

# **MOSENERGO**

## **2011 IFRS Results**

April 10, 2012

The information contained herein has been prepared using information available to Mosenergo at the time of preparation of the presentation. External or other factors may have impacted on the business of Mosenergo and the content of this presentation, since its preparation. In addition all relevant information about Mosenergo may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. Mosenergo cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in Mosenergo, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

## Operational Highlights<sup>1</sup>

	2010	2011	Change
Electricity Output, mn kWh	64,969	64,649	-0.5%
Electricity Sales, mn kWh	66,261	70,070	+5.7%
Heat Output, thous Gcal	69,865	66,410	-4.9%
Fuel Rate on Electricity*, g/kWh	252.0	248.9	-1.2%
Fuel Rate on Heat, kg/Gcal	166.0	166.1	+0.1%
Electric Capacity Utilization Factor, %	62.3	61.0	-1.3 p.p.

## Average temperature<sup>1</sup>

	2010	2011	Change
Average annual temperature, °C	+6,6 °C	+7,1 °C	+0,5 °C
Average heating season temperature, °C	-2,3 °C	-1,1 °C	+1,2 °C

## Financial Highlights, mn RUR

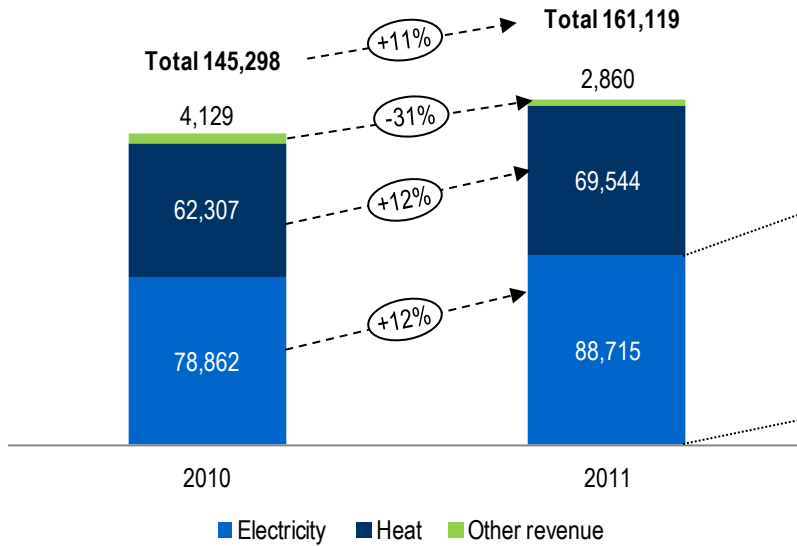
	2010	2011	Change
Revenue	145,298	161,119	+11%
Variable Costs	(104,121)	(118,445)	+14%
Fixed Costs <sup>2</sup>	(22,638)	(20,669)	-9%
EBITDA <sup>3</sup>	20,044	23,928	+19%
Depreciation of PP&E	(11,937)	(13,041)	+9%
Operating Profit	8,107	10,887	+34%
Total Comprehensive Income	8,769	8,818	+1%

<sup>1</sup> Mosenergo Management Report Data

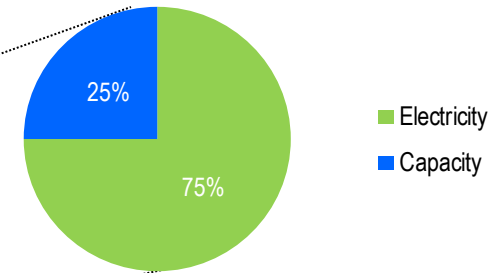
<sup>2</sup> Excluding depreciation of PP&E

<sup>3</sup> 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)

