

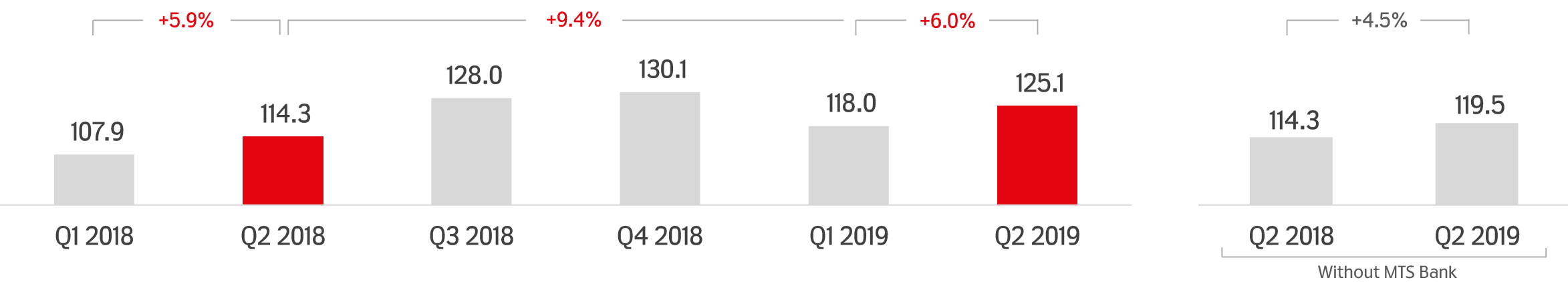
Q2 2019 Financial and Operating Results

Safe harbor

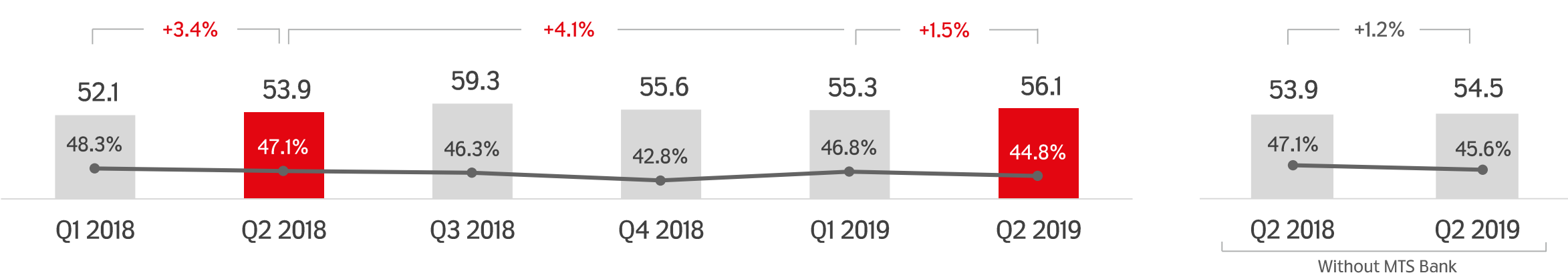
Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might,” and the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not undertake or intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company’s most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned “Risk Factors” that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies, our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so, strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures, rapid technological and market change, acquisition strategy, risks associated with telecommunications infrastructure, governmental regulation of the telecommunications industries and other risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management and future growth subject to risks.

Group Performance

TOTAL GROUP REVENUE (RUB bln)

