

**BALANCE SHEET**

As at **December 31, 2005**  
 Organization: **Dalsviaz MRK OJSC**  
 Taxpayer's identification number **2540014227**  
 Business: **Telecommunication services**  
 Corporate structure / ownership status **mixed**  
 Quantity unit: **ths. rub.**  
 Address: **57 Svetlanskaya Street, Vladivostok 690950**

	CODES
OKUD Form No. 01	<b>0710001</b>
Date (year, month, day)	30/03/2006
OKPO code	<b>01163193</b>
INN	2540014227
OKVED code	05401364000
OKOPF/OKFS code	<b>49</b>
OKEI code	<b>384</b>

[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]

Approval date   
 Submission / filing date

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
<b>I. NON-CURRENT ASSETS</b>					
Intangible assets		110	110	109	87
Fixed assets	6.1	120	120	7 006 591	7 619 123
Capital outlays	6.2	130	130	879 647	714 829
Income-bearing lease investments		135	135		
Long-term financial investments	6.3	140	<b>140</b>	6 298	364 173
including:					
investments in subsidiaries			141		278 480
investments in dependent companies			142	330	330
investments in other companies			143	5 875	6 974
other long-term financial investments			144	93	78 389
Deferred tax assets	6.4	145	145	148 235	129 501
Other non-current assets	6.5	150	150	703 900	856 690
<b>Total for Section I</b>		190	<b>190</b>	8 744 780	9 684 403
<b>II. CURRENT ASSETS</b>					
Inventories		210	<b>210</b>	522 801	496 912
including:					
raw and other materials, and other similar inventories		211	211	451 755	405 166
work in process / distribution costs		213	213	14 996	4 481
finished products and goods for reselling		214	214	12 297	8 215
goods shipped		215	215	51	100
deferred expenses		216	216	43 702	78 950
other inventories and expenses		217	217		
Value-added tax on acquired inventories		220	220	767 213	637 281
Accounts receivable (payment expected more than 12 months after the balance sheet date)		230	<b>230</b>	35 908	41 488
including:	6.7	231	231		

<b>ASSETS</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
due from buyers and customers					609
prepaid expenses			232		
receivables from other debtors			233	35 908	40 879
Accounts receivable ((payment expected within 12 months after the accounting date)		240	<b>240</b>	885 424	986 435
<i>including:</i>					
due from buyers and customers	6.8	241	241	601 905	802 782
prepaid expenses			242	81 238	91 363
receivables from other debtors	6.9		243	202 281	92 290
Short-term financial investment	6.3	250	250	1 422	64 996
Monetary assets		260	260	129 114	145 750
Other current assets		270	270	96	94
<b>Total for Section II</b>		290	<b>290</b>	2 341 978	2 372 956
<b>GRAND TOTAL (line 190 + line 290)</b>		300	<b>300</b>	11 086 758	12 057 359
<b>LIABILITIES</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
<b>III. CAPITAL AND PROVISIONS</b>					
Charter capital	6.10	410	410	2 535 006	2 535 006
Additional capital		420	420	651 765	634 836
Reserve capital		430	430	126 751	126 751
Treasury shares repurchased from shareholders	6.11	411	440		
Past retained profits / uncovered losses		470	460	1 285 991	1 075 702
Retained profits / uncovered losses for the accounting year		470	470	X	851 979
<b>Total for Section III</b>		490	<b>490</b>	4 599 513	5 224 274
<b>IV. FIXED LIABILITIES</b>					
Loans and credits	6.14	510	<b>510</b>	377 097	631 000
<i>including:</i>					
loans			511	317 000	631 000
credits			512	60 097	
Deferred tax liabilities	6.15	515	515	151 649	204 363
Other fixed liabilities	6.16	520	520	1 902 362	1 356 624
<b>Total for Section IV</b>		590	<b>590</b>	2 431 108	2 191 987
<b>V. CURRENT LIABILITIES</b>					
Loans и credits	6.14	610	<b>610</b>	1 119 982	1 875 775
<i>including:</i>					
loans			611	101 490	448 683
credits			612	1 018 492	1 427 092
Accounts payable	6.17	620	<b>620</b>	2 444 488	2 024 525
<i>including:</i>					
owing to suppliers and contractors		621	621	1 689 517	1 159 364
precollected revenue		625	622	249 930	269 028
compensation owed to employees		622	623	112 070	78 905
owing to government extra-budgetary funds		623	624	29 849	41 119
taxes and levies owing		624	625	142 438	221 393
owing to other creditors		625	626	220 684	254 716
Outstanding revenue distributions due to participants (founders)		630	630	12 047	15 819
Deferred revenue	6.18	640	640	78 816	86 607
Provisions for future expenses		650	650	374 943	570 907
Other current liabilities		660	660	25 861	67 465
<b>Total for Section V</b>		690	<b>690</b>	4 056 137	4 641 098