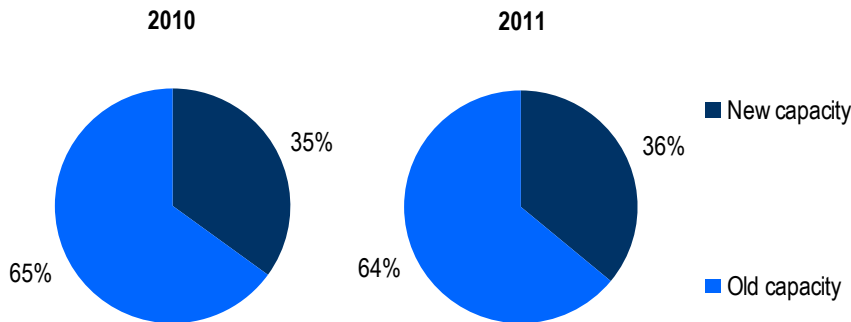
## Revenue, mn RUR



## Electricity and Capacity Revenue Structure <sup>1</sup>



## Capacity Sales <sup>1</sup>, % (RUR)



## Prices and Tariffs <sup>1</sup>

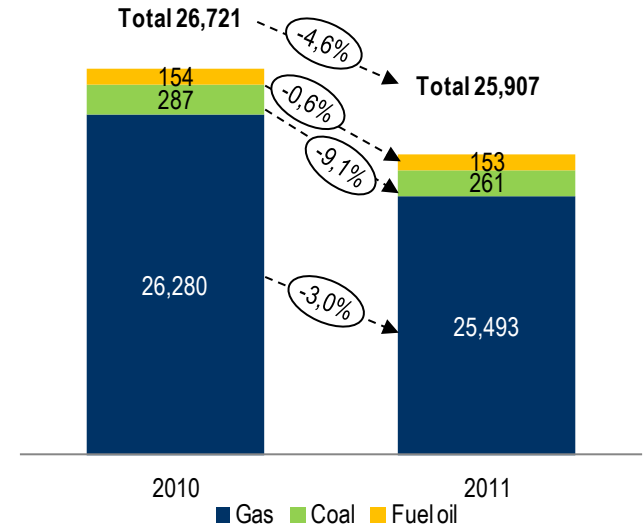
	2010	2011	Change
Average Electricity Price, RUR/MWh	807	949	+17.6%
Average Heat Tariff, RUR/Gcal	911	1,068	+17.2%
Average price for new capacity, th.RUR/MW per month	524.7	480.4	-8.4%
Average price for old capacity, th.RUR/MW per month	131.1	128.3	-2.1%

<sup>1</sup> Mosenergo Management Report Data

**Variable Costs Structure, mn RUR**

Variable Costs	2010	2011	Change
<u>Cost of materials, incl.:</u>	79,652	91,980	+15%
<i>Fuel expenses</i>	70,360	78,861	+12%
<i>Purchased heat and electricity</i>	7,112	10,843	+52%
<i>Water usage expenses</i>	969	1 166	+20%
<i>Other materials expenses</i>	1,211	1,110	-8%
<u>Heat transmission</u>	24,469	26,465	+8%
<b>Total VC</b>	<b>104,121</b>	<b>118,445</b>	<b>+14%</b>

