

## ***MRSK Holding***

Russian Electricity Distribution Grid

FY2011 IFRS Results

April 2012

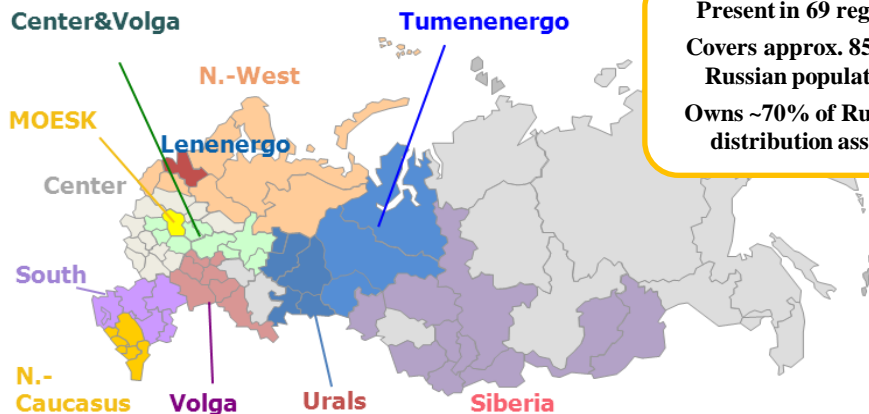


# Holding MRSK at a Glance



## Leading Market Position

Holding MRSK holds interests in and manages 11 interregional and five regional distribution grid companies. It is the largest electricity distributor in Russia and one of the largest electricity distributors in the world\*

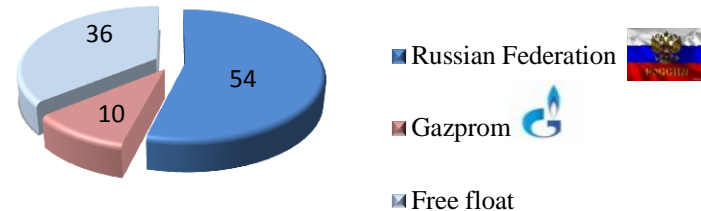


Present in 69 regions  
 Covers approx. 85% of Russian population  
 Owns ~70% of Russian distribution assets

- ❖ Approximately 2 million kilometres of electricity distribution lines owned and operated
- ❖ A total of 650 billion kWh distributed in 2011
- ❖ 395 GVA of total installed transformer capacity as at 2011

## Ownership Structure

Holding MRSK



	Holding MRSK stake, %	Other shareholders, %
MOESK	51	Gazprom 31
Lenenergo **	50+	8,8  5,4
Center&Volga	50+	16,8
Center	50	15,9
N.-West	55	17,6  7,5
Urals	52	30,2
South	52	16,1
Volga	68	7,8
N.-Caucasus	58	-
Siberia	56	27,5  7,8
Tomsk	60	25,9
Kuban***	46	26,3*
Tumenenergo	100	-
Yantarenergo	100	- 2

\* by length of electricity distribution lines and installed transformer capacity

