MOSENERGO

6M 2016 IFRS Results

August 25, 2016

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6M 2016 Highlights

Operational Highlights[1]

	6M 2015	6M 2016	Change
Electricity Output, mn kWh	28,461	28,663	+0.7%
Electricity Sales, mn kWh	29,177	29,663	+1.7%
Heat Output, th.Gcal	39,722	44,705	+12.5%
Fuel Rate on Electricity, g/kWh	224.6	225.9	+0.6%
Fuel Rate on Heat, kg/Gcal	164.0	163.7	-0.2%

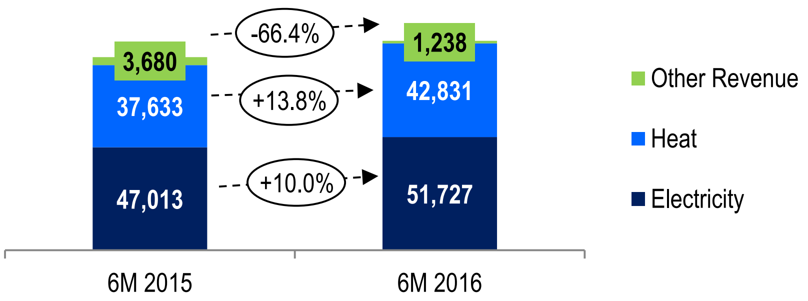
Financial Highlights, mn RUR

	6M 2015	6M 2016	Change
Revenue	88,326	95,796	+8.5%
Variable Costs	(58,603)	(64,802)	+10.6%
Fixed Costs[2]	(12,359)	(13,260)	+7.3%
EBITDA[3]	17,577	18,193	+3.5%
Depreciation of PP&E	(9,251)	(7,413)	-19.9%
Operating Profit	8,326	10,780	+29.5%
Profit for the Period	8,227	10,021	+21.8%
Total Comprehensive Income for the Period	7,271	10,047	+38.2%

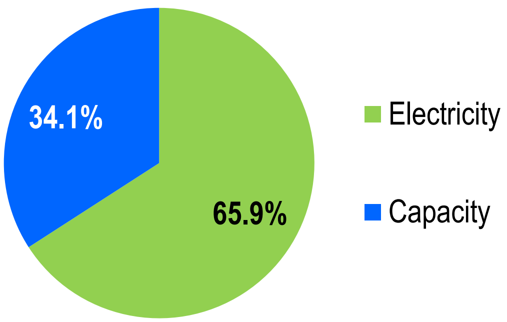
1 Management report data
2 Excluding Depreciation of PP&E
3 EBITDA = Operating Profit + Depreciation of PP&E

Revenue

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 6M 2016, %



Prices and Tariffs

Parameter	6M 2015	6M 2016	Change
Average Weighted Electricity Price, RUR/MWh[1]	1,089.67	1,148.85	+5.4%
Average Price for New Capacity, RUR/MW per Month	578,817.20	697,887.05	+20.6%
Average Price for Old Capacity, RUR/MW per Month	139,405.48	127,229.31	-8.7%
Average Weighted Heat Tariff, RUR/Gcal	922.09	944.72	+2.5%
Including the "generation + distribution" tariff, RUR/Gcal	*818.50*	*887.69*	*+8.5%*

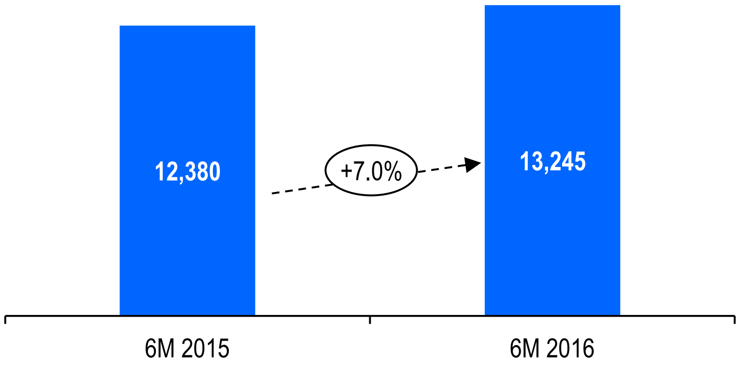
1 At the wholesale market of electricity and capacity