**Fuel Rate, th.tons of Reference Fuel <sup>1</sup>**



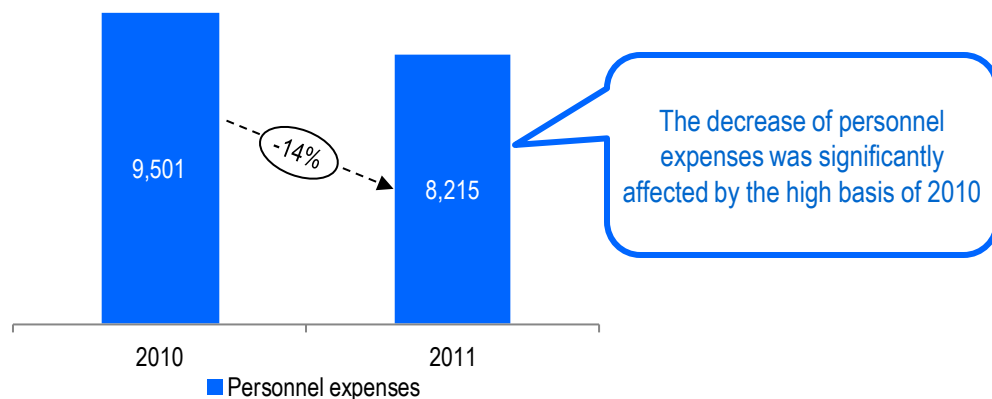
<sup>1</sup> Management Report Data

Purchased heat and electricity expenses 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 limit of electricity consumption for the generation's own needs (which decreased electricity sales volume)

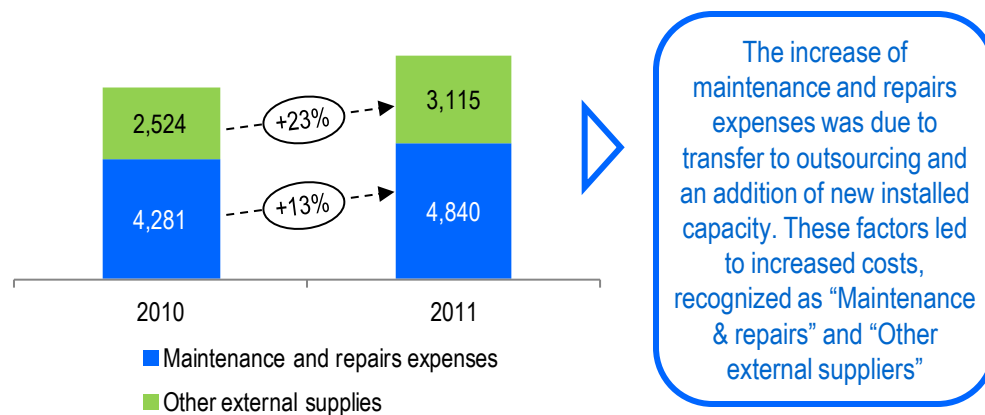
## Fixed Costs Structure, mn RUR

Fixed Costs	2010	2011	Change
<u>Personnel expenses, incl.:</u>	9,501	8,215	-14%
<i>Wages and salaries</i>	7,031	6,502	-8%
<i>Payroll tax</i>	1,233	1,298	+5%
<i>Termination benefits</i>	618	108	-83%
<i>Personnel expenses from restructured operations</i>	253	0	-100%
<i>Other</i>	366	307	-16%
<u>Maintenance and repairs expenses</u>	4,281	4,840	+13%
<u>Taxes other than income tax</u>	2,571	361	-86%
<u>Other external suppliers</u>	2,524	3,115	+23%
<u>Other operating expenses</u>	3,761	4,138	+10%
<b>Total FC</b>	<b>22,638</b>	<b>20,669</b>	<b>-9%</b>

