

MOSENERGO

9M 2014 IFRS Results

The information contained herein has been prepared using information available to JSC “Mosenergo” (hereinafter - Mosenergo or the Company) at the time of preparation of the presentation. External or other factors might have impacted the business of Mosenergo and the content of this presentation, since its preparation. In addition all relevant information about Mosenergo may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. Mosenergo cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in Mosenergo, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Operational Highlights¹

	9M 2013	9M 2014	Change
Electricity Output, mn kWh	42,358	39,709	-6.3%
Electricity Sales, mn kWh	44,630	41,224	-7.6%
Heat Output, th.Gcal	45,403	42,521	-6.3%
Fuel Rate on Electricity, g/kWh	250.9	251.9	+0.4%
Fuel Rate on Heat, kg/Gcal	165.8	166,6	+0.5%

Financial Highlights, mn RUR

Показатель	9M 2013 (restated)	9M 2014	Изм.
Revenue	108,166	110,168	+1.9%
Variable Costs	(74,869)	(76,657)	+2.4%
Fixed Costs ²	(18,218)	(20,922)	+14.8%
Fixed Costs, adj. ³	(18,218)	(18,402)	+1.0%
EBITDA ⁴	15,717	13,053	-16.9%
EBITDA, adj. ⁵	15,717	13,800	-12.2%
Depreciation of PP&E	(10,756)	(11,028)	+2.5%
Operating Profit	4,961	2,025	-59.2%
Profit for the Period	3,738	753	-79.9%

¹ Management report data

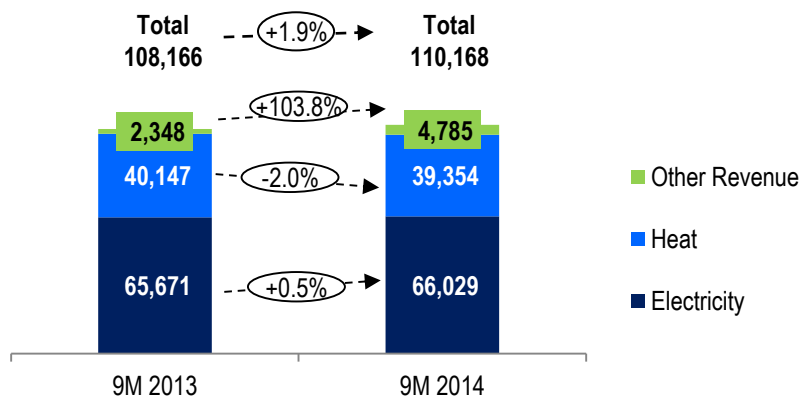
² Excluding depreciation of PP&E

³ Adjusted to Personnel expenses of repair subsidiaries, consolidated since 4Q 2013

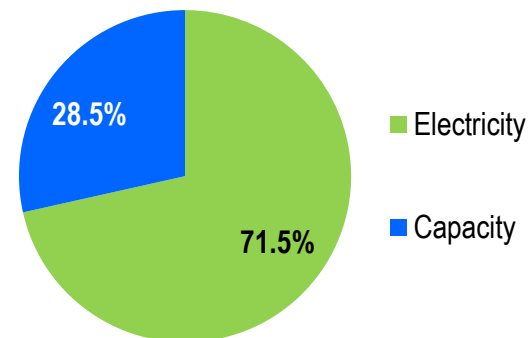
⁴ EBITDA = Operating Profit + Depreciation of PP&E

⁵ Adjusted to change in Impairment loss on PP&E.

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 9M 2014¹. %



Prices and Tariffs ¹

Parameter	9M 2013	9M 2014	Change .
Average Weighted Electricity Price, th.RUR/MWh ²	1,061	1,145	+7.9%
Average Price for New Capacity, RUR/MW per Month	485,123	471,829	-2.7%
Average Price for Old Capacity, RUR/MW per Month	137,114	141,841	+3.4%
Average Weighted Heat Tariff, RUR/Gcal	866	908	+4.8%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	752	799	+6.3%

