

BALANCE SHEET
as of December 31, 2017

Company **PJSC "MegaFon"**
 Taxpayer Identification Number
 Type of activity **Activities in the field of communication based on a wired and wireless technologies**
 Legal/ ownership form
Public Joint-Stock Company /private
 Monetary unit: millions of Russian rubles (mln. RUR)
 Location (address)
30 Kadashevskaya, 115035 Moscow

Form as per the Russian National Classifier of Management Documentation (OKUD)
 Date (dd/mm/yy) 31 / 12 / 2017
 Russian National Classifier of Businesses and Organizations (OKPO) 31090505
 Individual tax payer number (INN) 7812014560
 Russian National Classifier of Economic Activities (OKVED) 61.10; 61.20
 Russian National Classifier of Organizational and Legal Forms/Russian National Classifier of Property Categories (OKOPF/OKFS) 12247/37
 Russian National Classifier of Measurement Units (OKEI) 385

CODES
0710001
31 / 12 / 2017
31090505
7812014560
61.10; 61.20
12247/37
385

Note	Caption	Line code	As of December 31, 2017	As of December 31, 2016	As of December 31, 2015
1	2	3	4	5	6
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	2 169	1 007	502
	Research and development results	1120	-	-	-
	Intangible exploration assets	1130	-	-	-
	Tangible exploration assets	1140	-	-	-
Note 4	Fixed assets	1150	159 698	191 396	197 386
	Income-bearing investments in tangible assets	1160	-	-	-
Note 6	Financial investments	1170	188 560	138 952	143 810
	Deferred tax assets	1180	2 074	863	1 354
Note 5	Other non-current assets	1190	54 594	56 375	44 767
-	TOTAL Section I	1100	407 095	388 593	387 819
	II. CURRENT ASSETS				
Note 8	Inventory	1210	1 827	2 019	1 764
-	VAT receivable	1220	544	631	586
Note 9	Accounts receivable	1230	25 619	17 218	15 317
Note 6	Financial investments (excluding cash equivalents)	1240	11 501	15 079	27 720
Note 7	Cash and cash equivalents	1250	18 947	30 490	14 415
Note 10	Other current assets	1260	17 533	10 589	15 488
	including:				
Note 10	Advances issued	1261	5 551	4 399	7 415
Note 10	Other current assets	1262	11 982	6 190	8 073
-	TOTAL Section II	1200	75 971	76 026	75 290
-	BALANCE	1600	483 066	464 619	463 109

Note	Caption	Line code	As of December 31, 2017	As of December 31, 2016	As of December 31, 2015
1	2	3	4	5	6
	EQUITY AND LIABILITIES				
	III. EQUITY AND RESERVES				
Note 11	Charter capital (share capital, authorized fund, partner's contribution)	1310	62	62	62
-	Treasury shares	1320	-	-	-
-	Revaluation of non-current assets	1340	194	208	213
-	Additional capital (without revaluation)	1350	1 878	1 878	1 878
-	Reserve capital	1360	3	3	3
-	Retained earnings/ (loss)	1370	126 178	147 529	160 910
-	TOTAL Section III	1300	128 315	149 680	163 066
	IV. LONG-TERM LIABILITIES				
Note 12	Loans and borrowings	1410	214 608	197 028	173 428
-	Deferred tax liabilities	1420	18 755	17 119	15 070
Note 14	Provisions	1430	2 761	3 929	5 001
Note 15	Other long-term liabilities	1450	2 034	1 769	2 645
-	TOTAL Section IV	1400	238 158	219 845	196 144
	V. SHORT-TERM LIABILITIES				
Note 12	Loans and borrowings	1510	51 235	37 733	47 285
Note 16	Accounts payable	1520	48 030	39 206	38 614
	including:				
Note 16	Trade accounts payable	1521	38 363	32 171	28 332
Note 16	Due to employees	1522	4 391	2 861	3 806
Note 16	Taxes and levies payable	1523	3 979	3 364	5 474
Note 16	Payable to state non-budget funds	1524	1 297	810	1 002
-	Deferred income	1530	-	-	-
Note 14	Provisions	1540	35	294	2 789
Note 17	Other short-term liabilities	1550	17 293	17 861	15 211
	including:				
Note 17	Advances received	1551	12 824	11 189	12 378
Note 17	Other short-term liabilities	1552	4 469	3 246	2 833
-	Settlements with shareholders	1553	-	3 426	-
-	TOTAL Section V	1500	116 593	95 094	103 899
-	BALANCE	1700	483 066	464 619	463 109