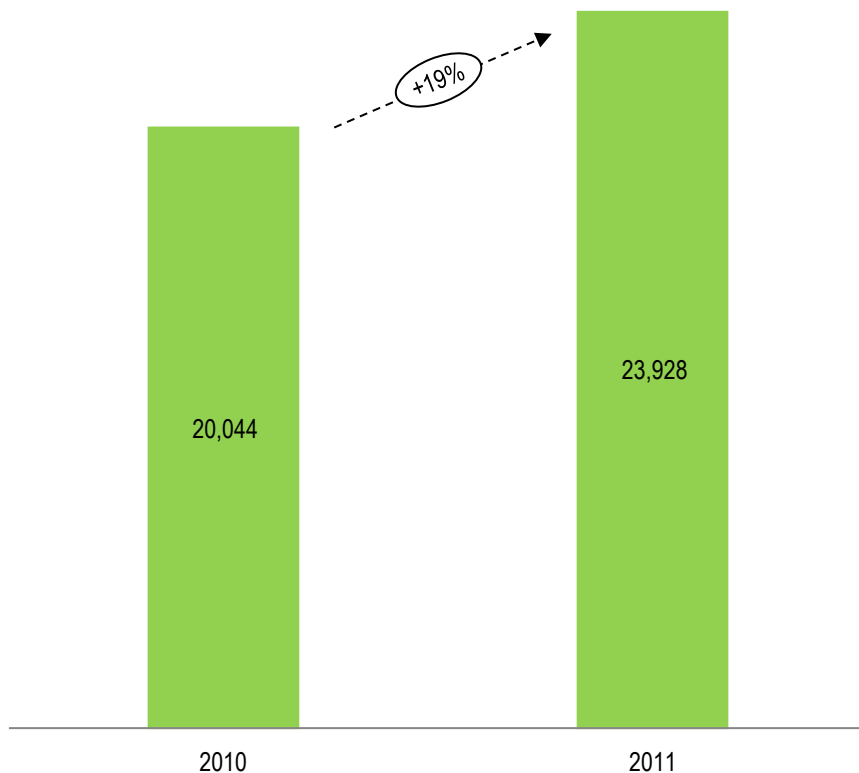
## Personnel Expenses Dynamics, mn RUR



## Maintenance and Repairs Expenses, mn RUR



EBITDA, mn RUR



## EBITDA Upside Factors

- Increase of prices in the day-ahead market and tariffs at higher rates than gas prices.
- Fuel rates decrease on the account of CCGT Units utilization.
- Property tax refund.
- Personnel expenses reduction.

## EBITDA Downside Factors

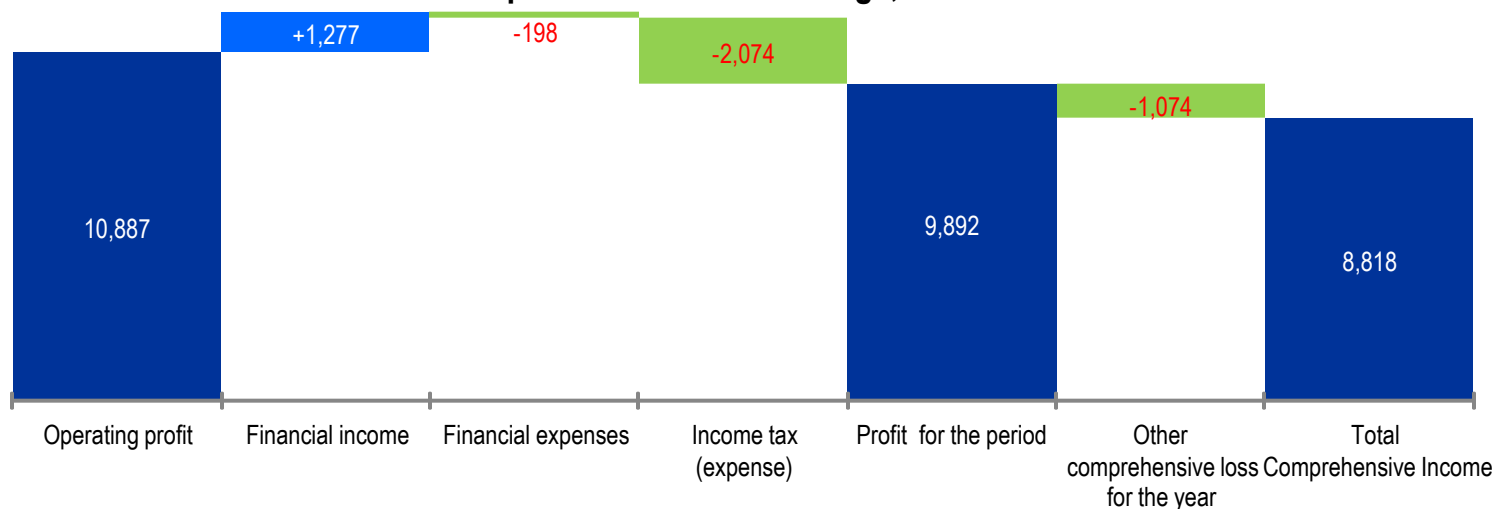
- Reduction of the revenue from capacity sales.
- Increase of maintenance and repairs expenses and other production process related services due to installed capacity growth and depreciation of the equipment.

