ROSTELECOM PJSC (RKMD)

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ROSTELECOM ANNOUNCES RUB 10 BLN BOND PLACEMENT

Coupon rate set at 7.7% per annum

Moscow, Russia - November 14, 2017 - Rostelecom PJSC (MOEX: RTKM, RTKMP; OTCQX: ROSYY), Russia's national telecommunications operator, today announces the placement of its 001P-03R[1] series bonds at a coupon rate of 7.7% per annum. The bonds, with a total nominal value of RUB 10 billion, have a five-year put option from placement and a maturity of 10 years with a nominal value of RUB 1,000 each.

The 001P-03R series Rostelecom bonds will be placed on the Moscow Exchange (MOEX) on November 21, 2017.

The funds from the bonds placement are expected to be used for refinancing purposes.

The lead arrangers of the offering are VTB Capital, Sberbank CIB, Gazprombank.

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 12.7 million fixed-line broadband subscribers and over 9.7 million pay-TV subscribers, over 4.7 million of which are subscribed to Rostelecom's IPTV services.

In the nine months of 2017, the Group generated RUB 221.2 billion of revenues, RUB 71.2 billion of OIBDA (32.2% of revenue) and RUB 9.9 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, and AA(RU) by ACRA.

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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.

[1] The programme of listed bonds, identification number 4-00124-A-001P-02E from 15.12.2015, totaling RUB 100 billion.

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