Joint Stock Company
Interregional Distribution Grid Company
of Center and Volga Region

September of 2012
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IDGC of Center and Volga Region, JSC transmits the electric power through the distribution grids and provides the technological connection of consumers to the electric grid infrastructure

The main shareholder of IDGC of Center and Volga Region, JSC is IDGC Holding, OJSC – 50,4% (stake of the state is 53,7%)

About 10 % of the population of Russia live in the service territory

Company owns the electric grids of 0,4–220 kV and equipment, through which the electric power of the service zone is transmitted

Company is a subject of the natural monopoly. Stake of the transmitted electric power at the serviced territories is 84.49%

Regional regulating authorities of 9 constituent entities of RF approve the final parameters, a tariff for electric power transmission and payment amount for the technological connection

Company’s proceeds is made up from the regulated activities:
- payment for electric power transmission
- payment for connection of new consumers

### Key operating and financial indicators

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric power supply in the grid (mln. kWh)</td>
<td>59,492</td>
<td>59,653</td>
<td>60,102</td>
</tr>
<tr>
<td>Connected capacity volume (mW)</td>
<td>331</td>
<td>364</td>
<td>667</td>
</tr>
<tr>
<td>Proceeds (RUR mln.)</td>
<td>54,395</td>
<td>64,404</td>
<td>60,321</td>
</tr>
<tr>
<td>EBITDA (RUR mln.)</td>
<td>6,774</td>
<td>10,958</td>
<td>9,870</td>
</tr>
<tr>
<td>Profitability of EBITDA</td>
<td>12,5%</td>
<td>17,0%</td>
<td>16,4%</td>
</tr>
<tr>
<td>Net profit (RUR mln.)</td>
<td>1,269</td>
<td>4,232</td>
<td>1,763</td>
</tr>
<tr>
<td>Assets (RUR mln.)</td>
<td>65,288</td>
<td>79,294</td>
<td>83,355</td>
</tr>
<tr>
<td>Debt (RUR mln.)</td>
<td>15,548</td>
<td>23,150</td>
<td>21,650</td>
</tr>
<tr>
<td>Net Debt (RUR mln.)</td>
<td>12,369</td>
<td>19,221</td>
<td>19,597</td>
</tr>
<tr>
<td>Net Debt/EBITDA</td>
<td>1,9</td>
<td>1,8</td>
<td>2,1</td>
</tr>
</tbody>
</table>
GEOGRAPHY OF ACTIVITIES

<table>
<thead>
<tr>
<th>IDGC of Center and Volga region</th>
<th>Vladimirenergo</th>
<th>Ivenergo</th>
<th>Kalugaenergo</th>
<th>Kirovenergo</th>
<th>Marienergo</th>
<th>Nizhnovenergo</th>
<th>Ryazanenergo</th>
<th>Tulenergo</th>
<th>Udmurtenergo</th>
</tr>
</thead>
<tbody>
<tr>
<td>average staffing number of the personnel (people)</td>
<td>21,728</td>
<td>2,208</td>
<td>1,455</td>
<td>2,449</td>
<td>2,507</td>
<td>960</td>
<td>4,932</td>
<td>2,245</td>
<td>2,581</td>
</tr>
<tr>
<td>Number of substations of 35 kV and more (pcs.)</td>
<td>1,548</td>
<td>139</td>
<td>141</td>
<td>152</td>
<td>224</td>
<td>88</td>
<td>259</td>
<td>154</td>
<td>172</td>
</tr>
<tr>
<td>Total transformer capacity of substations of 35 kV and more (ths. MVA)</td>
<td>29,4</td>
<td>3,3</td>
<td>2,6</td>
<td>2,9</td>
<td>2,9</td>
<td>1,1</td>
<td>5,2</td>
<td>3,5</td>
<td>4,1</td>
</tr>
<tr>
<td>Number of 6-35/0.4 kV transformer substations (pcs.)</td>
<td>59,053</td>
<td>4,709</td>
<td>3,800</td>
<td>6,260</td>
<td>8,700</td>
<td>2,956</td>
<td>14,028</td>
<td>5,972</td>
<td>6,973</td>
</tr>
<tr>
<td>Number of 6-10 kV distribution points (pcs.)</td>
<td>568</td>
<td>4</td>
<td>6</td>
<td>59</td>
<td>17</td>
<td>13</td>
<td>227</td>
<td>42</td>
<td>182</td>
</tr>
<tr>
<td>Length of PTL (by chains) (ths. km)</td>
<td>262</td>
<td>22</td>
<td>15</td>
<td>27</td>
<td>39</td>
<td>12</td>
<td>60</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>Wear of the fixed assets</td>
<td>60,1%</td>
<td>56,4%</td>
<td>69,1%</td>
<td>51,9%</td>
<td>67,9%</td>
<td>60,4%</td>
<td>67,5%</td>
<td>54,4%</td>
<td>41,1%</td>
</tr>
<tr>
<td>Volume of electric grids (ths. c.u.)</td>
<td>1,423</td>
<td>118</td>
<td>80</td>
<td>151</td>
<td>188</td>
<td>64</td>
<td>378</td>
<td>144</td>
<td>166</td>
</tr>
<tr>
<td>Stake of productive supply in the region</td>
<td>63%</td>
<td>64%</td>
<td>51%</td>
<td>78%</td>
<td>63%</td>
<td>49%</td>
<td>65%</td>
<td>49%</td>
<td>68%</td>
</tr>
</tbody>
</table>
STOCK CAPITAL

