



PRESS RELEASE

Media Relations

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ENEL RUSSIA POSTED SOLID 1Q 2017 RESULTS THANKS TO INCREASED CAPACITY PAYMENTS

- EBITDA increase mainly driven by higher DPM revenues received by CCGT units, as well as by better power generation margins and fixed costs containment.
- Growth of net income mainly due to EBIT increase and lower net financial charges.

MAIN FINANCIAL HIGHLIGHTS (*millions of RUB*)

	1Q 2017	1Q 2016	Change
Revenues	19,510	17,571	+11.0%
EBITDA	5,491	3,027	+81.4%
EBIT	4,625	2,263	~2 times
Net income	3,100	134	~23 times
Net debt at the end of the period	17,611	20,348	-13.5%

Carlo Palasciano Villamagna, General Director of Enel Russia, said: *“We are pleased to present Enel Russia strong first quarter results, mainly resulting from the increase in capacity payments, as well as improved operating results of main generation facilities. We will continue to focus on our business activities and pave the way to solid performance of our company in line with our strategic plan, despite continuous pressure from overcapacity issues in the market.”*

Moscow, April 27th, 2017 – PJSC Enel Russia publishes its operating and unaudited financial results for the first quarter of 2017 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** increased, mainly due to:
 - higher DPM revenue associated to both CCGT units as a consequence of their entering the seventh year of operation (as provided for by the methodology approved by the government);
 - higher capacity sales by Nevinnomysskaya CCGT compared to the beginning of 2016, when the unit was in outage;
 - better free market power prices in the Central and Southern regions due to increased electricity consumption, partially attributable to the gradual recovery of the Russian economy;
 - higher regulated power sales due to the tariff increase enforced as of July 2016.
- **EBITDA** grew significantly, largely thanks to increased revenues, additionally supported by:
 - better generation margins driven by the higher contribution of CCGT and coal facilities, both



- featuring lower fuel costs;
 - fixed costs decline mainly due to efficient overhead management activities.
- The increase in **EBIT** reflected EBITDA growth.
- **Net income** reflected EBIT growth, additionally supported by lower net financial charges that were mainly due to:
 - optimisation of the company's debt portfolio structure, including a decreased exposure to euro/rouble exchange rate fluctuations;
 - lower level of debt;
 - the recording in the first quarter of 2016 of a one-off accounting adjustment associated to the early repayment of a loan with Royal Bank of Scotland.
- **Net debt** at the end of the reporting period decreased on the figure posted as of December 31st, 2016, thanks to a solid operating cash flow and to a positive translation effect of the euro-denominated debt due to the stronger rouble.

OPERATIONAL HIGHLIGHTS

	1Q 2017	1Q 2016	Change
Net power output (GWh)	10,113	10,071	+0.4%
Power sales (GWh)	11,630	11,518	+1.0%
Heat sales (thousand Gcal)	1,920	2,008	-4.4%

- **Net power output** remained broadly unchanged with mixed dynamics by power plant, in particular:
 - Nevinnomysskaya output recovered by a solid 40% compared with the first three months of 2016, when the CCGT unit was stopped for maintenance;
 - Reftinskaya output increased by 1.6% thanks to higher availability of the equipment.
 This increase was partially offset by:
 - Konakovskaya output drop by 25% affected by higher availability of nuclear facilities in the Central region;
 - Sredneuralskaya output drop by 13% largely due to lower equipment use by the System Operator caused by overcapacity in the Urals region.
- **Power sales** were up due to the abovementioned dynamics of net power output.
- **Heat sales** decreased slightly, mostly attributable to a reduction in the volumes purchased from Sredneuralskaya.

About Enel Russia

An Enel Group subsidiary, PJSC Enel Russia operates the following power plants: Konakovskaya GRES, Nevinnomysskaya GRES, Sredneuralskaya 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 OGG-5. On July 7th, 2009 by the resolution of Annual General Shareholders' Meeting the company was renamed OJSC Enel OGG-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.