Variable Costs

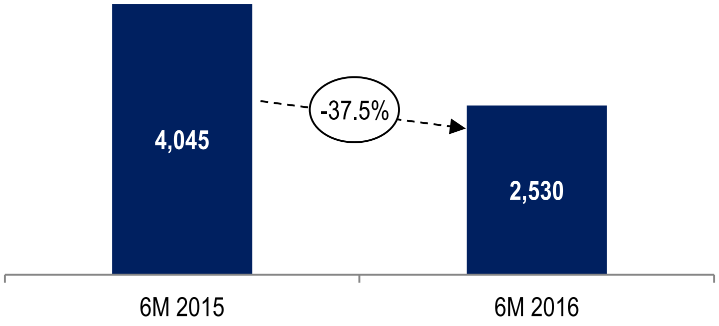
Variable Costs Structure, mn RUR

Variable Costs	6M 2015	6M 2016	Change
Cost of materials, incl.:	54,558	62,272	+14.1%
Fuel expenses	*49,335*	*56,191*	*+13.9%*
Purchased heat and electricity	*4,158*	*4,893*	*+17.7%*
Water usage expenses	*611*	*681*	*+11.5%*
Other materials expenses	*454*	*507*	*+11.7%*
Heat transmission	4,045	2,530	-37.5%
Total variable costs	**58,603**	**64,802**	**+10.6%**

Reference Fuel Consumption, thous. Tons of Reference Fuel



Heat Transmission, mn RUR

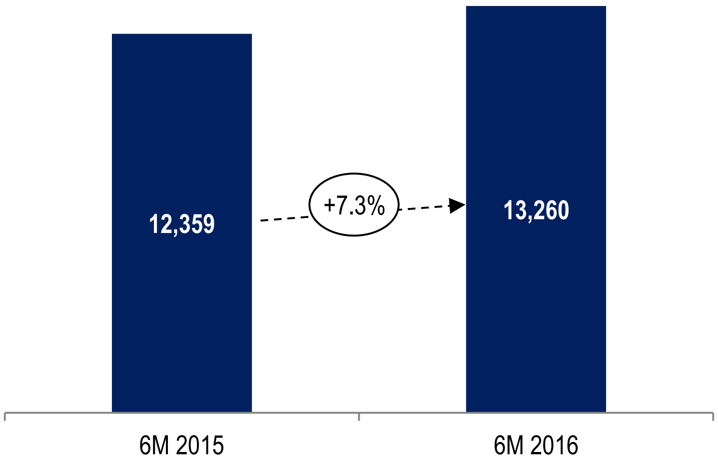


Variable Costs Change Factors

- Fuel expenses growth resulted from increased electricity production and heat output as well as the annual indexation of the gas tariff.
- 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

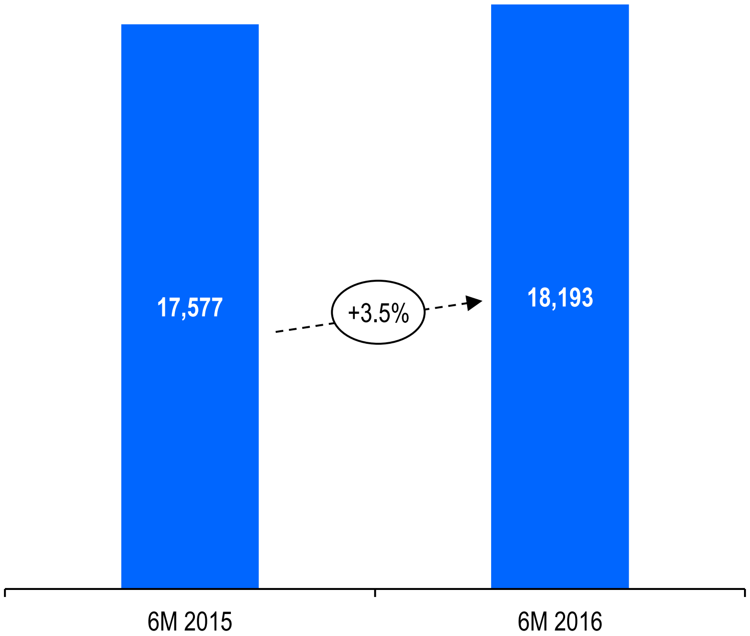
- Maintenance and repairs expenses increase mainly was caused by growing in the maintenance costs of CCGT units.
- Taxes other than income tax grew on the back of increased property tax payments, resulting from new units launch and MOEK's boiler-stations transferred under Mosenergo management.

