

BALANCE SHEET

As at **June 30, 2005**
 Organization: **Dalsviaz MRK OJSC**
 Taxpayer's identification number **2540014227**
 Business:
 Corporate structure / ownership status
 Quantity unit: **ths. rub.**
 Address:

	CODES
OKUD Form No. 01	0710001
Date (year, month, day)	38533
OKPO code	1163193
INN	2540014227
OKVED code	64.20.11
OKOPF/OKFS code	47/42
OKEI code	384

[OKUD stands for the General Classification of Administrative Documents;
 OKPO stands for the General Classification of Enterprises and Organizations;
 INN stands for the taxpayer's identification number;
 OKVED stands for the General Classification of Foreign Economic Activities;
 OKOPF stands for the General Classification of Corporate Structures;
 OKFS stands for the General Classification of Ownership Statuses;
 OKEI stands for the General Classification of Quantity Units]

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	109	103
Fixed assets		120	120	7 006 591	6 876 123
Capital outlays		130	130	879 647	1 162 834
Income-bearing lease investments		135	135		
Long-term financial investments		140	140	6 297	390 975
including:					
investments in subsidiaries			141		238 465
investments in dependent companies			142	330	330
investments in other companies			143	5 874	2 367
other long-term financial investments			144	93	149 813
Deferred tax assets		145	145	148 235	125 079
Other non-current assets		150	150	656 625	740 638
Total for Section I		190	190	8 697 504	9 295 752
ASSETS					
1	1a	2	2a	3	4
II. CURRENT ASSETS					
Inventories		210	210	522 801	605 341
including:					
raw and other materials, and other similar inventories		211	211	451 755	454 216
work in process / distribution costs		213	213	14 996	15 155
finished products and goods for reselling		214	214	12 297	10 623
goods shipped		215	215	51	51
deferred expenses		216	216	43 702	125 296
other inventories and expenses		217	217		
Value-added tax on acquired inventories		220	220	767 213	677 442
Accounts receivable (payment expected more than 12 months after the balance sheet date)		230	230	83 183	82 669
including:					
due from buyers and customers		231	231		
prepaid expenses			232	47 275	47 275
receivables from other debtors			233	35 908	35 394

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Accounts receivable ((payment expected within 12 months after the accounting date)		240	240	885 424	942 605
<i>including:</i>					
due from buyers and customers		241	241	601 905	642 987
prepaid expenses			242	81 238	87 782
receivables from other debtors			243	202 281	211 836
Short-term financial investment		250	250	1 422	885
Monetary assets		260	260	129 114	74 854
Other current assets		270	270	96	150
Total for Section II		290	290	2 389 253	2 383 946
GRAND TOTAL (line 190 + line 290)		300	300	11 086 757	11 679 698
LIABILITIES	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
III. CAPITAL AND PROVISIONS					
Charter capital		410	410	2 535 006	2 535 006
Additional capital		420	420	651 764	649 856
Reserve capital		430	430	126 751	126 751
Treasury shares repurchased from shareholders		411	440		
Past retained profits / uncovered losses		470	460	1 285 991	1 060 683
Retained profits / uncovered losses for the accounting year		470	470	X	427 202
Total for Section III		490	490	4 599 512	4 799 498
IV. FIXED LIABILITIES					
Loans and credits		510	510	377 097	759 968
<i>including:</i>					
loans			511	317 000	409 000
credits			512	60 097	350 968
Deferred tax liabilities		515	515	151 649	177 359
Other fixed liabilities		520	520	1 902 362	1 683 994
Total for Section IV		590	590	2 431 108	2 621 321
V. CURRENT LIABILITIES					
Loans и credits		610	610	1 119 982	1 304 701
<i>including:</i>					
loans			611	101 490	154 637
credits			612	1 018 492	1 150 064
Accounts payable		620	620	2 444 488	2 290 542
<i>including:</i>					
owing to suppliers and contractors		621	621	1 689 517	1 494 192
precollected revenue		625	622	249 930	199 215
compensation owed to employees		622	623	112 070	147 026
owing to government extra-budgetary funds		623	624	29 849	43 296
taxes and levies owing		624	625	142 438	123 435
owing to other creditors		625	626	220 684	283 378
Outstanding revenue distributions due to participants (founders)		630	630	12 047	234 924
Deferred revenue		640	640	78 816	83 112
Provisions for future expenses		650	650	400 804	345 600
Other current liabilities		660	660		
Total for Section V		690	690	4 056 137	4 258 879
GRAND TOTAL (line 490 + line 590 + line 690)		700	700	11 086 757	11 679 698

