

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

PLD Telekom Inc.

(Name of Issuer)

Common Stock \$.01 par value

(Title of Class and Securities)

69340T 10

(CUSIP Number of Class of Securities)

Arthur M. Siskind, Esq.
c/o News America Incorporated
The News Corporation Limited
1211 Avenue of the Americas
New York, New York 10036
(212) 852-7000

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

Copy to:

Alan G. Straus, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
(212) 735-2037

August 14, 1998

(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following: ()

Note. Schedule filed in paper format shall include a signed original and five copies of the Schedule, including all exhibits. See section 240.13d-7(b) for other parties to whom copies are to be sent.

(Continued on following pages)

/1/ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 69340T 10

(1) NAMES OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

The News Corporation Limited

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a) ()
(b) (x)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) ()

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

South Australia, Australia

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER 14,631,780
	(8) SHARED VOTING POWER -0-
	(9) SOLE DISPOSITIVE POWER 14,631,780
	(10) SHARED DISPOSITIVE POWER -0-

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,631,780

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES
()

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

38.41%

(14) TYPE OF REPORTING PERSON

CO

SCHEDULE 13D

CUSIP No. 69340T 10

(1) NAMES OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

News America Incorporated

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a) ()
(b) (x)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	(7) SOLE VOTING POWER
	14,631,780
NUMBER OF SHARES	(8) SHARED VOTING POWER
BENEFICIALLY	-0-
OWNED BY	(9) SOLE DISPOSITIVE POWER
EACH	14,631,780
REPORTING	(10) SHARED DISPOSITIVE POWER
PERSON	-0-
WITH	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,631,780

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES ()

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

38.41%

(14) TYPE OF REPORTING PERSON

CO

SCHEDULE 13D

CUSIP No. 69340T 10

(1) NAMES OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

News PLD LLC

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a) ()
(b) (x)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) ()

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	(7) SOLE VOTING POWER
	14,631,780
NUMBER OF SHARES	(8) SHARED VOTING POWER
BENEFICIALLY	-0-
OWNED BY	(9) SOLE DISPOSITIVE POWER
EACH	14,631,780
REPORTING	
PERSON	
WITH	

(10) SHARED DISPOSITIVE POWER

-0-

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,631,780

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES

()

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

38.41%

(14) TYPE OF REPORTING PERSON

OO

SCHEDULE 13D

CUSIP No. 69340T 10

(1) NAMES OF REPORTING PERSONS

S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

K. Rupert Murdoch

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) ()

(b) (x)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS

WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) ()

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

(7) SOLE VOTING POWER

14,631,780

NUMBER OF SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

(8) SHARED VOTING POWER

-0-

(9) SOLE DISPOSITIVE POWER

14,631,780

(10) SHARED DISPOSITIVE POWER

-0-

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,631,780

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES

()

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11

38.41%

(14) TYPE OF REPORTING PERSON

Item 1. Security and Issuer.

The title of the class of equity securities to which this Schedule relates is common stock, \$.01 par value per share (the "Common Stock"), of PLD Telekom Inc., a Delaware corporation ("PLD"). The address of the principal executive offices of PLD is 680 Fifth Avenue, 24th Floor, New York, New York 10019.

Item 2. Identity and Background.

This Schedule is being filed by (i) The News Corporation Limited, a South Australia, Australia corporation ("News Corporation"), with its principal executive office located at 2 Holt Street, Sydney, New South Wales 2010, Australia, (ii) News America Incorporated, a Delaware corporation ("NAI"), with its principal executive office located at 1211 Avenue of the Americas, New York, New York 10036, (iii) News PLD LLC, a Delaware limited liability company ("News PLD LLC"), with its principal executive office located at 1211 Avenue of the Americas, New York, New York 10036, and (iv) K. Rupert Murdoch, an United States citizen, with his business address at 10201 West Pico Boulevard, Los Angeles, CA 90035. News Corporation, NAI, News PLD LLC and K. Rupert Murdoch are referred herein collectively as the "Reporting Persons". The name, residence or business address, principal occupation or employment and the name, principal business, and address of any corporation or other organization in which such employment is conducted with respect to each director and executive officer of each of the Reporting Persons are set forth in Schedule 1 attached hereto, which is incorporated herein by reference. To the knowledge of the Reporting Persons, each of the persons named on Schedule 1 is a United States citizen unless otherwise indicated.

News Corporation is a diversified international communications company principally engaged in the production and distribution of motion pictures and television programming, television broadcasting, publication of newspapers, books, magazines and promotional free-standing inserts, developing digital broadcasting, conditional access and subscription management systems and promoting computer information services.

News Corporation owns indirectly 100% of the outstanding common stock of NAI. NAI, the principal subsidiary in the U.S. of News Corporation conducts, together with its affiliates and subsidiaries, a substantial portion of the U.S. activities of News Corporation.

NAI owns directly and through an intermediary 100% of the outstanding membership interests in News PLD LLC.

News PLD LLC primarily holds, manages and otherwise deals with the Reporting Persons' investment in PLD.

K. Rupert Murdoch is the Chairman and Chief Executive of News Corporation; a director of News Publishing Australia Limited; a director of News International plc, News Corporation's principal subsidiary in the United Kingdom; a director of News Limited, News Corporation's principal subsidiary in Australia; a director of NAI; Chairman and a director of Satellite Television Asian Region Limited, the Asia Pacific Region's largest satellite television broadcaster; and a director of British Sky Broadcasting Group plc, which operates the leading pay television broadcasting services in the United Kingdom and the Republic of Ireland.

Approximately 30% of the voting stock of News Corporation is owned by Cruden Investments Pty. Limited, a subsidiary thereof, K. Rupert Murdoch, members of his immediate family and a corporation which is controlled by trustees of settlements and trusts set up for the benefit of the Murdoch family, certain charities and other persons.

Cruden Investments Pty. Limited is a private Australian incorporated investment company owned by Mr. Murdoch, members of his family and various corporations and trusts, the beneficiaries of which include Mr. Murdoch, members of his family and charities. By virtue of shares of News Corporation owned by corporations which are controlled by the trustees of

settlements and trusts set up for the benefit of the Murdoch family, certain charities and other persons, and Mr. Murdoch's positions as Chairman and Chief Executive of News Corporation, Mr. Murdoch may be deemed to control the operations of News Corporation.

None of the Reporting Persons have, during the last five years, (i) been convicted in a criminal proceeding (excluding minor traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction a result of which it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to a Stock Purchase Agreement dated April 19, 1998, by and between Cable and Wireless plc ("C&W") and NAI, as amended (the "NAI/C&W Stock Purchase Agreement"), NAI agreed to acquire from C&W, for the sum of \$80,000,000, (i) 10,555,739 shares of Common Stock of PLD (including 500,000 shares of Common Stock of PLD to be issued to C&W pursuant to the CIBBV Stock Purchase Agreement (as defined below)), which constituted all of the shares of Common Stock of PLD then owned or to be acquired directly and indirectly by C&W, (ii) a warrant dated June 28, 1995, conferring on the holder the right to purchase up to 250,000 shares (subject to adjustment on the occurrence of certain events) of Common Stock of PLD at an exercise price of 11.3125 Canadian dollars per share, expiring on June 22, 1999 (the "PLD Warrant"), and (iii) all of the shares of PLD Holdings Limited, a Bermuda company ("Holdings").

Pursuant to the Asset Exchange Agreement dated April 19, 1998, by and between NAI and PLD, as amended (the "Asset Exchange Agreement"), PLD agreed to sell to NAI 100% of the outstanding shares of Holdings (which NAI was to acquire from C&W pursuant to the News/C&W Stock Purchase Agreement) in exchange for the issuance of 3,826,041 shares of Common Stock of PLD.

Pursuant to a Stock Purchase Agreement dated April 19, 1998, by and between PLD and C&W, as amended (the "CIBBV Stock Purchase Agreement"), PLD agreed with C&W to acquire (i) all of the shares of CommStruct International Byelorussia BV, a Netherlands corporation ("CIBBV"), which is the owner of 50% of Belarus-Netherlands Belcel Joint Venture ("BELCEL"), which in turn is the operator of a mobile telephone business in Belarus, plus (ii) certain intercompany indebtedness. Such shares of CIBBV and such intercompany indebtedness are hereinafter referred as the "CIBBV Interest." PLD agreed to issue to C&W 500,000 shares of Common Stock of PLD for the CIBBV Interest.

Pursuant to an Assignment dated April 23, 1998, by and between NAI and News PLD LLC, NAI assigned all of its right, title and interest under the NAI/C&W Stock Purchase Agreement and the Asset Exchange Agreement to News PLD LLC.

The closing of each of the transactions described above occurred on August 14, 1998. Giving effect to the completion of the transactions summarized above, the Reporting Persons beneficially own an aggregate of 14,631,780 shares of Common Stock of PLD (representing approximately 38.41% of the outstanding Common Stock of PLD after the completion of the transactions). The funds used by the Reporting Persons to acquire the securities covered by this Schedule were provided from working capital.

Item 4. Purpose of Transaction.

The Reporting Persons acquired their shares of Common Stock of PLD for investment purposes and currently intend to continue to hold them for such purposes. Such Reporting Persons from time to time may review the merits of their investment in PLD and evaluate their options with respect thereto. Subject to such review and evaluation, any or all of such Reporting Persons may determine to acquire additional shares of Common Stock of PLD (or securities convertible into Common Stock of PLD) through open market purchases or privately negotiated transactions, may determine to sell shares of Common Stock of PLD (or securities convertible into Common Stock of PLD) and/or may pursue any other options with respect to their investment in PLD.

Notwithstanding anything to the contrary contained herein, each of

the Reporting Persons reserves the right, depending on all relevant factors, to change its intention with respect to any and all of the matters referred to in the preceding paragraph.

Other than as described in this Schedule, the Reporting Persons do not have any specific plans or proposals that relate to or would result in any of the actions specified in clauses (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

The number of shares of Common Stock of PLD directly beneficially owned as determined pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended, by News PLD LLC as of the date hereof is 14,631,780 shares of Common Stock of PLD, representing approximately 38.41% of the outstanding Common Stock of PLD, of which 250,000 of such shares may be deemed to be beneficially owned pursuant to the PLD Warrant, and each of News Corporation, NAI, and Mr. Murdoch, as persons who may be deemed to control News PLD LLC, may also be deemed to beneficially own such shares. Each of the Reporting Persons has sole voting or dispositive power with respect to the shares of Common Stock of PLD which they beneficially hold. None of the Reporting Persons share voting and dispositive power with respect to any shares of Common Stock of PLD which they beneficially hold. For purposes of computing the percentage beneficial ownership of the Reporting Persons, the total number of shares of Common Stock of PLD considered to be outstanding is 38,096,789. (1)

-
- (1) Based solely on the number of shares outstanding on July 31, 1998 as disclosed in the Form 10-Q for the quarter ended June 30, 1998 filed by PLD, together with the 3,826,041 shares of Common Stock of PLD issued pursuant to the Asset Exchange Agreement, the 500,000 shares of Common Stock of PLD issued pursuant to the CIBBV Stock Purchase Agreement and the right to acquire 250,000 shares of Common Stock of PLD pursuant to the PLD Warrant.

Except for the transactions described in this Schedule, no transactions were effected by the Reporting Persons in the Common Stock of PLD during the 60 days preceding the date hereof.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

(a) Pursuant to the Stock Purchase Agreement dated April 19, 1998 by and between NAI and C&W, the Reporting Persons acquired the rights to the PLD Warrant.

(b) NAI and PLD entered into a Director Nomination Agreement, dated April 19, 1998 (the "Director Nomination Agreement"), attached hereto as Exhibit 4, providing for, among other things, PLD to set the size of its Board of Directors at 10 and to cause the Board of Directors to elect as directors four individuals designated by News PLD LLC. The number of individuals that News PLD LLC is permitted to designate pursuant to the Director Nomination Agreement is based upon the aggregate percentage of the total issued and outstanding shares of Common Stock of PLD owned of record and beneficially by News PLD LLC and News Corporation and its subsidiaries and affiliates, together, as follows:

Number of designees	Percentage of Total Shares Outstanding Owned
4	23% or over
3	15% - 22.99%
2	10% - 14.99%
1	5% - 9.9%
0	below 5%

In the event that the number of directors comprising the entire Board shall be increased beyond ten (10), the number of directors that News PLD LLC is entitled to designate based on its share ownership shall be appropriately and proportionately adjusted, any number resulting from such adjustment which is not a whole number being rounded up to the nearest whole number. The term of the Director Nomination Agreement is ten years from the date of its execution.

(c) The Reporting Persons have commenced negotiations with ZAO LogoVaz, a closed joint stock company organized under the laws of the Russian Federation ("LogoVaz"), to sell to LogoVaz a 50% interest in the Reporting Persons' investment in PLD. No assurance can be given as to whether such negotiation will ultimately be successful or, if successful, the terms of any such sale or the timing upon which any such sale would be consummated.

Item 7. Material to be Filed as Exhibits.

Document -----	Exhibit No. -----
Stock Purchase Agreement, dated April 19, 1998, by and between News America Incorporated and Cable and Wireless plc.	1
Stock Purchase Agreement, dated April 19, 1998, by and between Cable and Wireless plc and PLD Telekom Inc.	2
Asset Exchange Agreement, dated April 19, 1998, by and between News America Incorporated and PLD Telekom Inc.	3
Director Nomination Agreement, dated April 19, 1998, by and between PLD Telekom Inc. and News America Incorporated.	4
Combined Amendment to Stock and Asset Purchase Agreements, dated June 29, 1998, by and among News America Incorporated, News PLD LLC, Cable and Wireless plc and PLD Telekom Inc.	5
Second Combined Amendment to Stock and Asset Purchase Agreements, dated August 7, 1998, by and among News America Incorporated, News PLD LLC, Cable and Wireless plc and PLD Telekom Inc.	6
Third Amendment to Asset Exchange Agreement, dated August 14, 1998, by and among News America Incorporated, News PLD LLC and PLD Telekom Inc.	7
Warrant, dated June 28, 1995, granted by PLD Telekom, Inc. to Cable and Wireless plc.	8
Assignment, dated April 23, 1998, by and between News America Incorporated and News PLD LLC.	9
Agreement of Joint Filing, dated August 24, 1998, by and among the News Corporation Limited, News America Incorporated, News PLD LLC and K. Rupert Murdoch.	10

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule is true, complete and correct.

THE NEWS CORPORATION LIMITED

Dated: August 24, 1998

By: /s/ ARTHUR M. SISKIND

Name: ARTHUR M. SISKIND
Title: DIRECTOR

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule is true, complete and correct.

NEWS AMERICA INCORPORATED

Dated: August 24, 1998

By: /s/ ARTHUR M. SISKIND

Name: ARTHUR M. SISKIND
Title: DIRECTOR

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule is true, complete and correct.

NEWS PLD LLC

Dated: August 24, 1998

By: /s/ Lawrence Jacobs

Name: Lawrence Jacobs
Title: Vice President

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule is true, complete and correct.

Dated: August 24, 1998

By: /s/ K. Rupert Murdoch

K. Rupert Murdoch

SCHEDULE 1

DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING PERSONS OF THE REPORTING PERSONS.

Name	Principal Occupation and Business Address	Principal Business or Organization in Which Such Employment is Conducted
K. Rupert Murdoch	Chairman and Chief Executive of News Corporation; Director of News Publishing Australia Limited; Director of News International plc; Director of News Limited; Director of NAI, Chairman and Director of Satellite Television Asian Region Limited ("STAR TV"); Director of British Sky Broadcasting Group plc ("BSkyB"); 10201 West Pico Boulevard Los Angeles, CA 90035	News Corporation

Chase Carey	Executive Director and Co-Chief Operating Officer of News Corporation; Director and Executive Vice President of NAI; Chairman and Chief Executive Officer of Fox Television; 10201 West Pico Boulevard Los Angeles, CA 90035	Fox Television
Peter Chernin	Executive Director, President and Chief Operating Officer of News Corporation; Director, Chairman and Chief Executive Officer of NAI; 10201 West Pico Boulevard Los Angeles, CA 90035	New Corporation
Ken E. Cowle(1)	Non Executive Director of News Corporation; Director of Ansett Australia Holdings Limited; Chairman of Ansett International Pty Ltd. and Chairman of Ansett New Zealand Pty Ltd.; 2 Holt Street Sydney, New South Wales 2010 Australia	News Corporation
David F. DeVoe	Executive Director, Senior Executive Vice President and Chief Executive Officer and Finance Director of News Corporation; Director and Senior Executive Vice President of NAI; Director of STAR TV; Director of BSkyB; 1211 Avenue of the Americas New York, New York 10036	News Corporation
Aatos Erkkö(2)	Non Executive Director of News Corporation; Chairman and Chief Executive Officer of Sanoma Group and Sanoma Corporation ("Sanoma"), privately owned media companies in Finland P.O. Box 144 SF00101 Helsinki, Finland	Sanoma
Andrew S.B. Knight(3)	Non Executive Director of News Corporation c/o News International plc 1 Virginia Street London E19X4 England	News Corporation
Keith H. McDonad(4)	Non Executive Director of News Corporation; Non Executive Chairman of Queensland Press Limited 41 Campbell Street Bowen Hills Queensland 4006	News Corporation
Anna M. Murdoch	Non Executive Director of News Corporation; 10201 West Pico Boulevard Los Angeles, CA 90035	News Corporation
Lachlan K. Murdoch	Executive Director of News Corporation; Chairman and Director of Queensland Press Limited; Director of Herald & Weekly Times Limited; Managing Director and Director of News Limited; Deputy Chairman of STAR TV; Director of Beijing PDN Xinren Information Technology Company Ltd.; Director of FOXTEL Management Pty Ltd.; 2 Holt Street Sydney, New South Wales 2010 Australia	News Corporation
Thomas J. Perkins	Non Executive Director of News Corporation; Senior Partner at	Kleiner Perkins

Kleiner Perkins Canfield & Byers
("Kleiner Perkins"); Director of
Compaq Computer Corporation;
4 Embarcadero Center
Suite 3520
San Francisco, CA 94111

Bert C. Roberts, Jr.	Non Executive Director of News Corporation; Chairman, Director and Chief Executive Officer of MCI Communications Corporation ("MCI"); 1801 Pennsylvania Avenue, N.W. Washington, D.C. 20006	MCI
Geoffrey C. Bible	Non Executive Director of News Corporation; Chairman and Chief Executive Officer of Philip Morris Companies Inc. ("Philip Morris"); Director of New York Stock Exchange, Inc.; and Director of Lincoln Center for the Performing Arts, Inc.; 120 Park Avenue New York, New York 10017	Philip Morris
Stanley S. Shuman	Non Executive Director of News Corporation; Executive Vice President and Managing Director of Allen & Company Incorporated ("Allen & Company"); Director of NAI; 711 Fifth Avenue New York, New York 10176	Allen & Company
Arthur M. Siskind	Executive Director, Senior Executive Vice President and Group General Counsel of News Corporation; Director of BSKyB; Director and Senior Executive Vice President of NAI; Director of STAR TV; 1211 Avenue of the Americas New York, New York 10036	News Corporation

STOCK PURCHASE AGREEMENT

between

NEWS AMERICA INCORPORATED

and

CABLE AND WIRELESS PLC

Dated April 19, 1998

TABLE OF CONTENTS

	Page	
ARTICLE I		
SALE OF STOCK; CONSIDERATION		
1.1. Sale by C&W	2	
1.2. Consideration for the Sale by C&W.	2	
ARTICLE II		
THE CLOSING		
2.1. Time and Place of Closing	3	
2.2. Deliveries by C&W	3	
2.3. Deliveries by Buyer	3	
ARTICLE III		
REPRESENTATIONS AND WARRANTIES OF C&W		
3.1. Organization	4	
3.2. Authority Relative to this Agreement and the Ancillary Agreements	4	
3.3. Title.	5	
3.4. Consents and Approvals; No Violation	5	
3.5. Financial Statements; Undisclosed Liabilities	6	
3.6. Absence of Certain Changes or Events	7	
3.7. Legal Proceedings, etc.	9	
3.8. Fees and Commissions.	9	
ARTICLE IV		
REPRESENTATIONS AND WARRANTIES OF BUYER		9
4.1. Organization.	9	
4.2. Authority Relative to this Agreement.	9	
4.3. Consents and Approvals; No Violation	10	
4.4. Fees and Commissions.	10	
4.5. Investment Intent.	10	
ARTICLE V		
COVENANTS OF THE PARTIES		
5.1. Conduct of Business of Holdings.	11	
5.2. Expenses.	11	
5.3. Further Assurances	12	

5.4.	Public Statements	12
5.5.	Consents and Approvals.	12
[5.6.	Transfer of Complus Enterprises Holding S.A.	13
5.7.	HSR Act.	13
5.8	Supplements to Schedules.	13

ARTICLE VI
CLOSING CONDITIONS

6.1.	Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby.	14
6.2.	Conditions to Obligations of Buyer	14
6.3.	Conditions to Obligations of C&W.	16

ARTICLE VII
TERMINATION AND ABANDONMENT

7.1.	Termination	17
7.2.	Procedure and Effect of Termination	18

ARTICLE VIII
SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

8.1.	Survival of Representations.	18
8.2.	Limitations on C&W Representations and Warranties; Investigation	18
8.3.	C&W's Indemnification of Buyer	19
8.4.	Buyer's Indemnification of C&W	19
8.5.	Conditions of Indemnification.	20
8.6.	Cushion.	21
8.7.	Limitation of Liability.	21
8.8.	Remedies Cumulative.	21
8.9.	Assignment of Certain Representations, Warranties and Indemnification Rights	21

ARTICLE IX
MISCELLANEOUS PROVISIONS 22

9.1.	Amendment and Modification.	22
9.2.	Waiver of Compliance; Consents	22
9.3.	Notices	22
9.4.	Assignment	24
9.5.	Confidentiality	24
9.6.	Governing Law	25
9.7.	Counterparts	25
9.8.	Interpretation	25
9.9.	Entire Agreement	25

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (this "Agreement"), dated April 19, 1998, by and between:

NEWS AMERICA INCORPORATED, a Delaware corporation ("Buyer"), with an address at 1211 Avenue of the Americas, New York, New York 10036, and

CABLE AND WIRELESS PLC, a company registered under the laws of England under the number 238525 ("C&W"), with an address at 124 Theobalds Road, London WC1X 8RX.

W I T N E S S E T H:

WHEREAS, (a) Navona Communications Corporation Ltd. (a direct wholly owned subsidiary of C&W), a corporation organized under the laws of Bermuda ("Navona"), owns (i) 10,055,739 shares of common stock, par value USD\$.01 per share ("PLD Common Stock"), of PLD Telekom Inc., a corporation organized under the laws of Delaware ("PLD"), constituting as of April 16, 1998 approximately 30.17% of the presently issued and outstanding capital stock of PLD (the "PLD Shares"), and (ii) 12,000 shares of common stock, par value USD\$1.00 per share, of PLD Holdings Ltd., a limited liability company organized under the laws of Bermuda ("Holdings"), constituting 100% of the issued and outstanding capital stock of Holdings (the "Holdings Shares"), which is the owner of eleven percent (11%) of the outstanding

common equity interests in PeterStar Company Limited, a closed joint stock company organized under the laws of the Russian Federation ("PeterStar"); and (b) C&W owns a warrant dated June 28, 1995, conferring on C&W the right to purchase PLD Common Stock, a copy of which is attached hereto as Exhibit A (the "PLD Warrant"; the PLD Warrant and the PLD Shares are collectively referred to herein as the "Pre-Exchange PLD Interest") and

WHEREAS, C&W also owns 100 shares of common stock, par value 400 Netherlands Guilders per share, of CommStruct International Byelorussia B.V., a closed limited liability company organized under the laws of The Netherlands ("CIBBV"), constituting 100% of the issued and outstanding capital stock of CIBBV (the "CIBBV Shares"); and

WHEREAS, C&W and PLD are agreeing (the "CIBBV Exchange Agreement"), substantially simultaneously with the execution and delivery of this Agreement, on the terms and conditions upon which C&W will exchange the CIBBV Shares, together with certain indebtedness owed to C&W by CIBBV, with PLD for 500,000 newly issued shares of PLD Common Stock (the "CIBBV Exchange Shares"), which exchange will be completed prior to the consummation of the transactions contemplated by this Agreement; and

WHEREAS, C&W desires to sell and transfer, or to cause the sale and transfer, to Buyer, and Buyer desires to purchase, the Pre-Exchange PLD Interest and the CIBBV Exchange Shares (collectively, the "PLD Interest") and the Holdings Shares, as more specifically provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
SALE OF STOCK; CONSIDERATION

1.1. Sale by C&W. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement and the delivery to C&W of good title to the CIBBV Exchange Shares, C&W agrees to sell, assign, transfer and deliver to Buyer the CIBBV Exchange Shares and the PLD Warrant and to cause Navona to sell, assign, transfer and deliver the PLD Shares and the Holdings Shares to Buyer, and Buyer agrees to purchase and acquire, (a) all of the right, title and interest of C&W in and to the CIBBV Exchange Shares and the PLD Warrant and (b) all of the right, title and interest of Navona in and to the PLD Shares and the Holdings Shares.

