



RELEASE

May 18, 2017
Moscow

Mosenergo 1Q 2017 IFRS Profit Grew by 38.5%

Mosenergo releases unaudited interim consolidated financial statements (prepared in accordance with IFRS) for the 3 months ended March 31, 2017.

Consolidated Statement of Comprehensive Income Key Figures, (mn RUR)	3m 2016	3m 2017
Revenue	62,596	66,056
Variable Costs	(43,063)	(42,568)
Fixed Costs ⁽¹⁾	(5,932)	(5,973)
EBITDA ⁽²⁾	13,319	16,822
Depreciation of Property, Plant and Equipment	(3,700)	(3,532)
Operating Profit	9,619	13,290
Profit for the Period	8,206	11,362

⁽¹⁾ Excluding depreciation of PP&E

⁽²⁾ EBITDA = operating profit + depreciation of PP&E

Company revenue grew by 5.5% year-on-year up to RUR 66,056 mn.

The bulk of the total revenue (51.3%) was contributed by revenue from electricity and capacity sales, which grew by 15.6% up to RUR 33,873 mn. The reasons for the growth of revenue from electricity and capacity sales were the following: growing electricity production (+7.7%) and increased price for capacity under Capacity Supply Agreements (CSA). Growing production in 1Q 2017 resulted from decreased repair rate of highly efficient Mosenergo equipment as compared to 1Q 2016; commissioning of CCGT-unit at CHP-20 in 2016; lower net power flow, on the back of decreased electricity production at HPPs of Volga-Kama cascade and major state district power plants in the Integrated Energy System of Center. The mentioned above CSA-capacity price increase resulted from considering in the new CSA-capacity price calculation process a factor, assuring established payback period of generating units, as well as corrections, since January 1, 2017 for selected units, in CSA-ratio, which determines share of costs compensation at the capacity market.

Revenue from heat sales (47.7% of the total revenue) amounted to RUR 31,495 mn, down by 3.8% year-on-year, on the account of lower heat output (-2%). Other revenue totaled RUR 688 mn.

Variable costs for 3m 2017 decreased by 1.1% year-on-year, down to RUR 42,568 mn.

Fixed costs (excluding depreciation of PP&E) in the reporting period increased marginally by 0.7%, up to RUR 5,973 mn.

EBITDA for 3m 2017 amounted to RUR 16,822 mn (+26.3% year-on-year).
Mosenergo IFRS profit for 3m 2017 increased by 38.5%, up to RUR 11,362 mn.

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