MOSENERGO

2014FY IFRS Results

March 26, 2015

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2014FY Highlights

Operational Highlights[1]

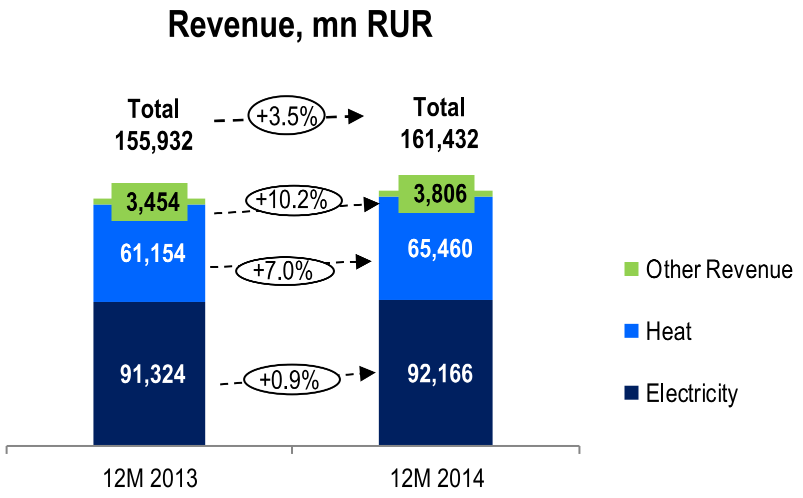
	12M 2013	12M 2014	Change
Electricity Output, mn kWh	58,642	56,667	-3.4%
Electricity Sales, mn kWh	61,709	58,871	-4.6%
Heat Output, th.Gcal	67,595	70,321	+4.0%
Fuel Rate on Electricity, g/kWh	240.9	241.3	+0.2%
Fuel Rate on Heat, kg/Gcal	165.5	165.5	0.0%

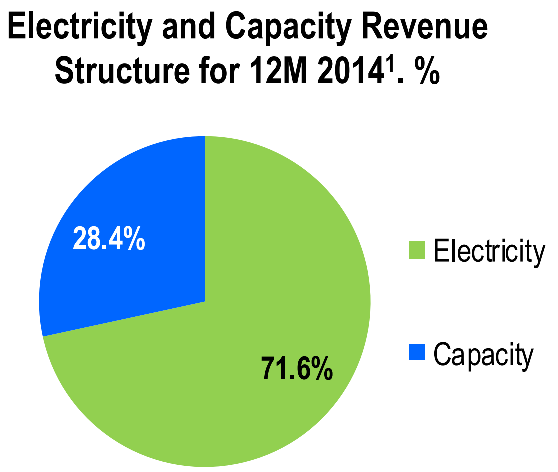
Financial Highlights, mn RUR

Показатель	12M 2013 (restated)	12M 2014	Изм.
Revenue	155,932	161,432	+3.5%
Variable Costs	(108,252)	(113,508)	+4.9%
Fixed Costs[2]	(23,991)	(26,480)	+10.4%
EBITDA[3]	23,802	17,040	-28.4%
EBITDA, adj.[4]	24,704	24,059	-2.6%
Depreciation of PP&E	(13,965)	(15,469)	+10.8%
Operating Profit	9,837	1,571	-84.0%
(Loss)/ Profit for the Period	7,484	(3,067)	-141.0%
Profit for the Period, adj.[5]	9,592	10,261	+7.0%

[1] Management report data
[2] Excluding Depreciation of PP&E
[3] EBITDA = Operating Profit + Depreciation of PP&E
[4] Adjusted to Impairment loss on PP&E
[5] Adjusted to Impairment loss on PP&E and FX change loss

Revenue





Prices and Tariffs [1]

Parameter	12M 2013	12M 2014	Change .
Average Weighted Electricity Price, th.RUR/MWh[2]	1,071	1,122	+4.8%
Average Price for New Capacity, RUR/MW per Month	500,667	488,231	-2.5%
Average Price for Old Capacity, RUR/MW per Month	140,672	144,566	+2.8%
Average Weighted Heat Tariff, RUR/Gcal	884	912	+3.2%
Including the "generation + distribution" tariff, RUR/Gcal	772	807	+4.5%

