

QUARTERLY REPORT

Open Joint-Stock Company "Uralsvyazinform"

Code of the issuer:

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for the 2nd quarter 2008

Domicile: 11, Moskovskaya St. Ekaterinburg, 620014 Russia

The information in this quarterly report is disclosed pursuant to applicable law of the Russian Federation on securities

General Director	
Date «12» August 2008	
	_____ A.Ya. Ufimkin (signature)
Chief Accountant	
Date «12» August 2008	
	_____ S.I. Balueva (signature)
	Seal

Contact person: Mr Anton Serykh <i>Investor Relations Manager, Equity and IR Department</i> Tel: +7 (343) 379 1859 Fax: +7 (343) 379 1290 E-mail: serykh-as@gd.usi.ru The information disclosed in this quarterly report is posted at: http://www.usi.ru/shareholders/accounts/information/reports/

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Introduction

Basis for the Issuer's liability to disclose information in the form of Quarterly Report:

Disclosure of information in the form of Quarterly Reports is the liability of Open Joint Stock Company 'Uralsvyazinform' (further referred to as 'the Issuer', 'the Company') arising from sub-items б), в) item 5.1. of the Regulations of the RF Federal Financial Markets Service (FFMS) on disclosure of information by the issuers of issue securities, approved by FFMS Order dd. October 10, 2006№06-117/пз-н (as amended as of August 30, 2007), provided that:

– the Issuer performed registration of Securities Prospectuses with respect to the securities outstanding;

– the Issuer is a joint-stock company, created under privatization of a state-owned enterprise, pursuant to the Privatization Plan, so long as this plan was appropriately approved and on the date of its approval was regarded as Prospectus of the Issuer's shares, and the mentioned Privatization Plan allowed for alienation of the Issuer's shares to more than 500 owners.

This quarterly report contains estimates and forecasts of the authorized governing bodies of the Issuer regarding future events and/or activities, development prospects within the industry the Issuer operates in, and results of the Issuer's business activity, Issuer's prospects, probability of occurrences of certain events and undertaking certain actions. Investors are advised to not fully rely on the estimates and forecasts made by the Issuer's governing bodies, as actual results of the Issuer's activities in the future may differ from the forecasts due to the plenty of reasons. Purchase of the Issuer's securities carries inherent risks outlined in this quarterly report.

I. BACKGROUND OF PERSONS-MEMBERS OF THE ISSUER'S GOVERNING BODIES, INFORMATION ON BANK ACCOUNTS, THE AUDITOR, APPRAISER, AND FINANCIAL ADVISER OF THE ISSUER, AND OTHER PERSONS WHO SIGNED THE QUARTERLY REPORT

1.1. MEMBERS OF THE ISSUER'S GOVERNING BODIES

1.1.1. Members of the Issuer's Board of Directors

Chairman of the Board of Directors:

Evgeniy A. Chechelnitsky

Year of birth: **1973**

Members of the Board of Directors:

1. *Mikhail V. Batmanov*

Year of birth: **1978**

2. *Yuri A. Bilibin*

Year of birth: **1971**

3. *Alla B. Grigorieva*

Year of birth: **1967**

4. *Vladimir V. Dudchenko*

Year of birth: **1973**

5. *Yekaterina S. Erofteyeva*

Year of birth: **1975**

6. *Olga G. Korolyova*

Year of birth: **1950**

7. *Juliana Y. Sokolenko*

Year of birth: **1967**

8. *Vladimir A. Statyin*

Year of birth: **1959**

9. *Dmitry Y. Tushunov*

Year of birth: **1964**

10. *Anatoly Y. Ufimkin*

Year of birth: **1951**

1.1.2. Members of Collegiate Executive Body of the Issuer

Chairman of the Management Board:

Anatoly Y. Ufimkin

Year of birth: **1951**

Members of the Management Board:

1. *Sergey V. Akimenko*

Year of birth: **1964**

2. *Svetlana I. Balueva*

Year of birth: **1960**

3. *Sergey M. Bershev*

Year of birth: **1963**

4. *Igor D. Bychkov*

Year of birth: **1968**

5. *Oleg V. Efremov*

Year of birth: **1969**

6. *Valeryi A. Menshenin*

Year of birth: **1957**

7. *Dmitry I. Samoilov*

Year of birth: **1962**

8. *Vitalyi V. Stoyanov*

Year of birth: **1950**

9. *Valeryi A. Chernyshev*

Year of birth: 1951

1.1.3 Sole Executive Body of the Issuer

General Director:

Anatoly Y. Ufimkin

Year of birth: 1951

1.2. Bank accounts of the issuer

List of the bank accounts regarded by the Issuer as primary ones:

Full name of the bank / abbreviated corporate name of the bank	Address	Bank Taxpayer Identification Number	Russian Central Bank Identification Code (RCBIC) and correspondent account of the bank	Type of account	Issuer's account number
Joint-stock Commercial Savings Bank of the Russian Federation (OJSC), Zapadno-Uralsky Head Office / Sberbank of Russia, OJSC Zapadno-Uralsky Head Office	4 Ordzhonikidze St., 614990 Perm, Russia	7707083893	RCBIC 045773603 correspondent account 3010181090000000603	settlement account	40702810749020101137
				settlement account	40702810049020101332
				settlement account	40702810649020101376
				settlement account	40702810749020101360
				settlement account	40702810449020101369
				settlement account	40702810049020101426
				settlement account	40702810649020101389
settlement account	40702810149000101692				
Joint-stock Commercial Innovation Bank for telecommunications and information technologies development «Pochtobank» Closed Joint-stock Company / CJSC « Pochtobank»	68 Lenin St., 614096 Perm, Russia 614096	5902300019	RCBIC 045773705 correspondent account 3010181040000000705	settlement account	40702810700007230300
				settlement account	40702810300007230302

1.3. Auditor of the Issuer

Information on the Auditor nominated to perform audit of the Issuer's annual financial statements as of the present or completed financial year

Name: **Ernst and Young Limited Liability Company (Ernst and Young LLC)**

Address: **77 Sadovnicheskaya Embankment, building 1, Moscow, Russia, 115035**

Tel.: **7 (495) 705 9700**, fax: **7 (495) 755 9701**,

E-mail address: moscow@ru.ey.com

License to render audit services: # E 002138

Date of issue: 17.09.2007

Expiry date: 30.09.2012

Issue Authority: Ministry of Finance of Russian Federation

Ernst and Young LLC is a member of Non-commercial Partnership "Institute of Professional Bookkeepers and Auditors of Russia" (IPB of Russia).

Fiscal years in which Ernst and Young LLC accomplished independent research of accounting and financial statements of the Issuer: **2005, 2006, 2007.**

Factors that may challenge independence of the Auditor:

– participation of the Auditor (or any officials of the Auditor) in the Charter Capital of the Issuer: **no such participation;**

– granting of borrowed funds to the Auditor (any officials of the Auditor) by the Issuer: **no borrowed funds have ever been granted by the Issuer to the Auditor;**

– existence of close relationship (promotion of the Issuer's goods/services, participation in the joint business activity) and kinship with the Issuer: **no such relationship;**

– information on the Issuer's officials who simultaneously perform functions as the officials of the Auditor: **no such officials.**

Measures assumed by the Issuer to reduce impact of factors mentioned above: **due to the absence of factors challenging independence of the Auditor, such measures have not ever been undertaken by the Issuer or by the Auditor. Basic measure assumed by the Issuer to avoid such factors is conclusion of the Audit Services Provisions containing essential conditions of the Auditor's independence.**

Auditor nomination:

– Tender procedure: **tender procedure of the Auditor nomination is governed by "The Provision on Auditor nomination tendering process", the Auditor candidacy being recommended by the Board of Directors for approval by the General Shareholders Meeting of Uralsvyazinform (the Provision was approved by Uralsvyazinform Board of Directors, Protocol of the session dd. January 26, 2007 #8 with changes, which were approved by Uralsvyazinform Board of Directors, Protocol of the session dd. January 31, 2008 #12);**

– procedure of recommendation of the Auditor's candidacy for approval by the General Shareholders Meeting: **following the results of the tender, the Auditor candidacy shall be previously considered by the Board of Directors Audit Committee of the Issuer. After that the Auditor candidacy shall be recommended by the Board of Directors for nomination by the Annual General Shareholders Meeting. The Auditor is approved by the Annual General Shareholders Meeting.**

Information on the Auditor's activities as part of the specific Auditor engagement program:

Procedure of determination of the Auditor's remuneration: **amount of remuneration paid to the Auditor is defined by the Company's Board of Directors (pursuant to item 10 article 65 of the Federal Law "On Joint-Stock Companies" dd. December 26, 1995 №208-Ф3 (as amended on July 27, 2006, including alterations dd. December 18, 2006 (further referred to as "The Federal Law "On Joint-Stock Companies"))) and is specified in the Agreement concluded between the Company and the Auditor. Amount of remuneration is calculated in accordance with the category of the Auditor's officers involved and time spent by the officers.**

Delayed and out-dated payments for the Auditor's services: **there are no delayed or out-dated payments for the services rendered by the Auditor.**

1.4. Assessor of the Issuer

Information on the Assessor(s) engaged by the Issuer in assessment of the market value of property set to the guarantee on the bonds placed by the Issuer or bonds to be placed by the Issuer, obligations on which haven't been discharged yet: **such an Assessor was not engaged.**

Information on the Assessor(s) engaged by the Issuer in assessment of the market value of fixed assets or real estate, the value which was re-estimated, provided that such re-estimation was reflected in other sections of the present Quarterly report: **such an Assessor was not engaged.**

Information on the Assessor(s) engaged by the Issuer in rendering other assessment services pertaining to the securities issuance: **such an Assessor was not engaged.**

1.5. Advisers of the Issuer

Information on the Securities Market Financial Adviser rendering relevant services to the Issuer on the basis of the Agreement: **such an Adviser was not engaged.**

Information on Securities Market Financial Advisers that rendered services to the Issuer pertaining to the issuance of securities circulating at presence, and put their signature to the Securities Prospectus:

1. Name: Closed Joint-stock Company «Baltiyskoye Finansovoye Agentstvo» ("BFA")

Address: 10, Medikov prospekt, 197376, Saint-Petersburg, Russia

Tel: 7 (812) 329 8181, fax: 7 (812) 329 8180

Internet page used by the Financial Adviser for disclosure of information on the Issuer:

<http://www.bfa.ru/>

Licenses:

License for broker operations: **№078-06789-100000 dd. June 24, 2003, open-ended license, issued by the Federal Commission for the Securities Market;**

License for dealer operations: **№078-06792-010000 dd. June 24, 2003, open-ended license, issued by the Federal Commission for the Securities Market;**

License of a Depository: **№078-06768-000100 dd. June 17, 2003, open-ended license, issued by the Federal Commission for the Securities Market;**

Trust Management License: **№078-06794-001000 dd. June 24, 2003 open-ended license, issued by the Federal Commission for the Securities Market.**

Document confirming status of the Financial Adviser: **Notification of the Federal Commission for the Securities Market dd. May 5, 2003 №03-CX-02/6370.**

Services rendered by the Financial Adviser: **expertise of securities issue:**

– **check-up of information credibility and signing of the Securities Prospectus;**
– **control on compliance of the Issuer with the requirements of effective Legislation in the course of securities issuance;**

– **check-up and signing of the Placement Report;**
– **approval of bid applications Register for the Issuer's securities as of each placement day; after the end of placement the final bid applications Register for the Issuer's securities is approved.**

Outstanding securities that were issued under supervision of the Financial Advisor:

– **non-convertible interest-bearing documentary bearer bonds of 05 series with obligatory centralized custody (state registration number 04-08-00175-A, assigned as of September 23, 2004 by the Federal Financial Markets Service of the Russian Federation);**

– **non-convertible interest-bearing documentary bearer bonds of 08 series with obligatory centralized custody (state registration number 04-11-00175-A, assigned as of March 6, 2004 by the Federal Financial Markets Service of the Russian Federation).**

2. Name: Closed Joint-Stock Company 'Investitsionnaya Kompaniya AVK'

Address: 1, Uritskiy pavilyon, 196605 Saint-Petersburg, Pushkin.

Tel: 7 (812) 230 7733, fax: 7 (812) 237 0650

Internet page used by the Financial Adviser for disclosure of information on the Issuer:

<http://www.avk.ru/>

Licenses:

License for broker activity: **№178-03255-100000 dd. November 29, 2000, open-ended license, issued by the Federal Commission for the Securities Market;**

License for dealer operations: **№078-03343-010000 dd. November 29, 2000, open-ended license, issued by the Federal Commission for the Securities Market;**

License of a Depository: **№078-04116-000100 dd. December 20, 2000, open-ended license, issued by the Federal Commission for the Securities Market;**

Trust Management License: **№078-03412-001000 dd. November 29, 2000, open-ended license, issued by the Federal Commission for the Securities Market.**

Services rendered by the Financial Adviser: **expertise of securities issue:**

– **consultations on resolutions to be adopted by the Issuer's authorized bodies when arranging securities issue pursuant to the RF Legislation, disclosure of information, development of Resolution authorizing issuance of securities, Securities Prospectus, Placement Report;**

– **signing of the Securities Prospectus and Placement Report;**
– **approval of Bid Applications Register for the Issuer's securities as of each placement day; after the end of placement the final Bid Applications Register for the Issuer's securities is approved;**

– **check-up of information disclosed by the Issuer on all stages of securities issue as for its compliance with the requirements of the Federal Laws and other Legal Acts that are followed by the authorized registering authority.**

Outstanding securities that were issued under supervision of the Financial Advisor:

– *non-convertible interest-bearing documentary bearer bonds of 06 series with obligatory centralized custody (state registration number 4-09-00175-A, assigned as of November 3, 2005 by the Federal Financial Markets Service of the Russian Federation);*

– *non-convertible interest-bearing documentary bearer bonds of 07 series with obligatory centralized custody (state registration number 4-10-00175-A, assigned as of November 3, 2005 by the Federal Financial Markets Service of the Russian Federation).*

3. Name: Limited Liability Company 'Siemens'

Address: 96, Dubininskaya street, 115093, Moscow.

Tel: (495) 737-11-08, fax: (495) 737-11-08

Services provided by the advisor:

Consulting services on elaboration and realization 'The plan on increase in operational efficiency of OJSC 'Uralsvyazinform''

Period of services rendered: I quarter 2008- I quarter 2010

1.6. Other persons who signed the quarterly report

Other persons who signed the quarterly report and was not mentioned in previous items of the present section: ***there are no such persons.***

II. General information on financial and economic status of the issuer

2.1. Financial and business performance of the Issuer

Indicator name	Period	
	I quarter 2008 г.	II quarter 2008 г..
Net assets value, RUR.	20 148 007 000	22 078 687 000
Rate of attracted funds to reserves and capital assets, %	152,7	144,1
Rate of short-term liabilities to capital assets and reserves, %	79,0	73,7
Payment coverage on debts, %	1,65	0,99
Ratio of bad debts, %	-	-
Debtor indebtedness turnover rate, times	4,63	4,79
Dividend share in earnings, %	-	-
Labour capacity, RUR per employee	713 262	840 706
Depreciation to volume of revenue, %	11,12	12,82

2.2. Market capitalization of the Issuer

Procedure of calculation of the Issuer's market capitalization: **market capitalization is calculated by multiplying the quantity of shares of a certain category (type) by market price of one share, which is calculated by trade institutor in accordance with the Procedure of calculation of market prices of issue securities and trust funds shares, admitted to trading through the trade institutor, approved by the Decree of the Federal Commission for the Securities Market dd. December 24, 2003, №03-52/nc (registered by the Ministry of Justice of the Russian Federation as of January 23, 2004, registration number 5480).**

Trade institutor: ***OJSC Stock Exchange 'Russian Trading System'***

Market capitalization of the Issuer for 5 last completed fiscal years as of the end of each year, and as of the end of the last completed reporting period:

Reporting period	Market capitalization, RUR
2003	39 958 717 996*
2004	37 270 315 750
2005	40 836 773 160
2006	64 760 895 336
2007	58 466 986 962
1 st quarter 2008 г.	49 061 918 849

* As calculated by Non-profit Partnership 'Stock Exchange 'Russian Trading System'

2.3. Issuer's liabilities

2.3.1. Accounts payable

Structure of the Issuer's accounts payable:

Types of accounts payable		
	Less than a year	More than a year
Accounts payable to suppliers and contractors, thousand RUR	3 125 039	–
including overdue, thousand RUR	–	X
Accounts payable to the personnel of the organization, thousand RUR	384 858	–
including overdue, thousand RUR	–	X
Accounts payable to the budget and state non-budget funds, thousand RUR	970 320	2 765 104
including overdue, thousand RUR	–	X
Credits, total, thousand RUR	3 421 905	10 436 997
including overdue, thousand RUR	–	X
Loans, total, thousand RUR	5 217 138	2 117 384
including overdue, thousand RUR	–	X
including bond loans, thousand RUR	5 147 229	2 036 914
including overdue bond loans, thousand RUR	–	X
Other accounts due, thousand RUR	1 491 171	186 508
including overdue, thousand RUR	–	X
Total, thousand RUR	14 610 431	15 505 993
including total overdue, thousand RUR	–	X

Vendors, which possess not less than 10 % of the total amount of debtor indebtedness for the last financial year.

1. Name: Joint-Stock Gas Industry Bank “Gazprombank” (OJSC)

Abridged name: **OJSC “Gazprombank”**

Address: **63, Novocheremushkinskaya street, 117418, Moscow**

Debtor indebtedness: **RUR 4 037,4 million**

Amount and conditions of overdue accounts payable: **there is no overdue indebtedness. If percents are not paid there is a penalty payable in the amount of 0,04%**

The Lender is not affiliated to the Issuer.

2. Name: Joint-Stock Savings Bank of the Russian Federation (OJSC)

Abridged name: **OJSC “Sberbank”**

Address: **19, Vavilova street, 117997, Moscow**

Debtor indebtedness: **RUR 4 960 million**

Amount and conditions of overdue accounts payable: **there is no overdue indebtedness. If percents are not paid there is a penalty payable in the amount of doubled refinance rate.**

The Lender is not affiliated to the Issuer.

Vendors, which possess not less than 10 % of the total amount of debtor indebtedness for the 1st quarter of the current financial year.

1. Name: Joint-Stock Gas Industry Bank “Gazprombank” (OJSC)

Abridged name: **OJSC “Gazprombank”**

Address: **63, Novocheremushkinskaya street, 117418, Moscow**

Debtor indebtedness: **RUR 4 538,4 million**

Amount and conditions of overdue accounts payable: **there is no overdue indebtedness. If percents are not paid there is a penalty payable in the amount of 0,04%**

The Lender is not affiliated to the Issuer.

2. Name: Joint-Stock Savings Bank of the Russian Federation (OJSC)

Abridged name: **OJSC “Sberbank”**

Address: **19, Vavilova street, 117997, Moscow**

Debtor indebtedness: **RUR 5 683,7 million**

Amount and conditions of overdue accounts payable: **there is no overdue indebtedness. If percents are not paid there is a penalty payable in the amount of doubled refinance rate.**

The Lender is not affiliated to the Issuer.

2.3.2. Credit history of the Issuer

Discharge of obligations by the Issuer with regard to the bond issues with the aggregate par value amounting to 5 and more per cent of the Issuer's book value of assets as of the end of the last completed quarter, preceding the state registration of the Bonds Placement Report; in case the bonds placement was not completed over plenty of reasons, or the state registration of the Placement Report was not completed, - as of the date of the last completed quarter, preceding the state registration of the Bonds Issue:

Obligations on each bond issue with the aggregate par value amounting to 5 and more per cent of the Issuer's book value of assets as of the end of the last completed quarter, preceding the state registration of the Bonds Placement Report, were discharged by the Issuer on time and in full measure.

2003

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 03 series	Individuals and legal entities	3,000,000	07/18/2006	no

2004

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 03 series	Individuals and legal entities	3,000,000	07/18/2006	no
bond loan of 04 series	Individuals and legal entities	3,000,000	11/01/2007	no

2005

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 03 series	Individuals and legal entities	3,000,000	07/18/2006	no
bond loan of 04 series	Individuals and legal entities	3,000,000	11/01/2007	no

2006

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 03 series	Individuals and legal entities	3,000,000	07/18/2006	no
bond loan of 04 series	Individuals and legal entities	3,000,000	11/01/2007	no
bond loan of 07 series	Individuals and legal entities	3,000,000	03/13/2007	no

2007

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
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Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 04 series	Individuals and legal entities	3,000,000	11/01/2007	no
bond loan of 07 series	Individuals and legal entities	3,000,000	03/13/2007	no

6 months 2008

Liabilities	Lender	Amount of principal debt, thousand RUR	Maturity term	Delays in discharge of obligations with regard to the principal debt or the interest (days)
bond loan of 07 series	Individuals and legal entities	3,000,000	03/13/2007	no

2.3.3. Obligations of the Issuer appearing from the security provided to the third parties

Overall amount of the Issuer's obligations appearing from the security provided to the third parties as of the end of the reporting period: **RUR 10 334 021 thousand**.

Overall amount of obligations of the third parties, on which the Issuer granted security to the third parties, as of the end of the reporting period: **RUR 1 867 693,8 thousand**, among them:

- pledge: *no*;
- guarantee: **RUR 1 867 693,8 thousand**.

Issuer's obligations appearing from the security provided to the third parties within the period from the beginning of the present fiscal year up to the end of the reporting quarter, including securities provided in the form of the pledge or the guarantee, amounting at least 5 per cent of the Issuer's book value of assets as of the end of the last completed quarter preceding the date of the security provided: **no such security was provided**.

2.3.4. Miscellaneous liabilities

Deals concluded by the Issuer, including forward transactions that were not reported in its balance sheet, but may exert substantial influence on the Issuer's financial status, its liquidity, sources of financing and conditions of their raising, results of operation and expenses: **there are no such deals**.

2.4. Purposes of securities offerings and areas of use of the funds raised from placement of issue securities.

The securities placed in accounting quarter by a subscription: **placing of unconvertible documentary bearer bonds of a series 08 with the obligatory centralized storage (state registration number 4-11-00175-A dd. 03.06.2008) (Further under the text of the present point - Bonds of a series 08) on April, 09th, 2008 has taken place**.

The purposes of issue and direction of use of the means received as a result of placing of securities: **Bonds of a series 08 did not take places with a view of financing of the certain transaction (the interconnected transactions). The means received from placing of Bonds of a series 08 are directed on refinancing of an existing credit portfolio of the Emitter and financing of the investment program of the Emitter**.

2.5. The risks arising from acquisition of placed issue securities

Uralsvyazinform operation results are affected by a number of factors that can hardly be controlled by the Company. Though many of them are of macroeconomic nature and affect all companies around, particular spheres of business may tend to be more susceptible to certain risks. The list of risk factors given below is not exhaustive, as there is a variety of factors that may seem negligible at present, but in future appear to exert considerable negative influence on the Company's activities, which would negatively affect its sales volume, profit, assets, capital, liquidity, and paying capacity.

For the present moment the Company develops and confirms the program of management by risks which includes the Register of risks, actions connected with the management of risks. The Register of risks contains the most essential and moderate risks of the Company concerning various fields of activity: strategic, operative, financial. Introduction of a control system by risks will allow to

raise competitiveness of the Company and its market cost means: workings out and application of uniform and consecutive approaches to revealing, estimation and management of risks; operative reaction to arising risky events, tracing of changes of the external and internal environment; the organization of purposeful activity on management of risks for the purpose of their decrease to comprehensible level or transfer to the third parties. According to the program the owners of risks develop and take actions for decrease in probability and consequences of the risk that happened. Process of revealing, estimation and management of essential risks is under supervision of Board of Directors of the Company. The Commission on risks which urged to monitor the management of moderate risks of the Company, to co-ordinate and confirm strategy of management of risks, to trace performance and efficiency of actions for management of risks. The organization and maintenance of functioning of risks control system is provided by the risk manager of the Company.

2.5.1. Industry risks

Consequences of potential aggravation of situation within the industry the Issuer operates in. Most significant alterations, as regarded by the Issuer, which may occur in the industry, and assumed actions of the Issuer in case of their occurrence:

Regulatory developments, enhancement of competition due to the impact of various factors on telecommunications market may result in the risk of the decrease of revenue and profit growth rates.

To compensate for the negative impact of the above-stated factors, the Issuer intends to enhance the quality of services rendered, to implement service packaging, to render converged and value-added services. Besides, the Company plans to implement the Quality Management System in accordance with ISO 9000 standards (version as of 2000).

Risks pertaining to potential change of prices for raw materials or services utilized by the Issuer in the process of operation, and their influence upon operation and discharge of obligations on securities by the Issuer:

Risks pertaining to the growth of prices for the outside organizations' services utilized by the Company are negligible, as the growth may be compensated by increase of prices for the services rendered by the Company. In this case the competitive position of the Company shall not suffer considerable changes as the respective growth of prices shall be characteristic of the Company's competitors as well. Still, the Company envisages the opportunity to purchase the outside organizations' services at the competitive market to minimize the risk considered.

Risks pertaining to potential alteration of prices to the Issuer's services and their impact on the Issuer's operation and discharge of obligations on securities:

Since February 1, 2007 the time-based charging for local services was forced into application. It resulted in increase of tariffs for local services by 13 per cent. This fact exerted negative influence upon subscriber base formation, and caused the growth of churn rate. Tariffs for intra-zone services were not altered.

In the current year there exists the risk of temporary decrease in the Issuer's income caused by the fact that according to the Connection Agreements the Issuer pays for the connections starting from the first second, while its subscribers still pay starting from the sixth second (in mobile and fixed networks). At the same time, due to the alterations in the Rules for connection and inter-action of carriers, the Issuer may appear to obtain extra income because of potential reduction of volumes of unauthorized traffic utilized by alternative operators.

According to the Decision of Federal Service under Tariffs which has come into force on January, 1st, 2008, the Company will not receive compensatory extra charges from operators of a long-distance communication. The given decision was expected and will not render the essential effect on financial indicators of the Company. Compensatory extra charges operated temporarily within the limits of new system of calculations for calls of the long-distance communication, which was implemented in 2006. According to the Decision of a Regulator, any operator of a long-distance communication has been obliged to pay to operators of local communication the extra charge for every minute distant traffic and, thus, to compensate them the possible short-reception of a gain owing to the introduction of new system.

Branch regulation in small degree can be changed by efforts of the Company. In 2008-2009 the following changes in controlled prices for Company services are expected:

- State regulation of tariffs on services of local, zone communications, which guarantees the stable income to the Company against the given services;**
- Regulator intention include call cost on cellular telephones from a network of the general using in the tariff plan "Subscriber's Tariff Plan" can to lead to loss of incomes of the Company and profit reduction (under forecasts loss in a gain can make to RUR 5 billion a year);**
- Transition to per second tariff charge of local telephone connections in 2008-2009 can lead to**

the reduction of volume of the consumed local traffic and loss of incomes of local communication to 10 % (from September 1, 2007 there was a transition to 30 second tariff charge of local telephone connections);

- According to the Governmental Order of the Russian Federation dd. October 12, 2007. № 666 «On modification of some certificates of the Government of the Russian Federation concerning communications» dd. March 01, 2008 the maintenance of services that constitute the a point of connection is excluded. The results of influence of Decision № 666 on financial indicators of the Issuer in 2008 are estimated that the Company will receive less RUR 245 million of incomes and will save RUR 94 million of expenses.

According to the Decision of Federal Service under Tariffs dd. January 1, 2008 the Issuer does not receive the compensatory extra charge from operators of a long-distance communication. Compensatory extra charges operated temporarily from January 1, 2008 within the limits of new system of calculations for long-distance communication calls to compensate operators of local communication the possibility of short-reception of a gain owing to introduction of new system. The decision on cancellation of the compensatory extra charge was expected, budgetary indicators for 2008 are made taking into account this decision. As consequence, the Issuer estimates influence of the given risk on execution of obligations under securities, as insignificant.

As a whole, the influence of industry risks upon the Issuer's operation is regarded as moderate, because due to the merger with regional operators, the Company proved able to utilize integrated infrastructure and technical base within the Urals Federal District of the Russian Federation, which makes it possible to provide the customers with the widest range of services within the Urals Federal District and to develop interregional telecommunications networks for reduction of cost and enhancement of efficiency of services.

2.5.2. Sovereign and regional risks

State in which the Issuer is registered as a tax-payer and performs its core activities, provided that such activities has constituted 10 or more per cent of its profit as of the last completed reporting period preceding the end of the last reporting quarter: ***the Russian Federation.***

Region of operation: ***Perm Region and Urals Federal District.***

Risks pertaining to the political and economic situation within the country and the region, where the Issuer is registered as a tax-payer and/or performs its core activities:

Political and economic risks for the Emitter result from influence of following factors:

- carrying out the reforms of the new President of the Russian Federation, change of political and economic courses;

- introductions of the Russian Federation into the World Trade Organization (WTO);

- the general economic situation in the country and region.

The Russia's accession to the World Trade Organization will result in competition strengthening in all markets, including the telecommunication. However the Issuer believes that can successfully compete in the market due to a number of factors:

- wide experience of work in the telecommunication market of region;

- the greatest saved up subscriber's base in the region;

- the developed infrastructure;

- the big investment possibilities (in comparison with the local and regional companies);

- high professionalism of the personnel;

- strong reputation among business partners and clients;

- in the lead positions in the telecommunication market of region;

- high level of a corporate governance.