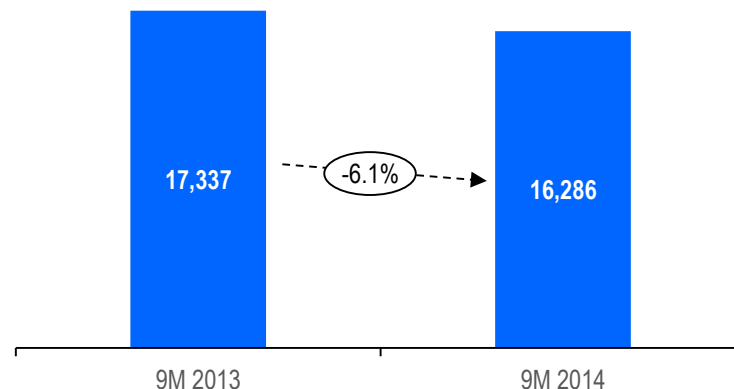
¹ Management report data

² At the wholesale market of electricity and capacity

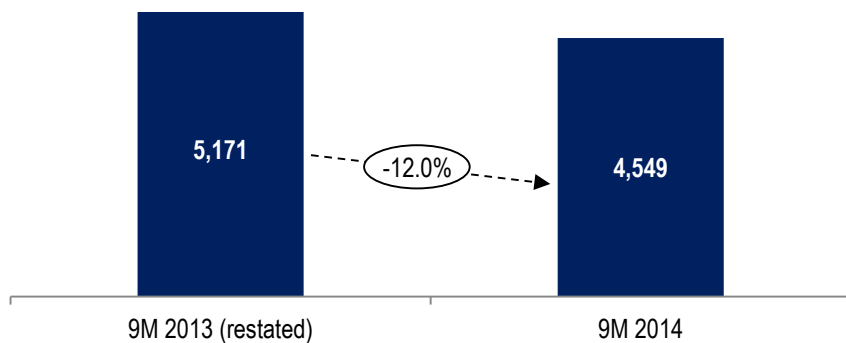
Variable Costs Structure, mn RUR

Variable Costs	9M 2013 (restated)	9M 2014	Change
<u>Cost of materials, incl.:</u>	69,698	72,108	+3.5%
<i>Fuel expenses</i>	61,634	64,221	+4.2%
<i>Purchased heat and electricity</i>	6,708	6,153	-8.3%
<i>Water usage expenses</i>	900	878	-2.4%
<i>Other materials expenses</i>	456	856	+87.7%
<u>Heat transmission</u>	5,171	4,549	-12.0%
Total Variable Costs	74,869	76,657	+2.4%

Reference Fuel Consumption, Tons of Reference Fuel



Heat Transmission, mn RUR



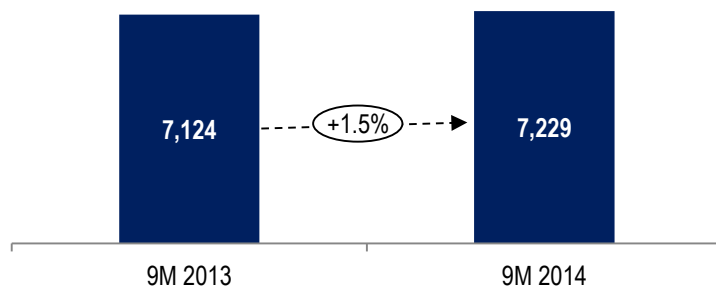
Variable Costs Change Factors

- Increase of fuel expenses due to the fuel price growth, in spite of 6.1% 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	9M 2013 (restated)	9M 2014	Change
Personnel expenses	7,124	9,749	+36.8%
<i>salary and social insurance contributions</i>	6,884	9,519	+38.3%
Maintenance and repairs expenses	3,082	2,616	-15.1%
Other external suppliers	2,986	3,473	+16.3%
Taxes other than income tax	629	1,288	+104.8%
Other operating expenses	4,397	3,796	-13.7%
Total Fixed Costs	18,218	20,922	+14.8%

