

Group Financial Results For The Forth Quarter 2017 and Full Year 2017

March 19, 2018

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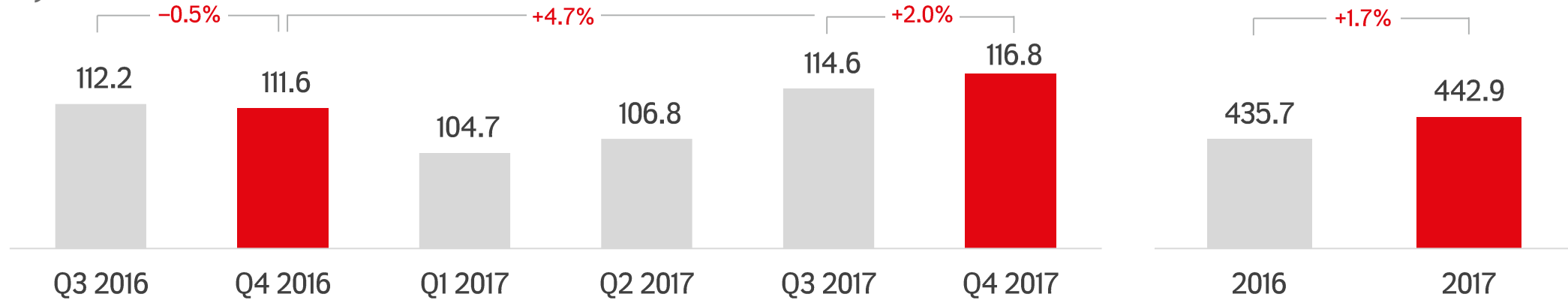


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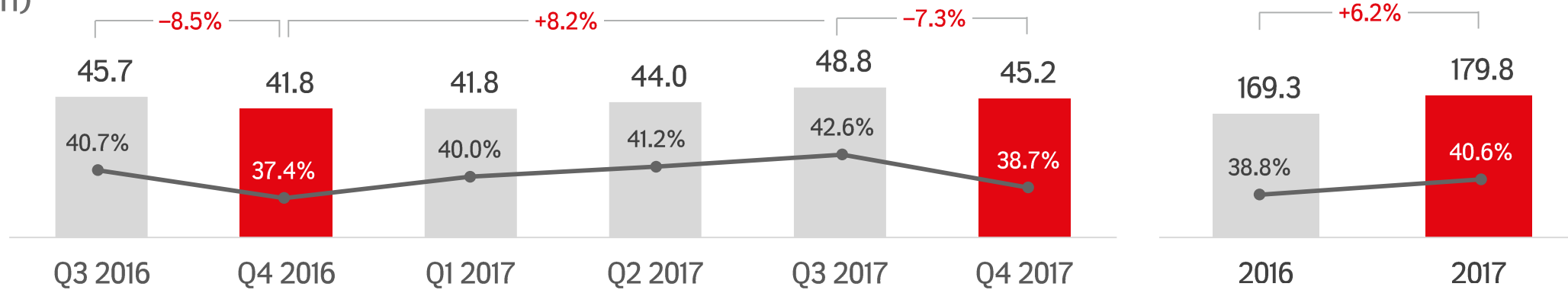
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Group Financial Highlights: Revenue and Adjusted OIBDA

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 1.1 bln, RUB 2.6 bln and RUB 3.8 bln for Q3 2017, Q4 2017 and FY 2017 respectively

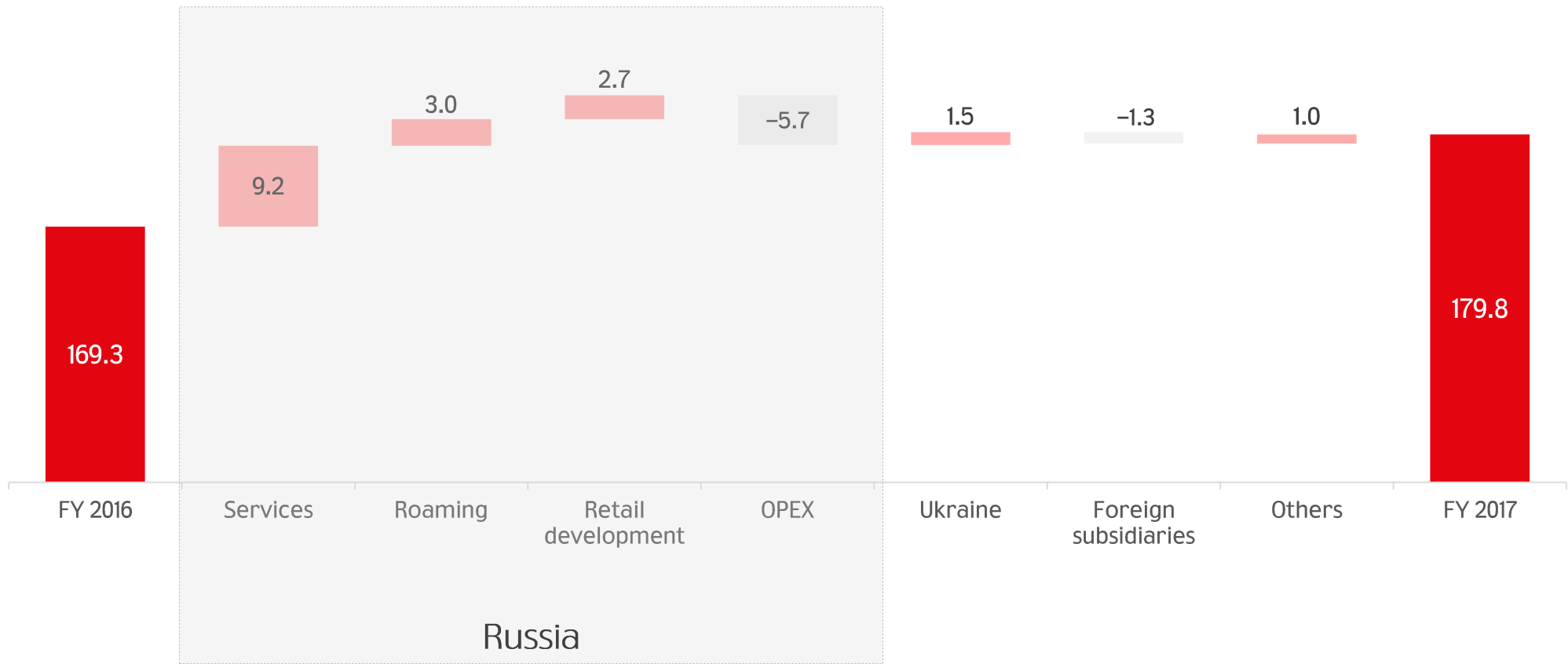


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Group Adjusted OIBDA Factor Analysis