In case of deterioration of an economic situation in the country and Ural region which is improbable, but not impossible to exclude absolutely, reduction of number of the operating enterprises, unemployment growth, decrease in solvent demand of the population is possible. Such succession of events can lead to the reduction of a gain of volumes of a telecommunication service and delay of growth rates of profitable base.

Prospective actions of the emitter on a case of negative influence of change of a situation in the country and region on its activity:

In case of negative influence of a situation at federal and regional levels on activity of the Issuer, it is planned to carry out the following actions directed on maintenance of profitableness:

- to correct the investment policy;

- to optimize expenses by means of revealing and use of internal reserves and resources;

- to take measures on debtor indebtedness increase by toughening of payment discipline concerning debtors.

Execution of obligations of the Issuer will be carried out at the expense of its own incomes, and, if necessary, at the expense of attraction for these purposes of short-term credits of commercial banks.

On the whole, in intermediate term prospective the Issuer considers improbable the possibility of considerable negative influence sovereign and regional risks on its activity and execution of the obligations taken on.

The risks connected with possible military conflicts, the introduction of state of emergency and strikes in the country and region where the Issuer is registered as the tax bearer and/or carries out primary activity:

The probability of occurrence of military conflicts, introductions of the state of emergency in the country and region in which the Issuer is registered as the tax bearer and carries out the activity, is estimated as insufficient to consider these risks as the circumstances, capable in the considerable image to affect activity of the Emitter.

At the same time, there is a possibility of some aggravation of a political situation in 2008 in connection with carrying out the "unpopular reforms» of the new President of the Russian Federation.

For prevention of strikes the Emitter creates favorable working conditions and carries out of all obligations of the workers. (In particular, in the end of 2006 the Collective agreement for 2007-2009 between the Emitter and its personnel in which are fixed the minimum wage rate of workers of the lowest qualification of primary activity at level of the monthly average salary in region and annual indexation of wages according to article 134 of the Labour code of the Russian Federation) is prepared and concluded.

For minimization of risk of carrying out of acts of terrorism and risks at extreme situations the Emitter takes additional measures for maintenance of safety of property of the Company, employees and members of their families.

The risks connected with geographical features of the country and region in which the emitter is registered as the tax bearer and-or carries out primary activity:

The risks connected with geographical features of region, including the raised danger of acts of nature, the possible termination of the transport message in connection with remoteness and inaccessibility, are estimated as minimum. Corresponding risks, including connected with not planned expenses on elimination of consequences of acts of nature, become covered by insurance of a considerable part (more than 60 %) the basic means of the Emitter.

2.5.3. Financial risks

The Emitter, as well as other managing subjects, is subject to influence of following financial risks:

- currency risks;
- market risks, including risks of change of interest rates.

Susceptibility of the emitter to the risks connected with change of interest rates:

Situation change in the World and Russian financial markets, and also a monetary and credit policy in the country can lead to the growth of interest rates under involved credits and, accordingly, growth of expenses of the Emitter.

Now the economic worries consequences of world financial crisis in the market of mortgage crediting which began in the middle of 2007, and the crisis of liquidity which followed it.

The Russian home market reacted to events on a world scene with lateness. Thus, the conclusion of foreign investors' means within the limits of global redistribution of means in actives with a smaller credit risk became only the first step in Russia.

For lack of internal sources of financing, the Russian banks were taking loans abroad for some of the passed years. As a result, the share of an external debt in actives has reached 20 % on the average on the system. The crisis of the mortgage in the American market has increased a mutual distrust of banks all over the world. The increase in cost of resources became a consequence: rates of one-day credits in the market of interbank crediting rose from 3-4 % in the middle of summer to 7 % and even 10 % during the periods of sharp shortage of liquidity.

It is necessary to notice, that the Russian monetary authorities and the Central Bank of the Russian Federation spent a number of actions on support of the bank system liquidity to prevent negative consequences of global crisis on the Russian economy in these conditions. Such actions had been carried out: the expansion of the pawn list of securities, under which Central Banks of the Russian Federation gives out credits to banks for liquidity maintenance, decrease in the specification of obligatory reservation under obligations of banks, working out of plans concerning the placement of the temporary available assets of the federal budget on deposits of the credit

organizations etc.

Falling major factor of the market restoration and the factor defining speed of the market restoration are the levels of bank liquidity. In turn, this indicator depends on when there will be a stabilization of foreign markets in many respects.

However experts expect, that the Ministry of Finance and Bank of Russia will manage to prevent the occurrence of vital issues with liquidity.

Instability in the internal financial market of Russia, caused by crisis, influenced and the Company that led to deterioration of indicators of liquidity following the results of 2007.

Considering risk of increase in interest rates under again involved credits, the Company has provided at 2008 Budget planning the growth of expenses on service of credits. Under operating credits the Emitter estimates the risk of increase of interest rates as insignificant.

*In September, 2007, despite negative influence of crisis on liquidity of the Company, the Emitter has been included in the list of the organizations which bills (the requirement rights under credit contracts) can be accepted in maintenance under credits of Bank of Russia, and also organizations which can act *авалистаму* under bills (guarantors by the requirement rights under credit contracts), accepted in maintenance under credits of Bank of Russia (the letter of the Central Bank of the Russian Federation «On the list of the organizations» dd. 27.09.2007 №05-13-5/4147).*

05.19.2008 a credit rating of the Emitter have been changed by agency Standart&Poors with BB-/Negative (Credit Watch) on BB-/Stable (item 8.1.7. The present quarterly report).

Susceptibility of the emitter to currency risks:

As of 07.01.2008 92 % of loans of the Emitter are in Russian rubles, therefore currency risks essentially will not affect the financial condition of the Emitter.

At equipment acquisition for a foreign currency from the moment of the conclusion of the contract till the delivery moment there pass on the average 2-3 months, thus final settlement is made after signing of the certificate of acceptance of the equipment. At such term of delivery the Emitter estimates currency risks as rather low.

Essential currency risks at equipment acquisition can arise in case of granting by suppliers of commodity credits with term of installments of payment more than 1 year. Similar commodity credits are not used recently by the Company.

Prospective actions of the emitter on a case of negative influence of change of the rate of exchange and interest rates on activity of the emitter:

In this case the Emitter plans to carry out following actions:

– optimization of expenses, including measures on restriction of expenses on the personnel (through optimization of number of the personnel, reduction of volume of a variable part of wages), optimization of material inputs and expenses on repair and service, the control for administrative and miscellaneous costs, optimization of expenses for sales and service;

– revision of the program of capital investments in a direction of volume reduction of the investment program, or carrying over of terms of investment projects;

*– increase of efficiency of use of a working capital, including decrease *дебиторской* debts and reduction of its average terms, including, by change of existing contractual relations with consumers, increase in creditor debts to an optimal level.*

Influence of inflation on payments under securities, critical, according to the emitter, value of inflation, and also prospective actions of the emitter on reduction of the specified risk:

On official data the rate of inflation in Russia in 2004 has made 11,7 %, in 2005 - 10,9 %, in 2006 - 9 %, in 2007 - 11,9 %, in I quarter 2008 – 8,7 %. 2007 began with inflation growth in the second half of the year, which is the reflection of the world tendency of food increase in prices. The complex of measures is developed for reduction of rates of inflation by the Government of the Russian Federation on overcoming the effects of local monopolism and stimulation of growth of manufactures.

A decrease in rates of inflation growth with the preservation of economic growth will promote the further increase in real incomes of the population and corporate sector and, as consequence, will lead to increase in consumption of a telecommunication service.

On the contrary, the increase in rates of a rise in prices can result both in decrease in consumption of a telecommunication service, and to growth of expenses of the Emitter, costs of extra means and to become the reason of decrease in indicators of profitability. Therefore in case of considerable excess of actual indicators of inflation over forecasts of the Government of the Russian Federation, namely at increase in rates of inflation to 30-40 % a year, the Emitter plans to take corresponding measures, including:

– restriction of growth of volumes of expenses,

– decrease the debtor indebtedness and reduction of its average terms, including the change of

existing contractual relations with consumers;
– increase in creditor debts to an optimum level.

Indicators of the financial reporting of the emitter, the most subject to change in result of influence of the specified financial risks:

According to the Emitter, the basic financial indicators of the Emitter - the cost price of services and profit are most subject to influence of the financial risks listed in the present point. The Emitter estimates probability of occurrence of the above described financial risks (sharp change of rates of exchange, a hyperinflation, growth of interest rates) in short-term prospect as low. Nevertheless, in case of occurrence of the given risks the growth of the cost price of the rendered services and decrease in profit of the Company can be compensated, including possible growth of tariffs.

2.5.4. Legal risks

As the Issuer doesn't export its services, only internal legal risks are considered in this section. Legal risks, pertaining to the Issuer's activity, are specific of a number of Russian companies, and may be regarded as sovereign risks.

Risks caused by alterations in tax legislation:

Tax Legislation of the Russian Federation allows for diverse interpretation and is subject to the frequent amending and alteration. Russian community thoroughly follows current changes in the tax legislation, and pays much attention to the workshops and conferences attended by the leading experts in the sphere of taxation.

Recent trend of events in the Russian Federation proves that the tax authorities may take a tough line in interpretation of tax legislation and tax computations. As a result, the Company may be presented with claims on those deals and accounting methods on which there have not been any claims before. Thus, the Company may be charged with extra taxes, penalties and fines. Tax inspections may cover three calendar years proceeding the year of inspection. In certain cases inspection may be performed with regard to the earlier periods.

As for the Company's chief officers, the relevant legislative provisions have been interpreted correctly by the Company as far, and it is most likely that the Issuer would preserve its position as a law-complying company in future.

The norm of Item 5 of the Tax code of the Russian Federation is favorable for the Emitter. It establishes action of certificates of the legislation on taxes and tax collections, which provides the introduction of new certificates about taxes and tax collections that come in force after one month from the date of their official publication and not earlier than 1st of the next tax period, thus specified certificates have no return force. At the same time certificates of the legislation on the taxes and tax collections, legislations eliminating or softening a liability of infringement on taxes and tax collections or establishing additional guarantees of protection of the rights of tax bearers, payers of gathering, tax agents, their representatives, have their return force.

Risks pertaining to the alterations in the currency control, customs surveillance and imposts:

Uralsvyazinform has stable partnership with foreign suppliers of equipment, who are the leaders at the world market of communications equipment.

Due to the fact that communications equipment market is the buyer's market, Uralsvyazinform has the prerogative to choose the contractors and determine principles and conditions of collaboration with them.

One of the principles applied by the Issuer when purchasing foreign equipment is the acquisition of the uniform equipment from the range of the leading producers, provided that such equipment is compatible with each other. This principle allows purchasing the equipment from any other manufacturer in case of deterioration of pricing policy or operation conditions of any of the suppliers.

Value of foreign equipment supply contracts concluded by Uralsvyazinform is denominated either in US Dollars or in Euro. Thus, the main risks pertaining to the Company's external economic activity are the risks of dramatic fluctuations of exchange-value of ruble towards the world currencies (US Dollar, Euro).

As far as the external and internal currency policies undertaken by the Government facilitate stabilization of ruble exchange value, the risks of dramatic fluctuations of exchange-value of ruble towards the world currencies tend to be minimizing.

In recent years, the Government policy has been aimed at liberalization of currency and customs legislation.

Since 1 January, 2007, all restrictions over Russian enterprises' activities imposed by Currency

Regulation and Control Law dd. 10 December, 2003 # 173-Φ3 were withdrawn. According to the announcements of the Russian Federation Government and Central Bank, there are no plans on stiffening of currency control measures.

Since 24 April, 2006, customs duties for several types of goods imported to the Russian Federation were temporarily canceled. The list of these goods includes some types of communications equipment purchased by Uralsvyazinform. Since 1 January, 2007 these duties were canceled on the permanent basis.

Thus, at present Uralsvyazinform currency and customs risks are regarded as minimal.

Risks pertaining to the alterations in the state requirements to the Company's core activities licensing:
Risks pertaining to the alterations in the state requirements to the Company's core activities licensing are regarded as low. There haven't been any amendments to the legislation within the reporting period.

Risks pertaining to the alterations in the court practice:
Despite the fact that the Russian legal system doesn't imply Case Law, court practice holds much significance in the law enforcement system. Judicial Acts, though not being sources of law in the proper sense of the word, in certain cases may assume liability to interpret legal norms being applied. Information letters of the of the Russian Federation Supreme Arbitration Court Presidium, Supreme Court Decrees, Constitutional Court Decrees are obligatory for application by the judicial bodies.

Provided that the Issuer operates in strict compliance with the current legislation, negative impact of alterations within the court practice is likely to come out only in case that the regulatory authorities would change their positions or in case that the Issuer would operate under contempt of the law.

2.5.5. Risks pertaining to the Issuer's operation

Risks pertaining to the Issuer's participation in trials and litigations:
The Company is involved in several arbitration proceedings. One of the most substantial proceedings capable of exerting influence upon the Company's financial status is the Decree #12 dd. 12/01/2006 by Inter-district Inspectorate #7 of the Federal Tax Service. According to the Decree, the Company was charged with extra taxes amounting to RUR 561,332,037.86, penalties amounting to RUR 107,358,263.81, and fines totaling RUR 87,685,697.28 for the years 2003-2004.

The Company filed the claim to the Moscow City Arbitration Court on invalidation of above-mentioned Decree of the Federal Tax Service.

By the Decree of the Moscow City Arbitration Court dd. May 23, 2007 with regard to the claim # A40-77769/06-75-465, the Company's claim was satisfied partially. Decree #12 by Inter-district Inspectorate #7 of the Federal Tax Service was ruled illegal with regard to the extra taxes at the amount of RUR 402,379,281.83, fines and penalties at the amount of RUR 159,125,269.19. Other parts of the Claim are dismissed.

The Company intends to appeal the Court's Decree.

Risks pertaining to circumstances preventing the Issuer from prolongation of licenses for certain kinds of operations or utilization of objects completely or partially removed from trading circulation (including natural resources):

Risks of failure in licensing are low, because the Company complies with all the requirements and rules in its activities.

Risks of the Issuer's responsibility over the third parties debts (including the debts of subsidiaries):
The Issuer's probable risks of responsibility over the third parties' debts are not essential for the amount of the coverage provided.

Risk of the loss of customers, supplying the sales turnover that constitutes at least 10 per cent of the overall sales revenue:

There are no such customers. Factors that may negatively affect the Issuer's sales volume are set forth in the item 3.2.4. of the present Quarterly Report.

2.5.6. Bank risks

The Issuer doesn't bear bank risks, as it is not a credit institution.

III. Detailed information on the Issuer

3.1. Detailed profile of the Issuer

3.1.1. Name of the Company

Corporate name in full: **Open Joint-Stock Company "Uralsvyazinform"**
Abbreviated corporate name: **O.J.S.C. "Uralsvyazinform"**

Information on registration of the Issuer's corporate name as a trademark or a service mark: corporate name of the Company makes part of the combined trademark, certificate # **311035, priority administered on June 9, 2005. The trademark is registered in the State Register of Trademarks and Service Marks of the Russian Federation; date of registration: July 24, 2006; the term of registration expires on June 9, 2015.**

Information on alterations in the Issuer's corporate name during the Company's existence: **there haven't been any alterations in the Issuer's corporate name.**

3.1.2. State registration of the Issuer

State registration number: **2359**
Date of state registration: **04/29/1994**
Registering authority: Perm Administration

In accordance with the Federal Law "On State Registration of Legal Entities" OJSC "Uralsvyazinform" was registered by the **Perm division of Federal Tax Office as of September 4, 2002.**

The state registration number: **1025900510349.**

3.1.3. Creation and development of the Company

The Issuer's life period from the date of its State registration: **13 years 5 months.**
Term of existence of the Issuer: **term of existence of the Issuer is unlimited.**

Creation and development of the Issuer:

OJSC 'Uralsvyazinform' was created in April 1994 by privatization of the State communications and informatization enterprise called 'Rossvyazinform'.

Following the resolution of the Extraordinary General Meeting of Shareholders of OJSC 'Uralsvyazinform' as of September 27, 2001 the Company was reorganized in the form of merger of OAO "Uraltelecom" of Sverdlovsk region, OAO "Electrosvyaz" of Kurgan region, OAO "Tyumentelecom", OAO "Khantymasyiskortelemcom", OAO "Svyazinform" of Chelyabinsk region, and OAO "Yamalelectrosvyaz" with and into OJSC "Uralsvyazinform".

On July 1, 2005 the Issuer accomplished the takeover of daughter mobile operators (OOO 'Yuzhno-Uralski Sotovy Telefon' (OOO 'South Urals Cellular Phone'), OOO 'Tyumenruscom' and ZAO 'Ermak RMS') aimed at creation of the sole business structure in the sphere of mobile telecommunications services within the Urals Federal District. On July 1, 2005 the Issuer accomplished the takeover of daughter Internet providers (ZAO 'VSNET' and OOO 'Uralcom') as well.

Since 1 January 2006, pursuant to the amended Legislation, the Company has not been rendering long-distance telecommunications services anymore but acts as an agent to the long-distance operators when rendering services to the subscribers of long-distance operators.

In the 1st quarter 2007 Uralsvyazinform was provided with A-class level in corporate governance national rating. Confirmation of the national rating of corporate governance affirms high level of the Company's corporate governance.

Issuer's purposes: **Issuer's major purposes are deriving of profit, provision of customers with high-quality telecommunications services.**

Issuer's mission: **Forming and satisfying the customers' needs in telecommunications services, and integration into the global information community of the XXI-st century.**

Miscellaneous information on the Issuer's activity:

Issuer's strategy: **provision of the Company's growth by means of retention of the leading position at the market, implementation of new unique services and enhancement of the Company's efficiency.**

The Issuer means to base its activity upon the largest customer base within the region, broad infrastructure, convergent technologies, personnel competence and the Company's reputation as a reliable service provider and business-partner.

In 2007 the Program of Uralsvyazinform development for 2008-2012 was developed.

Strategic target of the Issuer for 2008 – 2012 is the growth of its business value by means of:

- **retention of the market share occupied;**
- **growth of operating efficiency;**
- **reduction of debt load;**
- **growth of average revenue per line;**
- **growth of lines per employee;**
- **digitalization of Automatic Telephone Stations up to 100 per cent by 2010.**

To achieve the strategic objectives, the Issuer endeavors:

- **to develop services based on the accrued subscriber base;**
- **to reduce the costs;**
- **effective management of the Company's real-estate.**

The Company's long-range budget for 2008 – 2012 included into the Program of Uralsvyazinform development for 2008-2012 confirms the efficiency of strategy chosen.

3.1.4. Contact information

Domicile: **11, Moskovskaya St., Ekaterinburg, 620014, the Russian Federation**

Tel.: **7 (343) 376 2000**, fax: **7 (343) 379 1290**, e-mail address: gd@gd.usi.ru

Internet site containing information on the Issuer and its issue securities:

in Russian: <http://www.usi.ru/>, <http://www.u-tel.ru/>

in English: <http://www.usi.ru/en/>

Divisions of the Issuer specialized in shareholders and investors relations: **Equity and IR Department**

Address: **11, Moskovskaya St., Ekaterinburg, 620014, the Russian Federation**

Tel: **7 (343) 379 1326**, fax: **7 (343) 379 1290**, e-mail address: investor@gd.usi.ru

Internet site:

in Russian: <http://www.usi.ru/shareholders/>

in English: <http://www.usi.ru/en/shareholders/> .

3.1.5. Taxpayer Identification Number

The Issuer's Taxpayer Identification Number (TIN): **5902183094**

3.1.6. Branches and representative offices of the Issuer

Alterations that occurred in the structure of the Company's branches and representative offices: **in the 2nd quarter 2008 there weren't any alterations within the structure of branches and representative offices of OJSC 'Uralsvyazinform'.**

Changes that took place in the reporting quarter in the name, address of the branches and representative offices, name of their heads, and term of the letter of attorney granted to the heads: **in the 2nd quarter 2008 there haven't been any alterations in the names, addresses of the branches and representative offices, names of their heads, and term of the letter of attorney granted to the heads.**

3.2. Core business activities of the Issuer

3.2.1. Industry classification of the Issuer

Codes of industry classification of the Issuer's main activities pursuant to All-Russia Classifier of Economic Activities (ARCEA): **64.20.11 64.20.12 64.20.21 64.20.22 64.20.3 74.20.14 74.20.15 74.20.35 45.21.1 45.31 45.21.4 74.20.31 74.30.6 74.30.9 80.42 74.84 74.14 74.13.1 52.45.1 52.48.15 74.40**

Code of activity in accordance with ARCEA	Activity according to ARCEA code
64.20.11	Telephone communications
64.20.12	Documentary telecommunications

Code of activity in accordance with ARCEA	Activity according to ARCEA code
64.20.21	Transmission and distribution of television programs
64.20.22	Transmission and distribution of sound broadcasting programs
64.20.3	Other activities in the field of electrical communication
74.20.14	Design of industrial processes and industrial-scale production in the sphere of electrical technology, electronics engineering, mining engineering, chemical technology, machine construction, industrial production, systems engineering, and safety engineering.
74.20.15	Project design in the sphere of air conditioning, refrigeration engineering, sanitary engineering and environmental contamination monitoring, acoustics of buildings etc.
74.20.35	Engineering surveys for construction
45.21.1	Structural works in buildings construction
45.31	Electrical installation works
45.21.4	Structural works on pipeline constructions, communications lines and power lines, including attendant auxiliary works
74.20.31	Topography and geodesy operations
74.30.6	Tests and calculations of construction elements
74.30.9	Other types of activities on technical control, tests and analysis
80.42	Adults education and other kinds of education left out of other groups
74.84	Other services
74.14	Consultation in the sphere of business activities and management
74.13.1	Market conjuncture research
52.45.1	Retail distribution of household electric devices
52.48.15	Retail distribution of electric communication equipment
74.40	Advertising

3.2.2. Core business activities of the Issuer

Core business activities of the Issuer: **communications services**.

Type of the Issuer's activities: **the Company operates in continuous cycle (round-the-clock operation, seven days a week)**.

Core business activities providing at least 10 per cent of the Issuer's revenues:

Types of services	Economic parameter	Parameter value in the reporting period	
		I quarter 2008	II quarter 2008
Intra-zone services	Revenues from communications services, thousand RUR	1 257 694,3	1 275 925,35
	Share of overall sales revenues, %	12,7	12,7%
Local telephone services	Revenues from communications services, thousand RUR	2 568 571,6	2 535 254,67
	Share of overall sales revenues, %	26,0	25,2%
Mobile services	Revenues from communications services, thousand RUR	3 106 238,5	3 316 527,64
	Share of overall sales revenues, %	31,4	32,9%
Revenues from carriers	Revenues from communications services, thousand RUR	1 323 563,1	1 302 763,89
	Share of overall sales revenues, %	13,4	12,9%

Cost structure:

Cost item	Value	
	II quarter 2007	II quarter 2008
Raw materials and supplies, %	3,4	2,9
Purchased component parts, semi finished inventory, %	0,7	0,4
Production works and services rendered by outside organizations, %	4,4	4,5
Fuel, %	0,8	0,7
Energy, %	1,4	1,6
Labor costs, %	24,0	22,7
Interest on loans, %	0,0	0,0
Rental payments, %	6,1	8,3
Benefits-related deductions, %	4,9	4,8
Depreciation of fixed assets, %	13,9	15,4

Cost item	Value	
	II quarter 2007	II quarter 2008
Taxes included into the product cost, %	0,1	0,2
Other costs, %	40,3	38,5
intangible assets amortization, %	0,0	0,0
remuneration for improvement suggestions, %	0,0	0,0
compulsory insurance payments, %	0,1	0,1
hospitality expenditure, %	0,0	0,0
miscellaneous, %	40,2	38,5
Total: production and sales costs, %	100	100
Revenues from the sales of products (services), per cent to the cost	129	121

New kinds of production having essential value (works, services), offered by the emitter in the market of its primary activity, in that degree, how much it corresponds to the popular information on such kinds of production (works, services), and also a condition of working out of such kinds of production (works, services):

Work on introduction of new broadband services in all territory of the Company is conducted: a television announcement on a data transmission network (IPTV) and video on demand (VoD). The main difference of introduced service from the basic competitor - a cable television - consists in interactivity of granting of service in relation to the user.

Profitableness increase is supposed not only at the expense of translation of satellite channels and video films, but also granting the access to the Internet through TV-receiver, possibility of formation from set of broadcast transfers of own "virtual" channel, the organization of vocal and video chats, SMS through TV, electronic commerce, remote training, a telemedicine etc.

Within the limits of these works requirements to architecture of a network, the terminal equipment, capable to render such services are defined, the process equipment of tele-video-service is tested.

Now in Ekaterinburg, Perm, Kurgan, Khanty-Mansiysk, Chelyabinsk, Tyumen telecommunication branches enter into commercial operation complexes of granting of multimedia services IPTV. For 2008 expansion of the list of multimedia services and broadcast television channels, increase in capacity of hardware-software complexes IPTV, introduction of services in territory of Yamal-Nenets branch of telecommunication are planned.

Standards (Rules) according to which the financial statements and calculations stated at the present item of the Quarterly Report were compiled:

Financial statements were compiled pursuant to the applicable Rules of accounting and reporting, set forth by the Federal Law "On accounting" and Regulations on accounting approved by the Russian Federation Ministry of Finance.

3.2.3. Raw materials and suppliers of the Issuer

Issuer's suppliers that provide at least 10 per cent of raw materials supplies, and their share in overall supplies volume as of the reporting period 2008:

Company name	Domicile	Share in overall supplies volume as of the 1 st quarter 2008, %
Limited Liability Company 'Tekhnoserv AS'	10, building 3, Smirnovskaya ul., 109052, Moscow, Russia	36

Share of import in the Issuer's supplies of commodities as of the 3rd quarter 2007: **0%**.

Change in prices for raw-materials within the reporting period as compared with the respective reporting period of the previous fiscal year: **total share of raw-materials, fuel and energy makes up nearly 10 per cent of the Issuer's cost value. In the 2nd quarter 2008 there were no substantial changes in prices that could affect considerably the financial state of the Issuer.**

Availability of commodity stocks and supplies in the future: **the Issuer maintains stable partnership with the suppliers.**

3.2.4. Market outlets of the Issuer

Main market segments the Issuer operates in:

Uralsvyazinform renders services over the Urals Federal District and Perm Region of the Russian Federation.

Basic market segments:

- local telephone services;
- intra-zone telephone services;
- Internet services and data transfer;
- mobile telephone services.

Negative factors affecting Issuer's sales:

Up to the end of 2007 the Issuer does not anticipate essential risks in services sales within the communications industry. More urgent are the risks pertaining to the amendments in Legislation:

- inclusion of the cost of calls from the public network to mobile phones into the "Subscriber Tariff Plan" may lead to the loss of income and decrease in profit;
- the transfer to per-second charge of local telephone connections may lead to the decrease in volume of local traffic consumed and loss of revenues from local services up to 10 per cent;
- the decrease in minute price at the interconnect market may result in reduction of the Company's revenues;
- Change of routing of the traffic by the operators cellular and operators long-distance and an international telecommunication can lead to that the Company instead of incomes for zone call end will receive incomes for local end. For the purpose of the return of main and zone traffic, which lands on the Company network, and as consequence, for the purpose of deduction of incomes on service zone call end, the Company considers a question on decrease in tariffs on zone service end of a call within the limits of the limiting prices established by the Order of Federal service on supervision in sphere of communication №51 dd. 06.19.2006.

Within the limits of the Company there is a risk of replacement of incomes of fixed-line telephony incomes by rendering of services of a mobile communication.

Recently cases of joining of operators of local fixed-line telephony to a network of other operators of local fixed-line telephony have become frequent. As consequence, there is a risk of increase in expenses of the Company at a call from subscribers of the Company through operator's network of local fixed-line telephony to the subscriber of other operator of a local fixed-line telephony. For minimization of expenses of the Company together with department legal provision a decision was made: in the presence of the operating contract on joining between the Company and other operator of local fixed-line telephony, the Company has the full right to carry out the admission of the traffic proceeding from the network directly.

The Company also anticipates the risk of displacement of the fixed services by the mobile services within its business.

Besides, telecommunications industry is characteristic of impetuous emergence and implementation of new products and technologies, and further updating of existing products and services. The negative factor here is the difference in advertising budgets and advertising activity of the federal telecommunications carriers (especially mobile operators) operating at the territory of the Urals Federal District and Perm region.

Issuer's activities aimed at reduction of negative factors' impact:

- To deduce on the market the new products corresponding to requirements of clients;
- To introduce new technologies (development convergent multiservice services on the networks);
- To raise quality of services rendered to the consumer;
- To raise qualification of managers;
- To trace the changes occurring in activity of competitors, operatively on them reacting (regular carrying out of marketing researches);
- To optimize industrial-technological processes;
- To reduce the cost price of services;
- Accurately to defend the position at regulators regarding pricing;
- To continue package pricing of services;
- To develop new services with high level of profitability (development of services of data transmission on a wide strip of access, including development of service IPTV, introduction of services on platform NGN);
- To continue working out of competitive tariff plans, "transparent" for subscribers.

