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EN+ GROUP ANNOUNCES 4Q AND FY 2017 OPERATIONAL RESULTS

6 February 2018 — En+ Group plc (the "**Company**", "**En+ Group**" or together with its subsidiaries "**the Group**") (LSE: ENPL; MOEX: ENPL), a leading international vertically integrated aluminium and power producer, today announces its operational results for the three months and full year ended 31 December 2017.

Key highlights:

- In FY 2017, the Group's electricity production remained almost flat y-o-y at 68.4 TWh;
- The Group's hydro power output in FY 2017 decreased by 2.5% y-o-y to 54.9 TWh;
- FY 2017 aluminium production remained stable y-o-y and totalled 3,707 thousand tonnes, in 4Q 2017 aluminium output increased by 1.5% compared to 4Q 2016 and totalled 944 thousand tonnes;
- In FY 2017, the average aluminium realised price¹ increased by 21.5% y-o-y to USD 2,105 per tonne, in 4Q 2017 the average aluminium realised price improved by 25.8% y-o-y and reached USD 2,263 per tonne;
- In FY 2017, the share of value added products (VAP)² sales increased from 44% in 2016 to 47% in 2017, VAP sales increased by 11.4% y-o-y to 1,869 thousand tonnes, in 4Q 2017 VAP sales increased by 14.1% y-o-y and totalled 462 thousand tonnes;
- In FY 2017, the Group's total alumina production increased by 3.3% y-o-y, totalling 7,773 thousand tonnes, in 4Q 2017 alumina production totalled 1,990 thousand tonnes, representing an increase of 2.6% y-o-y.

		4Q'17	4Q'16	chg,%	FY17	FY16	chg,%
Energy segment							
Electricity production ³	TWh	18.0	19.5	(7.7%)	68.4	69.1	(1.0%)
Heat production	mn Gcal	9.3	9.8	(5.1%)	26.7	27.4	(2.6%)
Metals segment							
Aluminium production	kt	944	930	1.5%	3,707	3,685	0.6%
Aluminium sales	kt	1,000	922	8.5%	3,955	3,818	3.6%
Aluminium average realised price	USD/t	2,263	1,799	25.8%	2,105	1,732	21.5%

¹ The realised price includes three components: LME component, commodity premium and VAP upcharge.

² VAP includes alloyed ingots, slabs, billets, wire rod, high and special purity aluminium.

³ Excluding Ondskaya HPP (installed capacity 0.08 GW), located in the European part of the Russian Federation, leased to RUSAL since October 2014.

ENERGY SEGMENT

		4Q'17	4Q'16	chg,%	FY17	FY16	chg,%
Production volumes							
Total Electricity Production ⁴	TWh	18.0	19.5	(7.7%)	68.4	69.1	(1.0%)
HPPs, incl.	TWh	13.3	15.0	(11.3%)	54.9	56.3	(2.5%)
Angara cascade ⁵	TWh	7.9	9.7	(18.6%)	34.8	37.0	(5.9%)
Yenisey cascade ⁶	TWh	5.4	5.3	1.9%	20.1	19.3	4.1%
CHPs	TWh	4.7	4.5	4.4%	13.6	12.8	6.3%
Abakan SPP	GWh	0.6	0.7	-	6	6	-
Heat	mn Gcal	9.3	9.8	(5.1%)	26.7	27.4	(2.6%)
Market prices⁷							
Average electricity spot prices ⁸ :							
1 st price zone	RUB/MWt	1,220	1,204	1.3%	1,204	1,202	0.2%
2 nd price zone:	RUB/MWt	888	913	(2.7%)	865	866	(0.1%)
Irkutsk region	RUB/MWt	911	894	1.9%	833	833	-
Krasnoyarsk region	RUB/MWt	841	871	(3.4%)	804	810	(0.7%)

Energy segment operations update

In 2017, En+ Group power plants generated 68.4 TWh of electric energy (almost flat y-o-y).

Green hydro power output in 2017 was 54.9 TWh (down 2.5% y-o-y).

In 2017, Krasnoyarsk HPP's total power generation grew 4.1% to 20.1 TWh (up approximately 9.2% compared to long term annual value) on the back of more favourable hydrological conditions (especially in 1H 2017; at the beginning of the year, water levels at the head race of the dam were 2.5 metres higher than at the start of 2016).

However, water inflows to Lake Baikal remained substantially below normal levels (59.6% of normal levels in 2017, compared to 79.4% of normal levels in 2016). In response, the Federal Agency for Water Resources maintained dam water flow levels for the Irkutsk HPP close to the minimal level during 4Q 2017. This resulted in the Group's Angara cascade HPPs (Irkutsk,

⁴ Excluding Ondskaya HPP (installed capacity 0.08 GW), located in the European part of the Russian Federation, leased to RUSAL since October 2014.

⁵ Includes Irkutsk, Bratsk, Ust-Ilimsk HPPs.

