

Public Joint –Stock Company
"Southern Telecommunications Company"
Registered office: 66, Karasunskaya Street, Krasnodar, 350000.

Dear shareholder!

Shareholders of "Southern Telecommunications Company" PJSC are hereby informed that the Annual General Shareholders' Meeting of Public Joint –Stock Company "Southern Telecommunications Company" will be held in the form of a meeting (joint attendance of shareholders for considering the agenda items and taking decisions on the items put to vote) on June 26, 2007 at 11:00 a.m. Moscow time at the following address: 66, Karasunskaya Str., Krasnodar.

Registration of shareholders will be held on June 26, 2007 from 9:00 a.m. Moscow time at the address: 66, Karasunskaya Str., Krasnodar.

Register of "UTK" PJSC shareholders is kept by Open Joint –Stock Company "Obyedinyonnaya Registratsionnaya Kompaniya", mailing address of the Registrar: mail-box 162, Moscow, 107078, phone: (495) 504-28-86, e-mail: ork@ork-reestr.ru.

List of shareholders entitled to participate in the Company's Annual General Shareholders' Meeting is made on the basis of records in the shareholders' register as of May 7, 2007.

Agenda of the Annual General Shareholders' Meeting:

1. Approval of annual report, annual financial statements including profit and loss statement (profit and loss accounts) and distribution of profits (including dividend payment) and losses on the basis of the reported fiscal year 2006 financial results.
2. Election of the members to the Company's Board of Directors.
3. Election of the members to the Company's Auditing Commission.
4. Appointment of the Company's Auditor for the year 2007.
5. Determination of the size of annual remuneration to be paid to the members of the Board of Directors.
6. Introduction of amendments and additions to the Company's Charter.
7. Introduction of amendments and additions to the Company's Regulations on the procedure for conducting a General Shareholders' Meeting.
8. Introduction of amendments and additions to the Company's Statute on the Board of Directors.
9. Reorganization of "Southern Telecommunications Company" PJSC through merger of OJSC "Kuzminov Stavtelecom" into it. Approval of the Agreement of merger.

Shareholders – holders of the Company's ordinary shares are entitled to vote on the first, second, third, fourth, fifth, sixth, seventh and eighth agenda items of the Annual General Shareholders' Meeting.

Shareholders – holders of the Company's ordinary and preference shares are entitled to vote on the ninth agenda item of the Annual General Shareholders' Meeting.

Shareholders can familiarize themselves with materials on the agenda items of the Annual General Shareholders' Meeting starting from May 25, 2007 at the address: 66, Karasunskaya Str., Krasnodar, 350000, phone: (861) 253-43-60, on the corporate website: <http://www.stcompany.ru> and at the branches' offices located at:

- Adygeia branch: 22a, Zhukovskogo Str., Maykop, 352700, Adygeia Republic, phone: (8772) 52-17-83; fax: (8772) 57-12-12;
- Astrakhan branch: 7/8, Teatral'ny per., Astrakhan, 414000, phone: (8512) 22-95-74; fax: (851-2) 22-90-04;
- Volgograd branch: 9, Mira Str., Volgograd, 400066, phone: (8442) 33-40-92; fax: (844-2) 33-22-02;
- Kabardino-Balkaria branch: 4, Golovko Str., Nalchik, 360000, Kabardino-Balkarian Republic, phone: (8662) 42-21-02; fax: (866-2) 40-78-45
- Kalmykia branch: 255, Lenin Str., Elista, 358000, Kalmykia Republic, phone: (84722) 4-10-62; fax: (84722) 4-10-51;
- Karachaevo-Cherkessia branch: 17, Soyuzny per., Cherkessk, 357100, Karachaevo-Cherkessian Republic, phone: (87822) 5-43-88; fax: (878-22) 6-66-64;
- Krasnodar branch: 294, Golovatogo Str., Krasnodar, 350000, phone: (861) 251-01-01; fax: (861) 251-01-02;
- Rostov branch: 47, Bratski per., Rostov-on-Don, 344082, phone: (863) 244-22-01; fax: (863) 244-24-10;
- Northern Ossetia branch: 8a, Butyrina Str., Vladikavkaz, 362040, Severnaya Osetia – Alania Republic, phone: (8672) 53-44-21; fax: (867-2) 54-03-03;
- Stavropol branch: 10/12, Oktyabrskoi Revolutsii pr., Stavropol, 355035, phone: (8652) 95-11-12; fax: (865-2) 24-52-58.

