

**UNIPRO GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
PREPARED IN ACCORDANCE WITH IAS 34, INTERIM FINANCIAL REPORTING**

30 JUNE 2016

Contents

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Consolidated Statement of Financial Position	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7

Notes to the Condensed Consolidated Interim Financial Information

Note 1. The Group and its operations	8
Note 2. Basis of preparation	10
Note 3. Transactions with related parties	11
Note 4. Property, plant and equipment	13
Note 5. Investments in joint ventures	15
Note 6. Other non-current assets	16
Note 7. Inventories	16
Note 8. Accounts receivable and prepayments	16
Note 9. Revenues	17
Note 10. Operating expenses	17
Note 11. Finance income and expense	18
Note 12. Other reserves	18
Note 13. Accounts payable and accruals	18
Note 14. Taxes payable other than income tax	19
Note 15. Income tax	19
Note 16. (Loss)/ earnings per ordinary share for profit attributable to the shareholders of PJSC Unipro – basic and diluted (in Russian roubles)	19
Note 17. Capital commitments	19
Note 18. Contingencies	20
Note 19. Segment information	21
Note 20. Events subsequent to the balance sheet date	22



Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of PJSC Unipro:

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of PJSC Unipro and its subsidiaries (the “Group”) as of 30 June 2016 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

10 August 2016
Moscow, Russian Federation

*AO PricewaterhouseCoopers Audit
10 Butyrsky Val, Moscow, Russian Federation, 125047
T: +7 495 967 6000, F: +7 495 967 6001, www.pwc.ru*

Translation note: This version of our report is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Unipro Group
Consolidated Interim Statement of Financial Position
(RUB thousand)

	Note	At 30 June 2016	At 31 December 2015
ASSETS		Unaudited	Audited
Non-current assets			
Property, plant and equipment	4	93,862,239	105,902,885
Other intangible assets		400,993	324,066
Investments in joint ventures	5	1,019,793	851,000
Long-term financial assets		27,521	30,185
Other non-current assets	6	789,198	847,214
Total non-current assets		96,099,744	107,955,350
Current assets			
Cash and cash equivalents		16,303,031	9,363,083
Accounts receivable and prepayments	8	4,596,305	5,779,705
Inventories	7	2,335,149	2,166,577
Current income tax prepayments		2,884,413	1,357,528
Short-term financial assets		523,135	142,914
Total current assets		26,642,033	18,809,807
TOTAL ASSETS		122,741,777	126,765,157
EQUITY AND LIABILITIES			
Equity			
Share capital		25,219,482	25,219,482
Share premium		40,052,405	40,052,405
Other reserves	12	1,385,205	2,195,878
Retained earnings		29,366,842	42,439,252
Total equity attributable to shareholders of PJSC Unipro		96,023,934	109,907,017
Non-controlling interest		227,942	200,618
Total equity		96,251,876	110,107,635
Non-current liabilities			
Deferred income tax liabilities		6,841,590	6,951,355
Pension liabilities		862,790	801,322
Total non-current liabilities		7,704,380	7,752,677
Current liabilities			
Accounts payable and accruals	13	16,665,742	6,675,240
Taxes payable other than income tax	14	2,119,779	2,229,605
Total current liabilities		18,785,521	8,904,845
Total liabilities		26,489,901	16,657,522
TOTAL EQUITY AND LIABILITIES		122,741,777	126,765,157

Approved and signed

10 August 2016

General Director

M.G. Shirokov

Financial Director

U. Backmeyer

Unipro Group
Condensed Consolidated Interim Statement of Comprehensive Income
(RUB thousand)

	Note	Six months ended 30 June 2016	Six months ended 30 June 2015
		Unaudited	Unaudited
Revenues	9	39,513,502	35,823,560
Operating expenses	10	(40,678,501)	(30,492,139)
Other operating income		131,347	1,171,325
Operating (loss)/ profit		(1,033,652)	6,502,746
Finance income	11	559,454	823,152
Finance expense	11	(83,027)	(127,274)
Share of results of joint venture	5	(31,207)	-
(Loss)/ profit before income tax		(588,432)	7,198,624
Income tax charge	15	(20,058)	(1,443,567)
(Loss)/ profit for the period		(608,490)	5,755,057
(Loss)/ profit for the period attributable to:			
Shareholders of PJSC Unipro		(635,814)	5,686,614
Non-controlling interest		27,324	68,443
(Loss)/ profit for the period		(608,490)	5,755,057
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets revaluation		(2,664)	610
Reclassification of cash flow hedge gain to profit and loss		(517,108)	(222,506)
Loss from cash flow hedge		(290,901)	(49,954)
Total items that that may be reclassified subsequently to profit or loss		(810,673)	(271,850)
Total comprehensive (loss)/ income for the period		(1,419,163)	5,483,207
Comprehensive (loss)/ income attributable to:			
Shareholders of PJSC Unipro		(1,446,487)	5,414,764
Non-controlling interest		27,324	68,443
(Loss)/ earnings per ordinary share for profit attributable to the shareholders of PJSC Unipro – basic and diluted (in Russian roubles)	16	(0.010)	0.090

Unipro Group
Condensed Consolidated Interim Statement of Changes in Equity
(RUB thousand)

