



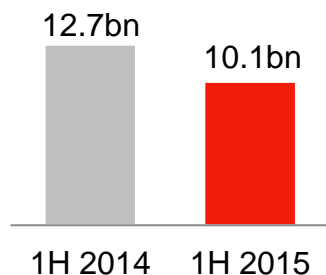
# E.ON Russia 2015 first half results

13 August 2015

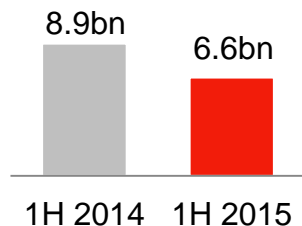
**e-on**

# 2015 first half results<sup>1</sup>

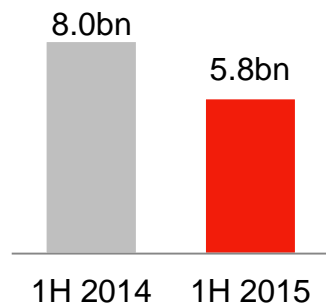
## EBITDA<sup>2</sup>



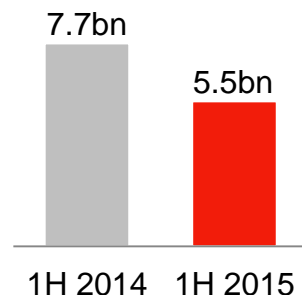
## EBIT<sup>2</sup>



## Underlying net income<sup>2</sup>



## Capex



- Earnings decline in first half mainly due to
  - outage at Surgutskaya
  - penalty for delay of commissioning Berezovskaya new build
- Capex mainly allocated to Berezovskaya new build
- Planned commissioning of Berezovskaya new build: September 2015
- Full year EBITDA outlook: RUB 26 – 27bn

<sup>1</sup> E.ON Russia IFRS stand alone, in RUB

<sup>2</sup> Adjusted for extraordinary effects

# Market environment

## European zone

- Day ahead market price -3% YoY
- Overcapacity due to the commissioning of new capacity under capacity supply agreements