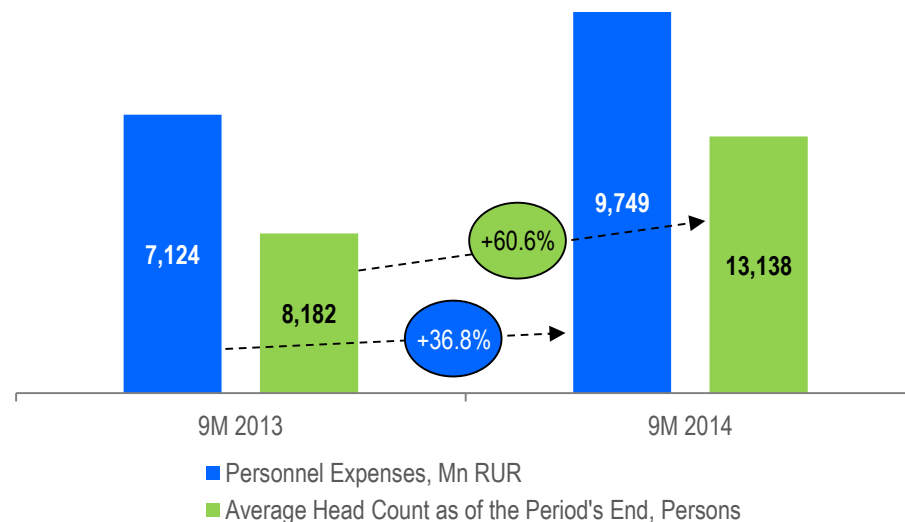
Personnel expenses, adjusted¹, mn RUR



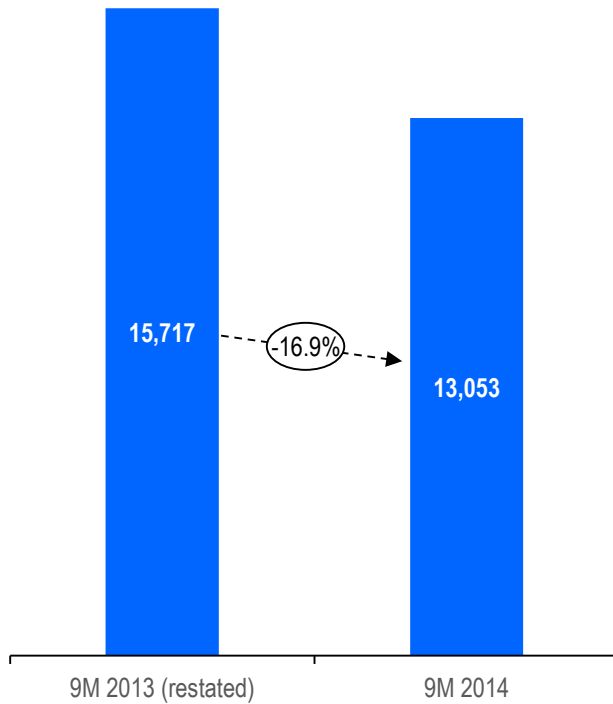
Fixed Costs Change Factors

- The main factor of the fixed costs growth (+14.8%) was consolidation of subsidiaries and affiliates, which influenced, among other things, on a 368% increase of personnel expenses and a 16.3% 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 9M 2013 on the back of property tax refund.

Salary Expenses and Number of Employees, mn RUR



EBITDA¹, mn RUR



EBITDA Change Key Factors

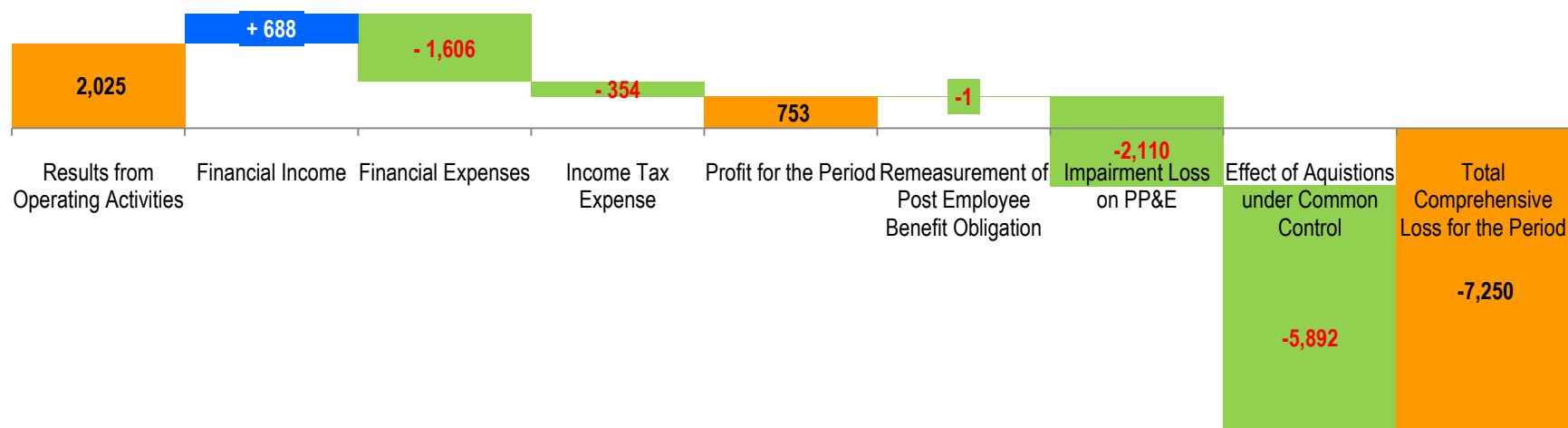
- Deterioration of Company's operational results on the back of warm weather in 1Q 2014 and higher net power flow in free power transfer zone "Moscow".
- Fuel price growth.

