

OJSC Rostelecom's Annual Financial Statements for 2005
(the balance sheet and the profit & loss statement)

BALANCE SHEET

as of **December 31, 2005**

Organization: **OJSC Rostelecom**

Taxpayer Identification Number: **7707049388**

Type of Activity: **Telecommunications**

Organizational and legal form/ form of ownership:

Unit of measure: **Thousand rubles**

Address: **5, Delegatskaya st., Moscow, 127091.**

OKUD Form No. 1

Date (year, month, day)

OKPO code

TIN

OKPD

OKOPF/ OKFS

OKEI code

Codes
0710001
01.01.2006
17514186
7707049388
52300
47
384

ASSETS	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	3a	4	5
I. NON-CURRENT ASSETS					
Intangible assets:		110	110	18	17
Patents, licenses, trademarks (service marks), other similar rights and assets		111		18	17
Organization expenses		112		X	X
Goodwill		113		X	X
Fixed assets:	6.1	120	120	18,109,844	19,477,799
Land plots and natural resources		121		586	804
Buildings, plant and equipment		122		11,873,804	13,937,173
Construction in progress	6.1	130	130	2,981,201	4,603,293
Profitable investments in tangible assets:		135	135	-	-
Property for leasing		136		-	-
Property provided for rent		137		-	-
Long-term financial investments:	6.2	140	140	3,727,905	3,888,115
Investments		141		3,609,124	3,881,240
Other long-term financial investments		144		118,781	6,875
Deferred tax assets		145	145	-	-
Other non-current assets	6.3	150	150	1,523,394	2,232,659
TOTAL for Section I		190	190	26,342,362	30,201,883
II. CURRENT ASSETS					
Inventories:		210	210	798,000	878,243
Raw materials, consumables, and other assets	6.4	211	211	590,406	578,241
Work in progress costs (commercial costs)	6.4	213	213	-	-
Finished products and goods for resale	6.4	214	214	4,613	8,580
Shipped goods		215	215	-	-
Deferred expenses	6.3	216	216	202,981	291,422
Other reserves and expenses		217	217	-	-
Value-added tax on acquired assets		220	220	1,540,008	1,289,001
Accounts receivable (payment due more than 12 months after the reporting date):		230	230	17,443	13,055
Buyers and customers		231	231	-	-
Bills of exchange receivable				-	-
Accounts receivable from subsidiaries and associates				-	-
Prepayments		232		17,302	13,031
Other debtors		233		141	24
Accounts receivable (payment due within 12 months after the reporting date):		240	240	6,737,711	6,203,139
Buyers and customers	6.5	241	241	5,856,506	5,185,329
Bills of exchange receivable				-	-
Accounts receivable from subsidiaries and associates				-	-
Prepayments	6.6	242		348,679	363,118
Other debtors	6.6	243		532,526	654,692
Amounts owed by participants (founders) in respect of contributions to charter capital		244		-	-

Short-term financial investments:	6.2	250	250	8,756,148	12,232,255
Loans to organizations due within 12 months		251		-	-
Other short-term financial investments		253		8,756,148	12,232,255
Monetary assets:		260	260	404,200	2,090,882
Cash		261		1,401	1,351
Banking accounts in rubles		262		345,678	2,040,646
Banking accounts in foreign currencies		263		20,767	44,616
Other monetary assets		264		36,354	4,269
Other current assets		270	270	221	183
TOTAL for Section II		290	290	18,253,731	22,706,758
BALANCE (sum of lines 190+290)		300	300	44,596,093	52,908,641

LIABILITIES	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	3a	4	5
III. CAPITAL AND RESERVES					
Charter capital	6.7	410	410	2,429	2,429
Own shares redeemed from shareholders	6.8	440	411	-	-
Additional capital		420	420	11,338,295	10,109,717
Reserve capital:		430	430	364	364
Statutory reserves		431	431	364	364
Reserves formed in accordance with foundation documents		432	432	-	-
Social fund		450		X	X
Undistributed profit of previous years		460		20,669,808	18,884,289
Uncovered losses of previous years		465		-	-
Undistributed profit of the reporting year		470	470	-	10,087,274
Uncovered losses of the reporting year		475		-	-
TOTAL for Section III		490	490	32,010,896	39,084,073
IV. LONG-TERM LIABILITIES					
Loans and credits	6.10	510	510	3,167,643	5,542,555
Bank credits repayable more than 12 months after the reporting date		511		354,396	3,231,537
Loans repayable more than 12 months after the reporting date		512		2,813,247	2,311,018
Deferred tax liabilities	6.11	515	515	271,523	626,884
Other long-term liabilities	6.12	520	520	600,853	136,645
TOTAL for Section IV		590	590	4,040,019	6,306,084
V. SHORT-TERM LIABILITIES					
Loans and credits	6.10	610	610	1,286,468	711,728
Bank credits repayable within 12 months of the reporting date		611		151,758	183,462
Loans repayable within 12 months of the reporting date		612		1,134,710	528,266
Accounts payable		620	620	6,468,373	6,240,158
Suppliers and contractors		621	621	5,142,329	4,820,783
Bills of exchange payable				-	-
Accounts payable to subsidiaries and associates				-	-
Receipts in advance		622	622	97,166	171,737
Amounts owed to employees		623	623	500	222,314
Amounts owed to state extrabudgetary fund		624	624	57,776	75,511
Amounts owed to the budget	6.13.1	625	625	333,012	124,104
Other creditors	6.13.2	626	626	837,590	825,709
Income payable to participants (founders)		630	630	119,579	55,755
Deferred income	6.14	640	640	231,464	169,457
Provisions for expenses	6.15	650	650	439,294	341,386
Other short-term liabilities		660	660	-	-
TOTAL for Section V		690	690	8,545,178	7,518,484
BALANCE (sum of lines 490 + 590 + 690)		700	700	44,596,093	52,908,641

