Mr. Dmitry Kononov, Director for IR and M&A
Mr. Evgeny Fridman, Head of Investment Analysis and IR
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Continue to follow long term strategy focused on efficient growth and mobile internet service development

**Key corporate events**
- Company celebrated its 20th anniversary in Saint Petersburg
- Establishment of a global strategic partnership with Telefónica S.A. to exploit economies of scale in joint procurement and to exchange technological know-how
- The CEO has exercised his option under long-term incentive plan and made further purchases of the Company’s shares in the market thus increasing his interest in MegaFon up to 2.55%

**Development of mobile internet service is a priority**
- Launched sale of MegaFon branded smartphone - “MegaFon Login” – at RUR 1,990 (c.$ 60) to boost mobile data consumption
- Continued pioneering of 4G/LTE to support leadership in mobile data
  - Launched 4G/LTE for smartphones and allowed intranet roaming services for 4G/LTE users in Russia
  - By the end of Q2 2013 MegaFon provided access to 4G/LTE network in 30 regions in Russia, covering c.27% of population in the country

**Further improvement of debt profile**
- Concluded cross currency swap transaction to mitigate growing currency risk and to economically hedge c. 50% of MegaFon’s total net open currency position

**Declared dividends of RUR 64.51(1) per 1 ordinary share (or per 1 GDR), amounting to RUR 40Bn(2) in total, which were paid in July 2013**

**Acquisition of Scartel / Yota to strengthen MegaFon’s leading position in 4G / LTE market in Russia**
- On 7 August 2013 MegaFon’s Board recommended that shareholders approve acquisition of 100% interest in LLC Scartel (“Scartel”)/LLC Yota (“Yota”) (3) from Garsdale Services Investment Limited (“Garsdale”)
- Deal consideration: Equity Value of $ 1,180MM for 100% of Scartel / Yota plus assumption or payoff Net Debt of up to $ 600MM as of 30 June 2013, translating into Enterprise Value of c.$ 1,780MM as of 30 June 2013
  - Plus assumption or payoff of potential Scartel / Yota Net Debt increase of up to $ 20MM for each month starting from 1 July 2013 until Closing that is expected at the end of September

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All financial results provided in this presentation are stated on consolidated IFRS basis unless otherwise mentioned

Note:
1. Dividends attributable to four consecutive quarters (from Q2 2012 to Q1 2013).
2. Approximately RUR 3Bn of dividends were paid to the Company’s wholly-owned subsidiary MegaFon International Cyprus Limited, which holds the Company’s treasury shares
3. MegaFon to acquire 100% interest in Maxilen Co Limited, holding 100% interest in Scartel and Yota.
Q2 2013 Financial and Operational Highlights

- **Consolidated revenue of RUR 72.2Bn in Q2 2013** (up by 8.4% y-o-y)
  - All business revenue streams have demonstrated organic growth

- **Consolidated OIBDA of RUR 34.3Bn** (up 21.8% y-o-y) and **OIBDA margin of 47.5%** (up 5.3 p.p. y-o-y)
  - OIBDA growth is primarily driven by increase in revenues and continued positive effect from implemented cost optimising initiatives

- **Net profit**\(^{(1)}\) of RUR 13.6Bn (up c.8-fold y-o-y) and **Net profit margin of 18.8%** (up 16.3 p.p. y-o-y)
  - Solid net profit growth reflects strong uplift in operating profit in Q2 2013 vs. Q2 2012 and significantly lower foreign exchange losses

- **The number of mobile subscribers** as of 30 June 2013 was **66.0 million**\(^{(2)}\) (up 3.8% y-o-y)
  - Subscriber base continued to grow supported by uptake in sales of smartphones and mobile internet devices as well as further stimulation of data usage

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\(\text{Note:}\)

1. Net profit attributable to equity holders of the Company.

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All financial results provided in this presentation are stated on consolidated IFRS basis unless otherwise mentioned.
Strong momentum in mobile data revenue growth continues

