

## BALANCE SHEET

as of **June 30, 2008**  
 Organization **OJSC CenterTelecom**  
 Taxpayer Identification Code **5000000970**  
 Type of activity **telecommunications services**  
 Legal status/ form of ownership **open joint stock company/mixed**  
 Unit of measure **RUR in thousands**  
 Address **Bld.2, 6, Degtiarny per., Moscow, 125993, Russia**

Form # 01 according to OKUD

Date (year, month, day)

OKPO

TIC

OKVED

OKOPF/OKFS

OKEI

### CODES

**0710001**

**2008.06.30**

**01140111**

**5000000970**

**64.20**

**47/31**

**384**

Date of approval

Date of sending (receipt)

| ASSETS  | Notes | Indicator code | Line code | As of the beginning of the reporting period | As of the end of the reporting period |
|---|-------|----------------|-----------|---|---------------------------------------|
| 1   | 1a    | 2              | 2a        | 3   | 4                                     |
| <b>I. NON-CURRENT ASSETS</b>                  |       |                |           |   |                                       |
| Intangible assets                             |       | 110            | 110       | 1 137                                       | 1 002                                 |
| Fixed assets                                  |       | 120            | 120       | 33 288 904                                  | 32 752 639                            |
| Construction in progress                      |       | 130            | 130       | 1 550 389                                   | 1 507 039                             |
| Income bearing investments in tangible assets |       | 135            | 135       | 1 450                                       | 1 447                                 |
| Long-term financial investments               |       | 140            | 140       | 963 894                                     | 770 435                               |
| <i>including:</i>                             |       |                |           |   |                                       |
| investments in subsidiary companies           |       |                | 141       | 548 801                                     | 548 801                               |
| investments in associated companies           |       |                | 142       | 25  | 25                                    |
| investments in other organizations            |       |                | 143       | 25 728                                      | 25 573                                |
| other long-term financial investments         |       |                | 144       | 389 340                                     | 196 036                               |
| Deferred tax assets                           |       | 145            | 145       | 368 615                                     | 322 266                               |
| Other non-current assets                      |       | 150            | 150       | 5 071 582                                   | 5 833 367                             |
| <b>Total section I</b>                        |       | 190            | 190       | 41 245 971                                  | 41 188 195                            |

| ASSETS  | Notes | Indicator code | Line code | As of the beginning of the reporting period | As of the end of the reporting period |
|---|-------|----------------|-----------|---|---------------------------------------|
| 1   | 1a    | 2              | 2a        | 3   | 4                                     |
| <b>II. CURRENT ASSETS</b>   |       |                |           |   |                                       |
| Inventories   |       | 210            | 210       | 1 034 453                                   | 1 002 459                             |
| <i>including:</i>   |       |                |           |   |                                       |
| raw materials, consumables и and other similar assets   |       | 211            | 211       | 515 606                                     | 530 817                               |
| work in progress (distribution costs)   |       | 213            | 213       | 13  |                                       |
| finished products and goods for resale  |       | 214            | 214       | 49 684                                      | 24 746                                |
| dispatched goods  |       | 215            | 215       | 604   | 519                                   |
| prepaid expenses  |       | 216            | 216       | 468 546                                     | 446 377                               |
| other inventories and costs   |       | 217            | 217       |   |                                       |
| VAT on purchased assets   |       | 220            | 220       | 591 412                                     | 297 285                               |
| <i>including:</i>   |       |                |           |   |                                       |
| payments expected in over 12 months after the reporting date                                  |       |                | 221       | 91 723                                      | 54 015                                |
| payments expected within 12 months after the reporting date                                   |       |                | 222       | 499 689                                     | 243 270                               |
| Accounts receivable (where settlement is expected in over 12 months after the reporting date) |       | 230            | 230       | 2 778                                       | 1 559                                 |
| <i>including:</i>   |       |                |           |   |                                       |
| trade receivables   |       | 231            | 231       |   |                                       |
| advances given  |       |                | 232       |   |                                       |
| other debtors   |       |                | 233       | 2 778                                       | 1 559                                 |
| Accounts receivable (where settlement is expected within 12 months from the reporting date)   |       | 240            | 240       | 3 520 990                                   | 4 163 240                             |
| <i>including:</i>   |       |                |           |   |                                       |
| trade receivables   |       | 241            | 241       | 2 682 952                                   | 2 955 517                             |
| advances given  |       |                | 242       | 265 151                                     | 288 314                               |
| other debtors   |       |                | 243       | 572 887                                     | 919 409                               |
| Short-term financial investments  |       | 250            | 250       | 819 619                                     | 1 106 870                             |
| Cash  |       | 260            | 260       | 461 238                                     | 528 266                               |
| Other current assets  |       | 270            | 270       | 1 755                                       | 3 719                                 |
| <b>Total section II</b>   |       | 290            | 290       | 6 432 245                                   | 7 103 398                             |
| <b>BALANCE (sum of lines 190+290)</b>   |       | 300            | 300       | 47 678 216                                  | 48 291 593                            |

