

# **MOSENERGO**

## **2015FY IFRS Results**

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

	12M 2014	12M 2015	Change
Electricity Output, mn kWh	56,667	54,712	-3.4%
Electricity Sales, mn kWh	58,871	56,349	-4.3%
Heat Output, th.Gcal	70,321	71,682	+1.9%
Fuel Rate on Electricity, g/kWh	241.3	232.6	-3.6%
Fuel Rate on Heat, kg/Gcal	165.5	164.8	-0.4%

## Financial Highlights, mn RUR

	12M 2014	12M 2015	Change
Revenue	161,432	171,163	+6.0%
Variable Costs	(113,508)	(114,060)	+0.5%
Fixed Costs <sup>2</sup>	(26,618)	(30,821)	+15.8%
EBITDA <sup>3</sup>	17,040	18,131	+6.4%
EBITDA, adj. <sup>4</sup>	24,059	28,413	+18.1%
Depreciation of PP&E	(15,469)	(18,585)	+20.1%
Operating Profit / (Loss)	1,571	(454)	-
Operating Profit, adj. <sup>4</sup>	8,590	9,828	+14.4%
Profit / (Loss) for the Year	(3,067)	(1,778)	-42.0%
Profit for the Year, adj. <sup>4</sup>	3,952	8,504	+115.2%

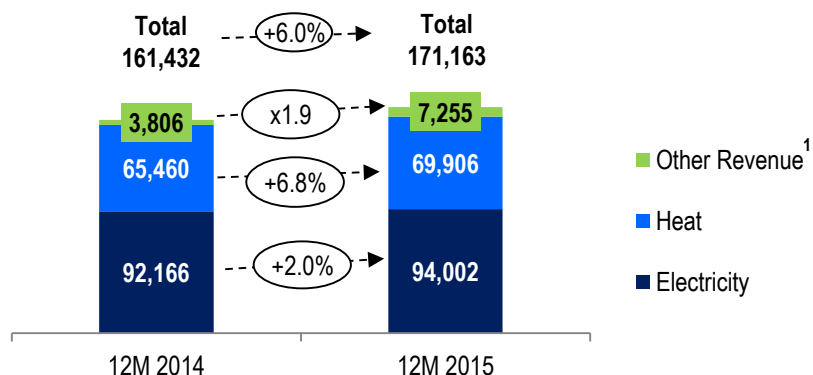
<sup>1</sup> Management report data

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

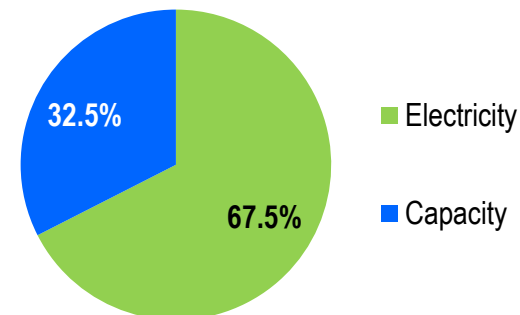
<sup>3</sup> EBITDA = Operating Profit + Depreciation of PP&E

<sup>4</sup> Adjusted to Impairment loss on property, plant and equipment

## Revenue, mn RUR



## Electricity and Capacity Revenue Structure for 12M 2015<sup>2</sup>, %



## Prices and Tariffs

Parameter	12M 2014	12M 2015	Change
Average Weighted Electricity Price, th.RUR/MWh <sup>2</sup>	1,121.76	1,126.22	+0.4%
Average Price for New Capacity, RUR/MW per Month	488,230.97	584,727.12	+19.8%
Average Price for Old Capacity, RUR/MW per Month	144,658.76	139,561.65	-3.5%
Average Weighted Heat Tariff, RUR/Gcal	912.37	944.77	+3.6%
<i>Including the "generation + distribution" tariff, RUR/Gcal</i>	806.62	851.92	+5.6%

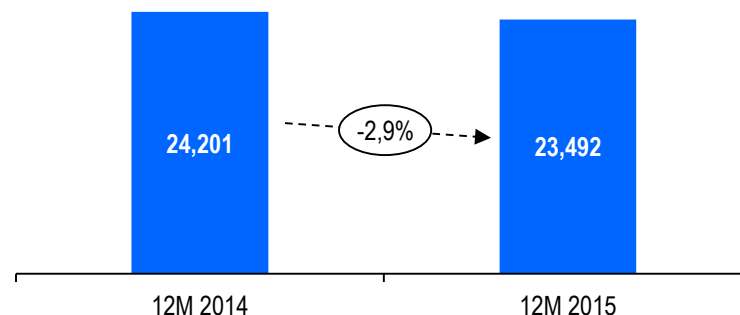
<sup>1</sup> Other revenue grew on the account of rent proceeds from OGG-Investproject

