

A.A. Bondarenko, Secretary of the Board of Directors \_\_\_\_\_  
(signature)

# QUARTERLY REPORT

*Issuer's code 00119-A*

**for: the 4th quarter of 2003**

***Open Joint-Stock Company North-West Telecom***

***Place of issuer's business: St. Petersburg, Russia***

***Place of business: 14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186***

***The information contained in this Quarterly Report may be disclosed in compliance with the legislation of the Russian Federation on securities.***

General Manager \_\_\_\_\_ S.I. Kuznetsov  
(signature)

February “\_\_\_”, 2004

Chief Accountant \_\_\_\_\_ M.M. Semchenko  
(signature)

February “\_\_\_”, 2004

Official seal

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Address of the Internet page disclosing the information contained in this quarterly report:

***<http://www.nwtelecom.ru/pubsas/test--C7740C3BCBAA11D5AE4B0050045260BB/index.html>***

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## INTRODUCTION

a) Full official name of the issuer company: *Open Joint-Stock Company North-West Telecom*  
Abbreviated official name of the issuer company: *OJSC NWT*

b) Place of issuer's business: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186, Russia*

c) Issuer's contact phone Nos *(812) 315-4706*  
e-mail: [office@nwtelecom.ru](mailto:office@nwtelecom.ru)

d) Address of the Internet page publishing the complete text of the issuer's quarterly report:  
<http://www.nwtelecom.ru/pubsas/test--C7740C3BCBAA11D5AE4B0050045260BB/index.html>

e) basic data on securities floated by the issuer:

Type: *stock*  
Category: *common*  
Number of floated securities: *735,917,222*  
Face value: *1 rouble*

Data on registration of the issue by the state:  
Date of registration: *12.09.2003*  
Registration No.: *1-02-00119-A*  
Authority of state registration: *Federal Commission for Securities Market of Russia*

Floation method, procedure and timing: *the present issue has been obtained as a result of combining the earlier floated issues (on the basis of the Resolution of the Federal Commission for the Securities Market of Russia No.03-DG-04/13248 of 12.09.03) that had the following state registration numbers: 72-1-5986, 1-04-00119-A, 1-06-00119-A, 1-08-00119-A, 1-09-00119-A, 1-10-00119-A, 1-11-00119-A, 1-12-00119-A, 1-13-00119-A, 1-14-00119-A, 1-15-00119-A*

Type: *stock*  
Category (type): *preferred type A*  
Number of floated securities: *202,022,788*  
Face value: *1 rouble*

Data on registration of the issue by the state:  
Date of registration: *12.09.2003*  
Registration No.: *2-02-00119-A*  
Authority of state registration: *Federal Commission for Securities Market of Russia*

Floation method, procedure and timing: *the present issue has been obtained as a result of combining the earlier floated issues (on the basis of the Resolution of the Federal Commission for the Securities Market of Russia No.03-DG-04/13248 of 12.09.03) that had the following state registration numbers: 72-1-5986, 1-05-00119-A, 1-07-00119-A, 2-08-00119-A, 2-09-00119-A, 2-10-00119-A, 2-11-00119-A, 2-12-00119-A, 2-13-00119-A, 2-14-00119-A, 2-15-00119-A*

Type: *bonds*  
Category: *interest-bearing*  
Series: *01*  
Number of floated securities: *300,000*  
Face value: *1,000 roubles*

Data on registration of the issue by the state:  
Date of registration: *6.03.2002*

Registration No.: 4-01-00119-A

Authority of state registration: *Federal Commission for Securities Market of Russia*

Floataion method: *public subscription*

Floataion procedure: *The Bonds are floated through making transactions of sale and purchase at the Floataion Price of the Bonds, fixed by the Issuer's Board of Directors (starting from the second day of Bonds floataion, when making an operation of sale and purchase, the buyer also pays the accumulated coupon income on Bonds).*

*Transactions related to Bonds floataion are made starting from on the first day of the Bonds floataion period till the date when the floataion of the Bonds of the Issue is over.*

*Bonds are floated in the stock market section of CJSC Moscow Interbank Currency Exchange (hereinafter referred to as MMVB) and in the stock section of CJSC St. Petersburg Currency Exchange (hereinafter referred to as SPVB).*

*150,000 of Bonds of the issue are floated in the stock market section of MMVB and 150,000 Bonds of the issue in the stock section of SPVB*

*Transactions related to floating the Bonds are made as negotiation transactions in the stock market section of MMVB and in the stock section of SPVB by satisfying applications for purchase/sale of Bonds, submitted using the trading and payment systems of MMVB and SPVB respectively.*

*Sellers of Bonds are authorized Underwriters acting on their own behalf, but on the instructions and for the account of the Issuer:*

*in the stock market section of MMVB:*

*- Joint-Stock Commercial Bank Moskovsky Delovoy Mir (Open Joint-Stock Company)*

*in the stock section of SPVB:*

*- North-West Telebank Closed Joint-Stock Company,*

*- the stock commercial bank MENATEP St. Petersburg (open joint-stock company).*

Floataion start date: *10 April 2002*

Floataion end date: *10 April 2002*

Floataion price: *96.5% of the face value*

Security conditions: *no security is provided for*

Type: *bonds*

Category: *interest-bearing*

Series: *02*

Number of floated securities: *1,500,000*

Face value: *1,000 roubles*

Data on registration of the issue by the state:

Date of registration: *8.07.2003*

Registration No.: *4-02-00119-A*

Authority of state registration: *Federal Commission for Securities Market of Russia*

Floataion method: *public subscription*

Floataion procedure: *Bonds shall be floated by making transactions of purchase and sale.*

*Transactions related to Bonds floataion are made starting from the first day of the Bonds floataion period till the date when the floataion of the Bonds is over.*

*Transactions in Bonds floataion shall be made in the Stock Market Section of the Closed Joint-Stock Company Moscow Interbank Currency Exchange by the Underwriters satisfying applications for the purchase of Bonds, filed using the trading and payment systems of MMVB, by members of the Stock Market Section of MMVB acting both in their own name and for their own account, and for the account and on behalf of their clients.*

*If a potential buyer is not a Member of the Section of the Stock Market of MMVB, he shall make an appropriate contract with any broker being a Member of the Section of the Stock Market of MMVB and shall instruct him to acquire Bonds.*

*A potential buyer of Bonds, being a Member of the Section of the Stock Market of MMVB, shall act independently.*

*The potential buyer of Bonds must open a respective custody account with NDC or with any other depository being a depositor of NDC. The procedure and timing of opening custody accounts are established by the bylaws of respective depositories.*

*a) Procedure of Determining the Interest Rate of the First Coupon*

*The interest rate of the first coupon is determined according to the results of the auction held at the Moscow Interbank Currency Exchange (MMVB). The auction to determine the interest rate of the first coupon (hereinafter referred to as auction, or auction to determine the rate of the first coupon) is held on the starting date of Bonds floatation.*

*On the day when the auction to determine the interest rate of the first coupon is held, Members of the Stock Market Section of MMVB submit applications for the auction, using the trading system of MMVB both for their own account and for the account and on behalf of clients. The time for submitting applications for the auction to determine the interest rate of the first coupon is established by MMVB upon agreement with the Issuer and the Underwriters. Applications for acquisition of Bonds are to be sent by members of the stock market section of MMVB to the Underwriter with the indication of the following significant conditions:*

*1) Purchase price: 100% (one hundred per cent) of the face value;*  
*2) Number of Bonds, that the potential buyer would like to acquire, if the Issuer assigns the interest rate of the first coupon as greater or equal to the acceptable interest rate of the first coupon indicated in the application.*

*3) Interest rate of the first coupon acceptable for the investor. The term "Acceptable interest " means the minimum interest rate of the first coupon, which, if announced by the Issuer, would make the potential investor ready to buy the number of Bonds indicated in the application at the price of 100% (one hundred per cent) of the face value. The acceptable interest rate of the first coupon must be expressed in per cent per annum accurate to a hundredth of per cent.*

*Money must be reserved in the amount sufficient for complete payment of the Bonds stated in the applications, taking into account the MMVB's commission fee.*

*Applications, in which one or several of the above significant conditions do not comply with the requirements set forth in items 1-3, and applications that are not secured by money as provided for in the previous paragraph are not permitted for participation in the auction to determine the interest rate of the first coupon.*

*Upon expiry of the period for filing applications for the auction to determine the interest rate of the first coupon, MMVB makes up the summary list of entered applications and hands it over to the Issuer and the Underwriters.*

*On the basis of the analysis of the summary list of applications submitted for participation in the auction, the Issuer takes a decision on the interest rate of the first coupon and advises the Underwriters and MMVB in writing on the decision taken.*

*After information is received from the Issuer on the established interest rate of the first coupon, the Underwriters make transactions by submitting cross-applications against the applications, in which the interest rate of the first coupon is less than or equal to the established interest rate of the first coupon. The time of effecting operations in the framework of the auction to determine the rate of the Bonds first coupon and making transactions to float them is to be established by Moscow Interbank Currency Exchange (MMVB) upon agreement with the Issuer and the Underwriters.*

*The filed applications for the purchase of Bonds are to be fully satisfied by the Underwriters, unless the number of Bonds stated in the purchase application exceeds the number of the Bonds that have not been floated. If the volume of a Bonds purchase application exceeds the number of the Bonds that have not been floated, such a securities purchase application shall be satisfied in the amount of the unfloated residue of the Bonds. In such a case, Bond purchase applications are to be satisfied by the Underwriters as follows: 1) applications shall be satisfied in the ascending order of the interest rate of the first coupon as stated in such applications, i.e. the first application to be satisfied is the one with the minimum indicated rate of the first coupon of all filed applications, the second application to be satisfied is the one with the minimum rate of the first coupon of the applications that remain unsatisfied, etc.; 2) in case of equal rates of the first coupon, stated in the applications, they shall be satisfied according to the sequence in which they have been filed. If all Bonds have been floated, there shall be no further transactions made.*

*After the interest rate of the first coupon is established and the applications filed in the course of the auction are satisfied, the members of the Stock Market Section acting in their own name both for their own account and for the account and on behalf of potential buyers may submit target applications for the purchase of Bonds during the floatation period. Applications addressed to the Underwriter and having only the T0 settlements code are permitted for filing. Applications shall be filed taking into account the interest rate of the first coupon established by the Issuer.*

*Starting from the second day of Bonds floatation, the buyer shall pay the accrued Bonds coupon yield for the respective number of days when acquiring Bonds.*

*A condition of accepting for execution the target Bonds purchase applications filed by Members of the Stock Market Section is to fulfil the conditions of the sufficiency of provided security as stipulated by the Clearing Conditions of MMVB.*

***If a filed application meets the above conditions, the Underwriter shall make the transaction by filing a cross-application on the day the respective purchase application is filed.***

***Bonds shall be floated according to the Rules of MMVB and other standard documents of MMVB.***

***Settlements under made transactions shall be effected according to the Clearing Conditions of MMVB.***

***The sold Bonds shall be transferred by the Depository to the custody accounts of the Bond buyers on the date of the sale and purchase operation.***

Floation start date: ***October 08, 2003***

Floation end date: ***October 08, 2003***

Floation price. ***100% of the face value***

Security conditions: ***The acquisition of Bonds means that the acquirer of Bonds makes a contract, under which a security of the Bonds issue is provided. With the passage of the title to the Bond, the acquirer also receives the rights under the said Contract in the same scope and on the same conditions that exist as of the moment of the passage of the title to the Bond.***

***An Offer of Providing a Security in the Form of a Surety for the Purposes of the Bonds Issue by OJSC North-West Telecom shall serve as the document confirming the provision by the limited liability company Trubsnab of a security for the purposes of the Bonds issue.***

*f) other information: none*

This quarterly report contains estimates and forecasts of the authorized management bodies of the issuer in respect of future events and/or actions, development prospects for the industry, in which the issuer mainly operates, and results of issuer's activities, including issuer's plans, probability of the occurrence of certain events and performance of certain actions. Investors must not fully rely on the estimates and forecasts of the issuer's management bodies, as actual results of the issuer's activities in the future may differ from the forecast for many reasons. Acquisition of issuer's securities implies risks that are described in this quarterly report.

**I. Brief Data on Members of the Issuer's Management Bodies, Data on Bank Accounts, on the Auditor, Appraiser and Financial Consultant of the Issuer, as well as on Other Persons who have Signed the Quarterly Report**

**1.1. Members of the Issuer's Management Bodies**

**1.1.1. Members of Issuer's Board of Directors:**

Chairperson: *Valery Nikolayevich Yashin*  
Year of birth: *1941*

*Alexandr Vyacheslavovich Ikonnikov*  
Year of birth: *1971*

*Vadim Yevgenyevich Belov*  
Year of birth: *1958*

*Ivan Ivanovich Rodionov*  
Year of birth: *1953*

*Sergey Vladimirovich Soldatenkov*  
Year of birth: *1963*

*Dmitry Vladimirovich Levkovsky*  
Year of birth: *1965*

*Irina Mikhailovna Ragozina*  
Year of birth: *1950*

*Yury Alexandrovich Bilibin*  
Year of birth: *1971*

*Alexandr Alexandrovich Gogol*  
Year of birth: *1946*

*Alexandr Abramovich Sysoyev*  
Year of birth: *1949*

*Oleg Anatolyevich Lebedinets*  
Year of birth: *1977*

**1.1.2. Members of the Issuer's collegiate executive body:**

*Nikolay Gennadyevich Bredkov*  
Year of birth: *1953*

*Sergey Mikhaylovich Gavryushev*  
Year of birth: *1951*

*Ilya Vladimirovich Kravchuk*  
Year of birth: *1975*

*Sergey Ivanovich Kuznetsov*  
Year of birth: *1953*

***Oleg Anatolyevich Semanov***

Year of birth: 1967

***Igor Nikolayevich Samylin***

Year of birth: 1957

***Evgeny Borisovich Stepanov***

Year of birth: 1978

***Maya Mikhaylovna Semchenko***

Year of birth: 1967

***Elena Vladimirovna Umnova***

Year of birth: 1954

***Grigory Borisovich Chernyak***

Year of birth: 1949

### **1.1.3. Person holding the position of (acting as) the Issuer's sole executive body**

Person acting as the sole executive body of the Issuer: ***Sergey Ivanovich Kuznetsov***

Year of birth: 1953

## **1.2. Data on Bank Accounts of the Issuer**

<b>No.</b>	<b>1.</b>
<b>Name</b>	JSCB Avtobank-NIKOIL OJSC
<b>Full name</b>	Joint-Stock Commercial Bank Open Joint-Stock Company Avtobank-NIKOIL
<b>TIN:</b>	7707027313
<b>Corr. acc.:</b>	30101810100000000774
<b>BIK:</b>	044525774
<b>Address:</b>	8, ul.Efremova, Moscow, 119048

<b>Account No.:</b>	<b>Purpose of account</b>
40702810000001003500	Settlement account
40702810330020000483	Settlement account
40702840030029000291	Special transit account
40702840230029000091	Transit account
40702840830021000091	Current account

<b>No.</b>	<b>2.</b>
<b>Name</b>	JSCB Agrocredbank CJSC
<b>Full name</b>	Joint-Stock Commercial Bank Agrocredbank Closed Joint-Stock Company
<b>TIN:</b>	3523000385
<b>Corr. acc.:</b>	30101810700000000742
<b>BIK:</b>	041946742
<b>Address:</b>	34 A Sovetskiy pr., Cherepovets, 162602

<b>Account No.:</b>	<b>Purpose of account</b>
40702810400000000670	Settlement account

<b>No.</b>	<b>3.</b>
<b>Name</b>	Alfa Bank OJSC
<b>Full name</b>	Alfa Bank Open Joint-Stock Company

**TIN:** 7728168971  
**Corr. acc.:** 3010181020000000593  
**BIK:** 044525593  
**Address:** 9, ul. Mashy Poryvayevoy, Moscow, 107078

<b>Account No.:</b>	<b>Purpose of account</b>
40702810400020501247	Settlement account
40702810200300000147	Settlement account

**No.** 4.  
**Name** Baltiysky Bank CJSC  
**Full name** Baltiysky Bank Closed Joint-Stock Company  
**TIN:** 7834002576  
**Corr. acc.:** 30101810100000000875  
**BIK:** 044030875  
**Address:** 34, ul. Sadovaya, St. Petersburg, 191023

<b>Account No.:</b>	<b>Purpose of account</b>
40702810700180019023	Settlement account

**No.** 5.  
**Name** Bank of Foreign Trade  
**Full name** Bank of Foreign Trade Open Joint-Stock Company  
**TIN:** 7702070139  
**Corr. acc.:** 30101810700000000187  
**BIK:** 044525187  
**Address:** 37, ul. Plyushchikha, Moscow, 119992

<b>Account No.:</b>	<b>Purpose of account</b>
40702810310000900009	Settlement account (for settlements under corporate cards)
40702810810001000495	Settlement account
42101810710001000495	Deposit account
40702840110001000495	Current account
40702840310001020495	Special transit account
40702840410001001495	Transit account
40702978010001001495	Transit account
40702978710001000495	Current account
40702978910001020495	Special transit account

**No.** 6.  
**Name** Bank MENATEP Spb OJSC  
**Full name** Joint-Stock Commercial Bank MENATEP Saint Petersburg Open Joint-Stock Company  
**TIN:** 7831001567  
**Corr. acc.:** 30101810500000000763  
**BIK:** 044030763  
**Address:** 1, Nevsky pr., St. Petersburg, 191186

<b>Account No.:</b>	<b>Purpose of account</b>
40702810200150100400	Settlement account (for settlements under corporate cards)

**No.** 7.  
**Name** JSCB Vneshagrobank  
**Full name** Joint-Stock Commercial Bank Vneshagrobank Open Joint-Stock Company  
**TIN:** 7703026580  
**Corr. acc.:** 30101810300000000918  
**BIK:** 044585918

**Address:** 33/2/5 Gagarinsky per. building 1, Moscow 121002

<b>Account No.:</b>	<b>Purpose of account</b>
40702810000030000083	Settlement account

**No. 8.**  
**Name** Vozrozhdenie OJSC  
**Full name** Bank Vozrozhdenie Open Joint-Stock Company  
**TIN:** 5000001042  
**Corr. acc.:** 30101810900000000181  
**BIK:** 044525181  
**Address:** 7/4 Luchnikov per. building 1, Moscow 101999

<b>Account No.:</b>	<b>Purpose of account</b>
40702810103908740729	Settlement account (for settlements under corporate cards)
40702810303900140729	Settlement account
42101810003906140729	Deposit account

**No. 9.**  
**Name** Dresdner Bank  
**Full name** Dresdner Bank Closed Joint-Stock Company  
**TIN:** 7831000901  
**Corr. acc.:** 30101810900000000813  
**BIK:** 044030813  
**Address:** 23 ul. Malaya Morskaya, St. Petersburg, 190000

<b>Account No.:</b>	<b>Purpose of account</b>
40702810200002009225	Settlement account
40702840164082009225	Transit account
40702840500002009225	Current account
40702840600002909225	Special transit account

**No. 10.**  
**Name** JSCB Inkombank  
**Full name** (declared bankrupt by the award of the Court of Arbitration of Moscow dated 01.02.2000, No. A40-35610/98-95-27B)  
**TIN:**  
**Corr. acc.:**  
**BIK:**  
**Address:** 41, ul. Komsomola, St. Petersburg, 195009

<b>Account No.:</b>	<b>Purpose of account</b>
40702280602315003204	Transit account
40702756602315003204	Transit account
40702810802310003204	Settlement account
40702810802310003686	Settlement account
40702840102310003204	Current account
40702840102310003686	Current account
40702840602315003204	Transit account
40702840602315003686	Transit account

**No. 11.**  
**Name** CB Mak-Bank LLC  
**Full name** MIRNINSKY COMMERCIAL BANK MAK-BANK (LIMITED LIABILITY COMPANY)  
**TIN:** 1433001750  
**Corr. acc.:** 30101810100000000766  
**BIK:** 041117766  
**Address:** 36 Pomorskaya ul., Arkhangelsk, 163000

**Account No.:** 40702810700100000072 **Purpose of account**  
Settlement account

**No. 12.**  
**Name** MDM-Bank Saint Petersburg  
**Full name** MDM-Bank Saint Petersburg Open Joint-Stock Company  
**TIN:** 7831000179  
**Corr. acc.:** 30101810600000000809  
**BIK:** 044030809  
**Address:** 26, Nevsky pr., St. Petersburg, 191186

**Account No.:** 40702810710000003101 **Purpose of account**  
Settlement account

**No. 13.**  
**Name** JSCB Moskovsky Delovoy Mir  
**Full name** Joint-Stock Commercial Bank Moskovsky Delovoy Mir  
Open Joint-Stock Company  
**TIN:** 7706074960  
**Corr. acc.:** 30101810900000000466  
**BIK:** 044525466  
**Address:** 14, ul. Zhytnaya, Moscow, 113035

**Account No.:** 40702810800020002580 **Purpose of account**  
Settlement account  
45204810700020032580 Loan account  
45204810800020042580 Loan account  
40702810001170020001 Settlement account  
40702810301170020028 Settlement account  
40702810301171020001 Settlement account

**No. 14.**  
**Name** OFK for Tsentralny District  
**Full name** no data  
**TIN:** no data  
**Corr. acc.:** no data  
**BIK:** no data  
**Address:** no data

**Account No.:** 40105810155097010023 **Purpose of account**  
Budget

**No. 15.**  
**Name** JSCB Promsvyazbank  
**Full name** Joint-Stock Commercial Bank Promsvyazbank Closed Joint Stock  
Company  
**TIN:** 7744000912  
**Corr. acc.:** 30101810600000000119  
**BIK:** 044583119  
**Address:** 10, ul. Smirnovskaya, building 22, Moscow, 109052

**Account No.:** 40702810000020344772 **Purpose of account**  
Settlement account  
40702840200021344774 Transit account  
40702840600020344773 Current account  
40702840800022344775 Special transit account  
40702978100020344776 Current account  
40702978300022344778 Special transit account  
40702978700021344777 Transit account

**No. 16.**

**Name** Industry and Construction Bank OJSC  
**Full name** Industry and Construction Bank Open Joint-Stock Company  
**TIN:** 7831000010  
**Corr. acc.:** 30101810200000000791  
**BIK:** 044030791  
**Address:** 38, Nevsky pr., St. Petersburg, 191011

<b>Account No.:</b>	<b>Purpose of account</b>
40702810968000002655	Settlement account
40702810572000002533	Settlement account
40702810137000002059	Settlement account (for settlements under corporate cards)
40702810471000000808	Settlement account
42108810437000000010	Deposit account
40702810537000001207	Settlement account
40702810351000003986	Settlement account

**No. 17.**  
**Name** Promenergobank OJSC  
**Full name** Promyshlenny Energetichesky Bank (Industry Energy Bank) Open Joint-Stock Company  
**TIN:** 3525018003  
**Corr. acc.:** 30101810700000000797  
**BIK:** 041946797  
**Address:** 52, ul. Sotsialisticheskaya, Cherepovets, 162622

<b>Account No.:</b>	<b>Purpose of account</b>
40702810600000000548	Settlement account

**No. 18.**  
**Name** Saint Petersburg Bank of Reconstruction and Development  
**Full name** Commercial Bank The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company  
**TIN:** 7831001373  
**Corr. acc.:** 30101810100000000891  
**BIK:** 044030891  
**Address:** 14, Izmaylovsky pr., St. Petersburg, 198005

<b>Account No.:</b>	<b>Purpose of account</b>
40702810400000000309	Settlement account

**No. 19.**  
**Name** JSCB Svyaz-Bank  
**Full name** Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company  
**TIN:** 7710301140  
**Corr. acc.:** 30101810900000000848  
**BIK:** 044525848  
**Address:** 7, ul. Tverskaya, Moscow, 103375

<b>Account No.:</b>	<b>Purpose of account</b>
40702810400260300018	Settlement account
40702810700220000227	Settlement account
40702840300221000227	Current account
40702840300261000018	Current account
40702840600222000227	Transit account
40702840600262000018	Transit account
40702840900223000227	Special transit account
40702840900263000018	Special transit account

40702978200262000018	Transit account
40702978500223000227	Special transit account
40702978500263000018	Special transit account
40702978900221000227	Current account
40702978900222000227	Transit account
40702978900261000018	Current account

**No.** 20.  
**Name** Northern Clearing Chamber CJSC  
**Full name** CLOSED JOINT-STOCK COMPANY - NON-BANK CREDIT ORGANIZATION NORTHERN CLEARING CHAMBER  
**TIN:** 2901047470  
**Corr. acc.:** 30103810400000000309  
**BIK:** 041117309  
**Address:** 8, ul. Voskresenskaya, Arkhangelsk, 163061

<b>Account No.:</b>	<b>Purpose of account</b>
30214810200000000023	Settlement participants account
30214810600000000047	Settlement participants account
30214810900000000048	Settlement participants account

**No.** 21.  
**Name** Northern Bank of the Savings Bank of Russia  
**Full name** Northern Bank - the branch of the Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)  
**TIN:** 7707083893  
**Corr. acc.:** 30101810500000000670  
**BIK:** 047888670  
**Address:** 8, pr. Oktyabrya, Yaroslavl, 150028

<b>Account No.:</b>	<b>Purpose of account</b>
40702810104040100694	Settlement account
40702810212230100131	Settlement account
40702810512230100132	Settlement account
40702810512030100180	Settlement account
40702810912030100181	Settlement account
40702810212290100249	Settlement account
40702810912290100248	Settlement account
40702810804180101332	Settlement account
40702810904180101274	Settlement account
40702810004010400026	Settlement account (for settlements under corporate cards)
40702810104010101678	Settlement account
40702810112000102155	Settlement account
40702810404010101679	Settlement account
40702810612000102066	Settlement account
40702810712000102173	Settlement account
40702810712270101603	Settlement account
40702810804010101677	Settlement account
40702810804010101680	Settlement account
40702810812000102154	Settlement account
40702810912270102033	Settlement account
40702840204010300543	Special transit account
40702840304010200543	Transit account
40702840404010100543	Current account

40702978004010100543	Current account
40702978804010300543	Special transit account
40702978904010200543	Transit account
40702810112090100167	Settlement account
40702810412090100168	Settlement account
40702810404240102121	Settlement account
40702810704240102164	Settlement account
40702810604010101699	Settlement account
40702810804010102074	Settlement account
40702810504010101692	Settlement account
40702810504010102073	Settlement account
40702810004210100317	Settlement account
40702810504210100325	Settlement account
40702810312150100069	Settlement account
40702810612150200070	Settlement account
40702810804100100397	Settlement account
40702810804100100423	Settlement account
40702810304140101636	Settlement account
40702810504140101698	Settlement account
40702810004260112355	Settlement account
40702810304140100271	Settlement account
40702810704260112257	Settlement account
40702810212300100278	Settlement account
40702810912300100277	Settlement account
40702810612180100195	Settlement account
40702810812180200196	Settlement account
40702810112210100138	Settlement account
40702810812210100137	Settlement account

**No.** 22.  
**Name** North-West Bank of the Savings Bank of RF  
**Full name** North-West Bank - the branch of the Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)  
**TIN:** 7707083893  
**Corr. acc.:** 30101810500000000653  
**BIK:** 044030653  
**Address:** 2, ul. Krasnykh Tekstilshchikov, St. Petersburg, 193124

<b>Account No.:</b>	<b>Purpose of account</b>
40702810225020000098	Settlement account
40702810425020105120	Settlement account
40702810143050100496	Settlement account
40702810243090100123	Settlement account
40702810343080100127	Settlement account
40702810343100100162	Settlement account
40702810643050109036	Settlement account
40702810743050100508	Settlement account
40702810243150100076	Settlement account
40702810543060100222	Settlement account
40702810543200100082	Settlement account
40702810843060100223	Settlement account

40702810451160191194	Settlement account
40702810651160101191	Settlement account
40702810851160161193	Settlement account
40702810851160171196	Settlement account
40702810951160101192	Settlement account
40702810120170100384	Settlement account
40702810420170100385	Settlement account
40702810655080111573	Settlement account
40702810655080120674	Settlement account
40702810520120100154	Settlement account
40702810520120100155	Settlement account
40702810251010199132	Settlement account
40702810551010199133	Settlement account
40702810651030100125	Settlement account
40702810951030100126	Settlement account
40702810655000100218	Settlement account
45201810455000000153	Loan account
40702810143020111664	Settlement account
40702810220010102339	Settlement account
40702810220010102342	Settlement account
40702810225000103229	Settlement account
40702810243020112013	Settlement account
40702810320010101926	Settlement account
40702810351010102993	Settlement account
40702810451010103533	Settlement account
40702810520010102343	Settlement account
40702810525000103550	Settlement account
40702810541020403230	Settlement account (for settlements under corporate cards)
40702810751010103479	Settlement account
40702810751010103534	Settlement account
40702810855000100555	Settlement account
40702810941020003230	Settlement account
40702840420010301926	Special transit account
40702840520010201926	Transit account
40702840620010101926	Current account
40702978020010301926	Special transit account
40702978120010201926	Transit account
40702978220010101926	Current account
40702810455020124830	Settlement account
40702810020020102121	Settlement account
40702810320020102122	Settlement account
40702810725070100192	Settlement account
40702810725670100231	Settlement account
40702810025140000259	Settlement account
40702810625140000222	Settlement account
40702810625030100203	Settlement account

40702810925030100165	Settlement account
40702810255220114400	Settlement account
40702810355220116065	Settlement account
40702810151050103039	Settlement account
40702810251050100246	Settlement account
40702810951050100245	Settlement account
40702810951050102120	Settlement account
40702810055230116274	Settlement account
40702810955230103031	Settlement account
40702810443070100189	Settlement account
40702810743180100122	Settlement account
40702810843070100190	Settlement account
40702810051140100204	Settlement account
40702810351140140375	Settlement account
40702810751140100203	Settlement account
40702810751140120089	Settlement account
40702810151010198178	Settlement account
40702810151130101320	Settlement account
40702810451130100319	Settlement account
40702810451130100322	Settlement account
40702810751130102321	Settlement account
40702810155200109823	Settlement account
40702810455200109484	Settlement account
40702810125130133463	Settlement account
40702810425130133422	Settlement account
40702810151150102079	Settlement account
40702810151150110087	Settlement account
40702810251150100188	Settlement account
40702810551150100189	Settlement account
40702810020010101938	Settlement account
40702810320010101939	Settlement account
40702810151140101093	Settlement account
40702810251140130087	Settlement account
40702810451140101094	Settlement account
40702810651160181195	Settlement account
40702810755390129472	Settlement account
40702810055130125679	Settlement account
40702810220180100407	Settlement account
40702810920180100406	Settlement account
40702810043190100171	Settlement account
40702810143020111677	Settlement account
40702810143190100178	Settlement account
40702810243120100064	Settlement account
40702810243130100258	Settlement account
40702810343130107821	Settlement account
40702810343190100172	Settlement account
40702810643110100056	Settlement account

40702810643210100215	Settlement account
40702810943130100260	Settlement account
40702810020010101941	Settlement account
40702810551010102997	Settlement account
40702810720010101940	Settlement account
40702810851010102998	Settlement account
40702810255090104174	Settlement account
40702810755090116853	Settlement account
40702810043170100230	Settlement account
40702810143140100173	Settlement account
40702810743170100239	Settlement account
40702810620020102123	Settlement account
40702810920020102124	Settlement account

<b>No.</b>	<b>23.</b>
<b>Name</b>	North-West Telecombank CJSC
<b>Full name</b>	North-West Telecombank Closed Joint-Stock Company
<b>TIN:</b>	7834000145
<b>Corr. acc.:</b>	30101810700000000822
<b>BIK:</b>	044030822
<b>Address:</b>	12, Baskov per., St. Petersburg, 191014

<b>Account No.:</b>	<b>Purpose of account</b>
40702810200000001010	Settlement account
40702810500000001011	Settlement account
40702810100000001217	Settlement account
42103810600108631217	Deposit account
45201810600004663220	Loan account
40702840100000301217	Special transit account
40702840200000201217	Transit account
40702840300000101217	Current account
40702978700000301217	Special transit account
40702978800000201217	Transit account
40702978900000101217	Current account
40702810200000000590	Settlement account
40702810200000001777	Settlement account
42107810400001350590	Deposit account
40702840300000200011	Transit account
40702840500000301011	Special transit account
40702840700000101011	Current account
40702978100000301011	Special transit account
40702978200000201011	Transit account
40702978300000101011	Current account
40702810600000000776	Settlement account
40702810700000001219	Settlement account
40702810200000001007	Settlement account
40702810900000001006	Settlement account
40702810100000001013	Settlement account
40702810800000001012	Settlement account

40702810500000001008	Settlement account
40702810800000001009	Settlement account
40702810000000001016	Settlement account
40702810300000001017	Settlement account

### 1.3. Data on Issuer's auditor (auditors)

Full name: *Ernst and Jang Vneshaudit Closed Joint-Stock Company*  
 Abbreviated name: *Ernst and Jang Vneshaudit CJSC*  
 Place of business: *23, ul. Malaya Morskaya, St. Petersburg, 190000*  
 TIN: *7717025097*  
 Tel: *(812) 103-7800* Fax: *(812) 103-7810*  
 e-mail: *none*

Data on Auditor's license:

No. of license for auditing: *E003246*

Date of issue: *17.01.2003*

Period: *till 17.01.2008*

Authority issuing the license: *Ministry of Finance of the Russian Federation*

Fiscal year, for which the auditor independently checked the issuer's accounts and financial (book-keeping) reports: *2002*

*Factors are described that may have influence on independence of the auditor on the issuer, and measures are indicated that have been taken by the issuer and the auditor to reduce the influence of the said factors.*

Issuer's auditor selection procedure:

*The auditor is selected at the Annual General Meeting Of The Shareholders*

The use of a tender procedure related to the selection of the auditor, and its basic conditions: *no tender is provided for the selection*

Procedure of proposing a candidate to the position of the auditor for approval by the meeting of the shareholders (participants), including the management body taking the respective decision:

*the shareholder(s) holding in the aggregate at least 2 per cent of the Company's voting shares, and in case of absence of a respective proposal from the shareholders the Company Board of Directors, are entitled to include issues in the agenda of the annual general meeting of the shareholders and to propose candidatures of auditors; in 2003 the candidature of the auditor was proposed by the Board of Directors and approved by the Annual General Meeting of the Shareholders*

Information on the work performed by the auditor in the framework of special auditor assignments:

*Making up the auditor's report on the Russian accounts and reports of OJSC NWT as of 31.12.2002 and for 2 previous years 2000 and 2001 in connection with the issue of 1,500,000 Bonds with the face value of 1,000 roubles.*

Information on any essential interests connecting the auditor (auditors officials) with the issuer (issuer's officials): *there are no essential interests connecting the auditor (auditors officials) with the issuer (issuer's officials)*

Share of the auditors (auditors officials) participation in the authorized capital of the issuer: *none*

Granting of borrowed funds by the issuer to the auditor (auditors officials): *no borrowed funds have been granted*

Any close business relations (participation in issuer's products (services) promotion, participation in joint business, etc.) or kinship: *none*

Data on issuer's officials who are at the same time auditors officials: *no such parties*

Procedure of determining the auditors remuneration amount: *The amount of the auditor's remuneration is based on a number of facts, including the time actually spent by the auditor to provide the services under the agreement, the complexity and value of the services provided and the hourly rates corresponding to*

*the positions of specialists engaged.*

Any postpones or outstanding payments for services provided by the auditor: *none*

#### **1.4. Data on the Issuer's Appraiser**

Appraiser(s) employed by the issuer for:

determining the market value of issuer's fixed assets or real estate, for which the issuer carried out re-valuation as recorded in other sections of the quarterly report.