	Attributable to shareholders of PJSC Unipro						Total equity
	Ordinary share capital	Share premium	Other reserves	Retained earnings	Total	Non – controlling interest	
At 1 January 2015 (Audited)	25,219,482	40,052,405	2,018,724	46,177,717	113,468,328	525,854	113,994,182
Profit for the period	-	-	-	5,686,614	5,686,614	68,443,	5,755,057
Other comprehensive income:							
Available-for-sale financial assets revaluation	-	-	610	-	610	-	610
Loss from cash flow hedge	-	-	(49,954)	-	(49,954)	-	(49,954)
Reclassification of cash flow hedge gain to profit and loss	-	-	(222,506)	-	(222,506)	-	(222,506)
Total comprehensive income/(loss) for the period	-	-	(271,850)	5,686,614	5,414,764	68,443	5,483,207
Dividends	-	-	-	(17,504,994)	(17,504,994)	(32,159)	(17,537,153)
Other movements	-	-	-	3,137	3,137	-	3,137
At 30 June 2015 (Unaudited)	25,219,482	40,052,405	1,746,874	34,362,474	101,381,235	562,138	101,943,373
At 1 January 2016 (Audited)	25,219,482	40,052,405	2,195,878	42,439,252	109,907,017	200,618	110,107,635
Loss for the period	-	-	-	(635,814)	(635,814)	27,324	(608,490)
Other comprehensive income:							
Available-for-sale financial assets revaluation	-	-	(2,664)	-	(2,664)	-	(2,664)
Loss from cash flow hedge	-	-	(290,901)	-	(290,901)	-	(290,901)
Reclassification of cash flow hedge gain to profit and loss	-	-	(517,108)	-	(517,108)	-	(517,108)
Total comprehensive income for the period	-	-	(810,673)	(635,814)	(1,446,487)	27,324	(1,419,163)
Dividends	-	-	-	(12,436,596)	(12,436,596)	-	(12,436,596)
At 30 June 2016 (Unaudited)	25,219,482	40,052,405	1,385,205	29,366,842	96,023,934	227,942	96,251,876

Translation of the original prepared in Russian which is official and takes precedence over this translation

Unipro Group
Condensed Consolidated Interim Statement of Cash Flow
(RUB thousand)

	Note	Six months ended 30 June 2016	Six months ended 30 June 2015
		Unaudited	Unaudited
CASH FLOW FROM OPERATING ACTIVITIES:			
(Loss)/ profit before income tax		(588,432)	7,198,624
Adjustments for non-cash items:			
Loss on disposal of property, plant and equipment	10	10,282,291	-
Depreciation and amortization	10	3,492,794	3,679,843
Reclassification of cash flow hedge gain to profit and loss	12	(210,212)	(278,132)
Provision for impairment of accounts receivable	8	78,877	110,135
Interest income and effect of discounting	11	(538,517)	(823,152)
Interest expense and effect of discounting	11	83,027	88,685
Foreign exchange (gain)/ loss	11	(20,937)	38,589
Share of results of joint ventures	5	31,207	-
Other non-cash items		90,700	739,977
Operating cash flows before working capital changes and income tax paid		12,700,798	10,754,569
Working capital changes:			
Decrease in accounts receivable and prepayments	8	841,664	878,922
Decrease/ (increase) in VAT recoverable	8	23,226	(31,119)
Increase in inventories	7	(167,821)	(438,841)
(Decrease)/ increase in accounts payable and accruals	13	(1,502,798)	473,734
(Decrease)/ increase in taxes payable other than income tax	14	(109,826)	130,135
Income tax paid	15	(1,451,972)	(2,315,648)
Net cash generated from operating activities		10,333,271	9,451,752
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and other non-current assets	4	(3,201,394)	(5,524,118)
Proceeds from sale of property, plant and equipment and other non-current assets	4	-	15,533
Contribution to the joint ventures	5	(200,000)	-
Settlement of securities		203	246 815
Placement of deposits		-	(5 617 680)
Loans issued		(77,154)	(2,222,653)
Loans returned		4,324	2,679
Interest received	11	435,746	535,460
Net cash used in investing activities		(3,038,275)	(12,563,964)
CASH FLOW FROM FINANCING ACTIVITIES:			
Dividends paid to non-controlling interest shareholders		-	(32,159)
Net cash used in financing activities		-	(32,159)
Effect of exchange rate changes on cash and cash equivalents		(355,048)	(107,364)
Net increase/ (decrease) in cash		6,939,948	(3,251,735)
Cash and cash equivalents at the beginning of the year		9,363,083	13,100,785
Cash and cash equivalents at the end of the year		16,303,031	9,849,050

Note 1. The Group and its operations

23 June 2016 Open Joint Stock Company E. ON Russia (OJSC "E. ON Russia") officially became known as PJSC "Unipro". This step that shows its belonging to Group Uniper which was separated from the E. ON Group in 1 January 2016.

Public Joint-Stock Company Unipro (PJSC Unipro or the Company) was established on 4 March 2005.

The Company's principal activities are generation and sale of electricity and heat.

Shares of PJSC Unipro are listed in the Russian Trade System (RTS) and in the Moscow Interbank Currency Exchange (MICEX).

The Company operates the following five power plants (GRES) as branches: Surgutskaya GRES-2, Shaturuskaya GRES, Berezovskaya GRES, Smolenskaya GRES and Yayvinskaya GRES. All references to the "Group" refer to the Company, its branches and subsidiaries.

