

MOSENERGO

3M 2018 IFRS Results

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Operational Highlights¹

	3M 2017	3M 2018	Change
Electricity Output, mn kWh	18,392	19,108	+3.9%
Electricity Sales, mn kWh	18,910	19,645	+3.9%
Heat Output, th.Gcal	33,356	37,514	+12.5%
Fuel Rate on Electricity, g/kWh	206.4	203.7	-1.3%
Fuel Rate on Heat, kg/Gcal	162.3	162.1	-0.1%

Financial Highlights, mn RUR

	3M 2017	3M 2018	Change
Revenue	66,056	72,197	+9.3%
Variable Costs	(42,568)	(46,908)	+10.2%
Fixed Costs ²	(5,973)	(5,608)	-6.1%
EBITDA ³	16,822	19,186	+14.1%
EBITDA, adj. ⁴	17,515	19,681	+12.4%
Depreciation of PP&E	(3,532)	(3,641)	+3.1%
Operating Profit	13,290	15,545	+17.0%
Profit for the Period	11,362	12,742	+12.1%

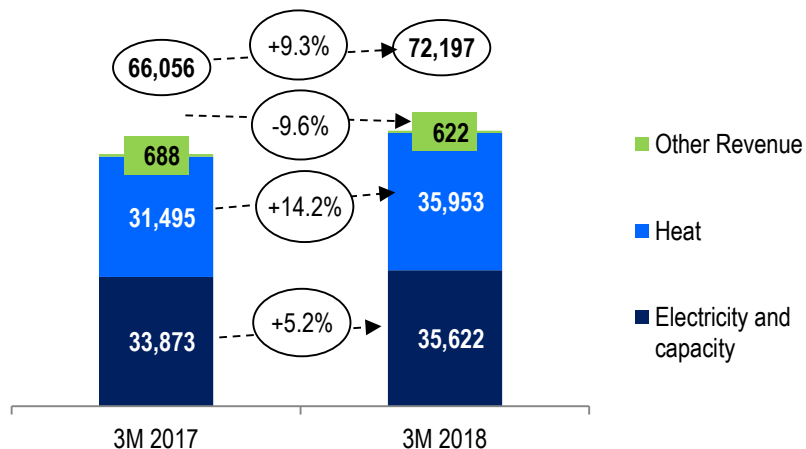
¹ Management report data

² Excluding Depreciation of PP&E

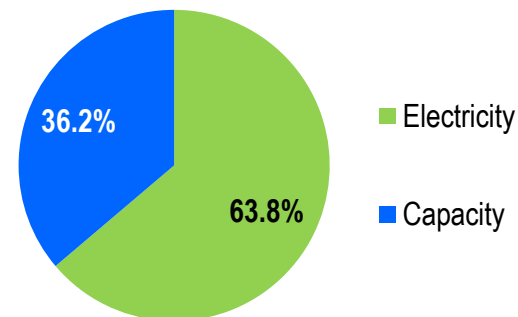
³ EBITDA = Operating Profit + Depreciation of PP&E

⁴ Adjusted to net accrual of reserve for assets impairment and other reserves

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 3M 2018, %



Prices and Tariffs

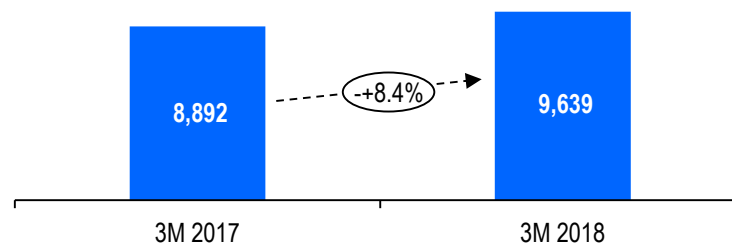
Parameter	3M 2017	3M 2018	Change
Average Weighted Electricity Price, RUR/MWh ¹	1,129.73	1,156.24	+2.3%
Average Price for New Capacity, RUR/MW per Month	1,087,684.65	1,123,594.96	+3.3%
Average Price for Old Capacity, RUR/MW per Month	144,856.11	147,836.25	+2.1%
Average Weighted Heat Tariff, RUR/Gcal	948.24	962.14	+1.5%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	<i>911.15</i>	<i>951.40</i>	<i>+4.4%</i>