<b>ASSETS</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
<b>GRAND TOTAL (line 490 + line 590 + line 690)</b>		700	<b>700</b>	11 086 758	12 057 359
<b>Assets recorded on below-line accounts</b>					
<b>Filing entry</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
Fixed assets taken on lease		910	901	413 594	286 241
including: those obtained by way of leasing		911	911	236 001	120 558
Inventories accepted for custody		920	902	199 302	50 694
Goods accepted for sale on a commission basis		930	903	18	177
Dues from insolvent debtors written off as losses		940	904	124 065	219 054
Collateral received to secure obligations and payments		950	905	5 969	201 537
Collateral provided to secure obligations and payments		960	906	2 332 811	2 670 907
Wear of housing stock		970	907	25 346	20 825
Wear of landscaping facilities and other like amenities		980	908		
Payments for communications services			909	151 931	273 628
<b>Net asset value statement</b>					
<b>Filing entry</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
Net assets			1000	4 678 329	5 310 881

Chief Executive Officer \_\_\_\_\_ A.A. Alekseev  
(Signature) (Signature transcript)

Chief Accountant \_\_\_\_\_ E.V. Sidorova  
(Signature) (Signature transcript)

March 30, 2006

**PROFIT AND LOSS STATEMENT**

for **2005**  
 Organization: **Dalsviaz MRK OJSC**  
 Taxpayer's identification number **2540014227**  
 Business: **Telecommunication services**  
 Corporate structure / ownership structure: **mixed**  
 Quantity unit: **ths. rub.**

	<b>CODES</b>
OKUD Form No. 2	<b>0710002</b>
Date (year, month, day)	30/03/2006
OKPO code	<b>01163193</b>
INN	2540014227
OKVED code	05401364000
OKOPF/OKFS code	<b>49</b>
OKEI code	<b>384</b>

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
<b>I. Revenue from and expenditure for regular business operations</b> (Net) proceeds from the sale of goods, products, works, and services (less value-added tax, excises, and other similar obligatory deductions)	7.1	010	010	10 512 736	8 938 445
including: proceeds from the sale of communications services			011	10 351 850	8 779 402
Costs of goods, products, works, and services sold	7.2	020	020	(8 799 053)	(7 750 610)
including: costs of communications services			021	(8 743 704)	(7 656 439)
<b>Profits / losses from sales (line 010 - line 020)</b>		050	<b>050</b>	1 713 683	1 187 835
<b>II. OPERATING REVENUE AND EXPENDITURE</b>					
Interest revenue due		060	060	17 361	2 608
Interest expense payable		070	070	(261 916)	(187 870)
Revenue from equity participation in other organizations		080	080	268	10 700
Other operating revenue	7.3	090	090	340 364	1 183 693
Other operating expenditure	7.3	100	100	(328 070)	(390 876)
<b>III. NON-OPERATING REVENUE AND EXPENDITURE</b>					
Non-operating revenue	7.4	120	120	117 008	96 479
Non-operating expenditure	7.4	130	130	(329 880)	(285 745)
<b>Pretax profits / losses (line 050+ line 060 - line 070 + line 080 + line 090 - line 100 + line 120 - line 130)</b>		140	<b>140</b>	1 268 818	1 616 824
<b>Profit tax (line -151+/- line 152 +/- line 153), including:</b>	7.6		<b>150</b>	<b>(415 814)</b>	<b>(471 496)</b>
deferred tax liabilities		142	151	(58 033)	(60 529)
deferred tax assets		141	152	14 340	86 187
Profit tax for the accounting period		150	153	(372 121)	(497 154)
<b>Profits / losses from regular business operations (line 140 - line 150)</b>			<b>160</b>	853 004	1 145 328

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
<b>IV. EXTRAORDINARY REVENUE AND EXPENDITURE</b>					
Extraordinary revenue	7.5		170	46	546
Extraordinary expenditure	7.5		180	(1 071)	(1 685)
<b>Net profits (retained profits / losses) for the accounting period) (line 160 + line 170 – line 180)</b>	7.7	190	<b>190</b>	851 979	1 144 189
<b>MEMORANDUM</b>					
Contingent profit tax expenditure / revenue			201	(304 271)	(387 856)
Standing tax liabilities		200	202	(126 827)	(93 729)
Standing tax assets		200	203	15 284	10 089
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	7.8		301	8,03600	10,79400
Diluted profits / losses per share			302		
<b>* To be completed in annual financial statements</b>					

**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	7.4	401	5 789	(192)	3 867	(530)
Past profits / losses	7.4	402	45 517	(67 572)	23 588	(33 185)
Compensation for losses caused by the non-performance or improper performance of obligations	7.4	403	23 176	(2 736)	2 064	(24 580)
Exchange rate differentials in transactions executed in foreign currency	7.4	404	61	(105)	21 131	(19 575)
Deductions towards assessed reserves	7.4	405	93 430			(126 643)
Receivables and payables forgiveness	7.4	406	7 303	(15 846)	7 844	(9 813)

