



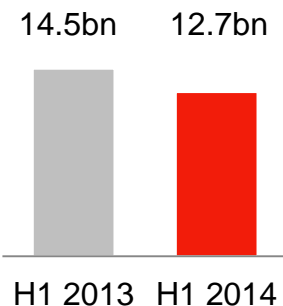
E.ON Russia 2014 first half results

21 August 2014

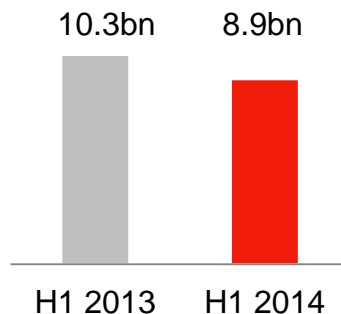
The E.ON logo, consisting of the lowercase letters 'e-on' in a white, sans-serif font, is positioned on a solid red rectangular background.

2014 first half results¹

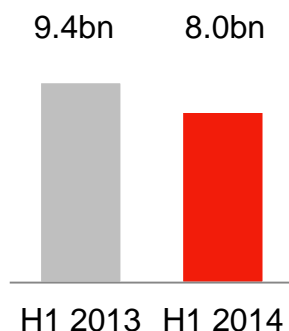
EBITDA²



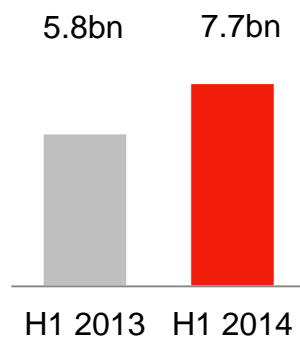
EBIT²



Underlying net income²



Capex



- Earnings decline in first half mainly due to lower gross margin
 - higher gas procurement cost
 - lower capacity fee (KOM) for Berezovskaya
- Capex increase as planned - mainly allocated to Berezovskaya GRES-3
- Full year EBITDA outlook: ~RUB24bn

1 E.ON Russia stand alone, in RUB

2 Adjusted for extraordinary effects

Market environment

1st pricing zone

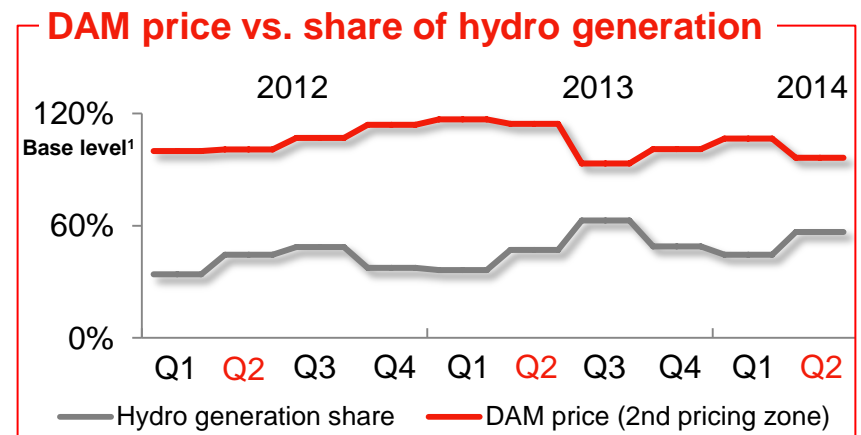
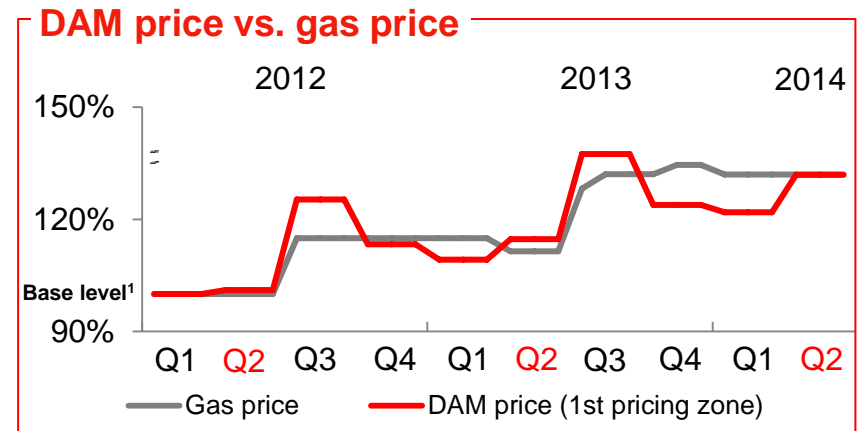
- Day ahead market price (DAM) +13% YoY but new commissioning and decrease of power consumption (-1%) put pressure on full year DAM price

2nd pricing zone

- DAM price -12% YoY mainly due to high share of hydro generation based on strong water inflow and decrease of power consumption (-2.8%)

