

ROSTELECOM PJSC (RKMD)

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## Rostelecom completes the deal to acquire DataLine

**Moscow, Russia** - January 13, 2020 - Rostelecom PJSC (MOEX - RTS: RTKM, RTKMP; OTCQX: ROSYY), Russia's largest digital communication services provider, today announces that its subsidiary Rostelecom Datacenters has completed the deal to acquire a 100% share of DataLine, the second largest datacentre provider in Russia. The Board of directors [approved](#) the deal on 20 November 2019.

Mikhail Oseevskiy, President of Rostelecom, commented: *"The acquisition of DataLine strengthens Rostelecom's competitive position, making a significant contribution to its leadership in the growing market of cloud solutions and large-scale infrastructure and product ecosystems, which is currently growing at 2-digit growth rates. The acquisition will support Rostelecom's efforts to expand the range and increase flexibility of services through its growing portfolio."*

Yury Samoilov, Director General of DataLine, commented: *"DataLine's acquisition by Rostelecom provides a major growth opportunity to improve our service through a significantly wider range of products and solutions and better geographical accessibility. The deal will strengthen both companies' competitive positions and generate higher standards of service quality and enlarged geographical outreach. DataLine is not expecting any personnel changes."*

Further information is available at [https://www.company.rt.ru/en/ir/news\\_calendar/](https://www.company.rt.ru/en/ir/news_calendar/).

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[PJSC Rostelecom](#) is the largest digital service provider, operating in all segments of the telecommunications market in Russia, it serves millions of households, the state and private enterprises across the country.

Rostelecom is Russia's undisputed market leader, providing high-speed Internet access to over 13.1 million users and pay-TV services to more than 10.3 million clients, over 5.5 million of which are subscribed to Rostelecom's IPTV services on a national level.

In the nine months of 2019, the Group generated RUB 242.6 billion of revenues, RUB 81.4 billion of OIBDA (33.6% of revenue) and RUB 16.4 billion of net income.

The Group is the leading provider of telecommunications services to government bodies and corporates of all levels.

Rostelecom is a key strategic innovator that provides solutions in the following fields: E-Government, cybersecurity, data-centers and cloud computing, biometry, healthcare, education and housing & utility services.

The Group's stable financial position is confirmed by its credit ratings. Rostelecom has been 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 PAO Rostelecom's (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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