

# MOSENERGO

## 6M 2014 IFRS Results

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## Operational Highlights<sup>1</sup>

	6M 2013	6M 2014	Change
Electricity Output, mn kWh	30,483	29,019	-4.8%
Electricity Sales, mn kWh	32,070	30,196	-5.8%
Heat Output, th.Gcal	39,562	37,055	-6.3%
Fuel Rate on Electricity, g/kWh	232.9	234.9	+0.9%
Fuel Rate on Heat, kg/Gcal	164.7	165.6	+0.5%

## Financial Highlights, mn RUR

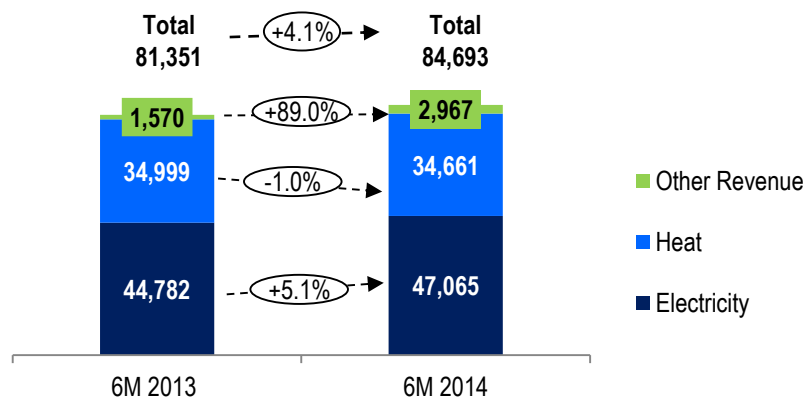
	6M 2013 (restated)	6M 2014	Change
Revenue	81,351	84,693	+4.1%
Variable Costs	(55,115)	(58,880)	+6.8%
Fixed Costs <sup>2</sup>	(12,919)	(13,206)	+2.2%
EBITDA <sup>3</sup>	13,810	13,129	-4.9%
Depreciation of PP&E	(7,131)	(7,396)	+3.7%
Operating Profit	6,679	5,733	-14.2%
Profit for the Period	5,189	4,358	-16.0%

<sup>1</sup> Management report data without boiler-houses

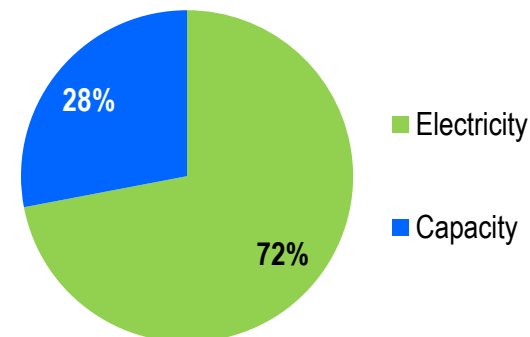
<sup>2</sup> Excluding depreciation of PP&E

<sup>3</sup> EBITDA = Operating Profit + Depreciation of PP&E

## Revenue, mn RUR



## Electricity and Capacity Revenue Structure for 6M 2014<sup>1</sup>. %



## Prices and Tariffs <sup>1</sup>

Parameter	6M 2013	6M 2014	Change .
Average Weighted Electricity Price, th.RUR/MWh <sup>2</sup>	996	1,121	+12.6%
Average Price for New Capacity, RUR/MW per Month	505,346	489,693	-3.1%
Average Price for Old Capacity, RUR/MW per Month	140,685	146,115	+3.9%
Average Weighted Heat Tariff, RUR/Gcal	865	914	+5.7%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	743	798	+7.4%