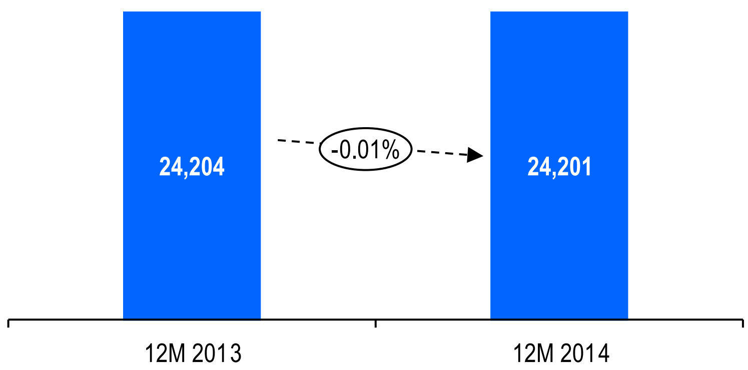
[1] Management report data
[2] At the wholesale market of electricity and capacity

Variable Costs

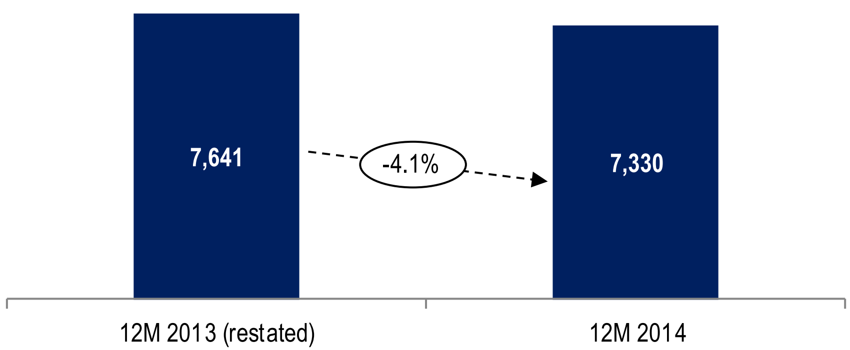
Variable Costs Structure, mn RUR

Variable Costs	12M 2013 (restated)	12M 2014	Change
Cost of materials, incl.:	100,611	106,178	+5.5%
Fuel expenses	89,443	95,656	+6.9%
Purchased heat and electricity	9,369	8,627	-7.9%
Water usage expenses	1,182	1,161	-1.8%
Other materials expenses	617	734	+19.0%
Heat transmission	7,641	7,330	-4.1%
Total Variable Costs	**108,252**	**113,508**	**+4.9%**

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 flat fuel consumption in the reporting period.
- Heat transmission expenses reduction is due to decrease in heat output, subject to transportation, on the back of warm weather in the reporting period.
- Growth of other materials expenses, on the account of consolidation of subsidiaries and affiliates.

Fixed Costs

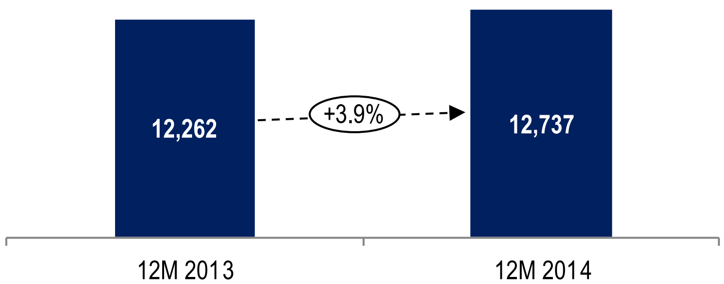
Fixed Costs Structure, mn RUR

Fixed Costs	12M 2013 (restated)	12M 2014	Change
Personnel expenses	9,360	9,935	+6.1%
salary and social insurance contributions	*9,019*	*9,617*	+6.6%
Maintenance and repairs expenses	*4,743*	*5,416*	+14.2%
Other external suppliers	*4,101*	*3,539*	-13.7%
Taxes other than income tax	*391*	*1,736*	+344.0%
Other operating expenses	5,396	5,854	+8.5%
Total Fixed Costs	**23,991**	**26,480**	**+10.4%**

