Capital Investment

In December 2018, the Board of Directors approved the Company's budget for 2019,[1] including the Capital Investment Programme.[2]
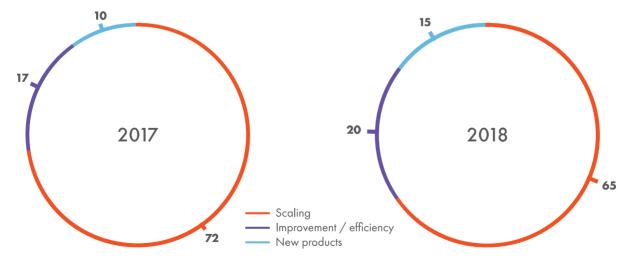
Capital investment areas	2017	2018	2019F	Major projects
Scaling (Expansion of the existing business), %	72	65	55	Construction of networks for residential and business customers, installations and CPE, last mile and IP/MPLS network projects
Efficiency improvement projects, %	17	20	22	IT development and deployments, IT hardware replacements, transition from copper to fibre, real estate portfolio optimisation
New products, %	10	15	22	Data centres and cloud services, industry-specific services, e-services for state agencies, cyber security solutions
Actual/planned capital investment (CAPEX) excluding government-sponsored programmes, RUB million (according to the cash flow statement)	57,322	55,855	58,993	

Major capital investment projects in 2018

➢ Expanded IP/MPLS data network
➢ Completed hardware and software upgrades of IPTV/OTT platform
➢ Expanded the Transit Europe–Asia high-speed backbone cable system
➢ Carried video coverage of the 2018 Russian presidential election
➢ Deployed and upgraded automated CRM systems for B2B and B2C segments
➢ Upsized network operations centres

➢ Developed the Smart Transit Shelter project
➢ Built data centre physical infrastructure at the Kalininskaya NPP
➢ Launched back-up data centre infrastructure services for the e-government infrastructure
➢ Carried out a comprehensive upgrade of Moscow's video surveillance system

FIG. 23. CAPEX: FOCUS ON NEW STREAMS AND EFFICIENCY, 2017–2018, %

Scaling
Improvement / efficiency
New products

1. Approved by the Board of Directors on 10 December 2018; dated 10 December 2018, Minutes No. 13.
2. Information on major projects within the Capital Investment Programme for 2018–2019 is available in Appendix 9 Additional Information on PJSC Rostelecom to this Annual Report.