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Blavatnik Sells 25%+1 Share Stake in Svyazinvest to COMSTAR – UTS and MGTS for \$1.3bn

Mustcom Limited, the company controlled by American industrialist Len Blavatnik, has sold its 25%+1 share stake in Russia's national fixed line telecom giant "Svyazinvest", to Comstar -UTS with MGTS for \$1.3billion. As part of the sale, Mr Blavatnik's Access Industries will also receive a call option on 11% of the share capital of Comstar. Mr Blavatnik acquired the stake in Svyazinvest Telecommunication Investment Joint Stock Company in 2004.

Mr Blavatnik said today, "Svyazinvest is a significant asset in Russia's telecommunications industry, and Sistema's companies Comstar and MGTS are well positioned to capitalize on that value. We continue to be as optimistic about the prospects for Russia's telecommunications market, as we were when we purchased the stake in Svyazinvest, and we look forward to developing a strategic relationship with Sistema."

The transaction has been approved by the relevant government departments and authorities.

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