| LIABILITIES  | Notes | Indicator code | Line code  | As of the beginning of the reporting period | As of the end of the reporting period |
|--|-------|----------------|------------|---|---------------------------------------|
| 1  | 1a    | 2              | 2a         | 3   | 4                                     |
| <b>III. CAPITAL AND RESERVES</b>                           |       |                |            |   |                                       |
| Charter capital  |       | 410            | 410        | 6 311 999                                   | 6 311 999                             |
| Additional capital   |       | 420            | 420        | 70 946                                      | 70 945                                |
| Reserve capital  |       | 430            | 430        | 167 378                                     | 349 111                               |
| Treasury shares  |       | 411            | 440        |   |                                       |
| Retained earnings (uncovered loss) of past years           |       | 470            | 460        | 13 809 922                                  | 12 704 922                            |
| Retained earnings (uncovered loss) of the reporting period |       | 470            | 470        | X   | 2 017 762                             |
| <b>Total section III</b>                                   |       | 490            | <b>490</b> | 20 360 245                                  | 21 454 739                            |
| <b>IV. LONG-TERM LIABILITIES</b>                           |       |                |            |   |                                       |
| Loans and borrowings                                       |       | 510            | <b>510</b> | 14 422 537                                  | 12 935 243                            |
| <i>including:</i>  |       |                |            |   |                                       |
| loans  |       |                | 511        | 3 947 813                                   | 2 697 590                             |
| borrowings   |       |                | 512        | 10 474 724                                  | 10 237 653                            |
| Deferred tax liabilities                                   |       | 515            | 515        | 1 353 923                                   | 1 451 903                             |
| Other long-term liabilities                                |       | 520            | 520        | 647 694                                     | 399 544                               |
| <b>Total section IV</b>                                    |       | 590            | <b>590</b> | 16 424 154                                  | 14 786 690                            |
| <b>V. SHORT-TERM LIABILITIES</b>                           |       |                |            |   |                                       |
| Loans and borrowings                                       |       | 610            | <b>610</b> | 4 314 442                                   | 5 041 127                             |
| <i>including:</i>  |       |                |            |   |                                       |
| loans  |       |                | 611        | 44 007                                      | 954 639                               |
| borrowings   |       |                | 612        | 4 270 435                                   | 4 086 488                             |
| Account payable  |       | 620            | <b>620</b> | 4 958 040                                   | 4 871 482                             |
| <i>including:</i>  |       |                |            |   |                                       |
| trade accounts payable                                     |       | 621            | 621        | 3 144 683                                   | 2 377 177                             |
| advances received  |       | 625            | 622        | 538 252                                     | 512 655                               |
| accrued payroll  |       | 622            | 623        | 1 119                                       | 304 055                               |
| payable to State non-budgetary funds                       |       | 623            | 624        | 10 573                                      | 114 489                               |
| taxes and levies payable                                   |       | 624            | 625        | 215 013                                     | 832 962                               |
| other payables   |       | 625            | 626        | 1 048 400                                   | 730 144                               |
| Dividends payable  |       | 630            | 630        | 29 895                                      | 934 403                               |
| Deferred income  |       | 640            | 640        | 433 056                                     | 424 682                               |
| Reserves for future expenses                               |       | 650            | 650        | 610 619                                     | 539 533                               |
| Other short-term liabilities                               |       | 660            | 660        | 547 765                                     | 238 937                               |
| <b>Total section V</b>                                     |       | 690            | <b>690</b> | 10 893 817                                  | 12 050 164                            |
| <b>BALANCE (sum of lines 490+590+690)</b>                  |       | 700            | <b>700</b> | 47 678 216                                  | 48 291 593                            |

