MOSENERGO

RELEASE

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Moscow

Mosenergo: FY2012 IFRS Financial Results

Mosenergo releases consolidated audited financial statements (prepared in accordance with IFRS) for the 12 months ended 31 December 2012.

Consolidated Statement of Comprehensive Income Key Figures, (million RUR)	2011	2012
Revenue	161,119	157,139
Variable Costs	(118,445)	(115,189)
Fixed Costs[1]	(20,662)	(23,052)
EBITDA (2)	23,928	20,250
EBITDA adj.(3)	23,935	20,825
Depreciation of Property, Plant and Equipment	(13,041)	(13,716)
Operating Profit	10,887	6,534
Profit for the Year	9,892	6,316
Total Comprehensive Income for the Year	8,818	6,260

1 Excluding depreciation of PP&E.
2 EBITDA = Operating Profit + Depreciation of Property, Plant and Equipment
3 EBITDA adj. = Revenue + Other operating income – Operating costs (including: Cost of materials, Heat transmission, Personnel expenses, Maintenance and repairs expenses, Taxes other than income tax, Other external supplies, Other operating expenses).

In FY2012 revenue decreased by 2.5% year-on-year totaling RUR 157,139 million.

The bulk of the revenue (54.6%) was contributed by the revenue from electricity and capacity sales – RUR 85,816 million. This figure decreased by 3.3% year-on-year mostly because of the growing net capacity flow into "Moscow" free transfer zone, and growing water content of hydro generation. Revenue from heat sales declined by 2.7% to RUR 67,694 million. Such a decline against the background of growing heat output by 2.9% is due to the changes in the scheme of payments since October 1, 2012 after consolidation of OJSC "MOEK" and OJSC "MTK", which also resulted in proportional decrease in expenses for heat transmission.

Variable costs decreased by 2.7% down to RUR 115,189 million. That was reasoned by lowered electricity production, decline in heat transmission expenses, decrease in specific fuel consumption for electricity production and progress in planning of the internal consumption.

Fixed costs (excluding depreciation of PP&E) in FY2012 grew by 11.6% to RUR 23,052 million. The costs growth is due to consolidation of repairs costs in OOO "TSK Mosenergo" under contract for managing of Khimki district heat supply complex and low base effect in 2011 due to reimbursement of the property tax.

As a result of the above mentioned EBITDA adj. for FY2012 declined by 13.0% year-on-year to RUR 20,825 million.

Mosenergo Profit for the FY 2012 declined by 36.2% to RUR 6,316 million.

Total Comprehensive Income for FY 2012 totaled RUR 6,260 million, down by 29.0% year-on-year. The main factors of the decline were:

- Decrease in electricity sales volume.
- Reduction of electricity prices at the day-ahead market and at the balancing market in the first half of 2012.
- Removing the status "must-run generator" from a number of Mosenergo stations in 2012, which they benefited in 2011.
- Impairment loss on PP&E.

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