Full name: *RosExpert Consulting and Analytical Centre LLC*

Abbreviated name: *RosExpert LLC*

Place of business: *no data*

Telephone: *(8172) 72-49-16*

Fax: *none*

e-mail: *none*

License for valuation:

*A.V. Shepelin Certificate No. 4361 of 4th July 1997 issued by the Appraisal Academy RAA, Moscow.*

*M.B. Zhiromsky Certificate No. N-680 of 7th October 1998 issued by MIPK REA named after G.V.*

*Plekhanov*

Information on valuation services provided by the appraiser: *determining the market value of fixed assets*

Full name: *Lair Expert Examination Centre*

Abbreviated name: *Lair LLC*

Place of business: *40, ul. Furshatskaya, St. Petersburg*

Telephone: *(812) 552-9366*

Fax: *none*

e-mail: *none*

No. of license for valuation: *№00004*

Date of issue: *06.08.2001*

Period: *till 06.08.2004*

Authority issuing the license: *Ministry of Privity of RF*

Information on valuation services provided by the appraiser: *determining the market value of fixed assets*

Full name: *MKD Partner Closed Joint-Stock Company*

Abbreviated name: *MKD Partner CJSC*

Place of business: *2, pl. Truda, St. Petersburg, 190000, Russia*

Telephone: *(812) 311-48-10, (812) 311 48 55*

Fax: *(812) 311- 48 -33*

e-mail: *office@mcdhld.spb.ru*

No. of license for valuation: *there are no data on the license, the appraisal was carried out by independent appraiser A.V. Selishchev, Certificate No. 11Zh-02788, Certificate No. MOT-277*

Date of issue: *issued on 20.12.99, issued on 29.06.96*

Period: *no data*

Authority issuing the license: *The Russian Society of Appraisers*

Information on valuation services provided by the appraiser: *Determining the market value of fixed assets*

#### **1.5. Data on the Issuer's Consultants**

Full name: *AVK Investment Company Closed Joint-Stock Company*

Abbreviated name: *IC AVK CJSC*

Place of business: *10, Kamennooostrovsky pr., St. Petersburg, 197101, Russia*

Telephone: *(812) 230-7733*

Fax: *(812) 237-0650*

Address of the Internet page used by the financial consultant to provide information on the issuer:

No. of the license of a professional participant of the securities market for dealership: **178-03343-010000**

Date of issue: **29.11.2000**

Period: **without fixed period**

Authority issuing the license: **Federal Commission for Securities Market of Russia**

No. of the license of a professional participant of the securities market for brokerage: **178-03255-100000**

Date of issue: **29.11.2000**

Period: **without fixed period**

Authority issuing the license: **Federal Commission for Securities Market of Russia**

Services provided by the consultant: **consulting services in the framework of the bond loan issue of OJSC NWT.**

**The consultant acts on the basis of agreement No.30-OF dated 24.04.2003 "Of Consulting Services", which expires from the moment of registration of the Report on the Results of the Issue of Interest-Bearing Documentary Non-Convertible Bonds Payable to Bearer, with Obligatory Centralized Care, Series 02 (starting from 14<sup>th</sup> November 2003). No agreement of Information Disclosure Monitoring between OJSC NWT and IC AVK CJSC was made as of the end of the period under report.**

#### **1.6. Data on Other Parties Who Have Signed the Quarterly Report**

**there are no such parties**

## **II. Key Information on the Financial and Economic Position of the Issuer**

### **2.1. Indices of Issuer's Financial and Economic Operation**

**This information is not provided in the quarter under report.**

### **2.2. Issuer's Market Capitalization**

**1999**

Market capitalization of common stock: **126,155,304 US dollars**

Market capitalization of preferred stock: **6,734,880 US dollars**

**2000**

Market capitalization of common stock: **124,243,860 US dollars**

Market capitalization of preferred stock: **12,627,900 US dollars**

**2001**

Market capitalization of common stock: **198,683,926 US dollars**

Market capitalization of preferred stock: **22,888,170 US dollars**

**2002**

Market capitalization of common stock: **262,722,448 US dollars**

Market capitalization of preferred stock: **42,525,797 US dollars**

**2003**

Market capitalization of common stock: **290,687,303 US dollars**

Market capitalization of preferred stock: **61,616,950 US dollars**

Description of the method for determining the Issuer's market capitalization:

**market capitalization is calculated as a product of the number of shares of the respective category (type) by the weighted average price of a share of that category (type) calculated by 10 biggest transactions made through the organizer of trade in the securities market (RTS exchange) in the month preceding the month, in which the last quarter under report ends, or in the last month of each completed fiscal year, for which the issuer's market capitalization is indicated.**

**If, during the month mentioned in this clause, less than 10 transactions are made through the organizer of trade in the securities market, the weighted average price of a share shall be calculated by 10**

*biggest transactions made through the organizer of trade in the securities market for 3 months preceding the month, in which the last quarter under report ends, or for 3 last months of each completed fiscal year, for which information on the issuer's market capitalization is indicated.*

*If, during the 3 months mentioned in this clause, less than 10 transactions are made through the organizer of trade in the securities market or information on transactions made cannot be provided by the organizer of trade in the securities market for certain reasons, the method of determining the issuer's market capitalization on the basis of calculating the weighted average price of the shares permitted for circulation by the organizer of trade in the securities market shall not be used.*

*If issuer's shares are permitted for circulation by two or more organizers of trade in the securities market, the choice of the organizer of trade in the securities market for calculation of the weighted average price of the share shall be made by the issuer at its own discretion.*

## **2.3. Issuer's liabilities**

### **2.3.1. Accounts payable**

*This information is not provided in the quarter under report.*

### **2.3.2. Issuer's Crediting History**

*In the quarter under report this information is not provided, because according to the accounting rules the annual balance sheet must be made up before or on 31<sup>st</sup> March.*

### **2.3.3. Issuer's Liabilities of Security Granted to Third Parties**

*In the quarter under report this information is not provided, because according to the accounting rules the annual balance sheet must be made up before or on 31<sup>st</sup> March.*

### **2.3.4. Other liabilities of the Issuer**

*none*

## **2.4. Goals of the Issue and Areas of Using the Funds Received as a Result of Floating the Issued Securities**

*Indicate the goals of the issue and areas of using the funds received as a result of floating the issued securities: it is planned that the funds obtained from floating the bonds will be used for development of OJSC North-West Telecom's investment programmes, as well as for restructuring the rouble and currency debt of the Company in order to reduce its service costs.*

## **2.5. Risks Related to Acquisition of Floated Issued Securities (to be Floated)**

### **2.5.1. Industry Risks:**

*Main industry risks for the Issuer may be reduced to the following:*

#### **1) Strengthening of Competition**

*The Issuer is facing a growing competition from other operators, which may lead to a reduction of the operation margin, a decrease in the market share and a reduction of the price of our services.*

*The Russian market of telecommunication services is becoming very competitive. The trend of the Russian Government's licensing policy consists in increasing the competition between suppliers of telecommunication services. The Ministry of Communication has abandoned the principle of issuing exclusive licenses for each technological standard for a region, and adopted the principle of issuing several licenses covering the same territory. Competitors of OJSC North-West Telecom are in a more favourable position, as they are free in choosing services to be provided and a price policy, unlike the Issuer who has to bear the social burden and is restricted in the possibility of changing the rates.*

*In this respect, mobile communication operators are the strongest competitors of the Issuer. MTS and MegaFon have already won significant shares of the market. By the moment, another operator – Beeline (Vypelcom OJSC) has started its operation in the cellular communication services market.*

## **2) State Regulation of the Industry**

*In compliance with the legislation of Russia, a license has to be obtained for provision of communication services. Uncertainty in the regulation in respect of prolonging our licenses may lead to incapability of prolonging our licenses or to an increase of our obligations and a reduction of our rights according to the conditions of prolonged licenses, which increases expenses and may limit the area of communication services provision.*

*The period of our licenses expires at different times in the range of the years 2003 – 2012 and can be prolonged after submitting an application to the Ministry of Communication. Officials in the Ministry of Communication may decide anything as to prolonging the licenses, and we cannot be sure whether our licenses will be prolonged or not. Besides, even if they are prolonged, this may take place with extra obligations, including extra fees, or with a reduced coverage area. If we are not able to prolong our licenses or get renewed licenses on conditions similar to the current conditions, the scope of services provided by us and the number of subscribers may decrease.*

*Besides licensing, there are other possible risks related to the state regulation of the industry, the level of which is quite high due to the strategic significance of the industry.*

## **3) Decrease in the Solvent Demand for Provided Communication Services**

*A reduction of company's receipts may also be caused by a decrease in the demand for provided services. Such a reduction is possible in different situations, e.g. in case of higher inflation (see inflation risks), growth of rates as a result of increased costs, in case of a general decrease in solvent demand and in other cases.*

*However, on the whole industry risks are evaluated as minimal, for as a result of industry enterprises restructuring, OJSC North-West Telecom has acquired the status of a natural monopolist in the entire North-Western region, and the resistance of such companies to unfavourable conditions of the environment is very high.*

*In case of unfavourable development of the situation in the region, the issuer plans to:*

- optimize the structure of production expenses;*
- reduce enterprise's expenses, including reduction and revision of issuer's investment policy;*
- change the structure of provided services for the purpose of maximizing the income of the enterprise.*

## **2.5.2. Country Risks and Regional Risks**

*Forecast of the influence of situation changes in the region on the Issuer's operation. Issuer's actions in case of adverse effect of changes on the operation.*

*A deterioration of the economic situation in the North-Western region may take place in case of material changes in the economic situation in Russia, including drastic changes in the exchange rate of the national currency, which may entail a reduction of the number of industrial and agricultural enterprises of all forms of ownership operating in the region, a growth of unemployment and a slowdown of the population's solvent demand.*

*Such developments would result in a suspension of implementing the Issuer's investment programme, a reduction of the volume growth of communication services provided by the Issuer in the territory of the region and a growth impairment of the income base.*

*In such a case, the Issuer will fulfil the obligations through Company's income from operation, and, if necessary, it will attract short-term loans from commercial banks for that purpose.*

## **2.5.3. Financial Risks**

*Changes of the currency exchange rate may increase our expenses, reduce our reserves or hamper repayment of our debts.*

*Changes of the currency exchange rate may increase the expenses and reduce the reserves of the Issuer. During the recent several years there has been a significant fluctuation of the rouble as compared to the main world currencies, which has been mainly expressed in the fall of the exchange rate of the rouble. The Central Bank of RF has imposed various restrictions on trading operations involving foreign currency, trying to support the rouble exchange rate. The capability of the Government and of the Central Bank of RF to support a stable rouble exchange rate will depend on many political and economic factors. These factors include the capability of funding the budget deficit without resorting to issuing banknotes, control of the inflation level and maintaining sufficient foreign currency reserves to support the rouble exchange rate.*

*A certain part of expenses and liabilities of the Issuer is nominated in foreign currency or rigidly tied to the exchange rate of such foreign currencies as the US dollar and Euro. This includes, among other things, investment and borrowing.*

*Besides, there are significant loans provided to us by Vnesheconombank (Foreign Economic Bank) expressed in Euros or tied to the exchange rate of Euro. As to the latter type of loans (tied to Euro), in compliance with the accounting policy pursued by us, we carry out revaluation at the moment of repaying a debt only. As of 1<sup>st</sup> January 2003, the amount of sum differences under contracts with Vnesheconombank was 143 MIO roubles. The amount has not undergone any serious changes later.*

*Thus, a further devaluation of the rouble relative to the main world currencies may have an adverse effect on the Issuer by increasing expenses in roubles. In case of a decrease of the rouble exchange rate ahead of the increase of the rates for services, the Issuer may experience difficulties in payment or re-financing of a debt in foreign currency.*

*We will not be able to eliminate this risk by tying our rates to the US dollar/Euro exchange rate because of the state regulation of rates for most of the communication services provided by us.*

*A significant devaluation of the rouble (e.g., by 25-50%) can make it more difficult for the Issuer to fulfil the obligations, as in such a case even the respective increase of rates may become insufficient to make up the drop in the volume of services in kind, which will be caused by the slowdown of the population's purchasing capacity. In such a case, OJSC North-West Telecom is planning to take the following measures:*

- optimize costs, including measures to limit expenses for wages;*
- revise the investment programme;*
- take measures to increase the turnover of the accounts receivable.*

*At the same time, under the current conditions of stabilization of the economy and a significant increase of the gold and exchange currency reserves of the Central Bank of RF, most forecasts predict a low level of rouble devaluation, at least relative to the US dollar, or even some strengthening of the rouble, which may, vice versa, have a positive effect on operational profitability of the company.*

*The risk of the influence of inflation may arise if the received monetary income is devalued from the standpoint of the real purchasing power of money quicker than it is growing nominally. Inflation growth leads to increased expenses of the enterprise due to the growth of suppliers' prices. This is made up by indexing from time to time the prices of the services provided by the Issuer, in the amount agreed upon with the Ministry of Antimonopoly Policy and taking into account the inflation rate. However, with a considerable inflation level, such indexing may fail to correspond to the costs level, which may lead to increased expenses of the enterprise (because of the increased prices of fixed assets) and, as a consequence, to a drop in profits of the Issuer and, respectively, in the profitability of its business. This is aggravated by the fact that inflation is usually accompanied by devaluation of the rouble, and in such a case the currency risks are actualized, too.*

*Besides, a growth of inflation will lead to an increase in the value of borrowed funds for the Issuer, which may result in a shortage of the enterprise's circulating funds. On the other hand, according to the Issuer, inflation levels with which OJSC North-West Telecom may have difficulties in fulfilling its obligations to bond holders are much higher than the inflation level planned in the Russia's federal budget for the year 2004 -10% per annum, being 30%--40% per annum.*

*The main inflation-related risk of the Issuer is an increase in the prime cost in respect of material and fuel resources, which is far ahead of the change in the rates for communication services.*

*In case of inflation growth, the issuer is planning to take measures to limit the growth of expenses and to pay special attention to increasing the turnover of circulating assets, including a change in the existing contractual relations with the consumers for the purpose of reducing the accounts receivable of buyers.*

#### **2.5.4. Legal Risks**

*OJSC North-West Telecom (hereinafter referred to as the Issuer) considers as one of the risks related to the change in the active law the fact that starting from 1<sup>st</sup> January 2004, Chapter 30 “Tax on Property of Organizations” of the Tax Code of the Russian Federation takes effect, canceling the property tax privilege that was earlier applied by the Issuer – exemption from paying the property tax on the balance value of communication lines. To minimize tax consequences, the Issuer has initiated considering the issue of providing privileges similar to those cancelled, at the level of the Federation entities, in which the Issuer operates.*

*The possibility of consequences (unfavourable for the Issuer) of changes in the existing court practices in respect of cases related to indemnification by the state for losses inflicted to the Issuer in connection with the provision of benefits to certain categories of citizens shall be also considered as a legal risk.*

*Unfavourable changes in the court practices may result in increased amounts of income that will not be received by the Issuer and, consequently, in increased accounts receivable of the Issuer.*

*As according to the active law the primary business of the Issuer is subject to licensing and the list of licensing terms is formed and annually adjusted by the Government of RF in compliance with the law “On Communication”, there is a risk that the “licensing load” on the Issuer will grow (that there will be more licensing terms) and a risk that the area of communication services provision by the Issuer will be restricted.*

*There are no legal risks related to changes of the currency laws or customs control rules, that could have a significant influence on Issuer’s activities results or on the results of current judicial proceedings.*

#### **2.5.5. Risks Related to Operation of the Issuer**

*There are no such risks*

### **III. Detailed Information on the Issuer**

#### **3.1. The History of the Issuer's Foundation and Development**

##### **3.1.1. Data on the Issuer's Official Name (Name)**

Full official name: *Open Joint-Stock Company North-West Telecom*

Abbreviated official name: *OJSC NWT*

The current name was introduced on: *10.12.2001*

Grounds for the introduction of the current name: *the name has been introduced in compliance with the decision of the general meeting of the shareholders of 28.11.2001, Minutes No.1*

Previous names of the Issuer

Full official name: *Petersburg Telephone Network Open Joint-Stock Company*

Abbreviated official name: *PTN OJSC*

The name was introduced on: *16.05.1996*

Ground of introducing the name: *the name has been introduced in compliance with the decision of the general meeting of the shareholders of 18.04.96, Minutes No.1, in order to bring the name in line with the Civil Code of RF and the Federal Law On Joint-Stock Companies*

Full official name: *Petersburg Telephone Network Open Type Joint-Stock Company*

Abbreviated official name: *PTN OTJSC*

The name was introduced on: *06.05.1993*

Ground of introducing the name: *the name has been introduced as a result of re-organization of the state communication and information engineering enterprise The Leningrad City Telephone Network Awarded the Order of the Red Banner of Labour in compliance with the Decree of the President of the*

### **3.1.2. Data on the State Registration of the Issuer:**

Date of the Issuer's state registration: **6.05.1993**

No. of the certificate of registration by the state (or any other document confirming the registration of the Issuer by the state): **2717**

Authority of state registration: **Registration Chamber of St. Petersburg Mayor's Office**

According to the data indicated in the certificate of making an entry in the Single State Register of Legal Entities on the legal entity registered before 1<sup>st</sup> July 2002:

Basic state registration No. of the legal entity: **1027809169849**

Date of registration: **17.07.2002**

Name of registering authority: **Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg**

### **3.1.3. Data on Issuer's Foundation and Development**

Period of the issuer's existence from the date of its registration by the state: **10 years and 7 months**

Date, to which the issuer will exist: **the issuer was established for an unlimited period.**

#### **HISTORY OF ISSUER'S FOUNDATION AND BUSINESS**

##### ***Brief Description of the History of Issuer's Foundation and Business***

*The enterprise providing telephone communication for St. Petersburg - Petrograd - Leningrad - St. Petersburg was established in 1882 when the rights of arranging and operating telephone communications in St. Petersburg were granted to the international company Bell's Telephones.*

*In compliance with the Decree of the RF President No. 721 of July 1, 1992 On Organizational Measures for Transformation of State-Run Enterprises ... into Joint-Stock Companies, privatization of the State-Run Leningrad City Telephone Network (LGTS) started.*

*On July 14, 1992, on the basis of the Order for the LGTS, a privatization commission was formed. From July to September 1992 the foundation documents of the Company were prepared (Articles of Association, Privatization Plan, Property Evaluation Statement, etc.).*

*On April 8, 1993, Resolution No. 613-r of GKI (State Committee for Property) of RF On Privatization of LGTS was signed.*

*On May 6, 1993, the Registration Chamber of the St. Petersburg Mayor's Office issued the Certificate of Registration of the Open Type Joint-Stock Company Petersburg Telephone Network (JSC PTN), and on May 31, 1993, the Financial Board of the St. Petersburg Mayor's Office registered the issue of JSC PTN's stock.*

*In 1996 OTJSC PTN was transformed into OJSC PTN, and respective amendments were introduced to the Articles of Association.*

*On November 28, 2001, on the basis of a decision of an extraordinary General Meeting of the Shareholders, in the framework of re-organization in the form of affiliation of 8 telecommunication operators of the North-Western region with OJSC PTN, the latter was transformed into OJSC North-West Telecom, and then the respective amendments were introduced to the Articles of Association.*

*On 17<sup>th</sup> July 2002 OJSC North-West Telecom was re-registered by the Inspectorate of the Ministry of Taxes and Fees of the Russian Federation for Tsentralny District of St. Petersburg and received its basic registration No.: 1027809169849.*

*On 31<sup>st</sup> October 2002 the following companies providing telecommunication services in the territory of the North-Western Federal District were affiliated with OJSC North-West Telecom:*

- *Artelecom of Arkhangelsk Oblast Open Joint-Stock Company*
- *Murmanelectrosvyaz Open Joint-Stock Company*
- *Novgorodtelecom Open Joint-Stock Company*
- *Electrosvyaz of Pskov Oblast Open Joint-Stock Company*
- *Cherepovsectrosvyaz Open Joint-Stock Company*

- *Electrosvyaz of Vologda Oblast Open Joint-Stock Company*
- *Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company*
- *Electrosvyaz of the Republic of Karelia Open Joint-Stock Company.*

*In 2004 the affiliation of Svyaz Open Joint-Stock Company of the Komi Republic and Lensvyaz Open Joint-Stock Company is expected.*

#### **Goals of Establishing the Issuer**

*The main goals of establishing the North-West Telecom Open Joint-Stock Company are to organize and provide local telephone services and, starting from December 28, 2000, long-distance and international telephone communication services for subscribers in the territory of in the territory of St. Petersburg and in certain territories of Leningrad Oblast and after affiliation of 8 telecommunication operators of the North-Western Federal Region, the company provides telecommunication services within all the North-Western Federal Region, excluding Leningrad Oblast and Komi Republic.*

*OJSC North-West Telecom also provides accompanying communication services, such as leasing out channels for data transmission of automated control, telegraph and broadcasting systems, renders radiotelephone communication services and reference services, and Internet access services.*

#### **MISSION**

*Providing all kinds of telecommunication services to the population and organizations of St. Petersburg and the North-West of Russia in interaction with local and federal authorities, using up-to-date technologies and labour of skilled workers and retaining the leading positions among communication operators.*

#### **3.1.4. Contact Information**

Place of issuer's business: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186, Russia*

Location of the standing executive body of the issuer: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186, Russia*

Telephone: *(812) 315-4706*

Fax: *(812) 110-6277*

e-mail: [office@nwtelecom.ru](mailto:office@nwtelecom.ru)

URL of the page in the Internet with information on the Issuer and on securities issued and/or to be issued by it: <http://www.nwtelecom.ru/>

Location of the special division of the issuer for work with shareholders and investors of the issuer: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186, Russia*

Telephone: *(812) 312-0381*

Fax: *(812) 325-8323*

e-mail: [vsmyslov@ptn.ru](mailto:vsmyslov@ptn.ru)

#### **3.1.5. Taxpayer Identification Number**

*7808020593*

#### **3.1.6. Issuer's branches and representative offices**

Name: *Artelecom of Arkhangelsk oblast*

Date of opening: *11.07.2002*

Place of business: *45, Troitsky prospekt, Arkhangelsk, 163061, Russia*

Manager: *Vladimir Ivanovich Belokaminskiy*

Period of power of attorney: *31.12.2003*

Name: *Murmanelectrosvyaz*

Date of opening: *11.07.2002*

Place of business: *82-a, pr. Lenina, Murmansk, Russia, 183038*

Manager: *Vitaly Stanislavovich Vitman*

Period of power of attorney: *31.12.2003*

Name: *Novgorodtelecom*

Date of opening: *11.07.2002*

Place of business: *2, ul. Lyudogoshcha, Veliky Novgorod, 173001, Russia*

Manager: *Nikolay Pavlovich Emelyanov*

Period of power of attorney: *31.12.2003*

Name: *Petersburg Telephone Network*

Date of opening: *18.12.2001*

Place of business: *24, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia*

Manager: *Igor Nikolayevich Samylin*

Period of power of attorney: *31.12.2003*

Name: *Cherepovetselectrosvyaz*

Date of opening: *11.07.2002*

Place of business: *29, ul. Kommunistov, Cherepovets, Vologda Oblast, 162602, Russia*

Manager: *Yury Alexandrovich Pochekin*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of Vologda Oblast*

Date of opening: *11.07.2002*

Place of business: *4, Sovetsky prospekt, Vologda, 160035, Russia*

Manager: *Alexandr Alexeyevich Kliman*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of Kaliningrad Oblast*

Date of opening: *11.07.2002*

Place of business: *24, ul. Bolnichnaya, Kaliningrad, 236024, Russia*

Manager: *Alexandr Vladimirovich Andreyev*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of the Republic of Karelia*

Date of opening: *11.07.2002*

Place of business: *5, ul. Dzerzhinskogo, Petrozavodsk, the Republic of Karelia, 185000, Russia*

Manager: *Sergey Mikhaylovich Gavryushev*

Period of power of attorney: *31.12.2003*

Name: *Electrosvyaz of Pskov oblast*

Date of opening: *11.07.2002*

Place of business: *5, Oktyabrsky pr., Pskov, 180000, Russia*

Manager: *Nikolay Alexeyevich Shalnev*

Period of power of attorney: *31.12.2003*

### **3.2. Basic Business Activities of the Issuer**

#### **3.2.1. Branch to which the Issuer belongs**

Codes of basic branch areas of the issuer's activities according to the OKVED classifier:

Basic code: *64.20.11*

Other codes: *64.20.3; 64.20.22; 64.20.21; 64.20.12*

### **3.2.2. Basic Business Activities of the Issuer**

*This information is not provided in the quarter under report*

### **3.2.3. Basic Types of Products (Jobs, Services)**

*This information is not provided in the quarter under report*

### **3.2.4. Names of the issuer's suppliers, on whom 10% and more of all inventory holdings supplies fall, with the indication of their shares in the total volume of supplies**

*The Issuer does not have any suppliers, on whom at least 10% of all inventory holdings supplies fall.*

*Forecasts of the accessibility of material assets sources are estimated as favourable. The key sources of material assets are reliable and long-term partners of the Issuer, whose production activities are aimed at telecommunication companies who are the main consumers. No changes in the structure of material assets suppliers are planned. The offer of producers and sellers of imported products used in the Issuer's production activities considerably exceed the Issuer's demand for them. Thus, no difficulties in accessibility of material assets sources are expected.*

### **3.2.5. Issuer's Products (Jobs, Services) Sales Markets**

*The key buyers of the Issuer's products are enterprises of all forms of ownership, and individuals of the North-Western region of the Russian Federation. There are no consumers of Issuer's products, on whom at least 10% of the total receipts from Issuer's sales fall.*

*Possible adverse factors that may affect the sales of the Issuer's products are:*

- Deterioration of the legal, political and economic situation in the country and in the Issuer's business region;*
- Intensification of investment in alternative telecommunication enterprises of the Issuer's business region;*
- State regulation of the company's commercial activities.*

### **3.2.6. Practice of activities in respect of circulating capital and inventories**

*The Issuer's policy in respect of reserves is set forth in the Provisions on the Accounting Policy of OJSC North-West Telecom.*

*Inventories (raw materials and goods) are taken for accounting on the basis of the actual expenses for their acquisition or manufacture.*

*Evaluation of retiring inventories (except for precious metals) is carried out according to the average prime cost.*

*Turnover ratio and its calculation methods:*

*The inventories turnover ratio (ITR) reflecting the inventories use rate is calculated as follows:*

$$ITR = \text{line 010 (form 2 of the accounting report)} / ((Ib + Ie)/2)$$

*where Ib is the value of inventories as of the beginning of the period (line 210 (form 1 of the accounting report)),*

*and Ie is the value of inventories as of the end of the period (line 210 (form 1 of the accounting report))*

*Turnover ratio: this information is not provided in the period under report.*

### **3.2.7. Raw Materials**

*Due to the peculiarities of OJSC North-West Telecom's activities, whose key business area is the provision of communication services, no raw material resources are used.*

### **3.2.8. Key Competitors**

*Competitive conditions of Issuer's business. Markets in which the Issuer operates or intends to operate. Principal existing and expected competitors.*

#### **1. MegaFon, North-Western branch**

*The company provides services of local, long-distance and international cellular communication in the GSM digital standard, in the frequency band of 900 and 1800 MHz.*

*Territory - Oblasts: Leningrad, Arkhangelsk, Vologda, Murmansk, Novgorod, Kaliningrad and Pskov Oblasts; cities: St. Petersburg; Republics: Karelia.*

*The key clients of the company are residents of St. Petersburg and Leningrad Oblast with medium and high income. There are many corporate clients from all industries among clients of the company.*

*Megafon is the leader of the cellular communication market of St. Petersburg with the estimated 50% share of the market.*

*Strengths: high quality of provided services, well-developed own network, many corporate clients, a wide range of digital cellular communication services, and unification of North-Western GSM and Megaphone into a single network, due to which the company has significantly expanded its geographic presence in the Russian and foreign markets.*

#### **2. Golden Telecom, a branch in St. Petersburg**

*Services: local, long-distance and international telephone communication, dial-up and dedicated access (SDSL) to the Internet, ISDN network services (telephony, video conference communication, Internet), Frame Relay (Internet, data transmission), co-location, web-hosting (registration of domains and placement of web-servers).*

*Territory - Oblasts: Moscow, Leningrad, Pskov and Kaliningrad Oblasts; cities: St. Petersburg, Moscow.*

*The company is mainly aimed at the corporate and mass market, small- and medium-size companies, and it is from the business sector that gains the bulk of its income.*

*According to estimates, the Company owns 19% of Russia's Internet services and data transmission market, having 140 points of presence in Russia.*

*Strengths: high quality and wide range of provided services; introduction of new services; a flexible rate policy; merger with bigger communication operator companies. The company has united with the Sovintel company.*

#### **3. Equant/Global One, the St. Petersburg Representative Office**

*Services: local, long-distance and international telephone communication (including CONTACT card and Global Calling Card), dial-up and dedicated access to the Internet, services of X.25, Frame Relay, ATM, ISDN, data and message transmission, corporate networks, end-to-end solutions, video conferences, unification of local networks, solutions of IP-telephony for operators (including those using telephone cards), access to electronic auctions, the Reuters dealing systems, the interbank payment system SWIFT, to international systems of electronic payments and money transfer, web-hosting, web-design;*

*Territory: national network. The company has representative offices in 14 major Russian regions, over 100 partner organizations deal with distribution in Russia; there is an up-to-date communication network with access from 220 countries, including 300 cities of Russia, CIS and Baltic countries.*

*Strengths: a wide range of services, constant introduction and improvement of new services, provision of comprehensive servicing, a well-developed infrastructure, high quality of services.*

*Weaknesses: the company adheres to a conservative manner of development, there are high prices of services.*

*Structure of income (according to the company's data): local, long-distance and international telephony - 30-40%, dedicated access to the Internet - 25%, data transmission - 5-10%, services to communication operators - 20%. The company owns 19% of the Russian Internet services and data transmission market, having 300 points of presence in Russia at its disposal.*

*The most profitable for the company are communication operators, transport (mainly, sea transport), industrial enterprises and commercial banks. The company mainly specializes in the construction of corporate data transmission networks and aims at end-to-end solutions.*

#### **4. PeterStar**

*Services: local, long-distance and international telephone communication (including that by telephone cards), organization of dial-up and dedicated high-speed digital data transmission channels, wireless access to the telephone network, data transmission services using the ATM, ISDN and Frame Relay*

*technologies, as well as wideband access, Long Reach Ethernet, DSL, dial-up and dedicated access to the Internet, corporate networks construction, video conference communication, office telephone exchanges with installation on a turnkey basis and complete maintenance, connection to external trading and information systems, the 777 operator services for clients.*

*Territory: national network.*

*Strengths: high quality and wide range of provided telecommunication services, constant design and introduction of new services.*

*Weaknesses: high rates for the services, payment for outbound calls.*

*The main source of the company's income is the business sector (up to 95%), the rest being the population (up to 5%). The company occupies 27.4% of the business telephony market; 7% of the mass Internet access market; and 39.4% of the data transmission market (according to the results of the year 2001).*

#### **5. MTS (Telecom XXI)**

*The company provides services of local, long-distance and international cellular communication in the GSM digital standard, in the frequency band of 900 and 1800 MHz.*

*Territory - Oblasts: Leningrad, Arkhangelsk, Vologda, Murmansk, Novgorod, Kaliningrad and Pskov Oblasts; cities: St. Petersburg; Republics: Karelia.*

*The key clients of the company are residents of St. Petersburg and Leningrad Oblast with medium and high income. The company has acquired its clients base (more than 500,000 people) due to a powerful advertising campaign and competitive rates.*

*The share of MTS in the cellular communication market of St. Petersburg as of the end of February 2003 was 36%.*

*Strengths: rate plans for cellular communication services provision, that are new for St. Petersburg; rapid construction of new base stations in Leningrad Oblast, a wide range of telecommunication services, flexibility of rate plans; the services of the company are intended for people with medium and high income, which, in its turn, has significantly increased the number of subscribers with medium income. Weaknesses: the network has been built starting from the beginning of the year 2002; and in spite of the rapid development rate, there happen some failures in its operation, which, in its turn, affects the quality of provided services.*

#### **6. National Payphone Network**

*Payphone Communication Services.*

*Territory - Republics: Karelia, Komi, Tatarstan; Krays: Krasnodar Kray; Oblasts: Arkhangelsk, Volgograd, Vologda, Ivanovo, Kaliningrad, Leningrad, Moscow, Murmansk, Nizhny Novgorod, Novgorod, Pskov, Rostov, Saratov, Sverdlovsk and Ulyanovsk Oblasts; cities: St. Petersburg, Moscow.*

*Strengths: development of a single payphone network all over Russia.*

*Weaknesses: at the moment, the level of single payphone network coverage of entire Russia is not very high, people cannot use a TC from a home telephone set.*

*The bulk of the company's services consumers are the residents of the city. The bulk of the income is gained from the population, and only 10-15% is the income from the business sector.*

#### **7. BCL**

*Services: local, long-distance and international telephone communication (including that on the basis of own network of payphones), dial-up and dedicated access to the Internet (including that on the basis of Ethernet in business centers), access via dedicated channels in Moscow and in over 30 countries of the world on the conditions of One Stop Shopping, data transmission services (using the Frame Relay and ATM technologies, on the basis of dedicated channels, by the X.25 protocol), installation of digital P.A.X. - of the leading producers of telecommunication equipment: Avaya and Nortel - Definity, Meridian or Mercator, web-hosting, colocation, e-mail exchange, services of transit and termination of VoIP traffic, services of leasing dedicated channels.*

*Territory - Republics: Karelia, Komi; Oblasts: Arkhangelsk, Vologda, Leningrad, Murmansk, Novgorod, Pskov and Tver Oblasts; cities: St. Petersburg, Moscow.*

*Strengths: highly skilled personnel and qualified approach aimed at the buyer, a wide dealership network.*

*Weaknesses: a weakly developed infrastructure, closed information on rates for services provided.*

#### **8. Petersburg Transit Telecom**

*The company operates in the wholesale market, selling telecommunication resources (line and channel capacity) to big communication operators.*

*Territory: the cities of St. Petersburg and Moscow.*

*Strengths: a well-developed own infrastructure, provision of services to communication operators only, individual solution of rate plans.*

*Weaknesses: small coverage area (Moscow and St. Petersburg only).*

*Main consumers: communication operators (wholesale buyers of communication channels).*

#### **9. LANCK-Telecom**

**Services:** long-distance and international communication based on the up-to-date method of voice transmission via digital and dedicated channels; data transmission and telematic services; constant connection to the Internet via dial-up and dedicated lines, digital channels in the SDH network and virtual channels in the Frame Relay network using the ISDN technology; HPNA; web-hosting and web-design.

**Territory:** St. Petersburg and Leningrad Oblast.

**Strengths:** the established image of the company.

**Weaknesses:** a weakly developed rate policy, a strong competition with local communication operators and Internet providers, high dependence on services suppliers (lease of channels).

The company is getting most of its income (about 60%) from providing services to the population, and the rest of the income comes from the business sector, in which the most profitable are commercial banks and companies operating in the field of trade and public catering.

#### 10. Comin

**Services:** leasing long-distance and international satellite communication channels; provision of services in satellite communication, telecasting and broadcasting; telematic services; connection to the Internet; delivery, deployment and installation of equipment and stations of satellite and radio-relay communication.

**Territory:** national network.

**Strengths:** uniqueness and a wide range of services, high speed of organizing a communication channel with any place in Russia (the capacity of organizing a communication channel with any place in Russia within 3 months), originality of services provided.

**Weaknesses:** the company's activities directly depend on the development of communication operators who, in their turn, are leasing communication channels.

