

MOSENERGO

9M 2017 IFRS Results

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Operational Highlights¹

	9M 2016	9M 2017	Change
Electricity Output, mn kWh	40,937	40,970	+0.1%
Electricity Sales, mn kWh	42,307	42,594	+0.7%
Heat Output, th.Gcal	50,891	51,914	+2.0%
Fuel Rate on Electricity, g/kWh	242.7	235.2	-3.1%
Fuel Rate on Heat, kg/Gcal	164.7	164.1	-0.4%

Financial Highlights, mn RUR

	9M 2016	9M 2017	Change
Revenue	127,630	135,345	+6.0%
Variable Costs	(85,275)	(84,141)	-1.3%
Fixed Costs ²	(18,643)	(19,089)	+2.4%
EBITDA ³	18,874	30,716	+62.7%
EBITDA, adj. ⁴	23,712	32,115	+35.4%
Depreciation of PP&E	(11,212)	(11,238)	+0.2%
Operating Profit	7,662	19,478	+154.2%
Profit for the Period	7,331	16,820	+129.4%

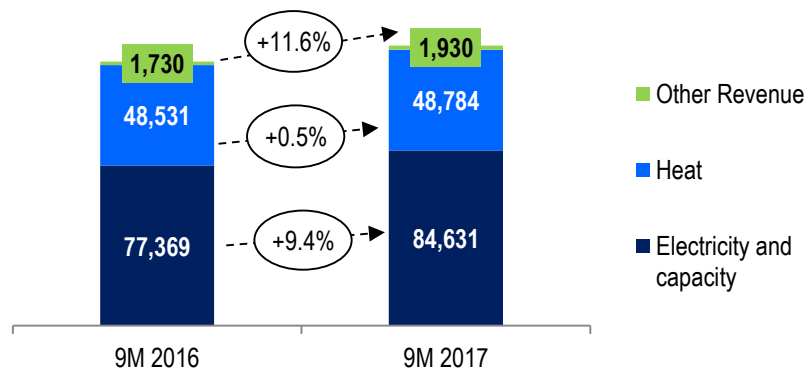
¹ Management report data

² Excluding Depreciation of PP&E

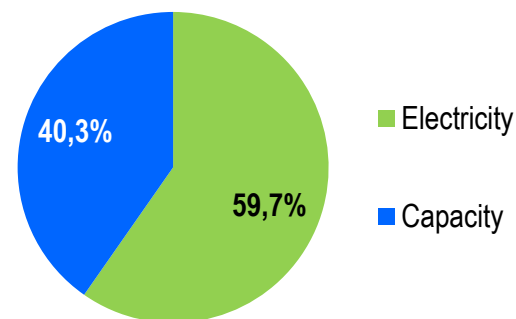
³ EBITDA = Operating Profit + Depreciation of PP&E

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

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 9M 2017, %



Prices and Tariffs¹

Parameter	9M 2016	9M 2017	Change
Average Weighted Electricity Price, RUR/MWh ²	1,194.67	1,185.53	-0.8%
Average Price for New Capacity, RUR/MW per Month	733,761.35	1,013,928.86	+38.2%
Average Price for Old Capacity, RUR/MW per Month	124,623.16	132,119.92	+6.0%
Average Weighted Heat Tariff, RUR/Gcal	942.89	944.74	+0.2%
<i>Including the "generation" tariff, RUR/Gcal</i>	889.53	913.92	+2.7%

