YEAR UNDER REPORT (2002).**

**BASIC AREAS OF DISTRIBUTING RETAINED PROFIT, PLANNED FOR THE YEAR 2003**

No.	Indices	Unit of measurement	2003
			Plan
1.	<i>Free balance of retained profit of past years as of 01.01.03 to be distributed.</i>	thousand roubles	278 443
	<b>Areas of using it:</b>		
a)	for cover of losses	thousand roubles	0
b)	to increase the authorized capital in respect of the retained profit of past years	thousand roubles	278 443

2.	<b>Retained profit for the year under report</b>	thousand roubles	327 264
<b>Basic areas of using the retained profit of the year under report:</b>			
a)	for cover of losses of past years	thousand roubles	0
b)	for reserve formation	thousand roubles	17 522
	in % of net profit	%	5,4
c)	for the formation of a specialized joint stock fund of the Company's employees (if such a formation is provided for by the incorporation documents)	thousand roubles	0
	in % of net profit	%	-
d)	for payment of dividend	thousand roubles	75 382
	in % of net profit	%	23,0
e)	to increase the authorized capital in respect of the retained profit of the year under report	thousand roubles	234 360
	in % of net profit	%	71,6

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the first issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the first issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

**On the second issue of the agenda:**

**DETERMINING THE AMOUNT OF THE DIVIDEND FOR 2002, THE METHOD AND TIMING OF DIVIDEND PAYMENT FOR SHARES OF EACH CATEGORY (TYPE)**

**SPEAKER: Alexey Vladimirovich Shalagin** - Deputy General Manager - Manager in charge of Economics and Finance

The speaker said that, in compliance with clause 8.2 of the Company's Articles of Association, the amount paid as dividend per type A preferred share is established as 10 per cent of the Company's net profit based on the results of the last fiscal year, divided by the number of shares that make 25 per cent of the Company's authorized capital. Net

profit is determined according to the results of the year 2002. According to the accounts and reports, the Company completed the year 2002 with a net profit of 327,264,000 roubles. Then, the speaker said that, according to the profit distribution proposed for approval by the meeting of the shareholders and proceeding from the dividend determination procedure established by the Articles of Association, the Company's Board of Directors recommends that the general meeting of the shareholders pay the dividend for the year 2002 in the amount of 14.0 kopecks per type A preferred share and 6.4 kopecks per common share.

In compliance with the active laws of RF and the Company's Articles of Association, it is suggested that the general meeting of the shareholders:

- determine the dividend for the year 2002 in the amount of 6.4 kopecks per common share and in the amount of 14.0 kopecks per type A preferred share;
- approve the monetary method of dividend payment;
- establish the dividend payment time from 15<sup>th</sup> August 2003 till 31<sup>st</sup> December 2003 for common and type A preferred shares.

The dividend payment procedure will be determined additionally and will be published in the newspaper Izvestiya and on the Company's Internet site.

#### **PARTICIPANTS OF DEBATE:**

Shareholder Klavdiya Alexandrovna Chistostupova (the text of the speech is enclosed in Appendix No. 3);

Shareholder Pavel Alexandrovich Churkin (the text of the speech is enclosed in Appendix No. 3);

Shareholder Ivan Anatolyevich Smirnov (the text of the speech is enclosed in Appendix No. 3);

Shareholder Alexandr Alexandrovich Taroyev (the text of the speech is enclosed in Appendix No. 3);

Shareholder Yaroslav Gritsko, representative of CJSC IK Univer (the text of the speech is enclosed in Appendix No. 3).

#### **THERE HAVE BEEN QUESTIONS FROM:**

I.S. Kvachev, shareholder;

A.G. Barakov, shareholder;

I.A. Shulga, shareholder;

V.V. Smirnova, shareholder;

I.A. Smirnov, shareholder;

#### **THE QUESTIONS HAVE BEEN ANSWERED BY:**

Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom

#### **MOTION FOR VOTING:**

##### **2. DIVIDEND FOR THE YEAR 2002 SHALL BE PAID:**

**2.1. FOR TYPE A PREFERRED SHARES IN THE AMOUNT OF 0.140 ROUBLES PER SHARE IN THE MONETARY FORM FROM 15<sup>TH</sup> AUGUST 2003 TILL 31<sup>ST</sup> DECEMBER 2003;**

**2.2. FOR COMMON SHARES IN THE AMOUNT OF 0.064 ROUBLES PER SHARE IN THE MONETARY FORM FROM 15<sup>TH</sup> AUGUST 2003 TILL 31<sup>ST</sup> DECEMBER 2003.**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the second issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the second issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

**On the third issue of the agenda:**

**ELECTING MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS**

**SPEAKER: Antonina Alexeyevna Bondarenko**, Secretary of the Board of Directors .

The speaker said that, under the Law of RF "On Joint-Stock Companies" and the Company's Articles of Association, the annual general meeting of the shareholders shall decide the issue of electing a new Board of Directors of the Company.

All motions in respect of proposing candidates were presented from shareholders who possessed all in all more than two per cent of the voting shares.

The Board of Directors considered and recognized as eligible the applications received by the Company from shareholders in respect of proposing candidates for the Board of Directors and took a decision to include the proposed candidates in the list of candidatures for voting in the election to the Company's Board of Directors at the annual general meeting of the shareholders.

The following list of candidates to the Board of Directors is presented to the shareholders (the list has been made up in the alphabetical order):

Full name of the candidate	Position of the candidate	Shareholder (group of shareholders) proposing the candidate
Dmitry Leonidovich Ankudinov	Vice-President, OOO "Renaissance Capital"	OJSC Svyazinvest (374172243 voting shares)
Vadim Yevgenyevich Belov	Deputy General Manager, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Yury Alexandrovich Bilibin	Assistant General Manager, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Maxim Viktorovich Bobin	Head of Legal department, NCH Advisors, Inc. Company (consulting)	Lindsell Enterprises Limited Company (46285849 voting shares)
Benjamin Stefan David Vilkening	Managing Director, AIG-Brunswick Capital Management Company	Stotter Limited Company (26182670 voting shares) Fractor Investments Limited (26648680 voting shares)
Alexandr Alexandrovich Gogol	Rector, Saint Petersburg State University of Telecommunications	OJSC Svyazinvest (374172243 voting shares)

James Nail	No data	Stotter Limited Company (26182670 voting shares)
Boris Viktorovich Yevseyev	Director, AIG-Brunswick Capital Management Company	Fractor Investments Limited Company (26648680 voting shares)
Yelena Viktorovna Zabuzova	Director of the Department for economic planning and budgeting, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Alexandr Vyacheslavovich Ikonnikov	Director of Association for Investors' Rights Protection, Chairperson of Management Board of Association of Independent directors	Lindsell Enterprises Limited Company (46285849 voting shares) Stotter Limited Company (26182670 voting shares)
Eduard Yuryevich Kuleshov	Investments manager, AIG-Brunswick Capital Management Company	Fractor Investments Limited Company (26648680 voting shares)
Oleg Anatolyevich Lebedinets	No data	Lindsell Enterprises Limited Company (46285849 voting shares) Fractor Investments Limited Company (26648680 voting shares)
Dmitry Vladimirovich Levkovsky	Vice-President, NCH Advisors, Inc. Company (consulting)	Lindsell Enterprises Limited Company (46285849 voting shares)
Oleg Mikhaylovich Mikhaylov	Director of the Information Support Department of OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Oxana Valeryevna Petrova	Deputy Head of the Division, Department of corporate management, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Irina Mikhailovna Ragozina	Manager of the Department of corporate management, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Ivan Ivanovich Rodionov	Managing Director, AIG-Brunswick Capital Management Company	Stotter Limited Company (26182670 voting shares) Fractor Investments Limited Company (26648680 voting shares)
Sergey Vladimirovich Soldatenkov	General Manager, OJSC Megafon	OJSC Svyazinvest (374172243 voting shares)
Alexandr Abramovich Sysoyev	General Manager of OJSC North-West Telecom	OJSC Svyazinvest (374172243 voting shares)

Valery Nikolayevich Yashin	General Manager, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
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**PARTICIPANTS OF DEBATE:**

Shareholder Alexandr Alexandrovich Taroyev (the text of the speech is enclosed in Appendix No. 3);

Shareholder Vladimir Nikolayevich Alexeyev (the text of the speech is enclosed in Appendix No. 3);

**THERE HAVE BEEN QUESTIONS FROM:**

I.L. Rudich, shareholder;

**THE QUESTIONS HAVE BEEN ANSWERED BY:**

Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom

**MOTION FOR VOTING:**

**3. THE COMPANY'S BOARD OF DIRECTORS SHALL BE ELECTED FROM THE FOLLOWING LIST:**

**Dmitry Leonidovich Ankudinov**  
**Vadim Yevgenyevich Belov**  
**Yury Alexandrovich Bilibin**  
**Maxim Viktorovich Bobin**  
**Benjamin Stefan David Vilkening**  
**Alexandr Alexandrovich Gogol**  
**James Nail**  
**Boris Viktorovich Yevseyev**  
**Yelena Viktorovna Zabuzova**  
**Alexandr Vyacheslavovich Ikonnikov**  
**Eduard Yuryevich Kuleshov**  
**Oleg Anatolyevich Lebedinets**  
**Dmitry Vladimirovich Levkovsky**  
**Oleg Mikhaylovich Mikhaylov**  
**Oxana Valeryevna Petrova**  
**Irina Mikhailovna Ragozina**  
**Ivan Ivanovich Rodionov**  
**Sergey Vladimirovich Soldatenkov**  
**Alexandr Abramovich Sysoyev**  
**Valery Nikolayevich Yashin**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the third issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the third issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

According to clause 4, article 66 of the Federal Law On Joint-Stock Companies, the candidates receiving most of the votes shall be considered as elected to the Board of Directors of the

Company.

**On the fourth issue of the agenda:**

**ELECTING THE MEMBERS OF THE COMPANY'S AUDITING COMMITTEE**

**SPEAKER: Antonina Alexeyevna Bondarenko**, Secretary of the Board of Directors.

The speaker said that, under the Law of RF "On Joint-Stock Companies" and the Company's Articles of Association, the annual general meeting of the shareholders shall decide the issue of electing a new Auditing Committee.