TOTAL GROUP ADJUSTED OIBDA: FACTOR ANALYSIS*
(RUB bln)



*Totals may add up differently due to rounding

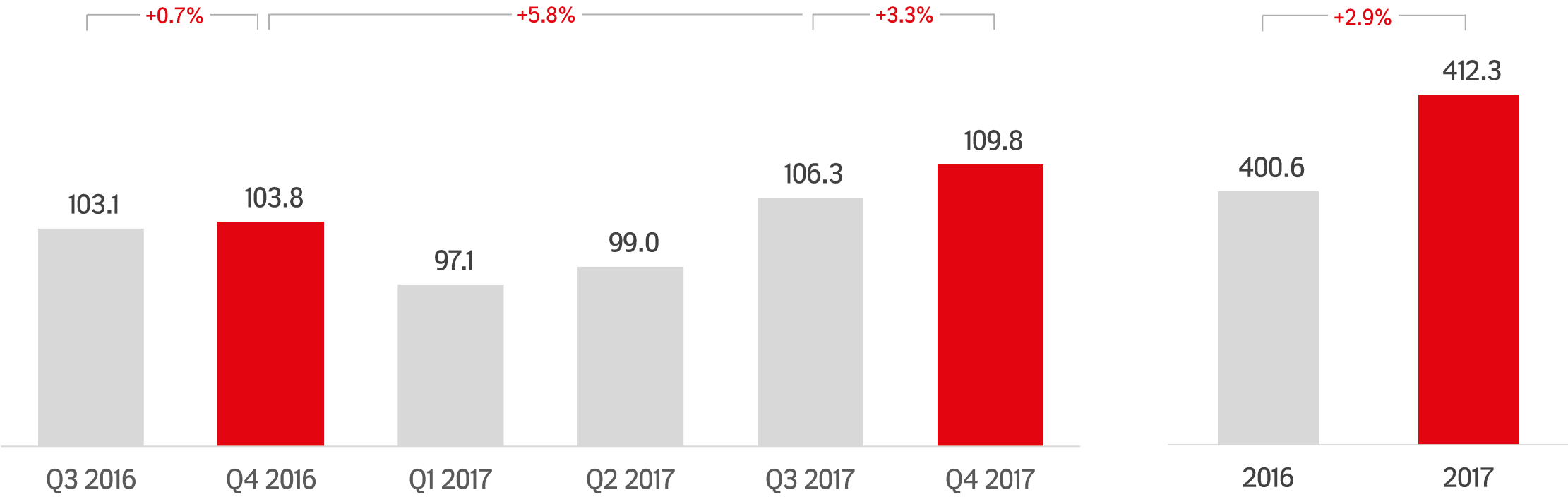


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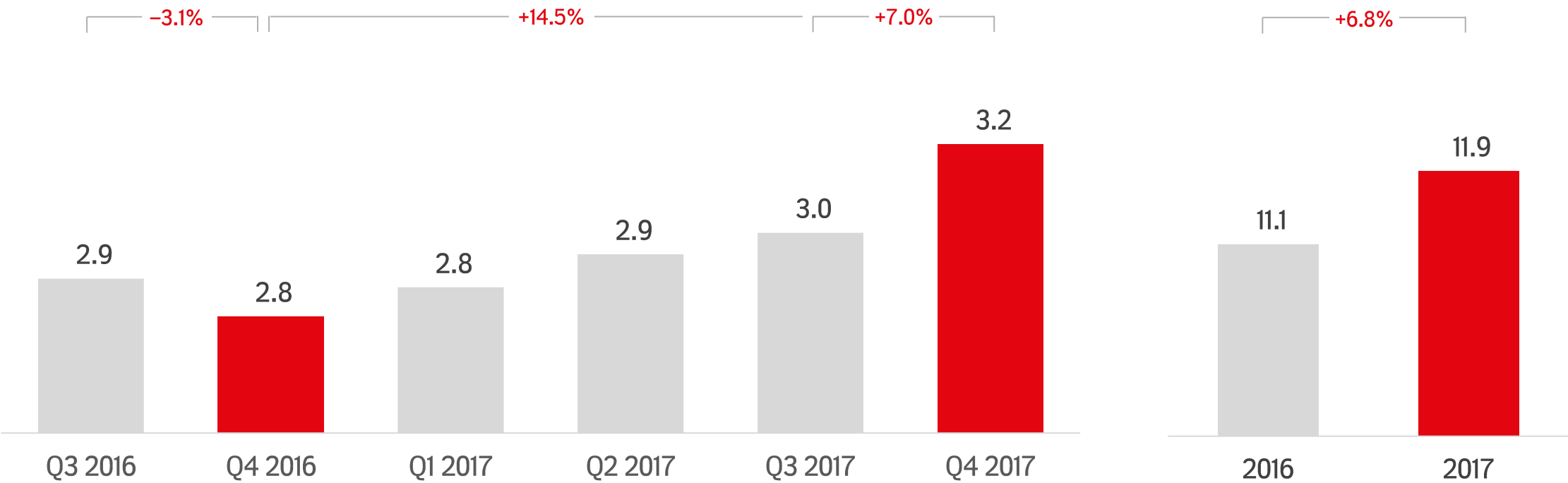
Russia: Revenue

RUSSIA REVENUE
(RUB bln)



