

MOSENERGO

9M 2016 IFRS Results

The information contained herein has been prepared using information available to JSC “Mosenergo” (hereinafter - Mosenergo or the Company) at the time of preparation of the presentation. External or other factors might have impacted 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 Highlights¹

| | 9M 2015 | 9M 2016 | Change |
|---------------------------------|---------|---------|--------|
| Electricity Output, mn kWh | 38,557 | 40,937 | +6.2% |
| Electricity Sales, mn kWh | 39,671 | 42,307 | +6.6% |
| Heat Output, th.Gcal | 45,114 | 50,891 | +12.8% |
| Fuel Rate on Electricity, g/kWh | 240.1 | 242.7 | +1.1% |
| Fuel Rate on Heat, kg/Gcal | 165.0 | 164.7 | -0.2% |

Financial Highlights, mn RUR

| | 9M 2015 | 9M 2016 | Change |
|---|----------|----------|---------|
| Revenue | 114,314 | 127,670 | +11.7% |
| Variable Costs | (76,006) | (85,335) | +12.3% |
| Fixed Costs ² | (19,999) | (23,905) | +19.5% |
| Fixed Costs adj. ³ | (18,308) | (19,061) | +4.1% |
| EBITDA ⁴ | 18,691 | 20,068 | +7.4% |
| EBITDA, adj. ⁵ | 20,425 | 24,912 | +22.0% |
| Depreciation of PP&E | (14,915) | (11,158) | -25.2% |
| Operating Profit | 3,776 | 8,910 | +136.0% |
| Profit for the Period | 2,264 | 7,329 | x3.2 |
| Total Comprehensive Income for the Period | 1,263 | 9,256 | x7.3 |

¹ Management report data

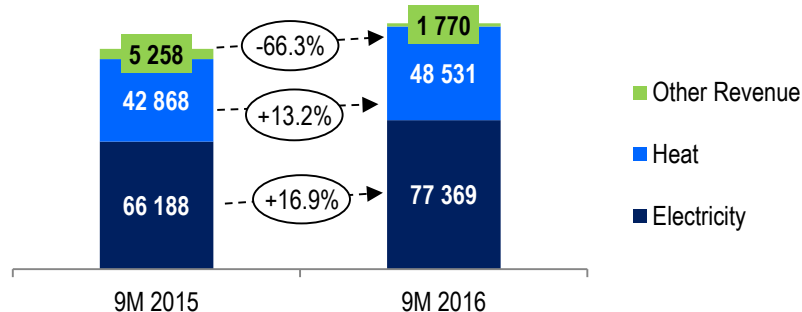
² Excluding Depreciation of PP&E

³ Adjusted to Impairment of receivables and to Reserves

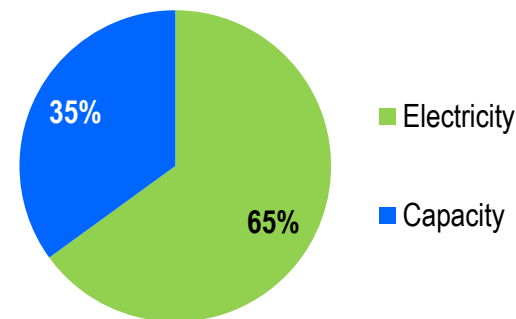
⁴ EBITDA = Operating Profit + Depreciation of PP&E