CEO

 (signature) S.V. Soldatenkov
 (full name)

Chief Accountant

 (signature) L. N. Strelkina
 (full name)

"14" March 2018

**INCOME STATEMENT
for year 2017**

		Form as per the Russian National Classifier of Management Documentation (OKUD)	CODES
		Date (dd/mm/yy)	0710002
		Russian National Classifier of Businesses and Organizations (OKPO)	31.12.2017
Company	PJSC "MegaFon"	Individual tax payer number (INN)	31090505
Taxpayer Identification Number		Russian National Classifier of Economic Activities (OKVED)	7812014560
Type of activity	Activities in the field of communication based on a wired and wireless technologies	Russian National Classifier of Organizational and Legal Forms / Russian National Classifier of Property Categories (OKOPF/OKFS)	61.10; 61.20
Legal/ ownership form	Public Joint-Stock Company /private	Russian National Classifier of Measurement Units (OKEI)	12247/37
Monetary unit: millions of Russian rubles (mln. RUR)			385

Note	Caption	Line code	2017	2016
1	2	3	4	4
Note 18	Revenue	2110	296 669	286 658
Note 18	Cost of sales	2120	(194 538)	(172 733)
Note 18	Gross profit/ (loss)	2100	102 131	113 925
Note 18	Selling expenses	2210	(26 150)	(27 335)
Note 18	Administrative expenses	2220	(22 299)	(20 529)
Note 18	Profit / (loss) from operations	2200	53 682	66 061
-	Income from equity participation	2310	1 427	340
-	Interest income	2320	3 413	4 436
-	Interest expense	2330	(24 746)	(19 347)
Note 19	Other income	2340	2 267	18 413
	including:			
Note 19	other income	2341	601	3 514
-	foreign currency exchange gain	2342	1 666	14 899
Note 19	Other expenses	2350	(24 504)	(23 022)
	including:			
Note 19	other expenses	2351	(22 261)	(14 344)
-	foreign currency exchange loss	2352	(2 243)	(8 678)
Note 20	Income/(loss) before tax	2300	11 539	46 881
Note 20	Current profit tax	2410	(5 420)	(8 162)
	including:			
Note 20	Non-deductable (non-taxable) differences	2421	(127)	403
Note 20	Deferred tax liabilities change	2430	(2 120)	(1 916)
Note 20	Deferred tax assets change	2450	5 359	299
Note 20	Other	2460	(4 082)	(497)
	Net income/ (loss)	2400	5 276	36 605
-	Result of revaluation of non-current assets excluded from net profit/(loss)	2510	14	5
-	Other operations result excluded from net profit/(loss)	2520	-	-
-	Comprehensive financial result for the period	2500	5 290	36 610
	FOR REFERENCE			
Note 21	Basic earnings/ (loss) per share	2900	0,000009	0,000059
Note 21	Diluted earnings/ (loss) per share	2910	0,000009	0,000059

CEO _____ S.V. Soldatenkov _____ Chief Accountant _____ L.N. Strelkina _____
(signature) (full name) (signature) (full name)

"14" March 2018

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for 2017

Company PJSC "MegaFon"

Taxpayer Identification Number

Type of economic activity Activities in the field of communication based on a wired and wireless technologies

Legal/ ownership form

Public Joint-Stock Company /private

Monetary unit: millions of Russian rubles (mln. RUR)

Form as per the Russian National Classifier of Management

Documentation (OKUD)

Date (dd/mm/yy)

Russian National Classifier of Businesses and Organizations (OKPO)

Individual tax payer number (INN)

Russian National Classifier of Economic Activities (OKVED)

Russian National Classifier of Organizational and Legal Forms/Russian National Classifier of Property Categories (OKOPF/OKFS)

Russian National Classifier of Measurement Units (OKEI)

