



OGK-2 Group

3M 2016 IFRS Results

May 26, 2016

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Operational Highlights¹

	3M 2015	3M 2016	Change
Electricity Output, mn kWh	17,704	16,369	-7.5%
Effective Electricity Output Without Regard to Financial Operations, mn kWh	16,551	15,266	-7.8%
Useful Heat Output, thousand Gcal	2,275	2,395	+5.3%
Fuel Rate on Electricity, g/kWh	345.4	337.3	-2.3%
Fuel Rate on Heat, kg/Gcal	149.4	152.3	+1.9%
Installed Capacity Load Factor, %	45.5	40.5	-11.0%

Financial Highlights⁴, mn RUR

	3M 2015	3M 2016	Change
Revenue	31,102	32,118	+3.3%
Operating Expenses, incl.	(26,942)	(28,133)	+4.4%
Variable Costs ²	(20,466)	(19,489)	-4.8%
Fixed Costs ²	(4,916)	(6,773)	+37.8%
Depreciation and Amortization	(1,560)	(1,871)	+19.9%
Other Operating Income (Expense)	(17)	112	-
Operating Profit	4,143	4,097	-1.1%
EBITDA³	5,704	5,968	+4.6%
Profit/ Total Comprehensive Income for the Period	3,673	2,667	-27.4%

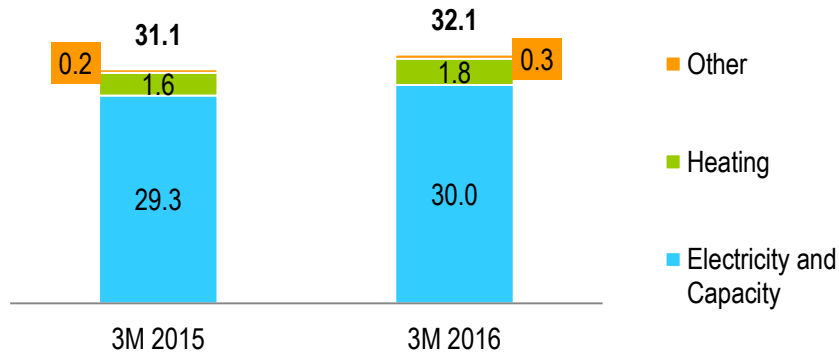
¹ Management report data

² Variable and fixed costs classification is based upon management report methodology

³ EBITDA = Operating profit + Depreciation and Amortization

⁴ Comparative data for 3M 2015 were restated to account for acquisition of an enterprise under common control

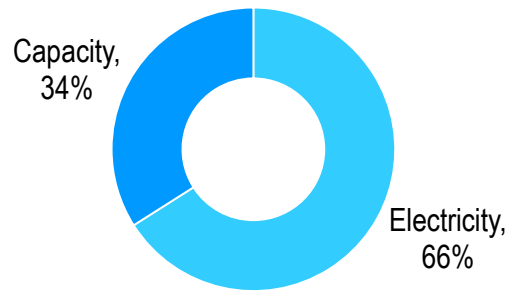
Revenue Structure, bn RUR



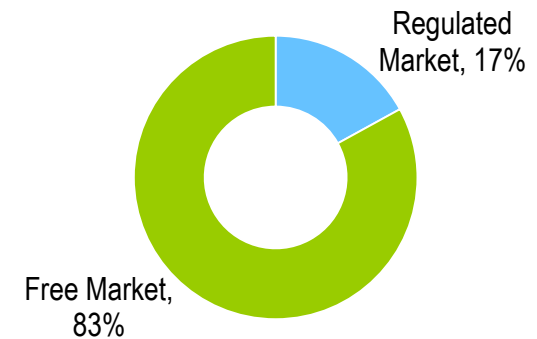
Prices and Tariffs¹

	3M 2016
Average electricity price at the free market, RUR/MWh	1 145.2
Average heat tariff, RUR/Gcal	751.64
Average price for new capacity, RUR/MW per month	616,420.34
Average price for old capacity, RUR/MW per month	127,788.79