The structure of the Group, including all consolidated entities, is presented in the table below:

Principal activity	Ownership, %		
	At 30 June 2016	At 31 December 2015	
Subsidiaries of PJSC "Unipro"			
OOO Unipro Engineering	Engineering activities (project and technological engineering)	100	100
OOO Uniper	Generation and sale of electricity and heat	100	100
OOO Agro-industrial Park «Siberia»	Generation and sale of electricity and heat and management of uninhabited fund	100	-
OAo Shaturuskaya Management Company	Municipal services	51	51
OOO E.ON Connecting Energies	Provision of distributed energy solutions to all types of customers	50	50
OOO Noginsky Teplovoy Center	Generation and sale of electricity and heat	34	34

OOO Agro-industrial Park «Siberia» (100% subsidiary of PJSC Unipro) has been established on 5 May 2016.

The Company is registered with the District Inspectorate of the Federal Tax Service of Surgut, Tyumen Region, Khanty-Mansiysk Autonomous District (Yugra). The Company's office is located at bld. 10, Block B, Presnenskaya nab., Moscow, Russia, 123317.

The Group sells electricity on the wholesale electricity and capacity market. The wholesale electricity market has a number of sectors varying in contractual terms, conditions and delivery time frames: sector of regulated contracts, day-ahead market, sector of unregulated bilateral contracts and the balancing market. The electricity traded in both pricing zones of the wholesale market was sold at unregulated prices except for volumes designated for delivery to the population, groups of customers equivalent to population and customers located in the Northern Caucasus and in the Republic of Tyva.

Tariffs for electricity (capacity) and heat for the Group's entities are mainly governed by normative documents on the state regulation of prices (tariffs).

For regulating prices (tariffs) both a cost-plus method and tariff indexation are used. When applying a cost-plus method costs are determined in accordance with Russian Accounting Rules (RAR), which significantly differ from International Financial Reporting Standards. In practice, tariff decisions are significantly affected by social and political considerations causing significant delays in tariff increases required to compensate increasing costs.

E.ON SE New Strategy

E.ON, which includes E.ON SE — the Company's ultimate parent and ultimate controlling party — successfully completed the process of allocation of assets associated with the traditional production of electricity (hydro, natural gas, coal), with the production and sale of gas in the Russian Federation, as well as with the global trade of electricity and energy resources (gas, coal), into a separate company (Uniper).

By separating its businesses as planned on January 1, 2016 E.ON took an important step in implementing its new corporate strategy just over a year after it was announced. Shareholders approved the split of E.ON shares and listing of new shares of Uniper in the general meeting this June. The spinoff would then take place in the second half of 2016 when E.ON plans to divest a majority stake in Uniper and lists the company's shares on the stock market. E.ON intends to part with its remaining stake over the medium term.

Operating environment

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. During 2016 the Russian economy was negatively impacted by low oil prices, ongoing political tension in the region and continuing international sanctions against certain Russian companies and individuals, all of which contributed to the country's economic recession characterised by a decline in gross domestic product. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Russia's credit rating was downgraded to below investment grade. This operating environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

To varying degrees, the Group and its profit depend on regulatory changes in the electricity market, financial, administrative and environmental legislation of the Russian Federation.

These consolidated financial statements reflect management's assessment of the manner in which the business environment in the Russian Federation has an effect on the Group's operations and financial position. Actual results may differ from the estimates made by management.

Changes in Industry

Resultant of Decree No. 893 of the Government of the Russian Federation dated August 27th, 2015, significant changes have taken effect in the competitive capacity auction:

- The price is determined based on an elastic demand curve. The demand is set not by one value, but by the demand/price ratio. The demand line starts of as a horizontal line, but becomes elastic at a certain point (different for each price zone). This first point acts as a price cap, and the elastic demand curve is designed such that generation companies benefit from a higher overall price if less overall capacity participates in the auction. This approach was designed in order to stimulate the decommissioning of inefficient plants.
- The indexation of Competitive Capacity Auction (CCA) price is envisaged exclusively for 2017-2019 and further CCA results at the rate of CPI-1%.
- The transition to holding auctions four years in advance has taken effect.

As a result of Order No. 952 of the Ministry of Economic Development dated December 18th, 2015, changes have taken effect regarding the Method of determining the value of the average yield of long-term government bonds, used in calculating the capacity price for capacity suppliers. These changes allow for taking into account the growth of government bond yields when determining the WACC value, which is used in determining the capacity price for DPM-contracted capacity.

The capacity supply term under the Capacity Contracts is 10 years; with that, a 15-year payback period is applied to determine the price under these contracts. In accordance with the applicable legislation – regarding the 6-year expiration from the beginning of capacity supply under Capacity Contracts (DPM), with the capacity price calculation for the current year – the price difference (the Capacity Contracts delta) between the price based off of the Capacity Pricing Rules and the price that is determined based on the results of the long-term competitive capacity auction (CCA) of the current year is included. Due to the fact that the long-term CCA for 4 years ahead had not taken place and its procedure was only approved in August of 2015 the correct procedure for calculating the Capacity Contracts delta must be determined. This procedure is presented in the Resolution of the Government No. 563, dated 21/06/2016.

Seasonality

Demand for electricity and heat is influenced by both the seasons of the year and the relative severity of the weather. Major revenues from heat sales are generated over the period from October to March. Similarly, though not so evidently, major electricity sales fall within the same period. Seasonality of heat and electricity generation influences fuel consumption and energy purchases accordingly.

In addition, repairs and maintenance expenses increase in the period of reduced generation from April to September. This seasonality does not impact the revenue or cost recognition policies of the Group.

The accident at the branch "Berezovskaya GRES"

On February 1, 2016, a fire erupted in the boiler house of unit 3 at Berezovskaya GRES PJSC «Unipro». As result of fire, significant parts of the boiler were damaged and will have to be replaced.