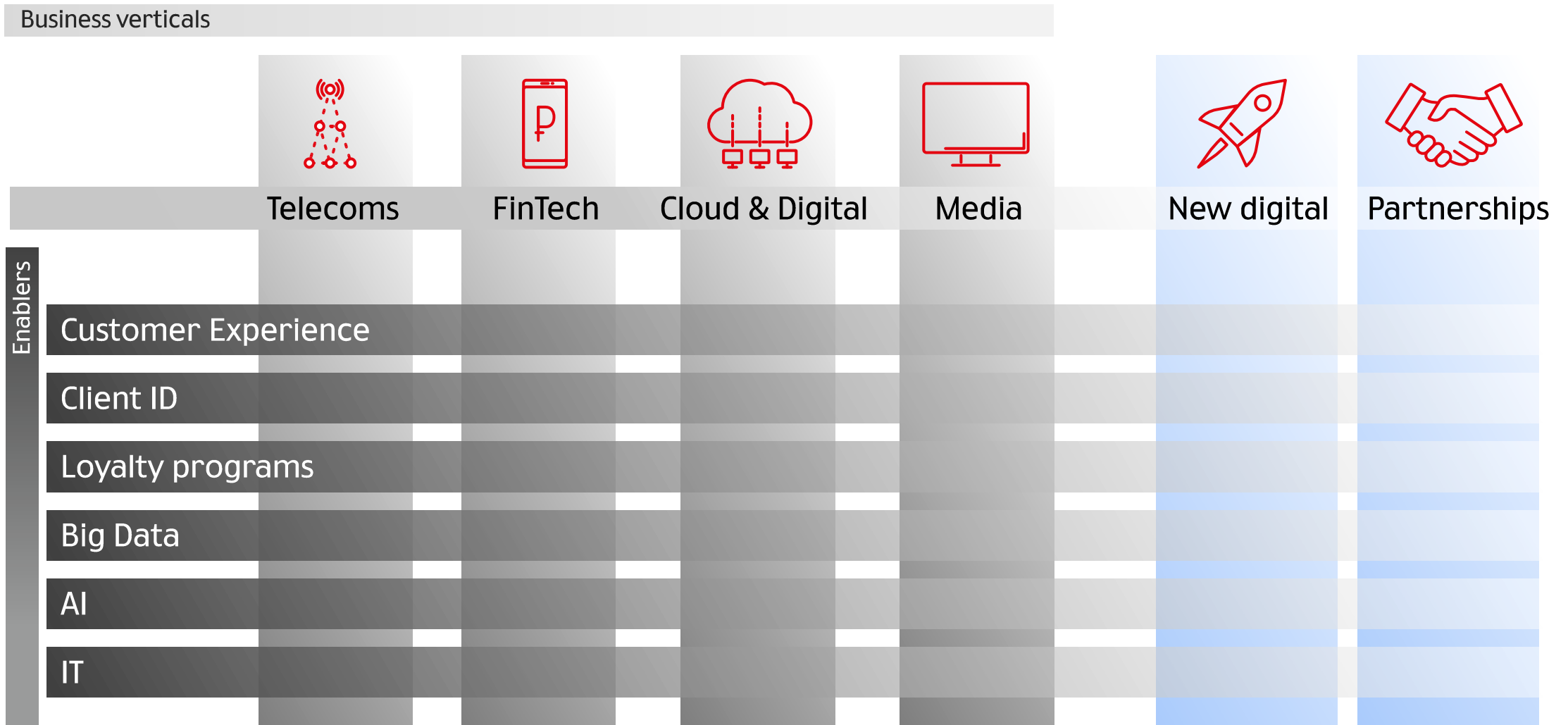


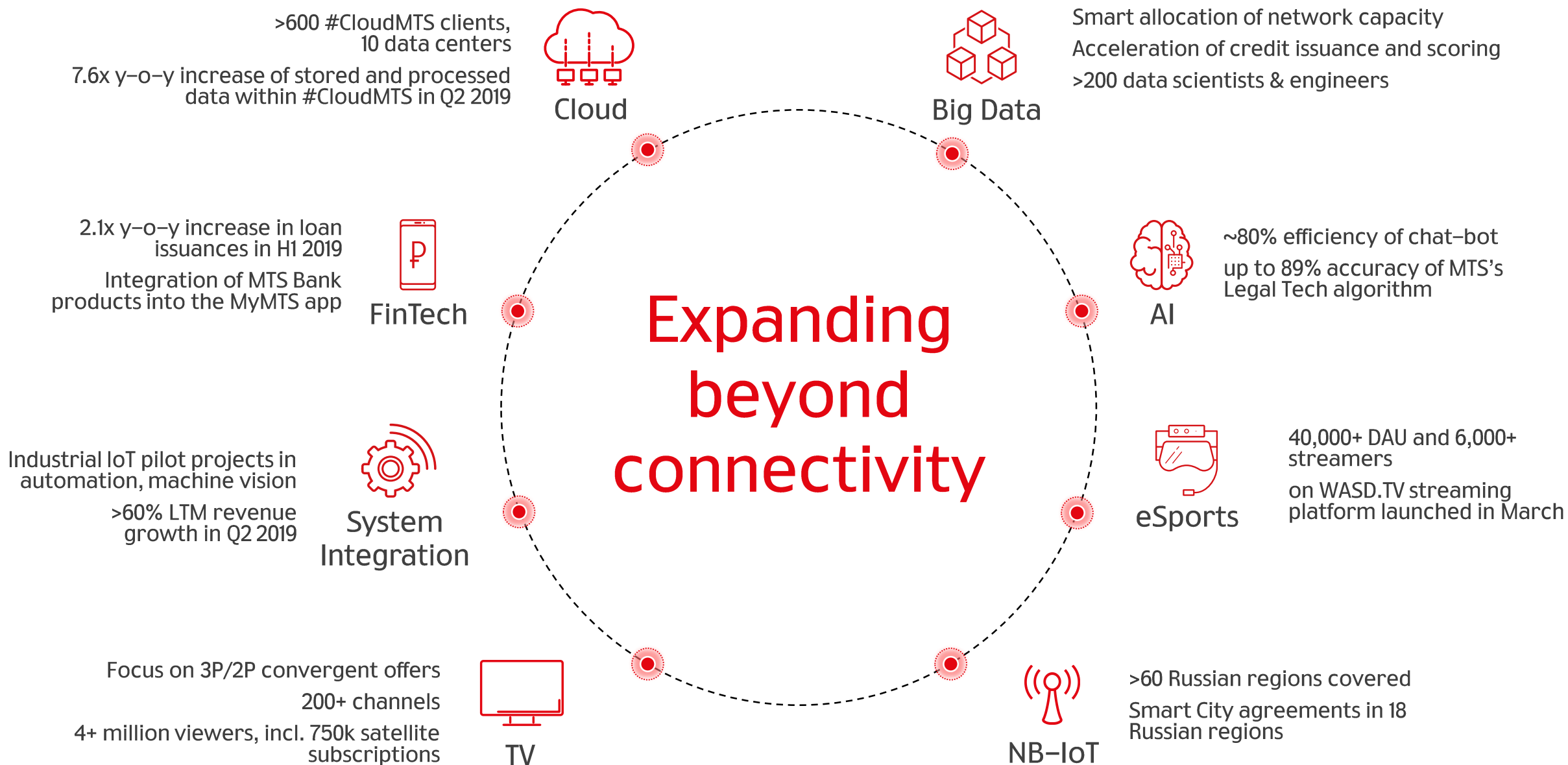
TOTAL GROUP ADJUSTED OIBDA* AND ADJUSTED OIBDA MARGIN (RUB bln)



*Adjusted OIBDA doesn't include a loss from impairment of non-current assets of RUB 0.1 bln for Q4 2018

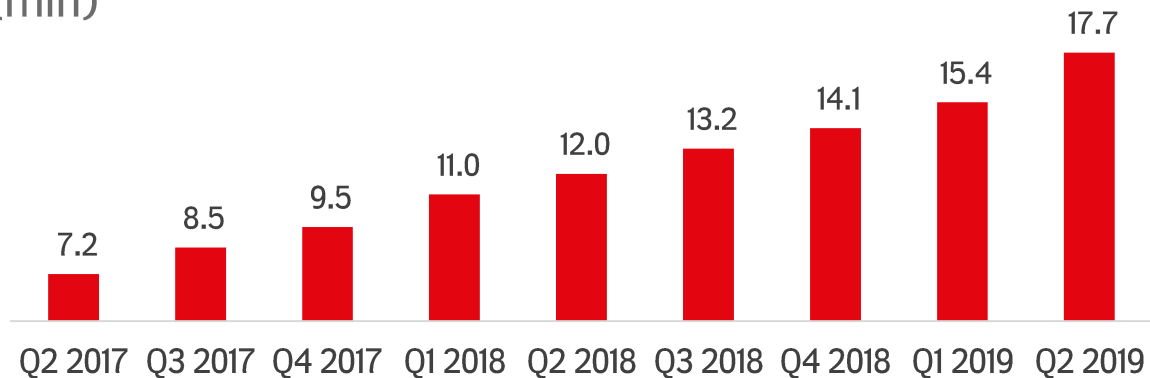
Agile Ecosystem–Focused Org Structure





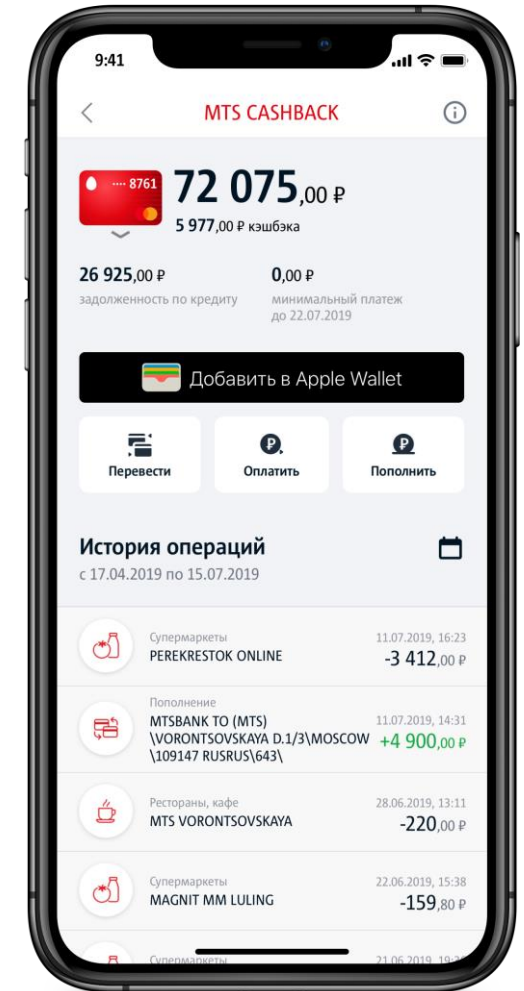
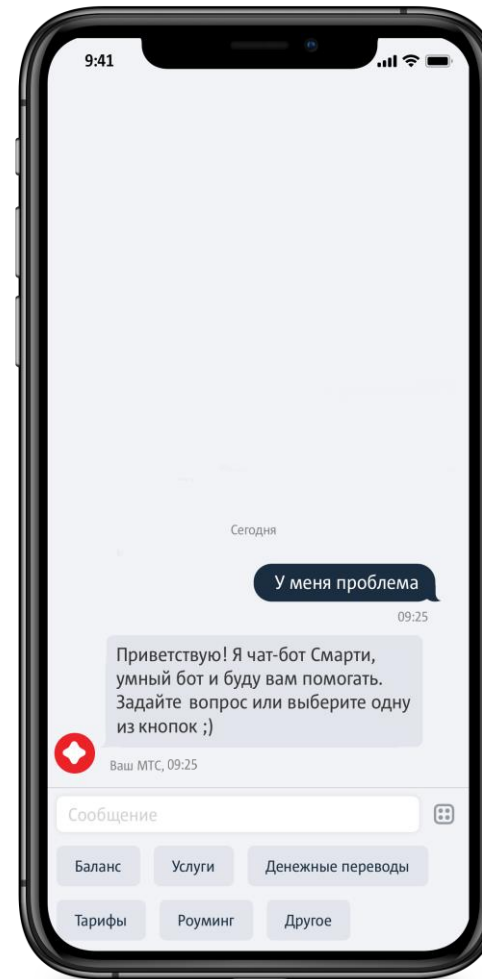
MyMTS – Customer Care & Loyalty