- Solid consolidated revenue growth of 8.4% y-o-y
- Strong mobile data growth seen in previous quarters has accelerated in Q2 2013 with revenues increasing by 28.7% y-o-y
- Sales of equipment and accessories demonstrated significant increase becoming the second largest growth driver in monetary terms in Q2 2013
  - Revenues grew by 47.4% generating an additional RUR 1.3Bn
- Voice represented the third largest contribution to total revenue growth in Q2 2013, adding RUR 0.6Bn to the total revenues

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed.
1. Voice revenues consist of Wireless Services Revenue from Local Subscribers, Interconnection revenues, Roaming Charges to other Wireless Operators and Other mobile revenue.
Acquisition of Scartel / Yota to Strengthen MegaFon’s Leading Position in 4G / LTE market in Russia

- On 7 August 2013 MegaFon’s Board of Directors recommended that shareholders approve the acquisition of 100% interest in Scartel / Yota from Garsdale, the controlling shareholder of MegaFon
  - Scartel owns 2x30 MHz nationwide 4G / LTE spectrum in the 2.5-2.6 GHz frequency band and a 4G / LTE network covering over 30 regions in Russia or 27% of the Russian population (as of June 2013)
  - Yota provides 4G / LTE mobile internet services to 605k B2C and 43k B2B retail customers using Scartel’s network (as of June 2013)
  - Morgan Stanley advised MegaFon on the transaction and provided a Financial Opinion to the members of MegaFon’s Board of Directors, representing non-controlling shareholders

- Compelling acquisition rationale
  - Significant increase in network capacity and quality, that will strengthen MegaFon’s leadership position in the fast growing mobile data market through enhanced overall service offering and customer experience
  - Ability to carry out 4G / LTE rollout with reduced capex and opex per Mbps of data transmission capacity because of enhanced spectrum position
  - Considerable cash flow savings in network rollout and maintenance driven principally by elimination of significant current and future operating costs

- Total consideration of $ 1.78 Bn on an Enterprise Value basis as of 30 June 2013
  - Equity Consideration of $ 1,180MM, paid on a deferred basis as follows: 50% of the consideration ($ 590MM) plus interest at 6% p.a. from closing until payment date will be paid on the 1st anniversary of closing while the remaining consideration ($ 590MM) plus interest at 6% p.a. from closing until payment date will be paid on the 2nd anniversary of closing
  - Net Debt of the Target capped at $ 600MM as at 30 June 2013 plus increase of $ 20MM per month from 1 July 2013 until closing

- Impact on MegaFon’s financial profile
  - No change on 2013 guidance on revenue growth, OIBDA margin or capex
  - No change in dividend policy

- Transaction is subject to MegaFon “non-interested shareholders” vote, scheduled for 12th of September
  - MegaFon’s controlling shareholder will not vote
  - FAS approval received
## Agenda

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</tr>
</tbody>
</table>
Key highlights: Strong revenue growth and further margin expansion

Our strong Q2 2013 performance derived from 8.4% y-o-y topline growth in revenue from the core business, including 28.7% growth in data revenue, and 47.4% growth in revenue from sales of handset and accessories.

Our continuous focus on operating efficiency initiatives together with strong revenue growth resulted in an OIBDA margin of 47.5% in Q2 2013 growing by +5.3pp y-o-y.

Net profit\(^{(1)}\) grew by more than 8-fold y-o-y in Q2 2013 driven by the solid growth in operating income and improved foreign exchange position: RUR 2.2Bn of forex losses in Q2 2013 vs. RUR 9.9Bn in Q2 2012.

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\(^{(1)}\) Net profit attributable to equity holders of the Company.
Key highlights: Continued cash flow growth driven by high margins and lower CAPEX

- CAPEX for Q2 2013 amounted to RUR 8.3Bn
- OIBDA-CAPEX increased by 62.8% y-o-y in Q2 2013
- Free Cash Flow grew by 18.2% y-o-y in Q2 2013, primarily driven by an increase in cash flow from operating activities and lower CAPEX

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed
• Consolidated revenue grew by 8.4% in Q2 2013 driven by data revenue expansion, an increase in subscriber base, strong demand for airtime and sales of equipment and accessories.