After the accident the 800 MW unit was removed out of service for unscheduled repair at least until mid 2018 during which it will not be generating an electricity margin and will be losing a significant part of its capacity payment. Management considers that there are no fines to be paid by the company for not providing capacity during the outage.

Currently management, taking into consideration the proposal of Scientific and Technical Council of PJSC «Unipro», evaluates the damage of the boiler of 50% of the cost, 25% of the cost of the boiler house and auxiliary equipment. Costs of restoration will amount to at least 25 billion RUB. The Group is insured against all contractor's risks and property damage from all risks, machinery breakdown due to internal causes and business interruption for 12 months from the date of event. Investigation involving representatives of the insurance companies have been started to determine the amount of insurance compensation.

Management considers that a significant part of the damage is to be compensated by insurance. The estimation of the amount of losses from disposal of fixed damaged assets from the accident see in Note 4.

Note 2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with IAS 34, Interim Financial Reporting.

This information should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS.

Changes in accounting policies, judgements, estimates and assumptions

The principal accounting policies, judgments, estimates and assumptions followed by the Group in this are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2015, and as at this date, except for standards and interpretations come in force starting from 1 January 2016, and income taxes determined at interim reporting periods based on the best estimated weighted average of annual income tax rate expected for the full financial year.

Application of New IFRS

The following amended standards became effective for the Group from 1 January 2016, but did not have any material impact on the Group.

- IFRS 14 - Regulatory Deferral Accounts (issued in January 2014 and effective for annual periods beginning on or after January 1, 2016). IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to improve the comparability with other companies already applying IFRS, but does not recognize such amounts, the standard requires that the effects of regulation of tariffs are presented separately from other items. This standard does not required to the companies which are already prepared the financial statements in accordance with IFRS.
- Amendments to IFRS 11 – Joint Arrangements (issued in May 2014 and effective for annual periods beginning on or after January 1, 2016).
- Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets (issued in May 2014 and effective for annual periods beginning on or after January 1, 2016).
- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016).
- Amendments to IFRS 7 Financial instruments: Disclosure (issued in September 2014 and effective for annual periods on or after 1 January 2016).
- Amendments to IAS 19 Employee Benefits (issued in September 2014 and effective for annual periods on or after 1 January 2016).
- Amendments to IAS 34 Interim Financial Reporting (issued in September 2014 effective for annual periods beginning on or after January 1, 2016).

New Accounting Standards

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2017 or later, and that the Group has not early adopted. The full list of such Standards and interpretations was disclosed in the Consolidated Financial Statements as of and for the year ended 31 December 2015.

The following new standards were issued during the six months' period ended 30 June 2016:

- ***The amendments to IAS 12 - Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (issued in January 2016 effective for annual periods beginning on or after January 1, 2017)*** on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.
- ***The amendments to IAS 7 – Statement of Cash Flow (issued in January 2016 effective for annual periods beginning on or after January 1, 2017)*** require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

The new standards and interpretations are not expected to have significant impact on the Group's Consolidated Financial Statements.

Note 3. Transactions with related parties

E.ON SE is the Group's ultimate parent company and the ultimate controlling party. E.ON SE is a widely held company.

The Group's immediate parent is Uniper Russia Holding GmbH.

The Group had the following transactions and balances with its ultimate parent and other entities under common control:

	At 30 June 2016	At 31 December 2015
Accounts receivable	1,158	1,173
Accounts payable and accruals	7,375	310,249
	Six months ended 30 June 2016	Six months ended 30 June 2015
Revenues (less VAT)	12,050	1,161
Services and works received (less VAT)	5,997	35,181

Accounts payable and accruals at 31 December 2015 include the E.ON New Build & Technology GmbH's

Unipro Group**Notes to Condensed Consolidated Interim Financial Information -30 June 2016**(RUB thousand)

accrual of consulting services regarding of assessment and expert analysis for the financial technical and administrative issues in the 3rd Unit at Berezovskaya GRES project for the period 2014-2015 in the amount of RUB 296,593 thousand. At 30 June 2016 this accrual is fully repaid.

Remuneration was accrued to the members of the Board of Directors and Management Board

Total remuneration in the form of salary and bonuses was accrued to the members of the Board of Directors and Management Board for the six months ended 30 June 2016 was RUB 190,023 thousand (for the six months ended 30 June 2015: RUB 224,205 thousand) including:

Name	Six months ended 30 June 2016	Six months ended 30 June 2015
Salaries, bonuses and other benefits	144,131	166,915
Contributions to state pension fund	21,568	21,219
Cash-settled share-based compensation	24,324	36,071
Total	190,023	224,205

Members of the Company's Management Board participate in the Group's pension plans, including defined benefits plans, on the same terms as other employees.