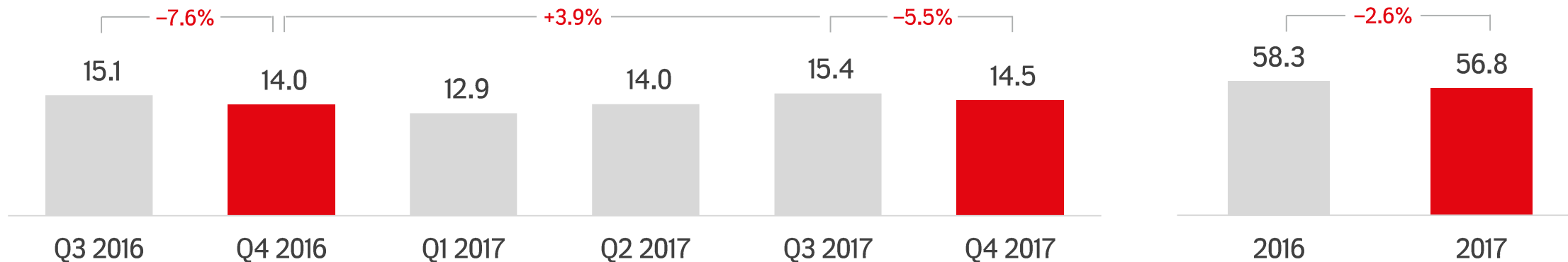
Ukraine: Revenue

UKRAINE REVENUE
(UAH bln)

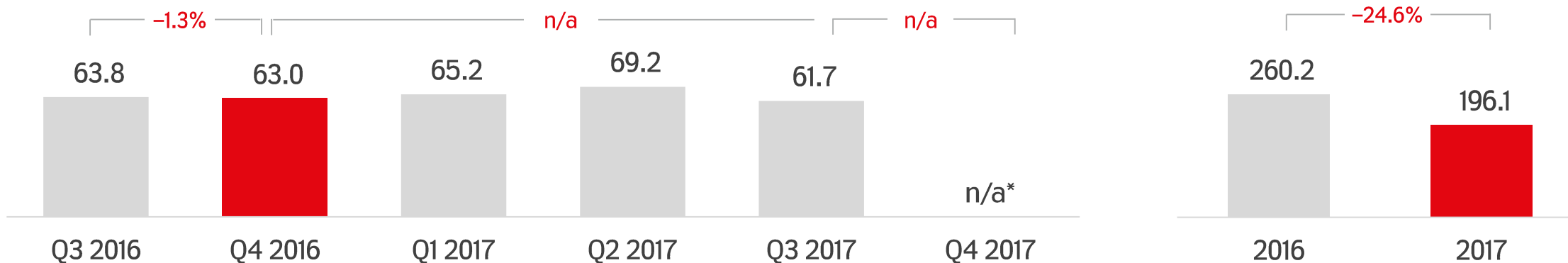


Foreign Subsidiaries: Revenue

ARMENIA REVENUE (AMD bln)



TURKMENISTAN REVENUE (TMT mln)



* MTS suspended communication services in Turkmenistan from September 29, 2017, due to the actions of the state-owned telecommunication company "Turkmentelekom", which resulted in the disconnection of international and long-distance zonal communication services and Internet access

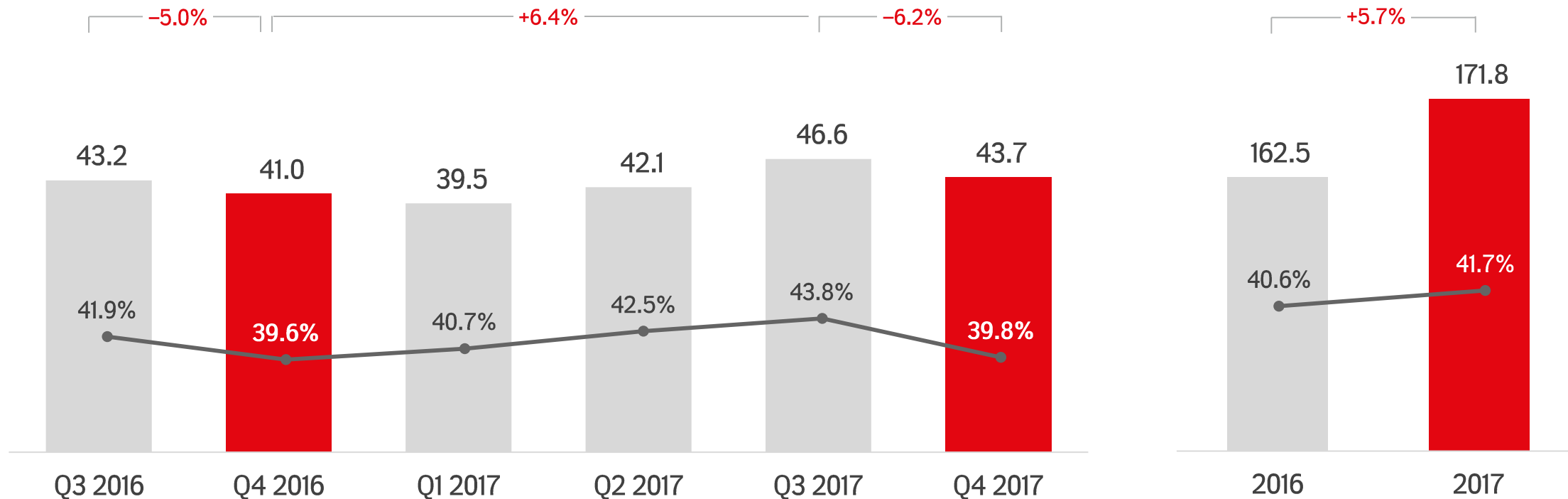


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Russia: Adjusted OIBDA

RUSSIA ADJUSTED OIBDA AND MARGIN* (RUB bln)



*Adjusted OIBDA for Q4 2017 and FY 2017 doesn't include a loss from impairment of non-current assets of RUB 0.6 bln

