PRESS RELEASE

ROSTELECOM, NORTH-WEST TELECOM AND URALSVYAZINFORM ACQUIRE 71.8% OF THE SHARES IN NATIONAL TELECOMMUNICATIONS

Moscow – February 04, 2011 – Rostelecom OJSC (RTS, MICEX: RTKM, RTKMP; OTCQX: ROSYY) today announced that the Company, together with OJSC Uralsvyazinform and OJSC North-West Telecom, have completed the transaction to acquire 71.8% stake in OJSC National Telecommunications ('NTK') for a combined cash consideration of RUB 27.9 billion. The shares were acquired from CJSC National Media Group, OJSC Surgutneftegaz and Raybrook Limited.

The deal values 100% of NTK shares at RUB 38.9 billion, or USD 1,325 million as per the official RUB to USD exchange rate as at the date of the transaction.

OJSC Rostelecom acquired 21.8% of NTK shares, and also acquired NTK promissory notes for a cash consideration of RUB 1.2 billion. OJSC Uralsvyazinform and OJSC North-West Telecom together acquired 50% of NKT shares, as well as NTK promissory notes for a combined cash consideration of RUB 2.4 billion.

The transaction has been approved by the Federal Antimonopoly Service of Russia.

The NTK group of companies ('the Group') is the largest independent cable TV operator and information provider in Russia. The Group comprises OJSC National Telecommunications and its subsidiaries.

The Group provides basic and extended ranges of pay-TV services, broadband Internet access for private and corporate customers, TV broadcasting services. It also produces TV channels and provides telephony and line leasing services.

The Group owns modern network infrastructure in seven Russian cities. In Moscow and Ekaterinburg, NTK utilises Fiber To The Building ('FTTB') technology, while in St. Petersburg, Novosibirsk, Kurgan, Elektrostal and Sredneuralsk uses Hybrid Fibre Coaxial technology ('HFC') (DOCSIS).

As of end of September, 2010 the Group's subscriber base comprised approximately 5.0 million subscribers, including 4.5 million TV subscribers and 431 thousand broadband subscribers.

NTK has over 3.1 million subscribers in Moscow, 1.5 million subscribers in St. Petersburg, 240 thousand subscribers in Ekaterinburg and 165 thousand subscribers in other Russian cities. Of these, 140 thousand customers in Moscow, 186 thousand in St. Petersburg and 94 thousand in Ekaterinburg are broadband internet subscribers.

For the first nine months of 2010 the Group generated consolidated normalized revenues of RUB 7.4 billion and normalized EBITDA of RUB 3.6 billion. As at December 31, 2010, NTK had a net debt of RUB 2.8 billion. The debt included promissory notes mentioned above.

Alexander Provotorov, Rostelecom President and Chairman of the Management Board, commented: "The acquisition of NTK will enable the new Rostelecom, which will be created as a result of undergoing merger of IRCs into Rostelecom, to attain a leading position in the Russian pay-TV market, and will also significantly strengthen our competitive positions in Russia's largest cities. This will provide us not only with new opportunities for growth, but also set the foundation for creating shareholder value."

Investment bank Renaissance Capital has been engaged as an advisor for the transaction.

Hogan Lovells was the legal adviser in the deal.

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Rostelecom (www.rt.ru/en) is Russia's national telecommunications operator. The Company owns and operates a nationwide network (about 160,000 km in length), enabling Rostelecom to handle the majority of long-distance and international voice traffic transmission as well as TV and radio broadcasting channels in Russia. The Company is a major provider of telecommunications services to state organizations and governmental agencies. Additionally, Rostelecom is the domestic market leader in the wholesale Internet services segment.

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Certain statements in this press release are forward-looking statements within the meaning of the U.S. federal securities laws and are intended to be covered by the safe harbors created thereby. Those forward-looking statements include, but are not limited to:

- *Management's assessment of the Company's future operating and financial results as well as forecasts of the present value of future cash flows and related factors;*
- *the Company's anticipated capital expenditures and plans to construct and modernize its network;*
- *the Company's expectations as to the growth in demand for its services, plans relating to the expansion of the range of its services and their pricing;*
- *the Company's plans with respect to improving its corporate governance practices;*
- *the Company's expectations as to its position in the telecommunications market and the development of the market segments within which the Company operates;*
- *economic outlook and industry trends;*
- *the Company's expectations as to the regulation of the Russian telecommunications industry and assessment of impact of regulatory initiatives on the Company's activity;*
- *other statements regarding matters that are not historical facts.*
- *Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:*
- *risks relating to changes in political, economic and social conditions in Russia as well as changes in global economic conditions;*
- *risks relating to Russian legislation, regulation and taxation, including laws, regulations, decrees and decisions governing the Russian telecommunications industry, securities industry as well as currency and exchange controls relating to Russian entities and their official interpretation by regulatory bodies;*
- *risks relating to the Company, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Company's services including their promotions, and the ability of the Company to remain competitive in a liberalized telecommunications market;*

- *technological risks associated with the functioning and development of the telecommunications infrastructure, technological innovations as well as the convergence of technologies;*
- *other risks and uncertainties. For a more detailed discussion of these and other factors, see the Company's Annual Report and the Company's other public filings.*

Many of these factors are beyond the Company's ability to control or predict. Given these and other uncertainties, readers are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise.

The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which are made as of the date hereof) to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable laws.