Unipro Group
Notes to Condensed Consolidated Interim Financial Information -30 June 2016
(RUB thousand)

Note 4. Property, plant and equipment

	Land	Electricity and heat generation	Electricity distribution	Heating network	Construction in progress	Other	Total
Cost							
Opening balance as at 1 January 2016	69,977	136,492,388	9,583,833	1,125,682	9,293,600	14,814,966	171,380,446
Additions	-	-	-	-	2,551,969	-	2,551,969
Transfers	-	138,096	4,360	-	(348,753)	206,297	-
Disposals	(84)	(11,107,008)	(1,589)	-	(123,219)	(36,651)	(11,268,551)
Closing balance as at 30 June 2016	69,893	125,523,476	9,586,604	1,125,682	11,373,597	14,984,612	162 663 864
Accumulated depreciation (including impairment)							
Opening balance as at 1 January 2016	-	51,836,262	4,413,216	721,690	65,918	8,440,475	65,477,561
Charge for the period	-	2,770,756	267,892	23,967	-	432,573	3,495,188
Disposals	-	(133,107)	(1,589)	-	-	(36,428)	(171,124)
Closing balance as at 30 June 2016	-	54,473,911	4,679,519	745,657	65,918	8,836,620	68,801,625
Net book value as at 1 January 2016	69,977	84,656,126	5,170,617	403,992	9,227,682	6,374,491	105,902,885
Net book value as at 30 June 2016	69,893	71,049,565	4,907,085	380,025	11,307,679	6,147,992	93,862,239

Note 4. Property, plant and equipment (continued)

	Land	Electricity and heat generation	Electricity distribution	Heating network	Construction in progress	Other	Total
Cost							
Opening balance as at 1 January 2015	83,455	96,597,849	8,409,191	1,021,983	42,599,219	11,744,561	160,456,258
Additions	-	-	-	-	5,913,290	-	5,913,290
Transfers	2,024	51,950	7,479	-	(135,051)	73,598	-
Reclassification	-	-	-	-	-	-	-
Disposals	-	(17,077)	-	-	(262,300)	(118,540)	(397,917)
Closing balance as at 30 June 2015	85,479	96,632,722	8,416,670	1,021,983	48,115,158	11,699,619	165,971,631
Accumulated depreciation (including impairment)							
Opening balance as at 1 January 2015	-	45,431,740	3,822,297	648,072	23,127	7,534,510	57,459,746
Charge for the period	-	2,879,390	271,031	19,298	-	525,532	3,695,251
Impairment loss	-	19 191	2 890	-	7,520	55,528	85,129
Disposals	-	(17,031)	-	-	-	(88,645)	(105,676)
Closing balance as at 30 June 2015	-	48,313,290	4,096,218	667,370	30,647	8,026,925	61,134,450
Net book value as at 1 January 2015	83,455	51,166,109	4,586,894	373,911	42,576,092	4,210,051	102,996,512
Net book value as at 30 June 2015	85,479	48,319,432	4,320,452	354,613	48,084,511	3,672,694	104,837,181

Note 4. Property, plant and equipment (continued)

As of 30 June 2016, the carrying amount of property, plant and equipment reflects impairment and obsolescence loss of RUB 3,384,957 thousand (31 December 2015: RUB 3,574,896 thousand).

The recoverable amount of property, plant and equipment was not estimated as at 30 June 2016 because the Group's management did not note any indicators of impairment.

Disposals of assets in Construction in Progress include and disposal of assets to current activity amounted RUB 77,164 thousand and inventories related to current activities - RUB 46,055 thousand.

Disposals of assets in Electricity and heat generation include damaged assets from the accident unit 3 at Berezovskaya GRES the 800 MW (see Note 1). Currently, management estimates the amount of losses from disposal of fixed assets in the amount of RUB 10,973,901 thousand.

Other property, plant and equipment include auxiliary production equipment, motor vehicles, computer equipment, office equipment and others.

Note 5. Investments in joint ventures**OOO E.ON Connecting Energies and OOO Noginsky Teplovoy Center**

The Group's investment in OOO Noginsky Teplovoy Center is held through OOO E.ON Connecting Energies (an entity jointly controlled by the Group and E.ON Connecting Energies GmbH). OOO Noginsky Teplovoy Center owns and manages 2 combined cycle gas turbines with an aggregate capacity of 30 MW in the industrial park Borilovo in Noginsk (Moscow region) Russian Federation.

The carrying values of the investments joint ventures as of 30 June 2016 and 31 December 2015 are summarised below:

	At 30 June 2016	At 31 December 2015
OOO E.ON Connecting Energies	1 019 793	851 000
Total investments	1 019 793	851 000

In June 2016 the authorized capital of OOO E. ON Connecting Energies was increased to the amount of RUB 400,000 thousand by making an additional contribution in the amount of RUB 200,000 thousand from each participant of OOO E. ON Connecting Energies after which the authorised capital will be RUB 2,102,00 thousand; the shares of the participants will not change, the nominal value of each participant's share is RUB 1,051,000 thousand.

The reconciliation of carrying amount of investments in joint ventures as of the beginning of the reporting period and as of the end of the reporting period is shown below:

	2016
Carrying amount as of 1 January	851 000
Contribution to the joint ventures	200 000
Share of results of joint venture	(31 207)
Carrying amount as of 30 June	1 019 793

The following is the summarised financial information in respect of OOO E. ON Connecting Energies and OOO Noginsky Teplovoy Center. The values, disclosed in the tables, represent total assets, liabilities, revenues, income (loss) of the Group's joint venture and not the Group's share.

The financial information may differ from information in the financial statements of the joint venture prepared and presented in accordance with IFRS, due to adjustments required in application of equity method of accounting, such as excluding intercompany adjustments.