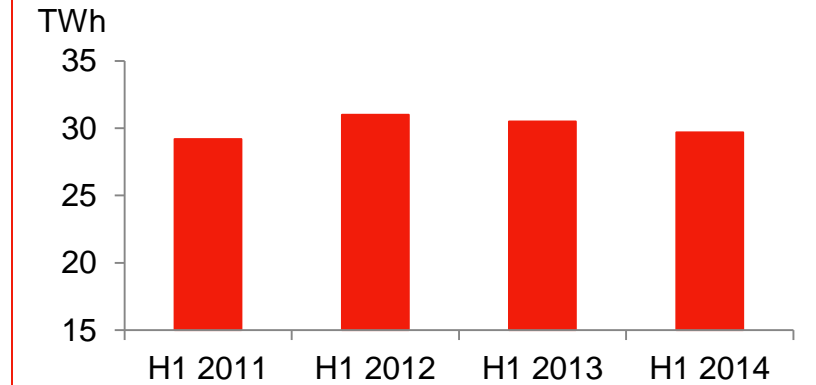
Regulation

- Still not decided: Increased duration of capacity supply payments from 10 to 15 years
- Price cap for old capacity in Tyumen region will stay in place 2015

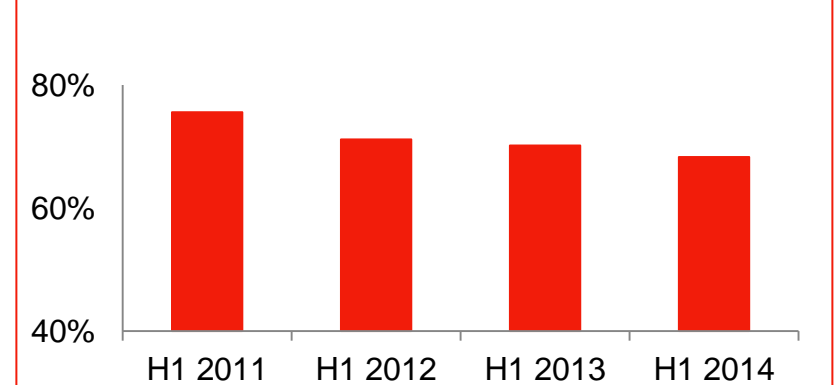


Operational development

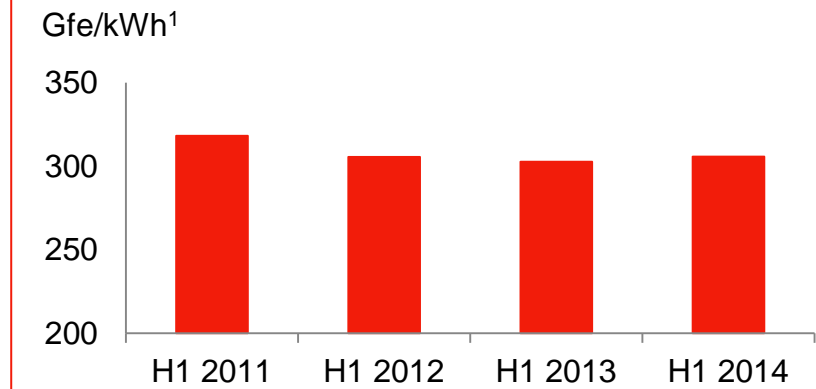
Electric power generation



Load factor



Efficiency

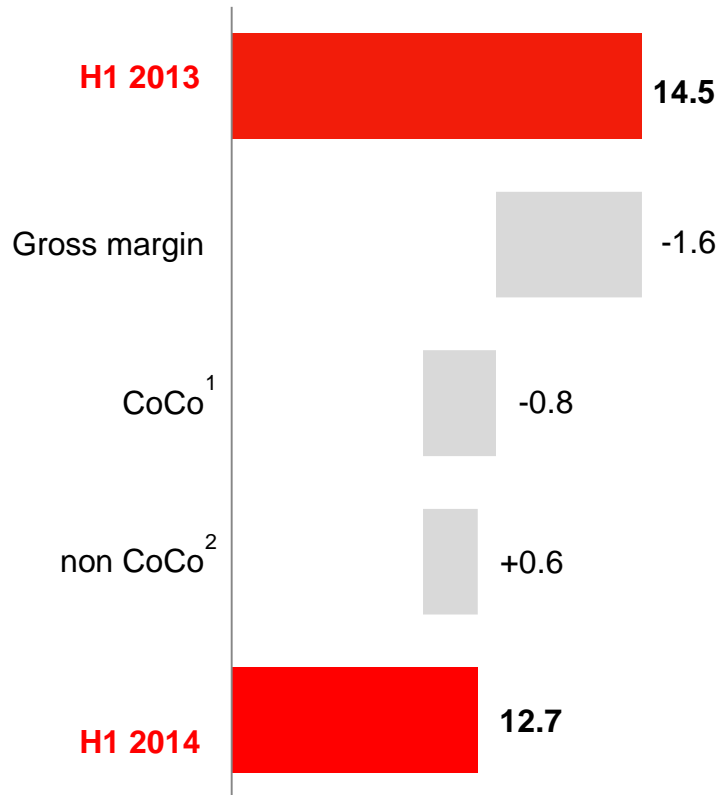


- Power generation declined by 2.6% mainly due to planned inspections of CCGTs (Surgutskaya/Yaivinskaya)
- Load factor and fuel efficiency remain on the highest level in the market

