



JOINT-STOCK FINANCIAL CORPORATION

SISTEMA

Sistema PJSFC Financial Results 3Q 2016

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DISCLAIMER

Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within PJSC Sistema. The words “expect”, “estimate”, “intend”, “will”, “could” and similar expressions identify forward-looking statements. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the above-mentioned date or to reflect the occurrence of unanticipated events. Many factors could cause Sistema’s actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, deteriorating economic and credit conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to Sistema and its operations.



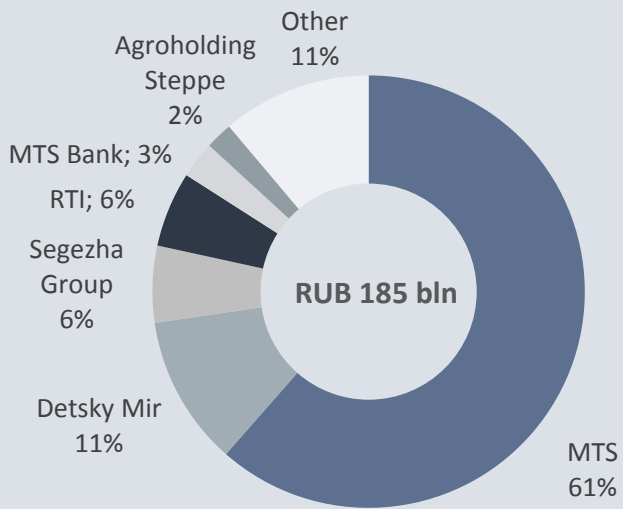
KEY HIGHLIGHTS

CONSOLIDATED REVENUE

RUB bln

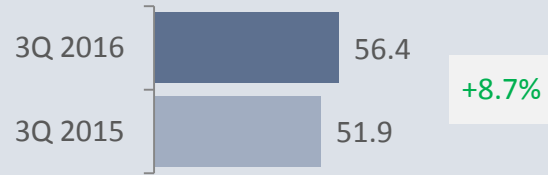


REVENUE BREAKDOWN BY ASSETS

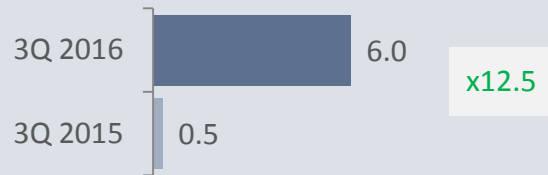


ADJUSTED OIBDA

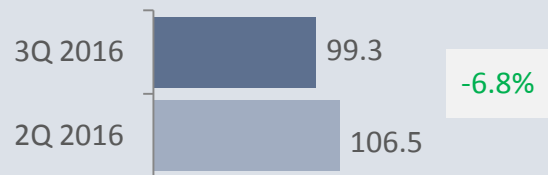
RUB bln



ADJUSTED PROFIT



DEBT AT CORP CENTRE*



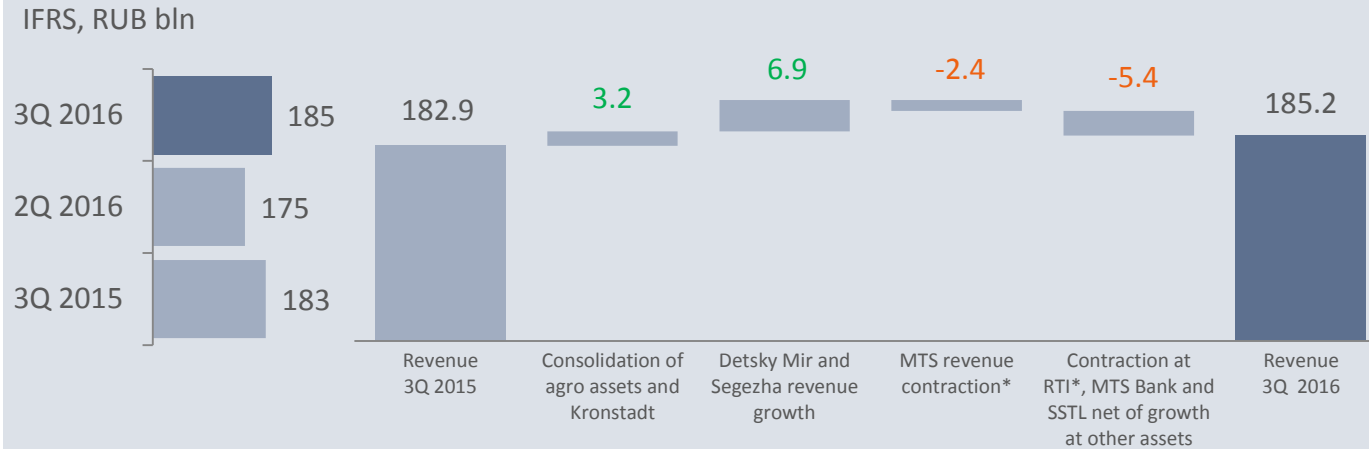
- Revenue up YoY driven by robust growth in private assets
- Robust OIBDA growth across portfolio with continued turnaround in private assets and resilient performance at MTS
- Contribution from private assets to portfolio's OIBDA up to 21% vs. 10% in 3Q 2015
- Good progress on deleveraging and liability management with the Corporate Centre's debt down 7% QoQ
- New promising investments in agriculture and hospitality in the second half of the year
- Focus on shareholder returns: first interim dividend of RUB 3.7 bln paid for 1H 2016. Total dividend paid during 2016 reached RUB 10.1 bln and more than doubled vs 2015

*Excluding liabilities under put option agreement and the agreement with Rosimushchestvo related to SSSL shares



FINANCIAL REVIEW

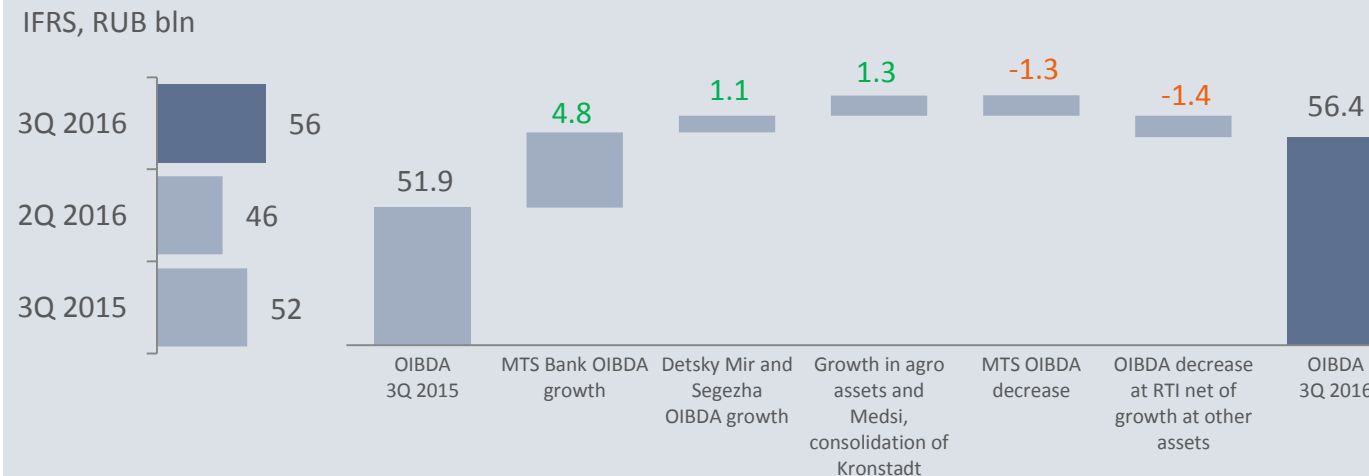
CONSOLIDATED REVENUE ANALYSIS



- **MTS:** impact of macro factors and weaker roaming usage, smaller contribution from foreign subsidiaries
- **Detsky Mir:** strong 12.2% like-for-like sales growth and further expansion of store chain
- **Segezha Group:** increase in sacks sales, doubling sawn timber production and sales through accretive M&A (Lesosibirsk Wood-processing Plant)
- **RTI:** disposal of the ICT business unit and lower contribution from other segments