1.2. Consideration for the Sale by C&W. (a) On the Closing Date (as hereinafter defined) and upon the terms and subject to the satisfaction of the conditions contained in this Agreement, in consideration of the aforesaid sale, assignment, transfer and delivery of the PLD Interest and the Holdings Shares, Buyer will pay, or cause to be paid, to C&W or its written designee, by interbank transfer of immediately available funds an amount equal to Eighty Million United States dollars (USD\$80,000,000) (the "Purchase Price").

ARTICLE II
THE CLOSING

2.1. Time and Place of Closing. Subject to the terms and conditions of this Agreement, the consummation of the transaction contemplated hereby (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York 10022 on the third business day after Buyer shall have delivered to C&W written notice that the conditions set forth in Section 6.2 hereof have been satisfied (the "Closing Date") or at such other time and place as shall be determined by mutual agreement of the parties.

2.2. Deliveries by C&W. At the Closing, C&W will deliver or cause to be delivered the following to Buyer:

(a) Stock certificates representing all of the PLD Shares and the Holdings Shares and the certificate or other instrument representing the PLD Warrant, each duly endorsed in blank or accompanied by duly executed instruments of transfer, together with any other documents that are necessary to transfer to Buyer good and marketable title to the PLD Shares, the PLD Warrant, the CIBBV Exchange Shares and the Holdings Shares, as the case may be;

(b) the Officer's Certificate referred to in Section 6.2(f) hereof;

(c) the Opinion of Counsel referred to in Section 6.2(g) hereof; and

(d) such other documents, instruments and writings as are required to be delivered by C&W at or prior to the Closing Date pursuant to this Agreement or otherwise reasonably required in connection herewith.

2.3. Deliveries by Buyer. At the Closing, Buyer will deliver the following to C&W:

(a) the Purchase Price by interbank transfer of immediately available funds;

(b) the Officer's Certificate referred to in Section 6.3(c) hereof;

(c) the Opinion of Counsel referred to in Section 6.3(d) hereof; and

(d) such other documents, instruments and writings as are required to be delivered by Buyer at or prior to the Closing Date pursuant to this Agreement or otherwise reasonably required in connection herewith.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF C&W

C&W represents and warrants to Buyer as follows:

3.1. Organization. (a) C&W is a public limited company duly organized and validly existing under the laws of England and has all requisite power to enter into this Agreement and to dispose, or to cause Navona to dispose, of the PLD Shares and the Holdings Shares in accordance with this Agreement and to perform its obligations hereunder.

(b) Navona is a corporation duly organized and validly existing under the laws of Bermuda and has all requisite power to dispose or cause the disposition of the PLD Shares and the Holdings Shares in accordance with this Agreement and to perform its obligations hereunder.

3.2. Authority Relative to this Agreement and the Ancillary Agreements. C&W and Navona each has full corporate power and authority to execute, deliver and perform its obligations under this Agreement and the CIBBV Exchange Agreement and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the CIBBV Exchange Agreement and the performance of its obligations hereunder and thereunder have been duly and validly authorized by C&W and Navona, and no other corporate proceedings on the part of C&W or Navona are necessary to authorize this Agreement or the performance of its obligations hereunder and thereunder. This Agreement and the CIBBV Exchange Agreement have each been duly and validly executed and delivered by C&W, and, assuming that this Agreement and the CIBBV Exchange Agreement each constitutes a valid and binding agreement of Buyer and each other party thereto, constitutes a valid and binding agreement of C&W, enforceable against C&W in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

3.3. Title. C&W indirectly through Navona owns the Pre-Exchange PLD Interest and the Holdings Shares and will, upon the completion of the sale and exchange transactions under the CIBBV Exchange Agreement, own the CIBBV Exchange Shares, in each case free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations affecting its ability to vote such shares or to transfer such shares to Buyer or to exercise any other rights appurtenant thereto. Except (a) for the PLD Interest and the Holdings Shares that are the subject of this Agreement and (b) such agreements, contracts, instruments, arrangements or understandings to which PLD or any of its direct or indirect subsidiaries, but not C&W or Navona, is a party, neither C&W nor any of its direct or indirect subsidiaries owns any shares or other equity interests in, or is a party to any agreement, contract, instrument, arrangement or understanding

enabling a party upon notice, exercise or conversion to acquire shares or other equity interests in, PLD or Holdings. Except as set forth in Schedule 3.3, Holdings does not own any material assets other than its equity interest in PeterStar and does not have any material liabilities (for purposes of this sentence, assets or liabilities individually or in the aggregate exceeding US\$500,000 shall be deemed "material"). At the Closing, Buyer will acquire good title to the PLD Interest and the Holdings Shares, free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations of any nature whatsoever. At or prior to the Closing Date all agreements between Holdings on the one part and any direct or indirect parent of Holdings on the other part shall have been terminated without any residual liability on the part of Holdings thereunder. Except for this Agreement and the CIBBV Exchange Agreement and their respective obligations thereunder, neither C&W nor Navona has entered into any subscription, option, warrant, call, right, agreement or understanding for the sale, delivery, assignment or transfer by C&W or Navona of the PLD Interest, the Holdings Shares or the interest held by Holdings directly in PeterStar.

3.4. Consents and Approvals; No Violation.

(a) Except as set forth in Schedule 3.4, neither the execution and delivery of this Agreement and the CIBBV Exchange Agreement by C&W, nor the sale by C&W or Navona of the PLD Interest or the Holdings Shares pursuant to this Agreement, will (i) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws, or similar charter documents, of C&W, Navona or Holdings, (ii) other than as may be required as a result of the identity of Buyer or any of Buyer's successors or assigns, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority to be made or obtained by C&W, Navona or Holdings, (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which C&W, Navona or Holdings or by which C&W, Navona or Holdings or any of their respective assets (except that no representation or warranty is made as to any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which PLD, PeterStar or Belcel, but not C&W, Navona or Holdings, is a party or by which PLD, PeterStar or Belcel, but not C&W, Navona or Holdings, are bound) may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to C&W, Navona or Holdings or any of their respective assets (except that no representation or warranty is made as to any order, writ, injunction, decree, statute, rule or regulation applicable to PLD, PeterStar or Belcel, but not C&W, Navona or Holdings).

(b) Except as set forth in Schedule 3.4 and except for the filings by Buyer and PLD required by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), it is not necessary for C&W or Navona to make any declaration, filing or registration with, or to give notice to, or to receive the authorization, consent or approval of, any governmental or regulatory body or authority for the consummation by C&W and Navona of the transactions contemplated hereby.

3.5. Financial Statements; Undisclosed Liabilities; Certain Tax Matters.

(a) C&W has previously furnished to Buyer copies of Holdings' audited (i) balance sheets as of December 31, 1997 and (ii) related audited statements of income and retained earnings and changes in financial position of Holdings for the fiscal year then ended, together with the report thereon of KPMG Audit plc, independent auditors (subject, in the case of the final signature on such audit and report, to the information set forth in Schedule 3.5). To the Knowledge of C&W (as the term "Knowledge" is defined in Section 8.3 hereof), such financial reports present fairly the financial information purported to be set forth therein as of the dates, or for the periods, described therein, all in conformity with the accounting principles described therein.

(b) Except as set forth in Schedule 3.5, to the Knowledge of C&W, as of the date of the Holdings balance sheet referred to in Section 3.5(a)(i) hereof, Holdings has no material liability or obligation, secured or unsecured (whether absolute, accrued, contingent or otherwise,

and whether due or to become due), of a nature required by generally accepted accounting principles to be reflected in a corporate balance sheet or disclosed in the notes thereto, which is not accrued or reserved against in the financial reports referred to in Section 3.5(a) hereof or disclosed in the notes thereto in accordance with generally accepted accounting principles.

3.6. Absence of Certain Changes or Events. Except as set forth in Schedule 3.6, since the date of the financial reports referred to in Section 3.5(a) hereof, to the Knowledge of C&W there has not been:

(a) any material adverse change in the business, prospects, operations, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise), of Holdings or any failure by Holdings to pay its debts when due;

(b) any event or condition of any character which, either individually or in the aggregate, might reasonably be expected to have a material adverse effect on the business, prospects, operations, properties, assets, liabilities, competition, earnings or condition (financial or otherwise), of Holdings;

(c) any damage, destruction or loss (regardless of whether covered by insurance) that might reasonably be expected to have a material adverse effect on the business, prospects, operation, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise), of Holdings;

(d) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock, property, or any combination of the foregoing) with respect to the capital stock of Holdings except as specifically provided for in this Agreement;

(e) any increase in the compensation paid, payable or to become payable by Holdings to its officers, directors or employees (other than increases for employees in the ordinary course of business and consistent with past practice), any hiring of new officers, directors or employees (other than hiring of new employees in the ordinary course of business consistent with past practice) or any increase in any bonus, insurance, pension or other employee benefit plan, payments or arrangement (including loans) made to, for or with any officers, directors, or employees (other than increases for employees in the ordinary course of business and consistent with past practice or other increases pursuant to written employee benefit plans);

(f) any entry into, material amendment of, or termination of, any material agreement, material commitment or material transaction by Holdings, including, without limitation, any (i) merger, consolidation, share exchange, acquisition or disposition of assets or stock or any financing transaction or capital expenditure, (ii) indenture, mortgage, note, agreement or other instrument relating to the borrowing of money (other than intercompany accounts), (iii) partnership or joint venture agreement, (iv) material license agreement relating to intellectual property (other than off-the-shelf software licenses), or (v) agreement to amend its charter or other organizational documents or any other document, contract, agreement, arrangement, undertaking or instrument relating to any of the foregoing;

(g) any entry into, material change to the terms or conditions of or termination of, any license, permit franchise, governmental approval or decree pursuant to which Holdings provides telephony, data transmission or other telecommunications services of any kind or character;

(h) any notes or accounts receivable or portions of notes or accounts receivable written off by Holdings as uncollectible, other than in the ordinary course of business and consistent with past practice;

(i) any material obligation or material liability paid (whether absolute, accrued, contingent or otherwise), or any lien or encumbrance in connection therewith discharged, by Holdings, other than (i) in the ordinary course of business and consistent with past practice, or (ii) current liabilities shown on the financial reports referred to in Section 3.5(a) hereof and current liabilities incurred since their date;

(j) any mortgage, pledge or security interest, lien or encumbrance created in or with respect to any property or assets, real, personal or mixed, tangible or intangible, of Holdings;

(k) except as specifically provided for in this Agreement, any sale, assignment, transfer, lease, dividend, distribution or other disposition of any property or assets by Holdings other than in the ordinary course of business; or

(l) any agreement, understanding or undertaking to do any of the foregoing by Holdings; provided, that the representations and warranties set forth in this Section 3.6 with respect to the business, operations, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise) of Holdings shall not be deemed to be representations or warranties as to the business, operations, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise) of PLD or PeterStar and for the avoidance of doubt, the occurrence of any of the matters referred to in (a) through (l) above in relation to PeterStar shall not be a breach of the representations and warranties relating to Holdings set forth in (a) through (l) above.

3.7. Legal Proceedings, etc. Except as set forth in Schedule 3.7, to the Knowledge of C&W, there are no claims, actions, or proceedings pending or investigation pending or threatened against or relating to Holdings before any court, governmental or regulatory authority or body acting in an adjudicative capacity. Except as set forth in Schedule 3.7, to the knowledge of C&W, Holdings is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court, governmental or regulatory authority.

3.8. Fees and Commissions. Except as previously disclosed by C&W to Buyer in writing, no broker, finder or other person is entitled to any brokerage fees, commissions or finder's fees in connection with the transaction contemplated hereby by reason of any action taken by C&W. C&W hereby covenants that it will pay to Buyer or otherwise discharge, and will indemnify and hold Buyer harmless from and against, any and all claims or liabilities for all brokerage fees, commissions and finder's fees (other than as described above) incurred by reason of any action taken by C&W.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to C&W as follows:

4.1. Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has heretofore delivered to C&W complete and correct copies of its Certificate of Incorporation and By-Laws as currently in effect.

4.2. Authority Relative to this Agreement and the Buyer Ancillary Agreements. Buyer has full power and authority to execute, deliver and perform all obligations under this Agreement, the Asset Exchange Agreement referred to in Section 8.8 hereof and the Director Nomination Agreement referred to in Section 6.2(e) hereof (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Buyer Ancillary Agreements and the performance of its obligations hereunder and thereunder have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize this Agreement or the Buyer Ancillary Agreements or to perform its obligations hereunder or thereunder. This Agreement and the Buyer Ancillary Agreements (in the case of the Buyer Ancillary Agreements, in the form delivered to C&W on the date hereof) have been duly and validly executed and delivered by Buyer, and assuming that this Agreement and each such Buyer Ancillary Agreement to which it is a party constitutes a valid and binding agreement of C&W or the relevant party to the Buyer Ancillary Agreements, constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

4.3. Consents and Approvals; No Violation. (a) Except as set

forth in Schedule 4.3, neither the execution and delivery of this Agreement nor the Buyer Ancillary Agreements by Buyer nor the purchase by the Buyer or its permitted designee or assignee as provided in Section 9.4 hereof of the PLD Interest and the Holdings Shares pursuant to this Agreement, or the performance of the Buyer Ancillary Agreements, will (i) conflict with or result in any breach of any provision of the Certificate of Incorporation or By-Laws of Buyer, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Buyer or any of its subsidiaries are a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.

(b) Except for the filings by Buyer or its permitted designee or assignee as provided in Section 9.4 hereof and PLD required by Title II of the HSR Act, no declaration, filing or registration with, or notice to, or authorization, consent or approval of any governmental or regulatory body or authority is necessary for the consummation by Buyer of the transactions contemplated hereby.

4.4. Fees and Commissions. No broker, finder or other person is entitled to any brokerage fees, commissions or finder's fees in connection with the transaction contemplated hereby by reason of any action taken by Buyer. Buyer hereby covenants that it will pay to C&W or otherwise discharge, and will indemnify and hold C&W harmless from and against, any and all claims or liabilities for all brokerage fees, commissions and finder's fees incurred by reason of any action taken by Buyer.

4.5. Investment Intent. Buyer is purchasing the PLD Interest for its own account and not with a view towards the public sale or distribution thereof in violation of the Securities Act.

ARTICLE V COVENANTS OF THE PARTIES

5.1. Conduct of Business of Holdings. Except as described in Schedule 5.1, during the period from the date of this Agreement to the Closing Date, C&W covenants that Holdings will conduct its business and operations according to its ordinary and usual course of business consistent with past practice. Without limiting the generality of the foregoing, and, except as contemplated in this Agreement or as described in Schedule 5.1, prior to the Closing Date, without the prior written consent of Buyer, C&W will not permit Holdings to:

(a) (i) create, incur or assume any amount of indebtedness for money borrowed, other than in the ordinary course of business, or (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person except in the ordinary course of business; provided, Holdings may endorse negotiable instruments in the ordinary course of business;

(b) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, or redeem or otherwise acquire any shares of its capital stock;

(c) enter into any agreement, commitment or transaction (including without limitation any borrowing, capital expenditure or capital financing), except agreements, commitments or transactions in the ordinary course of business or as contemplated herein; or

(d) enter into any contract, agreement, commitment or arrangement, whether written or oral, with respect to any of the transactions set forth in the foregoing paragraphs (a) through (c).

5.2. Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

5.3. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all reasonable

efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws and regulations to consummate and make effective the sale, assignment, transfer and delivery by C&W or Navona to Buyer or PLD of the PLD Interest and the Holdings Shares and the interests in PLD and PeterStar represented thereby, pursuant to this Agreement. From time to time after the date hereof, without further consideration, C&W and Navona will, at their own expense, execute and deliver such documents to Buyer or PLD as Buyer or PLD may reasonably request in order more effectively to vest in Buyer or PLD, as the case may be, good title to the PLD Interest and the Holdings Shares. From time to time after the date hereof, without further consideration, Buyer will, at its own expense, execute and deliver such documents to C&W or PLD as C&W or PLD may reasonably request in order more effectively to consummate the sale, assignment, transfer and delivery of the PLD Interest and the Holdings Shares pursuant to this Agreement.

5.4. Public Statements. The parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby and shall not issue any such public announcement, statement or other disclosure prior to such consultation. Notwithstanding the foregoing, the parties may make public announcements, statements or other disclosures with respect to this Agreement and the transactions contemplated hereby without such consultation to the extent and under the circumstances in which the parties are legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction) to do so, or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or as required by any securities law or regulation or other legal requirement, in any such case in circumstances where such consultation would not be practicable.

5.5. Consents and Approvals.

(a) C&W and Buyer shall (in the case of C&W, in relation to the consents and approvals set forth in Schedule 3.4 and any other consents and approvals required to be obtained by C&W and, in the case of Buyer, in relation to the consents and approvals set forth in Schedule 4.3 and any other consents and approvals required to be obtained by Buyer) (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, (iii) use all reasonable efforts to obtain all necessary permits, consents, approvals and authorizations of all governmental bodies (including, in the case of Buyer, Buyer's and PLD's obligations to file with the United States Federal Trade Commission and the United States Department of Justice any notifications required to be filed under the HSR Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated hereby) and (iv) use all reasonable efforts to obtain all necessary permits, consents, approvals and authorizations necessary or advisable to consummate the transactions contemplated by this Agreement or required by the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which, in the case of C&W, C&W, Holdings or Navona is a party or by which any of them are bound or, in the case of Buyer, Buyer or any of its subsidiaries are a party or by which any of them is bound. Each of Buyer and C&W will provide reasonable assistance to the other in order to obtain the consents and approvals referred to above. Each of C&W and Buyer shall have the right to review, and be consulted in advance to the extent practicable, as to all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing made in connection with the transactions contemplated hereby. The parties hereto agree that they will consult with each other with respect to the obtaining of all such necessary permits, consents, approvals and authorizations of all third parties and governmental bodies.

(b) The parties hereto shall consult with each other prior to proposing or entering into any stipulation or agreement with any foreign or United States governmental authority or agency or any third party in connection with any foreign or United States governmental consents and approvals legally required for the consummation of the transactions contemplated hereby and shall not propose or enter into any such stipulation or agreement without the other party's prior written consent, which consent shall not be unreasonably withheld.

5.6. Transfer of Complus Enterprises Holding S.A. On, or prior to the Closing, C&W shall have taken all action necessary to ensure that Holdings does not, directly or indirectly, own any shares in Complus Enterprises Holding S.A. ("Complus"). Buyer acknowledges that substantially simultaneously with the transfer of the shares in Complus held by Holdings as contemplated by this Section 5.6, Holdings will (a) assign to the person to which such shares in Complus are transferred (the "Complus Transferee") all right title and interest Holdings has in the Share Sale and Purchase Agreement dated December 14, 1994 between Complus Holding S.A. and Holdings (the "December 1994 Agreement"), pursuant to which Holdings Purchased 688 shares in Complus; and (b) irrevocably undertake to exercise its power under Clause 4.3 of the Settlement Agreement (the "Settlement Agreement") dated May 30, 1997 between Complus, Complus Holding, S.A. and Holdings to direct that any amounts payable by Complus Holding, S.A. in respect of any indebtedness or other liabilities of or incurred by Complus shall be paid to the Complus Transferee or such other person as the Complus Transferee may direct. Notwithstanding the provisions of clauses (a) and (b) of the immediately preceding sentence, C&W undertakes that such assignment and undertaking will exclude the full benefit of (i) the tax indemnity set forth in Section 9 of the December 1994 Agreement (to the extent that any tax liability therein referred to is imposed on or otherwise becomes a liability of Holdings) and (ii) the indemnity in favor of Holdings provided in Section 4.3 of the Settlement Agreement.

5.7. HSR Act. Buyer will promptly and in any event within 5 Business Days (as defined herein) after the date hereof make such filings as may be required to be made by it under the HSR Act in connection with the transactions contemplated hereby.

5.8. Supplements to Schedules. C&W, on the one hand, and Buyer, on the other hand, shall have the right from time to time prior to the Closing to supplement or amend its Schedule with respect to any matter hereafter arising which if existing or known at the date of this Agreement would have been required to be set forth or described in such Schedule. Any such supplemental or amended disclosure shall be deemed to have cured any breach of any representation or warranty made in this Agreement for all purposes of this Agreement, except that notwithstanding the immediately preceding clause no such supplemental or amended disclosure shall be deemed to have cured any such breach made in this Agreement and to have been disclosed as of the date of this Agreement for purposes of determining whether or not the conditions set forth in Article VI hereof have been satisfied.

5.9. Completion of Ancillary Agreements. Each party will use reasonable efforts to take or cause to be taken, all action, and do or cause to be done all things reasonably necessary or advisable to perform their respective obligations under, in the case of C&W, the CIBBV Exchange Agreement and, in the case of Buyer, the Buyer Ancillary Agreements, each in the form as executed on the date hereof.

ARTICLE VI CLOSING CONDITIONS

6.1. Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) The waiting period under the HSR Act applicable to the consummation of the transactions contemplated hereby shall have expired or been terminated;

(b) No preliminary or permanent injunction or other order or decree by any federal, state, local or foreign court which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect (each party agreeing to use its reasonable best efforts to have any such injunction, order or decree lifted) and no statute, rule or regulation shall have been enacted by any federal, state, local, or foreign government or governmental agency which prohibits the consummation of the transactions contemplated hereby;

(c) The CIBBV Exchange Shares shall have been issued and delivered to C&W by PLD in accordance with the terms of the CIBBV Exchange Agreement; and

(d) All foreign and United States federal, state and local government consents and approvals required for the consummation of the transactions contemplated hereby (including, without limitation, the consent of the Bermuda Monetary Authority) shall have become Final Orders (a "Final Order" means a final order after all opportunities for rehearing are exhausted (whether or not any appeal thereof is pending)) and shall not be subject to terms and conditions.

6.2. Conditions to Obligations of Buyer. The obligation of Buyer to effect the transactions contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) There shall not have occurred and be continuing any event or events, either individually or in the aggregate, which would have a material and adverse effect on the property, business, operations, prospects or condition (financial or otherwise) of PLD or PeterStar;

(b) C&W shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of C&W set forth in this Agreement, giving effect to the amendment or supplement of any schedule pursuant to Section 5.8 hereof, shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date;

(c) Buyer shall have received stock certificates representing all of the PLD Shares, the CIBBV Exchange Shares and the Holdings Shares and the certificate or other instrument representing the PLD Warrant, each duly endorsed in blank or accompanied by duly executed instruments of transfer, together with any other documents that are necessary to transfer to Buyer good and marketable title to the PLD Shares, the CIBBV Exchange Shares, the PLD Warrant and the Holdings Shares, as the case may be;

(d) The conditions to closing under the Asset Exchange Agreement (as defined in Section 8.8 hereof) annexed hereto as Schedule 6.2 shall have been satisfied or waived by Buyer;

(e) Buyer and PLD shall have executed and delivered a Director Nomination Agreement dated April 19, 1998, containing terms and conditions substantially as set forth in the draft thereof previously delivered by Buyer to C&W, and such agreement shall be in full force and effect;

(f) Buyer shall have received a certificate from an authorized officer of C&W, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.2 (b) have been satisfied; and

(g) Buyer shall have received opinions from counsel to C&W, dated the Closing Date and satisfactory in form and substance to Buyer and its counsel,

(A) substantially to the effect that:

(i) C&W is a corporation duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by requisite corporate action taken on the part of C&W;

(ii) this Agreement has been executed and delivered by C&W and is a valid and binding obligation of C&W, enforceable against it in accordance with its terms, except (A) that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefore may be brought;

(iii) C&W, by reason of delivery of certificates for or other instruments representing the PLD Shares in the name of Buyer, will cause Buyer to own such shares free and clear of any adverse claim (as defined in Article 8 of the Uniform Commercial Code as in effect in the State of New York) as of the Closing date; and

(B) in respect of Bermuda law, in relation to the Holdings Shares, an opinion customary for Bermuda counsel to give in relation to the legal title obtained by the person registered in the share register of a company incorporated in Bermuda

Such opinions may expressly rely as to matters of fact upon certificates furnished by C&W and appropriate officers and directors of each of PLD, Holdings and PeterStar and by public officials.

(h) Buyer shall have received a copy of a compliance certificate from the Registrar of Companies of Bermuda confirming that Holdings is not in default of any filing or fees due to be made to the Bermuda Government, dated as of a date within 5 Business Days prior to the Closing Date.

6.3. Conditions to Obligations of C&W. The obligations of C&W to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) C&W shall have received the Purchase Price;

(b) Buyer shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of Buyer set forth in this Agreement, giving effect to the amendment or supplement of any schedule pursuant to Section 5.8 hereof, shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date;

(c) C&W shall have received a certificate from an authorized officer of Buyer, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.3(b) have been satisfied; and

(d) C&W shall have received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Buyer, dated the Closing Date and satisfactory in form and substance to C&W and its counsel, substantially to the effect that:

(i) Buyer is a corporation organized and in good standing under the laws of the State of Delaware and has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by requisite action taken on the part of Buyer; and

(ii) this Agreement has been executed and delivered by Buyer and is a valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except (A) that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

As to any matter contained in such opinion which involves the laws of any jurisdiction other than the Federal laws of the United States or the laws of the State of New York, such counsel may rely upon opinions of counsel admitted in such other jurisdictions. Any opinions relied upon by such counsel as aforesaid shall be delivered together with the opinion of such counsel. Such opinion may expressly rely as to matters of fact upon certificates furnished by Buyer and appropriate officers and directors of Buyer and by public officials.