**Chief Executive Officer** \_\_\_\_\_ A.A. Alekseev  
(Signature) (Signature transcript)

**Chief Accountant** \_\_\_\_\_ E.V. Sidorova  
(Signature) (Signature transcript)

March 30, 2006

## CAPITAL FLOW STATEMENT

For

**2005**

Organization:

**Dalsviaz MRK OJSC**

Taxpayer's identification number

**2540014227**

Business:

**Telecommunication services**

Corporate structure / ownership structure:

**mixed  
ths. rub.**

Quantity unit:

OKUD Form No. 03  
Date (year, month, day)

OKPO  
code

INN

OKVED code

OKOPF/OKFS code

OKEI code

CODES
<b>0710003</b>
30/03/2006
<b>01163193</b>
52540014227
05401364000
<b>49</b>
<b>384</b>

### 1. capital flows

Filing entry	Indicator code	Line code	Charter capital	Additional capital	Reserve capital	Retained profits / uncovered losses	Total
1	1a	2	3	4	5	6	7
<b>Balance as at December 31, 2003</b>		<b>100</b>	1 267 503	969 859	68 375	1 285 711	3 591 448
<b>2004</b>							
Changes to accounting policy		101	X	X	X	(57 432)	(57 432)
Fixed asset revaluation gains / losses		102	X		X		
Other		103	X		X		
<b>Balance as at January 1, 2004</b>		<b>104</b>	1 267 503	969 859	68 375	1 228 279	3 534 016
<b>Changes to capital headings</b>		<b>200</b>	1 267 503	(318 797)	58 376	75 257	1 082 339
Foreign currency translation gains / losses		201	X		X	X	
Net profits / losses for the accounting year		202	X	X	X	1 144 189	1 144 189
Dividends		203	X	X	X	(60 986)	(60 986)
Deductions towards contingency funds		204	X	X	58 376	(58 376)	
Additional share offering at the expense of the company's own sources		205			X		
Increase in the nominal value of shares		206	1 267 503	(307 874)	X	(959 629)	
Capital flows upon the retirement of fixed assets		207	X	(10 923)	X	10 923	
Other		208				(864)	(864)
<b>Capital gains through:</b>		<b>210</b>		864			864
additional share offering at shareholder expense		211			X	X	
company restructuring		212					
Other		213		864			864
<b>Capital losses through:</b>		<b>220</b>		(161)		(17 545)	(17 706)
decrease in the number of shares		221		X	X		
decrease in the nominal value of shares		222		X	X	X	
company restructuring		223					
Other		224		(161)		(17 545)	(17 706)
<b>Balance as at December 31, 2004</b>		<b>300</b>	2 535 006	651 765	126 751	1 285 991	4 599 513
<b>2005</b>							
Changes to accounting		301	X	X	X		

Filing entry	Indicator code	Line code	Charter capital	Additional capital	Reserve capital	Retained profits / uncovered losses	Total
1	1a	2	3	4	5	6	7
policy							
Fixed asset revaluation gains / losses		302	X		X		
Other		303	X		X		
<b>Balance as at January 1, 2005</b>	<b>100</b>	<b>304</b>	2 535 006	651 765	126 751	1 285 991	4 599 513
<b>Changes to capital headings</b>		<b>400</b>		(16 929)		641 690	624 761
Foreign currency translation gains / losses		401	X		X	X	
Net profits / losses for the accounting year		402	X	X	X	851 979	851 979
Dividends		403	X	X	X	(227 218)	(227 218)
Deductions towards contingency funds	110	404	X	X			
Additional share offering at the expense of the company's own sources	121	405			X		
Increase in the nominal value of shares	122	406			X		
Capital flows upon the retirement of fixed assets		407	X	(16 929)	X	16 929	
Other		408					
<b>Capital gains through:</b>		<b>410</b>					
additional share offering at shareholder expense	121	411			X	X	
Company restructuring	123	412					
Other		413					
<b>Capital losses through:</b>		<b>420</b>					
decrease in the number of shares	132	421		X	X		
decrease in the nominal value of shares	131	422		X	X	X	
company restructuring	133	423					
Other		424					
<b>Balance as at December 31, 2005</b>	<b>140</b>	<b>500</b>	2 535 006	634 836	126 751	1 927 681	5 224 274

## 2. Provisions

Filing entry	Indicator code	Line code	Balance at year open	Received	Spent/ restored	Balance at year open
1	1a	2	3	4	5	6
<b>Provisions made under legislation:</b>						
Contingency fund data for 2004		601	63 375	58 376		121 751
data for 2005		602	121 751			121 751
<b>Provisions made under constituent documents:</b>						
Employee stock option plan data for 2004		603	5 000			5 000
data for 2005		604	5 000			5 000
<b>Assessed reserves:</b>						
Provisions for doubtful debts data for 2004		605	340 065	399 995	(302 173)	437 887
data for 2005		606	437 887	175 223	(369 286)	243 824

