

**Recommendations of MTS PJSC Board of Directors to the Annual General Meeting of MTS PJSC Shareholders regarding the distribution of profit at the end of FY 2017**

**MTS PJSC FY 2017 PROFIT DISTRIBUTION PROCEDURE**

**STATEMENT OF FINANCIAL RESULTS**

**For 2017**

Entity: Mobile TeleSystems Public Joint Stock Company

Location: Moscow, Russian Federation

Main state registration number: 1027700149124

Type of activity: Telecommunication based on wireless technologies

Measurement unit: RUB million

Item description	2017 год	2016 год
Revenue	323 793	314 325
Cost of sales	(161 311)	(161 395)
<b>Gross profit</b>	<b>162 482</b>	<b>152 930</b>
Selling expenses	(48 117)	(48 182)
Administrative expenses	(32 053)	(33 970)
<b>Operating profit</b>	<b>82 312</b>	<b>70 778</b>
Income from interest in other entities	29 084	24 702
Interest income	4 340	6 335
Interest expense	(30 627)	(31 493)
Other income	67 014	37 258
Other expenses	(11 485)	(45 595)
<b>Profit before income tax</b>	<b>140 638</b>	<b>61 985</b>
Current income tax	(13 772)	(9 026)
including permanent tax (assets)/liabilities	(9 608)	3 247
Change in deferred tax liabilities	409	(1 843)
Change in deferred tax assets	112	(238)
Income tax and tax penalties of prior years	(137)	(219)
<b>Net profit</b>	<b>127 250</b>	<b>50 659</b>
<b>ADDITIONAL INFORMATION</b>		
Result of other transactions not included in current year net profit	-	(3)
Comprehensive financial result of the period	127 250	50 656
Basic/diluted earnings per share, RUB	63.68	25.14
Diluted earnings per share, RUB	63.62	25.12

**FUNDS**

The Reserve Fund of the Company has been formed to the full extent as required by Russian law and the Charter of MTS PJSC.

## DIVIDENDS

Based on the results of the first half year of 2017, MTS PJSC has paid out interim dividends amounting to 20 783 168 38 rubles (10,04 rubles per one registered ordinary share of MTS PJSC with the par value of 0,1 ruble each).

The annual dividends on common registered shares of MTS PJSC shall be RUR 23,40 per common registered share of MTS PJSC with a par value of RUR 0,1 each.

The total annual dividends of MTS PJSC shall be RUR 46 762 117 225,20.

The annual dividends shall be paid in cash within the time limit set forth in the Charter of MTS PJSC.

## FINAL DISTRIBUTION OF PROFIT AND LOSS

Expense item	Amount
Net income for 2017	RUR 127 249 688 111,70
Interim dividends paid out following the results of the first half year of 2017	RUR 20 783 168 380,00
Amount to be distributed among shareholders as dividends on common registered shares at the end of the financial year	RUR 46 762 117 225,20
Retained earnings after payment of dividends by results of 2017 fiscal years	RUR 80 487 570 886,50

Chairman,  
MTS PJSC Board of Directors

R. Sommer

President, MTS PJSC

A.V. Kornya

Chief Accountant, MTS PJSC



A.V. Dvoretiskikh