1-MONTH ACTIVE USERS of MyMTS (mln)

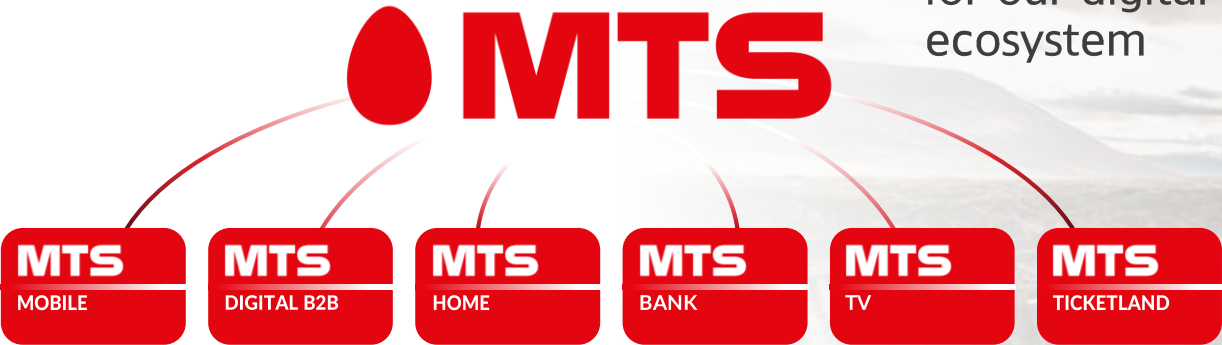


MyMTS

- ★ 4.6 App Store / 4.6 Google Play.
- AI-based chat bot, with a 80%+ success rate of resolving customer issues without human assistance.
- Multi-account information including fixed-line subscriptions and in-app sign-ups for broadband/TV/satellite service.
- Integration with MTS Bank Cashback credit cards.



Brand Refresh



An extendable masterbrand for our digital ecosystem

MTS

Be better every day

A new slogan that reflects our commitment to continuous improvement

MTS

Пришла пора измениться

НАШ НОВЫЙ СТИЛЬ

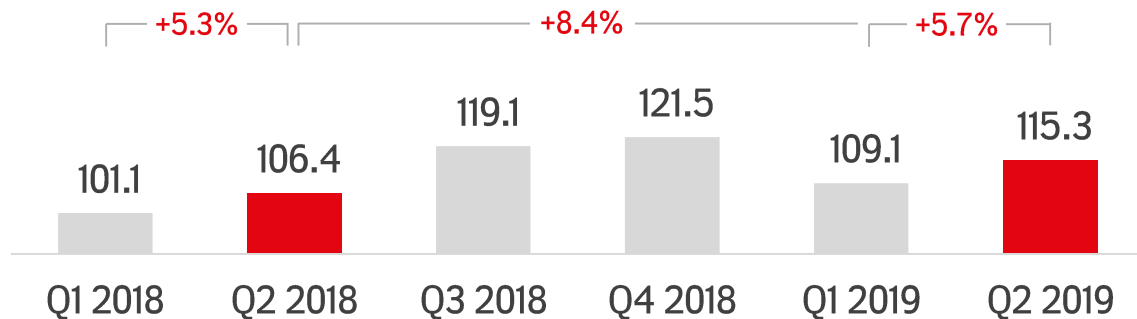
MTS MOBILE

Быть лучше каждый день

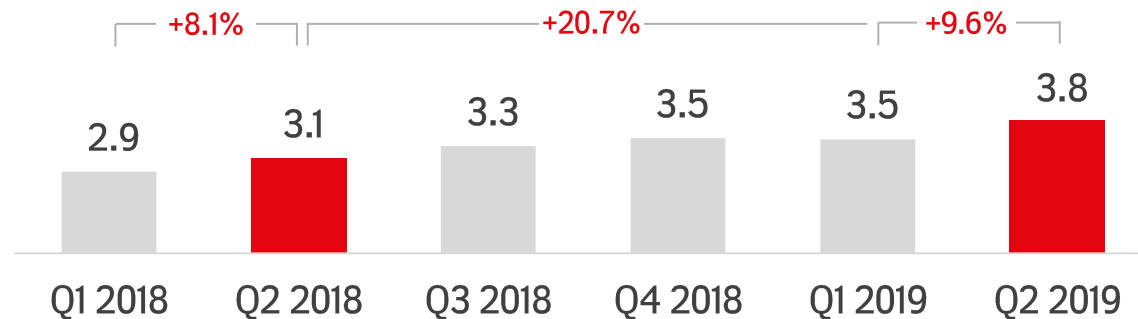
Lorem ipsum dolor sit amet, consectetur adipiscing elit. Fusce massa urna, porttitor eget eleifend at, fringilla quis libero. Sed mi sapien consectetur sed turpis id, semper volutpat nisi. Nam condimentum pretium vehicula. Maecenas id aliquet magna. Quisque ullamcorper diam libero, id rutrum leo commodo tincidunt. Fusce in mauris eget felis aliquet

Russia and Ukraine

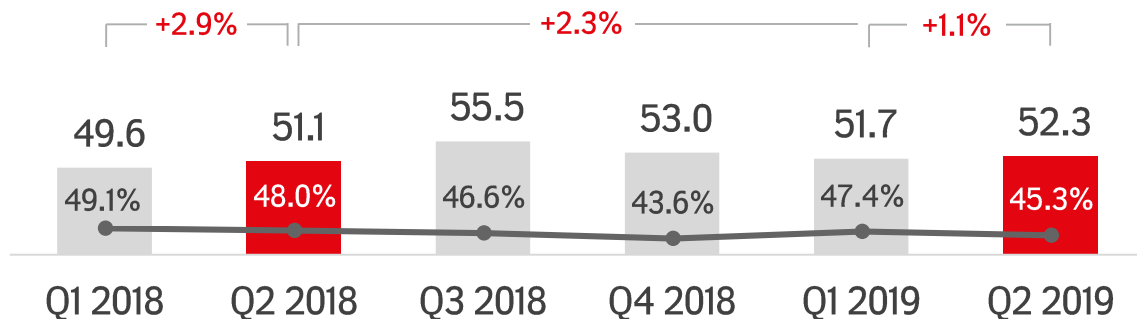
RUSSIA REVENUE (RUB bln)



