Rostelecom

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PROFIT & LOSS STATEMENT

Bln RUR	1Q 2016	2Q 2016	3Q 2016	Growth YoY - 3Q	Growth YoY - 9M	1Q 2015	2Q 2015	3Q 2015	4Q 2015	2015	2014	2013	1Q 16/15	2Q 16/15	3Q 16/15	16/15	15/14	14/13
	FINANCIALS												GROWTH rates					
Revenue (see breakdown below)	**72,464**	**71,794**	**72,781**	**0,4%**	**0,3%**	**71,710**	**72,130**	**72,496**	**81,019**	**297,355**	**298,937**	**290,736**	**1,1%**	**-0,5%**	**0,4%**	**-27,0%**	**-0,5%**	**2,8%**
Operating expenses	**(63,962)**	**(63,523)**	**(60,966)**	**-2,5%**	**0,8%**	**(62,441)**	**(62,015)**	**(62,551)**	**(71,761)**	**(258,768)**	**(258,943)**	**(245,502)**	**2,4%**	**2,4%**	**-2,5%**	**-27,2%**	**-0,1%**	**5,5%**
Wages, salaries, other benefits and payroll taxes	(23,927)	(22,797)	(21,750)	1,6%	-0,1%	(24,322)	(22,773)	(21,416)	(22,570)	(91,081)	(89,929)	(85,798)	-1,6%	0,1%	1,6%	-24,8%	1,3%	4,8%
including stock option program	*(0,537)*	*(0,571)*	*(0,457)*	*11,2%*	*26,5%*	*(0,375)*	*(0,452)*	*(0,411)*	*(0,417)*	*(1,654)*	*(1,850)*		*43,1%*	*26,6%*	*11,2%*	*-5,4%*	*-10,6%*	
Depreciation, amortization and impairment losses	(15,632)	(13,849)	(12,766)	-13,9%	-5,0%	(14,849)	(14,786)	(14,826)	(16,138)	(60,599)	(60,623)	(58,914)	5,3%	-6,3%	-13,9%	-30,3%	0,0%	2,9%
Interconnection charges	(12,811)	(11,652)	(12,241)	-0,2%	6,7%	(11,296)	(10,835)	(12,264)	(15,430)	(49,825)	(47,429)	(42,420)	13,4%	7,5%	-0,2%	-26,3%	5,1%	11,8%
Materials, utilities, repair and maintenance	(5,885)	(5,421)	(5,998)	3,0%	-0,5%	(5,920)	(5,641)	(5,821)	(7,742)	(25,125)	(25,828)	(26,260)	-0,6%	-3,9%	3,0%	-31,1%	-2,7%	-1,6%
Gain/(Loss) on sale and disposal of PPE and intangible assets	0,498	0,463	0,402	70,2%	88,2%	0,129	0,359	0,236	1,409	2,133	1,475	0,111	285,2%	29,1%	70,2%	-36,1%	44,6%	1228,8%
Bad debt expense	(0,456)	(1,284)	(0,935)	19,2%	35,2%	(0,540)	(0,653)	(0,785)	1,095	(0,882)	(2,006)	(2,094)	-15,5%	96,5%	19,2%	203,1%	-56,0%	-4,2%
Other operating income	4,936	2,589	2,741	-26,0%	-4,9%	3,609	3,483	3,705	3,833	14,630	12,950	15,228	36,8%	-25,7%	-26,0%	-29,8%	13,0%	-15,0%
Other operating expense	(10,685)	(11,572)	(10,419)	-8,4%	2,7%	(9,252)	(11,169)	(11,381)	(16,218)	(48,020)	(47,553)	(45,355)	15,5%	3,6%	-8,4%	-32,0%	1,0%	4,8%
Operating profit	**8,502**	**8,271**	**11,815**	**18,8%**	**-2,5%**	**9,268**	**10,116**	**9,945**	**9,258**	**38,586**	**39,994**	**45,234**	**-8,3%**	**-18,2%**	**18,8%**	**-25,9%**	**-3,5%**	**-11,6%**
Operating Profit margin	11,7%	11,5%	16,2%			12,9%	14,0%	13,7%	11,4%	13,0%	13,4%	15,6%						
OIBDA	**24,670**	**22,692**	**25,038**	**-0,6%**	**-3,5%**	**24,492**	**25,353**	**25,182**	**25,812**	**100,839**	**102,467**	**104,148**	**0,7%**	**-10,5%**	**-0,6%**	**-28,2%**	**-1,6%**	**-1,6%**
OIBDA Margin	34,0%	31,6%	34,4%			34,2%	35,1%	34,7%	31,9%	33,9%	34,3%	35,8%						