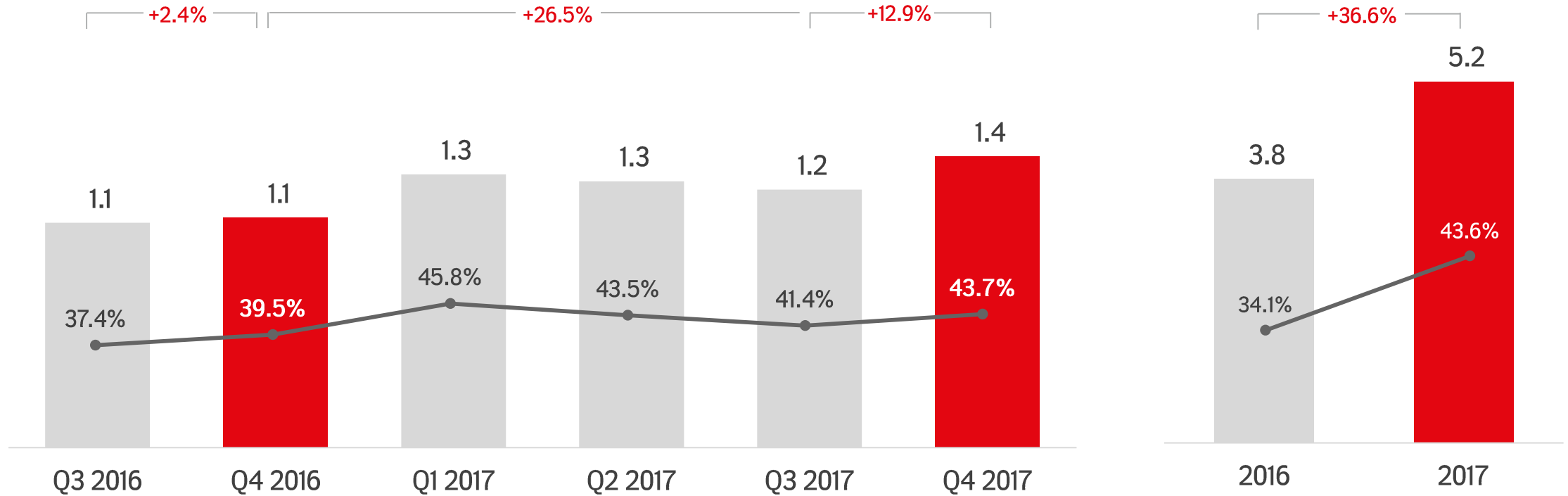


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Ukraine: OIBDA

UKRAINE OIBDA AND MARGIN (UAH bln)

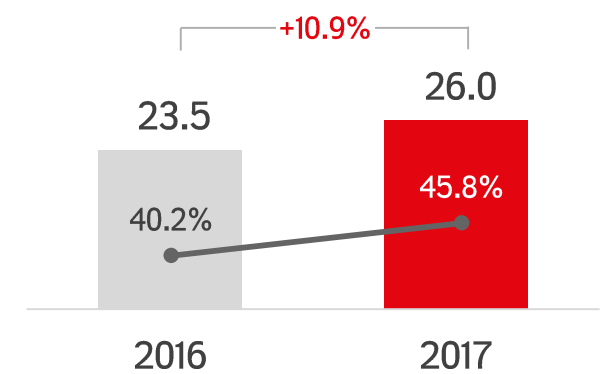
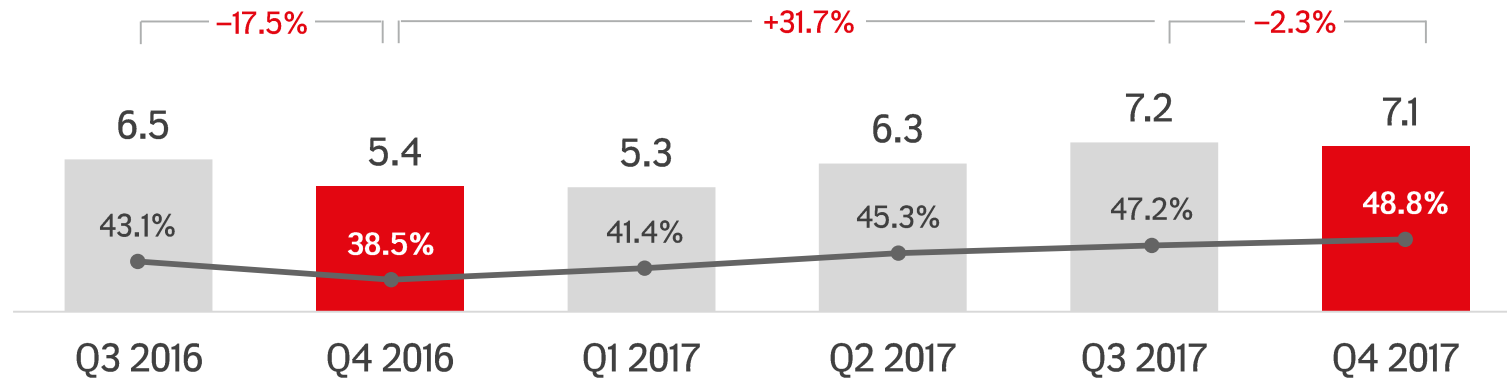


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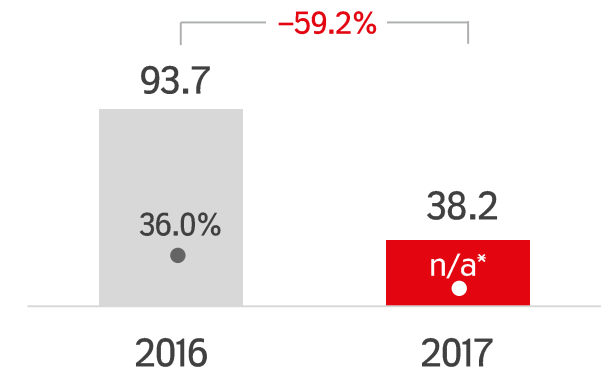
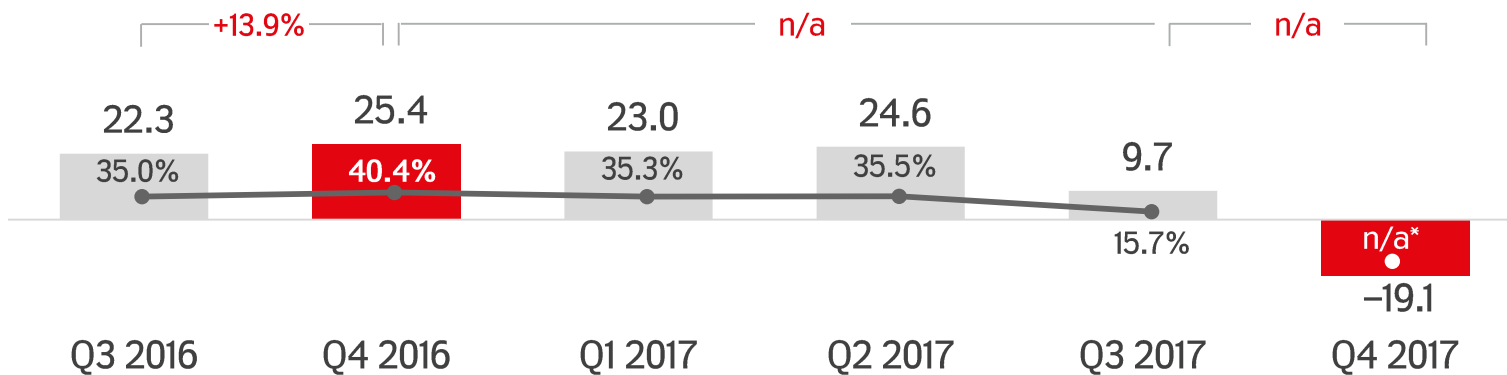
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Foreign Subsidiaries: OIBDA

