

RBC reports H1 2015 financial results

Moscow, August 4, 2015— RBC OJSC (**Moscow Exchange: RBCM**) announces its preliminary unaudited financial results for the first half of 2015.

“Despite a decline in the markets on which RBC Group operates we were able to improve our financial results and generate RUB 12m of EBITDA in the first half of 2015, which is a RUB 159m improvement from H1 2014 result,” RBC Group CEO Nikolay Molibog says. This result is attributable to several key growth drivers. Primarily, it’s the domain registration and hosting segment (B2B Infrastructure¹), with a 24% increase in EBITDA compared to the same period of 2014. The company was also able to maintain stability of RBC brand projects on the media market despite the steep decline of the latter². Additionally, the optimization of the company’s structure (and the resulting reduction of management expenses) in 2014, as well as divestment of non-core assets also had a positive impact on the company.

RBC GROUP’s EBITDA in H1 2015 and year-on-year change

<i>Million rubles</i>	H1 2015	H1 2014	Change (%)
B2C Information and Services	67	67	
B2B Information and Services	-13	11	-24
B2B Infrastructure	289	233	56
Inspiration from RBC	-6	-15	9
Non-Core Assets	30	-10	40
Operating EBITDA of business segments	367	286	81
Management expenses	-355	-433	78
Aggregate EBITDA	12	-147	159

The EBITDA of the B2C Information and Services segment remained unchanged from last year’s level despite a contraction of the media advertising market. This result is ascribed to the re-launch of RBC’s core products: www.rbc.ru website, newspaper, magazine, and the TV channel in the fall of 2014. Our audience and advertisers welcomed these changes. Moreover, the company partially cut the spending on this segment given the unfavorable conditions on the media market.

¹ Detailed description of RBC Group’s business segments is provided in an annex to the press release.

² Here and hereafter the results are compared with the Q1 2015 data of the Russian Association of Communication Agencies (RACA). According to our estimation, the performance of the media advertising market in Q1 will not be substantially different from the results for H1 2015.

The EBITDA of B2B Information and Services decreased as a result of the much-needed investments in this segment for the development of Public.ru online library acquired last year.

Despite a sharp weakening of the ruble and a decrease in the number of registered .ru domains, the holding managed to boost the EBITDA of the B2B Infrastructure segment by 24% as compared to the first half of 2014.

The EBITDA of the Inspiration from RBC segment improved by RUB 9m on the back of the sale of some assets and optimization of spending and revenues. As for the Secondary Assets, higher EBITDA of this segment is attributable to the year-on-year growth of EBITDA of Loveplanet.ru and Cnews.ru projects and the sale of loss-making assets in 2014.

The company substantially cut management expenses in H1 2015 due to the consolidation and optimization of business processes in its operational divisions and the restructuring of support divisions servicing all business segments.

RBC Group's revenue in H1 2015 and year-on-year change

<i>Million rubles</i>	H1 2015	H1 2014	Change (%)
B2C Information and Services	1,088	1,153	-6%
B2B Information and Services	82	68	20%
B2B Infrastructure	850	774	10%
Inspiration from RBC	12	27	-56%
Non-Core Assets	139	204	-32%
Aggregate revenue	2,171	2,226	-2%

RBC Group's aggregate revenue totaled RUB 2.171bn in H1 2015.

The company was able to maintain its foothold on the shrinking media advertising market in H1 2015, and the aggregate revenue of the B2C Information and Services segment (includes rbc.ru website, RBC TV, newspaper and magazine) came in at RUB 1.048bn. Online business resources posted a 4% rise in revenue (the online media advertising market shrank 18% in Q1 2015), RBC TV's revenue fell 16% (TV advertising market dwindled 22%³ in Q1), and the revenue of printed publications decreased 26% (advertising in printed publications plunged 34%⁴ in Q1).

B2C revenue broken down by platforms

<i>Million rubles</i>	H1 2015	H1 2014	Change (%)
Online business resources	671	644	4%

³ Data of the Russian Association of Communication Agencies (RACA).

⁴ Data of the Russian Association of Communication Agencies (RACA).

RBC TV	302	374	-19%
Printed business publications	75	103	-27%
Aggregate B2C revenue	1,048	1,121	-7%

The rise in revenue from the B2B Information and Services segment is largely attributable to the continued growth of the RBC Conferences segment. Another factor contributing to this segment's revenue growth is development of Public.ru website that RBC acquired in late 2014.

Revenue of the B2B Infrastructure segment grew 10%, while the segment's sales reached RUB 850m. The growth is attributable to business restructuring, changes in pricing, implementation of cross-selling, and launch of sales in new top-level domains.

Some segments of RBC's business posted negative growth due to the sale of non-core assets. Specifically, revenue of the Non-Core Assets segment decreased 32% after the sale of Smotri.com, QIP, Anekdot.ru, and other projects. For the same reason, revenue of the Inspiration from RBC segment decreased 56%: the company sold a number of awards in 2014 and focused on developing two awards that are most relevant for our strategy – RBC Awards and Effie Russia Awards.

In April 2015, RBC presented its strategy for the next three years and short-term plans for the next 12 months (<http://report2014.rbcholding.com/5/>). Our team works hard on implementing those plans. But it's already clear that the strategy we have selected is working and paying off.

Management reshuffling in RBC Group

RBC also announces that Derk Sauer is moving on to become vice president of Onexim group. He will oversee the strategic development of Onexim's media segment and creation and implementation of the group's strategy in new digital businesses. However, Derk Sauer will remain a member of RBC's Board of Directors and will have a say on the company's strategy. Executive management of RBC group will be performed by RBC CEO Nikolay Molibog. The position of President of RBC group will be eliminated.

“I'm really happy that RBC shareholders appreciated our team's efforts and achievements in reforming RBC and offered me to apply my experience to the whole of Onexim group. RBC team has demonstrated excellent results in the past two years. I am completely confident in the expertise and potential of RBC's team, and I'm sure they will prove again and again that RBC is the best media holding in Russia,” Derk Sauer said.

Business segments of RBC group of companies

In 2015, RBC introduced a new way of business segmentation in line with the holding's strategy.

Three key segments:

1. **B2C information and services** - an advertising-based business model. These are RBC 360 projects that include the website www.rbc.ru, RBC TV, RBC newspaper, and RBC magazine, as well as RBC's topical projects: RBC Real Estate (realty.rbc.ru), Autonews (autonews.ru), RBC Style (style.rbc.ru), and RBC Sport (sport.rbc.ru).
2. **B2B information and services** based on paid access. These projects include RBC Research (marketing.rbc.ru), RBC Conferences (bc.rbc.ru), QuoteTerminal (qt.rbc.ru), and Public.ru.
3. **B2B infrastructure**. Domain name registration and hosting business. These are brands and key operating companies form RU-CENTER Group: RU-CENTER, R01, Reggi, Hosting Center, SpaceWeb, Peterhost

Two auxiliary units:

4. **Inspiration from RBC**. Projects that first appeared thanks to the RBC brand's strength promoting principles of running a transparent business in Russia. These are events that inspire prominent business people in Russia. From late 2014, this unit includes RBC Awards and EFFIE RUSSIA, a marketing award.
5. **Non-core assets** that we support and develop as best as we can, but are ready to sell to companies interested in their strategic development. Current major projects: dating website Loveplanet.ru and IT publication Cnews.ru.