Structure of the stock capital as of 03.07.2012

Number of the placed shares is – 112,697,817,043 pcs.
Share’s nominal value is – RUR 0,1.
Cost of shares at MICEX* (trade code MRKP):
- VWAP (as of 07.09.12) is – RUR 0,16.
- minimal price for a year** is – RUR 0,1.
- maximal price for a year** is – RUR 0,21.
Turnovers of bidding for a year** is – RUR 905,33 mln.
Market capitalization (as of 07.09.12) is – RUR 18,53 bln.
Free-float is – 20,7%
Quotation list – "A" of the first level
Inclusion in indices – MICEX SC, RTS-2, MSCI Russia Small Cap Index

* Sector of the main bidding
** 08.09.2011–07.09.2012

Information by shares

- Constructive dialogue between the principle shareholder and minoritaries
- Efficient IR-program
- Disclosure of he reports according to IFRS
- Social reports on international standards AA 1000 AS with assignment level GRI B+
- Payout of dividends by the results of 2010, 2011 years.
DELEGATION BY JSC «FGC UES» OF POWERS OF THE SOLE EXECUTIVE BODY (SEB) TO IDGC HOLDING, OJSC

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2012</td>
<td>Approval of the SEB agreement by the Board of Directors of IDGC Holding, OJSC</td>
</tr>
<tr>
<td>09.07.2012</td>
<td>Approval of the SEB agreement by the Board of JSC «FGC UES»</td>
</tr>
<tr>
<td>11.07.2012</td>
<td>Signing of the SEB agreement between IDGC Holding, OJSC and JSC «FGC UES»</td>
</tr>
</tbody>
</table>

Advantages

- Uniform approach to the technical policy implementation and governance principles by the electric grid complex of Russia.
- Acutely coordinated work in the field of the efficient development and upgrades of Russia’s electric grid complex on the innovative and high technology basis.
- United investment, financial and economic and personnel policy.
- Orderly cost saving.
- Increase of reliability and economic efficiency of the Russian electric power industry.
- Increase of transparency as to the technological connection issues.
- Increase of the companies’ investment appeal.
- Increase of the responsibility and independence level of the subsidiaries and dependent companies, their more efficient activities.
COMPANY’S BUSINESS MODEL

**Business environment of the Company**

- **TARIFFS’ MARGINAL GROWTH AGREEMENT OF TRANSFER TO RAB-REGULATION OF TARIFFS**
- **DECREES ON THE TARIFFS ESTABLISHMENT FOR ELECTRIC POWER TRANSMISSION AND TECHNOLOGICAL CONNECTION**

