



# E.ON Russia 2013 full year results

27 March 2014

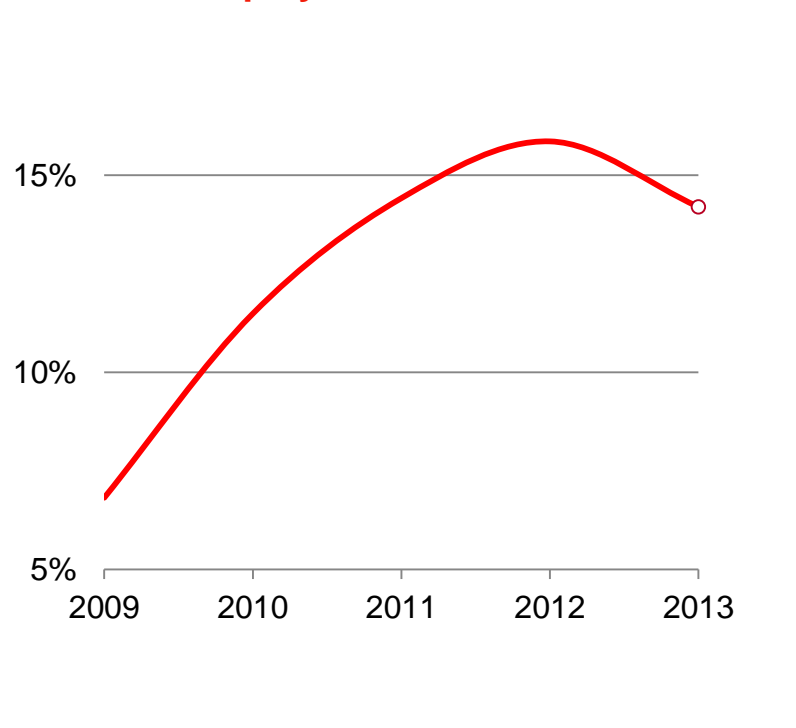
**e-on**

# Key financials

## Key financials – IFRS<sup>1</sup>

		FY 2013	FY 2012	%
<b>Sales</b>	RUB bn	78.8	75.0	+5
<b>EBITDA<sup>2</sup></b>	RUB bn	29.1	29.2	-
<b>EBIT<sup>2</sup></b>	RUB bn	19.2	21.0	-9
<b>Underlying Net Income</b>	RUB bn	17.2	18.3	-6
<b>Underlying EPS</b>	RUB	0.27	0.29	-6
<b>Operating Cash Flow</b>	RUB bn	23.9	23.5	+2
<b>Capex</b>	RUB bn	15.2	11.3	+35

## Return on Equity<sup>1, 2</sup>



1 E.ON Russia stand alone

2 Adjusted for extraordinary effects

# Market environment

## 1<sup>st</sup> pricing zone

- Stagnation of electricity consumption
- Overcapacity on the background of the commissioning of new capacity under CSA

