MOSENERGO

6M 2017 IFRS Results

August 9, 2017

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6M 2016 Highlights

Operational Highlights[1]

	6M 2016	6M 2017	Change
Electricity Output, mn kWh	28,663	30,269	+5.6%
Electricity Sales, mn kWh	29,663	31,405	+5.9%
Heat Output, th.Gcal	44,705	46,323	+3.6%
Fuel Rate on Electricity, g/kWh	225.9	220.1	-2.6%
Fuel Rate on Heat, kg/Gcal	163.7	163.1	-0.4%

Financial Highlights, mn RUR

	6M 2016	6M 2017	Change
Revenue	95,769	104,181	+8.8%
Variable Costs	(64,760)	(65,483)	+1.1%
Fixed Costs[2]	(12,578)	(12,048)	-4.2%
EBITDA[3]	17,992	25,304	+40.6%
EBITDA, adj.[4]	18,431	26,650	+44.6%
Depreciation of PP&E	(7,446)	(7,389)	-0.8%
Operating Profit	10,546	17,915	+69.9%
Profit for the Period	10,021	14,528	+45.0%

[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

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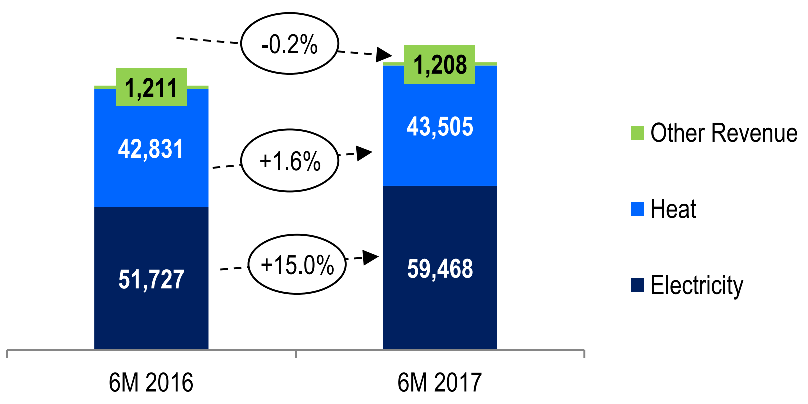
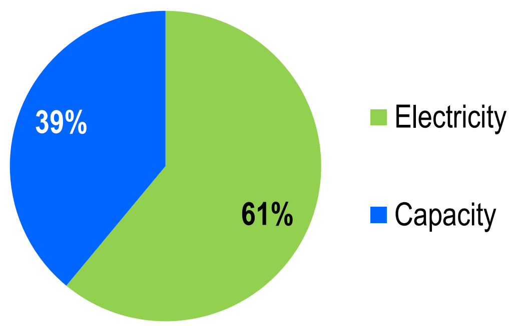
Revenue

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 6M 2017, %



Prices and Tariffs

Parameter	6M 2016	6M 2017	Change
Average Weighted Electricity Price, RUR/MWh[1]	1,148.85	1,146.93	-0.2%
Average Price for New Capacity, RUR/MW per Month	697,887.05	1,033,944.26	+48.2%
Average Price for Old Capacity, RUR/MW per Month	127,229.31	135,233.26	+6.3%
Average Weighted Heat Tariff, RUR/Gcal	944.72	943.75	-0.1%
Including the "generation" tariff, RUR/Gcal	*887.69*	*910.60*	*+2.6%*

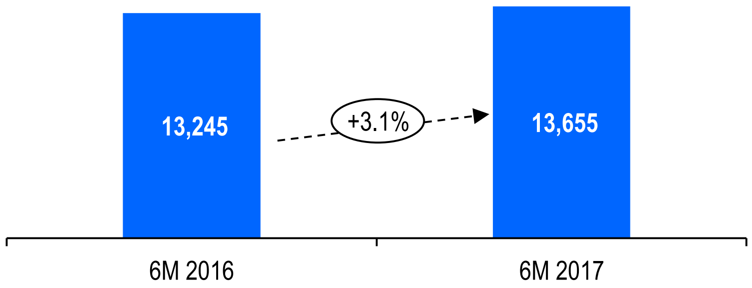
[1] At the wholesale market of electricity and capacity