The company mainly works only with communication operators, leasing out communication channels to them, the only exception being the provision of telematic services, where the population's share is about 1%. Based on the obtained official data of the St. Petersburg Committee of Statistics, the following conclusions may be drawn:

1. The bulk of money of the entire communication services market of St. Petersburg falls on North-Western GSM (today it is a part of the Megafon network), a little more than a third of the market income;
2. The second company by the income gained is OJSC PTN, today OJSC North-West Telecom, almost a fourth of the entire market falling on this company;
3. The third company by the income gained is Sovintel.

Actually, OJSC North-West Telecom is the monopolist in the market of telecommunication services provided. The shares of market ownership by certain services reach 100%. i.e. the share of absolute ownership for the segment. In each of the Issuer's branches a weakness in the development of Internet technologies is observed. In fact, all regional branches control about a half of the local market of dial-up access to the Internet. In some areas of the North-Western Federal District, OJSC North-West Telecom owns up to 60% of the market; however, the situation with dedicated access is much worse. One of the basic causes of the current situation is the poor physical state of the communication equipment. To change this position, much investment for renewal of fixed assets is required.

Name	Country of registration	Volume of sold products, thousand roubles	Market share, %		
			2000	2001	2002
Issuing company (fixed communication)		10,091,841	93	85	88
PeterStar (fixed communication)	Russia	*	7	7.8	7.6
MegaFon (cellular communication)	Russia	*	83	59	57
MTS (Telecom XXI) (cellular communication)	Russia	*	*	10	36
Peterlink (Internet services)	Russia	*	15	15	20
Golden Telecom (Internet services)	Russia	*	10	11	15

\* The Issuer does not have this information

The competitors' share exceeds 100%, as the said shares are given for various segments of the communication services market

### **3.2.9. Data on the fact that the issuer holds licenses:**

License: **17591**

Date of issue: **3.04.2001**

Period: **till 03.04.2006**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **mobile radiotelephone communication services (with Annex No.1) in the territory of St. Petersburg**

License: **22791**

Date of issue: **11.07.2002**

Period: **till 11.07.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Telematic services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **22792**

Date of issue: **11.07.2002**

Period: **till 11.07.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Data transmission services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23224**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Leasing out communication channels in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23225**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Long-distance and international telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23226**

Date of issue: **14.11.2002**

Period: **till 14.11.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Telegraph communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23227**

Date of issue: **4.10.2002**

Period: **till 4.10.2012**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of local and intra-zone telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod and Pskov Oblasts, Nenets Autonomous Area, and Saint Petersburg**

License: **24074**

Date of issue: **14.11.2002**

Period: **till 01.02.2006**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: *provision of cellular radio telephone communication services in the 450 MHz band in the territory of Arkhangelsk Oblast*

License: **24658**

Date of issue: **14.11.2002**

Period: **till 30.12.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: *provision of wired network sound broadcasting in the territory of Arkhangelsk, Vologda, Kaliningrad, Murmansk, Novgorod and Pskov Oblasts, the Republic of Karelia and the Nenets Autonomous Area*

License: **3166**

Date of issue: **24.01.1997**

Period: **till 01.07.2006**

Authority issuing the license: **Ministry of Communication of the Russian Federation**

Areas of activities: *Local and long-distance telephone communication services (with Annexes Nos.1-5) in the territory of Leningrad Oblast*

License: **D 341184**

Date of issue: **25.07.2002**

Period: **till 25.07.2007**

Authority issuing the license: **State Committee of RF for Construction and Housing and Communal Services**

Areas of activities: *design of 1<sup>st</sup> and 2<sup>nd</sup> responsibility level buildings and facilities in compliance with the state standard in the territory of RF*

License: **D 341156**

Date of issue: **25.07.2002**

Period: **till 25.07.2007**

Authority issuing the license: **State Committee of RF for Construction and Housing and Communal Services**

Areas of activities: *construction of 1<sup>st</sup> and 2<sup>nd</sup> responsibility level buildings and facilities in compliance with the state standard in the territory of RF*

License: **PI #2-6254**

Date of issue: **15.11.2002**

Period: **not determined**

Authority issuing the license: **Ministry of RF for Press, Telecasting, Broadcasting and Mass Media**

Areas of activities: *Certificate of registration of the edition Ves Peterburg. A reference periodical. Distributed in St. Petersburg and Leningrad Oblast*

License: **12972**

Date of issue: **8.10.1999**

Period: **till 8.10.2004**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: *provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-5) in the territory of Arkhangelsk Oblast*

License: **12842**

Date of issue: **9.09.1999**

Period: **till 9.09.2004**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**

Areas of activities: *License for provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of Vologda.*

License: **14799**

Date of issue: **21.04.2000**

Period: **till 21.04.2005**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: *provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of the village of Lovozero, Murmansk Oblast*

License: **14838**

Date of issue: **21.04.2000**

Period: **till 21.04.2005**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-4) in the territory of Murmansk Oblast**

License: **15664**

Date of issue: **21.04.2000**

Period: **till 21.04.2005**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**

Areas of activities: **provision of services in telecasting of programmes (with addenda Nos. 1-2) in the territory of Pskov Oblast**

License: **1535**

Date of issue: **02.06.2003**

Period: **till 02.06.2008**

Authority issuing the license: **Board of Russian Federal Security Service for Saint Petersburg and Leningrad oblast**

Areas of activities: **carrying out work related to the use of data considered a state secret**

License: **1536**

Date of issue: **02.06.2003**

Period: **till 02.06.2008**

Authority issuing the license: **Board of Russian Federal Security Service for Saint Petersburg and Leningrad oblast**

Areas of activities: **measures and/or services of state secrets protection**

### 3.2.10. Issuer's joint activity

Cooperation with other organizations, and Issuer's subsidiaries founded with investments by third parties	Amount of investments thousand roubles	Purpose of investments	Net profit (loss) thousand roubles		Income from investments thousand roubles	
			2002	4th quarter of 2003	2002	4th quarter of 2003
<b>Polycomp Limited Liability Company</b>	4	gaining profit	119	18	0	0
<b>Artelecom Service Limited Liability Company</b>	62,052	gaining profit	16122	(400)	0	0
<b>Vologda Cellular Communication Closed Joint-Stock Company</b>	33	gaining profit	(1)	(600)	0	0
<b>St. Petersburg Telecommunication Centre Closed Joint-Stock Company</b>	2,151	gaining profit	(71)	(900)	0	0
<b>Novgorod Datacom Limited Liability Company</b>	52	gaining profit	5	70	0	0
<b>Kolatelecom Open Joint-Stock Company</b>	75	Creating and operating the information and telecommunication network, promoting and selling equipment and technologies in the North-Western (Murmansk and Arkhangelsk Oblasts,	4535	1200	0	0

		Republic of Karelia) region of RF				
<b>Bona Limited Liability Company</b>	2	No information on Company's activity				
<b>Joint activity with FORE CJSC</b>	4055	Bread baking	901	0	0	0

### 3.2.13. Extra Requirements for Issuer's Whose Key Activities Consist in Provision of Communication Services

a) License for provision of communication services

License: **17591**

Date of issue: **3.04.2001**

Period: **till 03.04.2006**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **mobile radiotelephone communication services (with Annex No.1) in the territory of St. Petersburg**

License: **22791**

Date of issue: **11.07.2002**

Period: **till 11.07.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Telematic services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **22792**

Date of issue: **11.07.2002**

Period: **till 11.07.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Data transmission services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23224**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Leasing out communication channels in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23225**

Date of issue: **1.08.2002**

Period: **till 01.08.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Long-distance and international telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23226**

Date of issue: **14.11.2002**

Period: **till 14.11.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **Telegraph communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod, Pskov Oblasts, Nenets Autonomous District and Saint Petersburg**

License: **23227**

Date of issue: **4.10.2002**

Period: **till 4.10.2012**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of local and intra-zone telephone communication services in the territory of the Republic of Karelia, Komi Republic, Arkhangelsk, Vologda, Kaliningrad, Leningrad, Murmansk, Novgorod and Pskov Oblasts, Nenets Autonomous Area, and Saint Petersburg**

License: **24074**

Date of issue: **14.11.2002**

Period: **till 01.02.2006**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of cellular radio telephone communication services in the 450 MHz band in the territory of Arkhangelsk Oblast**

License: **24658**

Date of issue: **14.11.2002**

Period: **till 30.12.2007**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of wired network sound broadcasting in the territory of Arkhangelsk, Vologda, Kaliningrad, Murmansk, Novgorod and Pskov Oblasts, the Republic of Karelia and the Nenets Autonomous Area**

License: **3166**

Date of issue: **24.01.1997**

Period: **till 01.07.2006**

Authority issuing the license: **Ministry of Communication of the Russian Federation**  
Areas of activities: **Local and long-distance telephone communication services (with Annexes Nos.1-5) in the territory of Leningrad Oblast**

License: **12972**

Date of issue: **08.10.1999**

Period: **till 08.10.2004**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**  
Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-5) in the territory of Arkhangelsk Oblast)**

License: **12842**

Date of issue: **09.09.1999**

Period: **till 09.09.2004**

Authority issuing the license: **The State Committee of the Russian Federation on Telecommunication (Annexes - by the Ministry of the Russian Federation of Communication and Informatization)**  
Areas of activities: **License for provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of Vologda.**

License: **14799**

Date of issue: **21.04.2000**

Period: **till 21.04.2005**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of cable network telecasting (with addenda Nos. 1-3) in the territory of the city of the village of Lovozero, Murmansk Oblast**

License: **14838**

Date of issue: **21.04.2000**

Period: **till 21.04.2005**

Authority issuing the license: **Ministry of the Russian Federation on Communication and Informatization**  
Areas of activities: **provision of services in telecasting and broadcasting of programmes and transmission of extra information (with addenda Nos. 1-4) in the territory of Murmansk Oblast)**

License: **15664**

Date of issue: **21.04.2000**

Period: *till 21.04.2005*

Authority issuing the license: *Ministry of the Russian Federation on Communication and Informatization*

Areas of activities: *provision of services in telecasting of programmes (with addenda Nos. 1-2) in the territory of Pskov Oblast*

Issuer's commitments to create a subscriber base under the said licenses: *all obligations of creating the subscriber base and other terms of licenses are fulfilled within the established time and in the full volume*

Factors that may have an adverse effect on the Issuer's performance of its commitments under the licenses, and possibilities of their occurrence: *there are no such factors*

b) Communication Networks

*The telecommunication network of OJSC NWT includes the following basic constituents:*

- *Local stationary telephone networks, including city and rural networks;*
- *Elements of the long-distance and international telephone network;*
- *Wireless communication networks, including cellular mobile communication networks, mobile radio telephone (trunking) communication, personal radio call, and subscriber radio access;*
- *Document telecommunication networks, including traditional telegraph communication networks and data transmission and telematic services networks;*
- *Wired radio networks;*
- *Primary networks:*
  - *local;*
  - *intra-zone.*

*Description of OJSC NWT networks as of 31.12.2003*

*Local stationary telephone networks, including city and rural networks*

*Preliminary data on the installed and commissioned capacity of telephone exchanges of city and rural telephone networks are given in the table:*

<i>Branch</i>	<i>Installed capacity</i>		<i>Use factor, %</i>	
	<i>City Telephone Networks</i>	<i>Rural Telephone Networks</i>	<i>City Telephone Networks</i>	<i>Rural Telephone Networks</i>
<i>Artelecom</i>	<i>315,964</i>	<i>60,838</i>	<i>95</i>	<i>87.42</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>162,070</i>	<i>51,302</i>	<i>93.6</i>	<i>87.2</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>163,717</i>	<i>19,886</i>	<i>92.23</i>	<i>83.66</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>194,478</i>	<i>30,946</i>	<i>94.5</i>	<i>90.3</i>
<i>Murmanelectrosvyaz</i>	<i>271,261</i>	<i>11,246</i>	<i>97.45</i>	<i>93.5</i>
<i>Novgorodtelecom</i>	<i>159,178</i>	<i>32,163</i>	<i>96</i>	<i>82</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>113,927</i>	<i>40,200</i>	<i>96.3</i>	<i>82.4</i>
<i>Cherepovetsselectrosvyaz</i>	<i>108,065</i>	<i>8,480</i>	<i>95.8</i>	<i>84.1</i>
<i>PTN</i>	<i>1,993,179</i>	<i>0</i>	<i>94.5</i>	<i>0</i>
<i>Total for OJSC NWT</i>	<i>3,481,839</i>	<i>255,061</i>	<i>95.04</i>	<i>86.32</i>

*The digitalization level for the local telephone network of OJSC NWT on the whole is 47.29%: 47.96% on city telephone networks and 10.9% on rural telephone networks.*

*Payphones have been installed on the network of OJSC NWT. Data on the number of payphones are given in the table.*

<i>Branch</i>	<i>Number of payphones, (pcs.)</i>
<i>Artelecom</i>	<i>1077</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>481</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>1334</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>297</i>

<i>Murmanelectrosvyaz</i>	<i>1917</i>
<i>Novgorodtelecom</i>	<i>880</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>664</i>
<i>Cherepovetselectrosvyaz</i>	<i>548</i>
<i>PTN</i>	<i>21</i>
<i>Total for OJSC NWT</i>	<i>7219</i>

#### *Long-distance and international telephone network*

*At the moment, 18 automatic long-distance telephone exchanges operate in branches of OJSC NWT. The automatic long-distance telephone exchanges are connected to each other, to automatic switching centers, international switching centers and international telephone exchanges of OJSC Rostelecom.*

*Preliminary data on the installed and commissioned capacity of the automatic long-distance telephone exchanges are given in the table:*

<i>Branch</i>	<i>Installed capacity of automatic long-distance telephone exchanges*, channels</i>	<i>Commissioned capacity of automatic long-distance telephone exchanges*, channels</i>
<i>Artelecom</i>	<i>4530</i>	<i>4004</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>4241</i>	<i>3101</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>6674</i>	<i>4765</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>2732</i>	<i>2516</i>
<i>Murmanelectrosvyaz</i>	<i>3870</i>	<i>3830</i>
<i>Novgorodtelecom</i>	<i>2216</i>	<i>2114</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>3390</i>	<i>3160</i>
<i>Cherepovetselectrosvyaz</i>	<i>1307</i>	<i>887</i>
<i>PTN</i>	<i>27375</i>	<i>19959</i>
<i>Total for OJSC NWT</i>	<i>56335</i>	<i>44336</i>

*There are switching halls and two-frequency semiautomatic equipment for servicing of the non-automatic part of exchange at automatic long-distance telephone exchanges.*

#### *Wireless networks*

*Data on the composition and number of subscribers of wireless networks for branches of OJSC NWT are given in the Table:*

<i>Branch</i>	<i>Number of subscriber stations connected to the network, pcs.</i>			
	<i>Cellular mobile communication (NMT-450)</i>	<i>Trunking</i>	<i>Personal radio call</i>	<i>Subscriber radio access</i>
<i>Artelecom</i>	<i>6500</i>	<i>182</i>	<i>-</i>	<i>57</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>-</i>	<i>198</i>	<i>-</i>	<i>35</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>-</i>	<i>209</i>	<i>-</i>	<i>-</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>92</i>
<i>Murmanelectrosvyaz</i>	<i>-</i>	<i>-</i>	<i>684</i>	<i>275</i>
<i>Novgorodtelecom</i>	<i>-</i>	<i>211</i>	<i>681</i>	<i>398</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>208</i>
<i>Cherepovetselectrosvyaz</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>20</i>
<i>PTN</i>	<i>-</i>	<i>1056</i>	<i>-</i>	<i>525</i>
<i>Total for OJSC NWT</i>	<i>6500</i>	<i>1856</i>	<i>1365</i>	<i>1610</i>

*The NMT-450 standard cellular mobile communication network is deployed in Arkhangelsk Oblast and operated by the Artelecom branch. The network includes 33 base stations installed in 22 inhabited localities.*

*Trunking networks are organized on the basis of mobile radiotelephone communication systems Altay-3M in the frequency band of 300 MHz (15 base stations - BS - in St. Petersburg, 2 BS in Arkhangelsk, 3 BS in Kaliningrad, 2 BS in Novgorod and 2 BS in Vologda).*

*The personal radio call networks of the POCSAG standard are deployed on the basis of GM-300 (Motorola) equipment in the frequency band of 160 MHz (7 transmitters in Murmansk and Murmansk Oblast, and 4 transmitters in Veliky Novgorod and Novgorod Oblast).*

*Subscriber radio access networks are built on the basis of Airspan-60, Airspan-4000 (St. Petersburg), DECT, KART-4 and Airlink-512S systems equipment.*

#### *Document telecommunication networks*

*Telegraph networks (Tributary Office Telegraph Communication, switched channel telegraph service/ Telex)*

*Due to the low demand for traditional services of telegraph communication, there is no increase in the volumes of telegraph networks. Nevertheless, telegraph networks continue to operate, are maintained at the appropriate level and upgraded. A gradual replacement of telegraph sets by modern computer-based terminals and replacement of obsolete message switching centers by modern united switching stations is taking place.*

*Data on outbound telegraph traffic for the 4<sup>th</sup> quarter of 2003 are given in the table.*

<i>Branch</i>	<i>Outbound telegraph exchange for the 4<sup>th</sup> quarter of 2003 (thousand telegrams)</i>
<i>Artelecom</i>	<i>477</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>246</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>287</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>188</i>
<i>Murmanelectrosvyaz</i>	<i>467</i>
<i>Novgorodtelecom</i>	<i>147</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>155</i>
<i>Cherepovetselectrosvyaz</i>	<i>93</i>
<i>PTN</i>	<i>423</i>
<i>Total for OJSC NWT</i>	<i>2483</i>

#### *Data transmission and telematic service networks*

*In the framework of document telecommunication networks of OJSC NWT, up-to-date data transmission and telematic service networks are being developed, ensuring corporate users' data exchange, access to the Internet, e-mail, video communication, etc.*

*The data on the number of consumers' installations of data transmission and telematic service networks and on the volume of Internet traffic are given in the table.*

<i>Branch</i>	<i>Number of consumers' installations, pcs.</i>	<i>Internet traffic in the 4<sup>th</sup> quarter of 2003, Mbytes</i>
<i>Artelecom</i>	<i>34351</i>	<i>21042830</i>
<i>Electrosvyaz of Vologda Oblast</i>	<i>7017</i>	<i>4344403</i>
<i>Electrosvyaz of Kaliningrad Oblast</i>	<i>2884</i>	<i>15098449</i>
<i>Electrosvyaz of the Republic of Karelia</i>	<i>18636</i>	<i>72573000</i>
<i>Murmanelectrosvyaz</i>	<i>8177</i>	<i>16090539</i>
<i>Novgorodtelecom</i>	<i>3335</i>	<i>814784</i>
<i>Electrosvyaz of Pskov oblast</i>	<i>9015</i>	<i>6347909</i>
<i>Cherepovetselectrosvyaz</i>	<i>9386</i>	<i>6019928</i>
<i>PTN</i>	<i>168105</i>	<i>14169210</i>
<i>Total for OJSC NWT</i>	<i>260906</i>	<i>156501052</i>

*At the moment, the regional multiservice network of OJSC North-West Telecom is being developed. A segment of a multiservice network in St. Petersburg is operating on the basis of Alcatel's equipment (ATM/FR switchboards, DISLAM), fragments of a multiservice network in Arkhangelsk Oblast and Cherepovets are under construction and those in Murmansk Oblast and Novgorod Oblast are under design.*

#### *Wired radio networks*

*Wired radio networks are developed in compliance with the Programme of Wired Radio Development for the period to the year 2010 for Entities of the Russian Federation. The level of wired radio networks*

state differs significantly in cities and villages, which determines the areas of these networks development: in the cities (towns) and rural areas where wired radio networks exist and are profitable, they are developed by replacement of obsolete and worn equipment, while in the areas where there are no wired radio networks or where they are unprofitable, their use is replaced by on-air (ultra-short waves - FM) broadcasting.

Data on the number of broadcasting points of wired radio networks are given in the table.

Branch	Number of broadcasting sets, pcs.		Number of broadcasting sets of ultra-short waves - FM broadcasting, pcs.	
	Total	Including multi-programme ones	Total	Including those in rural areas
<i>Artelecom</i>	155061	122397	10793	9096
<i>Electrosvyaz of Vologda Oblast</i>	84056	65643	20144	17364
<i>Electrosvyaz of Kaliningrad Oblast</i>	124299	119857	2145	2006
<i>Electrosvyaz of the Republic of Karelia</i>	148234	129318	2312	2179
<i>Murmanelectrosvyaz</i>	225015	222761	0	0
<i>Novgorodtelecom</i>	55248	49855	30115	25691
<i>Electrosvyaz of Pskov oblast</i>	38722	28929	1634	1073
<i>Cherepovtselectrosvyaz</i>	55442	54071	778	778
<b>Total for OJSC NWT</b>	<b>886077</b>	<b>792831</b>	<b>67921</b>	<b>58187</b>

#### *Primary networks*

##### *Local primary networks*

*Local primary networks of NWT include interoffice city cable and radio-relay lines; cable, aerial and radio-relay connecting lines on rural telephone networks; subscriber access networks.*

*Interoffice city cable primary networks are developed on the basis of fibre-optic transmission lines only, using SDH transmission systems of the STM-1 – STM-4 levels, made by Siemens, Alcatel, ECI, NEC, Lucent Technologies, Ericsson.*

*In urban and rural areas where laying of fibre-optic cables is impossible or economically inadvisable, radio-relay lines are used. Radio-relay lines with PDH systems (IKM-15, IKM-30, Nx E1, E3) and SDH systems (STM-1), as well as thin-route radio-relay lines (Nx voice-frequency channels) are used.*

*Local primary networks in rural areas mainly use metal cables with the IKM-30 and IKM-15 transmission systems, as well as multiplexers and modems using the xDSL technology (Nx E1, E3).*

*Subscriber access is organized via metallic circuits in metal or optic cables, via digital channels using the xDSL technology and using radio access technologies.*

##### *Intrazone primary networks*

*Central-office primary networks use fibre-optic cables with SDH transmission systems of the STM-1 – STM-4 levels and optic linear terminals (Nx E1); metal cables with digital PDH systems IKM-120, IKM-480, IKM-30, IKM-15 and analog transmission systems K-60P, K-120, K-300, K-1020S; aerial lines; as well as radio-relay lines with the PDH and SDH systems and thin-route radio-relay lines.*

*Data on the length and capacity of central-office primary network lines as of 31.12.2003 are given in the table.*

Branch	Length of lines, km			Capacity of networks, thousand channel-km		
	Cable	Air	Radio-relay	Cable	Air	Radio-relay
<i>Artelecom</i>	465.3	3061.6	205.5	23	26.9	1.9
<i>Electrosvyaz of Vologda Oblast</i>	935.6	307.7	100.6	99.1	3.4	0
<i>Electrosvyaz of Kaliningrad Oblast</i>	1619.1	1882.3	0	122.9	1.7	0
<i>Electrosvyaz of the Republic of Karelia</i>	828.6	520.3	0	257.2	8.3	0.1
<i>Murmanelectrosvyaz</i>	843.6	1029	19.7	565.8	9.6	0
<i>Novgorodtelecom</i>	894.2	481	41.5	359.9	6.3	0
<i>Electrosvyaz of Pskov oblast</i>	2235.2	27.3	0	1021.9	0.4	0

<i>Cherepovetselectrosvyaz</i>	<i>112.1</i>	<i>42.4</i>	<i>0</i>	<i>7.9</i>	<i>0.1</i>	<i>0</i>
<i>Total for OJSC NWT</i>	<i>7933.7</i>	<i>735.5</i>	<i>367.3</i>	<i>2457.8</i>	<i>56.8</i>	<i>2</i>

### **3.4. Plans of Issuer's Future Operation**

#### ***Brief Description of Issuer's Future Operation Plans***

*At the moment, besides the up-to date digital equipment of telephone centers, digital equipment of telephone exchanges and data transmission systems, OJSC North-West Telecom has a lot of obsolete equipment. The obsolete and worn out equipment does not make it possible to make a qualitatively new step in the development of OJSC North-West Telecom's network - transition to the digital network with a wide range of new services. In this connection, OJSC North-West Telecom's strategy will be aimed at restructuring the network topology and at replacing the obsolete equipment. To solve that task, renovation and re-equipment of switching systems and line structures are planned, as well as expansion of the existing telephone exchanges, renovation of technical premises and other operations aimed at replacement and improvement of the obsolete and worn out equipment.*

*The key tasks to be tackled by the company within the five years to come include:*

- satisfying citizens' applications for installation of telephone lines;*
- transition to the time-based call billing system throughout the North-Western District of Russia;*
- development of extra services (Internet, data transmission, complete set services to business clients);*
- increasing the company's share in the markets of new services.*

*Solving these tasks will require much effort in developing the communication networks infrastructure. The key areas of developing telecommunication networks of OJSC North-West Telecom are:*

- telephone network digitalization;*
- creating intelligent networks;*
- creating multiservice networks for provision of integrated services;*
- digitalization of primary public networks.*

*OJSC North-West Telecom's financial plans provide for:*

- increasing receipts through increasing the volume of provided services;*
- reducing the specific value of expenses;*
- significantly reducing and liquidating the accounts receivable for communication services;*
- pursuing a flexible rate policy;*
- attracting new investment.*

*The Company development strategy is aimed at spreading to the telecommunication services market throughout the North-Western region of Russia.*

#### ***Sources of Future Income***

*The forecasted gross income of the Company for the year 2004 is about 14 billion roubles without taking into account the reorganization in the form of affiliation of OJSC Lensvyaz and OJSC Svyaz of the Republic of Komi with OJSC NWT*

#### ***Plans for Organizing, Expanding or Curtailing New Operating Facilities***

*There are no plans for organization of new operating facilities or their curtailment, the Company will continue its operation under the existing licenses.*

*The total amount of capital investment aimed at developing the business directly connected with the commissioning of 220,472 lines is 68% of the Investment Plan volume.*

#### ***Design of New Product Types***

*No design of new product types is planned by OJSC North-West Telecom: the Company is planning to do its business in the framework of the active licenses.*

#### ***Upgrading and Renovation of Key Assets***

*To introduce new equipment, upgrade the obsolete equipment and to improve the operating processes, OJSC North-West Telecom is purchasing and installing modern digital equipment for new electronic type automatic telephone exchanges.*

#### *Possible changes in Issuer's business field*

*OJSC North-West Telecom does not plan any changes in the field of its principal business - provision of communication services in compliance with the active licenses and the Company's Articles of Association.*

### **3.5. Participation of the Issuer in industrial, banking and financial groups, holdings, concerns and associations**

Organization: *Iskra - the Association of Operators of the Federal Business Servicing Network (BSN)*

Place and functions of the Issuer in the organization: *The OJSC North-West Telecom is a participant in the Iskra BSN Association from November 28, 2001 pursuant to the decision of the Extraordinary Meeting of the Company's Shareholders.*

*As a member of the Association, the Company has the following functions:*

- 1. Participation in the management of the Association*
- 2. Representing the Association in its operation regions*
- 3. Paying annual target fees in due time, the amount of the fees being determined by the General Meeting of the Members*
- 4. Providing information required to resolve issues related to the operation of the Association*

*According to the Articles of Association, the basic tasks of the Association are:*

- Facilitating the development of a Mutually Coordinated Communication Network of the Russian Federation*
- Facilitating the development of the leased Federal Business Servicing Network Iskra (hereinafter referred to as Iskra BSN)*
- Facilitating the provision of the needed volume and quality of up-to-date communication services rendered to customers in Russia*
- Facilitating the development of the research, technical, economic and organizational bases of Iskra BSN*
- Facilitating the distribution of standardized solutions in creating the Iskra BSN*
- Studying and facilitating the coordination of the interests of domestic developers, suppliers and consumers of Iskra BSN's services*
- Distributing the advanced experience of digital networks organization in Russia and abroad*
- Developing proposals on development of Iskra BSN*
- Facilitating the development of the Russian market of communication services, finding the needs of consumers, advertising the capacities and advantages of Iskra BSN*

Organization: *Association of Telecommunication Operators of the North-Western Region of the Russian Federation*

Place and functions of the Issuer in the organization: *OJSC North-West Telecom is a promoter and a permanent member of the Association. Functions of OJSC North-West Telecom in the Association:*

- 1. Making contributions to centralized and specialized funds formed by the Association to ensure the formation of funding sources and implementation of regional programmes*
- 2. Funding and crediting on favourable conditions projects and programmes adopted by the Association*
- 3. Participation on a contractual basis in affairs of joint, mixed and other ventures, and market structures established by the Association*
- 4. Assigning to the bodies of the Association the required premises, communication facilities, office facilities, furniture and other office equipment and transport necessary for the Association to achieve the goals established by the incorporation documents.*

*The Association was founded in September 1996 and now comprises OJSC North-West Telecom and OJSC*

## **Lensvyaz**

Organization: *Association of Operators of the Federal Cellular Network NMT-450*

Place and functions of the Issuer in the organization: *The Association was established for the purpose of facilitating the development of the federal public network of mobile radio telephone communication of Russia. OJSC North-West Telecom is a member of the Association.*

*As a member of the organization, the Issuer performs the following functions:*

- 1. Paying annual membership fees in due time*
- 2. Facilitating the solution of issues of developing the Federal Cellular Network NMT-450*
- 3. Organizing interaction with local and federal authorities*

Organization: *Association of the Documentary Telecommunication*

Place and functions of the Issuer in the organization: *The Association was founded for the purpose of facilitating the implementation of the state policy in the field of telecommunication, facilitating the study of users' needs, agreeing upon and coordinating their interests with the interests of information and telecommunication systems manufactures and operators, facilitating the creation of a legislatively grounded standard and law mechanism of developing the information and telecommunication technologies and their applications, facilitating the integration of Russian telecommunication and information systems into the European and world infrastructures. OJSC North-West Telecom is a member of the Association.*

*As a member of the organization, the Issuer performs the following functions:*

- 1. Paying annual membership fees in due time*
- 2. Facilitating the implementation of decisions taken by the state authority in the field of telecommunications*
- 3. Facilitating the cooperation of departments and organizations in creating and using telecommunication networks*
- 4. Facilitating the design and implementation of programmes for the development of data transmission networks and systems, telematic services, etc.*

### **3.6. Issuer's subsidiaries and affiliates**

Full and abbreviated official name: *RSU-Telecom Limited Liability Company, RSU-Telecom LLC*

Place of business: *18, pr. Stachek, block 2, letter B, Saint Petersburg, Russia*

Mailing address: *18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0%*

Basic areas of business of the company: *construction, operation and renovation of production, social, cultural and utility facilities, including communication facilities.*

Full and abbreviated official name: *Recreation and Disease Prevention Centre "Svyazist" Limited Liability Company, RDPC "Svyazist" LLC*

Place of business: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, Russia*

Mailing address: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0%*

Basic areas of business of the company: *provision of services in health centre and resort treatment and care*

Full and abbreviated official name: *Pagetelecom Limited Liability Company, Pagetelecom LLC*

Place of business: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, Russia*

Mailing address: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627, Russia*

Ground, on which the company is considered a subsidiary of the issuer:

***Prevailing interest in the authorized capital of the company***

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.00203%*

Basic areas of business of the company: *Personal radio call services*

***Participation in the company makes it possible to satisfy the consumers' demand of the residents of the city of Cherepovets and Cherepovets District for paging communication services.***

Full and abbreviated official name: *Tsentrum Limited Liability Company, Tsentrum LLC*

Place of business: *22, ul. Antikainena, Petrozavodsk, the Republic of Karelia*

Mailing address: *22, ul. Antikainena, Petrozavodsk, 185000, the Republic of Karelia*

Ground, on which the company is considered a subsidiary of the issuer:

***Prevailing interest in the authorized capital of the company***

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *Trading and agency, including production and sales of foodstuffs for public catering*

***Social efficiency of participation: providing uninterrupted high-quality meals for the working team of the regional branch.***

Full and abbreviated official name: *AMT Limited Liability Company, AMT LLC*

Place of business: *k.201, d.14, Sinopskaya nab., St. Petersburg, 193167, Russia*

Mailing address: *3-5 ul. B. Morskaya, St. Petersburg, 191186*

Ground, on which the company is considered a subsidiary of the issuer:

***Prevailing interest in the authorized capital of the company***

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.29741 %*

Basic areas of business of the company: *Operation in the securities market within the limits established by the active law.*

***Participation in organizing a secondary market of Issuer's securities***

Full and abbreviated official name: *Polycomp Limited Liability Company, Polycomp LLC*

Place of business: *20, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia*

Mailing address: *24, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia*

Ground, on which the company is considered a subsidiary of the issuer:

***Prevailing interest in the authorized capital of the company***

Issuer's share in the authorized capital of the corporation: *90 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *publishing*

***Making various forms and advertising products for the issuer.***

Full and abbreviated official name: *Artelecom Service Limited Liability Company, Artelecom Service LLC*

Place of business: *the Russian Federation, the city of Arkhangelsk*

Mailing address: *4, proyezd Priorova, Arkhangelsk, 163071*

Ground, on which the company is considered a subsidiary of the issuer:

***Prevailing interest in the authorized capital of the company***

Issuer's share in the authorized capital of the corporation: *77 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *creating a modern telecommunication commercial network and a high-quality information servicing system in the interests of the public economic complex in*

*Arkhangelsk, commercial organizations and the entire population*

*The Issuer provides unified management of the communication network of the city of Arkhangelsk, there is a single centre for settlements with subscribers for communication services of the two networks.*

Full and abbreviated official name: *Vologda Cellular Communication Closed Joint-Stock Company, VCC CJSC*

Place of business: *103, ul. Zosimovskaya, Vologda, the Russian Federation*

Mailing address: *103, ul. Zosimovskaya, Vologda, 160009, the Russian Federation*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *60 %*

Share of the party in the Issuer's authorized capital: *0%*

Basic areas of business of the company: *Cellular communication services of the NMT-450 standard*

Full and abbreviated official name: *St. Petersburg Telecommunication Centre Closed Joint-Stock Company, SPb Telecommunication Centre CJSC*

Place of business: *24, Bolshevikov pr., St. Petersburg, 193232, the Russian Federation*

Mailing address: *30/32, 3-liniya, Vasilyevsky Ostrov, St. Petersburg, 199053*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *54.38 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *Further professional training of telecommunication specialists  
The issuer maintains a high professional level of the employees with much lower expenses for further professional training*

Full and abbreviated official name: *Bona Limited Liability Company, Bona LLC*

Place of business: *45, Troitsky prospekt, Arkhangelsk, 163061*

Mailing address: *45, Troitsky prospekt, Arkhangelsk, 163061*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *51 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *No operation, under liquidation*

Full and abbreviated official name: *Novgorod Datacom Limited Liability Company, Novgorod Datacom LLC*

Place of business: *22, ul. Industrialnaya, the settlement of Pankovka, Veliky Novgorod, 173526*

Mailing address: *20, ul. Mikhaylova, Veliky Novgorod, 173000*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *52 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *Provision of data transmission services via the public communication network in the territory of Novgorod Oblast*

Full and abbreviated official name: *Kolatelecom Open Joint-Stock Company, Kolatelecom OJSC*

Place of business: *the city of Murmansk*

Mailing address: *5/23, ul. Vorovskogo, Murmansk, 183038*

Ground, on which the company is considered a subsidiary of the issuer:

*Prevailing interest in the authorized capital of the company*

Issuer's share in the authorized capital of the corporation: *50 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *Provision of local, long-distance and international communication services via the dedicated network in the territory of Murmansk and Arkhangelsk Oblast,*

*and the Republic of Karelia.*

Full and abbreviated official name: ***NEVA KABEL Closed Joint-Stock Company, NEVA KABEL CJSC***

Place of business: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, Russia***

Mailing address: ***8 proyezd, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, 194292, Russia***

Ground, on which the company is considered a dependent company of the issuer:

***The issuer holds over 20% of voting shares***

Issuer's share in the authorized capital of the corporation: ***48.97 %***

Share of the party in the Issuer's authorized capital: ***no share***

Basic areas of business of the company: ***Production and sales of high-quality telephone cables***

Full and abbreviated official name: ***Commercial Television and Radio Closed Joint-Stock Company, Com TV CJSC***

Place of business: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Mailing address: ***3, Academician Pavlov ul., St. Petersburg, 197022***

Ground, on which the company is considered a dependent company of the issuer:

***The issuer holds over 20% of voting shares***

Issuer's share in the authorized capital of the corporation: ***40 %***

Share of the party in the Issuer's authorized capital: ***no share***

Basic areas of business of the company: ***No operation, under liquidation***

Full and abbreviated official name: ***Medexpress Insurance Closed Joint-Stock Company, Medexpress ICJSC***

Place of business: ***2, ul. Malaya Konyushennaya, St. Petersburg, 191186***

Mailing address: ***14, ul. Gorokhovaya, St. Petersburg, 191186***

Ground, on which the company is considered a dependent company of the issuer:

***The issuer holds over 20% of voting shares***

Issuer's share in the authorized capital of the corporation: ***34.59 %***

Share of the party in the Issuer's authorized capital: ***no share***

Basic areas of business of the company: ***Voluntary medical insurance: all varieties of personal and proprietary insurance***

***Social effect of participation: insurance of Issuer's employees***

Full and abbreviated official name: ***Kalinigrad Mobile Networks Open Joint-Stock Company, KMS OJSC***

Place of business: ***24, ul. Bolnichnaya, Kaliningrad, 236040, the Russian Federation***

Mailing address: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Ground, on which the company is considered a dependent company of the issuer:

***The issuer holds over 20% of voting shares***

Issuer's share in the authorized capital of the corporation: ***33.5 %***

Share of the party in the Issuer's authorized capital: ***no share***

Basic areas of business of the company: ***Cellular communication services of the NMT-450 standard***

Full and abbreviated official name: ***WestBaltTelecom Closed Joint-Stock Company, WBT CJSC***

Place of business: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Mailing address: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Ground, on which the company is considered a dependent company of the issuer:

***The issuer holds over 20% of voting shares***

Issuer's share in the authorized capital of the corporation: ***28 %***

Share of the party in the Issuer's authorized capital: ***no share***

Basic areas of business of the company: ***Provision of local, long-distance and international telephone communication services***

Full and abbreviated official name: ***Octagon Technologies Closed Joint-Stock Company, OCTATECH CJSC***

Place of business: *pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036*

Mailing address: *pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036*

Ground, on which the company is considered a dependent company of the issuer:

*The issuer holds over 20% of voting shares*

Issuer's share in the authorized capital of the corporation: *26.4 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *no operations, the company is being liquidated*

Full and abbreviated official name: *Tele-Nord Open Joint-Stock Company, Tele-Nord OJSC*

Place of business: *5, ul. Samoylovoy, Murmansk, 183038, Russia*

Mailing address: *5, ul. Samoylovoy, Murmansk, 183038, Russia*

Ground, on which the company is considered a dependent company of the issuer:

*The issuer holds over 20% of voting shares*

Issuer's share in the authorized capital of the corporation: *25 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *Cellular communication services of the NMT-450 standard*

Full and abbreviated official name: *Dancell, Saint Petersburg Closed Type Joint-Stock Company*

Place of business: *51, Baltiyskaya ul., St. Petersburg, 198092*

Mailing address: *51, Baltiyskaya ul., St. Petersburg, 198092*

Ground, on which the company is considered a dependent company of the issuer:

*The issuer holds over 20% of voting shares*

Issuer's share in the authorized capital of the corporation: *23.65 %*

Share of the party in the Issuer's authorized capital: *no share*

Basic areas of business of the company: *no operations, the company is being liquidated*

### **3.7. Composition, Structure and Value of Issuer's Fixed Assets, Information on Plans for Acquisition, Replacement and Retirement of Fixed Assets, and on all Facts of Issuer's Fixed Assets Burdening**

#### **3.7.1. Fixed assets**

<i>Initial (replacement) value of the fixed assets:</i>	<i>Amount of accumulated depreciation</i>	<i>Residual value as of 31.12.2003 (thousand roubles)</i>
<i>21909259.17</i>	<i>9437345.97</i>	<i>12471913.2</i>

*As before 31<sup>st</sup> October 2002 branches of OJSC North-West Telecom were independent legal entities, data on revaluation of fixed assets and on revaluation of fixed assets leased on a long-term basis are presented in a breakdown by branches that performed revaluation for the period under report.*

#### Branch Artelecom of Arkhangelsk oblast

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
Fixed assets in operation (except for social sphere)	1,403,065,277	701,718,608	01.01.1999	1,567,309,156	812,559,426
Land plots and nature management sites	1,390	1,390	01.01.1999	1,390	1,390

Buildings, except for social sphere	225,152,938	152,380,665	01.01.1999	250,625,061	174,016,933
Communication lines	464,659,010	184,400,816	01.01.1999	497,939,950	209,911,978
Other facilities, except for social sphere	131,057,669	52,010,487	01.01.1999	140,444,601	59,205,943
Transport facilities, except for social sphere	21,477,512	8,268,035	01.01.1999	24,342,827	10,491,785
Switchboards	395,686,317	213,773,852	01.01.1999	460,041,875	250,439,425
Other equipment of communication networks	153,878,012	83,134,275	01.01.1999	178,905,173	97,393,110
Computing and office facilities	7,902,936	5,888,405	01.01.1999	10,604,525	8,408,976
Other fixed assets, except for social sphere	3,249,493	1,860,683	01.01.1999	4,403,754	2,689,886
Fixed assets, the depreciation of which is included in account 29	16,775,797	15,600,140	01.01.1999	19,474,559	18,166,648
Not intended (according to IAS) for gaining income		-	01.01.1999		
Intended (according to IAS) for gaining income	16,775,797	15,600,140	01.01.1999	19,474,559	18,166,648
	1,419,841,074	717,318,748		1,586,783,715	830,726,074

***Revaluation was carried out according to the coefficients of the State Statistics Committee of the Russian Federation***

The branch Electrosvyaz of Vologda Oblast

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
According to the card of accounts					
9 - Technical literature	3,505.00	3,505.00	October 1998	3,505.00	3,505.00
10 - Production buildings	151,339,550.00	117,337,799.00	October 1998	147,388,215.00	114,879,358.90
10.1 - Housing Fund	15,931,917.00	12,308,122.48	October 1998	15,931,917.00	12,308,122.48
20 - Structures	6,566,551.00	4,252,408.27	October 1998	6,566,551.00	4,252,408.27
30 - Transmission devices	302,946,686.90	100,661,154.34	October 1998	302,260,725.90	100,432,010.01
40 - Power machines	19,511,777.00	4,938,484.83	October 1998	19,048,161.00	4,775,357.59
41 - Operation machines	283,355,568.00	160,590,889.62	October 1998	247,871,265.00	144,371,192.50
47 - Measurement instrumentation	2,774,265.00	491,648.63	October 1998	2,767,020.00	490,689.71
48 - Computing facilities	2,097,373.00	1,248,135.90	October 1998	2,074,623.00	1,237,779.24
49 - Other machines	51,050.00	11,767.48	October 1998	50,150.00	10,986.43
50 - Transport facilities	8,511,380.00	3,680,285.37	October 1998	8,399,180.00	3,604,652.58
60 - Tools	67,220.00	24,896.44	October 1998	67,220.00	24,896.44
70 - Production implements	374,737.00	252,600.40	October 1998	366,337.00	247,767.60
70.1 - Furniture	404,887.00	276,185.23	October 1998	388,487.00	269,362.64
	793,936,466.90	406,077,882.99		753,183,356.90	386,908,089.39

***Revaluation was carried out with the participation of an appraiser.  
Revaluation method: according to the market value***

The branch Murmancelectrosvyaz

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
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facilities	1800838.84	1384593.02	30.06.2000	24998630.66	19220448.13
facilities (transmission devices)	4689668.9	1091643.04	30.06.1999	27127244.77	6314575.44
facilities (transmission devices)	1488033	633848	31.12.1999	31919123	9926776
facilities (transmission devices)	61099438.81	11842438.49	30.09.2000	145317805.8	25288785.76
facilities (transmission devices)	55215223.94	20020800.17	01.01.2001	614507636.7	243197289.9
machines and equipment	24272476.3	17778880.93	30.09.2000	78604800	57575723.32
	<b>148565679.8</b>	<b>52752203.65</b>		<b>922475240.9</b>	<b>361523598.5</b>

*Revaluation was carried out with the participation of an appraiser.  
Revaluation method: according to the market value*

The branch Novgorodtelecom

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
Other network equipment in operation	6418299.57	2060613	01.01.2001	1584900.8	5088368.26
<b>TOTAL</b>	6418299.57	2060613	01.01.2001	1584900.8	5088368.26

*Revaluation method: according to the market value and in accordance with the accounts, invoices, information and price-lists of suppliers of similar equipment as of the date of the revaluation.*

The branch Petersburg Telephone Network

Group of fixed assets According to the card of accounts	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
<b>buildings</b>					
Buildings, except for social sphere	766212923.48	610573685.37	2000	2359987299.81	1846843480.13
Not intended (according to IAS) for gaining income	936400.00	554816.35	2000	5753200.00	3408767.01
<b>Total:</b>	767149323.48	611128501.72		2365740499.81	1850252247.14
<b>facilities</b>					
Communication lines	1512985.03	437375.61	2000	1278486.73	371603.23
<b>equipment</b>					
Switchboards	166431439.79	64377616.53	2000	101842543.18	39702932.10
Other equipment of communication networks	434000792.72	220205214.14	2000	344725547.66	179422980.03
Other equipment of communication networks up to 10,000 roubles	877052657.15	386884408.03	2000	659765327.05	299850621.70
<b>Total:</b>	1477484889.66	671467238.70		1106333417.89	518976533.83
<b>other</b>	99552224.72	38977034.67	2000	82774746.99	32487585.62
<b>TOTAL</b>	2345699422.89	1322010150.70		3556127151.42	2402087969.82

*Revaluation method: direct recalculation on the basis of the data confirmed by documents*

*Evaluation of buildings and facilities was mainly carried out by the index method - using the indices of rise in prices of construction and installation in industrial engineering in the region as of December 1999.*

*The basic information for using the indices of rise in prices normally consists in data on the estimate value of facilities or on actually incurred expenses for their construction as included in the inventory list of fixed assets during commissioning. If the said information is not available, valuation is performed based on the functional purpose, construction volume or area of the site, using the standard values of the comparison unit cost in basic prices.*

*To determine the complete replacement value of the produced equipment, as well as other fixed assets, information on market prices for valuation objects or their functional analogues in the region as of December 1999 was used. If and when necessary, such information was adjusted for the existing differences between the valuation object and its functional analogues.*

The branch Electrosvyaz of Pskov Oblast

Group of fixed assets	Complete value prior to revaluation	Residual (less depreciation) value prior to revaluation	Date of revaluation	Complete value after revaluation	Residual (less depreciation) value after revaluation
Buildings	115032	89846	As of 01.01.99	133989	104316
Facilities	227321	62601	As of 01.01.99	255565	75600
Machines and equipment	155117	90317	As of 01.01.99	293205	209857
Transport facilities	11469	4916	As of 01.01.99	14226	6283
Production and economic implements	814	408	As of 01.01.99	951	547
Work stock	6	1	As of 01.01.99	7	1
Other types of fixed assets	65	65	As of 01.01.99	65	65
<b>TOTAL</b>	509824	248154	As of 01.01.99	698008	396669

*Revaluation method: according to the coefficients of the State Statistics Committee of the Russian Federation using the statistics and market value according to the manufacturer's information*

*There are no plans for acquisition, replacement or withdrawal of fixed assets, the value of which is 10 and more per cent of the value of fixed assets of the Issuer and other fixed assets at the Issuer's discretion.*

*There are no facts of Issuer's fixed assets burdening (with the indication of the nature of burdening, the moment when the burdening arises, its period and other terms at the Issuer's discretion).*

### 3.7.2. Value of Issuer's Real Estate

<i>Total value of real estate:</i>	<i>Amount of accumulated depreciation as of 31.12.2003 (thousand roubles)</i>
7021468	2613944.6

*During 12 months before the date of the end of the quarter under report, no valuation of real estate owned or leased by the Issuer on a long-term basis.*

## IV. Data on Financial and Economic Operation of the Issuer

### 4.1. Results of the Financial and Economic Operation of the Issuer

*This information is not provided in the quarter under report*

### 4.2. Issuer's Liquidity

*This information is not provided in the quarter under report*

### 4.3. Amount, Structure and Sufficiency of Issuer's Capital and Circulating Funds

#### 4.3.1. Amount and Structure of Issuer's Circulating Funds

Capital structure

*Authorized capital – 937,940 thousand roubles*

*Information on additional capital and capital reserves of the Issuer, Issuer's retained net profit of past years, Issuer's retained net profit, total amount of the capital, and on the structure of circulating assets in the quarter under report is not provided, as according to the accounting rules the annual balance sheet must be made up before or on 31<sup>st</sup> March.*

#### 4.3.2. Issuer's Capital and Circulating Assets Adequacy

*In the quarter under report this information is not provided, because according to the accounting rules the annual balance sheet must be made up before or on 31<sup>st</sup> March.*

#### 4.3.3. Monetary funds

*As by the moment the income and expenses budget or the Company's investment programme for the next year (2004) have not been formed yet, it is impossible to calculate the monetary funds requirement.*

#### 4.3.4. Issuer's Financial Investment

Amount of all financial investment of the issuer as of the end of the last quarter under report: **910,530 thousand roubles**

Financial investment of the issuer, making over 10 per cent of all financial investment as of the end of the last quarter under report:

Long-term financial investment of the issuer:

Type, category, form and series of securities: *series 02 documentary non-convertible interest-bearing bonds payable to bearer, with obligatory centralized care*

Securities Issuer:

Full official name: *Open Joint-Stock Company North-West Telecom*

Abbreviated name: *OJSC North-West Telecom*

Place of business: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186*

Mailing address: *14/26 ul. Gorokhovaya (26 ul. Bolshaya Morskaya) St. Petersburg, 191186*

TIN: *7808020593*

Data on issues of securities of this category held by the issuer:

Date of issue registration by the state:	State registration number of the issue	Authority of state registration of the issue:
8.07.03	4-02-000119-A	The Federal Commission for Securities Market

Face value of one security (roubles): **1000**

Number of securities owned by the Issuer: **750,000**

Total face value of the securities owned by the Issuer (roubles): **750,000,000**

Total balance value of the financial investment (roubles): **750,000,000.**

Interest yield, or procedure of determining it:

Coupon (interest) period		Coupon (interest) yield
The start date	The completion date	

**1. Coupon: 1**

The date of the Bonds floatation start	91st day from the day when floatation of the Bonds starts	<p>The interest rate of the first coupon is determined by holding an auction among potential buyers of Bonds on the first day of the primary distribution of the issued Bonds. On the day when the auction to determine the interest rate of the first coupon of the Bond is held, Members of the Section of MMVB submit applications for the auction, using the trading system of MMVB both for their own account and for the account and on behalf of clients. The time for submitting applications for the auction to determine the interest rate of the first coupon is established by MMVB upon agreement with the Issuer and the Underwriters. Applications for acquisition of Bonds by Members of the MMVB Section are to be sent to one of the Underwriters with the indication of the following significant conditions:</p> <ol style="list-style-type: none"> <li>1) Purchase price: 100% (one hundred per cent) of the face value;</li> <li>2) Number of Bonds, that the potential buyer would like to acquire, if the Issuer assigns the interest rate of the first coupon as greater or equal to the acceptable interest rate indicated in the application.</li> <li>3) Interest rate of the first coupon acceptable for the investor. The term "Acceptable interest" means the minimum interest rate of the first coupon, which, if announced by the Issuer, would make the potential investor ready to buy the number of Bonds indicated in the application at the price of 100% (one hundred per cent) of the face value. The acceptable interest rate must be expressed in per cent per annum accurate to a hundredth of per cent.</li> </ol> <p>Money must be reserved in the amount sufficient for complete payment of the Bonds stated in the applications, taking into account the MMVB's commission fee.</p> <p>Applications, in which one or several of the above significant conditions do not comply with the requirements set forth in items 1-3, and applications that are not secured by money as provided for in the previous paragraph are not permitted for participation in the auction to determine the interest rate of the first coupon.</p> <p>Upon expiry of the period for filing applications for auction to determine the interest rate of the first coupon, MMVB makes up the summary list of entered applications filed to each of the Underwriters and hands it over to the Issuer and the Underwriters.</p> <p>On the basis of the analysis of the summary list of applications submitted for participation in the auction, the Issuer takes a decision on the interest rate of the first coupon and advises the Underwriters and MMVB in writing on the decision taken.</p> <p>The organizer shall publish a notice on the interest rate of the first coupon using the trading system of Moscow Interbank Currency Exchange (MMVB) by sending electronic messages to all Members of the Section.</p>
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**2. Coupon: 2**

91st day from the day when floatation of the Bonds starts	182nd day from the day when floatation of the Bonds starts	The amount of coupon rate for the second coupon equals to the amount of coupon rate for the first coupon.
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**3. Coupon: 3**

182nd day from the day when floatation of the Bonds starts	273rd day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the third coupon equals to the amount of coupon rate for the first coupon.
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**4. Coupon: 4**

273rd day from the day when floatation of the Bonds of the issue starts	364th day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the fourth coupon equals to the amount of coupon rate for the first coupon.
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**5. Coupon: 5**

364th day from the day when floatation of the Bonds of the issue starts	455th day from the day when floatation of the Bonds of the issue starts	<p>The coupon rate for the fifth coupon shall be determined according to the following formula:</p> $C(5) = C(1) - 1$ <p>where C(1) is the interest rate of the first coupon, in per cent per annum; and C(5) is the interest rate of the fifth coupon, in per cent per annum;</p>
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**6. Coupon: 6**

455th day from the day when floatation of the Bonds of the issue starts	546th day from the day when floatation of the Bonds starts	The amount of coupon rate for the sixth coupon equals to the amount of coupon rate for the fifth coupon.
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**7. Coupon: 7**

546th day from the day when floatation of the Bonds starts	637th day from the day when floatation of the Bonds starts	The amount of coupon rate for the seventh coupon equals to the amount of coupon rate for the fifth coupon.
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**8. Coupon: 8**

637th day from the day when floatation of the Bonds starts	728th day from the day when floatation of the Bonds starts	The amount of coupon rate for the eighth coupon equals to the amount of coupon rate for the fifth coupon.
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**9. Coupon: 9**

728th day from the day when floatation of the Bonds starts	819th day from the day when floatation of the Bonds starts	The interest rate of the ninth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**10. Coupon: 10**

819th day from the day when floatation of the Bonds starts	910th day from the day when floatation of the Bonds starts	The interest rate of the tenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**11. Coupon: 11**

910th day from the day when floatation of the Bonds starts	1001st day from the day when floatation of the Bonds starts	The interest rate of the eleventh coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**12. Coupon: 12**

1001st day from the day when floatation of the Bonds starts	1092nd day from the day when floatation of the Bonds starts	The interest rate of the twelfth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**13. Coupon: 13**

1092nd day from the day when floatation of the	1183rd day from the day when floatation of the	The interest rate of the thirteenth coupon is established by the Issuer's Board of Directors and brought to the
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Bonds starts	Bonds starts	notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**14. Coupon: 14**

1183rd day from the day when floatation of the Bonds starts	1274th day from the day when floatation of the Bonds starts	The interest rate of the fourteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**15. Coupon: 15**

1274th day from the day when floatation of the Bonds starts	1365th day from the day when floatation of the Bonds starts	The interest rate of the fifteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**16. Coupon: 16**

1365th day from the day when floatation of the Bonds starts	1456th day from the day when floatation of the Bonds starts	The interest rate of the sixteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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*The Bonds coupon yield for the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * N_i * (t_i - T_i)/365/100\%$$

*where i is the sequence number of the coupon, i= 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,*

*K<sub>i</sub> is the amount of coupon payment on each Bond*

*C<sub>i</sub> is the coupon interest rate*

*N is the face value of one Bond*

*t<sub>i</sub> is the expiry date of the i-th coupon period*

*T<sub>i</sub> is the starting date of the i-th coupon period.*

*The Bonds coupon yield for the thirteenth and fourteenth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * 0.7 * N * (t_i - T_i)/365/100\%$$

*The Bonds coupon yield for the fifteenth and sixteenth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * 0.4 * N * (t_i - T_i)/365/100\%$$

*The amount of yield on the coupon is calculated accurate to one kopeck (the second decimal place being rounded off according to the mathematical rounding-off rules, viz.: if the third decimal place is greater than or equal to 5, the second decimal place is increased by one, and if the third decimal place is less than 5, the second decimal place is not changed).*

**Note**

*According to the results of the auction held among potential buyers of Bonds on the first day of the primary floatation of the Bonds of the issue at the Moscow Interbank Currency Exchange, the coupon rate from the*

*first to the fourth amounted to 14.2% per annum. According to the procedure for determining the coupons, described above, the coupon rate from the fifth to the eighth will amount to 13.2% per annum.*

Short-term financial investments of the Issuer:

*There is no such investment making at least 10 per cent of the entire financial investment of the issuer.*

#### **4.3.5. Issuer's intangible assets**

<i>No.</i>	<i>Name of the group of intangible assets</i>	<i>Full value</i>	<i>Value of charged depreciation</i>
	<i>Exclusive rights to computer programmes</i>	<i>324275</i>	<i>317179</i>
	<i>Trademarks and servicing marks</i>	<i>6000</i>	<i>2000</i>
<b>Total, roubles</b>		<b>330275</b>	<b>319179</b>

#### **4.4. Data on the policy and expenses of the issuer in the field of scientific and technical development, in respect of licenses and patents, new designs and research**

*Development of OJSC NWT is implemented in compliance with the “Single Master Plan for the Development of Telecommunication Networks of Inter-Regional Companies and Rostelecom OJSC”, prepared by Giprosvyaz OJSC to the order of OJSC NWT in 2002. At the moment, the “Single Master Plan ...” is being adjusted taking into account the Lensvyaz Open Joint-Stock Company. It is expected that the “Single Master Plan for the Development ...” will be considered by the Scientific and Technical Council of the Ministry of Communication and Informatization (NTS) of Russia and by a meeting of the State Commission for Telecommunications at the same Ministry early in 2004.*

*In 2002 the trademark of OJSC NWT was developed. The costs of developing amounted to 60,000 roubles. The procedure of trademark registration is under way. In the 4<sup>th</sup> quarter an application was filed for registration of the trademark image and in November 2003 the respective payment was effected in the amount of 12,000 roubles.*

*Besides, the dues to the Russian Agency of Patents and Trademarks were paid for filing the application for registration of the trademark image, classes 09, 35, 38, 41, 42 of MKTU (International Classification of Goods and Services) in the amount of 24,700 roubles.*

#### **4.5. Analysis of the Development Trends in the Field of the Issuer's Principal Activity**

##### ***Economic Prospects of the Region's Development***

*The socio-economic contribution of the North-Western region in the GDP of Russia in 2002 amounted to 9.4% (or 889.4 billion roubles). The most economically developed regions of the district are St. Petersburg, the Murmansk, Leningrad, Arkhangelsk and Vologda Oblasts, their share being about 83% of the gross regional product of the united territory, 70% of the population's income and 70% of the communication services market.*

*According to the results of the last months of 2003, the growth rate in the communication industry remained at the level exceeding 20%. In October 2003, as compared to October 2002, the growth of the communication services volume by 25.6% and for 10 months it by 21.8%. It should be noted, though, that the growth rate of paid communication services for the population was much lower than for the industry on the whole; however, it exceeded the growth rate of Russia's economy on the whole. According to the results of October 2003, the growth rate of paid communication services for the population was 14.6%, and according to the results of January-October 2003, the growth as compared to the same period of 2002 was 12.8%. It is noteworthy that the growth rate in the industry remained quite high with a comparatively slow growth of tariffs, which is dealt with below.*

*The high growth rate for the period remained in the non-traditional communication services sector, too. Thus, according to the AC&M-Consulting analytical agency, the number of cellular communication subscribers in Russia as of 31<sup>st</sup> October 2003 was 31,920 million people, which is 1,640 million people or 5.4% more than in the previous month.*

*The financial condition of the industry remained good in fact throughout the year 2003. The balanced financial result of communication enterprises grew in January-August 2003 as compared to January-August 2002 by 77.3% to the level of 62.9 billion – this is one of the best figures among all industries of Russia's economy. Among all industries of Russia's economy, only commerce and public catering had a better share of profitable enterprises, and this figure was better than in 2002.*

## **Forecast of a possible change of the situation**

*In spite of experts' warnings that the state of Russia's economy could worsen by the end of 2003, its growth rate remained quite high, increasing gradually from month to month. Thus, while according to the results of January-September 2003 the growth of the gross domestic product as compared to the same period of 2002 was 6.5%, according to the results of January-October 2003 as compared to the same period of 2002 it was already 6.6%. The growth of the gross domestic product in October as compared to September 2003 was 0.6%, and, as compared to October 2002, it was 7.3%.*

*According to forecasts, in the year 2004, the communication market in this country will grow to 8 billion US dollars, which corresponds to 2.05% of the GDP (390 billion US dollars). The key growth factors are the general improvement of the economic situation, strengthened rouble, penetration of mobile communication to regions and restructuring of local communication rates. Thus, the potential investors' interest in this segment of the market is quite high.*

*The North-Western region is one of well-developed telecommunication markets. A manifestation of that is the significant percentage of income from telecommunication services in the North-Western region in the income of the Russian communication industry – about 16%. The North-Western region is one of well-developed telecommunication markets. A manifestation of that is the significant percentage of income from telecommunication services in the North-Western region in the income of the Russian communication industry – about 16%. The market of the region is characterized by strong competition. The market share is strongly differentiated by regions: in St. Petersburg OJSC North-West Telecom controls only 20% of the market, while its regional branches occupy 52.5% of the telecommunication market.*

*In 2002 the volume of the telecommunication market of the North-Western region made about 30 billion roubles. On the whole, the communication market development rates in the license territory of OJSC North-West Telecom are non-uniform: there is a more intensive development in regions than in St. Petersburg. This can be explained by the relative saturation of the market of communication services of St. Petersburg and by the increased expenses for communication in regions. Thus, with the existing market development level, for further development the Company must use extensive methods of gaining extra income from permanent subscribers more actively.*

*Due to the geographical location of the North-Western Federal District, a number of territories of which have not been sufficiently developed or populated, the communication enterprises of the District hold quite modest positions in Russia. At the same time, the District takes the first place in Russia by e-mail traffic, leaving other territories far behind, which can be explained by the fact that the territory of the District is crossed by communication channels used for information exchange with foreign countries. The North-Western Federal District holds the third place among Federal Districts of RF by income from communication services for the first half of 2002.*

## **V. Detailed Data on the Persons Who are Members of the Issuer's Management Bodies, Issuer's Bodies for Control over its Financial and Economic Operation, and Brief Data on the Workers (Employees) of the Issuer**

### **5.1. The data on Issuer's structure and terms of reference of the management body.**

*The Company's General Meeting of the Shareholders is the supreme management body of the Issuer. The Company's Board of Directors consisting of 11 persons deals with the general management of Issuer's activities.*

*Executive bodies of the Company deal with the management of Issuer's current activities.*

*The General Manager is the sole executive authority, while the Management Board is the collegiate executive body.*

Terms of reference of the general meeting of the Issuer's shareholders (participants) according to its Articles of Association (incorporation documents):

*The terms of reference of the general meeting of the shareholders include the following issues that cannot be handed over for consideration by the Board of Directors, General Manager or Management Board of the Company:*

*1) introducing amendments and additions to the Articles of Association or approving the Articles of Association of the Company in a new version (except for the cases provided for by the Federal Law On Joint-Stock Companies), decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting);*

- 2) *re-organization of the Company, decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 3) *liquidation of the Company, appointing the liquidation committee and approval of the intermediate and final balance sheets, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 4) *electing members of the Board of Directors by cumulative voting;*
- 5) *early termination of the powers of Members of the Board of Directors, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 6) *determining the number, face value and category of stated shares of the Company and the rights granted by those shares, the decisions being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 7) *increasing the Company's authorized capital by increasing the face value of shares, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 8) *increasing the authorized capital of the Company by floating extra shares through public subscription in case the number of extra floated shares is more than 25 per cent of the common stock earlier floated by the Company, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 9) *increasing the Company's authorized capital by floating extra shares through closed subscription, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 10) *reducing the Company's authorized capital by reducing the face value of shares, through the Company acquiring a part of shares for the purpose of reducing their total number, as well as by retiring shares acquired or redeemed by the Company, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 11) *electing the members of the Auditing Committee of the Company and early termination of their powers, the decisions being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 12) *approving the auditor of the Company, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 13) *approving annual reports, annual accounts of the Company, including profit and loss reports (profit and loss accounts) of the Company, as well as distribution of profit, including payment (statement) of dividend, and losses of the Company on the basis of the results of the fiscal year, the decisions being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 14) *determining the procedure of holding the general meeting of the shareholders of the Company, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 15) *splitting and consolidating shares, the decisions being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 16) *taking a decision on approval of party-related transactions, the decision being taken in the cases and according to the procedure provided for by chapter XI of the Federal Law On Joint-Stock Companies;*
- 17) *taking a decision on approval of big transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is more than 50% of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date, except for transactions performed in the course of normal economic operation of the Company, transactions related to floatation of common stock of the Company through subscription (realization), as well as transactions related to floatation of issued securities convertible into the Company's common stock, the decision being taken by the majority of three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 18) *taking a decision on participation in holding companies, financial and industrial groups, associations and other unions of commercial organizations, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*
- 19) *approving by-laws regulating the operation of the Company's bodies, the decision being taken by the majority of votes of the shareholders holding the voting shares and taking part in the meeting;*
- 20) *floatation by the Company of bonds convertible into shares, and other issued securities convertible into shares, if the said bonds (or other issued securities) are floated through closed subscription or through public subscription, when in case of public subscription convertible bonds (or other issued*

*securities) may be converted into common shares of the Company, making more than 25 per cent of the earlier floated common shares, the decision being taken by at least three fourths of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*

*21) taking a decision on making up for the Company's account expenses for preparation and holding of an extraordinary general meeting of the Company's shareholders in the case when, contrary to the requirements of the active law of the Russian Federation, the Board of Directors has not taken a decision on convoking an extraordinary meeting and the meeting is convoked by other parties. The decision is taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*

*22) relieving a party, who, independently or jointly with its affiliated parties, has acquired 30 and more per cent of floated common stock of the Company, from the duty of acquiring shares from other shareholders of the Company, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting, except for the votes granted by the shares held by the said party and its affiliated parties;*

*23) taking a decision on transferring the powers of the single executive body of the Company to a managing organization or to a manager, the decision being taken by the majority of the votes of the shareholders holding the Company's voting shares and taking part in the meeting;*

*24) deciding other issues provided for by the Federal Law On Joint-Stock Companies and by the Articles of Association.*

Terms of reference of the Issuer's Board of Directors according to its Articles of Association:

*The terms of reference of the Company's Board of Directors include the following issues:*

*1) determining the priority areas of the Company's activities, including approval of the annual budget, medium- and long-term budgets, strategies and programmes of the Company's development, introducing amendments to the said documents, considering the results of their fulfillment;*

*2) preliminarily approving operations which are beyond the framework established by the annual budget of the Company;*

*3) convoking the annual and extraordinary General Meetings of the Company Shareholders, except for the cases provided for by clause 8 of article 55 of the Federal Law On Joint-Stock Companies;*

*4) approving the agenda of the General Meeting of the Shareholders;*

*5) setting the date for making up the list of the shareholders entitled to participation in the General Meeting of the Shareholders, and other issues included in the terms of reference of the Board of Directors in compliance with chapter VII of the Federal Law On Joint-Stock Companies and related to preparation and holding of the General Meeting of the Shareholders;*

*6) preliminarily approving the annual report of the Company;*

*7) increasing the authorized capital of the Company by the Company floating extra shares within the limits of the number of stated shares as established by the Articles of Association, except for the cases provided for by subclauses 8 and 9 of clause 12.2 of the Articles of Association;*

*8) floatation by the Company of bonds and other issued securities in the case when, under the terms of floatation of such bonds and other issued securities, they are not convertible into Company's shares;*

*9) floatation by the Company of bonds convertible into shares, and other issued securities convertible into shares, if such bonds (other issued securities) are floated through public subscription and the convertible bonds (other issued securities) can be converted into common stock of the Company making 25 and less per cent of earlier floated common stock;*

*10) determining the price (monetary valuation) of the property, floatation and redemption price of issued securities in the cases provided for by the Federal Law On Joint-Stock Companies;*

*11) approving decisions on the issue of securities, prospectuses of securities issue, reports on the results of Company's securities issue, quarterly reports of the issuer of issued securities, reports on the results of Company's shares acquisition for the purpose of retiring them;*

*12) acquisition of shares, bonds and other securities floated by the Company;*

*13) approval of the Company's registrar and the terms of the contract with him, as well as taking a decision on terminating the contract with him;*

*14) recommendations on the amount of dividend earned by shares, the form and time of its payment, and approval of a bylaw on dividend earned by shares of the Company;*

*15) the use of the reserve and other funds of the Company;*

*16) control over the use of internal control procedures;*

*17) recommendations on the amount of remunerations and reimbursements paid to the members of the*

*Company's Auditing Committee, approval of the terms of the contract made with the auditor, including the determination of his remuneration;*

*18) approval of the Provisions on the Structural Division of the Company Exercising Internal Control, agreeing upon candidates for the position of its manager and consideration of other issues, decisions on which must be taken by the Board of Directors in compliance with the Provisions on the said Division;*

*19) approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is from 0.75 to 25% of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date;*

*20) approval of transactions related to acquisition, alienation or possibility of alienation by the Company directly or indirectly of any property, the value of which is from 25 to 50 % of the balance value of the Company's assets as determined on the basis of its accounts as of the last reporting date, except for transactions made in the course of normal economic operation of the Company, transactions related to floatation of shares of the Company through subscription (realization), as well as transactions related to floatation of issued securities convertible into the Company's shares;*

*21) approval of party-related transactions in the cases provided for by chapter XI of the Federal Law On Joint-Stock Companies;*

*22) agreeing upon the organizational structure of the Company, including the basic functions of the structural divisions;*

*23) creating branches, opening and liquidating representative offices, approving Provisions on them;*

*24) preliminarily agreeing upon candidates for positions of branch and representative office managers and dismissal of such managers;*

*25) determining the priority areas of the branches activities;*

*26) appointing the single executive body (General Manager), establishing the term of its office, and early termination of its powers;*

*27) electing (re-electing) the Chairperson of the Board of Directors of the Company and his/her deputy;*

*28) forming the collective executive authority (Management Board), establishing the term of its office, and early termination of the powers of the Management Board members;*

*29) agreeing upon combining positions in management bodies of other organizations by the person acting as the single executive body of the Company and by members of the Company's Management Board;*

*30) permitting to work for and receive wages from other organizations for the person acting as the single executive body;*

*31) forming standing or provisional (to resolve certain issues) committees of the Board of Directors, and approving the Provisions on them;*

*32) appointing and dismissing the corporate Secretary of the Company, and approving the Provisions on the staff of the corporate Secretary of the Company;*

*33) approving terms of contracts (additional agreements) made with the General Manager, Members of the Management Board, managers of branches and representative offices, the manager of the Company's structural division exercising the internal control, with the Corporate Secretary of the Company, and considering issues, the decisions on which must be taken by the Board of Directors in compliance with the said contracts;*