Filing entry	Indicator code	Line code	Balance at year open	Received	Spent/ restored	Balance at year open
1	1a	2	3	4	5	6
<b>Financial investment depreciation provisions</b>						
data for 2004		607	538	149	(510)	177
data for 2005		608	177			177
<b>Inventory depreciation provisions</b>						
data for 2004		609				
data for 2005		610				
<b>Provisions for future expenses:</b>						
data for 2004		611	71 617	806 230	(502 904)	374 943
data for 2005		612	374 943	806 663	(610 699)	570 907
<b>Provisions for contingent obligations</b>						
data for 2004		613		25 861		25 861
data for 2005		614	25 861	67 465	(25 861)	67 465

Chief Executive Officer \_\_\_\_\_ A.A. Alekseev  
 (Signature) (Signature transcript)

Chief Accountant \_\_\_\_\_ E.V. Sidorova  
 (Signature) (Signature transcript)

March 30, 2006



## CASH FLOW STATEMENT

for  
Organization:  
Taxpayer's identification number

**2005**  
**Dalsviaz MRK OJSC**  
**2540014227**  
**Telecommunication**  
**services**

Business:  
Corporate structure / ownership  
status:  
Quantity unit:

**mixed**  
**ths. rub.**

OKUD Form No. 04  
Date (year, month, day)  
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OKVED code  
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CODES
<b>0710004</b>
30/03/2006
<b>01163193</b>
2540014227
05401364000
<b>49</b>
<b>384</b>

Filing entry	Indicator code	Line code	For the accounting year	For the corresponding period of the previous year
1	1a	2	3	4
<b>CASH BALANCE AS OF THE BEGINNING OF THE ACCOUNTING YEAR</b>		<b>010</b>	129 114	139 959
<b>CURRENT OPERATIONS</b>		<b>020</b>	13 615 450	9 750 107
<b>Cash receipts from current operations</b>				
Receipts from buyers and customers		021	12 702 761	9 029 387
other revenue		022	912 689	720 720
<b>Cash allocations:</b>		<b>030</b>	(11 448 888)	(9 250 292)
to pay for goods, works, services, raw materials, and other current assets purchased	150	031	(3 403 045)	(3 282 696)
to pay employees	160	032	(2 858 697)	(2 384 593)
to pay interest	170	033	(223 012)	(176 683)
to pay taxes and levies	180	034	(2 431 655)	(2 661 025)
to cover other expenses		035	(2 532 479)	(745 295)
<b>Net cash results of current operations</b>		<b>040</b>	2 166 562	499 815
<b>INVESTMENTS</b>		<b>050</b>	280 824	1 174 606
<b>Cash receipts from investments</b>				
proceeds from the sale of fixed assets and other non-current assets	210	051	10 374	1 045
proceeds from the redemption and sale of securities and from the sale of ownership interests, equities, and other financial acquisitions	220	052	222 910	1 159 044
dividends and other revenue from equity participation in other companies	230	053	268	10 700
interest receipts	240	054	15 179	1 721
receipts from the repayment of loans provided to other companies	250	055	24 316	
other revenue from investments		056	7 777	2 096
<b>Cash allocations:</b>		<b>060</b>	(2 371 946)	(1 455 362)
to purchase and create fixed assets and other non-current assets	290	061	(1 918 308)	(1 453 577)
to buy shares, ownership interests, and equities	280	062	(283 365)	(1 190)
to buy debt securities and make other financial acquisitions	300	063		
to provide loans to other companies	310	064	(166 732)	
to cover other investment expenditure		065	(3 541)	(595)

Filing entry	Indicator code	Line code	For the accounting year	For the corresponding period of the previous year
1	1a	2	3	4
<b>Net cash results of investments</b>	<b>340</b>	<b>070</b>	(2 091 122)	(280 756)
<b>FINANCIAL OPERATIONS</b>				
<b>Cash receipts from financial operations</b>		<b>080</b>	1 717 910	1 188 968
loans and credits obtained		081	1 715 474	1 188 308
other revenue from financial operations		082	2 436	660
<b>Cash allocations:</b>		<b>090</b>	(1 776 714)	(1 418 872)
to repay loans and credits (net of interest)		091	(763 474)	(835 308)
to discharge financial leasing obligations		092	(815 723)	(529 707)
to pay dividends	170	093	(197 517)	(53 857)
to cover other financial operations expenditure		094		
<b>Net cash results of financial operations</b>		<b>100</b>	(58 804)	(229 904)
<b>Net cash gain / loss</b>		<b>110</b>	16 636	(10 845)
<b>CASH BALANCE AS AT THE END OF THE ACCOUNTING PERIOD</b>		<b>120</b>	145 750	129 114
Impact of exchange rate differentials		130		

