

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 2016

MTS PJSC FY 2016 PROFIT DISTRIBUTION PROCEDURE

PROFIT AND LOSS STATEMENT

For 2016

Organization: Mobile TeleSystems Public Joint Stock Company

Location: Moscow, Russian Federation

Taxpayer Identification Number: 1027700149124

Type of business activity: telecommunication services, construction, agency business

Unit of measurement: thousands of rubles

Indicator	2016 год	2015 год
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES		
Revenues (net) from sale of goods, products, works, services (less value added tax, excise tax and similar mandatory payments)	314 325 168	315 594 803
Self-cost of goods, products, works, services sold	(165 469 970)	(167 263 998)
Gross profit	148 855 198	148 330 805
Commercial expenses	(48 182 276)	(46 845 936)
Administrative expenses	(29 894 617)	(28 657 136)
Profit from sales	70 778 305	72 827 733
Income from participation in other organizations	24 701 938	5 824 192
Interest receivable	6 334 692	8 126 717
Interest payable	(31 493 232)	(30 493 824)
Other income	37 257 969	15 839 778
Other expenses	(45 595 144)	(57 841 507)
Profit before taxes	61 984 528	14 283 089
Current income tax including:	(9 025 932)	(5 209 887)
Fixed tax assets	3 246 486	5 278 208
Deferred tax liabilities	(1 843 044)	(3 518 410)
Deferred tax assets	(237 680)	1 106 409
Tax sanctions of previous years	(219 120)	(70 698)
NET INCOME FOR THE REPORTING PERIOD	50 658 752	6 590 503
Basic / Diluted earning per share, rubles.	25.14	3.19

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 2016, MTS PJSC has paid out interim dividends amounting to 23 960 595 084,25 rubles (11,99 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 15,60 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 31 174 752 570,00.

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 2016	RUR 50 658 752 332, 21
Interim dividends paid out following the results of the first half year of 2016	RUR 23 960 595 084,25
including retained earnings of previous years	RUR 8 061 063 408,52
Amount to be distributed among shareholders as dividends on common registered shares at the end of the financial year	RUR 31 174 752 570,00
including retained earnings of financial year	RUR 31 174 752 570,00

Chairman,
MTS PJSC Board of Directors

R. Sommer

President, MTS PJSC

A.A. Dubovskov

General Accounting Executive, MTS PJSC

A.V. Dvoretiskikh

