

NOTIFICATION OF THE RIGHT TO DEMAND SHARE BUYBACK BY THE COMPANY

Dear Shareholder!

Open Joint Stock Company Long-Distance and International Telecommunications "Rostelecom" (hereinafter - the "Company") hereby notifies you that pursuant to article 75 of the Federal Law On Joint-Stock Companies **shareholders owning voting shares of OJSC Rostelecom are entitled to demand buyback by the Company of all or a portion of their shares in the event of the approval by the Company's Extraordinary Shareholders' Meeting of the reorganization, if they voted AGAINST the Company reorganization (cf. Item 1 on the Agenda of the Extraordinary Shareholders' Meeting of the Company) or did not take part in the vote on this agenda item.**

The share buyback will be effected at the price determined by the Company's Board of Directors (Minutes No. 40 dated March 27, 2013) pursuant to clause 3, article 75 of the Federal Law On Joint-Stock Companies.

The buyback price of Rostelecom shares is as follows:

- **RUB 136.05 per one ordinary share;**
- **RUB 95.24 per one type A preference share.**

The holders of record as of May 15, 2013 according to the Company shareholders' register are entitled to demand buyback by the Company of the shares owned by them.

Buyback procedure:

Any Rostelecom shareholder who voted AGAINST the reorganization or failed to take part in the vote on the issue of the reorganization **is entitled to present to the Company for buyback shares in the amount not exceeding the number of shares of the relevant category owned by him/her at the cut-off date of May 15, 2013.** To this end **a share buyback demand in writing** (hereinafter the "**Buyback Demand**") shall be submitted to Rostelecom or OJSC United Registrar Company (the entity maintaining the register of holders of the Company securities, hereinafter the "Registrar" or "URC"). OJSC URC collects buyback demands from the Company's shareholders under an additional agreement to the contract on running Rostelecom's shareholders' register.

As of the date of receipt of the Buyback Demand and until the date of making an entry in the Company shareholders' register signifying transfer to the Company of the ownership rights for the shares subject to buyback, or until the shareholder revokes the Buyback Demand applicable to these shares, **the shareholder in question is not entitled to make any deals with third parties involving these shares and related to their disposal or encumbrance**, a relevant record to this effect shall be made by the Registrar or depository.

Any Buyback Demand shall be delivered to Rostelecom or URC not later than within 45 days after a relevant resolution on the reorganization was passed by the Extraordinary General Shareholders' Meeting. No Buyback Demand received after expiry of the 45 day period or containing incorrect or incomplete information shall be accepted.

A shareholder shall be entitled to revoke his/her Buyback Demand any time within the 45 day period after a relevant resolution on the reorganization was passed by the General Shareholders' Meeting of the Company by submitting to Rostelecom or URC a request in writing to revoke the share buyback demand (hereinafter the Buyback Revocation). A shareholder shall not be entitled to revoke his/her Buyback Demand upon expiry of the 45 day period after the relevant resolution on the reorganization was passed by the Extraordinary General Shareholders' Meeting.

In the event that the total price of the Company shares presented and subject to the buyback is in excess of 10% of the Company net asset value the shares shall be subject to buyback pro rata to the submitted demands (pursuant to provisions of par. 5 Article 76 of the Federal Law on Joint-Stock Companies. In this case the number of shares subject to the buyback from each shareholder shall be determined by multiplying the relevant number of shares specified by the shareholder in his/her Buyback Demand by the Pro Rata Ratio and by subsequent round-off to the integer number (whole number of shares). The Pro Rata Ratio for the buyback shall be calculated by dividing 10% of the Company's net asset value by the total value of shares presented for the buyback and is included into the report on the results of buyback demands submitted by shareholders that shall be approved by the Company Board of Directors not later than 50 days

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after the relevant decision was taken by General Shareholders' Meeting. This report among others shall contain information on the exact number of shares subject to buyback from each shareholder who submitted a Buyback Demand.

Rostelecom would draw shareholders' attention to the fact that according to the current legislation the number shares subject to buyback and, if applicable, the Pro Rata Ratio will be approved upon expiry of the 45 day period after the relevant resolution was passed by the General Shareholders' Meeting, i.e. after the deadline for revocation of a Buyback Demand.

