

BALANCE SHEET

as of **September 30, 2005**

Enterprise **OJSC "VolgaTelecom"**

Taxpayer Identification Number **5260901817**

Activity type **Electric communication**

Business legal structure /ownership form **Open Joint Stock Company/private**

Measure unit: **thousand rubles**

Form № 01 by OKUD

Date (year, month, day)

by OKPO

TIN

by OKVED

by OKOPF/OKFS

by OKEI

CODES
0710001
2005.10.31
01142788
5260901817
64.20
47/16
384

Address: 603000, Nizhny Novgorod city, Maxim Gorky sq., Dom Svyazi

The date of approval

The date of dispatch (receipt)

28.10.2005

ASSET	Notes	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
I. NON-CURRENT ASSETS					
Intangible assets		110	110	32	19
Fixed assets		120	120	19 786 083	20 228 017
Capital investments		130	130	1 204 444	2 065 223
Income-bearing placements into tangible assets		135	135	1 177	562
Long-term financial investments		140	140	1 251 842	1 308 257
including:					
investments into subsidiaries			141	1 219 442	1 273 033
Investments into affiliates			142	21 860	12 474
Investments into other enterprises			143	8 651	20 861
Other long-term financial investments			144	1 889	1 889
Deferred tax assets		145	145	301 197	184 529
Other non-current assets		150	150	1 687 359	2 089 092
Total for section I		190	190	24 232 134	25 875 699

ASSET	Notes	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
II. CURRENT ASSETS					
Inventories		210	210	854 899	761 049
<i>including: raw materials, supplies and other similar values</i>		211	211	688 631	557 394
work in progress expenses (distribution costs)		213	213	81	178
finished goods and goods for resale		214	214	36 326	42 383
goods shipped		215	215	24	227
prepaid expenses		216	216	129 833	160 863
other inventories and expenditure		217	217	4	4
VAT for acquired valuables		220	220	1 266 225	946 824
Accounts receivable (payments are expected in over 12 months after the reporting date)		230	230	28 497	20 199
<i>Including: buyers and customers</i>		231	231	3 308	2 604
advances paid out			232	3 313	1 016
other debtors			233	21 876	16 579
Accounts receivable (payments are expected within 12 months after the reporting date)		240	240	1 474 566	1 799 021
<i>Including: buyers and customers</i>		241	241	1 154 435	1 428 050
advances paid out			242	147 338	202 530
other debtors			243	172 793	168 441
Short-term financial investments		250	250	7 761	4 726
Cash		260	260	344 723	527 540
Other current assets		270	270	707	1 022
Total for section II		290	290	3 977 378	4 060 381
BALANCE (sum of lines 190+290)		300	300	28 209 512	29 936 080

LIABILITIES	Notes	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
III. CAPITAL AND PROVISIONS					
Charter capital		410	410	1 639 765	1 639 765
Capital surplus		420	420	3 980 430	3 857 863
Reserve capital		430	430	81 988	81 988
Treasury stock		411	440		
Retained earnings (uncovered loss) of past years		470	460	8 890 265	8 465 744
Retained earnings (uncovered loss) of the fiscal year		470	470	X	1 428 133
Total for section III		490	490	14 592 448	15 473 493
IV. NON-CURRENT LIABILITIES					
Credits and loans <i>including:</i>		510	510	3 734 001	4 121 150
credits			511	2 631 000	4 004 050
loans			512	1 103 001	117 100
Deferred tax liabilities		515	515	580 691	673 374
Other non-current liabilities		520	520	1 408 186	934 632
Total for section IV		590	590	5 722 878	5 729 156
V. CURRENT LIABILITIES					
Credits and loans <i>including:</i>		610	610	3 513 292	4 269 178
credits			611	2 042 520	1 967 531
loans			612	1 470 772	2 301 647
Accounts payable, <i>Including:</i>		620	620	3 921 305	3 659 173
<i>suppliers and contractors</i>		621	621	2 584 322	2 171 094
advances received		625	622	340 540	270 072
wages payable		622	623	65 279	253 374
debt to government extrabudgetary funds		623	624	42 952	91 636
taxes and dues payable		624	625	393 226	280 097
other creditors		625	626	494 986	592 900
Debt to participants (founders) for income payments		630	630	29 411	310 753
Unearned revenue		640	640	230 372	228 723
Reserves for future expenses		650	650	199 806	265 604
Other current liabilities		660	660		
Total for section V		690	690	7 894 186	8 733 431
BALANCE (sum of lines 490+590+690)		700	700	28 209 512	29 936 080

Reference on availability of valuables being accounted on off balance sheet accounts