The Board of Directors of OJSC North-West Telecom considered the motions in respect of proposing candidates to the Auditing Committee of the Company, received from the shareholders holding all in all over two per cent of voting shares, and decided to include the following candidates in the list of candidatures for the election to the Auditing Committee (the list has been made up in the alphabetical order):

Full name of the candidate	Position of the candidate	Shareholder (group of shareholders) proposing the candidate
Sergey Ivanovich Alekhin	Leading specialist of the Internal audit Department, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Konstantin Vladimirovich Belyaev	Chief Accountant, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Irina Viktorovna Prokofyeva	Director of the Internal audit Department, OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)
Larisa Valeryevna Tareyeva	Leading Specialist of the Department of Direct Investment and Property of OJSC Svyazinvest	OJSC Svyazinvest (374172243 voting shares)

In compliance with clause 7, article 53 of Federal Law "On Joint-Stock Companies", the following extra candidates shall be added to the list of candidatures for voting in the election of the Company's Auditing Committee:

Full name of the candidate	Position of the candidate	Shareholder (group of shareholders) proposing the candidate
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Andrey Yakovlevich Lang	Deputy Director in charge of economics and finance of OJSC North-West Telecom	Board of Directors of OJSC North-West Telecom
Mariya Leonidovna Pravdina	Head of the Investment department, OJSC North-West Telecom	Board of Directors of OJSC North-West Telecom
Natalia Vladimirovna Fedorova	Chief accountant of the Branch of OJSC North-West Telecom, Electrosvyaz of Pskov Oblast	Board of Directors of OJSC North-West Telecom

**THERE HAVE BEEN QUESTIONS FROM:**

V.P. Konovalenko, Cheryl Ann Seagsby, shareholders

**THE QUESTIONS HAVE BEEN ANSWERED BY:**

Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom

**MOTION FOR VOTING:**

**4. THE AUDITING COMMITTEE OF THE COMPANY SHALL BE ELECTED ACCORDING TO THE PROPOSED LIST**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the fourth issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the fourth issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

Under clause 6, article 85 of the Federal Law On Joint-Stock Companies, shares belonging to Members of the Board of Directors or officials of the management bodies of OJSC North-West Telecom shall not participate in the voting during the election of the members of the Company's Auditing Committee.

**On the fifth issue of the agenda:**

**APPROVING THE COMPANY'S AUDITOR FOR THE YEAR 2003**

**SPEAKER: Alexey Vladimirovich Shalagin** - Deputy General Manager - Manager in charge of Economics and Finance

A.V. Shalagin noted that the audit of the Company's Russian accounts and reports and the audit according to the international auditing standards for the year 2002 are entrusted to ERNST & YOUNG VNESHAUDIT, a leading auditor in Russia. The Board of Directors of OJSC North-West Telecom proposes that the company ERNST & YOUNG VNESHAUDIT be approved as the auditor of OJSC North-West Telecom for the year 2003.



**MOTION FOR VOTING:**

**5. THE COMPANY ERNST & YOUNG VNESHAUDIT SHALL BE APPROVED AS THE AUDITOR OF THE COMPANY FOR THE YEAR 2003**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the fifth issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the fifth issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

**On the sixth issue of the agenda:**

**APPROVING THE COMPANY'S ARTICLES OF ASSOCIATION IN THE NEW VERSION**

**SPEAKER: Nikolay Gennadyevich Bredkov**, Deputy General Manager – Corporate Management Director.

The speaker told the shareholders that the state had continued the work aimed at making joint-stock companies more open and at protecting the rights of minority shareholders. For the period from the previous annual meeting, additions to the Federal Law “On Joint-Stock Companies” have taken effect, while the Federal Commission for Securities Market of Russia has approved several documents. These are Provisions on Extra Requirements for the Procedure of Preparing, Convoking and Holding the General Meeting of the Shareholders and the Code of Corporate Behaviour. The introduction of these documents has made it necessary to make extra amendments in the Articles of Association, which has become a prerequisite for making up the new version.

The speaker familiarized the shareholders in detail with the basic amendments introduced to the new version of the Articles of Association and said that the Board of Directors had considered the proposed version of the Articles of Association and presented it for approval by the general meeting of the shareholders.

**MOTION FOR VOTING:**

**6. THE COMPANY'S ARTICLES OF ASSOCIATION IN THE NEW VERSION SHALL BE APPROVED**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the sixth issue of the Agenda.

In compliance with clause 4, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the sixth issue of the agenda is taken by the majority of votes of three quarters of the votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

**On the seventh issue of the agenda:**

**APPROVING THE PROVISIONS ON THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS IN THE NEW VERSION**

**SPEAKER: Nikolay Gennadyevich Bredkov**, Deputy General Manager – Corporate Management Director.

The speaker told the shareholders that in February this year the Federal Commission for Securities Market introduced amendments and additions to the Provisions on Extra Requirements for the Procedure of Preparing, Convoking and Holding the General Meeting of the Shareholders. As the amendments to the Provisions proved to be quite large, it became necessary to make up a new version of the “Provisions on the General Meeting of the Shareholders”.

The Board of Directors considered the proposed version of the “Provisions on the General Meeting of the Shareholders” of OJSC North-West Telecom and presented it for approval by the annual general meeting of the shareholders.

**MOTION FOR VOTING:**

**7. THE PROVISIONS ON THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS SHALL BE APPROVED IN THE NEW VERSION**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the seventh issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the fourth issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

**On the eighth issue of the agenda:**

**DETERMINING THE AMOUNT OF REMUNERATION TO MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS**

**SPEAKER: Vladimir Nikolayevich Vorozheykin**, Personnel Management Director

The speaker told the shareholders that when the new documents already considered by the meeting were being prepared, the attention of the Board of Directors was concentrated on creating a single approach towards the system of Company's bodies remuneration. During the introduction of that system, concrete proposals for use and recommendations were prepared. The Committee for Reporting and Remuneration at the Board of Directors, headed by Member of the Board of Directors I.I. Rodionov, considered and approved proposals on remuneration and compensation to Members of the Board of Directors, which are presented for approval by the annual general meeting of the shareholders.

**PARTICIPANTS OF DEBATE:**

Shareholders Cheryl Ann Seagsby and V.P. Konovalenko (the text of the speech is enclosed in Appendix No. 3);

Shareholder Igor Valeryevich Zinichev (the text of the speech is enclosed in Appendix No. 3);

Shareholder Sergey Mikhailovich Moiseyev (the text of the speech is enclosed in Appendix No. 3);

Shareholder Tatyana Dmitriyevna Kosarskaya (the text of the speech is enclosed in Appendix No. 3);

Shareholder Vladimir Nikolayevich Petrov (the text of the speech is enclosed in Appendix No. 3);  
Shareholder Vladimir Nikolayevich Alexeyev (the text of the speech is enclosed in Appendix No. 3);

**THERE HAVE BEEN QUESTIONS FROM:**

V.P. Konovalenko, Cheryl Ann Seagsby, shareholders;  
P.V. Rudina, shareholder.

**THE QUESTIONS HAVE BEEN ANSWERED BY:**

Alexandr Abramovich Sysoyev - General Manager of OJSC North-West Telecom

**MOTION FOR VOTING:**

**8. THE STANDARDS OF DEDUCTIONS FOR CALCULATION OF THE REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY SHALL BE DETERMINED ACCORDING TO THEIR TERM OF OFFICE:**

- QUARTERLY – TO EACH MEMBER OF THE BOARD OF DIRECTORS IN THE AMOUNT OF 0.0062% OF THE COMPANY’S PROCEEDS FROM SALES OF GOODS, PRODUCTS, JOBS OR SERVICES FOR THE REPORTING QUARTER ACCORDING TO THE DATA OF THE COMPANY’S ACCOUNTS AND REPORTS;**
- ANNUAL – FOR ALL MEMBERS OF THE BOARD OF DIRECTORS IN THE AMOUNT OF 0.4% OF THE NET PROFIT FOR THE YEAR UNDER REPORT ACCORDING TO THE DATA OF THE COMPANY’S ACCOUNTS AND REPORTS.**

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, spoke on the voting procedure in respect of the eighth issue of the Agenda.

In compliance with clause 2, article 49 of the Federal Law On Joint-Stock Companies, the decision in respect of the eighth issue of the agenda is taken by the majority of votes of the shareholders holding voting shares and taking part in the meeting of the shareholders.

As of the start of counting the votes, **985** shareholders and their authorized representatives holding **649,885,643** votes all in all were registered.

Chairman of the Meeting A.A. Sysoyev announced a 45 minutes’ break for voting on the issues of the Agenda of the Meeting and for summing up the results of voting on the issues of the Agenda of the Meeting.

**Ivan Vladimirovich Maximov**, a representative of the Returning Board, announced the voting results and the decisions taken.

**1. Approving the annual report, annual accounts and reports, including the profit and loss report (profit and loss account) of the Company, as well as profit distribution, including that for payment of dividend, and Company’s losses based on the results of the fiscal year under report (2002).** \_\_\_\_\_

**Voting results (ballot No.1)**

**613,991,412** votes participated in the voting, among them ballots containing all in all **2,257,131** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the second issue of the agenda
<b>IN FAVOUR</b>	<b>597 808 384</b>	<b>91,99</b>
<b>AGAINST</b>	<b>246 829</b>	<b>0,04</b>
<b>ABSTENTIONS</b>	<b>13679 068</b>	<b>2,10</b>

Based on the results of voting on the first issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**1. TO APPROVE THE ANNUAL REPORT, ANNUAL ACCOUNTS AND REPORTS, INCLUDING THE PROFIT AND LOSS REPORT (PROFIT AND LOSS ACCOUNTS) OF THE COMPANY, AS WELL AS PROFIT DISTRIBUTION, INCLUDING THAT FOR PAYMENT OF DIVIDEND, AND COMPANY'S LOSSES BASED ON THE RESULTS OF THE FISCAL YEAR UNDER REPORT (2002).**

**2. Determining the amount of the dividend for 2002, the method and timing of dividend payment for shares of each category (type)**

**Voting results (ballot No.1)**

**613,986,848** votes participated in the voting, among them ballots containing all in all **1,538,891** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the second issue of the agenda
<b>IN FAVOUR</b>	<b>598 426 064</b>	<b>92.08</b>
<b>AGAINST</b>	<b>409 585</b>	<b>0,06</b>
<b>ABSTENTIONS</b>	<b>13 612 308</b>	<b>2,09</b>

Based on the results of voting on the second issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**2. DIVIDEND FOR THE YEAR 2002 SHALL BE PAID:**

**2.1. FOR TYPE A PREFERRED SHARES IN THE AMOUNT OF 0.140 ROUBLES PER SHARE IN THE MONETARY FORM FROM 15<sup>TH</sup> AUGUST 2003 TILL 31<sup>ST</sup> DECEMBER 2003;**

**2.2. FOR COMMON SHARES IN THE AMOUNT OF 0.064 ROUBLES PER SHARE IN THE MONETARY FORM FROM 15<sup>TH</sup> AUGUST 2003 TILL 31<sup>ST</sup> DECEMBER**

**2003.**

### **3. Electing the Members of the Company's Board of Directors.**

#### **Voting results (ballot No.2)**

**7,135,760,027** votes participated in the voting, among them ballots containing all in all **66,714,065** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the first issue of the agenda
<b>IN FAVOUR</b>	<b>7 067 314 111</b>	<b>98,86</b>
<b>AGAINST</b>	<b>322 751</b>	<b>0,00</b>
<b>ABSTENTIONS</b>	<b>1 409 100</b>	<b>0,02</b>