Loss/(Income) from equity accounted investees	(1,918)	(1,583)	(1,503)	31,8%	117,4%	(0,870)	(0,291)	(1,141)	(1,281)	(3,583)	(0,517)	0,177	120,5%	443,4%	31,8%	39,7%	593,0%	-392,1%
Finance costs	(4,107)	(4,275)	(4,342)	8,8%	5,8%	(4,073)	(3,963)	(3,990)	(4,285)	(16,311)	(15,519)	(14,853)	0,8%	7,9%	8,8%	-22,0%	5,1%	4,5%
Other Investing and financial gain/(loss)	0,551	0,222	(0,133)	-85,7%	494,3%	(0,909)	1,944	(0,927)	(0,542)	(0,434)	(3,793)	4,981	-160,7%	-88,6%	-85,7%	-247,5%	-88,6%	-176,1%
Foreign exchange gain/(loss), net	0,741	(0,353)	0,159	-146,7%	-168,2%	(0,196)	(0,265)	(0,341)	(0,629)	(1,431)	0,228	(0,483)	-478,3%	33,2%	-146,7%	-138,2%	-727,6%	-147,2%
Profit before income tax	**3,769**	**2,282**	**5,996**	**69,1%**	**-15,8%**	**3,221**	**7,540**	**3,546**	**2,521**	**16,827**	**20,393**	**35,056**	**17,0%**	**-69,7%**	**69,1%**	**-28,4%**	**-17,5%**	**-41,8%**
Income tax expense	(0,767)	(0,681)	(1,936)	29,1%	-16,1%	(1,122)	(1,411)	(1,499)	1,596	(2,436)	(7,211)	(8,370)	-31,6%	-51,7%	29,1%	38,9%	-66,2%	-13,8%
Net profit	**3,002**	**1,601**	**4,060**	**98,4%**	**-15,7%**	**2,099**	**6,129**	**2,046**	**4,117**	**14,391**	**13,182**	**26,686**	**43,0%**	**-73,9%**	**98,4%**	**-39,8%**	**9,2%**	**-50,6%**
Net profit margin	4,1%	2,2%	5,6%			2,9%	8,5%	2,8%	5,1%	4,8%	4,4%	9,2%						

REVENUE BREAKDOWN

Bln RUR	1Q 2016	2Q 2016	3Q 2016	Growth YoY - 3Q	Growth YoY - 9M	1Q 2015	2Q 2015	3Q 2015	4Q 2015	2015	2014	2013	1Q 16/15	2Q 16/15	3Q 16/15	16/15	15/14	14/13
	FINANCIALS												GROWTH rates					
By services:																		
Broadband Internet	16,442	16,562	16,497	3,7%	4,5%	15,740	15,735	15,910	16,495	63,880	60,364		4,5%	5,3%	3,7%	-22,5%	5,8%	
TV services	5,613	5,728	5,971	22,8%	21,9%	4,581	4,755	4,862	5,170	19,368	15,250		22,5%	20,5%	22,8%	-10,6%	27,0%	
Fixed telephony	22,909	21,985	21,219	-12,1%	-12,0%	25,831	25,126	24,150	23,998	99,105	109,710		-11,3%	-12,5%	-12,1%	-33,3%	-9,7%	
Wholesale services	19,747	18,208	19,143	0,8%	2,8%	18,436	18,121	18,987	22,721	78,266	77,895		7,1%	0,5%	0,8%	-27,0%	0,5%	
Rent of channels	*2,844*	*2,646*	*2,566*	-11,5%	-8,5%	*3,024*	*2,878*	*2,899*	*2,913*	*11,714*	*11,758*		-6,0%	-8,1%	-11,5%	-31,2%	-0,4%	
Interconnect and traffic transit	*8,853*	*7,272*	*8,122*	0,9%	4,8%	*7,734*	*7,348*	*8,053*	*11,582*	*34,717*	*33,177*		14,5%	-1,0%	0,9%	-30,2%	4,6%	
VPN	*4,995*	*5,207*	*5,290*	6,3%	7,5%	*4,560*	*4,874*	*4,976*	*5,301*	*19,711*	*19,711*		9,5%	6,8%	6,3%	-21,4%	0,0%	
Rent & maintenance of telecommunication infrastructure	*3,055*	*3,083*	*3,165*	3,5%	1,1%	*3,117*	*3,022*	*3,059*	*2,925*	*12,124*	*13,248*		-2,0%	2,0%	3,5%	-23,3%	-8,5%	
VAS & Clouds	3,100	4,248	4,498	43,8%	42,5%	2,065	3,123	3,127	5,909	14,224	11,384		50,1%	36,0%	43,8%	-16,7%	25,0%	
Other telecommunication services	3,122	3,264	3,414	3,9%	-5,5%	3,507	3,580	3,286	4,125	14,498	16,554		-11,0%	-8,8%	3,9%	-32,4%	-12,4%	