Electricity and Capacity Wholesale Market Revenue Structure for 3M 2016 r.¹



Structure of Electricity Sales Volume at the Wholesale Market for 3M 2016¹



¹ Management report data

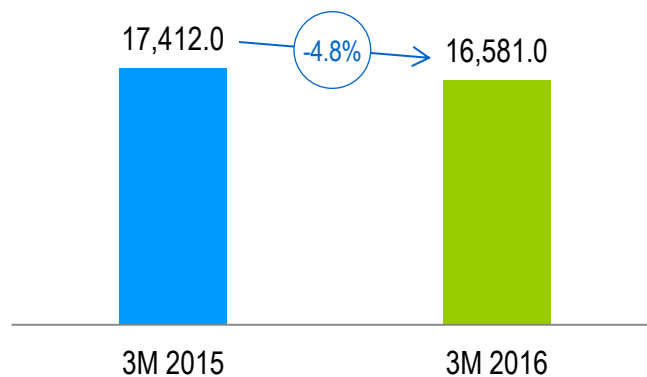
Variable Costs Change Factors

- Decrease of fuel expenses was due to lower electricity production at unprofitable equipment
- Lower ecology payments resulted from decreased expenses at Troitskaya station on the back of equipment in reserve, as well as declining FX rate of Kazakh tenge compared to Russian rouble

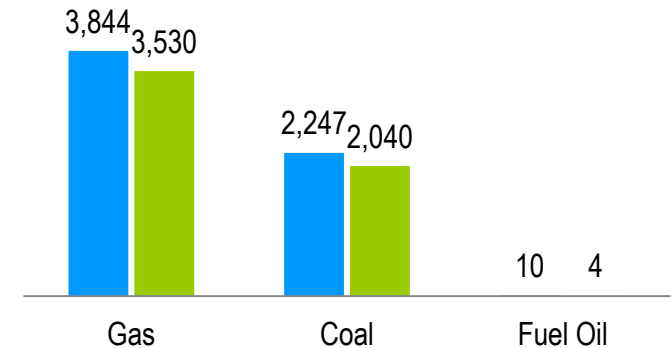
Variable Costs Structure, mn RUR

	3M 2015	3M 2016	Change
Fuel Expenses	17,412	16,581	-4.8%
Purchased Heat and Electricity	2,893	2,825	-2.4%
Other Variable Costs	161	83	-48.4%
Total Variable Costs	20,466	19,489	-4.8%

Fuel Expenses, mn RUR



Fuel Consumption, thous. t



¹ Management report data

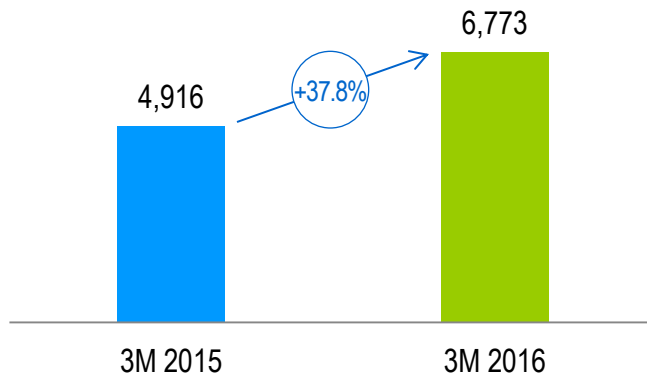
Fixed Costs and Depreciation Change Factors

- Increased maintenance and repair expenses were due to growing maintenance costs at Adlerskaya station and repairs program at Surgutskaya station
- Taxes and depreciation grew mainly on the account of capacity commissioning in December 2015 at Serovskaya and Ryazanskaya stations
- The decrease of rent is due mainly to lower rental payments for IUS P GK information and control system and lower cadastral value of land at Serovskaya station
- Higher other fixed costs were due to provision for trade and other receivables in 1Q 2015 as well as growing raw and other materials on the back of cost recovery for materials under maintenance contract for Adlerskaya station

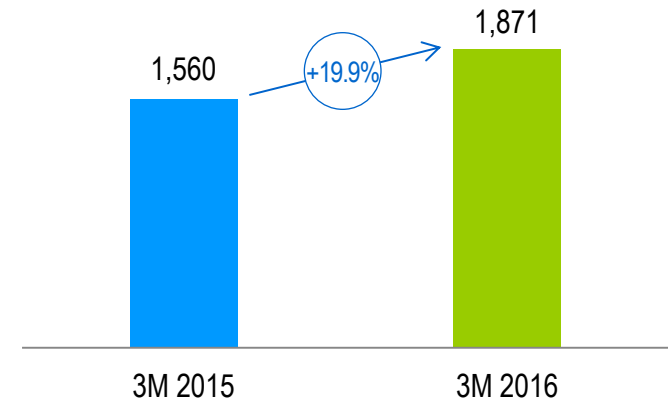
Fixed Costs Structure, mn RUR

	3M 2015	3M 2016	Change
Employee Benefit	1,941	1,960	+1.0%
Maintenance and Repair Expenses	507	780	+53.8%
Fee of the System Operator	488	500	+2.5%
Taxes Other than Income Tax	643	759	+18.0%
Rent	648	582	-10.2%
Other Fixed Costs	689	2,192	+218.1%
Total Fixed Costs	4,916	6,773	+37.8%

