

## Open Joint Stock Company “VolgaTelecom”

Registered on 15.12.1993 by the Administration of Nizhny Novgorod city,

Registration № 448

Mail address and location:

603000, Nizhny Novgorod city, M.Gorky sq., Dom Svyazi

Phone: (8-8312) 33-20-47, Fax: (8-8312) 30-67-68

**advises on the results of annual general meeting of shareholders held on June 26, 2006.**

1. 11 persons were elected to the Board of directors:

Kuznetsov Sergey Ivanovich	<b>The Chairman of the Company’s Board of directors</b> , First deputy to the General Director of OJSC “Svyazinvest”
Omelchenko Sergey Valerievich	<b>Deputy to the chairman of the Company’s Board of directors</b> , OJSC “VolgaTelecom” General Director
Andreev Vladimir Alexandrovich	Rector of Povolzhskiy state academy of telecommunications and informatics
Bulancha Sergey Anatolievich	Deputy to the head of Federal Agency of Communications
Grigorieva Alla Borisovna	Deputy to the director – chief of the sector of the Department of corporate governance of OJSC “Svyazinvest”
Degtyarev Valeryi Victorovich	General Director of CJSC “Professional telecommunications”
Enin Evgenyi Petrovich	Deputy to the General Director of Non-Commercial Partnership “Russian institute of directors”
Morozov Andrey Vladimirovich	Lawyer of Moscow’s representation office of “NCH Advisors, Inc.”
Savchenko Victor Dmitrievich	Executive director – director of the Department of legal provision of OJSC “Svyazinvest”
Fedorov Oleg Romanovich	Executive director of corporate finances department of CJSC “Joint financial group”
Chernogorodskiy Sergey Valerievich	Director of the Department of joint-stock capital of OJSC “Svyazinvest”

2. The following persons were elected to the Auditing committee:

Koroleva Olga Grigorievna

**The Chairman of the Auditing committee**, OJSC “Svyazinvest” chief accountant

Belyakova Nataliya Yurievna

Deputy to the director of the Department of finances of OJSC “Svyazinvest”

Golubitskiy Bogdan Ivanovich

Chief of the sector of the Department of economic planning and budgeting of OJSC “Svyazinvest”

Zubova Tatiana Yurievna

Deputy to the chief of the sector of methodology of the Department of bookkeeping of OJSC “Svyazinvest”

3. Approved size of dividends:

Per one ordinary share - **1,4744 ruble.**

Per one preferred share - **2,7583 rubles.**

The beginning of dividends payment on each category of shares **since 15.07.2006.**

The end date of dividends payment on ordinary and preferred shares – **till 15.12.2006.**

4. Changes and addenda were introduced to the Company’s Charter, to the Provision on the Board of directors, to the Provision on the procedure of holding general meeting of shareholders of the Company and to the Provision on the Company’s Auditing committee.

5. LLC “Ernst & Young” was approved as the Company’s Auditor for 2006.

In accordance with item 1 of article 92 of Federal law “On joint-stock companies” OJSC “VolgaTelecom” advises to its stockholders:

1. The Company’s register is kept by Open Joint Stock Company “Obiedinennaya registratsionnaya kompaniya” (license № 10-000-1-00314 of 30.03.2004 issued by Russia’s Federal Commission for the Securities Market)

Location: 113095, Moscow, Pyatnitskaya str., 70.

Phone, fax: (8-495) 933-42-21.

2. The date of the Company’s register closing for the annual general meeting – 07.05.2006. The number of stockholders possessing voting shares and having the right to participate in the annual meeting – 16 093 shareholders.

Accounting balance-sheet of OJSC “VolgaTelecom” for 2005 (approved by the annual general meeting on **26.06.2006**).

		As of the reporting period beginning	As of the reporting period end
	<u>Assets</u>		
1.	Non-current assets	24 243 971	27 324 315
2.	Current assets	3 965 541	4 499 550
	<b>Balance</b>	28 209 512	<b>31 823 865</b>
	<u>Liabilities</u>		
3.	Capital and reserves	14 592 448	16 298 720
4.	Long-term liabilities	5 722 878	9 163 493
5.	Short-term liabilities	7 894 186	6 361 652
	<b>Balance</b>	28 209 512	<b>31 823 865</b>

Profit and loss statement for 2005 (approved by the annual general meeting on 26.06.2006).

		For the reporting period	For similar period of the past year
1.	Proceeds of sales of goods, products, works and services	21 348 394	18 604 604
2.	Prime cost of sales of goods, products, works and services	(15 333 051)	(13 264 137)
3.	Sales profit	6 015 343	5 340 467
4.	Net profit	2 261 360	2 056 268

The ratio of net asset value and the charter capital amount was 1007,17 %.

The credibility of OJSC “VolgaTelecom” accounting statement is confirmed by audit company LLC “Ernst & Young”.

The Chairman of the meeting,  
OJSC “VolgaTelecom” General Director

S.V. Omelchenko

The secretary of the meeting

N.I. Pokrovskaya