



# MTS REPORTS FINANCIAL AND OPERATING 1Q 2024 RESULTS

1Q 2024 Consolidated Group Revenue	1Q 2024 Group OIBDA	1Q 2024 Group Net Profit <sup>1</sup>
rose <b>17.4%</b> year-over-year to <b>RUB 161.3 bn.</b>	increased <b>4.8%</b> year-over-year to <b>RUB 59.1 bn.</b>	amounted to <b>RUB 39.5 bn</b> (up <b>211%</b> year-over-year)

Moscow, July 11, 2024 — Mobile TeleSystems Public Joint Stock Company (“MTS” or “the Company”) (MOEX: MTSS), a digital ecosystem, announces its first-quarter 2024 financial and operating results.

In 1Q 2024, consolidated Group revenue rose 17.4% year-over-year to RUB 161.3 bn on the back of increased revenue across all business segments. Group OIBDA in the reporting period increased by 4.8% to RUB 59.1 bn, driven by higher revenues in the Telecom and Media segments in addition to excellent Fintech performance. OIBDA growth was constrained by investments in high-potential business streams. The Group’s net profit in 1Q 2024 reached RUB 39.5 bn.



## Viacheslav Nikolaev, President and CEO, commented:

Increased construction volumes in the first quarter of this year will enable us to ensure the stable growth in Telecom, our core business. Our capital expenditures increased by 69% in the quarter due to investments both in telecom infrastructure and in our fast-growing digital businesses.

In January, we acquired a controlling stake in the kicksharing company Urent. We integrated the service with MTS ID, MTS Pay and in June launched Tariff 24, which allows users to exchange voice minutes for rides on MTS Urent scooters. The service was fully integrated into our ecosystem before the start of the season, and in April already, 65% of rides were completed by users of our ecosystem subscription service.

We are seeing an increase in the number of users of our MTS Premium ecosystem subscription service by almost 50% compared to the same period last year. It is important to note the continuing double-digit growth of our digital businesses: KION, Defender, MTS Music, Stroki and others.

We launched the first ecosystem store in our retail network, and we are already seeing good results: turnover exceeded that of our MTS flagship stores by 34%; sales of ecosystem products, by 25%; and traffic, by 150%. At the same time, we reduced our total number of retail outlets by 148 stores in the quarter, to 4,330<sup>2</sup>.



<sup>1</sup> Attributable to the owners of the Company.

<sup>2</sup> Number of Company-owned and franchised stores in operation at the end of the reporting period.

# BUSINESS-LINE HIGHLIGHTS

## TELECOM

- Revenue from connectivity services increased by 7.9% year-over-year in 1Q 2024 to RUB 112.1 bn.
- The number of three-month active mobile subscribers increased from the previous quarter to 81.3 m.

## ECOSYSTEM

- The number of ecosystem clients rose to 14.7 m in 1Q 2024, up 5.6% from 1Q 2023.
- 47.6% of adjusted B2C revenue<sup>3</sup> came from ecosystem clients in 1Q 2024.

## FINTECH

- MTS Bank's revenue rose 56.1% year-over-year in 1Q 2024.
- MTS Bank's net profit in 1Q 2024 rose 34.8% to RUB 3.9 bn.
- MTS Bank's retail loan portfolio amounted to RUB 359 bn as of the end of the reporting period.

## MEDIAHOLDING

- In February 2024 holding MTS Media was created to consolidate MTS's entertainment businesses: KION, Stroki, MTS Music, MTS Live and MTS Label.
- The total number of pay-TV subscribers (satellite, cable, IPTV, OTT) rose 13,7% year-over-year to 13.2 m as of the end of the reporting quarter.

<sup>3</sup> Based on B2C connectivity revenue (w/o fixed voice) and the Bank's operating income before provisions.

