

MOSENERGO

3M 2017 IFRS Results

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Operational Highlights¹

	3M 2016	3M 2017	Change
Electricity Output, mn kWh	17,076	18,392	+7.7%
Electricity Sales, mn kWh	17,604	18,910	+7.4%
Heat Output, th.Gcal	34,033	33,356	-2.0%
Fuel Rate on Electricity, g/kWh	208.5	206.4	-1.0%
Fuel Rate on Heat, kg/Gcal	162.8	162.3	-0.3%

Financial Highlights, mn RUR

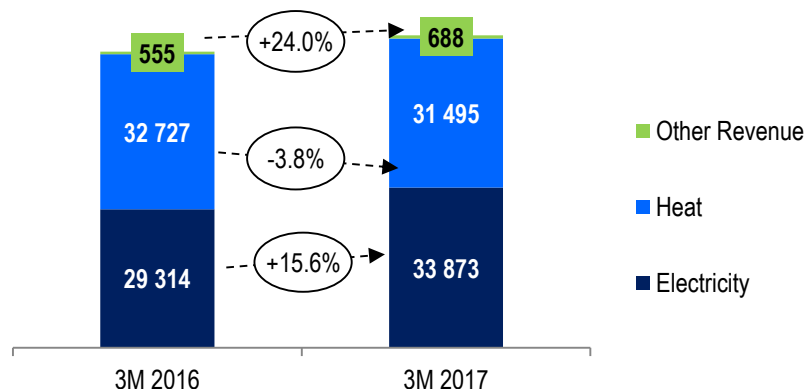
	3M 2016	3M 2017	Change
Revenue	62,596	66,056	+5.5%
Variable Costs	(43,063)	(42,568)	-1.1%
Fixed Costs ²	(5,932)	(5,973)	+0.7%
EBITDA ³	13,320	16,822	+26.3%
Depreciation of PP&E	(3,700)	(3,532)	-4.5%
Operating Profit	9,619	13,290	+38.2%
Profit for the Period	8,2076	11,362	+38.5%

¹ Management report data

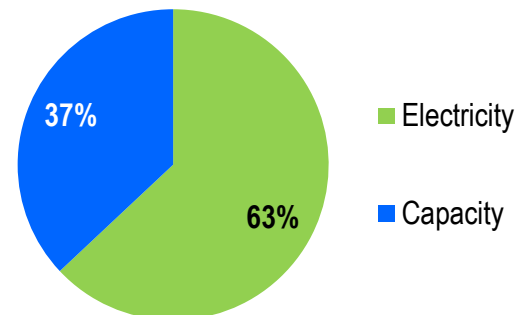
² Excluding Depreciation of PP&E

³ EBITDA = Operating Profit + Depreciation of PP&E

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 3M 2017, %



Prices and Tariffs

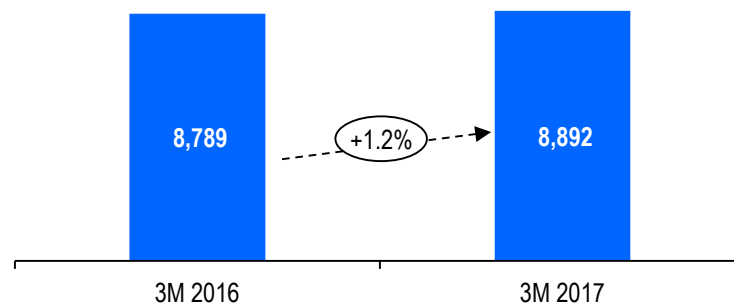
Parameter	3M 2016	3M 2017	Change
Average Weighted Electricity Price, RUR/MWh ¹	1,123.11	1,129.73	+0.59%
Average Price for New Capacity, RUR/MW per Month	757,291.2	1,087,684.65	+43.63%
Average Price for Old Capacity, RUR/MW per Month	136,356.21	144,856.11	+6.23%
Average Weighted Heat Tariff, RUR/Gcal	950,63	948,24	-0.25%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	888.40	911.30	+2.58%