*Excluding the impact of Nvision assets on RTI's revenues in 3Q'15 and on MTS revenues in 3Q'16

ADJUSTED OIBDA ANALYSIS



- **MTS Bank:** Decline in provision charges, stronger fee income and lower SGA costs
- **Detsky Mir:** top-line growth and improvements in operating efficiency
- **Segezha Group:** increase in share of higher-margin products in sales, optimisation of production costs
- **MTS:** weaker roaming usage and retail expansion, OIBDA trends stronger vs. key competitors



STRONG PORTFOLIO RESULTS, NEW INVESTMENTS AND EFFICIENT MONETISATIONS IN 3Q 2016 AND BEYOND

Portfolio performance

- ✓ **Dividends to Sistema:** RUB 14.7 bln received from subsidiaries by Corp Center in form of dividends in 3Q 2016
- ✓ **Performance of portfolio companies:**
 - **MTS:** Further **growth in subscriber base** (+2.5% YoY), **resilience of OIBDA margin** (41%) despite macro pressures
 - **Detsky Mir:** Robust growth in # of stores to 464 at end of 3Q'16 (+26% YoY), revenue up 35% YoY, OIBDA up 37% YoY
 - **Segezha Group:** 19% YoY revenue growth, with a strong OIBDA margin at 21%
 - **Agroholding Steppe:** **Strong performance of assets acquired in 2015-2016**, revenue RUB 3.5 bln, OIBDA margin 30%
 - **MTS Bank:** Further improvement in cost of risk, **profitability achieved in 3Q'16**

M&A

- ✓ **Agriculture:** acquisition of crop production business in the Rostov and Stavropol regions operating **66,000 hectares of land** (November 2016). Good potential to grow production and improve operating efficiencies on the acquired assets
- ✓ **Hospitality business:** Nine **high quality hotels** (assets of Regional Hotel Chain) acquired in Moscow and Russian regions in November, bringing total number of rooms under management to 3,663.

Asset monetisation

- ✓ **MTS:** 1.27% of MTS share capital sold in form of ADS for USD 100.4 mln
- ✓ **50% in SG Trans** divested for RUB 6.0 bln. **Profitable exit amid a decline in the industry** confirms Sistema's ability to develop strong businesses and efficiently monetise assets

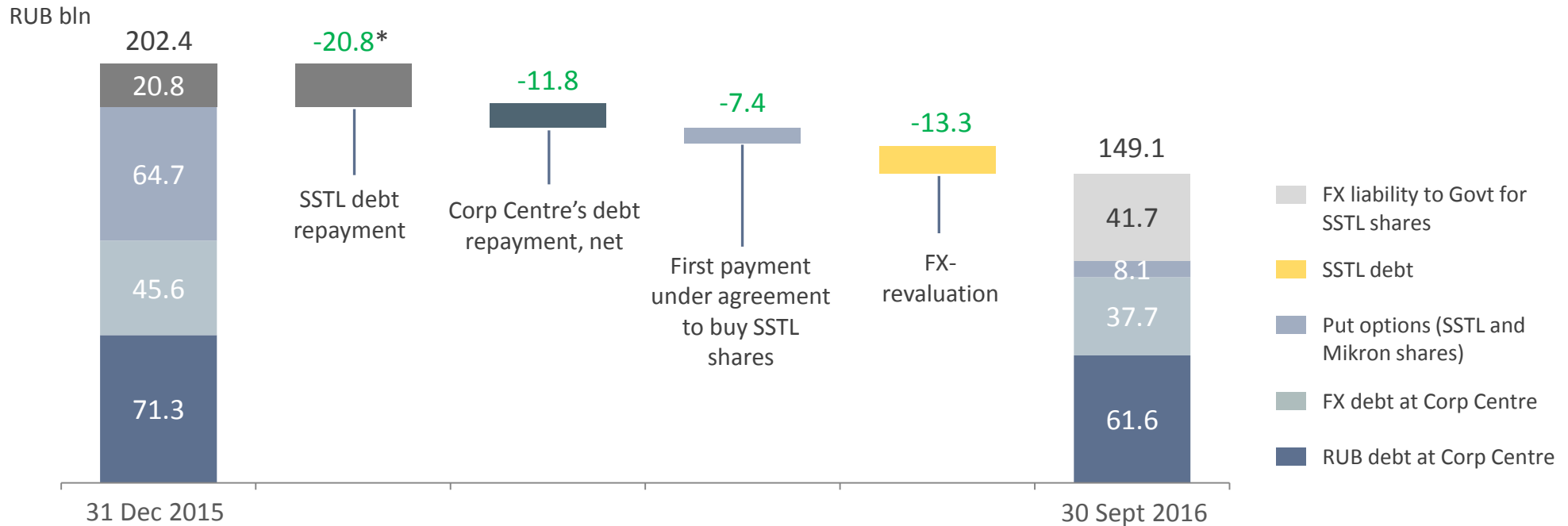
Corporate Centre

- ✓ **Liability management:**
 - Corporate centre's debt down 6.8% QoQ as of 30 September 2016
 - Local bonds of RUB 16.5 bln placed in November to partially replace FX liabilities and extend maturity on RUB debt
 - Sistema and RUSNANO agreed to restructure the option on Mikron shares
- ✓ **Shareholder return:** First interim dividend paid for 1H'16. Total dividend distributed in 2016 reached RUB 10.1 bln, up 123% vs 2015



DELEVERAGING AND DEBT OPTIMISATION ON THE CORPORATE CENTRE LEVEL CONTINUED

Corporate Centre's total financial liabilities



- Corp Centre's total financial liabilities down $\approx 26\%$ since the start of 2016
- Drivers of deleveraging during 9M 2016: (i) prepayment of the debt guaranteed by Sistema at SSTL; (ii) first payment made to the Russian budget for SSTL shares, (iii) early redemption of RUB 10 bln 17%-coupon local bonds in August 2016
- Deleveraging and debt optimisation to continue in 4Q 2016 with redemption of Corp Centre's debt, 2nd payment to the Russian government for SSTL shares, restructuring the option for Mikron shares and refinancing debt through successful local bond placements

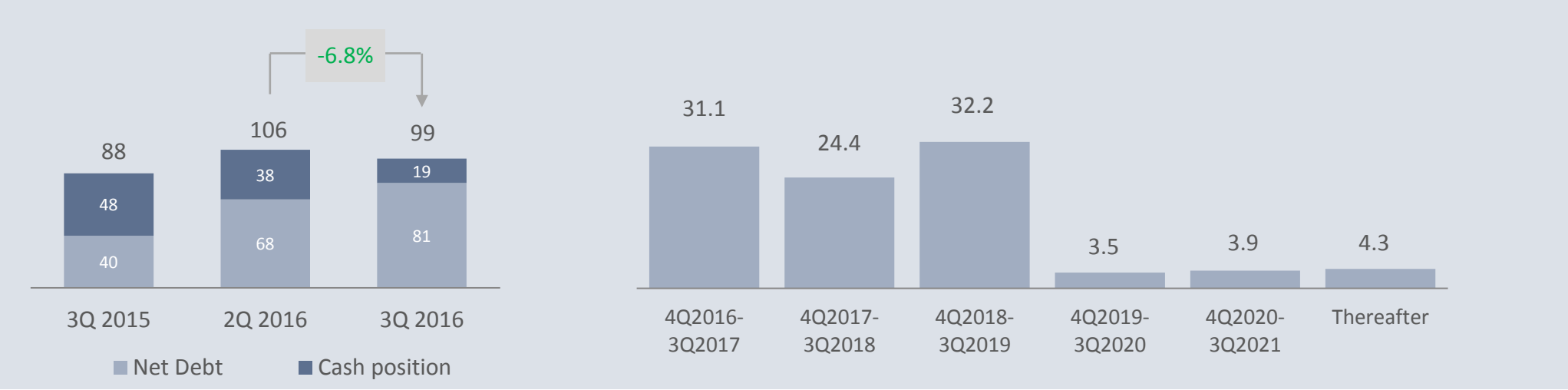
*Amounts in Russian rubles calculated at RUB/USD exchange rate as of 31 December 2015



