

ACCOUNTING BALANCE-SHEET

			CODES
			0710001
as of September 30, 2006			2006.09.30
Organization	OJSC "VolgaTelecom"	by OKPO	01142788
Taxpayer Identification Number	5260901817	TIN	5260901817
Activity type	Electric communication	by OKVED	64.20
Form of incorporation/form of ownership	Open Joint Stock Company / private	by OKOPF/OKFS	47/16
Measure unit:	Thousand rubles	by OKEI	384
Address:	603000, Nizhny Novgorod city, Maxim Gorky sq., Dom Svyazi		

Date of approval	
Date of dispatch (receipt)	30.10.2006

ASSET	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
I. NON-CURRENT ASSETS				
Intangible assets	110	110	40	192
Fixed assets	120	120	22 492 980	22 084 260
Capital investments	130	130	795 576	1 895 308
Income-bearing placements into tangible assets	135	135	12 311	10 224
Long-term financial investments	140	140	1 309 098	1 966 893
Including:				
Investments into subsidiaries		141	1 273 033	1 888 459
Investments into associated companies		142	12 475	6 271
Investments into other organizations		143	21 701	67 274
Other long-term financial investments		144	1 889	4 889
Deferred tax assets	145	145	200 918	180 604
Other non-current assets	150	150	2 506 545	3 468 715
Total for section I	190	190	27 317 468	29 606 196

ASSET	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
II.CURRENT ASSETS				
Inventories	210	210	623 615	673 076
<i>Including:</i> raw materials, supplies and other similar values	211	211	451 877	527 104
work in progress expenses (distribution costs)	213	213	168	262
finished goods and goods for resale	214	214	47 647	51 000
goods shipped	215	215	-	330
prepaid expenses	216	216	123 923	94 380
other inventories and expenditure	217	217	-	-
VAT for acquired valuables	220	220	959 066	435 585
Accounts receivable (payments are expected in more than 12 months after the reporting date)	230	230	13 836	10 513
<i>Including:</i> buyers and customers	231	231	2 319	1 489
advances paid out		232	-	-
other debtors		233	11 517	9 024
Accounts receivable (payments are expected within 12 months after the reporting date)	240	240	1 769 385	2 865 713
<i>Including:</i> buyers and customers	241	241	1 450 998	2 447 795
advances paid out		242	107 837	198 947
other debtors		243	210 550	218 971
Short-term financial investments	250	250	4 762	5 067
Cash,	260	260	1 134 960	211 232
Other current assets	270	270	773	1 948
Total for section II	290	290	4 506 397	4 203 134
BALANCE (sum of lines 190+290)	300	300	31 823 865	33 809 330

LIABILITIES	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	2a	3	4
III. CAPITAL AND PROVISIONS				
Authorized capital	410	410	1 639 765	1 639 765
Capital surplus	420	420	3 812 947	3 753 677
Surplus	430	430	81 988	81 988
Treasury stock	411	440	-	-
Retained profits (uncovered loss) of past years	470	460	10 764 020	10 230 635
Retained profits (uncovered loss) of the reporting year	470	470	-	2 408 101
Total for section III	490	490	16 298 720	18 114 166
IV. NON-CURRENT LIABILITIES				
Credits and loans	510	510	7 340 869	8 810 706
<i>Including:</i>				
Credits		511	1 925 150	320 000
Loans		512	5 415 719	8 490 706
Deferred tax liabilities	515	515	712 558	969 954
Other non-current liabilities	520	520	1 110 066	1 264 218
Total for section IV	590	590	9 163 493	11 044 878
V. CURRENT LIABILITIES				
Credits and loans	610	610	2 289 598	491 404
<i>Including:</i>				
Credits		611	1 004 024	96 834
Loans		612	1 285 574	394 570
Accounts payable, <i>Including:</i>	620	620	3 513 237	3 271 875
suppliers and contractors	621	621	2 059 629	1 678 624
Advances received	625	622	317 657	274 316
Wages payable	622	623	67 842	250 873
Debt to government extrabudgetary funds	623	624	35 437	97 840
Taxes and dues payable	624	625	399 845	251 351
Other creditors	625	626	632 827	718 871
Debt to participants (promoters) for income payments	630	630	22 844	300 709
Unearned revenue	640	640	216 554	200 479
Provision of costs to be incurred	650	650	307 799	384 506
Other current liabilities	660	660	11 620	1 313
Total for section V	690	690	6 361 652	4 650 286

BALANCE (sum of lines 490+590+690)	700	700	31 823 865	33 809 330
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Reference on availability of valuables being accounted on off balance sheet accounts

