

April 15, 2019

ACRA assigns AA(RU) to RU000A1009A1 bond issued by PJSC “MegaFon”**Lead analysts:**

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Credit rating rationale. The issue represents senior unsecured debt of [PJSC “MegaFon”](#) (hereinafter — the Company, or MegaFon). Due to the absence of either structural or contractual subordination of the issue, ACRA ranks the bond *pari passu* with other existing and future unsecured and unsubordinated debt obligations of the Company. In accordance with the ACRA methodology, and taking into account high creditworthiness and moderate leverage of the issuer, as well as the absence of secured debt obligations, the bond issue is rated AA(RU), on par with the credit rating assigned to MegaFon.

The credit rating of PJSC “MegaFon” is based on the Company’s very large scope and very high profitability, strong business profile, strong liquidity position, and very high level of corporate governance. The rating is under pressure of the medium leverage and weak cash flow.

Key issue properties

Borrower	PJSC “MegaFon”
Issuer’s credit rating	AA(RU), outlook Stable
Actual issuer	PJSC “MegaFon”
Type of security	Exchange-traded interest-bearing certified unregistered bond, BO-002P-02 series
Issue volume	RUB 10 bln
ISIN	RU000A1009A1
Final placement date	April 15, 2019
Maturity date	April 6, 2026

Regulatory disclosure

The credit rating has been assigned under the national scale for the Russian Federation based on the Methodology for Assigning Credit Ratings to Individual Issues of Financial Instruments Under the National Scale of the Russian Federation, and the [Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities](#).

A credit rating has been assigned to the bond issue (RU000A1009A1) of PJSC “MegaFon” for the first time. The credit rating is expected to be revised within one year following the publication date of this press release.

The assigned credit rating is based on data provided by PJSC “MegaFon”, information from publicly available sources, as well as ACRA’s own databases. The credit rating is solicited, and PJSC “MegaFon” participated in its assignment.

No material discrepancies between the provided data and data officially disclosed by PJSC “MegaFon” in its financial statements have been discovered.

ACRA provided additional services to PJSC “MegaFon”. No conflicts of interest were discovered in the course of credit rating assignment.

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