<sup>2</sup> At the wholesale market of electricity and capacity

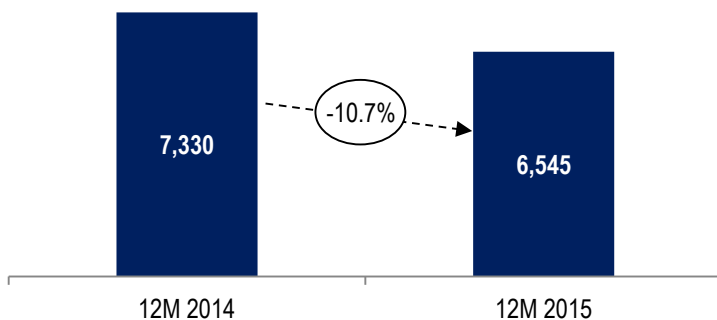
## Variable Costs Structure, mn RUR

Variable Costs	12M 2014	12M 2015	Change
<u>Cost of materials, incl.:</u>	106,178	107,515	+1.3%
<i>Fuel expenses</i>	95,656	96,320	+0.7%
<i>Purchased heat and electricity</i>	8,627	8,794	+1.9%
<i>Water usage expenses</i>	1,161	1,334	+14.9%
<i>Other materials expenses</i>	734	1,067	+45.4%
<u>Heat transmission</u>	7,330	6,545	-10.7%
<b>Total variable costs</b>	<b>113,508</b>	<b>114,060</b>	<b>+0,5%</b>

## Reference Fuel Consumption, Tons of Reference Fuel



## Heat Transmission, mn RUR



## Variable Costs Change Factors

- Heat transmission expenses reduction is due to decrease in heat output, subject to transportation (via heating grids), on the back of growing share of heat output from headers of power plants (boiler houses).
- Growth of other materials expenses took place on the account of increased expenses of subsidiaries and affiliates on the back of heat business expansion.

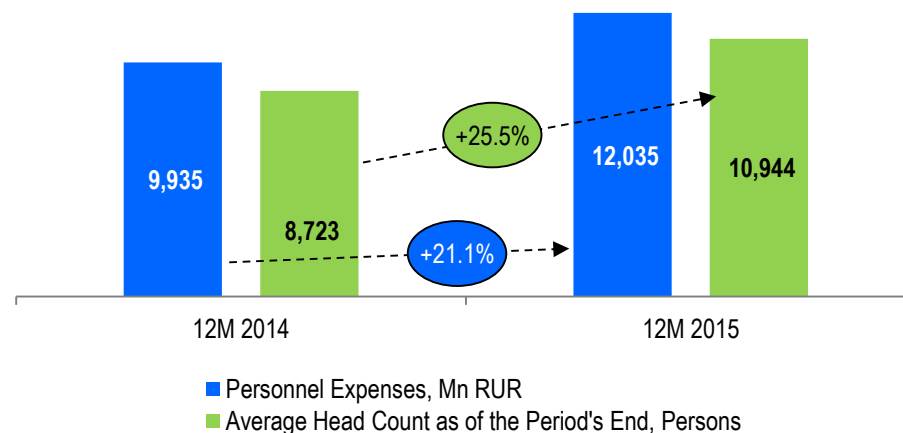
## Fixed Costs Structure, mn RUR

Fixed Costs	12M 2014	12M 2015	Change
Personnel expenses	9,935	12,035	+21.1%
<i>Incl. salary and social insurance contributions</i>	9,617	11,663	+21.3%
Maintenance and repairs expenses	5,416	5,017	-7.4%
Other external suppliers	3,568	5,168	+44.8%
Taxes other than income tax	1,736	1,790	+3.1%
Other operating expenses	5,963	6,811	+14.2%
<b>Total fixed costs</b>	<b>26,618</b>	<b>30,821</b>	<b>+15.8%</b>