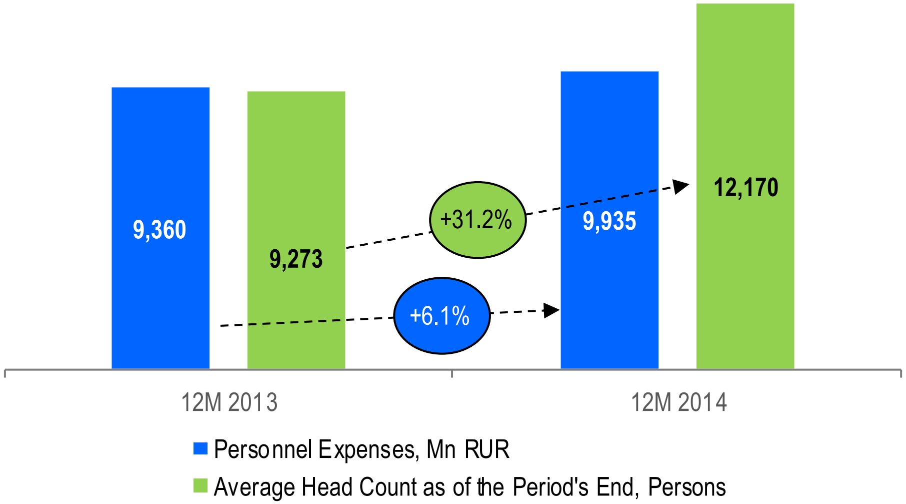
Fixed Costs Change Factors

- Taxes other than income tax increased on the account of adjusted in 2013 property tax statements for the previous periods, allowing for lower tax expense.
- Increase in maintenance and repairs expenses is due to commissioning of new capacity.
- Consolidation of subsidiaries and affiliates and personnel transfer from boiler-houses, acquired by Mosenergo in 2014, affected increase in personnel expenses and overall fixed costs.

Installed Capacity, as of End of Period, MW

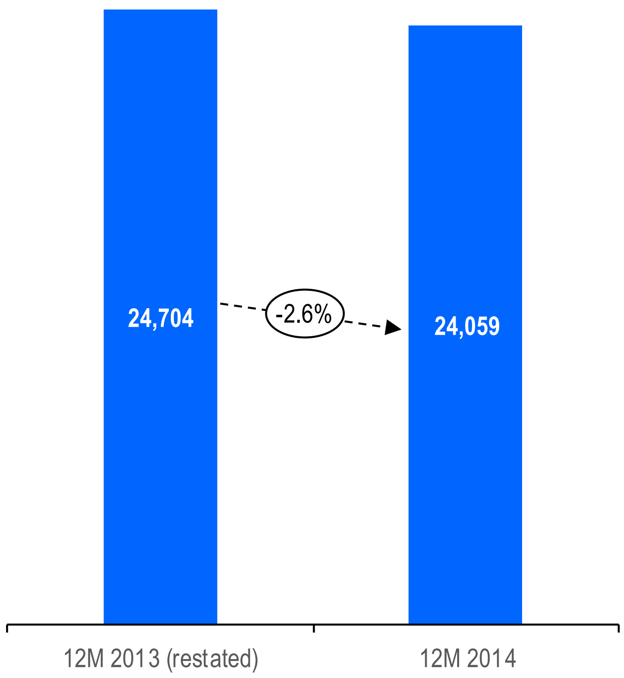


Salary Expenses and Number of Employees, mn RUR



EBITDA

EBITDA, adj.[1], mn RUR



EBITDA Change Key Factors

- Deterioration of Company's sales volume on the back of warm weather in 1Q 2014 and higher net power flow in free power transfer zone "Moscow".
- Fuel price growth.

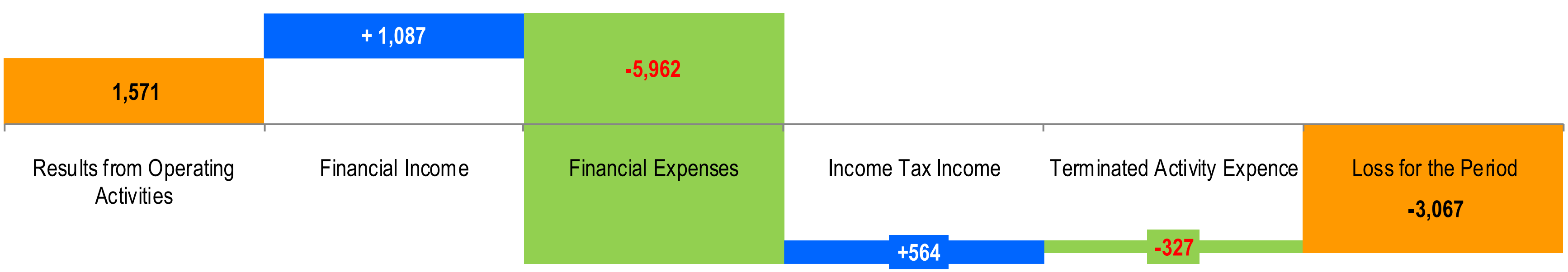
[1] EBITDA, adjusted = Operating Profit + Depreciation of PP&E - Impairment loss on PP&E