Shareholder materials in English can be viewed by ADR holders at the corporate website <http://www.stcompany.ru>, as well as at: <http://www.adr.com>, <http://www.adrwise.com>.

A shareholder (his proxy) has the right to vote ahead of schedule by sending duly filled voting instruction cards at the following addresses:

- 1) 66, Karasunskaya Str., Krasnodar, 350000, or
- 2) mailing box 162, Kalanchevskaya Str., Moscow, 107078, for Registrar of "Southern Telecommunications Company" PJSC - "Obyedinyonnaya Registratsionnaya Kompaniya" OAO.

Votes in the voting instruction cards submitted no later than two days before the opening of the Annual General Shareholders' Meeting (prior to June 23, 2007 inclusive) will be taken into account when determining the quorum and summing up voting results on the agenda items.

If proxy voting is realized by sending voting instruction cards to the Company, Power of Attorney or its duly attested copy or a document confirming the proxy's rights to act on behalf of a shareholder – legal entity without the Power of Attorney should be attached to a voting instruction card.

Shareholders taking part in the Annual General Shareholders' Meeting in person should present their identification documents and the voting instruction cards received by post.

Authority of an individual shareholder's proxy should be confirmed by Power of Attorney certified by a notary or in any other way stipulated by the Civil Code of the Russian Federation.

Authority of a legal entity shareholder's proxy should be confirmed by duly executed Power of Attorney or by the document confirming the proxy's rights to act on behalf of the shareholder – legal entity without Power of Attorney.

Price of shares of Public Joint –Stock Company "Southern Telecommunications Company" for the purpose of their buyout from the shareholders who voted against the Company's reorganization or did not take part in the vote on the ninth agenda item of the annual General Shareholders' Meeting, and who made duly executed demand for buyout of the shares owned by them, is fixed as:

- 1) 5.27 rubles per one ordinary share;
- 2) 3.28 rubles per one preference share.

If the General Shareholders' Meeting approves the Company's reorganization, holders of voting shares, who voted against this resolution or did not take part in the vote on this agenda item, have the right to demand redemption by the Company of a portion or all shares owned by them. Written application for buyout of shares (including passport data, place of residence (location), contact telephone number, number of shares to be redeemed) shall be forwarded by a registered letter at the address: "Southern Telecommunications Company" PJSC, 66 Karasunskaya Str., Krasnodar 350000.

Such demand for redemption should be submitted by a shareholder **no later than 45 days** after the date of adopting the resolution on the reorganization by the General shareholders' meeting. A shareholder is entitled at any time during 45 days - period to call back his demand for redemption by forwarding a notice in a random form to the Company. In case a shareholder does not call back his demand within 45 days after the date of taking decision on the reorganization by the annual General shareholders' meeting, he is deprived of the right to call back the demand for redemption after the expiration of such 45 days - period. "Southern Telecommunications Company" PJSC is obliged to buy out shares from the shareholders who submitted their demands for redemption within 30 days after the expiration of the 45 days - period. During 30 days starting from the first business day after the expiration of the 45 days - period after the date of approval of the resolution on the reorganization by the annual General shareholders' meeting, the Company will pay in full the amounts due to such shareholders. The Company will inform shareholders of the payment date to the addresses indicated in demands for redemption.

If on the 46-th day after the date of approval of the resolution on the reorganization by the annual General shareholders' meeting it will be revealed that the Company's shareholders demand to redeem shares to the amount exceeding 10% of "UTK" PJSC's net assets as of the date of approving the resolution on the reorganization, the shares will be bought out from the shareholders in proportion to the demands presented.

If such reduction of the number of shares to be repurchased from a shareholder results in fraction, it should be rounded in the following way:

- a) if the digits after the point are from 50 to 99, the number of shares increases by one.
- b) if the digits after the point are from 01 to 49, they are discarded, the number of shares does not change