• Sales of equipment and accessories increased by 47.4% in Q2 2013 vs. Q2 2012, driven by expansion of our retail network, and significant increase in Q2 2013 in the number of MegaFon customized smartphones and mobile internet devices sold, including branded smartphones ("MegaFon Login").
Russian wireless services revenue grew by 6.7% in Q2 2013 to RUR 62.8Bn, a faster rate than the growth in subscriber base (3.2% y-o-y).

Mobile data remains the fastest growing revenue stream as demonstrated by its significant growth of 28.2% y-o-y and comprises almost 18.2% of total Russian wireless services revenues (vs. 15.1% in Q2 2012).

Revenue from VAS (excluding SMS and MMS) increased by 12.0% y-o-y in Q2 2013 primarily due to increased usage of content and other VAS services.

Revenue from SMS increased by 8.0% due to active promotion of tariff plans encouraging higher usage of SMS.

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed

1. Voice includes revenues from: local subscribers which includes monthly fees, airtime revenues, own subscriber roaming and connection fees; wireless interconnection revenues; roaming charges to other wireless operators; and other wireless revenues.
Drivers of Russia total wireless services revenues: wireless subscribers

- Our continuous focus on improving customer service and reducing churn rates via new revenue-share programmes with dealers contributed to the steady growth in our subscriber base by c.3.2% y-o-y.

- Data service user base grew by 16.3% y-o-y due to effective strategy of promoting data services, including 4G/LTE.
  - Wireless data services users accounted for 35.0% of the Company's total subscriber base as at 30 June 2013 vs. 31.0% as at 30 June 2012.

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed.

1. Data Service User is defined as a Subscriber who has used any of our data transfer services within the preceding three months.
2. Active subscribers that do not comply with the definition of Data Service User Base.
Drivers of Russia total wireless services revenues: MoU and APPM

Blended MOU (1) & Blended APPM (2)

- Blended MOU increased by 9 minutes in Q2 2013 y-o-y largely due to launch of national tariff plan “Switch to Zero” stimulating on-net traffic
- Continued effort of switching to federal tariffs in order to optimise product development and tariff management
- Blended APPM grew slightly y-o-y and stabilised at RUR 1.07 level similar to the past two quarters
- Blended ARPU grew by 4.7% in Q2 2013 vs. Q2 2012 primarily driven by increased smartphone penetration boosting usage of VAS

Results provided on this page cover only the Russian business

Blended ARPU (3)

- Growth 4.7% in Q2 2013
- Growth 4.5% in Q2 2013

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed
1. Total number of minutes in a given period divided by average number of subscribers in such period, divided by number of months in such period
2. ARPU for a given period divided by MOU in such period
3. Total wireless services revenues (including interconnection and roaming charges but excluding connection revenues) for a given period divided by average number of wireless subscribers in such period, divided by number of months in such period
Drivers of Russia wireless data revenues: DSU and APPMb

<table>
<thead>
<tr>
<th>DSU (1) &amp; APPMb (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2012</td>
</tr>
<tr>
<td>Q3 2012</td>
</tr>
<tr>
<td>Q4 2012</td>
</tr>
<tr>
<td>Q1 2013</td>
</tr>
<tr>
<td>Q2 2013</td>
</tr>
</tbody>
</table>

| Growth 29.3% |

| H1 2012 | 975 | 0.16 |
| H1 2013 | 1,264 | 0.13 |

- Significant DSU growth was driven by continued 4G/LTE rollout and launch of attractive tariffs for this technology, along with the growth of smartphone and tablet penetration
  - DSU increased by 284 Mb or by 29.3% y-o-y
- We managed to stop the decline of APPMb, which was driven by the switch of the focus from high traffic-consuming dongles to more cost-effective smartphones and tablets
- All these efforts resulted in 10.4% ARPDU growth y-o-y

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed
1. Total number of megabytes transferred during a given period divided by average number of data subscribers during such period, divided by number of months in such period
2. ARPDU for a given period divided by DSU in such period
3. Total data revenues in a given period divided by average number of data service subscribers during such period, divided by number of months in such period
Strong Gross profit and Gross profit margin improvement