7.1. Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date, by mutual written consent of Buyer and C&W.

(b) This Agreement may be terminated by Buyer, on the one hand, or C&W, on the other hand, if the transactions contemplated hereby shall not have been consummated on or before June 30, 1998, provided, that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to any party whose failure to perform any of its covenants or obligations under this Agreement has been the cause of or resulting in the failure of the transactions contemplated by this Agreement to occur on or prior to the aforesaid date.

(c) This Agreement may be terminated by either Buyer, on the one hand, or C&W, on the other hand, if (i) any governmental or regulatory body, the consent of which is a condition to the obligations of C&W and Buyer to consummate the transactions contemplated hereby, shall have determined not to grant its consent and all appeals of such determination shall have been taken and have been unsuccessful, or (ii) any court of competent jurisdiction shall have issued an order, judgment or decree permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such order, judgment or decree shall have become final and nonappealable.

(d) This Agreement may be terminated by Buyer, on the one hand, or C&W, on the other hand, if there has been a material violation or breach of any agreement, representation or warranty contained in this Agreement which violation or breach has not been waived by the non-breaching party (it being agreed that the failure of Buyer to comply with its undertaking contained in Section 5.7 hereof shall be deemed a material breach of this Agreement).

7.2. Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by either or both of the parties pursuant to Section 7.1, written notice thereof shall forthwith be given by the terminating party to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto without prejudice to any claims of a party to this Agreement arising prior to the date of such termination in respect of any breach of any representation, warranty or agreement contained in this Agreement and provided that (a) the provisions of Sections 5.4 and Article IX (except for section 9.4) hereof shall survive such termination, and (b) that regardless of such termination the provisions of Article VIII hereof shall continue with respect to any such claims. If this Agreement is terminated as provided herein all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the agency or other person to which they were made.

ARTICLE VIII SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

8.1. Survival of Representations. The representations and warranties set forth in Articles III and IV of this Agreement (including in the schedules delivered pursuant thereto) shall survive the Closing until one (1) year after the Closing.

8.2. Limitations on C&W Representations and Warranties; Investigation. C&W has not made in this agreement or otherwise, and nothing in this Agreement shall be construed to be, a representation or warranty of any nature in relation to PLD, any of its subsidiaries or affiliates (including PeterStar), or Belcel, or the past, current or future property, business, operations, prospect or condition (financial or otherwise) of PLD, PeterStar or Belcel and Buyer confirms that it has not entered into this Agreement or performed its obligations under this Agreement in reliance on any such representation or warranty by C&W.

8.3. C&W's Indemnification of Buyer. Subject to the conditions of this Article VIII, C&W hereby agrees that it shall indemnify, defend and hold harmless Buyer and any parent, subsidiary and affiliate of Buyer (collectively, the "Buyer Group") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties and

reasonable attorneys' fees and expenses (collectively, "Damages"), asserted against, resulting to, imposed upon or incurred by any of the Buyer Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of C&W contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach (collectively, "Buyer's Indemnifiable Claims"); provided, however, that the indemnification obligation of C&W with respect to any breach of any of the representations or warranties made by C&W in this Agreement shall arise only in the event that C&W had knowledge of such breach on or before the Closing. For purposes of this Agreement, "Knowledge" of C&W shall mean the knowledge of Roger Mortimer, Joseph Lyon and John Macpherson (collectively, the "Designated Persons"). C&W represents and warrants that the Designated Persons are the only current management personnel of C&W or Holdings who have substantial executive, management, or financial responsibilities for Holdings who would be reasonably likely to be aware of facts or circumstances that could cause a representation or warranty made by C&W in this Agreement to be false in any material respect.

8.4. Buyer's Indemnification of C&W. Subject to the conditions of this Article VIII, Buyer hereby agrees that it shall indemnify, defend and hold harmless C&W and any parent, subsidiary and affiliate of C&W (collectively, the "C&W Group") from and against all Damages asserted against, resulting to, imposed upon or incurred by any of the C&W Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of Buyer contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach ("C&W Indemnifiable Claims"; C&W's Indemnifiable Claims and Buyer's Indemnifiable Claims are collectively referred to herein as the "Indemnifiable Claims"); provided, however, that the indemnification obligation of Buyer with respect to any breach in any of the representations or warranties made by Buyer in this Agreement shall arise only in the event that Buyer had knowledge of such breach on or before the Closing.

8.5. Conditions of Indemnification. The obligations and liabilities of C&W under Section 8.3 or Buyer under Section 8.4, respectively, with respect to Indemnifiable Claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) The member of the C&W Group or the Buyer Group, as the case may be, asserting the existence of an Indemnifiable Claim (the "Indemnified Party") will give notice of any such Indemnifiable Claim to the party from whom Indemnification is sought (the "Indemnifying Party"), and the Indemnifying Party shall undertake the defense thereof by representation of their choosing, and will consult with the Indemnified Party concerning such defense during the course thereof.

(b) In the event that the Indemnifying Party within a reasonable time after notice of any Indemnifiable Claim, fails to defend, the Indemnified Party against which such Indemnifiable Claim has been asserted will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Indemnifiable Claim on behalf of and for the account and risk of the Indemnifying Party.

(c) Anything in this Section 8.5 to the contrary notwithstanding, (i) if there is a reasonable probability that an Indemnifiable Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments (for example, as a result of injunctive or other equitable relief), the Indemnified Party shall have the right to defend, compromise or settle such Indemnifiable Claim provided, that the Indemnifying Party shall not be bound by any determination, compromise or settlement of any such Indemnifiable Claim without its consent, which shall not unreasonably be withheld, and (ii) the Indemnifying Party shall not, without the Indemnified Party's written consent, settle or compromise any Indemnifiable Claim or consent to entry of any judgment in respect thereof unless (A) the Indemnifying Party delivers to the Indemnified Party in advance its written agreement satisfactory to the Indemnified Party which provides that amounts paid and incurred or to be incurred by the Indemnified Party in connection with such Indemnifiable Claim shall be repaid promptly by the Indemnifying Party to the Indemnified Party (subject to the limitations of this Article VIII), and (B) such settlement, compromise or consent includes as an unconditional term thereof the giving by the claimant or the plaintiff to

the Indemnified Party a release from all liability in respect to such Indemnifiable Claim.

8.6. Cushion. The provisions for indemnity contained in Section 8.3 and Section 8.4 hereof shall only be effective with respect to an Indemnifiable Claim (or, if more than one Indemnifiable Claim is asserted, with respect to all Indemnifiable Claims) to the extent the amount (or aggregate amount, in the case of more than one Indemnifiable Claim) of damages sustained in connection therewith exceeds Three Hundred Thousand dollars (USD\$300,000), but to the extent that the amount or amounts of damages in respect of Indemnifiable Claims exceeds \$300,000, the indemnity provisions hereunder shall apply to all such damages, without regard to the \$300,000 level.

8.7. Limitation of Liability. Anything in this Agreement to the contrary notwithstanding, the liability of an Indemnifying Party to indemnify an Indemnified Party against any damages sustained in connection with any Indemnifiable Claim shall be limited to Indemnifiable Claims as to which written notice shall have been given to the Indemnifying Party on or prior to the earlier of the first anniversary date of the Closing Date or public release of audited financials of PLD or PeterStar, as the case may be, covering the fiscal year ended December 31, 1998, whether or not the Indemnified Party has actually settled or incurred any expense with respect to such Damages. Furthermore, anything in this Agreement to the contrary notwithstanding, (a) the liability of C&W pursuant to this Article VIII for all claims for indemnification or damages arising under this Agreement, taken together with any liability that C&W may have for indemnification or damages arising under the CIBBV Exchange Agreement, shall be limited to the Purchase Price received by C&W and (b) the liability of Buyer pursuant to this Article VIII shall be limited to twenty-five percent (25%) of the Purchase Price.

8.8. Remedies Cumulative. The remedies provided herein shall be cumulative and shall not preclude the assertion by Buyer of any other rights or the seeking of any other remedies against the other party, as the case may be, provided, however, that all claims for Damages under this Agreement shall be governed by the provisions of this Article VIII, and provided further, that the cushion provided in Section 8.6 hereof and the limitation of liability provided in Section 8.7 hereof shall also apply to all other liabilities arising out of the transactions contemplated hereby but grounded in a legal or equitable theory other than a breach of representation, warranty or agreement set forth in this Agreement.

8.9. Assignment of Certain Representations, Warranties and Indemnification Rights. C&W hereby (a) acknowledges that pursuant to an Asset Exchange Agreement, by and between Buyer and PLD (the "Asset Exchange Agreement"), and subject to the sale, assignment, transfer and delivery of the Holdings Shares from C&W pursuant to this Agreement, Buyer will, substantially simultaneously with the purchase of the Holdings Shares as described in Section 1.1 hereof, sell, assign, transfer and deliver to PLD, and PLD will acquire from Buyer, all of the right, title and interest acquired by Buyer hereunder in and to the Holdings Shares and (b) agrees that its representations, warranties and agreements made in this Agreement with respect to the Holdings Shares, and Buyer's indemnification rights under this Article VIII, may be assigned by Buyer to the benefit of PLD, and that PLD shall have the right to rely upon such representations, warranties and agreements, and to enforce such indemnification rights without any recourse to Buyer, as fully as if it were a party to this Agreement.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement signed by all of the parties hereto.

9.2. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed effectively given upon personal delivery to the party to be notified, on the next Business Day after delivery to an internationally recognized overnight courier service, upon confirmation of receipt of a facsimile transmission, or five days after deposit with the United States Post Office or the Royal Mail, by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

(a) If to C&W, to:

Cable and Wireless plc
124 Theobalds Road
London WC1X 8RX
United Kingdom

Facsimile: (44) 171 315 5051
Attention: Company Secretary

(with a copy to:

Cleary, Gottlieb, Steen & Hamilton
Level 5
City Place House
55 Basinghall Street
London EC2V 5EH
United Kingdom
Facsimile: (44) 171 600 1698
Attention: Andrew C. Shutter

(b) If to Buyer, to:

News America Incorporated
1211 Avenue of the Americas
New York, New York 10036
Facsimile: (212) 768-2029
Attention: General Counsel

(with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
Facsimile: (212) 735-2000
Attention: Alan G. Straus, Esq.)

(c) In the case of notices given to C&W or Buyer, a copy thereof shall simultaneously be given to PLD at:

PLD Telekom Inc.
680 Fifth Avenue
24th Floor
New York, New York 10019
Facsimile: (212) 262-8870
Attention: James Hatt

9.4. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective assigns permitted in accordance with this Section 9.4, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto, including by operation of law without the prior written consent of the other party, nor is this Agreement intended to confer upon any other person except the parties hereto any rights or remedies hereunder; provided, however, that (a) Buyer will have the right, at any time prior to the sixth business day following the date hereof, to designate in writing, in accordance with applicable law, one of its directly or indirectly wholly owned subsidiaries, or a limited liability company or other organization all of the membership interests in which are owned, directly or indirectly, by Buyer, to purchase, in whole or in part, the PLD Interest and the Holdings Shares on the terms set out in this Agreement, and Buyer shall remain jointly and severally liable with its designee under this Agreement following such designation; provided, however, that no such designation shall be permitted

if as a result thereof any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, other than as specified on Schedule 4.3 hereto, as in effect on the date hereof, would be required, and (b) certain representations, warranties and agreements, and indemnification rights of Buyer be assigned to PLD as set forth in Section 8.9 hereof.

9.5. Confidentiality. Each of the Parties hereto will hold, and will use its reasonable, good faith efforts to cause its respective shareholders, partners, members, directors, officers, employees, accountants, counsel, consultants, agents and financial or other advisors (collectively "Agents") to hold, in confidence all information (whether oral or written), including this Agreement and the documents contemplated herein, concerning the transactions contemplated by this Agreement furnished to such Party by or on behalf of any other Party in connection with such transactions, unless legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction), or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or if required by any securities law or regulation or other legal requirement to disclose any such information or documents, and except to the extent that such information or documents can be shown to have been (a) previously known on a nonconfidential basis by such Party, (b) in the public domain through no fault of such Party or (c) acquired by such Party on a nonconfidential basis from sources not known by such Party to be bound by any obligation of confidentiality in relation thereto. Notwithstanding the foregoing provisions of this Section 9.5, each Party may disclose such information to its Agents in connection with the transactions contemplated by this Agreement or any of the other ancillary Agreements so long as such Agents are informed by such Party of the confidential nature of such information and are required by such Party to treat such information confidentially, and to certain governmental agencies in connection with the procurement of the governmental authorizations contemplated by this Agreement. The obligation of each Party to hold any such information in confidence shall be satisfied if such Party exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, each Party will, and will use its reasonable, good faith efforts to cause its respective Agents to, destroy or deliver to the other Party, upon request, all documents and other materials, and all copies thereof, obtained by such Party or on its behalf from the other Party hereto in connection with this Agreement that are subject to such confidence.

9.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable New York principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

9.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.8. Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used in this Agreement, (a) the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a governmental entity or any department or agency thereof, (b) the term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person, (c) the terms "affiliate" and "parent" shall have the meanings set forth in Rule 12b-2 of the Exchange Act, (d) the term "Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized or required to be closed and (e) PLD shall not be deemed to be a subsidiary of C&W.

9.9. Entire Agreement. This Agreement, including the documents, schedules and certificates referred to herein, embody the entire agreement

and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

IN WITNESS WHEREOF, C&W and Buyer have caused this agreement to be signed by their respective duly authorized officers as of the date first above written.

NEWS AMERICA INCORPORATED

By: /s/ JOHN P. NALLEN

Name: JOHN P. NALLEN
Title: SENIOR VICE PRESIDENT

CABLE AND WIRELESS PLC

By: /s/ R. F. MORTIMER

Name: R. F. MORTIMER
Title: DIRECTOR, GLOBAL BUSINESS

Exhibit 6.2 Certain Conditions to Closing under the Asset Exchange Agreement

[Note: Capitalized terms used but not defined in this Schedule 6.2 have the respective meanings given in the Asset Exchange Agreement.]

- a. There shall not have occurred and be continuing any event or events, either individually or in the aggregate, which would have a material and adverse effect on the property, business, operations, prospects or condition (financial or otherwise) of PLD;
- b. PLD shall have performed and complied with in all material respects the covenants and agreements contained in the Asset Exchange Agreement required to be performed and complied with by it at or prior to the Closing Date thereunder, and the representations and warranties of PLD set forth in the Asset Exchange Agreement shall be true and correct in all material respects as of the date of the Asset Exchange Agreement and as of the Closing Date thereunder as though made at and as of the Closing Date, and Venture shall have received a certificate to that effect signed by authorized officers of PLD;
- c. The common stock of PLD shall be quoted on The Nasdaq Stock Market, and no action shall have been taken or shall be pending or threatened in respect of the delisting of the common stock of PLD from eligibility for such quotation;
- d. If required by the rules of The National Association of Securities Dealers, Inc. in respect of the issuance of the New PLD Shares, the stockholders of PLD shall have duly approved the issuance of such shares under the CIBBV Exchange Agreement and the C&W Stock Purchase Agreement, which approval shall not have been rescinded and shall be in full force and effect;
- e. PLD shall have received the consent of its bondholders pursuant to the Indentures to operate in Belarus;
- f. Venture shall have received a certificate from an authorized officer of PLD, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in the foregoing paragraphs a. and b. have been satisfied; and
- g. Venture shall have received an opinion from _____, counsel to PLD, dated the Closing Date and satisfactory in

form and substance to Venture and its counsel, substantially to the effect that:

(1) PLD is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to execute and deliver the Asset Exchange Agreement and to consummate the transactions contemplated hereby; and the execution and delivery of the Asset Exchange Agreement and the consummation of the transactions contemplated hereby have been duly authorized by requisite corporate action taken on the part of PLD;

(2) the Asset Exchange Agreement has been executed and delivered by PLD and is a valid and binding obligation of the PLD enforceable against it in accordance with its terms, except (A) that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefore may be brought; and

(3) the issuance and sale of New PLD Shares to Venture pursuant to the Asset Exchange Agreement are not required to be registered under the Securities Act.

STOCK PURCHASE AGREEMENT

between

PLD TELEKOM INC.

and

CABLE AND WIRELESS PLC

Dated April 19, 1998

TABLE OF CONTENTS

	Page
ARTICLE I	
SALE OF STOCK; CONSIDERATION	
1.1. Sale by C&W	2
1.2. Consideration for the Sale by C&W.	2
ARTICLE II	
THE CLOSING	
2.1. Time and Place of Closing	2
2.2. Deliveries by C&W	3
2.3. Deliveries by Buyer	3
ARTICLE III	
REPRESENTATIONS AND WARRANTIES OF C&W	
3.1. Organization	3
3.2. Authority Relative to this Agreement	4
3.3. Title.	4
3.4. Consents and Approvals; No Violation	5
3.5. Financial Statements; Undisclosed Liabilities	5
3.6. Fees and Commissions.	5
ARTICLE IV	
REPRESENTATIONS AND WARRANTIES OF BUYER	
4.1. Organization	6
4.2. Authority Relative to this Agreement	6
4.4. Consents and Approvals; No Violation; Receipt of Information	6
4.5. Fees and Commissions.	7
ARTICLE V	
COVENANTS OF THE PARTIES	
5.1. Conduct of Business of CIBBV.	7
5.2. Expenses.	8
5.3. Further Assurances	8
5.4. Public Statements	8
5.5. Consents and Approvals.	9
5.7. Supplements to Schedules.	10
5.8. Hart-Scott-Rodino.	10
5.9. Termination of Intercompany Agreements; Settlement of Liabilities	10
5.10. Maintenance of Guarantee	11
5.11. Secondment	11
ARTICLE VI	
CLOSING CONDITIONS	

6.1.	Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby.	11
6.2.	Conditions to Obligations of Buyer	12
6.3.	Conditions to Obligations of C&W	12

ARTICLE VII
TERMINATION AND ABANDONMENT

7.1.	Termination	13
7.2.	Procedure and Effect of Termination	14

ARTICLE VIII
SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

8.1.	Survival of Representations	14
8.2.	C&W's Indemnification of Buyer	14
8.3.	Buyer's Indemnification of C&W	15
8.4.	Conditions of Indemnification.	15
8.5.	Cushion.	16
8.6.	Limitation of Liability.	16
8.7.	Remedies Cumulative.	17

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.1.	Amendment and Modification.	17
9.2.	Waiver of Compliance; Consents	17
9.3.	Notices	18
9.4.	Assignment	19
9.5.	Confidentiality	19
9.6.	Governing Law	20
9.7.	Counterparts	20
9.8.	Interpretation	20
9.9.	Entire Agreement	20

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT (this "Agreement"), dated April 19, 1998, by and between:

PLD TELEKOM INC., a company incorporated under the laws of the State of Delaware ("Buyer"), with an address at 680 Fifth Avenue, 24th Floor, New York, New York 10019, and

CABLE AND WIRELESS PLC, a company registered under the laws of England under the number 238525 ("C&W"), with an address at 124 Theobalds Road, London WC1X 8RX.

W I T N E S S E T H:

WHEREAS, C&W owns directly 100 shares of common stock, par value NLG 400 per share, of CommStruct International Byelorussia BV, a company organized under the laws of The Netherlands ("CIBBV"), constituting 100% of the issued and outstanding capital stock of CIBBV (the "CIBBV Shares"), which is the owner of (i) fifty percent (50%) of the outstanding common equity interests (the "Belcel Shares") in Belarus-Netherlands Belcel Joint Venture ("Belcel") and (ii) one hundred percent (100%) of the outstanding common equity interests (the "Baltic Operations Shares") in Baltic Operations Ltd. - Latvia ("Baltic Operations", and together with CIBBV and Belcel, the "CIBBV Group"); and

WHEREAS, C&W desires to sell and transfer, or to cause the sale and transfer, to Buyer, and Buyer desires to purchase, the CIBBV Shares, as more specifically provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

SALE OF STOCK; CONSIDERATION

1.1. Sale by C&W. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, C&W agrees to sell, assign, transfer and deliver to Buyer, and Buyer agrees to purchase and acquire, all of the right, title and interest of C&W in and to the CIBBV Shares. In addition, C&W will assign to Buyer or its designee the benefit of the Loan Agreement, dated November 28, 1995, between C&W and CIBBV, as amended (the "Loan Agreement").

1.2. Consideration for the Sale by C&W. On the Closing Date (as hereinafter defined) and upon the terms and subject to the satisfaction of the conditions contained in this Agreement, Buyer will issue and deliver to C&W an aggregate of 500,000 newly-issued, fully paid and non-assessable shares of Common Stock (the "Buyer Shares"), par value \$0.01 per share, of Buyer, registered in the name of C&W or its designee or nominee, allocated as follows :

(a) an aggregate of 200,000 shares of Common Stock of Buyer in consideration of the aforesaid sale, assignment, transfer and delivery of the CIBBV Shares

(b) an aggregate of 300,000 shares of Common Stock of Buyer in consideration of the aforesaid assignment of the Loan Agreement.

ARTICLE II THE CLOSING

2.1. Time and Place of Closing. Subject to the terms and conditions of this Agreement, the consummation of the transaction contemplated hereby (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York 10022-3897 on the third Business Day (as defined herein) after Buyer shall have delivered to C&W written notice that the conditions set forth in Section 6.2 hereof have been satisfied (the "Closing Date") or at such other time and place as shall be determined by mutual agreement of the parties.

2.2. Deliveries by C&W. At the Closing, C&W will deliver or cause to be delivered the following to Buyer:

(a) duly certified evidence, acceptable to Buyer, of one or more entries in the share registry of CIBBV evidencing the transfer of title to the CIBBV Shares to Buyer, together with any other documents that are necessary to transfer to Buyer good and marketable title to the CIBBV Shares;

(b) duly executed documentation, in form and substance reasonably acceptable to Buyer, evidencing the assignment of the benefit of the Loan Agreement to Buyer or its designee;

(c) the Officer's Certificate referred to in Section 6.2(e) hereof; and

(d) such other documents, instruments and writings as are reasonably required to be delivered by C&W at or prior to the Closing Date pursuant to this Agreement or otherwise reasonably required in connection herewith.

2.3. Deliveries by Buyer. At the Closing, Buyer will deliver the following to C&W:

(a) one or more stock certificates, registered in the name of C&W or its nominee or designee, representing the Buyer Shares;

(b) the Officer's Certificate referred to in Section 6.3(c) hereof; and

(c) such other documents, instruments and writings as are reasonably required to be delivered by Buyer at or prior to the Closing Date pursuant to this Agreement or otherwise reasonably required in connection herewith.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF C&W

C&W represents and warrants to Buyer as follows:

3.1. Organization.

(a) C&W is a public limited company duly organized and validly existing under the laws of England and has all requisite power to enter into this Agreement and to dispose of the CIBBV Shares in accordance with this Agreement and to perform the transactions contemplated hereby.

(b) CIBBV is a company duly organized and validly existing under the laws of The Netherlands. C&W has heretofore delivered to Buyer complete and correct copies of the organizational documents of CIBBV as currently in effect.

3.2. Authority Relative to this Agreement. C&W has full corporate power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by C&W, and no other corporate proceedings on the part of C&W are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by C&W, and assuming that this Agreement constitutes a valid and binding agreement of Buyer, constitutes a valid and binding agreement of C&W, enforceable against C&W in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

3.3. Title.

(a) C&W directly owns the CIBBV Shares that are the subject of this Agreement free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations affecting its ability to vote such shares or to transfer such shares to Buyer or to exercise any other rights appurtenant thereto. The CIBBV Shares that are the subject of this Agreement are the only shares or other equity interests in, or agreements, contracts, instruments, arrangements or understandings enabling a party upon exercise or conversion to acquire shares or other equity interests in, CIBBV. At the Closing, Buyer will acquire good title to the CIBBV Shares, free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations of any nature whatsoever. There is no subscription, option, warrant, call, right, agreement or understanding for the sale, delivery, assignment or transfer by C&W of the CIBBV Shares.

(b) Subject, in the case of the Belcel Shares, to the provisions of the charter of Belcel, CIBBV owns the Belcel Shares and the Baltic Operations Shares free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations affecting its ability to vote such shares or to exercise any other rights appurtenant thereto.

3.4. Consents and Approvals; No Violation.

(a) Except as set forth in Schedule 3.4, neither the execution and delivery of this Agreement by C&W, nor the sale by C&W of the CIBBV Shares pursuant to this Agreement, will (i) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws, or similar charter documents, of C&W or Belcel or (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority to be made or obtained by C&W or CIBBV.

(b) Except as set forth in Schedule 3.4, C&W is not required to make or obtain any declaration, filing or registration with, or notice to, or authorization, consent or approval of any governmental or regulatory body or authority for the consummation by C&W of the transactions contemplated hereby.

3.5. Financial Statements; Undisclosed Liabilities.

(a) C&W has previously furnished to Buyer copies of CIBBV's unaudited (i) balance sheets as of December 31, 1997 and (ii) related unaudited statements of income and retained earnings and changes in financial position of CIBBV for the fiscal year then ended. To the knowledge of C&W, such financial report presents fairly the financial information purported to be set forth therein as of the dates, or for the periods, described therein, all in conformity with the accounting principles described therein. Notwithstanding the foregoing, C&W is making no representation as to whether the receivables set out in the financial statements are or will be collectible.