No.	Full name of the candidate	Number of votes
<b>1</b>	Ivan Ivanovich Rodionov	<b>667 666 598</b>
<b>2</b>	Alexandr Vyacheslavovich Ikonnikov	<b>664 242 710</b>
<b>3</b>	Valery Nikolayevich Yashin	<b>661 172 706</b>
<b>4</b>	Oleg Anatolyevich Lebedinets	<b>651 950 257</b>
<b>5</b>	Alexandr Alexandrovich Gogol	<b>607 728 554</b>
<b>6</b>	Sergey Vladimirovich Soldatenkov	<b>605 508 991</b>
<b>7</b>	Irina Mikhailovna Ragozina	<b>603 424 803</b>
<b>8</b>	Yury Alexandrovich Bilibin	<b>601 683 077</b>
<b>9</b>	Vadim Yevgenyevich Belov	<b>600 848 080</b>
<b>10</b>	Dmitry Vladimirovich Levkovsky	<b>588 568 650</b>
<b>11</b>	Alexandr Abramovich Sysoyev	<b>533 209 930</b>
<b>12</b>	Maxim Viktorovich Bobin	<b>274 069 229</b>
<b>13</b>	Yelena Viktorovna Zabuzova	<b>1 161 595</b>
<b>14</b>	Dmitry Leonidovich Ankudinov	<b>727 308</b>
<b>15</b>	Oleg Mikhaylovich Mikhaylov	<b>598 732</b>
<b>16</b>	Oxana Valeryevna Petrova	<b>541 901</b>
<b>17</b>	Benjamin Stefan David Vilkening	<b>517 459</b>
<b>18</b>	Eduard Yuryevich Kuleshov	<b>483 048</b>
<b>19</b>	Boris Viktorovich Yevseyev	<b>474 131</b>
<b>20</b>	James Nail	<b>461 416</b>

Based on the results of voting on the third issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders **HAS DECIDED:**

#### **3. TO ELECT THE BOARD OF DIRECTORS WITH THE FOLLOWING MEMBERS:**

1. Ivan Ivanovich Rodionov
2. Alexandr Vyacheslavovich Ikonnikov

3. Valery Nikolayevich Yashin
4. Oleg Anatolyevich Lebedinets
5. Alexandr Alexandrovich Gogol
6. Sergey Vladimirovich Soldatenkov
7. Irina Mikhailovna Ragozina
8. Yury Alexandrovich Bilibin
9. Vadim Yevgenyevich Belov
10. Dmitry Vladimirovich Levkovsky
11. Alexandr Abramovich Sysoyev

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#### **4. Electing the Members of the Company's Auditing Committee.**

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##### **Voting results (ballot No.3)**

**647,633,491** votes participated in the voting, among them ballots containing all in all **1,664,714** votes having been considered as invalid.

Full name of the candidate	Number of votes		
	Pro	Contra	Abstentions
Natalia Vladimirovna Fedorova	<b>630 949 456</b>	<b>210 309</b>	<b>14 631 321</b>
Konstantin Vladimirovich Belyaev	<b>630 682 843</b>	<b>254 731</b>	<b>14 659 294</b>
Andrey Yakovlevich Lang	<b>630 790 611</b>	<b>156 784</b>	<b>14 654 176</b>
Mariya Leonidovna Pravdina	<b>630 756 380</b>	<b>197 590</b>	<b>14 653 653</b>
Irina Viktorovna Prokofyeva	<b>630 774 487</b>	<b>141 828</b>	<b>14 679 387</b>
Larisa Valeryevna Tareyeva	<b>630 785 844</b>	<b>129 170</b>	<b>14 682 681</b>
Sergey Ivanovich Alekhin	<b>630 709 460</b>	<b>238 466</b>	<b>14 686 719</b>

Based on the results of voting on the fourth issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

##### **HAS DECIDED:**

##### **4. TO ELECT THE AUDITING COMMITTEE OF THE COMPANY WITH THE FOLLOWING MEMBERS:**

1. Natalia Vladimirovna Fyodorova
2. Andrey Yakovlevich Lang
3. Larisa Valeryevna Tareyeva
4. Irina Viktorovna Prokofyeva
5. Mariya Leonidovna Pravdina
6. Sergey Ivanovich Alekhin
7. Konstantin Vladimirovich Belyaev

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#### **5. Approving the Company's Auditor for the year 2003.**

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**Voting results (ballot No.4)**

**647,886,866** votes participated in the voting, among them ballots containing all in all **1,496,766** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the fourth issue of the agenda
<b>IN FAVOUR</b>	<b>632 422 251</b>	<b>97,31</b>
<b>AGAINST</b>	<b>245 792</b>	<b>0,04</b>
<b>ABSTENTIONS</b>	<b>13 722 057</b>	<b>2,11</b>

Based on the results of voting on the fifth issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**5. The auditing company ERNST & YOUNG VNESHAUDIT shall be approved as the auditor of the Company for the year 2003.**

**6. Approving the Company's Articles of Association in the new version.**

**Voting results (ballot No.4)**

**647,886,247** votes participated in the voting, among them ballots containing all in all **13,620,727** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the fourth issue of the agenda
<b>IN FAVOUR</b>	<b>620 264 652</b>	<b>95,44</b>
<b>AGAINST</b>	<b>194 753</b>	<b>0,03</b>
<b>ABSTENTIONS</b>	<b>13 806 115</b>	<b>2,12</b>

Based on the results of voting on the sixth issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**6. TO APPROVE THE COMPANY'S ARTICLES OF ASSOCIATION IN THE NEW VERSION.**

**7. Approving the Provisions on the General Meeting of the Company's Shareholders in the new version.**

**Voting results (ballot No.4)**

**647,886,107** votes participated in the voting, among them ballots containing all in all **1,490,889** votes having been considered as invalid.

	Voting results

	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the fifth issue of the agenda
<b>IN FAVOUR</b>	<b>632 386 924</b>	<b>97,31</b>
<b>AGAINST</b>	<b>172 509</b>	<b>0,03</b>
<b>ABSTENTIONS</b>	<b>13 835 785</b>	<b>2,13</b>

Based on the results of voting on the seventh issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**7. TO APPROVE THE PROVISIONS ON THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS IN THE NEW VERSION.**

**8. Determining the amount of remuneration for Members of the Board of Directors of the Company.**

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**Voting results (ballot No.4)**

**647,258,907** votes participated in the voting, among them ballots containing all in all **80,845,550** votes having been considered as invalid.

Shareholder's opinion	Voting results	
	Number of votes	Percentage of the total number of votes of the shareholders taking part in the meeting and entitled to a vote on the eighth issue of the agenda
<b>IN FAVOUR</b>	<b>461 538 754</b>	<b>71,02</b>
<b>AGAINST</b>	<b>1 642 616</b>	<b>0,25</b>
<b>ABSTENTIONS</b>	<b>103 231 987</b>	<b>15,88</b>

Based on the results of voting on the eighth issue of the Agenda (reports of the Returning Board are enclosed), the Meeting of the Shareholders

**HAS DECIDED:**

**8. TO DETERMINE THE STANDARDS OF DEDUCTIONS FOR CALCULATION OF REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY ACCORDING TO THEIR TERM OF OFFICE:**

- QUARTERLY – TO EACH MEMBER OF THE BOARD OF DIRECTORS IN THE AMOUNT OF 0.0062% OF THE COMPANY'S PROCEEDS FROM SALES OF GOODS, PRODUCTS, JOBS OR SERVICES FOR THE REPORTING QUARTER ACCORDING TO THE DATA OF THE COMPANY'S ACCOUNTS AND REPORTS;**
- ANNUAL – FOR ALL MEMBERS OF THE BOARD OF DIRECTORS IN THE AMOUNT OF 0.4% OF THE NET PROFIT FOR THE YEAR UNDER REPORT ACCORDING TO THE DATA OF THE COMPANY'S ACCOUNTS AND REPORTS.**

Chairman of the meeting A.A. Sysoyev said that the shareholders were informed on the results of voting on the issues of the Agenda of the annual general meeting of the



shareholders and that the Decisions taken by the meeting were announced. The information on the results of the meeting will be published in the Izvestiya newspaper. A.A. Sysoyev announced that the annual general meeting of the shareholders of OJSC North-West Telecom was closed.

The meeting was closed at: 5-10 p.m.

**A.A. Sysoyev, Chairman of the Meeting**

**N.G. Bredkov, Head of the Secretariat**

7<sup>th</sup> July 2003

**LIST OF APPENDICES TO MINUTES No. 02-03  
OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS  
OF OJSC NORTH-WEST TELECOM  
23.06.2003**

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**Speech  
of Alexandr Abramovich Sysoyev,  
General Manager of OJSC North-West Telecom  
on the first issue of the agenda**

Dear Shareholders,  
Ladies and Gentlemen,

Let me present to you a report on the operation of the open joint-stock company North-West Telecom in the year 2002. First of all I would like to briefly describe the state of the telecommunication industry in the Russian Federation and in its Northwestern region.

The development rate of the telecommunication industry is constantly growing. According to estimates, in the three years to come, the volume of the Russian telecommunications market will be increasing by about 15% annually. The income of the industry for the year 2002 was 270 billion roubles and its further growth by 20-25% per year is forecasted. About a half of the industry's income is earned by telecommunication companies.

During the last year the infrastructure of the industry was actively developing. In 2002, over 50,000 km of cable and radio-relay communication lines, over 70,000 long-distance and international telephone channels, 3 MIO lines of fixed communication and over 12 MIO lines of mobile telephone communication were commissioned. The growth in the number of base telephone sets was 1.8 MIO units.

The North-Western region is one of the most well-developed telecommunication markets of the Russian Federation. It brings up to 16% of the income of the Russia's communication industry, though the area of the region is only 10% of the territory of the Russian Federation and its population makes 9.9% of the population of the Russian Federation. The region has the highest urbanization index in Russia: about 82% of the population live in towns and cities.

This circumstance has largely determined the high level of potential competition in the region. It is a demonstrative fact that the number of registered licenses in the segments of most highly profitable services, such as long-distance and international communication, telematic services and data transmission is rapidly growing. At the moment, the Company occupies about 60% of the communication services market.

Under such severe conditions of competition, our Company must develop dynamically, retaining its share of the highly profitable segments in the telecommunication market.

The year 2002 has become for the management and working team of the company the completing year of implementing the strategy of OJSC Svyazinvest in enlarging the regional telecommunication business in the North-West.

To ensure the said strategy, which has been aimed at increasing the capitalization and investment attractiveness of the Company, in 2002 the Company was tackling the following tasks:

*Organizational tasks:*

- completing the legal procedures of uniting the majority of independent traditional telecommunication operators of the North-West into a single company;
- restructuring the companies' businesses, and stock conversion;
- forming the management structure for the united Company;
- improving the Company's corporate management, and personnel training.

*Production process tasks:*

- upgrading and commissioning new lines and increasing as much as possible the equipped capacity;
- developing and building network equipment;
- preparing the time-based billing system for introduction;
- introduction of new extra services.

*Financial and commercial tasks:*

- increasing the profitability and expanding the range of Company's services;
- increasing Company's market capitalization;
- improving the rate policy and grounding it for the Ministry of Antimonopoly Policy of the Russian Federation.