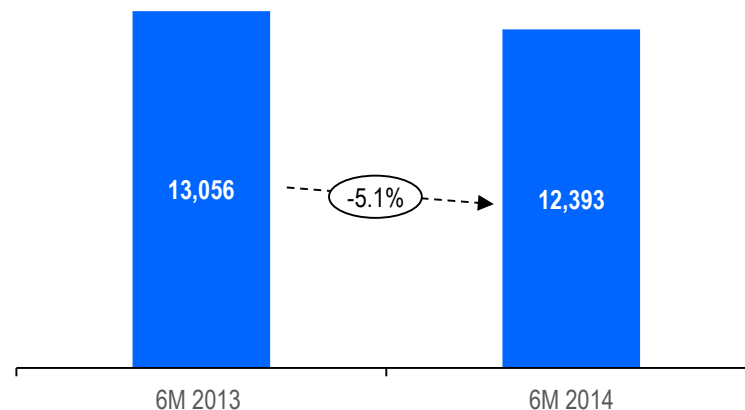
<sup>1</sup> Management report data

<sup>2</sup> At the wholesale market of electricity and capacity

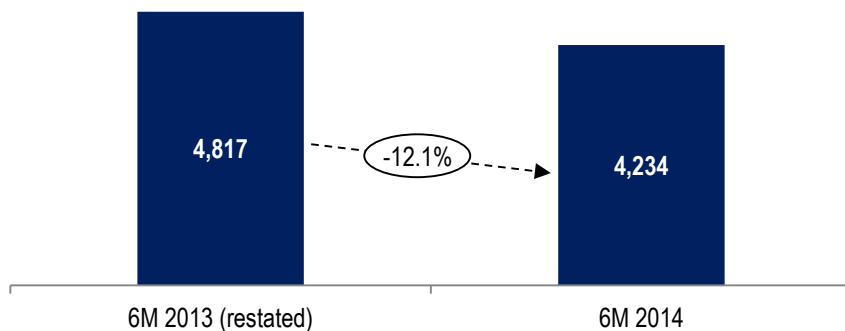
## Variable Costs Structure, mn RUR

Variable Costs	6M 2013 (restated)	6M 2014	Change
<u>Cost of materials, incl.:</u>	50,298	54,646	+8.6%
<i>Fuel expenses</i>	44,844	49,063	+9.4%
<i>Purchased heat and electricity</i>	4,565	4,511	-1.2%
<i>Water usage expenses</i>	567	582	+2.6%
<i>Other materials expenses</i>	322	490	+52.2%
<u>Heat transmission</u>	4,817	4,234	-12.1%
<b>Total Variable Costs</b>	<b>55,115</b>	<b>58,880</b>	<b>+6.8%</b>

## Reference Fuel Consumption, Tons of Reference Fuel



## Heat Transmission, mn RUR



## Variable Costs Change Factors

- Increase of fuel expenses due to the fuel price growth, in spite of 5.1% reduction of fuel consumption in the reporting period.
- Heat transmission expenses reduction due to a 6.3% decrease in heat output on the back of warm weather in 1Q 2014 in the Moscow region.
- Growth of other materials expenses, on the account of consolidation of subsidiaries and affiliates.

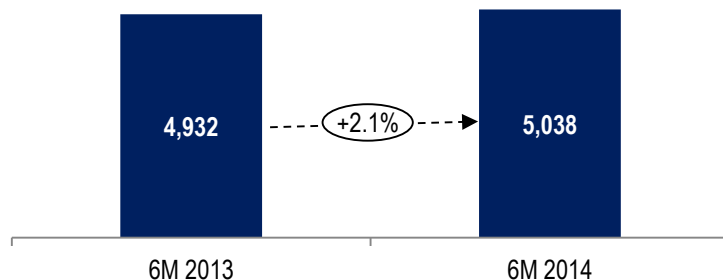
## Fixed Costs Structure, mn RUR

Fixed Costs	6M 2013 (restated)	6M 2014	Change
Personnel expenses	4,932	6,582	+33.5%
<i>salary and social insurance contributions</i>	4,784	6,426	+34.3%
Maintenance and repairs expenses	1,740	1,811	+4.1%
Other external suppliers	1,987	2,359	+18.7%
Taxes other than income tax	569	866	+52.2%
Other operating expenses	3,691	1,588	-57.0%
<i>Including Trade and other receivables impairment (gain)/ loss and derecognition</i>	2,312	(208)	-
<b>Total Fixed Costs</b>	<b>12,919</b>	<b>13,206</b>	<b>+2.2%</b>

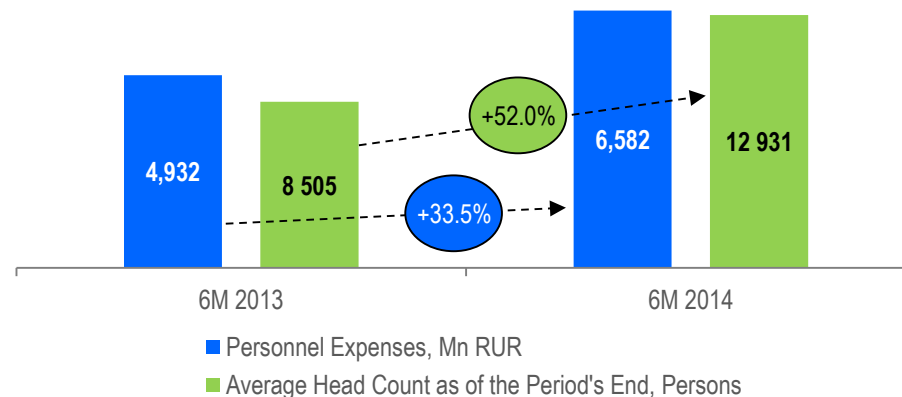
## Fixed Costs Change Factors

- The main factor of the fixed costs growth (+2.2%) was consolidation of subsidiaries and affiliates, which influenced, among other things, on a 33.5% increase of personnel expenses and a 18.7% growth in expenses on other external suppliers.
- Other operating expenses decrease was due to changes in "Trade and other receivables impairment (gain)/loss and derecognition" item.
- Taxes other than income tax increased on the account of low-base effect of 6M 2013 on the back of property tax refund.