3.2.5. Licenses granted to the Issuer

Licenses for non-core activities essential for the Issuer:

Type of the license	License number and date of issue	Validity
Fire prevention and extinction	№ 1/03947 dd. 03/30/2004	03/30/2004 - 03/30/2009
Construction of buildings with 1 and 2 building criticality rating in accordance with	№ГC-566012605902183094005468-3 dd.12/14/2004	12/14/2004 - 12/14/2009

Type of the license	License number and date of issue	Validity
the state standards		
Technical protection of confidential information	№ 920 dd. 10/14/2004, issued by the State Technical Commission	10/14/2004 – 08/17/2009
Map compilation	YPF-01418F dd. 12/27/2004	12/27/2004 - 12/27/2009
Map compilation	YPF-01419K dd. 12/27/2004	12/27/2004 - 12/27/2009
Assembling, repair and maintenance of means for fire safety of buildings and constructions	№ 2/01832 dd. 05/21/2003	05/21/2003 - 05/21/2008
Assembling, repair and maintenance of means for fire safety of buildings and constructions	№ 2/006906 dd. 03/30/2004	03/30/2004 - 03/30/2009
Exploitation of explosive production objects	№ 00-ЭВ-003379 dd. 09/20/2004	09/20/2004 - 09/20/2009
Construction of buildings with 1 and 2 building criticality rating in accordance with the state standards	№ ГС-5-66-01-27-0-5902183094-009505-3 dd. 08/20/2007	08/20/2007 – 08/20/2012
Collection, utilization, processing, transportation, and disposal of hazardous wastes	№ OT-00-007722 (00), dd. 08/07/2007	08/07/2007 – 08/07/2012
Realization of the works connected with use of data, making the state secret	№1309 dd. 21.03.2006, 03/21/2006	03/21/2006 – 03/21/2011

Information on other licenses granted to the Company is specified in item 3.2.9.

3.2.6. Issuer's activities in co-operation with the partners

Information on the Issuer's activity in co-operation with other enterprises:

Investment objects	Amount of investment, RUR.	Investment objectives	Financial result, thousand RUR	
			As of the last ended fiscal year	As of the 2 nd quarter 2008
ZAO 'Uralskaya telefonyaya kompaniya'	5 600 000	Development of telecommunication facilities in Ekaterinburg city, rendering telecommunication services to the subscribers	409 202	0
ZAO 'Telefonyaya kompaniya 'Ural'	2 979 610	Construction of Automatic Exchange System ATCЭ-11 in Ekaterinburg city, rendering telecommunication services to the subscribers	68 438	0
Trekhgorniy City Administration	4 804 000	Development of communications infrastructure for common user facilities via integration of existing in Trekhgorniy city communications facilities into a single network.	6 637 376	3 828 442
TOTAL	13,383,610		7 115 016	3 828 442

3.2.7. Additional requirements imposed on the Issuers that are either incorporated investment funds, insurance enterprises, credit institutions, or mortgage agents

OJSC 'Uralsvyazinform' is not an incorporated investment fund, an insurance enterprise, a credit institution, or mortgage agent.

3.2.8. Additional requirements imposed on the Issuers involved in mining operation

OJSC 'Uralsvyazinform' does not perform mining operations as its core activities. Uralsvyazinform does not have subsidiaries (affiliates) engaged in mining operations.

3.2.9. Additional requirements imposed on the Issuers involved in telecommunications activities

a) Licenses for rendering telecommunications services

Type of operations (type of networks licensed for use)	Territory of license	Number of license, date of state registration	Start date of rendering services / validity of license
Rendering local and intra-zone telephone services (public service networks)	The whole territory of the Company's operation	№23222 dd. 10/04/2002	09/30/2002 - 10/04/2012
Local telephone services with the except of local telephone services rendered through payphones or shared access (public service networks)	The whole territory of the Company's operation	№38225 dd. 01/27/2006	01/27/2006 – 01/27/2011
Intra-zone telephone communications (public service networks)	The whole territory of the Company's operation	№38630 dd. 02/16/2006	02/16/2006 – 02/16/2011
Local telephone services rendered through payphones (public service networks)	The whole territory of the Company's operation	№38354 dd. 01/27/2006	01/27/2006 – 01/27/2011
Rendering data transfer services with the except of voice data transfer services (public service networks)	The whole territory of the Company's operation	№38037 dd. 01/27/2006	01/27/2006 – 01/27/2011
Rendering voice data transfer services in data transfer network (public service networks)	The whole territory of the Company's operation	№37825 dd. 12/23/2005	12/23/2005 – 12/23/2010
Telematic communications services	The whole territory of the Company's operation	№38716 dd. 02/16/.2006	16/02/2006 -16/02/2011
Telegraph communications services	The whole territory of the Company's operation	№38953 dd. 02/16/.2006	02/16/2006 – 02/16/2011
Communications channels leasing	The whole territory of the Company's operation	№46204 dd. 12/08/2006	12/08/2006 – 12/082011
Local telephony with shared access (public service networks)	The whole territory of the Company's operation	№39503 dd. 03/15/2006	03/15/2006 – 03/15/2011
Cellular radiotelephone communications in 900/1800 MHz frequency range (public service networks)	Sverdlovsk region	№30254 dd. 12/30/2003	06/30/2005 – 12/30/2013
Mobile radiotelephone communications in the public service network	Bashkortostan	№37360 dd. 10/04/2005	10/04/2005 – 10/04/2010
Mobile radiotelephone communications (in public service networks)	Perm region	№48924 dd. 03/09/2007	03/09/2007 – 03/09/2009
	Perm region, with the exception of Kudymkar, Kudymkar district, Yusvinsky, Yurlinsky, Gainsky, Kochevsky, Kosinsky municipal districts	№40963 dd. 08/01/2006	08/01/2006 – 08/01/2011
Mobile radiotelephone communications in public service networks (900/1800 MHz)	Kurgan region	№34341 dd. 08/25/1999	08/25/1999 – 05/15/2007. New license was issued # 48924 dd.05/21/2007
	Chelyabinsk region	№34342 dd. 08/25/1999	08/25/1999 – 07/05/2007. New license was issued # 50967 dd.06/05/2007
	Tyumen region, Khanty-Mansyisk Autonomous District, Yamalo-Nenetsk Autonomous District	№34344 dd. 08/01/2005	08/01/2005 – 08/01/2010
Mobile radiotelephone communications (trunking communications) (in public service networks)	Megion city, Khanty-Mansyisk Autonomous District	№23882 dd. 10/04/2002	09/30/2002 – 10/04/2007
Local telephony using radio access (CDMA-800) (public service networks)	Tyumen region	№23879 dd. 10/04/.2002	In accordance with the Government Decree dd. 02/18/2005 # 87 radio access

Type of operations (type of networks licensed for use)	Territory of license	Number of license, date of state registration	Start date of rendering services / validity of license
Radiotelephone communications services (CDMA-800) (public service networks)	Chelyabinsk region	№23880 dd. 10/04/.2002	comes under license №23222
Mobile radiotelephone communications services in public service network (NMT-450 MHz)	Perm region	№34234 dd. 09/01/.2005	09/01/2005 – 09/01/2010
Mobile radiotelephone communications services in public service network (AMPS / D-AMPS)	Perm region	№33116 dd. 06/01/2005	06/01/2005 – 12/31/2009
	Tyumen region	№35032 dd. 06/13/2000	06/13/2001 – 12/31/2009
Cellular radiotelephone telecommunications services in 450 MHz frequency range (IMT-MC 450 technology) (public service networks)	Perm region	№30211 dd. 12/30/2003	12/30/2004 – 12/30/2013
Personal radio paging	Perm region	№27922 dd. 10/13/2003	04/13/2004 – 10/13/2008
Communications services for cable casting (public service networks)	Chelyabinsk city, Magnitogorsk city within Chelyabinsk region	№31484 dd. 04/26/2005	04/26/2007 – 04/22/2010
	Salekhard, Noyabrsk, Gubkinskiy cities within Yamalo-Nenetsk Autonomous District	№33708 dd. 07/28/2005	07/28/2007 – 07/28/2010
	Tyumen city	№36133 dd. 10/31/2005	10/31/2007 – 10/31/2010
	Perm region	№39811 dd. 03/26/2006	03/26/2006 – 03/26/2011
	Kurgan region, Sverdlovsk region, Tyumen region, Chelyabinsk region, Khanty-Mansyisk Autonomous District, Yamalo-Nenetsk Autonomous District.	№43985 dd.08/30/2006	08/30/2008 – 08/30/2011
Communications services for on-air broadcasting (public service networks)	Mekhonskoye, Shatrovo towns within Kurgan region	№32500 dd. 06/17/2005	06/17/2005 – 06/17/2007
	Perm region	№32849 dd. 07/25/2005	07/25/2005 – 06/30/2008
	Sverdlovsk region	№32850 dd. 07/25/2005	07/25/2005 – 06/30/2008
	Yamalo-Nenetsk Autonomous District	№32851 dd. 07/25/2005	07/25/2005 – 06/30/2008
	Chelyabinsk city	№36132 dd. 10/31/2005	10/31/2007 – 10/31/2008
	Langepas town, Surgut city, Khanty-Mansyisk city	№36134 dd. 10/31/2005	10/31/2007-10/16/2008
	Yamalo-Nenetsk Autonomous District	№38449 dd. 01/21/2006	01/27/2006 - 01/27/2009
	Perm region	№39127 dd. 02/16/2006	02/16/2006 - 02/16/2011
	Yamalo-Nenetsk Autonomous District	№41428 dd. 05/25/2006	05/25/2008 – 05/25/2011
	Perm region	№42556 dd. 07/12/2006	07/12/2008 – 07/12/2011
	Khanty-Mansyisk Autonomous District	№43250 dd. 07/28/2006	07/28/2008 – 07/26/2011
	Sverdlovsk region	№47089 dd. 12/27/2006	12/27/2008 – 06/21/2011
	Perm region	№47907 dd. 02/09/2007	02/09/2009 – 12/20/2011
Yamalo-Nenetsk Autonomous District	№48480 dd. 03/05/2007	03/05/2009 – 06/21/2011	

Type of operations (type of networks licensed for use)	Territory of license	Number of license, date of state registration	Start date of rendering services / validity of license
	Khanty-Mansiysk Autonomous District	№ 51823 dd. 06/05/2007	06/05/2009 – 06/05/2012
Communications services for on-air broadcasting (DVB-T) (public service networks)	Chelyabinsk city	№40865 dd. 05/12/2006	05/12/2006 – 05/12/2011
Broadcasting of sound programs through the wire broadcasting network (public service networks)	The whole territory of the Company's operation	№24340 dd. 11/28/2002	11/28/2002 – 11/28/2007
Over-the-air television "Ural- Inform TV"	Perm region	№8543 dd. 11/05/2004	11/05/2004 – 11/05/2009
	Oktyabrskiy village within Perm region	№8544 dd. 11/05/2004	11/05/2004 – 11/05/2009
TV program "Vostochnyi Express"	Chelyabinsk region	№11-1634 dd. 09/19/2003	09/19/2003 - Unlimited
On-air broadcasting " Vostochnyi Express "	the Russian Federation	№8548 dd. 11/10/2004	11/28/2002 – 11/28/2007
On-air broadcasting «Khanty-mansiyskokrtelecom»	the Russian Federation	№ 11209, dd. 02/01/2007	02/01/2007 - 01/18/2012
On-air broadcasting «Vostochnyi Express Surgut»	the Russian Federation	№ 11328, dd. 02/08/2007	02/08/2007 - 02/08/2012
Information program " Khanty-mansiyskokrtelecom "	Khanty-Mansiysk Autonomous District, Yamalo-Nenetsk Autonomous District	№ФС77-20903 dd. 08/26/2005	Unlimited
Mobile radiotelephone communications services	Chelyabinsk region	№ 50967, dd. 07/05/2007	07/05/2007 – 07/05/2012
Mobile radiotelephone communications services	Kurgan region	№ 49897, dd. 06/15/2007	05/15/2007 – 05/15/2012

Factors that may negatively affect discharge of the Issuer's obligations imposed by the licenses:

1. **Restriction of term of license validity (with prolongation probability).**
2. **Dependence on decisions taken by the regulating authorities.**
3. **Sufficiency of funds for purchasing the equipment (requisite amount of investment).**
4. **Technical and technological risks arising by design process (technology drawbacks, improper choice of equipment).**
5. **Legal risks (imperfections in legislation, improperly compiled documentation).**
6. **Construction risks (equipment defects, low-quality raw-materials etc.).**
7. **Specific risks pertaining to the use of new non-traditional technologies.**
8. **Political and economic factors affecting the Company's activity.**
9. **Force majeure.**

Probability of negative factors occurrence: **non-detected**.

b) Telecommunications networks

Installed capacity and digitalization of Automatic Telephone Stations (ATS) as of June 30, 2008:

Division / Company	Installed capacity, thousand numbers	Digitalization level, %
Ekaterinburg division	1 158.154	68.6
Kurgan division	255.012	56.3
Perm division	802.553	77.2
Tyumen division	417.392	79.4
Khanty-Mansiysk division	423.334	100.0
Chelyabinsk division	939.820	68.8
Yamalo-Nenetsk division	129.319	100.0
OJSC 'Uralsvyazinform'	4 125.584	74.9

Main performance indices of the Company's divisions as of June 30, 2008:

Index	Unit	Uralsvyazinform	Division						
			Ekaterinburg	Kurgan	Perm	Tyumen	Khanty-Mansiysk	Chelyabinsk	Yamalo-Nenetsk
Input of numbering	number	10998	6392	0	160	192	1256	2998	0

capacity in the III quarter									
Growth of number of fixed-line subscribers	number	4688	886	241	864	1643	51	770	233
Input of long-distance Automatic Telephone Stations)	channel	0	0	0	0	0	0	0	0
Growth of number of long-distance and intra-zone transmission lines, total	km	0	0	0	0	0	0	0	0

Fixed-line penetration as of June 30, 2008:

Division / Company	Penetration per 100 persons
Ekaterinburg division	24.7
Kurgan division	24.3
Perm division	27.9
Tyumen division	24.5
Khanty-Mansiysk division	26.7
Chelyabinsk division	25.3
Yamalo-Nenetsk division	22.5
OJSC 'Uralsvyazinform'	25.5

Basic mobile and fixed-line communications systems and frequency ranges utilized by the Issuer:

Communications system	Service territory	Frequencies and frequency ranges
Mobile radiotelephone communications system, GSM-900/1800	Kurgan region	900 MHz, 1800 MHz
	Perm region	
	Sverdlovsk region	
	Tyumen region	
	Khanty-Mansiysk Autonomous District	
	Chelyabinsk region	
Mobile radiotelephone communications system GSM-900	Bashkortostan	900 MHz
Mobile radiotelephone communications system NMT-450	Perm region	450 MHz
Mobile radiotelephone communications system CDMA-450	Perm region	450 MHz
Mobile radiotelephone communications system CDMA-800	Tyumen region	800 MHz
	Chelyabinsk region	
Mobile radiotelephone communications system AMPS/D-AMPS-800	Tyumen region	800 MHz
Radio paging system DECT	Kurgan region	1880-1900 MHz
	Perm region	
	Sverdlovsk region	
	Khanty-Mansiysk Autonomous District	
Fixed wireless radio paging system eMGW	Chelyabinsk region	1,5 HHZ
Mobile radio communications system MPT 1327	Yamalo-Nenetsk Autonomous District	412-422 MHz
Fixed wireless broadband communications system MDMS	Khanty-Mansiysk Autonomous District	26 HHZ
Fixed wireless broadband communications system AS4020	Sverdlovsk region	3,5 HHZ
Fixed wireless broadband communications system WALKair	Sverdlovsk region	10 HHZ

3.3. Issuer's Prospective Plans

Issuer's prospective plans on implementation of new services:

The Company shall further develop broadband access networks on the basis of different

technologies (xDSL, FTTx, Fast Ethernet, WiFi, WiMax etc.) in order to provide access to a majority of added-value services and diverse content.

The Company is going to gradually transform its diverse-traffic networks into a single integrated NGN-network comprising both fixed and mobile network segments. This shall enable the Company to expand the range of subscriber services and give opportunity to the subscribers to configure their own personally-suitable service packages.

The Company shall further develop broadband access networks on the basis of different technologies (xDSL, FTTx, Fast Ethernet, WiFi, WiMax etc.) in order to provide access to a majority of added-value services and diverse content.

Issuer's prospects with regard to the expansion or reduction of production:

The Issuer is not about to reduce production.

The Issuer shall be expanding the range of broadband access services using NGN technologies and further developing added-value services.

Issuer's plans on development of new services:

- **rendering services of GSM-standard cellular network;**
- **development of broadband access services;**
- **development of service packages, including dynamic packages;**
- **development of convergence services;**
- **development and promotion of multi-media services on the basis of NGN-network over the whole area of the Issuer's operation;**
 - **rendering services of intellectual network over the whole area of the Issuer's operation (televoting, FreePhone, PaidPhone, personal number).**
 - **rendering content and advertising services;**
 - **development of Call-centers and services on their basis;**
 - **implementation of fee-based television broadcasting through IPTV technology.**

Detailed information on the new services is given in item 3.2.2 of the present Quarterly Report.

Issuer's prospective plans for upgrade and reconstruction of fixed assets:

The Company plans to allocate RUR 1,748 million for upgrade and reconstruction of fixed assets in 2008. Within the limits of the given sum it is planned to implement the projects connected with performance of requirements of the Order of the Ministry of information technologies and communication of the Russian Federation dd. 11.17.2006 №142 «On the statement and introduction in action of the Russian system and the numbering plan».

Issuer's plans on potential change of core activities: **the Issuer isn't going to alter its core activities (rendering telecommunications services).**

3.4. Issuer's participation in industrial, banking, and financial groups, holdings, concerns and associations

Industrial, banking, financial groups, holdings, concerns, and/or associations the Issuer participates in:

1. Full name of organization: **Association of CDMA networks operators**

Issuer's position and functions within the organization: **member of Association**

Issuer's participation in the organization: **a) participates in Association activities, b) obtains assistance in implementation and development of CDMA technology over the Russian communication networks, c) enjoys other benefits granted by the Association**

Term of participation: **since 1998; non-limited**

2. Full name of organization: **Association for Siberia and Far East communications enterprises 'Sibdalsvyaz'**

Issuer's position and functions within the organization: **member of Association**

Issuer's participation in the organization: **a) management of Association activities, b) participation in seminars, international symposiums, meetings of top officials in communications industry arranged by the Association; c) acquisition, on a preferential basis, of educational literature, switching equipment, and other scientific and technical developments offered by the Association**

Term of participation: **since 1994; non-limited**

3. Full name of organization: **Association for regional mobile communication operators "Association-800"**

- Issuer's position and functions within the organization: **member of Association**
 Issuer's participation in the organization: **a) participation in Association workshops, b) assistance in elaboration of documents governing Association activities**
 Term of participation: **since 2005; non-limited**
4. Full name of organization: **Association for Russian GSM networks operators**
 Issuer's position and functions within the organization: **member of Association**
 Issuer's participation in the organization: **a) participation in Association workshops, b) assistance in elaboration of documents governing Association activities, c) financing of GSM network development within the region**
 Term of participation: **since 1996; non-limited**
5. Full name of organization: **Association for quality management in communications and information spheres "International congress for telecommunications quality"**
 Issuer's position and functions within the organization: **member of Association**
 Issuer's participation in the organization: **a) elaboration of suggestions on behalf of the Congress, b) participation in Committees and working groups, c) participation in conferences, d) accomplishment of contractual works assigned to the Congress, e) presentation of reports at international forums, conferences, seminars, symposiums**
 Term of participation: **since 2000; non-limited**
6. Full name of organization: **International GSM-Association**
 Issuer's place and functions within the organization: **member of Association**
 Issuer's participation in the organization: **a) participation in Association workshops, b) assistance in elaboration of documents governing Association activities**
 Term of participation: **since 1996; non-limited**
7. Full name of organization: **Non-profit Partnership 'National Council for Corporate Governance'**
 Issuer's position and functions within the organization: **member of Non-profit Partnership**
 Issuer's participation in the organization: **a) participation in the Partnership's activity, b) participation in the Partnership's workshops, c) conduction of conferences and seminars**
 Term of participation: **since 2006; non-limited**
8. Full name of organization: **Non-profit Partnership "Russian Club of Communications Operators"**
 Issuer's position and functions within the organization: **member of Non-profit Partnership**
 Issuer's participation in the organization: **a) management of Partnership activities, b) participation in Committees and working groups, c) participation in seminars, international symposiums, meetings of top officials in communications industry arranged by the Partnership**
 Term of participation: **since 2006; non-limited**
9. Full name of organization: **Non-profit Partnership "Russian Institute of Directors"**
 Issuer's position and functions within the organization: **member of Non-profit Partnership**
 Issuer's participation in the organization: **a) participation in the Partnership's activity, b) participation in the Partnership's workshops, c) conduction of conferences and seminars**
 Term of participation: **since 2004; non-limited**
10. Full name of organization: **Non-profit Partnership 'Elite club for Corporate Conduct'**
 Issuer's position and functions within the organization: **member of Non-profit Partnership**
 Issuer's participation in the organization: **a) participation in the Partnership's activity, b) participation in working groups, c) conduction of conferences and seminars**
 Term of participation: **since 2003; non-limited**
11. Full name of organization: **Non-profit Partnership "Center for investigation of challenges in telecommunications development"**
 Issuer's position and functions within the organization: **member of Non-profit Partnership**
 Issuer's participation in the organization: **a) participation in the Partnership's activity, b) participation in working groups, c) conduction of conferences and seminars**
 Term of participation: **since 2001; non-limited**
12. Full name of organization: **Public alliance 'Association for documentary telecommunications'**
 Issuer's position and functions within the organization: **member of Association**
 Issuer's participation in the organization: **a) participation in expositions and conferences organized by the Association, b) participation in Committees and working groups, c)**

accomplishment of contractual works assigned to the Association, d) performance of a uniform technical policy in alliance with other communications operators within the Russian Federation

Term of participation: **since 1998; non-limited**

13. Full name of organization: Volzhski Association of telecommunications and informatics engineers 'Teleinfo'

Issuer's position and functions within the organization: **member of Association**

Issuer's participation in the organization: **a) participation in Association's workshops, b) assistance in elaboration of documents governing Association activities, c) technical maintenance of regional data transfer networks**

Term of participation: **since 1994; non-limited**

3.5. Dependent and affiliated companies of the Issuer

Daughter business entities of the Issuer:

1. Full name of the company: Closed joint-stock company "FK-Svyaz"

Address: **Schepkin's street, 42, 2A, 610, 129110, Moscow.**

Grounds upon which the company shall be deemed the Issuer's subsidiary: **prevailing participation of the Issuer in the Charter Capital of the given company**

Share of the subsidiary's Charter Capital owned by the Issuer: **75 %**

Share of ordinary shares of the affiliated society belonging to the issuer: **75 %**

Share of the Issuer's Charter Capital owned by the subsidiary: **no share**

Share of the Issuer's ordinary stock owned by the subsidiary: **no share**

Principal view of activity of a society: **consulting, dealer and broker activity on a securities market**

Value of a society for activity of the issuer: **not profile company**

Issuer's affiliated companies:

1. Full name of the company: **Closed Joint-stock Company 'Parma-pension'**

Address: **2, Krupskoy str., 614600, Perm, Russia**

Grounds upon which the company shall be deemed the Issuer's affiliate: **the Issuer owns over 20 per cent of the company's voting shares**

Share of the affiliate's Charter Capital owned by the Issuer: **28,2%**

Share of the affiliate's ordinary stock owned by the Issuer: **28,2%**

Share of the Issuer's Charter Capital owned by the affiliate: **no share**

Share of the Issuer's ordinary stock owned by the affiliate: **no share**

Core business activities of the affiliate: **asset management for non-state retirement funds**

Significance of the affiliate for the Issuer's operation: **non-core activities**

3.6. Composition, structure and value of the Issuer's fixed assets, prospects of acquisition, replacement, retirement of fixed assets, as well as all facts of fixed assets encumbrance

3.6.1. Fixed assets

Fixed assets acquisition (replacement) value and accumulated depreciation as of June 30, 2008:

Group of fixed assets	Acquisition (replacement) value of fixed assets, thousand RUR	Accumulated depreciation, thousand RUR
Parcels of land and natural resource objects	108 998	0
Buildings	5 695 694	(1 292 529)
Installations (except for the communication lines)	3 756 646	(833 586)
Transmission installations (communication lines and radio networks)	14 262 034	(5 497 418)
Switchboards	11 803 837	(5 388 474)
Other networks equipment	26 701 688	(12 153 161)
Computer facilities and office equipment	3 379 737	(1 544 551)
Other machines and equipment	3 190 988	(1 313 738)
Transport	671 745	(550 968)
Other fixed assets (not included into other groups)	1 177 657	(600 464)
TOTAL	70 749 024	(29 174 889)

Information on the Issuer's fixed assets encumbrance:

Characteristics of the object	Encumbrance	Term of encumbrance (restraint) validity
I. Buildings (premises)		
Space, square meters: 72 735,9 Quantity: 1 259,0	rent	under 1 year
Space, square meters: 2 796,1 Quantity: 19	rent	1 year and over
II. Parcels of land		
Space, square meters: 2 796,1 Quantity: 30	rent	under 1 year
Space, square meters: 0 Quantity: 0	rent	1 year and over
III. Installations		
Quantity: 131	rent	under 1 year
Quantity: 0	rent	1 year and over
IV. Engineering and technical equipment		
Book value, thousand RUR: 11,449,015.53	pledge	1 year and over
Book value, thousand RUR: 2,524,179.4	guarantee	1 year and over

Information on encumbrance of the Issuer's fixed assets provided that the term of encumbrance is one year and over:

Object	Encumbrance	Start date of encumbrance	Term of encumbrance	Other conditions
I. Buildings (premises)				(room space, square meters)

Object	Encumbrance	Start date of encumbrance	Term of encumbrance	Other conditions
In-built non-residential premises, Sverdlovsk region, 37 Vatutina str., Pervouralsk, Russia	rent	12/01/2006	12/01/2011	82,60
In-built non-residential premises, Sverdlovsk region, 37 Vatutina str., Pervouralsk, Russia	rent	12/15/2006	12/15/2009	276,00
Building ATC-53, 27, Ispanskikh rabochikh ul., Ekaterinburg	rent	08/01/2007	07/31/2012	300,00
ATC building, 1 Krasnykh Partisan ul., selo Pokrovskoye, Russia	rent	12/01/2006	12/01/2011	245,00
Non-residential building (ATS-65), 10 Tsvillinga str., Chelyabinsk	rent	03/10/2004	03/09/2009	101,10
Non-residential building - ATS, 79 buid. 1, Karl Marks avenue, Magnitogorsk city, Russia	rent	01.12.2005	30.11.2010	17,50
Repeater station building, 82, Lenin str., Yarkovo village, Tyumen region	rent	13/09/2001	13/09/2026	113,50
Part of non-residential premise, 65, Mira str., Khanty-Mansiysk, Russia	rent	01/01/2006	12/31/2006	71,8
Building for ATS-12. 9, 25 th of October str., Perm, Russia	rent	10/10/2006	09/30/2011	26,70
Non-residential buildings, 10, Kultury ul., Perm region, Lobanovo village	rent	05/21/2007	11/20/2008	259,00
ATC-25 building, 63, Karpinsky ul., Perm	rent	04/01/2007	08/30/2008	22,70
ПС-61/3 buildings, 4Б, Uinskaya ul., Perm	rent	04/01/2007	08/30/2008	348,00
Building, 18, Uchebnaya ul., Kizel	rent	04/01/2007	08/30/2008	17,20
Non-residential building. 35, 50 let Octiabrya ul/, Kudymkar	rent	11/01/2005	02/28/2007	211,40
Non-residential building. 21, Sovetskaya ul., Orda village, Perm region, Russia	rent	04/01/2005	05/30/2006	82,60
Non-residential building. 19, Sovetskaya ul., Tchaikovsky town, Russia	rent	06/01/2005	05/30/2007	276,00
Non-residential building. 16, Traktovaya str., Oktyabrski village, Perm region, Russia	rent	10/01/2002	12/31/2007	300,00
Non-residential building, 7 Jubileinaya str., Chernushka town, Russia	rent	11/01/2002	11/01/2007	245,00
Non-residential building, Lenin str., B. Gondyr village, Kuedinskyi district, Perm region, Russia	rent	12/31/2004	12/31/2007	101,10
Non-residential building, 31b Kommunisticheskaya str., Chernushka town, Russia	rent	10/01/2005	12/31/2007	17,50
Non-residential building, 31b Kommunisticheskaya str., Chernushka town, Russia	rent	09/01/2005	12/31/2007	113,50
Non-residential building, 16 Traktovaya str., Oktyabrski village, Perm region, Russia	rent	01/09/2004	12/31/2007	71,8
In-built non-residential	rent	12/01/2006	12/01/2011	26,70

Object	Encumbrance	Start date of encumbrance	Term of encumbrance	Other conditions
premises, 37, Vatutin str., Sverdlovsk region, Pervouralsk				
In-built non-residential premises, 37, Vatutin str., Sverdlovsk region, Pervouralsk	rent	12/15/2006	12/15/2009	259,00
Building ATC-53, 27, Ispanskikh rabochikh ul., Ekaterinburg	rent	08/01/2007	07/31/2012	22,70
ATC building, 1 Krasnykh Partisan ul., selo Pokrovskoye, Russia	rent	12/01/2006	11/30/2011	348,00
Non-residential building (ATS-65), 10 Tsvillinga str., Chelyabinsk	rent	03/10/2004	03/09/2009	17,2
Building of automatic telephone exchange-25, Perm, Karpinsky's street, 63	rent	04/01/2004	09/30/2009	211,4
Building of automatic telephone exchange-25, Perm, Chernushka, street Communistic, 316	rent	01/01/2008	31/12/2008	7,4
Building of automatic telephone exchange-25, Perm, Chernushka, street Communistic, 316	rent	01/01/2008	31/12/2008	4,0
Building of automatic telephone exchange-25, Perm, Chernushka, street Communistic, 316	rent	01/01/2008	31/12/2008	17,3
II. Engineering and technical equipment				(book value, RUR thousand)
Equipment	pledge	10.20.2004	1 year and over	510 196
Equipment	pledge	03.28.2004	1 year and over	760 804
Equipment	pledge	08.02.2005	1 year and over	491 799
Equipment	pledge	09.06.2005	1 year and over	569 001
Equipment	pledge	08.19.2006	1 year and over	410 059
Equipment	pledge	10.25.2006	1 year and over	480 327
Equipment	pledge	08.28.2006	1 year and over	589 621
Equipment	pledge	10.20.2006	1 year and over	593 203
Equipment	pledge	10.24.2006	1 year and over	1 051 225
Equipment	pledge	10.23.2006	1 year and over	271 815
Equipment	pledge	04.24.2007	1 year and over	590 906
Equipment	pledge	04.24.2007	1 year and over	463 822
Equipment	pledge	12.26.2007	1 year and over	646 320
Equipment	pledge	12.18.2007	1 year and over	977 054
Equipment	pledge	03.26.2008	1 year and over	673 684
Equipment	pledge	12.14.2008	1 year and over	1 254 178
TOTAL		10/20/2004		510 196

IV. Financial and business performance of the Issuer

4.1. Issuer's financial and operating results

4.1.1. Profit and loss

Index	Calculation method	Index value in the reporting period	
		I quarter 2008	II quarter 2008
Revenues, thousand RUR	Overall amount of sales revenues	18 979 195	19 958 355
Gross profit, thousand RUR	Sales profit – product cost (with business and administrative expenses excluded)	4 757 034	3 940 481
Net profit (undistributed profit (uncovered loss)), thousand RUR	Net profit (loss) as of the reporting period	2 250 519	1 631 735
Return on Equity, %	Net profit) / (Capital and reserves – target financing + future profits – repurchased own stock) * 100	11,17	7,39
Return on Total Assets, %	(Net profit) / (Book value of assets) * 100	4,44	3,04
Net profit ratio, %	(Net profit) / (Revenues) * 100	11,86	8,18
Cost to Revenue rate, %	(Sales profit) / (revenues) * 100	25,06	19,74
Turnover of capital	Revenues / (Book value of assets – — Short-term debts)	0,54	0,53
Uncovered loss as of the reporting date, thousand RUR	Uncovered loss of past years + Uncovered loss of the reporting year	-	-
Uncovered loss/ total balance ratio, %	(Uncovered loss as of the reporting date) / (Book value of assets)	-	-

The economic analysis of profitability/unprofitability of the issuer, proceeding from dynamics of the resulted indicators, including the reason which, according to controls of the issuer, led to the losses/profits of the issuer reflected in the accounting reporting:

The gain in 1 half-year 2008 has grown in comparison with 1 half-year 2007 on 5,16 % and has made 19 958 355 million RUR. In aggregate with increase in the cost price of the sold goods, production, works, services on 1 795,7 million RUR. It led to decrease in total profit on 816,6 million RUR. and, accordingly, to net profit decrease. The reasons of increase in the cost price are described in item 4.1.2. the present quarterly report. The specified changes have resulted to decrease in profitability of actives, own capital and factor of pure profitability.