**Electric power transmission**

- **Technological connection**

**consumers, sales companies**

**Chain of the cost creation in the electric-power industry. Company’s market segment**

**Suppliers of electric power**
- Rushydro
- TGC
- WGC
- FGC
- Others

**Investments**

- **Rushydro**
- **TGC**
- **WGC**
- **FGC**
- **Others**

**PRODUCTIVE SUPPLY OF ELECTRIC POWER**

**Direct consumers – participants of the wholesale market for electric power**

**Guaranteed supply companies**

**Power supply companies**

**Territorial grid organizations**

- **IDGC of Center and Volga Region**

**Electric power losses**

- Technological losses due to the physical processes under electric power transmission
- Commercial losses – systemic error of electric power accounting, unaccounted consumption
Location in the economically favorable regions, having the total area of 408ths. sq. km, with the population of 13,1 mln. people. The regions of activities are characterized by a stable volume of the gross regional product, which is accompanied by a constant demand for electric power.

According to the analysts’ forecasts a an average annual growth tempo of electric power consumption in Russia will amount to 2.4%. The Company hopes that the productive supply of electric power will grow gradually die to the economics development.

Modernization of the system is aimed at the growth of efficiency and reliability of the electrical transmission network, and also development of model smart grid.

Support form the state.

Benign level of debt.

Potential of growth to the analysts’ consensus forecasts of the investment banks – 77.7%

Strong team of the management.
Job experience of the Company’s Director General in the electric-power industry is – 24 years.

Regulation system was changed in 2008 and now it conforms to the world’s best practice: the normative base has been adopted. In 2011 all the branches of the Company transferred to the methodology of the tariffs calculation under the repayment principle to the regulated asset base (RAB). New possibilities for the operating indicators improvement have appeared: the Company has a goal to reduce expenses in relation to the regulatory level.
**FINANCIAL INDICATORS (RAS)**

### Proceeds, EBITDA, net profit, RUR bln.

<table>
<thead>
<tr>
<th>Year</th>
<th>Proceeds</th>
<th>EBITDA</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>21.2</td>
<td>3.0</td>
<td>0.6</td>
</tr>
<tr>
<td>2007</td>
<td>26.1</td>
<td>4.6</td>
<td>1.6</td>
</tr>
<tr>
<td>2008</td>
<td>37.9</td>
<td>5.2</td>
<td>1.4</td>
</tr>
<tr>
<td>2009</td>
<td>47.2</td>
<td>5.1</td>
<td>0.4</td>
</tr>
<tr>
<td>2010</td>
<td>54.4</td>
<td>6.8</td>
<td>1.3</td>
</tr>
<tr>
<td>2011</td>
<td>64.4</td>
<td>11.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2012P</td>
<td>60.3</td>
<td>9.9</td>
<td>1.8</td>
</tr>
<tr>
<td>2013P</td>
<td>66.5</td>
<td>12.2</td>
<td>3.4</td>
</tr>
<tr>
<td>2014P</td>
<td>70.1</td>
<td>14.0</td>
<td>4.6</td>
</tr>
<tr>
<td>2015P</td>
<td>77.7</td>
<td>17.3</td>
<td>6.4</td>
</tr>
<tr>
<td>2016P</td>
<td>86.1</td>
<td>20.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

### Profitability indicators, RUR bln.

#### Transmission of electric power

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>2006</td>
<td>20.5</td>
<td>24.5</td>
<td>35.6</td>
<td>45.7</td>
<td>53.1</td>
<td>63.2</td>
<td>58.9</td>
<td>65.4</td>
<td>69.3</td>
<td>76.9</td>
<td>85.4</td>
</tr>
</tbody>
</table>

#### Technological connection

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>0.3</td>
<td>1.2</td>
<td>1.9</td>
<td>1.2</td>
<td>1.0</td>
<td>0.8</td>
<td>1.2</td>
<td>0.8</td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

#### Other production

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
</tr>
</tbody>
</table>
### Structure of the prime cost