# FINANCIAL RESULTS

## Consolidated Group key figures (RUB bn)<sup>4</sup>

	1Q24	1Q23	Change, %
Revenue	161.3	137.4	17.4%
OIBDA	59.1	56.5	4.8%
Operating profit	33.2	28.5	16.3%
Profit attributable to the owners of the Company	39.5	12.7	210.9%
Cash CAPEX	29.4	17.4	68.9%
Net debt <sup>5</sup>	458.8	379.1	21.0%
Net debt / LTM adjusted OIBDA	1.9	1.7	+0.2 p.p.

In 1Q 2024, **Group Revenue** increased by 17.4% to RUB 161.3 bn thanks to positive contributions across all the Group's business segments. The double-digit revenue growth rate in the reporting quarter was driven by higher revenues from core telecom services, increased sales in the retail business, growth in MTS Bank's retail loan portfolio and commission income, as well the development of the advertising business (Adtech).

**Group OIBDA** in 1Q 2024 was RUB 59.1 bn (up 4.8% year-over-year). Although increased revenue across all business segments had a positive impact on OIBDA, growth was constrained in Q1 2024 due to ecosystem advertising and marketing costs, financial costs in Fintech and costs of developing ecosystem products.

**Group Net Profit** in 1Q 2024 amounted to RUB 39.5 bn (+210.9% year-over-year). The considerable increase in profit in the quarter was driven by improved performance, profit from discontinued operations resulting from the sale of the Company's business in Armenia as well as positive securities and currency revaluations.

**Group Cash Capital Expenditures** in 1Q 2024 rose 68.9% year-over-year to RUB 29.4 bn as a result of investments in the development of telecom infrastructure and new business streams, as well as the acquisition of subsidiaries.

As of March 31, 2024, **MTS's Net Debt** amounted to RUB 458.8 bn, with a net debt weighted average interest rate of 11.8%. The Group's Net Debt to LTM Adjusted OIBDA ratio increased year-on-year to 1.9x.

<sup>4</sup> Financial results for 1Q 2023 have been restated in connection with the deconsolidation of MTS Armenia.

<sup>5</sup> Excluding lease obligations.

## Financial and operating results

RUB bn	1Q24	1Q23	Change, %
<b>Revenue</b>	<b>161.3</b>	<b>137.4</b>	<b>17.4%</b>
<b>B2C</b>	<b>109.9</b>	<b>95.0</b>	<b>15.7%</b>
Connectivity	72.3	67.4	7.2%
Sales of handsets	10.2	8.9	14.4%
Bank revenue	25.0	16.8	49.3%
Other	2.4	1.9	25.7%
<b>B2B/G</b>	<b>43.9</b>	<b>32.5</b>	<b>34.8%</b>
Connectivity	21.5	18.5	16.2%
Adtech	11.2	7.3	52.9%
Sales of handsets	3.1	1.7	85.7%
Bank revenue	4.6	2.1	122.1%
Other	3.4	2.9	16.2%
<b>B2O</b>	<b>18.3</b>	<b>18.0</b>	<b>1.8%</b>
Intragroup transactions	-10.8	-8.1	33.2%
<b>OIBDA</b>	<b>59.1</b>	<b>56.5</b>	<b>4.8%</b>
margin	36.7%	41.1%	-4.4 p.p.
<b>Net profit</b>	<b>39.5</b>	<b>12.7</b>	<b>210.9%</b>
margin	24.5%	9.2%	15.3 p.p.
Number of MTS retail stores <sup>6</sup>	4,330	5,196	-866
For informational purposes only: connectivity revenue	112.1	103.9	7.9%

**Connectivity revenue** in Russia in 1Q 2024 rose 7.9% year-over-year to RUB 112.1 bn thanks to a 7.2% increase in revenues from basic and digital services in the B2C segment and a 16.2% increase in the B2B segment. The Company's advertising business (**Adtech**) is accelerating its growth rate by expanding its product portfolio, building up its advertising inventory and increasing its client base. Adtech revenue rose 52.9% to RUB 11.2 bn in 1Q 2024. Revenue from **banking services** grew 57.3% year-over-year as a result of increased lending and higher commission income. **Sales of handsets and accessories** in 1Q 2024 increased by 25.8% year-over-year.