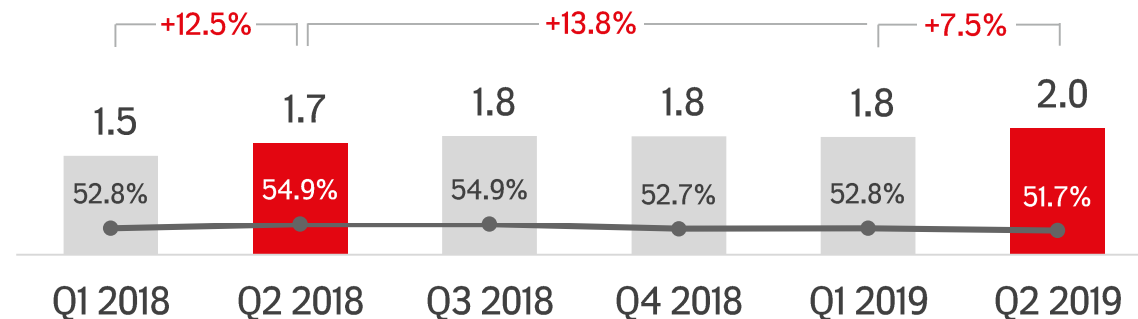
UKRAINE REVENUE (UAH bln)



RUSSIA ADJUSTED* OIBDA AND OIBDA MARGIN (RUB bln)



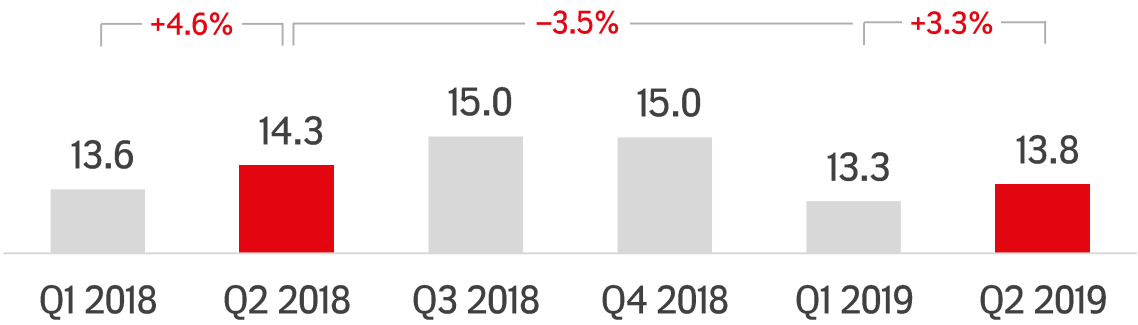
UKRAINE OIBDA AND OIBDA MARGIN (UAH bln)



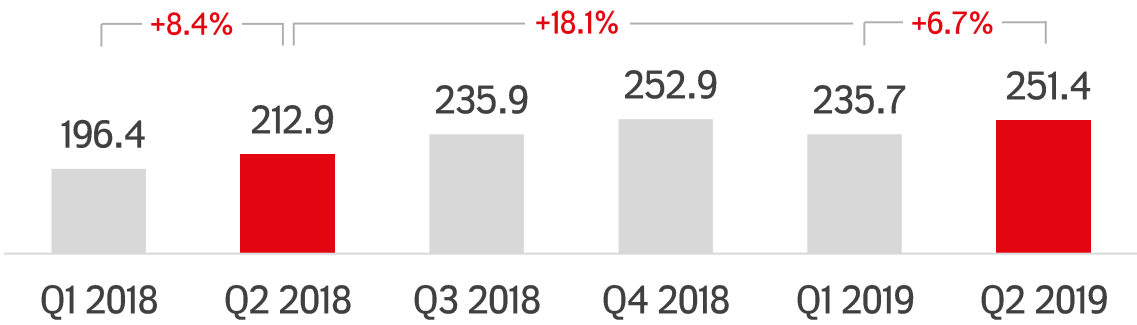
*Adjusted OIBDA Q4 2018 doesn't include a loss from impairment of non-current assets of RUB 0.2 bln

Armenia and Belarus

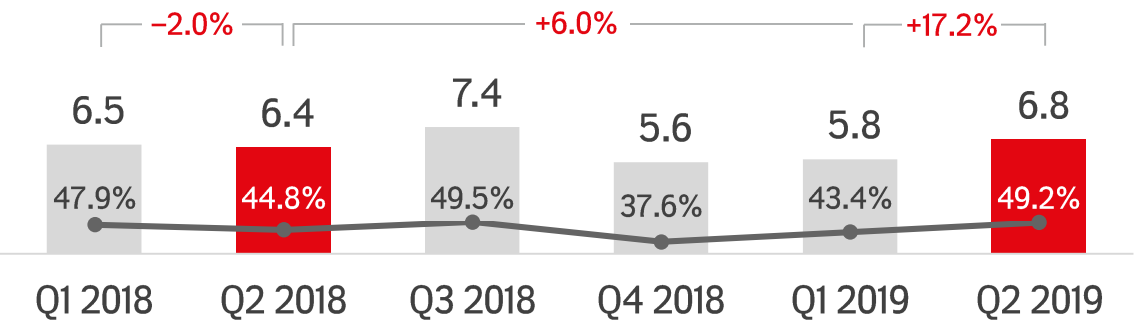
ARMENIA REVENUE
(AMD bln)



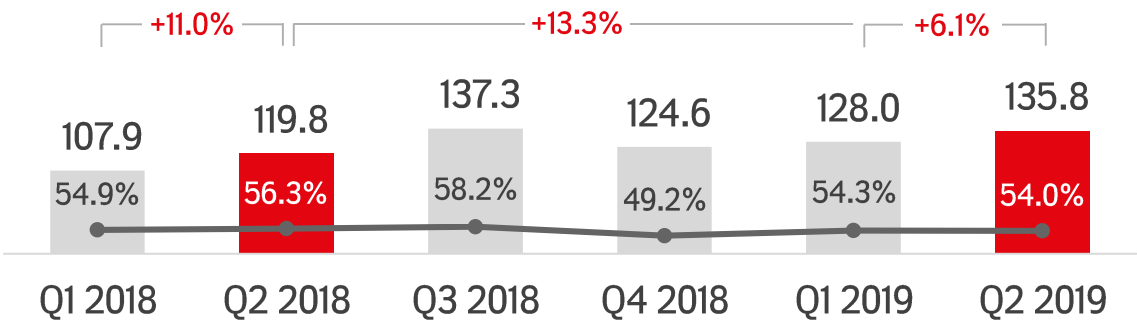
BELARUS REVENUE
(BYN mln)



ARMENIA OIBDA AND OIBDA MARGIN
(AMD bln)