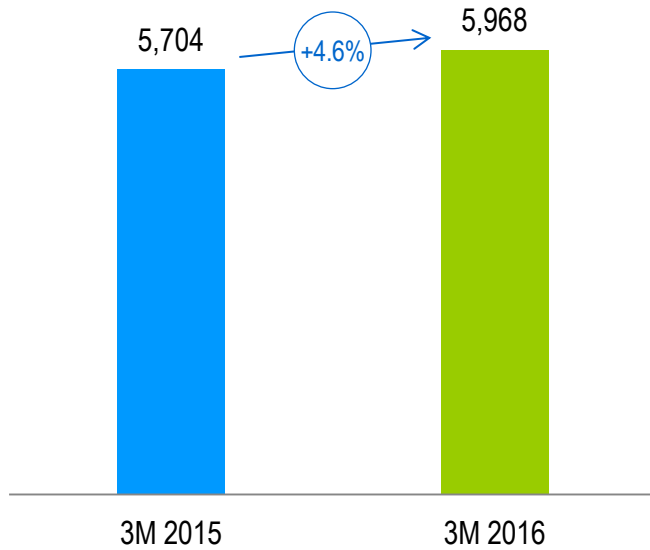
Total Fixed Costs, mn RUR



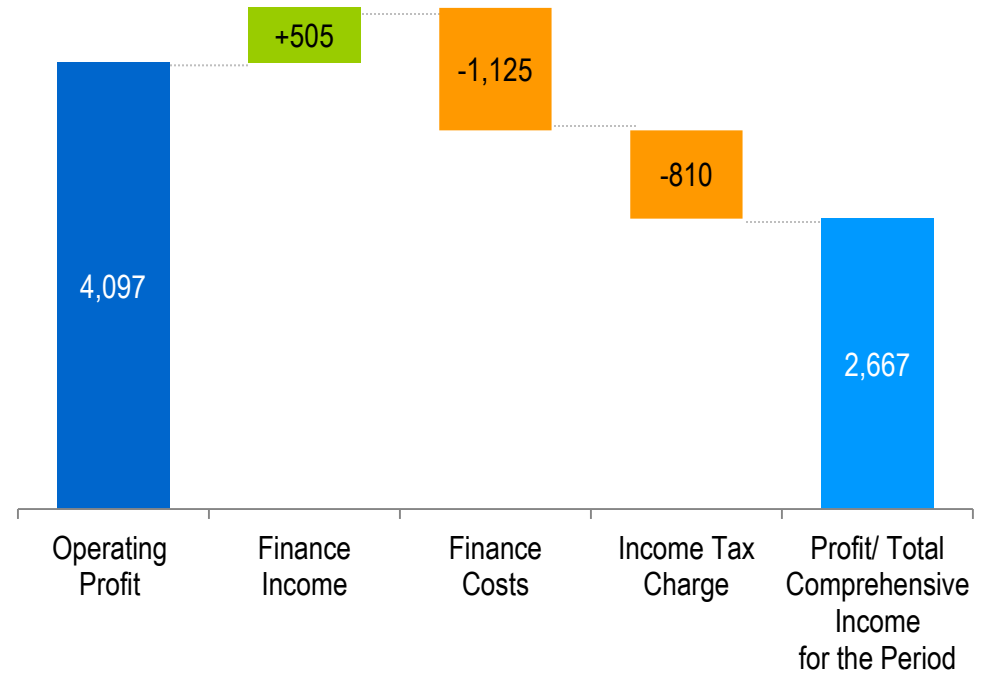
Depreciation and Amortization, mn RUR



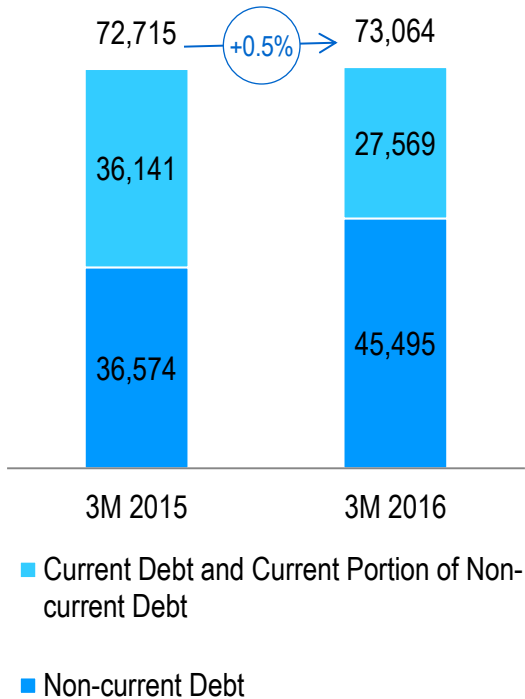
EBITDA, mn RUR



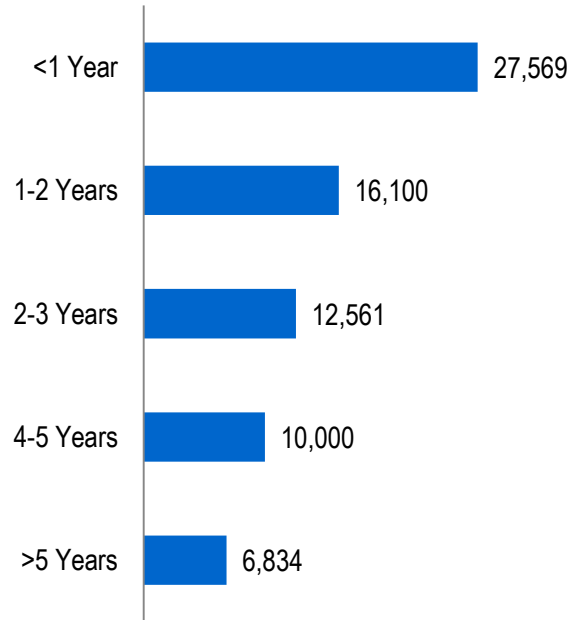
Profit Bridge for 3M 2016, mn RUR



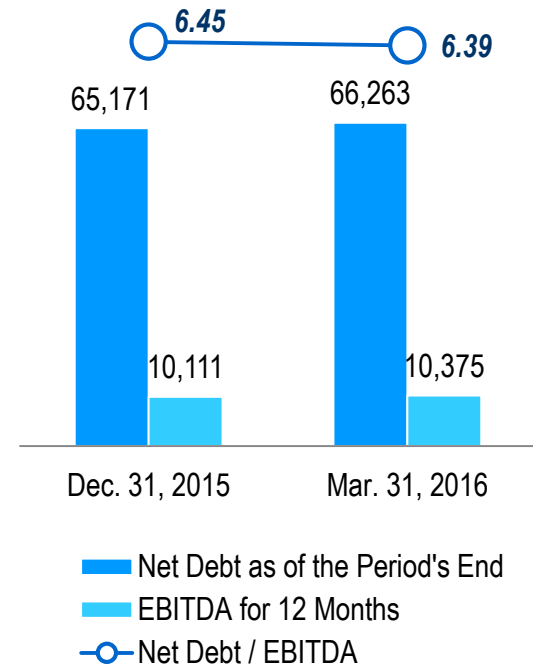
Debt Structure, mn RUR



Maturity Profile, as of March 31, 2016, mn RUR



Net Debt, mn RUR¹



¹ Net debt = Total amount of borrowings less cash and cash equivalents

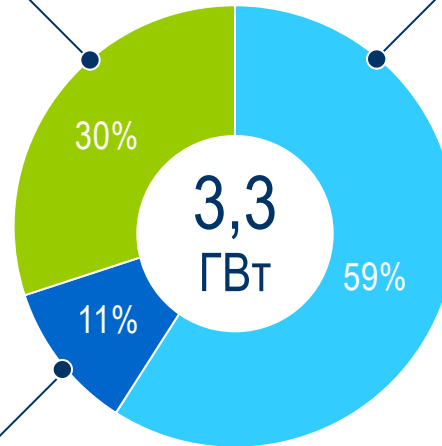
CSA Program, MW¹

**High level of completion
(to be commissioned in 2016)**

Station	CSA Units Capacity Increase	CSA Units Installed Capacity
Troitskaya	660	660
Novocherkasskaya	330	330
Total	990 MBт	990 MBт

Already commissioned

Station	CSA Units Capacity Increase	CSA Units Installed Capacity
SDPP-24	110	420
Kirishskaya	540	800
Adlerskaya	360	360
Novocherkasskaya	36	300
Cherepovetskaya	420	420
Ryazanskaya	60	330
Serovskaya	420	420
Total	1,946 MW	3,050 MW



**Project development
(to be commissioned in 2018)**

Station	CSA Units Capacity Increase	CSA Units Installed Capacity
Groznenskaya	360	360

**In the 3 months of 2016 5.43 bn RUR
(VAT included) financed under CSA
programm²**

¹ Considering fact of commissioning and CSA notices

² Net of capitalized interest

Thank You For Your Attention!

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