April 25 2019, Moscow

Inter RAO Group Announces Operating Results for the First Quarter 2019

Inter RAO Group announced operating results for the first quarter 2019.

Indicator	Q1 2019	Q1 2018	+/-
Installed power generation capacity as at the end of the period, GW	33.219	33.230	-0.03%
Installed heat capacity as at the end of the period, thous. Gcal/h	25.723	25.682	+0.2%
Electricity output, billion kWh	34.809	34.374	+1.3%
Installed capacity utilization factor (ICUF)	48.6%	48.2%	-
Heat distribution from collectors, million Gcal	15.388	16.366	-6.0%

Russian generation:

Indicator	Q1 2019	Q1 2018	+/-
Installed power generation capacity as at the end of the period, GW	28.963	28.974	-0.04%
Installed heat capacity as at the end of the period, thous. Gcal/h	25.043	25.002	+0.2%
Electricity output, billion kWh	32.150	31.380	+2.5%
Share of electricity output in Russia	10.7%	10.5%	-
Installed capacity utilization factor (ICUF)	51.4%	50.5%	-
Heat distribution from collectors, million Gcal	15.308	16.281	-6.0%

Key factors shaping dynamics of performance indicators in the Generation segment compared to Q1 2018 were as follows:

- Commissioning of three energy units with the installed capacity of 340 MW at Pregolskaya TPP in the Kaliningrad region and the second energy unit with the installed capacity of 220 MW Zatonskaya TPP in Ufa;
- An increase of 16 MW in the installed electric capacity of current unit of Iriklinskaya TPP and 22 MW in the installed electric capacity of the first unit of Zatonskaya TPP after technical maintenance related to remarking;

- Decommissioning of inefficient equipment of two power units at the Kashirskaya TPP (totaling 600 MW at both facilities) on January 1, 2019, as well as a turbine unit at the Ufimskaya TPP-1 with the capacity of 9 MW;
- A higher demand in the power system for electricity generated at the Kostromskaya, Verkhnetagilskaya, Kharanorskaya and Karmanovskaya TPPs, as well as the Zatonskaya TPP, and a decrease in the demand for the electricity produced by the Permskaya (the effective capacity less the power unit built under the capacity supply agreement), Gusinoozerskaya and Iriklinskaya TPPs, and JSC TGK-11 and JSC Tomsk Generation power plants, are related mainly to higher ambient temperature in 2019;
- Scheduled maintenance of power units at Nizhnevartovskaya TPP in 2019.

Foreign assets: generation and distribution grids

Indicator	Q1 2019	Q1 2018	+/-
Installed power generation capacity as at the end of the period, GW	4.255	4.255	-
Installed heat capacity as at the end of the period, thous. Gcal/h	0.680	0.680	-
Electricity output, billion kWh	2.659	2.994	-11.2%
Installed capacity utilization factor (ICUF)	9.5%	10.7%	-
Heat distribution from collectors, million Gcal	0.080	0.085	-6.2%
Total length of power lines, km	5 697	5 440	+4.7%
Grid output, billion kWh	0.763	0.824	-7.4%

The primary drivers of changes in key indicators:

- The decreased electricity output is mainly attributed to the negative dynamics showed by Trakya Elektrik, which was largely due to the dispatch electric load schedule, and reduction in supply from the Moldavskaya SDPP to Moldova due to a decrease in demand related to higher air temperature;
- The length of power lines of Telasi JSC increased by 257 km due to the construction of lines for new consumers in Tbilisi, and new cable lines for ensuring network redundancy, and reconstruction and modernization of grids;
- Grid output of Telasi JSC decreased by 7.4% and resulted from the switch of large consumers to direct settlements on the market following the changes to legislation in Georgia.

Supply in Russia

Indicator	Q1 2019	Q1 2018	+/-
Number of customers, million	16.346	14.785	+10.6%
Total sales of electric energy on the retail market, billion kWh	54.388	52.275	+4.0%
Share of the Russian retail market*	18.5%	17.6%	

** Share of the Russian retail market - sales on the retail market from total actual consumption of electric energy in Russia (293.6 billion kWh in the Q1 2019, and 296.2 billion kWh in Q1 2018 according to the current data from the System Operator of the Unified Energy System of Russia, the decrease is an estimated 0.9%)*

The number of customers of supply companies continued to increase due to the start of operation of Vladimir Power Supply Company in the Vladimir Region on April 1, 2018, and Northern Power Supply Company in the Vologda Region on 1 January, 2019. Moreover, in major cities, transition of residents to direct payments to suppliers of last resort continued, and the number of consumers also continued to grow due to commissioning of residential buildings. LLC RN-Energo continued to engage new clients, which resulted in the increase of the number of customers by 46%.

An increase in electricity sales was related primarily to customer base growth, but it was partially offset by a decrease in consumption due to the warmer winter in 2019.

Commercial export and import of electric energy by Inter RAO Group via Russian border:

Indicator	Q1 2019	Q1 2018	+/-
Total exports, billion kWh *Including:*	**4.832**	**3.378**	**+43%**
Finland	2.181	1.541	+41.5%
Lithuania	1.697	0.805	2,1 times
China	0.370	0.551	-32.9%
Kazakhstan	0.336	0.322	+4.3%
Mongolia	0.077	0.062	+23.7
Georgia	0.074	0.008	9.3 times
Azerbaijan	0.034	0.016	2.2 times
Belarus	0.007	0.012	-38.4%
Ukraine	0.006	0.012	-54.6%
Other	0.048	0.048	-
Total imports, billion kWh *Including:*	**0.336**	**1.928**	**-82.6%**
Kazakhstan	0.288	1.875	-84.6%
Azerbaijan	0.033	0.026	+26.1%
Mongolia	0.008	0.011	-28.0%
Lithuania	0.007	0.016	-55.4

Key factors shaping the dynamics of imports and exports:

- Increased exports to Finland and Lithuania resulting from the price surge on the NordPool and implementation of efficient engineering solutions for filling of section volumes;
- Decreased imports from Kazakhstan and exports to Belarus resulting from the market environment.

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Inter RAO Group is a diversified energy holding serving various segments of Russian and international electric power industry. The Group is the leading exporter and importer of electricity in Russia actively increasing electricity generation and sales, and developing new lines of business. The corporate strategy of Inter RAO is focused on making Inter RAO a global energy enterprise, a key player in the global energy market, and the leading Russian energy company by energy efficiency. Inter RAO Group owns and operates 33.2 GW of installed power generation capacity. www.interrao.ru

Information Policy Department of PJSC Inter RAO
Telephone.: (495) 664-88-40