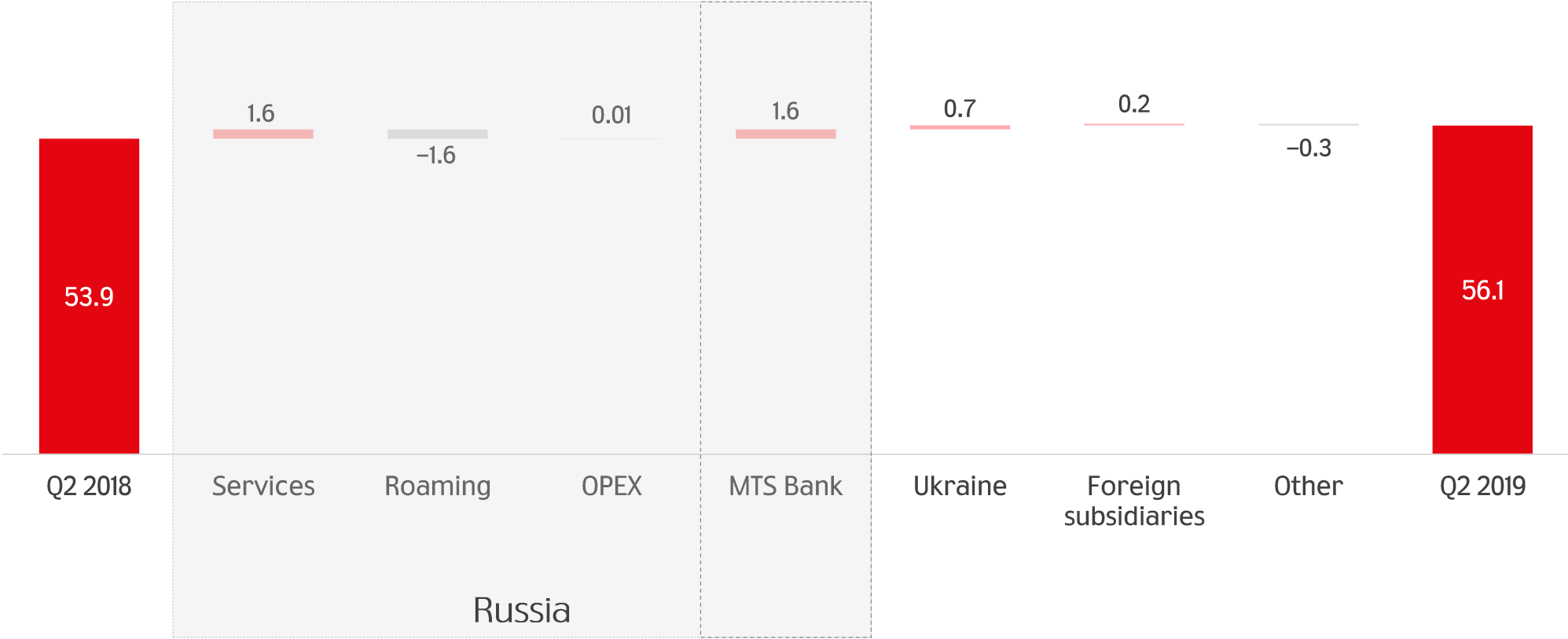


BELARUS OIBDA AND OIBDA MARGIN
(BYN mln)



Group OIBDA Factor Analysis

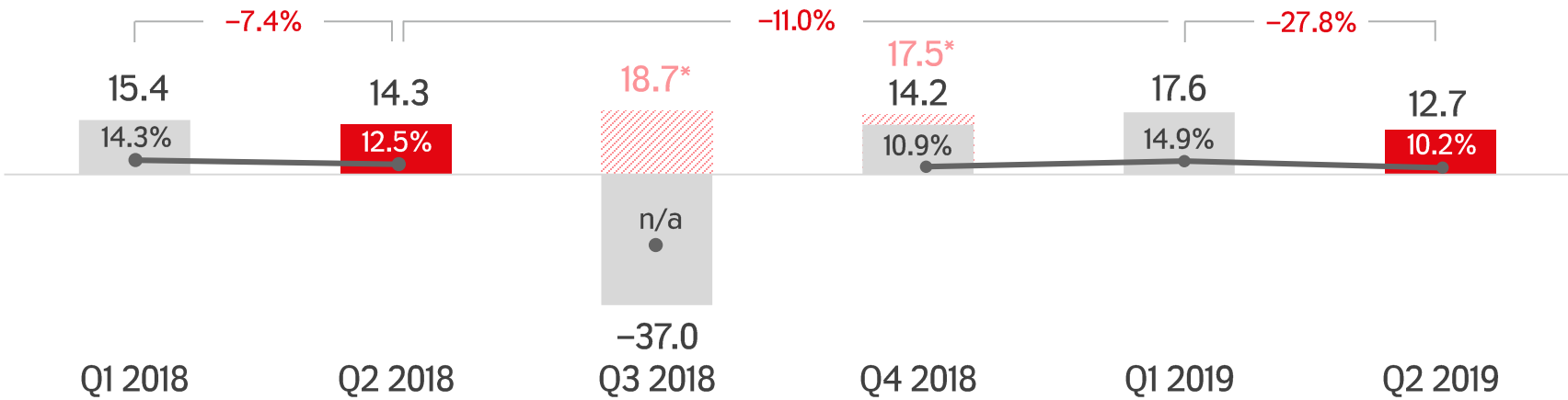
TOTAL GROUP OIBDA: FACTOR ANALYSIS*
(RUB bln)



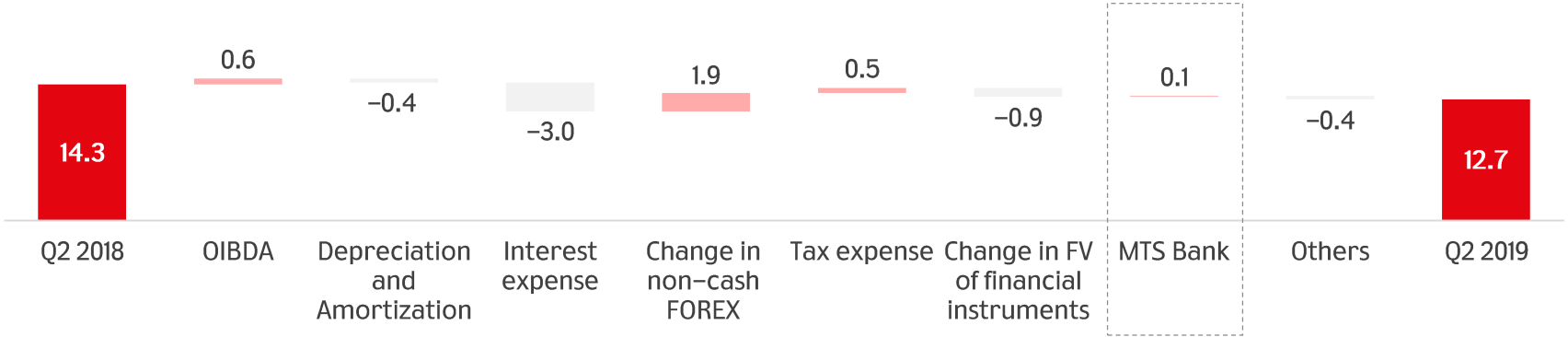
*Totals may add up differently due to rounding