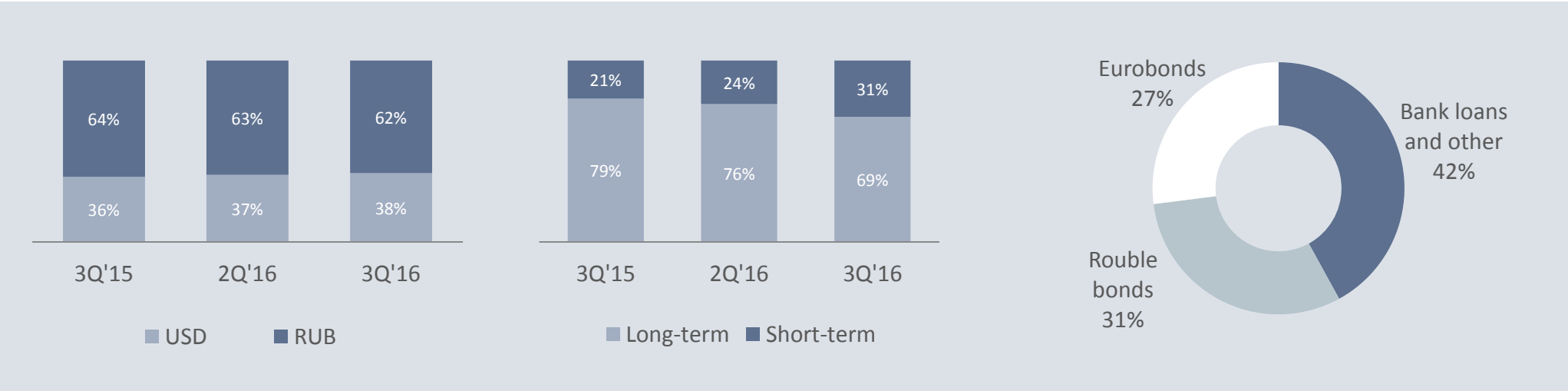
CORPORATE CENTRE'S DEBT

Management accounts, RUB bln

CORPORATE CENTRE'S DEBT AND MATURITY PROFILE*



CORPORATE CENTRE'S DEBT STRUCTURE*



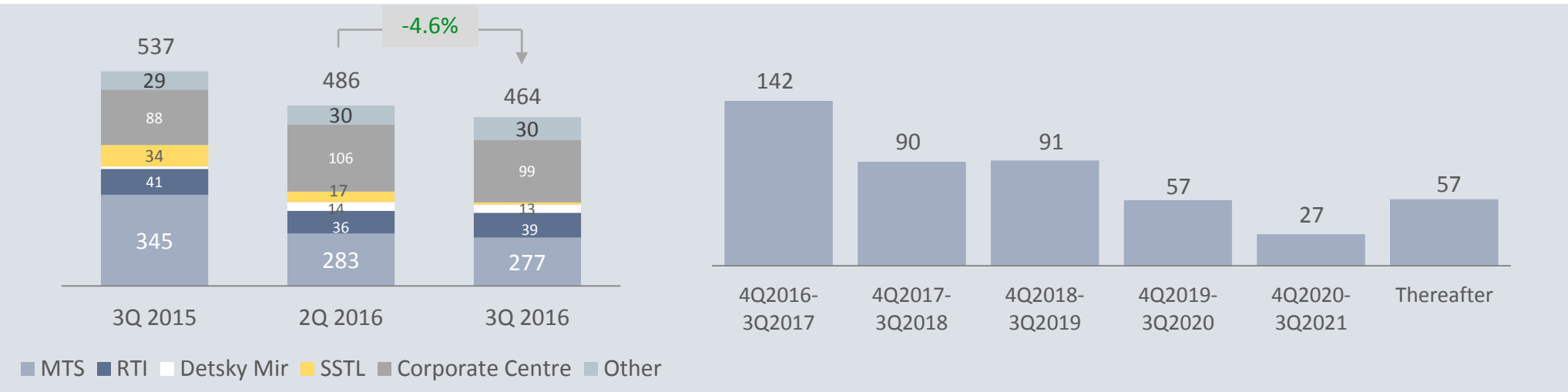
*Excluding liabilities under put options agreements and the agreement with Rosimushchestvo related to SSTL shares



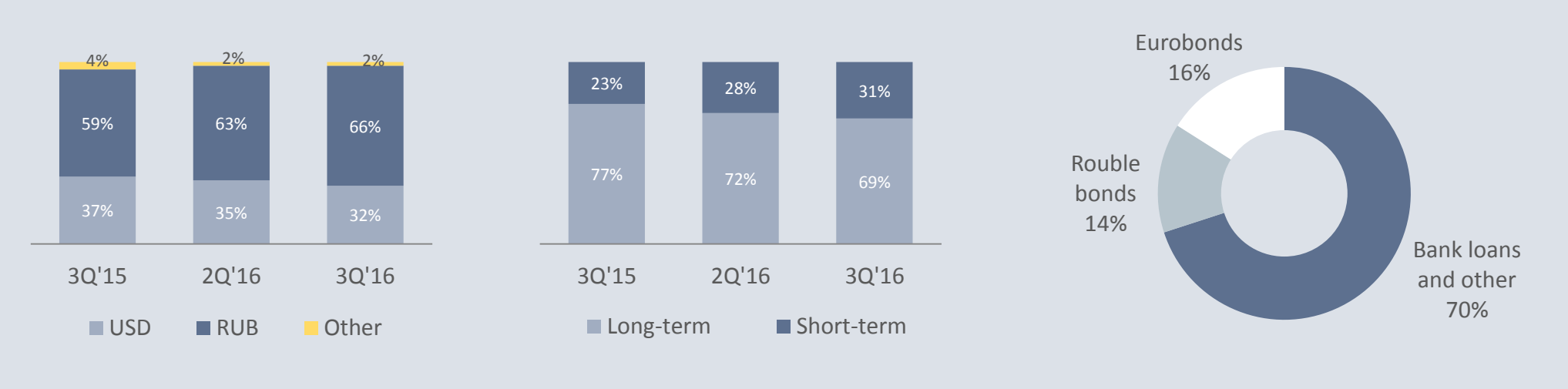
CONSOLIDATED DEBT

CONSOLIDATED DEBT AND MATURITY PROFILE*

Management accounts, RUB bln



CONSOLIDATED DEBT STRUCTURE

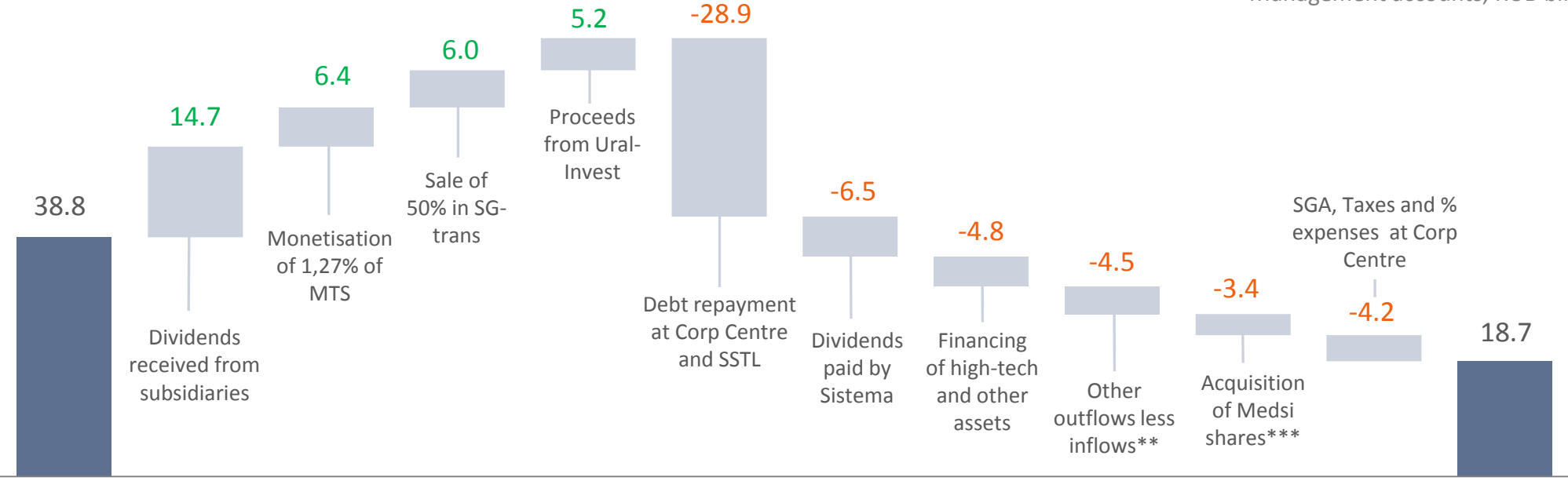


*Excluding liabilities under put option agreement and the agreement with Rosimushchestvo related to SSTL shares