Other non-telecommunication services	1,531	1,799	2,040	-6,1%	-0,8%	1,551	1,689	2,173	2,601	8,014	7,780		-1,3%	6,5%	-6,1%	-33,0%	3,0%	
% of total revenues																		
Broadband Internet	22,7%	23,1%	22,7%			21,9%	21,8%	21,9%	20,4%	21,5%	20,2%							
TV services	7,7%	8,0%	8,2%			6,4%	6,6%	6,7%	6,4%	6,5%	5,1%							
Fixed telephony	31,6%	30,6%	29,2%			36,0%	34,8%	33,3%	29,6%	33,3%	36,7%							
Wholesale services	27,3%	25,4%	26,3%			25,7%	25,1%	26,2%	28,0%	26,3%	26,1%							
Rent of channels	*3,9%*	*3,7%*	*3,5%*			*4,2%*	*4,0%*	*4,0%*	*3,6%*	*3,9%*	*3,9%*							
Interconnect and traffic transit	*12,2%*	*10,1%*	*11,2%*			*10,8%*	*10,2%*	*11,1%*	*14,3%*	*11,7%*	*11,1%*							
VPN	*6,9%*	*7,3%*	*7,3%*			*6,4%*	*6,8%*	*6,9%*	*6,5%*	*6,6%*	*6,6%*							
Rent & maintenance of telecommunication infrastructure	*4,2%*	*4,3%*	*4,3%*			*4,3%*	*4,2%*	*4,2%*	*3,6%*	*4,1%*	*4,4%*							
VAS & Clouds	4,3%	5,9%	6,2%			2,9%	4,3%	4,3%	7,3%	4,8%	3,8%							
Other telecommunication services	4,3%	4,5%	4,7%			4,9%	5,0%	4,5%	5,1%	4,9%	5,5%							
Other non-telecommunication services	2,1%	2,5%	2,8%			2,2%	2,3%	3,0%	3,2%	2,7%	2,6%							
By customers:																		
B2C	33,556	32,893	32,634	-1,4%	-1,8%	34,326	33,521	33,086	33,549	134,482	136,345	136,665	-2,2%	-1,9%	-1,4%	-26,3%	-1,4%	-0,2%
B2B	12,673	12,965	13,573	-2,9%	-4,0%	13,126	13,755	13,976	13,741	54,598	55,696	71,141	-3,4%	-5,7%	-2,9%	-28,2%	-2,0%	-21,7%
B2G	11,575	12,949	12,781	9,3%	8,6%	10,767	11,890	11,698	16,585	50,940	48,804	45,336	7,5%	8,9%	9,3%	-26,8%	4,4%	7,6%
B2O	14,659	12,988	13,792	0,4%	3,1%	13,491	12,964	13,735	17,144	57,334	58,092	37,594	8,7%	0,2%	0,4%	-27,7%	-1,3%	54,5%
B2C	46,3%	45,8%	44,8%			47,9%	46,5%	45,6%	41,4%	45,2%	45,6%	47,0%						
B2B	17,5%	18,1%	18,6%			18,3%	19,1%	19,3%	17,0%	18,4%	18,6%	24,5%						
B2G	16,0%	18,0%	17,6%			15,0%	16,5%	16,1%	20,5%	17,1%	16,3%	15,6%						
B2O	20,2%	18,1%	19,0%			18,8%	18,0%	18,9%	21,2%	19,3%	19,4%	12,9%						

BALANCE SHEET										GROWTH RATES				
Bln RUR	**31.03.2016**	**30.06.2016**	**30.09.2016**	**31.03.2015**	**30.06.2015**	**30.09.2015**	**31.12.2015**	**31.12.2014**	**31.12.2013**	**1Q16 / 4Q15**	**2Q16 / 1Q16**	**3Q16 / 2Q16**	**2015 / 2014**	**2014 / 2013**
ASSETS														
Non-current assets														
Property, plant and equipment	333,579	331,771	334,580	322,819	323,730	324,907	338,699	328,266	335,059	-1,5%	-0,5%	0,8%	3,2%	-2,0%
Investment property	0,103	0,122	0,099	0,201	0,098	0,111	0,107	0,224	0,113	-4,0%	18,5%	-18,6%	-52,3%	98,2%
Goodwill and other intangible assets	59,752	61,609	60,730	58,851	59,198	58,454	60,755	58,420	64,346	-1,7%	3,1%	-1,4%	4,0%	-9,2%
Investment in associates	73,347	71,728	70,205	74,106	75,416	74,061	74,474	75,048	0,918	-1,5%	-2,2%	-2,1%	-0,8%	8075,2%
Other investments	0,754	0,805	0,845	0,146	0,121	0,248	0,621	0,110	0,520	21,4%	6,8%	5,0%	464,5%	-78,8%
