



RELEASE

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Moscow

Mosenergo: 1H 2012 IFRS Financial Results.

Mosenergo releases interim unaudited consolidated financial statements (prepared in accordance with IFRS) for the six months ended 30 June 2012.

Consolidated Statement of Comprehensive Income Key Figures, (million RUR)	6m 2011	6m 2012
Revenue	89,889	85,646
Variable Costs	(65,539)	(63,581)
Fixed Costs ^[1]	(9,868)	(10,778)
Depreciation of Property, Plant and Equipment	(6,115)	(6,689)
EBITDA ^[2]	14,994	12,317
Net Profit	7,523	5,133

1. Excluding depreciation of PP&E.

2. EBITDA = 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 1H 2012 revenue decreased year-on-year by 4.7% totaling RUR 85,646 million. The decrease was due to reduction of volumes of heat, electricity and capacity sales, declining prices at the day-ahead market and balancing market; as well as cancelation in 2012 of the "must-run generator" status for some Mosenergo's stations, which those had in 2011.

The largest share in the total revenue (49.6%) is contributed by revenue from electricity and capacity sales which declined by 8.7% to RUR 42,561. The decline was determined by the following main factors: reduction of volumes and prices of electricity, resulting from increased net inflow of electricity to the Moscow energy system.

Revenue from heat sales decreased marginally by 0.8%, to RUR 41,617 million, contributing to 48.5% of the total revenue. This change is mainly due to reduction of the heat tariff and higher temperature of outdoor air in comparison with 1H 2011.

Variable costs decreased by 3.0% down to RUR 65,539 million due to reduction of electricity and heat output in 1H 2012. Variable costs consisted mainly of fuel expenses, which went down by 1.9% to RUR 42,322 million. Heat transmission expenses were reduced by 5.3%, to RUR 15,162 million.

In 1H 2012 fixed costs (excluding depreciation of PP&E) year-on-year grew by 9.2% totaling RUR 10,778 million. The major share in the fixed costs (41.07%) is comprised by personnel expenses which were reduced by 5.4% to RUR 4,427 million.

EBITDA decreased by 17.9%, to RUR 12,317 million year-on-year.

In accordance with IFRS results, 1H 2012 net profit of Mosenergo decreased by 31.8% to RUR 5,133 million.

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