CASH FLOWS AT THE CORPORATE CENTRE

Management accounts, RUB bln



June 30, 2016*

September 30, 2016*

- ✓ Cash position supported by RUB 14.7 bln in dividends from subsidiaries, monetisations of 1.27% MTS shares and divestment of 50% in SG-Trans
- ✓ Repayment of Corporate Centre’s liabilities and SSTL debt significantly improves financial profile of Sistema
- ✓ In 4Q 2016 Sistema expects to receive over RUB 20 bln in dividends and cash returns from subsidiaries which will support further investments, debt optimisation and distributions to shareholders

* Including highly liquid deposits
 ** Includes a cash outflow related to impairment of financial assets
 ***Sistema acquired a 25% stake in Medsi Group in October 2015 bringing its share in the asset to 100%.

AGRICULTURE: ACQUISITION OF HIGH-QUALITY ASSETS EXPANDING THE LAND BANK BY 66 THSD HA



ASSET PROFILE

Total land bank	66'000 ha
Gross production 2016E	184 thsd tonnes*
Productivity, tonnes / ha	
Wheat	4.4
Corn	5.2
Sunflower	2.5

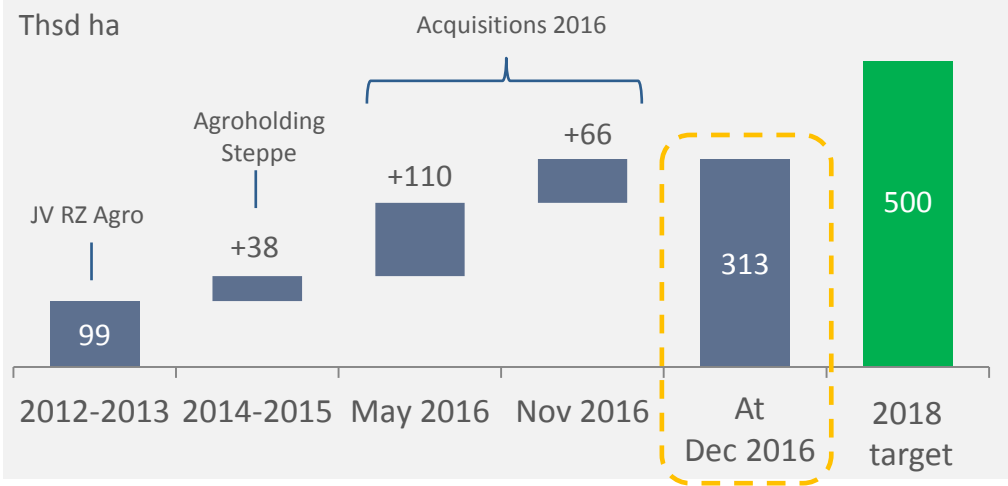
* Including wheat, sunflower, corn and other crops

- ✓ Good quality of land in the most attractive farming area in Russia (Rostov and Stavropol regions)
- ✓ Excellent geographical fit and strong synergies with Steppe's existing assets
- ✓ Potential to increase production, yields and OIBDA through crop rotation, enriching the soil and optimising fallow land
- ✓ Attractive acquisition cost versus most recent peer transactions

BEST FARMING AREA IN RUSSIA, PROXIMITY TO PORTS



BUILDING AGROHOLDINGS'S LAND BANK

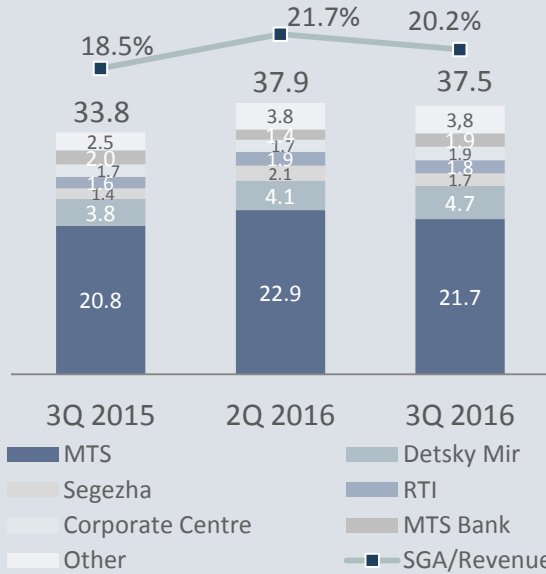




IFRS, RUB bln

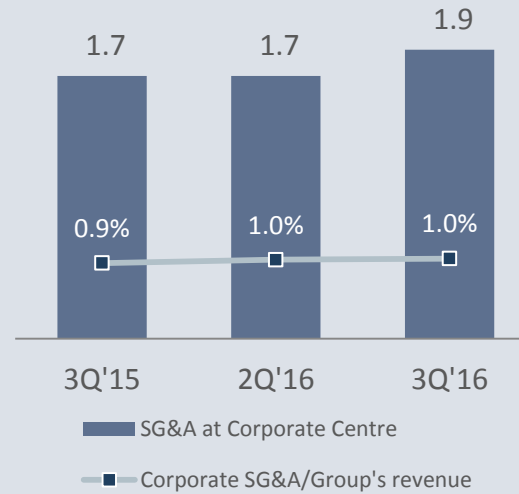
SG&A AND CAPEX

GROUP'S SG&A



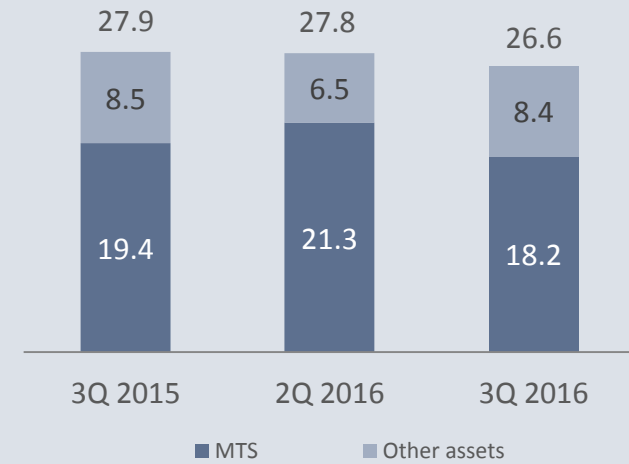
- Group's SG&A up YoY by 11.0% due to cost growth at MTS (expansion of retail network), Detsky Mir (expansion strategy), Segezha (increase in production and M&A), and new asset consolidation
- YoY improvements of SGA/Revenue ratio at subsidiaries:
 - Medsi: down to 14.3% from 18.1%
 - Detsky Mir: down to 22.7% from 24.7%
 - BPGC: down to 2.9% from 4.1%
 - Targin: down to 2.1% from 2.5%

CORPORATE CENTRE'S SG&A (ADJUSTED*)



- SG&A at Corporate Centre adjusted for costs related to asset monetisations increased by 9.9% YoY
- Corporate SG&A/Revenue ratio adjusted for costs related to asset monetisations remained stable YoY