*34) taking decisions on participation (affiliation as a participant, termination of participation, change of the share of participation) of the Company in other organizations through purchasing or selling stock or shares of other organizations and through investing extra contributions to the authorized capitals of such organizations;*

*35) taking decisions on Company's participation in nonprofit organizations, except for the cases provided for by subclause 18 of clause 12.2 of the Articles of Association, by affiliation as a participant, termination of participation, by investing extra contributions (fees) related to participation of the Company in nonprofit organizations;*

*36) taking decisions on the issues of the agenda of general meetings of subsidiaries (supreme management bodies of other organizations), in which the Company is the only participant;*

*37) determining the procedure of the Company's interaction with organizations in which the Company participates;*

*38) approving the bylaw on the issues of disclosing information on the Company;*

*39) approving other bylaws of the Company, besides the ones provided for in clause 13.4 of the Articles of Association, that regulate the issues included in the terms of reference of the Company's Board of Directors, except for the bylaws, the approval of which is included by the Company's Articles of Association in the terms of reference of the general meeting of the shareholders and executive bodies of*

*the Company;*

*40) other issues provided for by the Federal Law On Joint-Stock Companies and by the Articles of Association.*

Terms of reference of the Issuer's sole and collegiate executive bodies according to its Articles of Association:

*The terms of reference of the Board of Directors include the following issues:*

- 1) The General Manager shall deal with the management of the current activities of the Company and shall be appointed by the general meeting of the shareholders for a period not exceeding five years.*
- 2) The General Manager shall take decisions on issues that are not included by the Articles of Association in the terms of reference of the general meeting of the shareholders, the Board of Directors or the Management Board of the Company.*
- 3) The General Manager acts as the Chairperson of the Management Board.*
- 4) The General Manager shall preside over the general meeting of the shareholders.*

*The terms of reference of the Company's Management Board include the following issues of managing the current activities of the Company:*

- 1) developing proposals on the priority areas of the Company's activities, including draft annual budgets, medium- and long-term budgets, strategies and programmes of the Company's development, proposals on introducing amendments to the said documents;*
- 2) developing and approving internal control procedures;*
- 3) determining the personnel and social policy of the Company;*
- 4) considering and taking a decision on making collective agreements and covenants, and approving the bylaw regulating the general provisions on labour incentives;*
- 5) preparing materials and draft decisions on issues to be considered by the general meeting of the shareholders and the Board of Directors, and presenting the materials to committees of the Board of Directors;*
- 6) working out the engineering, financial, economic and rate policy of the Company and its branches, strategies and programmes for development of branches;*
- 7) working out the accounting policy, control over improvement of the methodology of book-keeping and managerial accounting, as well as over the introduction of reporting according to international accounting standards in the Company and branches;*
- 8) working out the methodology of planning, budgeting and controlling of the Company and its branches;*
- 9) working out the policy of ensuring the Company's and branches security;*
- 10) determining the amount, form and procedure of endowing branches with property and withdrawing it from them;*
- 11) determining the number of the members of collective executive bodies of branches and appointing them, as well as early termination of their powers, approving the Provisions on the Collective Executive Body of a Branch;*
- 12) preliminarily agreeing upon candidates for the positions of deputy managers and chief accountants or branches and representative offices and dismissal of the said officials;*
- 13) approving terms of contracts (additional agreements) made with members of collective executive bodies of branches, with deputy managers, and chief accountants or branches and representative offices, and considering issues, the decisions on which are to be taken by the Management Board in compliance with the above agreements;*
- 14) approving annual and quarterly budgets of branches, introducing amendments to the said documents and considering the results of fulfilling them;*
- 15) analysis of the results of the operation of Company's structural divisions, including separate divisions, and working out obligatory instructions for improvement of their operation;*
- 16) approving the bylaws regulating the issues included in the terms of reference of the Company's Management Board, except for the bylaws approved by the general meeting of the shareholders and by the Board of Directors of the Company.*

Data on availability of an issuer's bylaw establishing the rules of issuer's corporate behaviour: *there is no such bylaw*

## **5.2. Information on Members of the Issuer's Management Bodies**

### **Members of the Issuer's Board of Directors:**

Chairperson: *Valery Nikolayevich Yashin*  
Education: *Higher*

Members of the Board of Directors:  
*Valery Nikolayevich Yashin*  
Year of birth: *1941*

Posts for the recent 5 years:  
Period: *1993 - 1999*  
Organization: *Petersburg Telephone Network Open Joint-Stock Company*  
Position: *General Manager*

Period: *1994 - 1999*  
Organization: *Petersburg Telephone Network Open Joint-Stock Company*  
Position: *Chairperson of the Management Board*

Period: *1994 – till now*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *member of the Board of Directors*

Period: *1996 – till now*  
Organization: *Telecom-Soyuz Non-Governmental Pension Fund*  
Position: *Chairperson of the Fund Council*

Period: *1997 - 2000*  
Organization: *St. Petersburg Long-Distance International Telephone Open Joint-Stock Company*  
Position: *Member of the Supervisory Board*

Period: *1998 – till now*  
Organization: *St. Petersburg Payphones Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *1999 – till now*  
Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *General Manager*

Period: *1999 – till now*  
Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Chairperson of the Management Board*

Period: *2000 - 2003*  
Organization: *Mobitel Closed Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *2000 – till now*  
Organization: *Moscow City Telephone Network Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2000 – till now*  
Organization: *Rostelecom Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *2000 – till now*  
Organization: *TsentrTelecom Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: **2000 - 2002**  
Organization: ***Svyazinvest-Media Open Joint-Stock Company***  
Position: ***Chairperson of the Board of Directors***

Period: **2001 – till now**  
Organization: ***RTComm.RU Open Joint-Stock Company***  
Position: ***Chairperson of the Board of Directors***

Period: **2001 - 2002**  
Organization: ***Electrosvyaz of Oryol Oblast Open Joint-Stock Company***  
Position: ***Chairperson of the Board of Directors***

Period: **1998 – till now**  
Organization: ***Telecominvest Open Joint-Stock Company***  
Position: ***Chairperson of the Board of Directors***

Period: **2001 - 2003**  
Organization: ***Rostelecom-Garantiya Non-Governmental Pension Fund***  
Position: ***Chairperson of the Fund Council***

Period: **2001 – till now**  
Organization: ***National Payphone Network Open Joint-Stock Company***  
Position: ***Chairperson of the Board of Directors***

Period: **2002 – till now**  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***Chairperson of the Board of Directors***

Period: **2002 – till now**  
Organization: ***The Russian Foundation of the History of Communications***  
Position: ***member of the Management Board***

Period: **2003 – till now**  
Organization: ***FC Zenith Closed Joint-Stock Company***  
Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: **0.17268%**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

***Alexandr Vyacheslavovich Ikonnikov***  
Year of birth: **1971**  
Education: ***Higher***

Posts for the recent 5 years:  
Period: **1997 - 1999**  
Organization: ***Ministry of Fuel and Power Engineering of the Russian Federation***  
Position: ***Head of the Department for foreign economic relations***

Period: **1999 - 2000**  
Organization: ***National Association of stock market members***  
Position: ***Deputy Chairperson of Executive Council***

Period: **2002 – till now**  
Organization: ***Association of Independent Directors***  
Position: ***Chairperson of the Management Board***

Period: **2002 – till now**  
Organization: ***Association for Investors' Rights Protection***  
Position: ***Director***

Period: **2002 – till now**  
Organization: **Central Telecommunication Company Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2003 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Vadim Yevgenyevich Belov**  
Year of birth: **1958**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1997 - 1998**  
Organization: **Joint-Stock Commercial Bank "International Financial Corporation"**  
Position: **Deputy Chairperson of the Management Board**

Period: **1998 - 1999**  
Organization: **SPK Capital Limited**  
Position: **Managing Director of the Moscow Representative office**

Period: **1999 - 2000**  
Organization: **Volgogradelectrosvyaz Open Joint-Stock Company**  
Position: **Chairperson of the Board of Directors**

Period: **1999 – till now**  
Organization: **Investment Communication Company Open Joint-Stock Company**  
Position: **Deputy General Manager**

Period: **1999 – till now**  
Organization: **Investment Communication Company Open Joint-Stock Company**  
Position: **member of the Management Board**

Period: **1999 - 2001**  
Organization: **Uralsvyazinform Open Joint-Stock Company**  
Position: **Chairperson of the Board of Directors**

Period: **1999 - 2000**  
Organization: **Electrosvyaz of Moscow Oblast Open Joint-Stock Company**  
Position: **Chairperson of the Board of Directors**

Period: **1999 - 2000**  
Organization: **Kirovelectrosvyaz Open Joint-Stock Company**  
Position: **Chairperson of the Supervisory Board**

Period: **1999 - 2000**  
Organization: **Electrosvyaz of Stavropol Kray Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **1999 - 2000**  
Organization: **Electrosvyaz of Primorsk Kray Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **1999 - 2001**  
Organization: **Kubanelectrosvyaz Open Joint-Stock Company**  
Position: **Chairperson of the Board of Directors**

Period: **2000- 2001**

Organization: ***Electrosvyaz of Moscow Oblast Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2000 - 2002**

Organization: ***Volgogradelectrosvyaz Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2000 – till now**

Organization: ***Rostelecom Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2000 – 2002**

Organization: ***Uralsvyazinform Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2002 – till now**

Organization: ***Uralsvyazinform Open Joint-Stock Company***

Position: ***Chairperson of the Board of Directors***

Period: **2001 - 2002**

Organization: ***Sibirtelecom Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2001 – till now**

Organization: ***South Telecommunication Company Open Joint-Stock Company***

Position: ***Chairperson of the Board of Directors***

Period: **2001 - 2002**

Organization: ***Uraltelecom of Sverdlovsk Oblast Open Joint-Stock Company***

Position: ***Chairperson of the Board of Directors***

Period: **2001 – till now**

Organization: ***TsentrTelecom Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2001 - 2003**

Organization: ***Rostelecom-Garantiya Non-Governmental Pension Fund***

Position: ***Member of the Fund Council***

Period: **2002 - 2002**

Organization: ***Svyazinform of Chelyabinsk Oblast Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2001 - 2002**

Organization: ***Electrosvyaz of Rostov Oblast Open Joint-Stock Company***

Position: ***Chairperson of the Board of Directors***

Period: **2002 - 2003**

Organization: ***Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2002 – till now**

Organization: ***Tsentralny Telegraf Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: **2002 - 2003**

Organization: ***RTK-Invest Closed Joint-Stock Company***

Area of business: ***financial services***

Position: ***Chairperson of the Board of Directors***

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **RTK-Leasing Closed Joint-Stock Company**  
Position: **Member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Non-Profit Partnership Centre for Research of Telecommunications Development Problems**  
Position: **Chairman of the Board of the Partnership**

Period: **2002 - 2003**  
Organization: **Telecom-Soyuz Non-Governmental Pension Fund**  
Position: **Member of the Fund Council**

Share in the Issuer's authorized capital: **0.00003%**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Ivan Ivanovich Rodionov**  
Year of birth: **1953**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1997 – till now**  
Organization: **Brunswick Capital Management Investment Fund**  
Position: **Managing director**

Period: **2001 - 2002**  
Organization: **Artelecom Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2001 - 2002**  
Organization: **Electrosvyaz of the Republic of Karelia Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Sergey Vladimirovich Soldatenkov**  
Year of birth: **1963**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1994 - 1998**  
Organization: **Delta Telecom Closed Joint-Stock Company**  
Position: **General Manager**

Period: **1998 - 1999**  
Organization: **Telecominvest Open Joint-Stock Company**  
Position: **Deputy General Manager**

Period: **1999 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**

Area of business: *communication services*  
Position: *member of the Board of Directors*

Period: *1999 - 2000*  
Organization: *Petersburg Telephone Network Open Joint-Stock Company*  
Position: *First Deputy General Manager - Commercial Manager*

Period: *2000 - 2002*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *Chairperson of the Management Board*

Period: *2000 - 2002*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *General Manager*

Period: *2001 - 2003*  
Organization: *Lensvyaz Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*  
Organization: *Megafon Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*  
Organization: *Telecominvest Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*  
Organization: *Delta Telecom Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*  
Organization: *North-West Telecombank Closed Joint-Stock Company*  
Position: *member of the Supervisory Board*

Period: *2002 – till now*  
Organization: *Sonik Duo Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2003 – till now*  
Organization: *Megafon Open Joint-Stock Company*  
Position: *Chairperson of the Management Board*

Period: *2003 – till now*  
Organization: *Megafon Open Joint-Stock Company*  
Position: *General Manager*

Share in the Issuer's authorized capital: *0.00249%*  
Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

*Dmitry Vladimirovich Levkovsky*  
Year of birth: *1965*  
Education: *Higher*

Posts for the recent 5 years:  
Period: *1995 – till now*  
Organization: *"NCH Advisors, Inc"*  
Position: *Vice-President*

Period: *2000 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Uralsvyazinform Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*  
Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

***Irina Mikhailovna Ragozina***

Year of birth: *1950*

Education: *Higher*

Posts for the recent 5 years:

Period: *1996 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *member of the Board of Directors*

Period: *1997 - 1999*

Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Shareholding Management Service Manager*

Period: *1998 - 1999*

Organization: *Giprosvyaz Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *1998 - 1999*

Organization: *Electrosvyaz of Vladimir Oblast Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *1998 - 2001*

Organization: *Kamchatsvyazinform Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *1998 - 2002*

Organization: *Svyazinform of Chelyabinsk Oblast Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *1999 - 2000*

Organization: *Lensvyaz Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *1999 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Corporate Management Department Director*

Period: *2000 – till now*

Organization: *Moscow City Telephone Network Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2000 - 2000*

Organization: *St. Petersburg Long-Distance International Telephone Open Joint-Stock Company*  
Position: *member of the Supervisory Board*

Period: *2001 - 2002*

Organization: *Kamchatsvyazinform Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Kurgan Oblast Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Rostelecom Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*  
Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

*Yury Alexandrovich Bilibin*

Year of birth: *1971*

Education: *Higher*

Posts for the recent 5 years:

Period: *1998 - 1999*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*  
Position: *Manager of the Long-Term Investment and Securities Department*

Period: *1999 - 2000*

Organization: *Petersburg Telephone Network Open Joint-Stock Company*  
Position: *Deputy Commercial Manager*

Period: *2000 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Assistant General Manager*

Period: *2000 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Medexpress Insurance Closed Joint-Stock Company*  
Position: *member of the Supervisory Board*

Period: *2001 – till now*

Organization: *North-West Telecombank Closed Joint-Stock Company*  
Position: *member of the Supervisory Board*

Period: *2001 – till now*

Organization: *National Payphone Network Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *RTComm.RU Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Svyazinform of Samara Oblast Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Uralsvyazinform Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Magadansvyazinform Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Murmanelectrosvyaz Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Oryol Oblast Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Rostelecom-Garantiya Non-Governmental Pension Fund*  
Position: *Fund member*

Period: *2002 – till now*

Organization: *RTK-Leasing Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *RTK-Invest Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *Interfax-Telecom Informational Agency Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Svyazinvest-Media Open Joint-Stock Company*  
Position: *Chairperson of the Board of Directors*

Period: *2002 – till now*

Organization: *Mobitel Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 - 2003*

Organization: *Lensvyaz Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 - 2002*

Organization: *Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

*Alexandr Alexandrovich Gogol*

Year of birth: *1946*

Education: *Higher*

Posts for the recent 5 years:

Period: *1998 – till now*

Organization: *Prof. M.A. Bonch-Bruyevich Saint Petersburg State University of Telecommunication*  
Position: *Rector*

Period: **2000 – till now**  
Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**  
Position: **Member of the Board of Directors**

Period: **2003 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **no share**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Alexandr Abramovich Sysoyev**  
Year of birth: **1949**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1995 - 1998**  
Organization: **Saint Petersburg Telegraph Open Joint-Stock Company**  
Position: **Chairperson of the Management Board**

Period: **1995 - 1998**  
Organization: **Saint Petersburg Telegraph Open Joint-Stock Company**  
Position: **General Manager**

Period: **1998 - 2002**  
Organization: **Lensvyaz Open Joint-Stock Company**  
Position: **General Manager**

Period: **1998 - 2003**  
Organization: **Lensvyaz Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **1998 - 2002**  
Organization: **Lensvyaz Open Joint-Stock Company**  
Position: **Chairperson of the Management Board**

Period: **2002 – till now**  
Organization: **Telecominvest Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **Chairperson of the Management Board**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Board of Directors**

Period: **2002 - 2003**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **General Manager**

Period: **2002 – till now**  
Organization: **Delta Telecom Closed Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2003 - 2003**  
Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**  
Area of business: **communication specialists training**  
Position: **member of the Board of Directors**

Period: **2003 - 2003**  
Organization: ***Neva Kabel Closed Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: **2003 – till now**  
Organization: ***Kolatelecom Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: **0.0376%**  
Shares in the Issuer's subsidiaries/affiliates:  
***no shares***

***Oleg Anatolyevich Lebedinets***  
Year of birth: **1977**  
Education:

Posts for the recent 5 years:  
Period: **1999 - 2000**  
Organization: ***Wood & Company Investment Company***  
Position: ***Financial analyst***

Period: **2000 - 2000**  
Organization: ***Alfa Capital Investment Bank***  
Position: ***Deputy Director of the Research Department***

Period: **2000 – till now**  
Organization: ***Brunswick Asset Management***  
Position: ***Director of the Investment fund Analytical department***

Period: **2002 – till now**  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: ***no share***  
Shares in the Issuer's subsidiaries/affiliates:  
***no shares***

#### **Issuer's Collegiate executive management body**

***Igor Nikolayevich Samylin***  
Year of birth: **1957**  
Education: ***Higher***

Posts for the recent 5 years:  
Period: **1997 - 1998**  
Organization: ***Neda Closed Joint-Stock Company***  
Position: ***General Manager***

Period: **1998 - 1999**  
Organization: ***Petersburg Telephone Network Open Joint-Stock Company***  
Position: ***Vyborgsky Telephone Centre Manager***

Period: **1999 - 2000**  
Organization: ***Petersburg Telephone Network Open Joint-Stock Company***  
Position: ***Customers Department Manager - Customers Manager***

Period: **2000 – till now**  
Organization: ***Open Joint-Stock Company North-West Telecom***

Position: *member of the Management Board*

Period: *2000 - 2002*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *First Deputy General Manager - Commercial manager, head of the Petersburg Telephone Network branch*

Period: *2001 – till now*

Organization: *Petersburg Transit Telecom Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Telecominvest Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Telecominvest Production Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Murmanelectrosvyaz Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Lensvyaz Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *St. Petersburg Telecommunication Centre Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *St. Petersburg Informational Company Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 - 2002*

Organization: *Electrosvyaz of Kaliningrad Oblast Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *PeterStar Closed Joint-Stock Company*

Position: *member of the Board of Directors*

Period: *2002 - 2002*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Deputy General Manager in charge of commercial affairs Regional Manager of the Petersburg Telephone Network branch*

Period: *2002 - 2003*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Deputy General manager - Manager for strategic policy and business development - regional manager of the Petersburg Telephone Network branch*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *regional manager of the Petersburg Telephone Network branch*

Period: *2002 – till now*

Organization: *Giprosvyaz SPb Open Joint-Stock Company*

Position: *member of the Board of Directors*

Period: **2002 – till now**  
Organization: ***TCI Telesense Closed Joint-Stock Company***  
Position: ***member of the Board of Directors***

Share in the Issuer's authorized capital: ***no share***  
Shares in the Issuer's subsidiaries/affiliates:  
***no shares***

***Nikolay Gennadyevich Bredkov***  
Year of birth: ***1953***  
Education: ***Higher***

Posts for the recent 5 years:  
Period: ***1996 - 1999***  
Organization: ***Petersburg Telephone Network Open Joint-Stock Company***  
Position: ***Deputy General Manager in charge of Economics and Finance***

Period: ***1999 - 2000***  
Organization: ***Petersburg Telephone Network Open Joint-Stock Company***  
Position: ***Deputy Economics and Finance Director - Manager of the Labour Organization and Remuneration Department of the Financial Economic Service of the Central Directorate***

Period: ***2000 - 2002***  
Organization: ***Electrosvyaz of the Republic of Karelia Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2000 - 2002***  
Organization: ***Artelecom Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2001 - 2002***  
Organization: ***Electrosvyaz of Vologda Oblast Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2001 - 2002***  
Organization: ***Cherepovetsectrosvyaz Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2001 - 2002***  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***Manager in charge of structural reorganization***

Period: ***2002 – till now***  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***member of the Management Board***

Period: ***2002 – till now***  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***Deputy General Manager in charge of corporate management***

Period: ***2003 – till now***  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2003 – till now***  
Organization: ***WestBaltTelecom Closed Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: ***2003 – till now***  
Organization: ***Vologda Cellular Communication Closed Joint-Stock Company***  
Position: ***member of the Board of Directors***

Period: **2003 – till now**  
Organization: **Tele-Nord Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2003 – till now**  
Organization: **TD-Telecom Closed Joint-Stock Company**  
Position: **member of the Board of Directors**

Share in the Issuer's authorized capital: **0.00397%**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Maya Mikhaylovna Semchenko**  
Year of birth: **1967**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1995 - 2000**  
Organization: **Delta Telecom Closed Joint-Stock Company**  
Position: **Chief Accountant, Financial Manager**

Period: **2000 - 2002**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **Chief Accountant, Accounting Board Manager**

Period: **2000 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **member of the Management Board**

Period: **2001 - 2003**  
Organization: **The St. Petersburg Bank of Reconstruction and Development Open Joint-Stock Company**  
Position: **member of the Board of Directors**

Period: **2002 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **Chief Accountant**

Share in the Issuer's authorized capital: **no share**  
Shares in the Issuer's subsidiaries/affiliates:  
**no shares**

**Evgeny Borisovich Stepanov**  
Year of birth: **1978**  
Education: **Higher**

Posts for the recent 5 years:  
Period: **1997 - 2000**  
Organization: **Telecominvest Closed Joint-Stock Company**  
Position: **Assistant Personnel Contacts Manager**

Period: **2000 - 2003**  
Organization: **Telecominvest Closed Joint-Stock Company**  
Position: **Personnel Manager**

Period: **2003 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **Director in charge of personnel management**

Period: **2003 – till now**  
Organization: **St. Petersburg Telecommunication Centre Closed Joint-Stock Company**

Position: *member of the Board of Directors*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

*no shares*

***Elena Vladimirovna Umnova***

Year of birth: *1954*

Education: *Higher*

Posts for the recent 5 years:

Period: *1999 - 2003*

Organization: *Bank MENATEP Saint Petersburg Open Joint-Stock Company*

Position: *Deputy Branch Manager in Voronezh*

Period: *2003 – till now*

Organization: *Investment Communication Company Open Joint-Stock Company*

Position: *Finance Department Manager*

Period: *2003 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *member of the Management Board*

Share in the Issuer's authorized capital: *no share*

Shares in the Issuer's subsidiaries/affiliates:

*no shares*

***Sergey Mikhaylovich Gavryushev***

Year of birth: *1951*

Education: *Higher*

Posts for the recent 5 years:

Period: *1999 - 2002*

Organization: *Electrosvyaz of the Republic of Karelia Open Joint-Stock Company*

Position: *General Manager*

Period: *2002 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Regional Manager of the Branch Electrosvyaz of the Republic of Karelia*

***Ilya Vladimirovich Kravchuk***

Year of birth: *1975*

Education: *Higher*

Posts for the recent 5 years:

Period: *1998 - 2002*

Organization: *Lensvyaz Open Joint-Stock Company*

Position: *Securities Department Manager, Marketing and Services Sale Department Manager*

Period: *2002 - 2002*

Organization: *Lensvyaz Open Joint-Stock Company*

Position: *Commercial Manager*

Period: *2002 - 2003*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Assistant General Manager*

Period: *2003 - 2003*

Organization: *Open Joint-Stock Company North-West Telecom*

Position: *Acting as Deputy General Manager – Manager in charge of operational management and business development*

Period: **2003 – till now**  
Organization: **Open Joint-Stock Company North-West Telecom**  
Position: **Deputy General Manager – Manager in charge of operational management and business development**

**Oleg Anatolyevich Semanov**

Year of birth: **1967**

Education: **Higher**

Posts for the recent 5 years:

Period: **1998 - 2002**

Organization: **Artelecom of Arkhangelsk Oblast Open Joint-Stock Company**

Position: **Communication Network Operation and Operational Technical Management Director**

Period: **2002 - 2003**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy Regional Operation Director of the Branch Artelecom of Arkhangelsk Oblast**

Period: **2003 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General Manager - Manager in charge of strategic development and technical policy**

**Grigory Borisovich Chernyak**

Year of birth: **1949**

Education: **Higher**

Posts for the recent 5 years:

Period: **1994 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **member of the Management Board**

Period: **1994 - 2001**

Organization: **Petersburg Telephone Network Open Joint-Stock Company**

Position: **General Issues Manager**

Period: **2001 – till now**

Organization: **U Krasnogo Mosta Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2001 – till now**

Organization: **Medexpress Insurance Closed Joint-Stock Company**

Position: **member of the Supervisory Board**

Period: **2001 - 2002**

Organization: **Zenith Football Club Closed Joint-Stock Company**

Position: **member of the Board of Directors**

Period: **2002 - 2002**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General manager in charge of common issues**

Period: **2002 – till now**

Organization: **Lensvyaz Open Joint-Stock Company**

Position: **member of the Management Board**

Period: **2002 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Deputy General Manager - manager in charge of property management**

Period: **2002 – till now**

Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *General Issues Manager of the Petersburg Telephone Network branch*  
Share in the Issuer's authorized capital: *0.04004%*  
Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

Period: *2003 – till now*  
Organization: *Neva Kabel Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

*Sergey Ivanovich Kuznetsov*  
Year of birth: *1953*

Posts for the recent 5 years:  
Period: *1998 - 2001*  
Organization: *PeterStar Closed Joint-Stock Company*  
Position: *General Manager*

Period: *2001 – till now*  
Organization: *Globaltel Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*  
Organization: *Telmos Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*  
Organization: *Rostelecom Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*  
Organization: *RTComm.RU Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*  
Organization: *Joint-Stock Commercial Bank Svyaz-Bank Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*  
Organization: *Rostelecom Open Joint-Stock Company*  
Position: *General Manager*

Period: *2003 – till now*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *General Manager*

Share in the Issuer's authorized capital: *0.00142%*  
Shares in the Issuer's subsidiaries/affiliates:  
*no shares*

**Person acting as the sole executive body of the Issuer:**

*Sergey Ivanovich Kuznetsov*  
Year of birth: *1953*

Posts for the recent 5 years:  
Period: *1998 - 2001*  
Organization: *PeterStar Closed Joint-Stock Company*  
Position: *General Manager*

Period: *2001 – till now*

Organization: *Globaltel Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 – till now*

Organization: *Telmos Closed Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Rostelecom Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *RTComm.RU Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2002 – till now*

Organization: *Joint-Stock Commercial Bank Svyaz-Bank Open Joint-Stock Company*  
Position: *member of the Board of Directors*

Period: *2001 - 2003*

Organization: *Rostelecom Open Joint-Stock Company*  
Position: *General Manager*

Period: *2003 – till now*

Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *General Manager*

Share in the Issuer's authorized capital: *0.00142%*

Shares in the Issuer's subsidiaries/affiliates:

*no shares*

Nature of kinship of the above persons with any other persons who are members of the issuer's management bodies and/or bodies of control over financial and economic activities of the issuer: *persons in the Board of Directors, collective and single executive management bodies of the issuer have no kinship with any other persons who are members of the issuer's management bodies and/or bodies of control over financial and economic activities of the issuer*

### **5.3. Data on the Amount of Remuneration, Privileges and/or Reimbursement of Expenses for Each of the Issuer's Management Bodies:**

Aggregate amount of remuneration paid to the members of the Board of Directors for the Year 2003:

Wages (roubles): *1,640,363.97*

Bonuses (roubles): *1,117,740.77*

Commission (roubles): *7,309,437*

Privileges and/or reimbursement of expenses (roubles): *3,345,801*

Other property compensations (roubles): *0*

Total (roubles): *13,675,842.74*

Aggregate amount of remuneration paid to the members of the Management Board for the Year 2003:

Wages (roubles): *12,775,674.39*

Bonuses (roubles): *6,024,896.39*

Commission (roubles): *2,776,163*

Privileges and/or reimbursement of expenses (roubles): *3,064,264*

Other property compensations (roubles): *0*

Total (roubles): *24,640,997.78*

Data on existing agreements in respect of such payments in the current fiscal year: *there are no such agreements*

#### **5.4. Data on the Structure and Terms of Reference of the Bodies of Control over Financial and Economic Operation of the Issuer**

*To exercise control over financial and economic operation, the Company creates an Auditing Committee, a special structural division exercising the internal control functions.*

*The Auditing Committee is an independent control body of the Company, elected at the annual general meeting of the shareholders for a period till the next annual general meeting of the shareholders, with 7 members.*

*The terms of reference of the Auditing Committee include:*

- checking the reliability of the data contained in the reports and other financial documents of the Company;*
- revealing any facts of violation of the procedure for book-keeping and submission of financial reports, established by the legal acts of the Russian Federation;*
- checking the observance of the legal standards in tax calculation and payment;*
- revealing any facts of violation of the legal acts of the Russian Federation, in compliance with which the Company performs its financial and economic operations;*
- evaluating the economic advisability of financial and economic operations of the Company.*

*Starting from December 2002 the Internal Audit Department started functioning in OJSC North-West Telecom.*

*As of the date of the end of the period under report, the Department comprised:*

*Alexandr Nikolayevich Levashev*

*Larisa Alexandrovna Smirnova*

*Basic functions of the Internal Audit Department:*

- periodic control of the compliance of financial and economic operations transacted by the Company, its branches and other structural units with the interests of the Company, protection of Company's assets;*
- independent appraisal and analysis of Company's financial state on the whole, of the financial state of its branches and other structural units;*
- periodic control of the observance by the Company, its branches and other structural units of legislative and other standard acts (including bylaws) regulating their activities, as well as of decisions of the General Meeting of the Shareholders of the Company, the Board of Directors of the Company, the single and joint executive bodies of the Company;*
- checking the efficiency of the internal control system, control over cash flows and over related-party transactions, proving the reliability of accounts and reports and operational information of the Company its branches and other structural units;*
- consulting on issues of financial and tax legislation;*
- interaction with external auditors, representatives of tax and other supervision authorities.*

*Accountability of the Internal Audit Department: In compliance with clause 16 of the active Articles of Association of the Company, the Board of Directors shall exercise control over the application of internal audit procedures. In compliance with clause 2.1 of the active "Provisions on the Committee for Reporting and Remunerations of the Board of Directors of OJSC North-West Telecom", this Committee ensures control of the Board of Directors in respect of internal audit issues.*

*Interaction of the Internal Audit Department with the executive bodies of the Issuer and with the Board of Directors: a report on audits is submitted to the Board of Directors (upon request) and to the General Manager of the Company. Planned audits shall be conducted in compliance with the annual auditing plan approved by the General Manager.*

*Interaction of the Internal Audit Department and the external auditor: reports on results of audit by external auditors are to be received*

#### **5.5. Information on Members of the Bodies for Control over the Financial and Economic Activities of the Issuer**

Personal composition of the Auditing Committee and other issuer's bodies for control over its financial and economic activities:

Full name: *Natalia Vladimirovna Fedorova*  
Year of birth: *1962*  
Education: *Higher*

Period: *1998 - 2002*  
Organization: *Electrosvyaz of Pskov Oblast Open Joint-Stock Company*  
Position: *Chief Accountant*

Period: *2002 - till now*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *Chief accountant of the Electrosvyaz of Pskov Oblast branch, OJSC Nort-West Telecom*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0.022*

Percentage of issuer's common stock held by the said party (%): *0.026*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Andrey Yakovlevich Lang*  
Year of birth: *1970*  
Education: *Higher*

Period: *1999 - 2001*  
Organization: *Industry and Construction Bank Saint Petersburg Open Joint-Stock Company*  
Position: *Deputy Manager of the Planning and Budget Department – Head of the Financial Management Sector*

Period: *2001 - 2002*  
Organization: *Industry and Construction Bank Saint Petersburg Open Joint-Stock Company*  
Position: *Manager of the Planning and Budget Department – Head of the Financial Management Sector*

Period: *2002 - till now*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *Deputy General Manager in charge of Economics and Finance*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Larisa Mikhailovna Tareyeva***

Year of birth: ***no data***

Education: ***Higher***

Period: ***2003 – till now***

Organization: ***Narodny Telefon Saratov (Saratov People's Telephone) Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Volgograd GSM Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Uralvestcom Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Novocom Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Samara-Telecom Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Yugsvyazstroy Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***2003 – till now***

Organization: ***Health-Improvement Centre Orbita Closed Joint-Stock Company***

Position: ***Member of the Board of Directors***

Period: ***1999 – till now***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Leading Specialist of the Department of Direct Investment and Property***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: *Irina Viktorovna Prokofyeva*  
Year of birth: *1968*  
Education: *Higher*

Period: *1997 - 1998*  
Organization: *State Tax Inspectorate for St. Petersburg*  
Position: *Senior State Tax Officer of the Board for Tax Control of City Tax-Payers*

Period: *1998 - 2001*  
Organization: *Telecominvest Open Joint-Stock Company*  
Position: *Taxation specialist*

Period: *2001 - 2001*  
Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Deputy Manager of the Department of Internal Audit and Economic Analysis*

Period: *2001 - 2003*  
Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Deputy Director - Manager of the Unit of Internal Audit of the Department of Internal Audit and Economic Analysis*

Period: *2003 – till now*  
Organization: *Yermak RMS Closed Joint-Stock Company*  
Position: *Member of the Board of Directors*

Period: *2003 - till now*  
Organization: *Investment Communication Company Open Joint-Stock Company*  
Position: *Manager of the Department of Internal Audit*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): *0*

Percentage of issuer's common stock held by the said party (%): *0*

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: *no option programmes have been provided for by the issuer*

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): *0*

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): *0*

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: *no option programmes have been provided for in the issuer's subsidiaries or dependent companies*

Full name: *Mariya Leonidovna Pravdina*  
Year of birth: *1971*  
Education: *Higher*

Period: *1998 - 2000*  
Organization: *State Tax Inspectorate for Saint Petersburg*  
Position: *Chief State Tax Officer*

Period: *2000- 2002*  
Organization: *Open Joint-Stock Company North-West Telecom*  
Position: *Contract Department Manager of the Petersburg Telephone Network branch*

Period: **2002 – till now**

Organization: **Open Joint-Stock Company North-West Telecom**

Position: **Head of the Investment department**

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: **no option programmes have been provided for by the issuer**

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: **no option programmes have been provided for in the issuer's subsidiaries or dependent companies**

Full name: **Sergey Ivanovich Alekhin**

Year of birth: **1977**

Education: **Higher**

Period: **1998 - 1999**

Organization: **Craft Limited Liability Company**

Position: **Chief accountant**

Period: **1999 - 2000**

Organization: **NPP Energoresurs Closed Type Joint-Stock Company**

Position: **Chief accountant**

Period: **2000 - 2000**

Organization: **Avista-S Limited Liability Company**

Position: **Chief accountant**

Period: **2000 - 2000**

Organization: **Editorial Board of the Glavbukh Magazine Closed Joint-Stock Company**

Position: **expert editor**

Period: **2000 - 2003**

Organization: **Investment Communication Company Open Joint-Stock Company**

Position: **Leading Specialist of the Unit of Internal Audit of the Department of Internal Audit and Economic Analysis**

Period: **2003 – till now**

Organization: **Investment Communication Company Open Joint-Stock Company**

Position: **Leading Specialist of the Internal Audit Department**

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): **0**

Percentage of issuer's common stock held by the said party (%): **0**

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: **no option programmes have been provided for by the issuer**

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): **0**

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): **0**

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Full name: ***Konstantin Vladimirovich Belyaev***