<sup>6</sup> Number of Company-owned and franchised stores in operation at the end of the reporting period.

# SHAREHOLDER RETURNS

In April, MTS's Board of Directors approved a new dividend policy for 2024–2026 that stipulates a target dividend yield of not less than RUB 35.0 per ordinary MTS share each calendar year.

At the same time, the Board recommended that the Annual General Meeting of Shareholders, scheduled for June 26, 2024, approve annual dividends based on the Company's financial results for 2023 in the amount of RUB 35.0 per share, or RUB 68.6 bn (RUB 68,590,090,555), including quasi-treasury shares. July 16, 2024, was recommended as the dividend record date.

In June 2024, the Annual General Meeting of Shareholders approved annual dividends in the amount of RUB 35.0 per share.

# RECENT COMPANY NEWS

## Corporate developments

The Annual General Meeting of Shareholders, which took place on June 26, 2024, in the form of absentee voting, adopted the following decisions, among others:

- To approve the Company's Annual Report for 2023 and annual Financial Statements;
- To approve the distribution of profits and payment of final annual dividends for 2023 in the amount of RUB 68.6 billion, or RUB 35.00 per ordinary MTS share, with a par value of RUB 0.1;
- To set July 16, 2024, as the dividend record date;
- To elect a new MTS Board of Directors consisting of nine members, the majority of whom are independent directors;
- To elect the members of the Company's Auditing Commission;
- To approve Business Solutions and Technologies JSC as MTS's auditor; and
- To approve MTS's Charter as amended and the Regulations on the Board of Directors as amended.

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Stream Digital LLC, a wholly owned subsidiary of MTS, announced a tender offer on April 27, 2024, for the purposes of buying back up to 83,932,026 shares, or up to 4.2% of the Company's issued shares, from MTS shareholders, including JPMorgan Chase Bank, N.A., the depository bank for the Company's depository receipts program, for a price of RUB 95 per share. Bids were accepted until June 18, 2024.

Through the tender offer, 26,253,646 ordinary MTS shares, or 1.31% of all shares issued, were duly tendered to Stream Digital for the amount of RUB 2,494,096,370.

Stream Digital LLC purchased 26,155,547 ordinary MTS shares, representing 1.31% of total issued shares, for a total amount of RUB 2,484,776,965. The relevant payments have been made in euros. Investors from the US, Great Britain, the EU and Asia took part in the tender offer.

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In February 2024, MTS established a management company called MTS Media in order to develop the media business within the MTS digital ecosystem and to consolidate the Group's entertainment businesses. The MTS Media holding manages Stroki, MTS Label, Kion streaming service, MTS Live and MTS Music.

In June 2024, Sofia Mitrofanova was appointed CEO of MTS Media LLC.

## Debt

In March, MTS issued two floating-rate exchange-traded bonds worth a total of RUB 42 billion: series 002P-04 bonds, tied to the ruble overnight index average rate (RUONIA); and series 002P-05 bonds, tied to the Bank of Russia's key rate. By simultaneously placing two bond issues with floating coupon rates tied to two different market indicators, and considering market-friendly calculations, the Company was able to raise a record amount of financing for itself and for the telecom sector. The bonds were also added to Moscow Exchange's Level 1 quotation list.

## M&A

In January, MTS announced that it had completed a deal to sell a 100% stake in its subsidiary in the Republic of Armenia, MTS Armenia CJSC (the Viva-MTS brand), to Fedilco Group Limited (Republic of Cyprus). The deal also included MTS Armenia's wholly owned subsidiary MobiDram CJSC, a payment system providing financial services in the Armenian market. MTS received all the necessary corporate approvals for the deal as well as regulatory approval from the responsible agencies in the Republic of Armenia: the State Commission for the Protection of Economic Competition and the Public Services Regulatory Commission.