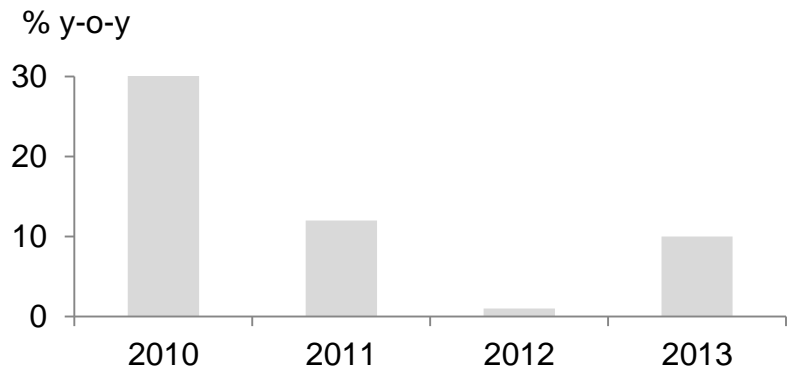
## 2<sup>nd</sup> pricing zone

- High water inflow in Siberia
- Output reduction of RUSAL aluminium plants

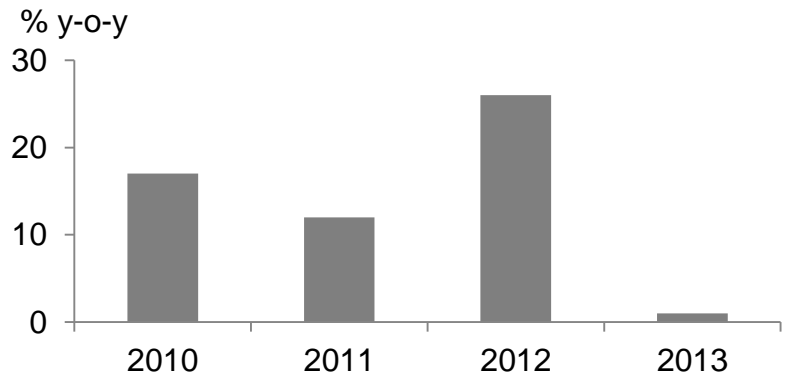
## Regulatory update

- Capacity Supply Agreements mainly untouched – increased duration of payments from 10 to 15 years discussed
- Gas price tariff increase beyond 2014 limited to inflation