Year of birth: ***1968***

Education: ***Higher***

Period: ***1996-2001***

Organization: ***Artelecom of Arkhangelsk Oblast Open Joint-Stock Company***

Position: ***Deputy Chief accountant, Chief accountant***

Period: ***2001 – till now***

Organization: ***Investment Communication Company Open Joint-Stock Company***

Position: ***Chief accountant***

Period: ***2002 - 2002***

Organization: ***Yartelecom Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Period: ***2003 – 2003***

Organization: ***Inter-Regional Commercial Bank of Communication and Information Support Development Open Joint-Stock Company***

Position: ***member of the Board of Directors***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer (%): ***0.00076***

Percentage of issuer's common stock held by the said party (%): ***0.00067***

Number of issuer's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's options held by it: ***no option programmes have been provided for by the issuer***

Participation of the member of the issuer's body for control over its financial and economic activities in the authorized capital (unit investment fund) of the issuer's subsidiaries and dependent companies (%): ***0.00076***

Percentages of issuer's subsidiary or dependent company's common stock held by the said party (%): ***0***

Number of issuer's subsidiaries or dependent company's shares of each category, that may be acquired by such a party as a result of exercising the rights granted by the issuer's subsidiaries or dependent company's options held by it: ***no option programmes have been provided for in the issuer's subsidiaries or dependent companies***

Personal composition of other issuer's bodies for control over its financial and economic activities (Internal Audit Department):

Full name: ***Alexandr Nikolayevich Levashev***

Year of birth: ***1972***

Education: ***Higher***

Period: ***1995 - 2000***

Organization: ***Elf Limited Liability Company***

Position: ***Expert***

Period: **2000 - 2001**  
Organization: ***Budimir Limited Liability Company***  
Position: ***Consultant***

Period: **2001 - 2002**  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***Leading Accountant***

Period: **2002 - 2002**  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***Deputy Chief Accountant***

Period: **2002 – till now**  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***Manager of the Internal Audit Department***

Full name: ***Larisa Alexandrovna Smirnova***  
Year of birth: ***1975***  
Education: ***Higher***

Period: **1999 – 2002**  
Organization: ***Financial Control Department of the Ministry of Finance of RF for the Kingisepp District and Ivan Gorod***  
Position: ***Treasurer***

Period: **2002 – 2002**  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***Economist of the Zapadny (“Western”) branch***

Period: **2002 – 2002**  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***1<sup>st</sup> Category Economist of the Treasury***

Period: **2002 – 2003**  
Organization: ***Lensvyaz Open Joint-Stock Company***  
Position: ***1<sup>st</sup> Category Economist of the Financial Department***

Period: **2003 – 2003**  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***1<sup>st</sup> Category Specialist of the Internal Audit Department***

Period: **2003 – till now**  
Organization: ***Open Joint-Stock Company North-West Telecom***  
Position: ***Leading Specialist of the Internal Audit Department***

Nature of any kinship between members of the issuer's bodies of control over its financial and economic activities, members of the board of directors of the issuer, members of the collective executive body of the issuer or the person acting as the single executive body of the issuer: ***members of the Issuer's bodies for control over its financial and economic activities have no relationship with members of the Issuer's Board of Directors, members of the Issuer's joint executive body, with the single executive body of the Issuer or with each other.***

#### **5.6. Data on the Amount of Remuneration, Privileges and/or Reimbursement of Expenses for the Body of Control over the Financial and Economic Activities of the Issuer**

The aggregate amount of remuneration paid to the body of control over the financial and economic activities of the issuer for the Year 2003:

Wages (roubles): ***1,821,464.5***

Bonuses (roubles): **1,486,887**  
Commission (roubles): **1,603,148**  
Privileges and/or reimbursement of expenses (roubles): **297,364**  
Other property compensations (roubles): **0**  
Total (roubles): **5,208,864**

Aggregate amount of remuneration paid to other issuer's bodies for control over its financial and economic activities:

Wages (roubles): **850,878**  
Bonuses (roubles): **337,177**  
Commission (roubles): **0**  
Privileges and/or reimbursement of expenses (roubles): **285,055**  
Other property compensations (roubles): **0**  
Total (roubles): **1,473,111**

**5.7. Data on the Number of and Generalized Data on the Education and Composition of the Issuer's Workers (Employees) and on Any Changes in the Number of the Issuer's Workers (Employees)**

*Not submitted for this period in the report*

**5.8. Data on Any Obligations of the Issuer to Workers (Employees) Concerning the Possibility of their Participation in the Authorized Capital (Unit Investment Fund) of the Issuer**

*No agreements or obligations of the issuer have been provided for concerning the possibility of issuer's workers (employees) participation in its authorized capital (unit investment fund).*

**VI. Data on the Issuer's Participants (Shareholders) and on Party-Related Transactions Made by the Issuer**

**6.1. Data on the Issuer's total number of shareholders (participants)**

Issuer's total number of participants as of the date of the end of the quarter under report:  
**31420**

Total number of parties registered in the shareholders register of the issuer as of the date of the end of the last quarter under report:

**31420**

Total number of nominal holders of issuer's shares:  
**38**

**6.2. Data on the Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund) or at least 5 per cent of its common stock, as well as data on participants (shareholders) of such parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of their common stock**

Name: *Investment Communication Company Open Joint-Stock Company*

Place of business: *str. 2, 55, Plyushchikha, Moscow, Russia*

Mailing address: *str. 2, 55, Plyushchikha, Moscow, 119121*

TIN: **7710158355**

Share in the Issuer's authorized capital: **39.893 %**

Percentage of common shares: **50.8443 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

Name: **MUSTCOM LIMITED**

Place of business: **3 Themistoklis Dervis Street Julia House CY-1066 Nicosia, Cyprus**

Mailing address: **9, Dmitrovsky per., Moscow, 103031**

Share in the authorized capital of the Issuer's shareholder (participant): **25% + 1 share**

Percentage of common shares: **25% + 1 share**

Name: **Ministry of Privity of RF**

Place of business: **9, Nikolsky per., Moscow, 103685**

Mailing address: **9, Nikolsky per., Moscow, 103685**

TIN: **7710144747**

Share in the authorized capital of the Issuer's shareholder (participant): **50 % + 1 share**

Percentage of common shares: **50 % + 1 share**

Name: **Russian Fund of Federal Property**

Place of business: **9, Leninsky pr-t, Moscow, 117049**

Mailing address: **9, Leninsky pr-t, Moscow, 117049**

TIN: **7704097841**

Share in the authorized capital of the Issuer's shareholder (participant): **25% -2 shares**

Percentage of common shares: **25% -2 shares**

Full name: **Brunswick UBS Nominees Closed Joint-Stock Company (nominal holder)**

Abbreviated name: **Brunswick UBS Nominees CJSC**

Place of business: **52, Kosmodamyanskaya nab., building 4, Moscow, 115054**

Mailing address: **2/2, Paveletskaya square, Moscow, 115054**

TIN: **7711080038**

Share in the Issuer's authorized capital: **18.6899 %**

Percentage of common shares: **18.998 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

Name: **Brunswick Warburg (Russia) Ltd.**

Place of business: **The issuer has no data**

Mailing address: **The issuer has no data**

Share in the authorized capital of the Issuer's shareholder (participant): **100 %**

Full name: **Depository Clearing Company Closed Joint-Stock Company (nominal holder)**

Abbreviated name: **DCC CJSC**

Place of business: **13, ul. Tverskaya-Yamskaya, Moscow, 125047**

Mailing address: **14/2, ul. Staraya Basmannaya, building 4, Moscow, 103064**

TIN: **7710021150**

Share in the Issuer's authorized capital: **10.0753 %**

Percentage of common shares: **8.8412 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent of the common stock of an issuer's shareholder (participant):

**The issuer has no data**

Full name: **Lindsell Enterprises Limited**

Abbreviated name: **Lindsell Enterprises Ltd**

Place of business: **2-4 Arch Makarios III Avenue Capital Center, 9th Floor, 1505, Nicosia Cyprus**

Mailing address: **17-23, ul. Taganskaya, korp. C 6th floor, Moscow, 109104 Nch Advisors Inc. for**

**Lindsell Enterprises Ltd**

TIN: **no data are given, as the said party is not a resident of RF**

Share in the Issuer's authorized capital: **7.6396 %**

Percentage of common shares: **6.8436 %**

Parties, holding at least 20 per cent of the authorized capital (unit investment fund) or at least 20 per cent

of the common stock of an issuer's shareholder (participant):

*The issuer has no data*

### **6.3. Data on the share of the state or the municipal unit in the authorized capital (unit investment fund) of the issuer and on availability of a special right ("golden share")**

Share of the Issuer's authorized capital owned by the state (municipality):

Type of ownership: *federal*

Share: *0.0007%*

Manager of the block: *Ministry of Proprietary Relations of the Russian Federation*

Type of ownership: *of entities of RF*

Share: *0.000012%*

Manager of the block: *Department of Proprietary Relations of Vologda Oblast*

A special right of participation for the Russian Federation, entities of the Russian Federation or municipal entities in managing the Issuer ('golden share'):

*no such special right is provided for*

### **6.4. Data on Restrictions for Participation in the Authorized Capital (Unit Investment Fund) of the Issuer**

If any restrictions of the number of shares held by one shareholder and/or their aggregate face value, and/or the maximum number of votes granted to one shareholder are established by the Articles of Association of the issuer, which is a joint-stock company, then such restrictions must be listed: *no such restrictions have been provided for by the Articles of Association of the issuer.*

If any restrictions of the share of foreign parties participation in the authorized capital of the issuer have been established by the legislation of the Russian Federation or by other standard legal acts of the Russian Federation, then such restrictions must be listed or it must be stated that there are no such restrictions: *there are no such restrictions*

Other restrictions related with Participation in the Authorized Capital (Unit Investment Fund) of the Issuer: *there are no other restrictions*

### **6.5. Data on changes in the composition and size of participation of the Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund) or at least 5 per cent of its common stock**

Compositions of the issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock as determined as of the date of the list of parties entitled to participation in each general meeting of the shareholders (participants) of the issuer, held for the 5 recent completed fiscal years preceding the date of the end of the quarter under report.

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: *27.04.1999*

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: *Investment Communication Company Open Joint-Stock Company*

Abbreviated official name: *Svyazinvest OJSC*

Share of the party in the authorized capital (unit investment fund) of the issuer (%): *41.8*

Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: ***Stotter Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **15.698**

Percentage of issuer's common stock held by the said party (%): **17.574**

Full official name: ***Machaon Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**

Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **03.04.2000**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***

Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.8**

Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: ***Stotter Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **13.768**

Percentage of issuer's common stock held by the said party (%): **15.22**

Full official name: ***Machaon Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**

Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **20.04.2000**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: **Investment Communication Company Open Joint-Stock Company**

Abbreviated official name: **Svyazinvest OJSC**

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.8**

Percentage of issuer's common stock held by the said party (%): **50.005**

Full official name: ***Stotter Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **13.768**

Percentage of issuer's common stock held by the said party (%): **15.22**

Full official name: ***Machaon Limited***

Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.832**

Percentage of issuer's common stock held by the said party (%): **8.336**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **02.04.2001**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***  
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**  
Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: ***Stotter Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**  
Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: ***Machaon Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**  
Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: ***DCL-KF Corporation***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**  
Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **01.10.2001**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***  
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**  
Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: ***Stotter Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**  
Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: ***Machaon Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**  
Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: ***DCL-KF Corporation***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**  
Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **08.05.2002**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***  
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **41.017**  
Percentage of issuer's common stock held by the said party (%): **50.94**

Full official name: ***Stotter Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **10.932**  
Percentage of issuer's common stock held by the said party (%): **12.299**

Full official name: ***Machaon Limited***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **5.424**  
Percentage of issuer's common stock held by the said party (%): **6.737**

Full official name: ***DCL-KF Corporation***  
Abbreviated official name: ***The issuer has no data***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **4.4**  
Percentage of issuer's common stock held by the said party (%): **5.465**

Date when the list of parties entitled to participation in the general meeting of the shareholders (participants) of the issuer was made up: **05.05.2003**

Issuer's participants (shareholders) holding at least 5 per cent of its authorized capital (unit investment fund), and, for issuers being joint-stock companies - also at least 5 per cent of issuer's common stock:

Full official name: ***Investment Communication Company Open Joint-Stock Company***  
Abbreviated official name: ***Svyazinvest OJSC***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **39.893**  
Percentage of issuer's common stock held by the said party (%): **50.844**

Full official name: ***Lindsell Enterprises Limited***  
Abbreviated official name: ***Lindsell Enterprises Ltd***

Share of the party in the authorized capital (unit investment fund) of the issuer (%): **6.633**  
Percentage of issuer's common stock held by the said party (%): **6.298**

## **6.6. Data on Related-Party Transactions Made by the Issuer**

Total amount of related-party transactions approved by each management body of the issuer, based on the results of the last quarter under report:

**162,432.49 conventional units and  
148,565,873.49 roubles**

Transaction (a group of interrelated transactions) with the price of 5 and more per cent of the balance value of the issuer's assets as determined based on the data of its accounts and reports as of the last reporting date: ***there have been no such transactions in the period under report***

Party-related transaction (a group of interrelated transactions), the decision on approving which was not taken by the Board of Directors (Supervisory Board) or the general meeting of the shareholders (participants) of the issuer in the cases when such approval was obligatory according to the laws of the Russian Federation: *there have been no such transactions in the period under report*

#### **6.7. Data on the amount of accounts receivable**

*Not submitted for this period in the report*

### **VII. Issuer's Accounts and Reports and other financial information**

#### **7.1. Issuer's Annual Accounts and Reports**

*Not submitted for this period in the report*

#### **7.2. Issuer's quarterly Accounts and Reports for the last completed quarter under report**

*Not submitted for this period in the report*

#### **7.3. Issuer's Summary Accounts for the Three Last Completed Fiscal Years or for Each Completed Fiscal Year**

*Not submitted for this period in the report*

#### **7.4. Data on the Total Amount of Exports and on the Share of Exports in the Total Volumes of Sales**

*Not submitted for this period in the report*

#### **7.5. Data on Any Essential Changes that Have Taken Place in the Composition of Issuer's Property after the Date of Expiry of the Last Completed Fiscal Year**

*There have been no essential changes in the composition of issuer's property after the date of expiry of the last completed fiscal year.*

#### **7.6. Data on Issuer's Participation in Any Court Proceedings, if Such Participation May Materially Affect Financial or Economic Operation of the Issuer**

*As of 31 December 2003 and during the three years preceding that date, OJSC North-West Telecom did not take part in any court proceedings, the results of which might materially affect the financial and economic operation of the Issuer and results of current court proceedings. Among other things, in the said period the Issuer did not take part in any court cases related to contesting the rights to Issuer's licenses, related to recognizing the Issuer and/or its subsidiaries and/or affiliates bankrupt, to alienation of Issuer's property (assets) or to exacting a debt in respect of taxes or fees to the budget or non-budgetary funds in any significant amount.*

### **VIII. Extra Data on the Issuer and the Issued Securities Floated by the Issuer**

#### **8.1. Extra Data on the Issuer**

##### **8.1.1. Data on the Amount and Structure of the Authorized Capital (Unit Fund) of the Issuer**

Amount of the Issuer's authorized capital as of the date of the expiry of the last quarter under report (roubles): **937,940,010**

Breakdown of the authorized capital by share categories:

Common stock:

Total (roubles): **735,917,222**

Share in the Issuer's authorized capital: **78.461012 %**

Preferred stock:

Total (roubles): **202,022,788**

Share in the Issuer's authorized capital: **21.538988 %**

Category of stock circulating outside the Russian Federation: **common registered non-documentary**

Percentage of stock circulating outside the Russian Federation in the total number of the stock of the respective category: **0.245%**

Name and location of the foreign issuer whose securities certify the rights in respect of issuer's stock of the respective category: **JPMorgan Chase Bank is the issuer under the 1<sup>st</sup> level ADR programme of OJSC NWT.**

Brief description of the programme (type of programme) for the issue of foreign issuer's securities certifying the rights in respect of the stock of the respective category: **1<sup>st</sup> level ADR**

Data on obtaining a permission from the Federal Commission for circulation of issuer's stock of the respective category outside the Russian Federation (if applicable): **Resolution No. 1590/r of 11<sup>th</sup> August 2001, Resolution No. 1590/r of 3<sup>rd</sup> January 2002.**

Name of foreign organizer of trade (organizer of trade) through whom foreign issuer's securities certifying the rights in respect of issuer's shares circulate (if there is such a circulation): **according to the circulation conditions in the framework of 1<sup>st</sup> level ADR programme, trade is effected in the off-exchange market only**

### 8.1.2. Data on Changes in the Amount of the Authorized Capital (Unit Fund) of the Issuer

Period starting date: **January 1, 1998**

Amount of authorized capital before change, roubles	Number of common shares	Face value (roubles)	Number of preferred shares	Face value (roubles)	Issuer's management body taking the decision on changing AC	No and date of making up the minutes	Amount of authorized capital after change, roubles
466,474,800	382,288,800	1	84,186,000	1	general meeting of the shareholders	3.04.2000 №1	587,497,817
587,497,817	473,056,966	1	114,440,851	1	general meeting of the shareholders	25.06.2002 №01-02	937,940,010

### 8.1.3. Data on Formation and Use of the Reserve and other Funds of the Issuer

**In the quarter under report this information is not provided, because according to the accounting rules the annual balance sheet must be made up before or on 31<sup>st</sup> March.**

### 8.1.4. Data on the Procedure of Convoking and Holding the Meeting (Session) of the Supreme Management Body of the Issuer

Name of the supreme management body of the issuer: **general meeting of the shareholders**

Procedure of notifying the shareholders (participants) on holding the meeting (session) of the supreme management body of the issuer:

**1. A notification on holding a general meeting of the shareholders must be provided not later than 20 days in advance, while a notification on holding a general meeting of the shareholders, the agenda of which contains an issue of Company re-organization must be provided not later than 30 days before the date it is to be held.**

*If the proposed agenda of an extraordinary general meeting of the shareholders contains the issue of electing the Board of Directors of the Company, a notification on holding an extraordinary general meeting of the shareholders must be provided not later than 50 days before the date of holding it.*

*Within the time specified, the notification on holding a general meeting of the shareholders must be sent to each person indicated in the list of those entitled to participation in the general meeting of the shareholders by registered mail or delivered to each of said persons against signature, or published in the Izvestiya newspaper.*

*2. The notification on holding a general meeting of the shareholders must contain:*

*full official name of the Company and location of the Company;*

*form of holding the general meeting of the shareholders (meeting or absentee voting);*

*date, place and time of holding the general meeting of the shareholders, and the mailing address to which filled in ballots may be sent, or, in case of holding the general meeting of the shareholders in the form of absentee voting, the date of finishing the acceptance of voting ballots and the mailing address to which filled in ballots are to be sent;*

*starting time of registration of the persons (their representatives) taking part in the general meeting of the shareholders;*

*date when the list of parties entitled to participation in the general meeting of the shareholders was made up;*

*agenda of the general meeting of the shareholders;*

*procedure of confirming their powers by representatives of those entitled to participation in the general meeting of the shareholders;*

*procedure of getting familiarized with the information (materials) to be provided to those entitled to participation in the general meeting during preparation for the general meeting, and the address(es) at which it is possible to get familiarized with it (address (location) of the single executive body of the Company, as well as addresses of other places where the information (materials) will be provided).*

*3. The notification to shareholders on holding a general meeting of the shareholders, the agenda of which includes issues, the voting on which may entail the right of demanding redemption of shares by the Company, must contain, besides the information listed in 2, the following information:*

*on whether the shareholders holding the voting shares of the Company are entitled to demand redemption of their shares by the Company, if they vote against taking a decision or do not take part in the voting on such issues;*

*on the price and procedure of shares redemption.*

*4. The notification to shareholders on holding an extraordinary general meeting of the shareholders, the agenda of which includes the issue of electing the Company's Board of Directors, must contain, besides the information listed in 2, also information on the procedure and timing of proposing candidates to the Company's Board of Directors by the shareholder(s) holding in the aggregate not less than 2 per cent of the Company's voting shares.*

*5. Besides the information listed in 2 – 4, the notification on holding a general meeting of the shareholders may contain other information on the procedure of shareholders participation in the general meeting of the shareholders.*

Parties (bodies) entitled to convoke (demand holding) an extraordinary meeting (session) of the issuer's supreme management body, and procedure of sending (presenting) such demands:

*An extraordinary general meeting of the shareholders shall be held upon decision of the Board of Directors on the basis of its own initiative, a demand of the Company's Auditing Committee, Company's Auditor, or shareholder(s) holding at least 10 per cent of the Company's voting shares as of the date the demand is presented.*

*Demands on holding an extraordinary general meeting may be presented by:*

*sending them by mail to the address (location) of the single executive body of the Company as indicated in the single state register of legal entities;*

*delivering against signature to the person acting as the single executive body of the Company, to the Chairperson of the Board of Directors of the Company, Corporate Secretary of the Company or to another person entitled to accept written mail sent to the Company;*

*faxing.*

Procedure of fixing the date of holding the meeting (session) of the supreme management body of the issuer:

*the date, place and time of holding the general meeting of the shareholders, and the mailing address to which filled in ballots may be sent, or, in case of holding the general meeting of the shareholders in the form of absentee voting, the date of finishing the acceptance of voting ballots and the mailing address to which filled in ballots are to be sent are determined by the Board of Directors of the Company*

*1. An annual general meeting of the shareholders shall be held not earlier than four months and not later than six months upon expiry of the fiscal year.*

2. *An extraordinary general meeting of the shareholders convoked upon demand of the Auditing Committee of the Company, auditor of the Company or the shareholder(s) holding not less than 10 per cent of the voting shares of the Company must be held within 40 days from the moment the demand on holding an extraordinary general meeting of the shareholders is presented.*

3. *An extraordinary general meeting of the shareholders convoked upon demand of the Auditing Committee of the Company, auditor of the Company or the shareholder(s) holding not less than 10 per cent of the voting shares of the Company, the agenda of which contains the issue of electing the Company's Board of Directors, must be held within 70 days from the moment the demand on holding an extraordinary general meeting of the shareholders is presented.*

4. *If the number of the members of the Board of Directors of the Company becomes less than the quorum required for holding sessions of the Company's Board of Directors, an extraordinary general meeting of the shareholders convoked upon decision of the Company's Board of Directors on the basis of its own initiative to decide the issue of electing the Board of Directors of the Company must be held within 70 days from the moment the decision to hold it is taken by the Board of Directors of the Company.*

5. *Except for the case mentioned in 4, an extraordinary general meeting of the shareholders convoked upon decision of the Company's Board of Directors on the basis of its own initiative to decide any issues within the terms of reference of the general meeting of the shareholders, including the issues of:*

*- early termination of the powers of the Company's Board of Directors and electing the Company's Board of Directors (when the number of the members of the Board of Directors of the Company is not less than the quorum required for holding sessions of the Company's Board of Directors),*

*- electing the Company's Board of Directors (if the Board of Directors has not been elected for a certain reason),*

*must be held within the time fixed by the Company's Board of Directors, taking into account the requirements of the active law and the Articles of Association of the Company.*

Parties entitled to put forward motions to the agenda of the meeting (session) of the supreme management body of the issuer, procedure of putting forward such motions: *the shareholder(s) holding in the aggregate at least 2 per cent of the Company's voting shares are entitled to put forward motions to the agenda of the annual general meeting of the shareholders and to propose candidates to the Board of Directors of the Company and to the Auditing Committee of the Company, the number of which may not exceed the number of members of the respective body as established by the Articles of Association. Such proposals must be received by the Company not later than 60 days after the expiry of the fiscal year.*

Parties entitled to get familiarized with the information (materials) provided for preparation and holding of the meeting (session) of the supreme management body of the issuer, and procedure of getting familiarized with such information (materials):

*The list of persons entitled to participation in the general meeting of the shareholders is made up on the basis of the data from the Company's shareholders register.*

*The following information (materials) is provided to the persons entitled to participation in the general meeting of the shareholders according to the procedure and to the address(es) indicated in the notification on holding the general meeting of the shareholders:*

*- annual accounts and reports, including the conclusion of the auditor and the conclusion of the Auditing Committee of the Company on the results of the inspection of the annual accounts and reports;*

*- data on candidates to the Company's Board of Directors and the Company's Auditing Committee;*

*- draft amendments and additions to the Articles of Association of the Company or draft Articles of Association in a new version;*

*- draft bylaws of the Company;*

*- other draft documents, the adoption of which is provided for by draft decisions of the general meeting of the shareholders;*

*- draft decisions of the general meeting of the shareholders;*

*- other information (materials) required for submission in compliance with the active law;*

*- other information (materials) for taking decisions on the issues of the agenda of the general meeting of the shareholders, included by the Board of Directors in the list of information (materials) provided to shareholders during preparation for the general meeting of the shareholders.*

*A notification on holding a general meeting of the shareholders must be provided not later than 20 days in advance, while a notification on holding a general meeting of the shareholders, the agenda of which contains an issue of Company re-organization must be provided not later than 30 days before the date it is to be held.*

*Within the time specified, the notification on holding a general meeting of the shareholders must be sent to each person indicated in the list of those entitled to participation in the general meeting of the shareholders by registered mail or delivered to each of said persons against signature, or published in the Izvestiya newspaper.*

### 8.1.5. Data on Commercial Organizations, in Which the Issuer Holds not Less Than 5 Per Cent of the Authorized Capital (Unit Fund) or at Least 5 Per Cent of Common Stock

Name: RSU-Telecom *Limited Liability Company*

Place of business: *18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095, Russia*

Mailing address: *18, pr. Stachek, block 2, letter B, Saint Petersburg, 198095, Russia*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0 %*

Officials:

*Bukin Sergey Grigoryevich*

Duties of the official: *Sole executive body*

Share of the party in the Issuer's authorized capital: *0%*

Name: Recreation and Disease Prevention Centre "Svyazist" *Limited Liability Company*

Place of business: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732, Russia*

Mailing address: *poselok Petrovskoye, Priozersky rayon, Leningrad oblast, 188732, Russia*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0 %*

Officials:

*Yuri Nikolayevich Vinogradov*

Duties of the official: *Sole executive body*

Share of the party in the Issuer's authorized capital: *0.00006%*

Name: *AMT Limited Liability Company*

Place of business: *3-5 ul. B. Morskaya, St. Petersburg, 193167*

Mailing address: *k.201, d.14, Sinopskaya nab., St. Petersburg, 193167*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.29741 %*

Officials:

*Vadim Vladimirovich Kotov*

Duties of the official: *Sole executive body*

Share of the party in the Issuer's authorized capital: *0 %*

Name: *Pagetelecom Limited Liability Company*

Place of business: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, Russia*

Mailing address: *6, pr. Stroiteley, Cherepovets, Vologda Oblast, 162627, Russia*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *0.00203 %*

Officials:

*Vladimir Vasilyevich Nikandrov*

Duties of the official: *Sole executive body*

Share of the party in the Issuer's authorized capital: *0.00217 %*

Name: *Tsentrum Limited Liability Company*

Place of business: *22, ul. Antikainena, Petrozavodsk, the Republic of Karelia*

Mailing address: *22, ul. Antikainena, Petrozavodsk, 185000, the Republic of Karelia*

Issuer's share in the authorized capital of the corporation: *100 %*

Share of the party in the Issuer's authorized capital: *no share*

Officials:

*Raisa Stepanovna Fomina*

Duties of the official: *Sole executive body*

Share of the party in the Issuer's authorized capital: *0 %*

Name: ***Polycomp Limited Liability Company***

Place of business: ***20, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia***

Mailing address: ***24, ul. Bolshaya Morskaya, St. Petersburg, 191186, Russia***

Issuer's share in the authorized capital of the corporation: ***90 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

***Alla Antonovna Sergeyeva***

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***Artelecom Service Limited Liability Company***

Place of business: ***the Russian Federation, the city of Arkhangelsk***

Mailing address: ***4, proyezd Priorova, Arkhangelsk, 163071***

Issuer's share in the authorized capital of the corporation: ***77 %***

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

***Sergey Arkadyevich Surovtsev***

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0.01945 %***

Name: ***Vologda Cellular Communication Closed Joint-Stock Company***

Place of business: ***103, ul. Zosimovskaya, Vologda, 160009***

Mailing address: ***103, ul. Zosimovskaya, Vologda, 160009***

Issuer's share in the authorized capital of the corporation: ***60 %***

Share of the party in the Issuer's authorized capital: ***0%***

Officials:

***Nikolay Gennadyevich Bredkov***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0.00397 %***

***Vladimir Nikolayevich Vorozheykin***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

***Vladimir Alexandrovich Akulich***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

***Georgiy Viktorovich Sviridov***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

***Alexandr Mikhaylovich Tukachinsky***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: ***0 %***

***Evgeniy Alexandrovich Vasilchenko***

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: ***0 %***

Name: ***St. Petersburg Telecommunication Centre Closed Joint-Stock Company***

Place of business: **24, Bolshhevikov pr., St. Petersburg, 193232, the Russian Federation**

Mailing address: **30/32, 3-liniya, Vasilyevsky Ostrov, St. Petersburg, 199053**

Issuer's share in the authorized capital of the corporation: **54.38 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Alexandr Alexandrovich Gogol**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Vitaliy Ivanovich Danilov**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Alexandr Alexandrovich Vavilin**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0.01845 %**

**Evgeny Borisovich Stepanov**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Gennadiy Ivanovich Solovskiy**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Maria Ivanovna Dubyaga**

Duties of the official: **Sole executive body**

Share of the party in the Issuer's authorized capital: **0 %**

Name: **Novgorod Datacom Limited Liability Company**

Place of business: **22, ul. Industrialnaya, pos. Pankovka, Novgorod district, Novgorod Oblast, 173526**

Mailing address: **20, ul. Mikhaylova, Veliky Novgorod, 173000**

Issuer's share in the authorized capital of the corporation: **52 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Sergey Fyodorovich Makarov**

Duties of the official: **Sole executive body**

Share of the party in the Issuer's authorized capital: **0.00025 %**

Name: **Bona Limited Liability Company**

Place of business: **45, Troitsky prospekt, Arkhangelsk, 163061**

Mailing address: **45, Troitsky prospekt, Arkhangelsk, 163061**

Issuer's share in the authorized capital of the corporation: **51 %**

Share of the party in the Issuer's authorized capital: **no share**

**Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation**

Name: **Kolatelecom Open Joint-Stock Company**

Place of business: **the city of Murmansk**

Mailing address: **5/23, ul. Vorovskogo, Murmansk, 183038**

Issuer's share in the authorized capital of the corporation: **50 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Alexandr Abramovich Sysoyev**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0.02357 %**

**Alexandr Alexeyevich Khlyzov**

Duties of the official: **Member of the Board of Directors, Sole executive body**

Share of the party in the Issuer's authorized capital: **0.00158 %**

**Nikolay Borisovich Korzenev**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0%**

Name: **NEVA KABEL Closed Joint-Stock Company**

Place of business: **8 proyезд, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, Russia**

Mailing address: **8 proyезд, 9 kvartal, Promyshlennaya zona Parnas, St. Petersburg, 194292, Russia**

Issuer's share in the authorized capital of the corporation: **48.97 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Stefan Vidomski**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Timo Puhakka**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Toivo Erik Victor Lindfors**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Grigory Borisovich Chernyak**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0.04004 %**

**Yuriy Konstantinovich Rudov**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

**Yury Lvovich Matveyev**

Duties of the official: **Sole executive body**

Share of the party in the Issuer's authorized capital: **0 %**

Name: **Commercial Television and Radio Closed Joint-Stock Company**

Place of business: **3, Academician Pavlov ul., St. Petersburg, 197022**

Mailing address: **3, Academician Pavlov ul., St. Petersburg, 197022**

Issuer's share in the authorized capital of the corporation: **40 %**

Share of the party in the Issuer's authorized capital: **no share**

**Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation**

Name: **Medexpress Insurance Closed Type Joint-Stock Company**

Place of business: **2, ul. Malaya Konyushennaya, St. Petersburg, 191186**

Mailing address: **14, ul. Gorokhovaya, St. Petersburg, 191186**

Issuer's share in the authorized capital of the corporation: **34.59 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

***Grigory Borisovich Chernyak***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0.04004 %**

***Frieder Booble***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Yury Alexandrovich Bilibin***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Gerhard Jurka***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Nataliya Yuryevna Shumilova***

Duties of the official: ***Member of the collegiate executive body, sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Vladimir Grigoryevich Kaufman***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Lidiya Tomovna Beryozka***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Sergey Vladimirovich Zazimko***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Kaliningrad Mobile Networks Closed Joint-Stock Company***

Place of business: ***24, ul. Bolnichnaya, Kaliningrad, 236040, the Russian Federation***

Mailing address: ***2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation***

Issuer's share in the authorized capital of the corporation: **33.5 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

***Vladimir Alexandrovich Akulich***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Kramton Stanley***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Vyacheslav Ivanovich Reshetko***

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0 %**

**Oleg Khavshabovich Avdysh**

Duties of the official: **Sole executive body**  
Share of the party in the Issuer's authorized capital: **0 %**

Name: **WestBaltTelecom Closed Joint-Stock Company**

Place of business: **2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation**

Mailing address: **2, pl. Vasilevskogo, Kaliningrad, 236016, the Russian Federation**

Issuer's share in the authorized capital of the corporation: **28 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Nikolay Gennadyevich Bredkov**

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0.00397**

**Pyotr Valeryevich Mikhaylevskiy**

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0 %**

**Samoil Davidovich Moldavskiy**

Duties of the official: **Member of the Board of Directors, Sole executive body**  
Share of the party in the Issuer's authorized capital: **0.00118 %**

**Olga Yakovlevna Blynskaya**

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0 %**

**Jacob Gerd**

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0 %**

Name: **Octagon Technologies Closed Joint-Stock Company**

Place of business: **pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036**

Mailing address: **pom. 12-H, 29, Ligovsky pr., St. Petersburg, 193036**

Issuer's share in the authorized capital of the corporation: **26.4 %**

Share of the party in the Issuer's authorized capital: **no share**

**Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation**

Name: **Tele-Nord Open Joint-Stock Company**

Place of business: **5, ul. Samoylovoy, Murmansk, 183038**

Mailing address: **5, ul. Samoylovoy, Murmansk, 183038**

Issuer's share in the authorized capital of the corporation: **25 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

**Nikolay Gennadyevich Bredkov**

Duties of the official: **Member of the Board of Directors**  
Share of the party in the Issuer's authorized capital: **0.00397**

**Oleg Alexandrovich Kurennoy**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

***Denis Valeryevich Malyshev***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Alexandr Anatolyevich Nepomiluyev***

Duties of the official: ***Sole executive body***

Share of the party in the Issuer's authorized capital: **0.00098 %**

Name: ***Dancell Closed Type Joint-Stock Company***

Place of business: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Mailing address: ***51, Baltiyskaya ul., St. Petersburg, 198092***

Issuer's share in the authorized capital of the corporation: **23.65 %**

Share of the party in the Issuer's authorized capital: ***no share***

***Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation***

Name: ***Non-bank crediting organization Northern Clearing Chamber Closed Joint-Stock Company***

Place of business: ***8, ul. Voskresenskaya, Arkhangelsk, 163061***

Mailing address: ***8, ul. Voskresenskaya, Arkhangelsk, 163061***

Issuer's share in the authorized capital of the corporation: **19.98 %**

Share of the party in the Issuer's authorized capital: ***no share***

Officials:

***Stanislav Vladimirovich Potyomkin***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0%**

***Alexandr Nikolayevich Preminin***

Duties of the official: ***Member of the Board of Directors, Sole executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Alexandr Ivanovich Gladkov***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Lyudmila Petrovna Karpova***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Alexey Vladimirovich Shalagin***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Vladimir Anatolyevich Strezhnev***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

