

THE COMPANY MANAGED TO COMPLY WITH ITS MARKET FORECAST FOR 2015 IN TERMS OF FINANCIAL HIGHLIGHTS. BROADBAND INTERNET, PAY TV AND VAS SEGMENTS AND CLOUD SERVICES CONTINUED TO DEMONSTRATE A SUSTAINED GROWTH, WHILE SUPPORTING A STABLE LEVEL OF REVENUE IN DIFFICULT MACROECONOMIC CONDITIONS. TIGHTENED CONTROL OF EXPENSES AND OPTIMIZATION PROJECTS ENABLED TO MAINTAIN A HIGH LEVEL OF OIBDA MARGIN AND TO GENERATE A SIGNIFICANT FREE CASH FLOW.

Financial Highlights

	2013	2014	2015	2015 vs. 2014, %
Revenue, RUB mln	290,736	298,937	297,355	-0,5
OIBDA, RUB mln	104,148	102,467	100,839	-2
% of revenue	35.8	34.3	33.9	-
Operating income, RUB mln	45,234	39,994	38,586	-4
% of revenue	15.6	13.4	13.0	-
Net income, RUB mln	26,686	13,182	14,391	9
% of revenue	9.2	4.4	4.8	-
Capital expenditure, RUB mln	52,894	53,810	62,726	17
% of revenue	18.2	18.0	21.1	-
Net debt, RUB mln	207,884	171,135	173,670	1
Net debt/OIBDA, %	2.0	1.7	1.7	-
FCF ¹ , RUB mln	18,847	27,313	21,961	-20

"Financial outcome 2015 indicate that we managed to achieve many things: in 2015, we have essentially increased profits of the digital segment, having extended its share to 40 % in revenue; we have done a lot of work to reduce costs, and we managed to increase net income and generate significant cash flow, which amounted to RUB 22 bln.

As a result, we have fully met our forecast for 2015 with respect to all main indicators: revenue, capital expenditure and OIBDA margin, where we managed to come closer to the top limit of the range. We expect that in 2016 revenue will grow by 1–2 %, OIBDA will remain at the level of 2015, and capital expenditure will amount to less than 19 % of revenue (without the BDD project)", said Kai-Uwe Mehlhorn, Senior Vice President – Chief Financial Officer (CFO) of Rostelecom.

¹ Consolidated indicator