(b) Except as set forth in Schedule 3.5, to the knowledge of C&W, CIBBV has not incurred any material liability or obligation, secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due), of a nature required by generally accepted accounting principles to be reflected in a corporate balance sheet or disclosed in the notes thereto, which are not accrued or reserved against in the financial reports referred to in Section 3.5(a) hereof or disclosed in the notes thereto in accordance with generally accepted accounting principles whether at or after the date of the financial report referred to in Section 3.5(a) hereof, except those which were incurred in the ordinary course of business in line with past practice.

3.6. Fees and Commissions. No broker, finder or other person is entitled to any brokerage fees, commissions or finder's fees in connection with the transaction contemplated hereby by reason of any action taken by C&W. C&W hereby covenants that it will pay to Buyer or otherwise discharge, and will indemnify and hold Buyer harmless from and against, any and all claims or liabilities for all brokerage fees, commissions and finder's fees (other than as described above) incurred by reason of any action taken by C&W.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to C&W as follows:

4.1. Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has heretofore delivered to C&W complete and correct copies of its Certificate of Incorporation and Bylaws as currently in effect.

4.2. Authority Relative to this Agreement. Buyer has full power and authority to execute, deliver and perform all obligations under this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer, and assuming that this Agreement constitutes a valid and binding agreement of C&W, constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

4.3. Buyer Shares. The Buyer Shares, when issued in accordance with the terms and conditions of this Agreement, will be validly issued, fully paid and non-assessable shares of Common Stock of Buyer, free and clear of all pledges, security interests, liens, charges, encumbrances, claims, options or limitations affecting C&W's ability to vote such shares or to exercise any other rights appurtenant thereto

4.4. Consents and Approvals; No Violation; Receipt of Information.

(a) Except as set forth in Schedule 4.4, neither the execution and delivery of this Agreement by Buyer nor the purchase by Buyer of the CIBBV Shares pursuant to this Agreement will (i) conflict with or result in any breach of any provision of the organizational documents of Buyer, (ii) require any consent, approval, authorization or permit of, or

filing with or notification to, any governmental or regulatory authority, or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which Buyer or any of its subsidiaries are a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.

(b) No declaration, filing or registration with, or notice to, or authorization, consent or approval of any governmental or regulatory body or authority is necessary for the consummation by Buyer of the transactions contemplated hereby.

(c) Buyer or its counsel, accountants or other advisers have requested, received, reviewed and considered all information deemed relevant by them, including, without limitation, information regarding currency and taxation issues, in making the decision to enter into this Agreement and to acquire the CIBBV Shares on the terms and conditions set forth herein.

4.5. Fees and Commissions. No broker, finder or other person is entitled to any brokerage fees, commissions or finder's fees in connection with the transaction contemplated hereby by reason of any action taken by Buyer making such representation. Buyer hereby covenants that it will pay to C&W or otherwise discharge, and will indemnify and hold C&W harmless from and against, any and all claims or liabilities for all brokerage fees, commissions and finder's fees (other than as described above) incurred by reason of any action taken by Buyer.

ARTICLE V COVENANTS OF THE PARTIES

5.1. Conduct of Business of CIBBV. Except as described in Schedule 5.1, during the period from the date of this Agreement to the Closing Date, C&W covenants that CIBBV will conduct its business and operations according to its ordinary and usual course of business consistent with past practice. Without limiting the generality of the foregoing, and, except as contemplated in this Agreement or as described in Schedule 5.1, prior to the Closing Date, without the prior written consent of Buyer, C&W will not permit CIBBV to:

(a) (i) create, incur or assume any amount of indebtedness for money borrowed, other than in the ordinary course of business in line with past practice, or (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person except in the ordinary course of business in line with past practice; provided, CIBBV may endorse negotiable instruments in the ordinary course of business and may enter into the proposed guarantee set forth on Schedule 3.5;

(b) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, or redeem or otherwise acquire any shares of its capital stock;

(c) enter into any agreement, commitment or transaction (including without limitation any borrowing, capital expenditure or capital financing), except agreements, commitments or transactions in the ordinary course of business in line with past practice or as contemplated herein; or

(d) enter into any contract, agreement, commitment or arrangement, whether written or oral, with respect to any of the transactions set forth in the foregoing paragraphs (a) through (c).

5.2. Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

5.3. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things reasonably necessary, proper or advisable under

applicable laws and regulations to consummate and make effective the sale, assignment, transfer and delivery of the CIBBV Shares to Buyer and the issuance and delivery of the Buyer Shares to C&W pursuant to this Agreement. From time to time after the date hereof, without further consideration, C&W will, at its own expense, execute and deliver such documents to Buyer as Buyer may reasonably request in order more effectively to vest in Buyer good title to the CIBBV Shares and to assign the benefit of the Loan Agreement (and any other liabilities to be assigned to Buyer or its designee pursuant to Section 5.9 hereof) to Buyer or its designee. From time to time after the date hereof, without further consideration, Buyer will, at its own expense, execute and deliver such documents to C&W as C&W may reasonably request in order more effectively to consummate the issuance and delivery of the Buyer Shares pursuant to this Agreement.

5.4. Public Statements. The parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby and shall not issue any such public announcement, statement or other disclosure prior to such consultation, unless legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction), or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or by requirements of any securities law or regulation or other legal requirement in circumstances where such consultation would not be practicable.

5.5. Consents and Approvals.

(a) C&W and Buyer shall (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, (iii) use all reasonable efforts to obtain all necessary permits, consents, approvals and authorizations of all governmental bodies and (iv) use all reasonable efforts to obtain all necessary permits, consents, approvals and authorizations of all other parties, in the case of C&W, as specified on Schedule 3.4 and, in the case of Buyer, as specified on Schedule 4.4 (including without limitation any approval required from the shareholders of Buyer and the holders of the debt of the Buyer), together with any other approvals or consents identified by the parties after the signing of this Agreement as being required in order, respectively, for C&W to sell, and for Buyer to acquire, the CIBBV Shares, and, respectively, for Buyer to issue to C&W, and for C&W to acquire, the Buyer Shares. Each of Buyer and C&W shall provide reasonable assistance to the other in order to obtain the consents and approvals referred to herein. Each of C&W and Buyer shall have the right to review and be consulted in advance as to all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing made in connection with the transactions contemplated hereby. The parties hereto agree that they will consult with each other with respect to the obtaining of all such necessary permits, consents, approvals and authorizations of all third parties and governmental bodies.

(b) The parties hereto shall consult with each other prior to proposing or entering into any stipulation or agreement with any foreign or United States governmental authority or agency or any third party in connection with any foreign or United States governmental consents and approvals legally required for the consummation of the transactions contemplated hereby and shall not propose or enter into any such stipulation or agreement without the other party's prior written consent, which consent shall not be unreasonably withheld.

5.6. Completion of Ancillary Agreements. Subject to the terms and conditions of this Agreement, each party will use all reasonable efforts to take or cause to be taken, all action, and do or cause to be done all things reasonably necessary, proper or advisable to ensure the completion of, in the case of C&W, the Share Purchase Agreement, and in the case of Buyer, the Asset Exchange Agreement, dated the date hereof, between Buyer and News America (the "Asset Exchange Agreement") and the Directors Nomination Agreement, between Buyer and News America, each in the form as executed on the date hereof, and to perform all of their respective obligations thereunder.

5.7. Supplements to Schedules. C&W, on the one hand, and Buyer,

on the other hand, shall have the right from time to time prior to the Closing to supplement or amend its Schedules with respect to any matter hereafter arising which if existing or known at the date of this Agreement would have been required to be set forth or described in such Schedules. Any such supplemental or amended disclosure shall be deemed to have cured any breach of any representation or warranty made in this Agreement for purposes of this Agreement, but will not be deemed to have cured any such breach made in this Agreement and to have been disclosed as of the date of this Agreement for purposes of determining whether or not the conditions set forth in Article VI hereof have been satisfied.

5.8. Hart-Scott-Rodino. Buyer shall use its best efforts to assist News America Incorporated ("News America") in the prompt preparation and filing of the filing required to be made by News America under Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), with respect to the transactions contemplated by the share purchase agreement, dated as of the date hereof, between C&W and News America (the "Share Purchase Agreement"), and Buyer shall promptly, and in any event within five (5) Business Days (as defined herein) from the date of this Agreement, make the filing required to be made by Buyer under the HSR Act with respect to the transactions contemplated by the Share Purchase Agreement.

5.9. Termination of Intercompany Agreements; Settlement of Liabilities. At the Closing Date, the benefit of the Loan Agreement shall be assigned to Buyer or its designee pursuant to the terms of this Agreement. In addition, at or prior to the Closing Date, all intercompany agreements relating to loans or other indebtedness for money borrowed (including, for the avoidance of doubt, on a "current account" basis), between C&W or its subsidiaries or affiliates controlled by C&W (other than the CIBBV Group), on the one hand, and and CIBBV, Belcel or Baltic Operations, on the other hand, other than the Loan Agreement, shall have either been terminated or assigned to Buyer or its designee, in either case without any residual liability on the part of CIBBV, Belcel or Baltic Operations thereunder to C&W or any of its subsidiaries or affiliates controlled by C&W outside of the CIBBV Group as of the Closing Date, and vice versa. For the avoidance of doubt, this provision does not apply to any amounts that might be required to be paid by Belcel to any of C&W's subsidiaries or affiliates controlled by C&W in relation to lines leased through the Ministry of Transport of Belarus, Beltelekom or the Republican Exchange.

5.10. Maintenance of Guarantee. Following completion of the transactions contemplated hereby, C&W shall maintain, in full force and effect, its corporate guarantee (the "Guarantee") in relation to the obligations of Belcel under the Loan Agreement, dated February 21, 1995, between Belcel and Nordbanken until the earlier of the expiration of its obligations under the Loan Agreement or until another guarantee is put in place, provided that in no event shall C&W be required to increase or extend its liabilities under the existing form of the Guarantee. To the extent that C&W is called to perform its obligations under the Guarantee in full or in part, Buyer shall indemnify C&W for the full amount actually paid by C&W under the Guarantee. In addition, Buyer shall not, and shall ensure that Belcel does not, make further drawdowns under such Loan Agreement and shall use best efforts to put a substitute guarantee in place.

5.11. Secondment. C&W shall use its best efforts to second Richard Rogerson and Ian Reidy to Buyer under the terms of the existing Agreement for the Provision of Support Services, dated November 27, 1996, between C&W and Buyer, at cost plus 7.2%, for a period of six months from the Closing Date.

ARTICLE VI CLOSING CONDITIONS

6.1. Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) No preliminary or permanent injunction or other order or decree by any federal, state, local or foreign court which prevents the consummation of the transactions contemplated hereby shall have been issued

and remain in effect (each party agreeing to use its reasonable best efforts to have any such injunction, order or decree lifted) and no statute, rule or regulation shall have been enacted by any federal, state, local, or foreign government or governmental agency which prohibits the consummation of the transactions contemplated hereby;

(b) All foreign and United States federal, state and local government consents and approvals required for the consummation of the transactions contemplated hereby shall have become Final Orders (a "Final Order" means a final order after all opportunities for rehearing are exhausted (whether or not any appeal thereof is pending)) and shall not be subject to terms and conditions; and-

(c) All approvals and consents specified on Schedules 3.4 and 4.4 hereto, together with any necessary approvals or consents identified by the parties hereto following the date of this Agreement as being required in order for C&W to sell, and for Buyer to acquire, the CIBBV Shares, and for Buyer to issue to C&W, and for C&W to acquire, the Buyer Shares shall have been obtained.

6.2. Conditions to Obligations of Buyer. The obligation of Buyer to effect the transactions contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) C&W shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of C&W set forth in this Agreement, giving effect to the amendment or supplement of any schedule pursuant to Section 5.6 hereof, shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date;

(b) the transactions contemplated hereby shall have been approved by all necessary corporate actions by CIBBV;

(c) the conditions to the closing of the Share Purchase Agreement (other than the issuance of the Buyer Shares to C&W pursuant to this Agreement) shall have been met, and C&W and News America shall be prepared to close the transactions contemplated by the Share Purchase Agreement immediately after the closing of the transactions contemplated hereby;

(d) Buyer shall have received duly certified evidence, acceptable to Buyer, of one or more entries in the share registry of CIBBV evidencing the transfer of title to the CIBBV Shares to Buyer, together with any other documents that are necessary to transfer to Buyer good and marketable title to the CIBBV Shares; and

(e) Buyer shall have received a certificate from an authorized officer of C&W, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.2(a) and (b) have been satisfied.

6.3. Conditions to Obligations of C&W. The obligations of C&W to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) one or more stock certificates representing the Buyer Shares shall have been delivered to C&W or its nominee or designee;

(b) Buyer shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of Buyer set forth in this Agreement, giving effect to the amendment or supplement of any schedule pursuant to Section 5.6 hereof, shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date; and

(c) C&W shall have received a certificate from an authorized officer of Buyer, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.3(b) have

been satisfied.

ARTICLE VII
TERMINATION AND ABANDONMENT

7.1. Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date, by mutual written consent of Buyer and C&W.

(b) This Agreement may be terminated by Buyer, on the one hand, or C&W, on the other hand, if the transactions contemplated hereby shall not have been consummated on or before June 30, 1998; provided, however, that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to any party whose failure to perform any of its covenants or obligations under this Agreement has been the cause of or resulting in the failure of the transactions contemplated by this Agreement to occur on or prior to the aforesaid date.

(c) This Agreement may be terminated by either Buyer, on the one hand, or C&W, on the other hand, if (i) any governmental or regulatory body, the consent of which is a condition to the obligations of C&W and Buyer to consummate the transactions contemplated hereby, shall have determined not to grant its consent and all appeals of such determination shall have been taken and have been unsuccessful, or (ii) any court of competent jurisdiction shall have issued an order, judgment or decree permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such order, judgment or decree shall have become final and nonappealable.

(d) This Agreement may be terminated by Buyer, on the one hand, or C&W, on the other hand, if there has been a material violation or breach of any agreement, representation or warranty contained in this Agreement which violation or breach has not been waived by the non-breaching party or otherwise rectified. Without limiting the generality of the foregoing, the failure by Buyer to file the HSR filing to be made by Buyer, as set forth in Section 5.8 and within the time period set forth in Section 5.8, shall constitute a material breach of this Agreement by Buyer.

7.2. Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by either or both of the parties pursuant to Section 7.1, written notice thereof shall forthwith be given by the terminating party to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto, without prejudice to any claims of a party to this Agreement arising prior to the date of such termination out of any breach of any agreement, representation or warranty contained in this Agreement and Article VIII shall continue in respect of such claims. In addition, the obligations of the parties hereto under Section 5.4 and Article IX shall survive termination of this Agreement. If this Agreement is terminated as provided herein all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the agency or other person to which they were made.

ARTICLE VIII
SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

8.1. Survival of Representations. All representations and warranties of the parties, being those in Articles III and IV, including the schedules thereto, shall survive the Closing until one (1) year after the Closing.

8.2. C&W's Indemnification of Buyer. Subject to the conditions of this Article VIII, C&W hereby agrees that it shall indemnify, defend and hold harmless Buyer and any parent, subsidiary and affiliate of Buyer (collectively, the "Buyer Group") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties and reasonable attorneys' fees and expenses (collectively, "Damages"), asserted against, resulting to, imposed upon or incurred by any of the Buyer Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of C&W contained in or made pursuant

to this Agreement or any facts or circumstances constituting such a breach (collectively, "Buyer's Indemnifiable Claims"); provided, however, that the indemnification obligation of C&W with respect to any breach of any of the representations or warranties made by C&W in this Agreement shall arise only in the event that C&W had knowledge of such breach on or before the Closing. For purposes of this Agreement, "knowledge" of C&W shall mean the knowledge of Roger Mortimer, Joseph Lyon and John Macpherson (collectively, the "Designated Persons"). C&W represents and warrants that the Designated Persons are the only current management personnel of C&W or CIBBV who have substantial executive, management or financial responsibilities for CIBBV who would be reasonably likely to be aware of facts or circumstances that could cause a representation or warranty made by C&W in this Agreement to be false in any material respect.

8.3. Buyer's Indemnification of C&W. Subject to the conditions of this Article VIII, Buyer hereby agrees that it shall indemnify, defend and hold harmless C&W and any parent, subsidiary and affiliate of C&W (collectively, the "C&W Group") from and against all Damages asserted against, resulting to, imposed upon or incurred by any of the C&W Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of Buyer contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach ("C&W Indemnifiable Claims"; C&W's Indemnifiable Claims and Buyer's Indemnifiable Claims are collectively referred to herein as the "Indemnifiable Claims"); provided, however, that the indemnification obligation of Buyer with respect to any breach of any of the representations or warranties made by Buyer in this Agreement shall arise only in the event that Buyer had knowledge of such breach on or before the Closing. For purposes of this Agreement "knowledge" of Buyer shall mean actual knowledge on the part of any member of management of Buyer or actual knowledge of such circumstances that would lead a person not negligent to investigate and, more likely than not, obtain actual knowledge.

8.4. Conditions of Indemnification. The obligations and liabilities of C&W under Section 8.2 or Buyer under Section 8.3, respectively, with respect to Indemnifiable Claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) The member of the C&W Group or the Buyer Group, as the case may be, asserting the existence of an Indemnifiable Claim (the "Indemnified Party") will give notice of any such Indemnifiable Claim to the party from whom Indemnification is sought (the "Indemnifying Party"), and the Indemnifying Party shall undertake the defense thereof by representation of their choosing, and will consult with the Indemnified Party concerning such defense during the course thereof.

(b) In the event that the Indemnifying Party within a reasonable time after notice of any Indemnifiable Claim, fails to defend, the Indemnified Party against which such Indemnifiable Claim has been asserted will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Indemnifiable Claim on behalf of and for the account and risk of the Indemnifying Party.

(c) Anything in this Section 8.4 to the contrary notwithstanding, (i) if there is a reasonable probability that an Indemnifiable Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments (for example, as a result of injunctive or other equitable relief), the Indemnified Party shall have the right to defend, compromise or settle such Indemnifiable Claim, provided that the Indemnifying Party will not be bound by any determination concerning any Indemnifiable Claim so defended or any compromise or settlement effected without the consent of the Indemnifying Party, such consent not to be unreasonably withheld, and (ii) the Indemnifying Party not shall not, without the Indemnified Party's written consent, settle or compromise any Indemnifiable Claim or consent to entry of any judgment in respect thereof, unless (A) the Indemnifying Party delivers to the Indemnified Party in advance its written agreement satisfactory to the Indemnified Party which provides that amounts paid and incurred or to be incurred by the Indemnified Party in connection with such Indemnifiable Claim shall be repaid promptly by the Indemnifying Party to the Indemnified Party (subject to the limitations of this Article VIII), and (B) such settlement, compromise or consent includes as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified

Party, as the case may be, a release from all liability in respect to such Indemnifiable Claim.

8.5. Cushion. The provisions for indemnity contained in Section 8.2 and Section 8.3 hereof shall only be effective with respect to an Indemnifiable Claim (or, if more than one Indemnifiable Claim is asserted, with respect to all Indemnifiable Claims) to the extent the amount (or aggregate amount, in the case of more than one Indemnifiable Claim) of damages sustained in connection therewith exceeds Three Hundred Thousand dollars (USD\$300,000), but to the extent that the amount or amounts of damages in respect of Indemnifiable Claims exceeds \$300,000, the indemnity provisions hereunder shall apply to all such damages, without regard to the \$300,000 limit; provided, however, that no cushion shall apply under this Agreement to the indemnification by Buyer of C&W pursuant to Section 5.10 hereof.

8.6. Limitation of Liability. Anything in this Agreement to the contrary notwithstanding, the liability of either party in respect of any breach of any representation, warranty or agreement under this Agreement shall be limited to claims as to which written notice shall have been given to the Indemnifying Party on or prior to the first anniversary date of the Closing Date, whether or not the Indemnified Party has actually settled or incurred any expense with respect to such Damages. Furthermore, anything in this Agreement to the contrary notwithstanding, (a) the liability of C&W pursuant to this Agreement shall be limited to the aggregate market value on the Closing Date of the Buyer Shares received by C&W (calculated based on the last sale price of the Common Stock of Buyer on The Nasdaq Stock Market on the Closing Date (the "Market Value")), as reduced by any amounts actually paid or required to be paid by C&W in respect of all liabilities of C&W arising out of the transactions contemplated under the Share Purchase Agreement, whether under Article VIII of such Agreement or otherwise, and (b) the liability of Buyer pursuant to this Agreement shall be limited to twenty-five percent (25%) of the Market Value of the Buyer Shares; provided, however, that, such cap on the liability of Buyer shall not apply to the indemnification by Buyer of C&W pursuant to Section 5.10 hereof.

8.7. Remedies Cumulative. The remedies provided herein shall be cumulative and shall not preclude the assertion by Buyer of any other rights or the seeking of any other remedies against the other party, as the case may be; provided, however, all claims under this Agreement shall be governed by this Article VIII and provided further that the cushion provided in Section 8.6 hereof and the limitation of liability provided in Section 8.7 hereof shall also apply to all liabilities arising out of the transactions contemplated hereby but grounded in a legal or equitable theory other than a breach of representation, warranty or agreement set forth in this Agreement.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement signed by all of the parties hereto.

9.2. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed effectively given upon personal delivery to the party to be notified, on the next Business Day after delivery to an internationally recognized overnight courier service, upon confirmation of a facsimile transmission, or five days after deposit with the United States Post Office or the Royal Mail, by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):
If to C&W, to:

Cable and Wireless plc
124 Theobalds Road
London WC1X 8RX
United Kingdom
Facsimile: (44) 171 315 5051
Attention: Company Secretary

(with a copy to:
Cleary, Gottlieb, Steen & Hamilton
Level 5, City Place House
55 Basinghall Street
London EC2V 5EH
United Kingdom
Facsimile: (44) 171-600-1698
Attention: Edward F. Greene)

If to Buyer, to:

PLD Telekom Inc.
680 Fifth Avenue
24th Floor
New York, New York 10019
Facsimile: (212) 262-8870
Attention: James Hatt

In the case of notices given to C&W or Buyer, a copy thereof shall simultaneously be given to News America at:

News America Incorporated
1211 Avenue of the Americas
New York, New York 10036
Facsimile: (212) 768-2029
Attention: General Counsel

(with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
Facsimile: (212) 735-2000
Attention: Alan G. Straus, Esq.)

9.4. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto, including by operation of law without the prior written consent of the other party, nor is this Agreement intended to confer upon any other person except the parties hereto any rights or remedies hereunder.

9.5. Confidentiality. Each of the Parties hereto will hold, and will use its reasonable, good faith efforts to cause its respective shareholders, partners, members, directors, officers, employees, accountants, counsel, consultants, agents and financial or other advisors (collectively "Agents") to hold, in confidence all information (whether oral or written), including this Agreement and the documents contemplated herein, concerning the transactions contemplated by this Agreement furnished to such Party by or on behalf of any other Party in connection with such transactions, unless legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction), or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or by requirements of any securities law or regulation or other legal requirement to disclose any such information or documents, and except to the extent that such information or documents can be shown to have been (a) previously known on a nonconfidential basis by such Party, (b) in the public domain through no fault of such Party or (c) acquired by such Party on a nonconfidential basis from sources not known by such Party to be bound by any obligation of confidentiality in relation thereto. Notwithstanding the foregoing provisions of this Section 9.5, each Party may disclose such

information to its Agents in connection with the transactions contemplated by this Agreement so long as such Agents are informed by such Party of the confidential nature of such information and are required by such Party to treat such information confidentially, and to certain governmental agencies in connection with the procurement of the governmental authorizations contemplated by this Agreement. The obligation of each Party to hold any such information in confidence shall be satisfied if such Party exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, each Party will, and will use its reasonable, good faith efforts to cause its respective Agents to, destroy or deliver to the other Party, upon request, all documents and other materials, and all copies thereof, obtained by such Party or on its behalf from the other Party hereto in connection with this Agreement that are subject to such confidence.

9.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable New York principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

9.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.8. Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used in this Agreement, (a) the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a governmental entity or any department or agency thereof, (b) the term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person, (c) the terms "affiliate" and "parent" shall have the meanings set forth in Rule 12b-2 of the Exchange Act and (d) the term "Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are authorized or required to be closed..

9.9. Entire Agreement. Subject to the proviso in the final sentence of this Section, this Agreement, including the documents, schedules and certificates referred to herein, embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions; provided, that, notwithstanding the foregoing, the Confidentiality and Non-Disclosure Agreement, dated September 6, 1996, between the parties hereto shall survive, in full force and effect, the execution and delivery of this Agreement.

IN WITNESS WHEREOF, C&W and Buyer have caused this agreement to be signed by their respective duly authorized officers as of the date first above written.

PLD TELEKOM INC.

By: /s/ JAMES R.S. HATT

Name: JAMES R.S. HATT
Title: DIRECTOR

CABLE AND WIRELESS PLC

By: /s/ R. F. MORTIMER

Name: R. F. MORTIMER
Title: DIRECTOR, GLOBAL

BUSINESS

ASSET EXCHANGE AGREEMENT

between

NEWS AMERICA INCORPORATED

and

PLD TELEKOM INC.