### Fixed Costs Change Factors

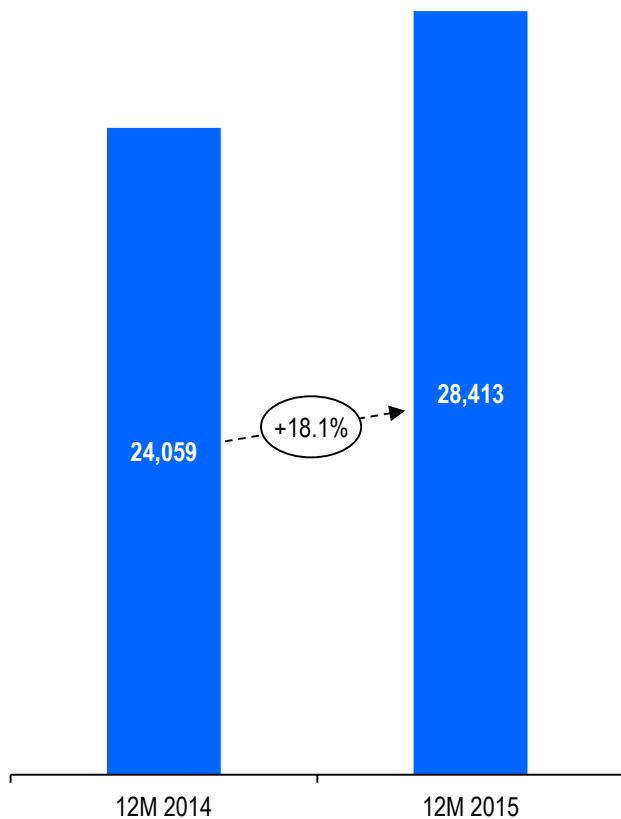
- Increased number of subsidiaries (mostly due to expansion of Mosenergo's heat-grid business in New Moscow and Moscow Region areas), as well as personnel relocation on the account of MOEK's boiler houses transfer, causing higher Personnel expenses and higher Total fixed costs.
- Other operating expenses growth was caused by increased rent.

### Salary Expenses and Number of Employees, mn RUR<sup>1</sup>



<sup>1</sup> Not including average head count, attributable to ceased activities

## Adjusted EBITDA<sup>1</sup>, mn RUR



## EBITDA Change Key Factors

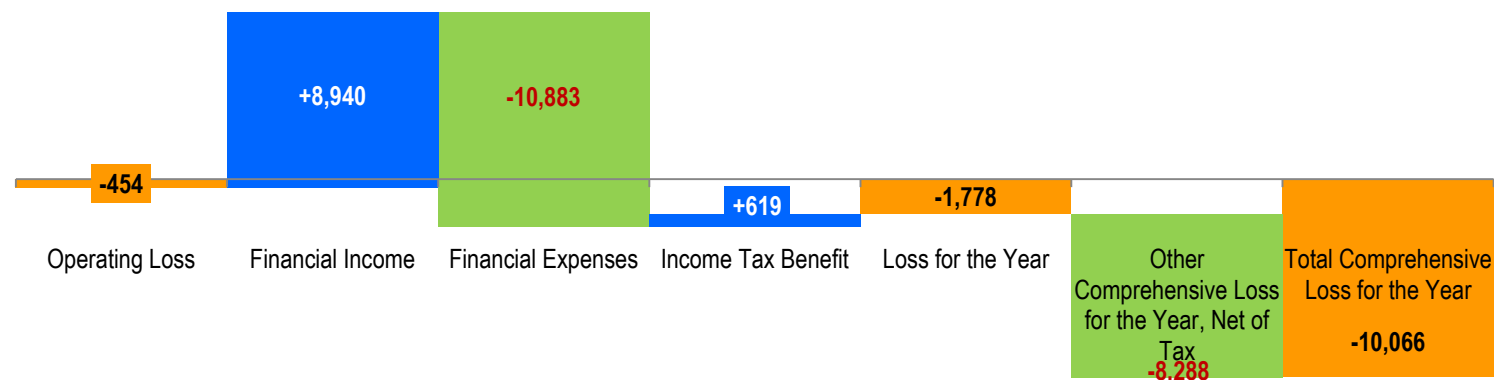
- Growing revenue from heat sales, resulting from heat output increase by 1.9%
- Commissioning of the new units at CHP-16 (December 2014) and CHP-12 (June 2015)