Other non-current assets	9,420	9,631	10,441	10,668	10,551	10,800	8,867	9,633	4,266	6,2%	2,2%	8,4%	-7,9%	125,8%
Total non-current assets	**476,954**	**475,666**	**476,900**	**466,791**	**469,114**	**468,581**	**483,524**	**471,701**	**405,222**	**-1,4%**	**-0,3%**	**0,3%**	**2,5%**	**16,4%**
Current assets														
Inventories	3,934	4,138	4,709	4,440	3,662	3,462	4,060	4,827	3,941	-3,1%	5,2%	13,8%	-15,9%	22,5%
Trade and other accounts receivable	48,856	48,671	50,338	53,401	50,300	50,163	43,152	45,056	39,824	13,2%	-0,4%	3,4%	-4,2%	13,1%
Prepayments	2,328	2,441	2,140	3,175	2,320	2,642	2,822	4,363	3,508	-17,5%	4,9%	-12,3%	-35,3%	24,4%
Prepaid income tax	5,203	4,899	2,870	1,778	1,071	0,694	0,927	2,241	4,894	461,2%	-5,9%	-41,4%	-58,6%	-54,2%
Other investments	4,791	6,553	5,913	1,945	8,502	5,540	5,719	1,934	1,966	-16,2%	36,8%	-9,8%	195,7%	-1,6%
Cash & cash equivalents	5,144	3,640	4,427	13,519	11,607	12,466	7,165	16,945	7,960	-28,2%	-29,2%	21,6%	-57,7%	112,9%
Other current assets	3,729	2,155	2,063	0,914	0,886	0,911	2,600	0,988	0,609	43,4%	-42,2%	-4,2%	163,2%	62,2%
Total current assets	**73,986**	**72,496**	**72,460**	**79,172**	**78,348**	**75,878**	**66,444**	**76,354**	**62,702**	**11,4%**	**-2,0%**	**0,0%**	**-13,0%**	**21,8%**
Assets held for sale	*1,647*	*1,734*	*1,727*	*0,612*	*0,603*	*0,831*	*1,351*	*0,579*	*93,048*	*21,9%*	*5,3%*	*-0,4%*	*133,3%*	*-99,4%*
Total assets	**552,587**	**549,895**	**551,087**	**546,575**	**548,065**	**545,290**	**551,319**	**548,634**	**560,972**	**0,2%**	**-0,5%**	**0,2%**	**0,5%**	**-2,2%**
EQUITY AND LIABILITIES														
Equity														
Share capital	0,093	0,093	0,093	0,097	0,097	0,097	0,093	0,097	0,097	0,0%	0,0%	-0,3%	-3,8%	0,0%
Additional paid in capital	0,090	0,090	0,090	0,726	0,410	0,087	0,087	1,601	1,658	3,5%	-0,2%	0,2%	-94,6%	-3,4%
Treasury shares	(68,669)	(67,031)	(66,932)	(82,024)	(81,170)	(83,975)	(68,669)	(82,022)	(68,325)	0,0%	-2,4%	-0,1%	-16,3%	20,0%
Retained earnings and other reserves	317,329	304,176	308,238	324,681	320,355	324,876	314,236	322,257	262,967	1,0%	-4,1%	1,3%	-2,5%	22,5%
Non-controlling interest	4,036	4,102	4,246	5,549	5,990	4,051	3,916	3,294	3,359	3,1%	1,6%	3,5%	18,9%	-1,9%
Total equity	**252,879**	**241,430**	**245,735**	**249,029**	**245,682**	**245,136**	**249,663**	**245,227**	**199,756**	**1,3%**	**-4,5%**	**1,8%**	1,8%	22,8%
Non-current liabilities														
Loans and borrowings	141,205	134,452	140,543	104,662	112,343	108,631	126,620	137,872	184,600	11,5%	-4,8%	4,5%	-8,2%	-25,3%
Employee benefits	5,020	5,380	5,522	6,021	6,040	6,112	5,021	5,965	9,774	0,0%	7,2%	2,6%	-15,8%	-39,0%
Deferred tax liabilities	33,329	32,486	33,175	32,571	32,050	32,380	30,238	31,206	26,728	10,2%	-2,5%	2,1%	-3,1%	16,8%
Other non-current liabilities	7,876	10,025	10,926	5,359	5,063	8,009	9,088	5,120	6,204	-13,3%	27,3%	9,0%	77,5%	-17,5%