Profit Composition

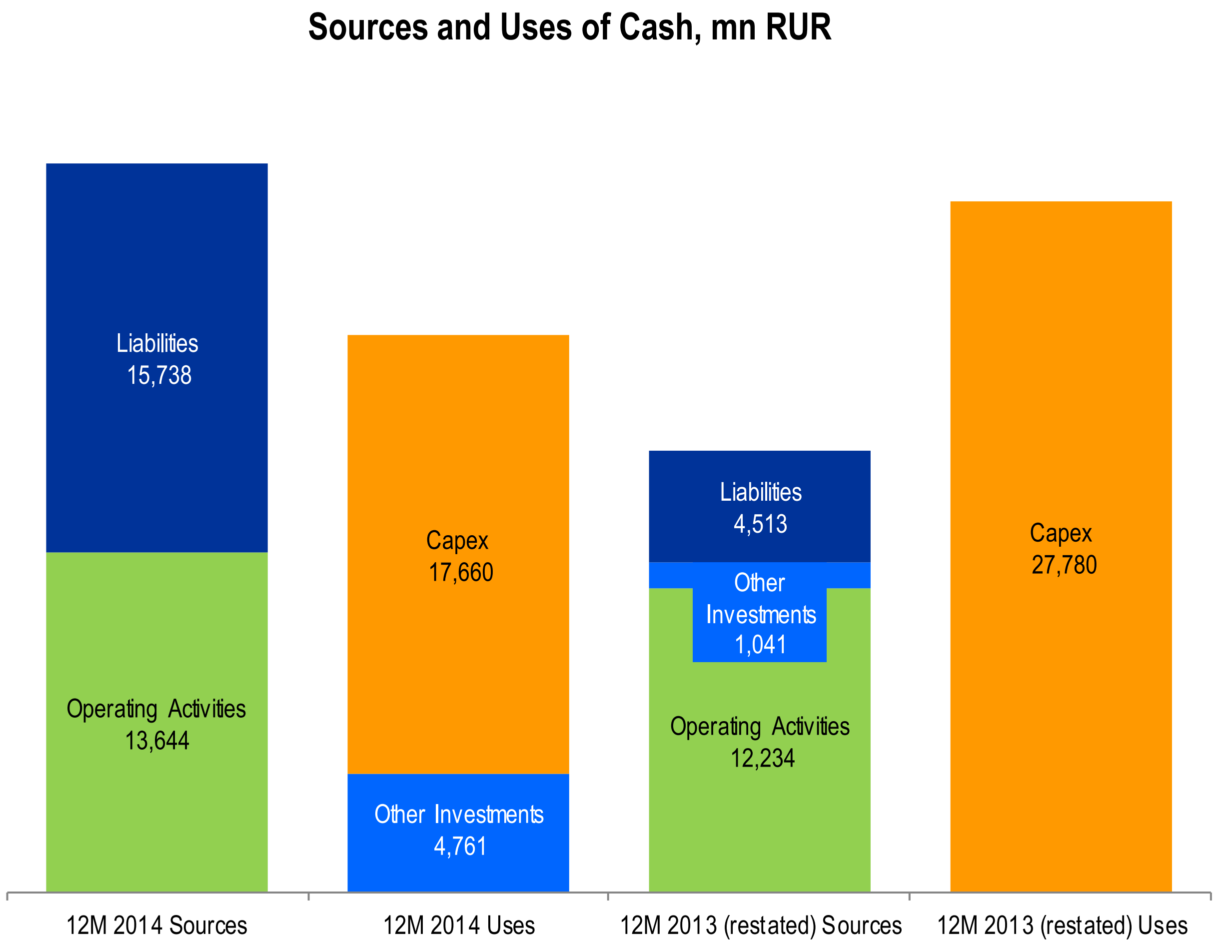
Operating Profit Composition, mn RUR

Parameter	12M 2013 (restated)	12M 2014	Change
Revenue	155,932	161,432	+3.5%
Other operating income	1,015	2,615	+157.6%
Variable costs	108,252	113,508	+4.9%
Fixed costs	23,991	26,480	+10.4%
Depreciation of PP&E	13,965	15,469	+10.8%
Impairment of PP&E	902	7,019	+678.2%
Operating profit	9,837	1,571	-84.0%

