



RELEASE

December 4, 2014
Moscow

Mosenergo IFRS Revenue for 9M 2014 Grew by 1.9%

Mosenergo releases interim unaudited consolidated financial statements (prepared in accordance with IFRS) for the 9 months ended September 30, 2014.

Consolidated Statement of Comprehensive Income Key Figures, (mn RUR)	9M 2013 (restated)	9M 2014
Revenue	108,166	110,168
Variable Costs	(74,869)	(76,657)
Fixed Costs ⁽¹⁾	(18,218)	(20,922)
Fixed Costs adj. ⁽²⁾	(18,218)	(18,402)
EBITDA ⁽³⁾	15,717	13,053
EBITDA adj. ⁽⁴⁾	15,717	13,800
Depreciation of Property, Plant and Equipment	(10,756)	(11,028)
Operating Profit	4,961	2,025
Profit for the Period	3,738	753

1. Excluding Depreciation of PP&E.
2. Adjusted to Personnel expenses of repair subsidiaries, consolidated since 4Q 2013.
3. EBITDA = Operating Profit + Depreciation of PP&E.
4. Adjusted to change in Impairment loss on PP&E.

In 9M 2014 revenue grew by 1.9% year-on-year totaling RUR 110,168 mn.

The bulk of the revenue (59.9%) was contributed by the revenue from electricity and capacity sales. This figure grew by 0.5% up to RUR 66,029 mn in the reporting period due to increased prices at "the day-ahead market" and balancing market, along with capacity price cap growth in free power transfer zone "Moscow".

Revenue from heat sales (35.7% of the total revenue) amounted to RUR 39,354 mn. This figure decreased by 2% year-on-year due to warm weather in 1Q 2014 and corresponding decrease in heat output.

Variable costs increased by 2.4% - to RUR 76,657 mn mainly due to growing fuel prices. At the same time expenses for heat transmission in the reporting period decreased by 12.0%, to RUR 4,549 mn.

Fixed costs (excluding Depreciation and Impairment of PP&E.) for 9M 2014 grew by 14.8%, to RUR 20,922 mn. The main reason for fixed costs growth in the reporting period was consolidation of personnel expenses of repair subsidiaries since 4Q 2013. Fixed costs for 9M 2014 adjusted to personnel expenses of repair subsidiaries remained almost flat year-on-year amounting to RUR 18,402 mn.

EBITDA for 9M 2014 decreased by 16.9% year-on-year, to RUR 13,053 mn. EBITDA for 9M 2014 adjusted to change in Impairment loss on PP&E decreased by 12.2%, to RUR 13,800 mn.

IFRS profit of Mosenergo for 9M 2014 declined by 79.9%, to RUR 753 mn.

Mosenergo's 9 months financial performance was substantially affected by lower heat output, especially in 1Q 2014, in which air temperature was 3.7°C higher year-on-year. Also, electricity output of Mosenergo's CHPs was decreased by 6.3% in 9M 2014 on the back of higher net power flow in free power transfer zone "Moscow".

Besides, Mosenergo IFRS profit in 9M 2014 was decreased by the following factors:

- increased taxes other than income tax on the account of adjusted property tax statements for previous periods;
- increase in financial expenses, mostly on the back of growing interest and exchange rate expenses.

MOSENERGO PR DEPARTMENT

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