

EXPLANATORY NOTE

On cessation of OJSC “CenterTelecom” participation in Telecommunications Association of Central – Chernozem region

OJSC “CenterTelecom” participates in Telecommunications Association of Central Chernozem region starting with 1997.

Participants of Association – OJSC “CenterTelecom”, OJSC “Svyazstroy – 1”, CJSC “Yugo-Vostok TransTeleCom”, CJSC “Borisoglebsk Systemy Svyazy”, CJSC “Sokol ATS”, LLC “Sovintel”. Annually, Association conducts show-contests of engineers and technical personnel. OJSC “CenterTelecom” bears the dominant financial burden for maintaining the Association (65% of total amount of participation fees). In 2006 expenses of OJSC “CenterTelecom” for participation reached 1 240 thousand rubles.

Annually, Association holds the following events: show-contest for cable-jointers of fiber optic telecommunications cables, show-contest for service centers and call centers operators, seminar – contest for engineers and technical personnel maintaining digital ATE “TOS-ELCOS” manufactured by CJSC “Borisoglebsk Systemy Svyazy”, show-contest for cable-jointers of copper cables. OJSC “CenterTelecom” plans to conduct show-contests by means of trade unions activity jointly with Personnel management Department.

The indicated aims of the Company’s participation in Association are met. Thus, It is expedient to cease the presence of the Company in association.

Pursuant to items 18, 13.2 of the Charter of OJSC “CenterTelecom” the decision regarding participation of the Company in associations and unions is under terms of reference of General meeting of shareholders of the Company. The relevant item of the agenda was considered at the Board of Directors meeting on December 13, 2006.