⁵ Adjusted to Impairment of PP&E, Impairment of receivables and to Reserves

Revenue, mn RUR



Electricity and Capacity Revenue Structure for 9M 2016, %



Prices and Tariffs

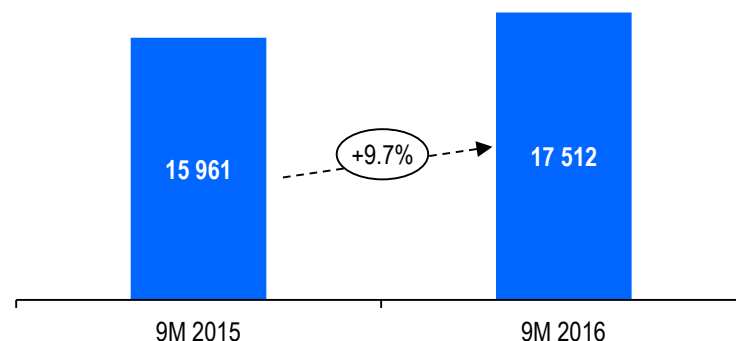
| Parameter | 9M 2015 | 9M 2016 | Change |
|---|------------|------------|--------|
| Average Weighted Electricity Price, RUR/MWh ¹ | 1,115.47 | 1,194.67 | +7.1% |
| Average Price for New Capacity, RUR/MW per Month | 562,512.91 | 733,761.35 | +30.4% |
| Average Price for Old Capacity, RUR/MW per Month | 135,975.07 | 124,623.16 | -8.3% |
| Average Weighted Heat Tariff, RUR/Gcal | 923.41 | 942.89 | +2.1% |
| <i>Including the "generation + distribution" tariff, RUR/Gcal</i> | 826.22 | 889.53 | +7.7% |

¹ At the wholesale market of electricity and capacity

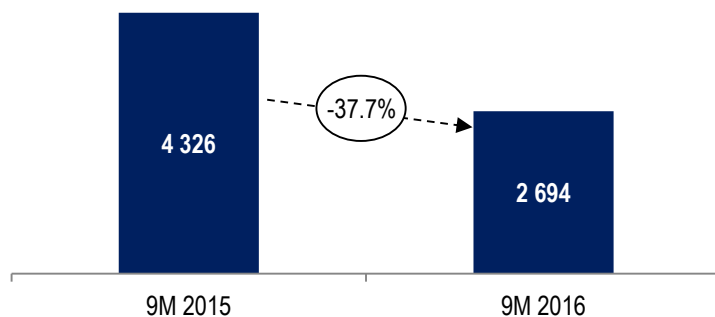
Variable Costs Structure, mn RUR

| Variable Costs | 9M 2015 | 9M 2016 | Change |
|---------------------------------------|---------------|---------------|---------------|
| <u>Cost of materials, incl.:</u> | 71,680 | 82,641 | +15.3% |
| <i>Fuel expenses</i> | 64,196 | 74,001 | +15.3% |
| <i>Purchased heat and electricity</i> | 5,840 | 6,849 | +17.3% |
| <i>Water usage expenses</i> | 967 | 1,045 | +8.1% |
| <i>Other materials expenses</i> | 677 | 746 | +10.2% |
| <u>Heat transmission</u> | 4,326 | 2,694 | -37.7% |
| Total variable costs | 76,006 | 85,335 | +12.3% |

Reference Fuel Consumption, thous. Tons of Reference Fuel



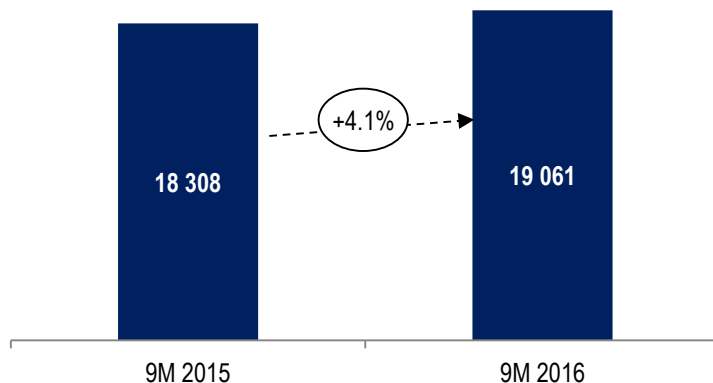
Heat Transmission, mn RUR



Variable Costs Change Factors

- Fuel expenses growth resulted from increased electricity production and heat output as well as the annual indexation of the gas tariff.
- 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).