Let me dwell on the listed areas of work.

On the 31<sup>st</sup> of October 2002, a merger of the leading telecommunication operators of the North-West on the basis of OJSC North-West Telecom took place. The united Company comprises nine branches. An extraordinary meeting of the shareholders held in November 2001 was dedicated to the issues of the merger. The meeting considered all key aspects of the process. Therefore, dear shareholders, let me touch upon just the basic points.

The work on the merger of the companies was led by a task group consisting of representatives of all uniting companies, OJSC Svyazinvest and consultants of CJSC Renaissance Capital. In April 2002, a managing structure of the united Company was created on the basis of OJSC PTN. At the same time, an offering circular was prepared and submitted for registration by the Federal Commission for the Securities Market. In October 2002, the offering circular was registered and, in compliance with the respective laws, the operation of the corporations – affiliated regional companies – was terminated. To ensure the operation of the Company as a new legal entity in the territory of the North-Western Federal District, new licenses were obtained (as well as supplements) for licensed areas of operation.

Thus, the united Company started the year 2003 as the largest participant of the telecommunication services market in the North-West.

During the year 2002, work was done to improve the Company's management structure, aimed at:

- improving the management efficacy;
- reducing the number of unprofitable structural units;
- optimizing the number of the personnel.

In the course of re-organization, the organizational structures of all units of branches and the Company on the whole were revised, which has made it possible to form an integral management structure of the Company. To use the maximum of the labour potential, the labour standards in use were studied and revised, job descriptions were corrected, and the employees' duties were defined in greater detail.

As a result, the official number of the Company's employees decreased by 819 persons in 2002 and, as of the start of the current year, amounted to 30,550.

Much was done to improve the skills and to provide personnel training. All in all, in 2002 more than 6,000 employees (20% of the personnel) underwent training in various educational institutions.

In 2002 the Company did much to develop its technological and production base. In spite of all difficulties of the merger process, the infrastructure of telephone networks has been actively developing. All branches of the Company fulfilled investment plans.

The capital investment amounted to 1.7 billion roubles. 1.3 billion roubles of them were invested in communication services development. The bulk of that amount (87%) was spent for the development of local telephone communication, and 8% were assigned for the construction of long-distance/international communication facilities. A part of the capital

investment (4.4%) was allocated for the development of extra communication services (Internet, IP-telephony, intelligent services).

In the year that has expired, 149,000 subscriber lines were introduced. The total installed capacity of the Company's telephone network exceeded 3.6 MIO lines, including about 3.4 MIO lines in the city telephone network.

We rank the 4<sup>th</sup> among inter-regional companies by this index.

In spite of the rapid rate of new capacity commissioning, there still is unsatisfied demand for installation of telephone lines. In the year 2002 about 100,000 new applications were received from people. All in all, as of the end of the year, the number of unsatisfied applications was 250,000. During the year, about 110,000 applications for connection to the telephone network were satisfied.

We consider network infrastructure updating as one of the most important tasks of the Company. In 2002, the share of digital exchanges of city telephone networks reached 39% (8.5% for rural telephone networks) of the total installed capacity.

A serious problem is the considerable share – over 9% (nine per cent) – of obsolete and worn step-by-step telephone exchanges, which must be replaced. Significant financial resources are required for the construction of new telephone exchanges; therefore, along with new construction, special attention was paid to increasing the percentage of enabling the capacity that is already in use. This index of the Company has been growing with each passing year, and it exceeded 94% in 2002. According to OJSC Svyazinvest, this is the best index among the seven inter-regional companies.

The infrastructure of long-range communications is in a much better condition. The digitalization level of AMTS (automatic long-distance telephone exchanges) is about 83%. In 2002 the length of main channels of OJSC North-West Telecom reached 1,900 km, and the length of intra-zone channels was over 2 MIO km. The growth of automatic channels in 2002 exceeded 1.5 thousand. In 2002 a number of measures were taken to improve the general and technical operation of long-distance and intra-zone communication facilities. Reliability of primary networks has been improved on intra-zone networks through the construction of optical and radio-relay transmission lines with arrangement of ring structures. The total installed capacity of the long-distance telephone exchanges (AMTS) of the Company exceeded 54,000 channels in the year 2002.

Over 8,000 payphones have been connected to the network of OJSC North-West Telecom. In 2002, issues of technical and organizational interaction in organizing the acceptance of a single payphone card were agreed upon with OJSC National Payphone Network. This is a promising technology, though it does require large investment for re-equipment of payphones. We are introducing such new payphone services as the incoming call and the possibility of using IP-telephony cards.

The Company emphasizes the development of extra types of services. OJSC North-West Telecom provides services of access to the Internet via dedicated and dial-up communication lines. In the year 2002 the number of Internet users exceeded 140,000. For the purpose of further development and a better quality of such services, the modem pools and channels were expanded using up-to-date equipment (made by Cisco, Motorola, Siemens and other producers) in 2002.

Company's branches provide a number of other up-to-date highly profitable services, such as: ISDN and intelligent communication network services. The latter include calls using a pre-paid telephone card, which has become quite popular among subscribers. The "800" code service and the "televoting" service are provided jointly with OJSC Rostelecom. We are planning an increase of investment in extra services, among other reasons, because their rates are not regulated by the state.

As the user's demand will be growing, we are planning to create a multiservice network that will be able to ensure transmission of multicomponent information (voice traffic, data, files) at high speeds.

Now, let me turn to the key financial and economic indices of the Company's operation in the year 2002. Proceeds from sales amounted to 10 billion 92 million roubles. Following the dynamics of the proceeds growth rate for the recent three years, an average annual growth of that index by 20-25% can be stated. The profitability of sales for the recent three years has been stably remaining at quite a high level of 25%.

The structure of proceeds is as follows: 45.7% are income from city telephone communication services, 45.4% are long-distance and international communication, and 2.3% are from rural communication services. The same share belongs to the income from new services.

Proceeds per employee in 2002 were 336,000 roubles, which is 30% higher than in 2001. OJSC North-West Telecom ranks the second among all inter-regional companies by this index and by profitability of sales.

Thus, the operation of OJSC North-West Telecom is characterized by a stable growth of economic efficiency indices.

Nevertheless, the Company's net profit of the year 2002 was 327 MIO roubles, which was much less than the profit of the year 2001 (704 MIO roubles). This was caused by making the doubtful debt reserve in 2002, the expenses for making which amounted to 792 MIO roubles, including the debt of previous years. The net profit of the year 2002 calculated without taking into account the doubtful debt reserve would amount to 975 MIO roubles, which is much more than in 2001.

Why was the doubtful debt reserve formed? The thing is that before the year 2002 the outstanding accounts receivable with undetermined probability of return were included in the profit on the accounting balance sheet. Taking into account the large amount of the accounts receivable, this significantly distorted the results of accounts and reports. So, a significant part of the profit existed only on paper and could not be actually received in the foreseeable future. Meanwhile, transparency and reliability of reporting is an integral and most important condition for the Company, which aspires to enter foreign markets of capital.

Thus, the formation of the doubtful debt reserve has made it possible both to ensure reliability of reports on the operation results and to essentially optimise the tax payments.

It is clear from what has been said how important the work with accounts receivable is for economic efficiency of the Company's operation.

Reducing the outstanding accounts receivable and taking in due time measures to recover the debt remains a most important reserve in improving the Company's performance. However, the problem of non-payments goes even beyond the bounds of the industry. The solution of the problem of timely payment depends on the economic policy at the state level, stabilization of finance and improvement of the taxation system.

The Company's accounts receivable as of 1<sup>st</sup> January 2003 were 2.17 billion roubles. In the year under report, the share of accounts receivable in the proceeds from sales somewhat decreased (by 0.4%) as compared to the year 2001. The debt for communication services as regards the proceeds decreased by 2.3%.

The Company is actively dealing with reducing the accounts receivable, and in 2002 it had the minimum growth of debt for communication services (9%) as compared to other inter-regional companies.

A significant part of accounts receivable (about 44%) is owed by the State Budget, which is not paying the compensation due to the Company for privileged rates for communication services for citizens covered by the laws "on veterans", "on the disabled"

and another 35 legislative acts.

The Company is paying serious attention to the work on reducing the accounts receivable. We cooperate with local Administrations and respective financial authorities, make contracts and agreements of allocating extra funding for reimbursement for expenses in connection with the granting of privileges, and actively work with claims and suits.

As is known, for natural monopolists (and OJSC North-West Telecom is one), the rate policy is determined by the state. Meanwhile, we are a joint-stock company and we must independently earn money for the support and development of our infrastructure. In the recent years, in connection with the development of Internet and IP-telephony services, the load on telephone networks has increased in an intolerable way. Besides updating and increasing the capacities of the network, which requires considerable costs, economic methods may serve as the main instrument of network load control. This means a well-grounded rate policy providing for payment for communication services in compliance with the consumed volumes.

In 2002 the Company did much to substantiate for the Ministry of Antimonopoly Policy the rates for local telecommunication services at the level ensuring, along with covering current costs, a certain share of the investment constituent. As a result, all branches of the Company increased the rates. On the average, the subscriber fee for the services of local telephone communication for the population increased by 15%. However, this is obviously insufficient. Thus, in the PTN branch alone, the rates for the population exceeded the prime cost of rendering the service only by a small amount during the year. In other branches of the company, the local communication rates have been lower than the prime cost (Kaliningrad, Cherepovets, Murmansk) or at the level of it until now.

We are associating certain hopes of an improved rates situation with introducing a time billing system. Here we must note that the State Duma of the Russian Federation has adopted the Law "On Communication", which provides subscribers with the possibility of choosing between methods of payment for communication services – subscriber fee or time billing. This will require a certain adjustment of the rate policy development strategy. We are planning to develop and substantiate for the Ministry of Antimonopoly Policy a number of rate plans providing for a differentiation of the subscriber fee for various groups of subscribers depending on the volume of telephone traffic created by them. Therefore, the introduction of the time-based billing system will remain topical under such legislative conditions.

I have already noted the importance of our entry to public financial capital markets. Let me dwell upon what has been done in this area in the year that has expired. In 2002 active development of the corporate bonds market started. In March 2002, the Federal Commission for the Securities Market registered the issue and in April of the same year documentary interest-bearing bonds of the Company worth of 300 MIO roubles, with the circulation period of 2 years, were floated. The volume of the issue being 300 MIO roubles, applications for an amount almost twice as large were received. Thus, the market has estimated Company's Bonds at their true worth. The funds gained from floating the first bonds issue were used to fund Company's investment projects.

In August of the current year we are planning to float the second issue of bonds worth of 1.5 billion roubles, with the circulation period of 4 years. The funds obtained from bonds floatation are expected to be used for re-financing Company's debt instruments and investment programmes. It should be noted that we are actively working on reducing the cost of borrowing funds through the issue of bonds. Thus, if the borrowing cost of the first bonds issue was 21% per annum, the borrowing cost of the second issue is to be at the level of 12% per annum.