Fixed Costs Structure, mn RUR

Fixed Costs	6M 2015	6M 2016	Change
Personnel expenses	5,870	5,610	-4.4%
Incl. salary and social insurance contributions	*5,710*	*5,432*	-4.9%
Maintenance and repairs expenses	1,436	2,112	+47.1%
Other external suppliers	2,242	2,142	-4.5%
Taxes other than income tax	820	1,098	+33.9%
Other operating expenses	1,991	2,298	+15.4%
Total fixed costs	**12,359**	**13,260**	**+7.3%**

EBITDA

EBITDA[1], mn RUR



EBITDA Change Key Factors

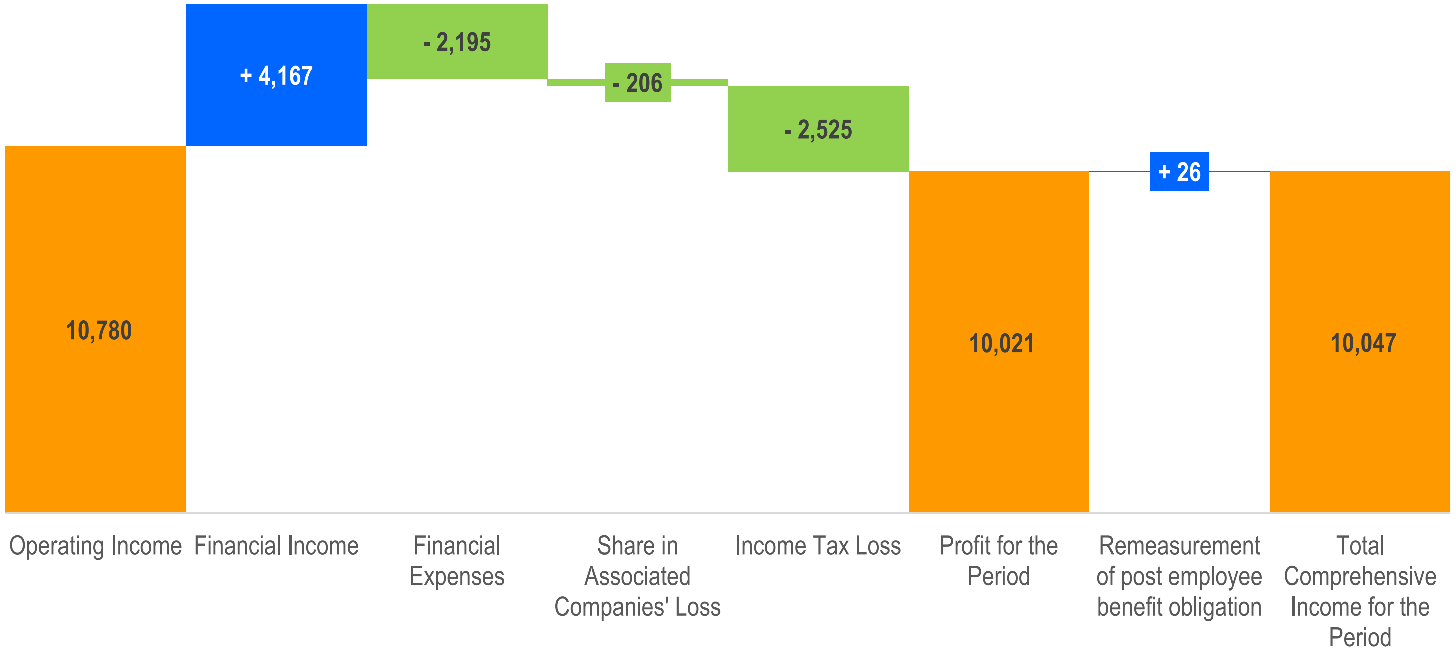
- Growing heat output and revenue from heat sales.
- CSA payments increase resulted growth of government bond yields and growth of average weighted price on the day-ahead market.

