



RELEASE

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OJSC «Mosenergo»: IFRS for the year 2010

OJSC «Mosenergo» releases audited consolidated financial statement for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards (IFRS).

Consolidated Statement of Comprehensive Income Key figures, (million RUR)	Year 2010	Year 2009
Revenue	145,298	112,636
Variable costs	(104,121)	(76,856)
Fixed costs ^[1]	(22,680)	(20,770)
Depreciation of Property, Plant and Equipment	(12,214)	(11,705)
EBITDA	20,071	15,857
Profit for the year	8,668	1,658

FY2010 revenue increased by 29.0% year-on-year up to RUR 145,298 million. Revenue growth results from the increase of heat tariff, increase of prices in the day-ahead market and also increase of electricity and capacity volume sales in free market.

Significant share in total revenue (54.3%) is revenue from sale of electricity and capacity. This figure increased by 28.1% compared with the same period in 2009 up to RUR 78,862 million. Revenue from heat sale increased by 31.2% up to RUR 62,307 million.

Variable costs increased by 35.5% – up to RUR 104,121 million. Variable costs growth was significantly affected by fuel expenses, which went up by 36.9% up to RUR 70,372 million. This increase is caused by a one-time (in contrast to quarterly as in 2009) indexation of gas tariffs starting from 1 January 2010, colder winter if compared with the previous one and necessity to use more expensive reserve fuel. The cold winter and associated volume increase of heat sales also led to the increase of heat transition expenditures which went up by 34.0 % in comparison with the previous year up to RUR 24,469 million.

In the year 2010 the management of the company took measures to keep operation costs under control. Fixed costs excluding PP&E depreciation increased by 9.2% (up to RUR 22,680 million) that generally corresponds to the inflation level of the Russian Federation in 2010 – 8.8%. Main share of fixed costs (41.5%) consisted of personnel expenses, which according to the IFRS standards included one-off termination benefits and personnel expenses accrued from restructured operations in the amount of RUR 871 million. Excluding the above mentioned one-off operations, personnel expenses decreased by 3.3% year-on-year to RUR 8,548 million.

During FY2010 EBITDA increased by 26.6% – up to RUR 20,071 million.

In accordance with IFRS results, OJSC “Mosenergo” FY2010 net profit increased by 5.2 times and amounted to RUR 8,668 million.

[1] Excluding depreciation of property, plant and equipment