The structure of the Company's stock capital is presented on the slide. In 2002 a significant increase in the volume of trading in shares of OJSC North-West Telecom at the RTS Stock

Exchange was observed, as well as in the number of transactions with Company's securities. Thus, the volume of trading in common shares in 2002 was about 6.3 MIO US dollars, which was 60% more than in 2001.

The average value of Company's common shares in 2002 was within 0.36-0.52 US dollars. The average value of preferred shares was within 0.19-0.27 US dollars. Capitalization of the united Company as of the end of 2002 was 303 (three hundred and three) MIO US dollars.

For the purpose of a further increase in the market capitalization, OJSC North-West Telecom is considering various options of passing the listing at western stock exchanges.

The efforts aimed at increasing capitalization and information openness of the financial and economic standing of the Company have resulted in the agency Standard & Poor's increasing the corporate management rating of the Company to 5.6, and at the beginning of the year 2003 the international credit rating was increased by two steps at once.

A few words about control on the side of the Board of Directors. As you know, dear shareholders, the composition of the Board of Directors reflects the shareholding structure of the Company. In the year under report, the Board of Directors was expanded to include 11 members all in all. It includes both representatives of the key shareholder (OJSC Svyazinvest) (7 Directors) and representatives of minority shareholders (4 Directors). Four committees have been formed at the Board of Directors (corporate management committee, corporate financing and investment committee, budget committee, and reporting and remuneration committee). It is a demonstrative fact that the committees were established only at the Board of Directors of OJSC North-West Telecom. The committees include shareholders of the Company, including those who are not its employees. All important decisions are taken only after they have been approved by the committees.

From 1<sup>st</sup> January till 31<sup>st</sup> December 2002 the Board of Directors of OJSC North-West Telecom held 23 meetings.

In 2002 the Board of Directors considered the following most significant issues: the budget for the year 2002 was approved; the status of the accounts receivable was considered and a decision was taken to make a doubtful debt reserve; the decision on the issue of extra shares was taken; recommendations were given as to the amount of dividend payment for the year 2002, and many other things were done.

The key tasks to be tackled by the Company in the future include:

- increasing the income and capitalization, and promoting the brand of the Company as the single operator in the North-West;
- optimizing the rate policy and grounding it for the Ministry of Antimonopoly Policy;
- updating and developing the network infrastructure;
- solving the problem of the telephone installation queue;
- labour productivity improvement and reduction of the number of the personnel; management structure improvement;
- expanding the range and volumes of extra services;

The united Company has vast opportunities for development. We possess the aggregate technical and creative potential of all the regional companies that have affiliated with it and we are capable of offering the entire range of telecommunication services to clients.

Nevertheless, it is important to understand that the economic effect from the merger of the regional companies will not be noticeable immediately after completion of the legal formalities – it will be seen after the fully-fledged amalgamation of the businesses and after an efficient management structure is formed. This will take certain time.

We are looking at the furniture with confidence and believe that favourable prospects are awaiting out Company. Thus, the results of the 1<sup>st</sup> quarter of the year 2003 show that the Company's indices have been significantly surpassed, which proves our hopes to a certain extent. The proceeds for the 1<sup>st</sup> quarter amounted to 2.8 billion roubles, which is 20% more



than for the same period of the last year. According to the budget, the net profit as of the end of the year 2003 will amount to about 800 MIO roubles. Therefore, we can state with confidence that the level of dividend in the year 2003 will be much higher.

Let me assure you, dear shareholders, that the working team and the management exert all efforts to improve the profitability and economic stability of the Company.

Thank you for listening.

**Report of Alexey Vladimirovich Shalagin - Deputy General Manager - Manager in Charge of Economics and Finance  
on the first issue of the agenda**

Dear Shareholders,

In the last year regional communication operators joined the Company, and, formally, the results of Company's operation for the year are comprised by the results of the St. Petersburg Telephone Network for 10 months of the year 2002 and the results of all branches for the recent two months of the year. To compare the data in considering the key financial indices and changes that have taken place in the structure of the balance sheet, I will use in my report the summary indices of all united companies for the years 2001 and 2002.

***Changes in the Structure of the Balance Sheet.***

The balance sheet currency increased in the period under report by 893,553 thousand roubles.

***Assets.***

The largest share in the structure of the Company's aggregate assets belongs to fixed assets (73%), which corresponds to the industry peculiarities of property structure of communication enterprises.

Circulating assets make 17.5% of the balance sheet currency. The most significant changes have taken place in respect of the following items of circulating assets:

- stores have grown by 29 %;
- the share of monetary funds has grown from 7 % to 13 %;
- the accounts receivable shown in the balance sheet less the doubtful debt reserve decreased in the sum total of circulating assets from 72% to 57%.

**Liabilities**

***Structure of the Capital***

The main source of forming the aggregate assets of the enterprise consists in own funds, their share being 73%. In absolute terms, own funds have grown in the period under report by 152 MIO roubles.

From the standpoint of financial stability, the enterprise has a favourable structure of liabilities, as their bulk is represented by own funds (73%) and long-term liabilities (10%). To maintain the level of long-term liabilities, in March 2002 the Company issued coupon bonds worth of 300 MIO roubles, with the retirement period of two years.

**Receipts**

According to the results of the year under report, the proceeds from sales of products (jobs, services) made 10,092 MIO roubles, which was 2,033 more than in 2001. The growth of proceeds per year was 25%.

The growth of income from principal activity against the level of the year 2001 was 53% caused by the growth of rates and 47% by the increase of the volume of provided services.

The growth of prime cost in 2002 was 23% as compared to the year 2001. The growth rate of proceeds exceeded the rate of the increase in the prime cost of provided services. As a consequence, the profit from sales in 2002 grew ahead of proceeds, its growth being 31%.

The Company has completed the year under report with the net profit of 327 MIO roubles according to the Russian accounting standards. In the previous year that index

was 704 million roubles. Let us consider the main reasons that have influenced the final financial result of the Company's operation.

The year 2002 saw serious changes in the Company's accounting policy as compared to the accounting policy that had been applied by telecommunication organizations before. The changes have been aimed at ensuring a more reliable presentation of the results of economic operation and compliance of financial accounts and reports with the international standards. Among other things, the changes include the formation of the doubtful debt reserve.

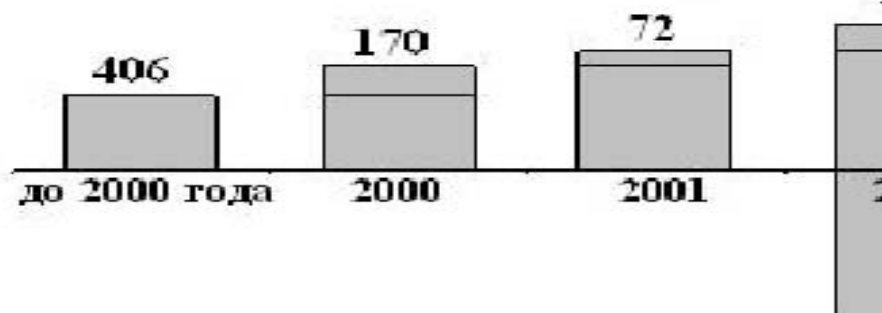
In compliance with the accounting policy for the year 2002 and the Provisions on Accounting and Reporting in RF, the reserve is created for all unpaid debts over 90 days. When the debt is repaid, the reserve is restored. However, a part of the debts cannot be received by the company, e.g. due to bankruptcy of the debtor enterprise or absence of a legal mechanism for recovering the debt. The latter category includes the well-known debt of the budget in respect of compensation for privileges provided under the federal laws.

As is known, privileged categories of the population pay only 50% of the price of services, and the second half of the price must be reimbursed from the budget. However, the reimbursement is only partial, as legislators do not include the full compensation of the debt in the budget. The accounts receivable in respect of the privileged categories makes the bulk of doubtful debts.

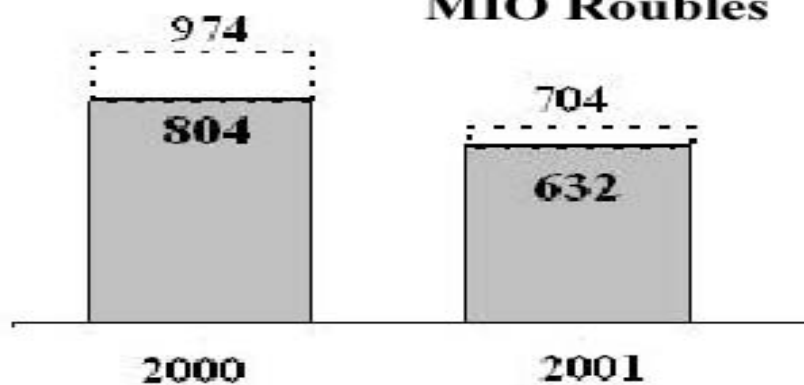
It should be noted that, according to the law, the company had to include in its income the proceeds that had not been actually received, too. The figure shows profit formation of the united companies by years. The upper part highlights the amount of doubtful debt that artificially overstated the amount of profit in the accounts and reports of the past years. The bottom of the last column shows the amount of expenses for creating the reserves, that influenced the reduction of the profit of the year under report. It can be seen that the amount

of doubtful debt of the year 2002 is a small part of those expenses.

### Formation of the Doubtful Debt Amount, for Which MIO Roubles



### Analytical Calculation of the Net Profit, Taking i of the Respective Period und MIO Roubles



**Analytical profit of the year 2002 = 327 MIO + do**

The summary amount of expenses for creating the reserve from current profit was 792 MIO roubles in 2002. 129 MIO roubles of accounts receivable were written off using the created reserve. 103 MIO roubles out of them were written off in respect of the debt of privileged categories of citizens.

In case of adequate distribution of expenses by periods, in which the debt arose, the net profit of the company for the year 2002 would be 975 MIO roubles instead of 327 MIO roubles.

Creating the reserve makes it possible to “clean” the balance sheet and to improve quality and reliability of the accounts and reports that are made up, which significantly stimulates the interest and trust of investors in the Company’s stock and, consequently facilitates the increase in the market value of the Company’s stock.

I would like to note that the formation of the doubtful debt reserve is not related for the Company to withdrawing monetary funds from circulation or freezing them on any accounts, except for book-keeping accounts. Vice versa, by creating the reserve and absolving significant amounts from taxation, the Company is able to use the resources to fund own development.

Thus, the reduction of the Company’s profit in 2002 was caused by the change in the accounting methods. According to the budget, even under the conditions of a stricter

approach to forming the reserve, the dynamics of profitability will improve significantly in 2003, as the reserve will be formed only in respect of the debts of the current period.