Total non-current liabilities	**187,429**	**182,344**	**190,166**	**148,613**	**155,496**	**155,132**	**170,967**	**180,163**	**227,306**	**9,6%**	**-2,7%**	**4,3%**	**-5,1%**	**-20,7%**
Current liabilities														
Loans and borrowings	45,262	58,273	59,868	82,062	75,973	84,274	59,934	52,142	33,209	-24,5%	28,7%	2,7%	14,9%	57,0%
Accounts payable	58,483	60,800	48,368	58,663	62,557	53,295	62,269	62,254	73,635	-6,1%	4,0%	-20,4%	0,0%	-15,5%
Other current liabilities	8,534	7,050	6,950	8,209	8,358	7,453	8,487	8,848	9,419	0,6%	-17,4%	-1,4%	-4,1%	-6,1%
Total current liabilities	**112,279**	**126,123**	**115,186**	**148,934**	**146,888**	**145,022**	**130,690**	**123,244**	**116,263**	**-14,1%**	**12,3%**	**-8,7%**	**6,0%**	**6,0%**
Liabilities held for sale	*0,000*	*0,000*	*0,000*					*0,000*	*17,647*					*-100,0%*
Total equity and liabilities	**552,588**	**549,897**	**551,087**	**546,576**	**548,066**	**545,290**	**551,319**	**548,634**	**560,972**	**0,2%**	**-0,5%**	**0,2%**	**0,5%**	**-2,2%**
Net debt	**176,532**	**182,533**	**190,071**	**171,260**	**168,207**	**174,899**	**173,670**	**171,135**	**217,309**	**1,6%**	**3,4%**	**4,1%**	**1,5%**	**-21,2%**
Net debt / OIBDA LTM	**1,7x**	**1,9x**	**1,9x**	**1,7x**	**1,7x**	**1,7x**	**1,7x**	**1,6x**	**1,9x**					

CASH FLOW STATEMENT

Bln RUR	1Q 2016	1H 2016	9M 2016	1Q 2015	1H 2015	9M 2015	2015	2014	2013
Cash flows from operating activities									
Profit before income tax	**3,769**	**6,051**	**12,047**	**3,221**	**10,761**	**14,307**	**16,827**	**47,754**	**32,120**
Adjustments to reconcile profit before tax to cash generated from operations:									
Depreciation, amortization and impairment losses	15,632	29,481	42,247	14,849	29,635	44,461	60,599	60,635	68,414
(Gain)/Loss on sale and disposal of PPE and intangible assets	(0,498)	(0,961)	(1,363)	(0,129)	(0,488)	(0,724)	(2,133)	(1,452)	0,344
Bad debt expense	0,456	1,740	2,675	0,540	1,193	1,978	0,882	2,182	2,140
Loss/(Income) from equity accounted investees	1,918	3,501	5,004	0,870	1,161	2,302	3,583	0,517	(0,178)
Finance costs excluding finance costs on pension and other long-term social liabilities	3,985	8,141	12,366	3,883	7,662	11,473	15,560	14,939	15,031
Other Investing and financial gain/(loss)	(0,551)	(0,773)	(0,640)	0,909	(1,035)	(0,108)	0,434	(20,919)	(3,447)
Foreign exchange gain/(loss), net	(0,741)	(0,388)	(0,547)	0,196	0,461	0,802	1,431	(0,183)	0,573
Share-based payment expenses	0,406	0,838	1,184	0,375	0,625	0,938	1,251	1,850	
Changes in net working capital:	*(1,496)*	*(10,748)*	*(13,819)*	*(3,595)*	*(8,515)*	*(7,771)*	*1,408*	*(6,256)*	*(7,747)*
(Increase) / decrease in accounts receivable	(6,018)	(6,862)	(9,258)	(8,319)	(6,314)	(6,919)	1,629	(5,302)	(5,706)
(Decrease) / increase in employee benefits	(0,001)	(0,013)	0,128	0,055	0,075	0,147	(1,356)	(3,808)	(1,087)