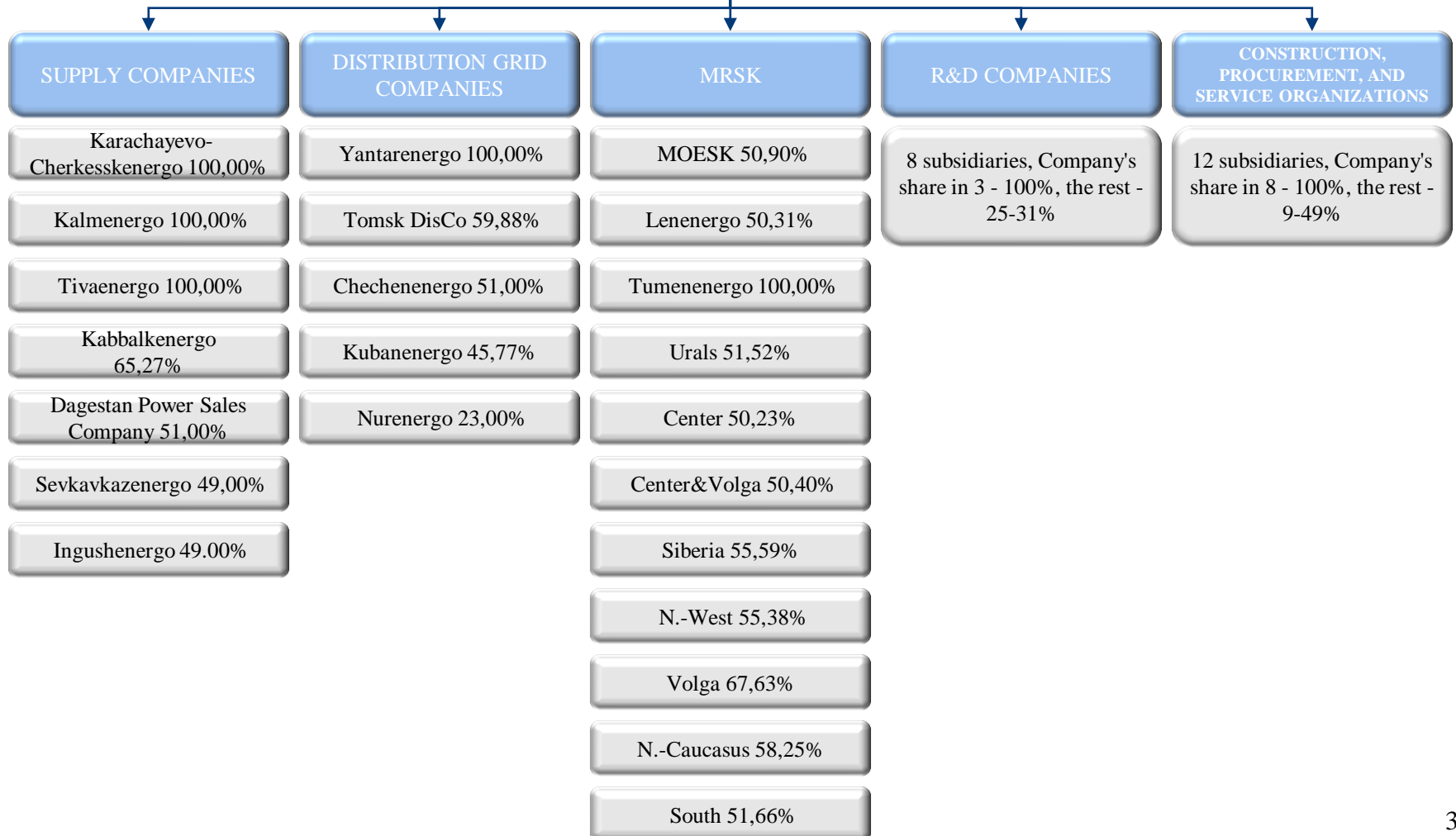
\*\* the stated stakes of Holding MRSK in Lenenergo and Tomsk DisCo represent the share in voting stock, for the rest MRSKs – the stake represents common shares

\*\*\* w/o Nurenergo, Ingushenergo, Tivaenergo, Dagenergoset

# MRSK Holding Group Structure



## MRSK Holding



# *Key events 2011*



- By 2011 most companies switched to RAB regulation
- The Board of Directors approved the Strategy for Development of MRSK Holding Until 2015 with Long-Term Plans Until 2020
- MRSK Holding global depositary receipts began to be traded on the London Stock Exchange
- Investment programme remains on schedule to grow our asset base
- Cost reduction programme was adopted by all MRSKs