Total Fixed Costs, adj.¹, mn RUR



Fixed Costs Change Factors

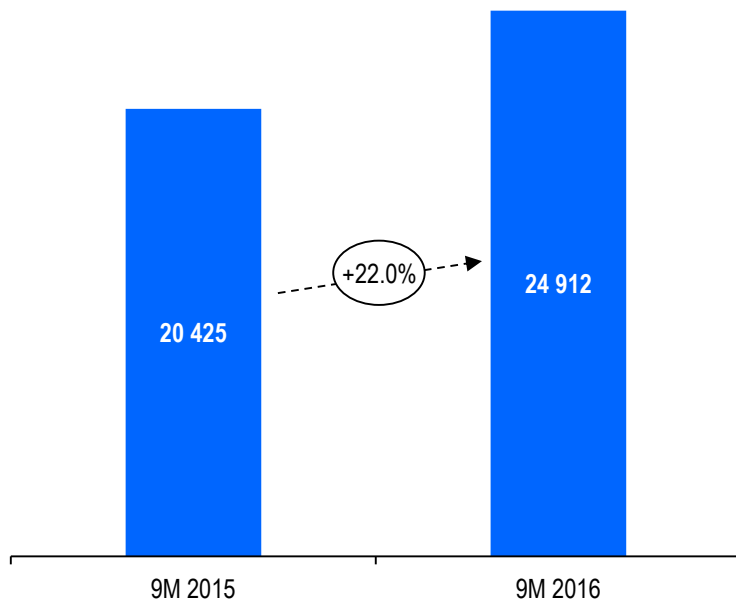
- Maintenance and repairs expenses increase mainly was caused by growing in the maintenance costs of CCGT units.
- Taxes other than income tax grew on the back of increased property tax payments, resulting from new units launch and MOEK's boiler-stations transfer to Mosenergo's management.
- Other operating expenses increased due to one-offs: impairment of receivables and reserves

Fixed Costs Structure, mn RUR

| Fixed Costs | 9M 2015 | 9M 2016 | Change |
|--|---------------|---------------|---------------|
| Personnel expenses | 8,729 | 7,944 | -9.0% |
| <i>Incl. salary and social insurance contributions</i> | 8,487 | 7,683 | -9.5% |
| Maintenance and repairs expenses | 2,757 | 3,771 | +36.8% |
| Other external suppliers | 3,255 | 3,199 | -1.7% |
| Taxes other than income tax | 1,291 | 1,638 | +26.9% |
| Other operating expenses | 3,924 | 7,353 | +87.4% |
| Impairment of PP&E | 43 | 0 | - |
| Total fixed costs | 19 999 | 23,905 | +19.5% |