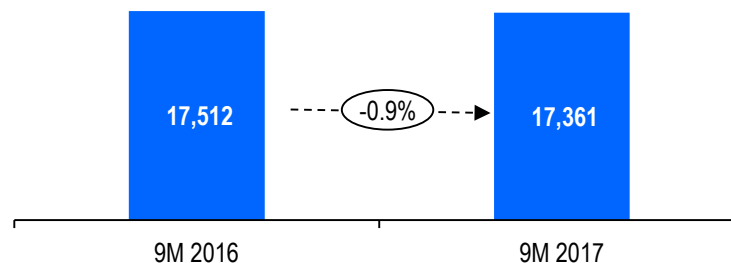
¹ Management report

² At the wholesale market of electricity and capacity

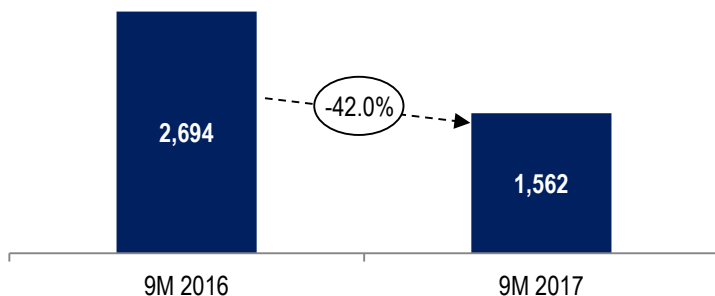
Variable Costs Structure, mn RUR

Variable Costs	9M 2016	9M 2017	Change
<u>Operating costs, incl.:</u>	82,581	82,579	-0.0%
<i>Fuel expenses</i>	74,001	73,965	-0.0%
<i>Purchased energy and capacity</i>	6,844	6,906	+0.9%
<i>Other materials expenses</i>	1,736	1,708	-1.6%
<u>Heat transmission</u>	2,694	1,562	-42.0%
Total variable costs	85,275	84,141	-1.3%

Reference Fuel Consumption, thous. Tons of Reference Fuel



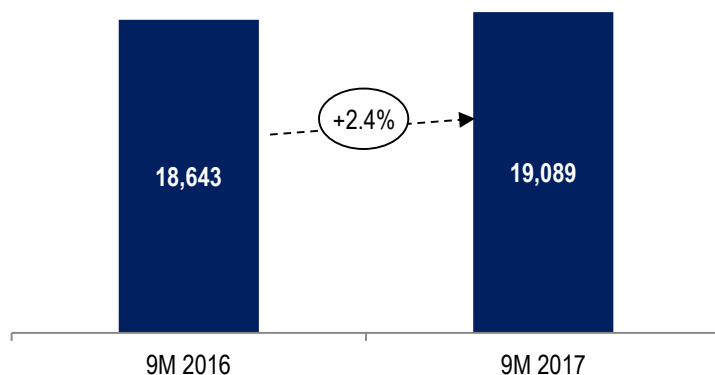
Heat Transmission, mn RUR



Variable Costs Change Factors

- Fuel expenses slightly decreased in reporting period (-36 mln RUR) due to decline 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

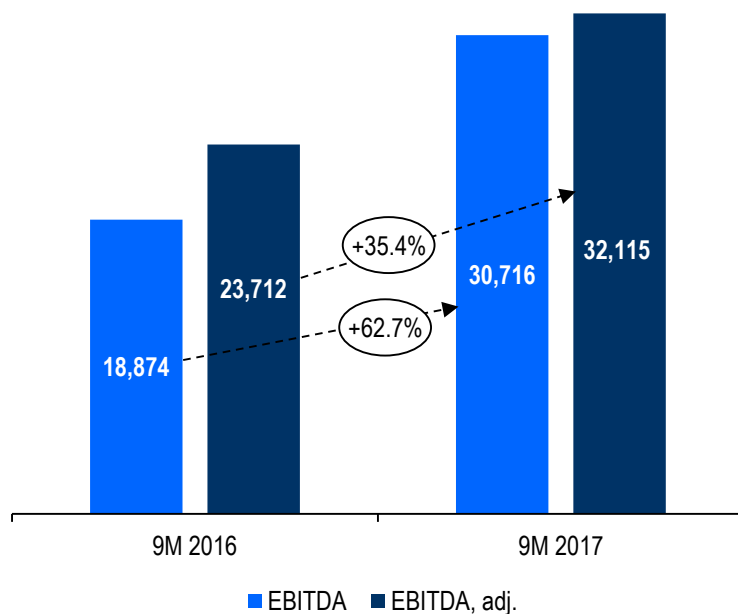
- Maintenance and repairs expenses increase mainly was caused by growing in the maintenance costs of CCGT units.
- Expenses on other external suppliers (excluding heat transmission) decreased due to rent expenses.