It is proposed that the meeting of the shareholders approve the following areas of using the retained profit in **the year 2003**:

- **EXTRA 17,522 THOUSAND ROUBLES, OR 5.4% OF THE NET PROFIT OF THE YEAR UNDER REPORT, ARE ALLOCATED TO FORM THE RESERVE FUND UNTIL IT REACHES 5% OF THE AUTHORIZED CAPITAL (THE AMOUNT OF THE RESERVE FUND AS OF 01.01.03 WAS 29,375 THOUSAND ROUBLES, WHICH WAS 3% OF THE AUTHORIZED CAPITAL, WHICH WAS 937,970 THOUSAND ROUBLES);**
- **75382 THOUSAND ROUBLES, OR 23% OF THE NET PROFIT, ARE ALLOCATED FOR DIVIDEND PAYMENT, OF WHICH 47099 THOUSAND ROUBLES ARE ASSIGNED FOR PAYMENTS UNDER COMMON STOCK AND 28283 THOUSAND ROUBLES UNDER PREFERRED STOCK.**
- **234360 THOUSAND ROUBLES (71.6% OF NET PROFIT) ARE THE BALANCE OF RETAINED PROFIT.**

### Speeches in the Debate on the First Issue of the Agenda

□ **Igor Valeryevich Zinichev**, shareholder

I represent shareholders of the Kaliningrad region, minority shareholders. I would like to express my opinion on the current reports of the company managers. I have been given the floor and recalled the phrase “it would be funny, had it not been so sad”. On the one hand, of course, we hear the victorious communiqués of the management and their reports, but please pay attention that few relative indices compared to the last year or to other companies have been given. There exists the company Uralsvyazinform, and there is NWT. If we compare them, we will see that the difference is immense. I feel sad that the management of NWT, in my opinion, does not understand, in which industry it works. This is an industry of onset, an industry, where one has to win markets of services sales. Alas, what do we see out-of-doors: we can see neither NWT, not its brand. You can see cards of various operators everywhere, and there is a feeling that new services are provided by all operators, except for NWT. Besides, there is no programme of capital investment, which, I believe, must be made up at least for three years, not just for one year. It should be such an investment programme that would make us see everything, so that there are no submarines surfacing, like the ill-fated transaction with Oracle, which has been discussed by many people already. Going back to new services, I would like to note the example of IP-telephony. I have read in the report about the investment in IP-telephony equipment, in the area that is developing with rapid strides. The volume of IP-telephony traffic is growing several times with each passing year. NWT invested about 47 thousand US dollars for the entire last year. You have seen the indices for the 1<sup>st</sup> quarter: the Board of Directors will receive over 100,000 US dollars for the 1<sup>st</sup> quarter through distribution only. Just compare these figures: IP-telephony and the Board of Directors – remuneration. As to IP-telephony, 3 years ago I was present at the meeting of the shareholders of the Kaliningrad telecommunication company. Mr. Andreyev, director of the company, announced the issue of these cards. I asked him: “Aren’t you afraid of competition with the traditional, long-distance and international, data transmission?”. He said that it was better to be the first. Now these words can be considered as mockery, when the Kaliningrad telecommunication company is not providing such services at all. All to a company are providing them - there are very many operators there - but for the Kaliningrad telecommunication company. Much has been worrying us for this past year. We have seen much negative information. The report proper is not so bad on the whole; but if you compare it with other companies, you will see that the proceeds significantly lag behind those of other companies, and the net profit is rather poor. It could have been higher. I think that other speakers will cite some figures. I would like to concentrate on new services: the company significantly lags behind in this respect and does not provide the entire range of services that could be provided. Thank you.

□ **Ivan Anatolyevich Smirnov**, shareholder.

Like any shareholder, I am concerned about two things: the amount of dividend and the market value of shares, or, in other words, the Company’s capitalization. First, about the dividend. As the presented report shows, the amount is not big. As far as I understand, this is due to objective causes, i.e. creating the doubtful debt reserve in compliance with the tax laws. Moreover, I do not think that we can expect any big dividend in the period of the Company’s re-organization. Speaking about relative indices, even the best companies in Russia pay dividends that are comparable with the inflation level.

What I really bother about is that I have not found in the report that has been presented any answer to my question about the market value of the stock, about capitalization. During

the last 2 or 3 years the price of shares makes no headway, the capitalization is not changing in any way. If we compare it with other enlarged regional communication companies, the comparison is obviously not in favour of OJSC North-West Telecom. I do not know the reason for that – this is what has been stated. Maybe, the shares had been overvalued, maybe the Company does not imagine the results expected by the market; however, this remains the fact: the market does not respond in any way to the financial indices the Company presents. Though, as far as I've heard, according to the presented report, the Company ranks second among all regional companies by such important indices as proceeds per employee. However, for certain reasons, the market does not perceive such excellent results as the second position. In this connection, I do not think that all inter-regional companies differ from one another very much. All of them, by the highest standards, have the same problems: rates regulated by the state, when the state does not allow raising prices. I do not think that anybody present here would want to pay on the per-minute basis for own telephone calls; however, we do want a significant growth – we have a problem again. The existing rates imply a huge number of privileges that are not secured by any funds in the budget; however, the comparative indices speak for themselves – the market does not give OJSC North-West Telecom a good mark for certain reasons. In this connection, I have a concrete proposal. We can always criticize; one can find drawbacks in any company, if one wants. My proposal is rather specific: to form a certain group that would specialize in Company's capitalization and in increasing the liquidity. However, according to the presented report, only about 2 or 3 % of shares are circulating in the market, i.e. the year's turnover has been 2 or 3 % of the Company's capitalization, which is incredibly low. So, creating such a group would at least make it possible to contact directly with the financial analysts of investment banks and to understand exactly, what is expected by the market from the Company, what indices are needed for the Company to receive a proper mark in the future, next year, really showing such results, at least as compared to other regional companies, as the capitalization and the stock price do not grow, they remain at the same level. This issue remains unclear to me. As to the previous speaker's words, of course, I agree that we, first of all, must compare our Company with other regional companies. However, as to criticism, I would better express some more proposals as a shareholder. Though it is true that as a shareholder I have just come today and read the financial report. I have not done anything during the year.

□ **Sergey Mikhailovich Moiseyev**, shareholder

Dear Shareholders and the Board of Directors,

I would like to draw your attention to the fact that for several years the Board of Directors has paid no attention at all to the opinions of the shareholders speaking at meetings. It lives its own life. Shareholders say something, but the Board of Directors does not take into account their opinions and acts as it finds necessary. One example. When a shareholder puts forward a proposal or criticizes something, nobody answers the questions at once, nobody tries to explain the situation, and everything remains just an empty phrase. So, here is an example of how they do not pay any attention to shareholders' opinion. During the last meeting of the shareholders I and some other shareholders, including Victor Konovalenko, proposed to restrict the payment of remuneration to Members of the Board of Directors, to link it with the Company's operation results for the year and to make the remuneration of Members of the Board of Directors dependent on the shareholders' dividend. This was not done. Using OJSC Svyazinvest's votes, they pushed through their proposed decision. And this year they propose the same fabulous remuneration, the same percentage of profit, and so on, to be paid to the Board of Directors. Of course, this looks oppressing.

Another issue. In November 2001, at the meeting, the same meeting when 8 regional joint-stock companies affiliated with PTN, I spoke about the poor payment of dividend and about what amount the dividend should have had. Mr. Yashin said in respect of my speech then:

“There is always a contradiction between the management and shareholders: the management is always trying to allocate more money for development, not for dividend”. Then, it was impossible to answer that statement, and now there is both the possibility, and a cause. And I will do that. Dear Valery Nikolayevich, why don't you remove that contradiction? For this contradiction is nothing but a violation of the Federal Law “On Joint-Stock Companies”. Look, article 71 “Responsibility of the Members of the Board of Directors of the Company” of the Law On Joint-Stock Companies states that Members of the Board of Directors must act in the interests of the company and must exercise their rights and fulfil their obligations towards the company conscientiously and reasonably. Well, they must act in the interests of the company, i.e. in the interests of the ordinary shareholders. If the Board of Directors pays a tiny dividend, then it acts against the interests of the shareholders, i.e. violates article 71 of the Law. If the Board of Directors pays a tiny dividend, then it cannot be stated that it acts conscientiously or reasonably. And, quite the opposite, it can be stated quite fairly that it acts in bad faith, dishonestly and unreasonably, i.e. violates article 71 of the Law. And again a question to Valery Nikolayevich arises: “And why don't you do anything?” The said contradictions between the management and shareholders can be easily removed: you must link the amount of remuneration to the Members of the Board of Directors with the amount of dividend, and the contradiction will disappear. Members of the Board of Directors will cease to be indifferent to the amount of dividend, and this is the necessary condition of determining the amount of remuneration to the Members of the Board of Directors. Besides, I would like to say that the remuneration must be paid according to the results of the year, and there must be no quarterly payments. So, we are waiting for your opinion, Valery Nikolayevich.

□ **Vladimir Nikolayevich Alexeyev**, shareholder

To tell you the truth, I am surprised by the work of the Board of Directors. There is not a single item about approving big transactions. In most of the companies in this city this has been done since long ago, except for PTN. In the information on the number of personnel the number of employees is reduced by 3.5%; meanwhile, making the unprofitable units alone redundant would yield at least 5%. According to the speaker's report, there were 30,550 persons as of the end of the year, while according to your report we all have on hand, there are 30,040 persons, so there is a discrepancy. It means that we have been given wrong information. New telephone exchanges have been commissioned, and there must be significant staff reduction. I propose that attestation of specialists be held in the year 2003. This is necessary, this is telecommunication, this must be done annually, the more so this year. I believe that it is necessary to continue the work on the reduction of the employees in the joint-stock company in the interests of OJSC North-West Telecom for improvement of operation and economic indices. The average monthly wages have grown by 35% per cent per year. My opinion is that this is contrary to economy in the stock company. I propose an adjustment of this policy of the stock company. There is an obvious contradiction between the interests of the shareholders and the interests of the employees. Unfortunately, against the shareholders. This is my opinion about the situation. I think it necessary to note that the shareholders' interests are disregarded. The dividend has been reduced almost twice, while Lenenergo is sharply increasing their dividend. The price of Lenenergo's services has increased, too. Unfortunately, this has already become a tradition of OJSC North-West Telecom, and we must get rid of it. By the way, the price of Lenenergo's services has been increasing much quicker than that of PTN's. Last year, PTN was far behind in this respect. I think that this is damage of the operation of the Board of Directors'. Unfortunately, shareholders' health care has not been restored, either. Each year we are invited during the lunchtime. Last year, I even was not able to speak at the meeting because of that. Sometimes you just put on a different jacket, forget to take the money, and this damages your health. The money is rather small. I believe PTN is able to give lunch to the shareholders.

Then, I propose taking measures to find legal entities that are not paying their debts, to recover the debts from them and to disconnect them from PTN's lines, including, first of all, state authorities. They must not violate the rules and must set a good example.



And about the privileged categories. I have heard other speakers say that nobody pays for them, and so on, and we shall leave them alone. And why? In fact, they are out of the city, in their country houses, all summer, and PTN can take this into account. However, the debt must be recovered from state authorities. And this is also a work of the Board of Directors. A deputy director spoke and said that they do not pay – so apply to the court, disconnect them. This is your work, the work, for which your salaries have been increased by 35%. To conclude, I think that the Board of Directors worked extremely badly this year. I have proved this with figures. They have even misled us by the number of employees. I wish every success to PTN in implementing good deeds for the welfare of the citizens of the Russian Federation and in the interests of the Russian Federation and its citizens.