Variable Costs

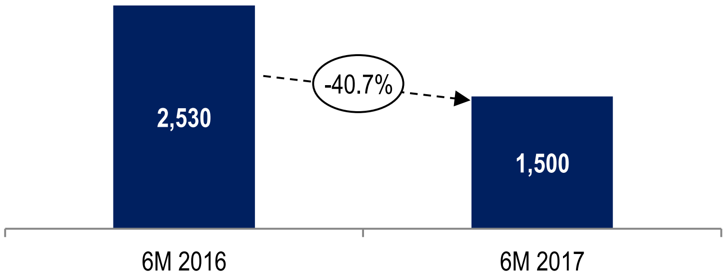
Variable Costs Structure, mn RUR

Variable Costs	6M 2016	6M 2017	Change
Operating costs, incl.:	62,230	63,983	+2.8%
Fuel expenses	*56,191*	*57,895*	+3.0%
Purchased heat and electricity	*4,881*	*4,980*	+2.0%
Other materials expenses	*1,158*	*1,108*	-4.3%
Heat transmission	2,530	1,500	-40.7%
Total variable costs	**64,760**	**65,483**	**+1.1%**

Reference Fuel Consumption, thous. Tons of Reference Fuel



Heat Transmission, mn RUR

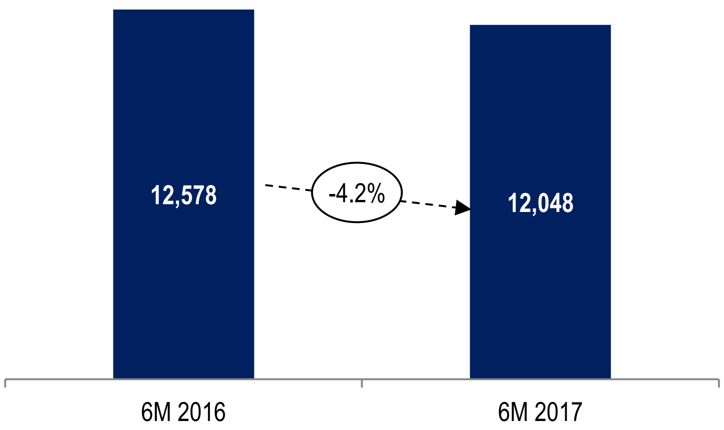


Variable Costs Change Factors

- Fuel expenses growth resulted mostly from increased electricity and heat 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).

Fixed Costs

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.
- Expenses on other external suppliers (excluding heat transmission) decreased due to number of small items of expenditure.