Chief Executive Officer \_\_\_\_\_ A.A. Alekseev  
 (Signature) (Signature transcript)

Chief Accountant \_\_\_\_\_ E.V. Sidorova  
 (Signature) (Signature transcript)

March 30, 2006

**ANNEX TO THE BALANCE SHEET**

As at **December 31, 2005**  
 Organization: **Dalsviaz MRK OJSC**  
 Taxpayer's identification number: **2540014227**  
 Business: **Telecommunication services**  
 Corporate structure / ownership structure: **mixed**  
 Quantity unit: **ths. rub.**

OKUD Form No.	5	CODES
Date (year, month, day)	30/03/2006	<b>0710005</b>
OKPO code		<b>01163193</b>
INN	2540014227	
OKVED code	05401364000	
OKOPF/OKFS code	<b>49</b>	
OKEI code	<b>384</b>	

**1. Intangible assets**

Filing entry	Indicator code	Line code	At accounting year open	Received	Retired	At accounting year close
1	1a	2	3	4	5	6
Intellectual property (exclusive rights in IP assets)	010	101	249			249
<i>including:</i>						
patent rights in inventions, industrial designs, and utility models	011	102				
rights in computer programs and databases	012	103	173			173
rights in trademarks, services marks, and appellations of origin	014	104	47			47
miscellaneous rights	015	105	29			29
Other	040	106				
<b>Total</b>		<b>110</b>	249			249

Filing entry	Indicator code	Line code	At accounting year open	At accounting year close
1	1a	2	3	4
<b>Depreciation of intangible assets, total</b>	050	120		140
<i>including:</i>				
patent rights in inventions, industrial designs, and utility models		121		
rights in computer programs and databases		122		108
rights in trademarks, services marks, and appellations of origin		123		3
other rights		124		29

**2. Fixed assets**

Filing entry	Indicator code	Line code	At accounting year open	Received	Retired	At accounting year close
1	1a	2	3	4	5	6
Buildings		201	1 156 498	87 002	(19 434)	1 224 066
Structures and conveyance facilities		202	2 743 458	557 863	(54 768)	3 246 553
Machinery and equipment		203	6 175 115	1 096 254	(178 677)	7 092 692

Filing entry	Indicator code	Line code	At accounting year open	Received	Retired	At accounting year close
1	1a	2	3	4	5	6
Motor vehicles		204	134 988	3 910	(8 370)	130 528
Computer hardware and office equipment		205	544 321	58 292	(4 926)	597 687
Housing		206	56 353	4 447	(7 851)	52 949
Land plots and natural assets		207	4 610	2 980		7 590
Other fixed assets		208	145 570	17 569	(4 394)	158 745
<b>Total</b>		<b>210</b>	10 960 913	1 828 317	(278 420)	12 510 810

Filing entry	Indicator code	Line code	At accounting year open	At accounting year close
1	1a	2	3	4
<b>Depreciation of fixed assets, total</b>	140	<b>220</b>	3 954 322	4 891 687
including:				
buildings		221	372 607	379 871
structures and conveyance facilities		222	1 287 947	1 342 599
machinery and equipment		223	1 878 682	2 622 076
motor vehicles		224	79 450	84 341
computer hardware and office equipment		225	226 876	336 434
other fixed assets		226	108 760	126 366
<b>Fixed assets from line 210 leased out, total</b>		<b>230</b>	28 466	61 288
including:				
buildings		231	19 537	52 970
structures and conveyance facilities		232	136	5
machinery and equipment		233	942	8 159
motor vehicles		234	5 291	23
other fixed assets		235	2 560	131
<b>Fixed assets from line 210 in mothballs, total</b>		<b>240</b>	9 191	4 601

MEMORANDUM	Indicator code	Line code	At accounting year open	At accounting year close
1	1a	2	3	4
<b>Fixed asset revaluation results:</b>		<b>250</b>		X
initial / replacement value	171	251		X
depreciation	172	252		X
<b>Fixed assets obtained on lease, total</b>		<b>260</b>	413 594	286 241
including:				
buildings		261	72 418	65 000
structures and conveyance facilities		262	4 865	1 351
machinery and equipment		263	336 311	219 890
motor vehicles		264		
other fixed assets		265		
Real property in operation after being included among fixed assets prior to the registration of title		270	157 631	262 620

### 3. Income-bearing lease investments

Filing entry	Indicator code	Line code	At accounting year open	Received	Retired	At accounting year close
1	1a	2	3	4	5	6
Assets for financial leasing		301				
Assets for rentals		302				
Other		303				

Filing entry	Indicator code	Line code	At accounting year open	Received	Retired	At accounting year close
1	1a	2	3	4	5	6
<b>Total</b>		310				
Filing entry	Indicator code	Line code	At accounting year open	At accounting year close		
1	1a	2	3	4		
Depreciation of income-bearing lease investments		311				