Earnings development

EBITDA drivers H1 2013 vs. H1 2014

RUBbn



Gross margin: -8% to RUB18.4bn

- Electricity price growth could not completely offset the increase of fuel costs
- Reduced capacity (KOM) payments for Berezovskaya

Controllable costs: +18% to RUB5.1bn

- Increase mainly due to one-off provision of RUB0.7bn in Q1 2014

Non controllable costs: -37% to RUB1.1bn

- Significant improvement of debtors payment discipline

1 CoCo = Controllable Costs and Income

2 Non-CoCo = Non-Controllable Costs and Income

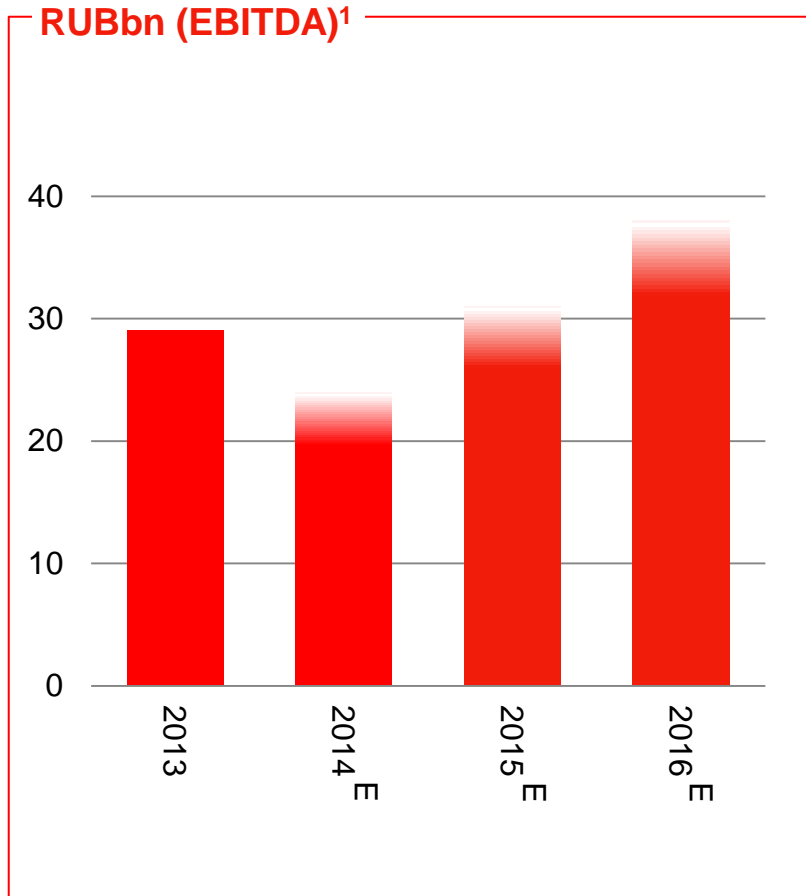
Berezovskaya new build

Commissioning date: June 2015

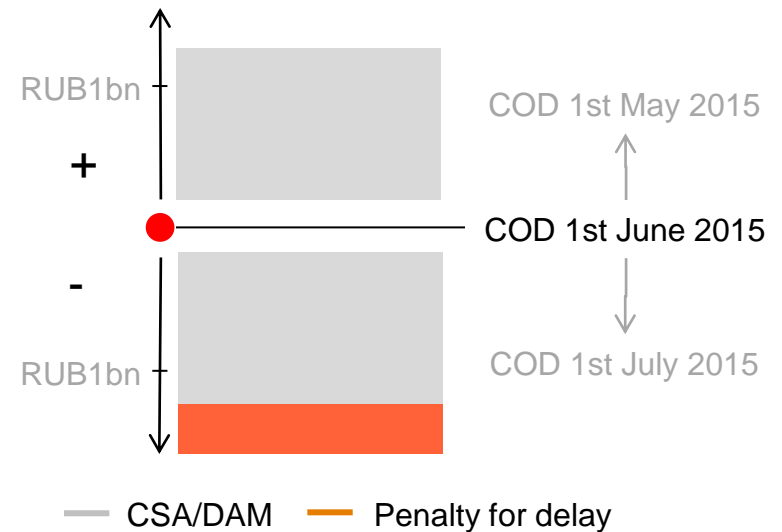
- 1st June 2015 stated as commissioning date to the regulator
- Start of hydrostatic test scheduled for 24 August 2014 and completes the boiler erection
- Option to bring the commissioning up to 3 months forward
- Capex significant below benchmark



Financial outlook



EBITDA sensitivity of Berezovskaya COD against 2015 outlook



~RUB14bn full year EBITDA contribution, thereof ~90% of Capacity Supply Agreement payments

E.ON Russia IR - Reporting calendar & contact

Reporting calendar

Date	Event
October 27, 2014	Publication of the RAS statements of E.ON Russia for 9 months of 2014
November 13, 2014	Publication of the IFRS statements of E.ON Russia for 9 months of 2014

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