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>relative variation</th>
<th>2011 1st half year</th>
<th>2012 1st half year</th>
<th>relative variation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRIME COST, TOTALLY</strong></td>
<td>57,089.2</td>
<td>53,888.7</td>
<td>-5.6%</td>
<td>28,525.9</td>
<td>25,335.9</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Services of JSC “FGC UES”</td>
<td>9,823.5</td>
<td>10,216.6</td>
<td>4.0%</td>
<td>5,051.47</td>
<td>4,852.70</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Services of TSE on electric</td>
<td>13,096.5</td>
<td>13,603.4</td>
<td>3.9%</td>
<td>6,502.67</td>
<td>6,306.29</td>
<td>-3.0%</td>
</tr>
<tr>
<td>power transmission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased electric power for</td>
<td>11,885.4</td>
<td>7,322.6</td>
<td>-38.4%</td>
<td>6,270.89</td>
<td>3,272.82</td>
<td>-47.8%</td>
</tr>
<tr>
<td>compensation of losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw material and materials</td>
<td>1,625.9</td>
<td>1,755.3</td>
<td>8.0%</td>
<td>634.39</td>
<td>695.97</td>
<td>9.7%</td>
</tr>
<tr>
<td>Contractors' services on</td>
<td>1,842.1</td>
<td>1,405.3</td>
<td>-23.7%</td>
<td>848.95</td>
<td>565.97</td>
<td>-33.3%</td>
</tr>
<tr>
<td>maintenance and repair of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary budget (SB) and</td>
<td>10,186.3</td>
<td>10,821.0</td>
<td>6.2%</td>
<td>4,703.70</td>
<td>4,556.63</td>
<td>-3.1%</td>
</tr>
<tr>
<td>insurance premiums</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of the fixed</td>
<td>4,056.2</td>
<td>4,899.6</td>
<td>20.8%</td>
<td>1,947.95</td>
<td>2,405.71</td>
<td>23.5%</td>
</tr>
<tr>
<td>assets (FA) and intangible</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets (IA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>4,573.5</td>
<td>3,864.9</td>
<td>-15.5%</td>
<td>2,565.85</td>
<td>2,679.85</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

#### Cost Control Program

- The arrangements on the costs reduction are constantly realized in IDGC of Center and Volga Region, JSC. The Cost Control Program is approved by the Company's Board of Directors as part of an annual business plan.
- The main part of the economic effect is the result of the complex program implementation for the electric power losses reduction, cost reduction of procurement due to the regulated procedures holding.
### BOOKKEEPING BALANCE SHEET AND LIQUIDITY FIGURES

<table>
<thead>
<tr>
<th>ASSET</th>
<th>As of 30.06.2011</th>
<th>As of 31.12.2011</th>
<th>As of 30.06.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Noncurrent assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fixed assets</td>
<td>57,166</td>
<td>65,687</td>
<td>66,339</td>
</tr>
<tr>
<td>II. Current assets</td>
<td>14,113</td>
<td>13,607</td>
<td>13,222</td>
</tr>
<tr>
<td>accounts receivable</td>
<td>6,962</td>
<td>5,700</td>
<td>7,072</td>
</tr>
<tr>
<td>monetary funds</td>
<td>3,455</td>
<td>3,889</td>
<td>2,052</td>
</tr>
<tr>
<td>II. Current assets</td>
<td>14,113</td>
<td>13,607</td>
<td>13,222</td>
</tr>
<tr>
<td>accounts receivable</td>
<td>6,962</td>
<td>5,700</td>
<td>7,072</td>
</tr>
<tr>
<td>monetary funds</td>
<td>3,455</td>
<td>3,889</td>
<td>2,052</td>
</tr>
<tr>
<td>LIABILITY SIDE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Capital and reserves</td>
<td>44,481</td>
<td>45,297</td>
<td>45,399</td>
</tr>
<tr>
<td>IV. Long-term obligations</td>
<td>18,181</td>
<td>25,462</td>
<td>24,461</td>
</tr>
<tr>
<td>credits and loans</td>
<td>15,334</td>
<td>21,373</td>
<td>20,269</td>
</tr>
<tr>
<td>V. Short-term obligations</td>
<td>8,617</td>
<td>8,535</td>
<td>9,701</td>
</tr>
<tr>
<td>credits and loans</td>
<td>1,085</td>
<td>1,754</td>
<td>1,375</td>
</tr>
<tr>
<td>accounts payable</td>
<td>6,969</td>
<td>6,177</td>
<td>7,035</td>
</tr>
<tr>
<td>BALANCE SHEET</td>
<td>71,279</td>
<td>79,294</td>
<td>79,561</td>
</tr>
</tbody>
</table>