Group Net Profit

GROUP NET PROFIT AND NET PROFIT MARGIN (RUB bln)



GROUP NET PROFIT FACTOR ANALYSIS** (RUB bln)

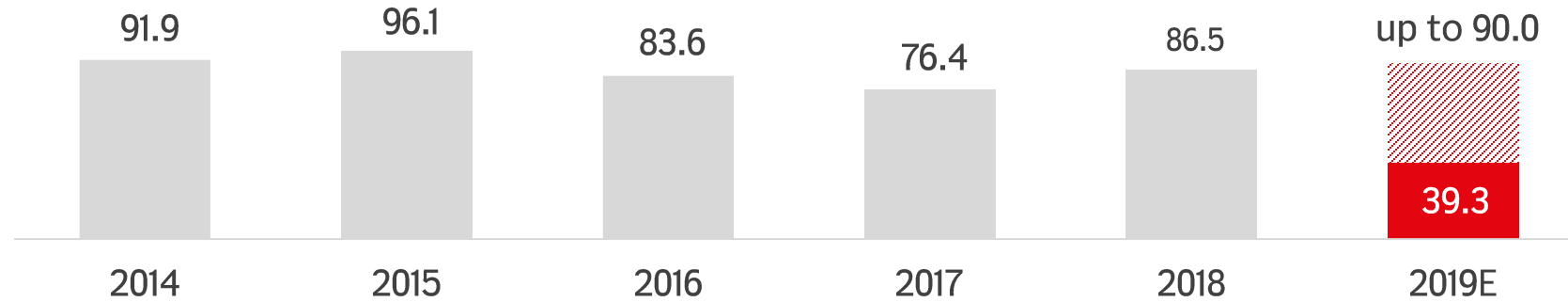


*Excluding RUB 55.8 bln in Q3 2018, RUB 3.3 bln in Q4 2018 provision for liability with respect to SEC and DOJ investigation

**Totals may add up differently due to rounding

Group Cash CAPEX

CASH CAPEX
(RUB bln)

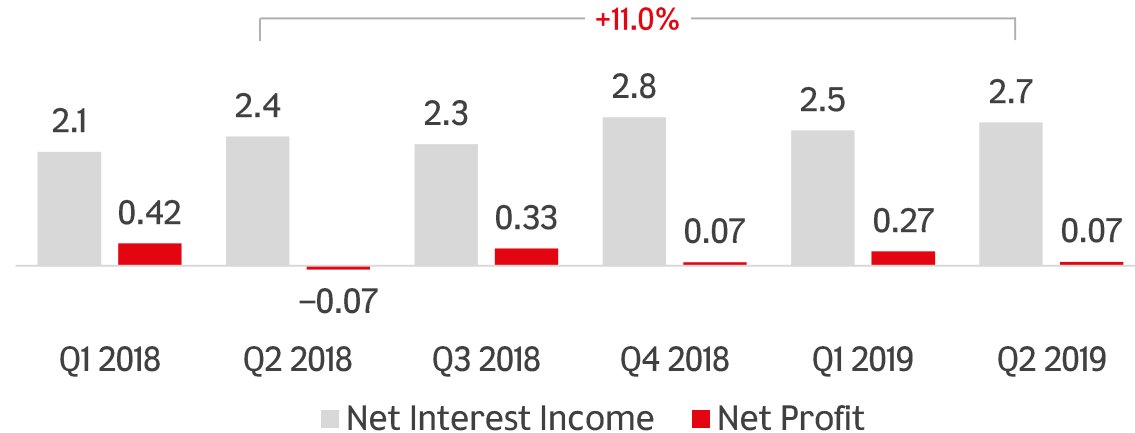


	H1 2018		H1 2019	
	Cash CAPEX (RUB bln)	As % of revenue	Cash CAPEX (RUB bln)	As % of revenue
Russia	30.9	14.9%	35.1	15.6%
Ukraine *	3.2	23.9%	3.9	22.2%
Armenia **	0.2	4.7%	0.3	9.2%
Group *,**	34.2	15.4%	39.3	16.2%

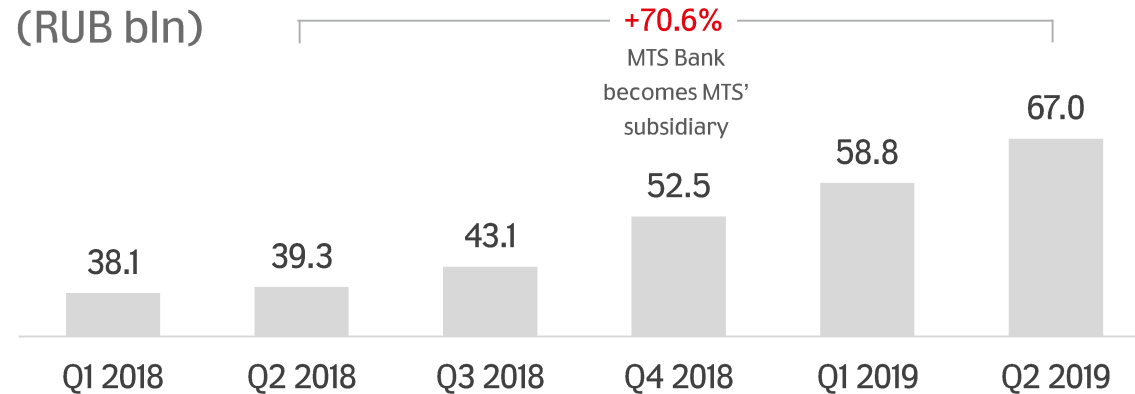
*Excluding costs of RUB 5.5 bln related to the purchase of 4G licenses in Ukraine in H1 2018

**Excluding costs of RUB 0.02 bln related to the purchase of 4G licenses in Armenia in H1 2019

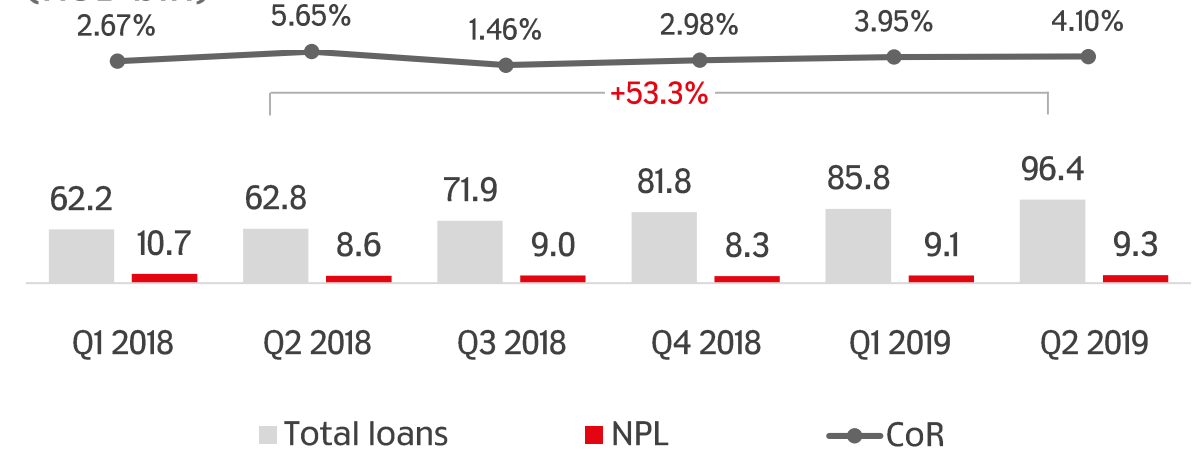
NET INTEREST INCOME AND NET PROFIT / (LOSS) (RUB bln)