⁶ Krasnoyarskaya HPP.

⁷ Capacity price for 1st price zone was 113 both in 2016 and 2017, capacity price for 2nd price zone was 189 and 182 in 2016 and 2017 respectively. Capacity price is defined by supply-demand balances, set in real terms and linked to CPI-1% till 2017 and CPI-0.1% since 2018.

⁸ Day ahead market prices, data from ATS and Association "NP Market Council". The prices for 1st and 2nd price zones are calculated as a volume weighted daily average price for the period. Prices for Irkutsk and Krasnoyarsk regions are calculated as an average of the prices reported in the Monthly Day Ahead Prices Overview by Association "NP Market Council".

Bratsk and Ust-Ilimsk HPPs) reducing their combined power generation in 2017 by 2.2 TWh y-o-y to 34.8 TWh (a decrease of 23% compared to long term average annual output).

In 2017, the Abakan Solar Power Plant generated 6 million kWh (flat y-o-y).

In 2017 in order to partially compensate for lower HPP output, power generation at the Group's combined heat and power plants ("CHPs") increased 6.3% y-o-y to 13.6 TWh.

In 2017, heat generation amounted to 26.7 million Gcal (down 2.6% y-o-y).

Russian energy market update

- According to the System Operator of the United Power System, in FY 2017 power production in Russia was almost flat y-o-y at 1,053.9 TWh (compared to 1048,5 TWh in 2016⁹). Consumption grew 1% to 1,039.9 TWh¹⁰;
- Power production in the first price zone¹¹ increased by 0.8% to 814.2 TWh. Consumption was up by 0.9% to 800.5 TWh;
- The Siberian integrated energy system (the Company's key region of operations) produced 202.7 TWh of electricity (down 2.0% y-o-y). Output from HPPs in Siberia decreased by 5.9% y-o-y to 93.9 TWh (thus, the Group's share in power generation in the Siberian integrated energy system in 2017 increased by 2 pp y-o-y to 58.4%), while thermal power plants and captive power stations increased electricity production by 1.6% y-o-y to 108.7 TWh;
- Electricity consumption in the Siberian integrated energy system reduced 0.6% to 205.9 TWh. This decrease was driven both by higher seasonal temperatures and a high prior year comparator (2016 was a leap year). Thus the average monthly air temperature in 2017 was 6.6 °C higher in January, 2.0 °C higher in May, 4.4 °C higher in October, and 4.8 °C higher in November;
- Water inflows to the Krasnoyarsk Reservoir were above the normal level in FY 2017. The Angara cascade, as in the previous year, underwent a period of low water levels. As a result, the Group's Angara cascade HPPs operated in line with the instructions from the Yenisei Basin Directorate to provide sufficient levels of water for navigation;
- The Hydrometeorological Centre of Russia forecasts water inflows into the main reservoirs of En+ Group's Angara cascade generating assets in 1Q 2018 as follows:
 - Water inflows into Lake Baikal are expected to amount to 200 - 300 cubic metres per second (54 - 108% of normal, in 1Q 2017 water inflows were 250 cubic metres per second). In 4Q 2017, the useful water inflow was 37.5 cubic metres per second (a 72% decrease compared to 4Q 2016);
 - Inflows into the Bratsk Reservoir are expected to reach 170 - 200 cubic metres per second (85% - 112% of normal, in 1Q 2017 water inflows were 197 cubic

⁹ According to the press release of the System Operator of the Unified Power System of the Russian Federation (<https://so-ups.ru/>)

¹⁰ According to the 2017 annual report of the System Operator of the Unified Power System of the Russian Federation (<https://so-ups.ru/>)

¹¹ Comprises the Central, Central Volga, Urals, North-West and South energy systems.

metres per second). In 4Q 2017, the average monthly inflows were 460 cubic metres per second (almost flat y-o-y).

METALS SEGMENT

		4Q'17	4Q'16	chg,%	FY17	FY16	chg,%
Production volumes							
Aluminium	kt	944	930	1.5%	3,707	3,685	0.6%
Utilisation rate	%	97%	95%	-	96%	95%	-
Alumina	kt	1,990	1,939	2.6%	7,773	7,527	3.3%
Bauxite	kt	2,945	2,841	3.7%	11,645	12,187	-4.4%
Nepheline	kt	1,041	978	6.4%	4,332	4,432	-2.3%
Sales volumes							
Aluminium, incl.	kt	1,000	922	8.5%	3,955	3,818	3.6%
VAP sales ¹²	kt	462	405	14.1%	1,869	1,677	11.4%
Share of VAP sales	%	46%	44%	-	47%	44%	-
Average prices							
Aluminium average realised price	USD/t	2,263	1,799	25.8%	2,105	1,732	21.5%
LME QP component	USD/t	2,102	1,648	27.5%	1,942	1,573	23.5%
Realised premium	USD/t	161	151	6.6%	163	159	2.3%