### Structure of assets as of 30.06.2012

- Fixed assets: 82%
- Other noncurrent assets: 9%
- Accounts receivable: 5%
- Monetary funds: 2%
- Other current assets: 3%

### Structure of liabilities as of 30.06.2012

- Capital and reserves: 57%
- Other long-term obligations: 9%
- Short-term credits and loans: 26%
- Accounts payable: 2%
- Other short-term obligations: 5%
Dynamics of electric power supply in the grid

Losses of electric power for the 1st half year of 2012 amounted to 8,51%.

Volume of the services rendered per electric power transmission, mln. kWh

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimirenergo</td>
<td>5,764</td>
<td>5,788</td>
<td>0.4</td>
<td>2,913</td>
<td>2,929</td>
<td>0.5</td>
<td>5,823</td>
<td>0.6</td>
</tr>
<tr>
<td>Ivenergo</td>
<td>3,327</td>
<td>3,220</td>
<td>-3.2</td>
<td>1,631</td>
<td>1,652</td>
<td>1.3</td>
<td>3,263</td>
<td>1.3</td>
</tr>
<tr>
<td>Kalugaenergo</td>
<td>3,768</td>
<td>3,770</td>
<td>0.1</td>
<td>1,876</td>
<td>2,024</td>
<td>7.9</td>
<td>3,999</td>
<td>6.1</td>
</tr>
<tr>
<td>Kirovenergo</td>
<td>5,276</td>
<td>5,117</td>
<td>-3.0</td>
<td>2,598</td>
<td>2,846</td>
<td>9.5</td>
<td>5,570</td>
<td>8.9</td>
</tr>
<tr>
<td>Marienergo</td>
<td>2,559</td>
<td>2,535</td>
<td>-0.9</td>
<td>1,313</td>
<td>1,380</td>
<td>5.1</td>
<td>2,567</td>
<td>1.3</td>
</tr>
<tr>
<td>Nizhnoenergo</td>
<td>16,225</td>
<td>16,608</td>
<td>2.4</td>
<td>8,426</td>
<td>8,289</td>
<td>-1.6</td>
<td>16,288</td>
<td>-1.9</td>
</tr>
<tr>
<td>Ryazanenergo</td>
<td>4,193</td>
<td>4,235</td>
<td>1.0</td>
<td>2,091</td>
<td>2,161</td>
<td>3.3</td>
<td>4,350</td>
<td>2.7</td>
</tr>
<tr>
<td>Tulenergo</td>
<td>5,804</td>
<td>5,577</td>
<td>-3.9</td>
<td>2,827</td>
<td>2,786</td>
<td>-1.5</td>
<td>5,379</td>
<td>-3.6</td>
</tr>
<tr>
<td>Udmurtenenergo</td>
<td>7,184</td>
<td>7,449</td>
<td>3.7</td>
<td>3,708</td>
<td>3,793</td>
<td>2.3</td>
<td>7,595</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Totally in the Company</strong></td>
<td><strong>54,100</strong></td>
<td><strong>54,299</strong></td>
<td><strong>0.4</strong></td>
<td><strong>27,381</strong></td>
<td><strong>27,860</strong></td>
<td><strong>1.7</strong></td>
<td><strong>54,833</strong></td>
<td><strong>1.0</strong></td>
</tr>
</tbody>
</table>
### Electric power consumption from the grids of IDGC of Center and Volga Region, JSC by 10 largest consumers