# Total Comprehensive Income Composition

## Operating Profit Composition, mn RUR

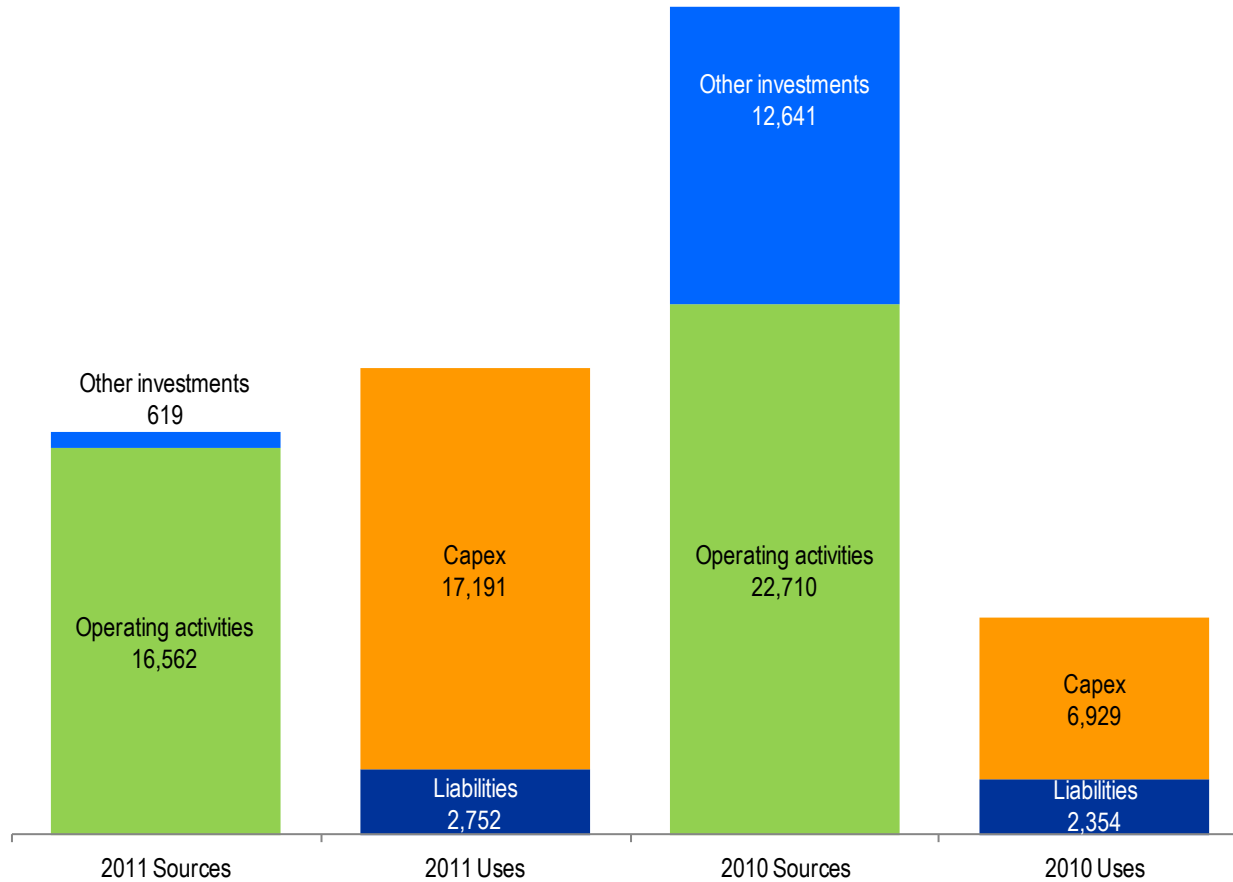
	2010	2011	Change
Revenue	145,298	161,119	+11%
Other operating income	1,505	1,923	+28%
Variable costs	(104,121)	(118,445)	+14%
Fixed costs	(22,638)	(20,669)	-9%
Depreciation of PP&E	(11,937)	(13,041)	+9%
<b>Operating profit for the year</b>	<b>8,107</b>	<b>10,887</b>	<b>+34%</b>