Pursuant to the Company instruction URC will make payments to shareholders in respect of shares subject to buyback within 30 days upon expiry of the 45 day period after the relevant resolution on the reorganization was passed by the General Shareholders' Meeting.

Tax on the income received as a result of the sale of shares to the Company shall be paid by shareholders independently according to the current Russian legislation. For the purpose of tax payments a shareholder is entitled to apply in writing to Corporate Management Department of Rostelecom at the following address: 14, 1st Tverskaya-Yamskaya, Moscow, 125047 with a request to provide an excerpt from the report on the results of submitting by shareholders share buyback demands in respect of shares owned by them, as approved by the Board of Directors.

Shares bought back by the Company shall be available for disposal by it.

The Registrar (URC) shall make records regarding transfer of ownership of the bought back shares to Rostelecom on the basis of the report on results of submitting by the shareholders buyback demands in respect of shares owned by them, as approved by the Board of Directors, as well as based on documents confirming the discharge by the Company of its obligations to make payments to shareholders who submitted buyback demands in respect of shares owned by them. To this end it is not required to execute and deliver any additional transfer letters by the Company's shareholders.

If records of share ownership rights are maintained by a depository the latter shall undertake steps in order to effect transfer of Rostelecom shares from the shareholder's custody account into the Company's personal account in the Registry of shareholders, to be based on the following: an excerpt submitted by Rostelecom from the report on results of submitting by the shareholders buyback demands in respect of shares owned by them, as approved by the Board of Directors; a copy of a Buyback Demand with attached record of custody account bearing a mark signifying that the relevant number of shares was blocked; and copies of documents confirming discharge by the Company of its obligations to make cash payments to shareholders who submitted demands to buy back shares owned by them.

COMPLETION OF A BUYBACK DEMAND AND DEMAND REVOCATION FORMS

For shareholders' convenience a **recommended sample Buyback Demand** form is attached to this notification.

Pursuant to par. 2.3.1 of the Regulations on making amendments in the register of owners of registered book-entry securities and maintaining depository accounting in the event of share buyback by a joint-stock company according to shareholders' demands as approved by Order No.07-39/pz-n of the Federal Service for Financial Markets dated April 5, 2007 (the "Regulations") **a Buyback Demand shall contain the following:** surname, given name and the patronymic (full name) of a shareholder; residence address (domicile); quantity, category (type) and state registration number of the relevant issue of shares (additional share issue) in respect of which the shareholder demands the buyback; passport details for an individual shareholder; main state registration number (OGRN) of a shareholder – legal entity, if the entity in question is a resident; and details of the body which registered the foreign organization, the registration number details, date and place of the registration of a shareholder – legal entity, if it is a non-resident; **signature of the shareholder or its authorized representative certified by a notary public or evidenced by URC;** a signature of an authorized representative of a shareholder – legal entity and an official seal of a shareholder – legal entity; payment method (banking details in the event of payment by bank transfer).

The information provided by a shareholder in the Buyback Demand shall coincide with the data contained in the register of Rostelecom shareholders. According to par. 5 Article 44 of the Federal Law on Joint-Stock Companies and par. 6.1 of the Regulations on maintaining a register of shareholders owning registered securities (Decision of the Federal Securities Commission No.27 dated October 2, 1997) persons registered in a register of shareholders shall provide to the registrar information related to changes in the information specified in par. 3.4.1 of the said Regulations. **In the event of a failure by registered persons to provide information regarding changes in the relevant data, or if incomplete or inaccurate**

information regarding changes in the said data is provided by them, neither the Company, nor the Registrar shall be liable for any damages incurred as a result.

If accounting of share ownership rights is maintained by a depository, a record of custody account shall be attached to the shareholder's demand specifying the total quantity of securities, recorded in his/her custody account, and the number of shares subject to buyback, in respect of which the depository blocked operations for the buyback purposes according to Article 76 of the Federal Law on Joint-Stock Companies. In such a case the number of shares blocked for the buyback purposes shall coincide with the number of shares specified in the Buyback Demand. If after May 15, 2013 (the cut-off date) personal data of a shareholder whose share ownership rights are recorded in a custody account were changed, documents confirming changes in personal data shall be attached to the Buyback Demand featuring new personal data.