### Day Ahead Market: 1<sup>st</sup> pricing zone

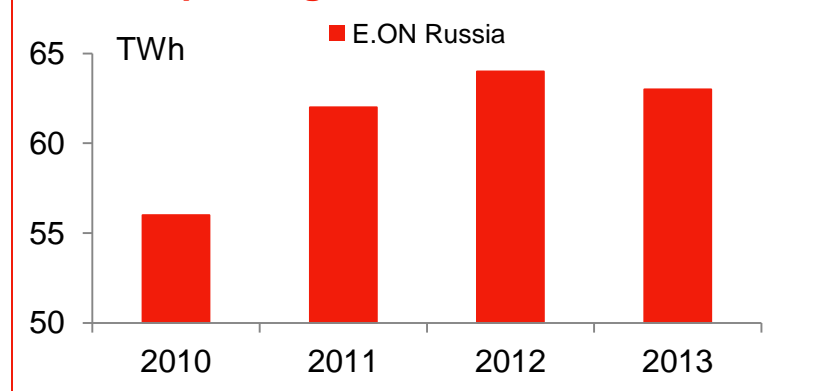


### Day Ahead Market: 2<sup>nd</sup> pricing zone

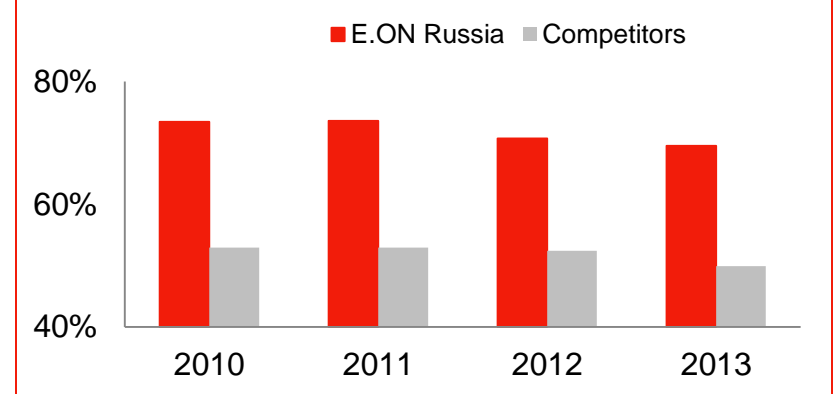


# Operational development

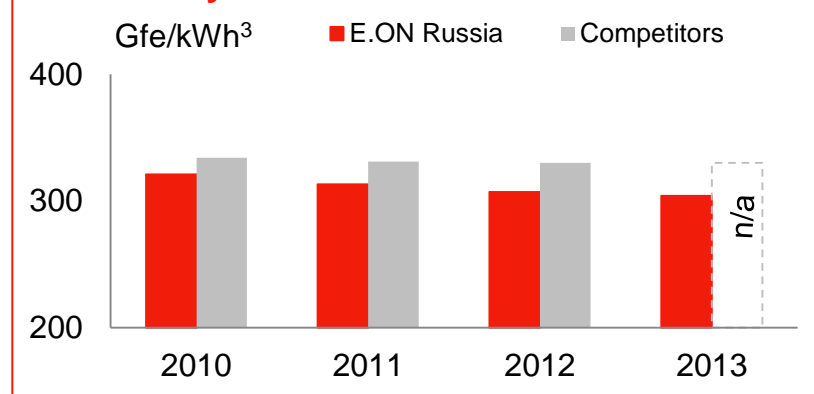
## Electric power generation



## Load factor<sup>1</sup>



## Efficiency<sup>2</sup>



- Decline of power generation by 2% mainly due to maintenance at Surgutskaya-2 and implementation of additional electrical connections at Berezovskaya
- Flexible new gas contract with Novatek
- Commissioned simulator of CCGT- 400 at Surgutskaya GRES-2

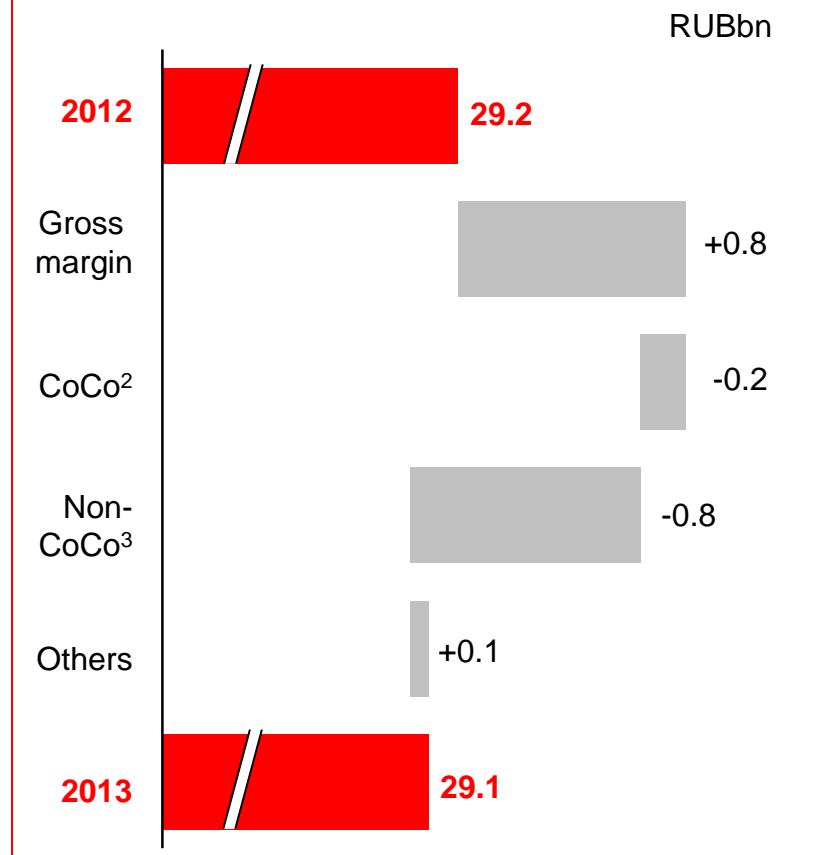
1 Source: System Operator of the United Power System

