



Market valuation of 1 ordinary share of PJSC MegaFon as of 12 July 2016

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To Mr. Kononov D.
Director of Investor Relations and M&A
PJSC MegaFon
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Dear Mr. Kononov,

We highly appreciate your trust in Deloitte and were glad to perform the market valuation of 1 ordinary share of PJSC MegaFon ("Client", "Company", "MegaFon") as of 12 July 2016 ("Valuation Date"). The valuation has been carried out under agreement #FAS/2016/38643 dated 08 June 2016 for the purposes of managerial decision-making in regard to potential minority shares' buy-out as part of MegaFon reorganization.

In performing the valuation we were guided by the Federal Law on Valuation Activities in the Russian Federation, as well as the Federal Valuation Standards (FVS). Reasoned by the applied methodology and the assumptions detailed in the following report ("Report"), we have arrived at the market value of 1 ordinary share of PJSC MegaFon as of 12 July 2016 of **RUB 557**.

Please note that all major assumptions and our conclusions are set out in Section 1 (Valuation Process) which appears to be the Report's core. All other chapters stipulated by the Federal Law form Section 2 (General Chapters). Supplementary tables and illustrative materials are presented in Appendices, while copies of Client documents used in the analysis populate Vol. II of the Report.

We do believe that the quality of our services has fully met your expectations. We put a high value on our business relationship and look forward to developing them.

Kind regards,

Anton Shulga
Partner
Corporate Finance Advisory
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