CODES

0710003

31 / 12 / 2017

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61.10; 61.20

12247/37

12247/37

12247/37

12247/37

385

1. Changes in shareholders' equity

Caption	Line code	Charter capital	Treasury shares	Additional capital	Reserve capital	Retained earnings/ (loss)	Total
1	2	3	4	5	6	7	8
Balance as of December 31, 2015	3100	62	-	2 091	3	160 910	163 066
for 2016							
Equity increase - total:	3210	-	-	-	-	36 610	36 610
including:							
net income	3211	X	X	X	X	36 605	36 605
gain from fixed assets revaluation	3212	X	X	-	X	5	5
income booked to capital increase	3213	X	X	-	X	-	-
additional issue of shares	3214	-	-	-	X	X	-
increase in par value of shares	3215	-	-	-	X	-	X
reorganization of the legal entity	3216	-	-	-	-	-	-
Equity decrease - total:	3220	-	-	(5)	-	(49 991)	(49 996)
including:							
net loss	3221	X	X	X	X	-	-
losses from fixed assets revaluation	3222	X	X	(5)	X	-	(5)
expense booked to capital decrease	3223	X	X	-	X	-	-
decrease in par value of shares	3224	-	-	-	X	-	-
decrease in number of shares	3225	-	-	-	X	-	-
reorganization of the legal entity	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	(49 991)	(49 991)
Change in Additional capital	3230	X	X	-	-	-	X
Change in Reserve capital	3240	X	X	X	-	-	X
Balance as of December 31, 2016	3200	62	-	2 086	3	147 529	149 680
For 2017							
Equity increase - total:	3310	-	-	-	-	5 290	5 290
including:							
net income	3311	X	X	X	X	5 276	5 276
gain from fixed assets revaluation	3312	X	X	-	X	14	14
income booked to capital increase	3313	X	X	-	X	-	-
additional issue of shares	3314	-	-	-	X	X	-
increase in par value of shares	3315	-	-	-	X	-	X
reorganization of the legal entity	3316	-	-	-	-	-	-
Equity decrease - total:	3320	-	-	(14)	-	(26 641)	(26 655)
including:							
net loss	3321	X	X	X	X	-	-
loss from fixed assets revaluation	3322	X	X	(14)	X	-	(14)
expense booked to capital decrease	3323	X	X	-	X	-	-
decrease in par value of shares	3324	-	-	-	X	-	-
decrease in number of shares	3325	-	-	-	X	-	-
reorganization of the legal entity	3326	-	-	-	-	(6 646)	(6 646)
dividends	3327	X	X	X	X	(19 995)	(19 995)
Change in Additional capital	3330	X	X	-	-	-	X
Change in Reserve capital	3340	X	X	X	-	-	X
Balance as of December 31, 2017	3300	62	-	2 072	3	126 178	128 315

2. Equity adjustments due to accounting policy changes and prior year errors corrections

Caption	Line code	As of December 31, 2015	Equity change for 2016		As of December 31, 2016
			through net income/(loss)	other	
1	2	3	4	5	6
Equity - total					
before adjustments	3400	163 066	36 605	(49 991)	149 680
Adjustments incl.					
accounting policy change	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	163 066	36 605	(49 991)	149 680
including:					
Retained earnings (loss):					
before adjustments	3401	160 910	36 605	(49 986)	147 528
Adjustments incl.					
accounting policy change	3411	-	-	-	-
correction of errors	3421	-	-	-	-
after adjustments	3501	160 910	36 605	(49 985)	147 529
Other equity line corrected:					
before adjustments	3402	2 156	-	(5)	2 151
Adjustments incl.					
accounting policy change	3412	-	-	-	-
correction of errors	3422	-	-	-	-
after adjustments	3502	2 156	-	(5)	2 151

3. Net Assets

Caption	Line code	As of December 31, 2017	As of December 31, 2016	As of December 31, 2015
1	2	3	4	5
Net assets	3600	128 315	149 680	163 066

CEO _____
(signature)S.V. Soldatenkov _____ Chief Accountant _____
(full name) (signature)L.N. Strelkina _____
(full name)

"14" March 2018

STATEMENT OF CASH FLOWS
for year 2017

Company **PJSC "MegaFon"**

Taxpayer Identification Number

Type of economic activity **Activities in the field of communication based on a wired and wireless technologies**