[1] EBITDA = Operating Profit + Depreciation of PP&E

Profit Composition

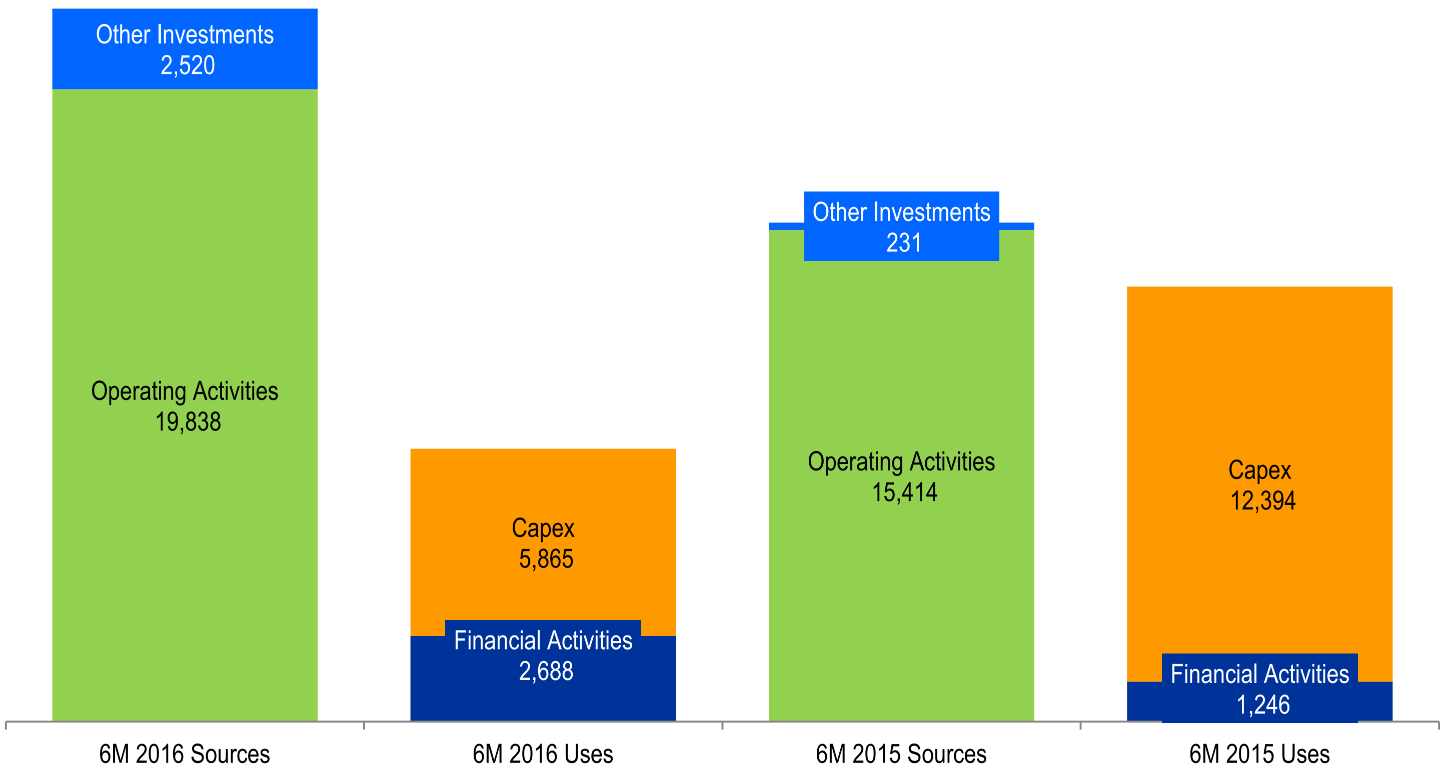
Operating Profit Composition, mn RUR

Parameter	6M 2015	6M 2016	Change
Revenue	88,326	95,796	+8.5%
Other operating income	213	459	+115.5%
Variable costs	(58,603)	(64,802)	+10.6%
Fixed costs	(12,359)	(13,260)	+7.3%
Depreciation of PP&E	(9,251)	(7,413)	-19.9%
Operating profit	**8,326**	**10,780**	**+29.5%**