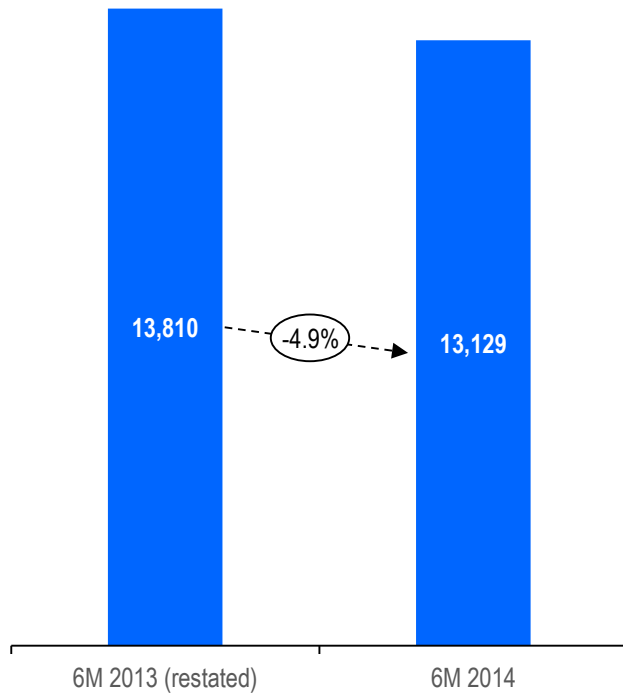
## Personnel expenses, adjusted<sup>1</sup>, mn RUR



## Salary Expenses and Number of Employees, mn RUR



## EBITDA<sup>1</sup>, mn RUR



## EBITDA Change Key Factors

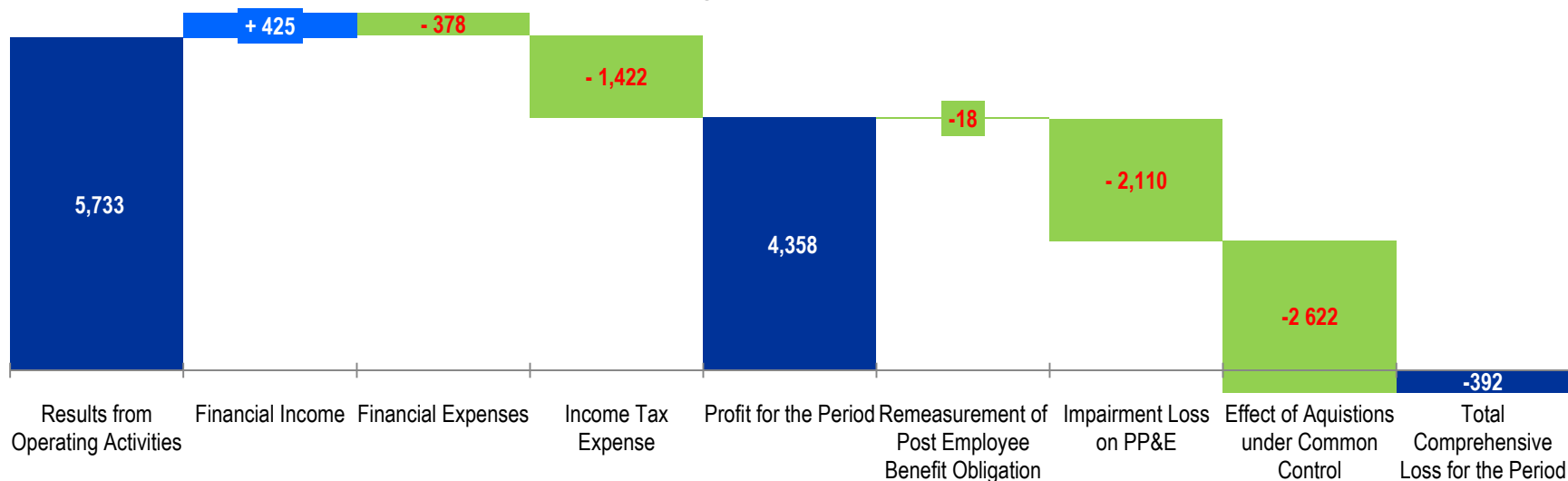
- Deterioration of Company's operational results on the back of warm weather in 1Q 2014.
- Fuel price growth.