***Vitaliy Lvovich Chebotov***

Duties of the official: ***Member of the Board of Directors***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***Telecominvest Open Joint-Stock Company***

Place of business: *54, Nevsky pr., St. Petersburg, 191011, Russia*

Mailing address: *54, Nevsky pr., St. Petersburg, 191011, Russia*

Issuer's share in the authorized capital of the corporation: *15 %*

Share of the party in the Issuer's authorized capital: *0.007 %*

Officials:

*Valery Nikolayevich Yashin*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0.17268 %*

*Vladimir Alexandrovich Akulich*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Sergey Vladimirovich Soldatenkov*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0.00249 %*

*Alexandr Abramovich Sysoyev*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0.02357 %*

*Piter Schuchardt*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Annika Christianson*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Alexandr Nikolayevich Volkov*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0.00011 %*

*Igor Nikolayevich Samylin*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Michael Bemke*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Aimo Eloholma*

Duties of the official: *Member of the Board of Directors*

Share of the party in the Issuer's authorized capital: *0 %*

*Maxim Yurievich Gorokhov*

Duties of the official: *Member of the Board of Directors, Sole executive body*

Share of the party in the Issuer's authorized capital: *0 %*

*Alexandr Alexeyevich Malygayev*

Duties of the official: *Member of the collegiate executive body*

Share of the party in the Issuer's authorized capital: *0 %*

***Alexandr Anatolyevich Barunin***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

Name: ***North-West Telecombank Closed Joint-Stock Company***

Place of business: ***12, Baskov per., St. Petersburg, 191014***

Mailing address: ***12, Baskov per., St. Petersburg, 191014***

Issuer's share in the authorized capital of the corporation: ***14.23 %***

Share of the party in the Issuer's authorized capital: ***0.044 %***

Officials:

***Yury Alexandrovich Bilibin***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

***Irina Vladimirovna Golovchenko***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

***Venera Adykhmovna Khusnutdinova***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0%**

***Maxim Yurievich Gorokhov***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

***Alexandr Anatolyevich Barunin***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

***Sergey Victorovich Ivanov***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0 %**

***Mikhail Grigoryevich Trufanov***

Duties of the official: ***Member of the Supervisory Board***

Share of the party in the Issuer's authorized capital: **0.00436 %**

***Vera Ivanovna Korotayeva***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Sergey Victorovich Ivanov***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Olga Dmitriyevna Volodina***

Duties of the official: ***Member of the collegiate executive body***

Share of the party in the Issuer's authorized capital: **0 %**

***Sergey Victorovich Ivanov***

Duties of the official: ***Sole executive body***  
Share of the party in the Issuer's authorized capital: **0 %**

Name: ***FORE Closed Joint-Stock Company***  
Place of business: ***6, ul. Marata, St. Petersburg, 191002***  
Mailing address: ***120, pr. Obukhovskoy Oborony, St. Petersburg, 193012***  
Issuer's share in the authorized capital of the corporation: ***13.3 %***  
Share of the party in the Issuer's authorized capital: ***no share***  
Officials:

***Natalya Mikhailovna Puzyryova***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.23.2 ***Alexandr Alexandrovich Klyushkin***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.23.3 ***Mikhail Izralyevich Fux***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.23.4 ***Mikhail Izralyevich Fux***  
Duties of the official: ***Sole executive body***  
Share of the party in the Issuer's authorized capital: **0 %**

25.24. Name: ***VISA Closed Joint-Stock Company***  
Place of business: ***11, Sapyorny per., St. Petersburg, 191014***  
Mailing address: ***11, Sapyorny per., St. Petersburg, 191014***  
Issuer's share in the authorized capital of the corporation: ***10 %***  
Share of the party in the Issuer's authorized capital: ***no share***  
Officials:

25.24.1 ***Victor Ivanovich Rozov***  
Duties of the official: ***Member of the Board of Directors, Sole executive body***  
Share of the party in the Issuer's authorized capital: **0 %**

25.24.2 ***Nikolay Valeryevich Sivach***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.24.4 ***Gleb Sergeyeovich Nikitin***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.25. Name: ***Rostelegraph Closed Joint-Stock Company***  
Place of business: ***7, ul. Tverskaya, Moscow, 103375***  
Mailing address: ***7, ul. Tverskaya, Moscow, 103375***  
Issuer's share in the authorized capital of the corporation: ***11.76%***  
Share of the party in the Issuer's authorized capital: ***no share***  
Officials:

25.25.1 ***Vaagn Artavazdovich Martirosyan***  
Duties of the official: ***Member of the Board of Directors***  
Share of the party in the Issuer's authorized capital: **0 %**

25.25.2 **Igor Viktorovich Zabolotny**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.3 **Yury Vasilyevich Kuzmenko**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.4 **Olga Matveyevna Rybakina**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0%**

25.25.5 **Victor Ivanovich Prilipko**

Duties of the official: **Member of the Board of Directors, Sole executive body**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.6 **Pavel Alexandrovich Ryazantsev**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.7 **Konstantin Vladimirovich Pirl**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.8 **Vladimir Yakovlevich Putilov**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.25.9 **Sergey Andreyevich Tokarenko**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0 %**

25.26. Name: **Kit Closed Type Joint-Stock Company**

Place of business: **7, ul. Pochtamtskaya, St. Petersburg, 103375**

Mailing address: **7, ul. Pochtamtskaya, St. Petersburg, 103375**

Issuer's share in the authorized capital of the corporation: **6.97 %**

Share of the party in the Issuer's authorized capital: **no share**

**Single and collective executive bodies have not been elected due to the fact that the organization is under liquidation**

25.27. Name: **TD-Telecom Closed Joint-Stock Company**

Place of business: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Mailing address: **8, Voskresenskaya ul. 6<sup>th</sup> floor, Arkhangelsk, 163061**

Issuer's share in the authorized capital of the corporation: **6.72 %**

Share of the party in the Issuer's authorized capital: **no share**

Officials:

25.27.1 **Nikolay Gennadyevich Bredkov**

Duties of the official: **Member of the Board of Directors**

Share of the party in the Issuer's authorized capital: **0.00397**

25.27.2 **Sergey Arkadyevich Surovtsev**

Duties of the official: **Member of the Board of Directors**  
 Share of the party in the Issuer's authorized capital: **0.01945 %**

25.27.3 **Nina Ivanovna Bakina**

Duties of the official: **Member of the Board of Directors**  
 Share of the party in the Issuer's authorized capital: **0 %**

25.27.4 **Nikolay Mikhaylovich Vanichev**

Duties of the official: **Member of the Board of Directors, Sole executive body**  
 Share of the party in the Issuer's authorized capital: **0.00005 %**

25.27.5 **Natalya Sergeevna Sinkova**

Duties of the official: **Member of the Board of Directors**  
 Share of the party in the Issuer's authorized capital: **0 %**

**8.1.6. Data on Material Transactions Made by the Issuer**

*Not submitted for this period in the report*

**8.1.7. Data on Credit Ratings of the Issuer**

Object of assigning the rating: *issuer*

Rating	Period		
	2001	2002	4th quarter of the year 2003
International credit rating	CCC/stable	CCC/stable	B- / stable

Object of assigning the rating: *issuer's securities*

Type of securities: *bonds*

Category (type): *documentary, payable to bearer*

Series: *01*

Form: *interest-bearing*

The state registration No. of the securities issue: *4-01-00119-A*

Date of state registration: *March 6, 2002*

Rating	Period	
	2002	4th quarter of the year 2003
Credit rating according to the Russian scale	ruBB/stable	ruBBB/stable

Object of assigning the rating: *issuer's securities*

Type of securities: *bonds*

Category (type): *documentary non-convertible, payable to bearer, with obligatory centralized care*

Series: *02*

Form: *interest-bearing*

The state registration No. of the securities issue: *4-02-00119-A*

Date of state registration: *July 8, 2003*

Rating	Period
	4th quarter of the year 2003
Credit rating according to the Russian scale	ruBBB/stable

Full official name of the organization that gave the credit ratings:

**Standard & Poors International Services, Inc.**

Abbreviated official name:

*none*

Place of business:

*4/7, Vozdvizhenka ul., building 2*

Brief description of the method of assigning the credit rating:

*Depending on categories of issuers and type of rating, there are different methods of Standard & Poor's rating assignment. Thus, in the case of companies, the characteristics of the business (market, position in competition, management and strategy) are analyzed, as well as the financial profile (financial policy, profitability, capital structure, cash flow indices, financial flexibility); in the case of regional and local authorities, the economic position, development predictability, and stability of the support of the state and municipal finance system, management quality and institutional nature of procedures, financial flexibility, fulfillment of the budget, liquidity and debt management, debt load, contingent liabilities are analyzed, and in the case of banks, business factors (market position, ownership structure, strategy and management) and financial factors (quality of assets, profitability, funding and liquidity management, and capital) are analyzed.*

*More detailed information on the ratings assigned by Standard & Poors International Services, Inc. can be obtained from the site at <http://www.standardandpoors.ru>*

## **8.2. Data on Each Category of Issuer's Shares**

Stock category: *common*

Face value (roubles) *1*

Number of shares in circulation (number of shares that are not retired or cancelled) (pcs.): *735,917,222*

Number of extra shares in the process of floatation (number of shares of the extra issue, for which there has been no state registration of the report of the results of their issue): *0*

Number of stated shares: *36,517*

Number of shares on the issuer's balance sheet: *0*

Number of extra shares that may be floated as a result of converting floated securities convertible into shares or as a result of fulfilling the obligations under issuer's options: *0*

The state registration No: *1-02-00119-A*

Date of state registration: *September 9, 2003*

Rights granted by shares to their holders:

*Each common share of the Company grants equal volumes of rights to the shareholders holding them.*

*1. Participating in the General Meeting of the Shareholders with the right of vote on all issues within its terms of reference. One common share grants the right of one vote at the meeting of the shareholders, except for cumulative voting.*

*2. Proposing candidates, electing and being elected to the management and control bodies of OJSC North-West Telecom, putting forward issues to the agenda of the general meeting of the shareholders in compliance with the Company's Articles of Association.*

*3. Receiving the dividend.*

*4. The right of priority acquisition of securities in the amount proportionate to the number of voting shares held by a shareholder, if OJSC North-West Telecom places through public subscription voting shares and securities convertible into voting shares.*

*5. Getting a part of OJSC North-West Telecom's property in case of its liquidation.*

*6. Appealing in the court against decisions taken by the General Meeting of the Shareholders with a breach of the Federal Law, other enactments of the Russian Federation and the Articles of Association of OJSC North-West Telecom.*

*7. Having free access to documents of OJSC North-West Telecom and getting their copies on a paid basis.*

*8. Shareholders holding at least 10 per cent of the Company's voting shares are entitled to demand an audit (inspection) of the Company's financial and economic operation.*

*9. Other rights provided for by the active law of the Russian Federation:*

*a. Alienating shares held by him without consent of other shareholders of the Company thereto.*

*b. Shareholders holding at least 10 per cent of the Company's voting shares are entitled to demand holding an extraordinary general meeting of the shareholders of the Company.*

*c. Attending general meetings of the shareholders personally or through their authorized representatives.*

*d. Shareholders holding voting shares are entitled to demand that the Company redeem all or part of their shares in the following cases:*

*- re-organization of the Company, or a big transaction, the decision on making which is taken by the general meeting of the shareholders, if they have voted against taking a decision on its re-organization or on making the said transaction or if they have not taken part in the voting on those issues;*

*- introduction of amendments and additions to the Company's Articles of Association or approval of the Articles of Association in a new version, restricting their rights, if they have voted against taking the respective decision or if they have not taken part in the voting.*

*e. Shareholders of the Company, who have voted against or who have not taken part in voting in respect of floating through closed subscription shares and issued securities convertible into shares, have the priority right of acquiring extra shares and issued securities convertible into shares, floated through closed subscription, in the amount proportionate to the number of the shares of that category (type) held by them. The said right does not cover floatation of shares and other issued securities convertible into shares through closed subscription only among shareholders, if in such a case the shareholders have the possibility of acquiring an integral number of floated shares and other issued securities convertible into shares in proportion to the number of the shares of the respective category (type) held by them.*

*f. Getting excerpts from the shareholders register according to the procedure established by the active law.*

*g. Other rights provided for by the Federal Law On Joint-Stock Companies and other active legal acts of the Russian Federation.*

Stock category: *preferred type A*

Face value (roubles) *1*

Number of shares in circulation (number of shares that are not retired or cancelled): *202,022,788*

Number of extra shares in the process of floatation (number of shares of the extra issue, for which there has been no state registration of the report of the results of their issue): *0*

Number of stated shares: *64,605*

Number of shares on the issuer's balance sheet: *0*

Number of extra shares that may be floated as a result of converting floated securities convertible into shares or as a result of fulfilling the obligations under issuer's options: *0*

The state registration No: *2-02-00119-A*

Date of state registration: *September 9, 2003*

Rights granted by shares to their holders:

*Company's preferred shares of one type grant to the shareholders holding them equal volumes of rights and have equal face value.*

*1. Shareholders holding Company's preferred shares do not have the right of vote at the general meeting of the shareholders, except for the following cases when they do have the right of participation in the general meeting of the shareholders with the right of vote:*

*- when deciding the issues of re-organization and liquidation of OJSC North-West Telecom;*

*- when introducing amendments and additions to the Articles of Association of OJSC North-West Telecom, restricting the rights of the shareholders holding preferred shares, including the cases of determining or increasing the size of the dividend and/or determining or increasing the liquidation value, paid under preferred stock of the previous turn, as well as the cases of providing privileges in the priority of paying the dividend and/or the liquidation value of OJSC North-West Telecom's property.*

*2. Shareholders holding the preferred shares, the amount of dividend for which is determined in the Articles of Association of the Company, are entitled to participate in the general meeting of the shareholders with the right of vote on all issues of its terms of reference, starting from the meeting following the annual general meeting of the shareholders, which did not take a decision on dividend payment or took a decision on incomplete payment of dividend under the preferred shares of that type. The right of the shareholders holding preferred shares to participate in the general meeting of the shareholders terminates from the moment of the first full payment of dividend under the said shares.*

*3. Appealing in the court against decisions taken by the General Meeting of the Shareholders with a breach of the Federal Law, other enactments of the Russian Federation and the Articles of Association of OJSC North-West Telecom.*

*4. Having free access to documents of OJSC North-West Telecom and getting their copies on a paid basis.*

5. Receiving the liquidation value of shares in case of liquidation of OJSC North-West Telecom in the amount of the face value of such shares.

6. Receiving an annual fixed dividend according to the procedure established by the Articles of Association of OJSC North-West Telecom.

The amount paid as dividend on each preferred share is 10% of the Company's net profit, divided by the number of shares corresponding to 25% of the authorized capital, the net profit being determined on the basis of the results of the last fiscal year. If the total amount of dividend paid by the Company on each common share in a certain year exceeds the amount to be paid as dividend on each preferred share, then the amount of dividend paid on preferred shares must be increased to the amount of dividend paid on common shares.

7. Other rights provided for by the active law of the Russian Federation:

a. Alienating shares held by him without consent of other shareholders of the Company thereto.

b. Attending general meetings of the shareholders personally or through their authorized representatives.

c. Priority right of acquiring extra shares and issued securities convertible into shares, floated through public subscription, in the amount proportionate to the number of the shares of that category (type) held by them.

d. Shareholders of the Company, who have voted against or who have not taken part in voting in respect of floating through closed subscription shares and issued securities convertible into shares, have the priority right of acquiring extra shares and issued securities convertible into shares, floated through closed subscription, in the amount proportionate to the number of the shares of that category (type) held by them. The said right does not cover floatation of shares and other issued securities convertible into shares through closed subscription only among shareholders, if in such a case the shareholders have the possibility of acquiring an integral number of floated shares and other issued securities convertible into shares in proportion to the number of the shares of the respective category (type) held by them.

f. Getting excerpts from the shareholders register according to the procedure established by the active law.

g. Shareholders holding preferred shares, who have been granted the right of vote, are entitled to demand that the Company redeem all or part of their shares in the following cases:

- re-organization of the Company, or a big transaction, the decision on making which is taken by the general meeting of the shareholders, if they have voted against taking a decision on its re-organization or on making the said transaction or if they have not taken part in the voting on those issues;

- introduction of amendments and additions to the Company's Articles of Association or approval of the Articles of Association in a new version restricting their rights, if they have voted against taking the respective decision or if they have not taken part in the voting.

h. Other rights provided for by the Federal Law On Joint-Stock Companies and other active legal acts of the Russian Federation.

### **8.3. Data on Any Previous Issues of Issuer's Securities, Except for Issuer's Stock**

#### **8.3.1. Data on Issues, All Securities of Which Have Been Retired (Cancelled)**

*No such issues*

#### **8.3.2. Data on Issues, the Securities of Which are Circulating**

Form of securities: *bonds*

Series: *01*

Category: *interest-bearing*

Form of securities: *documentary, payable to bearer*

Data on registration of the issue by the state:

The state registration No: *4-01-00119-A*

Date of registration: *6.03.2002*

Authority of state registration: *Federal Commission for Securities Market of Russia*

Data on state registration of the report on the results of the issue:

Date of registration: **15.05.2002**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Number of issued securities: **300,000**

Face value of one of the securities of the issue (roubles): **1,000**

Total volume of issue at the face value (roubles): **300,000,000**

Current state of the issue: **Floatation is over**

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs): **300,000**

Rights granted by each of the securities of the issue:

***A Bond holder is entitled to get the face value of the Bond when the Bond is retired.***

***A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in the section "Income Born by Bonds of the Issue" of this decision on the issue.***

***A Bond holder is entitled to get the face value of the Bond in case of liquidation of the Issuer in the sequence established by article 64 of the Civil Code of the Russian Federation.***

***A Bond holder is entitled to freely sell or otherwise alienate the Bond.***

***A Bond holder is entitled to present a Bond of the issue for retirement and to demand immediate reimbursement of the nominal debt under the Bonds.***

***A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.***

***The Issuer undertakes to transfer in due time and in the full volume respective amounts required to fulfil the payment commitments in compliance with this decision on the issue to the payment agent under this Bond issue.***

***All debts of the Issuer under the Bonds of this issue shall be legally equal and equally compulsory.***

Conditions and procedure of redemption: ***Redemption of Bonds shall be effected by the Payment Agent upon instructions of the Issuer.***

***Bonds are redeemed in the currency of the Russian Federation by transfer to depositors of NDC (National Depository Centre) which deals with centralized care of the issued Bonds in favour of Bond Owners. A Bond Owner, if it/he/she is not a depositor of NDC must authorize a Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment and Bond redemption.***

***Redemption of the Bonds is effected to NDC's (National Depository Centre's) depositors in favour of Bond Owners who are such Owners as of the and of NDC's operation day preceding the seventh day before the day of Bonds redemption (hereinafter referred to as the Date of Making up the List of Bond Holders).***

***Within 3 (three) working days before the date of Bond redemption, NDC provides the Issuer and/or the Payment Agent with the List of Bond Holders, made up by the Date of Making up the List of Bond Holders, containing the following data:***

***a) Full name of the Bond Holder.***

***b) Number of Bonds taken into account on custody accounts of the respective Bond Holder.***

***c) Location and mailing address of the Bond Holder.***

***d) Details of the Bond Holder's bank account, viz.:***

***- Holder's settlement account;***

***- Holder's individual tax No.;***

***- name of Holder's bank;***

***- correspondence account of Holder's bank;***

***- bank identification code of Holder's bank.***

***The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the***

*obligations under the Bonds on the basis of NDC's data.*

*Within two working days before the date of Bonds redemption, the Issuer transfers the appropriate money to the Payment Agent's account.*

*On the basis of the list of Bond Holders, provided by the Depository, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond redemption amounts. On the date of Bonds redemption, the Payment Agent transfers the appropriate monies to accounts of Bond Holders in favour of Bond Owners.*

*If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.*

Interest yield, or procedure of determining it:

*The aggregate amount of coupon yields charged and paid for each coupon period and the discount in the form of the difference between the redemption price (face value) and the floatation price is considered as the bond yield.*

*The Bonds have five coupons.*

*The Bonds floatation start date is considered as the date when the coupon period of the 1st coupon of the issue starts.*

*The 91st day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 2nd coupon starts.*

*The 182nd day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 3rd coupon starts.*

*The 365th day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 4th coupon starts.*

*The 547th day from the day when floatation of the issued Bonds starts is considered as the date when the coupon period of the 5th coupon starts.*

*The date of the each coupon payment is considered as the date when the respective coupon period ends.*

*The coupon interest rate is:*

- 20% (twenty per cent) per annum on the first coupon;*
- 19% (nineteen per cent) per annum on the second coupon;*
- 18% (eighteen per cent) per annum on the third coupon;*
- 16% (sixteen per cent) per annum on the fourth coupon;*
- 16% (sixteen per cent) per annum on the fifth coupon.*

*The amount of payment on each coupon per Bond is calculated as follows:*

$$K_j = C_j * Nom * (T - T(j-1)) / 365 / 100 \%$$

*where,*

*j is the No. of the coupon period, j=1,2,3,4,5;*

*K<sub>j</sub> is the amount of coupon payment on each Bond;*

*Nom is the face value of one Bond;*

*C<sub>j</sub> is the amount of the interest rate of the j-th coupon, in per cent per annum;*

*T(j-1) is the date of the beginning of the j-th coupon period;*

*T(j) is the date of the end of the j-th coupon period.*

*The amount of coupon payment is determined to one kopeck (with mathematical rounding off).*

*Procedure and time of Bond Yield payment*

*Yield on the five coupons of the Bonds of the issue is to be paid on the following dates:*

*Coupon yield on the first coupon is to be paid on the 91st day from the day when floatation of the Bonds of the issue starts.*

*Coupon yield on the 2nd coupon is to be paid on the 182nd day from the day when floatation of the Bonds of the issue starts.*

*Coupon yield on the 3rd coupon is to be paid on the 365th day from the day when floatation of the Bonds of the issue starts.*

*Coupon yield on the 4th coupon is to be paid on the 547th day from the day when floatation of the Bonds of the issue starts.*

*Coupon yield on the last coupon is to be paid simultaneously with redemption of the Bonds on the 730th day from the day when floatation of the Bonds of the issue starts.*

*Should the date of the Bonds coupon period end fall on a day off, irrespective of whether it is a national holiday or a day off for settlement operations, then payment of the due amount shall be effected on the first working day following the day off. The bond holder is not entitled to demand any interest or any other compensation for such a delay in payment.*

*Payment of the coupon yield on the Bonds is effected by a payment agent upon instructions of the Issuer (hereinafter referred to as Payment Agent) – its duties are entrusted to:*

*North-West Telecombank Closed Joint-Stock Company, Telecombank CJSC; place of business: 12, Baskov per., St. Petersburg, 191014*

*Mailing address: 12, Baskov per., St. Petersburg, 191014*

*The Issuer may appoint extra payment agents and cancel such appointments. Official announcement of the Issuer on the said actions is to be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers Izvestiya (the regional St. Petersburg circulation) and/or Vedomosti.*

*Payment of the Bond yield is effected in the currency of the Russian Federation by transfer to NDC's (National Depository Centre's) depositors. A Bond owner holder, if it/he/she is not a depositor of NDC must authorize Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment.*

*Payment of the Bond yield is effected NDC's (National Depository Centre's) depositors in favour of Bond Owners who are such Owners as of the end of NDC's working day preceding the seventh day before the day of Bond yield payment (hereinafter referred to as the Date of Making up the List of Bond Holders).*

*Execution of obligations in respect of an owner included in the list of Bond Owners is considered as due and proper, including the case of Bonds alienation, after the date of Making up the List of Bond Owners.*

*Within 3 (three) working days before the date of Bond Yield payment, NDC provides the Issuer and/or the Payment Agent with the List of Bond Holders, made up by the Date of Making up the List of Bond Holders, containing the following data:*

- a) Full name of the Bond Holder.*
- b) Number of Bonds taken into account on custody accounts of the respective Bond Holder.*
- c) Location and mailing address of the Bond Holder.*
- d) Details of the Bond Holder's bank account, viz.:*
  - Holder's settlement account;*
  - Holder's individual tax No.;*
  - name of Holder's bank;*
  - correspondence account of Holder's bank;*
  - bank identification code of Holder's bank.*

*The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.*

*Within two working days before the date of Bond Yield payment, the Issuer transfers the appropriate money to the Payment Agent's account.*

*On the basis of the list of Bond Holders, provided by the Depository, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond yields amounts.*

*On the date of Bond Yield payment, the Payment Agent transfers the appropriate monies to the accounts of Bond Holders in favour of Bond Owners.*

*If one person is authorized to receive Bond Yields for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.*

Security on bonds of the issue:

***No security is provided for***

Depository providing centralized care of issuer's securities:

Name: ***National Depository Centre Nonprofit Partnership***

Abbreviated name: ***NDC***

Place of business: ***12, ul. Zhitnaya, Moscow, Russia***

Mailing address: ***1/13, Sredniy Kislovskiy per., Moscow, 103009, Russia***

Tel: ***(095) 956-2790, (095) 956-2791*** Fax: ***(095) 956-2792***

e-mail: ***none***

License:

No. of license: ***177-03437-000010***

Date of issue: ***4.12.2000***

Period: ***not determined***

Authority issuing the license: ***Federal Commission for Securities Market***

Date of the operation beginning: ***10.04.2002***

Form of securities: ***bonds***

Series: ***02***

Category: ***interest-bearing non-convertible, with obligatory centralized care***

Form of securities: ***documentary, payable to bearer***

Data on registration of the issue by the state:

The state registration No: ***4-02-00119-A***

Date of registration: ***8.07.2003***

Authority of state registration: ***Federal Commission for Securities Market of Russia***

Data on state registration of the report on the results of the issue:

Date of registration: ***14.11.2003***

Authority of state registration: ***Federal Commission for Securities Market of Russia***

Number of issued securities: ***1,500,000***

Face value of one of the securities of the issue (roubles): ***1,000***

Total volume of issue at the face value (roubles): ***1,500,000,000***

Current state of the issue: ***Floatation is over***

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs):  
***1,500,000***

Rights granted by each of the securities of the issue: ***The Bond Holder is entitled to get 30% (thirty per cent) of the face value of the Bonds on the 1092<sup>nd</sup> (one thousand ninety second) day from the day of the Bonds floatation start.***

***The Bond Holder is entitled to get 30% (thirty per cent) of the face value of the Bonds on the 1274<sup>th</sup> (one thousand two hundred seventy fourth) day from the day of the Bonds floatation start.***

***The Bond Holder is entitled to get 40% (forty per cent) of the face value of the Bonds at retirement on the 1456<sup>th</sup> (one thousand four hundred fifty sixth) day from the day of the Bonds floatation start.***

***A Bond holder is entitled to get the interest of the Bond face value (coupon yield), fixed in the Bond, the procedure of determining such interest being described in Actions of a bond Holder in the case of the Issuer's refusal to fulfil the commitments under the Bonds are shown in sub-item 8.3 of the Decision on the issue and in sub-item 56.11 of the Bonds Prospectus.***

*A Bond Holder is entitled to demand that the Issuer acquire Bonds within the period established by the Decision on the issue, which is at least 7 (seven) last days of the eighth coupon period at the price and according to the procedure established by the Decision on the issue.*

*A Bond holder is entitled to get the face value of the Bond that has not been paid off by the Issuer in case of liquidation of the Issuer in the sequence established by article 64 of the Civil Code of the Russian Federation.*

*The face value of the Bond, that has not been paid off by the Issuer, means above and hereinafter the difference between the face value of each Bond of the issue and the part of the face value of the Bond, that has been paid off by the Issuer in compliance with the Decision on the Issue and the Offering Circular.*

*A Bond holder is entitled to freely sell or otherwise alienate the Bond. Bond Holders who bought Bonds at the floatation shall not be entitled to make transactions with Bonds prior to registration of the report on the results of the Bonds issue in compliance with the legislation of the Russian Federation.*

*A Bond holder is entitled to present a Bond of the issue for retirement and to demand immediate reimbursement of the nominal debt under the Bonds in the following cases:*

- 1) a court award on bankruptcy of the Issuer takes effect;*
- 2) a decision on liquidation of the Issuer is taken by the Issuer's body authorized to take such a decision;*
- 3) a court award on bankruptcy of the Warrantor takes effect;*
- 4) a decision on liquidation of the Warrantor is taken by the Warrantors body authorized to take such a decision;*
- 5) the Issuer does not fulfil its obligation to pay the coupon yield under the Bonds of this issue upon expiry of 10 (ten) working days from the date of payment of the respective coupon yield established in compliance with the conditions of the issue.*
- 6) other cases expressly provided for by the legislation of the Russian Federation.*

*The Issuer undertakes to transfer in due time and in the full volume respective amounts required to fulfil the payment commitments in compliance with the Decision on the Bonds Issue to the Payment Agent under this Bond issue.*

*Actions of a bond Holder in the case of the Issuer's refusal to fulfil the commitments under the Bonds are shown in item 8.6 of this Decision on the issue and item 56.11 of the Bonds Prospectus*

*A Bond holder is entitled to exercise other rights provided for by the laws of the Russian Federation.*

Conditions and procedure of redemption:

*The face value of Bonds shall be retired in parts on the following dates (hereinafter referred to as the "Dates of retiring a part of the face value of Bonds"):*

- 1. 1092<sup>nd</sup> (one thousand ninety second) day from the day of the Bonds Issue floatation start – 30% (thirty per cent) of the face value of the Bonds;*
- 2. 1274<sup>th</sup> (one thousand two hundred seventy fourth) day from the day of the Bonds Issue floatation start – 30% (thirty per cent) of the face value of the Bonds;*
- 3. 1456<sup>th</sup> (one thousand four hundred fifty sixth) day from the day of the Bonds Issue floatation start -40% (forty per cent) of the face value of the Bonds.*

*Retirement of a part of the Bonds face value is effected by the payment agent upon instructions of the Issuer (hereinafter referred to as Payment Agent) – its duties are entrusted to:*

*Full official name of the organization: North-West Telecombank Closed Joint-Stock Company*

*Abbreviated official name: Telecombank CJSC*

*Place of business: 12, Baskov per., St. Petersburg, Russia*

*Mailing address: 12, Baskov per., St. Petersburg, 191014*

*General license for banking operations: №168*

*Date of issue: 22.03.2000*

*Period: without limitation of the period*

*Authority issuing the license: Bank of Russia*

*The Issuer may appoint extra payment agents and cancel such appointments. Official announcement of the Issuer on the said actions is to be published by the Issuer within 10 (ten) working days before the date of such appointments or their cancellation in the newspapers Izvestiya and/or Vedomosti (the regional St. Petersburg circulation).*

*A part of the Bonds face value is retired in the currency of the Russian Federation by a non-cash transaction to depositors of NDC (National Depository Centre) which deals with centralized care of the issued Bonds in favour of Bond Owners.*

*Retirement of the part of the Bonds face value is effected in favour of Bond Owners who are such*

**Owners as of the and of NDC's operation day preceding the sixth day before the day of Bonds retirement (hereinafter referred to as the Date of Making up the List of Bond Holders for Retirement of a Part of the Bonds Face Value).**

**The above list of Bond Holders shall include:**

**1) NDC's depositors, if:**

**- said parties are owners of the Bonds of the issue;**  
**- said parties are authorized by owners of the Bonds of the issue to receive monetary funds during retirement of a part of the issued Bonds face value;**

**2) Bond owners who are not NDC's depositors and who have not authorized NDC's depositors dealing with the accounting of the Bonds held by the owners to receive money when a part of the issued Bonds face value is retired.**

**It is presumed that nominal holders who are NDC's depositors are authorized to receive Bonds retirement money. Not later than on the 3<sup>rd</sup> (third) working day before the Date of retirement of the part of Bonds face value, NDC's depositors, who are nominal holders and who are not authorized by their clients to receive retirement amounts under the Bonds, shall transfer to the NDC the list of Bond owners, that must contain all the details indicated below in the List of Bond Holders for the retirement of a part of Bonds face value.**

**A Bond Owner, if it/he/she is not a depositor of NDC may authorize a Bond holder who is a depositor of NDC to receive amounts from the Bond yield payment and retirement of a part of the Bonds face value.**

**On the basis of the data available and/or submitted by depositors, NDC shall make up the List of Bond Holders for retirement of a part of the face value, which List shall be submitted to the Issuer and/or to the Payment Agent not later than on the 2<sup>nd</sup> (second) working day before the Date of the retirement of a part of the Bonds face value. The List of Bond Holders for Retirement of a Part of the Face Value shall include the following details:**

**a) full official name (official name for non-profit organizations, full personal name for an individual) of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;**

**b) the number of Bonds registered on the custody account of the Owner or on the inter-depository account of the nominal Bonds holder authorized by the Owner to receive the retirement amounts under the Bonds;**

**c) location and mailing address of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;**

**d) bank account details of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds, viz:**

**- No. of the bank account;**

**- name of the bank, with which the account is opened;**

**- correspondent account of the bank, with which the account is opened;**

**- location and mailing address of the bank;**

**- bank identification code of the bank, with which the account is opened;**

**e) tax-payer's identification No. (INN, or TIN) of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds;**

**f) tax status of the Owner or nominal holder authorized by the Owner to receive the retirement amounts under the Bonds (resident, non-resident with a permanent representative office in the Russian Federation, non-resident without a permanent representative office in the Russian Federation, etc.).**

**The Holder independently monitors the completeness and actuality of bank account details provided by it to NDC. Should the said details fail to be submitted, or fail to be submitted in due time to NDC, execution of such obligations shall be effected in favour of a person submitting the claim to obligations execution and being the owner of Bonds as of the date of submitting the claim. In such a case the Issuer fulfils the obligations under the Bonds on the basis of NDC's data.**

**Not later than on the 2<sup>nd</sup> (second) working day before the Date of retirement of a part of the Bonds face value, the Issuer shall transfer the required monetary funds to the Payment Agent's account. On the basis of the list of Bond Holders, provided by the NDC, the Payment Agent calculates the amounts of money to be paid to each of the Bond Holders authorized to receive Bond retirement amounts.**

**On the date of Bonds face value partial retirement, the Payment Agent transfers the appropriate monies to accounts of Bond Holders in favour of Bond Owners.**

**If one person is authorized to receive Bond redemption amounts for several Bond Owners, then the entire amount is transferred to such a person without breakdown for each Bond Owner.**

**Should On the date of Bonds face value partial retirement fall on a day off, irrespective of whether it is a national holiday or a day off for settlement operations, then payment of the due amount shall be**

*effected on the first working day following the day off. The bond holder is not entitled to demand any interest or any other compensation for such a delay in payment.*

*Execution of the obligations under the Bonds in respect of a party included in the List of Bond Holders for Bonds face value partial retirement shall be considered as due and proper also in case of alienation of Bonds after the date on which the above List was made up.*

Interest yield, or procedure of determining it:

Coupon (interest) period		Coupon (interest) yield
The start date	The completion date	