<table>
<thead>
<tr>
<th>#</th>
<th>Branch</th>
<th>Consumer title</th>
<th>Consumption volume, mln. kWh</th>
<th>Stake, %</th>
<th>Including the &quot;last mile&quot; consumers Min. kWh</th>
<th>Stake, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vladimirenergo+Kalugaenergo+Kirovenergo+Nizhnovenergo+Ryazanenergo+Tulenergo+Udmurtenergo</td>
<td>Russian Railways, JSC</td>
<td>1,932</td>
<td>5.6%</td>
<td>397</td>
<td>21%</td>
</tr>
<tr>
<td>2</td>
<td>Nizhnovenergo+Marienergo</td>
<td>Gazprom transgaz Nizhny Novgorod. LLC (gas pumping)</td>
<td>1,810</td>
<td>5.2%</td>
<td>1,810</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Vladimirenergo+Ivenergo+Kirovenergo+Nizhnovenergo+Ryazanenergo+Udmurtenergo</td>
<td>TRANSNEFT, JSC (oil pumping)</td>
<td>1,007</td>
<td>2.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Nizhnovenergo</td>
<td>Volga Balakhsa Pulp and Paper mill, JSC</td>
<td>820</td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Udmurtenergo</td>
<td>Udmurtneft, JSC</td>
<td>692</td>
<td>2.0%</td>
<td>149</td>
<td>22%</td>
</tr>
<tr>
<td>6</td>
<td>Nizhnovenergo</td>
<td>Lukoil Nizhegorodnefteorgsintez, JSC</td>
<td>493</td>
<td>1.4%</td>
<td>248</td>
<td>50%</td>
</tr>
<tr>
<td>7</td>
<td>Udmurtenergo</td>
<td>Belkanneft, JSC</td>
<td>488</td>
<td>1.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Kirovenergo</td>
<td>Kirovo-Chepets chemical plant, JSC</td>
<td>424</td>
<td>1.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Udmurtenergo</td>
<td>Izhstal, JSC</td>
<td>241</td>
<td>0.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Ryazanenergo</td>
<td>Ryazan oil-refining plant, CJSC</td>
<td>206</td>
<td>0.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTALLY by 10 largest consumers for 7 months of 2012**  
8,113  23%

Totally, productive supply in IDGC of Center and Volga Region for 7 months of 2012  
34,623  100%

---

### Structure of electric power supply from the grid in 2011, by customer groups

- Industrial consumers 30%
- Transport 5%
- Agriculture 2%
- Non-industrial consumers 4%
- Budgetary consumers 3%
- Population and equated to them 7%
- Territorial grid organizations 49%

### Structure of electric power supply from the grid in 2011, by voltage levels of the electric grid

- High voltage 63%
- Medium voltage 2 17%
- Medium voltage 1 6%
- Low voltage 14%

---

**Structure of electric power supply from the grid in 2011, by customer groups**

- Industrial consumers 30%
- Transport 5%
- Agriculture 2%
- Non-industrial consumers 4%
- Budgetary consumers 3%
- Population and equated to them 7%
- Territorial grid organizations 49%
In 2011 IDGC of Center and Volga Region completed a transfer to RAB of all its branches

Advantages of RAB introduction:
- Inflow of additional investments in the regions;
- extra electric grid capacities for connection;
- Load in the tariff for the investments return is distributed in a long-term period;
- Proceeds inflow by higher tempos.