<sup>1</sup> EBITDA = Operating Profit + Depreciation of PP&E

## Operating Profit Composition, mn RUR

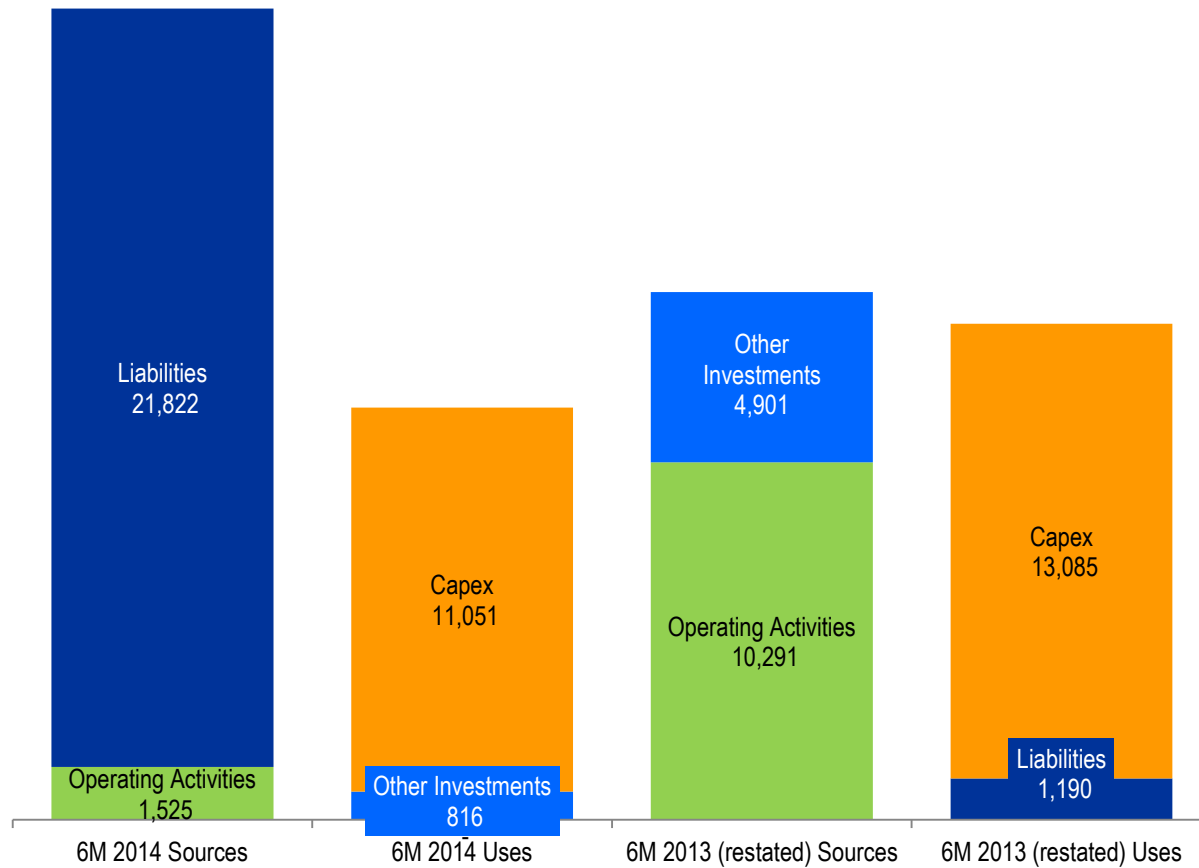
Parameter	6M 2013 (restated)	6M 2014	Change
Revenue	81,351	84,693	+4.1%
Other operating income	493	823	+66.9%
Variable costs	(55,115)	(58,880)	+6.8%
Fixed costs	(12,919)	(13,206)	+2.2%
Depreciation of PP&E	(7,131)	(7,396)	+3.7%
Impairment of PP&E	0	(301)	-
<b>Operating profit</b>	<b>6,679</b>	<b>5,733</b>	<b>-14.2%</b>

