PRESS RELEASE

ROSTELECOM REPORTS ON ANNUAL GENERAL SHAREHOLDERS' MEETING AND THE MEETING OF THE NEW BOARD OF DIRECTORS

Moscow – June 1, 2009 – Rostelecom (NYSE: ROS; RTS, MICEX: RTKM, RTKMP), Russia's national telecommunications operator, today announced the results of its Annual General Shareholders' Meeting (AGM) held on May 30, 2009, as well as the decisions of the new Board of Directors**.**

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

- Approval of the Company's annual report, annual financial statements in accordance with Russian Accounting Standards (RAS), including profit and loss statement of the Company, as well as distribution of profit for 2008 fiscal year as follows:
  - RUB 4,950,435,000 or 70% of net profit to increase the Company's equity;
  - RUB 2,121,622,000 or 30% of net profit to be distributed as dividends for 2008.

  The annual dividends for 2008 were declared as follows:
  - RUB 2.9124 per preferred share. The total amount of dividends to be paid to holders of preferred shares will amount to 10% of 2008 RAS net profit;
  - RUB 1.9410 per ordinary share. The total amount of dividends to be paid to holders of ordinary shares will amount to 20% of 2008 RAS net profit.

  Dividends will be disbursed to shareholders included into the list of persons entitled to receive dividends in conformity with the shareholders' register as of April 14, 2009, as follows:
  - by transfer to shareholders' bank accounts (the Company bears expenses associated with dividend payment, and shareholders bears expenses associated with dividend receipt);
  - by postal order (the Company bears expenses associated with dividend payment, and shareholders bears expenses associated with dividend receipt);
  - by payment through the Company's cashiers (for Rostelecom employees only).

- Members of the new Board of Directors were elected:
  1. Vladimir Bondarik, Deputy General Director of Svyazinvest;
  2. Sergei Kuznetsov, Member of Independent Directors' National Register of the Russian Union of Industrialists and Entrepreneurs;
  3. Mikhail Leshchenko, Adviser to Minister of Communications and Mass Media of Russia;
  4. Alexey Lokotkov, Deputy General Director of Svyazinvest;
  5. Konstantin Malofeev, Managing Partner of MarCap Advisors Limited;
  6. Alexander Provotorov, First Deputy General Director of Svyazinvest;
  7. Ivan Rodionov, Professor of State University Higher School of Economics;
  8. Viktor Savchenko, Deputy General Director of Svyazinvest;
  9. Yelena Umnova, Deputy General Director of Svyazinvest;
  10. Maxim Tsyganov, General Director of KIT Finance Investment Bank (LLC);
  11. Yevgeny Yurchenko, General Director of Svyazinvest.

- Members of the Audit Commission were elected:
  1. Lyudmila Arzhannikova, Head of Division for Coordination of Liason with Regulating and Overseeing Bodies of Medium-Term Planning Department of Svyazinvest;
  2. Mikhail Batmanov, Deputy Director of Department - Head of Division of Corporate Governance and Legal Department of Svyazinvest;
  3. Svetlana Bocharova, Head of Tax Division of Accounting, Tax and Statistics Department of Svyazinvest;
  4. Bogdan Golubitsky, Deputy Director of Economics and Finance Department of Svyazinvest;
  5. Olga Koroleva, Chief Accountant of Svyazinvest.

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

- The restated Company's Charter was approved.

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

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

- The Amendments № 1 to the Company's Regulations on the Management Board were approved.

- The related party transaction was approved the subject-matter of which is the assets and services whose cost amounts to more than two (2) percent of the Company's balance value of the assets pursuant to the Company's financial statements as of the last reporting date, namely the Partnership Agreement between ANO "Organizing Committee of the XXII Olympic Winter games and XI Paralympic Winter Games of 2014 in Sochi", OJCS "Rostelecom" and OJSC "Mefagon".

- 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.

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, and Alexander Provotorov, First Deputy General Director of Svyazinvest, was elected as Deputy Chairman of the Board.

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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 on Form 20-F for its most recently completed fiscal year and the Company's other public filings with The U.S. Securities and Exchange Commission.*

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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