- Gross profit grew by 8.6% in Q2 2013 y-o-y (exceeding the 8.4% y-o-y growth in Revenue) as a result of:
  - Revenue from wireless and wireline revenues increased by c.6.6%, while corresponding cost of services and SIM-cards sold increased by only 0.4%, partially explained by positive effect from VAS Media acquisition.
Key drivers of strong OIBDA margin improvement

OIBDA increased by 21.8% in Q2 2013 y-o-y (from RUR 28.2Bn to RUR 34.3Bn) and OIBDA margin increased by 5.3 pp (from 42.2% to 47.5%)

- The key drivers of the growth were the continuing increase in revenue and streamlining of operating expenses, such as advertising, dealer commissions, personnel costs and other general and administrative expenses.
Consolidated CAPEX

CAPEX and CAPEX as % of Revenue (1)

- CAPEX for Q2 2013 amounted to RUR 8.3Bn and for H1 2013 – RUR 12.4Bn
- Our relatively low CAPEX in H1 2013 was due to several factors:
  - As part of our plan to reduce CAPEX, we have been working intensively with various international vendors on achieving best terms for our future 3G and 4G network rollout and modernization of 2G and 3G network, that would allow us to optimise our medium term investment programme and realize significant savings. The tenders were completed in July 2013
  - We expect acceleration of our CAPEX in H2 2013, once all terms of the agreements and tender documents are finalized

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed
1. MegaFon CAPEX refers to actual CAPEX accrued for the year and may not match cash flow CAPEX.
Growing cashflow continues to be supported by Cost and CAPEX optimisation

Quarterly development of OIBDA margin, CAPEX as % of Revenue and OIBDA-CAPEX margin on an LTM basis

- Cash flow continued to grow impressively in Q2 2013 as a result of successful implementation of various initiatives aimed at improving profits and optimising CAPEX.

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed.

1. Q1’2013 OIBDA-CAPEX minus Q1’2012 OIBDA-CAPEX.
## Key Balance Sheet Items

<table>
<thead>
<tr>
<th>RUR Bn</th>
<th>Balance sheet</th>
<th>As at 31 Dec 2012</th>
<th>As at 30 June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2.4</td>
<td>24.9</td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>22.2</td>
<td>47.8</td>
<td></td>
</tr>
<tr>
<td>Total debt</td>
<td>145.2</td>
<td>149.4</td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>126.5</td>
<td>140.2</td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>19.9</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Deferred financial cost</td>
<td>(1.2)</td>
<td>(1.1)</td>
<td></td>
</tr>
<tr>
<td>Net debt (1)</td>
<td>120.6</td>
<td>76.7</td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity (2)</td>
<td>117.9</td>
<td>112.8</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>351.4</td>
<td>386.2</td>
<td></td>
</tr>
</tbody>
</table>

### Net debt and Net debt / LTM OIBDA (1)

<table>
<thead>
<tr>
<th>RUR Bn / (x)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2012</td>
</tr>
<tr>
<td>Q3 2012</td>
</tr>
<tr>
<td>Q4 2012</td>
</tr>
<tr>
<td>Q1 2013</td>
</tr>
<tr>
<td>Q2 2013</td>
</tr>
</tbody>
</table>

- **Liquidity sufficient to distribute excess cash to shareholders while maintaining substantial cash position**
  - RUB 40Bn dividends approved by Annual General Meeting on 28 June 2013 and paid in July 2013; c.RUR 3Bn of dividends were paid to the Company’s wholly-owned subsidiary MegaFon International Cyprus Limited, which holds the Company’s treasury shares.

- **Continued deleverage in Q2 2013 on the back of strong cash generation**
  - Net debt/LTM OIBDA ratio was 0.59x in Q2 2013 compared to 1.03x in Q4 2012 or 0.81x in Q1 2013.

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed.