## Total Comprehensive Income Bridge, mn RUR

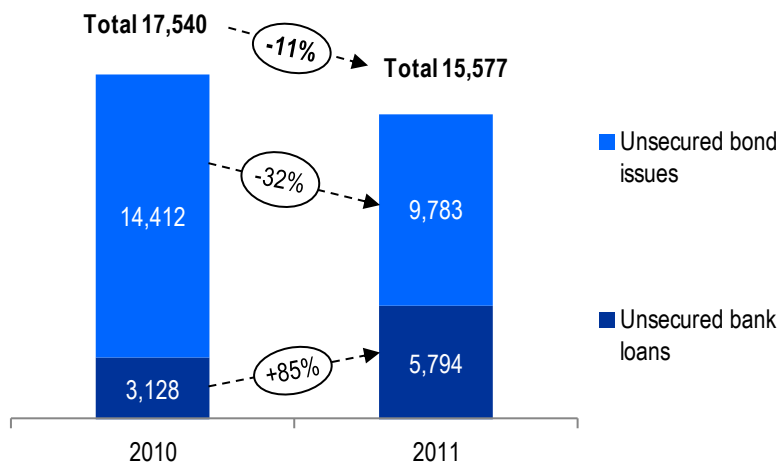




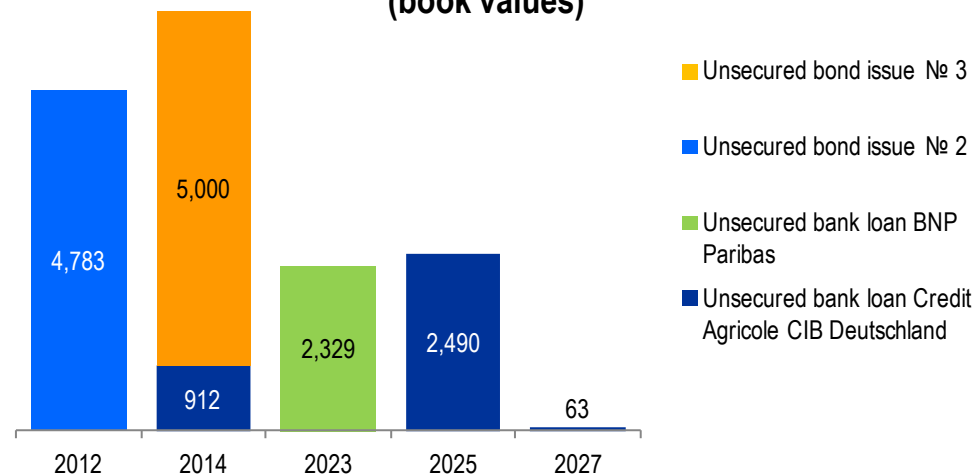
## Sources and Uses of Cash, mn RUR



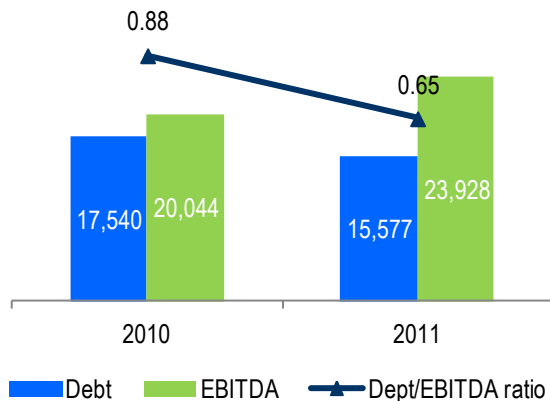
### Borrowings Structure, mn RUR



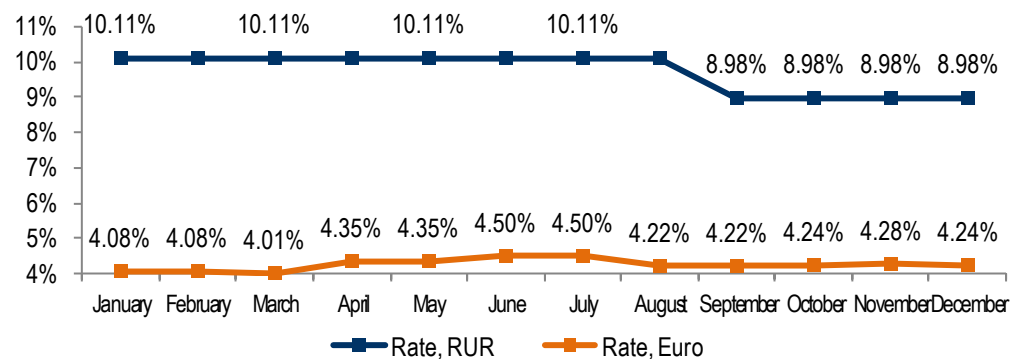