### **Speeches in the Debate on the Second Issue of the Agenda**

□ **Klavdiya Alexandrovna Chistostupova**, Shareholder

I cannot say that I am satisfied with the dividend policy of the Company or with the fact that the net profit has been reduced by half by accountants' methods. As is known, one needs money always and now! However, for the sake of justice, I must say that the arguments given in the General Manager's report seem convincing to me. Indeed, the industry is on the rise, and soon (unless anything like August 1998 happens), the Company may become very profitable. In my opinion, the merger of regional operators must play a very positive part in this process. The main task today is to ensure investment attractiveness of the Company. Otherwise, it will be difficult for us to part with step-by-step telephone exchanges, to say nothing of introducing new highly profitable services. Meanwhile, both domestic and foreign investors will invest only in the goods that they can feel. Therefore, profit, half of which is made by hopeless accounts receivable, will hardly be of any interest to them. Of course, we also are entitled to demand that the dividend from the said accounts receivable be paid to us! However, it seems to me that, if we receive a littler larger dividend today, we may lose and fail to get any good dividend in the future. You will agree that very little time has passed in order to come to any conclusions. No company can show the efficiency of its work for one year.

It is clear that the management of the Company is facing many problems at the moment. It seems to me that, first of all, efficient management of such an extensive enterprise as a united company should be ensured.

Then, the rate policy. We understand that the Company's management cannot fix the rates for local communication independently; but it *must* exert all efforts and find the necessary arguments and instruments to substantiate their levels for the Ministry of Antimonopoly Policy! I agree with the report's idea that a set of rate plans must be developed so that per-minute billing would not be opposed to the subscriber fee. The per-minute billing equipment will make it possible to take into account the actual traffic of a subscriber and to offer him a choice from a set of rates and discounts corresponding to his needs, not from just two opportunities. I.e. we must act as mobile communication operators do. For, along with the per-minute traffic records, they also offer limitless rates – analogues of our subscriber fee.

I would like to hope that the new management of the Company will be able to resolve many of the existing problems, give impetus to an accelerated development of the Company and will use the huge experience and potential that has been accumulated by the branches.

□ **Pavel Alexandrovich Churkin**, shareholder

I have heard about the votes. I have 34 common votes. Though, what is the difference? All shareholders are equal: those who have 10 million and those who have just one vote – there is no difference at all. In general I sort of agree with the speakers Alexeyev and Moiseyev who

spoke on the first issue of the agenda. Actually I did not plan to speak. I thought I would come here, have a snack, get the materials, cast my vote and leave. However, I had to stay! I had to leave! But I've been forced to stay – I've got interested. Then, in connection with answers to my questions, I do not quite understand Mr. Sysoyev's attitude. I am a subscriber of the Peterstar company and pay 105 roubles for the telephone. Peterstar's rates for private subscribers are regulated by the Ministry of Antimonopoly Policy, in the same way as for PTN. And the explanation that they have different rates is just a deceit of the audience. I pay 105 roubles, and will start paying 136 roubles from the first of July, like all of you. Then, everybody has already understood that the Company's management does not listen to what we say. This is just rending the air. At the same time, I do not think that it makes sense to criticize Yashin, his name is sort of often heard. Why? Mr. Yashin is the head of the Investment Communication Company, OJSC Svyazinvest, which owns the entire controlling block of shares. In its turn, the state owns the controlling block of shares of the Investment Communication Company. A simple conclusion follows from that: everything that is done here is done with the knowledge of the state. I do not know the persons, but obviously, this is a certain body of the Government, which takes decisions on what issues should be raised here, how we must vote in respect of them, etc. And the issue smoothly rolls from the field of economics to the field of politics: everything happening here, in NWT, is the policy of the state in respect of legalized theft, a theft from the shareholders' pockets, both from dividends and for remuneration to the Members of the Board of Directors. There is an obvious contradiction here, and I do not know, perhaps there is no representative of the state here. I would like to get some explanations about the state's policy. In my opinion, this is deceit, stealing from the pocket of a state organization, a company, from the pockets of its shareholders. When, several years ago, shares of MMT (LDIT) were converted into shares of PTN, the profit of MMT was considered as added capital and was not taken into account in the net profit of the company. Then Sergey Moiseyev applied to the court. It was profitable to act like that then, and now it is profitable to act in a different way. That is how shall we understand this, in general?... This is also the policy of the state.

And, about the remuneration: I am afraid that I will not be able to stay here till the end. I think that these people who are here must be ashamed: they are sitting in the restaurant, eating for our account, and we are not even allowed to correct our questions from where we sit.

I have officially registered to speak on the eighth issue, about the remuneration.

If anybody wants to speak, or exceeds the time-limit, he/she may take my five minutes.

I want this to be put down in the minutes. Thank you.

□ **Ivan Anatolyevich Smirnov**, shareholder.

It's a pity that Moiseyev has not come out. I fully agree to his proposal. And as to the absolute amount of dividend – this is the dividend we deserve. As long as there are shareholders who want to come here only in order to have a meal, the amount will remain the same. The more so, when we say that the state owns more than 51 per cent of the shares – what claims can be lodged against the management? Let us then apply with such claims to the state, it will be more honest. As far as I understand, according to the laws, the amount of dividend must clearly correspond to the amount of net profit as in the accounts and reports. Therefore, again the amount of dividend is determined by the law. This is the algorithm. Indeed, if the management's forecasts are true, then in the next year the dividend will be thrice larger. If now it is 300, then it will be 800. That is all, thank you.

□ **Alexandr \*\*\* Alexandrovich Taroyev**, shareholder

Comrades Shareholders, Dear Presidium,

As to the essence of the 2<sup>nd</sup> issue discussed by us, I have one proposal, i.e. one nuance. It is stated in the speech that it is important to turn the face "towards the West", it means that they must turn their back upon shareholders. This is just a remark. Now, about the amount of

dividend under a preferred share. I do not understand, what the Board of Directors is guided by, presenting this amount of dividend obtained as a result of dividing by a little more than 202 MIO shares. The authorized capital in the amount of PTN's capital is still stated in our Articles of Association – no amendments have been introduced. I ask you to give me an answer, even a brief one. Thank you.

□ **Yaroslav Gritsko**, representative of ZAO IK Univer

Firstly, I would like to back up entirely the measures introduced by the Management Board and the Board of Directors in applying the legally permitted methods of optimizing budgetary taxes. I back up entirely creating the doubtful debt reserves. I agree with Alexandr Abramovich that the money in the amount of the created reserves have not left the company, i.e. they remain on the company's settlement accounts. This money is spent for current operation, updating, etc. I.e. the money remains at the disposal of the company. So, I don't understand, why creation of paper reserves is still associated with such a significant reduction of the paid dividend, for instance, it will be only a half as compared to the previous year. That is, it is written in the Articles of Association that the amount allocated for dividend may not be less than that, i.e. the lower limit of the money assigned for dividend payment is not less. The reserves have been created, the taxes optimized, the money remains with the company, i.e., perhaps, the shareholders might have been given a little treat. This is a sign of the company's corporate management level, and Alexandr Abramovich mentioned that, too. International institutes and the investment community have appreciated all this and again raised the respective ratings. I would like to cite the example of the companies Yukos and Sibneft, that are still in many respects a standard of corporate management for them. Besides, I would like the Board of Directors and the Management Board to follow the example of the Management Board and the Board of Directors of those companies. As far as I remember, Sibneft spent 90% of its net profit for dividend payment last year. I.e., it was optimization through creating reserves and reducing the taxable base. Still the dividend could have been larger. Both the Management Board and the Board of Directors had the appropriate ways and capacities.

### **Speeches in the Debate on the Third Issue of the Agenda**

□ **Alexandr Alexandrovich Taroyev**, shareholder

I have some words to say on the third issue. The list of persons presented for voting for the new Board of Directors is in fact the same as on the 14<sup>th</sup> of February this year. There are no representatives either of workers or of those, so to say, key employees who bring the profit to the Company. Its function is performed by the top management in the person of the Board of Directors hired by us. I have already noted in my previous speech what the Board of Directors is guided by when determining the amount of dividend. The previous meeting did not adopt a new version of the Articles of Association of OJSC NWT, the same voting and preferred shares as in PTN remain in it. Shares of affiliated companies have the same rights as the shares stated in the Articles of Association. I have not heard an answer to the second question (orally). Therefore, I ask you to vote against this composition of the Board of Directors. Thank you.

□ **Vladimir Nikolayevich Alexeyev**, shareholder

I think that this meeting is held with gross violations of elementary rights, e.g., rights of the returning board. At the very beginning the person presiding over the meeting has read for a certain reason the number of shareholders present, the quorum, etc. However, this should have been done by the returning board. I consider this a serious, gross violation. The returning board is an independent body, and there should be no pressure or restriction of rights. As to the work of the Board of Directors, I agree with the previous speaker: I think they have worked obviously poorly and propose that we vote against this composition of the

Board of Directors.

## Speeches in the Debate on the Eighth Issue of the Agenda

### □ **Victor Petrovich Konovalenko, Cheryl Ann Seagsby**, shareholders

Dear Shareholders of NWT,

I'll start my speech in a somewhat roundabout way. NWT has adopted the Corporate Behaviour Code. If it has been adopted, we must observe it. In this connection, let me cite a quotation from the Code: "Many provisions of the legislation, regulating corporate behaviour, are based on the standards of ethics. An example of such legal standards are civil legislation standards establishing the possibility, among other things, in the absence of applicable laws, to proceed from the requirements of honesty, reasonableness and justice and to exercise civil rights reasonably and in good faith. Thus, the moral and ethical standards of reasonableness, justice and honesty are a constituent of the active law. The ethical norms applied in the business community are an established system of behavioural standards and business turnover customs, which is not based on the legislation and which forms positive expectations in respect of the behaviour of the participants of corporate relations". That's it! A kind of a moral code of capitalism builders. And what about the observance of ethical norms and standards of reasonableness, justice and honesty in our NWT?

In our opinion, the situation is rather bad in this respect, as much of NWT's net profit for the year 2002 will be distributed obviously not in compliance with the standards of reasonableness, justice and honesty. Let me explain. When we spoke at the extraordinary meeting of the shareholders of NWT on 14th February 2003 in respect of remuneration to Members of the Board of Directors of NWT, then, based on a rough calculation, we thought that the level of remuneration to each Member of the Board of Directors may amount to about 25,000 US dollars in the year 2002.