Dated April 19, 1998

TABLE OF CONTENTS

	Page
ARTICLE I	
EXCHANGE OF STOCK	
1.1. Exchange of Holdings Shares	3
ARTICLE II	
THE CLOSING	
2.1. Time and Place of Closing	3
2.2. Deliveries by News America.	3
2.3. Deliveries by PLD	4
ARTICLE III	
REPRESENTATIONS AND WARRANTIES OF PLD	
3.1. Organization; Qualification	4
3.2. Capitalization of PLD and PeterStar	5
3.3. Authority Relative to this Agreement	5
3.4. Consents and Approvals; No Violation	6
3.5. Reports	6
3.6. Financial Statements	7
3.7. Undisclosed Liabilities	7
3.8. Absence of Certain Changes or Events	7
3.9. Certain Disclosure Matters.	9
3.10. Legal Proceedings, etc.	9
3.11. Permits	10
ARTICLE IV	
REPRESENTATIONS AND WARRANTIES OF NEWS AMERICA	
4.1. Organization.	10
4.2. Authority Relative to this Agreement.	10
4.3. Consents and Approvals; No Violation	11
4.4. Fees and Commissions.	11
4.5. Title.	11
4.6. Investment Intent; Private Placement.	12
ARTICLE V	
COVENANTS OF THE PARTIES	
5.1. Conduct of Business of PLD and PeterStar.	12
5.2. Access to Information	13
5.3. Expenses.	14
5.4. Further Assurances	14
5.5. Public Statements	15
5.6. Consents and Approvals.	15
5.7. Supplements to Schedules.	16
5.8. Completion of Ancillary Agreements.	16
ARTICLE VI	
CLOSING CONDITIONS	
6.1. Conditions to Each Party's Obligations to Effect the	

Transactions Contemplated Hereby	16
6.2. Conditions to Obligations of News America.	17
6.3. Conditions to Obligations of PLD	19

ARTICLE VII

REGISTRATION RIGHTS

7.1. Registration on Request.	20
7.2. Incidental Registration	22
7.3. Registration Procedures	24
7.4. Provision of Information; Transfer of Shares After Registration	28
7.5. Indemnification	28
7.6. Transfer of Registration Rights	30

ARTICLE VIII

TERMINATION AND ABANDONMENT

8.1. Termination	30
8.2. Procedure and Effect of Termination	31

ARTICLE IX

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

9.1. Survival of Representations.	31
9.2. Statements as Representations.	31
9.3. PLD's Indemnification of News America.	31
9.4. News America's Indemnification of PLD.	32
9.5. Conditions of Indemnification.	32
9.6. Cushion.	33
9.7. Limitation of Liability.	33
9.8. Remedies Cumulative.	34
9.9. Assignment of Certain Representations, Warranties and Indemnification Obligations	34

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1. Amendment and Modification.	35
10.2. Waiver of Compliance; Consents	35
10.3. Notices	35
10.4. Assignment	36
10.5. Confidentiality	36
10.6. Governing Law	37
10.7. Counterparts	37
10.8. Interpretation	37
10.9. Entire Agreement	38

ASSET EXCHANGE AGREEMENT

ASSET EXCHANGE AGREEMENT (this "Agreement"), dated April 19, 1998, by and between:

NEWS AMERICA INCORPORATED, a corporation organized under the laws of the State of Delaware ("News America"), with an address at 1211 Avenue of the Americas, New York, New York 10036, and

PLD TELEKOM INC., a corporation organized under the laws of Delaware ("PLD"), with an address at 680 Fifth Avenue, New York, New York 10019.

W I T N E S S E T H:

WHEREAS, PLD is a provider of local, long distance and international telecommunications services in the Russian Federation and Kazakstan; and

WHEREAS, News America and Cable and Wireless Plc, a company registered under the laws of England under the number 238525 ("C&W"), are substantially simultaneously with the execution and delivery of this Agreement entering into that certain Stock Purchase Agreement (the "Stock Purchase Agreement"), pursuant to which News America will purchase from (a) Navona Communications Corporation Ltd. (a wholly owned subsidiary of C&W), a corporation organized under the laws of Bermuda ("Navona"), (i) 10,555,739 shares of common stock, par value \$.01 per share ("PLD Common

Stock"), of PLD, constituting as at April 16, 1998 approximately 31.21% of the presently issued and outstanding capital stock of PLD (the "PLD Shares"), and (ii) 12,000 shares of common stock, par value USD\$1.00 per share, of PLD Holdings Ltd., a limited liability company organized under the laws of Bermuda ("Holdings"), constituting 100% of the issued and outstanding capital stock of Holdings (the "Holdings Shares"), which is the owner of eleven percent (11%) of the outstanding common equity interests in PeterStar Company Limited, a closed joint stock company organized under the laws of the Russian Federation ("PeterStar") and (b) C&W, a warrant dated June 28, 1995, conferring on C&W the right to purchase up to 250,000 shares (subject to adjustment on the occurrence of certain events) of PLD Common Stock at an exercise price of 11.3125 Canadian dollars per share, expiring on June 22, 1999 a copy of which is attached hereto as Exhibit A (the "PLD Warrant"; the PLD Warrant and the PLD Shares are collectively referred to herein as the "PLD Interest") and

WHEREAS, PLD deems it to be advisable and in the best interests of PLD and its shareholders to facilitate the acquisition of the PLD Interest and the Holdings Shares by News America; and

WHEREAS, News America has advised PLD and C&W that it does not wish to hold the Holdings Shares and that it is not willing to consummate the acquisition of the PLD Interest and the Holdings Shares unless it can substantially simultaneously therewith exchange the Holdings Shares with PLD for additional shares of PLD Common Stock; and

WHEREAS, PLD deems it advisable and in the best interests of PLD and its shareholders to acquire the Holdings Shares in exchange for shares of PLD Common Stock; and

WHEREAS, PLD presently owns sixty percent (60%) of the equity interest in PeterStar; and

WHEREAS, immediately prior to the consummation of the transaction contemplated hereby, PLD shall have acquired, pursuant to a Share Purchase Agreement between PLD and C&W (the "CIBBV Purchase Agreement"), 100 shares of common stock, par value 400 Netherlands Guilders per share, of CommStruct International Byelorussia BV, a closed limited liability company organized under the laws of The Netherlands ("CIBBV"), constituting 100% of the issued and outstanding capital stock (the "CIBBV Shares") of CIBBV, which is the owner of fifty percent (50%) of the outstanding common equity interests in Belarus-Netherlands Belcel Joint Venture ("Belcel") and one hundred percent (100%) of the outstanding common equity interests in Baltic Operations Ltd. - Latvia, from C&W in exchange for 200,000 shares of PLD Common Stock plus 300,000 shares of PLD Common Stock in consideration for the assignment of certain liabilities of CIBBV to PLD or its designee; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I EXCHANGE OF STOCK

1.1. Exchange of Holdings Shares.

(a) On the Closing Date and substantially simultaneously with, and subject to, the purchase of the Holdings Shares by News America as described in the Stock Purchase Agreement, News America agrees to sell, assign, transfer and deliver to PLD, and PLD agrees to purchase and acquire from News America, all of News America's right, title and interest to the Holdings Shares.

(b) On the Closing Date and against delivery of the Holdings Shares as set forth above, PLD will issue and deliver to News America 3,705,631 newly-issued, fully paid and nonassessable shares of PLD Common Stock (the "New PLD Shares"), registered in the name of News America or its designee or nominee.

ARTICLE II THE CLOSING

2.1. Time and Place of Closing. Subject to the terms and

conditions of this Agreement, the consummation of the transaction contemplated hereby (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 919 Third Avenue, New York, New York 10022 on the third business day after News America shall have delivered to PLD written notice that the conditions set forth in Section 6.2 hereof have been satisfied (the "Closing Date"), or at such other time and place as shall be determined by mutual agreement of the parties.

2.2. Deliveries by News America. At the Closing, News America will deliver or cause to be delivered the following to PLD:

(a) Immediately upon (and subject to) the receipt thereof from C&W, the stock certificates or other instruments representing all of the Holdings Shares, duly endorsed in blank or accompanied by duly executed instruments of transfer, together with any other documents that are necessary to transfer to PLD all of News America's right, title and interest in and to the Holdings Shares theretofore acquired from C&W or its affiliates;

(b) the Officer's Certificate referred to in Section 6.3(d) hereof;

(c) the Opinion of Counsel referred to in Section 6.3(e) hereof; and

(d) such other documents, instruments and writings as are required to be delivered by News America at or prior to the Closing Date pursuant to this Agreement or otherwise required in connection herewith.

2.3. Deliveries by PLD. At the Closing, PLD will deliver the following to News America:

(a) stock certificates, registered in the name of News America or its nominee or designee, representing 3,705,631 shares of duly issued, fully paid and nonassessable PLD Common Stock, and any other documents that are necessary to transfer to News America good and marketable title to such shares;

(b) the Officer's Certificate referred to in Section 6.2(f) hereof;

(c) the Opinion of Counsel referred to in Section 6.2(g) hereof; and

(d) such other documents, instruments and writings as are required to be delivered by News America at or prior to the Closing Date pursuant to this Agreement or otherwise required in connection herewith.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PLD

PLD represents and warrants to News America as follows (for purposes of Sections 3.7, 3.8, 3.9, 3.10 and 3.11 hereof, the term PLD, as of the Closing Date, shall mean PLD and its subsidiaries taken as a whole, including without limitation, the assets, liabilities, business and operations of Belcel acquired pursuant to the CIBBV Purchase Agreement):

3.1. Organization; Qualification. PLD is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as now being conducted. PLD is duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary. Schedule 3.1 sets forth, as of the date of this Agreement, each jurisdiction in which PLD is qualified to do business as a foreign corporation. PLD has heretofore delivered to News America complete and correct copies of its Certificate of Incorporation and Bylaws as currently in effect.

3.2. Capitalization of PLD and PeterStar. Set forth on Schedule 3.2 is the number of shares in the capital stock or other equity interests of each of PLD and PeterStar which are issued and outstanding as of the date of this Agreement. All such shares are validly issued, fully paid and

nonassessable. Other than this Agreement, or as set forth in Schedule 3.2, there is no subscription, option, warrant, call, right, agreement or commitment relating to the issuance, sale, delivery or transfer by PLD and PeterStar of any shares of capital stock or other equity interest (including any right of conversion or exchange under any outstanding security or other instrument). There are no outstanding contractual obligations of PLD and PeterStar to repurchase, redeem or otherwise acquire any outstanding shares of capital stock or other equity interest of PLD or PeterStar. There are no restrictions or limitations contained in the organizational documents of PLD or in any contract, agreement, document or other instrument to which PLD or any direct or indirect subsidiary is a party or of which PLD or any direct or indirect subsidiary is aware that restricts, or purports to restrict, the ability of C&W or any of its direct or indirect subsidiaries to transfer the PLD Interest to News America or that create or give rise to, by reason of the transfer of the PLD Interest to News America, any pledge, security interest, lien, charge, encumbrance, claim, option or limitation affecting the ability of News America to vote such shares or to exercise any other rights appurtenant thereto under the Stock Purchase Agreement. The New PLD Shares, taken together with the PLD Shares, will represent an aggregate of not less than thirty-eight (38%) of the outstanding PLD shares after giving effect to the issuance of the New PLD Shares. The PLD Warrant is exercisable for shares of PLD Common Stock in accordance with its terms.

3.3. Authority Relative to this Agreement. PLD has full corporate power and authority to execute, deliver and perform its obligations under this Agreement and all ancillary agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and all ancillary agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized, by the Board of Directors and, if required, shall be duly and validly authorized by the shareholders of PLD prior to the Closing Date, and no other corporate proceedings on the part of PLD are necessary to authorize this Agreement or to consummate the transactions contemplated hereby and thereby. This Agreement and each such ancillary agreement to which PLD is a party has been duly and validly executed and delivered by PLD, and assuming that this Agreement constitutes a valid and binding agreement of News America, constitutes a valid and binding agreement of PLD, enforceable against PLD in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

3.4. Consents and Approvals; No Violation. Except as set forth in Schedule 3.4, the execution and delivery by PLD of this Agreement and all ancillary agreements to which it is a party will not (i) conflict with or result in any breach of any provision of the Certificate of Incorporation or Bylaws, or similar charter documents, of PLD, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which PLD is a party or by which PLD or any of its assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to PLD or any of its assets.

(b) Except as set forth in Schedule 3.4 and except for the filings by News America and PLD required by Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), no declaration, filing or registration with, or notice to, or authorization, consent or approval of any governmental or regulatory body or authority is necessary for the consummation by PLD of the transactions contemplated hereby.

3.5. Reports. Since January 1, 1997, PLD has, pursuant to the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed or caused to be filed with the United States Securities and Exchange Commission ("SEC") all material forms, statements, reports and documents (including all exhibits, amendments and supplements thereto) required to be filed by them with respect to the business and operations of PLD under each

of the Securities Act and the Exchange Act and the respective rules and regulations thereunder, all of which complied in all material respects with all applicable requirements of the appropriate act and the rules and regulations thereunder in effect on the date each such report was filed. True and complete copies of each of such forms, statements, reports and documents, and such exhibits, have been delivered to News America.

3.6. Financial Statements. PLD has previously furnished to News America copies of (a) PLD's audited consolidated and (b) PeterStar's audited (i) balance sheets as of December 31, in each of the years 1997, 1996 and 1995 and (ii) related consolidated statements of income and retained earnings and consolidated changes in financial position of PLD and PeterStar for the fiscal years then ended, together with the respective reports thereon of KPMG Peat Marwick LLP and KPMG, as independent auditors of PLD for 1997, and 1996 and 1995, respectively, and KPMG, as independent auditors of PeterStar. Each of the balance sheets included in the financial statements referred to in this Section 3.6 (including the related notes thereto) present fairly the financial information purported to be set therein as of the dates thereof, and the other related statements included therein (including the related notes thereto) present fairly the results of operations and changes in financial position for the periods then ended, all in conformity with generally accepted accounting principles applied on a consistent basis, except as otherwise noted therein. For purposes of this Agreement, the audited consolidated balance sheet of PLD and the audited balance sheet of PeterStar as of December 31, 1997 are hereinafter referred to as (the "Companies' Balance Sheets").

3.7. Undisclosed Liabilities. Except as set forth in Schedule 3.7, neither PLD nor PeterStar has any material liability or obligation, secured or unsecured (whether absolute, accrued, contingent or otherwise, and whether due or to become due), of a nature required by generally accepted accounting principles to be reflected in a corporate balance sheet or disclosed in the notes thereto, which are not accrued or reserved against in the Companies' Balance Sheets or disclosed in the notes thereto in accordance with generally accepted accounting principles.

3.8. Absence of Certain Changes or Events. Except as set forth in Schedule 3.8 or in PLD's Annual Report on Form 10-K for the year ended December 31, 1997, since the date of the Companies' Balance Sheets there has not been:

(a) any material adverse change in the business, prospects, operations, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise) of PLD or PeterStar, or any failure by PLD or PeterStar to pay its debts when due;

(b) any event or condition of any character which either individually or in the aggregate, might reasonably be expected to have a material adverse effect on the business, prospects, operations, properties, assets, liabilities, competition, earnings or condition (financial or otherwise), of PLD or PeterStar;

(c) any damage, destruction or loss (regardless of whether covered by insurance) that might reasonably be expected to have a material adverse effect on the business, prospects, operation, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise), of PLD or PeterStar;

(d) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock, property, or any combination of the foregoing) with respect to the capital stock or other equity interest of PLD or PeterStar except as specifically provided for in this Agreement;

(e) any increase in the compensation paid, payable or to become payable by PLD or PeterStar to its officers, directors or employees (other than increases for employees in the ordinary course of business and consistent with past practice), any hiring of new officers, directors or employees (other than hiring of new employees in the ordinary course of business consistent with past practice) or any increase in any bonus, insurance, pension or other employee benefit plan, payments or arrangement (including loans) made to, for or with any officers, directors, or employees (other than increases for employees in the ordinary course of business and consistent with past practice or other increases pursuant to written employee benefit plans);

(f) any entry into, material amendment of, or termination of, any material agreement, material commitment or material transaction by PLD or PeterStar, including, without limitation, any (i) merger, consolidation, share exchange, acquisition or disposition of assets or stock or any financing transaction or capital expenditure, (ii) indenture, mortgage, note, agreement or other instrument relating to the borrowing of money (other than intercompany accounts), (iii) partnership or joint venture agreement, (iv) material license agreement relating to intellectual property (other than off-the-shelf software licenses), or (v) agreement to amend its charter or other organizational documents or any other document, contract, agreement, arrangement, undertaking or instrument relating to any of the foregoing;

(g) any entry into, material change to the terms or conditions of termination of, any license, permit, franchise, governmental approval or decree pursuant to which PLD or PeterStar provides telephony, data transmission or other telecommunications services;

(h) any notes or accounts receivable or portions of notes or accounts receivable written off by PLD or PeterStar as uncollectible, other than in the ordinary course of business and consistent with past practice;

(i) any material obligation or material liability paid (whether absolute, accrued, contingent or otherwise), or any lien or encumbrance in connection therewith discharged, by PLD or PeterStar, other than (i) in the ordinary course of business and consistent with past practice, or (ii) current liabilities shown on the financial statements and current liabilities incurred since their date;

(j) any properties or assets, real, personal or mixed, tangible or intangible, of PLD or PeterStar mortgaged, pledged or subjected to any security interest, lien or encumbrance;

(k) except as specifically provided for in this Agreement, any sale, assignment, transfer, lease, dividend, distribution or other disposition of any of property or assets by PLD or PeterStar, other than sales of products in the ordinary course of business; or

(l) any agreement, understanding or undertaking to do any of the foregoing by PLD or PeterStar.

3.9. Certain Disclosure Matters.

News America has been furnished with copies of each of the documents, contracts, agreements, licenses, permits and other instruments identified on Schedule 3.9 hereof (collectively, the "Written Disclosure Materials"). All of the Written Disclosure Materials are true and complete copies of each of the documents, contracts, agreements, licenses, permits and other instruments that they purport to represent, and the Written Disclosure Materials, together with the schedules attached hereto, collectively represent a true, fair and complete portrayal of the material business operations of PLD and PeterStar. None of the Written Disclosure Materials contains an untrue statement of material fact or omits to state any fact required to be stated therein or necessary, in light of the circumstances under which such statements are made, so as not to be misleading, except to the extent that such statements were later amended, revised or updated by PLD or PeterStar.

3.10. Legal Proceedings, etc. Except as set forth in Schedule 3.10, there are no claims, actions, or proceedings pending or investigation pending or, to PLD's knowledge, threatened against or relating to PLD or PeterStar before any court, governmental or regulatory authority or body acting in an adjudicative capacity. Except as set forth in Schedule 3.10, none of PLD or PeterStar is subject to any outstanding judgment, rule, order, writ, injunction or decree of any court, governmental or regulatory authority.

3.11. Permits. Each of PLD and PeterStar has all material permits, licenses, franchises and other governmental authorizations, consents and approvals (collectively, "Permits") necessary to conduct its business as presently conducted. Except as set forth in Schedule 3.11, neither PLD nor PeterStar has received any written notification that it is in violation of any of such Permits, or any law, statute, order, rule,

regulation, ordinance or judgment of any governmental or regulatory body or authority applicable to it. Each of PLD and PeterStar is in compliance with all material Permits, laws, statutes, orders, rules, regulations, ordinances, or judgments of any governmental or regulatory body or authority applicable to it.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF NEWS AMERICA

News America represents and warrants to PLD as follows:

4.1. Organization. News America is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. News America has heretofore delivered to PLD complete and correct copies of its organizational documents as currently in effect.

4.2. Authority Relative to this Agreement. News America has full power and authority to execute, deliver and perform all obligations under this Agreement and all ancillary agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and all ancillary agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by News America and no other proceedings on the part of News America are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and all ancillary agreements to which it is a party have been duly and validly executed and delivered by News America, and assuming that this Agreement and each such ancillary agreement constitutes a valid and binding agreement of PLD, constitutes a valid and binding agreement of News America, enforceable against News America in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally or general principles of equity.

4.3. Consents and Approvals; No Violation. (a) Except as set forth in Schedule 4.3, neither the execution and delivery of this Agreement by News America nor the exchange by News America of the Holdings Shares pursuant to this Agreement will (i) conflict with or result in any breach of any provision of the organizational documents of News America, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which News America or any of its subsidiaries are a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.

(b) Except for the filings by News America and PLD required by Title II of the HSR Act, no declaration, filing or registration with, or notice to, or authorization, consent or approval of any governmental or regulatory body or authority is necessary for the consummation by News America of the transactions contemplated hereby.

4.4. Fees and Commissions. No broker, finder or other person is entitled to any brokerage fees, commissions or finder's fees in connection with the transaction contemplated hereby by reason of any action taken by News America. News America hereby covenants that it will pay to PLD or otherwise discharge, and will indemnify and hold PLD harmless from and against, any and all claims or liabilities for all brokerage fees, commissions and finder's fees (other than as described above) incurred by reason of any action taken by News America.

4.5. Title. News America makes no representations or warranties regarding the title to the Holdings Shares (including the interest in PeterStar) that are the subject of this Agreement or the business or operation of PeterStar or any other matter relating to the Holdings Shares or their provenance; provided, however, that News America shall represent in writing to PLD on the Closing Date that News America shall have taken no action with respect to the Holdings Shares that would interfere with the transfer to PLD, and the receipt by PLD, of title to the Holdings Shares which is of the same quality as the title thereto which News America

received from C&W. News America hereby assigns to PLD each of the representations and warranties made by C&W to News America in the Stock Purchase Agreement.

4.6. Investment Intent; Private Placement.

(a) News America is knowledgeable, sophisticated and experienced in making, and is qualified to make, decisions with respect to investments in equity securities presenting an investment decision like that involved in the acquisition of the New PLD Shares. News America or its counsel, accountants or other investment advisers have requested, received, reviewed and considered all information deemed relevant by them in making an informed decisions to acquire the New PLD Shares.

(b) News America is acquiring the New PLD Shares for investment for its own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act. News America has no present intention of selling, granting any participation in, or otherwise distributing the New PLD Shares, except in compliance with the Securities Act or pursuant to an available exemption thereunder.

(c) News America understands that the New PLD Shares have not been registered under the Securities Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of News America's investment intent as expressed herein. News America is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. News America further understands that the certificate(s) representing the New PLD Shares shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER ANY APPLICABLE STATE SECURITIES LAWS. THE SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM.

ARTICLE V COVENANTS OF THE PARTIES

5.1. Conduct of Business of PLD and PeterStar. Except as described in Schedule 5.1, during the period from the date of this Agreement to the Closing Date, PLD will, and will cause PeterStar to, conduct their respective businesses and operations according to their ordinary and usual course of business consistent with past practice. Without limiting the generality of the foregoing, and, except as contemplated in this Agreement or as described in Schedule 5.1, prior to the Closing Date, without the prior written consent of News America, PLD will not, and will not permit PeterStar to:

(a) (i) create, incur or assume any amount of indebtedness for money borrowed, other than in the ordinary course of business, or (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person except in the ordinary course of business; provided, PLD and PeterStar may endorse negotiable instruments in the ordinary course of business;

(b) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of their respective capital stock, or redeem or otherwise acquire any shares of their respective capital stock;

(c) enter into any agreement, commitment or transaction (including without limitation any borrowing, capital expenditure or capital financing), except agreements, commitments or transactions in the ordinary course of business or as contemplated herein provided, that PLD may nevertheless effect the public offering of shares of PLD Common Stock as contemplated by the terms of (i) that certain Indenture, dated May 31, 1996, among the parties signatories thereto, relating to the \$123,000,000 14% senior discount notes due 2004, (ii) that certain Indenture, dated May 31, 1996, among the parties signatories thereto, relating to the

\$26,000,000 9% convertible subordinated notes due 2006 (each such Indenture are collectively referred to herein as the "Indentures") and (iii) the Revolving Credit Note and Warrant Agreement relating to PLD's \$12,400,000 12% Series A Revolving Credit Notes due 1998 and \$3,100,000 12% Series B Revolving Credit Notes due 1998; or

(d) enter into any contract, agreement, commitment or arrangement, whether written or oral, with respect to any of the transactions set forth in the foregoing paragraphs (a) through (c).

5.2. Access to Information. Between the date of this Agreement and the Closing Date, PLD will, and will cause PeterStar, during ordinary business hours and upon reasonable notice to, (i) give News America and its accountants, counsel, financial advisors and other authorized representatives (the "News America Representatives") reasonable access to all books, records, plants, offices and other facilities and properties of PLD and PeterStar to which News America is permitted access by law, (ii) permit News America to make such reasonable inspections thereof as News America may reasonably request; (iii) cause the officers and advisors of PLD and PeterStar to furnish News America with such financial and operating data and other information with respect to the business and properties of PLD and PeterStar as News America may from time to time reasonably request; (iv) cause the officers and advisors of PLD and PeterStar to furnish News America a copy of each report, schedule or other document filed by them with any governmental agency or authority, provided, however, that (A) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of PLD and PeterStar or PLD's relationship with the other shareholders of PeterStar, (B) PLD and PeterStar shall not be required to take any action which would constitute a waiver of the attorney-client privilege and (C) PLD and PeterStar need not supply News America with any information which PLD or PeterStar is under a legal obligation not to supply.