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In January, MTS announced that it had completed a deal to increase its stake in UrentBike.ru LLC (Urent) from 11.8% to 80.6% by purchasing shares from the company's founders. Under the terms of the agreement, Urent's management team, led by the company's CEO, Ivan Turinge, will continue to run the project, with key management continuing to play a role in the company's efforts to develop the business in line with its strategy.

## Innovation and products

In January, MTS launched its Network Orchestration Platform to automate the management of its fixed access network. The platform enables centralized network management, meaning that network technology changes can be made throughout the country in real time, while also making network infrastructure resilient in the face of external threats.

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In February, MTS became the first company in Russia to develop and launch its own proprietary geoplatform for creating and updating digital 3D terrain maps by using generative artificial intelligence based on a neural network to process satellite images. MTS's solution will make it possible to quickly and more accurately select installation sites for base stations, which will improve both the quality of mobile communication services and the efficiency of investments in infrastructure development.

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In February, MTS received seven Digital Communications Awards, international awards established by the Russian Association of Communications and Corporate Media Directors. Projects were assessed by the Association's expert jury, which included winners from the previous year: the heads of major digital companies as well as television personalities and university representatives. The jury met in person to vote on the winners based on open case presentations.

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In March, MTS launched a new telecom platform that will enable ecosystem companies to manage resources and services in the telecom industry. It will replace the Foris billing system, which the Company has used for more than 20 years. Within a year, 30% of subscribers will be transferred to the new platform, and all MTS subscribers will switch to the platform in the next three years.

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In March, MTS introduced a new automated system for monitoring the quality of transport, switching and cloud networks throughout the country. The system gathers real-time information about the condition of equipment and processes it with the help of artificial intelligence, thus improving the stability and reliability of the Company's network infrastructure. The new system differs from the previous automated functionality by offering improved performance on a larger scale.





# CAUTIONARY STATEMENT

This press release was prepared by Mobile TeleSystems Public Joint Stock Company (“MTS” or “the Company”), without independent verification, on the basis of the Company’s unaudited interim consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the three months ended March 31, 2024.

Some of the information in this press release may contain projections or other forward-looking statements or statements regarding the future financial performance of MTS or of MTS Group subsidiaries. Forward-looking statements include projections regarding beliefs and expectations. MTS cautions that projections are not a guarantee of future results and that they involve risks and other important factors that MTS cannot accurately predict. Actual outcomes and results may differ considerably from what MTS projects in its forward-looking statements. MTS does not undertake any obligation to update or revise these statements, whether as a result of new information or for any other reason, or to align them with actual results. The figures used in this press release may be rounded, which could result in minor differences in data and percentages compared with the figures presented in the Company’s published financial statements.

The information contained in this press release should in no way be considered complete, accurate or impartial. The information in this press release is subject to verification, finalization and revision. MTS has not made, nor does it make, on behalf of itself, its shareholders, its directors, its officers or any other party any representation or warranty, express or implied, as to the accuracy, completeness or objectivity of the information contained herein. None of the directors of MTS, its shareholders, its officers or any other party assumes any responsibility for any losses of any kind that may be incurred as a result of any use of the content of this press release.



## NOTE ON FINANCIAL MEASURES & DEFINITIONS

This press release includes financial information prepared in accordance with International Financial Reporting Standards, or IFRS, as well as other financial measures referred to as non-IFRS. The non-IFRS financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Due to rounding and translation practices, Russian ruble and functional currency margins, as well as other financial measures, may differ.