ARMENIA OIBDA AND MARGIN (AMD bln)



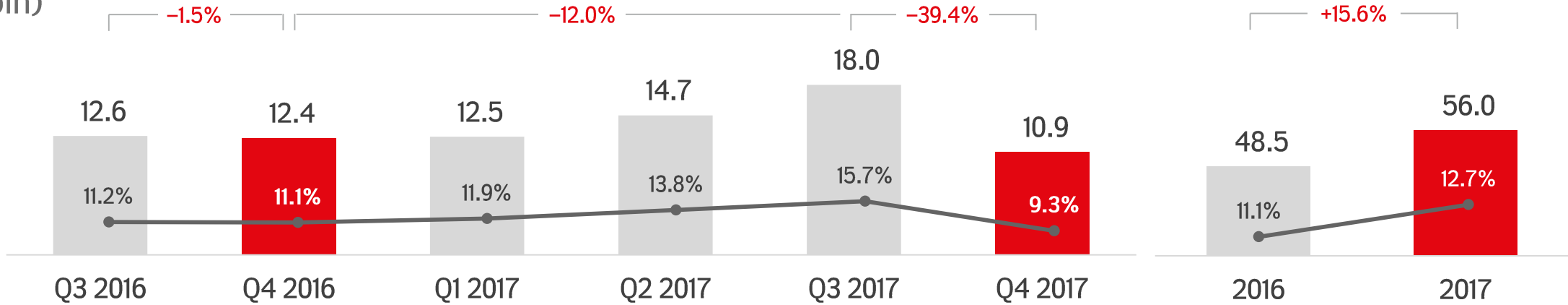
TURKMENISTAN ADJUSTED OIBDA AND MARGIN (TMT mln)



* MTS suspended communication services in Turkmenistan from September 29, 2017, due to the actions of the state-owned telecommunication company "Turkmentelekom", which resulted in the disconnection of international and long-distance zonal communication services and Internet access

Group Financial Highlights: Group Net Profit

GROUP NET PROFIT AND NET PROFIT MARGIN
(RUB bln)



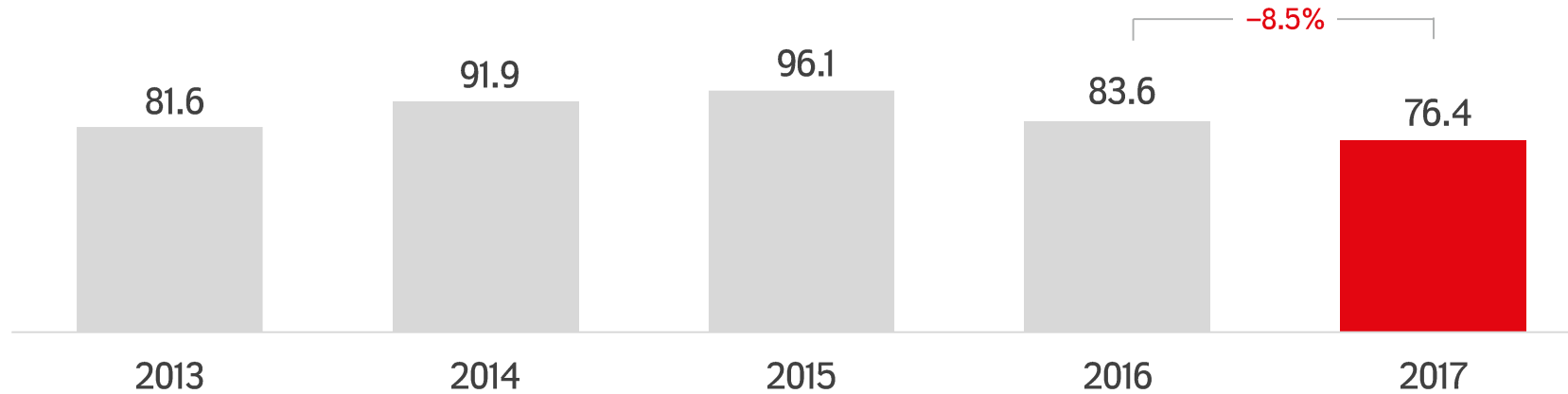
GROUP NET PROFIT FACTOR ANALYSIS*
(RUB bln)



*Totals may add up differently due to rounding

Group Cash CAPEX

CASH CAPEX
(RUB bln)



	2016		2017	
	Cash CAPEX (RUB bln)	As % of revenue	Cash CAPEX (RUB bln)	As % of revenue
Russia*	73.8	18.4%	65.2	15.8%
Ukraine	7.5	25.6%	10.3	39.4%
Armenia	1.0	11.8%	0.9	12.5%
Turkmenistan	0.4	9.0%	0.1	3.9%
Group**	83.6	19.2%	76.4	17.3%

* Excluding costs of RUB 2.6 bln related to the acquisition of a 4G license in Russia in 2016

** Including RUB 875 mln spent on CAPEX in UMC LLC in 2016, while Group revenue for 2016 doesn't include revenue from UMC LLC



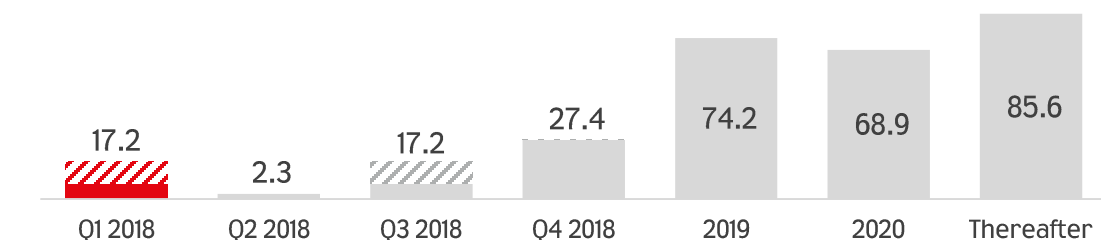
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Group Debt at The End of Q4 2017