GROUP'S CAPEX



- The Group's CAPEX decreased YoY by 4.7%
- MTS reduced CAPEX to RUB 18.2 bln (-6.5% YoY)
- RTI reduced CAPEX to RUB 1.1 bln (-50.9% YoY)

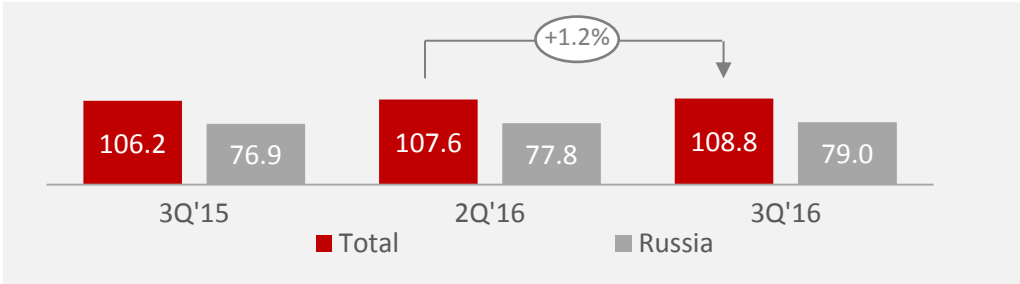
* Adjustment made for SGA related to asset monetisations



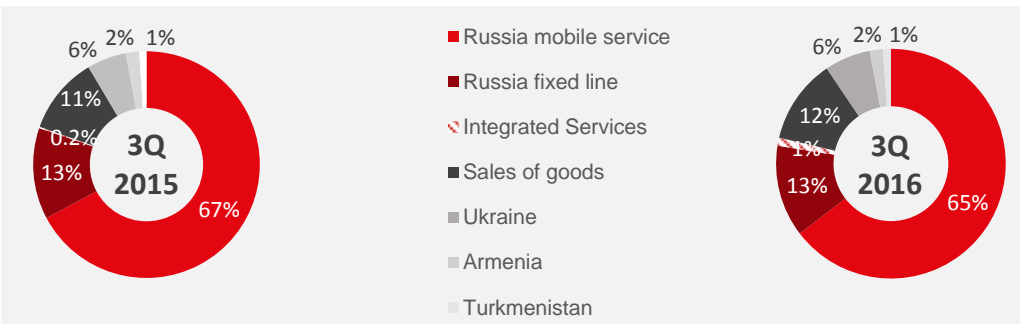
Portfolio Overview

TOP TELECOM OPERATOR IN RUSSIA: RESILIENCE TO MACRO TRENDS AND FOCUS ON SHAREHOLDER RETURN

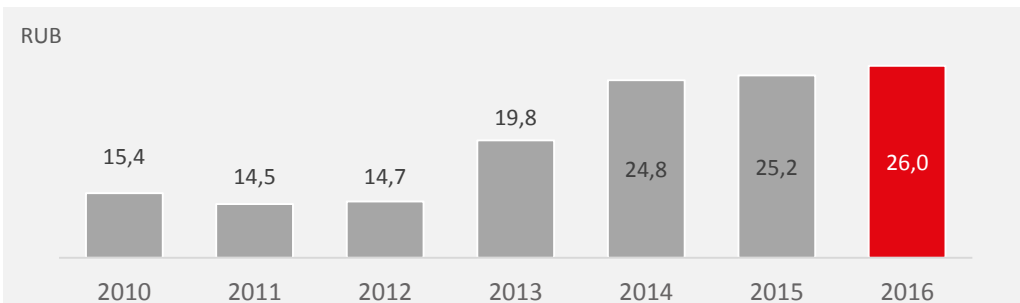
SUBSCRIBER BASE



REVENUE BREAKDOWN



DIVIDEND PER SHARE



RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	112.2	113.7	-1.3%	106.1	5.8%
OIBDA	45.8	47.1	-2.8%	40.3	13.4%
OIBDA margin	40.8%	41.4%	-0.6 p.p.	38.0%	2.8 p.p.
Profit*	6.5	7.7	-15.3%	4.8	34.6%
Net debt	240.4	319.9	-24.9%	258.3	-6.9%
CAPEX	18.2	19.4	-6.5%	21.3	-14.9%

> Resilience to macroeconomic and competitive pressures and maintained focus on delivering robust shareholder returns

> Moderate revenue decline YoY due to weaker roaming usage as a result of fewer Russians traveling abroad. Lower revenue contributions from Ukraine and other subsidiaries outside Russia due to depreciation of local currencies against the RUB also put pressure on revenue.

> MTS continues to outperform its peers on the OIBDA level. OIBDA decreased YoY mainly as a result of weaker roaming usage and the impact of continued expansion of the retail network.

> MTS's market share remained stable, with MTS maintaining its position as the leading player in the industry. The subscriber base grew by 2.8% over the 12 months.

> In 2016, MTS paid out a record dividend per share of RUB 26.

> In October, MTS announced a buyback of its shares of up to RUB 10 bln, including via a tender offer with a proposed return of c. RUB 4,935 mln to minority shareholders at a price determined by a modified Dutch auction. Upon completion of the tender offer, Sistema will sell MTS shares proportionally to its effective stake in MTS at the same price for a total consideration of up to RUB 5,065 mln.

*Here and thereafter profit is presented in Sistema's share

TOP CHILDREN'S GOODS RETAILER IN RUSSIA AND CIS: CONTINUED EXPANSION AND EFFICIENCY GROWTH

REVENUE

RUB bln

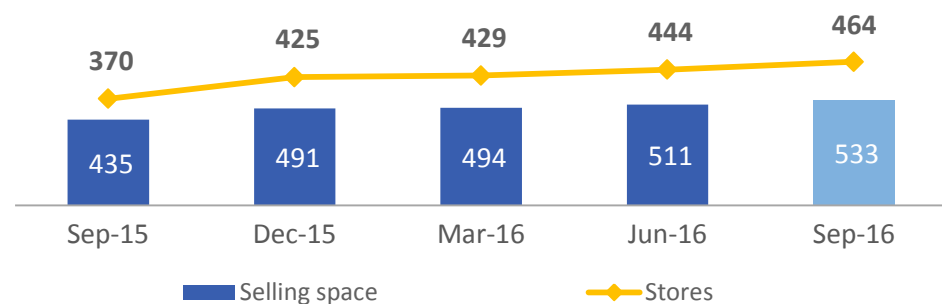


OIBDA

RUB bln



SELLING SPACE (THSD M²) AND NUMBER OF STORES



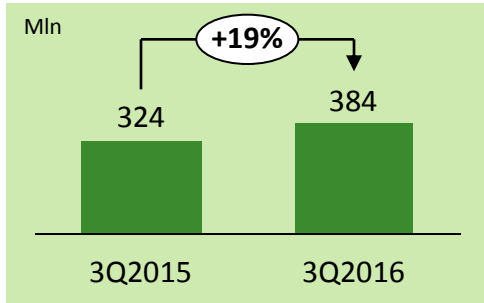
RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	20.5	15.2	34.6%	17.3	18.3%
OIBDA	2.2	1.6	37.2%	1.6	38.8%
OIBDA margin	10.9%	10.7%	0.2 p.p.	9.3%	1.6 p.p.
Profit	0.8	0.3	161.1%	0.4	91.3%
Net debt	12.5	16.5	-24.0%	13.0	-3.4%
SGA/revenue	22.7%	24.7%	-2.0 p.p.	23.7%	-1.0 p.p.
Like-for-like growth	12.2%	10.5%	1.7 p.p.	13.0%	-0.8p.p.
Traffic growth	3.1%	2.2%	1.1 p.p.	2.4%	0.7p.p.
Average check growth	8.9%	7.6%	1.3 p.p.	10.3%	-1.4p.p.
CAPEX	0.4	2.7	-86.1%	0.3	19.6%