**4. Research, development, experimental design, and technological project costs**

Works	Indicator code	Line code	At accounting year open	Received	Written off	At accounting year close
1	1a	2	3	4	5	6
Completed R&D projects having yielded results which are used to meet the company's production or management needs	310	400				
MEMORANDUM	Indicator code	Line code	At accounting period open	At accounting period close		
1	1a	2	3	4		
Costs of research, development, experimental design, and technological projects still in progress	320	401				
MEMORANDUM	Indicator code	Line code	For the accounting period	For the corresponding period in the previous year		
1	1a	2	3	4		
Costs included among expenses on regular operations		402				
Unproductive research, development, experimental design, and technological project costs included among non-operating expenditure		403				

**5. Financial investments**

Filing entry	Indicator code	Line code	Long-term investments		Short-term investments	
			At accounting year open	At accounting period close	At accounting year open	At accounting period close
1	1a	2	3	4	5	6
Capital contributions to other companies, total	510	501	6 205	285 784		
including: subsidiary and dependent business companies	511	502	330	278 810		
Bonds issued by state- and municipally owned	515	503				

Filing entry	Indicator code	Line code	Long-term investments		Short-term investments	
			At accounting year open	At accounting period close	At accounting year open	At accounting period close
1	1a	2	3	4	5	6
enterprises and other companies						
Bills and notes	520	504	93	93		
Loans provided	525	505		78 296		64 120
Deposits	530	506				
Other	535	507			1 422	876
<b>Total</b>	540	<b>510</b>	6 298	364 173	1 422	64 996
<b>Financial-investment inputs having a current market value:</b>						
Capital contributions to other companies' charter capital, total	550	511			1 413	
including:						
subsidiary and dependent business companies	551	512				
Bonds issued by state- and municipally owned enterprises and other companies	555	513				
Bills and notes	560	514				
Other	565	515				
<b>Total</b>	570	<b>520</b>			1 413	
<b>MEMORANDUM</b>						
Adjusted valuation for financial-investment inputs having a current market value	580	521			643	

#### 6. Regular operations expenditure / breakdown of costs

Filing entry	Indicator code	Line code	For the accounting year	For the preceding year
1	1a	2	3	4
Tangible costs	710	601	(2 660 195)	(2 362 049)
Employee compensation	720	602	(3 378 337)	(2 940 986)
Deductions to meet social needs	730	603	(761 458)	(812 170)
Depreciation	740	604	(980 183)	(626 795)
Other costs	750	605	(1 018 880)	(1 008 610)
<b>total costs</b>	760	<b>610</b>	(8 799 053)	(7 750 610)
Balance flows (gain [+], decrease [-]):				
work in progress	765	621	(10 516)	14 918
deferred expenses	766	622	35 248	7 854

#### 7. Collateral

Filing entry	Indicator code	Line code	At accounting year open	At accounting period close
1	1a	2	3	4
<b>Collateral received, total</b>		<b>710</b>	5 969	201 537
including:				
bank guarantees		711		
third party sureties		712		
bills and notes		713	5 969	
assets on pledge		<b>714</b>		201 537
including:				
fixed assets		715		201 537
securities and other financial		716		

Filing entry	Indicator code	Line code	At accounting year open	At accounting period close
1	1a	2	3	4
investments				
miscellaneous assets		717		
other		718		
<b>Collateral provided, total</b>		<b>720</b>	2 332 811	2 670 907
including:				
third party sureties		721	1 816 342	1 946 342
bills and notes		722		
assets on pledge		<b>723</b>	469 194	677 290
including:				
fixed assets		724	469 194	677 290
securities and other financial investments		725		
miscellaneous assets		726		
Other		727	47 275	47 275

#### 8. Government aid

Filing entry	Indicator code	Line code	For the accounting year	For the corresponding period in the previous year
1	1a	2	3	4
<b>Government budget allocations received in the accounting year, total</b>	910	<b>810</b>		
including:				
Funds to finance capital outlays		811		
Funds to cover current expenses		812		

Filing entry	Indicator code	Line code	At accounting year open	Received in the accounting period	Repaid in the accounting period	At accounting period close
1	1a	2	3	4	5	6
<b>Government budget loans, total</b>	920	<b>820</b>				
Funds to finance capital outlays		821				
Funds to cover current expenses		822				

Chief Executive Officer \_\_\_\_\_ A.A. Alekseev  
(Signature) (Signature transcript)

Chief Accountant \_\_\_\_\_ E.V. Sidorova  
(Signature) (Signature transcript)

March 30, 2006

**BALANCE SHEET**

As at **March 31, 2006**  
 Organization: **Dalsviaz MRK OJSC**  
 Taxpayer's identification number **2540014227**  
 Business: **Telecommunication services**  
 Corporate structure / ownership status **mixed**  
 Quantity unit: **ths. rub.**  
 Address: **57 Svetlanskaya Street, Vladivostok**