DEBT REPAYMENT SCHEDULE (RUB bln)

Total Group Debt* = RUB 292.8 bln

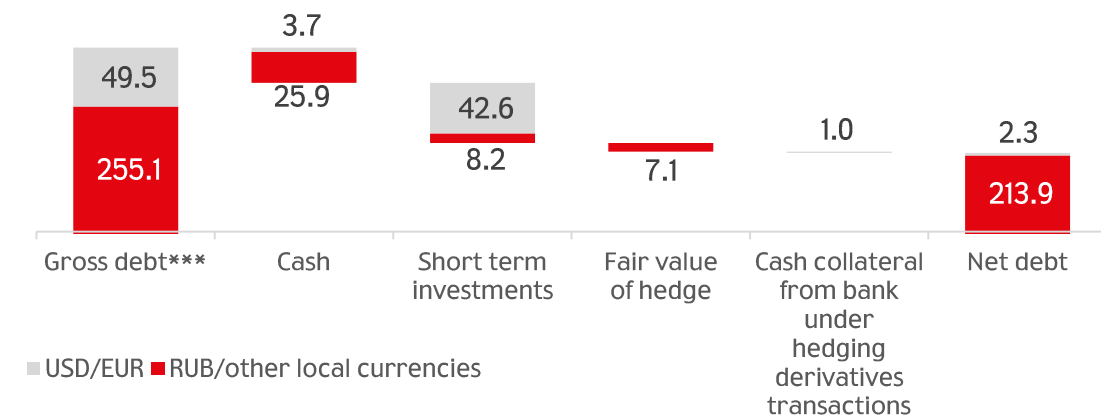


▨ Bonds BO-01, BO-02, Series '8 ruble bonds contain put options that as of December 31, 2017, MTS expected to be exercised in March, August and November 2018, respectively

*Net of financial leasing and unamortized debt issuance cost adjustment, as of December 31, 2017

NET DEBT FACTOR ANALYSIS BY CURRENCY**

(RUB bln)



■ USD/EUR ■ RUB/other local currencies

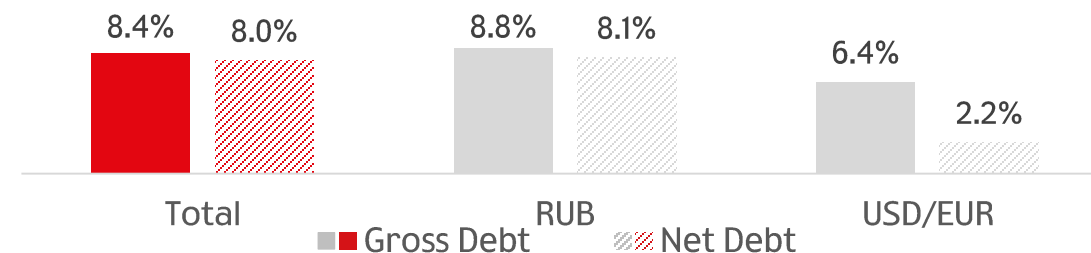
**Totals may add up differently due to rounding



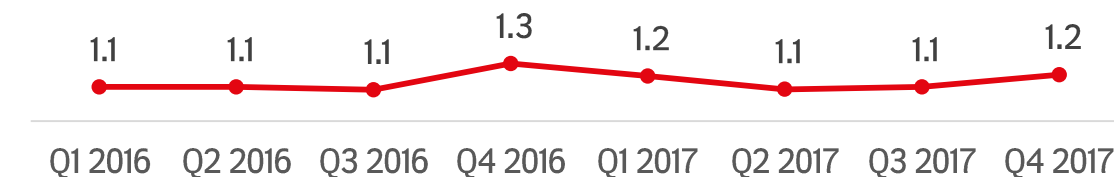
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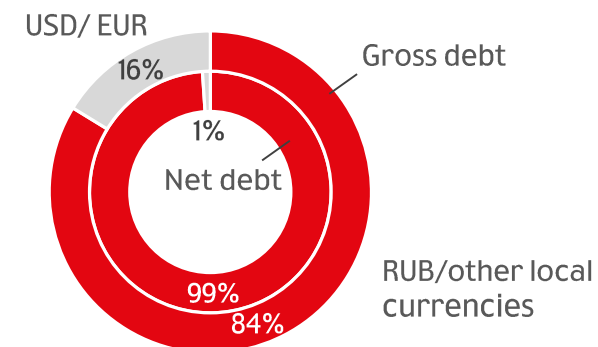
WEIGHTED AVERAGE INTEREST RATES