¹ Adjusted to Impairment of receivables and to Reserves

EBITDA, adj.¹, mn RUR



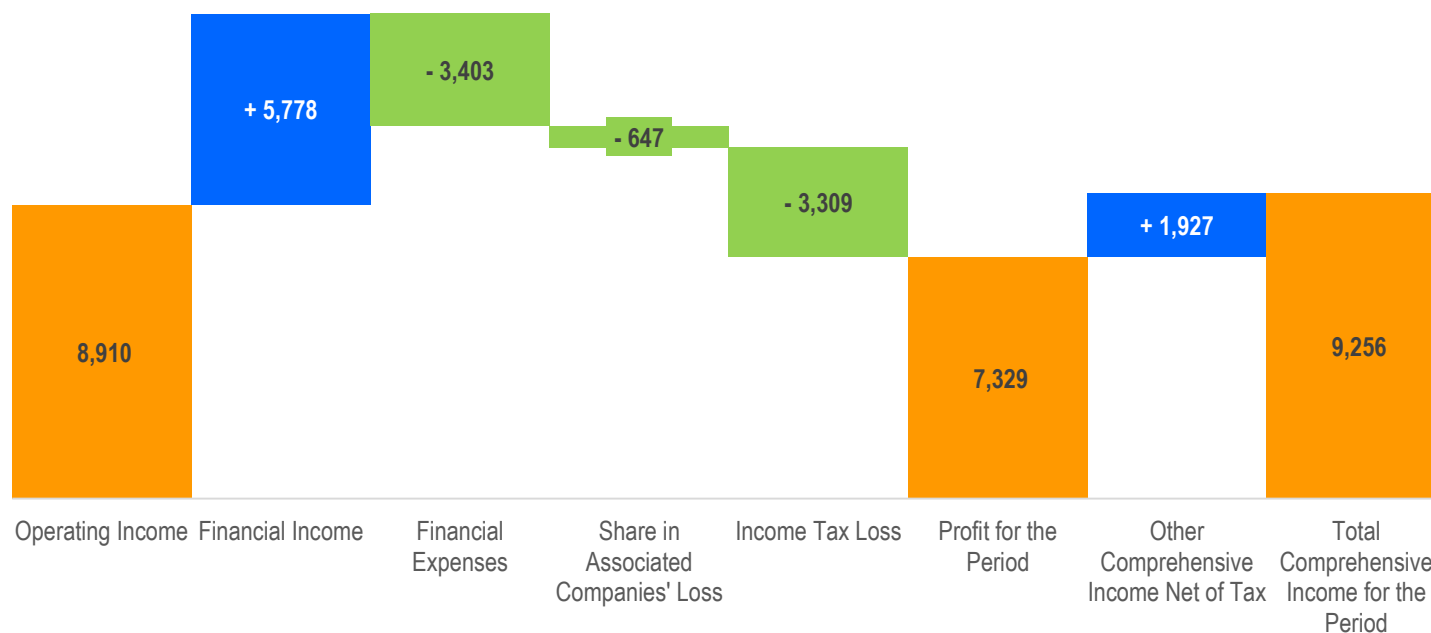
EBITDA Change Key Factors

- Electricity output growth by 6.2%
- Heat output increase by 12.8%.
- Electricity weighted average price growth by 7.1%.
- New capacity commissioning at CHP-16 and CHP-20.
- New CSA-capacity price growth.

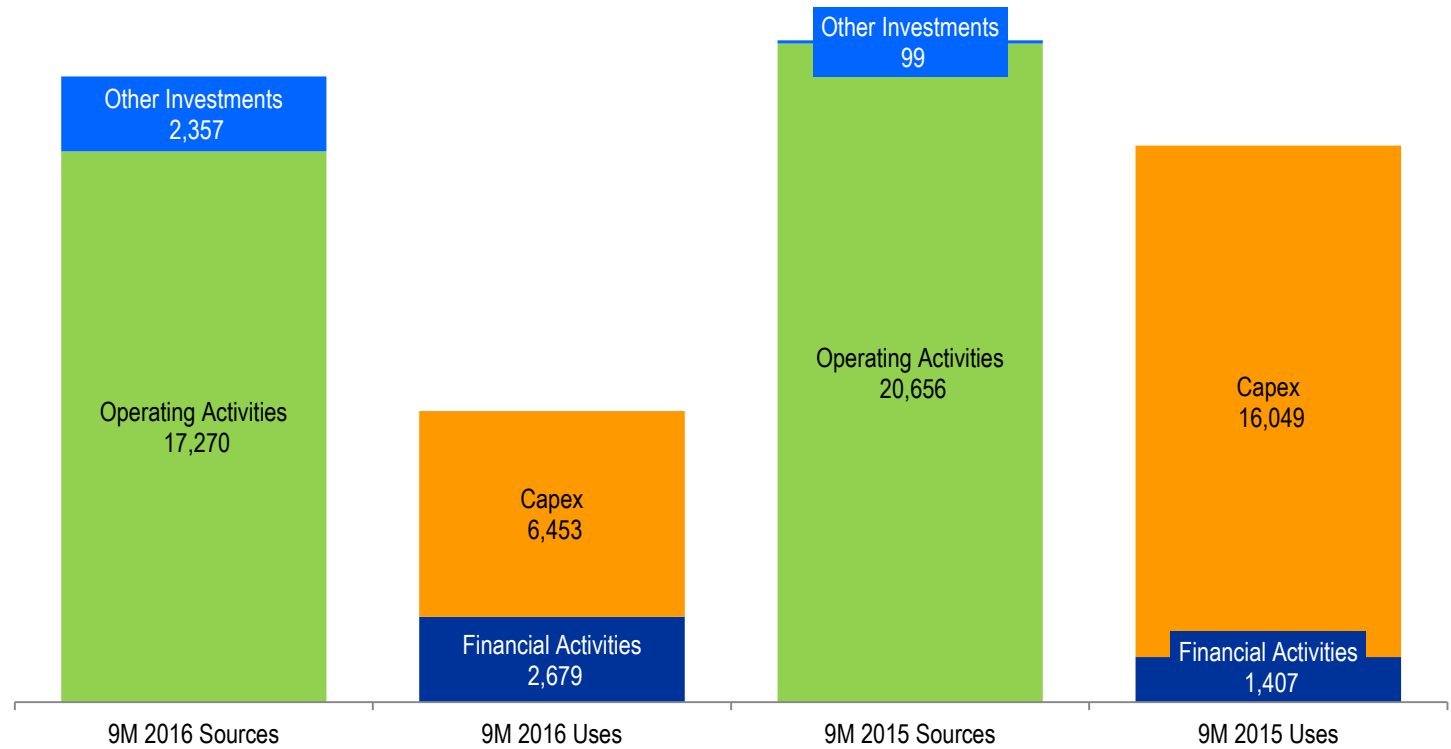
¹ EBITDA = Operating Profit + Depreciation of PP&E. Adjusted to Impairment of PP&E, Impairment receivables and to Reserves