<sup>1</sup> EBITDA = Operating Profit + Depreciation of PP&E. Adjusted to Impairment loss on property, plant and equipment

## Operating Profit Composition, mn RUR

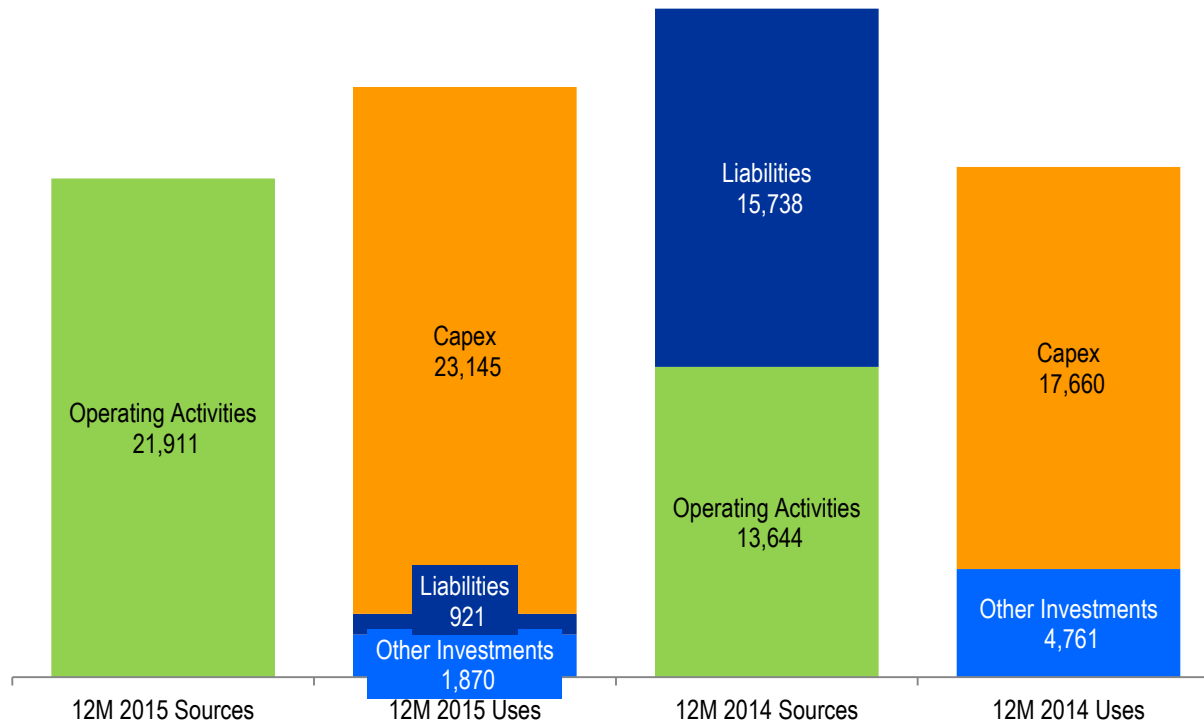
Parameter	12M 2014	12M 2015	Change
Revenue	161,432	171,163	+6.0%
Other operating income	2,753	2,131	-22.6%
Variable costs	(113,508)	(114,060)	+0.5%
Fixed costs	(26,618)	(30,821)	+15.8%
Depreciation of PP&E	(15,469)	(18,585)	+20.1%
Impairment loss on property, plant and equipment	(7,019)	(10,282)	+46.5%
<b>Operating profit</b>	<b>1,571</b>	<b>(454)</b>	<b>-</b>

