

Chapter 6. Securities

6.1 Share capital

The share capital of RBC OJSC stands at RUB 234,003.85 and is divided into 365,631,010 shares. All of the Company's shares are ordinary registered shares with a par value of RUB 0.00064 each. The Company has not issued preferred shares. The state registration number of RBC's ordinary shares is 1-02-56413-N, the date of the issue's state registration – November 10, 2010.

According to the Company's Articles of Association, the Company is entitled to issue 259,368,990 shares with a par value of RUB 0.00064 each in addition to outstanding shares. In 2013, the Company did not float any shares.

The shares are traded on the Moscow Exchange quotation list B under the RBCM ticker. RBC floated shares in April 2002. At the time of the IPO and until the middle of 2010, RBC group of companies' parent company, whose shares were traded on the stock exchange, was RBC Information Systems OJSC (RBCI ticker). In 2010, RBC OJSC became the holding company of the RBC group (previous name RBC-TV Moscow until February 2011). In December 2010, RBC OJSC's shares were authorized for trading. Trading in the new parent company's shares began in January 2011, and trading in RBC Information Systems OJSC ceased in June 2011.

RBC OJSC's register of shareholders is kept by Computershare Registrar CJSC, and information about the registrar can be found in the "Contact Information" section of this report.

The list of shareholders who own at least 5% of ordinary registered shares of RBC OJSC

As of 31.12.2013		As of 31.12.2012	
Shareholder	Share	Shareholder	Share
Onexim group (represented by Pragla Limited)	57.05%	Onexim group (represented by Pragla Limited)	53.36%
National Settlement Depository CJSC (nominal holder)	42.95%	National Settlement Depository CJSC (nominal holder)	36.00%
Renaissance Securities Limited	6.34%	ING Bank (Eurasia) CJSC (nominal holder)	5.30%
		Remedy Trade Limited	6.17%
		Polyus Gold OJSC	5.20%

Dividend policy

The decision on whether or not to pay out dividends, as well as the dividend size and the form of payment, is taken by the general meeting of shareholders. To this end, the Board of Directors makes relevant recommendations to the general meeting of shareholders with regard to the company's financial standing, expansion plans, and other factors that the Board of Directors may deem to be substantial. The final dividend cannot exceed the level recommended by the Board of Directors.

RBC aspires to leadership on the growing and competitive media market, which requires substantial capital expenditures. For this reason, the Company currently does not pay out dividends.

6.2 Debt instruments

RBC's debt totaled \$208m as of December 31, 2013. RBC's loan portfolio consists of loan participation notes (LPNs) and bonds.

In 2010, as part of the debt restructuring process, the Company issued ruble-denominated bonds. As of the end of 2013, ruble-denominated bonds comprise 3% of RBC's debt. In April 2010, RBC placed six series of interest bearing certificated non-convertible bearer bonds subject to mandatory centralized depository. The annual coupon rate has been set at 7% for bonds series 01, 02, and 03, and the coupon period at 182 days. Maturity date for series 01, 02, and 03 bonds is April 2015. The annual coupon rate of 6% has been set for bonds series 04, 05, and 06, along with a 182-day coupon period. Meanwhile, during the first five years after placement, coupon interest is to be accrued and payable at the expiration of the five-year period. Maturity date for series 04, 05, and 06 bonds is April 2018.

In 2010, in an effort to restructure its debt, RBC OJSC also issued loan participation notes (LPNs) denominated in U.S. dollars. As of the end of 2013, LPNs comprised 97% of RBC's debt. The annual interest rate on Class A LPNs is 7%, and on Class B LPNs is 6%. The coupon period for both instruments is six months.

In late 2013, RBC and creditors who are holders of LPNs agreed to amend the terms of the loan agreement. Specifically, the maturity date of Class A LPNs (worth a total of \$123.6m at par value) has been postponed from May 2015 until November 2020, while the maturity date of Class B LPNs (with a total par value of \$78.1m) has been extended from May 2018 until November 2022. Coupon rates of Class A and B notes have remained unchanged. The revised terms envision a deferment of interest payment accrued on Class A LPNs for the period from November 2013 until November 2014 and further repayment in equal installments in May and November 2015. Interest accrued on Class A LPNs after November 2014 are payable every six months annually until full repayment (the first payment will be made in May 2015). Interest on Class B LPNs will be accrued but won't be capitalized, while the payment of interest will be postponed until the repayment of the principal amount in 2022. The company is now released from the obligation to prepay part of its debt under Class A LPNs in 2013 and 2014.

Additionally, main restrictions on the acquisition and disposal of assets stipulated in the loan agreement have been removed, which enables RBC to take advantage of its strategic and financial opportunities and creates potential for business growth.

In 2010, in an effort to restructure its debt, RBC OJSC issued cash settled options and warrants which provide their holders with an opportunity to earn additional returns on the difference between the market price of RBC OJSC' shares and the strike price. The company issued a total of 21m options and warrants exercisable in 2015, and 19m options and warrants exercisable annually over four years beginning 2015.