¹ At the wholesale market of electricity and capacity

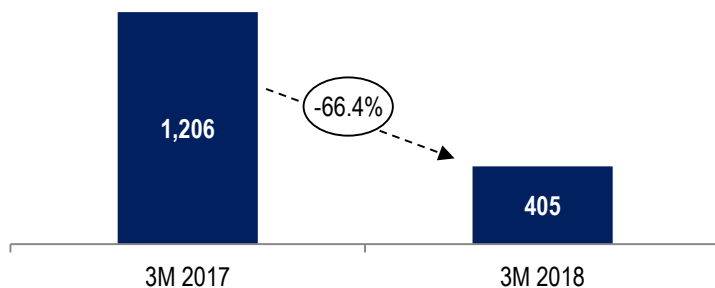
Variable Costs Structure, mn RUR

Variable Costs	3M 2017	3M 2018	Change
<u>Operating costs, incl.:</u>	41,362	46,503	+12.4%
<i>Fuel expenses</i>	38,005	42,890	+12.9%
<i>Purchased heat and electricity</i>	2,775	3,122	+12.5%
<i>Other materials expenses</i>	582	491	-15.6%
<u>Heat transmission</u>	1,206	405	-66.4%
Total variable costs	42,568	46,908	+10.2%

Reference Fuel Consumption, thous. tons of Reference Fuel



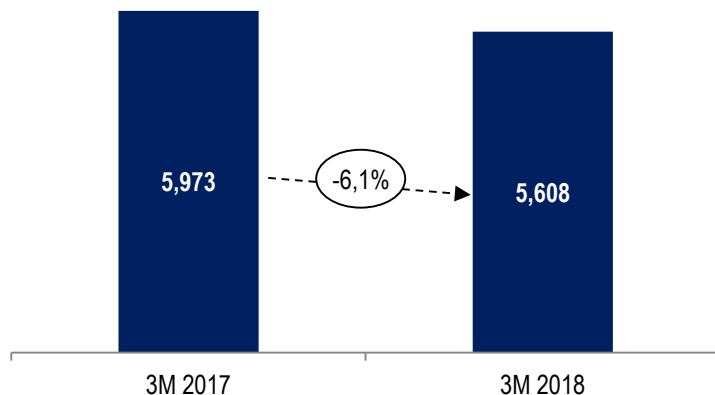
Heat Transmission, mn RUR



Variable Costs Change Factors

- Fuel expenses increase resulted from growing electricity and heat production on the back of lower air temperature in the reporting period.
- Heat transmission expenses reduction was due to decrease in heat output, subject to transportation (via heating grids), on the account of growing share of heat output from headers of power plants (boiler houses).

Total Fixed Costs, mn RUR



Fixed Costs Change Factors

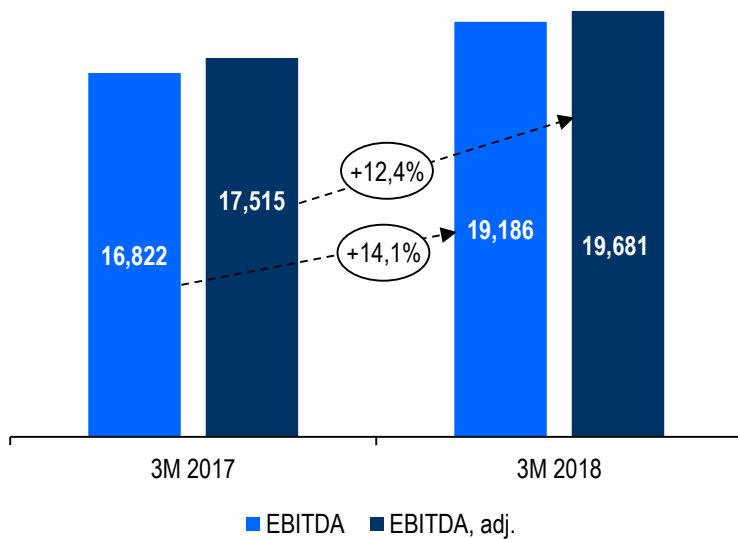
- Maintenance and repairs expenses increase mainly was caused by growing maintenance costs of CCGT units.
- Other operating expenses (income) item was formed by inflows from fines, fees and penalties for contract terms breaches.