Unipro Group
Notes to Condensed Consolidated Interim Financial Information -30 June 2016
(RUB thousand)

	At 30 June 2016	At 31 December 2015
Non-current assets	1,652,255	1,635,244
Current assets (including cash and cash equivalents 30 June 2016r.: RUB 941 877 thousand, 31 December 2015: RUB 510,721 thousand)	1,053,445	596,716
Non-current liabilities	(550,167)	(447,230)
Current liabilities	(348,359)	(310,990)
Net assets	1,807,174	1,473,740

	Six months ended 30 June 2016	
Revenue		300,846
Operating expenses		(250,066)
Interest income		20,340
Interest expense		(15,607)
Income tax		(90,378)
Loss from continuing operations		(34,865)
Total comprehensive income		(34,865)

Note 6. Other non-current assets

	At 30 June 2016	At 31 December 2015
Promissory notes	608,837	690,541
Loans issued to employees	180,361	156,673
Total	789,198	847,214

Note 7. Inventories

	At 30 June 2016	At 31 December 2015
Fuel production supplies	1,060,890	1,240,859
Materials and supplies	836,998	610,440
Other inventory	437,261	315,278
Total	2,335,149	2,166,577

Note 8. Accounts receivable and prepayments

	At 30 June 2016	At 31 December 2015
Trade and other receivables		
Trade receivables	7,357,091	8,558,996
Other financial receivables	91,623	71,653
Less provision for impairment of accounts receivable	(3,556,446)	(3,489,720)
Total financial assets within trade and other receivables	3,892,268	5,140,929
VAT recoverable	473,006	375,314
Prepayments to suppliers	199,760	222,986
Due from budget (excluding VAT)	31,271	40,476
Total account receivable and prepayments	4,596,305	5,779,705

Management has determined the provision for impairment of accounts receivable based on the customers' credit history, customer payment trends, the outlook for payments and settlements, and an analysis of expected future cash flows. Management believes that the Group will be able to realise the net realisable amount through direct collections and other non-cash settlements and that the recorded value therefore approximates their fair value.

The above mentioned accounts receivable and prepayments include amounts receivable from related parties (see Note 3).

Note 9. Revenues

	Six months ended 30 June 2016	Six months ended 30 June 2015
Electricity and capacity	38,322,088	34,673,067
Heating	685,447	666,373
Other	505,967	484,120
Total	39,513,502	35,823,560

Note 10. Operating expenses

	Six months ended 30 June 2016	Six months ended 30 June 2015
Fuel	18,683,380	16,852,079
Loss from disposal of fixed assets	10,282,291	-
Depreciation and amortization	3,492,794	3,524,273
Staff costs	3,346,895	3,020,261
Repairs and maintenance	999,790	2,211,211
Purchase of electricity and heat	934,088	897,996
Operational dispatch management	641,683	592,677
Taxes other than income tax	577,901	621,875
Raw materials and supplies	382,503	168,408
Security	233,337	208,042
Water usage expenses	83,216	82,796
Provision for impairment of accounts receivable	78,877	110,135
Other expenses	941,746	2,202,386
Total expenses	40,678,501	30,492,139

Staff costs include:

	Six months ended 30 June 2016	Six months ended 30 June 2015
Salaries and wages, including payroll taxes	2,705,150	2,452,551
Pension costs – defined contribution plans (including state pension fund)	569,509	521,165
Pension costs – defined benefit plans	39,442	24,323
Termination benefits	32,794	22,222
Total staff costs	3,346,895	3,020,261

Loss from disposal of fixed assets include losses after damage in block №3 Berezovskaya GRES in the amount of RUB 10,973,901 thousand and income from hedging of construction liabilities in the amount of RUB 359,880 thousand.

Repairs and maintenance expenses for 6 months of 2015 include the costs of repair for power units No.4 and No.7 of Surgutskaya GRES-2 in the amount of RUB 1,692,400 thousand.

Other expenses for 6 months of 2015 include an accrual for penalty for delay of three months in delivery capacity from block №3 Berezovskaya GRES in the amount of RUB 1,333,302 thousand.

Unipro Group
Notes to Condensed Consolidated Interim Financial Information -30 June 2016
(RUB thousand)

Note 11. Finance income and expense

Finance income	Six months ended 30 June 2016	Six months ended 30 June 2015
Interest income (deposits and loan issued)	462,637	764,508
Other interest income	75,880	58,644
Foreign exchange gain	20,937	-
Total	559,454	823,152
Finance expense		
	За 6 месяцев, закончившихся 30 июня 2016 года	За 6 месяцев, закончившихся 30 июня 2015 года
Effect of liability and pension obligation discounting	83,027	88,685
Foreign exchange loss	-	38,589
Total	83,027	127,274

Note 12. Other reserves

	At 30 June 2016			At 31 December 2015		
	Before tax	Income tax expense	After tax	Before tax	Income tax expense	After tax
Revaluation of financial assets available for sale	4,894	-	4,894	7,558	-	7,558
Remeasurements of post employment benefit obligations	552,117	(110,423)	441,694	552,117	(110,423)	441,694
Cash flow hedging	1,173,271	(234,654)	938,617	2,183,283	(436,657)	1,746,626
Total	1,730,282	(345,077)	1,385,205	2,742,958	(547,080)	2,195,878

Note 13. Accounts payable and accruals

	At 30 June 2016	At 31 December 2015
Financial liabilities	15,641,698	5,561,653
Dividends payable	12,070,035	425,479
Trade payables	2,516,641	2,833,582
Accounts payable to capital construction contractors	824,072	1,747,415
Other payables	230,950	555,177
Non- financial liabilities	1,024,044	1,113,587
Payables to employees	1,002,894	1,096,992
Advances from customers	21,150	16,595
Total	16,665,742	6,675,240

The Annual General Shareholder's Meeting of PJSC Unipro, decided on 15 June 2016 to pay dividends on the Group's common stock based on the financial results for 2015 in the amount of RUB 12,436,596 thousand. At the date of approval of this condensed consolidated interim financial information funds for payment of these dividends have been paid to the depositary for further distribution to shareholders or have been directly paid to shareholders.