2 Source: Energy Forecasting Agency Report

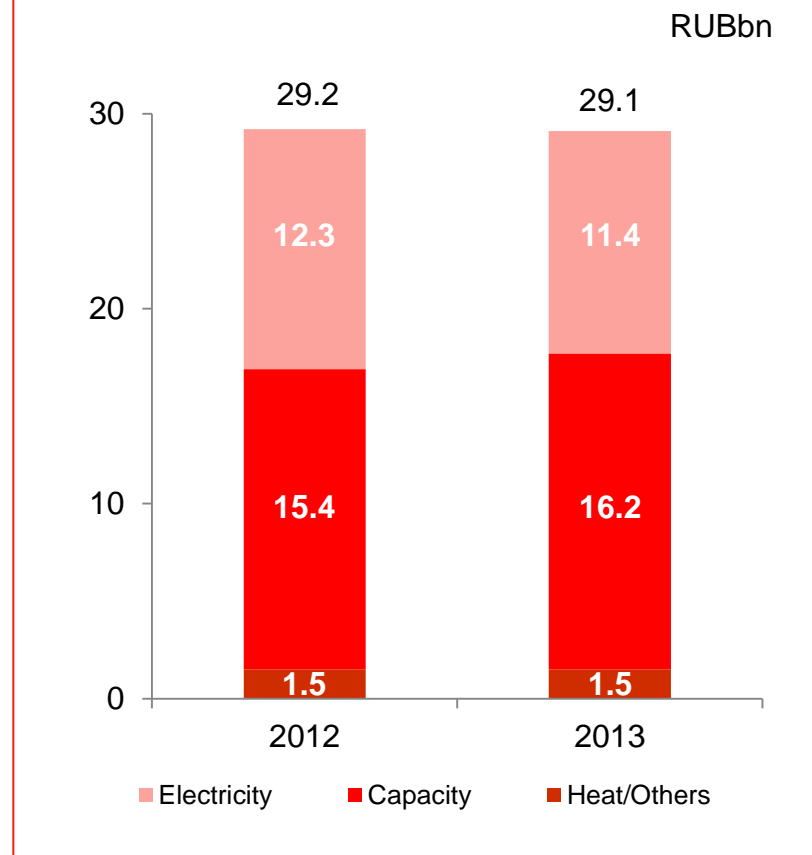
3 Gfe/kWh – Fuel equivalent grams per 000' Watts

