



RELEASE

15.06.2011

Moscow

OJSC "Mosenergo": financial statements prepared in accordance with IFRS for the three months ended 31 March 2011

OJSC "Mosenergo" releases consolidated interim financial statements prepared in accordance with IFRS for the three months ended 31 March 2011 (unaudited).

Consolidated Statement of Comprehensive Income Key figures, (million RUR)	1Q2011	1Q2010
Revenue	60,255	50,727
Variable costs	(43,667)	(36,812)
Fixed costs ^[1]	(4,208)	(5,220)
Depreciation of property, plant and equipment	(3,020)	(2,984)
Operating profit for the period	9,700	6,018
EBITDA	12,720	9,002
Profit for the period	7,981	5,627

Revenue in the first quarter of 2011 increased by 18.8% compared with the same period in the previous year, totaling RUR 60,255 million. Revenue growth results from the increase of electricity sales increase of prices in the day-ahead market and the increase of heat tariff.

The most significant share in total revenue (53.4%) is the revenue from sale of heat. This figure increased by 12.4% compared with the same period in 2010 up to RUR 32,183 million. Revenue from electricity and capacity sales increased by 29.5%, up to RUR 27,457 million.

Variable costs increased by 18.6% up to RUR 43,667 million. Variable costs growth was significantly affected by fuel expenses, which went up by 15.0% to RUR 27,731 million. The highest growth rates (+192.4% up to RUR 3,193 million) were recorded for the cost of purchased heat and electricity. This growth results from the changes in regulation of electricity purchases for own consumption: since 2011 all electricity consumption is considered as purchase, unlike 2010, when purchase for own consumption only consisted of purchase, exceeding maximum admissible volume of electric energy for own consumption (which reduced volume of electricity sales).

In the first quarter of 2011 the company's management carried out a focused cost-control work, which resulted in the reduction of fixed costs (excluding depreciation of property, plant and equipment) by 19.4% compared with the same period in the previous year totaling RUR 4,208 million. The most significant share in the fixed costs (44.0%) is constituted by personnel expenses, reduced by 37.9% and totaling RUR 1,850 million as a result of liquidation of non-core subsidiaries and affiliated companies in 2010 and efficiency increase projects. However the decrease of personnel expenses

[1] Excluding depreciation of property, plant and equipment

was significantly affected by the high basis of 1Q2010, when considerable one-time payments were made.

Operating profit grew 61.2%, up to RUR 9,700 million compared with the same period in the year 2010.

EBITDA rose by 41.3%, up to RUR 12,720 million compared with the same period in the previous year.

In accordance with IFRS results, OJSC "Mosenergo" 1Q2011 net profit increased by 41.8% up to RUR 7,981 million.

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