### Maturity Profile as of December 31, 2011, mn RUR (book values)



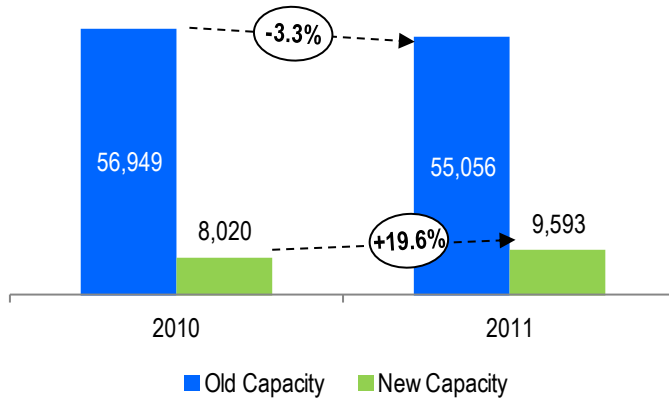
### Debt to EBITDA ratio



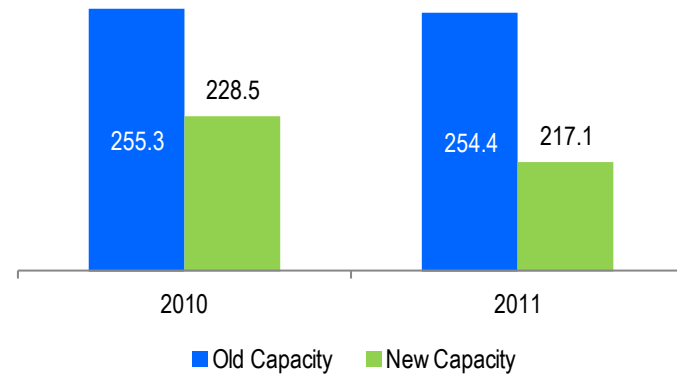
### Weighted Average Costs of Debt



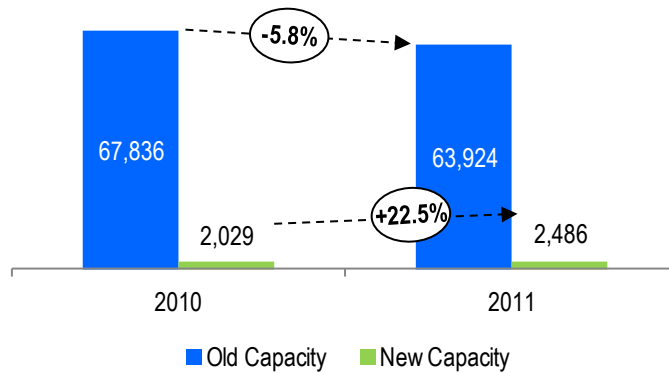
### Electricity Output <sup>1</sup>, mn kWh