Loss Bridge for 12M 2014, mn RUR

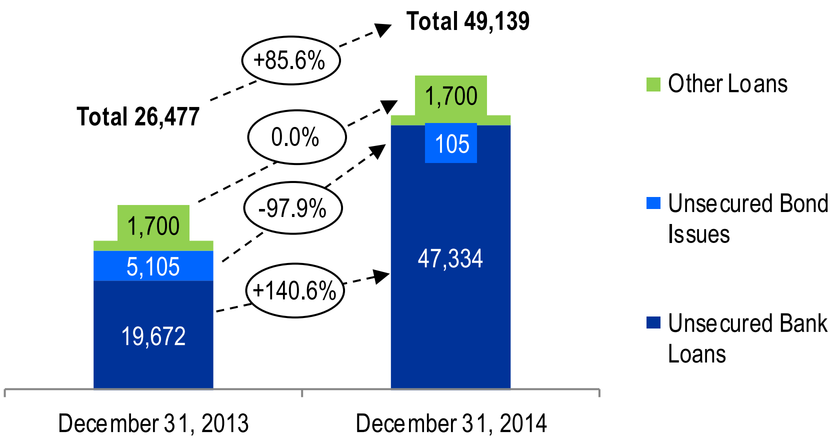


Cash Flow

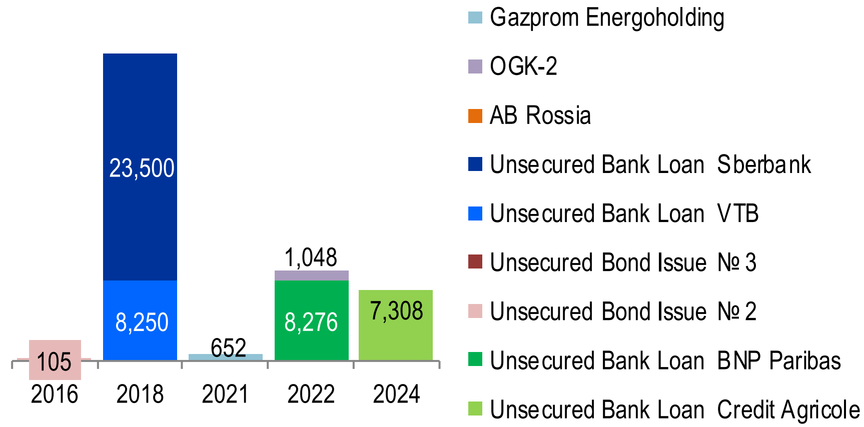

Sources and Uses of Cash, mn RUR
Liabilities 15,738
Operating Activities 13,644
Capex 17,660
Other Investments 4,761
Liabilities 4,513
Other Investments 1,041
Operating Activities 12,234
Capex 27,780
12M 2014 Sources
12M 2014 Uses
12M 2013 (restated) Sources
12M 2013 (restated) Uses

Debt and Liabilities

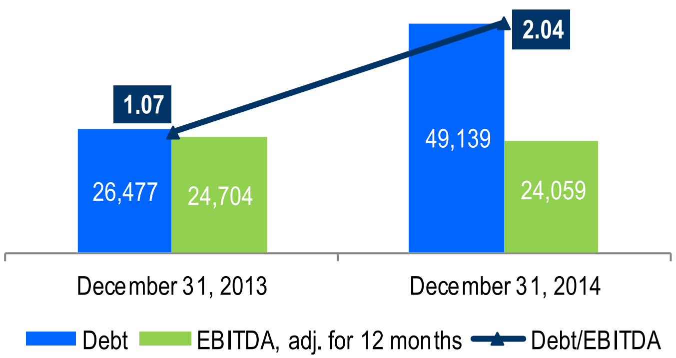
Borrowings Structure, mn RUR



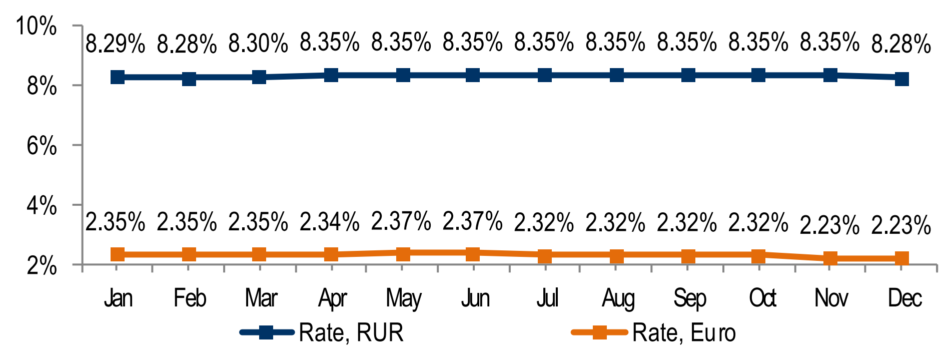
Maturity Profile as of December 31, 2014, mn RUR (book value)



Debt to EBITDA ratio[1]



Weighted Average Costs of Debt



[1] EBITDA, adjusted = Operating Profit + Depreciation of PP&E - Impairment loss on PP&E

Thank You for Your Attention!

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