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

| Item description   | Notes | Indicator code | Line code | As of the beginning of the reporting period | As of the end of the reporting period |
|--|-------|----------------|-----------|---|---------------------------------------|
| 1  | 1a    | 2              | 2a        | 3   | 4                                     |
| Leased fixed assets  |       | 910            | 901       | 5 745 647                                   | 7 887 962                             |
| including capital leases                                   |       | 911            | 911       | 4 682 950                                   | 6 691 559                             |
| Inventory items accepted into custody                      |       | 920            | 902       | 137 760                                     | 184 340                               |
| Goods accepted for commission                              |       | 930            | 903       | 8 277                                       | 20 759                                |
| Bad debt written off to losses                             |       | 940            | 904       | 573 514                                     | 600 733                               |
| Assets received as collateral for liabilities and payments |       | 950            | 905       | 8 995 592                                   | 8 986 252                             |
| Assets pledged as collateral for liabilities and payments  |       | 960            | 906       | 7 011 944                                   | 6 132 883                             |
| Depreciation of housing assets                             |       | 970            | 907       | 14 539                                      | 15 153                                |
| Depreciation of land improvements and other similar assets |       | 980            | 908       | 2 148                                       | 2 315                                 |
| Intangible assets obtained for use                         |       |                | 909       | 380 757                                     | 359 472                               |

**Information about net assets value**

| Item description | Notes | Indicator code | Line code | As of the beginning of the reporting period | As of the end of the reporting period |
|------------------|-------|----------------|-----------|---|---------------------------------------|
| 1                | 1a    | 2              | 2a        | 3   | 4                                     |
| Net assets       |       |                | 1000      | 20 793 301                                  | 21 879 421                            |

General Director \_\_\_\_\_ V. A. Martirosyan  
(signature) (name)

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

July 30, 2008

**PROFIT AND LOSS STATEMENT**

for  
 Organization  
 Taxpayer Identification Code  
 Type of activity  
 Legal status/ form of ownership  
 Unit of measure

**the 1st half of 2008**  
**OJSC CenterTelecom**  
**5000000970**  
**telecommunications services**  
**open joint stock company/mixed**  
**RUR in thousands**

Form # 02 according to OKUD

Date (year, month, day)

OKPO

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OKEI

| CODES      |  |
|------------|--|
| 0710002    |  |
| 2008.06.30 |  |
| 01140111   |  |
| 5000000970 |  |
| 64.20      |  |
| 47/31      |  |
| 384        |  |