Fixed Costs Structure, mn RUR

Fixed Costs	9M 2016	9M 2017	Change
Personnel expenses	7,906	8,023	+1.5%
Maintenance and repairs expenses	3,597	4,265	+18.6%
Other external suppliers ¹	5,484	5,129	-6.5%
Taxes other than income tax	1,656	1,672	+1.0%
Total fixed costs	18,643	19,089	+2.4%

¹ Excluding Heat transmission

EBITDA, mn RUR

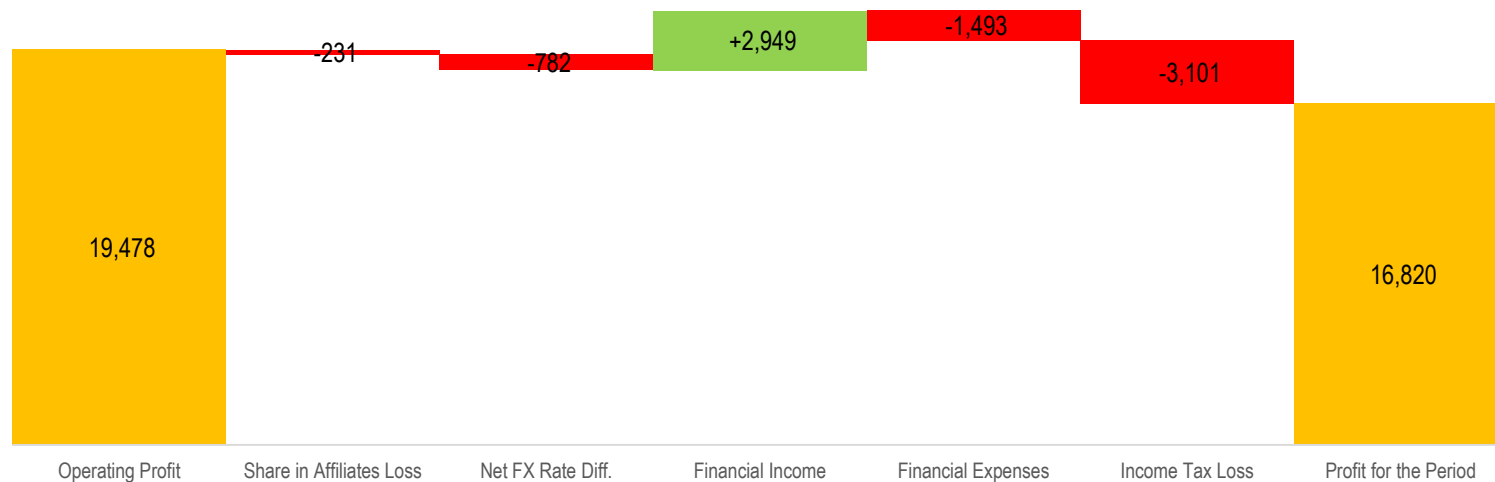


EBITDA Change Key Factors

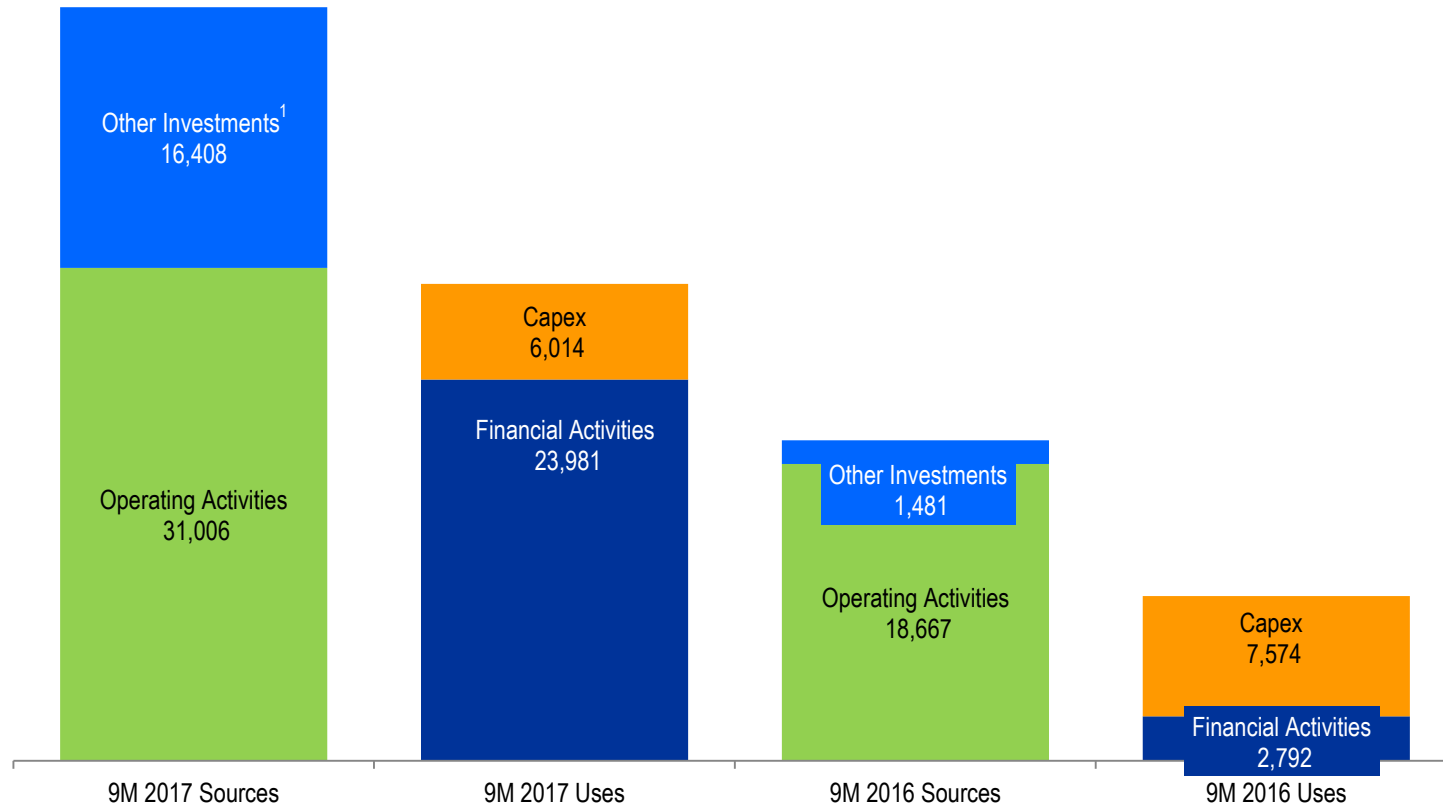
- Electricity and heat output growth by 0.7% and 2.0%, correspondingly.
- Considering in the new CSA-capacity price calculation process a factor, assuring established payback period of generating units.

Operating Profit Composition, mn RUR

Parameter	9M 2016	9M 2017	Change
Revenue	127,630	135,345	+6.0%
Variable costs	(85,275)	(84,141)	-1.3%
Fixed costs	(18,643)	(19,089)	+2.4%
Depreciation of PP&E	(11,212)	(11,238)	+0.2%
Net accrual of reserve for assets impairment and other reserves	(4,838)	(1,399)	-71.1%
Operating profit	7,662	19,478	+154.2%



