

## STATEMENT OF CHANGES IN CAPITAL

Form No. 03 according to OKUD

for

**2006**

Date (year, month, day)

**CODES**
**0710003**
**2006.12.31**

Organization

**CenterTelecom OJSC**

OKPO

**01140111**

Taxpayer identification code

**5000000970**

TIC

**5000000970**

Type of activity

**telecommunication services**

OKVED

**64.20**

Legal status/ form of ownership

**open joint stock company / mixed**

OKOPF/OKFS

**47/31**

Unit of measure:

**thos. RUR**

OKEI

**384**

### 1. Changes in capital

Indicator	Indicat or code	Line code	Authorized capital	Earned capital	Reserve capital	Retained profit (uncovered loss)	Total
1	1a	2	3	4	5	6	7
<b>Balance as of December 31, 2004</b>		<b>100</b>	631 200	5 751 745	31 560	8 483 876	14 898 381
<b>2005</b>							
Changes in accounting policies		101	X	X	X		
Result from fixed asset revaluation		102	X		X		
Other		103	X		X		
<b>Balance as of January 1, 2005</b>		<b>104</b>	631 200	5 751 745	31 560	8 483 876	14 898 381
<b>Changes in capital items:</b>		<b>200</b>	5 680 799	(5 680 799)		515 724	515 724
Difference arising from foreign currency translation		201	X		X	X	
Net profit (loss) of the reporting year		202	X	X	X	654 923	654 923
Dividends		203	X	X	X	(139 199)	(139 199)
Appropriations to the reserve fund		204	X	X			
Additional shares issue on account of own sources		205			X		
Increase in the par value of shares		206	5 680 799	(5 680 799)	X		
Changes in capital by disposal of fixed assets		207	X		X		
Other		208					
<b>Increase in capital through:</b>		<b>210</b>					
additional issue of share		211			X	X	
reorganization of the legal entity		212					
other		213					
<b>Decrease in capital through:</b>		<b>220</b>				(28 908)	(28 908)
decrease in the number of shares		221		X	X		
decrease in the par value of shares		222		X	X	X	
reorganization of the legal entity		223					
other		224				(28 908)	(28 908)
<b>Balance as of December 31, 2005</b>		<b>300</b>	6 311 999	70 946	31 560	8 970 692	15 385 197
<b>2006</b>							
Result from fixed asset revaluation		301	X	X	X		
Effect of fixed assets revaluation		302	X		X		
Other		303	X		X		
<b>Balance as of January 1, 2006</b>	<b>100</b>	<b>304</b>	6 311 999	70 946	31 560	8 970 692	15 385 197
<b>Changes in capital items:</b>		<b>400</b>			33 425	1 841 186	1 874 611
Difference arising from foreign currency translation		401	X		X	X	
Net profit (loss) of the reporting year		402	X	X	X	2 047 849	2 047 849
Dividends		403	X	X	X	(173 238)	(173 238)
Appropriations to the reserve fund	110	404	X	X	33 425	(33 425)	
Additional shares issue on account of own sources	121	405			X		

Indicator	Indicat or code	Line code	Authorized capital	Earned capital	Reserve capital	Retained profit (uncovered loss)	Total
1	1a	2	3	4	5	6	7
Increase in the par value of shares	122	406			X		
Changes in capital by disposal of fixed assets		407	X		X		
Other		408					
<b>Increase in capital through:</b>		<b>410</b>					
additional shares issue on account of shareholders	121	411			X	X	
reorganization of the legal entity	123	412					
Other		413					
<b>Decrease in capital through:</b>		<b>420</b>				(11 834)	(11 834)
decrease in the number of shares	132	421		X	X		
decrease in the par value of shares	131	422		X	X	X	
reorganization of the legal entity	133	423					
other		424				(11 834)	(11 834)
<b>Balance as of December 31, 2006</b>	<b>140</b>	<b>500</b>	6 311 999	70 946	64 985	10 800 044	17 247 974

## 2. Reserves

Indicator	Indicat or code	Line code	Balance as of the beginning of year	Received	Used / recovered	Balance as of the end of year
1	1a	2	3	4	5	6
<b>Reserves established in accordance with legislation:</b>						
Reserve Fund						
data of 2005		601	31 560			31 560
data of 2006		602	31 560	33 425		64 985
<b>Reserves established in accordance with the charter documents:</b>						
Company's Employee Share Ownership Fund data of 2005		603				
data of 2006		604				
<b>Valuation reserves:</b>						
Provisions for doubtful debts						
data of 2005		605	1 926 414	509 444	(308 030)	2 127 828
data of 2006		606	2 127 828	159 684	(1 303 216)	984 296
<b>Provisions for impairment in value of financial investments</b>						
data of 2005		607	5 509	20 083	(4 178)	21 414
data of 2006		608	21 414	1 056 553	(1 331)	1 076 636
<b>Provisions for impairment in value of inventories</b>						
data of 2005		609		585		585
data of 2006		610	585	14	(585)	14
<b>Provisions for future expenses:</b>						
data of 2005		611	291 542	168 437	(7 904)	452 075
data of 2006		612	452 075	380 650	(151 795)	680 930
<b>Provisions for contingent liabilities:</b>						
data of 2005		613				
data of 2006		614		126 570		126 570

CEO \_\_\_\_\_ S. V. Pridantsev  
(signature) (name)

Chief accountant \_\_\_\_\_ A.D. Kartashov  
(signature) (name)

April 11, 2007