# Earnings

## EBITDA<sup>1</sup> drivers 2012 - 2013



## EBITDA<sup>1</sup> break-down

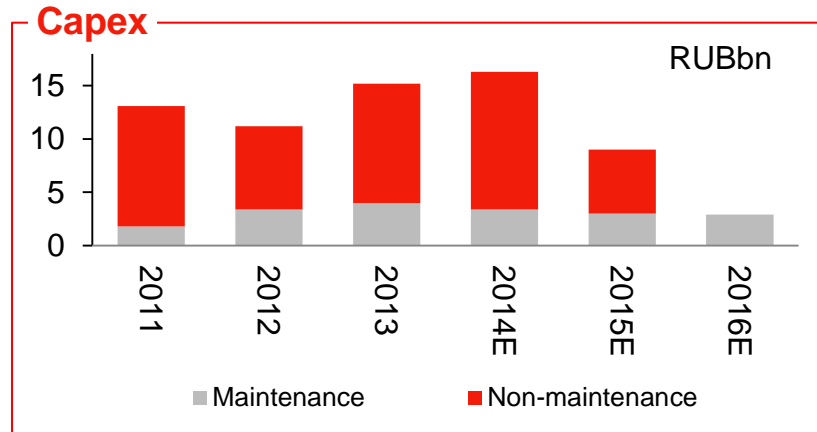


1 Adjusted for extraordinary effects

2 CoCo = Controllable Cost

3 Non-CoCo = Non-Controllable Cost

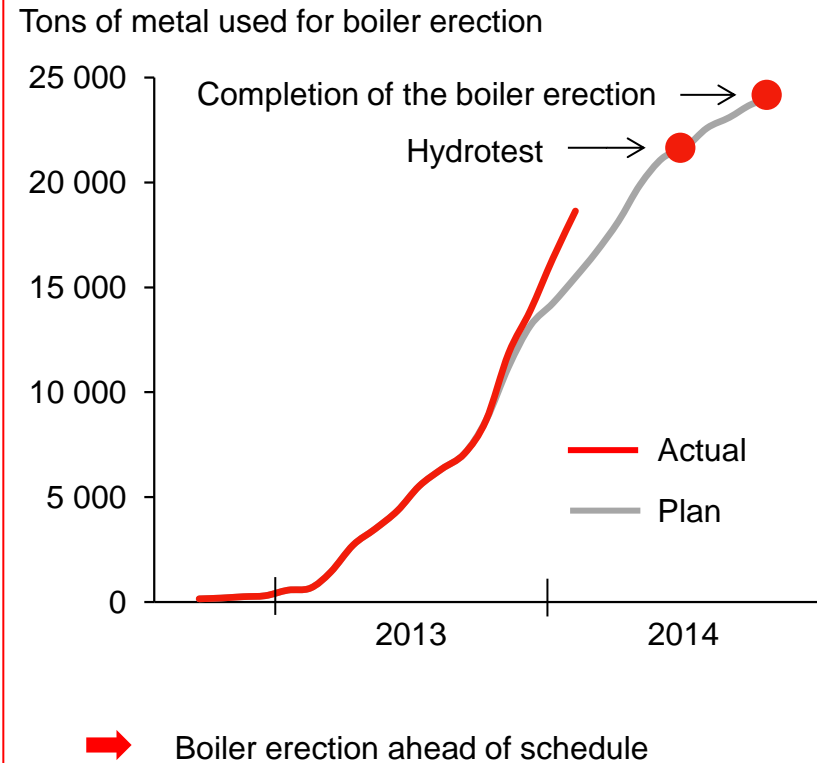
# Capex plan



- Capex mainly allocated to Berezovskaya
- Additional strategic growth options
  - Distributed Energy
  - Modernization of assets if Capacity Supply Agreements are provided

**Investments to be performed only in case of meeting internal profitability thresholds**

## Status Berezovskaya



# Financial outlook

## Short-term

- Gas tariff freeze effective as of mid 2014 until mid 2015
- Capacity price contraction (-70%) in 2nd pricing zone
- Supply – demand balance