Index description	Notes	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Rented fixed assets		910	901	301 591	533 340
Including under leasing		911	911	176 550	71 339
Inventory items received in escrow		920	902	60 910	4 703
Commodities received for commission		930	903	3 945	3 282
Accounts receivable of insolvent debtors written-off as a loss		940	904	179 330	211 771
Cover funds for liabilities and payments received		950	905	3 976	4 116
Cover funds for liabilities and payments given		960	906	8 116 121	7 828 317
Housing facilities depreciation		970	907	21 065	18 755
Depreciation of land improvement objects and other similar objects		980	908	2 565	2 607
Payments for communication services			909	62 332	228 979

Reference on the cost of net assets

Index description	Notes	Index code	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	1a	2	2a	3	4
Net assets			1000	14 822 820	15 702 216

CEO _____ Omelchenko S. V.
(signature) (signator)

Chief accountant _____ Popkov N.I.
(signature) (signator)

October 28, 2005

INCOME STATEMENT

for

9 months of year 2005

Form № 02 by OKUD

Date (year, month, day)

CODES

0710002

2005.10.31

Enterprise

OJSC "VolgaTelecom"

by OKPO

01142788

Taxpayer Identification Number

50013

TIN

5260901817

Activity type

Electric communication

by OKVED

64.20

Business legal structure
/ownership form

Open Joint Stock Company/private

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47/16

Measure unit:

thousand rubles

by OKEI

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Index description	Notes	Index code	Line code	For the reporting period	For the similar period of the previous year
1	1a	2	2a	3	4
I. Income and expenses of ordinary activities					
Revenue(net) from sales of goods, products, works, services (minus VAT, excise taxes and similar mandatory payments)		010	010	15 506 433	13 328 177
Including from sales: of telecommunication services			011	15 115 119	13 012 183
Prime cost of sold goods, products, works and services		020	020	(11 284 881)	(9 588 178)
Including: of telecom services			021	(10 973 651)	(9 330 424)
Profit (loss) from sales (lines 010 - 020)		050	050	4 221 552	3 739 999
II. OPERATING INCOME AND EXPENSES					
Interest receivable		060	060	7 355	7 366
Interest due		070	070	(607 848)	(400 359)
Income from participation in other enterprises		080	080	33 369	43 084
Other operating income		090	090	174 390	260 412
Other operating expenses		100	100	(647 403)	(777 132)
III. NON-SALES INCOME AND EXPENSES					
Non- sales income		120	120	148 400	163 851
Non-sales expenses		130	130	(1 094 291)	(1 014 211)
Profit (loss) before tax (lines 050+060-070+080+090-100+120-130)		140	140	2 235 524	2 023 010
Income tax expense (lines -151+/-152+/-153) including:			150	(807 561)	(662 618)
deferred tax liabilities		142	151	(94 284)	(130 272)
deferred tax assets		141	152	(116 668)	52 231
Current tax on income		150	153	(596 609)	(584 577)
Profit (loss) of ordinary activities (lines 140-150)			160	1 427 963	1 360 392

Index description	Notes	Index code	Line code	For the reporting period	For the similar period of the previous year
1	1a	2	2a	3	4
IIV. EXTRAORDINARY INCOME AND EXPENSES					
Extraordinary income			170	208	24
Extraordinary expenses			180	(38)	(223)
Net profit (retained profit (loss) of the reporting period) (lines 160+170-180)		190	190	1 428 133	1 360 193
BY REFERENCE					
Income tax contingent expenses /income			201	(536 566)	(485 475)
Recurrent tax liabilities		200	202	(293 847)	(220 990)
Recurrent tax assets		200	203	22 852	43 847

Index description	Notes	Index code	Line code	For the reporting period	For the similar period of the previous year
1	1a	2	2a	3	4
Basic earnings (loss) per share			301	X	X
Diluted earnings (loss) per share			302	X	X

* It is completed in annual accounting statement

Breakdown of single profits and losses

Index description	Index code	Line code	For the reporting period		For the similar period of the previous year	
			profit	loss	profit	loss
1	1a	2	3	4	5	6
Fines, penalties and forfeits which were acknowledged or to be collected according to court (arbitrage) judgement		401	21 148	(8 251)	18 559	(11 660)
Past years profit (loss)		402	30 323	(146 011)	62 884	(108 830)
Reimbursement of damages caused by default or inadequate fulfillment of obligations		403	5 808	(943)	3 732	(873)
Foreign exchange differences in foreign currency operations		404	9 279	(2 988)	25 479	(20 967)
Deductions to allowances		405	36 261	(120 405)	29 084	(469 627)
Debt amortization of receivables and payables		406	21 149	(4 205)	763	(4 497)

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October 28, 2005