	CODES
OKUD Form No. 01	<b>0710001</b>
Date (year, month, day)	31/03/2006
OKPO code	<b>01163193</b>
INN	2540014227
OKVED code	05401364000
OKOPF/OKFS code	<b>49</b>
OKEI code	<b>384</b>

Approval date **28.04.2006**  
 Submission / filing date

ASSETS	Explanations	Indicator code	Line code	At accounting period open	At accounting period close
1	1a	2	2a	3	4
<b>I. NON-CURRENT ASSETS</b>					
Intangible assets		110	110	87	82
Fixed assets		120	120	7 619 123	7 411 182
Capital outlays		130	130	712 172	834 211
Income-bearing lease investments		135	135		
Long-term financial investments		140	<b>140</b>	364 173	408 401
including:					
investments in subsidiaries			141	278 480	278 480
investments in dependent companies			142	330	330
investments in other companies			143	6 974	53 994
other long-term financial investments			144	78 389	75 597
Deferred tax assets		145	145	129 501	131 152
Other non-current assets		150	150	857 764	901 311
<b>Total for Section I</b>		<b>190</b>	<b>190</b>	<b>9 682 820</b>	<b>9 686 339</b>
<b>II. CURRENT ASSETS</b>					
Inventories		210	<b>210</b>	499 569	471 247
including:					
raw and other materials, and other similar inventories		211	211	407 823	399 819
work in process / distribution costs		213	213	4 481	5 543
finished products and goods for reselling		214	214	8 215	7 571
goods shipped		215	215	100	140
deferred expenses		216	216	78 950	58 174
other inventories and costs		217	217		
Value-added tax on acquired inventories		220	220	637 281	483 270
Accounts receivable (more than 12 months after the accounting date)		230	<b>230</b>	41 488	40 050
including:					
due from buyers and customers		231	231	609	528
prepaid expenses			232		
receivables from other debtors			233	40 879	39 522
Accounts receivable (within 12 months after the accounting date)		240	<b>240</b>	985 361	1 599 403
including:					



<b>ASSETS</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
due from buyers and customers		241	241	802 782	1 384 220
prepaid expenses			242	90 289	109 908
receivables from other debtors			243	92 290	105 275
Short-term financial investment		250	250	64 996	59 315
Monetary assets		260	260	145 750	72 976
Other current assets		270	270	94	95
<b>Total for Section II</b>		290	<b>290</b>	2 374 539	2 726 356
<b>GRAND TOTAL (line 190 + line 290)</b>		300	<b>300</b>	12 057 359	12 412 695
<b>LIABILITIES</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
<b>III. CAPITAL AND PROVISIONS</b>					
Charter capital		410	410	2 535 006	2 535 006
Additional capital		420	420	634 836	634 870
Reserve capital		430	430	126 751	126 751
Treasury shares repurchased from shareholders		411	440		
Past retained profits / uncovered losses		470	460	1 927 681	1 927 646
Retained profits / uncovered losses for the accounting year		470	470	X	404 908
<b>Total for Section III</b>		490	<b>490</b>	5 224 274	5 629 181
<b>IV. FIXED LIABILITIES</b>					
Loans and credits		510	<b>510</b>	631 000	631 000
<i>including:</i>					
loans			511	631 000	631 000
credits			512		
Deferred tax liabilities		515	515	204 363	220 080
Other fixed liabilities		520	520	1 356 624	1 235 409
<b>Total for Section IV</b>		590	<b>590</b>	2 191 987	2 086 489
<b>V. CURRENT LIABILITIES</b>					
Loans и credits		610	<b>610</b>	1 875 775	1 958 849
<i>including:</i>					
loans			611	448 683	499 703
credits			612	1 427 092	1 459 146
Accounts payable		620	<b>620</b>	2 024 525	2 044 180
<i>including:</i>					
owing to suppliers and contractors		621	621	1 159 364	1 143 375
precollected revenue		625	622	269 028	244 809
compensation owed to employees		622	623	78 905	138 079
owing to government extra-budgetary funds		623	624	41 119	46 653
taxes and levies owing		624	625	221 393	160 419
owing to other creditors		625	626	254 716	310 845
Outstanding revenue distributions due to participants (founders)		630	630	15 819	15 022
Deferred revenue		640	640	86 607	84 235
Provisions for future expenses		650	650	570 907	545 432
Other current liabilities		660	660	67 465	49 307
<b>Total for Section V</b>		690	<b>690</b>	4 641 098	4 697 025
<b>GRAND TOTAL (line 490 + line 590 + line 690)</b>		700	<b>700</b>	12 057 359	12 412 695

