



PRESS RELEASE

Media Relations

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ENEL RUSSIA 2016 RESULTS BETTER THAN EXPECTED DUE TO HIGHER GENERATION MARGINS AND EFFECTIVE COST CONTAINMENT

- EBITDA increase mainly driven by favourable pricing on the power market and lower operational costs.

MAIN FINANCIAL HIGHLIGHTS (*millions of RUB*)

	2016	2015	Change
Revenues	72,211	70,992	+1.7%
EBITDA	13,909	10,821	+28.5%
EBIT	10,334	(54,682)	-
Net income / (loss)	4,387	(48,629)	-
Net ordinary income / (loss) ¹	4,387	(2,089)	-
Net debt at the end of the period	20,348	24,547	-17.1%

Carlo Palasciano Villamagna, General Director of Enel Russia, said: *“In 2016 Enel Russia posted financial results above initial expectations. Higher generation margins, coupled with management’s efforts to contain fixed costs and measures aimed at debt structure optimisation, offset lower electricity sales volumes and enabled solid growth of net income. We are more than satisfied with such a significant recovery of our financials in 2016 and this year we will work to make the most of this positive trend.”*

Moscow, March 16th, 2017 – PJSC Enel Russia has published its audited consolidated financial statements for 2016 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** increased, mainly due to:
 - higher free market electricity prices as a result of maintenance works at nuclear facilities in the Central region and increase of electricity consumption in the Southern region;
 - strong power demand in the fourth quarter of 2016 mainly due to lower than average temperatures, resulting both in better pricing and increased use of equipment by the System Operator;
 - higher DPM tariff thanks to the increased yield from government bonds (one of the components of DPM tariff calculation);
 - higher regulated heat and power sales due to tariff increase.

This increase more than offset:

¹ Excluding impairment of property, plant and equipment.



- lower power and capacity revenues from CCGT units caused by Nevinnomysskaya's CCGT unit outage at the beginning of 2016, as well as Sredneurskaya's CCGT planned maintenance in the second quarter of 2016;
- lower equipment use by the System Operator in the Southern region due to higher hydro output.
- **EBITDA** increased mainly thanks to:
 - improved generation margin due to lower fuel costs, mainly attributable to lower coal prices and to lower production from the company's facilities;
 - fixed costs growth well below inflation.
- **EBIT** grew significantly due to the EBITDA increase and lower depreciation and amortisation resulting from the significant asset impairments carried out during the second half of 2015.
- **Net income** reflected the EBIT increase, additionally supported by lower net financial charges that were mainly due to optimisation of the company's debt portfolio structure, which includes the decreased exposure to euro/rouble exchange rate fluctuations.
- **Net debt** at the end of 2016 decreased on the figure posted as of December 31st, 2015, thanks to solid operating cash flow and book revaluation of euro-denominated debt that was due to the appreciation of the rouble over the reporting year.

About Enel Russia

An Enel Group subsidiary, PJSC Enel Russia operates the following power plants: Konakovskaya GRES, Nevinnomysskaya GRES, Sredneurskaya GRES and Reftinskaya GRES. The company's total gross installed electrical capacity is 9,428.7 MW (equivalent to 8,878.4 MW net installed capacity) and thermal capacity is 2,382 Gcal/h. PJSC Enel Russia's authorised capital is 35,371,898,370 roubles, which is divided into ordinary shares with a par value of 1 rouble. The Enel Investment Holding B.V. share in the company's authorised capital is 56.43%, PFR Partners Fund I Limited's share is 19.03%, VTB Bank's share is 3.87%, Prosperity Capital Management Limited's share is 7.84% and other minority shareholders' share is 12.83%. PJSC Enel Russia shares are listed in Level 1 MICEX quotation list.

The company was established in Yekaterinburg on October 27th, 2004 as OJSC OGK-5. On July 7th, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGK-5 and on August 8th, 2014 the Federal Tax Service registered the new version of the company's charter with the name OJSC Enel Russia. On June 25th, 2015 the company changed its legal type and was renamed PJSC Enel Russia.