RETAIL LOANS (RUB bln)



LOANS AND NPL (RUB bln)



KEY DEVELOPMENTS

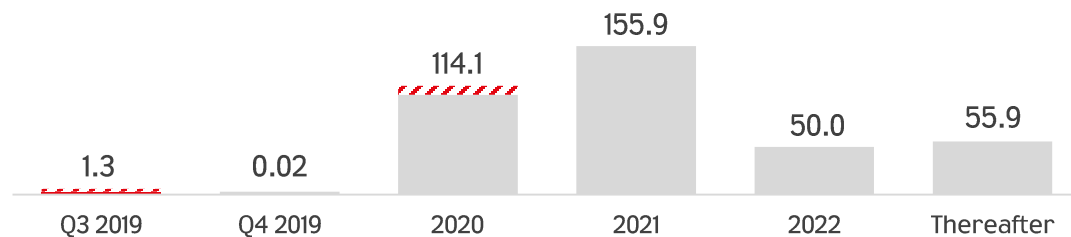
- Total loan issuances increased 2x year-over-year in Q2 2019, reflecting the Bank's efforts to leverage new sales, marketing, and analysis tools, including MTS's Big Data capabilities that enable deeper insight into the risk profiles of existing and potential new clients.
- In June, MTS Bank launched a new line of MTS Cashback cards, which earn points from purchases that can be redeemed to buy merchandise at MTS's retail network and partner outlets. The bank also began offering 100% virtual credit cards that integrate with Apple Wallet.

*Source: Stand-alone unaudited MTS Bank financial statements (IFRS), MTS Group consolidated data

Group Debt at The End of Q2 2019*

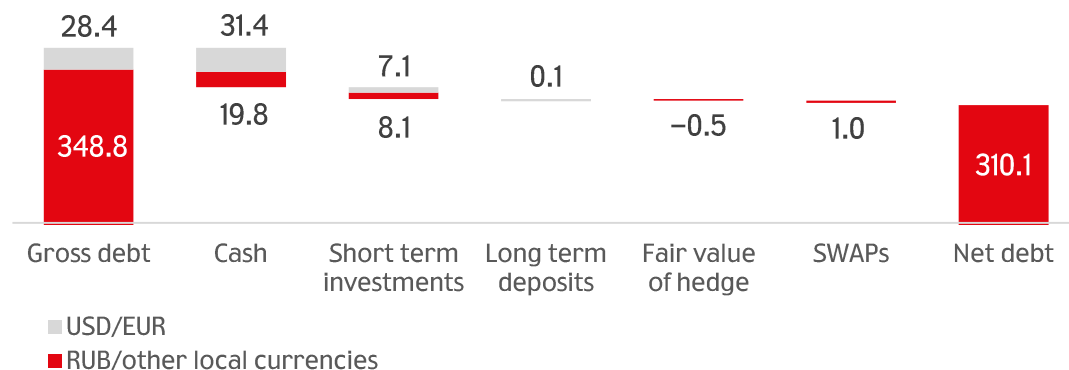
DEBT REPAYMENT SCHEDULE (RUB bln)

Total Group Debt** = RUB 377.2 bln



/// Bonds BO-02, BO-01 ruble bonds contain put options that as of June 30, 2019, MTS expected to be exercised in September 2019 and in March 2020 respectively

NET DEBT FACTOR ANALYSIS BY CURRENCY*** (RUB bln)



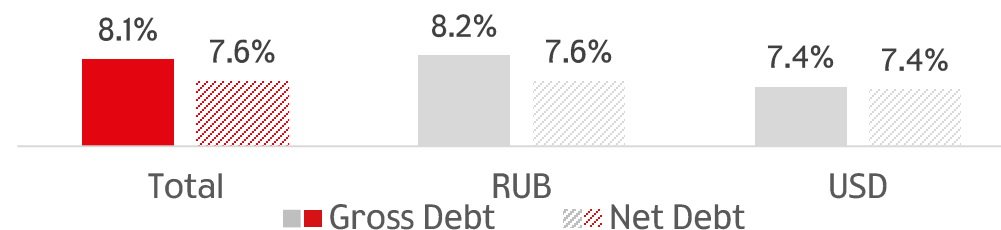
*Net of lease obligations as of June 30, 2019

**Net of unamortized debt issuance cost adjustment as of June 30, 2019

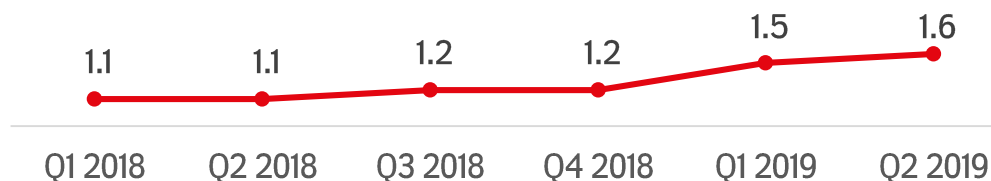
***Totals may add up differently due to rounding



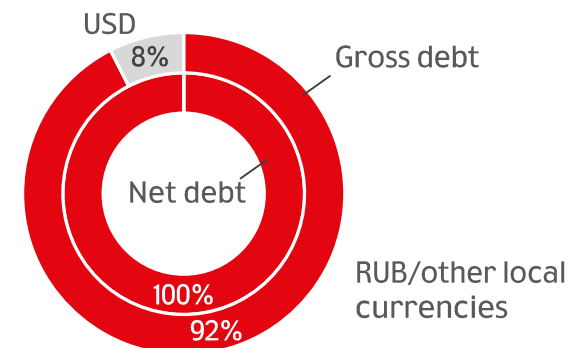
WEIGHTED AVERAGE INTEREST RATES



NET DEBT/LTM ADJUSTED OIBDA**** DYNAMICS



GROSS/NET DEBT COMPOSITION BY CURRENCY*****



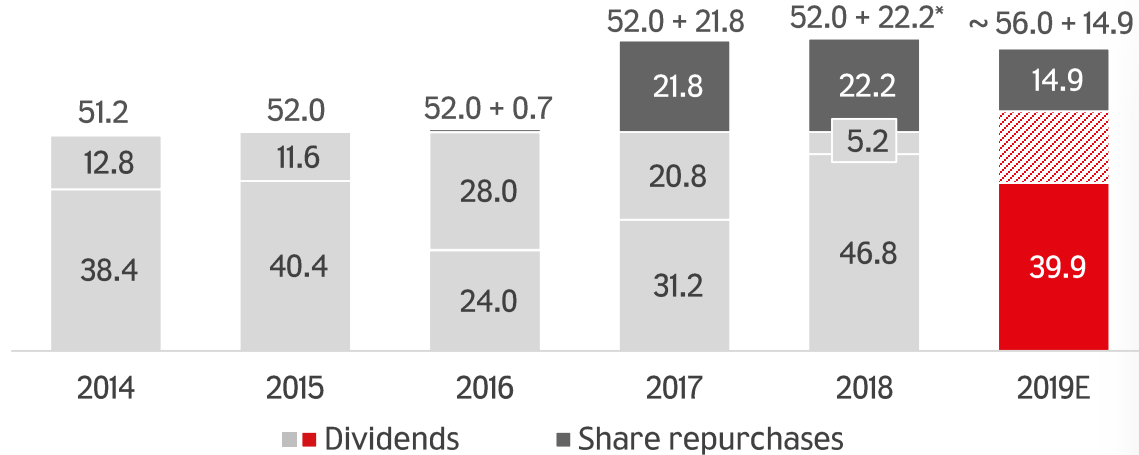
****Excluding the effects of new IFRS 9, 15, and 16 standards