## Profit Bridge for 12M 2015, mn RUR

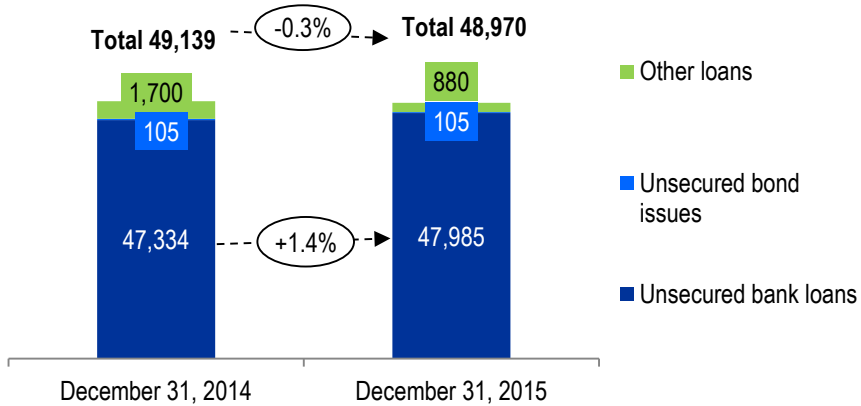




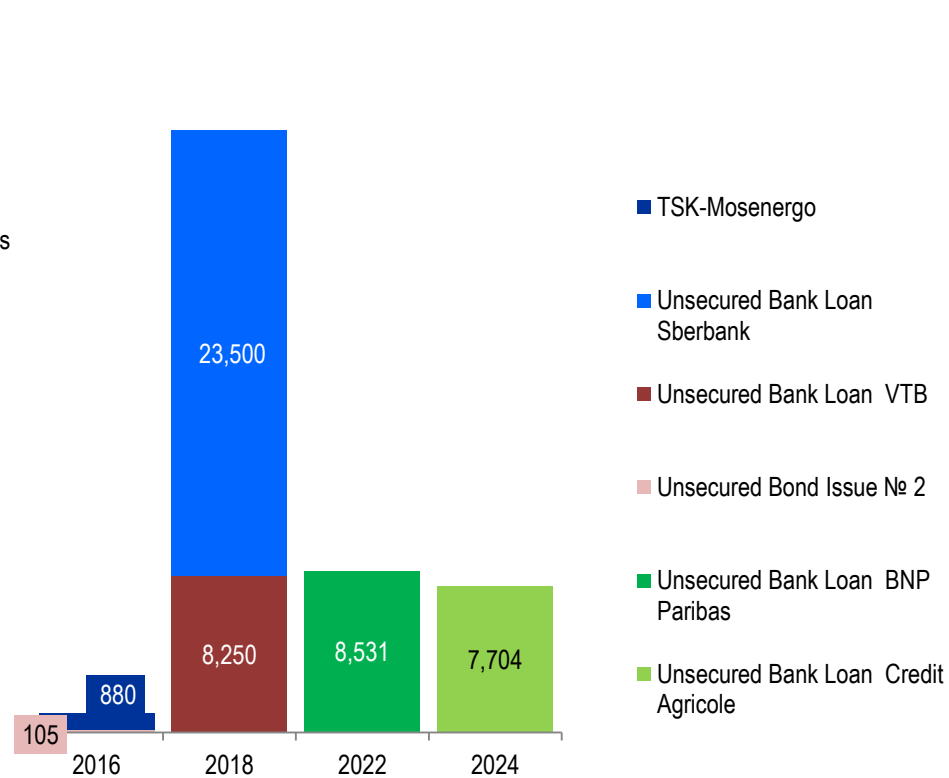
## Sources and Uses of Cash, mn RUR



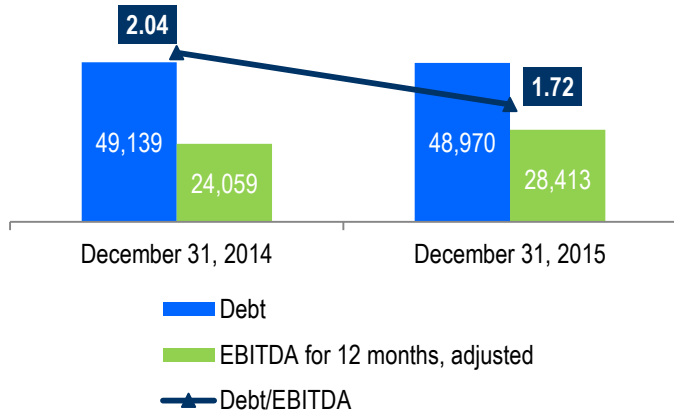
### Liabilities Structure, mn RUR



### Maturity Profile as of December 31, 2015, mn RUR (book value)



### Debt/ Adjusted EBITDA<sup>1</sup>



<sup>1</sup> Adjusted to Impairment loss on property, plant and equipment

# Thank You for Your Attention!

IR contacts:

**Ekaterina Pavlova**

**Tel. (495) 428-47-83 (ext. 4607)**

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

**Denis Voronchikhin**

**Tel. (495) 957-1-957 (ext. 3457)**

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