| Indicator   | Notes | Indicator code | Line code | Reporting period | Similar period of the previous year |
|---|-------|----------------|-----------|------------------|-------------------------------------|
| 1   | 1a    | 2              | 2a        | 3                | 4                                   |
| <b>I. Income and expenses from ordinary operations</b>  |       |                |           |                  |                                     |
| Revenue (net of VAT, excise duties and similar obligatory charges)<br>including revenue from sales of telecommunications services |       | 010            | 010       | 16 426 457       | 15 754 458                          |
|   |       |                | 011       | 15 552 467       | 14 980 267                          |
| Costs of goods, products, works, services sold<br>including: telecommunications services  |       | 020            | 020       | (12 456 392)     | (11 208 759)                        |
|   |       |                | 021       | (12 004 138)     | (10 932 225)                        |
| <b>Profit (loss) from operations (lines 010-020)</b>  |       | 050            | 050       | 3 970 065        | 4 545 699                           |
| <b>II. OTHER INCOME AND EXPENSES</b>  |       |                |           |                  |                                     |
| Interest receivable   |       | 060            | 060       | 77 355           | 21 038                              |
| Interest payable  |       | 070            | 070       | (877 069)        | (952 039)                           |
| Income from equity participation  |       | 080            | 080       | 15 263           | 26 745                              |
| Other income<br>including reimbursement of losses related to provision of universal telecommunications services                   |       | 090            | 090       | 431 708          | 347 149                             |
|   |       |                | 091       | 136 669          | 172                                 |
| Other expenses  |       | 100            | 100       | (823 106)        | (1 423 212)                         |
| <b>Profit (loss) before taxation (lines 050+060-070+080+090-100)</b>  |       | 140            | 140       | 2 794 216        | 2 565 380                           |
| <b>Profit tax expenses (lines -151+/-152+/-153+/-154) including:</b>  |       |                | 150       | (776 454)        | (791 795)                           |
| deferred tax liabilities  |       | 142            | 151       | (98 163)         | (147 540)                           |
| deferred tax assets   |       | 141            | 152       | (46 349)         | 11 471                              |
| current profit tax  |       | 150            | 153       | (631 942)        | (781 905)                           |
| Profit tax on adjusted returns for past periods   |       | 151            | 154       |                  | 126 179                             |
| <b>Profit (loss) after tax (lines 140-150)</b>  |       | 190            | 190       | 2 017 762        | 1 773 585                           |
| <b>BY REFERENCE</b>   |       |                |           |                  |                                     |
| Imputed expenses/income on profit tax   |       |                | 201       | (670 612)        | (615 691)                           |
| Permanent tax liabilities   |       | 200            | 202       | (105 842)        | (176 104)                           |
| Permanent tax assets  |       | 200            | 203       |                  |                                     |

| Indicator                         | Notes | Indicator code | Line code | Reporting period | Similar period of the previous year |
|-----------------------------------|-------|----------------|-----------|------------------|-------------------------------------|
| 1                                 | 1a    | 2              | 2a        | 3                | 4                                   |
| Basic profit (loss) per share     |       |                | 301       | X                | X                                   |
| Diluted earnings (loss) per share |       |                | 302       | X                | X                                   |

\* to be completed in annual financial statements

**Analysis of specific gains and losses**

| Indicator  | Indicator code | Line code | Reporting period |          | Similar period of the previous year |          |
|--|----------------|-----------|------------------|----------|-------------------------------------|----------|
|  |                |           | profit           | loss     | profit                              | loss     |
| 1  | 1a             | 2         | 3                | 4        | 5                                   | 6        |
| Fines, penalties, punitive damages recognized or imposed by a court (arbitration court) ruling |                | 401       | 10 541           | (770)    | 6 455                               | (269)    |
| Profit (loss) brought forward  |                | 402       | 26 067           | (24 644) | 92 780                              | (88 484) |
| Reimbursement of damages caused by non-fulfillment or improper fulfillment of obligations      |                | 403       | 3 196            | (5 374)  | 3 831                               | (596)    |
| Exchange gains/losses from foreign currency transactions                                       |                | 404       | 128 122          | (12 761) | 72 600                              | (12 787) |
| Deductions to valuation reserves   |                | 405       |                  | (26 807) | 78 697                              |          |
| Accounts receivable and accounts payable written off upon expiration of the recovery period    |                | 406       | 2 470            | (1 470)  | 5 019                               | (1 174)  |

**General Director** \_\_\_\_\_ V. A. Martirosyan  
 (signature) (name)

**Chief Accountant** \_\_\_\_\_ A. D. Kartashov  
 (signature) (name)