NET DEBT/LTM ADJUSTED OIBDA DYNAMICS



GROSS/NET DEBT COMPOSITION BY CURRENCY***

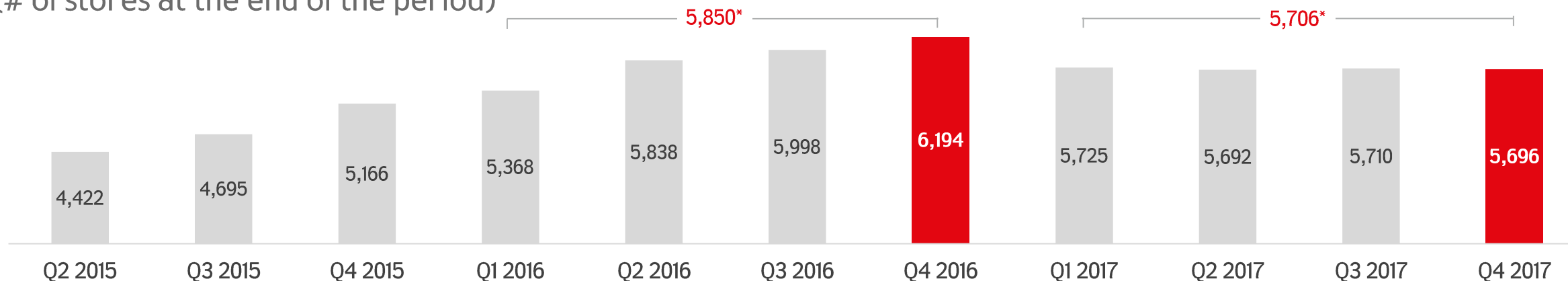


***Including financial leasing and including FOREX hedging in the amount of USD 497.7 mln as of December 31, 2017

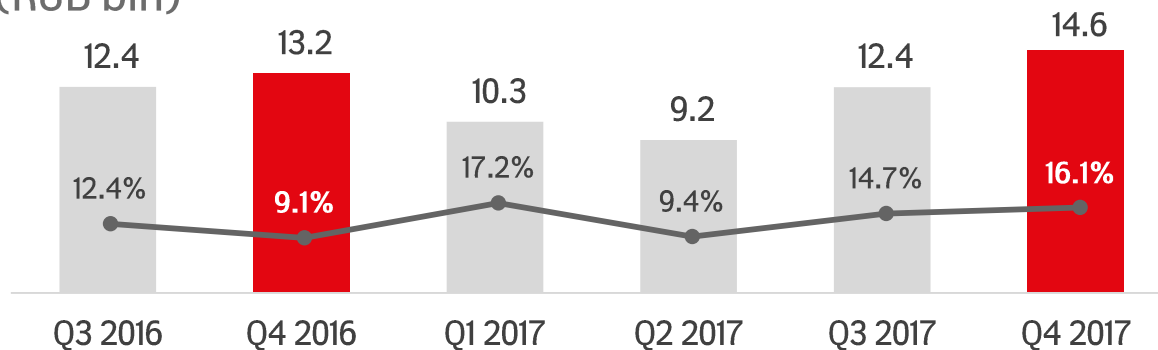
MTS Retail and Service Development

MTS RETAIL EXPANSION

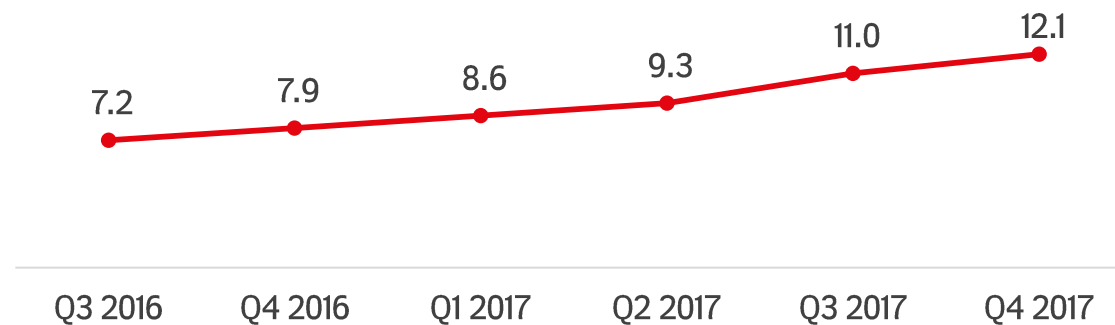
(# of stores at the end of the period)



HANDSETS AND ACCESSORIES SALES AND GROSS MARGIN (RUB bln)



3-MONTH ACTIVE USERS of MyMTS (mln)



*Average number of stores

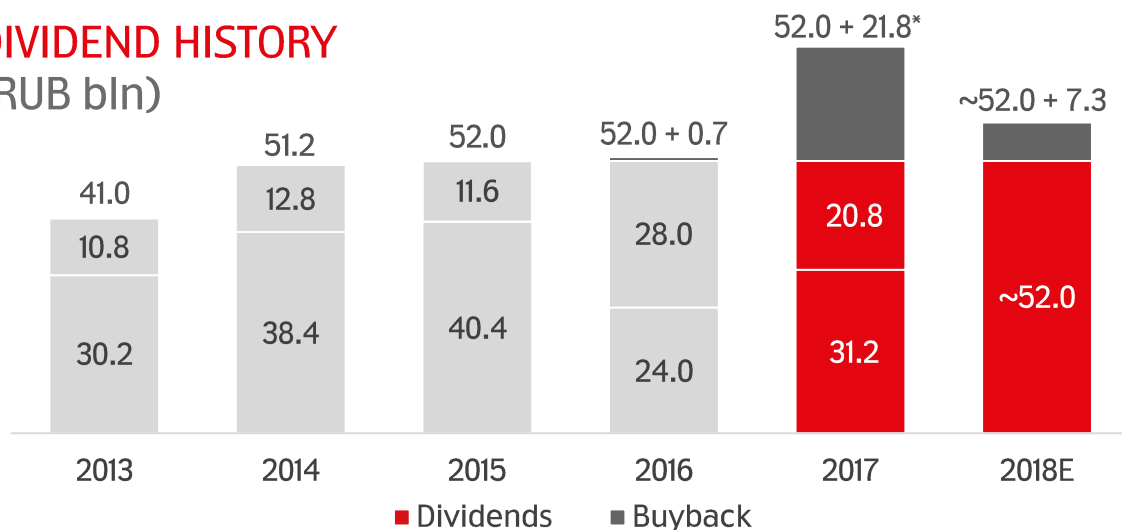


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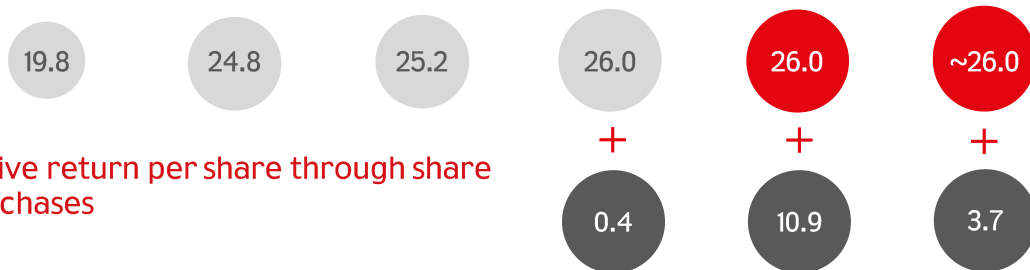
Shareholder Return: Dividends and Share Repurchases

DIVIDEND HISTORY (RUB bln)



*Includes RUB 9.3 bln Tender Offer launched in January, 2017

Dividend Per Share (RUB)



Effective return per share through share repurchases (RUB)

For the calendar year, MTS paid out RUB 52.0 bln or RUB 26.0 per share in accordance with its dividend policy.