**OIBDA and OIBDA margin can be reconciled to our consolidated statements of profit or loss as follows<sup>7</sup>:**

Group (RUB bn)	1Q23	2Q23	3Q23	4Q23	1Q24
Operating profit	28.5	33.6	30.0	30.7	33.2
Add: D&A	27.9	28.7	28.8	26.0	25.9
OIBDA	56.5	62.2	58.8	56.7	59.1

**OIBDA margin can be reconciled to our operating margin as follows<sup>7</sup>:**

Group	1Q23	2Q23	3Q23	4Q23	1Q24
Operating margin	20.8%	23.3%	19.2%	18.3%	20.6%
Add: D&A	20.3%	19.9%	18.4%	15.5%	16.1%
OIBDA margin	41.1%	43.2%	37.6%	33.7%	36.7%

**Free cash flow excl. Bank can be reconciled to our free cash flow as follows<sup>7</sup>:**

Group (RUB bn)	3m23	6m23	9m23	FY 23	3m24
Group free cash flow	9.6	-3.1	27.1	34.8	-6.5
Less: Bank free cash flow	-11.0	-39.3	-30.4	-10.0	-6.0
Free cash flow excl. Bank	20.6	36.2	57.6	44.8	-0.5

<sup>7</sup> Totals may add up differently due to rounding.

### Definitions

**Total debt.** Total debt represents short-term and long-term debt excluding lease obligations and debt issuance costs.

**Net debt.** Net debt represents total debt less cash and cash equivalents, short-term investments, long-term deposits, swap and currency hedging. Our net debt calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare our periodic and future liquidity within the wireless telecommunications industry. Our net debt calculation may not be similar to the net debt calculation of other companies. The non-IFRS financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS.

**Free Cash Flow.** Free cash flow is represented by net cash from operating activities less cash used for certain investing activities. Free cash flow is commonly used by investors, analysts and credit rating agencies to assess and evaluate our performance over time and within the wireless telecommunications industry. Our free cash flow calculation may not be similar to the free cash flow calculation of other companies. Because free cash flow is not based in IFRS and excludes certain sources and uses of cash, the calculation should not be looked upon as an alternative to our consolidated statement of cash flows or other information prepared in accordance with IFRS.

**Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin.** OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. OIBDA may not be similar to OIBDA measures of other companies, is not a measurement under IFRS and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of profit or loss. We believe that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions of mobile operators and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under IFRS, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. We use the term Adjusted for OIBDA and operating profit where there were items that do not reflect underlying operations that were excluded.

**Subscriber.** We define a “subscriber” as an organization or individual whose SIM-card:

- shows traffic-generating activity or
- accrues a balance for services rendered or
- is replenished or topped off

over the course of any three-month period, inclusive within the reporting period, and was not blocked at the end of the period.



# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2024



(AMOUNTS IN MILLIONS OF RUB EXCEPT PER SHARE AMOUNT)

	Three months ended	
	March 31, 2024	March 31, 2023
Service revenue	147 619	126 442
Sales of goods	13 696	10 995
<b>Revenue</b>	<b>161 315</b>	<b>137 437</b>
Cost of services	(49 701)	(38 109)
Cost of goods	(12 731)	(9 737)
Selling, general and administrative expenses	(34 274)	(30 205)
Depreciation and amortization	(25 944)	(27 917)
Operating share of the profit of associates and joint ventures	1 021	1 271
Other operating expenses	(6 480)	(4 195)
<b>Operating profit</b>	<b>33 206</b>	<b>28 545</b>
<b>Other non-operating income / (expenses):</b>		
Finance income	1 049	497
Finance costs	(20 777)	(12 553)
Other non-operating income / (expenses)	12 079	(862)
<b>Total other non-operating expenses, net</b>	<b>(7 649)</b>	<b>(12 918)</b>
<b>Profit before tax from continuing operations</b>	<b>25 557</b>	<b>15 627</b>
Income tax expense	(5 482)	(3 141)
<b>Profit for the period from continuing operations</b>	<b>20 075</b>	<b>12 486</b>
<b>Discontinued operation:</b>		
Profit after tax for the period from discontinued operation	19 709	444
<b>Profit for the period</b>	<b>39 784</b>	<b>12 930</b>
Profit for the period attributable to non-controlling interests	(325)	(237)
<b>Profit for the period attributable to owners of the Company</b>	<b>39 459</b>	<b>12 693</b>
<b>Other comprehensive (loss) / income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	137	2 475
Net fair value loss on financial instruments	(88)	(75)
<b>Total other comprehensive (loss)/income, net of taxes</b>	<b>49</b>	<b>2 400</b>
<b>Total comprehensive income/(loss)</b>	<b>39 833</b>	<b>15 330</b>
Less comprehensive loss/(income) for the period attributable to the noncontrolling interests	(325)	(237)
<b>Comprehensive income/(loss) attributable to the Group</b>	<b>39 508</b>	<b>15 093</b>
Weighted average number of common shares outstanding, in thousands - basic	1 682 954	1 684 980
Earnings per share attributable to the Group - basic:		
EPS from continuing operations, RUB	11,74	7,27
EPS from discontinued operation, RUB	11,71	0,26
Total EPS - basic, RUB	23,45	7,53
Weighted average number of common shares outstanding, in thousands - diluted	1 699 484	1 708 499
Earnings per share attributable to the Group - diluted:		
EPS from continuing operations, RUB	11,62	7,17
EPS from discontinued operation, RUB	11,60	0,26
Total EPS - diluted, RUB	23,22	7,43





# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2024 AND AS OF DECEMBER 31, 2023

(AMOUNTS IN MILLIONS OF RUB)



	As of March 31, 2024	As of December 31, 2023
<b>ASSETS</b>		
NON-CURRENT ASSETS:		
Property, plant and equipment	312 842	314 270
Investment property	9 438	8 547
Right-of-use assets	107 764	111 305
Goodwill	49 229	49 230
Other intangible assets	125 625	120 470
Investments in associates and joint ventures	21 673	22 170
Other investments	66 233	43 462
Deferred tax assets	9 577	9 221
Accounts receivable, related parties	1 205	1 202
Trade accounts receivable	1 736	1 607
Bank loans to customers and interbank loans due from banks	200 351	188 713
Other financial assets	12 391	12 510
Other assets	3 016	3 232
<b>Total non-current assets</b>	<b>921 080</b>	<b>885 939</b>
CURRENT ASSETS:		
Inventories	18 414	19 010
Trade and other receivables	41 979	40 746
Accounts receivable, related parties	4 804	4 821
Bank loans to customers and interbank loans due from banks	155 083	148 144
Short-term investments	33 652	39 791
Advances paid and prepaid expenses	11 462	12 360
VAT receivable	10 503	11 984
Income tax assets	7 136	3 754
Assets held for sale	113	19 952
Cash and cash equivalents	81 056	73 752
Other financial assets	37 998	30 481
Other assets	1 093	815
<b>Total current assets</b>	<b>403 293</b>	<b>405 610</b>
<b>TOTAL ASSETS</b>	<b>1 324 373</b>	<b>1 291 549</b>
<b>EQUITY AND LIABILITIES</b>		
EQUITY:		
Equity attributable to owners of the Company	17 633	- 5 098
Non-controlling interests	7 144	6 818
<b>Total equity</b>	<b>24 777</b>	<b>1 720</b>
NON-CURRENT LIABILITIES:		
Borrowings	229 545	312 868
Lease obligations	109 525	113 003
Bank deposits and liabilities	20 512	20 774
Deferred tax liabilities	8 181	6 911
Provisions	10 135	10 374
Contract liabilities	1 108	1 102
Other financial liabilities	5 690	5 230
Other non-financial liabilities	2 053	2 426
<b>Total non-current liabilities</b>	<b>386 749</b>	<b>472 688</b>
CURRENT LIABILITIES:		
Trade and other payables	81 069	95 951
Accounts payable, related parties	717	762
Contract liabilities	30 225	29 613
Borrowings	343 414	241 187
Lease obligations	21 328	20 509
Bank deposits and liabilities	372 300	347 110
Income tax liabilities	1 458	711
Provisions	28 343	41 780
Other financial liabilities	5 977	6 146
Other non-financial liabilities	28 016	30 166
Liabilities directly associated with the assets held for sale	-	3 206
<b>Total current liabilities</b>	<b>912 847</b>	<b>817 141</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 324 373</b>	<b>1 291 549</b>