¹ At the wholesale market of electricity and capacity

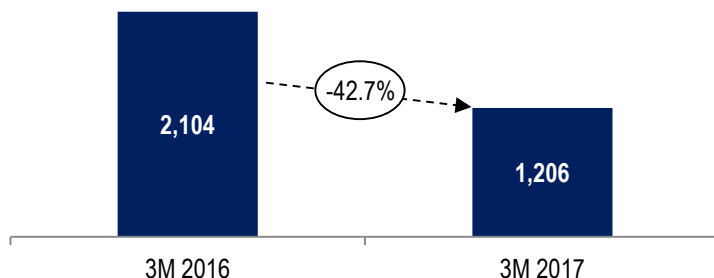
Variable Costs Structure, mn RUR

Variable Costs	3M 2016	3M 2017	Change
<u>Operating costs, incl.:</u>	40,959	41,362	+1.0%
<i>Fuel expenses</i>	37,530	38,005	+1.3%
<i>Purchased heat and electricity</i>	2,834	2,775	-2.1%
<i>Other materials expenses</i>	595	582	-2.2%
<u>Heat transmission</u>	2,104	1,206	-42.7%
Total variable costs	43,063	42,568	-1.1%

Reference Fuel Consumption, thous. Tons of Reference Fuel



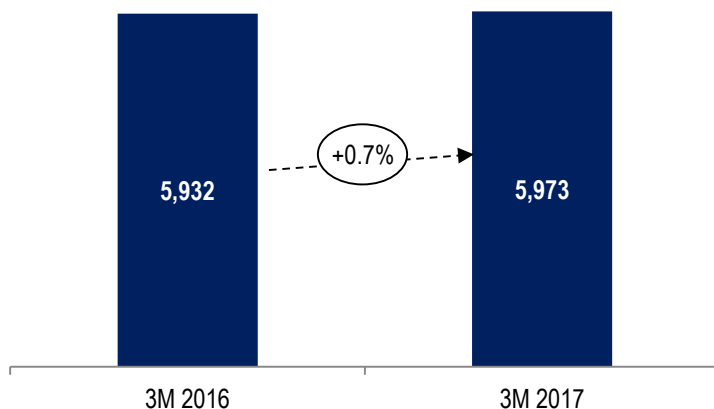
Heat Transmission, mn RUR



Variable Costs Change Factors

- Fuel expenses growth resulted mostly from increased electricity production and corresponding growth of fuel consumption.
- Heat transmission expenses reduction is due to decrease in heat output, subject to transportation (via heating grids), on the back of growing share of heat output from headers of power plants (boiler houses).

Total Fixed Costs, mn RUR



Fixed Costs Change Factors

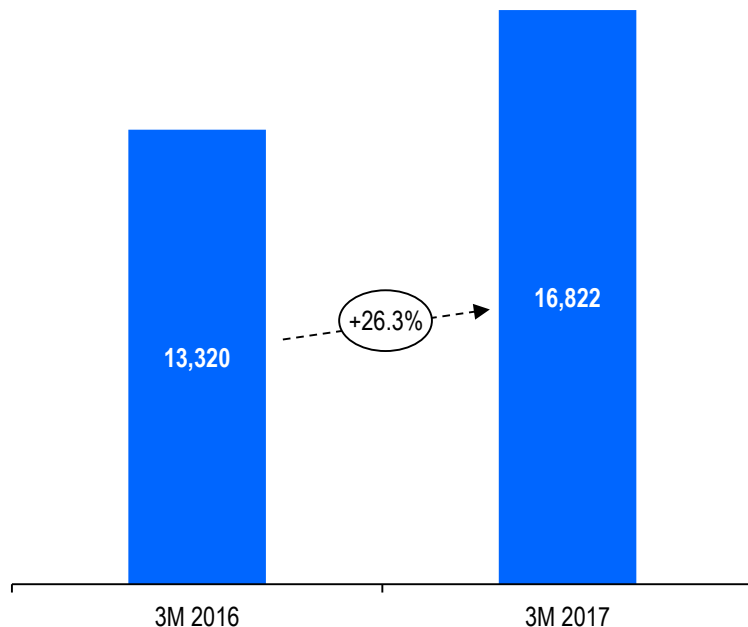
- Maintenance and repairs expenses increase mainly was caused by growing in the maintenance costs of CCGT units.
- Other operating expenses decreased mostly on the account of lower rent expenses.