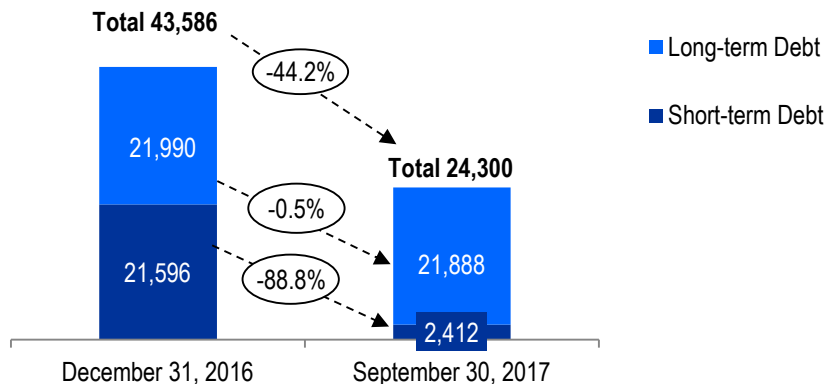
Sources and Uses of Cash, mn RUR



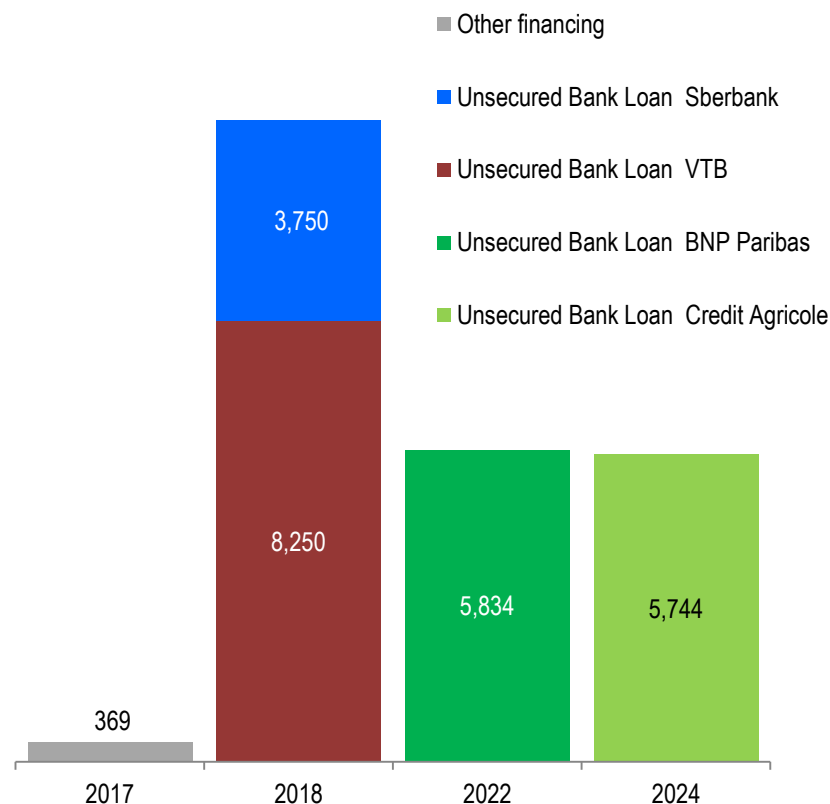
¹ including repayment of long-term deposits in 9M2017: 15,054 mn RUR; in 9M2016: 602 mn RUR



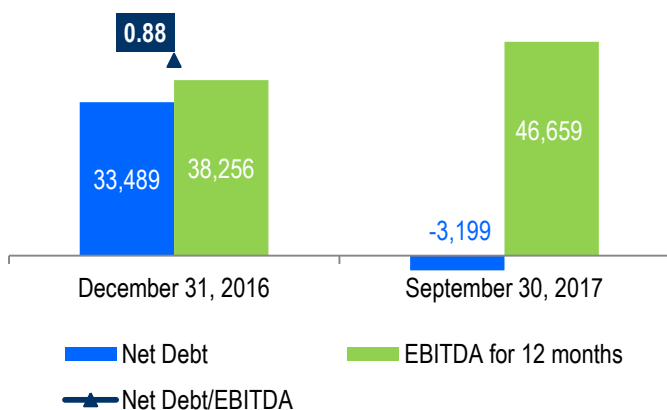
Liabilities Structure, mn RUR



Maturity Profile as of September 30, 2017, mn RUR (book value)²



Net Debt / EBITDA¹



¹ EBITDA as of September 30, 2017 = EBITDA for 9m 2017 + EBITDA for 4q 2016

² not including debt for interest payable of 203 mn RUR and financial lease liabilities of 150 mn RUR

Thank You for Your Attention!

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