(Increase) / decrease in inventories	0,116	(0,045)	(0,615)	0,294	1,323	1,523	0,892	(0,907)	0,986
(Decrease) / increase in accounts payable, provisions and accrued expenses	5,886	(1,560)	(2,142)	5,763	(2,835)	(2,311)	0,268	5,877	0,378
(Decrease) / increase in other assets and liabilities	(1,479)	(2,268)	(1,932)	(1,388)	(0,764)	(0,211)	(0,024)	(2,116)	(2,318)
Cash generated from operations	**22,879**	**36,882**	**59,154**	**21,118**	**41,460**	**67,657**	**99,842**	**99,067**	**107,250**
Interest paid	(4,764)	(9,333)	(14,383)	(4,457)	(8,403)	(12,590)	(17,082)	(15,881)	(17,083)
Income tax refund	0,000	0,234	1,395	0,000	2,175	2,260	2,559		
Income tax paid	(2,212)	(3,624)	(3,822)	(0,355)	(2,545)	(2,653)	(4,469)	(3,640)	(4,474)
Net cash provided by operating activities	**15,903**	**24,159**	**42,344**	**16,306**	**32,687**	**54,674**	**80,850**	**79,546**	**85,693**
Cash flows from investing activities									
Purchase of PPE and intangible assets	(18,964)	(33,768)	(46,797)	(16,286)	(27,405)	(43,383)	(62,726)	(57,666)	(68,487)
Proceeds from sale of PPE and intangible assets	0,635	1,438	2,133	0,383	1,186	1,597	3,838	5,433	1,641
Acquisition of financial assets	(2,767)	(4,560)	(5,737)	(0,102)	(10,018)	(10,250)	(15,943)	(2,115)	(11,925)
Proceeds from disposals of financial assets	3,251	4,678	6,376	0,157	2,563	5,890	10,442	25,925	16,443
Interest received	0,444	0,628	0,827	0,001	0,602	0,705	1,495	0,689	0,441
Dividends received		0,002	0,020		0,002	0,005	0,007	0,014	0,011
Purchase of subsidiaries, net of cash acquired	0,000	(2,438)	(2,438)	(0,430)	(0,464)	(0,464)	(1,145)	(0,029)	(0,047)
Proceeds from disposals of equity accounted investees	(0,001)	(0,001)	(0,001)			0,322	0,240	(0,112)	(0,006)
Acquisition of equity accounted investees	(0,778)	(0,778)	(0,778)	(0,013)	(0,016)	(0,098)	(2,098)	(0,250)	
Proceeds from equity accounted investees							0,322		
Special dividends from disposed former mobile subsidiaries								7,003	
Net cash used in investing activities	**(18,180)**	**(34,799)**	**(46,395)**	**(16,290)**	**(33,550)**	**(45,676)**	**(65,567)**	**(21,108)**	**(61,929)**
Cash flows from financing activities									
Sale of treasury shares		0,008	0,008					0,815	22,306
Purchase of treasury shares				(0,002)	(0,005)	(2,867)	(2,867)	(14,485)	(58,376)
Proceeds from bank and corporate loans	160,301	324,543	496,127	114,283	231,796	368,768	546,080	470,559	509,685
Repayment of bank and corporate loans	(156,909)	(313,984)	(492,822)	(117,548)	(243,542)	(376,378)	(550,410)	(496,482)	(524,430)
Proceeds from bonds			15,000		10,000	10,000	10,000		30,000
Repayment of bonds		(2,734)	(2,734)		(2,408)	(2,408)	(12,112)	(2,440)	(1,613)
Proceeds from promissory notes								0,012	
Repayment of promissory notes								(0,012)	(0,282)
Repayment of vendor financing payable	(0,002)	(0,005)	(0,007)	(0,002)	(0,005)	(0,044)	(0,048)	(0,009)	0,011