In case opinions of controls of the issuer concerning the mentioned reasons and-or degrees of their influence on indicators of financial and economic activity of the issuer do not coincide, the opinion of each of such controls of the issuer and the argument explaining their position is underlined:

Opinions of controls of the Issuer concerning the mentioned reasons and-or degrees of their influence on indicators of financial and economic activity of the Issuer coincide.

In case the member of board of directors of the issuer or a member of a joint executive office of the issuer has special opinion concerning the mentioned reasons and-or degrees of their influence on indicators of financial and economic activity of the issuer, reflected in the report of session of board of directors of the issuer or a joint executive office on which corresponding questions were considered, and insists on reflexion of such opinion in the prospectus of securities, such special opinion and the argument of a member of controls of the issuer, explaining its position is underlined:

Members of Board of directors of the Issuer have no special opinion concerning the mentioned factors and-or degree of their influence on indicators of financial and economic activity of the Issuer, reflected in the report of meeting of Board of directors on which corresponding questions were considered.

4.1.2. The factors which have influenced change of the size of the receipt by the issuer of the goods, production, works, services and profit (losses) of the issuer on primary activity

Change of the size of the receipt by the issuer of the goods, production, works, services, expenses for their manufacture and sale (cost prices) and profit (losses) on primary activity (total profit) for the corresponding accounting period in comparison with the similar period of previous year:

1. Growth of a gain from realization for II quarter 2008 in comparison with II quarter 2007 made 103 %, a net profit - 305 million RUR.

Gain change on the basic branches looks as follows:

- внутризонавая communication - growth on 0,3 % (+3 million RUR.);

- Local communication (a city telephone system (ITC) + a rural telephone system (CTC)) - decrease of 4 % (-106 million RUR.);
- Wireless communication - growth of 7 % (+231 million RUR.);
- Services the Internet and noncontrollable data transmission services - growth of 54 % (+ 422 million RUR.);
- Services of joining and the traffic admission - a gain of 1 % (+12 million RUR.).

2. Growth of expenses by usual kinds of activity for II quarter 2008 in comparison with II quarter 2007 has made 109 %, a net profit - 719 million RUR.

Change of expenses under articles looks as follows:

- Expenses on services of operators - growth of 20 % (+244 million RUR.);
- OS amortisation - growth of 21 % (+ 225 million RUR.);
- Services of the foreign organisations - growth of 2 % (+ 18 million RUR.);
- Rent - growth of 50 % (+230 million RUR.);
- Expenses for a payment - growth of 3 % (+61 million RUR.).

3. The profit on sales for II quarter 2008 in comparison with II quarter 2007 has decreased on 19 %, absolute decrease - 414 million RUR.

4.2. Issuer's liquidity, sufficiency of the capital and current assets

Indices showing the Issuer's liquidity as of the respective reporting period

Index	Recommended method of calculation	Index value	
		I quarter 2008	II quarter 2008
Own current assets, thousand RUR	Capital and reserves (with repurchased stock excluded) – Target Financing + Deferred Revenues – Fixed Assets	-25 202 254	-25 946 345
Permanent capital assets ratio	(Fixed Assets + Long-term receivables) / Capital and reserves (with repurchased stock excluded) – Target Financing + Deferred Revenues)	2,25	2,18
Current liquidity ratio	(Current assets – Long-term receivables) / (Current liabilities (with deferred revenues excluded))	0,34	0,35
Quick ratio	(Current assets – Store – Input value added tax– Long-term receivables) / (Current liabilities (with deferred revenues excluded))	0,26	0,30
Own funds autonomy ratio	(Capital and reserves (with repurchased stock excluded) – Target Financing + Deferred Revenues) / (Fixed Assets + Current assets)	0,40	0,41

Economic analysis of the Issuer's liquidity, paying capacity, and capital adequacy based on the dynamics of indices denoted above:

Deficiency of own circulating assets of the Company, generated because of growth of investment expenses, is reflexion of the general situation in affiliated companies of holding OJSC "Svyazinvest" and says that the long-term investments which are carried out by the Company, in a certain part are financed at the expense of short-term loans.

Improvement of indicators of liquidity in 1 half-year 2008 in comparison with the similar period of 2007 is connected with increase in volume of circulating assets.

4.3. Amount and structure of the Issuer's capital and current assets

4.3.1. Amount and structure of the Issuer's capital and current assets

Amount and structure of the Issuer's capital and current assets as of the respective reporting period:

Index	Index value	
	I quarter 2008	II quarter 2008
Charter Capital, thousand RUR	4 816 167	4 816 167
Overall value of own stock repurchased by the Issuer to be sold afterward,	-	-

thousand RUR		
Share of own stock repurchased by the Issuer of overall amount of placed shares (Charter Capital), %	-	-
Capital reserves, thousand RUR	240 808	240 808
Earned Capital, thousand RUR	4 223 390	4 205 442
Retained Net Profit, thousand RUR	13 014 432	12 758 100
Total capital, thousand RUR	22 294 797	22 020 517

Structure and amount of the Issuer's current assets in accordance with the financial statements:

Index	Index value			
	I quarter 2008		II quarter 2008	
	thousand RUR	share, %	thousand RUR	share, %
Stock	816 198	14,64	696 205	11,79
Input value added tax	409 825	7,35	141 608	2,40
Accounts receivable	4 098 805	73,54	4 170 299	70,62
Short-term financial investments	-	-	359 323	6,08
Cash flow	233 135	4,18	516 059	8,74
Other current assets	15 538	0,28	22 007	0,37
Total amount of current assets	5 573 501	100,00	5 905 501	100,00

Economic analysis of dynamics of indices denoted:

The most considerable change of relative structure of turnaround actives in I quarter 2008 is connected with increase in a share of money resources. Money resources have been accumulated on accounts of the Company for repayment of a bonded loan which had been taken place on April, 17th, 2008

Sources of the Issuer's current assets financing:

Sources of financing of circulating assets of the Emitter are extra and own means. Thus extra means in sources of financing of circulating assets occupy the most part.

Deficiency of own circulating assets is connected with financing of the investment program of the Emitter directed on a gain of the market, introduction of new services and improvement of their quality. Within the limits of the investment plan of the Company the national project "Education", the federal program of granting of a universal telecommunication service, the program of the organization of broadband access to the Internet for points of collective access FGUP «Mail of Russia» are realized. The above-stated projects are not profitable, but concern to socially significant and realizations according to regulatory legal acts of the Russian Federation are subject. Under the project of granting of a universal telecommunication service the indemnification from the federal budget is provided.

Issuer's policy on current assets financing:

The Issuer takes the following measures to reduce the deficit of own current assets:

- acquisition of extra income through the financing of investment program;
- enhancement of current assets efficiency by optimization of their structure and increase of their turnover.

Factors which can entail change in the politician of financing of circulating assets, and an estimation of probability of their occurrence:

Change of a policy on financing of circulating assets is influenced by change of the investment program of the Emitter which is made on the basis of the market condition analysis.

On financing of circulating assets the Emitter, as a whole, estimates probability of change of a policy as low.

4.3.2. Financial investments of the Issuer

Overall amount of financial investments of the Issuer as of the reported period (RUR thousand): **393 585,963**

including general book value of securities of the Issuer's subsidiaries and affiliates owned by the Issuer, as of the reported period (RUR thousand): **393 585,963**

Issuer's financial investments that constitute 10 or more per cent of overall amount of its financial investments as of June 30, 2008:

1. Investments in issue securities:

Financial investments of the Emitter in issue securities which make 10 and more percent of all its financial investments on the end of the accounting period, no.

2. Investments in issue securities:

a) Type: *bills*.

The full and reduced company name of the emitter: Inter-regional Commercial bank of Communication and Computer Science Development (Open Joint-Stock Company), OJSC AKB "Svyaz-Bank".

The location of the person obliged under not issuing securities: **Russia, 125375, Moscow, street Tver, the house 7.**

Quantity of the securities which are in the property of the emitter: **1**

The general balance cost of securities: **58 998 950,00 RUR.**

The sum of the basic debt and the added (paid) percent on bills: **60 626 740 RUR., percent - 0 RUR.**

Repayment term: **on September, 11th, 2008**

b) Type: *bills*.

The full and reduced company name of the person obliged under not issue securities: **Open joint-stock company "RTK-LEASING", OJSC"RTK-LEASING"**

The location of the person obliged under not issue securities: **5, Delegatsky, Moscow, 127473.**

Quantity of the securities which are in the property of the emitter: **1**

The general balance cost of securities: **300 053 512,00 RUR.**

The sum of the basic debt and the added (paid) percent on bills: **334 500 000 RUR, percent - 0 RUR.**

Repayment term: **on May, 14th, 2009**

Reserve under depreciation of securities: **it is created**

- Reserve size on 01.01.2007 (thousand RUR): **484**

- Reserve size on 12.31.2007 (thousand RUR.): **388**

3. Other financial investments:

Other financial investments which make 10 and more percent of all financial investments of the Emitter, on a date closed of 2007 and on a date closed of I quarter 2008 are not present.

The information on amount of the potential losses connected with bankruptcy of the organizations (enterprises) in which investments have been made, by each kind of the specified investments: the amount of potential losses on financial investments, according to the Emitter, is limited by balance cost of investments.

The information on placing of means of the emitter on depositary or other accounts in banks and other credit organizations which licenses have been suspended or withdrawn or in which relation the decision on reorganization was accepted, liquidation, about the beginning of procedure of bankruptcy or about a recognition of such organizations insolvent (bankrupts): means of the Emitter for such accounts are not present.

Standards (rules) of the accounting reporting according to which the emitter has made the calculations reflected in the present point of the quarterly report:

The calculations reflected in the present point, are carried out proceeding from rules of book keeping operating in the Russian Federation and the reporting established by the Federal law «About book keeping» and Positions on the book keeping, confirmed by the Ministry of Finance of the Russian Federation.

4.3.3. Intangible assets of the Issuer

Intangible assets acquisition (replacement) value and accumulated depreciation as of September 30, 2007:

Group of intangible assets	Acquisition (replacement) value, thousand RUR	Accumulated depreciation, thousand RUR
Exclusive rights to computer software, and data bases	352	(282)
Exclusive rights to the trade marks and service marks	4 811	(2 541)
Other intangible assets	3 586	(3 586)
TOTAL	8 749	(6 409)

4.4. Policies and expenses of the Issuer to the science and technology, licenses and patents, research and development

Issuer's policies in the sphere of R&D in the reporting period:

The Issuer doesn't perform research and development by itself. All R&D works are performed by outside organizations (Federal State Unitary Enterprise 'Central Scientific Telecommunications Institute', Federal State Unitary Enterprise 'Leningrad Industrial Scientific Telecommunications Institute', Joint-Stock Company 'Scientific and Technological centre 'Komset').

Data on creation and reception by the emitter of a right protection of the basic objects of intellectual property, on the basic directions and results of use of the cores for the emitter objects of intellectual property:

– data on date of delivery and periods of validity of patents for the invention, on useful model and on the industrial sample: the Company has no patents for inventions, for useful model and on the industrial sample;

– data on the state registration of the name of a place of an origin of the goods: the Company has no certificates on the state registration of the name of a place of an origin of the goods;

General information on the Issuer's main intellectual property objects and results of their utilization:

Intellectual property object	Registration number	Date of registration	Term of validity	Registering authority	Main spheres of use	Purpose of use
Automated system for communications services settlements "Ural-Svyaz"	2003611948	08/27/2003	12/30/2013	Russian Agency for Patents and Trademarks	Supply of telecommunication services and settlements for the services rendered	Used for settlement of accounts for telecommunications services
Trade mark (service mark) Utel	295752	06/17/2005	06/17/2015	Federal Service for Intellectual Property, Patents and Trademarks	Supply of services	Used for promotion of telecommunications services
Complex trade mark (service mark) Utel	302483	09/26/2005	09/26/2015			
Trade mark (service mark) Utel.tv	338973	10/12/2007	06/19/2017	Russian Agency for Patents and Trademarks	Television and radio broadcasting	Tele- and radio broadcasting services are rendered under this trade mark
Trade mark (service mark) Tv.uct	304358	04/06/2006	04/07/2015	Russian Agency for Patents and Trademarks	Television and radio broadcasting	Tele- and radio broadcasting services are rendered under this trade mark
Complex trade mark (service mark) RADUGA (Радуга)	287898	04/27/2005	05/26/2014	--/--	--/--	--/--
Trade mark (service mark) Pyedestal (Пьедестал)	197874	10/18/1999	10/18/2009	--/--	--/--	--/--
Trade mark (service mark) Uralsvyazinform	311035	07/24/2006	06/09/2015	--/--	--/--	--/--
Trade mark (service mark) FREESTYLE ("ФРИСТАЙЛ")	309895	07/05/2006	04/25/2015	Federal Institute for Industrial Property	Supply of services	Mobile telecommunications services are rendered under this trade mark

Results of the use of the trademark Utel by the Issuer:

In the reporting period 2008 specialists of the Company's commercial sector in collaboration with the advertising and media agencies operating over the territories of the Company's subdivisions developed creative conceptions for the promotion of priority services (traditional services, mobile services, new services).

In the reporting period the following promotion actions and tariff proposals aimed at the raise of subscribers' loyalty and sales revenues were realized under the conception of Utel trademark development:

Mobile communication

– Service «the Vocal message»;

– Service «access Granting to VPN c use of technology GPRS» for corporate clients;
– Services "Block SMS" or "Block GPRS-Internet" (by results of positive responses about the action «Congratulate on all 100!»).

Actions, tariff offers:

– the Tariff plan «M to M», for the organizations actively using in the course of work an exchange of sms and services GPRS-Internet/WAP/MMS.
– the Tariff plan «country» (depreciation of outgoing calls on numbers in some directions).
– Regional actions on depreciation of connection and tariffication on the tariff plan «Raduga Freestyle» (the action «Double benefit»).

Besides, in all advertising offers the emphasis that Utel - a universal communication statement is placed.

Listed above action have been directed on increase in incomes of services of mobile communication Utel.

The above-named measures ensured effective dynamics of sales revenues from mobile services under the trade-mark Utel.

Offers, tariff plans:

- the offer «Tradition of family-Tradition of Utel» (draw of prizes among the subscribers who are connected to service «Home Internet», Sverdlovsk area (Nizhny Tagil)).
- The offer «It is checked up – Ultraspeed on Ultramegabit» (a conclusion of the tariff plan (Further – TP) service "Ultramegabit" «Home Internet», Sverdlovsk area, the Perm edge).
- The offer «the Optical mouse is a present» (the optical mouse is a present when connecting to the service «Home Internet», Sverdlovsk area).
- The offer « Enjoy Home Internet - With the new computer!» (50 %-s' discount for connection to the service «Home Internet» to those subscribers who bought the computer Intel (Sverdlovsk, Chelyabinsk, Tyumen regions , Perm region).
- The offer «Total acceleration!» (Doubling of speed on TP "Ultra" of service «Home Internet», Kurgan and Chelyabinsk regions).
- The offer «Connect Home Internet without leaving your house!» (Connection to tariff plans of the service «Home Internet» on phone call with departure of the expert to the house, the Kurgan region).
- The offer «Free connection to service "Home Internet" (free connection to service "Home Internet" at celebrating the City Day, the Tyumen and Chelyabinsk regions).
- The offer «Get the Modem as a present!» (Free granting of the modem at connection to service "Home Internet", the Chelyabinsk region).
- The offer «Get everything at once!» (The discount for connection to TP services "Home Internet", the Tyumen and Chelyabinsk regions).
- The offer «Free connection» (Certificate granting on free connection to service services "Home Internet", Yamal-Nenets AD).

4.5. Trend analysis of the core business of the Issuer

The main trends of telecommunications industry development:

Communication branch is one of most dynamically developing branches of the Russian economy. Incomes of branch of communication of the Russian Federation of rendering of a telecommunication service in 2007 made 1 032,3 billion RUR, that on 23,9 % above last year. In the current prices mid-annual rate of growth for last five years made 130,8 % (2002 - 273,2 billion RUR, 2003 - 395,6 billion RUR; 2004 - 540,3 billion RUR, 2005 - 660 billion RUR, 2006 - 835,1 billion RUR.). The market share of the Company in the telecommunication market of the Russian Federation makes 4,1 %. The volume of the telecommunication market of an operative range of OJSC "Uralsvyazinform" following the results of 2007 made 72,3 billion RUR, the Company share - 52 %.

Within last several years change of structure of incomes of branch is observed: the share of incomes of a mobile communication and services of data transmission and the Internet steadily grows, and a fixed-line telephony - decreases.

The basic tendencies of development of branch of communication are: technological and service innovations, liberalization of the telecommunication market, maintenance with the guaranteed minimum of telecommunication services of all population of the country (universal service).

Occurrence of new technologies expands a spectrum of given services, improves their economic characteristics therefore for the user the choice and consumer qualities of services extends, and the operator has an opportunity to reduce costs. Other party of technological and

service innovations is increase of level of a competition.

The major factors influencing a condition of branch of communication:

Among the factors which rendered and continuing to influence development of the telecommunication market, it is necessary to allocate the following:

– change of state regulation of branch (including a pricing policy on an adjustable telecommunication service, availability of licenses, realization of reform of branch);

– the general condition of a national economy;

– development of technologies. Prompt change of technologies forces operators to intensify efforts on maintenance of a recoument of investments into short terms, to search for new forms of interaction with suppliers and integrators of the telecommunication equipment. Operators are compelled to be guided by the advanced technologies as the possession them is an indispensable condition for formation of competitive advantages;

– change of requirements and preferences of clients - a consequence of occurrence and development of new technologies, changes of economic conditions.

4.5.1. Analysis of factors and conditions affecting Issuer's activity

Factors and conditions exerting influence upon the Issuer's activities. Actions taken by the Issuer for effective exploitation of these factors and conditions.

№	Factors	Influence	Term of influence	Results	Exploitation of factors by the Issuer
1	Amendments in legislation	Growth of competition, expansion of consumers' rights	Constant	Growth of competition influence upon the Issuer; Growth of expenses for compliance with the altered legislation; Occurrence of new source of finance: social services	Investments in development of network for rendering social services; Growth of the Company's image due to participation in social programs; Growth of subscriber base
2	Technological progress	Appearance of alternative telecommunications technologies; Technologies and services convergence	Constant	Growth of competition; Necessity of investment in new technologies; Occurrence of new business prospects	Introduction of new services (broadband access and convergence services); Saving on capital and operating costs by using new technologies
3	Economic status of the country and region, level of public prosperity	Change in demand for telecommunications services	Constant	Positive dynamics of economy development and growth of population prosperity facilitate the growth of demand for telecommunications services, including new services	The Issuer intends to develop new services (primarily, broadband access and convergence services)
4	Market competition	Growth of competition causes the decrease of margin and emergence of additional expenses for marketing and sales promotion	Constant	Restriction of income base growth potential due to the growth of tariffs; growth of expenses for marketing and sales promotion; need for costs reduction	The Issuer undertakes measures on costs reduction, including the use of outsourcing; the Issuer plans to fill the market with unique products protected from copying by the competitors
5	Growth of influence exerted by the customers	Necessity of investments in the quality of client services	Constant	Necessity of investments in the quality of client services ensuring the loyalty of customers	The Issuer plans to certify its quality management system under ISO 9000 standards.
6	Shift in customers' needs and preferences	Necessity of investments in development of new technologies and services	Constant	Shift of the product life style	The Issuer is currently expanding and strives for future expanding of the product portfolio. Thus, the Issuer plans to alter the income structure by increasing of share of profit-making services.

4.5.2. Peers

Main existing and assumed competitors of the Issuer in core fields of activity:

In the market of local communication The Urals Federal District and the Perm region the Company has no essential competitors. According to the Company the share of incomes in the market of local communication in I quarter 2008 makes 78 % on the Company operative range.

In the market of services of cellular communication there is a high level of a competition, as the basic competitors of the Company federal cellular operators (MTS, Beeline, Megafon) act.

Main peers of the Issuer (mobile services):

Operators	Share of income from telecommunications services
OJSC 'Uralsvyazinform' (under Utel trade mark)	40%
Total share of other operators, among which:	60%
OJSC 'Mobile TeleSystems' (MTS)	19%
CJSC 'Urals Mobile Networks' (Megafon)	20%
OJSC 'Vostok-Zapad Telecom' (BeeLine)	11%

It is supposed, that the basic strategy of federal cellular operators will be directed on:

- increase ARPU at decrease in interest to share size in the market in subscribers;*
- development of networks 3 G.*

The share of the Emitter on service the Internet in financial indicators for I quarter 2008 makes 58 %. As essential competitors act both national operators, and local.

Despite high level of a competition and absence from 01.01.2006 of the license for granting of services of a long-distance communication, the Company in the market of telecommunication services following the results of I quarter 2008 continues to keep in the lead positions. The share of incomes of the Emitter from a telecommunication service in The Urals Federal District and the Perm region makes 52 %.

Services	Share of Uralsvyazinform's income from telecommunications services
Local services	80%
Long-distance/international/intra-zone services	41%
Mobile services	40%
Internet and data transfer	60%

Factors facilitating the Issuer's competition:

- availability of all types of the 'last mile';*
- well-developed network infrastructure;*
- well-developed service and sales network;*
- wide range of services;*
- capability of rendering local and mobile services;*
- possibility of rendering bundled services;*
- promotion of bundled services based on a dominating service within the package;*
- possibility of concentration of 80% of the local traffic in the domestic network*
- availability of inter-regional intellectual fixed-line platform and pre-paid mobile communications platform;*
- good relations of the Issuer with the government authorities;*
- competitive pricing;*
- high level of credence from the citizens and business sector;*
- Issuer's geography of operation: operations over the regions with high-yield subscribers (Khanty-Mansyisk, Yamalo-Nenetsk Autonomous Districts and Sverdlovsk Region).*

Main competitive advantages of the Issuer are based on effective use and development of the 'last mile', network and infrastructural resources and wide range of services rendered.

Further growth of competitive power shall be provided through:

- *development and upgrade of own telecommunications networks;*
- *business-processes optimization;*
- *new services start-up;*
- *implementation of certification practices aimed at compliance with international and internal quality standards and growth of service quality;*
- *lowering of timeframes for services activation;*
- *implementation of technological innovations;*
- *involvement and training of qualified personnel;*
- *constant enhancement of the Company's efficiency.*

V. Details of the persons - members of the Issuer's governing bodies, internal control and supervisory bodies; brief overview of the issuer's staff

5.1. Structure and competence of the Issuer's governing bodies

Structure of the Company's governing bodies:

- *General Shareholders' Meeting (supreme governing body of the Company);*
- *Board of Directors (collegial executive body of the Company that performs general governance of the Company's activities);*
- *Management Board (collegial executive body of the Company that ensures execution of resolutions adopted by the General Shareholders' Meeting and Board of Directors);*
- *General Director (sole executive body that manages routine activity of the Company).*

Competence of the General Shareholders' Meeting of the Issuer in accordance with the Issuer's Charter:

Extract from the Issuer's Charter:

Article 12. General Shareholders' Meeting

"12.1. The supreme Company body is the General Shareholders Meeting.

12.2. The aspects listed below are the competence of the General Meeting, and cannot be resigned to the Board of Directors, General Director or Managing Board of the Company

1) amending and editing the Company Charter or approval of re-editions of the Company Charter with an exception of cases stated in the Federal Law "On Joint Stock Companies", provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

2) Reorganization of the Company, provided such decisions are being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

3) Liquidation of the Company, appointment of the liquidation commission and approval of intermediate and final liquidation balance sheet, provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

4) Election of Board of Directors members, effected by the means of cumulative votes;

5) Pre-term termination of powers of Board of Directors members, provided such decisions being approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

6) Definition of number, nominal value, category (type), of authorized shares of the Company, as well as rights, provided by these shares, provided such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

7) Increase of the Company charter capital by raising share par value provided such decisions being approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

8) Increase of the Company charter capital by placing additional issues of shares via open subscription provided the number of such shares placed exceeds 25 per cent of outstanding common stock of the Company, such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

9) Increase of the Company charter capital by placing additional issues of shares via close subscription, such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

10) Decrease the Company charter capital by means of reduction of nominal value of shares, purchase of a part of shares in order to decrease their overall number and redemption of shares acquired or repurchased by the Company provided that such decisions are approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

11) Election of the Company auditing committee and pre-term termination of its powers, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

12) Approval of the Company auditors, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

13) Approval of annual reports, Company's annual accounting including profit and loss statement, along with allocation of profits, incl. dividend pay-out (declaration), and Company loss, in compliance with results of a given fiscal year, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

14) Establishing the procedure of Annual General Meetings provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

15) Splitting and consolidation of shares provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

16) Entering into deals with conflict of interests, such decisions to be taken in cases thereunder and in compliance with Article 11 of Federal law "On Joint-Stock Companies";

17) Entering into major deals connected with both explicit or implicit acquisition and alienation or possible alienation of assets, the price of which exceeds 50 per cent of the book value of Company assets according to the accounting as of the last reporting date, with an exception of transactions being made within regular economic activities of the Company, transactions concerning subscription-based placement (realization) of common shares, and transactions connected with placement of stock swapped into common shares of the Company provided that such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

18) Participation in holding companies, financial and industrial groups, associations and other commercial organizations provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

19) Approval of internal documents, regulating activities of Company bodies provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

20) Placement of corporate bonds, swapped into shares, and placement of other securities, swapped into shares, provided the bonds (other securities) are placed through the closed subscription scheme, or if open subscription, the convertible bonds may be swapped into common shares of the Company, exceeding 25% of shares earlier placed, provided that such decisions being approved by at least three quarters of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

21) Decision that expenses for preparation and holding the Extraordinary General Meeting should be borne by the Company provided the EGM has been convoked in defiance of requirements of the Russian Federation legislation in force, i.e. not based on a decision of the Board of Directors, but by other persons, provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

22) Devolution of powers from the sole executive body of the Company to the controlling organization, or managing director provided that such decision is approved by majority of votes belonging to the shareholders - holders of voting shares of the Company, participating in the AGM;

23) Other issues provided for by the Federal Law "On Joint-Stock Companies" and this Charter.

12.3. The Annual General Meeting is solely entitled to make decisions concerning the issues, provided in Items 2, 7, 8, 9, 15-19, 23 of Article 12.2 of the present Company Charter upon the recommendation of the Board of Directors. At this rate, the persons that are authorized to introduce items to the agenda of the AGM or EGM in compliance with the Russian Federation legislation in force are not entitled to require introduction of the listed issues with the Board of Directors.