Fixed Costs Structure, mn RUR

Fixed Costs	3M 2017	3M 2018	Change
Personnel expenses	2,800	2,853	+1.9%
Maintenance and repairs expenses	790	1,004	+27.1%
Other external suppliers ¹	1,596	1,539	-3.6%
Taxes other than income tax	600	380	-36.7%
Other operating expenses (income)	187	(168)	-
Total fixed costs	5,973	5,608	-6.1%

¹ Excluding Heat transmission

EBITDA, mn RUR

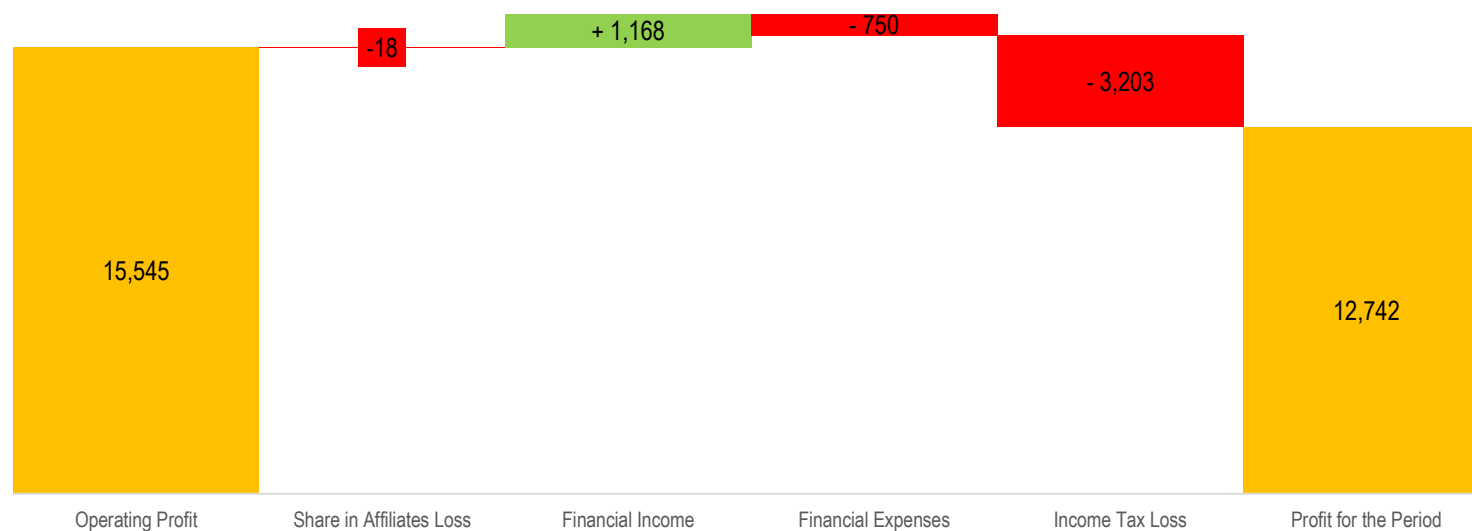


EBITDA Change Key Factors

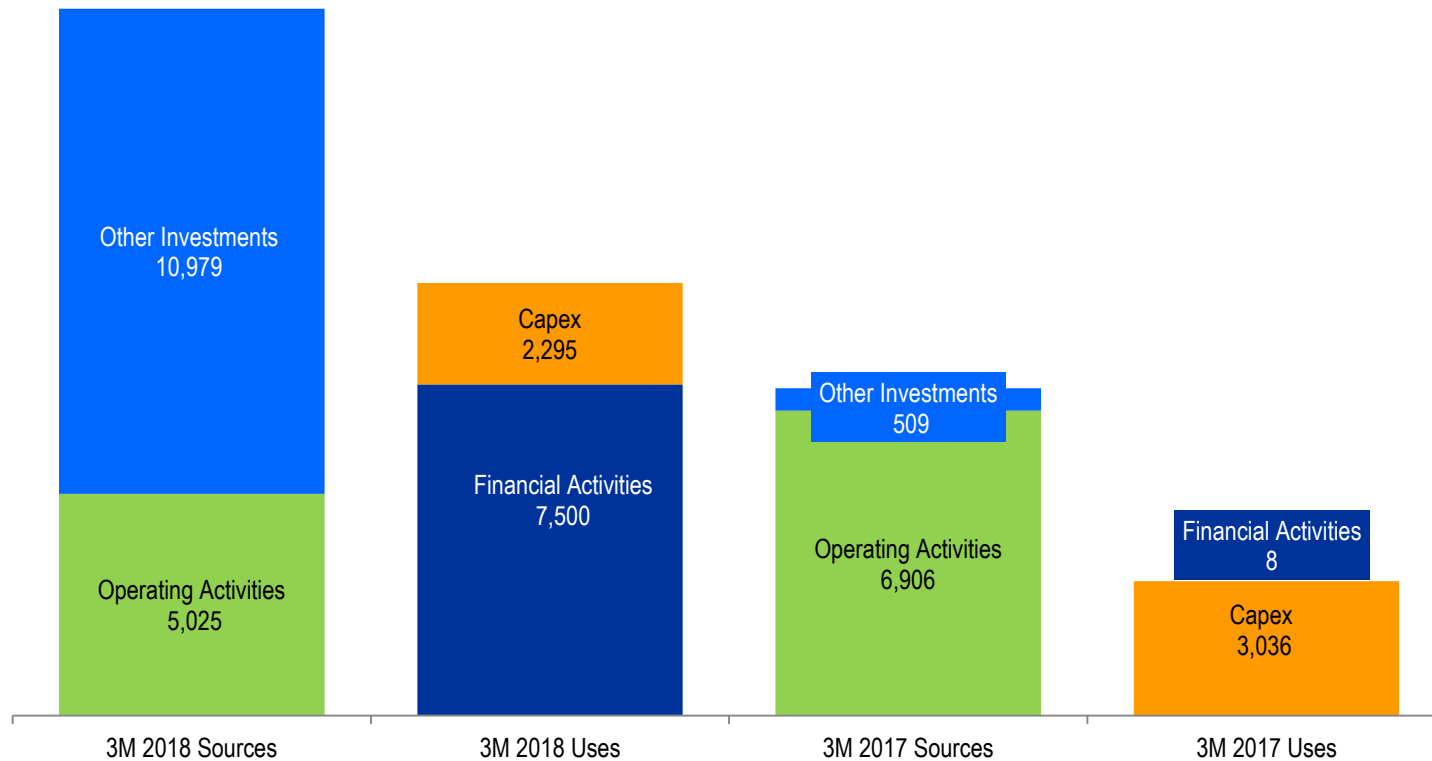
- Lower air temperature in the reporting period and corresponding electricity and heat production growth.
- Advanced fuel efficiency of the main equipment.
- Fixed costs decrease.