# 2011 Key Performance Indicators



bn RUR

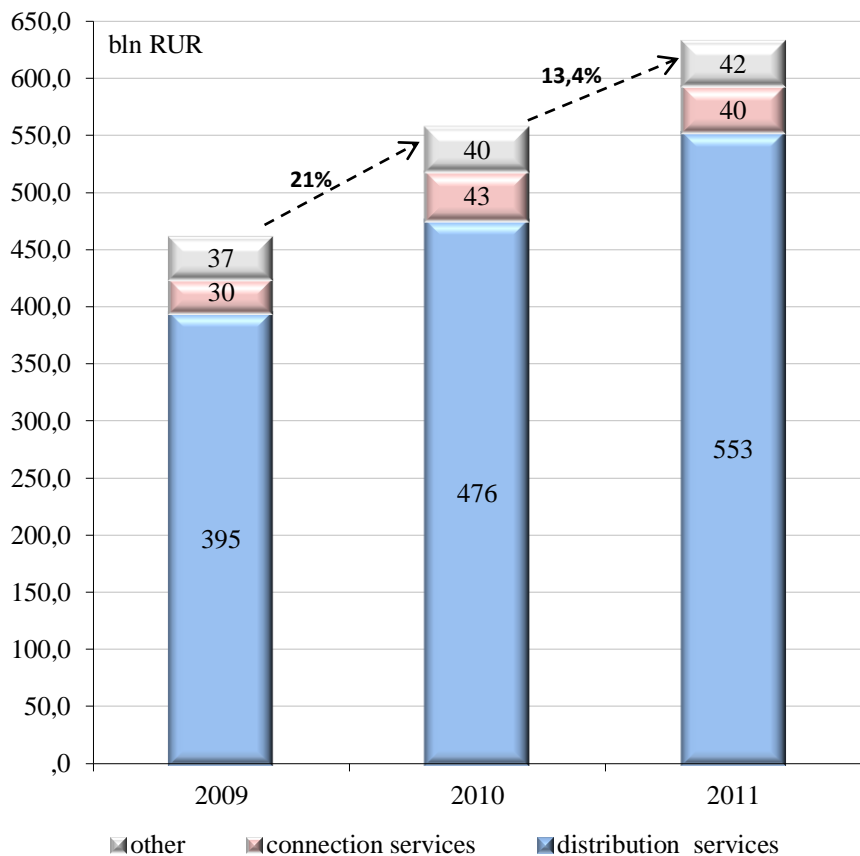
	2011	2010	Change
<b>Revenue*</b>	634,608	559,496	13,4%
<b>Cost of sales</b>	577,214	507,080	13,8%
<b>Operating Profit</b>	59,254	54,219	9,3%
<b>EBITDA</b>	116,507	102,482	13,7%
<b>EBITDA Margin</b>	18,4%	18,3%	0,1%
<b>Net income</b>	38,966	34,137	14%
<b>Net Debt</b>	146,932	122,898	19,6%
<b>CAPEX</b>	139,435	88,043	58,4%

Improvement of key financial indicators was caused by 15% raise of distribution tariff

