
ROSTELECOM REPORTS RESULTS OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING

Moscow – June 26, 2010 — Rostelecom (RTS, MICEX: RTKM, RTKMP; OTCQX: ROSYY) (“Rostelecom” or “the Company”) today announced the results of its Annual General Shareholders’ Meeting (“AGM”) held on June 26, 2010.

At the AGM, shareholders voted to approve the following agenda items:

Item 1:

Shareholders approved the Company’s annual report as well as annual financial statements being reported in accordance with Russian Accounting Standards (RAS), including profit and loss statement of the Company for the 2009 fiscal year.

The decision on this item was approved by 99.6 % of votes of the holders of the Company’s ordinary (voting) shares, that participated in voting.

Item 2:

Shareholders approved distribution of profit upon the results of 2009 fiscal year as follows:

- RUB 3,571,195,000 or 70% of net profit to increase the Company’s equity;
- RUB 1,530,388,000 or 30% of net profit to be distributed as dividends for 2009.

The annual dividends for 2009 were declared as follows:

- RUB 2.1005 per preferred share. The total amount of dividends to be paid to holders of preferred shares will amount to 10% of 2009 RAS net profit;
- RUB 1.4002 per ordinary share. The total amount of dividends to be paid to holders of ordinary shares will amount to 20% of 2009 RAS net profit.

Dividends will be disbursed to shareholders, including the list of persons entitled to receive dividends in conformity with the shareholder register as at May 7, 2010, as follows:

- by transfer to shareholders’ bank accounts (the Company bears expenses associated with the dividend payment, and shareholders bear expenses associated with dividend receipt);
- by postal order (the Company bears expenses associated with the dividend payment, and shareholders bear expenses associated with dividend receipt);
- by payment through the Company’s cashiers (for Rostelecom employees only).

The decision on this item was approved by 99.9 % of votes of the holders of the Company’s ordinary (voting) shares, that participated in voting.

Item 3:

Members of the new Board of Directors were elected. The most votes upon the results of cumulative voting went to the candidates as follows:

1. Anatoly Ballo, Management Board member, Deputy Chairman of Vnesheconombank;
2. Vladimir Bondarik, Deputy General Director of Svyazinvest;
3. Yury Kudimov, General Director of VEB Capital Ltd.
4. Alexey Lokotkov, Deputy General Director of Svyazinvest;
5. Konstantin Malofeev, Managing Partner of MarCap Advisors Limited;
6. Mikhail Poluboyarinov, Director of Infrastructure Department of Vnesheconombank;
7. Alexander Provotorov, First Deputy General Director of Svyazinvest;
8. Viktor Savchenko, Deputy General Director of Svyazinvest;
9. Anatoly Tikhonov, Management Board member, First Deputy Chairman of Vnesheconombank;

10. Yelena Umnova, Deputy General Director of Svyazinvest;
11. Yevgeny Yurchenko, General Director of Svyazinvest.

Item 4:

Members of the Audit Commission were elected. Shareholders voted in favor of the candidates as follows:

1. Mikhail Batmanov, Deputy Director of Corporate Governance and Legal Department of Svyazinvest;
2. Svetlana Bocharova, Head of Division of Accounting, Tax and Statistics Department of Svyazinvest;
3. Bogdan Golubitsky, Director of Economics and Finance Department of Svyazinvest;
4. Olga Koroleva, Chief Accountant of Svyazinvest;
5. Vyacheslav Ulupov, Director of Internal Control Service of Vnesheconombank;

Item 5:

ZAO KPMG was approved as the Company's external auditor for 2009 fiscal year.

The decision on this item was approved by 99.8 % of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

Item 6:

Shareholders determined the number of the Company's authorized ordinary shares as 5,900,000,000 units with a nominal value of RUB 0.0025 each. It was also determined that the authorized ordinary shares when placed will provide to the owners thereof the same rights as those provided by the Company's ordinary shares. The proper Amendment № 1 was approved to be introduced to Rostelecom's Charter.

The decision on this item was approved by 99.8 % of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

Item 7:

The Company's shareholders passed the resolution to reorganize Rostelecom by merging with and into OJSC "CenterTelecom", OJSC "Sibirtelecom", OJSC "Far East Telecom", OJSC "VolgaTelecom", OJSC "North-West Telecom", OJSC "Uralsvyazinform", OJSC "Southern Telecommunications Company", as well as OJS Company of Telecommunication and Information of the Republic of Dagestan ('the Merging Companies').

In total, shareholders representing 73.5% of voting (ordinary and preferred) shares took part in voting on the question of reorganization with 97.2 % of these shareholders voting in favour of the reorganization.

Within the context of this item, shareholders approved the merger agreements between Rostelecom and the Merging Companies with the following share swap ratios for conversion of their shares into Rostelecom ordinary shares:

Merging Companies	Quantity of ordinary registered book-entry shares of the merging companies to be converted into one ordinary registered book-entry share of Rostelecom	Quantity of preferred registered book-entry shares of the merging companies to be converted into one ordinary registered book-entry share of Rostelecom
CenterTelecom	3.867	4.920
Sibirtelecom	46.537	59.374
Far East Telecom	0.939	1.195
VolgaTelecom	0.891	1.134
North-West Telecom	4.102	5.220
Uralsvyazinform	87.341	111.602
Southern Telecom	19.378	24.648
Dagsvyazinform	1.795	2.284

Item 8:

Amendments № 2 (of technical character) to the Company's Charter were approved.

The decision on this item was approved by 99.6 % of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

Item 9:

Amendments № 3 (the changes concerning the calculation of the amount of dividend payments for holders of the Company's preferred shares) to the Company's Charter were not approved as 99.6% of votes of holders of ordinary shares (registered to participate in the AGM) but only 7.6% of votes of all holders of preferred shares voted in favor, which is not sufficient to adopt the decision.

Item 10:

The restated Company Regulations on the General Shareholders' Meeting were approved.

The decision on this item was approved by 99.6% of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

Item 11:

The restated Company Regulations on the Board of Directors were approved.

The decision on this item was approved by 99.6% of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

Item 12:

The inter-related deals were approved, namely the Sale and Purchase Agreement for Securities between Rostelecom and OJSC Comstar-UTS and Securities Sales and Purchase Agreement between Rostelecom and MGTS Finance S.A. The deals are subject to the condition that 25% plus one ordinary share of Svyazinvest is to be acquired by Rostelecom, from the aforementioned companies, for the sum of RUB 26 billion.

84.9 % of all holders of the Company's ordinary (voting) shares – non-interested in this transaction – voted in favor.

Item 13:

Directors' remuneration for the period they served as the members of the Company's Board of Directors were approved in line with the Regulations on the Board of Directors.

The decision on this item was approved by 99.5% of votes of the holders of the Company's ordinary (voting) shares, that participated in voting.

At the Board of Directors' meeting held after the AGM, Yevgeny Yurchenko, General Director of Svyazinvest, was elected as Chairman of the Company's Board of Directors.

About Rostelecom

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.

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;*

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- *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.

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