## Profit Bridge for 6M 2014, mn RUR

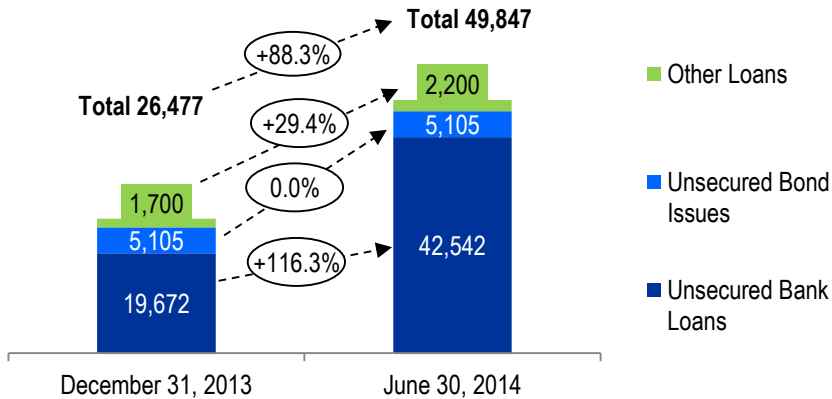




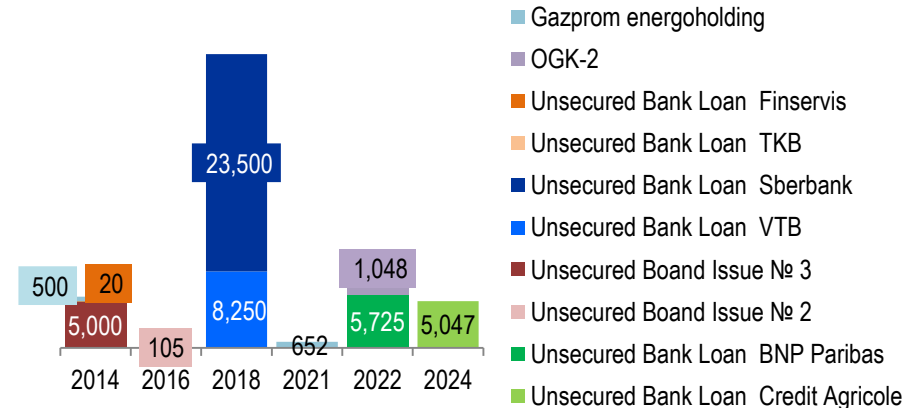
## Sources and Uses of Cash, mn RUR



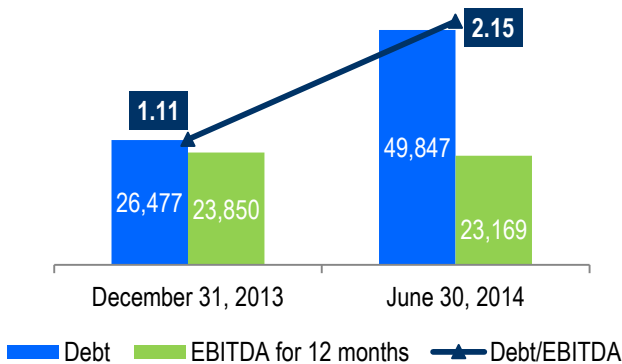
## Borrowings Structure, mn RUR



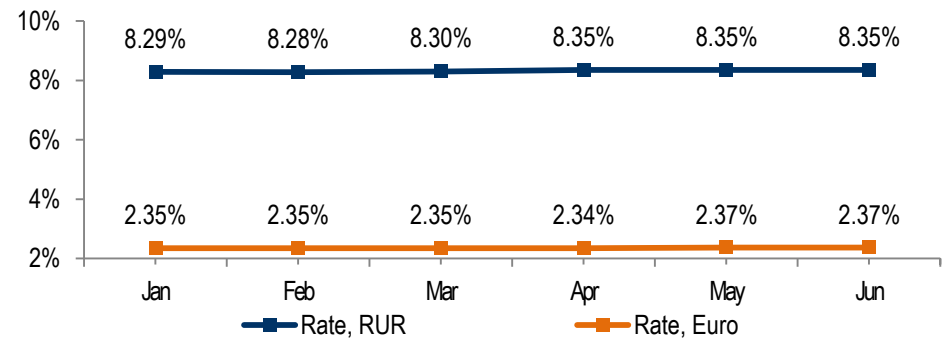
## Maturity Profile as of June 30, 2014, mn RUR (book value)



## Debt to EBITDA ratio<sup>1</sup>



## Weighted Average Costs of Debt



<sup>1</sup> EBITDA for 12 months, ended June 30, 2014 = EBITDA for 12 months, ended December 31, 2013 - EBITDA for 6 months, ended June 30, 2013 + EBITDA for 6 months, ended June 30, 2014

# Thank You for Your Attention!

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