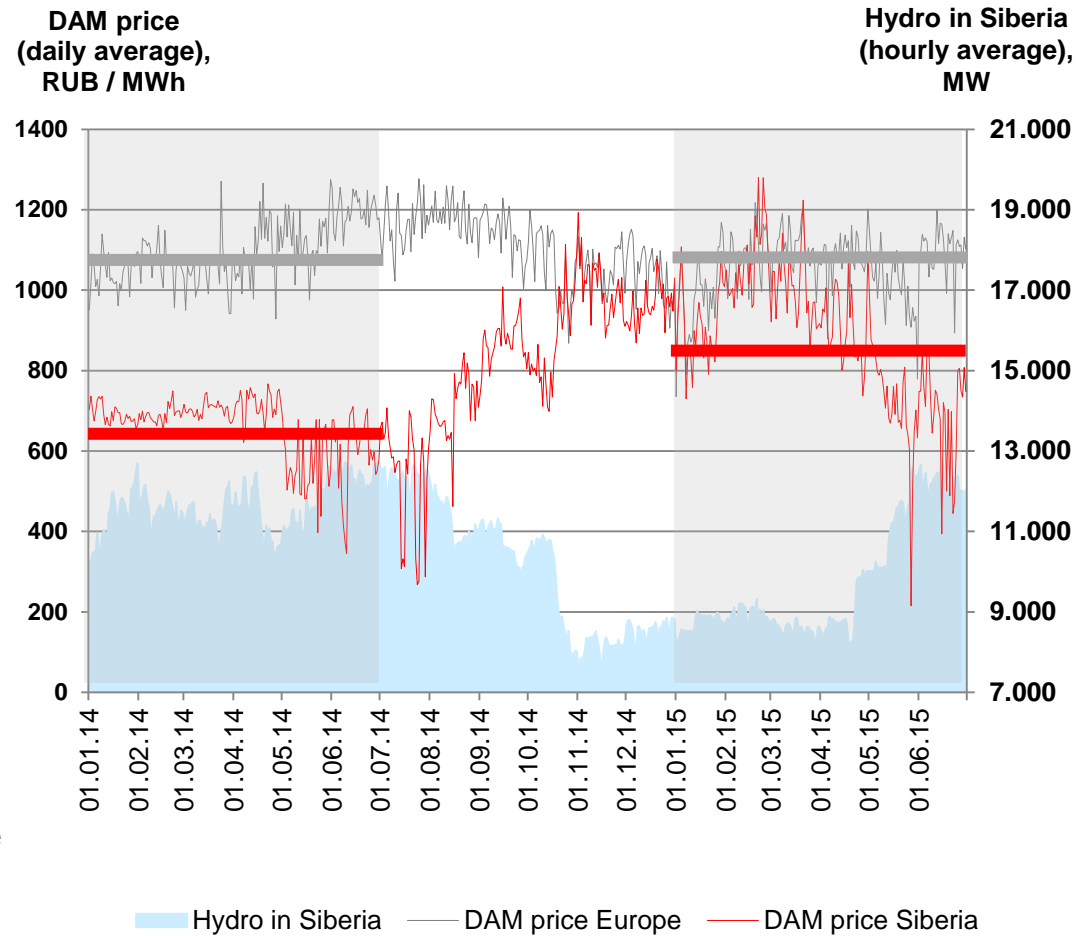
## Siberian zone

- Day ahead market price +33% YoY
- Decrease in hydro generation in Siberia November 2014 to April 2015 due to low water inflow
- Increase of interconnection to European pricing zone

## Regulation

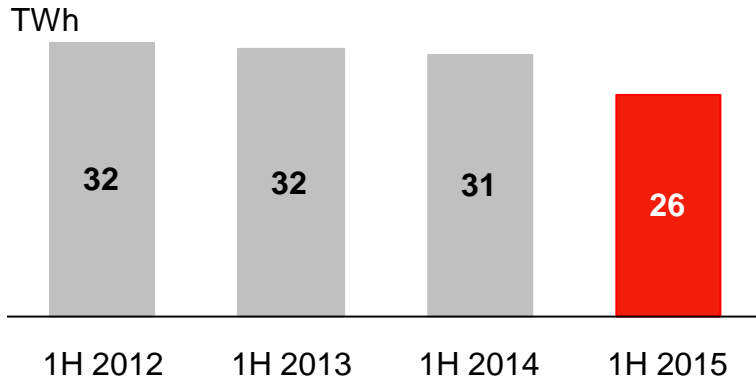
- Gas tariff indexation in July (+7.5%)
- New KOM auction process will be finalized soon
- Revision of DAM market rules expected