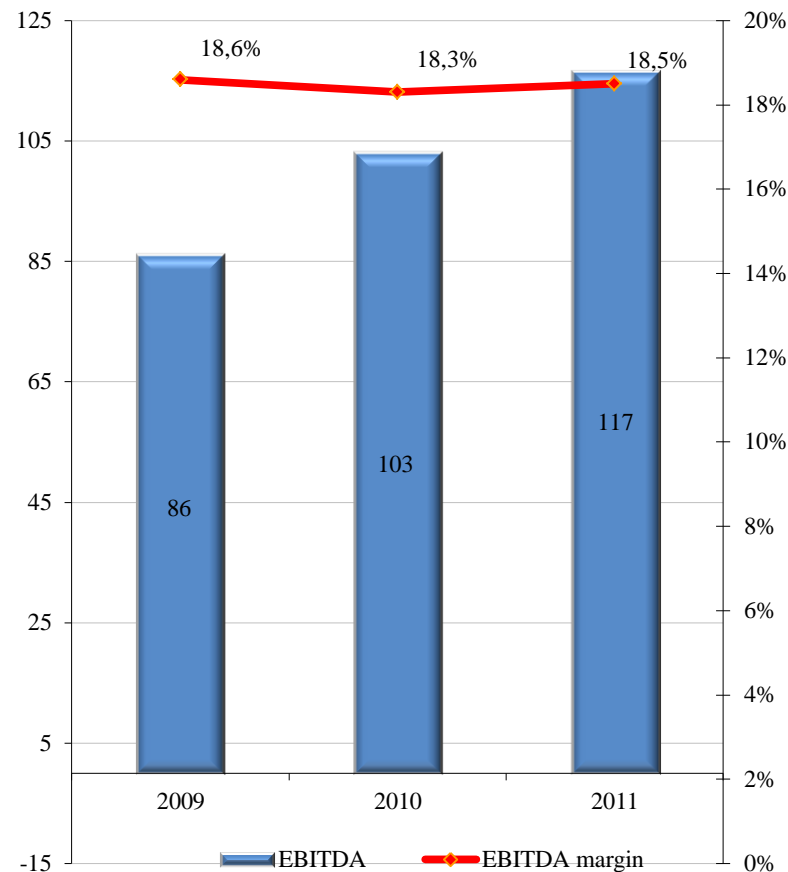
# Financial Highlights



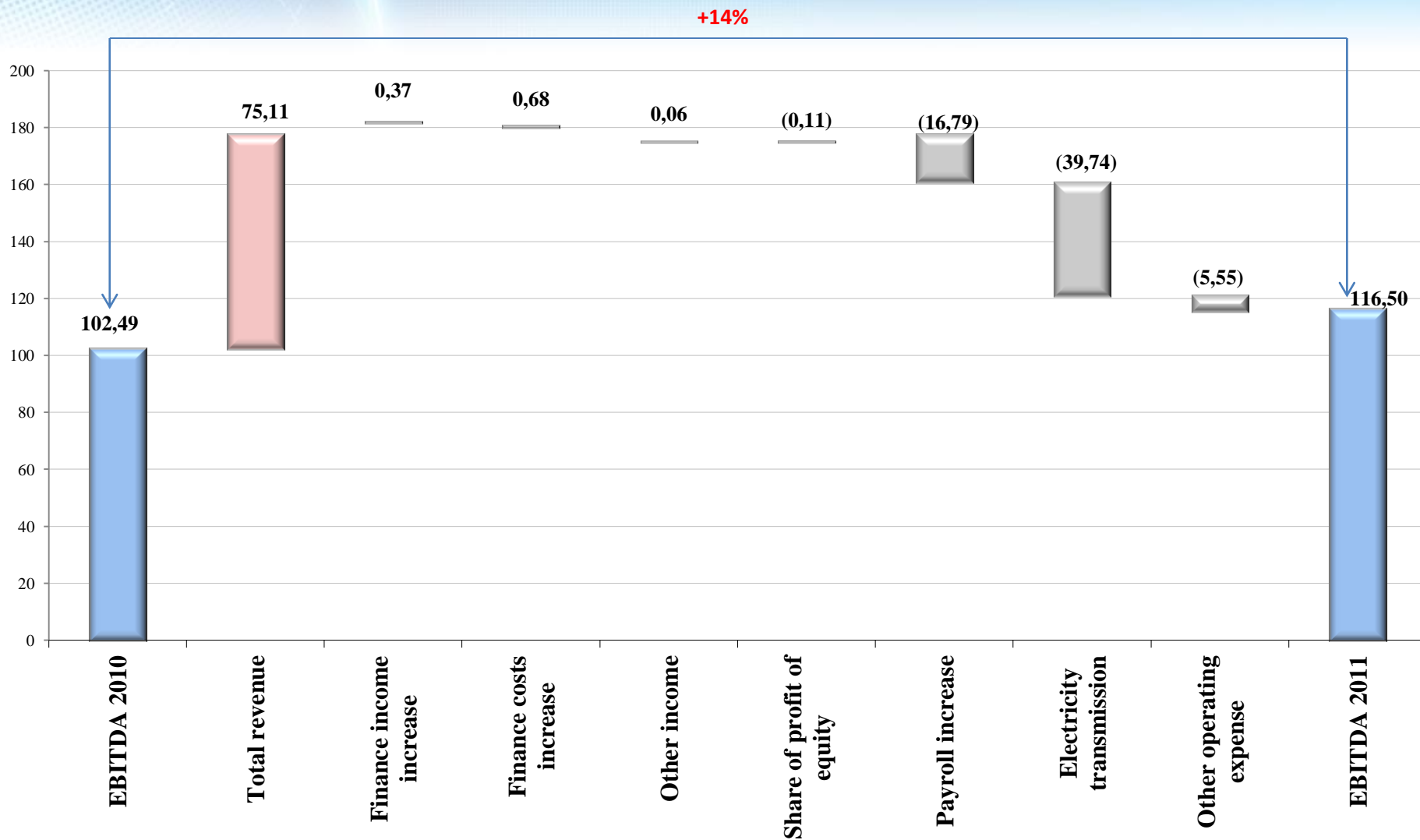
## Revenue



## EBITDA

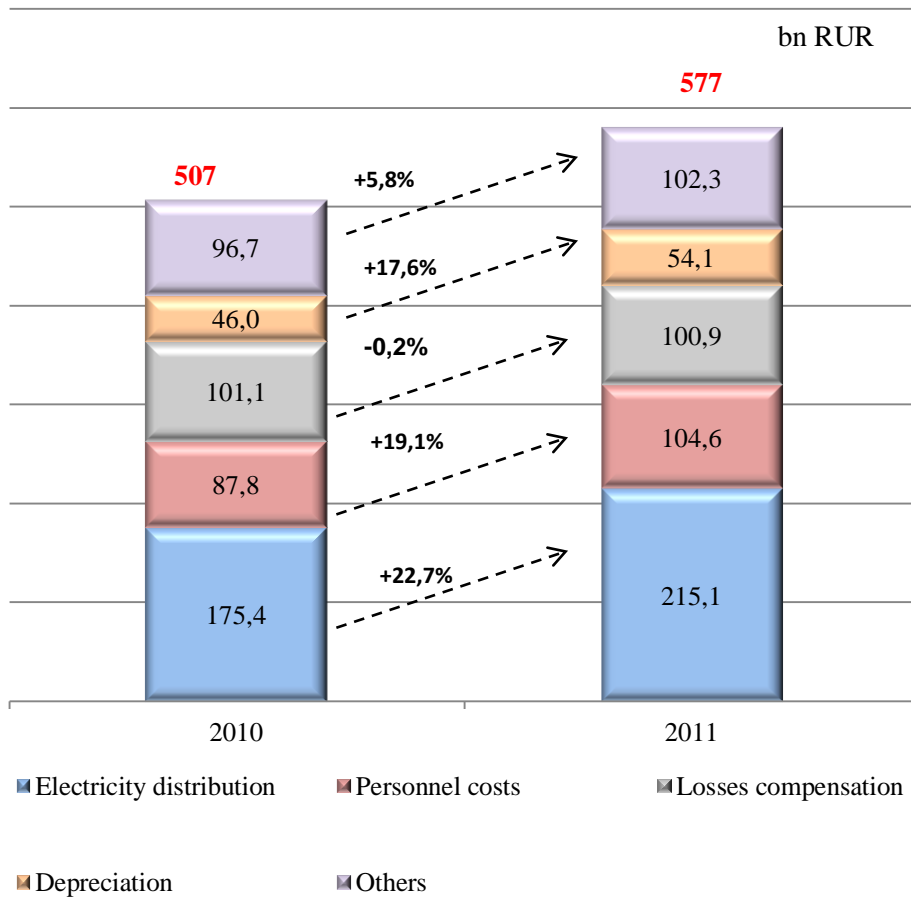


# Change in EBITDA

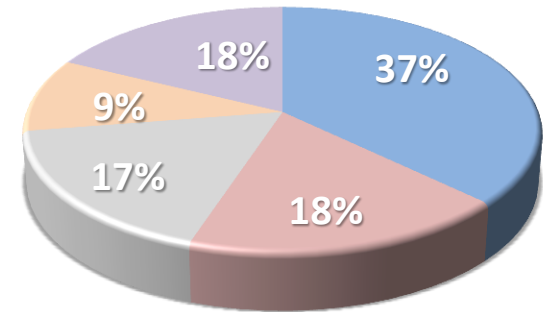


# Cost Structure

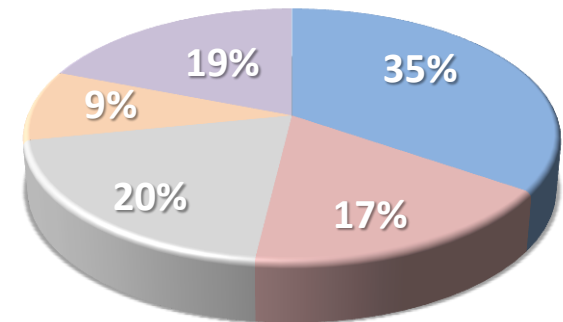
## Cost Structure



## Cost Structure, %



for 2011



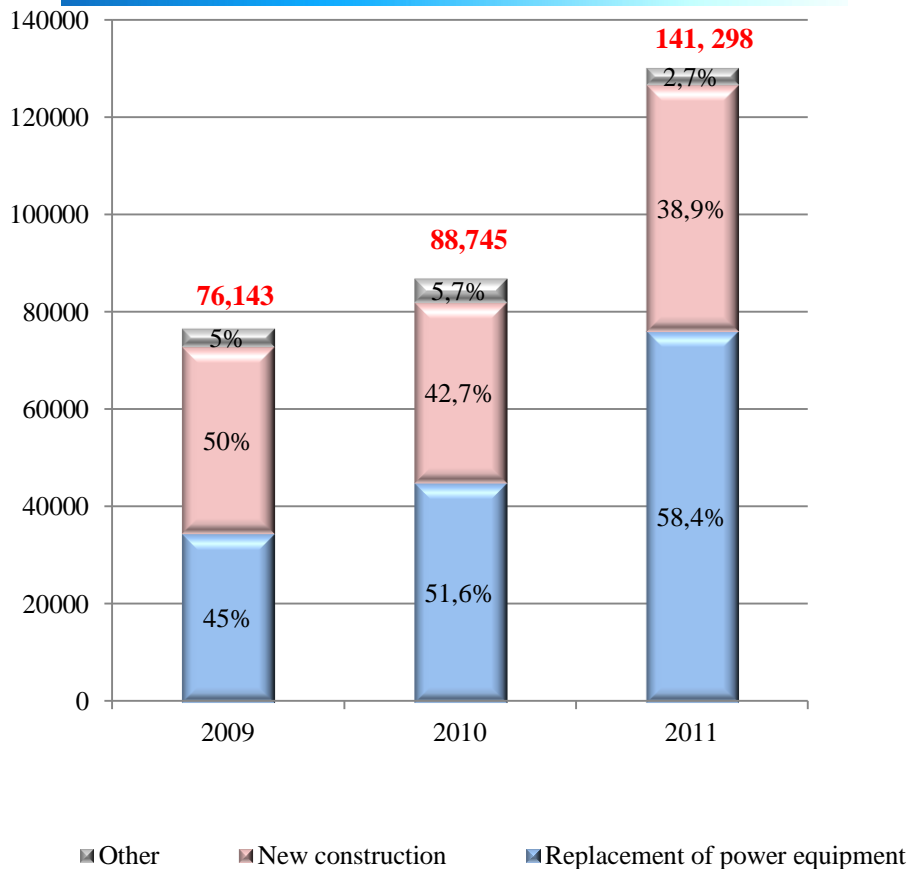
for 2010