Proceeds from / (repayment of) other non-current financing liabilities				(0,001)	(0,002)	(0,003)	(0,004)	(0,007)	(0,009)
Repayment of finance lease liabilities	(0,001)	(0,073)	(0,116)	(0,055)	(0,057)	(0,056)	(0,057)	(0,003)	(0,629)
Acquisition of non-controlling interest						(2,079)	(2,350)	(0,014)	(0,020)
Dividends paid to shareholders of the Group	(0,012)		(13,295)			(7,676)	(7,676)	(7,294)	(5,830)
Dividends paid to non-controlling shareholders of subsidiaries		(0,045)	(0,248)		(0,039)	(0,287)	(0,308)	(0,306)	(0,247)
Options settlement repayments	(0,125)	(0,231)	(0,231)			(0,448)	(5,361)		
Net cash used in financing activities	**3,252**	**7,479**	**1,682**	**(3,325)**	**(4,262)**	**(13,478)**	**(25,112)**	**(49,666)**	**(29,435)**
Net (decrease)/increase in cash and cash equivalents	0,714	(3,525)	(2,738)	(3,427)	(5,338)	(4,479)	(9,780)	8,984	(5,669)
Effect of exchange rate changes on cash and cash equivalents	(0,261)	(0,364)	(0,369)	(0,118)	(0,213)	0,001	0,050	0,212	(0,000)
Cash and cash equivalents at beginning of year	**7,164**	**7,164**	**7,164**	**16,944**	**16,944**	**16,944**	**16,944**	**7,960**	**13,629**
Cash and cash equivalents at the end of period	**7,878**	**3,639**	**4,426**	**13,517**	**11,606**	**12,465**	**7,164**	**16,944**	**7,960**
FCF	**(2,427)**	**(8,171)**	**(2,320)**	**0,403**	**6,468**	**12,888**	**21,962**	**27,313**	**18,847**

OPERATIONAL DATA

	1Q 2016	2Q 2016	3Q 2016	1Q 2015	2Q 2015	3Q 2015	4Q 2015	2015	2014	2013	GROWTH rates				
											1Q 16/15	2Q 16/15	3Q 16/15	15/14	14/13
Subscribers, mln															
Fixed-line	**21,7**	**21,3**	**20,9**	**23,7**	**23,2**	**22,7**	**22,1**	**22,1**	**24,4**	**26,5**	**-8,3%**	**-8,0%**	**-7,5%**	**-9,4%**	**-7,9%**
B2C	18,1	17,8	17,4	19,9	19,5	19,0	18,5	18,5	20,5	22,5	-9,0%	-8,8%	-8,4%	-9,9%	-8,7%
B2B	3,6	3,5	3,5	3,8	3,7	3,6	3,6	3,6	3,9	4,0	-4,5%	-3,4%	-3,0%	-7,2%	-3,0%
Broadband by client type	**11,9**	**12,0**	**12,2**	**11,2**	**11,2**	**11,4**	**11,6**	**11,6**	**11,2**	**10,6**	**5,9%**	**6,5%**	**7,2%**	**3,6%**	**6,4%**
B2C	11,1	11,2	11,4	10,5	10,5	10,7	10,9	10,9	10,5	9,8	6,4%	6,8%	7,5%	4,1%	6,7%
B2B	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,7	-0,6%	2,5%	3,4%	-2,8%	2,4%
Broadband by technology	**11,9**	**12,0**	**12,2**	**11,2**	**11,2**	**11,4**	**11,6**	**11,6**	**11,2**	**10,6**	**5,9%**	**6,5%**	**7,2%**	**3,6%**	**6,4%**
xDSL	5,2	5,1	5,0	5,8	5,6	5,5	5,3	5,3	6,1	6,6	-9,7%	-8,3%	-7,7%	-12,3%	-7,2%
FTTx	6,6	6,8	7,1	5,4	5,6	5,9	6,3	6,3	5,2	4,0	22,6%	21,2%	21,0%	22,4%	28,7%
xDSL	44%	43%	41%	52%	50%	48%	46%	46%	54%	62%					
FTTx	56%	57%	59%	48%	50%	52%	54%	54%	46%	38%					
Pay TV	**8,8**	**9,0**	**9,2**	**8,1**	**8,2**	**8,4**	**8,6**	**8,6**	**8,0**	**7,5**	**8,7%**	**9,4%**	**9,4%**	**8,2%**	**6,3%**
IPTV	3,7	3,9	4,0	2,9	3,0	3,1	3,4	3,4	2,7	2,2	27,5%	28,8%	28,3%	26,0%	23,9%