*****Including FOREX Hedging in the amount of USD 300.0 mln as of June 30, 2019

Shareholder Return: Dividends and Share Repurchases

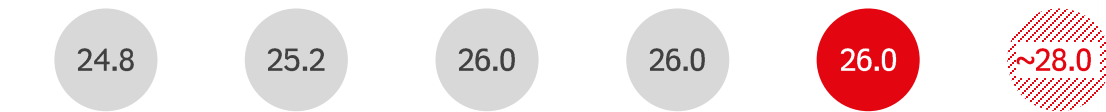
DIVIDEND HISTORY

(RUB bln)



Dividend Per Share

(RUB)



Effective return per share through share repurchases

(RUB)



*Including previous share repurchase program ended March, 2018



DIVIDENDS

- In March 2019, the Board of Directors approved a new dividend policy. Under the policy, MTS will seek to pay at least RUB 28.0 per ordinary MTS share (RUB 56.0 per ADR) per calendar year. Payments will continue to be made on a semi-annual basis.
- In June, shareholders voting at the AGM approved annual dividends of RUB 19.98 per ordinary MTS share (RUB 39.96 per ADR), or a total of RUB 39.9 billion (RUB 39,927,310,941.78), based on the full-year 2018 financial results.
- In July, the Board proposed semi-annual dividends of RUB 8.68 per ordinary MTS share (RUB 17.36 per ADR), or a total RUB 17.3 billion (RUB 17,345,798,747.48), based on H1 2019 financial results.

SHARE REPURCHASES

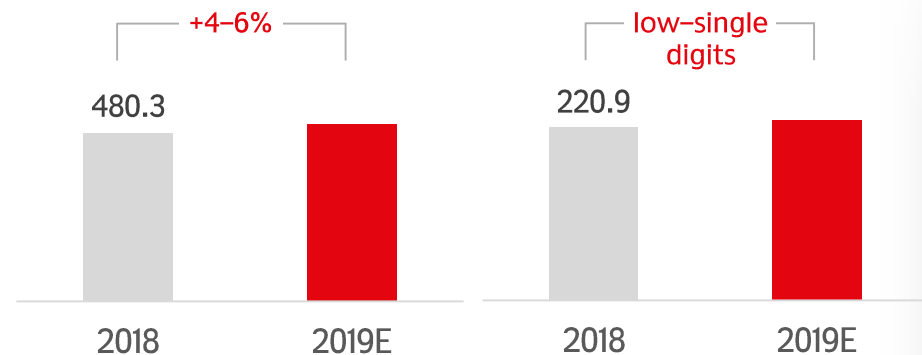
- In May, MTS completed the program launched on July 2, 2018 to repurchase shares of common stock and ADSs for an amount of up to RUB 30 bln. In total, during the Repurchase plan, Bastion acquired 113,487,402 shares of Common Stock (including shares of Common Stock represented by ADSs).

	# of shares, incl. ADS	% of share capital	Average price per share (RUB)**	Total amount spent (RUB)**
Total shares acquired since the launch of the Repurchase Plan	113,487,402	5.68%	262.72	29,815,238,438

** The average price may differ from the settlement price, due to commissions, fees and other related expenses

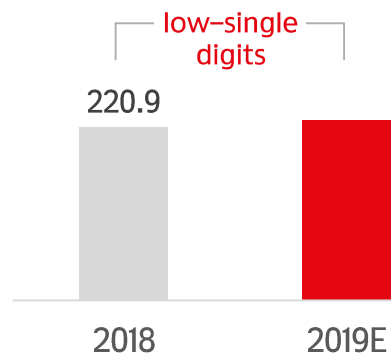
Amended Outlook for 2019

GROUP REVENUE FORECAST (RUB bln)*

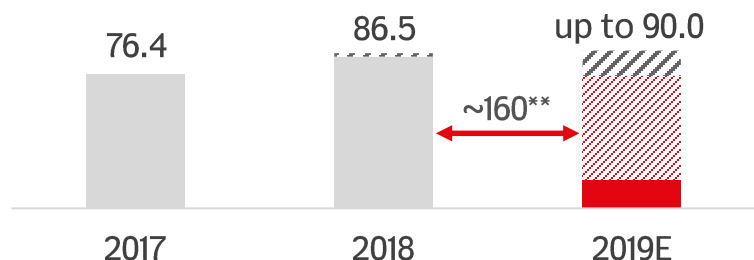


*Including adoption of new IFRS standards and the effect of MTS Bank consolidation

GROUP OIBDA FORECAST (RUB bln)*



GROUP CAPEX FORECAST (RUB bln)



/// Additional investment required to comply with the Yarovaya law

**Excluding additional investment required to comply with the Yarovaya law

GROUP REVENUE: For 2019, MTS now forecasts 4–6% revenue growth, based on the following:

- Stable competitive environment in Russia;
- The effect of the consolidation of MTS Bank;
- Rising data consumption and weaker voice usage;
- Regulatory changes, including the cancellation of internal roaming and VAT increase in Russia;
- The high base effect of 2018 in retail sales;
- Continued growth in UAH-denominated revenues in Ukraine; and
- Service revenues in other foreign subsidiaries and volatility in relation to the Russian ruble.

GROUP OIBDA: MTS upgrades its outlook on Group OIBDA growth rate to be in the low–single digits in consideration of the following factors:

- Market sentiment and the prospective growth in usage of high–value products;
- Reduced SIM card sales as a result of improved churn in the market;
- The high base effect of 2018 and positive one–off in Q1 2019;
- Changes in the regulatory environment;
- Increases in labor costs; and
- Macroeconomic developments and currency volatility throughout our markets of operation.

GROUP CAPEX: FY2018 – FY2019 CAPEX spending estimated to be RUB 160 bln, due to:

- Further incremental improvements and enhancements to LTE networks;
- Implementation of infrastructure and spectrum sharing projects within Russia;
- Roll–out of LTE services in Ukraine;
- Evolution of commercial 5G solutions and introduction into Russian market; and
- Continued investments in digital products and services.

Overall, for 2019 MTS expects its CAPEX spending to be up to RUB 90 bln (including investments required for Yarovaya Law).

Yarovaya law: Current adjusted MTS estimate of the additional investment necessary to comply with the Yarovaya law stands at RUB 50 bln.

Q&A

Thank you!

Investor Relations Contacts

Polina Ugryumova

IR Director

+7 495 223 20 25

ir@mts.ru

www.ir.mts.ru

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