Assets recorded on below-line accounts					
Filing entry	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Fixed assets taken on lease		910	901	413 594	311 299
including: those obtained by way of leasing		911	911	236 001	120 558
Inventories accepted for custody		920	902	199 302	9 699
Goods accepted for sale on a commission basis		930	903	18	15
Dues from insolvent debtors written off as losses		940	904	124 065	139 417
Collateral received to secure obligations and payments		950	905	5 969	188 159
Collateral provided to secure obligations and payments		960	906	2 332 811	2 449 228
Wear of housing stock		970	907	25 346	23 291
Wear of landscaping facilities and other like amenities		980	908		
Payments for communications services			909	151 931	196 212
Net asset value statement					
Filing entry	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
Net assets			1000	4 678 328	4 882 610

Chief Executive Officer _____ A.A. Alekseev
 (Signature) (Signature transcript)

Chief Accountant _____ A.D. Kartashov
 (Signature) (Signature transcript)

July 29, 2005

PROFIT AND LOSS STATEMENT

for **the first six months of 2005**
 Organization: **Dalsviaz MRK OJSC**
 Taxpayer's identification number **2540014227**
 Business:
 Corporate structure / ownership structure:
 Quantity unit: **ths. rub.**

	CODES
OKUD Form No. 2	0710002
Date (year, month, day)	38533
OKPO code	1163193
INN	2540014227
OKVED code	64.20.11
OKOPF/OKFS code	47/42
OKEI code	384

Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
I. Revenue from and expenditure for regular business operations					
(Net) proceeds from the sale of goods, products, works, and services (less value-added tax, excises, and other similar obligatory deductions)		010	010	4 866 959	4 123 995
including: proceeds from the sale of communications services			011	4 793 263	4 058 048
Costs of goods, products, works, and services sold		020	020	(4 089 727)	(3 628 792)
including: costs of communications services			021	(4 064 297)	(3 595 932)
Profits / losses from sales (line 010 - line 020)		050	050	777 232	495 203
II. OPERATING REVENUE AND EXPENDITURE					
Interest revenue due		060	060	4 058	1 286
Interest expense payable		070	070	(121 084)	(92 017)
Revenue from equity participation in other organizations		080	080	152	170
Other operating revenue		090	090	226 052	1 155 260
Other operating expenditure		100	100	(142 241)	(207 256)
III. NON-OPERATING REVENUE AND EXPENDITURE					
Non-operating revenue		120	120	30 545	60 507
Non-operating expenditure		130	130	(158 980)	(126 363)
Pretax profits / losses (line 050+ line 060 - line 070 + line 080 + line 090 - line 100 + line 120 - line 130)		140	140	615 734	1 286 790
Profit tax (line -151+/- line 152 +/- line 153), including:			150	(187 679)	(358 046)
deferred tax liabilities		142	151	(26 057)	(38 577)
deferred tax assets		141	152	(23 107)	(2 231)
Profit tax for the accounting period		150	153	(138 515)	(317 238)
Profits / losses from regular business operations (line 140 -			160	428 055	928 744

Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
line 150)					
IV. EXTRAORDINARY REVENUE AND EXPENDITURE					
Extraordinary revenue			170	167	32
Extraordinary expenditure			180	(1 020)	(4)
Net profits (retained profits / losses) for the accounting period) (line 160 + line 170 – line 180)		190	190	427 202	928 772
MEMORANDUM					
Contingent profit tax expenditure / revenue			201	(147 574)	(308 836)
Standing tax liabilities		200	202	(44 937)	(53 526)
Standing tax assets		200	203	4 832	4 316
Filing entry	Explanations	Indicator code	Line code	For the accounting period	For the corresponding period of the previous year
1	1a	2	2a	3	4
Base profits / losses per share			301	X	X
Diluted profits / losses per share			302	X	X
* To be completed in annual financial statements					

Breakdown of individual categories of profits and losses

Filing entry	Indicator code	Line code	For the accounting period		The corresponding period of the preceding year	
			profits	losses	profits	losses
1	1a	2	3	4	5	6
Fines, late charges, and penalties acknowledged or which are to be recovered under judgments issued by courts of general jurisdiction or courts of state arbitration		401	3 276	(98)	1 729	(228)
Past profits / losses		402	15 246	(21 540)	17 954	(25 090)
Compensation for losses caused by the non-performance or improper performance of obligations		403	883	(1 926)	594	(383)
Exchange rate differentials in transactions executed in foreign currency		404	51	(67)	12 981	(11 543)
Deductions towards assessed reserves		405		(34 130)		(94 460)
Receivables and payables forgiveness		406	4 037	(3 999)	1 151	(1 031)

Chief Executive Officer _____ A.A. Alekseev
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July 29, 2005