Operating Profit Composition, mn RUR

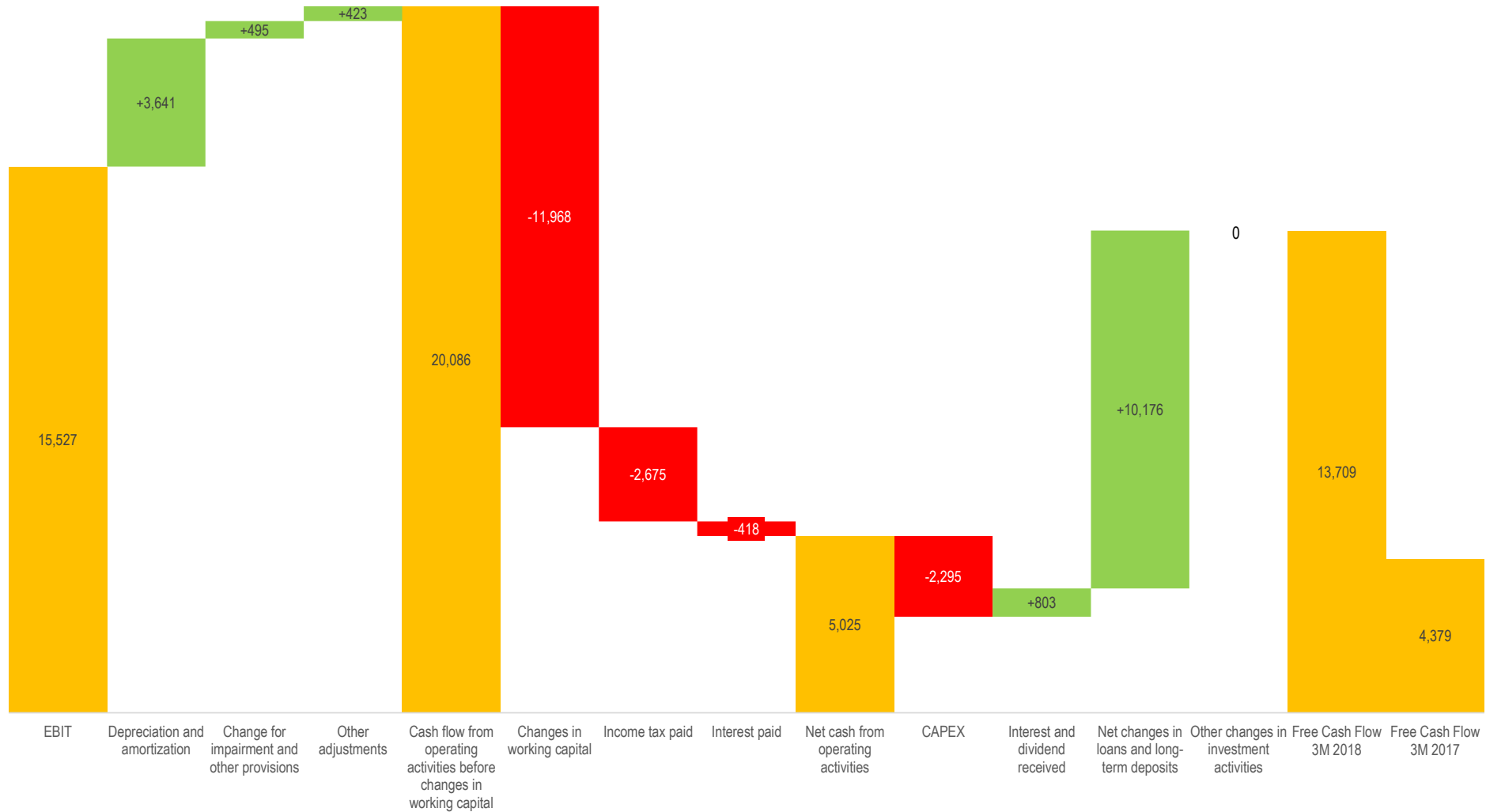
Parameter	3M 2017	3M 2018	Change
Revenue	66,056	72,197	+9.3%
Variable costs	(42,568)	(46,908)	+10.2%
Fixed costs	(5,973)	(5,608)	-6.1%
Depreciation of PP&E	(3,532)	(3,641)	+3.1%
Net accrual of reserve for assets impairment and other reserves	(693)	(495)	-28.6%
Operating profit	13,290	15,545	+17.0%