Management believes that the fair value of financial assets and liabilities approximates their carrying value (Level 3 and Level 2 fair value hierarchy).

Note 14. Taxes payable other than income tax

	At 30 June 2016	At 31 December 2015
VAT	1,038,480	1,728,857
Property tax	158,520	385,914
Social taxes	93,430	65,743
Other	829,349	49,091
Total	2,119,779	2,229,605

Other taxes payable includes tax liabilities on income (dividends) in the amount of RUB 783,685 thousand.

Note 15. Income tax

Income tax expense is recognized based on management's best estimate of weighted average income tax rate expected for the full financial year. The estimated average income tax rate used for the six months of 2016 is 19.62% (2015 -20.05%). Herewith in the Financial Statements for 6 months of 2016 there is accrual of income tax liabilities made by tax authorities for the repeated tax audit for FY 2011 in the amount of 135,511 thousand RUB.

Income tax charge

	Six months ended 30 June 2016	Six months ended 30 June 2015
Current income tax (income)/ charge	(72,179)	697,550
Deferred income tax charge	92,237	746,017
Total	20,058	1,443,567

Note 16. (Loss)/ earnings per ordinary share for profit attributable to the shareholders of PJSC Unipro – basic and diluted (in Russian roubles)

	Six months ended 30 June 2016	Six months ended 30 June 2015
Weighted average number of ordinary shares in circulation during the reporting period	63,048,706,145	63,048,706,145
(Loss)/ profit attributable to the shareholders of PJSC Unipro (RUB thousand)	(635,814)	5,686,614
(Loss)/ earnings per ordinary share for profit attributable to the shareholders of PJSC Unipro – basic and diluted (in Russian roubles)	(0,010)	0,090

Diluted earnings per share are equal to basic earnings as there were no contracts with a potential dilutive effect during the reporting period.

Note 17. Capital commitments

As of 30 June 2016, the Group had contractual capital expenditure commitments with respect to property, plant and equipment totalling RUB 4,653,624 thousand (in 2015: RUB 2,366,791 thousand). Most of the commitments (RUB 2,530,132 thousand) refer to contractual commitments of realization of the project "Construction of the 3rd power unit PSU-800 on the basis of branch "Berezovskaya GRES» (as of 31.12.2015: RUB 856,073 thousand).

The contractual restoration commitments of unit 3 at Berezovskaya GRES the 800 MW after the accident in February 2016 (see Note 1) as of 30 June 2016 amounted RUB 4,131,455 thousand.

Note 18. Contingencies

Political environment. The Group's operations and earnings continue, intermittently and to varying degrees, to feel the impact of Russian political, legislative, fiscal and regulatory developments, including those related to environmental protection.

Insurance. The Group holds limited insurance policies for its assets, operations, public liability and other insurable risks. Consequently, the Group is exposed to those risks for which it does not have insurance.

Social obligations. The Group has a responsibility to those regions where it operates to contribute to the development of favourable living conditions, create jobs and minimise harm to the environment. It also has a responsibility to the public and government authorities to pay taxes, support important public initiatives, and participate in the social and economic development of the regions.

Guided by the principles of corporate responsibility, the Group believes it is important to contribute to the development of those regions where it has a presence. Following this, the Group is extensively involved in funding social and charity programmes to support vulnerable segments of society, first and foremost: children and pensioners. Particular attention is paid to the development of educational programmes for schoolchildren and students. A variety of sports events are also supported.

The Group continues traditions present in power plants which have come under its control: providing charity support to various organisations, public associations and individuals in those regions where these power plants operate. The Group spent RUB 24,091 thousand on these programmes for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RUB 31,221 thousand).

Tax contingencies. The Russian tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. Group management's interpretation of such legislation as applied to the Group's transactions and activity may be challenged by the regional and federal authorities. The Russian tax authorities may take a more assertive and sophisticated approach in their interpretation of the legislation and tax assessments. This includes the Supreme Arbitration Court's resolutions on anti-avoidance claims based on reviewing the substance and business purpose of transactions. In addition, this position is affected by a possible increase in tax collection efforts in response to budget pressures.

Field tax audit for 2012-2014 completed of June 24, 2016. The Company expects to receive the act at the end of August. The Company does not expect any additional costs on the lost, unless for the property tax. The loss of the property tax has established earlier (in 2015).

In addition, the Group had some court hearings in first six months of 2016 of the property tax & income tax on other levels. The court hearings have not completed now; the result of tax disputes is not yet known. The Group had accounted the losses of their tax disputes in last year; the Group does not expect any additional financial costs at the end of judicial proceedings. In addition, the Group has estimated liabilities related to property tax risks in the amount of RUB 107,633 thousand. The liabilities have been accrued in the Group's Financial Statements.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD) but has specific characteristics. This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. Management has implemented internal controls to be in compliance with this transfer pricing legislation.

Management believes that as of 30 June 2016 its interpretation of the relevant law is appropriate and that the Group's position is sustainable as it relates to application of tax, currency and customs legislation. that the Group's position is sustainable as it relates to application of tax, currency and customs legislation.

Environmental matters. The Group has a long history of operating in the Russian electricity industry. The enforcement of Russian environmental regulation is evolving, and the position of government authorities on enforcing these regulations is continually being reconsidered. Management believes that in the conditions of effective legislation on environmental protection the Group does not have material liabilities associated with environmental pollution.

