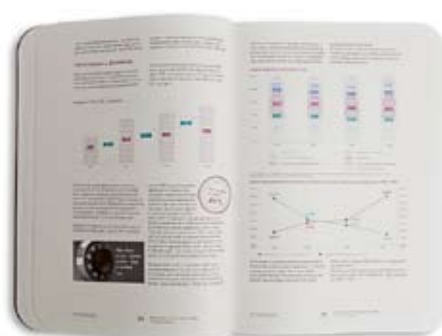


North-West Telecom annual report 2008



VolgaVolga
Brand Identity



In spite of difficulties in the year of 2008, the NWT company has achieved positive dynamics of financial activities, has implemented a large-scale investment program and strengthen its market position.

The annual report is designed as a “Book of Secrets,” where the most important

competitive advantages are disclosed for customers, employees and shareholders. This are the business secrets and commercial secrets, allowing the North-West Telecom to be one of the most successful operators in the telecommunications market in Russia.

The report uses the images of the code locks, safes, code secret language, and other systems of access to secret information, drawn as a “notes” — a mini double-page spread.

I am pleased to report the results of scal year 2007, ended March 31, 2008, and outline our growth prospects and strategies for the future. As I wrote in my letter to you one year ago, scal year 2007 represented the culmination of our three-year restructuring initiative.Â As a result, on an annual basis and compared to three years prior, sales and operating revenue rose 23% to nearly Â¥9 trillion, and both operating income and net income more than doubled to Â¥375 billion and Â¥369 billion, respectively.