Metals segment operations update

Aluminium

- In FY 2017, aluminium production¹³ totalled 3,707 thousand tonnes, with Siberian smelters representing 94% of total output. Total production dynamics remained largely stable with capacity utilisation reaching 96%;
- In FY 2017, aluminium sales increased 3.6% y-o-y totalling 3,955 thousand tonnes. This increase was achieved largely due to greater third party aluminium products sales (+91.3% y-o-y to 169 thousand tonnes);
- VAP sales reached 1,869 thousand tonnes an increase of 11.4% y-o-y. VAPs accounted for 47% of total sales, up from 44% in FY 2016. The Company expects that the sales mix will trend towards the production mix and targets 50-52% share of VAPs through 2018 on the back of a solid backlog of end-customer product orders for 2018 and the launch of new VAP capacities;
- In FY 2017 the average realised aluminium price¹⁴ increased by 21.5% y-o-y to USD 2,105 per tonne. The increase was due to positive dynamics on the London Metal

¹² VAP includes alloyed ingots, slabs, billets, wire rod, high and special purity aluminium.

¹³ Aluminium production represented by salable products output (the number includes all facilities excluding Volgograd remelting).

¹⁴ The realised price includes three components: LME component, commodity premium and VAP upcharge.

Exchange (“LME”) QP¹⁵ component (+23.5% y-o-y to USD 1,942 per tonne). The average realised premium component increased by 2.3% to USD 163 per tonne;

Alumina

- In FY 2017, total alumina production increased by 3.3% y-o-y, totalling 7,773 thousand tonnes mainly due to the ongoing capacity ramp up at Russian (Urals Alumina Refinery) and Ukrainian (Nikolaev) refineries following upgrades completed earlier in 2017. Russian operations accounted for 36% of the Group’s total alumina output.

Bauxite and nepheline ore

- In FY 2017, bauxite output totalled 11,645 thousand tonnes (-4.4% y-o-y). The decrease of bauxite production is primarily due to a decline in output in 3Q 2017, as a result of abnormal weather conditions that affected the operational performance of the Bauxite Company of Guyana and Windalco as well as scheduled operational equipment care and maintenance works at mines in Kindia and Timan. Nepheline ore output decreased by 2.3% y-o-y to 4,332 thousand tonnes.

Aluminium market overview¹⁶

- The LME aluminium price increased 30.8% y-o-y in 2017, reaching USD 2,256 per tonne on January 2, 2018, close to a six-year high, consolidating later at USD 2,200 per tonne as a result of widespread capacity cuts in China and a steady reduction of LME stocks - further evidence of a global market deficit. Rising cost inflation in China resulted in a significant proportion of Chinese aluminium operating capacity barely breaking even by the end of 2017;
- The reported aluminium inventories in the world ex-China fell further to ~ 2.9 million tonnes at the end of 2017, down by approximately 1.0 million tonnes y-o-y;
- The Metal segment’s preliminary estimates show that global aluminium demand grew by 6% y-o-y in 2017 to 64 million tonnes as a result of strong demand across all geographies. Robust demand growth left the global aluminum market balance in a deficit of around 1 million tonnes. The estimated demand for aluminum in China in 2017 grew by 7.8% to 34.9 million tonnes compared to 32.4 million tonnes in 2016. Ex-China demand grew by 3.7% to 29.2 million tonnes for the same period;
- There is strong evidence of the implementation of Supply Side reforms in the Chinese aluminum industry in 2017, with more than 10 million tonnes of illegal operating capacity cuts. As a result, according to Aladdiny data, annualised Chinese aluminum production in November has dropped to 35.4 million tonnes from its peak of 38.6 million tonnes in July 2017. In addition, the announcement by the Chinese regulator regarding winter capacity cuts, which have now been implemented, will result in annualised production losses of approximately 1 million tonnes of metal, and 4.4 million tonnes of alumina, according to the Company’s estimates.

¹⁵ QP (quotation period) prices differs from the real time LME quotes due to a time lag between LME quotes and sales recognition and due to contract formula specifications.

¹⁶ Unless otherwise stated data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaika.

For further information, please visit <http://enplus.ru> or contact:

For media:

Andrey Petrushinin
Ignatiy Pavlov
Tel: +7 495 642 79 37
Email: press-center@enplus.ru

For investors:

Daria Fadeeva
Tel: +7 (495) 642 7937
Email: ir@enplus.ru

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About En+ Group plc

En+ Group is a leading international vertically integrated aluminium and hydro power producer. The Company combines power plants with a total installed capacity of 19.7 GW (including 15.1 GW of hydro power assets), and 3.9 mtpa of annual aluminium production capacity (through a controlling stake in UC RUSAL plc, the world's largest aluminium producer outside of China in 2016) which is the major consumer of En+ Group's hydroelectricity.

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