RAB parameters, established before review

<table>
<thead>
<tr>
<th>Invested capital amount, RUR mln.</th>
<th>Operating expenses</th>
<th>Rate of return on “old” capital, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimirenergo</td>
<td>7 210</td>
<td>1 136</td>
</tr>
<tr>
<td>Ivenergo</td>
<td>3 847</td>
<td>701</td>
</tr>
<tr>
<td>Kalugaenergo</td>
<td>9 818</td>
<td>923</td>
</tr>
<tr>
<td>Kirovenergo</td>
<td>5 498</td>
<td>1 472</td>
</tr>
<tr>
<td>Marienergo</td>
<td>4 047</td>
<td>514</td>
</tr>
<tr>
<td>Nizhnoenergo</td>
<td>31 094</td>
<td>4 357</td>
</tr>
<tr>
<td>Ryazanenergo</td>
<td>5 713</td>
<td>1 098</td>
</tr>
<tr>
<td>Tulenergo</td>
<td>8 813</td>
<td>1 419</td>
</tr>
<tr>
<td>Udmurtenergo</td>
<td>5 639</td>
<td>971</td>
</tr>
</tbody>
</table>

Review of the long-term parameters RAB since July of 2012 is made by the regulatory authorities upon agreement with the Federal tariff Service of Russia in relation to 6 branches of IDGC of Center and Volga Region, JSC. As for the rest branches, a review is planned till November of 2012.

RAB parameters, established after review

<table>
<thead>
<tr>
<th>Invested capital amount, RUR mln.</th>
<th>Operating expenses</th>
<th>Rate of return on “old” capital, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimirenergo</td>
<td>6 878</td>
<td>1 186</td>
</tr>
<tr>
<td>Ivenergo</td>
<td>3 847</td>
<td>719</td>
</tr>
<tr>
<td>Kalugaenergo</td>
<td>9 462</td>
<td>995</td>
</tr>
<tr>
<td>Kirovenergo</td>
<td>4 943</td>
<td>1 581</td>
</tr>
<tr>
<td>Ryazanenergo</td>
<td>5 713</td>
<td>1 174</td>
</tr>
<tr>
<td>Udmurtenergo</td>
<td>3 876</td>
<td>1 015</td>
</tr>
</tbody>
</table>

* In 2012 – 1%, in 2013 – 1,5%, in 2014 – 2%, in 2015 – 2,5%
** In 2012 – 1%, in 2013-2016 – 2,5%
**Under transfer to RAB** the following growth tempo of own RGP was provided on the whole in the Company, for maintenance of the grids: in 2009 – 126%, in 2010 – 109%, in 2011 – 122%

**Under revision of RAB parameters** since July of 2012 the growth tempo of own RGP amounted to 102% at average by year

**Own RGP amount in 2012** will amount to RUR 27,660 mln. by all the branches of IDGC of Center and Volga Region

---

**Boiler RGP of 2012, by branches, RUR mln.**

- Ryazanenergo 5,572
- Nizhnovenergo 18,507
- Kirovenergo 6,053
- Marienergo 2,867
- Tulenergo 7,530
- Udmurtenergo 6,480
- Vladimirenergo 7,406
- Ivenergo 2,441
- Kalugaenergo 5,890

**Dynamics of RGP of IDGC of Center and Volga Region, RUR mln.**

The data are given without regard to cross-subsidization, applied in relation to “Nizhnovenergo” branch prior to year 2012.
**Under transfer to RAB** the growth tempo of the average boiler tariff on the whole in the Company amounted to: in 2009 – 131.4%, in 2010 – 125.8%, in 2011 – 113.7%.

**Under revision of RAB parameters** since July of 2012 the growth tempo of the average boiler tariff amounted to 103.3% at average by year.

### Average boiler tariff for 2012 by branches

<table>
<thead>
<tr>
<th>Branch</th>
<th>Tariff 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimirenergo</td>
<td>130.2</td>
</tr>
<tr>
<td>Ivenergo</td>
<td>124.9</td>
</tr>
<tr>
<td>Kalugaenergo</td>
<td>152.7</td>
</tr>
<tr>
<td>Kirovenergo</td>
<td>103.6</td>
</tr>
<tr>
<td>Marienergo</td>
<td>129.1</td>
</tr>
<tr>
<td>Nizhnovenergo</td>
<td>109.3</td>
</tr>
<tr>
<td>Ryazanenergo</td>
<td>113.9</td>
</tr>
<tr>
<td>Tulenergo</td>
<td>134.4</td>
</tr>
<tr>
<td>Udmurtenergo</td>
<td>90.2</td>
</tr>
<tr>
<td>IDGC of Center and Volga Region</td>
<td>113.5</td>
</tr>
</tbody>
</table>
**INVESTMENT PROGRAM**