The AGM does not have a right to consider or take any decisions on issues that are not part of its terms of reference pursuant to the Federal Law "On Joint-Stock Companies".

The AGM is not entitled to take decisions on items that are not included in the agenda, as well as change the agenda."

Competence of the Issuer's Board of Directors in accordance with the Issuer's Charter:

Extract from the Issuer's Charter:

Article 13. Competence of the Issuer's Board of Directors in accordance with the Issuer's Charter:

"13.4. The exclusive competence of the Board of Directors is as follows:

- 1) Determination of priority guidelines of the Company, including approval of annual budget, medium-term and long-term budgets, strategies and development programs of the Company, amendment of the said documents and control of their fulfillment;**
- 2) Preliminary approval of operations being over the stated Company annual budget;**
- 3) Convocation of annual and extraordinary General Meetings of Shareholders, except for cases stipulated in Article 55.8 of Federal Law "On Joint-Stock Companies";**
- 4) Approval of the General Meeting's agenda;**
- 5) Fixing of the cut-off date to compile the list of persons entitled to participate in the Annual General Meeting, and other issues being the competence of the Board of Directors pursuant to provisions set forth in Article 7 of Federal law "On Joint-Stock Companies", and relating to preparations and holding of General Meetings.**
- 6) Preliminary approval of Annual Report of the Company;**
- 7) Increase in the charter capital through placement of additional share issues within the number of authorized shares, stipulated hereof except for cases set forth in items 8 and 9 of Article 12.2 hereof;**
- 8) Placement of bonds or other securities in case placement conditions provide that the securities hereof are not convertible into shares of the Company;**
- 9) Placement of convertible bonds and other convertible securities if the said bonds (securities) are placed on the basis of open subscription and may be swapped into Company shares, representing 25% or less than 25% of common shares previously placed;**
- 10) Fixing of price (pecuniary valuation) of assets, placement price and buy-out price of securities in cases, provided for in the Federal Law "On Joint-Stock Companies";**
- 11) approval of Securities Issue Resolutions, Prospectuses, Reports on the Company's shares repurchase for their redemption, Reports on shares redemption, Reports on the shareholders' requests on repurchase of shares owned by them, as well as adoption of resolutions on the start date of securities placement based on the Board of Directors resolution;**
- 12) Purchase of shares, bonds and other securities being placed by the Company, in cases provided for the Federal Law "On Joint-Stock Companies";**
- 13) Approval the Company's Registrar and the general terms and conditions of Contract to be signed with Registrar, as well as terms of its termination;**
- 14) Recommendations with regard to the profit distribution, including the rate and form of dividend payments and to the loss distribution based on the results of the fiscal year;**
- 15) Usage of reserves fund and other Company funds;**
- 16) Approval of an internal document stipulating for the procedures of internal audit of financial and operational activities of the Company;**
- 17) Recommendations with regard to the amount of remuneration and compensations to be paid to Audit Commission members, approval of general terms and conditions of the Contract to be concluded with the Auditor and approved by the General Shareholders Meeting including the amounts to be paid to the Auditors for their services;**
- 18) Approval of the Regulation on Internal Audit Department of the Company, preliminary acceptance of nominees to the position of its head officer, and relief of the head officer from duty at the initiative of the Company, and consideration of other items to be resolved by the Board of Directors with regard to the Regulation on Internal Audit Department.**
- 19) initial approval of major separate deal or several interrelated deals connected with explicit or implicit acquisition, alienation or possible alienation of assets, the value of which ranges from 1 to 25 per cent of the book value of Company assets according to the financial statements as of the last reporting date;**
- 20) Approval of major deals connected with both explicit or implicit acquisition and alienation or possible alienation of assets, the value of which ranges between 25 to 50 per cent of the book value of Company assets according to the accounting statements as of the last reporting date, with an exception of transactions carried out within the Company's general activities, transactions concerning subscription-based placement of common shares, and transactions connected with placement of convertible securities that are swapped into common shares of the Company;**
- 21) Approval of transactions with conflict of interests, in cases set forth in Article 11 of Federal law "On Joint-Stock Companies";**
- 22) Determination (alteration) of functional units of the Company's organizational structure and key functions of subdivisions making parts of these functional units (except for the Branches and Representative offices);**
- 23) Establishment of divisions, opening of representative offices, their liquidation, and**

approval of their Regulations;

24) Preliminary approval of nominees to the positions of Branches and Representative offices head officers and relief of the head officers from duty at the initiative of the Company;

25) Appointment of the sole executive body (General Director), fixing his/her term of office as well as pre-term termination of his/her powers and employment contract concluded with him/her;

26) Election (re-election) of Chairman of the Board of Directors and his/her deputy;

27) Formation of a collegial executive organ (Managing Board): determination of its term, appointment of Managing Board members, early termination of their office;

28) Affirmation of holding more than one office by a person acting as the sole executive body and by the members of Management Board in managing bodies of other organizations;

29) Authorization to hold more than one paid office in other organizations for a person acting as the sole executive body;

30) Creation of permanent or temporary (to resolve certain kinds of questions) Committees of the Board of Directors, approval of their Regulations, election of Committees members and chairmen, early termination of their office;

31) Appointment of the Company corporate Secretary and his/her dismissing, and approval of Corporate Secretary Regulations;

32) approval of contracts (supplementary agreements) concluded with General Director, members of Management Board, directors of branches and representative offices, Company's Corporate Secretary, director of Internal Audit Department, except for the agreements on termination of employment contracts with the heads of branches and representative offices by mutual agreement of the parties (item 1, article 77 of the RF Labour Code), as well as consideration of issues, resolutions on which are to be adopted by the Board of Directors pursuant to the Contracts mentioned;

33) adoption of resolutions on Company's participation in organizations (including establishing, engagement as a participant, changing the stake or its nominal value, changing the number of shares held by the Company or their nominal value, and termination of participation, except for the cases of liquidation of organization in the order required by the applicable law);

34) adoption of resolutions on Company's participation in non-commercial organizations except for the cases set forth in sub-item 18 item 12.2 hereof, by establishing the organization, engagement as a participant, additional contributions related to the Company's participation in non-commercial organizations, termination of participation, except for the cases of liquidation of organization in the order required by the applicable law);

35) submitting proposals (including those regarding candidates to the control and regulatory bodies) and adoption of resolutions on the issues falling within the competence of General Meetings of Participants of the commercial organizations, the Company being the only participant entitled with the right to vote at the General Meeting of Participants;

36) outlining the procedure of Company's interaction with organizations the Company has shares and stakes in, adoption of resolutions in accordance with the procedure;

37) elaboration of Company's (Company representatives') position, including the decision whether the Company should or should not vote on the issues of Agenda, give votes "for", "against" or "abstain", with regard to the following issues of Agenda of General Shareholders (Participants) Meetings of its affiliated and dependent companies (further referred to as ADC) (except for the cases when the functions of General Shareholders Meetings of ADCs are performed by the Company's Board of Directors), and sessions of ADC Board of Directors (except for the issue concerning approval of Agenda of ADC General Shareholders Meetings, in case the functions of General Shareholders Meetings of ADCs are performed by the Company's Board of Directors), also aimed at Company's control over the resolutions adopted by the affiliated and dependent companies of ADCs:

a) determination of Agenda of the General Shareholders (Participants) Meeting of ADC;

b) reorganization, liquidation of ADC;

c) determination of quantitative composition of ADC Board of Directors, nomination and election of its members and pre-term termination of their office;

d) determination of the quantity, nominal value, category (type) of ADC shares authorized for issuance in addition to those outstanding, and rights granted by these shares;

e) increase of ADC share capital by increase of nominal value or by placement of additional share issue;

f) placement of ADC securities convertible into common shares;

g) split and consolidation of ADC shares;

h) approval of major deals effected by ADC;

i) participation of ADC in other organizations (entering the operating organization or formation of a new organization);

38) Approval of internal documents of the Company other than stated in Article 13.4 hereof, which refer to issues being the competence of the Board of Directors, except for internal documents, being the competence of General Meeting and executive bodies of the Company pursuant to

Company Charter;

39) Approval of Corporate Governance Code of the company, introductions of amendments and supplements therein;

40) Approval of risk management procedures in the Company;

41) Approval of the Regulation on the Procedure of auditors tender suggested by the Board of Directors for AGM approval, and consideration of other items to be resolved by the Board of Directors pursuant to the Regulation above mentioned;

42)) introduction of alterations to the Charter pertaining to formation or liquidation of branches and representative offices, including alterations pertaining to the change of addresses of branches and representative offices;

43) Appointment of a person entitled to sign the Contract with Managing Board members on behalf of the Company;

44) Preliminary approval of outsourcing in Company's activity checkup by the Audit Commission; determination of payment conditions and other essential conditions of outsourcing in Audit Commission activity;

45) Other issues stipulated by the Federal Law 'On Joint-Stock Companies' and the present Charter.

13.5. Issues being the exclusive competence of the Company's Board of Directors cannot be devolved on the Collegiate Body or Sole Executive Body of the Company."

Competence of the Issuer's collegiate executive body in accordance with the Issuer's Charter:

Extract from the Issuer's Charter:

Article 14. Company Management Board

1) Working out of proposals on main streamlines of Company activities including drafts of annual budget, medium-term and long-term budgets, strategies and development programs of the Company along with amendment of the said documents;

2) Taking decisions on the questions being the competence of the supreme management organs of the non-commercial organizations, where the Company is the sole founder (participant), except for those where such supreme management boards are formed without the founder's (participant's) representatives;

3) Elaboration of human resources and social policies of the Company;

4) Approval of internal document regulating general provisions of labor motivation and consideration and decision taking on terms of collective agreements;

5) Preparation of materials and draft decisions in connection with issues that are submitted to consideration of General Meeting of Shareholders and sessions of the Board of Directors and submission of materials to committees under the Board of Directors;

6) Managerial and technical provision of the Company's operations;

7) Elaboration of technical, economic and financial, and tariff policies of the Company;

8) Determination of accounting policy, supervision on improvement of accounting and managerial methods along with introduction of IAS in the Company and its divisions;

9) Determination of methods of planning, budgeting and controlling in the Company and its divisions;

10) Determination of security policy in the Company and its divisions;

11) Elaboration of procedure of property allocation to Company divisions and its attachment;;

12) Determination of numerical membership and appointment of members of division's collegiate executive bodies as well as pre-term termination of their powers, approved by Regulations on collegiate bodies thereof;

13) Preliminary affirmation of candidates for deputy directors, chief accountants of divisions and representative offices and dismissing of the said persons;

14) Approval of general terms and conditions of contracts (supplementary agreements) signed with members of division's collegiate executive bodies, deputy directors, chief accountants of divisions and representative offices, along with consideration of issues on which the Management Board shall take decisions pursuant to the above-mentioned agreements;

15) Approval of quarterly budgets of divisions and amendment of these documents;

16) Performance analysis of the Company's divisions, including isolated ones, provision of mandatory directives to advance their efficiency;

17) Approval of internal documents that address issues being the competence of the Management Board, except for questions that are approved by the General Meeting and the Board of Directors of the Company.

18) Approval of organizational structure of the company, including main functions of operating entities.

14.5. Management Board is also entitled to decisions relating to other aspects of operating activities of the Company, specified in the Law on Joint-Stock Companies and this Charter, upon the instructions of the Board of Directors or suggestion of General Director of the Company.

Competence of the Issuer's sole executive body in accordance with the Issuer's Charter:

Extract from the Issuer's Charter:

Article 15. Company General Director

"15.1. General Director is the sole executive body executing management of operating activities of the Company. General Director shall be appointed by the Board of Directors of the Company.

15.2. General Director shall take decisions, which as per this Charter are not the competence of the General Shareholders Meeting, the Board of Directors or Management Board of the Company.

15.3. General Director shall perform the functions of the Chairman of the Management Board of the Company.

15.4. General Director shall act on behalf of the Company without power of attorney, including representation of the Company's interests, make deals on behalf of the Company, approve staff list, issue orders and give instructions mandatory for all Company employees.

Rights, duties, salary and responsibility of General Director are stipulated in the contract, signed between he/she and the Company. This contract on behalf of the Company shall be signed by the Chairman of the Board of Directors."

Issuer's Corporate Conduct (Governance) Code: **Corporate Conduct Code of JSC "Uralsvyazinform" was approved by the Board of Directors of JSC "Uralsvyazinform" (Protocol of the session #13/5 dd. November 11, 2003).**

Web page on which the full text of the Issuer's corporate conduct code is posted:

<http://www.usi.ru/shareholders/management/documents/> (in Russian),

<http://www.usi.ru/en/shareholders/profile/documents/> (in English).

Other documents that regulate the functioning of the Issuer's governing bodies:

Governing body	Regulatory documents on which the functioning of the body is based
General Shareholders' Meeting	Charter of OJSC 'Uralsvyazinform' (approved by the joint Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 23, 2005, as amended and restated by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 29, 2006); as amended and restated by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of February 21, 2007); as amended and restated by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 22, 2007) Holding Procedure of the General Shareholders Meeting of OJSC 'Uralsvyazinform' (approved by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 29, 2003, as amended and restated by the Annual General Shareholders' Meetings as of June 22, 2007).
Board of Directors	Charter of OJSC 'Uralsvyazinform' (approved by the joint Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 29, 2006, as amended and restated by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 22, 2007).
Management Board	Charter of OJSC 'Uralsvyazinform' (approved by the joint Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 29, 2006, as amended and restated by the Annual General Shareholders' Meeting of OJSC 'Uralsvyazinform' as of June 22, 2007).
General Director	Charter of OJSC 'Uralsvyazinform'

Information on amendments made to the Charter and/or to the internal documents regulating the functioning of the Issuer's governing bodies:

Changes in the Charter, and also in the internal documents regulating activity of bodies of the Company, in I quarter 2008 were not brought.

Web page on which the full text is posted of the Charter and other internal documents in force regulating the functioning of the Issuer's governing bodies:

Main internal documents of the Company (Charter, Regulations on the Board of Directors, Regulations on the Management Board and Audit Commission, as well as Procedure of Holding the General Shareholders Meeting) are posted at

<http://www.usi.ru/shareholders/profile/documents/>. (in Russian)

<http://www.usi.ru/en/shareholders/profile/documents/> (in English)

Corporate Conduct Code is posted at

<http://www.usi.ru/shareholders/management/documents/>. (in Russian)

<http://www.usi.ru/en/shareholders/profile/documents/> (in English).

5.2. Details of the persons - members of the Issuer's governing bodies

5.2.1. Information on the members of the Issuer's Board of Directors

Board of Directors elected by the Annual General Shareholders Meeting as of June 15, 2007:

Chairman of the Board of Directors:

Evgeniy A. Chechelnitsky

Year of birth: **1973**

Education: ***higher, Doctor of Philosophy***

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 – present day: **Deputy General Director**

2006 – present day: ***Member of the Management Board***

Organization: ***Federal Communications Supervisory Authority (Rossvyaznadzor)***

2004 – 2006: ***Deputy Director***

Organization: ***Ministry for Communication and Informatization of the Russian Federation***

2001 – 2004: **Deputy Director of Economic and Investment Policies Department**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: ***no share***

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: ***no share***

Members of the Board of Directors:

1. *Mikhail V. Batmanov*

Year of birth: **1978**

Education: ***higher, Doctor of Philosophy***

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2003 – 2005: ***Chief Specialist of the Legal Department***

2005 – 2006: ***Head of the sector in the Legal Department***

2006 – present day: ***Head of the sector of Corporate Government and Legal Groundwork Department***

Organization: ***CJSC "Informational analytical center for scientific research 'Continuum'"***

2002 – 2003: ***Legal Adviser***

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: ***no share***

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: ***no share***

2. *Yuri A. Bilibin*

Year of birth: **1971**

Education: ***higher***

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2001 – 2004: ***Assistant to the General Director***

2006 – present day: ***Adviser to the General Director***

Organization: ***OJSC 'RTK-Leasing'***

2004 – 2006: ***Adviser to the General Director***

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: ***no share***

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: ***no share***

3. *Alla B. Grigorieva*

Year of birth: **1967**

Education: ***higher***

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2001 – 2006: **Deputy Director of Corporate Governance Department – head of the section**

2006 – present day: **Deputy Director of Corporate Governance and Legal Support Department**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

4. Vladimir V. Dudchenko

Year of birth: **1973**

Education: **higher**

Positions as of the last 5 years:

Organization: **Moscow Representative office of NCH Advisors, Inc**

2001 – 2006: **Head of Analytical Branch**

2006 – present day: **Transactions Director**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

5. Ekaterina S. Erofteyeva

Year of birth: **1975**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2002 – 2006: **Deputy Director of Economic and Tariff Policy Department, Head of the Sector for Telecommunications Tariffs and Universal Services Regulation**

2006 – present day: **Deputy Director for Strategic Development Department**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

6. Olga G. Korolyova

Year of birth: **1950**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2001 – 2003: **Head of methodology sector**

2003 – 2005: **Deputy Chief Accountant**

2005 – present day: **Chief Accountant**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

7. Juliana Y. Sokolenko

Year of birth: **1967**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 – present day: **Deputy Director – Head of External Relations Department**

2002 – 2006: **Deputy Director of Information Support Department – Head of Investor Relations Department**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

8. Vladimir A. Statyin

Year of birth: **1959**

Education: **higher**

Positions as of the last 5 years:

Organization: **Career Center 'Russian Institute of Directors'**

2003 – 2006: **Director**

Organization: **Non-profit partnership 'Association for Protection of Interests of Companies' and Organizations' shareholders'**

2001 – present day: **General Director**

Organization: **Open Joint-stock Company 'Corporate finance and investment company'**

2001 – present day: **Deputy General Director**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **0.001604%**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **0.000445%**

9. Dmitry Y. Tushunov

Year of birth: **1964**

Education: **higher**

Positions as of the last 5 years:

Organization: **CJSC "Leader" (pension funds Management Company)**

2004 – present day: **Head of Analytical Department – Chief economist**

Organization: **Limited Liability Company 'Consulting and Audit Company "Delovaya Perspektiva"**

2004 – 2004: **Head of Department**

Organization: **CJSC "Investment Company 'ROSBUILDING'"**

2003 – 2004: **Project Manager**

Organization: **State University "Higher School of Economics"**

2002 – 2003: **Leading Scientific Officer**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **no share**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **no share**

10. Anatoly Y. Ufimkin – Deputy Chairman of the Board of Director

Year of birth: **1951**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Uralsvyazinform'**

2002 – 2005: **First Deputy General Director**

2004 – 2005: **Acting General Director**

2003 – 2005: **Member of the Management Board**

2005 – present day: **General Director**

2005 – present day: **Chairman of the Management Board**

2005 – June 15, 2007: **Deputy Chairman of the Board of Directors**

June 15, 2007 – present day: **Member of the Board of Directors**

Organization: **OJSC 'Svyazinform' of the Chelyabinsk region**

2002 – 2002: **General Director**

Share of the Issuer's Charter Capital owned by the member of the Board of Directors: **0.0277%**

Share of the Issuer's ordinary stock owned by the member of the Board of Directors: **0.0270%**

5.2.2. Information on the members of the Issuer's collegiate executive body

Membership of Uralsvyazinform Management Board:

Chairman of the Management Board:

Anatoly Y. Ufimkin

(information was stated in the sub-item 5.2.1.)

Members of the Management Board:

1. Sergey V. Akimenko

Year of birth: **1964**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2002 – 2002: **Acting Director of Legal Groundwork Department**

2002 – 2005: **Director of Legal Groundwork Department**

2002 – 2004: **member of the Management Board**

2005 – present day: **Deputy General Director on Human Resources Management**

2005 – present day: **member of the Management Board**

Organization: **OJSC 'Svyazinform' of the Chelyabinsk region**

2001 – 2002: **Deputy General Director on Legal Affairs**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **0.000328%**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **0.000408%**

2. Svetlana I. Balueva

Year of birth: **1960**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2001 – 2002: **Deputy Chief Accountant**

2002 – 2004: **Deputy Chief Accountant on consolidated RAS and IFRS financial statements.**

2004 – 2004: **Deputy Chief Accountant on consolidated RAS financial statements**

2004 – present day: **Chief Accountant**

2005 – present day: **member of the Management Board**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **0.000374%**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **0.000464%**

3. Sergey M. Bershev

Year of birth: **1963**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2005 – 2006: **Deputy General Director – Chief Commercial Officer**

2006 – present day: **Deputy General Director – Business Development Director**

2005 – present day: **member of the Management Board**

Organization: **Closed Joint-Stock Company 'Lucent Technologies' (Moscow)**

2004 – 2005: **Key Account Manager**

Organization: **Open Joint-Stock Company 'Vympelcom' (Moscow)**

2003 – 2004: **Regional Director**

Organization: **Telia International Management, Stockholm**

2001 – 2003: **Country Manager Russia**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **no share**
Share of the Issuer's ordinary stock owned by the member of the Management Board: **no share**

4. Igor D. Bychkov

Year of birth: **1968**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2002 – 2004: **Chief Engineer, Hanty-Mansyisk Division**

2004 – 2005: **Deputy Director – Engineering Director, Hanty-Mansyisk Division**

2005 – present day: **Deputy General Director – Engineering Director**

2005 – present day: **member of the Management Board**

Organization: **'Hanty-mansyiskokrtelecom', Surgut Division**

2001 – 2002: **First Deputy Director – Chief Engineer**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **0.00008%**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **0.00010%**

5. Oleg V. Efremov

Year of birth: **1969**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2007 – present day: **Deputy General Director – Commercial Director**

2007 – present day: **Member of the Management Board**

2006 – 2007: **Deputy Director on Commercial Matters in Perm Telecommunications Division**

2003 – 2006: **Deputy Director on Technical Matters in Yamalo-Nenetsk Telecommunications**

Division

2002 – 2003: **Head of Sales Management Sector in Yamalo-Nenetsk Telecommunications**

Division

Organization: **Muravlensk Division of OJSC "Yamalelectrosvyaz"**

2002 – 2002: **Director**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **no share**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **no share**

6. Valery A. Menshenin

Year of birth: **1957**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2002 – 2004: **Deputy General Director on Security Issues**

2004 – 2005: **Deputy General Director on Security Issues and Secrecy Order**

2005 – present day: **Deputy General Director on Security Issues**

2005 – present day: **member of the Management Board**

Organization: **The RF State Supervision Service for Telecommunications and Informatization (Sverdlovsk Region)**

2001 – 2002: Deputy Head of Service – **Chief State Inspector**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **no share**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **no share**

7. Dmitry I. Samoilov

Year of birth: **1962**
Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2001 – 2002: **Deputy Chief of Strategic Planning Sector**

2002 – 2002: **Acting Director of Property and Non-Productive Investments Department**

2002 – 2003: **Director of Property and Non-Productive Investments Department**

2003 – 2003: **Acting Deputy General Director – Director on Business Process Management and**

Corporate Governance

2003 – present day: **member of the Management Board**

2003 – 2004: **Deputy General Director – Director on Business Process Management and**

Corporate Governance

2004 – 2005: **Deputy General Director on Corporate Governance**

2005 – present day: **Deputy General Director on Corporate Development**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **no share**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **no share**

8. Vitaly V. Stoyanov

Year of birth: **1950**
Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2001 – 2002: **Deputy General Director on Capital Construction (Chelyabinsk Division)**

2002 – present day: **member of the Management Board**

2002 – 2005: **Deputy General Director – Director of Chelyabinsk Communications Division**

2005 – 2005: **Acting Deputy General Director on Investment Policy**

2005 – 2005: **Deputy General Director on Investment Policy**

2005 – present day: **Deputy General Director on Capital Construction**

Organization: **Open Joint-Stock Company 'Chelyabinskvyazinform'**

2001 – 2002: **Deputy General Director**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **0.004010%**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **0.001516%**

9. Valery A. Chernyshev

Year of birth: **1951**
Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2002 – 2005: **Deputy Director of Chelyabinsk Division – Chief Financial Officer**

2005 – present day: **Deputy General Director – Chief Financial Officer**

2005 – present day: **member of the Management Board**

Organization: **OJSC 'Svyazinform' of the Chelyabinsk region**

2001 – 2002: **Deputy General Director**

Share of the Issuer's Charter Capital owned by the member of the Management Board: **0.007379%**

Share of the Issuer's ordinary stock owned by the member of the Management Board: **0.003021%**

5.4. Structure and competence of the Issuer's internal control and supervisory bodies

Structure of the Issuer's internal control and supervisory bodies:

- **Audit Commission;**
- **Internal Audit Department;**
- **Audit Committee of Uralsvyazinform Board of Directors.**

In certain cases the Company also engages independent auditor.

Audit Commission is an autonomous control body elected by the Annual General Shareholders' Meeting and acting up to the forthcoming AGM. Audit Commission consists of 7 members. Audit Commission's operation is governed by the "Provisions on the Audit Commission of OJSC 'Uralsvyazinform'" (approved by the AGM, protocol of the Meeting dd. June 29, 2006).

Internal Audit Department is a special-purpose division, independent of the Company's executive bodies. Its activity is regulated by the Company's Board of Directors. Internal Audit Department is created to maintain constant control of all business activities of the Company. Structure, purposes and functions of Internal Audit Department are regulated by the "Provisions on Internal Audit Department of OJSC 'Uralsvyazinform'" (approved by the Board of Directors, Protocol of the session dd. February 25, 2003, as further amended and restated as of September 24, 2007, Protocol #5).

Audit Committee of Uralsvyazinform Board of Directors is an accessory authority to the Board of Directors, that has been annually formed since July 2004. Its main purpose is an increase of efficiency and quality of the Board of Directors operation in the line of free intercourse with the Independent Auditor, structural divisions of Accounting Office, Financial and Economic Sector, and Internal Control Sector by means of preliminary consideration and elaboration of recommendations to the Board of Directors in accordance with the Committee's competence, over the following areas:

- risks pertaining to information disclosure,
- financial statements,
- external independent auditor, internal audit,
- internal control procedures.

Internal Audit Procedures are governed by the "Provisions on internal audit of financial and business activities of the open joint-stock company 'Uralsvyazinform'" (approved by the Board of Directors, Protocol of the session #2, dd. July 12, 2005).

For the control and verification of the Company's financial reports the Company, on an annual basis, engages a specialized Auditor, which is not bounded by any property interests with the Company or its shareholders. The auditor performs verification of financial and business activities of the Company in accordance with the Russian Federation legislation on the basis of an Agreement concluded with the Company.

Competence of the Audit Commission pursuant to the Issuer's Charter:

Abstract from the Issuer's Charter:

Article 17. Auditing of the Company Financial and Economic Activities

"17.2.2. The aspects listed below are the competence of the Auditing Commission:

- ***auditing of the trustworthiness of the information in the reports and other financial documents of the Company;***
- ***revealing of non-compliance of book accounting keeping and financial statements with legal acts of the Russian Federation (if any);***
- ***auditing of keeping to the legal regulations in respect of taxes' computation and payment;***
- ***revealing of non-compliance (if any) with legal acts of the Russian Federation in accordance with which the Company performs its financial and economic activities;***
- ***evaluation of the economic expediency of Company's financial and economic activities.***

17.2.3. Auditing (revision) of Company's financial and economic activities by the Auditing Commission shall be done on the Company performance results for a year.

Auditing (revision) of Company's financial and economic activities shall be performed at any time:

- ***on the independent initiative of the Auditing Commission ;***
- ***on the decision of the General Shareholders Meeting;***
- ***on the decision of the Company's Board of Directors;***
- ***on the request of a shareholder (shareholders) owning in aggregate at least 10 per cent of the Company's voting shares on all the issues being the competence of the General Shareholders Meeting as of the date of the request.***

17.2.4. On the request of the Auditing Commission any officers of the managing bodies of the Company shall submit documents on financial and economic activities of the Company."

Information of the Issuer's Internal Audit Department:

- Information on the term of operation and key employees on Internal Audit Department:

Internal Audit Department was formed by the Issuer on the basis of the resolution adopted by the Board of Directors (Protocol of the session #7 dd. February 26, 2003).

Acting Director of Internal Audit Department is Andrey V. Kozhevnikov.
Details of key employees of Internal Audit Department are given in item 5.5 of the present Report.

– main functions of Internal Audit Department:

Extract from the “Provisions on Internal Audit Department of OJSC ‘Uralsvyazinform’” (approved by the Board of Directors, Protocol of the session dd. February 25, 2003, as further amended and restated as of April 14, 2005, Protocol #28):

Article 1. General Provisions

“1.2. Main functions of Internal Audit Department are:

- periodic inspection of compliance of the business transactions effected by the Company, its divisions, and subdivisions with the Company’s interests; protection of the Company’s assets;**
- independent assessment and analysis of financial status of the Company and its structural subdivisions;**
- periodic control of the Company’s and its subdivisions’ observance of acts of legislation and other regulatory documents (including the internal regulations) governing their operation; control of compliance with the resolutions of the Annual General Shareholders’ Meetings, Company’s Board of Directors, sole and collegiate executive bodies;**
- check of efficiency of internal control system; control for the cash flows and interested-party transactions; control of reliability of financial statements and operating data;**
- consultations in the sphere of financial and tax legislation;**
- interaction with external auditors and officials representing tax and other supervisory authorities.”**

– accountability of Internal Audit Department, its interaction with the executive governing bodies of the Issuer and the Issuer’s Board of Directors

Extract from the Issuer’s Charter:

Article 13. Company’s Board of Directors

13.4. The exclusive competence of the Board of Directors is as follows:

18) Approval of Regulations on operating entity of the Company, executing internal audit, agreement on candidates for its manager, as well as other issues which shall be considered by the Board of Directors in accordance with Regulations on the said operating unit.