Cable TV	5,2	5,1	5,1	5,2	5,2	5,2	5,2	5,2	5,3	5,3	-1,3%	-1,5%	-1,8%	-1,6%	-1,0%
IPTV	41%	43%	44%	35%	36%	38%	40%	40%	34%	29%					
Cable TV	58%	57%	56%	64%	63%	62%	60%	60%	66%	71%					
ARPU, RUB															
Broadband	454	447	439	458	457	446	455	449	449	448	-1,0%	-2,1%	-1,6%	0,7%	0,8%
incl. B2C	*349*	*344*	*337*	*354*	*352*	*343*	*350*	*346*	*342*	*345*	-1,3%	-2,2%	-1,5%	1,8%	0,0%
Fixed-line	248	243	239	247	248	243	248	246	246	249	0,4%	-2,0%	-1,9%	0,2%	-1,2%
Pay TV	201	201	204	176	181	182	189	181	149	133	13,8%	11,1%	12,3%	19,3%	13,5%
Breakdown by region															
Local fixed-line	**21,7**	**21,3**	**20,9**	**23,7**	**23,2**	**22,7**	**22,1**	**22,1**	**24,4**	**26,5**	**-8,3%**	**-8,0%**	**-7,5%**	**-9,4%**	**-7,9%**
Moscow	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,1	41,9%	36,1%	32,1%	-11,8%	48,6%
Center	5,2	5,1	5,0	5,6	5,5	5,4	5,3	5,3	5,7	6,1	-6,7%	-6,4%	-6,0%	-7,4%	-6,4%
N-West	3,2	3,1	3,1	3,5	3,4	3,3	3,2	3,2	3,6	3,8	-8,5%	-7,1%	-6,9%	-9,2%	-7,7%
Volga	4,0	3,9	3,8	4,4	4,3	4,2	4,1	4,1	4,5	5,0	-10,0%	-10,0%	-9,0%	-10,1%	-9,0%
South	2,9	2,8	2,8	3,1	3,0	3,0	2,9	2,9	3,2	3,4	-7,0%	-7,3%	-7,0%	-7,3%	-8,2%
Urals	2,3	2,3	2,2	2,6	2,5	2,5	2,4	2,4	2,7	2,9	-9,9%	-9,7%	-9,2%	-10,4%	-9,5%
Siberia	2,9	2,9	2,8	3,2	3,2	3,1	3,0	3,0	3,4	3,7	-9,7%	-9,8%	-9,6%	-12,4%	-9,0%
F-East	1,1	1,0	1,0	1,2	1,1	1,1	1,1	1,1	1,2	1,4	-11,6%	-9,9%	-9,5%	-12,1%	-9,3%
Broadband	**11,9**	**12,0**	**12,2**	**11,2**	**11,2**	**11,4**	**11,6**	**11,6**	**11,2**	**10,6**	**5,9%**	**6,5%**	**7,2%**	**3,6%**	**6,4%**
Moscow	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,8	0,7	3,9%	3,5%	3,5%	4,1%	19,1%
Center	1,9	2,0	2,0	1,8	1,8	1,8	1,9	1,9	1,9	1,7	8,0%	14,0%	14,7%	0,0%	7,7%
N-West	1,5	1,6	1,6	1,5	1,5	1,5	1,5	1,5	1,4	1,4	6,1%	5,7%	4,8%	4,6%	1,3%
Volga	2,4	2,5	2,6	2,3	2,3	2,4	2,4	2,4	2,3	2,1	6,3%	5,3%	8,6%	7,0%	9,0%
South	1,7	1,6	1,7	1,6	1,6	1,6	1,6	1,6	1,5	1,4	7,1%	4,1%	3,5%	5,8%	7,7%
Urals	1,4	1,4	1,5	1,4	1,4	1,4	1,4	1,4	1,4	1,3	3,9%	4,2%	3,5%	3,7%	3,3%
Siberia	1,4	1,4	1,4	1,3	1,3	1,3	1,3	1,3	1,3	1,2	6,5%	7,3%	8,6%	1,9%	4,4%
F-East	0,7	0,7	0,7	0,7	0,6	0,6	0,7	0,7	0,7	0,7	1,7%	5,4%	5,9%	-2,3%	0,7%
Pay TV	**8,8**	**9,0**	**9,2**	**8,1**	**8,2**	**8,4**	**8,6**	**8,6**	**8,0**	**7,5**	**8,7%**	**9,4%**	**9,4%**	**8,2%**	**6,3%**
Moscow	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,2	3,2	1,2%	1,4%	1,2%	1,4%	1,6%
Center	0,7	0,8	0,8	0,5	0,6	0,6	0,7	0,7	0,5	0,4	34,4%	34,3%	34,7%	29,1%	27,0%
N-West	1,6	1,6	1,6	1,5	1,5	1,5	1,6	1,6	1,5	1,5	4,9%	5,9%	5,9%	4,6%	-1,4%
Volga	1,2	1,2	1,2	1,1	1,1	1,1	1,2	1,2	1,0	0,8	12,1%	11,1%	9,4%	15,4%	21,0%
South	0,4	0,4	0,4	0,3	0,3	0,3	0,4	0,4	0,3	0,3	21,3%	23,0%	23,5%	17,9%	16,5%
Urals	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,6	7,2%	8,1%	8,9%	6,9%	6,1%
Siberia	0,5	0,6	0,6	0,4	0,4	0,5	0,5	0,5	0,4	0,4	27,2%	29,1%	30,7%	22,1%	13,4%
F-East	0,4	0,4	0,4	0,3	0,3	0,3	0,4	0,4	0,3	0,3	15,3%	18,4%	18,9%	12,8%	8,5%