

CHAPTER 6. SECURITIES

RBC's debt as of November 30, 2010

Restructured debt	209,927
5-year securities	126,661
LPNs	122,996
Russian bonds	3,665
8-year securities	80,049
LPNs	77,738
Russian bonds	2,311
Non-restructured debt ¹²	3,217

Shares

As of the end of December 2010, the share capital of RBC's holding company, RBC OJSC, equaled RUB 204,090. The share capital was divided into 318,890,625 ordinary registered shares with the nominal value of RUB 0.00064 each.

In 2010, the company launched an additional share offering and a share split. The additional offering of 10,049 shares was conducted as part of RBC's restructuring. As a result, the company's share capital went up from 10,000 to 20,049 ordinary registered shares. The additional issue was placed by private subscription to ONEXIM Group, with RBC raising RUB 2.346bn through the offering. The funds raised were used for settlements with creditors in line with the company's debt restructuring program, as well as to finance RBC's operations.

With its investment in RBC OJSC complete, ONEXIM Group became as the owner of 51% of the company's share capital. The remaining 49% of shares is subject to a share swap for 100% in RBC Information Systems OJSC. To facilitate the share swap, the company performed a stock split with regard to shares in RBC OJSC. As a result, the share capital of RBC OJSC increased to 318,890,625 ordinary registered shares with a par value of RUB 0.00064 each.

In early 2011, the shares of RBC OJSC were authorized for trading on the Russian stock exchanges, MICEX and the RTS, under the RBCM ticker symbol. As of early 2011, shares in RBC Information Systems OJSC were also publicly traded on MICEX and the RTS (under the RBCI ticker symbol), but they will be withdrawn from trading by mid-2011. RBC OJSC will, therefore, remain the only public company representing the RBC holding.

Dividend policy

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

with due regard to the company's financial standing, future development plans and other factors that the Board of Directors may deem to be substantial. The final dividend amount cannot exceed that recommended by the Board of Directors.

RBC seeks to capture leadership on the rapidly growing and highly competitive media market which calls for substantial capital outlays. With this in view, the company does not pay out any dividends for the time being.

Debt restructuring

In September 2010, RBC completed its debt restructuring program. RBC's debt was converted into five-year loan participation notes (LPNs) and Russian bonds with a coupon rate of 7% per annum, as well as eight-year LPNs and Russian bonds with a 6% coupon rate. The coupon period for all the debt instruments was set at six months, with the coupon on the eight-year securities to be postponed for five years following the placement. LPNs are denominated in U.S. dollars, while Russian bonds are ruble-denominated. The restructuring effort enabled RBC to reduce its debt from \$261m (including accrued interest) to \$210m.

In November 2010, RBC paid out the first coupon on five-year securities worth a total of \$4.5m.

As part of the debt restructuring effort, RBC's creditors received cash settled options and warrants on RBC's shares to provide additional returns apart from the debt instruments. The size of payments on the options and warrants is determined as equal to the difference between the market price of shares of RBC OJSC and the exercise price (\$1.96). The term of the options and warrants corresponds to the maturity of the respective debt securities held by RBC's creditors. As of November 30, 2010, the company had issued 21.3m five-year and 18.7m eight-year options and warrants.

For more details regarding RBC's restructuring and recapitalization, visit restruct.rbc.ru/eng.

¹² Unknown bondholders, BO-04 and BO-05 series