Index description	Index code	Line code	As of the reporting period beginning	As of the reporting period end
1	2	2a	3	4
Rented fixed assets	910	901	611 053	601 358
Including under leasing	911	911	66 106	40 464
Inventory items received in custody	920	902	4 399	5 194
Commodities received for commission	930	903	3 748	12 554
Accounts receivable of insolvent debtors written-off as a loss	940	904	249 430	259 901
Cover funds for liabilities and payments received	950	905	7 065 160	11 500 335
Cover funds for liabilities and payments given	960	906	5 984 126	4 166 642
Housing facilities depreciation	970	907	16 840	14 278
Depreciation of land improvement objects and other similar objects	980	908	2 849	1 618
Payments for communication services		909	214 199	168 908

Reference on net assets worth

Index description	Index code	Line code	As of the reporting period beginning	As of the reporting period end
1	2	2a	3	4
Net assets		1000	16 515 274	18 314 645

CEO _____ **Omelchenko Sergey Valerievich**
(signature) (signator)

Chief accountant _____ **Popkov Nikolai Ivanovich**
(signature) (signator)

October 30, 2006

INCOME STATEMENT

for **9 months of 2006**

Form № 02 by OKUD

Date (year, month, day)

Organization	OJSC "VolgaTelecom"	by OKPO	01142788
Taxpayer Identification Number	5260901817	TIN	5260901817
Activity type	Electric communication	by OKVED	64.20
Form of incorporation/form of ownership	Open Joint Stock Company / private	by OKOPF/OKFS	47/16
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Index description	Index code	Line code	For the reporting period	For similar period of the past year
1	2	2a	3	4
I. Income and expenses of ordinary activities				
Proceeds (net) from sales of goods, products, works, services (minus VAT, excise taxes and similar mandatory payments)	010	010	15 758 335	15 506 433
Including from sales of communication services		011	14 852 227	15 115 119
Prime cost of sold goods, products, works and services	020	020	(11 643 535)	(11 284 881)
Including of: communication services		021	(11 099 161)	(10 973 651)
Sales profit (loss) (lines 010-020)	050	050	4 114 800	4 221 552
II. OPERATING INCOME AND EXPENSES				
Interest receivable	060	060	12 245	7 355
Interest due	070	070	(540 174)	(607 848)
Income from participation in other enterprises	080	080	43 773	33 369
Other operating income	090	090	374 948	174 390
Other operating expenses	100	100	(556 711)	(647 403)
III. NON-SALE INCOME AND EXPENSES				
Non-sale income	120	120	347 593	148 400
Non-sale expenses	130	130	(437 733)	(1 094 291)
Profit (loss) before tax (lines 050+060-070+080+090-100+120-130)	140	140	3 358 741	2 235 524
Income tax expense (lines -151+/-152+/-153) including:		150	(950 573)	(807 561)
deferred tax liabilities	142	151	(257 735)	(94 284)
deferred tax assets	141	152	(20 314)	(116 668)
Current tax on income	150	153	(672 524)	(596 609)

Index description	Index code	Line code	For the reporting period	For similar period of the past year
1	2	2a	3	4
Profit (loss) of ordinary activities (lines 140-150)		160	2 408 168	1 427 963

Index description	Index code	Line code	For the reporting period	For similar period of the past year
1	2	2a	3	4
IV. EXTRAORDINARY INCOME AND EXPENSES				
Extraordinary income		170	114	208
Extraordinary expenses		180	(181)	(38)
Net profit (retained profit (loss) of the reporting period) (lines 160+170-180)	190	190	2 408 101	1 428 133
BY REFERENCE				
Income tax contingent expenses /income		201	(806 082)	(536 566)
Recurrent tax liabilities	200	202	(214 059)	(293 847)
Recurrent tax assets	200	203	69 568	22 852

Index description	Index code	Line code	For the reporting period	For similar period of the past year
1	2	2a	3	4
Basic earnings (loss) per share		301	-	-
Diluted earnings (loss) per share		302	-	-

* It is completed in annual accounting statement.

Breakdown of single profits and losses

Index description	Line code	For the reporting period		For similar period of the previous year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties and forfeits which were acknowledged or to be collected according to court (arbitrage) judgment	401	51 593	(8 323)	21 148	(8 251)
Past years profit (loss)	402	175 024	(91 401)	30 323	(146 011)
Reimbursement of damages caused by default or inadequate performance of obligations	403	1 780	(551)	5 808	(943)
Foreign exchange differences in foreign currency operations	404	264	(120)	9 279	(2 988)
Deductions to allowances	405	442 036	(142 308)	36 261	(120 405)
Debt amortization of receivables and payables	406	1 418	(1 844)	21 149	(4 205)

CEO _____ **Omelchenko Sergey Valerievich**
(signature) (signator)

Chief accountant _____ **Popkov Nikolai Ivanovich**
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October 30, 2006