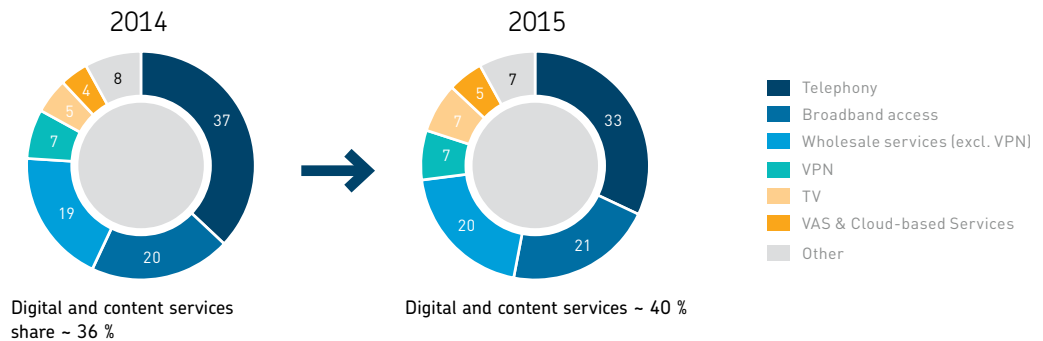


Differentiated Offerings

THE COMPANY CONTINUES TO INCREASE THE SHARE OF DIGITAL AND CONTENT SERVICES, TRANSFORMING INTO THE DIGITAL SERVICES PROVIDER.

Digital and content services share by years



B2C

In 2015, Rostelecom focused its main efforts in the mass segment on retaining the voice subscribers communication and growing its subscriber base in the broadband access services and Pay TV market. To form the subscriber base and increase ARPU in 2015, it carried a series of federal special offers of high-speed Internet service, as well as Double- and TriplePlay service packages. It expanded and upgraded ranges of the tariffs provided, launched special offers "Summer Forever" "Package for Ever", "Hardware 2015". All this enabled to successfully replace lost revenues from fixed voice services with the revenues from the growing broadband, Pay television and innovative services segments.

Broadband Internet access services

The number of subscribers to broadband Internet access in B2C segment increased by 6 % in 2015 y-o-y, taking into account the base recalculation after the audit (without taking into account the revision, the growth amounted to 4 %) and amounted to 10.9 mln subscribers.

The number of subscribers connected by optics increased by 22 % year on year, to 6.3 mln. In 2015, it was the first time that the share of subscribers connected by optics, exceeded 50 % and reached 54 % of the subscriber base.

In 2015, the Company launched the federal campaign "Powerful Internet" aimed at promoting the high-speed tariff plans of Home Internet service.

B2C broadband access