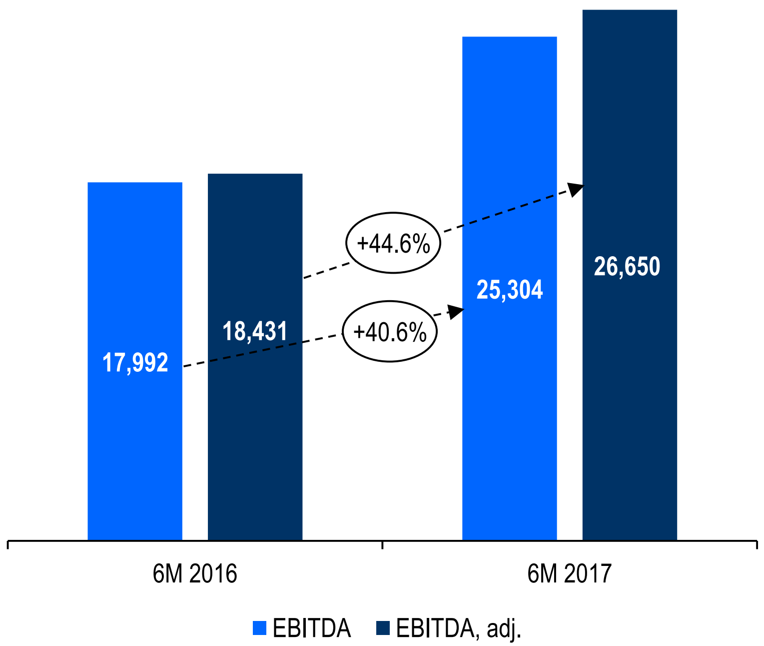
Fixed Costs Structure, mn RUR

Fixed Costs	6M 2016	6M 2017	Change
Personnel expenses	5,608	5,462	-2.6%
Maintenance and repairs expenses	2,003	2,402	+19.9%
Other external suppliers[1]	3,791	3,378	-10.9%
Taxes other than income tax	1,119	1,095	-2.1%
Other operating expenses/(income)	57	(289)	-
Total fixed costs	**12,578**	**12,048**	**-4.2%**

[1] Excluding Heat transmission

EBITDA

EBITDA, mn RUR



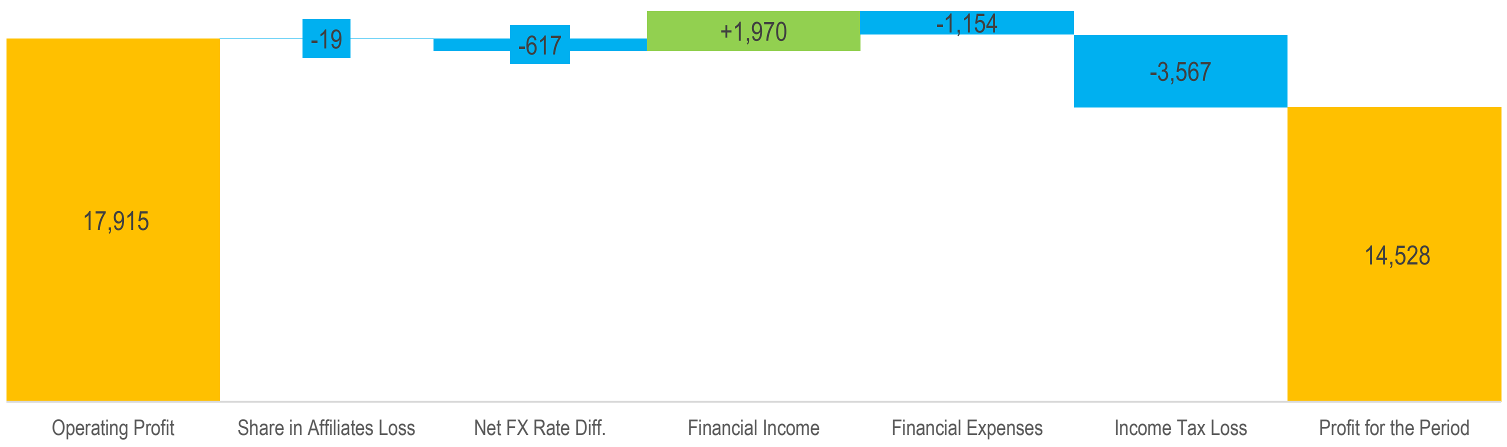
EBITDA Change Key Factors

- Electricity and heat output growth by 5.6% and 3.6%, correspondingly.
- Considering in the new CSA-capacity price calculation process a factor, assuring established payback period of generating units.