Legal/ ownership form

Public Joint-Stock Company

Monetary unit: millions of Russian rubles (mln. RUR)

	CODES
Form as per the Russian National Classifier of Management Documentation (OKUD)	0710004
Date (dd/mm/yy)	31 / 12 / 2017
Russian National Classifier of Businesses and Organizations (OKPO)	31090505
Individual tax payer number (INN)	7812014560
Russian National Classifier of Economic Activities (OKVED)	61.10; 61.20
Russian National Classifier of Organizational and Legal Forms / Russian National Classifier of Property Categories (OKOPF/OKFS)	12247/37
Russian National Classifier of Measurement Units (OKEI)	385

Caption	Line code	2017	2016
1	2	3	4
Cash flows from operating activities			
Cash proceeds received - total	4110	278 960	242 030
including:			
proceeds from customers	4111	250 640	241 879
rent payments, license payments, fees, payments under commission agreements and other	4112	308	65
proceeds from re-sale of financial investments	4113	-	-
proceeds in connection with the reorganization	4114	6	-
other proceeds	4119	28 006	86
Cash disbursements - total	4120	(195 950)	(162 167)
including:			
payments to suppliers (subcontractors) for goods, work, services, raw materials and other assets	4121	(121 608)	(106 745)
payroll and related payments to employees	4122	(12 141)	(12 644)
interest paid	4123	(22 996)	(16 887)
corporate income tax payments	4124	(5 163)	(7 443)
payments of other taxes	4125	(7 321)	(12 825)
other payments	4129	(26 721)	(5 623)
Net cash flows from operating activities	4100	83 010	79 863

Caption	Line code	2017	2016
1	2	3	4
Cash flows from investing activities			
Cash proceeds received - total	4210	40 102	82 285
including:			
proceeds from sale of non-current assets (except financial investments)	4211	332	764
proceeds from sale of shares in other entities (equity interest)	4212	-	-
proceeds from repayment of loans provided, from sale of debt securities (sales of rights to claim)	4213	15 298	44 473
dividends received, interest received	4214	4 407	3 444
proceeds from financial investments (deposits with maturity more than 3 months)	4215	20 065	33 604
other proceeds	4219	-	-
Cash disbursements - total	4220	(135 214)	(125 805)
including:			
payments for purchases, construction, modernization, reconstruction and preparation for use of non-current assets	4221	(51 268)	(52 279)
payments for purchase of shares (equity interest) in other entities	4222	(44 661)	(3 019)
purchase of debt securities (purchase of rights to claim), loans provided to other entities	4223	(15 070)	(47 402)
interest paid on debt securities included in the cost of investment asset	4224	(1 448)	(1 957)
payments for financial investments (deposits with maturity more than 3 months)	4225	(22 767)	(21 148)
other payments	4229	-	-
Net cash flows from investing activities	4200	(95 112)	(43 520)
Cash flows from financing activities			
Cash proceeds received - total	4310	140 981	133 579
including:			
proceeds from loans and borrowings	4311	125 492	111 934
cash contributions from owners (shareholders)	4312	-	-
proceeds from issuance of stock, increase of shares	4313	-	-
proceeds from issuance of bonds, promissory notes and other debt securities and other	4314	15 489	19 998
other proceeds	4319	-	1 647
Cash disbursements - total	4320	(136 729)	(151 236)
including:			
payments to shareholders for purchase of shares of the entity or their cessation of being shareholders	4321	-	-
dividends and other distribution of earnings to shareholders	4322	(23 421)	(45 940)
redemption (buyout) of promissory notes and other debt securities, repayment of loans	4323	(108 581)	(105 296)
other payments	4329	(4 727)	-
Net cash flows from financing activities	4300	4 252	(17 657)
Net cash flows total	4400	(7 850)	18 686
Balance of cash and cash equivalents as of the beginning of the reporting period	4450	33 251	17 834
Balance of cash and cash equivalents as of the end of the reporting period	4500	23 886	33 251
Effect of changes in the exchange rates of foreign currencies to the Ruble	4490	(1 515)	(3 269)

CEO _____ S.V. Soldatenkov
(signature) (full name)

Chief Accountant

_____ L.N. Strelkina
(signature) (full name)

"14" March 2018