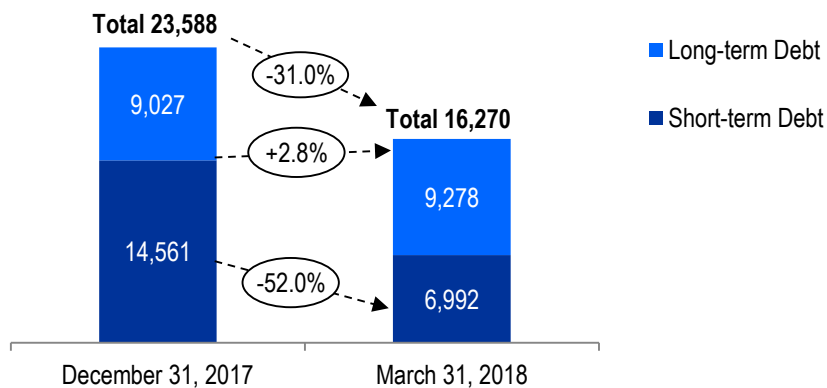
Sources and Uses of Cash, mn RUR



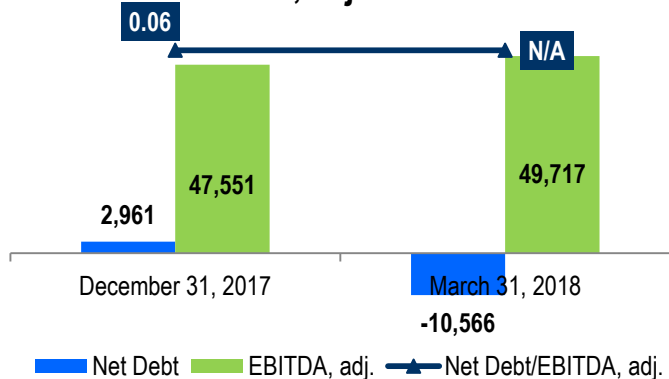
Free Cash Flow



Debt Structure, mn RUR

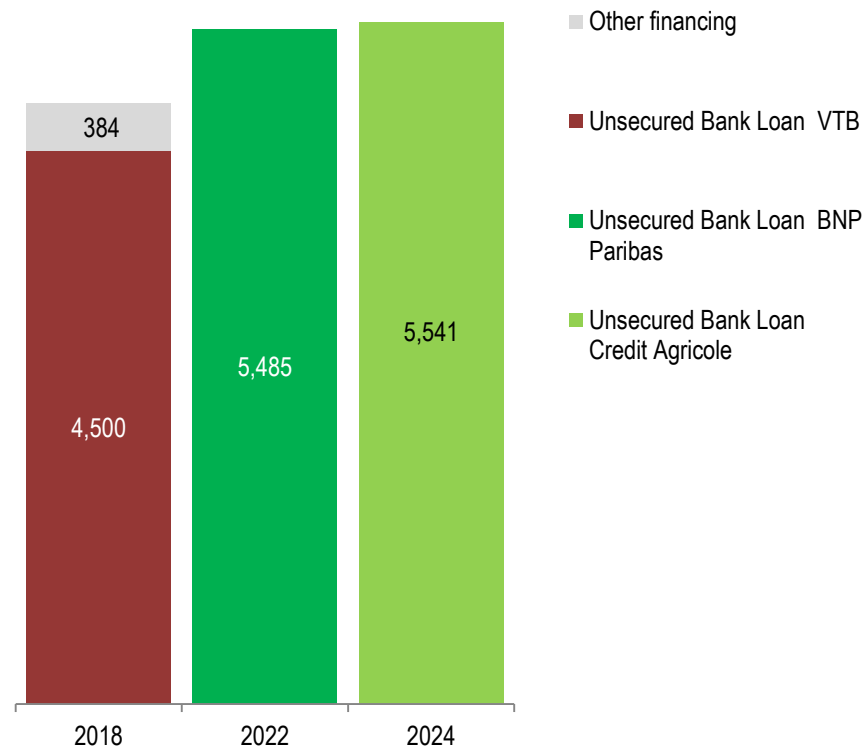


Debt/ EBITDA, adj. for 12 months¹



¹ EBITDA, adj for 12 months ended 31.03.2018 = EBITDA, adj for 12 months ended 31.12.2017 - EBITDA, adj for 3M 2017 + EBITDA, adj for 3M 2018

Maturity Profile as of March 31, 2017, mn RUR (book value)²



² Not including debt for interest payable of 157 mn RUR and finance lease liabilities of 203 mn RUR

Thank You for Your Attention!

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