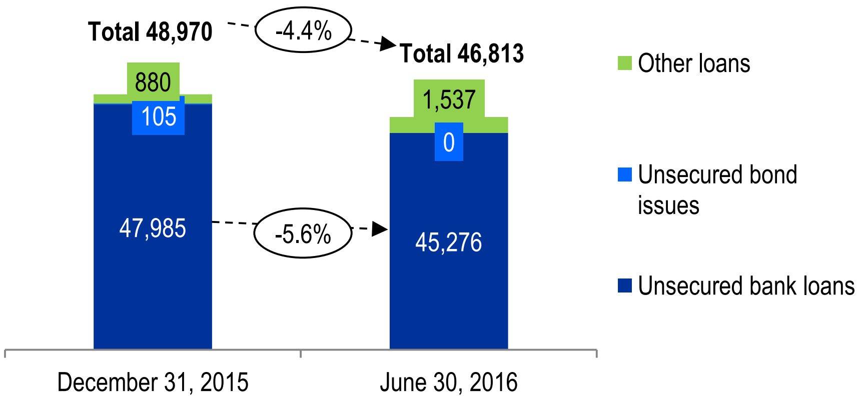
Cash Flow

Sources and Uses of Cash, mn RUR

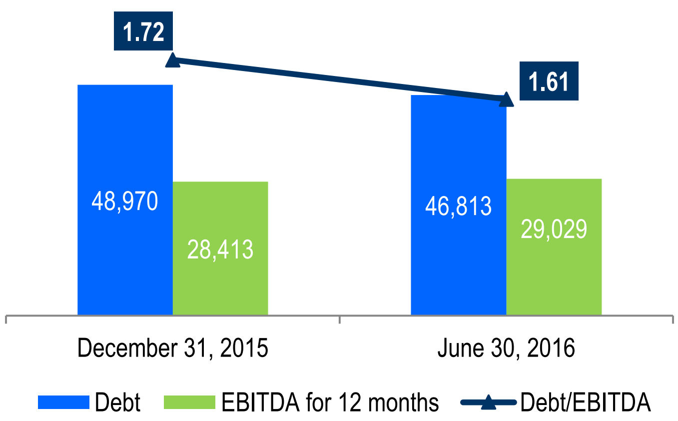


Debt and Liabilities

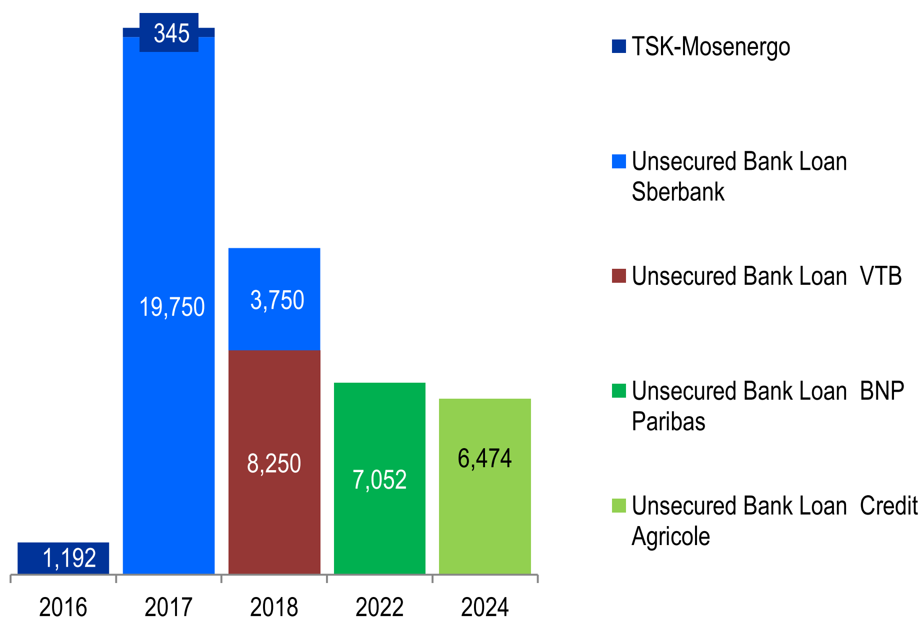
Liabilities Structure, mn RUR



Debt/ EBITDA



Maturity Profile as of June 30, 2016, mn RUR (book value)



Thank You for Your Attention!

IR contacts:

Ekaterina Pavlova
Tel. (495) 428-47-83 (ext. 4607)
PavlovaEA@mosenergo.ru

Denis Voronchikhin
Tel. (495) 957-1-957 (ext. 3457)
VoronchikhinDS@mosenergo.ru