If a shareholder is a client of the Registrar and depository and intends to present for buyback shares recorded on a personal account in the register and on a custody account, then according to par. 2.2 of the Regulations such shareholder shall submit separate Buyback Demands in respect of shares recorded on a personal account in the register of shareholders and those recorded on the custody account.

A Power of Attorney executed according to Article 185 of the Russian Civil Code shall be attached to a Buyback Demand signed by a shareholder's representative. If a Buyback Demand is signed by a shareholder representative authorized to act without a power of attorney, the Company recommends attaching to it documents confirming the representative's authority.

If shares presented for the buyback are held in joint or common ownership by several shareholders the relevant Buyback Demand shall be completed by one of such shareholders upon their agreement. A power of attorney issued by all other shareholders to the owner of joint or shared property who signed the Buyback Demand shall be attached to it (according to the Russian Civil Code a disposal of property held in joint or shared ownership shall be upon agreement of all property owners). The power of attorney shall be executed according to par. 4 Article 185 of the Russian Civil Code.

Payment in respect of shares subject to buyback shall be made by one of the following methods, specified by a shareholder in the Buyback Demand:

- by remitting funds into the bank account specified by the shareholder in the buyback demand;
- by remitting the buyback amount by a mail order at the address, indicated by the shareholder in the Buyback Demand.

Please, note that it is required to select a payment method in respect of shares subject to buyback by checking a box either next to the words "By bank remittance", or next to "By mail order". The Company encourages shareholders to make sure directly with the bank, that his/her banking details are accurate. In the event of selecting a mail order it is mandatory to specify the postal code.

Requirements to be met by a completed **Revocation of Buyback Demand** are identical to those applicable to a completed **Buyback Demand** described above. For shareholders' convenience a sample **recommended form of a Revocation of Buyback Demand is attached to this Notification.**

CONTACT PHONE NUMBERS FOR SHAREHOLDERS INQUIRIES

Inquiries concerning the arrangements for buyback procedure can be made **by calling a hot-line for shareholders at 8-800-100-16-66 (calls originated in any Russian region are free of charge).**

**ADDRESSES FOR SUBMITTING BUYBACK DEMANDS
AND REVOCATIONS OF BUYBACK DEMANDS**

Buyback Demands and Revocations of Buyback Demands will be received by OJSC Rostelecom and the Registrar – OJSC URC under an additional agreement to the contract on running Rostelecom's shareholders' register. The documents shall be sent by mail or delivered by a shareholder personally to one the following addresses:

- To the Registrar (OJSC URC):

City	Office address
Volgograd	OJSC URC, 13A Nevskaya Str, Volgograd, (8442) 379-919 , www.ork-reestr.ru
Voronezh	OJSC URC, 39 Truda Pr., (473) 246-73-72, 271-08-76, www.ork-reestr.ru
Krasnodar	OJSC URC, 48 Odesskaya Str., (861) 251-74-39, 253-64-60, www.ork-reestr.ru
Moscow	OJSC URC, 30 Buzheninova Str., (Preobrazhenskaya Square Underground Station), (495) 775-18-20, www.ork-reestr.ru
Penza	OJSC URC, 62 Moskovskaya Str., (8412) 520-185, www.ork-reestr.ru
Rostov-on-Don	OJSC URC, 14-a M. Nagibina Pr., (863) 243-07-77, 243-07-55, www.ork-reestr.ru
Samara	OJSC URC, 3 Lenina Prospekt, (846) 263-73-75, www.ork-reestr.ru
Saint Petersburg	OJSC URC, 16 Bolshaya Monetnaya Str., (812) 336-51-06, www.ork-reestr.ru
Cheboksary	OJSC URC, 79/16 Konstantina Ivanova Str., Office 69, (8352) 583-938, www.ork-reestr.ru

or

- to OJSC Rostelecom: 14, 1st Tverskaya-Yamskaya Str., Moscow, 125047, Russia, web: www.rostelecom.ru.