## Day ahead market price January 2014 – June 2015

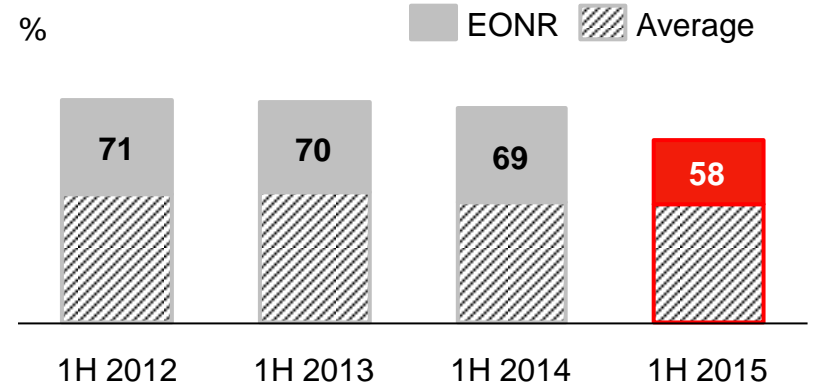


# Operational development

## Electric power generation

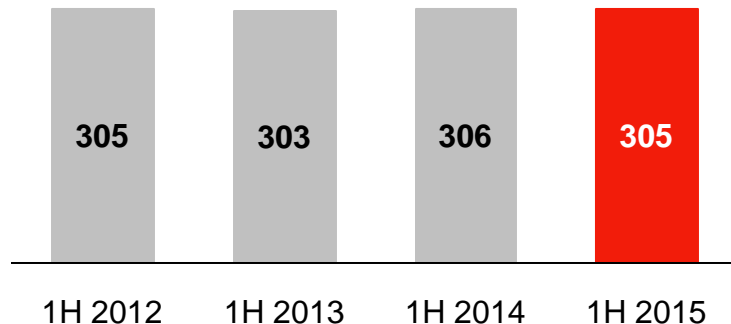


## Load factor



## Efficiency

Gfe/kWh – Fuel equivalent grams per 1 kWh

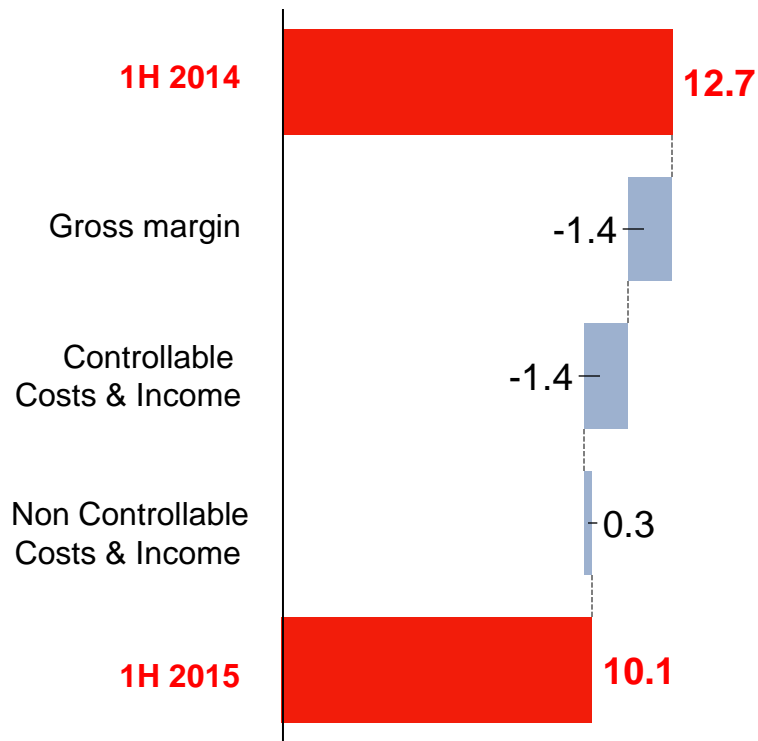


- Power generation declined by 16%, mainly due to extended repairs of units at Surgut – unit 4 is online again since end of June
- Load factor and fuel efficiency remain on the highest level in the market

# Earnings development

## EBITDA drivers 1H 2015 vs. 1H 2014

RUBbn



### Gross margin: -7.5% to RUB 17.5bn

- Increased DAM price and KOM payments in Siberia
- Higher CSA payments due to WACC adjustment
- Lower power production due to outage at Surgutskaya

### Controllable costs: +28.4% to RUB 6.5bn

- Penalties for delay in commissioning of Bereza new build (3 months = ~RUB1.3bn)
- Repair costs at Surgutskaya unit 4
- Received insurance payments (generator failure at Surgutskaya unit 7 in 2014)

### Non controllable costs: -23.8% to RUB 0.8bn

- Decrease of accruals for VAT and bad debt reserve

# Berezovskaya new build

**Expected commissioning date: September 2015**

## Completed works

- Hydrostatic test of boiler was successfully performed
- Boiler ignition and steam-water-oxygen cleaning of boiler completed
- Steam to turbine and three trial runs of turbine are performed
- Permission to sell electricity on DAM from August 1, 2015 received
- Synchronization of unit to the grid

## In progress

- Comprehensive testing (72h reliability run)
- Issuance of final certificate by technical authority
- Start of capacity payments



# E.ON Russia IR - Reporting calendar & contact

## Reporting calendar

<b>Date</b>	<b>Event</b>
October 28, 2015	Publication of the RAS statements of E.ON Russia for 9 months of 2015
November 12, 2015	Publication of the IFRS financial results of E.ON Russia for 9 months of 2015

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