1. Net debt is calculated as the difference between (a) cash, cash equivalents, principal amount of deposits and (b) principal amount of loans and borrowings less unamortized debt issuance fees.
2. Including non-controlling interests.
Debt profile

Debt portfolio structure

- Comfortable level of debt preserved throughout the 2\textsuperscript{nd} quarter 2013:
  - No short-term refinancing risk
  - Diversified lending base and financing instruments
- Further debt portfolio optimisation
  - Approximately 50\% of total net foreign currency position were economically hedged by entering into a structured cross-currency swap for USD denominated debt, which allowed us to mitigate our exposure to rising currency risks
  - Increased RUB portion of the debt portfolio to c.76\%
- RUB 60Bn Exchange Bond program registered with MICEX:
  - An important potential pool of liquidity and an opportunity to further diversify financing sources

Note: Due to rounding, manual calculations for financials and KPIs may differ from those displayed
Agenda

1 Corporate and Financial Highlights

2 Financial and Operating Results

3 Acquisition of Scartel / Yota

4 Outlook for 2013
Scartel / Yota overview

Key assets
- 2x30 MHz nationwide spectrum in the 2,500-2,530 MHz / 2,620-2,650 MHz frequency band
  - No embedded coverage or investment obligations
  - License is to be automatically prolonged in 10 years time since grant
- Network infrastructure covering over 30 regions in Russia or 27% of the Russian population as of 30 June 2013

Services provided
- Mobile internet services to 605k B2C and 43k B2B customers as of 30 June 2013 (c.82% of total revenues), as well as other telecom operators on an MVNO basis (c.6% of total revenues)
  - Currently, MegaFon is the only operator with an MVNO agreement in place with Scartel
- Sales of user devices (65% USB dongles, 35% of Wi-Fi routers) through its own retail network consisting of 69 points of sales (c.10% of total revenues)

Current Group Structure

Key financials

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>3,970</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,980</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>49.9%</td>
</tr>
<tr>
<td>EBITDA Adj.</td>
<td>(1,469)</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>(37.0%)</td>
</tr>
<tr>
<td>Capex</td>
<td>10,428</td>
</tr>
<tr>
<td>% of Sales</td>
<td>262.7%</td>
</tr>
<tr>
<td>PP&amp;E</td>
<td>13,925</td>
</tr>
</tbody>
</table>

Top 10 cities where service is live as of June 2013

<table>
<thead>
<tr>
<th>#</th>
<th>City</th>
<th>Population</th>
<th>% of Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moscow</td>
<td>11.5 MM</td>
<td>8.1%</td>
</tr>
<tr>
<td>2</td>
<td>St. Petersburg</td>
<td>4.9 MM</td>
<td>3.4%</td>
</tr>
<tr>
<td>3</td>
<td>Novosibirsk</td>
<td>1.5 MM</td>
<td>1.0%</td>
</tr>
<tr>
<td>4</td>
<td>Samara</td>
<td>1.2 MM</td>
<td>0.8%</td>
</tr>
<tr>
<td>5</td>
<td>Kazan</td>
<td>1.1 MM</td>
<td>0.7%</td>
</tr>
<tr>
<td>6</td>
<td>Ufa</td>
<td>1.1 MM</td>
<td>0.7%</td>
</tr>
<tr>
<td>7</td>
<td>Krasnoyarsk</td>
<td>1.0 MM</td>
<td>0.7%</td>
</tr>
<tr>
<td>8</td>
<td>Krasnodar</td>
<td>0.7 MM</td>
<td>0.5%</td>
</tr>
<tr>
<td>9</td>
<td>Vladivostok</td>
<td>0.6 MM</td>
<td>0.4%</td>
</tr>
<tr>
<td>10</td>
<td>Khabarovsk</td>
<td>0.6 MM</td>
<td>0.4%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>11.7 MM</td>
<td>8.2%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>38.7 MM</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

Note:
- Preliminary unaudited KPIs as of June 2013 or for H1 2013, unless otherwise stated.
- Source: Financial due diligence report on Scartel / Yota, MegaFon analysis.
Compelling acquisition rationale – unique spectrum position (1/2)

- Results in MegaFon’s unique spectrum position
  - MegaFon’s 2.5-2.6 GHz band is adjacent to Scartel’s spectrum thus providing MegaFon with immediate significant increase in network capacity