All information furnished to or obtained by News America and any News America Representatives pursuant to this Section 5.2 shall be subject to the confidentiality provisions set forth in Section 10.5 hereof.

5.3. Expenses. Whether or not the transactions contemplated hereby are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

5.4. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the sale, assignment, transfer and delivery of the PLD Interest, and the Holdings Shares and the interest in PeterStar represented thereby, pursuant to this Agreement. From time to time after the date hereof, without further consideration, News America will, at its own expense, execute and deliver such documents to PLD as PLD may reasonably request in order more effectively to vest in PLD good title to the Holdings Shares. From time to time after the date hereof, without further consideration, PLD will, at its own expense, execute and deliver such documents to News America or its designee (which may include C&W) as News America or such designee may reasonably request in order more effectively to consummate the sale, assignment, transfer and delivery of (a) the New PLD Shares pursuant to this Agreement and (b) the PLD Interest and the Holdings Shares pursuant to the Stock Purchase Agreement.

5.5. Public Statements. The parties shall consult with each other prior to issuing any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby and shall not issue any such public announcement, statement or other disclosure prior to such consultation. Notwithstanding the foregoing, the parties may make public announcements, statements or other disclosures with respect to this Agreement and the transactions contemplated hereby without such consultation to the extent and under the circumstances in which the parties are legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction) to do so, or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or as required by any securities law or regulation or other legal requirement,

in any such case in circumstances where such consultation would not be practicable.

5.6. Consents and Approvals.

(a) PLD and News America shall cooperate with each other and (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, (iii) use all reasonable efforts to obtain all necessary permits, consents, approvals and authorizations of all governmental bodies and (iv) use all reasonable efforts to obtain all necessary Permits, consents, approvals and authorizations of all other parties, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement or required by the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which PLD, Holdings, PeterStar or News America or any of their subsidiaries are a party or by which any of them is bound. PLD shall have the right to review and approve in advance all characteristics of the information relating to PLD or PeterStar; and each of PLD and News America shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing made in connection with the transactions contemplated hereby. The parties hereto agree that they will consult with each other with respect to the obtaining of all such necessary Permits, consents, approvals and authorizations of all third parties and governmental bodies. Each of PLD and News America shall designate separate counsel with respect to all applications, notices, petitions and filings (joint or otherwise) relating to this Agreement and the transactions contemplated hereby on behalf of PLD, on the one hand and News America on the other hand, with all governmental bodies.

(b) The parties hereto shall consult with each other prior to proposing or entering into any stipulation or agreement with any foreign or United States governmental authority or agency or any third party in connection with any foreign or United States governmental consents and approvals legally required for the consummation of the transactions contemplated hereby and shall not propose or enter into any such stipulation or agreement without the other party's prior written consent, which consent shall not be unreasonably withheld.

5.7. Supplements to Schedules. PLD, on the one hand, and News America, on the other hand, shall have the right from time to time prior to the Closing to supplement or amend its Schedules with respect to any matter hereafter arising which if existing or known at the date of this Agreement would have been required to be set forth or described in such Schedules. Any such supplemental or amended disclosure shall be deemed to have cured any breach of any representation or warranty made in this Agreement for purposes of Article IX, but will not be deemed to have cured any such breach made in this Agreement and to have been disclosed as of the date of this Agreement for purposes of determining whether or not the conditions set forth in Article VI hereof have been satisfied.

5.8. Completion of Ancillary Agreements. Each party will use reasonable efforts to take or cause to be taken, all action, and do or cause to be done all things reasonably necessary or advisable to perform their respective obligations under, in the case of PLD, the CIBBV Exchange Agreement and, in the case of News America, the Stock Purchase Agreement, each in the form as executed on the date hereof.

ARTICLE VI CLOSING CONDITIONS

6.1. Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

(a) The waiting period under the HSR Act applicable to the consummation of the transactions contemplated hereby shall have expired or been terminated;

(b) No preliminary or permanent injunction or other order or decree by any federal, state, local or foreign court which prevents the

consummation of the transactions contemplated hereby shall have been issued and remain in effect (each party agreeing to use its reasonable best efforts to have any such injunction, order or decree lifted) and no statute, rule or regulation shall have been enacted by any federal, state, local or foreign government or governmental agency which prohibits the consummation of the transactions contemplated hereby;

(c) All foreign and United States federal, state and local government consents and approvals required for the consummation of the transactions contemplated hereby shall have become Final Orders (a "Final Order" means a final order after all opportunities for rehearing are exhausted (whether or not any appeal thereof is pending)) and shall not be subject to terms and conditions; and

(d) If so required, a resolution shall have passed at the annual meeting of stockholders (or, if applicable, at any special meeting of stockholders) of PLD, convened after proper notice to and/or waiver of such notice by the stockholders, with a quorum of the stockholders present or represented, to approve the transaction contemplated hereby.

6.2. Conditions to Obligations of News America. The obligation of News America to effect the transactions contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) There shall not have occurred and be continuing any event or events, either individually or in the aggregate, which would have a material and adverse effect on the property, business, operations, prospects or condition (financial or otherwise) of PLD;

(b) PLD shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of PLD set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date;

(c) News America and C&W shall have closed the transactions contemplated by the Stock Purchase Agreement simultaneously with the transactions contemplated hereby;

(d) News America and PLD shall have executed and delivered a Director Nomination Agreement containing terms and conditions satisfactory to News America and PLD and such agreement shall be in full force and effect;

(e) The common stock of PLD shall be quoted on The Nasdaq Stock Market, and no action shall have been taken or shall be pending or threatened in respect of the delisting of the common stock of PLD from eligibility for such quotation;

(f) News America shall have received a certificate from an authorized officer of PLD, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.2(a) and (b) have been satisfied; and

(g) News America shall have received an opinion from E. Clive Anderson, Senior Vice President and General Counsel of PLD, dated the Closing Date and satisfactory in form and substance to News America and its counsel, substantially to the effect that:

(i) PLD is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by requisite corporate action taken on the part of PLD;

(ii) this Agreement has been executed and delivered by PLD and is a valid and binding obligation of the PLD enforceable against it in accordance with its terms, except (A) that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and

(B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefore may be brought; and

(iii) the issuance and sale of the New PLD Shares to News America pursuant to this Agreement are not required to be registered under the Securities Act.

As to any matter contained in such opinion which involves the laws of any jurisdiction other than the Federal laws of the United States or the laws of the State of New York, such counsel may rely upon opinions of counsel admitted in such other jurisdictions. Any opinions relied upon by such counsel as aforesaid shall be delivered together with the opinion of such counsel. Such opinion may expressly rely as to matters of fact upon certificates furnished by PLD and appropriate officers and directors of each of PLD and PeterStar and by public officials.

6.3. Conditions to Obligations of PLD. The obligations of PLD to effect the transaction contemplated by this Agreement shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions:

(a) News America shall have performed and complied with in all material respects the covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date, and the representations and warranties of News America set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date;

(b) PLD shall have received stock certificates representing all of the Holdings Shares, duly endorsed in blank or accompanied by duly executed instruments of transfer, together with any other documents that are necessary to transfer to PLD good and marketable title to the Holdings Shares;

(c) News America and C&W shall have closed the transactions contemplated by the Stock Purchase Agreement, including the purchase by News America from C&W of the Holdings Shares;

(d) PLD and C&W shall have closed the transactions contemplated by the CIBBV Purchase Agreement, including the purchase by PLD of the CIBBV shares;

(e) PLD shall have received from special Bermuda counsel to C&W a reliance letter dated the Closing Date to the effect that PLD may rely on such counsel's opinion to News America in connection with the Stock Purchase Agreement and assuming that News America transfers to PLD the Holdings Shares with the same quality of title that News America received from C&W, PLD will be the beneficial and registered holder of the Holdings Shares upon the consummation of the transactions contemplated hereby;

(f) PLD shall have received a certificate from an authorized officer of News America, dated the Closing Date, to the effect that to the officer's knowledge, the conditions set forth in Section 6.3(a) have been satisfied; and

(g) PLD shall have received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to News America, dated the Closing Date and satisfactory in form and substance to PLD and its counsel, substantially to the effect that:

(i) News America is a corporation organized and in good standing under the laws of the State of Delaware and has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by requisite action taken on the part of News America; and

(ii) this Agreement has been executed and delivered by News America and is a valid and binding obligation of News America, enforceable against it in accordance with its terms, except (A) that such enforcement may be subject to bankruptcy, insolvency, reorganization,

moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (B) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

As to any matter contained in such opinion which involves the laws of any jurisdiction other than the Federal laws of the United States or the laws of the State of New York, such counsel may rely upon opinions of counsel admitted in such other jurisdictions. Any opinions relied upon by such counsel as aforesaid shall be delivered together with the opinion of such counsel. Such opinion may expressly rely as to matters of fact upon certificates furnished by News America and appropriate officers and directors of News America and by public officials.

ARTICLE VII REGISTRATION RIGHTS

7.1. Registration on Request.

(a) Request. Upon the written request of News America or any permitted successor or assign requesting that PLD effect the registration under the Securities Act of all or part of any of the PLD Interest that is not registered under the Securities Act, the New PLD Shares or any other security of PLD owned, from time to time, by News America which is registrable under the applicable laws of the United States (the "Registrable Securities") and specifying the intended method of disposition thereof, PLD will, subject to the terms of this Agreement, use its best efforts to effect the registration under the Securities Act of the Registrable Securities which PLD has been so requested to register for disposition in accordance with the intended method of disposition stated in such request; provided, that the request for registration pursuant to this Section 7.1 shall relate to the intention to dispose of not less than 25% of the Registrable Securities then owned by News America or its subsidiaries or affiliates or permitted successors or assigns. For purposes of this Article VII, the term "News America" shall include, as the context requires, all holders of Registrable Securities.

(b) Registration Statement Form. Registrations under this Section 7.1 shall be on such appropriate registration form of the SEC (i) as shall be selected by PLD and as shall be reasonably acceptable to News America and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the request for such registration. If, in connection with any registration under Section 7.1 which is proposed by PLD to be on Form S-3 or any similar short form registration statement which is a successor to Form S-3, the managing underwriters, if any, shall advise PLD in writing that in their opinion the use of another permitted form is of material importance to the success of the offering, then such registration shall be on such other permitted form.

(c) Expenses. PLD shall pay all Registration Expenses in connection with only one (1) registration effected in accordance with this Section 7.1; provided, however, that if at or prior to the fifth anniversary of the date of this Agreement News America, its affiliates and subsidiaries, and any permitted successors and assigns, collectively own more than 50% of the aggregate Registrable Securities subject to this Agreement (such number to take account of any stock splits, dividends, combinations or other adjustments affecting any of the Registrable Securities), then the holders of Registrable Securities shall be entitled to one (1) additional registration effected in accordance with this Section 7.1 in respect of which PLD shall pay all Registration Expenses.

(d) Effective Registration Statement. A registration requested pursuant to this Section 7.1 shall not be deemed to have been effected (i) unless a registration statement with respect thereto has become effective, provided that a registration which does not become effective after PLD has filed a registration statement with respect thereto solely by reason of the refusal to proceed of News America (other than a refusal to proceed based upon the advice of counsel relating to a matter with respect to PLD) shall be deemed to have been effected by PLD at the request of News America unless News America shall have elected to pay all Registration Expenses in connection with such registration, (ii) if, after it has become effective, such registration becomes subject to any stop

order, injunction or other order or requirement of the SEC or other governmental agency or court for any reason, or (iii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of some act or omission by News America.

(e) Selection of Underwriters. If a requested registration pursuant to this Section 7.1 involves an underwritten offering, the managing or lead underwriter or underwriters thereof shall be selected by News America and shall be acceptable to PLD, which shall not unreasonably withhold its acceptance of any such underwriters.

(f) Notwithstanding anything to the contrary contained herein, PLD shall be entitled to postpone for a reasonable period of time (but in no event more than 120 days) the filing of a registration statement if, at the time it receives a request for such registration, (i) PLD reasonably determines, on the basis of written advice to such effect from outside counsel or an investment banking firm representing PLD, that such registration and the offering and sales thereunder by News America would materially interfere with any financing, acquisition, corporate reorganization or other material transaction or development involving PLD or any of its subsidiaries, and promptly gives News America notice of such determination, (ii) PLD would be required to undergo a special interim audit or to prepare and file with the SEC sooner than would otherwise be required pro forma or other financial statements.

7.2. Incidental Registration.

(a) Right to Include Registrable Securities. If PLD at any time proposes to register any of its securities under the Securities Act (other than by a registration on Form S-8, or any successor form thereto, relating to a stock option plan, stock purchase plan, managing directors' plan, savings or similar plan and other than pursuant to Section 7.1), whether or not for sale for its own account, it will each such time give prompt written notice to News America of its intention to do so and of News America's rights under this Section 7.2. Upon the written request of News America made within 20 days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by News America and the intended method of disposition thereof), PLD will, subject to the terms of this Agreement, use its best efforts to effect the registration under the Securities Act of all Registrable Securities which PLD has been so requested to register by News America, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the securities which News America proposes to register, provided that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, PLD shall determine for any reason either not to register or to delay registration of such securities, PLD may, at its election, give written notice of such determination to News America and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of News America to request that such registration be effected as a registration under Section 7.1, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities. Except for the shares registered pursuant to this Section 7.2, no registration effected under this Section 7.2 shall relieve PLD of its obligation to effect any registration upon request under Section 7.1, nor shall any such registration hereunder be deemed to have been effected pursuant to Section 7.1. PLD will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 7.2.

(b) Priority in Incidental Registrations. If (i) a registration pursuant to this Section 7.2 involves an underwritten offering of the securities so being registered, whether or not for sale for the account of PLD, to be distributed (on a firm commitment basis) by or through one or more underwriters of recognized standing under underwriting terms appropriate for such a transaction, (ii) the Registrable Securities so requested to be registered for sale for the account of holders of

Registrable Securities are not also to be included in such underwritten offering (either because PLD has not been requested so to include such Registrable Securities pursuant to Section 7.4(b) or, if requested to do so, is not obligated to do so under Section 7.4(b)), and (iii) the managing underwriter of such underwritten offering shall inform PLD and News America of its belief that the distribution of all or a specified number of such Registrable Securities concurrently with the securities being distributed by such underwriters would interfere with the successful marketing of the securities being distributed by such underwriters (such writing to state the basis of such belief and the approximate number of such Registrable Securities which may be distributed without such effect), then PLD may, upon written notice to News America, reduce the number of such Registrable Securities the registration of which shall have been requested by News America so that the resultant aggregate number of such Registrable Securities so included in such registration shall be equal to the number of shares stated in such managing underwriter's letter.

7.3. Registration Procedures. If and whenever PLD is required to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 7.1 and 7.2, PLD shall, as expeditiously as possible:

(i) prepare and (in the case of a registration pursuant to Section 7.1, such filing to be made within 60 days after the request of News America) file with the SEC the requisite registration statement to effect such registration (including such audited financial statements as may be required by the Securities Act or the rules and regulations promulgated thereunder) and thereafter use its best efforts to cause such registration statement to become and remain effective, provided however that PLD may discontinue any registration of its securities which are not Registrable Securities (and, under the circumstances specified in Section 7.2(a), its securities which are Registrable Securities) at any time prior to the effective date of the registration statement relating thereto, provided further that before filing such registration statement or any amendments thereto, PLD will furnish to the counsel selected by the holders of Registrable Securities which are to be included in such registration copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement or (i) in the case of a registration pursuant to Section 7.1, the expiration of 180 days after such registration statement becomes effective, or (ii) in the case of a registration pursuant to Section 7.2, the expiration of 90 days after such registration statement becomes effective;

(iii) furnish to News America and each underwriter, if any, of the securities being sold such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as News America and underwriter, if any, may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by News America;

(iv) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions in the United States as News America and any underwriter of the securities being sold by News America may reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable News America and any such underwriter to

consummate the disposition in such jurisdictions of the securities owned by News America, except that PLD shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable News America to consummate the disposition of such Registrable Securities;

(vi) furnish to News America a signed counterpart, addressed to News America and the underwriters, if any, of:

(x) an opinion of counsel for PLD, dated the effective date of such registration statement (or, if such registration includes an underwritten public offering, an opinion dated the date of the closing under the underwriting agreement), reasonably satisfactory in form and substance to News America and its counsel and covering such matters as are customarily covered in opinions of issuer's counsel in transactions of this sort, and

(y) a "comfort" letter (or, in the case News America does not satisfy the conditions for receipt of a "comfort" letter specified in Statement on Auditing Standards No. 72, an "agreed upon procedures" letter), dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter of like kind dated the date of the closing under the underwriting agreement), signed by the independent public accountants who have certified PLD's financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities (with, in the case of an "agreed upon procedures" letter, such modifications or deletions as may be required under Statement on Auditing Standards No. 35) and, in the case of the accountants' letter, such other financial matters, and, in the case of the legal opinion, such other legal matters, as News America (or the underwriters, if any) may reasonably request;

(vii) notify News America and the managing underwriter or underwriters, if any, promptly and confirm such advice in writing promptly thereafter:

(v) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective;

(w) of any request by the SEC for amendments or supplements to the registration statement or the prospectus or for additional information;

(x) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(z) of the receipt by PLD of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose; and

(viii) notify News America at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon PLD's discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact

required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of News America promptly prepare and furnish to News America and each underwriter, if any, a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(ix) use its best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible moment; and

(x) otherwise use its best efforts to comply with all applicable rules and regulations of SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first day of PLD's first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, and will furnish to News America at least five business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which News America shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder.

PLD will not file any registration statement or amendment thereto hereunder or any prospectus or any supplement thereto (including such documents incorporated by reference and proposed to be filed after the initial filing of the registration statement) to which News America shall reasonably object, provided that PLD may file such document in a form required by law or upon the advice of its counsel.

News America agrees by acquisition of such Registrable Securities that, upon receipt of any notice from PLD of the occurrence of any event of the kind described in subdivision (viii) of this Section 7.3, it will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until its receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (viii) of this Section 7.3 and, if so directed by PLD, will deliver to PLD (at PLD's expense) all copies, other than permanent file copies, then in its possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. In the event PLD shall give any such notice, the period mentioned in paragraph (ii) of this Section 7.3 shall be extended by the length of the period from and including the date when News America shall have received such notice to the date on which each such seller has received the copies of the supplemented or amended prospectus contemplated by paragraph (viii) of this Section 7.3.

7.4. Provision of Information; Transfer of Shares After Registration.

(a) News America shall, prior to the filing of any Registration Statement pursuant to this Agreement, provide PLD in writing with such information specified in Item 507 of Regulation S-K under the Securities Act and any other similar information reasonably requested by PLD for use in connection with such Registration Statement or any related prospectus or preliminary prospectus. News America shall promptly furnish to PLD all information required to be disclosed in order to make the information previously furnished to PLD not materially misleading.

(b) News America agrees that it will not effect any disposition of the Registrable Securities that would constitute a sale within the meaning of the Securities Act except as contemplated in the Registration Statement or as otherwise in compliance with applicable securities laws, including, without limitation, to the extent applicable, the prospectus delivery requirements of the Securities Act.

7.5. Indemnification.

(a) Indemnification by PLD. In the event of any registration of any securities of PLD under the Securities Act, PLD will, and hereby does agree to, indemnify and hold harmless News America against any losses, claims, damages or liabilities, joint or several, to which News America or any director or officer of News America or underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading. Such indemnification shall be subject to customary terms and provisions governing indemnification in transactions of this type; provided, however, that PLD shall not be liable in any such case to the extent that such loss, claim, damages or liability arises out of, or is based upon (i) an untrue statement of a material fact made in such Registration Statement, or any omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, made in reliance upon and in conformity with written information furnished to PLD by or on behalf of News America specifically for use in preparation of such Registration Statement, (ii) the failure of News America to comply with the covenants and agreements contained in Sections 7.3 or 7.4(a) hereof respecting sale of the Registrable Securities or (iii) any untrue statement of a material fact, or any omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in any prospectus that is corrected in any subsequent prospectus that was delivered to News America prior to the pertinent sale or sales by News America.

(b) Indemnification by News America. PLD may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 7.3, that PLD shall have received an undertaking satisfactory to it from News America of such Registrable Securities, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 7.5) PLD, each director of PLD each officer of PLD and each other person, if any, who controls PLD within the meaning of the Securities Act, with respect to (i) any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to PLD through an instrument duly executed by News America specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, (ii) the failure of News America to comply with the covenants and agreements contained in the last paragraph of Section 7.3 or in Section 7.4(a) hereof respecting sale of the Registrable Securities or (iii) any untrue statement of a material fact, or any omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in any prospectus that is corrected in any subsequent prospectus that was delivered to News America prior to the pertinent sale or sales by News America.

ARTICLE VIII TERMINATION AND ABANDONMENT

8.1. Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date, by mutual written consent of News America and PLD.

(b) This Agreement may be terminated by News America, on the one hand, or PLD, on the other hand, if the transactions contemplated hereby shall not have been consummated on or before June 30, 1998; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b) shall not be available to any party whose failure to

perform any of its covenants or obligations under this Agreement has been the cause of or resulting in the failure of the transactions contemplated by this Agreement to occur on or prior to the aforesaid date.

(c) This Agreement may be terminated by either News America, on the one hand, or PLD, on the other hand, if (i) any governmental or regulatory body, the consent of which is a condition to the obligations of PLD and News America to consummate the transactions contemplated hereby, shall have determined not to grant its consent and all appeals of such determination shall have been taken and have been unsuccessful, or (ii) any court of competent jurisdiction shall have issued an order, judgment or decree permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such order, judgment or decree shall have become final and nonappealable.

(d) This Agreement may be terminated by News America, on the one hand, or PLD, on the other hand, if there has been a material violation or breach of any agreement, representation or warranty contained in this Agreement which violation or breach has not been waived by the non-breaching party.

8.2. Procedure and Effect of Termination. In the event of termination of this Agreement and abandonment of the transactions contemplated hereby by either or both of the parties pursuant to Section 8.1, written notice thereof shall forthwith be given by the terminating party to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto without prejudice to any claims of a party to this Agreement arising prior to the date of such termination in respect of any breach of any representation, warranty or agreement contained in this Agreement and provided that (a) the provisions of Sections 5.4 and Article X (except for section 10.4) hereof shall survive such termination, and (b) that regardless of such termination the provisions of Article IX hereof shall continue with respect to any such claims. If this Agreement is terminated as provided herein all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the agency or other person to which they were made.

ARTICLE IX SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

9.1. Survival of Representations. All representations, warranties and agreements made by PLD or News America in this Agreement shall survive the Closing until one (1) year after the Closing.

9.2. Statements as Representations. PLD's Written Disclosure Materials and any statements contained herein made by News America shall be deemed representations and warranties within the meaning of Section 9.1 hereof.

9.3. PLD's Indemnification of News America. Subject to the conditions of this Article VIII, PLD hereby agrees that it shall indemnify, defend and hold harmless News America and any parent, subsidiary and affiliate of News America (collectively, the "News America Group") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties and attorneys' fees and expenses (collectively, "Damages"), asserted against, resulting to, imposed upon or incurred by any of News America Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of PLD contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach (collectively, "News America's Indemnifiable Claims"); provided, however, that the indemnification obligation of PLD with respect to any inaccuracy in any of the representations or warranties made by PLD in this Agreement shall arise only in the event that PLD had knowledge of such inaccuracy on or before the Closing; provided, further, that for purposes of this Agreement "knowledge" shall mean knowledge on the part of any member of management of PLD or knowledge of such circumstances that would lead a person not negligent to investigate and, more likely than not, obtain actual knowledge.

9.4. News America's Indemnification of PLD. Subject to the conditions of this Article VIII, News America hereby agrees that it shall

indemnify, defend and hold harmless PLD and any parent, subsidiary and affiliate of PLD (collectively, the "PLD Group") from and against all Damages asserted against, resulting to, imposed upon or incurred by any of the PLD Group, directly or indirectly, arising out of or resulting from a breach of any representation, warranty or agreement of News America contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach ("PLD Indemnifiable Claims"; PLD's Indemnifiable Claims and News America's Indemnifiable Claims are collectively referred to herein as the "Indemnifiable Claims"); provided, however, that the indemnification obligation of News America with respect to any inaccuracy in any of the representations or warranties made by News America in this Agreement shall arise only in the event that News America had knowledge of such inaccuracy on or before the Closing; provided, further, that for purposes of this Agreement "knowledge" shall mean knowledge on the part of any member of management of News America or knowledge of such circumstances that would lead a person not negligent to investigate and, more likely than not, obtain actual knowledge.

9.5. Conditions of Indemnification. The obligations and liabilities of PLD under Section 9.3 or News America under Section 9.4, respectively, with respect to Indemnifiable Claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) The member of the News America Group or the PLD Group, as the case may be, asserting the existence of an Indemnifiable Claim (the "Indemnified Party") will give notice of any such Indemnifiable Claim to the party from whom Indemnification is sought (the "Indemnifying Party"), and the Indemnifying Party shall undertake the defense thereof by representation of their choosing, and will consult with the Indemnified Party concerning such defense during the course thereof.

(b) In the event that the Indemnifying Party within a reasonable time after notice of any Indemnifiable Claim, fails to defend, the Indemnified Party against which such Indemnifiable Claim has been asserted will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Indemnifiable Claim on behalf of and for the account and risk of the Indemnifying Party.