Operating Profit Composition, mn RUR

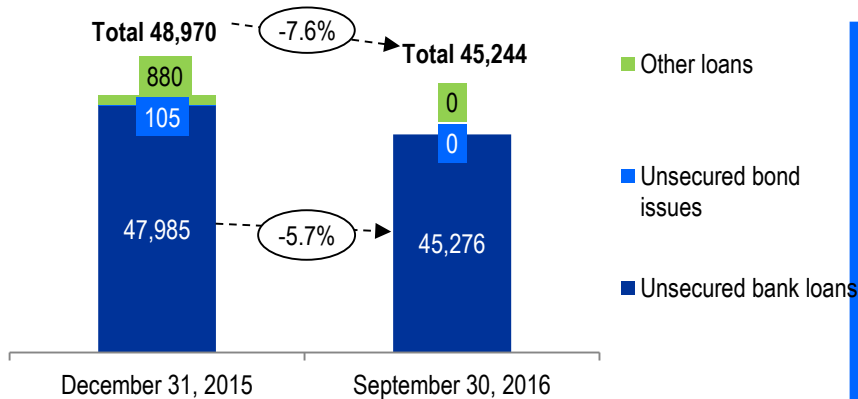
| Parameter | 9M 2015 | 9M 2016 | Change |
|-------------------------|--------------|--------------|----------------|
| Revenue | 114,314 | 127,670 | +11.7% |
| Other operating income | 382 | 1,638 | +328.8% |
| Variable costs | (76,006) | (85,335) | +12.3% |
| Fixed costs | (19,999) | (23,905) | +19.5% |
| Depreciation of PP&E | (14,915) | (11,158) | -25.2% |
| Operating profit | 3,776 | 8,910 | +136.0% |