SHARE REPURCHASES

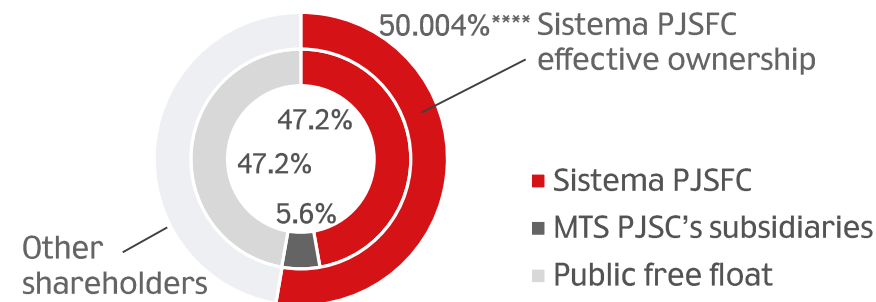
	# of shares, incl. ADS	% of share capital	Average price per share (RUB)**	Total amount spent (RUB)**
Shares acquired during FY 2017 under the Repurchase Plan	43,647,128	2.18%	286.80	12,518,183,515
Total shares acquired since the launch of the Repurchase Plan as of March 19, 2018	69,044,332	3.46%	287.30	19,836,539,891

**The actual average price and total amount spent may differ due to commissions, fees and other related expenses

From the end of 2016, MTS launched two modified Dutch auction tender offers and a 10b5-1 Share Repurchase plan as authorized by the Board of Directors in April 2016. In total, the Company has acquired 104.2*** mln shares as represented by common shares and ADSs.

*** Including shares repurchased under Tender Offers and Repurchase Plan

Shareholder structure (As of March 19, 2018)



****Through indirect ownership of MTS-controlled entities (including MTS PJSC, Stream Digital LLC and Bastion LLC), Sistema holds 52.80% share of MTS PJSC; Sistema's effective ownership of MTS is 50.004%

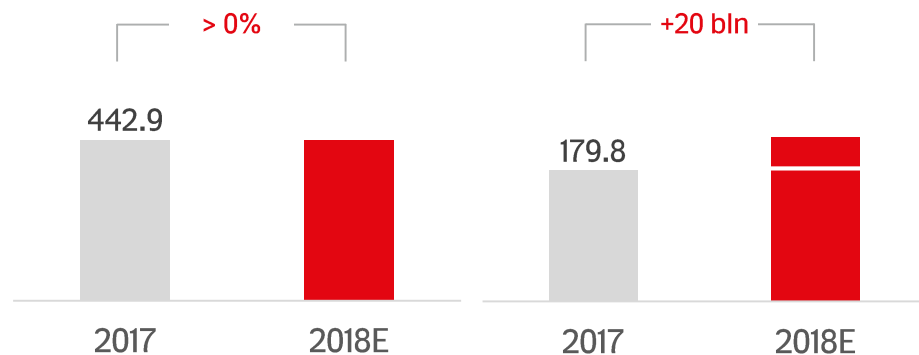


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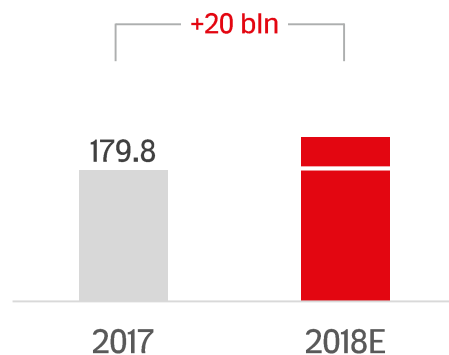
Outlook for 2018

GROUP REVENUE FORECAST (RUB bln)*

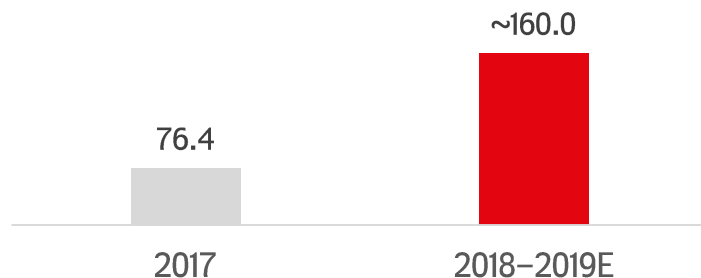


*Including adoption of new IFRS standards. See distribution materials for full explanation

GROUP ADJUSTED OIBDA FORECAST (RUB bln)*



GROUP CAPEX FORECAST (RUB bln)



GROUP REVENUE: For 2018, MTS forecasts slightly positive revenue growth, based on the following:

- Rising data consumption and weaker voice usage, due to voice–data substitution and data adoption;
- Competitive dynamics in distribution and reduced SIM–card sales in Russia;
- Changes in handset sales due to the optimization of retail distribution channels;
- Revisions to internal policies governing content revenues from third–party providers;
- Continued growth in UAH–denominated revenues in Ukraine;
- Adoption of new IFRS standards; and
- Service revenues in other foreign subsidiaries and volatility in relation to the Russian ruble.

GROUP ADJUSTED OIBDA: MTS anticipates that the adoption of new IFRS standards will increase Adjusted OIBDA by an estimated RUB 20 bln in 2018. Excluding the impact of new IFRS standards, MTS anticipates a stable outlook for FY 2018 Group Adjusted OIBDA due to the following factors:

- Competitive factors and on–going uncertainty over potential optimization of retail distribution;
- Anticipated increases in labor costs;
- Potential impact of changes to internal roaming policies in Russia;
- Revisions to internal policies governing content revenues from third–party providers;
- Expected rise in spectrum costs in Russia;
- Market sentiment and the prospective growth in usage of high–value products like roaming;
- Developments in foreign subsidiaries, in particular the fate of operations in Turkmenistan; and
- Macroeconomic developments and currency volatility throughout our markets of operation.

GROUP CAPEX: FY2018 – FY 2019 CAPEX spending estimated to be RUB 160 bln, due to a number of factors:

- Partial investments to comply with anti–terror law in Russia;
- 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.



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Q & A



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Thank you!



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