- > Revenues grew YoY due to robust growth in like-for-like sales (+12.2%) and stores opened in 2014-2015 reaching traffic maturity. Like-for-like growth in the number of tickets (3.1%) was the strongest since 2Q 2015
- > Implementation of strategy focused on increasing market share in Russia continued with 21 new stores opened in 3Q 2016
- > E-commerce segment continued rapid expansion with YoY sales growth of 2.8 times for the first 9M 2016, in particular driven by synergies between Detsky Mir's online store and retail chain
- > OIBDA increased by 37.2% YoY driven by revenue trends and improved operational efficiency
- > SG&A as a percentage of revenues continued to decline thanks to optimisation of key expense lines including salaries and rental costs
- > Sistema continues to consider options for further monetisation of Detsky Mir, including a private placement or an IPO, potentially as early as the first half of 2017

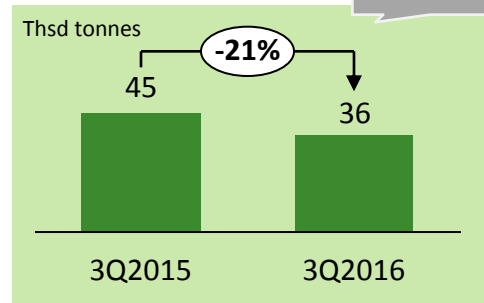
LEADING PULP AND PAPER HOLDING SEGEZHA GROUP: CONTINUED INVESTMENTS INTO GROWTH



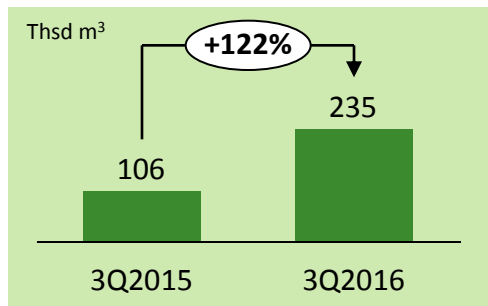
PAPER SACKS



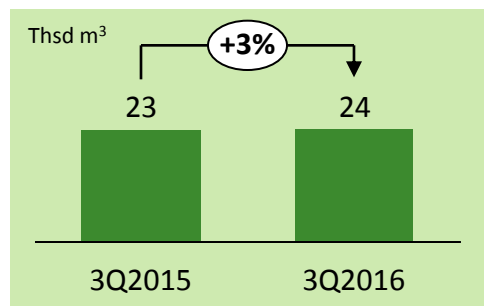
SACK PAPER*



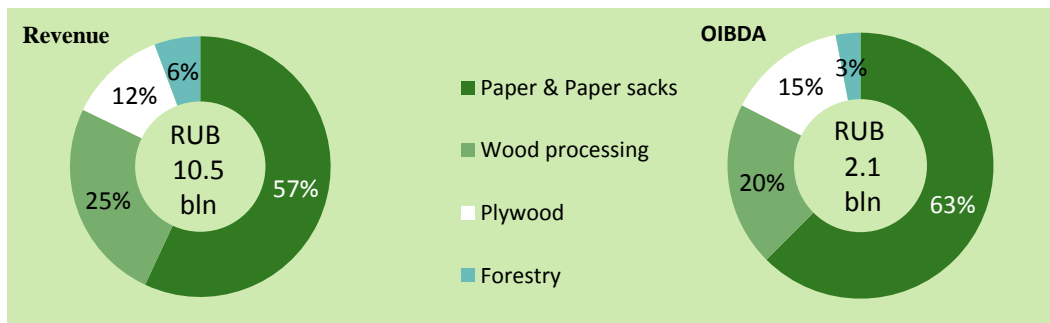
SAWN LUMBER



PLYWOOD



REVENUE AND OIBDA BY BUSINESS SEGMENTS



*Includes shipment of paper and paper board

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	10.5	8.8	18.9%	10.0	4.4%
OIBDA	2.2	1.7	29.7%	2.2	-1.8%
OIBDA margin	20.8%	18.8%	1.7 p.p.	22.2%	-1.4 p.p.
Profit	0.2	0.6	-58.7%	0.5	-53.4%
Net debt	15.9	-0.2	n/a	14.8	7.1%
CAPEX	3.1	0.9	255.3%	2.0	55.5%
Share of FX-denom. revenues	69%	69%	-1 p.p.	70%	-2 p.p.
Own forestry consumption	61%	64%	-3 p.p.	60%	1 p.p.
Total forestry, '000 m³	916.5	731.4	25%	730.9	25%

- > Increase in revenue YoY driven by stronger sales of paper sacks and doubling of sawn timber production following the consolidation of Lesosibirsk Wood-Processing Plant No.1 in 1Q 2016
- > Sack paper shipments decreased as a result of the planned shutdown for modernisation of pulping equipment at Segezha Pulp & Paper Mill aimed at increasing production by 28% to 1,150 tonnes of paper pulp a day. The plant began operating at full capacity in 4Q 2016
- > Main factors behind OIBDA margin increase YoY are the increase in share of sales of high-margin products within paper sacks and sawn timber product line, as well as optimisation of production costs
- > Major capital investments in 3Q 2016 related to modernisation of Segezha Pulp & Paper Mill, construction of a new plywood plant in Kirov and modernisation of forestry equipment
- > In 4Q 2016, Segezha Group signed a five-year EUR 383.6 mln syndicated loan facility to finance investment programmes and for general corporate purposes

DIVERSIFIED AGRICULTURAL HOLDING: STRONG RESULTS AMID HIGH SEASON



Crop production	Milk production	Vegetables production	Apple orchards
<ul style="list-style-type: none"> Land bank: 'Steppe': 313k ha* - Incl. RZ Agro: 100k ha Modern equipment and agrotechnology 	<ul style="list-style-type: none"> 4 dairy farms ≈8,800 heads of livestock (≈3,638 forage-fed cows) 	<ul style="list-style-type: none"> Greenhouses with total area of 144 ha Infrastructure: bio-laboratory, agro-chemical laboratory, boiler-house, etc. 	<ul style="list-style-type: none"> Land bank: 1,771 ha Orchards: 780 ha Fruit storage capacity of 21 thsd tonnes

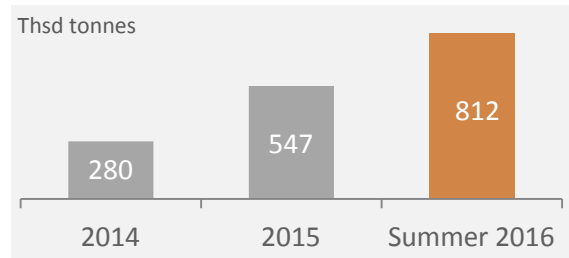
Agroholding Steppe***

RZ Agro***

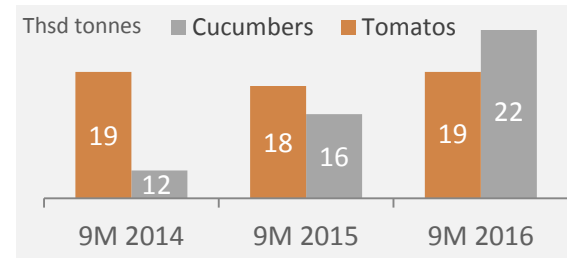
RUB bln	3Q'16	9M'16	9M'15*	YoY	9M'16	9M'15	YoY
Revenue	3.5	6.3	4.8	31,3%	2.5	1.3	91,5%
OIBDA	1.0	1.7	1.0	69,3%	1.2	0.9	24,5%
OIBDA margin	29.8%	26.9%	20.9%	6.0 p.p.	47,1%	72,4%	-25,3p.p.
Profit	0.6	0.2	0.2	25.1%	0.9	0.8	21,3%
Net debt	1.5	1.5	n/a	n/a	0.6	-0.1	n/a
CAPEX	0.2	0.5	0.6	-11.3%	0.2	0.1	93,1%