(c) Anything in this Section 9.5 to the contrary notwithstanding, (i) if there is a reasonable probability that an Indemnifiable Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise or settle such Indemnifiable Claim, and (ii) the Indemnifying Party shall not, without the Indemnified Party written consent, settle or compromise any Indemnifiable Claim or consent to entry of any judgment in respect thereof, unless (A) the Indemnifying Party delivers to the Indemnified Party in advance its written agreement satisfactory to the Indemnified Party which provides that amounts paid and incurred or to be incurred by the Indemnified Party in connection with such Indemnifiable Claim shall be repaid promptly by the Indemnifying Party to the Indemnified Party (subject to the limitations of this Article VIII), and (B) such settlement, compromise or consent includes as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party and/or such member, as the case may be, a release from all liability in respect to such Indemnifiable Claim.

9.6. Cushion. The provisions for indemnity contained in Section 9.3 and Section 9.4 hereof shall only be effective with respect to an Indemnifiable Claim (or, if more than one Indemnifiable Claim is asserted, with respect to all Indemnifiable Claims) to the extent the amount (or aggregate amount, in the case of more than one Indemnifiable Claim) of damages sustained in connection therewith exceeds One Hundred Thousand dollars (USD\$100,000), but to the extent that the amount or amounts of damages in respect of Indemnifiable Claims exceeds \$100,000, the indemnity provisions hereunder shall apply to all such damages, without regard to the \$100,000 level.

9.7. Limitation of Liability. Anything in this Agreement to the contrary notwithstanding, the liability of an Indemnifying Party to indemnify an Indemnified Party against any damages sustained in connection with any Indemnifiable Claim shall be limited to Indemnifiable Claims as to which written notice shall have been given to the Indemnifying Party on or prior to the earlier of the first anniversary date of the Closing Date or

public release of audited financials of PLD covering the fiscal year ended December 31, 1998, whether or not the Indemnified Party has actually settled or incurred any expense with respect to such Damages. Furthermore, anything in this Agreement to the contrary notwithstanding, if such Indemnifiable Claim relates to a representation or warranty made by (a) News America, the amount of liability shall be limited to \$100,000 and (b) PLD, the amount of liability shall be converted to PLD Common Stock and issued to News America at the same rate/value as the PLD shares issued to News America by PLD pursuant to Section 1.1 hereof, provided that the amount of liability of PLD shall be limited to twenty million U.S. dollars (\$20,000,000). In the event that the rules of any stock exchange upon which the PLD Common Stock is then traded, or any interdealer quotation system upon which quotations for the PLD Common Stock are then available, shall not permit the issuance of PLD Common Stock without either the approval of shareholders of PLD or the receipt of some other approval, then in satisfaction of its liability to indemnify pursuant to this Article IX, PLD shall issue the maximum number of shares of PLD Common Stock as can then be issued in accordance with such rules, and shall issue in respect of the remainder of such liability shares of preferred stock having such terms and conditions as may be agreed upon between News America and PLD, such preferred stock to be convertible into PLD Common Stock at such time as any requisite shareholder or other approval is obtained.

9.8. Remedies Cumulative. The remedies provided herein shall be cumulative and shall not preclude the assertion by News America or PLD of any other rights or the seeking of any other remedies against the other party, as the case may be.

9.9. Assignment of Certain Representations, Warranties and Indemnification Obligations. In lieu of making any representations or warranties with respect to the Holdings Shares being sold to and exchange with PLD hereunder, News America hereby assigns to the benefit of PLD, its successors and assigns, the representations, warranties and agreements made by C&W in the Stock Purchase Agreement with respect to the Holdings Shares and its indemnification obligations under such agreement, and agrees that PLD has the right to rely upon such representations, warranties and agreements, and enforce such indemnification obligations, as fully as if it were a party to the Stock Purchase Agreement. PLD acknowledges and agrees that its sole recourse with respect to the Holdings Shares is to seek indemnification from C&W with respect thereto and further agrees that News America shall have no liability therefor.

ARTICLE X MISCELLANEOUS PROVISIONS

10.1. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement signed by all of the parties hereto.

10.2. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

10.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed effectively given upon personal delivery to the party to be notified, on the next Business Day after delivery to a recognized overnight courier service, upon confirmation of receipt of a facsimile transmission, or five days after deposit with the United States Post Office, by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

If to PLD, to:

PLD Telekom Inc.
680 Fifth Avenue
24th Floor
New York, New York 10019

Facsimile: (212) 262-8870
Attention: James Hatt

If to News America, to:

News America Incorporated
1211 Avenue of the Americas
New York, New York 10036
Facsimile: (212) 768-2029
Attention: General Counsel

(with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
Facsimile: (212) 735-2000
Attention: Alan G. Straus, Esq.)

10.4. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto, including by operation of law without the prior written consent of the other party, nor is this Agreement intended to confer upon any other person except the parties hereto any rights or remedies hereunder; provided, however, that (a) PLD will have the right, at any time at or prior to the Closing, to designate in writing, in accordance with applicable law, one or more of its Affiliates to purchase, in whole or in part, the Holdings Shares on the terms set out in this Agreement, and PLD shall remain jointly and severally liable with its designee(s) under this Agreement following such designation, (b) News America will have the right, at any time at or prior to the Closing, to designate in writing, in accordance with applicable law, one or more of its affiliates to purchase, in whole or in part, the New PLD Shares on the terms set out in this Agreement, and News America shall remain jointly and severally liable with its designee(s) under this Agreement following such designation and (c) News America shall have the right, at its sole discretion, to assign to ZAO LogoVAZ ("LogoVAZ") its rights to purchase one-half of the New PLD Shares (and, if such rights are exercised, such rights shall be exercised by News America and LogoVAZ concurrently as to the entire portion of the New PLD Shares); provided, that it shall be a condition to any assignment under clauses (b) or (c) hereof that the assignee represent and warrant to PLD as to the matters set forth in Section 4.6, and otherwise agrees to be bound by the terms of this Agreement as if such assignee had been a party to this Agreement.

10.5. Confidentiality. Each of the Parties hereto will hold, and will use its reasonable, good faith efforts to cause its respective shareholders, partners, members, directors, officers, employees, accountants, counsel, consultants, agents and financial or other advisors (collectively "Agents") to hold, in confidence all information (whether oral or written), including this Agreement and the documents contemplated herein, concerning the transactions contemplated by this Agreement furnished to such Party by or on behalf of any other Party in connection with such transactions, unless legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction, or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other regulatory authority, or by requirements of any securities law or regulation or other legal requirement) to disclose any such information or documents, and except to the extent that such information or documents can be shown to have been (a) previously known on a nonconfidential basis by such Party, (b) in the public domain through no fault of such Party or (c) acquired by such Party on a nonconfidential basis from sources not known by such Party to be bound by any obligation of confidentiality in relation thereto. Notwithstanding the foregoing provisions of this Section 10.5, each Party may disclose such information to its Agents in connection with the transactions contemplated by this Agreement or any of the other ancillary Agreements so long as such Agents are informed by such Party of the confidential nature of such information and are required by such Party to treat such information confidentially, and to certain governmental agencies

in connection with the procurement of the governmental authorizations contemplated by this Agreement. The obligation of each Party to hold any such information in confidence shall be satisfied if such Party exercises the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated, each Party will, and will use its reasonable, good faith efforts to cause its respective Agents, to destroy or deliver to the other Party, upon request, all documents and other materials, and all copies thereof, obtained by such Party or on its behalf from the other Party hereto in connection with this Agreement that are subject to such confidence.

10.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable New York principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

10.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.8. Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used in this Agreement, (a) the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a governmental entity or any department or agency thereof, (b) the term "subsidiary" when used in reference to any other person shall mean any corporation of which outstanding securities having ordinary voting power to elect a majority of the Board of Directors of such corporation are owned directly or indirectly by such other person and (c) the terms "affiliate" and "parent" shall have the meanings set forth in Rule 12b-2 of the Exchange Act.

10.9. Entire Agreement. This Agreement, including the documents, schedules and certificates referred to herein, embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

IN WITNESS WHEREOF, PLD and News America have caused this agreement to be signed by their respective duly authorized officers as of the date first above written.

NEWS AMERICA INCORPORATED

By: /s/ JOHN P. NALLEN

Name: JOHN P. NALLEN
Title: SENIOR VICE PRESIDENT

PLD TELEKOM INC.

By: /s/ JAMES R.S. HATT

Name: JAMES R.S. HATT
Title: DIRECTOR

PLD TELEKOM INC.
680 Fifth Avenue
New York, New York 10019

April 19, 1998

News America Incorporated
1211 Avenue of the Americas
New York, New York 10036

Re: Directors Nomination Agreement

Gentlemen:

Reference is made to (i) that certain Stock Purchase Agreement, dated April 19, 1998 (the "Stock Purchase Agreement"), by and between Cable and Wireless plc, a public limited company organized under the laws of England ("C&W"), and News America Incorporated, a corporation organized under the laws of the State of Delaware ("News America"), relating to the purchase by News America from C&W of the PLD Shares, the PLD Warrant, the CIBBV Exchange Shares and the Holdings Shares (each, as defined in the Stock Purchase Agreement and collectively, the "PLD Interest"), which PLD Interest shall, immediately upon the consummation of the transactions contemplated by the Stock Purchase Agreement and the Asset Exchange Agreement (as defined below), be assigned by News America to NewsLogo LLC, a Delaware limited liability company that is a newly-formed indirect subsidiary of News America (the "Venture"), and (ii) that certain Asset Exchange Agreement, dated April 19, 1998, by and between PLD Telekom Inc., a Delaware corporation ("PLD") and News America Incorporated (the "Asset Exchange Agreement"; the Asset Exchange Agreement and the Stock Purchase Agreement are collectively referred to herein as the "Agreements") relating to the exchange by News America with PLD of the Holdings Shares for the New PLD Shares (as defined in the Asset Exchange Agreement). Upon the consummation of the transactions contemplated by the Stock Purchase Agreement and the Asset Exchange Agreement and the assignment referred to above, the Venture will own approximately thirty-eight percent (38%) of the issued and outstanding capital stock of PLD.

In recognition of the significant shareholding position that will be held by the Venture after consummation of the transactions contemplated by the Stock Purchase Agreement and the Asset Exchange Agreement, we have agreed with you as follows:

1. Designation and Number of Directors.

(a) Simultaneously with the closing of the Agreements, PLD shall use its best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary and reasonably appropriate (i) to cause the Board of Directors of PLD to set the size of the Board at ten (10) and (ii) to cause the Board to elect as directors four (4) individuals designated by the Venture.

(b) Thereafter, throughout the term of this Agreement, PLD will nominate and solicit proxies (and if properly executed and otherwise valid, cause such proxies to be voted in accordance with the instructions thereon) for election as directors at each annual meeting of stockholders (or, if applicable, at any special meeting of stockholders) of PLD, that number of individuals designated by the Venture.

(c) The number of individuals that the Venture shall be permitted to designate will be based upon the aggregate percentage of the total issued and outstanding shares of PLD's common stock (the "Total Shares Outstanding") owned of record and beneficially by the Venture, and The News Corporation Limited and its subsidiaries and affiliates, together, as follows:

Number of designees	Percentage of Total Shares Outstanding Owned
---------------------	--

4	23% or over
3	15% 22.99%
2	10% 14.99%
1	5%-9.9%
0	below 5%

(d) In the event that the number of directors comprising the entire Board shall be increased beyond ten (10), the number of directors that the Venture shall be entitled to designate based on its share ownership shall be appropriately and proportionately adjusted, any number resulting from such adjustment which is not a whole number being rounded up to the nearest whole number.

(e) Any person who is designated by the Venture and subsequently elected as a director of PLD shall be referred to herein as a "Venture Director".

2. Removal and Replacement of Directors. (a) The Venture shall be entitled at any time and for any reason (or for no reason) to designate a Venture Director for removal, and at any meeting of stockholders called for the purpose of voting on the removal of directors, PLD shall use its best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary and reasonably appropriate to cause the Board, or the stockholders of PLD, as the case may be, to remove such Venture Director.

(b) If, prior to his or her election to the Board pursuant to the terms of this letter agreement, an individual designated by Venture shall be unable or unwilling to serve as a director of PLD, the Venture shall be entitled to nominate a replacement who shall then be designated for purposes of this letter agreement. If, following election to the Board pursuant to this letter agreement, a Venture Director shall resign or be removed or be unable to serve for any reason prior to the expiration of his or her term as a director of PLD, the Venture shall notify the Board in writing of a replacement director, and PLD shall use its best efforts to cause the Board to take all action necessary or appropriate to cause such replacement director to be elected as a director of PLD.

3. Term. This letter agreement shall commence on the date hereof and remain in force for a period of ten (10) years from the date hereof.

4. Miscellaneous.

(a) Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement signed by the parties hereto.

(b) Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of either of the parties hereto to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

The parties agree that proportional representation on the Board of Directors of PLD at least as favorable to the Venture as is set forth in this Agreement is of the essence of this Agreement, and the parties further agree that if the specific terms of this Agreement shall be unable to be implemented by reason of the rules of any regulatory or supervisory body having jurisdiction over PLD or the PLD Common Stock, the parties will negotiate with each other in good faith to implement an alternative system of proportional representation as near as practicable to the arrangement set forth herein.

(c) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile transmission, telexed or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notice of a change of address shall be effective only upon receipt thereof):

(i) If to Buyer, to:

News America Incorporated
1211 Avenue of the Americas
New York, New York 10036
Facsimile: (212) 768-2029
Attention: General Counsel

(with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022
Facsimile: (212) 735-2000
Attention: Alan G. Straus, Esq.)

(ii) If to PLD, to:

PLD Telekom Inc.
680 Fifth Avenue
24th Floor
New York, New York 10019
Facsimile: (212) 262-8870
Attention: James Hatt

(d) Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(h) Entire Agreement. This Agreement, including the documents, schedules and certificates referred to herein, embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such transactions.

If this letter correctly sets forth the agreement between us, please countersign in the space provided below, whereupon this letter shall become a binding agreement between us.

Very truly yours,

PLD TELEKOM INC.

By: /s/ JAMES R.S. HATT

Name: JAMES R.S. HATT
Title: DIRECTOR

Accepted and agreed to
as of the date first above written:

NEWS AMERICA INCORPORATED

By: /s/ JOHN P. NALLEN

Name: JOHN P. NALLEN

Title: SENIOR VICE PRESIDENT

COMBINED AMENDMENT TO
STOCK AND ASSET PURCHASE AGREEMENTS

COMBINED AMENDMENT TO STOCK AND ASSET PURCHASE AGREEMENTS (this "Amendment"), dated June 29, 1998, by and among News America Incorporated, a corporation organized under the laws of the State of Delaware ("Buyer"), News PLD LLC, a limited liability company organized under the laws of the State of Delaware ("News PLD LLC"), all of the membership interests in which are owned directly or indirectly by Buyer, Cable and Wireless plc, a company registered under the laws of England under the number 238525 ("C&W") and PLD Telekom Inc., a Delaware corporation ("PLD"). All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Stock Purchase Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, Buyer and C&W have entered into that certain Stock Purchase Agreement, dated as of April 19, 1998 (the "Stock Purchase Agreement"); and

WHEREAS, Buyer has assigned its rights under the Stock Purchase Agreement to its directly and indirectly wholly owned subsidiary News PLD LLC; and

WHEREAS, pursuant to Section 7.1 (b) of the Stock Purchase Agreement, the Stock Purchase Agreement may be terminated by Buyer, on the other hand, or C&W, on the other hand, if the transactions contemplated thereby should not have been consummated on or before June 30, 1998; and

WHEREAS, the parties hereto have agreed to amend the Stock Purchase Agreement to extend such termination date to August 7, 1998; and

WHEREAS, C&W and PLD have entered into that certain Stock Purchase Agreement, dated as of April 19, 1998 (the "C&W/PLD Stock Purchase Agreement"), and Buyer and PLD have entered into that certain Asset Exchange Agreement, dated as of April 19, 1998 (the "Asset Exchange Agreement"), which agreements are intended to be consummated substantially simultaneously with the consummation of the transactions contemplated by the Stock Purchase Agreement, and for convenience the parties hereto and thereto have agreed to combine into this single instrument their agreements to extend the termination date under all such agreements to August 7, 1998;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Amendment and Modification of the Stock Purchase Agreement, C&W/PLD Stock Purchase Agreement and Asset Exchange Agreement.

(a) In Section 7.1(b) of the Stock Purchase Agreement the date "June 30, 1998" referred to therein is hereby deleted and the date "August 7, 1998" is inserted in lieu thereof.

(b) In recognition of the assignment to News PLD LLC by Buyer of its rights under the Stock Purchase Agreement in accordance with Section 9.4 thereof, News PLD LLC is hereby added as a party to the Stock Purchase Agreement, and it shall be constituted with all such rights with respect thereto as would have been appurtenant had it been an original signatory thereto, provided always that such assignment satisfies the requirements of the proviso to Section 9.4(a) of the Stock Purchase Agreement and the requirements relating to the ownership of News PLD LLC as the Buyer's designee under that Section 9.4(a) and does not in any way extend the rights of the designee as contemplated thereby.

(c) In Section 7.1(b) of the C&W/PLD Stock Purchase Agreement the date "June 30, 1998" referred to therein is hereby deleted and the date "August 7, 1998" is inserted in lieu thereof.

(d) In Section 8.1(b) of the Asset Exchange Agreement the date "June 30, 1998" referred to therein is hereby deleted and the date "August 7, 1998" is inserted in lieu thereof.

Section 2. No Other Amendments

(a) Except as expressly modified by this Amendment, the terms and conditions of the Stock Purchase Agreement, C&W/PLD Stock Purchase Agreement and Asset Exchange Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Buyer, News PLD LLC, C&W and PLD have caused this Amendment to be signed by their respective duly authorized officers as of the date first above written.

NEWS AMERICA INCORPORATED

By: /s/ LAWRENCE JACOBS

Name: LAWRENCE JACOBS
Title: SENIOR VICE PRESIDENT AND
DEPUTY GENERAL COUNSEL

NEWS PLD LLC

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
Title: PRESIDENT AND
SECRETARY

CABLE AND WIRELESS PLC

By: /s/ PETA WILSON

Name: PETA WILSON
Title: SENIOR AND REGIONAL LEGAL
ADVISOR

PLD TELEKOM INC.

By: /s/ E. CLIVE ANDERSON

Name: E. CLIVE ANDERSON
Title: SENIOR VICE PRESIDENT,
SECRETARY AND
GENERAL COUNSEL

SECOND COMBINED AMENDMENT TO
STOCK AND ASSET PURCHASE AGREEMENTS

SECOND COMBINED AMENDMENT TO STOCK AND ASSET PURCHASE AGREEMENTS (this "Amendment"), dated August 7, 1998, by and among News America Incorporated, a corporation organized under the laws of the State of Delaware ("Buyer"), News PLD LLC, a limited liability company organized under the laws of the State of Delaware ("News PLD LLC"), all of the membership interests in which are owned directly or indirectly by Buyer, Cable and Wireless plc, a company registered under the laws of England under the number 238525 ("C&W") and PLD Telekom Inc., a Delaware corporation ("PLD").

W I T N E S S E T H:

WHEREAS, (i) Buyer and C&W have entered into that certain Stock Purchase Agreement, dated as of April 19, 1998 (the "Stock Purchase Agreement"), (ii) C&W and PLD have entered into that certain Stock Purchase Agreement, dated as of April 19, 1998 (the "C&W/PLD Stock Purchase Agreement"), and (iii) Buyer and PLD have entered into that certain Asset Exchange Agreement, dated as of April 19, 1998 (the "Asset Exchange Agreement," and together with the Stock Purchase Agreement and the C&W/PLD Stock Purchase Agreement, the "Acquisition Agreements"), which Acquisition Agreements provide that any of the parties hereto may terminate any of the Acquisition Agreements to which it is a party if the transactions contemplated by such Acquisition Agreement should not have been consummated on or before June 30, 1998 (the "Termination Date"); and

WHEREAS, the parties hereto have entered into that certain Combined Amendment to Stock and Asset Purchase Agreements, dated June 29, 1998 (the "Combined Amendment"), extending the Termination Date to August 7, 1998; and

WHEREAS, the parties hereto have agreed to amend the Combined Amendment to further extend the Termination Date to August 17, 1998;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Amendment and Modification of the Combined Amendment.

(a) In Section 1(a) of the Combined Amendment the date "August 7, 1998" referred to therein is hereby deleted and the date "August 17, 1998" is inserted in lieu thereof.

(b) In Section 1(c) of the Combined Amendment the date "August 7, 1998" referred to therein is hereby deleted and the date "August 17, 1998" is inserted in lieu thereof.

(c) In Section 1(d) of the Combined Amendment the date "August 7, 1998" referred to therein is hereby deleted and the date "August 17, 1998" is inserted in lieu thereof.

Section 2. No Other Amendments

(a) Except as expressly modified by this Amendment, the terms and conditions of the Stock Purchase Agreement, C&W/PLD Stock Purchase Agreement and Asset Exchange Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Buyer, News PLD LLC, C&W and PLD have caused this Amendment to be signed by their respective duly authorized officers as of the date first above written.

NEWS AMERICA INCORPORATED

By: /s/ LAWRENCE JACOBS

Name: LAWRENCE JACOBS
Title: SENIOR VICE PRESIDENT AND
DEPUTY GENERAL COUNSEL

NEWS PLD LLC

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
Title: PRESIDENT AND SECRETARY

CABLE AND WIRELESS PLC

By: /s/ ROGER MORTIMER

Name: ROGER MORTIMER
Title: DIRECTOR, GLOBAL
BUSINESSES

PLD TELEKOM INC.

By: /s/ S. P. EDWARDS

Name: S. P. EDWARDS
Title: CHIEF FINANCIAL OFFICER
AND DIRECTOR

THIRD AMENDMENT TO
ASSET EXCHANGE AGREEMENT

THIRD AMENDMENT TO ASSET EXCHANGE AGREEMENT (this "Amendment"), dated August , 1998, by and among News America Incorporated, a corporation organized under the State of Delaware ("News America"), News PLD LLC, a limited liability company organized under the laws of the State of Delaware ("News PLD LLC"), all of the membership interests in which are owned directly or indirectly by News America, and PLD Telekom Inc., a corporation organized under the laws of the State of Delaware ("PLD"). All capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Asset Exchange Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, News America and PLD have entered into that certain Asset Exchange Agreement, dated as of April 19, 1998 (the "Asset Exchange Agreement"); and

WHEREAS, News America has assigned its rights under the Stock Purchase Agreement to its directly and indirectly wholly owned subsidiary News PLD LLC; and

WHEREAS, the parties hereto have agreed to amend the Asset Exchange Agreement upon the terms and the conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

I. Amendments and Modifications to the Asset Exchange Agreement.

Section 7.1(c) of the Asset Exchange Agreement is hereby deleted in its entirety and the following new Section 7.1(c) is inserted in lieu thereof:

(c) Expenses. PLD shall pay all Registration Expenses in connection with only one (1) registration effected in accordance with this Section 7.1; provided, however, that if at the fifth anniversary of the date of this Agreement News America, its affiliates and subsidiaries, and any permitted successors and assigns, collectively own 50% or more of the aggregate Registrable Securities subject to this Agreement (such number to take account of any stock splits, dividends, combinations or other adjustments affecting any of the Registrable Securities), then for a period of three years following the fifth anniversary of the date of this Agreement, the holders of Registrable Securities shall be entitled to one (1) additional registration effected in accordance with this Section 7.1 in respect of which PLD shall pay all Registration Expenses.

II. Miscellaneous Provisions.

(a) Amendment and Modification. Subject to applicable law, this Amendment may be amended, modified or supplemented only by written agreement signed by the parties hereto.

(b) Waiver of Compliance; Consents. Except as otherwise provided in this Amendment, any failure of either of the parties hereto to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(c) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile transmission, telexed or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the addresses stated in the Asset Exchange Agreement.

(d) Assignment. This Amendment and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(f) Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) Interpretation. The article and section headings contained in this Amendment are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Amendment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, News America, News PLD LLC and PLD have caused this Amendment to be signed by their respective duly authorized officers as of the date first above written.

NEWS AMERICA INCORPORATED

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
Title: VICE PRESIDENT

NEWS PLD LLC

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
PRESIDENT AND SECRETARY

PLD TELEKOM INC.

By: /s/ E. CLIVE ANDERSON

Name: E. CLIVE ANDERSON
Title: SENIOR VICE PRESIDENT,
SECRETARY AND
GENERAL COUNSEL

WARRANT

TO PURCHASE COMMON STOCK OF
PETERSBURG LONG DISTANCE INC.

EXPIRING JUNE 22, 1999

THIS IS TO CERTIFY THAT Cable & Wireless ("C&W"), or registered assigns, is entitled to purchase from Petersburg Long Distance Inc., an Ontario, Canada corporation (the "Company"), at any time, all or any part of 250,000 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock of the Company, no par value per share ("Common Stock"), at a purchase price equal to Canadian \$11.3125 per share (the "Purchase Price"), subject to adjustment as set forth herein, and is entitled also to exercise the other appurtenant rights, powers and privileges hereinafter set forth.