Profit Composition

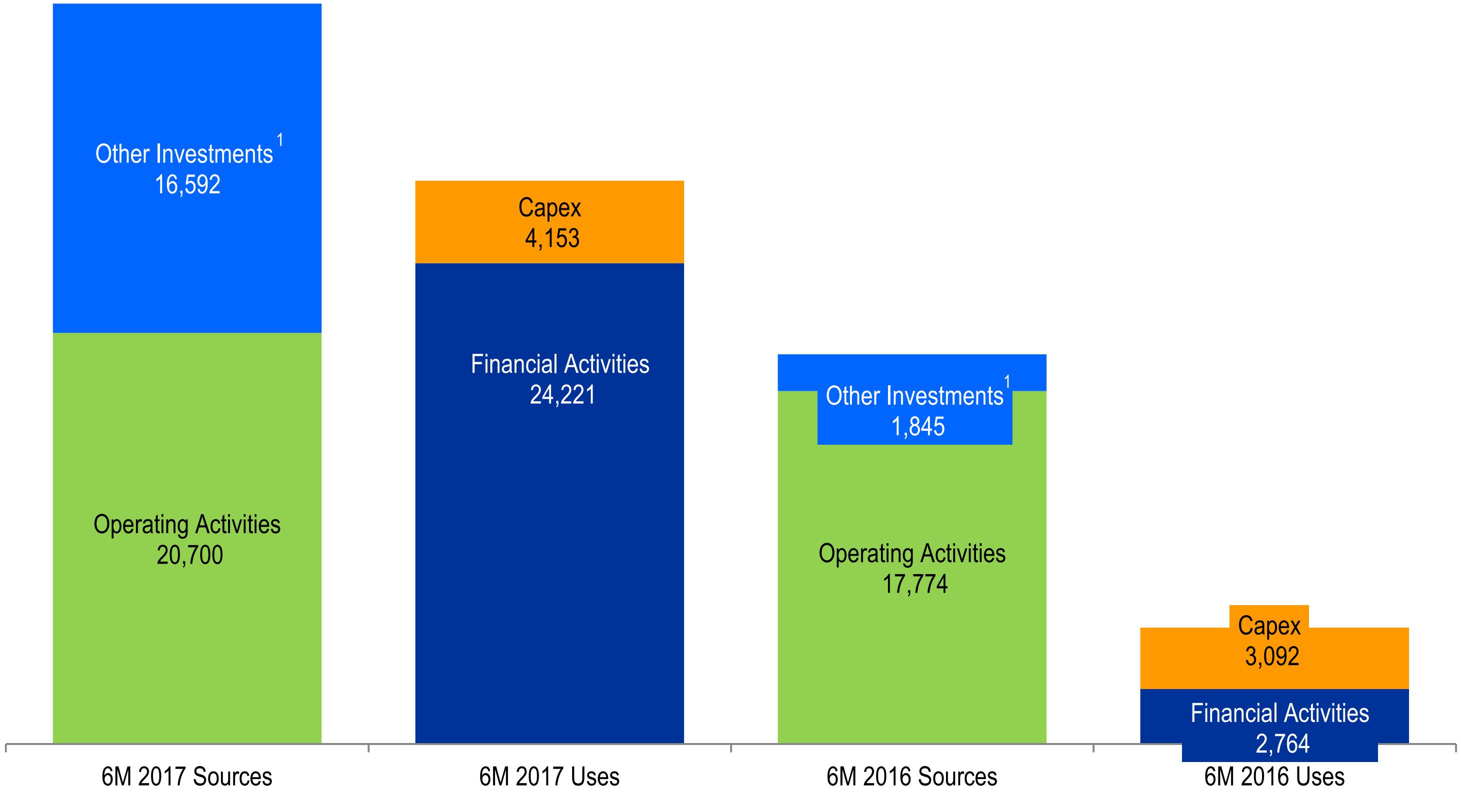
Operating Profit Composition, mn RUR

Parameter	6M 2016	6M 2017	Change
Revenue	95,769	104,181	+8.8%
Variable costs	(64,760)	(65,483)	+1.1%
Fixed costs	(12,578)	(12,048)	-4.2%
Depreciation of PP&E	(7,446)	(7,389)	-0.8%
Net accrual of reserve for assets impairment and other reserves	(439)	(1,346)	+206.6%
Operating profit	**10,546**	**17,915**	**+69.9%**