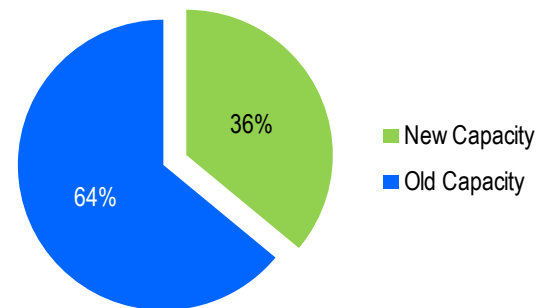
### Fuel Rate on Electricity<sup>1</sup>, g/kWh



### Heat Output <sup>1</sup>, thous Gcal



### 2011 Capacity Sales Breakdown, %

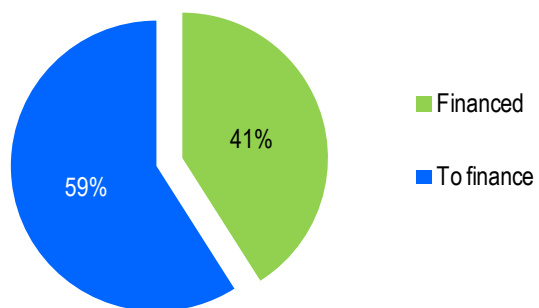


<sup>1</sup> Mosenergo Management Report Data. New capacity: CHP-21 (unit 11), CHP-27 (group of CCGT units), CHP-26 (CCGT unit 420)

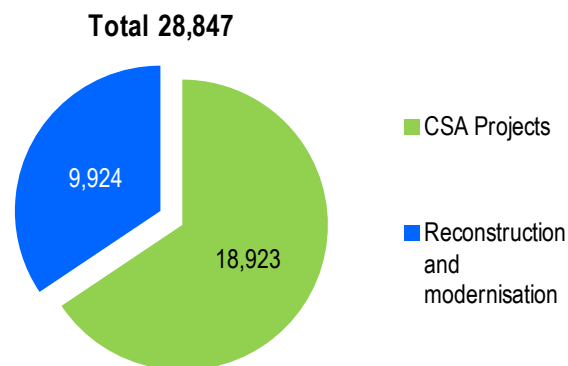
## CSA<sup>1</sup> Investment Program

Power Plant	Electricity/ Heat Capacity	Expected Commissioning Date
TPP-9	62 MW	2013
TPP-12	220 MW /120 Gcal/h	2014
TPP-16	420 MW /220 Gcal/h	2014
TPP-20	420 MW /220 Gcal/h	2014
<b>Total</b>	<b>1,122 MW /560 Gcal/h</b>	

CSA<sup>1</sup> Projects Finance Status as of December 31, 2011, %



Investment Program Structure in 2012, mn RUR



<sup>1</sup> Projects under Capacity Supply Agreements

# Thank You for Your Attention!

IR contacts:

**Ekaterina Pavlova**

**Tel. (495) 428-47-83 (ext. 46-07)**

**[PavlovaEA@mosenergo.ru](mailto:PavlovaEA@mosenergo.ru)**

**[E.pavlova@gazenergocom.ru](mailto:E.pavlova@gazenergocom.ru)**

**Denis Voronchikhin**

**Tel. (495) 957-1-957 (ext. 34-57)**

**[VoronchikhinDS@mosenergo.ru](mailto:VoronchikhinDS@mosenergo.ru)**