¹ EBITDA = Operating Profit + Depreciation of PP&E

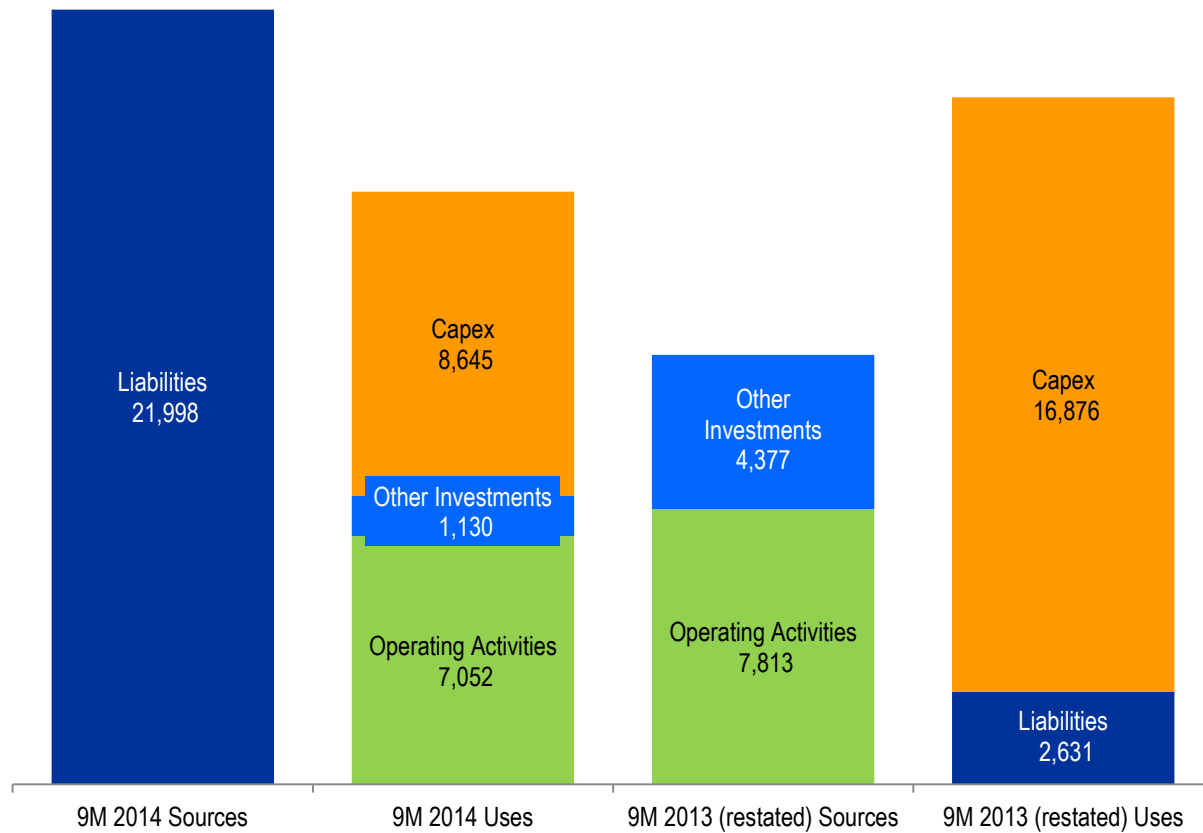
Operating Profit Composition, mn RUR

Parameter	9M 2013 (restated)	9M 2014	Change
Revenue	108,166	110,168	+1.9%
Other operating income	638	1,211	+89.8%
Variable costs	(74,869)	(76,657)	+2.4%
Fixed costs	(18,218)	(20,922)	+14.8%
Depreciation of PP&E	(10,756)	(11,028)	+2.5%
Impairment of PP&E	0	747	-
Operating profit	4,961	2,025	-59.2%

