



PRESS RELEASE

Media Relations

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ENEL RUSSIA CONTINUES STRONG PERFORMANCE IN 1H 2017

- *The increase in EBITDA is explained by the same key factors which influenced the first quarter of the year: higher DPM revenues received by CCGT units, better power generation margins as well as fixed costs containment.*
- *EBIT increase and lower net financial charges contributed to the growth of net income.*

MAIN FINANCIAL HIGHLIGHTS (millions of RUB)

	1H 2017	1H 2016	Change
Revenues	34,822	33,170	+5.0%
EBITDA	8,689	6,041	+43.8%
EBIT	6,935	4,363	+59.0%
Net income	4,300	787	~5 times
Net debt at the end of the period	21,239	20,348 ¹	+4.4%

Carlo Palasciano Villamagna, General Director of Enel Russia, said: *“The first half of 2017 results reflect continuous positive dynamics already shown over the first quarter of the year. The Company posted solid financials boosted by increased capacity payments despite the drop in electricity output mainly caused by overcapacity in the market.”*

Moscow, July 27th, 2017 – PJSC Enel Russia has published its operating and reviewed financial results for the first half of 2017 in accordance with the International Financial Reporting Standards (IFRS).

- **Revenues** increased, mainly attributable to:
 - higher DPM revenues received by both CCGT units, entering their seventh year of operation (as provided for by the DPM pricing methodology approved by the government);
 - higher capacity sales by Nevinnomysskaya CCGT (as the unit was in outage at the beginning of 2016);
 - higher regulated power sales due to tariff increase enforced in July 2016;
 - better free market power prices in the Southern region, mainly due to increased electricity consumption, as well as to high water availability recorded at a later stage during 1H 2017 and resulting in favorable pricing in April.

¹ As of December 31st, 2016.



This increase has more than offset the lower production of the company's facilities that was mainly attributable to:

- lower conventional gas equipment use by the System Operator due to overcapacity in the Central and Urals region;
 - higher amount of planned maintenance works at coal facilities over the second quarter of 2017.
- **EBITDA** grew significantly, largely thanks to increased revenues, additionally supported by 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 attributable to:
 - optimisation of the company's debt portfolio structure, including a decreased exposure to euro/rouble exchange rate fluctuations;
 - lower level of debt compared with 1H 2016;
 - 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 increased on the figure posted as of December 31st, 2016, mainly due to taxes and financial charges paid over the period.

OPERATIONAL HIGHLIGHTS

	1H 2017	1H 2016	Change
Net power output (GWh)	18,325	19,108	-4.1%
Power sales (GWh)	21,068	22,100	-4.7%
Heat sales (thousand Gcal)	2,841	2,954	-3.8%

- **Net power output** decreased, relating to mixed dynamics affecting Enel Russia's power plants, in particular:
 - Konakovskaya output dropped by 20%, affected by higher availability of nuclear facilities in the Central region;
 - Sredneuralskaya output dropped by 11%, mainly attributable to lower equipment use by the System Operator, caused by overcapacity in the Urals region;
 - Reftinskaya output lowered by 4%, largely due to planned maintenance activities held over the second quarter of 2017.

This increase was partially offset by:

- Nevinnomysskaya output recovery by a solid 23%, which is explained by the CCGT unit maintenance during the first three months of 2016, as well as higher equipment utilisation by the System Operator due to increased demand in Southern Russia in 1H 2017.
- **Power sales** were down due to the abovementioned net power output dynamics.
- **Heat sales** decreased slightly, mostly attributable to a reduction in the volumes purchased from Sredneuralskaya GRES.

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%, Prosperity Capital Management Limited's share is 8.23%, VTB Bank's share is 3.87% and other minority shareholders' share is 12.44%. 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.