**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2024 AND 2023**

(AMOUNTS IN MILLIONS OF RUB)

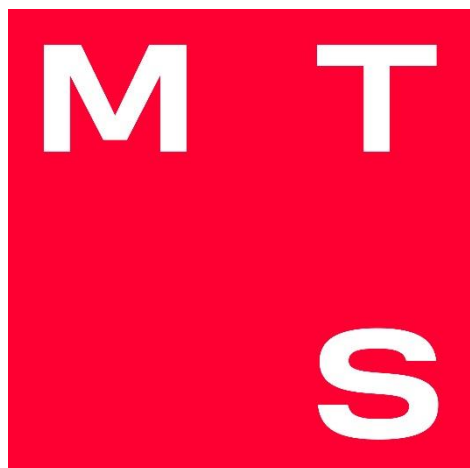


	Three months ended March 31, 2024	Three months ended March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the year	39 785	12 930
<b>Adjustments for:</b>		
Depreciation and amortization	26 199	28 549
Impairment of financial assets	9 135	7 208
Profit from sale of Armenia operations	(19 074)	-
Finance income	(1 124)	(501)
Finance costs	20 788	12 582
Income tax expense	5 541	3 321
Share of profit of associates and joint ventures	(1 129)	(1 351)
Net foreign exchange (gain) / loss and change in fair value of financial instruments	(13 052)	1 455
Inventory obsolescence expense	456	566
Change in provisions	(12 832)	(4 513)
Other non-cash items	(497)	(728)
<b>Movements in operating assets and liabilities:</b>		
Increase in trade and other receivables and contract assets	(1 576)	(1 360)
Increase in bank deposits and loans to customers	(27 466)	(18 752)
Decrease in inventory	136	592
Increase in advances paid and prepaid expenses	(6 232)	(8 846)
Decrease in VAT receivable	1 481	782
Increase/(Decrease) in trade and other payables, contract liabilities and other liabilities	(7 220)	6 504
Increase in bank deposits and liabilities	24 268	5 925
Dividends received	1 074	717
Income tax paid	(7 280)	(4 308)
Interest received	517	260
Interest paid, net of interest capitalized	(20 056)	(12 732)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>11 844</b>	<b>28 300</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Aquisition of subsidiary, net of cash acquired	(253)	-
Purchases of property, plant and equipment	(15 304)	(6 890)
Purchases of other intangible assets	(14 142)	(10 540)
Cost to obtain and fulfill contracts, paid	(1 505)	(987)
Proceeds from sale of property, plant and equipment and assets held for sale	2 006	533
Purchases of short-term and other investments	(4 815)	(1 296)
Proceeds from sale of short-term and other investments	3 554	926
Investments in associates and joint ventures	(4 637)	(710)
Net cash paid related to swap contracts	(1 542)	(101)
Proceeds from sale of subsidiaries, net of cash disposed	15 561	-
Purchases of investment property	(34)	-
Other investing activities	-	(50)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21 112)</b>	<b>(19 115)</b>



**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from loans	833	382
Repayment of loans	(10 009)	(35 939)
Proceeds from issuance of notes	41 802	20 600
Proceeds from issuance of notes	(14 676)	(10 000)
Notes and debt issuance cost paid	-	(35)
Lease obligation principal paid	(4 382)	(4 525)
Dividends paid	(4)	(54)
Cash flows from transactions under common control	-	21
Acquisition of NCI	(100)	-
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>13 463</b>	<b>(29 550)</b>
Effect of exchange rate changes on cash and cash equivalents	1 050	3 774
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5 245</b>	<b>(16 591)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<b>75 811</b>	<b>78 292</b>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>81 056</b>	<b>61 701</b>

**CONTACTS**

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