**1. Coupon: 1**

<p>The date of the Bonds floatation start</p>	<p>91st day from the day when floatation of the Bonds starts</p>	<p>The interest rate of the first coupon is determined by holding an auction among potential buyers of Bonds on the first day of the primary distribution of the issued Bonds. On the day when the auction to determine the interest rate of the first coupon of the Bond is held, Members of the Section of MMVB submit applications for the auction, using the trading system of MMVB both for their own account and for the account and on behalf of clients. The time for submitting applications for the auction to determine the interest rate of the first coupon is established by MMVB upon agreement with the Issuer and the Underwriters. Applications for acquisition of Bonds by Members of the MMVB Section are to be sent to one of the Underwriters with the indication of the following significant conditions:</p> <ol style="list-style-type: none"> <li>1) Purchase price: 100% (one hundred per cent) of the face value;</li> <li>2) Number of Bonds, that the potential buyer would like to acquire, if the Issuer assigns the interest rate of the first coupon as greater or equal to the acceptable interest rate indicated in the application.</li> <li>3) Interest rate of the first coupon acceptable for the investor. The term "Acceptable interest " means the minimum interest rate of the first coupon, which, if announced by the Issuer, would make the potential investor ready to buy the number of Bonds indicated in the application at the price of 100% (one hundred per cent) of the face value. The acceptable interest rate must be expressed in per cent per annum accurate to a hundredth of per cent.</li> </ol> <p>Money must be reserved in the amount sufficient for complete payment of the Bonds stated in the applications, taking into account the MMVB's commission fee.</p> <p>Applications, in which one or several of the above significant conditions do not comply with the requirements set forth in items 1-3, and applications that are not secured by money as provided for in the previous paragraph are not permitted for participation in the auction to determine the interest rate of the first coupon. Upon expiry of the period for filing applications for auction to determine the interest rate of the first coupon, MMVB makes up the summary list of entered applications filed to each of the Underwriters and hands it over to the Issuer and the Underwriters.</p> <p>On the basis of the analysis of the summary list of applications submitted for participation in the auction, the Issuer takes a decision on the interest rate of the first coupon and advises the Underwriters and MMVB in writing on the decision taken.</p> <p>The organizer shall publish a notice on the interest rate</p>
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		of the first coupon using the trading system of Moscow Interbank Currency Exchange (MMVB) by sending electronic messages to all Members of the Section.
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**2. Coupon: 2**

91st day from the day when floatation of the Bonds starts	182nd day from the day when floatation of the Bonds starts	The amount of coupon rate for the second coupon equals to the amount of coupon rate for the first coupon.
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**3. Coupon: 3**

182nd day from the day when floatation of the Bonds starts	273rd day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the third coupon equals to the amount of coupon rate for the first coupon.
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**4. Coupon: 4**

273rd day from the day when floatation of the Bonds of the issue starts	364th day from the day when floatation of the Bonds of the issue starts	The amount of coupon rate for the fourth coupon equals to the amount of coupon rate for the first coupon.
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**5. Coupon: 5**

364th day from the day when floatation of the Bonds of the issue starts	455th day from the day when floatation of the Bonds of the issue starts	<p>The coupon rate for the fifth coupon shall be determined according to the following formula:</p> $C(5) = C(1) - 1$ <p>where C(1) is the interest rate of the first coupon, in per cent per annum; and C(5) is the interest rate of the fifth coupon, in per cent per annum;</p>
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**6. Coupon: 6**

455th day from the day when floatation of the Bonds of the issue starts	546th day from the day when floatation of the Bonds starts	The amount of coupon rate for the sixth coupon equals to the amount of coupon rate for the fifth coupon.
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**7. Coupon: 7**

546th day from the day when floatation of the Bonds starts	637th day from the day when floatation of the Bonds starts	The amount of coupon rate for the seventh coupon equals to the amount of coupon rate for the fifth coupon.
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**8. Coupon: 8**

637th day from the day when floatation of the Bonds starts	728th day from the day when floatation of the Bonds starts	The amount of coupon rate for the eighth coupon equals to the amount of coupon rate for the fifth coupon.
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**9. Coupon: 9**

728th day from the day when floatation of the Bonds starts	819th day from the day when floatation of the Bonds starts	The interest rate of the ninth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**10. Coupon: 10**

819th day from the day when floatation of the Bonds starts	910th day from the day when floatation of the Bonds starts	The interest rate of the tenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**11. Coupon: 11**

910th day from the day when floatation of the Bonds starts	1001st day from the day when floatation of the Bonds starts	The interest rate of the eleventh coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later
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		than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**12. Coupon: 12**

1001st day from the day when floatation of the Bonds starts	1092nd day from the day when floatation of the Bonds starts	The interest rate of the twelfth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**13. Coupon: 13**

1092nd day from the day when floatation of the Bonds starts	1183rd day from the day when floatation of the Bonds starts	The interest rate of the thirteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**14. Coupon: 14**

1183rd day from the day when floatation of the Bonds starts	1274th day from the day when floatation of the Bonds starts	The interest rate of the fourteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**15. Coupon: 15**

1274th day from the day when floatation of the Bonds starts	1365th day from the day when floatation of the Bonds starts	The interest rate of the fifteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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**16. Coupon: 16**

1365th day from the day when floatation of the Bonds starts	1456th day from the day when floatation of the Bonds starts	The interest rate of the sixteenth coupon is established by the Issuer's Board of Directors and brought to the notice of all interested parties by publishing the information in the newspaper Vedomosti and/or the newspaper Izvestiya (the regional edition of St. Petersburg) not later than 14 (fourteen) working days before the date of expiry of the eighth coupon period.
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*The Bonds coupon yield for the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * N_i * (t_i - T_i)/365/100\%$$

*where i is the sequence number of the coupon, i= 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,*

*K<sub>i</sub> is the amount of coupon payment on each Bond*

*C<sub>i</sub> is the coupon interest rate*

*N is the face value of one Bond*

*t<sub>i</sub> is the expiry date of the i-th coupon period*

*T<sub>i</sub> is the starting date of the i-th coupon period.*

*The Bonds coupon yield for the thirteenth and fourteenth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * 0.7 * N * (t_i - T_i)/365/100\%$$

*The Bonds coupon yield for the fifteenth and sixteenth coupon periods is calculated according to the following procedure:*

$$K_i = C_i * 0.4 * N * (t_i - T_i) / 365 / 100\%$$

*The amount of yield on the coupon is calculated accurate to one kopeck (the second decimal place being rounded off according to the mathematical rounding-off rules, viz.: if the third decimal place is greater than or equal to 5, the second decimal place is increased by one, and if the third decimal place is less than 5, the second decimal place is not changed).*

*Note*

*According to the results of the auction held among potential buyers of Bonds on the first day of the primary floatation of the Bonds of the issue at the Moscow Interbank Currency Exchange, the coupon rate from the first to the fourth amounted to 14.2% per annum. According to the procedure for determining the coupons, described above, the coupon rate from the fifth to the eighth will amount to 13.2% per annum.*

Security on bonds of the issue: *The acquisition of Bonds means that the acquirer of Bonds makes a contract, under which a security of the Bonds issue is provided. With the passage of the title to the Bond, the acquirer also receives the rights under the said Contract in the same scope and on the same conditions that exist as of the moment of the passage of the title to the Bond.*

*An Offer of Providing a Security in the Form of a Surety for the Purposes of the Bonds Issue by OJSC North-West Telecom shall serve as the document confirming the provision by the Trubsnab limited liability company of a security for the purposes of the Bonds issue.*

Depository providing centralized care of issuer's securities:

Name: *National Depository Centre Nonprofit Partnership*

Abbreviated name: *NDC*

Place of business: *12, ul. Zhitnaya, Moscow, Russia*

Mailing address: *1/13, Sredniy Kislovskiy per., Moscow, 103009, Russia*

Tel: *(095) 956-2790, (095) 956-2791* Fax: *(095) 956-2792*

e-mail: *none*

License:

No. of license: *177-03437-000010*

Date of issue: *4.12.2000*

Period: *not determined*

Authority issuing the license: *Federal Commission for Securities Market*

Date of the operation beginning: *10.04.2002*

### **8.3.3. Data on the Issues, the Issuer's Commitments under the Securities of Which Have not Been Fulfilled (Default)**

*No such issues*

### **8.4. Data on the Persons(S) Providing Security for the Bonds of the Issue**

*The security has been provided for the interest-bearing documentary non-convertible bonds payable to bearer, with obligatory centralized care, series 02, state registration No. of the issue 4-02-00119-A.*

The party providing security:

Full name: *Trubsnab Limited Liability Company*

Abbreviated name: *Trubsnab LLC*

TIN: *2320099881*

Place of business: *2/1, per. Trunova, Central district, Sochi, Krasnodar krai, 354057*

Mailing address: *2/1, per. Trunova, Central district, Sochi, Krasnodar krai, 354057*

## **8.5. Conditions of Ensuring Fulfilment of Commitments under the Bonds of the Issue**

*The security has been provided for the interest-bearing documentary non-convertible bonds payable to bearer, with obligatory centralized care, series 02, state registration No. of the issue 4-02-00119-A.*

Type of security (method of security provided):

*surety*

Amount of security (roubles): *1,500,000,000*

Procedure of presenting claims to the warrantor to bond holders:

*In compliance with articles 810 and 811 of the Civil Code of Russia, the Issuer must return to the owners during retirement of Bonds their face value and must pay the coupon yield under the Bonds within the time and according to the procedure provided for by the terms and conditions of the Decision on the Bonds issue and the Offering Circular.*

*Each Bond Holder is entitled to declare his Bonds of this issue as due to retirement and to demand immediate return of the face value of the Bonds, that has not been paid by the Issuer, in the following cases:*

- 1) a court award on bankruptcy of the Issuer takes effect;*
- 2) a decision on liquidation of the Issuer is taken by the Issuer's body authorized to take such a decision;*
- 3) a court award on bankruptcy of the Warrantor takes effect;*
- 4) a decision on liquidation of the Warrantor is taken by the Warrantors body authorized to take such a decision;*
- 5) the Issuer does not fulfil its obligation to pay the coupon yield under the Bonds of this issue upon expiry of 10 (ten) working days from the date of payment of the respective coupon yield established in compliance with the conditions of the issue.*
- 6) other cases expressly provided for by the legislation of the Russian Federation.*

*In case of Issuer's refusal to fulfil the obligations under the Bonds, Bond Owners may apply to the court (court of arbitration), suing the Issuer and demanding to retire a Bond and to pay the income accrued on it, as well as to pay interest for failure to retire the Bond in due time in compliance with articles 395 and 811 of the Civil Code of Russia.*

*Should the Issuer refuse to fulfil the obligations under the Bonds, the Bond Owners and/or nominal Bond Holders shall be entitled to apply to the party providing security for the Bonds issue with a demand to perform Issuer's obligations under the Bonds of the issue for the Issuer in compliance with the terms and conditions of the offer on provision of a security in the form of a surety for the purpose of the Bonds issue.*

*Should the Issuer fail to fulfil the obligations in respect of repaying the face value of the Bonds and/or payment of the interest yield on the Bonds, the Issuer's obligations to Bond Owners in respect of repaying the face value of the Bonds and/or payment of the interest yield on the Bonds shall be fulfilled for the Issuer by the Trubsnab limited liability company (hereinafter referred to as Company) as follows:*

*Bond Owners and/or nominal Bond Holders shall present to the Company written requests for the Company to pay the face value of the Bonds and to pay the interest yield on the Bonds (hereinafter referred to as the Demand to Fulfil the Obligations).*

*The Demand to Fulfil the Obligations shall meet the following conditions:*

- it shall be presented to the Company in writing and signed by the Bond Owner (or its authorized representatives);*
- indicated in it shall be: full personal or official name of the Bond Owner, his/its tax-payer's No. (INN - TIN), tax status, place of residence (location), bank account details, Volume of Outstanding Obligations in respect of the Bond Owner sending such a Demand to Fulfil the Obligations;*
- it shall be indicated in the Demand to Fulfil the Obligations that the Issuer has not paid to the Bond Owner or has not paid in full within the time established by the Documents of the Issue:*
  - the principal amount of the debt in retirement of the Bonds;*
  - the coupon yield in the form of interest on the face value of the Bonds;*
  - public irrevocable obligations of the Issuer to redeem its Bonds.*

*the Demand to Fulfil the Obligations shall be presented to the Company not later than 90 (ninety) days from the respective due date of Issuer's obligations execution in respect of the Bond Owner sending such a Demand to Fulfil the Obligations;*

*The Demand to Fulfil the Obligations shall be accompanied by a statement of custody account with NDC or with depositaries being depositors of NDC to confirm the rights of the Bond Owner to his Bonds; The Demand to Fulfil the Obligations and documents enclosed thereto shall be sent to the Company by registered mail, by messenger mail or express mail.*

*The Company shall consider the Demand to Fulfil the Obligations within 14 (fourteen) days from the day of expiry of the period of 90 (ninety) days from the respective due date of Issuer's obligations*

*execution in respect of the Bond Owner sending such a Demand to Fulfil the Obligations. If the Company chooses to satisfy the Demand to Fulfil the Obligations, the Company shall notify the Bond Owner thereof and, within 30 (thirty) days from the day of expiry of the period for consideration of the Demand to Fulfil the Obligations), shall effect payment in compliance with the terms and conditions of the Offer to the Bond Owner's bank account, the details of which are indicated in the Demand to Fulfil the Obligations.*

*Should the Warrantor fail to fulfil its obligations in compliance with the terms and conditions of the above offer of providing a security in the form of a surety for the purpose of the Bonds issue or should the Issuer fail to fulfil the obligations to pay the yield and to retire the Bonds, the owners shall be entitled to apply to the court (court of arbitration), suing the Issuer or the Warrantor and demanding to pay the face value and/or the yield accrued on the Bonds and to indemnify them for losses.*

*The procedure of Bond Owners and/or nominal holders action in case of Issuer's refusal to fulfil its obligations under the Bonds of the issue is also described in clause 11 of the Decision on Issue.*

Value of Issuer's net assets as of the date of providing a security **11,232,245 thousand roubles**

Value of the net assets of the legal entity providing a guarantee securing the execution of Issuer's obligations under the Bonds: *in compliance with the Resolution of the Federal Commission for the Securities Market No. 38/ps of 11<sup>th</sup> September 2002 that was in effect as of the end of the 1<sup>st</sup> quarter 2003, no respective requirement was established.*

## **8.6. Data on Organizations Registering Titles to Issuer's Securities**

Registrar:

Full official name: **Registrar-Svyaz Closed Joint-Stock Company**

Abbreviated name: **Registrar-Svyaz CJSC**

Place of business: **Moscow, Russia**

Mailing address: **15A, ul. Kalanchevskaya, POB 45, Moscow, 107078**

Tel: **(095) 975-3605** Fax: **(095) 975-3605**

e-mail: **regsw@asvt.ru**

License:

No. of license: **10-000-1-00258**

Date of issue: **1.10.2002**

Period: **not determined**

Authority issuing the license: **Federal Commission for the Securities Market of RF**

Date since which the Issuer's registered securities register is kept by the said registrar: **18.07.2002**

Depository: **data on the centralized care of securities are given in clause 8.3.2**

## **8.7. Data on Legislative Acts Regulating the Issues of Import and Export of Capital That may Influence the Payment of Dividend, Interest and Other Amounts to Non-Residents**

*There are no respective legislative acts*

## **8.8. Description of the Taxation Procedure for Income under Issuer's Securities That have been Floated and are to be Floated**

The active law provides for the following taxation procedure for income on shares depending on the category of the shareholder:

**Resident legal entities.**

**Taxation of operations with stock shall comply with Chapter 25 of the Tax Code of RF, put into effect by the Federal Law of 06.08.01 No. 110-FZ.**

**1. On income from operations with stock.**

*Tax-payer's income from operations of realization or other withdrawal of securities is determined based on the price of realization or other withdrawal of securities.*

*Expenses in realization (or other withdrawal) of securities are determined based on the price of securities acquisition and realization costs.*

*A tax-payer who is a shareholder realizing shares received by him when the authorized capital of the stock company was increased determines income as the difference between the realization price and the initially paid value of the share, adjusted taking into account the change in the number of shares, caused by the increase of the authorized capital.*

*Tax-payer's determine the taxation base for operations with securities circulating in the organized securities market separately from the taxation base for operations with securities that are not circulating in the organized securities market.*

*Income gained from operations with securities circulating in the organized securities market may not be lessened by expenses or losses from operations with securities that are not circulating in the organized securities market.*

*Income gained from operations with securities that are not circulating in the organized securities market may not be lessened by expenses or losses from operations with securities circulating in the organized securities market.*

*The tax rate is 24 per cent.*

*It shall be noted that:*

*the tax amount calculated according to the tax rate in the amount of 7.5 per cent is included in the federal budget;*

*the tax amount calculated according to the tax rate in the amount of 14.5 per cent is included in the budgets of the entities of the Russian Federation;*

*the tax amount calculated according to the tax rate in the amount of 2 per cent is included in the local budgets.*

*Legislative (representative) authorities of the entities of the Russian Federation are entitled to reduce the tax rate for certain categories of tax-payers in respect of the tax amounts included in the budgets of the entities of the Russian Federation. In such a case the said rate may not be less than 10.5 per cent.*

*The tax is determined as the percentage of the tax base corresponding to the tax rate. Based on the results of each reporting (tax) period, tax-payers calculate the amount of the quarterly advance payment, proceeding from the tax rate and the actually gained taxable profit calculated as progressive total from the start of the taxation period until the end of the first quarter, half a year, nine months and one year. The sum total of quarterly advance payments is determined taking into account the earlier calculated amounts of advance payments. During the period (quarter) under report, tax-payers pay monthly advance payments. Monthly advance payments are effected in equal installments in the amount of one third of the payable quarterly advance payment for the quarter preceding the quarter, in which monthly advance payments are effected.*

*The tax to be paid upon expiry of the tax period shall be paid not later than the time established for submission of tax returns for the respective tax period.*

*Quarterly advance payments are to be effected not later than the time established for submission of tax returns for the respective period under report.*

*Tax-payers submit tax returns not later than 30 days from the day of the expiry of the respective period under report.*

*Tax returns on the results of a tax period are to be submitted by tax-payers not later than the 31st of March of the year following the expired tax period.*

## **2. On income in the form of dividend.**

*The following rates are applied to the tax base determined as income gained in the form of dividend:*

*6 per cent on income gained in the form of dividend from Russian organizations.*

*A Russian organization is the source of the tax-payer's income, the said organization being recognized as the fiscal agent.*

*In such a case, the amount of the tax to be deducted from the tax-payer's income who receives dividend is calculated by the fiscal agent.*

*Peculiarities of taxation for foreign organizations that do not operate through a permanent representative office in the Russian Federation and gain income from sources in the Russian Federation*  
*The following types of income gained by a foreign organization, that are not related to its business operations in the Russian Federation are included in income of a foreign organization from sources in the Russian Federation and are subject to a tax deducted from the source of income payment:*

*- dividend paid to a foreign organization being a shareholder (participant) of Russian organizations;*

*- income from realization of shares of Russian organizations, over 50 per cent of the assets of which consist of real estate situated in the territory of the Russian Federation.*

*Tax rate:*

*15 per cent on income gained in the form of dividend from Russian organizations;*

*20 per cent - income from realization of Russian organizations stock.*

*Responsibility to determine the amount of the tax, to deduct that amount from the tax-payer's income and to transfer the tax to the budget rests with the Russian organization that pays the said income to the tax-payer. The tax is deducted with each payment (transfer) of monetary funds.*

*The fiscal agent must transfer the respective amount of tax within three days after the day of payment (transfer) of monetary funds to a foreign organization or other receipt of income by the foreign organization.*

*Tax on income of individuals is calculated and paid on the basis of chapter 23 of part two of the Tax Code of the Russian Federation, adopted by the Federal Law of 5th August 2000, No. 117-FZ (in the version of the Federal Law of 29th December 2000, No. 166-FZ) put into effect starting from 1st January 2001 by the Federal Law of 5th August 2000, No. 118-FZ "On Putting into Effect Part Two of the Tax Code of the Russian Federation and Introducing Amendments to Some Legislative Acts of the Russian Federation on Taxes".*

*Individuals being tax residents of RF pay the tax for the following types of gained income from operations with stock:*

*1. On income from operations with stock.*

*When determining the tax base for income from operations with stock, the income gained from the following operations is taken into account:*

*purchase and sale of securities circulating in the organized securities market;*

*purchase and sale of securities that are not circulating in the organized securities market.*

*The income (loss) related to operations of purchase and sale of securities is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses.*

*The income (loss) from a transaction of sale and purchase of securities is determined as the difference between the amounts gained from the sale of securities and the expenses for acquisition, sale and storage of securities, actually incurred by the tax-payer (including the expenses reimbursable to the professional participant of the securities market) and confirmed by appropriate documents. The said expenses include:*

*amounts paid to the seller in compliance with the contract;*

*payment for services rendered by the depositary;*

*commission to professional participants of the securities market;*

*stock-exchange fee (commission);*

*registrar's remuneration;*

*other expenses immediately related to purchase, sale and storage of securities and paid for services provided by professional participants of the securities market in the framework of their professional activities.*

*The income from a transaction of sale and purchase of securities circulating in the organized securities market is reduced by the amount of interest paid for the use of monetary funds attracted for effecting the transaction of sale and purchase of securities, within the amounts calculated proceeding from the effective re-financing rate of the Central Bank of the Russian Federation.*

*For a transaction with securities circulating in the organized securities market, the loss is determined taking into account the limit of securities market price fluctuation.*

*If tax-payer's expenses cannot be evidenced by documents, he is entitled to resort to the property tax deduction. Property deduction in the amount received in the tax period from sale of stock held by the tax-payer for less than three years, however, not exceeding 125,000 roubles. In case of sale of stock held by the tax-payer for three years and longer, the property tax deduction is provided in the amount received by the tax-payer from the sale of the said property.*

*The tax rate is 13 per cent.*

*2. On income in the form of dividend.*

*If a Russian organization is the source of the tax-payer's income gained in the form of dividend, such organization is considered the fiscal agent and establishes the amount of tax separately for each tax-payer in respect of each payment of the said income at a rate of 6 per cent.*

*Fiscal agents must deduct the charged amount of tax directly from the tax-payer's income when it is actually paid.*

*Fiscal agents must transfer the amounts of the calculated and deducted tax not later than the day following the day of actual receipt of the income by the tax-payer.*

*Individuals who are not tax residents of RF pay the tax for the following types of income gained from operations with stock:*

*1. On income from stock realization.*

*2. On income in the form of dividend.*

*The tax base is determined without applying tax deductions.*

*Tax rate: Income gained by individuals who are not tax residents of RF is subject to taxation at the rate of 30 per cent.*

*When dividend is distributed in favour of a tax-payer who is not a tax resident of RF, the tax is calculated and deducted at the rate of 30 per cent without set-off of the tax amount paid by the organization distributing the dividend to the income of the organization.*

*Tax payment procedure and timing: For each payment, the fiscal agent must deduct from the tax-payer's income the amount of tax and transfer it to the budget. The fiscal agent transfers the amounts of the calculated and deducted tax not later than the day following the day of actual receipt of the income by the tax-payer.*

#### *Value added tax*

*According to the Taxation Code of the Russian Federation, income from operations with floated Bonds, viz.: income from realization (withdrawal, retirement) of Bonds, as well as coupon yield, is not subject to value added taxation.*

*Procedure of profit taxation of income gained by non-resident legal entities of the Russian Federation from operations with Bonds*

*The tax base for operations with Bonds is determined as the sum total of income from realization (retirement) of Bonds, gained in the tax period under report, less the expenses accepted for deduction in the tax period under report.*

*Income from realization or other kinds of withdrawal of Bonds is determined proceeding from the Bonds realization (retirement) price and the amount of accumulated interest (coupon) yield, paid to the tax-payer by the buyer or by the Issuer, while expenses are determined proceeding from the Bonds acquisition price (including expenses related to their acquisition), realization costs and the amount of accumulated interest (coupon) yield, paid by the tax-payer to the seller. The amount of expenses does not include the amounts of accumulated interest (coupon) yield, that have been taken for deduction when determining the tax base.*

*If the tax-payer qualifies an operation with Bonds as a futures transaction with financial instruments, the tax base is determined taking into account the provisions of articles 301-305, 326 and 327 of the Tax Code of the Russian Federation. When a tax-payer effects repo (repurchase) operations with Bonds, the tax base is determined taking into account the provisions of articles 282 and 333 of the Tax Code of the Russian Federation.*

*The realization price is determined as the actual price of realization, if the actual price meets the criteria established by clauses 5 and 6 of article 280 of the Tax Code of the Russian Federation (depending on whether the Bonds are securities that are circulating or are not circulating in the organized securities market)*

*If the actual price does not meet the requirements established by clauses 5 and 6 of article 280 of the Tax Code of the Russian Federation, then the price determined according to the procedure established by the Tax Code of the Russian Federation is used in taxation.*

*Tax-payers determine the tax base for operations with securities circulating in the organized securities market separately from the tax base for operations with securities that are not circulating in the organized securities market, except for professional dealers of the securities market. Professional dealers of the securities market form a unified tax base taking into account the income and expenses from operations with securities.*

*Tax-payers incurring losses from operations with securities are entitled to carry over the said losses to the future in the amount up to 30% (thirty per cent) of the tax base according to the procedure established by article 283 of the Tax Code of the Russian Federation. Carry-over of losses from operations with securities*

*circulating in the organized securities market and with securities that are not circulating in the organized securities market is to be effected separately for the said categories of securities within the profit gained from operations with the said categories of securities. This provision does not cover professional dealers of the securities market. They determine the amount of loss to be carried over to the future, taking into account all income and expenses recognized for the purpose of taxation, including income and expenses in operations with securities.*

*When a coupon is retired by the Issuer, the taxable interest yield is recognized by the tax-payer based on the established profitability of the Bonds according to the procedure established by the Tax Code of the Russian Federation. Tax-payers determining income and expenses for the purpose of taxation by the accrual method must calculate and recognize for the purpose of taxation the interest yield on Bonds as of the last date of the (tax) period under report.*

*The tax rate for income related to operations with Bonds is 24 (twenty four) per cent. Legislative bodies of the entities of Russian Federation may adopt laws reducing the profit tax rate by not more than 4 (four) per cent points.*

*The taxation procedure for income gained by resident individuals of the Russian Federation from operations with Bonds.*

*Taxation of income gained by resident individuals of the Russian Federation in the form of coupon payments, income gained after retirement of Bonds or sale of Bonds before the retirement date is at the rate of 13 (thirteen) per cent.*

*The income (loss) related to operations of purchase and sale of bonds is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses from transactions with securities of this category. In such a case the income (loss) related to transactions of purchase and sale of Bonds is determined as the difference between the amounts obtained from realization of Bonds and the expenses for acquisition, realization and care of Bonds (including expenses reimbursable to a professional participant of the securities market, interest within the limits of the active refinancing rate of the Central Bank of the Russian Federation for the use of funds attracted for the transaction of purchase and sale of Bonds circulating in the organized securities market). Expenses may be taken into account only provided they are actually incurred by the tax-payer and provided there are documents confirming the said expenses.*

*If tax-payer's expenses cannot be proven by documents, he is entitled to exercise the property tax deduction in the amount not exceeding 125,000 (one hundred twenty five thousand) roubles in case of selling Bonds that were held by the tax-payer for less than three years, or in the amount of the entire gained income in case of selling Bonds that were held by the tax-payer for three years or longer.*

*For unprofitable transactions with securities circulating in the organized securities market, the amount of loss is determined taking into account the limit border of the securities market price fluctuations. At the moment, the limit border of the market price fluctuations has been fixed in the amount of 19.5 (nineteen point five) per cent.*

*Calculation and payment of the tax is effected by the fiscal agent upon expiry of the tax period or when it pays money to the tax-payer before the expiry of the respective tax period.*

*If it is impossible to deduct the calculated tax amount from the tax-payer, the fiscal agent (broker, asset manager or another person effecting operations under a contract of agency, contract of commission or another contract in favour of the tax-payer) notifies in writing the tax authority in its registration location within one month from the moment such a circumstance arises on the impossibility of the said deduction and on the amount of the tax-payer's debt.*

*In accordance with explanations of the tax authorities, calculation and payment of the tax on the amounts received by the tax-payer in the tax period in connection with transactions of purchase and sale of securities held by it on the basis of the title, to effect which the tax-payer has acted as the seller of securities without making contracts of brokerage servicing, contracts of asset management in the securities market, contracts of commission or agency or any other similar contracts, are effected on the basis of the tax return submitted by the tax-payer to the tax authority upon expiry of the tax period. Tax-payers submit tax returns before 30<sup>th</sup> April and pay the income tax before 15<sup>th</sup> July of the year following the year under report.*

***Procedure of profit taxation of income gained by non-resident legal entities of the Russian Federation from operations with Bonds.***

***Foreign legal entities operating in the Russian Federation through a permanent representative office determine the tax base from making operations with Bonds and calculate the amount of the tax to be paid to the budget according to the procedure similar to the one established for resident legal entities of the Russian Federation, taking into account the provisions of article 307 of the Tax Code of the Russian Federation.***

***For foreign legal entities that are not operating in the Russian Federation through a permanent representative office, the received interest yield on Bonds is considered as the income taxable in the Russian Federation. The tax is to be levied by the fiscal agent being the source of payment at the rate of 20 (twenty) per cent.***

***If an agreement of avoiding double taxation exists between the Russian Federation and the state where the foreign legal entity receiving the interest income on Bonds is a resident, then the rate provided for by the international treaty is applied.***

***In such a case, to apply a reduced rate or to be relieved from paying the tax in the territory of the Russian Federation, the foreign legal entity must present prior to payment to the interest yield to the fiscal agent an official confirmation of the fact of its permanent location in the country, with which the Russian Federation has entered into a respective treaty of avoiding double taxation, certified by an authorized body of the respective foreign state.***

***The taxation procedure for income gained by non-resident individuals of the Russian Federation from operations with Bonds.***

***Taxation of income gained by non-resident individuals of the Russian Federation in the form of coupon payments, income gained after retirement of Bonds or sale of Bonds before the retirement date is at the rate of 30 (thirty) per cent, unless otherwise provided for by international treaties of avoiding double taxation.***

***The income (loss) related to operations of purchase and sale of bonds is determined as the sum total of income on the aggregate of transactions with securities of the respective category made during the taxation period, less the amount of losses from transactions with securities of this category. Non-resident individuals of the Russian Federation are entitled to a reduction of the taxable income from sale of Bonds by the amounts of actually incurred and documented expenses for their acquisition, realization and care. No property tax deductions to non-resident tax-payers of the Russian Federation are provided for.***

***For unprofitable transactions with securities circulating in the organized securities market, the amount of loss is determined taking into account the limit border of the securities market price fluctuations. At the moment, the limit border of the market price fluctuations has been fixed in the amount of 19.5 (nineteen point five) per cent.***

***Calculation and payment of the tax is effected by the fiscal agent upon expiry of the tax period or when it pays money to the tax-payer before the expiry of the respective tax period. When obtaining relief from a tax, effecting a set-off or obtaining tax deductions, a non-resident is entitled to present the required documents both before paying the tax and during one year upon expiry of the tax period, on the basis of the results of which the non-resident claims obtaining relief from a tax, effecting a set-off or obtaining tax deductions. If no required documents are presented, the fiscal agent is obliged to deduct the calculated tax amount. The tax-payer is entitled to return the deducted tax amount after submitting a tax return and confirming documents.***

***If the tax has not been levied by the fiscal agent, then, upon expiry of the tax period the tax-payer must submit to tax authorities an income statement and pay the tax independently. Tax-payers submit tax returns before 30<sup>th</sup> April and pay the income tax before 15<sup>th</sup> July of the year following the year under report.***

***A treaty on avoiding double taxation, existing between the Russian Federation and the country, where the individual is a resident, may provide for relieving from payment of the tax or paying the tax at a lower rate.***

***To be relieved from paying a tax, effecting a set-off, obtaining tax deductions or other tax privileges, a non-resident individual of the Russian Federation must submit to respective divisions of the Ministry of the Russian Federation for Taxes and Fees an official evidence that it is a resident of the state with which the Russian Federation has entered into a treaty (agreement) on avoiding double taxation, effective during the***

*respective tax period or a part thereof, as well as a document on the gained income and on payment of tax outside the Russian Federation, certified by the tax authority of the respective foreign state.*

**Property tax**

***Bonds are not subject to property tax.***

**8.9. Data on Stated (Accrued) and Paid Dividend under Issuer's Shares, and on Income Yielded by Issuer's Bonds**

Data on stated (accrued) and paid dividend under issuer's shares:

**1999**

Stock category: ***common***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): ***0***

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): ***0***

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***27.05.1999***

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***27.05.1999***

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***1***

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): ***1998***

Stock category: ***preferred type A***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): ***0.01***

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): ***841,860***

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***27.05.1999***

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***27.05.1999***

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***1***

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): ***1998***

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): ***668,743***

**2000**

Stock category: ***common***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): ***0.012***

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): ***4,587,456.6***

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: ***09.06.2000***

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.2000**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1999**

Stock category: ***preferred type A***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.079**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **6,650,694**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.2000**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **09.06.2000**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **1999**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,239,442.91**

## **2001**

Stock category: ***common***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.119**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **56,293,779.55**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.2001**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.2001**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2000**

Stock category: ***preferred type A***

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.257**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **29,411,299.1**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.2001**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.05.2001**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **1**

Time fixed for payment of the stated dividend under the issuer's shares: ***without limitation of the period***

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2000**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,539,172.93**

## **2002**

Stock category: *common*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.077**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **36,425,386.37**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.2002**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.2002**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **01-02**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.2002**

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2001**

Stock category: *preferred type A*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.248**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **28,381,331.04**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.2002**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **25.06.2002**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **01-02**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.2002**

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2001**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **2,539,172.93**

## **2003**

Stock category: *common*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.064**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **47,098,702.208**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: ***general meeting of the shareholders***

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **23.06.2003**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **23.06.2003**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **02-03**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.2003**

Form and other conditions of payment of the stated dividend under the issuer's shares: ***monetary***

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2002**

Stock category: *preferred type A*

Amount of stated (accrued) dividend under issuer's shares of each category per share (roubles): **0.14**

Amount of stated (accrued) dividend under issuer's shares of each category in the aggregate for all shares of one category (roubles): **28,283,190.32**

Name of the Issuer's management body taking the decision on (stating) payment of dividend under issuer's shares: **general meeting of the shareholders**

Date of holding the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **26.06.2003**

Date of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **07.06.2003**

No. of the minutes of the meeting (session) of the issuer's management body taking the decision on payment (stating) of dividend: **02-03**

Time fixed for payment of the stated dividend under the issuer's shares: **31.12.2003**

Form and other conditions of payment of the stated dividend under the issuer's shares: **monetary**

Period under report (year, quarter), for which the stated dividend under the issuer's shares are paid (were paid): **2002**

Total amount of the dividend paid under all shares of the Issuer for each period under report, for which the decision on payment (dividend statement) has been taken (roubles): **73,535,324.82**

Form of securities: **bonds**

Series: **01**

Category: **interest-bearing**

Form of securities: **documentary, payable to bearer**

Data on registration of the issue by the state:

The state registration No: **4-01-00119-A**

Date of registration: **6.03.2002**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Data on state registration of the report on the results of the issue:

Date of registration: **15.05.2002**

Authority of state registration: **Federal Commission for Securities Market of Russia**

Number of issued securities: **300,000**

Face value of one of the securities of the issue (roubles): **1,000**

Total volume of issue at the face value (roubles): **300,000,000**

Current state of the issue: **Floatation is over**

Number of actually placed securities in compliance with the registered report on the results of the issue (pcs): **300,000**

Type of income paid under the bonds of the issue: **interest (coupon)**

Amount of income to be paid under the bonds of the issue in terms of money per bond (roubles): **267.26**

Amount of income to be paid under the bonds of the issue in terms of money in the aggregate for all bonds of the issue (roubles): **80,178,000**

Time fixed for payment of income under the bonds of the issue: **during 1 day**

Form and other conditions of payment of the income under the bonds of the issue: **monetary**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.04.02 to 10.07.02**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **14,958,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 11.07.02 to 09.10.02**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **14,211,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.10.02 to 10.04.03**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **27,075,000**

Period under report (year, quarter), for which the income under the bonds of the issue was paid (is paid): **from 10.04.03 to 10.10.03**

Total amount of income paid under all bonds of the issue for each period under report, for which such income was paid (roubles): **23,934,000**

#### **8.10. Other Data**

*none*