Note 19. Segment information

The Group's chief operating decision-maker is the General Director and Management board (hereinafter «Chief operating decision-maker»), who review the Group's internal reporting forms prepared in accordance with UNIPER Group's Accounting Manual in order to assess the Group's performance and allocate resources efficiently. UNIPER Group's Accounting Manual is based on IFRS; however, the amounts may differ as the Company's internal reporting forms are intended for the purpose of the preparing consolidated financial statements for the entire UNIPER Group. Operating segments are determined based on the above internal reporting forms.

The Chief operating decision-maker assess performance on a plant-by-plant basis, i.e. the performance of each of the 5 power plants: Surgutskaya GRES-2, Berezovskaya GRES, Shaturskaya GRES, Yayvinskaya GRES and Smolenskaya GRES. All GRES are combined into one operating segment, as they have similar economic and other characteristics. The other segments comprise costs of the Moscow office, and subsidiaries.

The Chief operating decision-maker assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortization (EBITDA) and revenue. In addition, the information on amortization of non-current assets and earnings before interest and tax (EBIT) is provided to the Chief operating decision-maker. Information regarding assets and liabilities of a segment base are not provided to the Chief operating decision-maker.

	Six months ended 30 June 2016	Six months ended 30 June 2015
Earnings before interest, tax, depreciation and amortization for 5 power plants (EBITDA)	1,146,720	11,137,980
Other segments	(1,039,727)	(639,359)
Total earnings before interest, tax, depreciation and amortization (EBITDA)	106,993	10,498,621
Depreciation and amortization	(3,405,252)	(2,750,869)
Total (loss)/ earnings before interest and tax (EBIT)	(3,298,259)	7,747,752

Reconciliation of earnings before interest and tax (EBIT) for operating segments provided to the Chief operating decision-maker, with profit before tax as in this consolidated financial information of the Group, is provided below:

(Loss)/ earnings before interest and tax (EBIT)	(3, 298, 259)	7, 747, 752
Adjustment of positive currency difference in EBIT	21, 028	(56, 120)
Finance income	559, 454	823, 152
Finance expense	(83, 027)	(127, 274)
Other adjustments	2, 212, 372	(1, 188, 886)
(Loss)/ profit before income tax	(588, 432)	7, 198, 624

Other adjustments are mainly related to the following items:

	Six months ended 30 June 2016	Six months ended 30 June 2015
Difference in value of property, plant and equipment	2,421,207	-
Difference in accrual of property tax	(128,419)	-
Difference in depreciation of property, plant and equipment and capitalised repair costs	(116,182)	(857,120)
Difference in Hedging	106,653	-
Penalty for delay in delivery capacity	-	(446 444)
Other	(70,887)	58,558
Differences in amounts for the purposes of Uniper SE consolidated financial statements	2,212,372	(1,245,006)

Unipro Group
Notes to Condensed Consolidated Interim Financial Information -30 June 2016
(RUB thousand)

Reconciliation of revenue from external customers for all 5 power plants to total revenue:

	Six months ended 30 June 2016	Six months ended 30 June 2015
External revenue of 5 power plants	39,063,841	35,127,777
Other segments	449,661	695,783
Total	39,513,502	35,823,560

The Group's revenues are analysed by products and services in Note 9.

Revenues from customers representing 10% or more of the total revenues are as follows:

	Six months ended 30 June 2016	Six months ended 30 June 2015
ZAO CFS	22,799,374	21,918,889
Others (mainly distribution companies, under 10% each)	16,714,128	13,904,671
Total revenues according to the Group's financial statements	39,513,502	35,823,560

The Group operates and owns the assets only on the territory of the Russian Federation.

Note 20. Events subsequent to the balance sheet date

Acquisition of 50% share in AO NATEK Invest-Energo

On 14 July 2016 OOO E. ON Connecting Energies, an affiliate company of PJSC Unipro, bought a 50% share in AO NATEK Invest-Energo that owns and operates a mini power plant in Krasnogorsk district of Moscow region. On 25 May 2016, the transaction was approved by the Federal Antimonopoly Service.

In accordance with the shareholder agreement, the parties will jointly manage the cogeneration plant 'Myakinino' located in Krasnogorsk. The mini power plant is a distributed generation facility commissioned in 2007. The plant is the only energy source that supplies heat and energy to consumers in Myakinino flood plain, including the administrative and economic complex of the Moscow region government, the Moscow regional court building, Leroy Merlin trading centre and KUBIK business centre.

The power plant operates on a cogeneration basis and simultaneously generates electric energy and heat which ensures high technological and economical efficiency, reduces impact on the environment. The installed capacity of the Myakinino power plant amounts to 30 MW of electric energy and 46 Gcal of heat energy, the current capacity amounts to 21 MW and 35 Gcal respectively. It is planned to increase the estimated capacity of the plant by 20% by the end of 2016. The power plant is equipped with modern GE JENBACHER gas piston aggregates (Austria), HOVAL standby boilers (Germany), and SIEMENS distributed control system.

Using the accumulated European experience, OOO E. ON Connecting Energies will integrate the Myakinino power plant into its production network, which will permit to increase the plant's technical and economic performance.

Transaction with Uniper SE

On 03 August 2016, the Group was received a loan from Uniper SE in the amount of RUB 2,400,000 thousand due on 22 December 2016. During the period from 3 August 2016 to 22 December 2016 the interest rate will be 12.46% per annum.