

## **REPORT**

### **ON THE ASSESSMENT OF THE MARKET VALUE OF SHARES IN THE AMOUNT OF 100% OF THE AUTHORIZED CAPITAL OF PUBLIC JOINT-STOCK COMPANY "SOUTHERN TELECOMMUNICATIONS COMPANY"**

***Customer: PJSC "Southern Telecommunications Company"***

***Assessor: LLC Alyans Otsenka***

<b>Report number</b>	<b>02/06</b>
<b>Assessment object valuation date</b>	<b><i>JANUARY 1, 2007</i></b>
<b>Date (period) of the assessment procedure</b>	<b><i>APRIL 02-16, 2007</i></b>
<b>Report issue date</b>	<b><i>APRIL 16, 2007</i></b>

## Market value certification

We the undersigned hereby certify that:

- the facts stated in this report are true and correct;
- the analysis made, opinions expressed, and findings obtained are valid exclusively within the assumptions and limitations stipulated in this report, and are our personal, unbiased, and professional analysis, opinions, and findings;
- we have neither current nor future interests in the property that is the subject of this report, nor have we any personal interest or prejudice in respect of any parties interested in the said property;
- our remuneration is in no way related to presentation of a pre-determined value, or a trend in the valuation in favor of the Customer, with a valuation amount, achievement of a pre-arranged result;
- the valuation task definition was not based on the requirements of a minimum price or a specified price;
- no person, except for that who signed this report, rendered significant professional assistance to the certified Valuation expert who signed this report;
- the valuation was completed, and the report was executed in compliance with the requirements of Federal Law № 135-FZ of 20.07.1998 "On the Assessment Activity in the Russian Federation"; «Valuation standards required for use by persons subject to assessment activity" approved by Resolution No. 519 of the Russian Federation Government on 6.07.2001;
- Estimated value is declared valid as of the valuation date.

According to the data available to us and according to our professional knowledge, based on the analysis of factors influencing the estimated value, we came to the following conclusion.

**Total market value of the object to be assessed – ordinary and preferred registered shares in the amount of 100% of the authorized capital of Public Joint –Stock Company "Southern Telecommunications Company" (Value added tax excluded) as of 1<sup>st</sup> January 2007 makes 18,730,000,000 (eighteen billion seven hundred and thirty million) rubles.**

**Market value of one registered share in shareholding in the amount of 100% of the authorized capital of Public Joint –Stock Company "Southern Telecommunications Company" (Value added tax excluded) as of 1<sup>st</sup> January 2007 makes:**

- 5.27 rubles for ordinary share;
- 3.28 rubles for preferred share.

**General Director of LLC «Alyans Otsenka»  
Certified valuation expert**

**S.Yu. Palyanova  
A. T. Mukhametshin**

# 1. General information

## 1.1. General information and assessment results

<b>Report number</b>	02/06
<b>Object to be assessed:</b>	Ordinary and preferred registered shares in the amount of 100% of the authorized capital
<b>The Issuer of the shares</b>	Public Joint –Stock Company "Southern Telecommunications Company"
<b>Issuer location</b>	66, Karasunskaya Street, Krasnodar, 350000
<b>Type of the Object to be assessed:</b>	Ordinary and preferred non-documentary registered shares
<b>Information about the registration of the Company</b>	Registered by Decision № 186-p of 20.05.1994 of the Krasnodar kray Government. Entry in the Single State Register of Legal Entities was made on August 2, 2002. Main state registration number is 1022301172112
<b>Requisites</b>	TIN 2308025192, KPP 997750001
<b>Assessment basis:</b>	Agreement between Customer and Assessor
<b>Customer</b>	"Southern Telecommunications Company" PJSC
<b>Assessor</b>	LLC «Alyans-Otsenka» TIN 7801381978, KPP 784201001 Location: 54, Shpalernaya Str., Saint Petersburg, 193015 s/a 40702810500300000676 in Petersburg branch of OJSC AKB Svyaz-Bank c/a 3010181020000000759, BIC 044030759
<b>License for assessment activity:</b>	License No. 014495 for assessment activity issued by the Federal Agency of Federal Property Management on June 6, 2006
<b>Assessor liability insurance:</b>	Insurance policy of ST series No. 202-001-000077 of 29.11.2006, issued by Progress-Neva Insurance Company
<b>Regulatory basis of the assessment</b>	Federal Law № 135-FZ of 20.07.1998 "On the Assessment Activity in the Russian Federation"; «Valuation standards required for use by persons subject to assessment activity" approved by Resolution No. 519 of the Russian Federation Government on 6.07.2001
<b>Assessment purpose:</b>	To find the market value
<b>Assessment intention</b>	Making managerial decisions
<b>Rights to be assessed</b>	Right of ownership of a shareholder
<b>Date (period) of the assessment procedure</b>	April 2 - 16, 2007
<b>Report issue date:</b>	April 16, 2007
<b>Last reporting date</b>	As of January 1, 2007
<b>Assessment object valuation date:</b>	January 1, 2007
<b>US dollar rate used for calculations</b>	26.3311 pyб.
<b>Information about the audit of the Issuer's accounting and financial</b>	Audit of 2006 financial statements has been performed by the auditing firm LLC «Ernst and

<b>statements</b>	Young»
<b>Balance sheet value of the Object to be assessed</b>	1,297,779,384.66 rubles
<b>Market value of the Object to be assessed</b>	<b>18,730,000,000 rubles</b>

Source: "UTK" PJSC, Assessor