Cash Flow

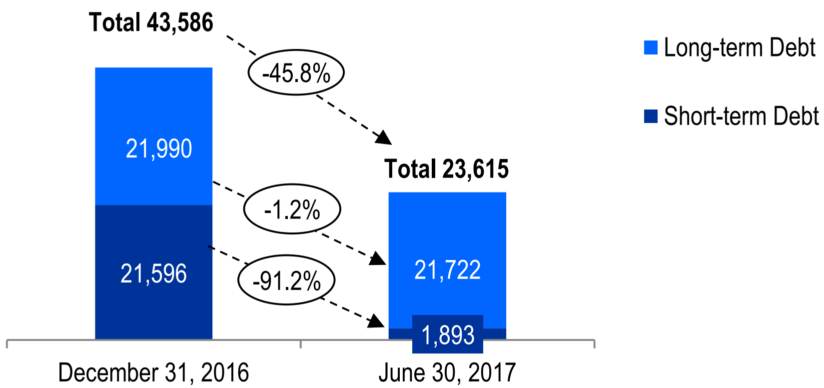
Sources and Uses of Cash, mn RUR



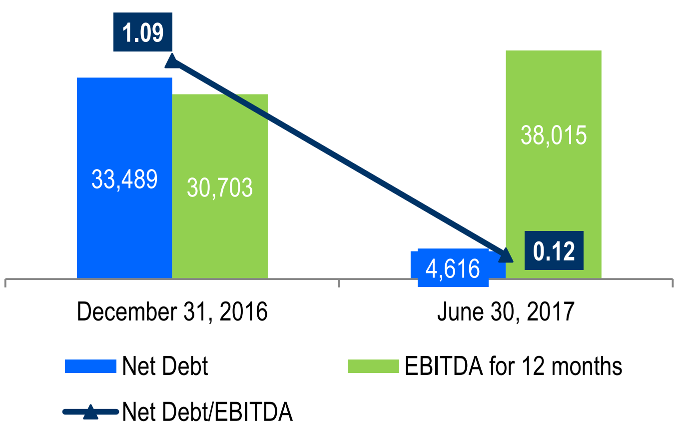
[1] including repayment of long-term deposits in 6M2017: 15,054 mln RUR; in 6M2016: 602 mln RUR

Debt and Liabilities

Liabilities Structure, mn RUR

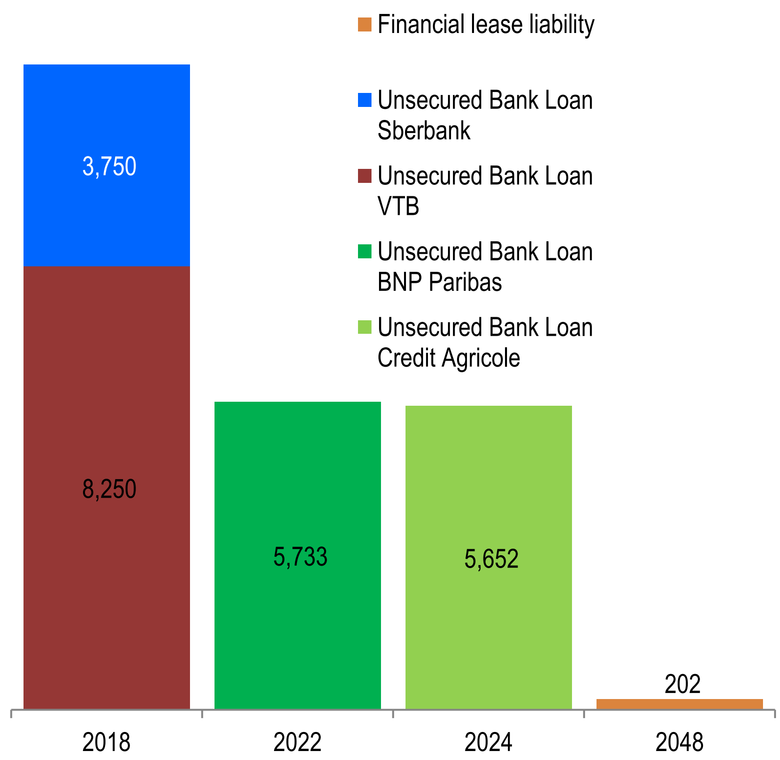


Net Debt / EBITDA[1]



[1] EBITDA as of June 30, 2017 = EBITDA for 2H 2016 + EBITDA for 1H 2017

Maturity Profile as of June 30, 2017, mn RUR (book value)[2]



[2] not including debt for interest payable of 27 mn RUR

Thank You for Your Attention!

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