Fixed Costs Structure, mn RUR

Fixed Costs	3M 2016	3M 2017	Change
Personnel expenses	2,789	2,800	+0.4%
Other external suppliers ¹	709	790	+11.4%
Maintenance and repairs expenses	173	208	+20.2%
Taxes other than income tax	543	600	+10.5%
Other operating expenses/(income)	1,718	1,575	-8.3%
Total fixed costs	5,932	5,973	+0.7%

¹ Excluding Heat transmission

EBITDA, adj.¹, mn RUR



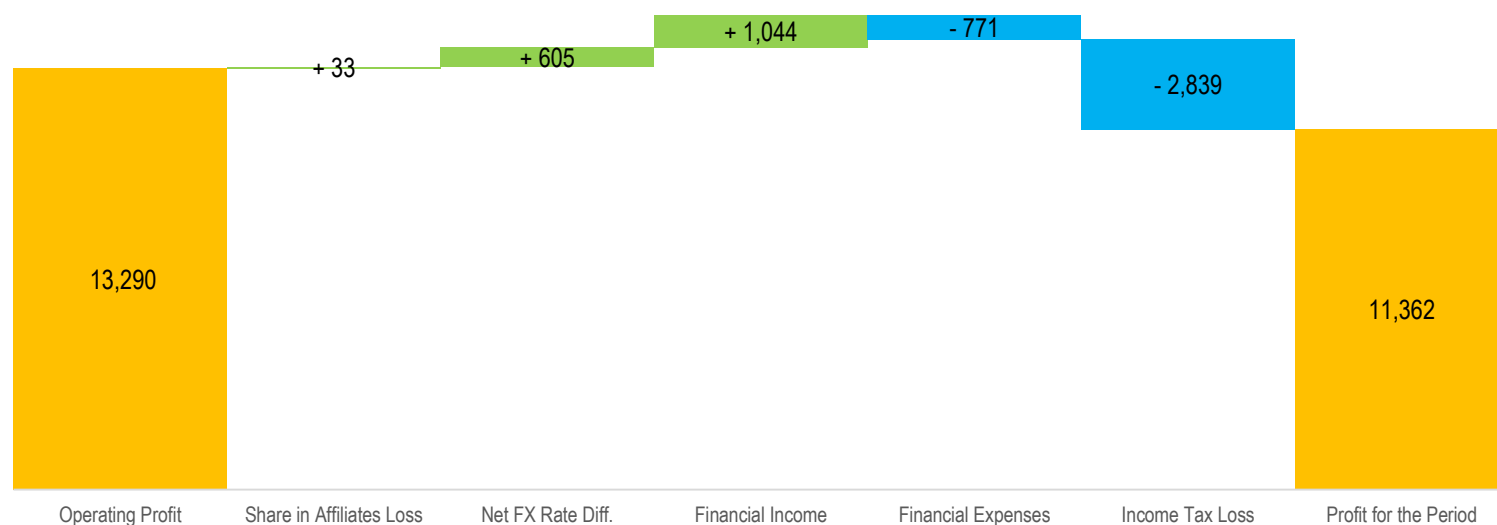
EBITDA Change Key Factors

- Electricity output growth by 7.7%
- Electricity weighted average price growth by 0.6%.
- New capacity commissioning.
- Considering in the new CSA-capacity price calculation process a factor, assuring established payback period of generating units.