THE EXERCISE AND TRANSFER OF THIS WARRANT ARE
RESTRICTED BY THE PROVISIONS OF SECTION 3 HEREOF

Section 1. Exercise of Warrant.

To exercise this Warrant in whole or in part, the holder hereof shall deliver to the Company at its principal office in Toronto, Ontario, in Canada, (a) a written notice, in substantially the form of the Subscription Notice appearing at the end of this Warrant, of such holder's election to exercise this Warrant, which notice shall specify the number of shares of Common Stock to be purchased, (b) cash or a certified check payable to the Company in an amount equal to the aggregate purchase price of the number of shares of Common Stock being purchased and (c) this Warrant. The Company shall as promptly as practicable, and in any event within 15 days thereafter, execute and deliver or cause to be executed and delivered, in accordance with such notice, a certificate or certificates representing the aggregate number of shares of Common Stock specified in such notice. The stock certificate or certificates so delivered shall be in the denomination of 100 shares each or such lesser or greater denomination as may be specified in such notice, and subject to compliance with Section 3 hereof, and shall be issued in the name of such holder or such other name as shall be designated in such notice. Subject to the foregoing, such certificate or certificates shall be deemed to have been issued and such holder or any other person so designated to be named therein shall be deemed for all purposes to have become a holder of record of such shares as of the date such notice is received by the Company as aforesaid. If this Warrant shall have been exercised only in part, the Company shall, at the time of delivery of said certificate or certificates, deliver to such holder a new Warrant evidencing the rights of such holder to purchase the remaining shares of Common Stock called for by this Warrant, which new Warrant shall in all other respects be identical to this Warrant, or, at the request of such holder, appropriate notation may be made on this Warrant and the same returned to such holder. The Company shall pay all expenses, taxes and other charges payable in connection with the preparation, issue and delivery of such stock certificates and new Warrants, except that, in case such stock certificates or new Warrants, shall be registered in a name or names other than the name of the holder of this Warrant, funds sufficient to pay all stock transfer taxes payable upon the issuance of such stock certificate or certificates or new Warrants shall be paid by the holder hereof at the time of delivering the notice of exercise mentioned above.

All shares of Common Stock issued upon the exercise of this Warrant shall be validly issued, fully paid and nonassessable and, if the Common Stock is then listed on a national securities exchange, shall be duly listed thereon.

Section 2. TRANSFER, DIVISION AND COMBINATION.

The Company agrees to maintain at its principal office in Toronto, Ontario, in Canada, books for the registration and transfer of the Warrant, and, subject to the provisions of Section 3 hereof, this Warrant and all rights hereunder are transferable, in whole, on such books at such

office, upon surrender of this Warrant at such office, together with a written assignment of this Warrant duly executed by the holder hereof or his agent or attorney and funds sufficient to pay any stock transfer taxes payable upon the making of such transfer. Upon such surrender and payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and this Warrant shall promptly be cancelled. If and when this Warrant is assigned in blank, the Company may (but shall not be obliged to) treat the bearer hereof as the absolute owner of this Warrant for all purposes, and the Company shall not be affected by any notice to the contrary. A Warrant may be exercised by a new holder for the purchase of shares of Common Stock without having a new Warrant issued.

This Warrant may be divided or combined with other Warrants upon presentation hereof at such principal office in Toronto, Ontario, in Canada, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the holder hereof or his agent or attorney. Subject to compliance with the preceding paragraph as to any transfer that may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

Section 3. RESTRICTIONS ON EXERCISE AND TRANSFER OF WARRANTS
AND COMMON STOCK.

This Warrant shall be exercisable (a) only under circumstances such that the issue of Common Stock issuable upon such exercise is exempt from the requirements of registration under the United States Securities Act of 1933, as amended (or any similar statute then in effect) (the "1933 Act") and any applicable state securities law or (b) upon registration of such Common Stock in compliance therewith. This Warrant shall be transferable only under circumstances such that the transfer is exempt from the requirements of registration under the 1933 Act and any applicable state securities law. In addition, this Warrant and any shares of Common Stock issued upon exercise hereof shall only be transferable in accordance with applicable Canadian provincial securities legislation. By acceptance hereof, the holder agrees to comply with such legislation.

Before any transfer or attempted transfer of all or any part of this Warrant or such Common Stock, the holder hereof or thereof shall give the Company written notice of its intention so to do describing briefly the manner of any such proposed transfer. Promptly after receiving such written notice, the Company shall present copies thereof to Company counsel and to any special counsel designated by the holder. If, in the opinion of counsel for the Company and counsel, if any, for the holder, the proposed transfer may be effected without registration under the 1933 Act and any applicable state securities law of any such securities and may be effected in compliance with Canadian provincial securities legislation, the Company, as promptly as practicable, shall notify the holder of such opinion, whereupon the securities proposed to be transferred may be transferred in accordance with the terms of such notice. The Company shall not be required to effect any such transfer before the receipt of such favourable opinion or opinions or the effectiveness of registration.

Section 4. CERTAIN COVENANTS.

The Company covenants and agrees that it will at all times reserve and set apart and have, free from preemptive rights, a number of shares of authorized but unissued Common Stock, or other stock or securities deliverable pursuant to this Warrant, sufficient to enable it at any time to fulfil all its obligations hereunder.

Section 5. NOTICES.

In case the Company proposes

(a) to pay any dividend payable in stock (of any class or classes) or in Convertible Securities, as defined below, upon its Common Stock or make any distribution (other than ordinary cash dividends) to the holders of its Common Stock, or

(b) to grant to the holders of its Common Stock generally any rights or options, or

(c) to effect any capital reorganization or reclassification of capital stock of the Company, or

(d) to consolidate with, or merger into, any other corporation or to transfer its property as an entirety or substantially as an entirety, or

(e) to effect the liquidation, dissolution or winding up of the Company,

then the Company shall cause notice of any such intended action to be given to all holders of record of outstanding Warrants not less than 30 days before the date on which the transfer books of the Company shall close or a record be taken for such stock dividend, distribution or granting of rights or options, or the date when such capital reorganization, reclassification, consolidation, merger, transfer, liquidation, dissolution or winding up shall be effective, as the case may be.

Any notice or other document required or permitted to be given or delivered to holders of record of Warrants shall be mailed first-class postage prepaid to each such holder at the last address shown on the books of the Company maintained for the registry and transfer of the holders of record of Common Stock issued pursuant to Warrants shall be mailed first-class postage prepaid to each such holder at such holder's address as the same appears on the stock records of the Company. Any notice or other document required or permitted to be given or delivered to the Company shall be mailed first-class postage prepaid to the principal office of the Company, at Toronto, Ontario, in Canada, or delivered to the office of one of the Company's executive officers at such address, or such other address within the United States of America as shall have been furnished by the Company to the holders of record of such Warrants and the holders of record of such Common Stock.

Section 6. LIMITATION OF LIABILITY; NOT SHAREHOLDERS.

No provision of this Warrant shall be construed as conferring upon the holder hereof the right to vote or to consent or to receive dividends or to receive notice as a shareholder in respect of meetings of shareholders for the election of directors of the Company or any other matter whatsoever as shareholders of the Company. No provision hereof, in the absence of affirmative action by the holder hereof to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the holder hereof, shall give rise to any liability of such holder for the purchase price as a shareholder of the Company, whether such liability is asserted by the Company, creditors of the Company or others.

Section 7. LOSS, DESTRUCTION, ETC. OF WARRANT.

Upon receipt of evidence satisfactory to the Company of the loss, theft, mutilation or destruction of any Warrant, and in the case of any such loss, theft or destruction upon delivery of a bond of indemnity in such form and amount as shall be reasonably satisfactory to the Company, or in the event of such mutilation upon surrender and cancellation of the Warrants, the Company will make and deliver a new Warrant, of like tenor, in lieu of such lost, stolen, destroyed or mutilated Warrant. Any Warrant issued under the provisions of this Section 7 in lieu of any Warrant alleged to be lost, destroyed or stolen, or of any mutilated Warrant, shall constitute an original contractual obligation on the part of the Company.

Section 8. Exercise of Warrant.

This Warrant shall become exercisable immediately upon its issuance to the initial holder.

Section 9. ADJUSTMENT OF NUMBER OF SHARES ISSUABLE
PURSUANT TO THIS WARRANT.

A "Unit" shall consist initially of one share of Common Stock of the Company as such stock is constituted on the date of this Warrant. The number of shares of Common Stock comprising a Unit shall be subject to adjustment from time to time as follows:

(a) Effect of "Split-ups" and "Split-downs"; Stock Dividends.
If at any time or from time to time the Company shall subdivide as a whole, by reclassification, by the issuance of a stock dividend on the Common

Stock payable in Common Stock, or otherwise, the Common Stock comprising a Unit that may be purchased hereunder shall be increased proportionately as of the effective or record date of such action. The issuance of such a stock dividend shall be treated as a subdivision of the whole number of shares of Common Stock outstanding immediately before the record date for such dividend into a number of shares equal to such whole number of shares so outstanding plus the number of shares issued as a stock dividend. In case at any time or from time to time the Company shall combine as a whole, by reclassification or otherwise, the number of shares of Common Stock then outstanding into a lesser number of shares of Common Stock, with or without par value, the number of shares of Common Stock comprising a Unit which may be purchased hereunder shall be reduced proportionately as of the effective date of such action.

(b) Effect of Certain Dividends. If on any date the Company makes a distribution to holders of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of its indebtedness or assets, the number of shares of Common Stock theretofore comprising a Unit shall be adjusted as of the close of business on said date to a number determined by multiplying the number of shares theretofore comprising a Unit by a fraction, the numerator of which shall be the lesser of the Current Price or the Market Price immediately prior to such distribution, and the denominator of which shall be the lesser of such Current Price or Market Price minus the fair market value (as determined in good faith by the Board of Directors of the Company) of the portion of the assets or evidences of indebtedness so to be distributed to one share of Common Stock.

(c) Effect of Merger or Consolidation. If the Company shall, while this Warrant remains outstanding, enter into any consolidation with or merger into any other corporation wherein the Company is not the continuing corporation, or wherein securities of a corporation other than the Company are distributable to holders of Common Stock of the Company, or sell or convey its property as an entirety or substantially as an entirety, and in connection with such consolidation, merger, sale or conveyance, shares of stock or other securities shall be issuable or deliverable in exchange for the Common Stock of the Company, the holder of this Warrant shall thereafter be entitled to purchase pursuant to this Warrant (in lieu of the number of shares of Common Stock that such holder would have been entitled to purchase or acquire immediately before the effective date of such consolidation, merger, sale or conveyance), the shares of stock or other securities to which such number of shares of Common Stock would have been entitled at the time of such consolidation, merger, sale or conveyance, at an aggregate purchase price equal to that which would have been payable if such number of shares of Common Stock had been purchased upon exercise of a Warrant immediately prior thereto. In case of any such consolidation, merger, sale or conveyance, appropriate provision (as determined by a resolution of the Board of Directors of the Company) shall be made with respect to the rights and interests thereafter of the holders of this Warrant, to the end that all the provisions of this Warrant (including adjustment provisions) shall thereafter be applicable as nearly as reasonably practicable, in relation to such stock or other securities.

(d) Reorganization and Reclassification. In case of any capital reorganization or any reclassification of the capital stock of the Company (except as provided in Section 9(a)) while this Warrant remains outstanding, the holder of this Warrant shall thereafter be entitled to purchase pursuant to this Warrant (in lieu of the number of shares of Common Stock immediately before such reorganization or reclassification) the shares of stock of any class or classes or other securities or property to which such number of shares of Common Stock would have been entitled at the time of such consolidation, merger, sale or conveyance, at an aggregate purchase price equal to that which would have been payable if such number of shares of Common Stock had been purchased immediately before such reorganization or reclassification. In case of any such reorganization or reclassification, appropriate provision (as determined by resolution of the Board of Directors of the Company) shall be made with respect to the rights and interests thereafter of the holders of this Warrant, to the end that all the provisions of this Warrant (including adjustment provisions) shall thereafter be applicable, as nearly as reasonably practicable, in relation to such stock or other securities or property.

(e) Adjustment of Unit after a "Diluting Issue". If on any date on or after the date of this Warrant any additional shares of Common Stock

(other than shares issued upon exercise of this Warrant) shall be issued in connection with a rights offering to shareholders of the Company (a "Rights Offering") for a consideration per share (or, in the case of any transactions contemplated in paragraph (1) of this Section 9(e), shall be deemed to be issued for a Presumed Consideration per share) less than 95% of the Market Price on the date such Common Stock was issued or deemed to have been issued, the number of shares of Common Stock therefore comprising a Unit shall be adjusted as at the close of business on such date to a number equal to the product (computed to the nearest ten thousandth of a share) resulting from the multiplication of (i) the total number of shares of Common Stock comprising a Unit immediately before such adjustment by (ii) a fraction, the numerator of which is (x) the total number of shares of Common Stock outstanding immediately before such issue plus the number of additional shares being issued, and the denominator of which is (y) the total number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock that the aggregate consideration received (or, without duplication, the Presumed Consideration deemed to have been received) for the total number of additional shares so issued would purchase at the Market Price on such date, excluding from both the numerator and denominator of such fraction shares of Common Stock issuable pursuant to exercise of this Warrant.

For the purpose of this Section 9(e), the following provisions shall be applicable with respect to the issuance of additional shares of Common Stock pursuant to a Rights Offering, and the computation set forth in the immediately preceding paragraph:

(1) Rights below Market Price. In case the Company shall on or after the date of this Warrant grant any rights pursuant to a Rights Offering to subscribe for or to purchase additional shares of Common Stock and the Presumed Consideration per share received and receivable by the Company for such additional shares under such Rights Offering shall be less than 95% of the Market Price in effect at such time, the maximum number of additional shares of Common Stock issuable pursuant to such rights shall be deemed to have been issued as of the date of the granting of such rights, and the Company shall be deemed to have received the Presumed Consideration therefor. No adjustment (except as provided in paragraph (2) of this Section 9(e)) shall be made upon the actual issuance of Common Stock upon the exercise of rights granted pursuant to such Rights Offering.

(2) Superseding Adjustment of Number of Shares of Common Stock Comprising a Unit. If, at any time after any adjustment of the shares of Common Stock comprising a Unit shall have been made on the basis of shares of Common Stock deemed to be issued by reason of the provisions of the foregoing paragraph (1) of this Section 9(e) on the basis of the granting of certain rights pursuant to a Rights Offering, or after any new adjustments of the shares of Common Stock comprising a Unit shall have been made on the basis of shares of Common Stock deemed to be issued by reason of the provisions of this paragraph (2), such rights shall expire, and a portion of such rights shall not have been exercised, then such previous adjustment shall be rescinded and annulled and the shares of Common Stock that were deemed to have been issued by virtue of the computation made in connection with the adjustment so rescinded and annulled, shall no longer be deemed to have been issued by virtue of such computation. Thereupon, a re-computation shall be made of the effect of such rights on the basis of:

(i) treating the number of additional shares of Common Stock, if any, theretofore actually issued pursuant to the exercise of such expired rights as having been issued on the date or dates of such exercise for the consideration actually received therefor (computed as provided in paragraph (3) of this Section 9(e)), and

(ii) treating the maximum number of additional shares of Common Stock, if any, thereafter issuable pursuant to the previous exercise of such rights as having been issued as of the date of the granting of such rights and treating the Presumed Consideration therefor as received as of such date;

and, on such basis, such new adjustment, if any, of the number of shares of Common Stock comprising a Unit shall be made as may be required by the first paragraph of this Section 9(e), which new adjustment shall supersede

the previous adjustment so rescinded and annulled for the Warrant exercised after such new adjustment.

(3) Computation of Consideration and Presumed Consideration.
For the purposes of this Section 9:

(i) The consideration received by the Company upon the actual issuance of additional shares of Common Stock shall be deemed to be the sum of the amount of cash and the fair value of property (as determined in good faith by resolution of the Board of Directors of the Company as at the time of issue or "deemed issue" in the case of the following paragraph (ii)) received or receivable by the Company as the consideration or part of the consideration (v) at the time of issuance of the Common Stock, (w) for the issuance of any rights upon the exercise of which such Common Stock was issued and (x) at the time of the actual exercise of such right upon the exercise of which such Common Stock was issued, in each case without deduction for commissions and expenses incurred by the Company for any underwriting of, or otherwise in connection with the issue or sale of such rights or Common Stock, but after deduction of any sums paid by the Company in cash upon the exercise of, and pursuant to, such rights in respect of fractional shares of Common Stock;

(ii) The consideration deemed to have been received by the Company for additional shares of Common Stock deemed to be issued pursuant to rights granted pursuant to a Rights Offering by reason of transactions of the character described in this Section 9(e) (herein called the "Presumed Consideration" therefor) shall be the consideration (determined as provided in the foregoing paragraph (i)) that would be received or receivable by the Company at or before the actual issue of such shares of Common stock so deemed to be issued, if all rights necessary to effect the actual issue of the number of shares deemed to have been issued and been exercised and the minimum consideration received or receivable by the Company upon such exercise had been received; all computed without regard to the possible future effect on anti-dilution provisions on such rights.

(f) Statement of Adjustment of Unit and Current Price. Whenever the number of shares of Common Stock comprising a Unit is adjusted pursuant to any of the foregoing provisions of this Section 9, the Company shall promptly prepare a written statement signed by the President of the Company, setting forth the adjustment in the number of shares comprising a Unit purchasable hereunder, determined as provided in this Section, and the amount of the then effective Current Price, and in reasonable detail the facts requiring such adjustment and the calculation thereof. Such treatment shall be filed among the permanent records of the Company and a copy thereof shall be furnished to any holder of this Warrant without request and shall at all reasonable times during business hours be open to inspection by such holders. The Company shall also promptly cause a notice, stating that such an adjustment has been effected and setting forth the increased or decreased number of shares purchasable and the amount of the then effective Current Price, to be mailed, first-class postage prepaid, to the holders of record of this Warrant.

(g) Determination by the Board of Directors. All determinations by the Board of Directors of the Company under the provisions of this Section 9 shall be made in good faith with due regard to the interests of the holders of this Warrant and the other holders of securities of the Company and in accordance with good financial practice, and all valuations made by the Board of Directors of the Company under the terms of this Section 9 must be made with due regard to any market quotations of securities involved in, or related to, the subject of such valuation.

For all purposes of this Section 9 and this Warrant, unless the context otherwise requires, the following terms have the following respective meanings:

"Common Stock": (i) the Company's presently authorized Common Stock as such class exists on the date of this Warrant, (ii) securities issued upon exercise of this Warrant, and (iii) stock of the Company of any class thereafter authorized that ranks, or is entitled to a participation, as to assets or dividends, substantially on a parity with Common Stock.

"Company": Petersburg Long Distance Inc., an Ontario, Canada corporation, and any other corporation assuming the Company's obligations with respect to this Warrant pursuant to this Section 9.

"Current Price": per share of Common Stock, the amount equal to the quotient resulting from dividing (i) the Purchase Price per Unit herein provided by (ii) the number of shares (including any fractional share) of Common Stock comprising a Unit on such date.

"Market Price ": per share of Common Stock at any date, 100 % of the average of the daily market prices for 30 consecutive business days commencing 45 business days before such date to holders of Common Stock of the Company generally. The market price for each such business day shall be the last sale price on such day as reported on the consolidated transaction reporting system for the Toronto Stock Exchange or the principal securities exchange on which the Common Stock is then listed or admitted to trading, or, if no sale takes place on such day or on any such exchange, the average of the closing bid and asked prices on such day as so reported, or, if the Common Stock is not then listed or admitted to trading on any stock exchange, the market price for each such business day shall be the average of the reported closing bid and asked prices on such day in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation Service. If the Common Stock is not traded in the over-the-counter market, the market price shall be determined by the Company's Board of Directors in their good faith business judgment.

"Presumed Consideration": the meaning specified in Section 9(e) (3) (ii).

Section 10. GOVERNING LAW.

This Warrant shall be governed by the laws of the Province of Ontario, Canada without regard to its conflict of laws principles or rules.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed in its name by its duly authorized officer.

Dated: June 28, 1995

PETERSBURG LONG DISTANCE INC.

By: /s/ CLAYTON A. WAITE

Name: CLAYTON A. WAITE
Title: SENIOR VICE PRESIDENT

SUBSCRIPTION NOTICE

The undersigned, the holder of the foregoing Warrant, hereby elects to exercise purchase rights represented by such Warrant for, and to purchase thereunder, _____ shares of the Common Stock covered by such Warrant and herewith makes payment in full therefore of U.S. \$_____ cash and requests that certificates for such shares (and any securities or property deliverable upon such exercise) be issued in the name of and delivered to _____ whose address is _____.

The undersigned agrees that, in the absence of an effective registration statement with respect to Common Stock issued upon this exercise, the undersigned is acquiring such Common Stock for investment and not with a view to distribution thereof and that the certificate or certificates representing such Common Stock may bear a legend substantially as follows: "The shares represented by this certificate have not been registered under the United States Securities Act of 1933, as amended, and may not be transferred except as provided in Section 3 of the Warrant to purchase Common Stock of Petersburg Long Distance Inc. expiring June 22, 1999.

The undersigned also agrees to comply with all applicable Canadian provincial securities laws relating to the transfer or other disposition of such Common Stock.

Dated:

Signature guaranteed:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the rights represented by the foregoing Warrant of _____ and appoints _____ attorney to transfer said rights on the books of said corporation, with full power of substitution in the premises.

Dated: August 14, 1998

/s/ R. F. MORTIMER

Signature guaranteed:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within Warrant in every particular, without or enlargement or any change whatever.

ASSIGNMENT

THIS ASSIGNMENT (this "Assignment"), dated as of April 23, 1998, by and between News America Incorporated, a corporation organized under the laws of Delaware ("Assignor"), and News PLD LLC, a limited liability company organized under the laws of Delaware ("Assignee") (unless otherwise defined herein, all capitalized terms used herein shall have the meanings given them in the Stock Purchase Agreement referenced below).

WITNESSETH:

WHEREAS, the Assignor and Cable & Wireless plc, a public limited company registered under the laws of England ("C&W"), have entered into that certain Stock Purchase Agreement, dated as of April 19, 1998 (the "Stock Purchase Agreement"), which provides for the sale by C&W and Navona Communications Corporation Ltd. (a direct wholly owned subsidiary of C&W), a corporation organized under the laws of Bermuda, and the purchase by Assignor, of the PLD Interest; and

WHEREAS, the Assignor and PLD Telekom Inc., a corporation organized under the laws of Delaware ("PLD"), have entered into that certain Asset Exchange Agreement, dated as of April 19, 1998 (the "Asset Exchange Agreement"; the Asset Exchange Agreement and the Stock Purchase Agreement are collectively referred herein as the "Acquisition Agreements" and the transactions contemplated thereby are collectively referred to herein as the "Acquisition"), which provides for the exchange by Assignor of the Holdings Shares with PLD for the New PLD Shares (as defined in the Asset Exchange Agreement); and

WHEREAS, in connection with the Acquisition, Assignor desires to assign all of its right, title and interest in and to the Acquisition Agreements, and Assignee desires to accept such assignment and assume the obligations of Assignor thereunder; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Assignment of Acquisition Agreements

(a) Assignor hereby assigns all of its right, title and interest in, under and to the Acquisition Agreements to Assignee.

(b) Assignee hereby accepts the foregoing assignment and assumes and agrees to pay, perform and discharge all obligations under the Acquisition Agreements on the part of the Assignor to be paid, performed and discharged from and after the date hereof. The Assignor hereby agrees and acknowledges that it shall remain jointly and severally liable with the Assignee under the Acquisition Agreements.

2. Miscellaneous

(a) Amendment and Modification. Subject to applicable law, this Assignment may be amended, modified or supplemented only by written agreement signed by the parties hereto.

(b) Waiver of Compliance; Consents. Except as otherwise provided in this Assignment, any failure of either of the parties hereto to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(c) Assignment. This Assignment and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(d) Further Assurances. In connection with this Assignment,

each party shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Assignment.

(e) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable Delaware principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

(f) Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have cause this Assignment to be executed by their respective representatives, thereunto duly authorized, as of the day and year first above written.

NEWS AMERICA INCORPORATED

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
Title: VICE PRESIDENT

NEWS PLD LLC

By: /s/ JANET L. NOVA

Name: JANET L. NOVA
Title: PRESIDENT AND SECRETARY

AGREEMENT OF JOINT FILING

Pursuant to Rule 13d-1(k) (1) under the Securities Exchange Act of 1934, the undersigned hereby consent to the joint filing on their behalf of a single Schedule 13D and any amendments thereto, with respect to the ownership by each of the undersigned of shares of Common Stock of PLD Telekom Inc. The undersigned hereby further agree that this statement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all of which counterparts shall together constitute one and the same instrument.

Dated: August 24, 1998

THE NEWS CORPORATION LIMITED

By: /s/ ARTHUR M. SISKIND

Name: ARTHUR M. SISKIND
Title: DIRECTOR

NEWS AMERICA INCORPORATED

By: /s/ ARTHUR M. SISKIND

Name: ARTHUR M. SISKIND
Title: DIRECTOR

NEWS PLD LLC

By: /s/ LAWRENCE JACOBS

Name: LAWRENCE JACOBS
Title: VICE PRESIDENT

/s/ K. RUPERT MURDOCH

K. RUPERT MURDOCH