<b>Assets recorded on below-line accounts</b>					
<b>Filing entry</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
Fixed assets taken on lease		910	901	286 241	299 054
including: those obtained by way of financial leasing		911	911	120 558	120 558
Inventories accepted for custody		920	902	50 694	93 836
Goods accepted for sale on a commission basis		930	903	177	174
Dues from insolvent debtors written off as losses		940	904	219 051	226 975
Collateral received to secure obligations and payments		950	905	201 537	201 720
Collateral provided to secure obligations and payments		960	906	2 670 907	2 934 010
Wear of housing stock		970	907	20 825	20 582
Wear of landscaping facilities and other like amenities		980	908		
Payments for communications services			909	273 628	334 004

<b>Net asset value statement</b>					
<b>Filing entry</b>	<b>Explanations</b>	<b>Indicator code</b>	<b>Line code</b>	<b>At accounting period open</b>	<b>At accounting period close</b>
<b>1</b>	<b>1a</b>	<b>2</b>	<b>2a</b>	<b>3</b>	<b>4</b>
Net assets			1000	5 310 881	5 713 416

**Acting**  
**Chief Executive Officer** \_\_\_\_\_ A.Y. Kolpakov  
 (Signature) (Signature transcript)

**Chief Accountant** \_\_\_\_\_ E.V. Sidorova  
 (Signature) (Signature transcript)

April 28, 2006

**PROFIT AND LOSS STATEMENT**

for  
 Organization:  
 Taxpayer's identification number  
 Business:  
 Corporate structure / ownership  
 structure:  
 Quantity unit:

**the first quarter of 2006**  
**Dalsviaz MRK OJSC**  
**2540014227**  
**Telecommunication services**  
  
**mixed**  
**ths. rub.**

OKUD Form No. 2  
 Date (year, month,  
 day)  
 OKPO code  
 INN  
 OKVED code  
 OKOPF/OKFS  
 code  
 OKEI code

CODES
<b>0710002</b>
31/03/2006
<b>01163193</b>
2540014227
05401364000
<b>49</b>
<b>384</b>

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
<b>I. Revenue from and expenditure for regular business operations</b>					
(Net) proceeds from the sale of goods, products, works, and services (less value-added tax, excises, and similar other obligatory deductions)		010	010	2 541 758	2 388 288
including: proceeds from the sale of communications services			011	2 422 655	2 353 306
Costs of goods, products, works, and services sold		020	020	(1 846 206)	(2 015 107)
including: costs of communications services			021	(1 774 916)	(2 001 604)
<b>Profits / losses from sales (line 010 - line 020)</b>		050	<b>050</b>	695 552	373 181
<b>II. OPERATING REVENUE AND EXPENDITURE</b>					
Interest revenue		060	060	5 183	487
Interest expense		070	070	(72 361)	(57 972)
Revenue from equity participation in other organizations		080	080		
Other operating revenue		090	090	40 791	225 022
Other operating expenditure		100	100	(89 551)	(93 195)
<b>III. NON-OPERATING REVENUE AND EXPENDITURE</b>					
Non-operating revenue		120	120	13 355	10 277
Non-operating expenditure		130	130	(40 860)	(45 995)
<b>Pretax profits / losses (line 050+ line 060 - line 070 + line 080 + line 090 - line 100 + line 120 - line 130)</b>		140	<b>140</b>	552 109	411 805
<b>Profit tax (line -151+/- line 152 +/- line 153), including:</b>			<b>150</b>	<b>(147 201)</b>	<b>(138 225)</b>
deferred tax liabilities		142	151	(16 058)	(18 856)
deferred tax assets		141	152	1 651	<b>(14 925)</b>
Profit tax for the accounting period		150	153	(132 794)	(104 444)
<b>Profits / losses from regular business operations (line 140 - line 150)</b>			<b>160</b>	404 908	273 580
<b>IV. EXTRAORDINARY REVENUE AND EXPENDITURE</b>					
Extraordinary revenue			170		170
Extraordinary expenditure			180		(201)
<b>Net profits (retained profits / losses) for the accounting period) (line 160 + line 170 – line 180)</b>		190	<b>190</b>	404 908	273 549

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
<b>MEMORANDUM</b>					
Contingent profit tax expenditure / revenue			201	(132 518)	(98 826)
Standing tax liabilities		200	202	(16 215)	(39 898)
Standing tax assets		200	203	1 532	499
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
<b>* To be completed in annual financial statements</b>					

**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 received from courts of general jurisdiction or courts of state arbitration		401	659	(42)	1 608	(28)
Past profits / losses		402	3 963	(18 011)	3 884	(10 900)
Compensation for losses caused by the non-performance or improper performance of obligations		403	2 020	(162)	268	(1 437)
Exchange rate differentials in transactions executed in foreign currency		404	2	(45)	7	(23)
Deductions towards assessed reserves		405		(30 912)		(40 364)
Receivables and payables forgiveness		406	17	(220)	81	(785)

**Acting**  
**Chief Executive Officer** \_\_\_\_\_ A.Y. Kolpakov  
 (Signature) (Signature transcript)

**Chief Accountant** \_\_\_\_\_ E.V. Sidorova  
 (Signature) (Signature transcript)

[date, month, year]