Extract from the Issuer’s “Regulations on the Audit Committee of OJSC ‘Uralsvyazinform’ Board of Directors” (approved by the Board of Directors, Protocol #9, dd. October 7, 2004, as amended and restated on June 17, 2005, protocol #34):

Article 2. 2. Purposes and competence of the Committee

“2.2.3. Interaction with the Company’s subdivision performing internal audit:

- a) consideration of the schedule of audit researches to be performed by the Company’s respective structural subdivision;**
- b) examination of the Report on the results of subdivision’s operation as of the completed year;**
- c) elaboration of recommendations on introduction of amendments and additions to the Company’s internal documents governing activities of the subdivision.”**

– interaction between Internal Audit Department and Independent Auditor:

In the course of its audit researches, Internal Audit Department controls observation of notices stated in Independent Auditor’s Reports, and accomplishes analysis of internal control procedures.

Issuer’s internal document, establishing rules for prevention of proprietary (insider) information distribution:

“Regulations on ‘The order of use of information on OJSC ‘Uralsvyazinform’ operations, its securities and deals concluded with them, which is not publicly-accessible and may affect market value of the Company’s securities in case of its improper use or disclosure”, approved by OJSC ‘Uralsvyazinform’ Board of Directors (Protocol #2 dd. July 12, 2005).

The full text of the present document is posted at:

<http://www.usi.ru/shareholders/management/documents/> (only available in Russian).

5.5. Information on the members of the Issuer's financial and business operation control bodies

5.5.1. Membership of the Issuer's Audit Commission

Membership of OJSC 'Uralsvyazinform' Audit Commission elected by the Annual General Shareholders' Meeting as of June 04, 2008:

The chairman of the Revision committee:

Ivan V. Topolya

Year of birth: **1981**

Education: **higher**

Positions as of the last 5 years:

The organization: **Open joint-stock company 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2007 – present: **the Assistant to the chief accountant**

2004 - 2006: **Deputy Chief of department of methodology**

The organization: **Closed joint-stock company «Deloit and Tush»**

2006 - 2007: **Manager of Corporate Finance Department**

The organization: **the Moscow Representation «Lukoil Overseas Ltd. Service.»**

2003 - 2004: **Leading specialist**

Key executives of Internal Audit Department:

1. Veremyanina V. Fedorovna

Year of birth: **1966**

Education: **higher**

Positions as of the last 5 years:

The organization: **Open joint-stock company 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 – present: **Deputy Director of Department of Corporate Governance and Legal Maintenance**

2004 - 2006: **Chief of Department, Deputy Director of Department of Legal Maintenance** The organization: **Open joint-stock company "RTK-LEASING"**

2003 - 2004: **the Chief of Department of Legal Maintenance**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

Members of the Audit Commission:

2. Yan S. Grinchenko

Year of birth: **1979**

Education: **higher**

Positions as of the last 5 years:

The organization: **Open joint-stock company 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 - present: **Leading specialist of Department of Corporate Governance and Legal Maintenance**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

3. Svetlana F. Kartuzova

Year of birth: **1978**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 - present: **Leading specialist of department of methodology of department of book keeping**
2006 - 2006: **Leading specialist of department of the summary reporting of department of book keeping**
2005 - 2006: **Leading specialist of department of the summary reporting of department of book keeping**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**
Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

4. Elena O. Konkova

Year of birth: **1978**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 - present: **the Leading Specialist of Management of Internal Audit**

Organization: **Closed joint-stock company "Universe-audit"**

2002 - 2006: **the Auditor**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**
Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

5. Olga Sl. Chetverkina

Year of birth: **1956**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2006 - present **Leading specialist of Department of Internal Audit**

2005 - 2006: **Leading specialist of Dependent Organizations Monitoring; Department of Internal Audit.**

2003 - 2005: **Department of Material support Leading specialist of Capital Investments Department.**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**
Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

6. Dmitry A. Shorokhov

Year of birth: **1980**

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

2008 - present: **Deputy Chief of Department of Financial Policy and Liquidity Management**

2006 - 2008: **Deputy Chief of Extra Capital Department**

The organization: **Open joint-stock company AKB "Communication-bank"**

2005-2006: **Chief of Client Service of the Northwest Regional Centre**

The organization: **Open joint-stock company AKB "Communication-bank"**

2005 - 2005: **Deputy of Head of Clients Relations Department**

2004 - 2005: **Chief of Department of Telecommunication Companies Relations**

The organization: **Closed joint-stock company "Telecommercial bank"**

2004 - 2004: **Chief of Department of Telecommunication Companies Relations**

2004 - 2004: **Leading specialist of Telecommunication Companies Relations**

2003 - 2004: **Leading specialist of Telecommunication Companies Relations**

2002 - 2003: **Specialist of Telecommunication Companies Relations**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**
Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

5.5.2. Information on the officers of the Issuer's Internal Audit Department

Key executives of Internal Audit Department, OJSC 'Uralsvyazinform'

Acting Director of Internal Audit Department:

Andrey V. Kozhevnikov

Year of birth: **1962**

Education: **higher**

Positions as of the last 5 years:

Organization: **Control and Audit Directorate, Ministry of Finance of the Russian Federation**

2002 – 2002: **Chief Inspecting Auditor**

Organization: **OJSC 'Uralsvyazinform'**

2002 – 2004: **Accountant-Auditor**

2004 – 2005: **Leading Specialist of Internal Audit Department**

2005 – June 2007: **Head of Inspection Sector, Internal Audit Department**

June 2007 – present day: **Acting Director of Internal Audit Department**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

Key executives of Internal Audit Department:

1. Sergey V. Artemov

Year of Birth: **1977**

Education: **higher**

Positions as of the last 5 years:

Organization: **Group of industrial enterprises "Tsvetmetproduct"**

2004-2005: **Auditor**

Organization: **Closed joint-stock company "Universe"**

2005-2005: **Logistician**

Organization: **Open joint-stock company "Euroset"**

2005-2006: **Auditor**

Organization: **Closed joint-stock company "STKS"**

2006-2007: **Senior Auditor**

Organization: **Open joint-stock company "Uralsvyazinform"**

2007 - 2007: **Leading Specialist of Internal Audit Department of the Ekaterinburg branch**

2008 – present: **Leading Specialist of Internal Audit Department of the Ekaterinburg branch**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

2. Alexander N. Bazuev

Year of Birth: **1964**

Education: **higher**

Positions as of the last 5 years:

Organization: **Control-auditing management of the Ministry of Finance of the Russian Federation of the Perm region.**

2003-2004: **Senior controller-auditor of Department on interaction with law enforcement bodies**

Organization: **Federal service of financially-budgetary supervision in the Perm region**

2004-2005: **Leading specialist of Department in interaction with law enforcement bodies**

Organization: **Open joint-stock company "Uralsvyazinform"**

2005-2007: **Leading specialist of Department of internal audit of the Perm branch of telecommunication**

2008 - present: **Chief of Department of Internal Audit (Perm) Department of Internal audit**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

3. Vaskina T. Nikolaevna

Year of Birth: 1973

Education: **higher**

Positions as of the last 5 years:

Organization: **OJSC "Izhevsk electromechanical factory 'Kupol'"**

2002 – 2004: **2 category economist in Prospective Research Sector**

2004 – 2005: **1 category economist in Prospective Research Sector**

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2005 – 2007: **2 category specialist of Methodology and Risks Sector, Internal Audit Department**

2007 – present day: **1 category specialist of Methodology and Risks Sector, Internal Audit**

Department

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

4. Olga S. Ivina

Year of Birth: 1967

Education: **higher**

Positions as of the last 5 years:

Organization: **Open joint-stock company "Uralsvyazinform"**

2003 - 2004: **Auditor**

2004 - 2005: **Chief of department of internal audit of Kurgan branch of telecommunication**

2006 - present: **Leading expert of department of checks of department of internal audit**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

5. Ilnykh A. Yury

Year of Birth: 1973

Education: **higher**

Positions as of the last 5 years:

Organization: **Management of the Ministry of the Russian Federation under taxes and tax collections on the Chelyabinsk region**

2003 - 2004: **Leading State tax inspector of department of work with the largest and problem tax bearers**

Organization: **Management of Federal tax service on the Chelyabinsk area**

2002 - 2005: **Leading tax inspector of control department**

Organization: **Open joint-stock company "Uralsvyazinform"**

2005 - 2007: **Leading specialist of department of internal audit of the Chelyabinsk branch of telecommunication**

2008 – present: **Leading specialist of department of internal audit (Chelyabinsk) department**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

6. Olga V. Kamyanezkaya

Year of Birth: 1981

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uraltelecom'**

2003 - 2005: Economist of strategic planning management and corporate governance

2005 - 2006: Economist of the corporate secretary department

2006 - present: Chief of department of methodology and risks of department of internal audit

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

7. Evgeny V. Logush

Year of Birth: **1978**

Education: **higher**

Positions as of the last 5 years:

Organization: **Federal state unitary enterprise «the Western-Siberian scientific research institute of geology and geophysics»**

2003 - 2005: **Bookkeeper under the account of the basic means and materials**

Organization: *Open joint-stock company "Uralsvyazinform"*

2005 - 2007: **Bookkeeper of group under the account внеоборотных actives of the Tyumen branch of telecommunication**

2007 - 2007: **Leading expert of department of internal audit of the Tyumen branch of telecommunication**

2008 - present: **Leading expert of department of internal audit (Tyumen) department of internal audit**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

8. Irina P. Medentsy

Year of Birth: **1958**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open joint-stock company "Uralsvyazinform"**

2003 - 2004: **Leading bookkeeper - the auditor of control-auditing group Yamalo - Nenets branch of telecommunication**

2004 - 2005: **Leading specialist of department of internal audit Yamalo - Nenets branch of telecommunication**

2005 - 2007: **Leading specialist of sector of internal audit Yamaloo - Nenets branch of telecommunication**

2008 – present: **Leading specialist of department of internal audit (Tyumen) department of internal audit**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **no share**

Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **no share**

9. Irina K. Neukisova

Year of Birth: **1955**

Education: **higher**

Positions as of the last 5 years:

Organization: **Open Joint-Stock Company 'Uralsvyazinform'**

2003 - 2005: **Chief of regional department of internal audit of the Ekaterinburg branch of telecommunication of OJSC "Uralsvyazinform"**

2005 - 2007: **Chief of department of internal audit of the Ekaterinburg branch of telecommunication**

2008 - present: **Chief of department of internal audit (Ekaterinburg) department of internal audit**

Share of the Issuer's Charter Capital owned by the member of the Audit Commission: **0,000048%**
Share of the Issuer's ordinary stock owned by the member of the Audit Commission: **0,000060%**

5.6. Remuneration, benefits and/or reimbursement of expenses granted to the members of the Issuer's financial and business operation control body

1. Amount of all-type remunerations and other material advancements paid to the members of the Audit Commission as of 2007*:

Salaries (RUR): **0**

Bonuses (RUR): **0**

Remunerations (RUR): **4 388 245,00**

Commission charges, benefits and/or reimbursement of expenses, and other material advances (RUR): **0**

Information on existing agreements regulating the amount of such payments in the current fiscal year:

Amount and procedure of disbursement of remunerations to the members of the Audit Commission are stated in item 7.4 of the 'Provisions on OJSC 'Uralsvyazinform' Audit Commission' (approved by the Annual General Shareholders Meeting of OJSC 'Uralsvyazinform', protocol dd. June 29, 2006).

In accordance with the 'Provisions on OJSC 'Uralsvyazinform' Audit Commission', Audit Commission members, when exercising their functions, are provided with quarterly remuneration amounting at RUR 150,000 per each member.

Remuneration of the Chairman of the Audit Commission amounts to that fixed for each member of the Audit Commission multiplied by 1.3.

2. Amount of all-type remunerations and other material advancements paid to the members of Internal Audit Department as of 2006:

Salaries (RUR): **10 520 804,89**

Bonuses (RUR): **4 280 697,45**

Remunerations (RUR): **631 141,00**

Commission charges, benefits and/or reimbursement of expenses, and other material advances (RUR): **753 848,76**

Information on existing agreements regulating the amount of such payments in the current fiscal year:

Executives of Internal Audit Department exercise their duties on the basis of Labor Contracts concluded with OJSC Uralsvyazinform'.

5.7. Quantity, educational level and structure of the Issuer's staff. Changes in quantity of the Issuer's staff

Average headcount of the Issuer, including the personnel of its divisions and representative offices. Amount of salaries and social benefits allocated by the Issuer as of the reporting quarter:

Factor	I quarter 2008	II quarter 2008
Average headcount, persons	24 405	23 740
Share of the Issuer's employees with higher education, %	33,67	33,7
Amount of funds directed to salaries and emoluments, thousand RUR*	1 608 329,4	1 980 428
Amount of funds directed to social benefits, thousand RUR	44 257,6	77 759,1
Overall amount of funds paid out, thousand RUR **	1 660 340,2	2 066 002,5

* Average headcount salaries fund

** Salaries and social benefits fund including part-time employees and employees engaged on the basis of independent-work contracts

The factors which served by the reason for change of number of employees (workers) of the emitter for the opened period, and also consequences of such changes for financial and economic activity of the emitter: **Rate of decrease in average number in II quarter 2008 has made 97,3 % in comparison with I quarter 2008 decrease has been reached at the expense of actions for optimisation of number of staff and has been provided in the budget of branches of the Emitter.**

Data on employees (workers) of the emitter, making essential impact on financial and economic activity of the emitter (key employees): ***the structure of employees of the Emitter does not include the employees, making essential impact on financial and economic activity of the Company, except the persons who are a part of controls of the Emitter, the information about which is resulted in corresponding sections of the present quarterly report.***

Data on creation by employees (workers) of the emitter of trade-union body: employees of the Company create the Inter-regional trade-union organization of OJSC Company "Uralsvyazinform" (OJSC Company "Uralsvyazinform").

5.8. Information on any obligations of the Issuer to the employees, that could cause probability of their participation in the Issuer's Charter (Share) Capital

Agreements or obligations of the Issuer that could cause probability of the employees' participation in its Charter Capital: ***no.***

Information on granted or would-be granted warrants to the Issuer's employees: ***the Company didn't issue warrants.***

VI. Information on the Issuer's shareholders, and interested-party transactions effected by the issuer

6.1. Total number of the Issuer's shareholders

Total number of shareholders registered in the Company's Shareholder Register as of in the end of reporting period: **18 820**

Total number of nominee holders of the Issuer' shares as of in the end of reporting period: **21**

6.2. Information on the Issuer's shareholders owning at least 5 per cent of its Charter Capital or at least 5 per cent of its ordinary stock, and the information on the participants of such holders owning at least 20 per cent of their Charter Capital or at least 20 per cent of their Common Stock

Issuer's shareholders owning at least 5 per cent of its Charter Capital or at least 5 per cent of its ordinary stock:

1. Full name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Taxpayer Identification Number: **7710158355**

Address: **55, bld. 2 Plyuschikha str., Moscow 119121 Russia**

Share of the Issuer's Charter Capital: **41.3830%**

Share of the Issuer's ordinary stock: **51.4228%**

Shareholders owning at least 20 per cent of OJSC 'Svyazinvest' Charter Capital or at least 20 per cent of its ordinary stock:

1.1. Full name: the Russian Federation represented by the Federal Agency for Federal Property Management;

Taxpayer Identification Number: **7710542402;**

Address: **9, Nikolsky pereulok, Moscow, 103685, Russia;**

Share of OJSC 'Svyazinvest' Charter Capital: **75% minus 1 share;**

Share of OJSC 'Svyazinvest' ordinary stock: **75% minus 1 share;**

Share of the Issuer's Charter Capital: **no share;**

Share of the Issuer's ordinary stock: **no share.**

1.2. Full name: Open Joint-Stock Company "Comstar – United TeleSystems"

Taxpayer Identification Number: **7740000069;**

Address: **27, bld. 2, Smolenskaya-Sennaya sq., 119121, Moscow, Russia;**

Share of OJSC 'Svyazinvest' Charter Capital: **17,31% plus 1 share;**

Share of OJSC 'Svyazinvest' ordinary stock: **17,31% plus 1 share;**

Share of the Issuer's Charter Capital: **no share;**

Share of the Issuer's ordinary stock: **no share.**

1.3. Full name: MGTS FINANCE S.A. SOCIETE ANONYME;

Taxpayer Identification Number: **no data;**

Address: **L-2453, Luxemburg, 5, RUE EUGENE RUPPERT;**

Share of OJSC 'Svyazinvest' Charter Capital: **7,69%;**

Share of OJSC 'Svyazinvest' ordinary stock: **7,69%;**

Share of the Issuer's Charter Capital: **no share;**

Share of the Issuer's ordinary stock: **no share.**

Nominee holders of the Issuer's shares who hold at least 5 per cent of its Charter Capital or at least 5 per cent of its ordinary stock:

1. Name: Non-profit partnership 'the National Depository Center'

Address: **1/13, bld. 4, Sredny Kislovsky Pereulok, 125009 Moscow, Russia**

Tel.: **7 (495) 223 6392**, fax: **7 (495) 956 0938**, e-mail: info@ndc.ru

Amount of the Issuer's ordinary shares registered to the nominee holder: **9 195 053 449 shares**

2. Name: ING Bank (Eurasia) ZAO

Address: **36, Krasnoproletarskaya ul., 127473, Moscow, Russia**

Tel.: **7 (495) 755 5400**, fax: **7 (495) 755 5499**, e-mail: mail.russia@ingbank.com

Amount of the Issuer's ordinary shares registered to the nominee holder: **2 963 624 358 shares**

3. Name: **Closed Joint-Stock Company 'Depository Clearing Company'**
Address: **Building B, 31, Shabolovka Street, Moscow, 115162, Russian Federation**
Tel.: **7 (495) 956 0999**, fax: **7 (495) 232 6804**, e-mail: dcc@dcc.ru
Amount of the Issuer's ordinary shares registered to the nominee holder: **1 016 199 781 shares**

6.3. Information on the share in the Issuer's Charter (Share) Capital owned by the government or municipal bodies; availability of the "Golden Share"

1. Type of property: **constituent entity of the Russian Federation**
Share of the Issuer's Charter Capital: **0,001958%**
Full name of the entity performing portfolio management: **Social Support Fund at the Administration of Sverdlovsk region**
Address: **105, Bolshakova str., 620094, Ekaterinburg, Russia**

Availability of a special right of the Russian Federation, its constituent entities, and municipal bodies to the management of the Issuer's activities ('Golden share'): **not available**.

6.4. Restrictions imposed on participation in the Issuer's Charter Capital

Restrictions imposed on the quantity of shares owned by a shareholder and/or their total par value, and/or highest possible number of votes granted to a shareholder: **such restrictions are not stipulated in the Issuer's Charter**.

Restrictions imposed on participation of foreign shareholders in the Issuer's Charter Capital: **there are no such restrictions**.

Other restrictions imposed on participation in the Issuer's Charter:

1. **Cases of acquisition of over 30 per cent of the Company's shares are subject to the regulations of chapter XI.1 of Join-Stock Companies Law.**

2. **Acquisition of the Company's voting stock by a person or a group of persons shall be effected after its authorization by the anti-monopoly authority pursuant to article 28 of Anti-Competition Law (dd. July 26, 2006 #135-Φ3) in the following cases:**

– **if a person (a group of persons) acquires over 25 per cent of the voting stock, given that the person (the group of persons) hadn't owned Company's voting stock before or owned less than 25 per cent of the voting stock,**

– **if a person (a group of persons) acquires over 50 per cent of the voting stock, given that prior to this acquisition such a person (a group of persons) had owned at least 25 but not over 50 per cent of the Company's voting stock,**

– **if a person (a group of persons) acquires over 75 per cent of the voting stock, given that prior to this acquisition such a person (a group of persons) had owned at least 50 but not over 75 of the Company's voting stock.**

6.5. Information on alterations in the Issuer's shareholders owning at least 5 per cent of its Charter capital or at least 5 per cent of its Common Stock

Issuer's shareholders who owned at least 5 per cent of the Issuer's Charter Capital and at least 5 per cent of the Issuer's ordinary stock as of the date of compiling of the list of persons authorized to participate in each Shareholders' Meeting held within the last 5 completed fiscal years, and the last ended quarter:

1. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: **15 April 2002**

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

1.1. Name: **OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')**

Share of the Issuer's Charter Capital: **53.2%**

Share of the Issuer's ordinary stock: **53.2%**

2. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: **17 October, 2002**

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

2.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

2.2. Name: Closed Joint-Stock Company 'Depository Clearing Company'

Share of the Issuer's Charter Capital: **10.03%**

Share of the Issuer's ordinary stock: **7.92%**

2.3. Name: ING Bank (Eurasia) ZAO

Share of the Issuer's Charter Capital: **9.75%**

Share of the Issuer's ordinary stock: **9.32%**

2.4. Name: Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

3. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: 5 May, 2003

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

3.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

3.2. Name: ING Bank (Eurasia) ZAO

Share of the Issuer's Charter Capital: **13.35%**

Share of the Issuer's ordinary stock: **12.34%**

3.3. Name: Closed Joint-Stock Company 'Depository Clearing Company'

Share of the Issuer's Charter Capital: **8.37%**

Share of the Issuer's ordinary stock: **5.46%**

3.4. Name: Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

4. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: 7 May, 2004

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

4.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

4.2. Name: ING Bank (Eurasia) ZAO

Share of the Issuer's Charter Capital: **17.90%**

Share of the Issuer's ordinary stock: **17.56%**

4.3. Name: Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

5. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: 13 February, 2005

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

5.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

5.2. Name: ING Bank (Eurasia) ZAO

Share of the Issuer's Charter Capital: **17.137%**

Share of the Issuer's ordinary stock: **16.803%**

5.3. Name: *Non-profit partnership the 'National Depository Center'*

Share of the Issuer's Charter Capital: **5.902%**

Share of the Issuer's ordinary stock: **5.714%**

5.4. Name: *Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'*

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

6. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: *6 May, 2005*

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

6.1. Name: *OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')*

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

6.2. Name: *ING Bank (Eurasia) ZAO*

Share of the Issuer's Charter Capital: **15.440%**

Share of the Issuer's ordinary stock: **15.078%**

6.3. Name: *Non-profit partnership the 'National Depository Center'*

Share of the Issuer's Charter Capital: **7.345%**

Share of the Issuer's ordinary stock: **7.664%**

6.4. Name: *Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'*

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

7. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: *5 May, 2006*

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

7.1. Name: *OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')*

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

7.2. Name: *JP MORGAN CHASE BANK N.A.*

Share of the Issuer's Charter Capital: **7.982%**

Share of the Issuer's ordinary stock: **8.251%**

7.3. Name: *Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'*

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

8. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: *25 July, 2006*

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

8.1. Name: *OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')*

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

8.2. Name: *JP MORGAN CHASE BANK N.A.*

Share of the Issuer's Charter Capital: **7.18%**

Share of the Issuer's ordinary stock: **7.49%**

8.3. Name: *Specialized State Institution under the Government of the Russian Federation 'Russian Federal Property Fund'*

Share of the Issuer's Charter Capital: **4.638%**

Share of the Issuer's ordinary stock: **5.763%**

9. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: *April 27, 2007*

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

9.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

9.2. Name: JP MORGAN CHASE BANK N.A.

Share of the Issuer's Charter Capital: **6.16%**

Share of the Issuer's ordinary stock: **6.49%**

9.3. Name: Closed Joint-Stock Company "Leader" (Pension Funds Management Company), Trust Manager of Pension Fund "Gazfond"

Share of the Issuer's Charter Capital: **5.31%**

Share of the Issuer's ordinary stock: **6.57%**

10. The date of compiling of the list of persons authorized to participate in Shareholders' Meeting of the Issuer: **April 18, 2008**

Issuer's shareholders, who, as of the date stated, owned at least 5 per cent of its Charter Capital and at least 5 per cent of its ordinary stock:

9.1. Name: OJSC 'Investitsionnaya kompaniya svyazi' (OJSC 'Svyazinvest')

Share of the Issuer's Charter Capital: **41.383%**

Share of the Issuer's ordinary stock: **51.423%**

9.2. Name: JP MORGAN CHASE BANK N.A.

Share of the Issuer's Charter Capital: **4.89%**

Share of the Issuer's ordinary stock: **5.08%**

9.3. Name: Closed Joint-Stock Company "Leader" (Pension Funds Management Company), Trust Manager of Pension Fund "Gazfond"

Share of the Issuer's Charter Capital: **5.26%**

Share of the Issuer's ordinary stock: **6.54%**

6.6. Information on interested-party transactions effected by the Issuer

Information on quantity and volume of the transactions in money terms made by the issuer recognized according to the legislation of the Russian Federation by transactions in which fulfillment (if there was an interest), demands approval by the authorized controls of the issuer, following the results of last accounting quarter: **such transactions were not made.**

Transactions (group of the interconnected transactions) in which fulfillment (if there was an interest) which price made 5 and more percent of balance cost of assets of the issuer, defined according to its accounting reporting for last accounting date before fulfillment of the transaction made by the issuer for last accounting quarter: **such transactions were not made.**

Total amount in money terms transactions in which fulfillment if there was an interest, made by the issuer for last accounting quarter: **such transactions were not made.**

Transactions (group of the interconnected transactions) in which fulfillment (if there was an interest) demanded approval, but have not been approved by the authorized department of the issuer (the decision on which approval by board of directors or general meeting of shareholders of the issuer was not accepted in cases when such approval was obligatory according to the legislation of the Russian Federation): **such transactions were not made.**

6.7. Amount of accounts receivable

Structure of the Issuer's Receivables with indication of their maturity terms as of the 2nd quarter 2007:

Types of Receivables	Reporting period	
	Term to maturity	
	Under 1 year	Over 1 year
Accounts receivable from customers and consumers, thousand RUR	2 928 423	8 863
including overdue, thousand RUR		X
Bills receivable, thousand RUR	-	-
including overdue, thousand RUR	-	X
Accounts receivable from the Company's founders (contributions to the charter capital), thousand RUR	-	-
including overdue, thousand RUR	-	X

Types of Receivables	Reporting period	
	Term to maturity	
	Under 1 year	Over 1 year
Receivables on advance paid out, thousand RUR	348 698	-
including overdue, thousand RUR	-	X
Other accounts receivable, thousand RUR	711 587	172 728
including overdue, thousand RUR	-	X
Total accounts receivable, thousand RUR	3 988 708	181 591
including total overdue, thousand RUR.	-	X

Debtors accounting for 10% or more of the overall value of accounts receivable as of the reporting period: **none**.

VII. Accounting reports/financial statements of the Issuer

7.1. Annual financial statements of the Issuer

Issuer's Annual Financial Statements as of the last completed fiscal year, compiled in accordance with the Russian Federation legislation, is included into the Quarterly Report as of the 1 quarter.

7.2. Quarterly financial statements of the Issuer for the last ended reporting quarter

Structure of quarterly financial statements annexed to the quarterly report:

a) The present quarterly report is accompanied by OJSC 'Uralsvyazinform' Quarterly Financial Statements as of the reporting period of 2008 (Annex 1) compiled under Russian Federation legislation.

b) As of the period stated, the Issuer doesn't have quarterly financial statements under IFRS or US GAAP.

7.3. Consolidated financial statements of the Issuer for the last ended fiscal year

The present Quarterly Report is attached with the Consolidated Financial Statements of OJSC "Uralsvyazinform" as of June 30, 2008 (Annex 2), compiled in accordance with the International Financial Reporting Standards and consisting of:

7.4. Total value of export and export share in the total sales volume

The Issuer doesn't export its services.

7.5. Information on the value of the Issuer's real estate and substantial changes in the Issuer's property that occurred after the end date of the last completed fiscal year

Overall value of the Issuer's real estate and amount of accumulated depreciation as of the end of the reporting quarter: **Real estate includes plots of land, buildings, communication lines and constructions. Please see the information on overall value of the real estate and accumulated depreciation in item 3.6.1 of the present quarterly report**

Information on substantial changes that occurred in the structure of the Issuer's real estate within 12 months prior to the end of the reporting period: **there were no substantial changes (over 0.4% of the Company's book value of assets) in the structure of the Issuer's real estate.**

7.6. Information on litigations involving the Issuer, in case that participation in such litigations may substantially affect financial and business activities of the issuer

In 2005 the Company did not accept participation in litigations which could affect its financial and economic activity essentially.

Now the Company is the claimant and the defendant in a number of arbitration processes. However, according to management of the Emitter, results of these processes will not render essential influence on the Company financial position. The exception makes an application for cancellation of the decision #12 dd. 12.01.2006 Inter-regional inspection FNS of Russia on the largest tax bearers №7 about attraction of the Emitter to a liability of infringement of the legislation on the taxes and tax collections, taken out by results of exit tax check.

By results of exit tax check for 2003-2004 the decision # 12 dd. 12.01.2006 added taxes in a total sum 561 332 037,86 RUR penalty in a total sum 107 358 263,81 RUR, and also the Company are made answerable in the form of penalties for a total sum 87 870 595,98 RUR.

The Company addressed in arbitration court of Moscow with an application for cancellation of the above-named decision of tax body.

From 05.23.2007 the Arbitration court of Moscow of the Company requirement are satisfied by the decision partially. The decision #12 is recognised from 12.01.2006 by illegal in a part of added taxes, пену and penalties for the sum 524 386 193 RUR. In other part in satisfaction of requirements of the Company are given up.

The decision of court of the first instance is appealed against in the Ninth appeal court; manufacture on business is suspended by definition from 02.04.2008.

