

**Extract from Minutes № 37
of the Meeting of the Board of Directors of "UTK" PJSC**

Date of the Meeting: 22 May 2006

Time of the Meeting: 11:00 a.m. Moscow time

Form of the Meeting: meeting by attendance

Venue of the Meeting: room 108, building 2, 55, Plyuschikha Street, Moscow, 119121

Cut-off date for written opinions' reception: 22 May 2006

Chairman: Kuznetsov S.I.

Members of the Board of Directors attending the meeting: Romsky G.A., Belyaev K.V., Veremianina V. F., Gavrilenko A.A., Zabuzova E.V., Kilikov D.V., Panchenko S.N., Chechelnitsky E.A., Yuriev V.P.

Member of the Board of Directors who presented written opinion on the agenda items (participated by correspondence): Vasiliev M.B.,

Invitees: Prokofieva I.V. – Deputy Director General – Director for Economics and Finance of "UTK" PJSC, Rusinova T.V. – Chief Accountant of "UTK" PJSC, Lyakh D.G. – Director of Legal Department, Punina E.A. – Chief Specialist of Corporate Governance Department of "Svyazinvest" OJSC.

11 out of 11 members of the Board of Directors took part in the voting on the agenda items of the Meeting of the Board of Directors .

Pursuant to the Charter of "Southern Telecommunications Company" PJSC there was a quorum for taking decisions on all agenda items.

WORK ON AGENDA:

1. Consideration of the Report of the Company's Auditing Commission on the results of the audit of business and financial activity, annual accounting reports and reliability of the data contained in Annual report and annual financial statements of Public Joint –Stock Company "Southern Telecommunications Company" PJSC for the year 2005. Consideration of the Auditor's Opinion on the Company's financial statements for the year 2005.

Preliminary approval of the Company's annual report, consideration of annual financial accounts including profit and loss statement (profit and loss account) and distribution of profits and losses on the basis of the reported fiscal year 2005 financial results.

On the first agenda item: «Consideration of the Report of the Company's Auditing Commission on the results of the audit of business and financial activity, annual accounting reports and reliability of the data contained in Annual report and annual financial statements of Public Joint –Stock Company "Southern Telecommunications Company" PJSC for the year 2005. Consideration of the Auditor's Opinion on the Company's financial statements for the year 2005. Preliminary approval of the Company's annual report, consideration of annual financial accounts including profit and loss statement (profit and loss account) and distribution of profits and losses on the basis of the reported fiscal year 2005 financial results».

Having considered the presented materials, notes and proposals and taking into account the recommendations of the Committees on Strategic Development, Corporate Governance and Audit of the Board of Directors of "UTK" PJSC, the Board of Directors took a

DECISION:

1. To take into consideration:
 - Report of the Company's Auditing Commission on the results of the audit of business and financial activity, annual accounting reports and reliability of the data contained in Annual report and annual financial statements of Public Joint –Stock Company "Southern Telecommunications Company" PJSC for the year 2005;
 - Auditor's Opinion on the Company's financial statements for the year 2005.
2. To preliminarily approve the Company's 2005 Annual report.

To recommend to the Annual General Shareholders' Meeting to approve the annual report, annual financial accounts including profit and loss statement (profit and loss account) and distribution of profits and losses on the basis of the reported fiscal year 2005 financial results.

VOTING RESULTS:

«in favor»	-	11 members of the Board of Directors
«against»	-	0
«abstentions»	-	0

The decision has been taken unanimously.

Chairman of the Board of Directors	(signature)	S.I. Kuznetsov
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Secretary of the Board of Directors	(signature)	A.A. Lyubich
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The extract is true:

Secretary of the Board of Directors:	A.A. Lyubich
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