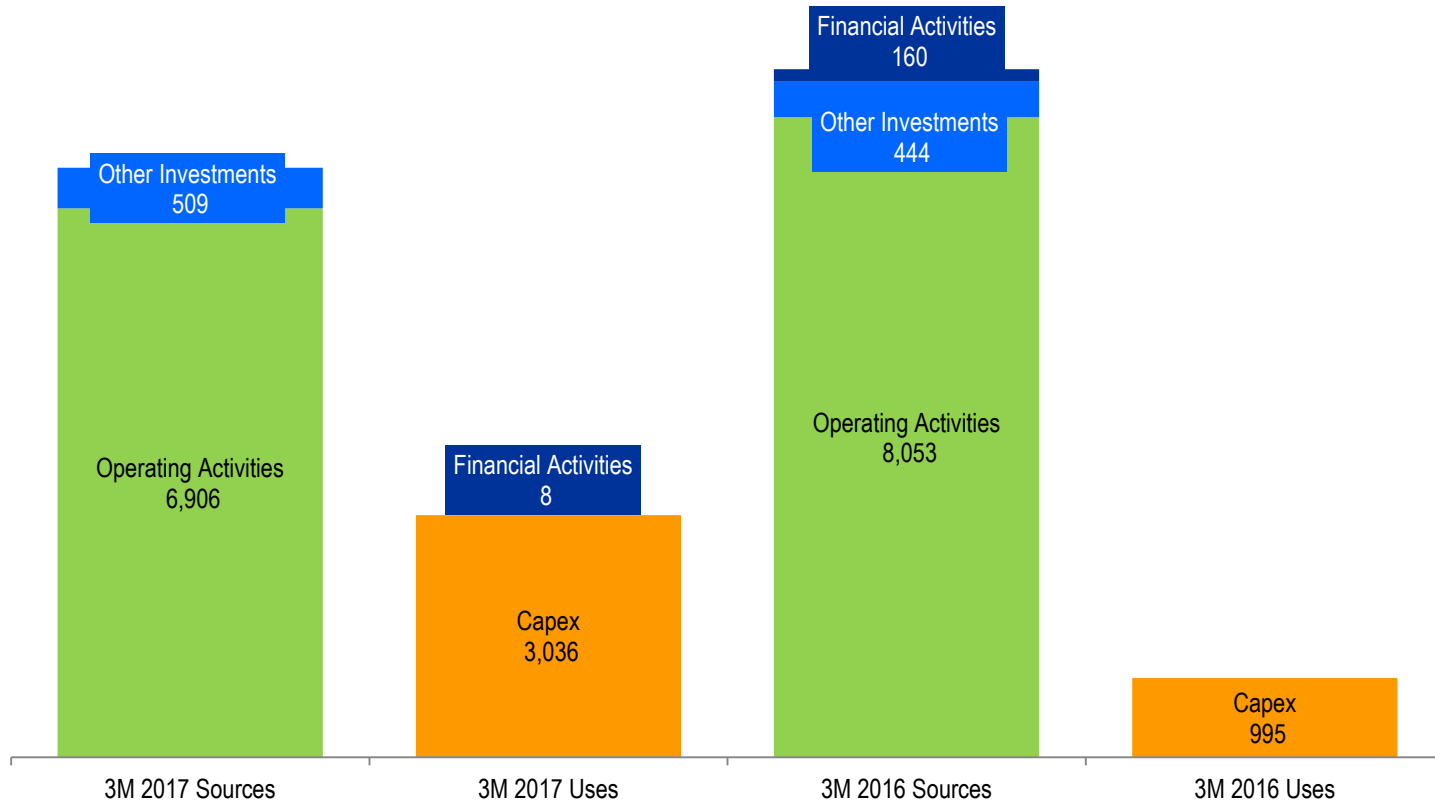
¹ EBITDA = Operating Profit + Depreciation of PP&E. Adjusted to Reserve for assets and other reserves impairment

Operating Profit Composition, mn RUR

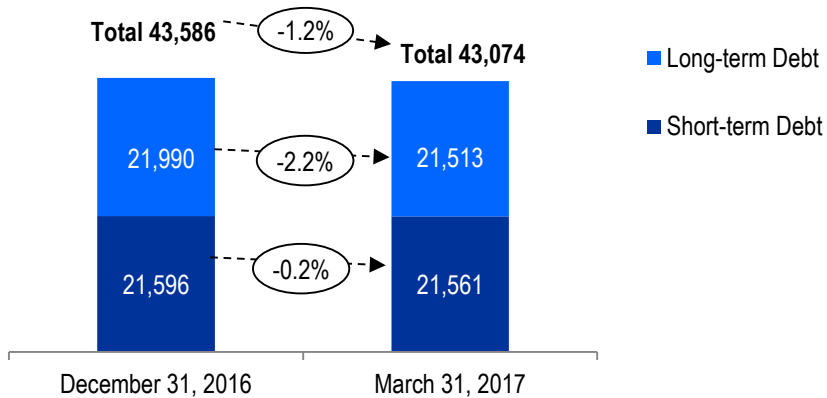
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Variable costs	(43,063)	(42,568)	-1.1%
Fixed costs	(5,933)	(5,973)	+0.7%
Depreciation of PP&E	(3,700)	(3,532)	-4.5%
Net accrual of reserve for assets impairment and other reserves	(281)	(693)	+146.6%
Operating profit	9,619	13,290	+38.2%