From 04.18.2008 business is appointed by definition of the Ninth appeal court to consideration on 05.12.2008.

Taking into account arbitration practice developing in favour of tax bearers on similar disputes of the inter-regional companies of telecommunication, Emitter counts on a positive outcome of the appeal to the decision of court of the first instance.

Other judicial, administrative or tax trials concerning the Emitter which can cause changes in its financial condition, at present to expect it is not obviously possible.

The proceedings which are not challenged by the Company, or recognition of obligations the Company for the considerable sums are absent.

Concerning the Company investigations by any state supervising and supervising bodies are not conducted.

Legislation infringements, responsibility for which can entail a considerable damage for the Company, are not admitted.

VIII. Additional information on the Issuer and the issue securities it placed

8.1. Additional information on the Issuer

8.1.1. Amount and structure of the Issuer's Equity Capital

Issuer's Equity Capital as of the end of the reporting quarter (RUR): **4 816 166 796.72**

Structure of Equity Capital:

Type of shares	Amount	Total par value	Share of the Equity Capital, %
Ordinary	32,298,782,020	3,875,853,842.40	80.48
Preferred	7,835,941,286	940,312,954.32	19.52

Part of the Issuer's shares circulates outside of the Russian Federation in accordance with the foreign law in the form of foreign issuers' securities representing Issuer's shares.

Information on the Issuer's shares circulating outside of the Russian Federation:

1. Type of the Issuer's shares circulating outside of the RF: **ordinary registered shares**

Part of the shares circulating outside of the RF of the overall amount of shares of this type: **2,85%**

Name and address of the foreign Issuer whose securities represent the Issuer's shares: **JP Morgan, 60 Victoria Embankment, London EC4Y 0JP**

Short description of the Program of foreign issuer's securities representing the Issuer's shares:

Level 1 American Depository Receipts program representing the Issuer's ordinary shares. The program is based on the Deposit Agreement concluded between the Issuer and JPMorgan Chase Bank dd. April 22, 2002 (as amended and restated as of December 15, 2002). 1 ADR represents 200 Issuer's shares of a certain type.

Trade institutors arranging circulation of the foreign issuer's securities representing the Issuer's shares:

- **Frankfurt Stock Exchange;**
- **Berlin-Bremen Stock Exchange;**
- **Stuttgart Stock Exchange;**
- **Düsseldorf Stock Exchange;**
- **München Stock Exchange.**

2. Type of the Issuer's shares circulating outside of the RF: **type A preferred registered shares.**

Part of the shares circulating outside of the RF of the overall amount of shares of this type: **4,11%**

Name and address of the foreign Issuer whose securities represent the Issuer's shares: **JP Morgan, 60 Victoria Embankment, London EC4Y 0JP**

Short description of the Program of foreign issuer's securities representing the Issuer's shares:

Level 1 American Depository Receipts program representing the Issuer's preferred shares. The program is based on the Deposit Agreement concluded between the Issuer and JPMorgan Chase Bank dd. September 30, 2002. 1 ADR represents 200 Issuer's shares of a certain type.

Trade institutors arranging circulation of the foreign issuer's securities representing the Issuer's shares:

- **Frankfurt Stock Exchange;**
- **Berlin-Bremen Stock Exchange.**

8.1.2. Information on alterations that occurred in the structure of the Issuer's Equity Capital

Alterations in the Issuer's Equity Capital that occurred within the last 5 completed fiscal years and in the reporting quarter:

Issuer's Equity Capital as of 1 January, 2001: **RUR 1,049,272,527.48.**

Structure of the Issuer's Equity Capital as of 1 January, 2001: **100% ordinary shares**

Issuer's governing body that adopted the resolution to alter the amount of the Issuer's Equity Capital:

Extraordinary General Shareholders' Meeting of OJSC 'Uralsvyazinform' (Protocol of the Meeting dd. 17 December, 2002).

Issuer's Equity Capital after the alteration: **RUR 4,816,166,796.72.**

8.1.3. Information on formation and utilization of reserve fund and other funds by the Issuer

Information on the Issuer's reserve fund and other funds formed from the net profit:

1. Name of the fund: Reserve Fund (formed in accordance with the requirements of article 35 of Joint-Stock Companies Law)

Amount of the Fund fixed by the Issuer's constitutive documents: **5% of the Issuer's Equity Capital.**

Amount of the fund as of the end of the reporting period

– in money: **RUR 240,808,000**

– in percentage of the Equity Capital: **5%;**

In the 2nd quarter 2008 the Reserve Fund was not accrued and was not utilized.

2. Other funds formed at the cost of net profit: none.

8.1.4. Information on the procedure of convocation and conduction of the Meeting of the Issuer's supreme governing body

Issuer's supreme governing body: **general shareholders' meeting**

Procedure of shareholders notification of the general shareholders' meeting:

"Notice on the AGM shall be published not later than 30 days prior to the date of its holding if not otherwise stated by the legislation.

In case the agenda of EGM contains an item concerning the election of the Company Board of Directors' members, the notice on the EGM shall be published not later than 50 days prior to the date of its holding.

In case an EGM is convened following the request of the Audit Commission, Auditor or a shareholder of the Company, owning not less than 10 per cent of voting shares in the Company, a notice on such EGM shall be made not later than 20 days prior the date the meeting is held.

Within the stated time a notice on the General Shareholders Meeting shall be either sent to each person of the list of those entitled to participate in the General Shareholders Meeting, by registered mail or delivered to all of the enlisted person under notice of receipt. Additionally the notice on General Meeting may be published in the newspaper "Rossiyskaya Gazeta" and major regional newspapers."

Persons (or Company's bodies) authorized to convoke (propose convocation) of the extraordinary general shareholders' meeting. Procedure of submitting such proposals:

An Extraordinary General Shareholders Meeting (EGM) shall be held by the Board of Directors' decision based on its own initiative, on the Company Auditing Commission proposal, or on the proposal of the Company's auditors and shareholders' (a shareholder), owning at least 10 per cent of Company voting shares as of the date of proposal.

Proposal to hold an extraordinary shareholders' meeting may be directed in the following ways:

– **through the mailing service to the Company's Sole Executive Body address kept in a Unified State Register of Legal Entities of The Russian Federation;**

– **delivery under notice of receipt to the person acting as a Company's Sole Executive Body, Chairman of the Board of Directors, Corporate Secretary or other person authorized to receive written correspondence addressed to the Company;**

– **it may be directed by facsimile transmission.**

Proposal to hold an extraordinary shareholders' meeting shall contain the information stipulated in article 55 of Joint-Stock Companies Law.

Only signed by the shareholders (their representatives) proposals to hold an extraordinary shareholders' meeting shall be deemed submitted.

In case the proposal to hold an extraordinary shareholders' meeting is signed by a shareholder's representative, such a proposal should be attached with the power of attorney (or its copy verified in due course) containing information on the represented person and his/her representative in accordance with the requirements of Joint-Stock Companies Law.

In case the proposal to hold an extraordinary shareholders' meeting is signed by a shareholder (their representative) whose shares are kept by a depository on a depot account, such a proposal should be accompanied by an extract from such a depot account.

Proposal to hold an extraordinary shareholders' meeting may be withdrawn by a person who directed such a request. Such a withdrawal may be directed by any way stipulated for the direction of the proposals. In this case the date of withdrawal receipt shall be the date of receipt by the Company the posting, the withdrawal delivery date or the date of fax delivery.

If within the term determined by Joint-Stock Companies Law the Board of Directors wouldn't adopt decision on convocation or refusal to convoke an extraordinary shareholders' meeting, the meeting may be convoked by the bodies or persons who requested its convocation.

Determination of date of the general shareholders' meeting:

Convocation of annual and extraordinary General Shareholders' Meetings is an exclusive competence of the Board of Directors, except for cases stipulated in Article 55.8 of Joint-Stock Companies Law.

Annual General Shareholders' Meeting shall be held not earlier than 4 months and not later than 6 months after the completion of a fiscal year.

Extraordinary General Shareholders' Meeting convened at the Company's Auditing Commission request, Auditors' request or at the request of shareholders (a shareholder) owning at least 10 per cent of the Company's voting shares shall be held within 40 days from the date of the request to hold EGM.

The EGM convened at the Company's Audit Commission request, Auditors' request or on the request of shareholders (a shareholder) owning at least 10 per cent of the Company's voting shares, the agenda of which contains the item of election of the Company Board of Directors', shall be held within 70 days from the date of the request to hold EGM.

In case the number of the Company Board of Directors' members becomes less the quorum necessary to hold the sessions of the Board of Directors, the EGM convened on the decision of the Board of Directors under its own initiative to settle the issue of the Board of Directors' members election, shall be held within 70 days from the date of decision taken by the Company's Board of Directors.

Persons authorized to submit proposals to the agenda of the general shareholders' meeting; procedure of such proposals' submission:

Shareholders (a shareholder) owning in aggregate at least 2 per cent of the Company's voting stock, are authorized to submit proposals to the Annual General Shareholders' Meeting and nominate candidates to the Board of Directors and to the Audit Commission, the number of which shall not exceed the one determined by the Company's Charter. Such proposals shall enter the Company not later than 45 days after completion of a fiscal year.

When preparing an Extraordinary General Shareholders' Meeting having in its agenda the item of election the Company's Board of Directors, the shareholders (a shareholder), owning in aggregate at least 2 per cent of voting shares shall have a right to nominate candidates to the Company's Board of Directors, the number of which shall not exceed the number of Board of Directors stated herein. Such proposals shall enter the Company not later than 30 days prior to EGM.

Proposals on introducing items to the agenda of the Annual General Shareholders' Meeting, on nominating candidates into the Company's Bodies, elected by the General Shareholders' Meeting can be submitted in the following way:

- sent by mail to the Company's sole executive body address (location), kept in the state unified register of legal entities;
- delivered under notice of receipt to the person, acting as the Company's sole executive body, to the Chairman of the Board of Directors or to another person authorized to take correspondence, addressed to the Company;
- sent by facsimile transmission.

Proposals on introducing items into the agenda of the Annual General Shareholders' Meeting, on nominating candidates into the Company's Bodies, elected by the General Shareholders' Meeting, shall contain information stated in Article 53 of the Joint-Stock Companies Law. Proposal on nomination of candidates to the Board of Directors and to the Audit Commission of the Company shall contain:

- date of birth;
- details of education;
- post address of the candidate for correspondence.

Only signed by the shareholders (their representatives) proposals on the AGM's agenda, on nominating candidates into the Company's Bodies, elected by the General Shareholders Meeting, and the request on the Extraordinary General Shareholders Meeting calling shall be considered as submitted.

In case the proposal on the AGM agenda, on nominating candidates into the Company's Bodies, elected by the General Shareholders' Meeting is signed by the shareholder's representative, this proposal (request) shall be attached with the power of attorney (copy of the power of attorney verified in due course), containing the information about the represented shareholder and his representative, which in accordance with the Joint-Stock Companies Law shall be in power of attorney on voting, and in the form specified therefore by the said law.

In case the proposal on the AGM agenda, on nominating candidates into the Company's Bodies is signed by a shareholder (their representative) whose shares are kept by a depository on a depot account, such a proposal should be accompanied by an extract from such a depot account.

Proposals on the AGM agenda, on nominating candidates into the Company's Bodies may be withdrawn by a person who directed such a request. Such a withdrawal may be directed by any way stipulated for the direction of the proposals. In this case the date of withdrawal receipt shall be the date of receipt by the Company the posting, personal delivery or fax delivery.

Persons entitled to view the information (materials) pertaining to the preparation and holding the General Shareholders' Meeting; procedure of rendering such information (materials) by the Company:

Information (materials) pertaining to the General Shareholders' Meeting shall be rendered for review to the persons authorized to participate in the General Shareholders' Meeting. The list of persons authorized to participate in the General Shareholders' Meeting shall be compiled based on the Company shareholders' Register data.

Persons entitled to participate in the General Shareholders Meeting shall be provided with the following information (materials) according to the procedure and at the place (places) stated in the Notice on the General Shareholders Meeting:

- ***annual accounting reports including auditors' opinion and Company auditing commission opinion on the results of annual accounting audit,***
- ***information on the candidates into the Board of Directors and Auditing Commission of the Company,***
- ***draft alterations and amendments to be introduced into the Company Charter, or new edition of the Company Charter,***
- ***internal documents draft,***
- ***other drafts of documents to be adopted by the draft decisions of the General Shareholders Meeting,***
- ***draft decisions of the General Shareholders Meeting,***
- ***any other information (materials), necessary to be provided pursuant to the current legislation,***
- ***any other information (materials) necessary to take decisions on the General Shareholders Meeting' agenda, covered by the Board of Directors in the list of information (materials) to be provided to the shareholders when preparing the General Shareholders Meeting.***

Procedure of rendering information to the Company's shareholders is defined in the 'Provisions on rendering documents to the shareholders of OJSC 'Uralsvyazinform' approved by the Board of Directors (Protocol of the session # 22, dd. 25 February 2004).

Procedure of announcement of the resolutions adopted by the General Shareholders' Meeting and results of voting:

- Voting results and resolutions adopted by the General Shareholders' Meeting may be***
- 1) read out at the General Shareholder' Meeting or***
 - 2) brought to the notice of persons entitled to participate in the meeting according to the order of distribution notifications on the General Shareholders' Meeting.***

8.1.5. Information on commercial organizations in which the Issuer owns at least 5 per cent of the Charter Capital or at least 5 per cent of ordinary shares

The list of commercial organizations in which the Issuer owns at least 5 per cent of the Charter Capital or at least 5 per cent of the ordinary stock as of the end of the first quarter 2007:

- 1. Name: Closed Joint-stock Company 'UFK-Svyaz'**
Address: **42, Schepkina street, 129110, Moscow, 42, 2A, 610**
Share of the Company's Charter Capital owned by the Issuer: **75%**
Share of the Issuer's Charter Capital owned by the Company: **no share**
Share of the Issuer's ordinary stock owned by the Company: **no share**

2. Name: Closed Joint-stock Company 'Parma-pension'

Address: **2, Krupskoy str., 614600, Perm, Russia**

Share of the Company's Charter Capital owned by the Issuer: **28,2%**

Share of the Company's ordinary stock owned by the Issuer: **28,2%**

Share of the Issuer's Charter Capital owned by the Company: **no share**

Share of the Issuer's ordinary stock owned by the Company: **no share**

3. Name: Closed Joint-stock Company "Rostelegraph"

Address: **7, Tverskaya ul., 103375, Moscow**

Share of the Company's Charter Capital owned by the Issuer: **11,76%**

Share of the Company's ordinary stock owned by the Issuer: **11,76%**

Share of the Issuer's Charter Capital owned by the Company: **no share**

Share of the Issuer's ordinary stock owned by the Company: **no share**

4. Name: Closed Joint-stock Company "Research and Technology Center 'Comset'"

Address: **7, 1 Parkovaya ul., 105037, Moscow, Russia**

Share of the Company's Charter Capital owned by the Issuer: **11,09%**

Share of the Company's ordinary stock owned by the Issuer: **11,09%**

Share of the Issuer's Charter Capital owned by the Company: **no share**

Share of the Issuer's ordinary stock owned by the Company: **no share**

5. Name: Open Joint-stock Company "Informatsionnyie Tekhnologii Svyazi" ("Svyazintekh")

Address: **38, Prechistenka ul., 119034, Moscow, Russia**

Share of the Company's Charter Capital owned by the Issuer: **11%**

Share of the Company's ordinary stock owned by the Issuer: **11%**

Share of the Issuer's Charter Capital owned by the Company: **no share**

Share of the Issuer's ordinary stock owned by the Company: **no share**

6. Name: Open Joint-stock Company "Insurance Company "Ural-American Intercontinental Life Insurance Company"

Address: **80 A, Gagarin Avenue, 614077, Perm, Russia**

Share of the Company's Charter Capital owned by the Issuer: **6,06%**

Share of the Company's ordinary stock owned by the Issuer: **6,06%**

Share of the Issuer's Charter Capital owned by the Company: **no share**

Share of the Issuer's ordinary stock owned by the Company: **no share**

8.1.6. . Information on major transactions effected by the Issuer

Major transactions (groups of transactions), debt obligations on which amount to 10 or more per cent of the Issuer's book value of assets as stated in its financial statements as of the last reporting quarter preceding the date of transaction: **there were no such transactions in the reporting period.**

8.1.7. Credit ratings of the Issuer

1. Name of organization that assigned credit rating to the Issuer: **Standard&Poor's, a division of The McGraw-Hill Companies, Inc.**

Address: **55 Water Street, New York, NY, United States, 10041**

Type of rating: **Issuer's credit rating**

Credit rating as of in the end of the reporting period: **BB-/Stable**

Credit rating history as of the last 5 completed fiscal years:

Date of assignment	Credit rating
12/17/2001	B-/Stable
04/02/2003	B/Stable
04/14/2005	B+/Stable
09/30/2005	B+/Stable (affirmed)
09/27/2006	BB-/Stable
02/15/2008	BB-/ Negative(Credit Watch)
05/19/2008	BB-/Stable

Methodology of credit rating assignment: **Standard&Poor's internal methodology.**

Web-site where the information on methodology of credit rating assignment is available:
<http://www.standardandpoors.ru/>

Other information on credit rating: **no.**

2. Name of organization that assigned credit rating to the Issuer: **FITCH RATINGS, Inc.**

Address: **One State Street Plaza New York, NY, United States, 10004**

Type of rating: **Issuer's credit rating**

Credit rating as of in the end of the reporting period: **B+/Stable**

Credit rating history as of the last 5 completed fiscal years:

Date of assignment	Credit rating
May 1999	CCC
May 2000	B-
04/12/2001	B/Stable
05/14/2003	B+/Positive
03/26/2004	BB-/Stable
09/30/2005	BB-/Stable
12/02/2005	B+/Negative
02/07/2006	B+/Negative
11/23/2006	B+/Stable
01/24/2008	B+/Stable

Methodology of credit rating assignment: **FITCH RATINGS internal methodology.**

Web-site where the information on methodology of credit rating assignment is available:
<http://www.fitchratings.ru/>

Other information on credit rating: **no.**

8.2. Information on each category (type) of the Issuer's shares

1. 1. Category of shares: **ordinary**

Share par value: **RUR 0.12**

Number of shares outstanding: **32 298 782 020**

Number of additional shares being placed at the moment: **0**

Number of shares authorized for issuance in addition to those outstanding: **11 445 155 709**

Number of shares accounted at the Issuer's balance sheet: **0**

Number of additional shares that may possibly be placed after securities conversion or in consequence of discharge of obligations on the Issuer's options: **0**

State registration number and date of state registration: **in accordance with the notice by the RF Federal Commission on the Securities Market, all ordinary shares issues of Uralsvyazinform were consolidated into one issue with the state registration number 1-07-00175-A dd. September 9, 2003**

Date of the state registration of the first share issue out of those consolidated: **March 27, 2000**

Rights granted to the shareholders in accordance with the Company's Charter:

Extract from the Company's Charter

Article 7. Rights and Duties of the Shareholders Owning Company Ordinary Shares

"7.1. Each Company common share provides to its holder the same rights.

7.2. Each shareholder owning Company common shares has the following rights:

- 7.2.1. to participate in the General Shareholders Meeting according to the procedure provided by the Russian Federation legislation in force;
- 7.2.2. to receive dividends according to the procedure provided by the Russian Federation legislation in force and this Charter, in case they are authorized by the Company;
- 7.2.3. to receive a part of the Company property, remained after its liquidation, pro rata his/her shares;
- 7.2.4. to receive access to the documents set forth in Article 89.1 of the Federal law "On joint-stock companies", according to the procedure set forth in Article 91 thereof;
- 7.2.5. to request from the registrar the confirmation of his/her shareholder's ownership rights by receiving an extract from the Company Shareholders Register;
- 7.2.6. to receive from the Company registrar an information on all the records at his/her personal account as well as any other information provided for by the legal acts of the Russian Federation, establishing the procedure of Shareholders register keeping;
- 7.2.7. to dispose his/her shares without any consent of other shareholders and the Company;
- 7.2.8. to defend in courts his/her violated civil rights including the demand to the Company for compensation of damages, in cases provided for by the Russian Federation legislation in force;
- 7.2.9. to demand the redemption of all his/her shares or their part from the Company in cases and according to procedure provided for by the Russian Federation legislation in force;
- 7.2.10. to sell his/her shares to the Company in case the Company has decided to buy these shares;
- 7.2.11. to demand from the Company an extract from the list of persons entitled to participate in the General Shareholders Meeting, containing information on the shareholder;
- 7.2.12. to have preemption right to buy additionally placed via open subscription shares and issued securities, swapped into shares, in the amount pro rata to his/her owned shares.
- 7.3. A shareholder owning more than 1 per cent of the Company voting shares, has the right to request from the Company registrar an information on names of shareholders registered in the Shareholders Register and on the amount, category and par value of the shares they own (This information is submitted without naming their address).
- 7.4. Shareholders (shareholder), owning at least 1 per cent of the Company placed common shares have the right to bring suit into the court against a member of the Company Board of Directors, against the Company sole executive body, against a member of the Company collegiate executive body, as well as against a controlling organization or a director to compensate damages caused to the Company as a result of guilty activities (inactivity) of the above-mentioned persons.
- 7.5. Shareholders owning at least 1 per cent of votes at the General Shareholders Meeting shall have the right to request from the Company the list of persons entitled to participate in the meeting. In this case the information containing shareholders' documents data and their addresses shall be disclosed only with their consent.
- 7.6. Shareholders (a shareholder) owning in aggregate at least 2 per cent of the Company voting shares shall have the right to put items into the AGM agenda and nominate candidates to the Company managing and auditing boards to be elected by the General Shareholders Meeting. When preparing an Extraordinary Shareholders Meeting having on its agenda the election of the Company Board of Directors, the above-mentioned shareholders (shareholder) shall have the right to propose candidates for election into the Company Board of Directors.
- 7.7. Shareholders (a shareholder) owning in aggregate at least 10 per cent of the Company voting shares shall have the right to demand from the Company Board of Directors to convene an Extraordinary the General Shareholders Meeting. If within the period set forth by the Russian Federation legislation in force and by this Charter the Company Board of Directors does not take the decision to convene an Extraordinary the General Shareholders Meeting or it takes the decision not to convene it, an Extraordinary the General Shareholders Meeting can be convened by the above-mentioned shareholders.
- 7.8. Shareholders (a shareholder) owning in aggregate at least 10 per cent of the Company voting shares shall have the right at any time to demand the auditing of financial and economic activities of the Company.
- 7.9. Shareholders (a shareholder) owning in aggregate at least 25 per cent of the Company voting shares shall have the right to access and receive copies of accounting reports and minutes of the Company collegiate executive body meetings.
- 7.10. Shareholders owning Company common shares shall have some other rights provided for by the current legislation of the Russian Federation as well as by this Charter."

Other information on the present category of shares: **no**.

2. Category of shares: **preference**
Share par value: **RUR 0.12**

Number of shares outstanding: **7 835 941 286**

Number of additional shares being placed at the moment: **0**

Number of shares authorized for issuance in addition to those outstanding: **7 164 058 714**

Number of shares accounted at the Issuer's balance sheet: **0**

Number of additional shares that may possibly be placed after securities conversion or in consequence of discharge of obligations on the Issuer's options: **0**

State registration number and the date of the state registration: **in accordance with the notice by the RF Federal Commission on the Securities Market, all preference shares issues of Uralsvyazinform were consolidated into one issue with the state registration number 2-01-00175-A dd. September 9, 2003.**

Date of the state registration of the first share issue out of those consolidated – **June 10, 2002**

Rights granted to the shareholders in accordance with the Company's Charter:

Extract from the Company's Charter

Article 8. Rights and Duties of the Shareholders Owning Company Preference Shares

"8.1. Each Company preferred share provides to its holder the same rights.

8.2. Shareholders owning preferred shares shall have the right to receive annual fixed dividends, except cases provided for by this Charter. Total amount of dividends on each preferred share shall be at the rate of 10 percent of the Company net profit of the last fiscal year divided by total number of preferred shares placed. In case the amount of dividends payable by the Company on each common share in a given year exceeds the amount payable as dividends on each preferred share, the amount payable on the latter shall be increased up to the dividend amount payable on the common share.

8.3. The shareholders owning preferred shares shall have the right to participate in the General Shareholders Meeting having the constituent power when voting the issues of reorganization and liquidation of the Company as well as when amending and editing the Company Charter if such amendments limit the right of the above-mentioned shareholders.

8.4. The shareholders of preferred shares shall have the right to participate in the General Shareholders Meeting having constituent power to vote all the agenda items when the General Shareholders Meeting has not approved, irrespective of the reasons, the decision to pay dividends or has taken the decision to pay the partial dividends on preferred shares. The shareholders of preferred shares shall accrue this power beginning from the meeting which follows the AGM where the decision to pay dividends has not been taken and shall be terminated at the date of the first full dividend pay-out on the preferred shares.

8.5. Preferred shares holders shall have the rights provided for by Articles 7.2.3, 7.2.4, 7.2.5, 7.2.6, 7.2.7, 7.2.8, 7.2.10, 7.2.11, and 7.2.12 hereof for the Company common shares holders. These rights are provided to the holders of the preferred shares including cases when these shares are not voting ones.

8.6. Preferred shares holders shall have the rights provided for by Articles 7.3, 7.6, 7.7, 7.8 and 7.9 hereof in case the preferred shares have the constituent power on all the items being in competence of the Company General Shareholders Meeting.

8.7. The preferred shares holders shall have the right to demand from the Company the redemption of all his/her shares or their part in cases and according to procedure provided for by the Russian Federation legislation in force ;

8.8. The preferred shares holders owning at least 1 per cent of votes at the General Shareholders Meeting shall have the right to request from the Company the list of persons entitled to participate in the meeting. In this case the information containing shareholders' documents data and their addresses shall be disclosed only with their consent.

8.9. Shareholders of the Company preferred shares shall have some other rights provided for by the Russian Federation legislation in force as well as by this Charter."

Other information on the present category of shares: **no.**

8.3. Information on previous securities issues of the Issuer other than Issuer's shares

8.3.1. Information on outstanding securities issues

Type of securities: **bonds**

Overall number of the present-type securities of the Issuer outstanding at the moment: **10 068 669**
Overall par value of the present-type securities of the Issuer outstanding at the moment:
RUR **10,055,467,450**

Major bond issues:

1. Sequence number of the issue: **108**

Type: **bonds**

Series: **04**

Form of securities: **non-convertible documentary interest-bearing bearer bonds**

Information on state registration of the bond issue:

state registration number: **4-07-00175-A**

date of state registration: **September 23, 2004**

date of state registration of the Placement Report: **December 9, 2004**

Amount of actually placed securities in accordance with the Placement Report: **3,000,000**

Bond par value: **RUR 1,000**

Overall par value of the bond issue: **RUR 3,000,000,000**

Maturity date: **November 1, 2007**

Guarantee provided to the securities issue:

– organization that provided guarantee: **“Express-Leasing” LLC**

– guarantee type: **pledge**

– amount of pledge: **RUR 3,000,000,000 (Three billion), as well as an aggregate coupon yield on 3,000,000 (three million) bonds.**

2. Sequence number of the issue: **109**

Type: **bonds**

Series: **05**

Form of securities: **non-convertible documentary interest-bearing bearer bonds**

Information on state registration of the bond issue:

state registration number: **4-08-00175-A**

date of state registration: **September 23, 2004**

date of state registration of the Placement Report: **June 8, 2005**

Amount of actually placed securities in accordance with the Placement Report: **2,000,000**

Bond par value: **RUR 1,000**

Overall par value of the bond issue: **RUR 2,000,000,000**

Guarantee provided to the securities issue:

– organization that provided guarantee: **“Express-Leasing” LLC**

– guarantee type: **pledge**

– amount of pledge: **RUR 2,000,000,000 (two billion), as well as an aggregate coupon yield on 2,000,000 (two million) bonds.**

3. Sequence number of the issue: **110**

Type: **bonds**

Series: **06**

Form of securities: **non-convertible documentary interest-bearing bearer bonds**

Information on state registration of the bond issue:

state registration number: **4-09-00175-A**

date of state registration: **November 3, 2005**

date of state registration of the Placement Report: **December 29, 2005**

Amount of actually placed securities in accordance with the Placement Report: **2,000,000**

Bond par value: **RUR 1,000**

Overall par value of the bond issue: **RUR 2,000,000,000**

Redemption period: **the bonds shall be redeemed sequentially in the following terms:**

on the 1456th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – November 19, 2009;

on the 1638th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – May 20, 2010;
on the 1820th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – November 18, 2010;
on the 2002nd day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – May 19, 2011;
on the 2184th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – November 17, 2011.

Guarantee provided to the securities issue:
– organization that provided guarantee: **“Express-Leasing” LLC**
– guarantee type: **pledge**
– amount of pledge: **RUR 2,000,000,000 (two billion), as well as an aggregate coupon yield on 2,000,000 (two million) bonds.**

4. Sequence number of the issue: **111**

Type: **bonds**

Series: **07**

Form of securities: **non-convertible documentary interest-bearing bearer bonds**

Information on state registration of the bond issue:

state registration number: **4-10-00175-A**

date of state registration: **November 3, 2005**

date of state registration of the Placement Report: **May 16, 2006**

Amount of securities within the issue: **3 000 000**

Bond par value: **RUR 1,000**

Overall par value of the bond issue: **RUR 3,000,000,000**

Redemption period: *the bonds shall be redeemed sequentially in the following terms:*
on the 1456th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – March 16, 2010;
on the 1638th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – September 14, 2010;
on the 1820th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – March 15, 2011;
on the 2002nd day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – September 13, 2011;
on the 2184th day from the start date of placement each bond shall be partially redeemed in the amount of 20 per cent of the par value – March 13, 2012.