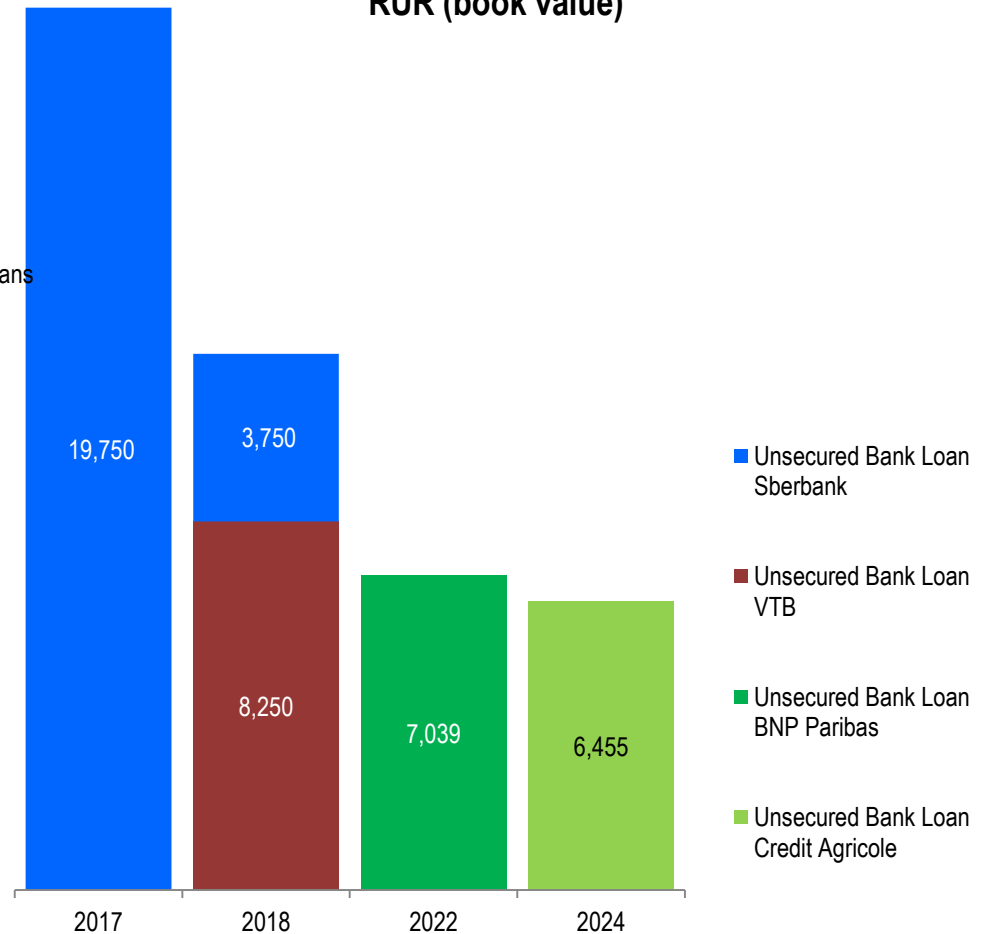
Sources and Uses of Cash, mn RUR



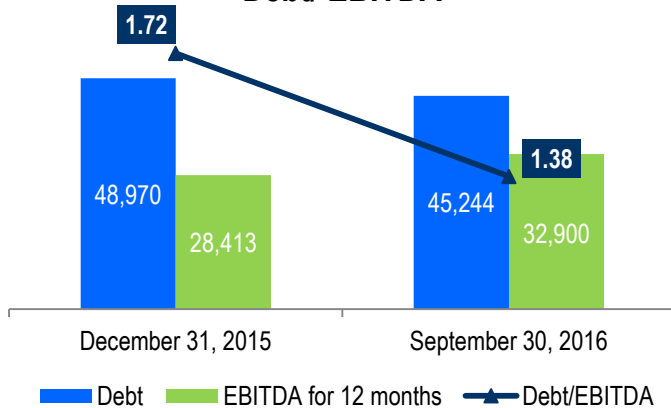
Liabilities Structure, mn RUR



Maturity Profile as of September 30, 2016, mn RUR (book value)



Debt/ EBITDA



Thank You for Your Attention!

IR contacts:

Ekaterina Pavlova

Tel. (495) 957-1-957 (ext. 3767)

PavlovaEA@mosenergo.ru

Denis Voronchikhin

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

VoronchikhinDS@mosenergo.ru