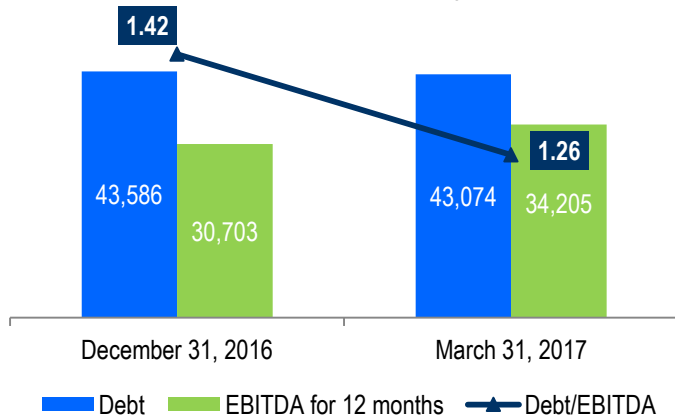
Sources and Uses of Cash, mn RUR



Liabilities Structure, mn RUR

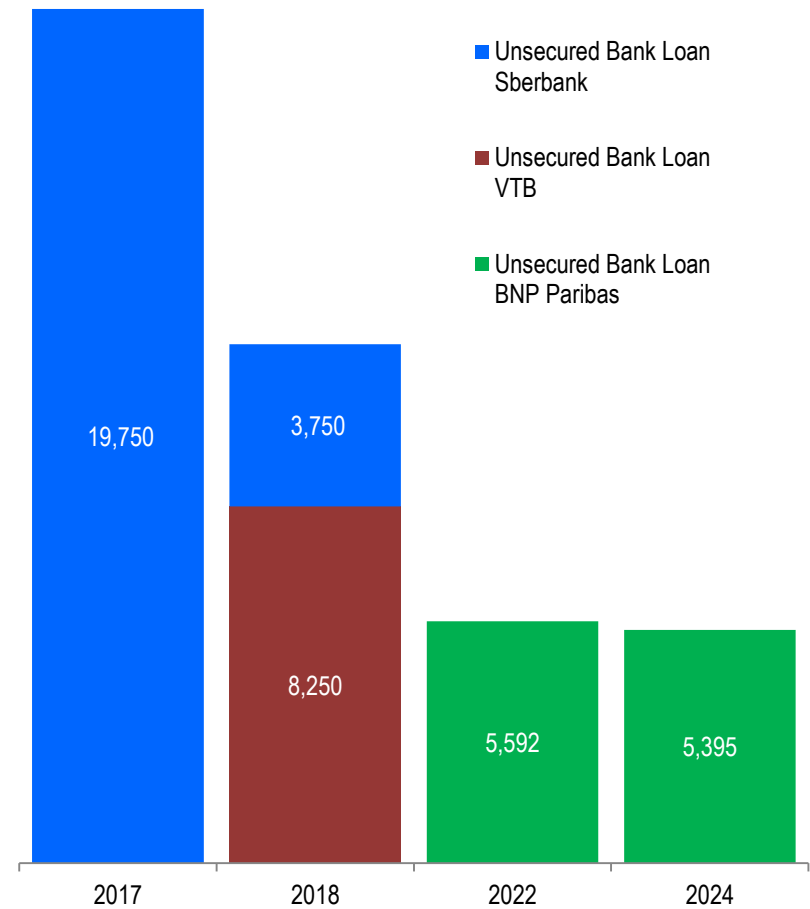


Debt/ EBITDA, adj.¹



¹ EBITDA = Operating Profit + Depreciation of PP&E. Adjusted to Reserve for assets and other reserves impairment

Maturity Profile as of March 31, 2017, mn RUR (book value)



Thank You for Your Attention!

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