Guarantee provided to the securities issue:
– organization that provided guarantee: **“Express-Leasing” LLC**
– guarantee type: **pledge**
– amount of pledge: **RUR 3,000,000,000 (three billion), as well as an aggregate coupon yield on 3,000,000 (three million) bonds.**

5. Sequence number of the issue: **112**

Type: **bonds**

Series: **08**

Form of securities: **non-convertible documentary interest-bearing bearer bonds**

Information on state registration of the bond issue:

state registration number: **4-11-00175-A**

date of state registration: **March 6, 2008**

date of state registration of the Placement Report: **April 24, 2008**

Amount of securities within the issue: **2 000 000**

Bond par value: **RUR 1,000**

Overall par value of the bond issue: **RUR 2,000,000,000**

Redemption period: *the bonds shall be redeemed sequentially in the following terms:*
on the 1638th day from the start date of placement each bond shall be partially redeemed in the

**amount of 20 per cent of the par value – October 3, 2012;
on the 1820th day from the start date of placement each bond shall be partially redeemed in the
amount of 20 per cent of the par value – April 3, 2013;**

Guarantee is not provided to the securities issue due to the changes of Legislation of the Russian Federation.

8.3.2. Information on default securities issues

Default securities issues: *no*.

8.4. Information on the persons that provided guarantee on the bonds of each series

1. Guarantee on non-convertible documentary interest-bearing bearer bonds of 04 series with obligatory centralized custody, state registration number 4-07-00175-A:

organization that provided guarantee: **Limited Liability Company “Express-Leasing”**
address: **17, Tolmachova ul., 614068, Perm, Russia**

2. Guarantee on non-convertible documentary interest-bearing bearer bonds of 05 series with obligatory centralized custody, state registration number 4-08-00175-A:

organization that provided guarantee: **Limited Liability Company “Express-Leasing”**
address: **17, Tolmachova ul., 614068, Perm, Russia**

3. Guarantee on non-convertible documentary interest-bearing bearer bonds of 06 series with obligatory centralized custody, state registration number 4-09-00175-A:

organization that provided guarantee: **Limited Liability Company “Express-Leasing”**
address: **17, Tolmachova ul., 614068, Perm, Russia**

4. Guarantee on non-convertible documentary interest-bearing bearer bonds of 07 series with obligatory centralized custody, state registration number 4-10-00175-A:

organization that provided guarantee: **Limited Liability Company “Express-Leasing”**
address: **17, Tolmachova ul., 614068, Perm, Russia**

8.5. Fulfillment of obligations on bonds of each series

1. Guarantee on non-convertible documentary interest-bearing bearer bonds of 04 series with obligatory centralized custody, state registration number 4-07-00175-A:

- guarantee type: **pledge**

- amount of pledge: **RUR 3,000,000,000 (three billion), as well as an aggregate coupon yield on 3,000,000 (three million) bonds.**

Issuer's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 14,683,387 thousand**

Guarantor's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 3,660,541 thousand**

Guarantor's net asset value as of June 30, 2007: **RUR 96,489 thousand**

2. Guarantee on non-convertible documentary interest-bearing bearer bonds of 05 series with obligatory centralized custody, state registration number 4-08-00175-A:

- guarantee type: **pledge**

- amount of pledge: **RUR 2,000,000,000 (two billion), as well as an aggregate coupon yield on 2,000,000 (two million) bonds.**

Issuer's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 14,683,387 thousand**

Guarantor's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 3,660,541 thousand**

Guarantor's net asset value as of June 30, 2007: **RUR 96,489 thousand**

3. Guarantee on non-convertible documentary interest-bearing bearer bonds of 06 series with obligatory centralized custody, state registration number 4-09-00175-A:

- guarantee type: **pledge**
– amount of pledge: **RUR 2,000,000,000 (two billion), as well as an aggregate coupon yield on 2,000,000 (two million) bonds.**

Issuer's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 15,873,556 thousand**

Guarantor's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 40,125 thousand**

Guarantor's net asset value as of June 30, 2007: **RUR 96,489 thousand**

4. Guarantee on non-convertible documentary interest-bearing bearer bonds of 07 series with obligatory centralized custody, state registration number 4-10-00175-A:

- guarantee type: **pledge**
– amount of pledge: **RUR 3,000,000,000 (three billion), as well as an aggregate coupon yield on 3,000,000 (three million) bonds.**

Issuer's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 15,873,556 thousand**

Guarantor's net asset value as of the last reporting date prior to the date of granting guarantee: **RUR 40,125 thousand**

Guarantor's net asset value as of June 30, 2007: **RUR 96,489 thousand**

8.6. Information on organizations that settle book-entries on the Issuer's issue securities

Organization that performs maintenance of the Issuer's Securities Registers (the "Registrar"):

Open Joint-Stock Company "Objedinyonnaya registratsionnaya kompaniya"

Legal address: **70, Pyatnitskaya ul., 113095, Moscow, Russia**

Post address: **15A, Post office box 162, 107078, Moscow, Russia**

Tel.: **(495) 504 2886, fax: (495) 504 2886, e-mail address: ork@ork-reestr.ru**

License for securities registers maintenance: **#10-000-1-00314 dd. March 3, 2004, issued by the Federal Commission for the Securities Market for an indefinite term**

Details of the Contract concluded between the Registrar and the Issuer: **Agreement №005101-02 dd. May 24, 2002**

Depository that performs centralized custody of the Issuer's securities:

Name: **Non-profit Partnership "The National Depository Center"**

Address: **1/13, bld. 4, Sredny Kislovsky Pereulok, 125009 Moscow, Russia**

Tel.: **(495) 223 6392, fax: (495) 956 0938, e-mail address: info@ndc.ru**

Licenses:

license for depository operations: **#177-03431-000100 dd. December 4, 2000 , issued by the Federal Commission for the Securities Market for an indefinite term;**

license for clearing operations: **#177-03437-000010 dd. December 4, 2000 , issued by the Federal Commission for the Securities Market for an indefinite term**

The date on which the depository launched centralized custody of the Issuer's securities: **July 2, 2002.**

8.7. Information on legal acts that govern import and export of capital that may affect the dividend, interest and other payments to non-residents

1. Tax Code of the Russian Federation (Part I) dd. July 31, 1998 # 146-Φ3 (as amended and restated as of December 30, 2006).

2. Tax Code of the Russian Federation (Part II) dd. August 5, 2000 #117-Φ3 (as amended and restated as of December 30, 2006).

3. Customs Code of the Russian Federation dd. May 28, 2003 #61-Φ3 (as amended and restated as of December 30, 2006).

4. Joint-Stock Companies Law dd. December 26, 1995 #208-Φ3 (as amended and restated as of February 5, 2007).

5. Foreign Investments Law dd. July 9, 1999 #160-Φ3 (as amended and restated as of June 3, 2006).

6. **Currency Exchange Regulation and Control Law** dd. December 10, 2003 #173-Φ3 (as amended and restated as of December 30, 2006).

7. **Federal Law** dd. March 5, 1999 #46-Φ3 “On Protection of Rights and Legitimate Interests of Investors at the Securities Market” (as amended as of July 27, 2006, and restated as of December 19, 2006).

8. **Federal Law** dd. August 7, 2001 #115-Φ3 “On Prevention of Legalization of Proceeds from Crime, and Terrorist Financing” (as amended as of July 27, 2006).

9. **Securities Market Law** dd. April 22, 1996 #39-Φ3 (as amended as of December 30, 2006).

10. **Investment Law of the Russian Soviet Federative Socialist Republic** dd. June 26, 1991 №1488-1 (as amended as of January 10, 2003).

11. **Federal Laws of the Russian Federation on ratification of Double Taxation Conventions between the Russian Federation and foreign states.**

12. **Other legislative Acts of the Russian Federation (if applicable).**

8.8. Taxation of yield on the Issuer’s issue securities that have been placed or are being placed

Taxation of yield derived from the Issuer’s securities is governed by the Tax Code of the Russian Federation and other legislative Acts adopted in accordance with the Tax Code.

Taxation of yield on the Issuer’s shares depending on the category of the shareholders:

1. Individuals – tax residents of the Russian Federation

Individuals’ income tax is assessed and paid pursuant to the chapter 23 part 2 of the Tax Code of the Russian Federation adopted as of August 5, 2000, #117-Φ.

Individual persons being Russian Federation tax residents shall pay income tax on the following types of income derived from the operations with the shares:

1) **income from shares trading.**

– **purchase and sale of securities circulating on the organized securities market;**

– **purchase and sale of securities that are not circulating on the organized securities market.**

Income (loss) from purchase and sale of securities is calculated as a difference between the sums derived from the sales of securities and expenses on purchase, sale and storage of securities actually incurred by the taxpayer (including expenses reimbursed to the professional participants of the securities market), provided that such expenses are document supported.

Such expenses include:

– **sums paid to the seller of securities pursuant to the Contract;**

– **charges for the depository services;**

– **commission fees to the professional participants of the securities market;**

– **exchange charge;**

– **register charge;**

– **other expenses related to the purchase, sale and storage of securities.**

Tax rate: 13 (thirteen) per cent.

2) **divided yield.**

If the taxpayer receives dividend from the Russian organization, such organization shall be regarded as a taxpayer’s tax agent and shall calculate the tax sum for each separate taxpayer with respect to each yield payment, at the rate of 9 (nine) per cent.

Tax agents should retain the accrued tax directly from the taxpayer’s yield at the moment of its actual payout.

2. Individuals who are not the tax residents of the Russian Federation

Individual persons who are not the Russian Federation tax residents shall pay income tax on the following types of income derived from the operations with the shares:

1) **income from shares sales.**

2) **divided yield.**

Tax rate: 30 (thirty) per cent.

3. Legal entities (organizations) – tax residents of the Russian Federation

Legal entities being Russian Federation tax residents shall pay income tax on the following types of income derived from the operations with the shares:

1) **income from shares trading.**

Tax rate: 24 (twenty four) per cent.

2) *divided yield.*

Tax rate: 9 (nine) per cent:

The Russian organization, when paying dividend yield to any legal entity, shall act as a tax agent to such entity.

4. Legal entities (organizations) that are not the tax residents of the Russian Federation

Tax rates:

– 15 (fifteen) per cent – for the dividend yield received by non-residents from the Russian organizations;

– 20 (twenty) per cent – for the income derived from the sales of shares of the Russian organizations.

Taxation of yield derived from the bonds depending on the category of the bondholders:

1. Individuals – tax residents of the Russian Federation

Tax rate for the income derived by the individual persons, such as coupon payments, redemption of bonds, or sales of bonds prior to the maturity term, shall be 13 per cent.

2. Individuals who are not the tax residents of the Russian Federation

Tax rate for the income derived by the individual persons who are not the Russian Federation residents, such as coupon payments, redemption of bonds, or sales of bonds prior to the maturity term, shall be 30 per cent, unless otherwise specified in International Treaties for Avoiding Dual Taxation.

3. Legal entities (organizations) – tax residents of the Russian Federation

Tax rate: 24 per cent.

4. Legal entities (organizations) that are not the tax residents of the Russian Federation

Foreign organizations that operate within the Russian Federation through their permanent representative offices shall calculate the tax sums due in an order similar to that set forth for the legal entities being tax residents of the Russian Federation, taking into account article 307 of the Russian Federation Tax Code.

The tax rate for the foreign organizations that do not operate within the Russian Federation through their permanent representative offices, is 20 per cent. The Russian organization that pays the bonds coupon yield to such foreign organization shall act as its tax agent.

In case there is a Treaty for Avoiding Dual Taxation between the Russian Federation and the state of residence of the foreign company raising the coupon yield, the tax rate shall be set pursuant to the provisions of such a Treaty.

8.9. Information on declared (accrued) and disbursed dividends on the Issuer's shares, as well as yield on the Issuer's bonds

1. Category of shares: **ordinary**

a) Reporting period for which the declared dividend on the Issuer's securities was paid: **2001 fiscal year**

Declared dividend yield per share: **RUR 0.0012**

Total amount of declared dividend for all the shares of the certain category: **RUR 10,492,725.27**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities: **Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")**

The date of the AGM: **31 May, 2002**

Date of the AGM Minutes: **Minutes dd. 31 May, 2002**

Term of payment of the declared dividend on the certain category of shares: **until December 31, 2002**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

b) Reporting period for which the declared dividend on the Issuer's securities was paid: **2002 fiscal year**

Declared dividend yield per share: **RUR 0.00394**

Total amount of declared dividend for all the shares of the certain category: **RUR 127,257,201.15**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities: **Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")**

The date of the AGM: **June 20, 2003.**

Date of the AGM Minutes: **Minutes dd. June 20, 2003.**

Term of payment of the declared dividend on the certain category of shares: **until December 31, 2003**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

c) Reporting period for which the declared dividend on the Issuer's securities was paid: **2003 fiscal year**

Declared dividend yield per share: **RUR 0.01**

Total amount of declared dividend for all the shares of the certain category: **RUR 322,987,820.20**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 25, 2004.**

Date of the AGM Minutes: **Minutes dd. July 7, 2004.**

Term of payment of the declared dividend on the Issuer's shares: **until December 15, 2004**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

d) Reporting period for which the declared dividend on the Issuer's securities was paid: **2004 fiscal year**

Declared dividend yield per share: **RUR 0.015**

Total amount of declared dividend for all the shares of the certain category: **RUR 484,481,730.30**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 23, 2005**

Date of the AGM Minutes: **Minutes dd. 27 June, 2005**

Term of payment of the declared dividend on the Issuer's shares: **until December 15, 2005**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

e) Reporting period for which the declared dividend on the Issuer's securities was paid: **2005 fiscal year**

Declared dividend yield per share: **RUR 0.01605**

Total amount of declared dividend for all the shares of the certain category: **RUR 518,395,451.42**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 22, 2006**

Date of the AGM Minutes: **Minutes dd. 29 June, 2006**

Term of payment of the declared dividend on the Issuer's shares: **until December 15, 2006**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

f) Reporting period for which the declared dividend on the Issuer's securities was paid: **2006 fiscal year**

Declared dividend yield per share: **RUR 0.016393**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 15, 2007**

Term of payment of the declared dividend on the Issuer's shares: **until December 15, 2007**

Form of dividend payment: **the payment is made in cash and non-cash forms, in the Russian Federation currency**

Overall amount of dividend paid on the Issuer's shares of one category: **RUR 0.00**

The term for dividend payment has not expired yet.

2. Category of shares: **preference**

a) Reporting period for which the declared dividend on the Issuer's securities was paid: **2002 fiscal year**

Declared dividend yield per share: **RUR 0.0091**

Total amount of declared dividend for all the shares of the certain category: **RUR 71,307,065.70**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 20, 2003.**

Date of the AGM Minutes: **Minutes dd. June 20, 2003.**

Term of payment of the declared dividend on the certain category of shares: **until August 19, 2003**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

b) Reporting period for which the declared dividend on the Issuer's securities was paid: **2003 fiscal year**

Declared dividend yield per share: **RUR 0.01848**

Total amount of declared dividend for all the shares of the certain category: **RUR 144,808,194.97**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 25, 2004.**

Date of the AGM Minutes: **Minutes dd. July 7, 2004.**

Term of payment of the declared dividend on the certain category of shares: **until August 24, 2004**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

c) Reporting period for which the declared dividend on the Issuer's securities was paid: **2004 fiscal year**

Declared dividend yield per share: **RUR 0.0271**

Total amount of declared dividend for all the shares of the certain category: **RUR 212,354,008.85**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 23, 2005**

Date of the AGM Minutes: **Minutes dd. July 7, 2004.**

Term of payment of the declared dividend on the certain category of shares: **until August 22, 2005**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

d) Reporting period for which the declared dividend on the Issuer's securities was paid: **2005 fiscal year**

Declared dividend yield per share: **RUR 0.02802**

Total amount of declared dividend for all the shares of the certain category: **RUR 219,563,074.83**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 22, 2006**

Date of the AGM Minutes: **Minutes dd. 29 June, 2006**

Term of payment of the declared dividend on the certain category of shares: **until August 21, 2006**

Form of dividend payment: **the payment is made in monetary form**

Declared dividend was paid in full.

e) Reporting period for which the declared dividend on the Issuer's securities was paid: **2006 fiscal year**

Declared dividend yield per share: **RUR 0.026606**

Total amount of declared dividend for all the shares of the certain category: **RUR 208,483,053.86**

Issuer's internal authority that adopted resolution on payment of dividend on the Issuer's securities:

Annual General Shareholders Meeting of OJSC 'Uralsvyazinform' ("AGM")

The date of the AGM: **June 15, 2007.**

Term of payment of the declared dividend on the certain category of shares: **until August 14, 2007**

Form of dividend payment: **the payment is made in cash and non-cash forms, in the Russian Federation currency**

Overall amount of dividend paid on the Issuer's shares of one category: **RUR 0.00**

The term for dividend payment has not expired yet.

3. Category of securities: **bonds**

Series and form of the bonds: **documentary bearer bonds of 04 series**

State registration number and the date of the state registration: **#4-07-00175-A dd. September 23, 2004**

Date of the state registration of the Bond Placement Report: **December 9, 2004**

Amount of bonds within the issue: **3,000,000**

Bond par value: **RUR 1,000**

Total par value of the bond issue: **RUR 3,000,000,000**

Type of yield paid on the bonds: **(interest) coupon**

Amount of yield to be paid per bond: **RUR 49.81 per bond for each coupon period**

Total amount of yield to be paid on all bonds within the issue: **RUR 149,430,000 for each coupon period**

Terms of coupon payments:

Coupon yield on the 1st coupon to be paid on the 182nd day since the start date of the bonds placement – May 5, 2005.

Coupon yield on the 2nd coupon to be paid on the 364th day since the start date of the bonds placement – November 3, 2005.

Coupon yield on the 3^d coupon to be paid on the 546th day since the start date of the bonds placement – May 4, 2006.

Coupon yield on the 4th coupon to be paid on the 728th day since the start date of the bonds placement – November 2, 2006.

Coupon yield on the 5th coupon to be paid on the 910th day since the start date of the bonds placement – May 3, 2007.

Coupon yield on the last 6th coupon to be paid on the day of the bond issue redemption on the 1092nd day since the start date of the bonds placement – November 1, 2007.

Period for which the yield on the bond issue was paid: **since November 4, 2004 up to May 5, 2005**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 149,430,000**

Period for which the yield on the bond issue was paid: **since May 6, 2005 up to November 3, 2005**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 149,430,000**

Period for which the yield on the bond issue was paid: **since November 4, 2005 up to May 4, 2006**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 149,430,000**

Period for which the yield on the bond issue was paid: **since May 5, 2006 up to November 2, 2006**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 149,430,000**

Period for which the yield on the bond issue was paid: **since November 3, 2006 up to May 5, 2007**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 149,430,000**

Interest on the bond issue was paid out in full.

4. Category of securities: **bonds**

Series and form of the bonds: **documentary bearer bonds of 05 series**

State registration number and the date of the state registration: **#4-08-00175-A dd. September 23, 2004**

Date of the state registration of the Bond Placement Report: **June 8, 2005**

Amount of bonds within the issue: **2,000,000**

Bond par value: **RUR 1,000**

Total par value of the bond issue: **RUR 2,000,000,000**

Type of yield paid on the bonds: **(interest) coupon**

Amount of yield to be paid per bond: **RUR 45.82 per bond for each coupon period**

Total amount of yield to be paid on all bonds within the issue: **RUR 91,640,000 for each coupon period**

Terms of coupon payments:

Coupon yield on the 1st coupon to be paid on the 182nd day since the start date of the bonds placement – October 20, 2005.

Coupon yield on the 2nd coupon to be paid on the 364th day since the start date of the bonds placement – April 20, 2006.

Coupon yield on the 3^d coupon to be paid on the 546th day since the start date of the bonds placement – October 19, 2006.

Coupon yield on the 4th coupon to be paid on the 728th day since the start date of the bonds placement – April 19, 2007.

Coupon yield on the 5th coupon to be paid on the 910th day since the start date of the bonds placement – October 18, 2007.

Coupon yield on the last 6th coupon to be paid on the day of the bond issue redemption on the 1092nd day since the start date of the bonds placement – April 17, 2008.

Period for which the yield on the bond issue was paid: **since April 21, 2005 up to October 20, 2005**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 91,640,000**

Period for which the yield on the bond issue was paid: **since October 21, 2005 up to April 20, 2006**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 91,640,000**

Period for which the yield on the bond issue was paid: **since April 21, 2006 up to October 19, 2006**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 91,640,000**

Period for which the yield on the bond issue was paid: **since October 20, 2006 up to April 19, 2007**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 91,640,000**

Interest on the bond issue was paid out in full.

5. Category of securities: **bonds**

Series and form of the bonds: **documentary bearer bonds of 06 series**

State registration number and the date of the state registration: **#4-09-00175-A dd. November 3, 2005**

Date of the state registration of the Bond Placement Report: **December 29, 2005**

Amount of bonds within the issue: **2,000,000**

Bond par value: **RUR 1,000**

Total par value of the bond issue: **RUR 2,000,000,000**

Type of yield paid on the bonds: **(interest) coupon**

Amount of yield to be paid per bond: **RUR 40.89 per bond for each coupon period**

Total amount of yield to be paid on all bonds within the issue: **RUR 81,780,000 for each coupon period**

Terms of coupon payments:

Coupon yield on the 1st coupon to be paid on the 182nd day since the start date of the bonds placement – May 25, 2006.

Coupon yield on the 2nd coupon to be paid on the 364th day since the start date of the bonds placement – November 23, 2006.

Coupon yield on the 3^d coupon to be paid on the 546th day since the start date of the bonds placement – May 24, 2007.

Coupon yield on the 4th coupon to be paid on the 728th day since the start date of the bonds placement – November 22, 2007.

Coupon yield on the 5th coupon to be paid on the 910th day since the start date of the bonds placement – May 22, 2008.

Coupon yield on the 6th coupon to be paid on the 1 092nd day since the start date of the bonds placement – November 20, 2008.

Coupon yield on the 7th coupon to be paid on the 1 274th day since the start date of the bonds placement – May 21, 2009.

Coupon yield on the 8th coupon to be paid on the 1 456th day since the start date of the bonds placement – November 19, 2009.

Coupon yield on the 9th coupon to be paid on the 1 638th day since the start date of the bonds placement – May 20, 2010.

Coupon yield on the 10th coupon to be paid on the 1 820th day since the start date of the bonds placement – November 18, 2010.

Coupon yield on the 11th coupon to be paid on the 2 002nd day since the start date of the bonds placement – May 19, 2011.

Coupon yield on the 12th coupon to be paid on the 2 184th day since the start date of the bonds placement – November 17, 2011.

Period for which the yield on the bond issue was paid: **since November 24, 2005 up to May 25, 2006**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 81,780,000**

Period for which the yield on the bond issue was paid: **since May 26, 2006 up to November 23, 2006**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 81,780,000**

Period for which the yield on the bond issue was paid: **since November 24, 2006 up to May 24, 2007**
Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 81,780,000**

Interest on the bond issue was paid out in full.

6. Category of securities: **bonds**

Series and form of the bonds: **documentary bearer bonds of 07 series**

State registration number and the date of the state registration: # **4-10-00175-A dd. November 3, 2005**

Date of the state registration of the Bond Placement Report: **May 16, 2006**

Amount of bonds within the issue: **3,000,000**

Bond par value: **RUR 1,000**

Total par value of the bond issue: **RUR 3,000,000,000**

Type of yield paid on the bonds: **(interest) coupon**

Amount of yield to be paid per bond: **RUR 41.88 per bond for each coupon period**

Total amount of yield to be paid on all bonds within the issue: **RUR 125,640,000 for each coupon period**

Terms of coupon payments:

Coupon yield on the 1st coupon to be paid on the 182nd day since the start date of the bonds placement – September 19, 2006.

Coupon yield on the 2nd coupon to be paid on the 364th day since the start date of the bonds placement – March 20, 2007.

Coupon yield on the 3^d coupon to be paid on the 546th day since the start date of the bonds placement – September 18, 2007.

Coupon yield on the 4th coupon to be paid on the 728th day since the start date of the bonds placement – March 18, 2008.

Coupon yield on the 5th coupon to be paid on the 910th day since the start date of the bonds placement – September 16, 2008.

Coupon yield on the 6th coupon to be paid on the 1 092nd day since the start date of the bonds placement – March 17, 2009.

Coupon yield on the 7th coupon to be paid on the 1 274th day since the start date of the bonds placement – September 15, 2009.

Coupon yield on the 8th coupon to be paid on the 1 456th day since the start date of the bonds placement – March 16, 2010.

Coupon yield on the 9th coupon to be paid on the 1 638th day since the start date of the bonds placement – September 14, 2010.

Coupon yield on the 10th coupon to be paid on the 1 820th day since the start date of the bonds placement – March 15, 2011.

Coupon yield on the 11th coupon to be paid on the 2 002nd day since the start date of the bonds placement – September 13, 2011.

Coupon yield on the 12th coupon to be paid on the 2 184th day since the start date of the bonds placement – March 13, 2012.

Period for which the yield on the bond issue was paid: **since March 21, 2006 up to September 19, 2006**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 125,640,000**

Period for which the yield on the bond issue was paid: **since September 20, 2006 up to March 20, 2007**

Total amount of yield paid out on all bonds of the issue for the period stated: **RUR 125,640,000**

Interest on the bond issue was paid out in full.

8.10. Miscellaneous

Other information on the Issuer and its securities subject to disclosure pursuant to the provisions of the Federal Law "On Securities Market" or other Federal Laws: **there is no other information.**

ANNEX 1. Financial Statements of the Issuer as of the 2nd quarter 2008 according to the Russian Accounting Standards *

Translation from Russian

Balance Sheet as of March 30, 2008

Prepared in accordance with Russian Accounting Standards

	At the beginning of the period, RUR thnd	At the end of the period, RUR thnd
NON-CURRENT ASSETS		
Intangible assets	2 686	2 341
Fixed assets	42 863 085	41 574 134
Capital investments	419 493	2 416 241
Income-generating investment in material valuables		
Long-term financial investments	34 146	33 876
Deferred tax asset	226 042	195 653
Other non-current assets	2 925 876	3 621 196
Total non-current assets	46 471 328	47 843 441
CURRENT ASSETS		
Inventories	636 580	696 205
VAT on goods purchased	214 336	141 608
Accounts receivable, incl.		
<i>due after 12 months since the reporting date</i>	185 321	181 591
<i>due within 12 months since the reporting date</i>	3 704 084	3 988 708
Short-term financial investments	12	359 323
Cash and cash equivalents	703 213	516 059
Other current assets	1 812	22 007
Total current assets	5 445 358	5 905 501
TOTAL ASSETS	51 916 686	53 748 942
CAPITAL AND RESERVES		
Charter capital	4 816 167	4 816 167
Paid-in-excess capital	4 262 155	4 205 442
Reserve capital	240 808	240 808
Retained earnings (losses) of the previous years	12 175 274	11 126 365
Retained earnings (losses) of the reporting year		X 1 631 735
Total capital and reserves	21 494 404	22 020 517
NON-CURRENT LIABILITIES		
Borrowings	12 767 227	12 554 381
Deferred tax liabilities	2 509 709	2 765 104
Other non-current liabilities	380 961	186 508
Total non-current liabilities	15 657 897	15 505 993

* *Attached financial statements are not aimed at representation of the Company's financial state and business activities' results in accordance with the principles and methods of accounting accepted in the countries and territories other than the Russian Federation. Therefore, the attached financial statements are inappropriate for the persons unfamiliar with the principles, procedures and methods of accounting accepted in the Russian Federation and are given for general review.*

CURRENT LIABILITIES		
Borrowings	8 929 330	8 639 043
Accounts payable	4 886 639	5 799 805
Dividends payable	32 753	1 135 838
Income of future periods	66 763	58 170
Reserves for future expenses and payments	627 944	417 993
Other current liabilities	220 956	171 583
Total current liabilities	14 764 385	16 222 432
TOTAL EQUITY AND LIABILITY	51 916 686	53 748 942

Translation from Russian

Profit and Loss Statement as of June 30, 2008

Prepared in accordance with Russian Accounting Standards

	For the reporting period, RUR thnd	For the similar period of the last year, RUR thnd
Income and expenses from main activities		
Net sales of goods, products, work, services (minus VAT, excise duties and similar obligatory payments)	19 958 355	18 979 195
Including sales of telecommunications services	19 358 536	18 028 217
Cost of goods, products, work, services sold	(16 017 874)	(14 222 161)
Including costs of telecommunications services	(15 675 875)	(13 631 651)
Profit (loss) from sales of goods (work, services)	3 940 481	4 757 034
Interest receivable	25 418	14 519
Interest payable	(927 509)	(905 547)
Income from stakes in other companies	2 224	93
Other income	620 256	1 076 437
Other expenses	(1 313 341)	(1 688 139)
Profit (loss) for the reporting period	2 347 529	3 254 397
Profit tax and other deductions	(715 794)	(1 003 878)
Net profit	1 631 735	2 250 519

**ANNEX 2. Consolidated Financial Statements of OJSC
'Uralsvyazinform' as of the year ended June 30, 2008, compiled in
accordance with International Financial Reporting Standards**

To see the Financial Statements please click twice at the icon "Acrobat Document". To review the document you will need Adobe Reader (<http://www.adobe.com/products/acrobat/readstep2.html>).