**STATEMENT
OF ASSETS ON OFF-BALANCE ACCOUNTS**

Item	Note	Line code	Index code	At the beginning of the reporting period	At the end of the reporting period
1			2	3	4
Rented fixed assets		910	910	81,388	144,959
including leased assets		911	911	1,980	1,980
Valuables in custody		920	920	1,616	3,552
Materials accepted for processing		921		-	-
Equipment accepted for assembly		922		160	-
Consigned goods		930	930	549	455
Bad debts written off as losses		940	940	152,105	1,666,543
Received collateral for obligations and payments		950	950	3,078	3,223
Issued collateral for obligations and payments		960	960	2,766,626	3,855,127
Depreciation of housing		970	970	128,296	86,946
Depreciation of amenities and similar facilities		980	980	1,089	1,089
Strict accountability forms		990	990	87	57
Fixed assets provided for lease		991		-	-
Implements and economic accessories		992		197,046	192,113
Pre-paid telecommunication cards		993		-	-
Intangible assets received for use		994		-	-

General Director _____ **s&s** **Dmitry Ye. Yerokhin**

Chief Accountant _____ **s&s** **Roman A. Frolov**

Dated March 31, 2006.

PROFIT AND LOSS STATEMENT

for 2005 year

Organization: **OJSC Rostelecom**

Taxpayer Identification Number: **7707049388**

Type of Activity: **Telecommunications**

Organizational and legal form/ form of ownership:

Unit of measure: **Thousand rubles**

Address: **5, Delegatskaya st., Moscow, 127091.**

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Item	Note	Line code	Index code	For the reporting period	For the same period of the preceding year
1	2	3	3a	4	5
I. Income and expenses for core activities					
Proceeds (net) from sale of goods, products, work, services (less the VAT, excises, and similar obligatory payment):	7.1	010	010	40,291,672	37,470,471
Sale of telecommunication services		011		39,775,679	37,008,916
Cost price of goods, products, work, and service sold	7.2	020	020	(28,330,557)	(25,550,210)
Including telecommunication services		021		(27,906,208)	(25,101,591)
Gross profit		029	029	11,961,115	11,920,261
Trading costs		030		X	X
Management costs		040		X	X
Profit (loss) from sales		050	050	11,961,115	11,920,261
II. Operating income and expenses					
Interest receivable	7.3.1	060	060	786,427	491,982
Interest payable	7.3.2	070	070	(125,644)	(138,924)
Income from participation in other organizations	7.3.1	080	080	101,166	73,698
Other operating income	7.3.1	090	090	14,552,870	22,883,374
Other operating expenses	7.3.2	100	100	(14,412,552)	(24,523,708)
III. Non-sales income and expenses					
Non-sales income	7.4.1	120	120	384,382	1,082,473
Non-sales expenses	7.4.2	130	130	(1,088,824)	(2,008,225)
Profit (loss) before tax		140	140	12,158,940	9,780,931
Profit tax	7.6	150	150	(2,776,826)	(2,875,600)
Income (expenses) for deferred tax assets (liabilities)	7.6	151	142	(355,361)	316,982
Profit (loss) from core activities	7.4.1	160		9,026,753	7,222,313
IV. Extraordinary income and expenses					
Extraordinary income	7.5	170		1,340	1,084
Extraordinary expenses	7.5	180		(191)	(2,128)
Net profit (undistributed profit (loss) for the reporting period)		190	190	9,027,902	7,221,269
FOR INFORMATION					
Permanent tax obligations	7.6	191	200	213,764	192,828
Basic income (loss) per share	7.7	192		11.1502	8.9189
Diluted income (loss) per share	7.7	193		11.1502	8.9189

INDIVIDUAL INCOME AND EXPENSE ITEMS

Item	Line code	For the reporting period		For the same period of the preceding year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties, and charges acknowledged by payer or payable pursuant to the decision of a court (arbitral tribunal)	401	52,511	10,018	8,358	1,391
Accumulated income (loss)	402	211,275	398,034	149,187	821,100
Compensation for losses caused by nonperformance or undue performance of obligations	403	15,148	213	3,874	151
Exchange-rate differences in foreign-exchange operations	404	45,049	-	223	521
Provision expenses	405	112,651	25,476	36,083	642,171
Write-off of receivables and payables upon expiration of limitation period	406	357	-	4,977	-

General Director _____ s&s _____ Dmitry Ye. Yerokhin

Chief Accountant _____ s&s _____ Roman A. Frolov

Dated March 31, 2006.