*Data for 9M 2015 are based on management accounts

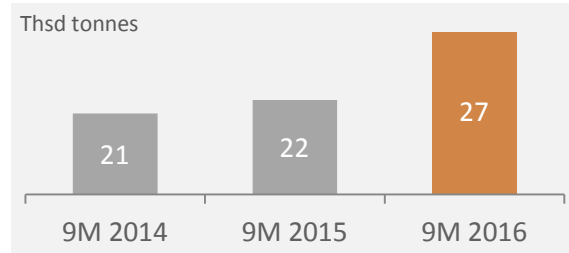
GRAIN PRODUCTION**



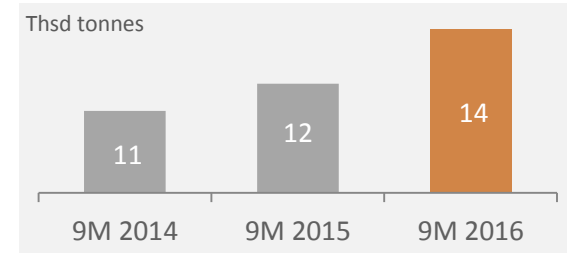
VEGETABLES



MILK PRODUCTION



APPLES



- > Wheat and vegetable production were the main drivers of Steppe's revenue and OIBDA growth during 9 m 2016.
- > Yield, revenue and OIBDA of wheat production grew thanks to land bank expansion (approximately 120,000 ha of land were acquired in 2015 – 1H 2016), implementation of modern technologies and Steppe's standards on new assets and reduced harvest timeframe.
- > Temporary reduction in wheat market prices due to a strong harvest was offset by a conservative sales policy
- > Growth in production and revenue of vegetables segment was driven mainly by higher yields (to 32 kg on m² for 9M 2016 from 29 kg on m² for 9M 2015).
- > Milk production grew due to a 12% increase in the dairy cow headcount YoY and increase in productivity.
- > In the fruit production segment, new apple orchards were established over an area of 150 ha, with the first harvest expected in 2018.

* Including the acquisition of agro companies with a land bank of 66k ha in November 2016

** Including operating data of Agroholding Steppe and RZ Agro.

*** Sistema through 'Agroholding 'Steppe' owns 50% of RZ Agro and does not consolidate the company in the financial statements

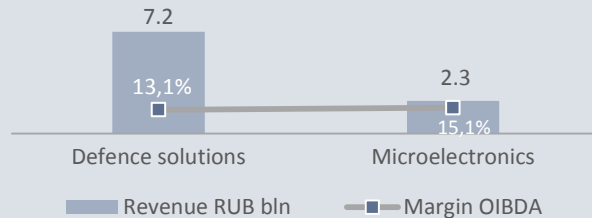


HIGH-TECH (RTI) AND OILFIELD SERVICES (TARGIN)

RTI

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue without ICT business unit (NVision)*	10.3	14.5	-29.9%	11.4	-9.8%
Revenue	10.3	17.8	-42.2%	11.4	-10.0%
OIBDA	1.1	2.9	-61.0%	0.9	30.4%
OIBDA margin	10.9%	16.1%	-5.2 p.p.	7.5%	3.4 p.p.
Loss	-0.6	-0.7	n/a	-0.6	n/a
Net debt	33.4	27.9	19.8%	29.3	13.9%
Share of debt related to state defence contracts**	35%	41%	- 6 p.p.	32%	3 p.p.

Results by key business segments



- > Revenues declined YoY mainly due to the disposal of ICT BU, as well as lower revenue in Defense Solutions BU due to customers delaying several key projects under long-term contracts. Microelectronics BU revenue also declined due to orders from large clients being placed later in the year.
- > OIBDA and OIBDA margin decreased YoY as the result of the disposal of the ICT BU. OIBDA increased QoQ thanks to impairment loss recognition for accounts receivable and supply stock in the Microelectronics BU in 2Q 2016.
- > Net debt increased YoY principally due to increased borrowing as part of RTI's fulfilment of the state defence order.
- > In October 2016, RTI's Board of Directors (BOD) approved a decision to separate the duties of CEO and Chief Designer. Igor Bevzyuk was named CEO. Sergei Boyev continues to hold the position of Chief Designer and was elected Chairman of the BOD of RTI.

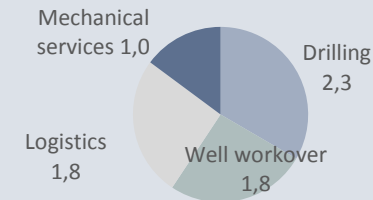
*Information and Communications Technologies BU disposed in 2H 2015.

**Share of debt related to state defence contracts (with effectively zero interest rate).

Targin

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	6.9	6.4	7.8%	6.6	4.4%
OIBDA	1.1	1.1	0.0%	0.8	43.4%
OIBDA margin	16.0%	17.4%	-1.4 p.p.	11.6%	4.4 p.p.
Profit/loss	0.4	0.5	-24.9%	-0.01	n/a
Net debt	4.0	3.1	26.8%	4.7	-15.4%
CAPEX	0.8	0.4	93.6%	0.9	-7.6%

Revenue, RUB bln



- > Revenues increased YoY driven by its expanded client base and 5% increase in volumes in the well workover segment, as well as 1% increase in transportation services volumes.
- > OIBDA increased QoQ thanks to improved margins in the well workover segment. OIBDA margin decreased YoY due to expenses incurred in the roll-out of new services – directional drilling, drill bit completion, well completion and downhole work – as well as amendments to the drilling programme in 3Q 2016.
- > Targin is carrying out an investment programme aimed at expanding its product portfolio, developing new technologies and modernising its equipment. In 3Q 2016 Targin continued to borrow to fund key investment projects.
- > As of 30 September 2016, Targin's net debt/LTM OIBDA ratio stood at 1.1x.

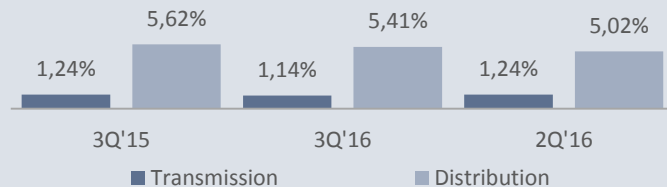


ELECTRIC POWER GRIDS (BPGC), FINANCIAL SERVICES (MTS BANK)

BPGC

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	3.9	3.4	15.4%	3.5	12.4%
OIBDA	1.4	1.2	12.3%	1.1	24.6%
OIBDA margin	36.0%	36.3%	-0.3 p.p.	31.9%	4.1 p.p.
Profit	0.7	0.5	26.0%	0.5	37.1%
CAPEX	0.8	0.7	12.6%	1.4	-39.2%
New connections, '000	6 115	6 343	-3.6%	5 525	10.7%
Connected power, MVt	95.8	124	-22.7%	85.1	12.6%

Losses on distribution and transmission grids

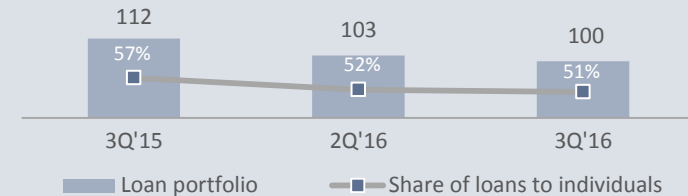


- > BPGC's revenues and OIBDA grew YoY and QoQ, mainly due to indexation of electricity transmission tariffs that came into force on 1 July 2015.
- > OIBDA margin was nearly flat YoY, despite increased payments for electricity losses caused by an increase in wholesale prices. BPGC's SG&A decreased by 17.6% YoY and by 3.1% QoQ.
- > BPGC continues to invest into development and modernisation of network assets in Bashkortostan, including the development of Smart Grid project in Ufa, Bashkortostan's largest city. BPGC continues the construction of major substations (Irek, Zubovo, Gvardeyskaya), with plans to launch them in 4Q 2016. As part of the Smart Grid project, equipment has been installed in 51 transformer modules in Ufa since the start of the year.

MTS Bank MTS Bank

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	5.0	6.4	-22.0%	5.1	-1.2%
Loss	0.7	-3.3	n/a	-0.8	n/a
Interest income	4.0	5.4	-25.4%	3.9	2.4%
Commission income	0.9	0.9	5.0%	0.8	8.9%
Net assets	24.7	30.0	-17.5%	22.9	7.6%
Capital Adequacy Ratio (N1)	18.4%	14.8%	3.6 p.p.	19.1%	-0.7 p.p.

