

CHAPTER 6. SECURITIES

SHARES

As of the beginning of 2012, the share capital of RBC OJSC, which is the parent company of RBC holding, stood at RUB 204,090 and was divided into 318,890,625 ordinary registered shares with a par value of RUB 0.00064 each.

On October 10, 2011, the company's general meeting of shareholders passed a resolution to increase RBC OJSC share capital by placing 51,109,375 shares by open subscription. The placement was carried out in May 2012. The company floated 46,740,385 ordinary shares. Relevant amendments were made to RBC OJSC's Articles of Association following the share capital uplift.

As of December 31, 2012, the share capital of RBC OJSC stood at RUB 234,003.85 and was divided into 365,631,010 ordinary registered shares with a par value of RUB 0.00064 each. The shares are authorized for trading on the Moscow Exchange quotation list B under the RBCM ticker.

As of the end of 2012, the main shareholders of RBC OJSC were ONEXIM group represented by Pragma Limited (53.4%), and Remedy Trade Limited (6.17%) (which represents the interests of RBC's founders German Kaplun, Alexander Morgulchik, and Dmitry Belik), and Polyus Gold OJSC (5.2%).

DIVIDEND POLICY

The decision on whether or not to pay out dividends, as well as the dividend size and the form of payment, is taken by the general meeting of shareholders. To this end, the Board of Directors makes relevant recommendations

to the general meeting of shareholders with regard to the company's financial standing, expansion plans, and other factors that the Board of Directors may deem to be substantial. The final dividend cannot exceed the level recommended by the Board of Directors.

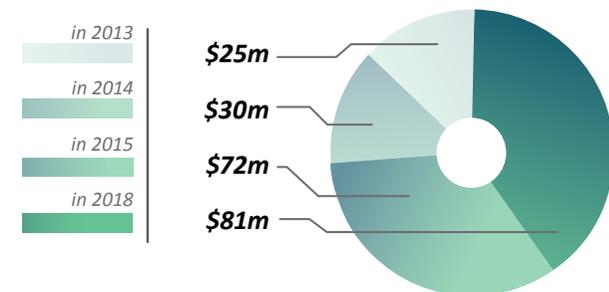
RBC aspires to leadership on the growing and competitive media market, which requires substantial capital expenditures. For this reason, the Company currently does not pay out dividends.

DEBT INSTRUMENTS

RBC's debt totaled \$208m as of December 31, 2012. RBC's loan portfolio consists of five-year loan participation notes (LPNs) denominated in U.S. dollars, and Russian ruble-denominated bonds. LPNs and bonds with maturity in 2015 carry a 7% interest rate, while LPNs and bonds maturing in 2018 carry a 6% interest rate. All debt securities carry semiannual coupons. Coupons on bonds maturing in 2018 are payable starting five years after placement, i.e. in 2015. LPNs comprise 97% of RBC's debt and ruble-denominated bonds account for 3% of the debt.

In 2011, RBC and holders of LPNs agreed to amend the terms of the loan agreement. As a result, the main restrictions on spending the company's free cash flow on expansion and asset acquisition were lifted. In exchange, RBC committed itself to partially repaying its debt ahead of schedule: \$25m is to be repaid before the end of 2013 and \$30m is to be repaid before the end of 2014 instead of the initial deadline of May 2015.

Debt portfolio breakdown by maturity date



Source: Company data

In 2010, in an effort to restructure its debt, RBC OJSC issued cash settled options and warrants which provide their holders with an opportunity to earn additional returns on the difference between the market price of RBC OJSC shares and the strike price (\$1.76). The company issued a total of 21m options and warrants exercisable in 2015, and 19m options and warrants exercisable annually over four years beginning 2015.