In fact, our rough calculation was very close to the reality – the total remuneration (i.e., both the annual and quarterly) of EACH Member of the Board of Directors of NWT in 2002 was 774,975 roubles (about 25,500 US dollars) proceeding from the following:

0.4% of the net profit for all the 11 Members of the Board of Directors of NWT in respect of the annual remuneration (i.e., 327,264,000 roubles of net profit \* 0.4% = 1,309,056 roubles / 11 members = 119,005 roubles to each) and 0.0065% of the proceeds to each Member of the Board of Directors in respect of the quarterly remuneration (i.e., 10,091,841,000 roubles of the proceeds \* 0.0065% = 655,970 roubles to each, or 7,215,670 in the aggregate).

All in all, the total amount of remuneration to all the 11 Members of the Board of Directors was 8,524,725 roubles, or 2.6% of 327,264,000 of net profit. At the same time, all the 32,389 of NWT's shareholders get IN THE AGREGATE only 75,382,000 roubles, or 23% of the net profit. And holders of preferred shares get just 8.6% of the net profit. I.e., 11 persons get about 10% of the amount received by ALL shareholders and 30% of the amount to be received by holders of preferred shares! In our opinion, this is very far from reasonableness, justice and honesty. We are not for populism, we do not call upon Members of the Board of Directors to work free of charge. However, the remuneration system must be based on the company's work results; otherwise, it turns out that the company works for the Board of Directors, not vice versa. At any rate, we can assure you that the "established system of behavioural standards and business turnover customs" either in Russia, or, the more so in the West, does not imply assigning such a high percentage of net profit for remuneration of the Board of Directors.

So what does our Board of Directors do in this situation? It makes a fine gesture – I quote from the annual report: "Taking into account the reduced net profit in 2002, the Board of Directors of NWT took a decision at its meeting of 15<sup>th</sup> May 2003 not to pay the ANNUAL remuneration to the Members of the Board of Directors for the year 2002". I.e., the Board of Directors of NWT decided not to receive the ANNUAL remuneration (i.e., 119,005 roubles to each, or 1,309,056 roubles in the aggregate), however, to retain the QUARTERLY remuneration (i.e., 655,970 roubles to each, or 7,215,670 roubles in the aggregate). Proceeding from the low level of net profit for the year

2002, Members of the Board of Directors of NWT had to do quite the OPPOSITE, i.e. not to receive at least the quarterly remuneration, if any remuneration was reasonable at all.

It should be also noted that though NWT held 23 meetings of the Board of Directors in 2002, only 8 of them were held with the attendance of the members, while the other 15 were held by correspondence. Respectively, each Member of the Board of Directors of NWT earned about 1100 US dollars for EACH of the 23 meetings held with the attendance of the members and by correspondence. Taking into account the what has been said, we propose that the shareholders of NWT vote today “AGAINST” the presented decision on issue No. 8 of the agenda.

□ **Igor Valeryevich Zinichev**, shareholder

You understand that I do not come out here in order to praise anybody, which is only natural. And much of what I wanted to say has already been confirmed by the previous speaker, and Mr. Konovalenko asked the question: “I do not understand...” – and as to me, I do understand everything in the situation. In this case we can see that the bulk of the shareholders are representatives of Svyazinvest. These are ordinary officials who even do not hold any shares; as a matter of fact, sometimes, they do not care at all about profitability of this company. Their task is to make a certain compensation. I agree with the conclusion of the newspaper Vedomosti, which announced the meeting of Rostelecom, that this was a hidden bribe to officials. It is not even hidden, it is just finely decorated from the legal standpoint. The central newspaper is writing about this. Nevertheless, after all that has been said, they still put forward this motion for voting; and, note, it will be adopted, as everything is decided by Svyazinvest here. It pushes through these issues. I agree with the previous speaker that we can hold an extra meeting now and vote against, however, the voting result will be “in favour”.

Another thing. A woman asked me, “why do you speak here, what do you decide? You speak from the rostrum, this is such a trifle, people are sitting, they do not listen to you all the same”. And I want to say, as in the well-known song, that I am here for three reasons: the first is that from this rostrum I can address such high-ranking people as the General Manager of Svyazinvest, which I can hardly do in my everyday life. The second, in principle, is my task to sort of present our problems to the public judgement. Correspondents of several newspapers are present here, who, possibly, will re-print all this in tomorrow’s announcements. The Company will re-read them, the information will be brought to the President. At last, maybe he will look at all this and say that you should not act like that. This is what we hope for. And the third point. We want to frighten the shareholders as much as is possible – I say this for myself – in order to buy up more shares at a low price. We criticize all this. And as long as the situation is bad, we will buy more shares. That’s it. This is the situation. When we start praising everything, the time will come to sell the shares, not to buy. If we compare the telecommunication company with a similar, say, Czech telecommunication company, North-West Telecom and the Czech telecommunication company have approximately the same number of lines; but the profitability is quite different. This shows the potential growth of the stock price of these companies. Yes, the difference is ten-fold there, but this already depends on the management. And we hope that this year or may be next year, when shares of Svyazinvest are sold, other managers will appear, and there will be a new Board of Directors, who will have a different attitude to corporate management. Then, our shares will grow 2 to 3, or even more, times. This is what I wanted to say. And I hope for that. Thank you.

□ **Sergey Mikhailovich Moiseyev**, shareholder

The subject of my speech is indirectly related to the eighth issue. May be it is within the course of the themes of the whole meeting. We have been offered candidates to the Board of Directors, e.g., such as Ankudinov. At the last meeting, when the Board of Directors was being elected, I presented detailed information on who Ankudinov was and said that he did not understand anything in communication, that he was a dead weight for the Board of Directors. Then he was not elected; I do

not know whether my words had any effect. It is surprising that this year he has been proposed to the Board of Directors again, and this has been done by Svyazinvest. If Ankudinov is a dead weight and Svyazinvest proposes him, I think that there are many such dead weights among other Members of the Board of Directors. And why should we pay such money to them? What is the remuneration for? And on a quarterly basis. We should pay according to the year's results and correlate this with the size of dividend. There has been much criticism of the Board of Directors here, and the questions are of the kind that can be decided by V.N.Yashin only, but, for certain reasons, he keeps silence and does not express his attitude towards the issues discussed. This is one thing. And the second thing – I have a concrete question to Valery Nikolayevich. In September 2001, in the interview to the newspaper Delo, Valery Nikolayevich said: “In due course the price of PTN's shares reached 2.95 US dollars, and in the future, I do not think that they will grow 10 times, but 5 times they will. This is quite feasible”. Here is that newspaper. And now I want to say, Valery Nikolayevich, the shares are making no headway, and what did you proceed from when you made that forecast? This will throw light upon all affairs of Telecom. Thank you.

□ **Tatyana Dmitriyevna Kosarskaya, Shareholder**

I completely agree with what has been said by Konovalenko and Moiseyev, and I just wonder, as a human being, you get so much money, what for? You say that there are some needs in the company, so why don't you turn down this money? You have such salaries! All of you are General Managers and deputy General Managers, so give this money to the company. And the company will say thank you. And not on a quarterly basis, but, indeed, once a year, and according to ... And I do not see anything funny here. Dear Presidium, I speak about real facts, and say to Valery Alexeyevich not for the first time: “What is going on?” And he answered that the next dividend will be much higher. To my remark that we doubt he said that only “soviet people” from MMT (LDIT) can have doubts. Yes, I am from the long-distance. I have devoted all my life to it, my parents worked there. We have worked for over 100 years. And what have we got from our MMT? And now from Svyazinvest with problems, Soros? As to quarterly dividend, I would like to say the following. You have said yourself, Alexandr Abramovich, that nobody submits any proposals to the Board of Directors on payment of quarterly dividend. And who of you would want to raise this question? Only we can do that. So I kindly ask the secretariat to put down my proposal on payment of dividend on a quarterly basis and according to the year's results. And the Board of Directors must receive it in the same way as we do: either on a quarterly basis, as we do, or according to the annual results. I think that I am within the time-limit, and you should not have interrupted me.

□ **Vladimir Nikolayevich Petrov, shareholder**

I have tolerated for a long time the circus that we have at the second meeting. At the last extraordinary meeting, when the issue of paying the remuneration to the Board of Directors was raised, I even could not wait for the end of the discussion and left the meeting. But today I am so angry. Besides, I have read in the materials that during a meeting of the Board of Directors the issue of removing the annual remuneration (these 0.4%) was raised. A foreign investor spoke about ethics there. So our Board of Directors has shown its ethics. 10 persons voted in favour of retaining these 0.4, and only I acted as my conscience required and voted against. So I have looked through these materials presented to us and there are two interesting figures that I have found. As in fact I had 1 hour for familiarization. 75,375,000 roubles were offered for payment of dividend to all shareholders. Very comparable figures that reflect the moral nature very well. Even our President during his last meeting with journalists said that he was very much distressed by the poverty of our people. And what is our Board of Directors doing? It does not pay any attention to shareholders' poverty, it just pays attention to its own salaries and remunerations. So, unfortunately, for a certain reason, the materials provide information on

the changes in the dividend for different years, but there has not been enough paper or a clever mind in the Board of Directors who could show how much the remunerations of the Board of Directors have changed for this time. Why has this not been recorded? Who of the Board of Directors can answer me how the remunerations have changed? I hope this is a part of the issue discussed, dear Chairman? What for do we have to pay a remuneration to our Board of Directors? For good work. But, for a certain reason, the Board of Directors works very poorly and it does not make our dividend and, respectively, their remuneration, rise. For a certain reason, they do not do anything to reduce the debt for international calls. Just look, how much is spent for court proceedings, to recover money from subscribers for their international calls. It is easier to act as “mobiles” do: advancing. And nobody of the “mobiles” objects against the fact that they’ve run out of money. They have been disconnected once. And our Board of Directors has not a single thought about that. Remuneration must be paid for good thoughts and for implementation of such thoughts. And there was a proposal at the extraordinary meeting that the Board of Directors should be paid the remuneration in shares; but I do not know whether any answer was given to those who proposed that? No, there was no answer. It means that everything that has been said here, has been said in vain. I.e., all questions that we, though we are minor shareholders ask here – nobody pays any attention to them. So, the Board of Directors must receive its remuneration in shares, and must report to each meeting in order to get a dividend on them. I would like the Board of Directors to report to future meetings, get remuneration in shares and report on their expenditures.

□ **Vladimir Nikolayevich Alexeyev**, shareholder

And what the shareholders need? It is clearly stated in the Articles of Association – 10 per cent of profit under preferred shares is to be transferred to the shareholders. This is good work. Payment on common shares. And what do we have? We do not even speak about 10%, we have practically nothing. So, payment must be for good work. And for poor work one must be punished. These are common truths. The Board of Directors must be punished. Do you understand - punished? So, we must punish them by voting. By the way, the version of the clause, for which we are suggested to vote now – there is no responsibility for work, just payment. And payment for what? Money should be paid for good work. There is none. My proposal is to vote against. If they are offended and go to the mobile business – let them do that, we will just say good-by. Debts must be recovered. And this remuneration is obviously too big for the Board of Directors. I think that 75% of votes must be required for taking a decision on this issue, as this issue and the decision on it is a part of the Articles of Association of the joint-stock company. This is all I wanted to say. I propose that we vote “against”.