Loan portfolio before provisions*



- > MTS Bank returned to profitability at the bottom-line level in 3Q 2016, driven by a reduction in provision charges and further improvement of asset quality.
- > Interest income grew by 2.4% QoQ against a backdrop of conservative lending growth in the retail and corporate segments. In line with the bank's strategy to increase the share of revenue derived from risk-free transaction products, commission income increased by 8.9% QoQ.
- > MTS Bank's revenues and interest income declined YoY due to reduction in the size of the balance sheet and a decrease in interest rates on the Russian market
- > In 4Q 2016, MTS Bank plans to increase its capital by RUB 10.5 bln through an additional share issue in favour of Sistema and MTS. The share issue aims to optimise the bank's capital structure and support further development of its business.

*For MTS Bank on a standalone basis

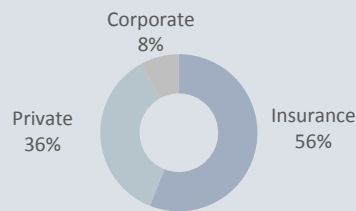


HEALTHCARE (MEDSI) AND PHARMACEUTICALS (BINNOPHARM)

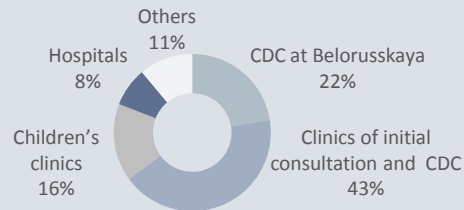
Medsi

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	2.2	2.0	14.7%	2.3	-2.6%
OIBDA	0.4	0.2	174.9%	0.1	3.2x
OIBDA margin	18.6%	7.8%	10.8 p.p.	5.6%	13.0 p.p.
Profit/Loss	0.1	0.1	-33.6	-0.2	n/a
Net debt	-1.1	-0.2	n/a	-0.6	n/a
Patient visits, '000	1 716	1 755	-2.2%	1 843	-6.9%
Services provided, '000	2 647	2 684	-1.4%	2 942	-10.0%

Revenue by clients



Revenue by assets

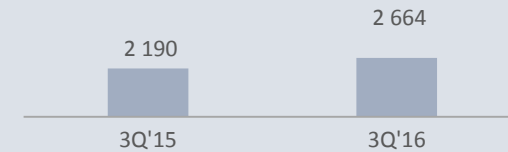


- > Robust revenues growth YoY was driven principally by an increase in the average check of 17.2%. QoQ revenues decline was the result of seasonality affecting demand for medical services
- > Medsi's OIBDA and OIBDA margin increased YoY due to a 9.5% reduction in SG&A versus 3Q 2015, as well as one-time income from a counterparty paying off accounts receivables and fines.
- > Revenues at Medsi's largest facility, the Clinical Diagnostic Centre (CDC) at Belorusskaya, rose by 10.3% YoY.
- > The CDC opened at Krasnaya Presnya in late 2015 continues to successfully ramp up capacity utilisation and patient visit numbers (+39% QoQ). The facility is expected to become positive at the OIBDA level in 2017.

Binnopharm

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	0.3	0.3	-3.9%	0.5	-41.6%
OIBDA	0.01	-0.07	n/a	0.08	-86.3%
OIBDA margin	3.7%	n/a	n/a	15.8%	-12.1 p.p.
Loss	-0.07	-0.09	n/a	-0.03	n/a
Net debt	1,1	1,1	-2,6%	0.9	11.2%

Production of finished pharmaceutical products, '000



- > Binnopharm continued to successfully execute on its strategy to grow the share of its own products in total sales. In line with this strategy, the share of lower-margin distribution sales in the reporting quarter declined to 11%, compared to 61% in the same period in 2015.
- > The YoY decline in revenues was due to the reduction in distribution sales in the state segment, which was offset by growth of commercial sales of the company's own products, as well as improved operating results.
- > Binnopharm's OIBDA grew to RUB 0.01 bln, versus a loss in 3Q 2015.
- > The decrease in revenue and OIBDA QoQ was due to no supplies of Regevak B being delivered during the quarter (vaccine shipments were made in 2Q 2016 in line with the contract with the National Immunobiological Company). Additional pressure on OIBDA resulted from higher spending on the development of Binnopharm's commercial operations.

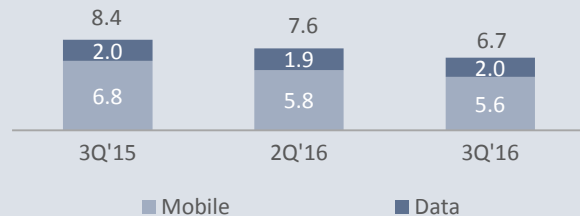


INDIAN TELECOM OPERATOR, TOURISM (“INTOURIST”)

SSTL

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	3.0	3.7	-18.9%	3.4	-13.1%
OIBDA	-0.3	-0.5	n/a	-0.4	n/a
Loss	-0.8	-2.1	n/a	-1.5	n/a
Net debt	1.8	31.7	-94.2%	13.2	-86.0%

Subscriber base, mln

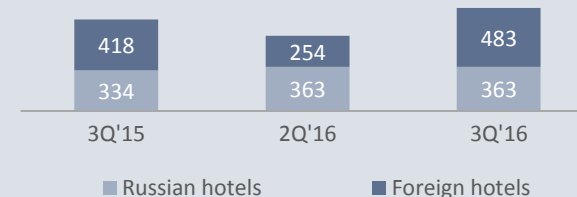


- > Decline in revenues reflects lower customer acquisitions and strong competition in the Indian voice and data markets.
- > Sistema continues to work towards a potential merger of SSTL’s telecom business with the business of Reliance Communications (RCom), one of India’s leading telecom operators. Completion of the transaction is conditional upon a number of approvals being obtained. As of end-November 2016, the transaction has been approved by the Securities and Exchange Board of India (SEBI), the Competition Commission of India, India’s tax authorities, the shareholders and creditors of RCom and SSTL, as well as by the Rajasthan and Bombay High Courts. In November 2016, Sistema Group and RCom submitted documents for the final approval of the transaction by the Department of Telecommunications (DoT) of India. DoT’s decision on the matter is expected in the fourth quarter of 2016.
- > During the reporting quarter, the Sistema Group completed repayment of SSTL’s debt guaranteed by Sistema.

Intourist

RUB bln	3Q'16	3Q'15	YoY	2Q'16	QoQ
Revenue	0.9	0.8	11.6%	0.6	41.4%
OIBDA	0.3	0.3	13.6%	0.1	4.1x
OIBDA margin	38.3%	37.6%	0.7 p.p.	13.1%	25.2p.p.
Profit/Loss	0.1	0.1	126.6%	-0.03	n/a
Net debt	1.0	1.2	-12.6%	1.2	-16.3%
Room capacity	2 370	2501	-5.2%	2 370	0%

Revenue by geography, RUB mln



- > Intourist’s revenues increased YoY thanks to higher sales at hotels outside Russia (i.e., Italy, the Czech Republic and Namibia).
- > OIBDA and OIBDA margin grew YoY as a result of improved profitability of the Cosmos Hotel on the back of higher occupancy rates in September 2016 and optimisation of direct costs. Intourist’s SGA/revenue ratio decreased YoY to 17.3%, compared with 18.2% in 3Q 2015.
- > As of 30 September 2016, Intourist Group managed 7 hotels across Russia, Italy, the Czech Republic and Namibia with a total of 2,370 rooms.
- > In November 2016 Sistema acquired 9 Regional Hotel Chain (RHC) hotels across Russia for RUB 2.6 bln. Upon completion of this transaction, the number of hotel rooms operated by Sistema will increase by more than 60% to 3,663. New quality hotels chain will serve as a solid basis for the integration and restructuring of Sistema’s hotel assets.



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