- Potential introduction of tech neutrality in the future is not expected to change the current dynamics meaningfully, given that voice services on 2G and 3G networks must be maintained in the near future
Compelling acquisition rationale - best product in the market (2/2)

- Best product in the market: enhanced overall service offering and customer experience through superior data transmission quality (higher speeds, wider coverage, improvement of 3G performance through offloading of data to 4G/LTE)
- Positions MegaFon as the leading 4G/LTE operator in Russia, consistent with its data leadership strategy
- 4G/LTE is expected to be the key driver of mobile data market in the next 24-36 months as affordable 4G/LTE handsets become available in Russia
- Time to market advantage
  - Scartel's spectrum is largely ready to be used for 4G/LTE services
- Considerable cash flow savings in network rollout and maintenance driven principally by elimination of significant current and future operating costs
- Reduced capex and opex per Mbps of data transmission capacity because of enhanced spectrum position
- Increase in market share and revenues
  - High density areas: Ability to serve more customers / offer more bandwidth per customer than competitors, due to MegaFon’s superior spectrum position
  - Rural areas: Ability to provide services in more rural areas that competitors with inferior spectrum position will find uneconomic to serve

### Illustration of capex efficiency of owning 2 x 40 MHz vs. 2 x 10 MHz in the 2.5-2.6 GHz frequency band

<table>
<thead>
<tr>
<th></th>
<th>Current situation</th>
<th>Proforma for acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of spectrum owned</strong></td>
<td>2 x 10 MHz</td>
<td>2 x 40 MHz</td>
</tr>
<tr>
<td><strong>Capacity provided by one base station</strong></td>
<td>9 Mbps</td>
<td>36 Mbps</td>
</tr>
<tr>
<td><strong>Capex incurred per 1Mbps of Capacity</strong></td>
<td>$3.4k/Mbps</td>
<td>$1.2k/Mbps</td>
</tr>
<tr>
<td></td>
<td>$8.0k/Mbps</td>
<td>$1.8k/Mbps</td>
</tr>
<tr>
<td><strong>Capex efficiency multiple of owning 2 x 40 MHz vs. 2 x 10 MHz of spectrum</strong></td>
<td>2.9x</td>
<td>4.5x</td>
</tr>
</tbody>
</table>
Attractive transaction structure

Key Terms

- At Closing the full ownership of the Target will be transferred from Garsdale to MegaFon

Consideration:

- (i) Equity Consideration of $1,180MM, paid in two deferred installments: 50% of the consideration ($590MM) will be paid on the 1st anniversary of closing and the remaining consideration ($590MM) on the 2nd anniversary of closing
  - Both payments will accrue interest at 6% p.a. from closing until payment date
- (ii) Assumption or payoff of up to $600MM of Net Debt (including c.$400MM held by selling shareholder group) translating into Enterprise Value of c.$1,780MM as of 30 June 2013
  - Plus assumption or payoff of potential Net Debt increase of up to $20MM for each month starting from 1 July 2013 until Closing that is expected at the end of September 2013
- The potential Transaction will be financed from MegaFon’s operating cash flow, no new financing required

Deferred payment of Equity Consideration

Allows MegaFon to maintain its attractive dividend policy
Conclusion

- Unique opportunity to acquire a stronghold in the 4G/LTE segment:
  “We buy the future, not the past”

- Enhanced spectrum position provides MegaFon with long-term sustainable competitive advantage and best product offering for consumers

- Acquisition is consistent with MegaFon’s data leadership strategy

- Significant cash flow improvement that MegaFon can capitalise on going forward

- Attractive transaction structure

- No impact on MegaFon’s attractive dividend policy
1 Corporate and Financial Highlights
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4 Outlook for 2013
Outlook for 2013

- **Revenue growth**
  - High single digit revenue growth
  - Reiterated

- **OIBDA margin**
  - 42.5-44.0%
  - Reiterated

- **CAPEX**
  - Expected capital expenditures in the range of RUR 55-60Bn
  - Reiterated
Q&A
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