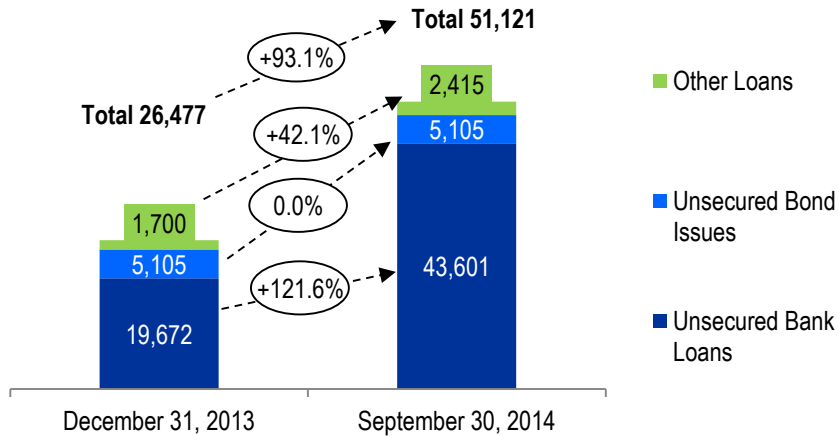
Profit Bridge for 9M 2014, mn RUR



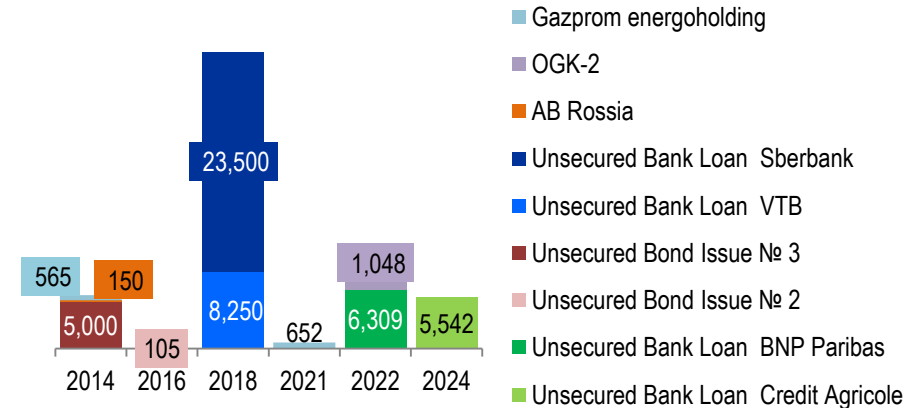
Sources and Uses of Cash, mn RUR



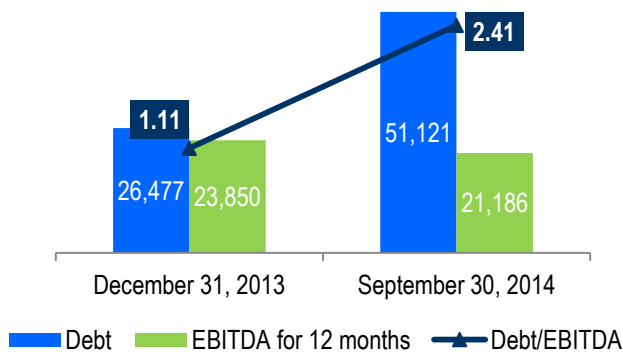
Borrowings Structure, mn RUR



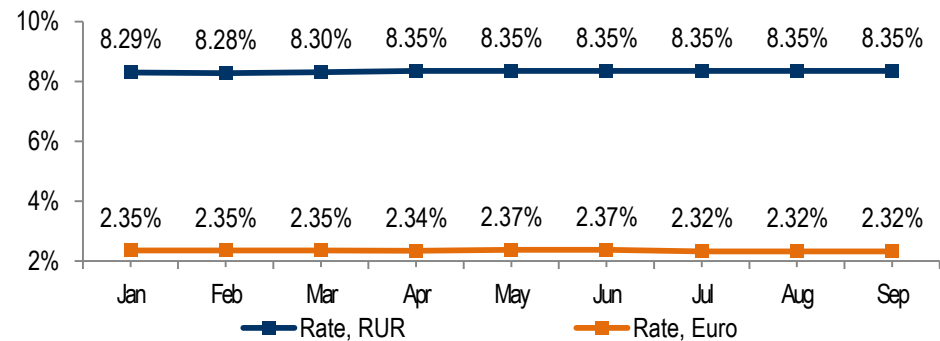
Maturity Profile as of September 30, 2014, mn RUR (book value)



Debt to EBITDA ratio¹



Weighted Average Costs of Debt



¹EBITDA for 12 months, ended September 30, 2014 = EBITDA for 12 months, ended December 31, 2013 - EBITDA for 9 months, ended September 30, 2013 + EBITDA for 9 months, ended September 30, 2014

Thank You for Your Attention!

IR contacts:

Ekaterina Pavlova

Tel. (495) 428-47-83 (ext. 4607)

PavlovaEA@mosenergo.ru

E.pavlova@gazenergocom.ru

Denis Voronchikhin

Tel. (495) 957-1-957 (ext. 3457)

VoronchikhinDS@mosenergo.ru