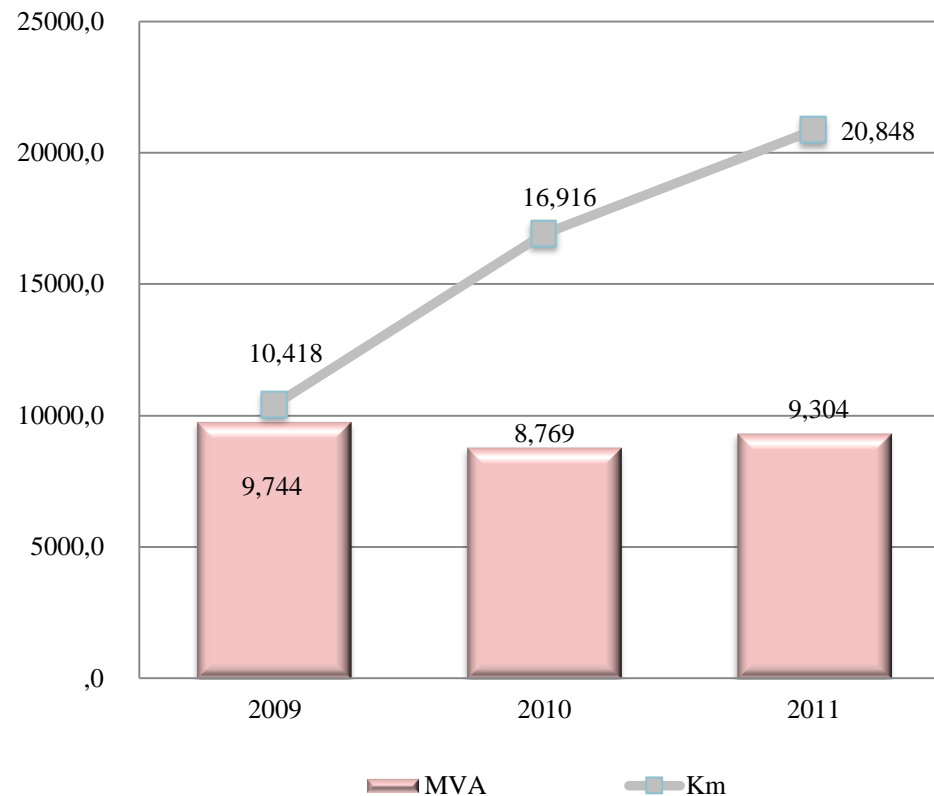
# CAPEX Activities



**Changes in Capital Investment Under the MRSK Holding Consolidated Investment Program (bn RUR, excl. of VAT)**



**Changes in Installed Capacity Under the MRSK Holding Consolidated Investment Program for 2009–2011 (MVA and kilometers)**

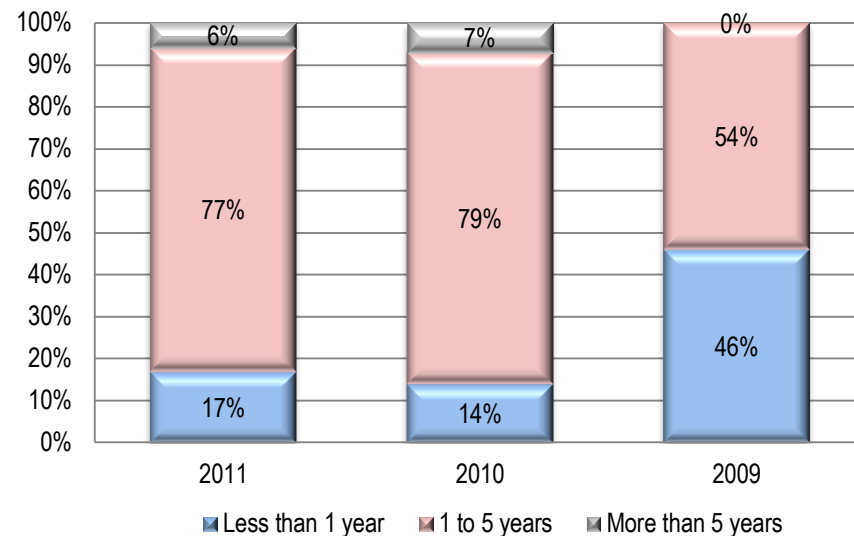


# Debt Position

## Key indicators

	December 31, 2011	December 31,2010	Change, %
<b>Total assets, including</b>	876,077	767,806	14%
<b>Fixed assets</b>	687,489	603,241	14%
<b>Total debt</b>	195,785	147,788	32%
<b>- long-term</b>	168,831	120,649	39.9%
<b>- short-term</b>	26,954	27,139	-0.7%
<b>Cash and cash equivalents</b>	48,853	24,890	96.3%
<b>Net debt</b>	146,932	122,898	19.6%

## Debt breakdown by maturity, %



	Ratio	2011	2010	Change
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Total debt to total assets	0.22	0.19	16%
Long term debt (LTD) to total equity	0.38	0.30	25%
Total debt to total equity	0.44	0.37	18%

**MRSK Holding** is assigned “Ba1” credit rating by Moody’s  
**Lenenergo** – “Ba2” credit rating by Moody’s  
**MOESK** - “Ba2” credit rating by Moody’s  
**MRSK of Centre** - “BB-” credit rating by S&P.

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