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OJSC “North-West Telecom”
14/26 Gorokhovaya ul.,
St. Petersburg, 191186

Mr. V.A. Akulich,
Director General

Addition to the results of market valuation of the share capital of CJSC “Petersburg Transit Telecom”

Dear Mr. Akulich,

As you requested, CJSC “Deloitte & Touche” (“Deloitte”, “Valuator”) has carried out an additional analysis of the market value of 100% of the share capital of CJSC “Petersburg Transit Telecom” (“PTT” or “Company”) as of December 31, 2006 (“Valuation Date”).

We used the following methodology and we were guided by the following basic assumptions:

- The Company’s value at the end of 2006 was analyzed under the same methodology as that used for the valuation as of June 30, 2006, including the same financial model of PTT.
- The Company is expected to pay to its shareholders by the end of 2006 as dividends all of the funds (including those which at the mid-year were invested in deposits and loans to third parties) that accrued on the balance sheet of the Company by the end of 2006.
- In addition, we supposed that the debt payable by CJSC “Sineterra” to PTT as of June 30, 2006, which arose as the result of installation and sale of equipment in Moscow to CJSC “Sineterra” would be fully discharged or restructured.¹
- It is assumed that the company will not make any borrowings until the end of 2006.
- Thus, the net debt of the Company as of the end of 2006 will be equal to zero.
- All other assumptions for the value analysis are the same as those made for the valuation as of June 30, 2006.

¹ At the mid-year, PTT reached an agreement that the equipment would be sold to CJSC «Sineterra” on 3 years’ installment plan.

Analysis results

Based on the adopted methodology and taking into account all of the assumptions outlined in this letter, we believe that the approximate market value of 100% of the share capital of CJSC “Petersburg Transit Telecom” as of December 31, 2006 is:

between 96 (ninety-six) million and 122 (one hundred twenty-two) million US Dollars

We were very pleased to have the opportunity to provide business valuation and value analysis services to OJSC “North-West Telecom”. If you have any questions or need additional information, please contact me at: +7 (495) 787-0600.

Sincerely yours,

Anton Shulga
Partner,
Corporate Finance Department