PJSC ROSTELECOM / AGM Statement

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ROSTELECOM ANNOUNCES RESULTS OF AGM

Moscow, Russia - June 19, 2017 - Rostelecom PJSC (MOEX: RTKM, RTKMP; OTCQX: ROSYY), Russia's national telecommunications operator, today announces the results of its AGM, which was held on June 19, 2017.

The AGM approved Rostelecom's Annual Report and its financial statements for the fiscal year ended December 31, 2016.

Based on Rostelecom's 2016 results, the AGM approved that the Company's dividend amounting to RUB 15 bln, or 113% of 2016 FCF1 [1], is to be paid in cash, including:

- RUB 5.39 per Class A preferred share [2];

- RUB 5.39 per ordinary share [3].

The shareholders approved July 7, 2017 as the record date for receiving dividends for 2016.

The shareholders also elected the following to Rostelecom's Board of Directors:

1. Aganbegyan Ruben;
2. Auzan Alexander;
3. Dmitriev Kirill;
4. Zlatopolsky Anton;
5. Ivanov Sergei;
6. Kalugin Sergei;
7. Oseevskiy Mikhail;
8. Poluboyarinov Mikhail;
9. Pchelintzev Alexander;
10. Semenov Vadim;
11. Yakovizkiy Alexei;

The AGM elected the following to the Audit Commission:

1. Veremyanina Valentina;
2. Dmitriev Anton;
3. Karpov Ilya;
4. Krasnov Mikhail;
5. Musienko Oleg;
6. Ponkin Alexander;
7. Shevchouk Alexander.

Ernst & Young LLC was appointed as Rostelecom's auditor for the second half of 2017 and the first half of 2018.

In addition, the shareholders approved the remuneration for members of the Board of Directors and Audit Commission along with new editions of the Company's Charter, regulations on the General Shareholders' Meeting, regulations on the Board of Directors, regulations on the President and the Management Board as well as a number of other items on the agenda.

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For more information please visit http://www.rostelecom.ru/en/ir **or contact:**

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PJSC Rostelecom (www.rostelecom.ru) is one of the largest national telecommunications operators in Russia and Europe. The Company operates in all segments of the telecommunications market and covers millions of households in Russia.

Rostelecom is an undisputable leader of the broadband and pay-TV markets in Russia with over 12.5 million fixed-line broadband subscribers and over 9.4 million pay-TV subscribers, over 4.4 million of which are subscribed to Rostelecom's IPTV services.

In the first quarter of 2017, the Group generated RUB 70.4 billion of revenues, RUB 21.6 billion of OIBDA (30.6% of revenue) and RUB 3.2 billion of net income.

The Group is a market leader in providing telecommunications services to government bodies and corporates of all levels.

Rostelecom is an important innovator that provides solutions in the field of E-Government, cloud computing, healthcare, education, security and housing & utility services.

The Group's stable financial position confirmed by its credit ratings. Rostelecom was assigned 'BBB-' and 'BB+' international credit ratings by Fitch Ratings and Standard&Poor's respectively.

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Certain statements in this press release are forward-looking statements within the meaning of the U.S. federal securities laws and intended to be covered by the safe harbours created thereby.
Those forward-looking statements include, but are not limited to:
* Assessment of Rostelecom's PJSC (the Company) future operating and financial results as well as forecasts of the present value of future cash flows and related factors;
* The Company's plans to take ownership stakes in other organisations;
* the Company's anticipated capital expenditures and plans to construct and modernize its network;
* the Company's expectations as to the growth in demand for its services, plans relating to the expansion of the range of its services and their pricing;
* the Company's plans with respect to improving its corporate governance practices;
* the Company's expectations as to its position in the telecommunications market and forecasts on the development of the market segments within which the Company operates;
* economic outlook and industry trends;
* the Company's expectations as to the regulation of the Russian telecommunications industry and assessment of impact of regulatory initiatives on the Company's activity;
* other statements regarding matters that are not historical facts.

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:
* risks relating to changes in political, economic and social conditions in Russia as well as changes in global economic conditions;
* risks relating to Russian legislation, regulation and taxation, including laws, regulations, decrees and decisions governing the Russian telecommunications industry, securities industry as well as currency and exchange controls relating to Russian entities and their official interpretation by regulatory bodies;
* risks relating to the Company, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Company's services including their promotions, and the ability of the Company to remain competitive in a liberalized telecommunications market;
* technological risks associated with the functioning and development of the telecommunications infrastructure, technological innovations as well as the convergence of technologies;
* other risks and uncertainties. For a more detailed discussion of these and other factors, see the Company's Annual Report and the Company's other public filings.

Many of these factors are beyond the Company's ability to control or predict. Given these and other uncertainties, readers are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which are made as of the date hereof) to reflect events or circumstances upon the annual report publication or to reflect the occurrence of unanticipated events, except as may be required under applicable laws.

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[1] The Free Cash Flow shall mean the net cash from operating activities, (1) net of cash paid for purchase of property, plant and equipment and intangible assets, (2) plus proceeds from sale of property, plant and equipment and intangible assets. Free Cash Flow shall be determined according to the Cash Flow Statement of the Company consolidated financial statements pursuant to requirements of the International Financial Reporting Standards;

[2] The unrounded dividend per Class A preferred share is equal to RUB 5,387002045593

[3] The unrounded dividend per ordinary share is equal to RUB 5,387002045593

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