## Mid-term

- Commissioning of Berezovskaya



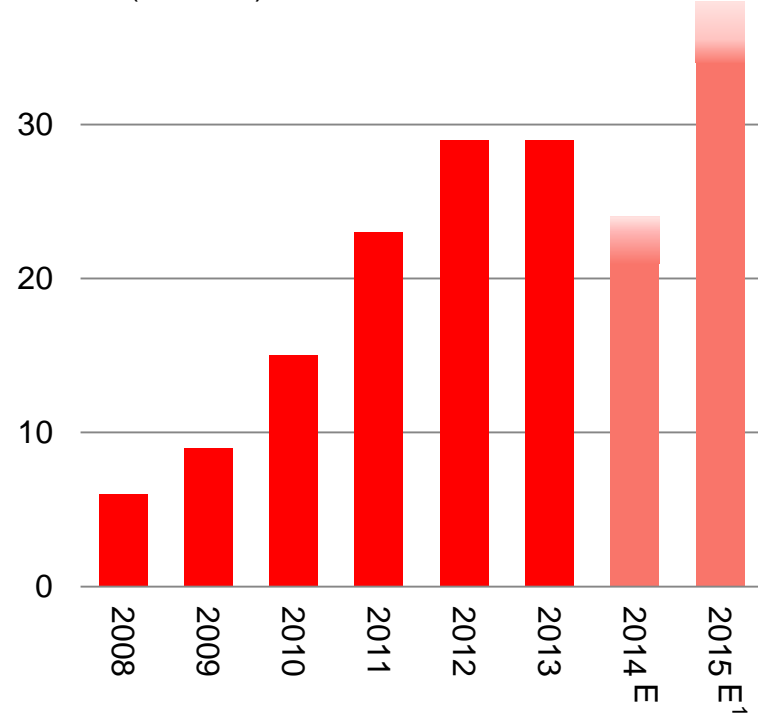
## Long-term

- Tightening of supply
- Modest increasing power demand and gas prices



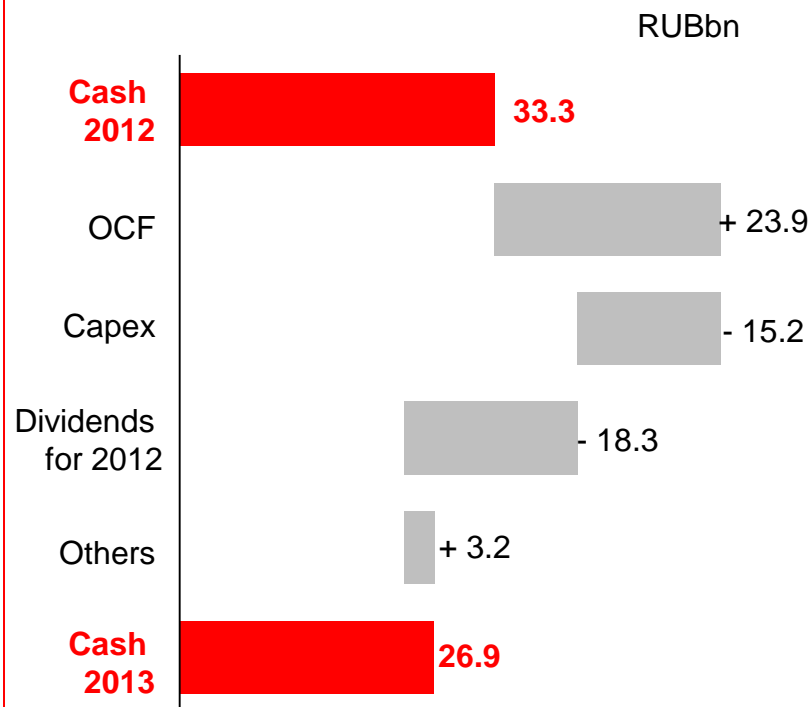
## Earnings outlook

RUBbn (EBITDA)



# Dividend

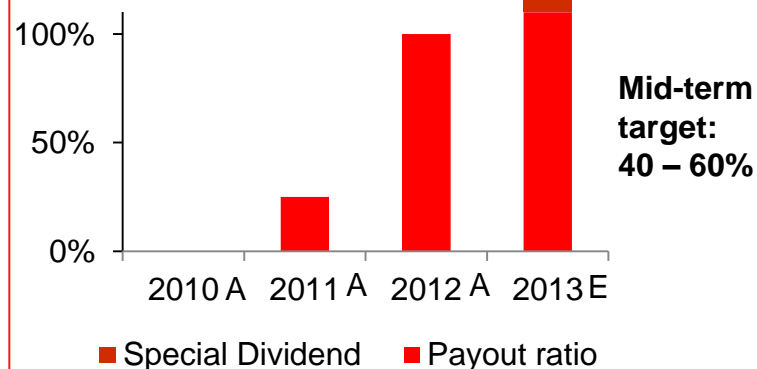
## Free cash flow



**Strong basis for dividend payout in 2014**

## Dividend

### Pay-out ratio (IFRS)



RUBm	2011A	2012A	2013E
Dividend	3,649	18,255	18,900 <sup>1</sup>
Special dividend	0	0	5,000

**100% payout ratio<sup>1</sup> + special dividend proposed for 2013<sup>2</sup>**

1 100% pay-out ratio related to net income 2013 according to Russian GAAP

2 To be approved by Annual Shareholders Meeting



# E.ON Russia IR - Reporting calendar & contact

## Reporting calendar

Date	Event
April 28, 2014	Publication of the RAS statements of E.ON Russia for 3 months of 2014
May 15, 2014	Publication of the IFRS statements of E.ON Russia for 3 months of 2014
July 28, 2014	Publication of the RAS statements of E.ON Russia for 6 months of 2014
August 21, 2014	Publication of the IFRS statements of E.ON Russia for 6 months of 2014
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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