**Capital investments (assimilation, financing, introduction of the fixed assets), RUR mln.**

![Chart showing investment trends from 2008 to 2017.](chart)

### Introduction of PTL (power transmission lines), km

- 2007: 2492 km
- 2008: 1501 km
- 2009: 665 km
- 2010: 3086 km
- 2011: 3465 km
- 2012: 2470 km
- 2013: 2390 km
- 2014: 2122 km
- 2015: 2865 km
- 2016: 2867 km
- 2017: 0 km

### Introduction of transformer capacity, MVA

- 2007: 570 MVA
- 2008: 432 MVA
- 2009: 930 MVA
- 2010: 711 MVA
- 2011: 1264 MVA
- 2012: 505 MVA
- 2013: 580 MVA
- 2014: 682 MVA
- 2015: 1002 MVA
- 2016: 1298 MVA
- 2017: 1530 MVA

### Implementation of investment programs in 2012

- **Renovation program of the primary and auxiliary equipment**
- **Program for energy saving and energy efficiency increase**
- **Program for installation of the devices for voltage regulation and reactive capacity compensation**
INVESTMENT ACTIVITIES BY BRANCHES

Vladimirenergo

Kalugaenergo

Tulenergo

Ryazanenergo

Nizhnovenergo

Kirovenergo

Udmurtenergo

Marienergo

2012 PLAN

Per assimilation, without VAT, RUR mln.
INVESTMENT ACTIVITIES BY BRANCHES in 2012

- **Vladimirenergo**
  - Power transmission lines: 142,5 km
  - Transformer capacity: 22,7 MVA

- **Marienergo**
  - Power transmission lines: 49,3 km
  - Transformer capacity: 7,8 MVA

- **Kirovenergo**
  - Power transmission lines: 217,0 km
  - Transformer capacity: 24,4 MVA

- **Udmurtenergo**
  - Power transmission lines: 203,5 km
  - Transformer capacity: 10,3 MVA

- **Kalugaenergo**
  - Power transmission lines: 1123,0 km
  - Transformer capacity: 93,2 MVA

- **Ivenergo**
  - Power transmission lines: 41,0 km
  - Transformer capacity: 15,7 MVA

- **Tulenergo**
  - Power transmission lines: 765,8 km
  - Transformer capacity: 175,2 MVA

- **Ryazanenergo**
  - Power transmission lines: 132,9 km
  - Transformer capacity: 88,8 MVA
### KEY INVESTMENT PROJECTS in the 1st half year of 2012

<table>
<thead>
<tr>
<th>Company</th>
<th>Project Description</th>
<th>Beginning of construction</th>
<th>Lead-in power</th>
<th>Lead-in power</th>
<th>Completion deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nizhnovenergo</strong></td>
<td>Reconstruction of 110 kV OL #104 NIGRES-Zavolzhskaya</td>
<td>2011</td>
<td>15 km</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Vladimirenergo</strong></td>
<td>Reconstruction of 110 kV OL Molitovskaya–Prikotskaya (crossing through river Oka)</td>
<td>2009</td>
<td>1,3 km</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Kalugaenergo</strong></td>
<td>Reconstruction of 110 kV SS &quot;Rosva&quot;</td>
<td>2011</td>
<td>10 MVA</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Tulenergo</strong></td>
<td>Reconstruction of 110 kV OL &quot;Zvezda-Begichevo&quot; and 110 kV OL &quot;Zvezda-Volovo&quot;</td>
<td>2012</td>
<td>49,4 km</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Ryazanenergo</strong></td>
<td>Reconstruction of 110 kV SS &quot;Skopin&quot; (the 2nd stage)</td>
<td>2012</td>
<td>25 MVA</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Udmurtenergo</strong></td>
<td>110/10 kV Substation &quot;Pazely&quot; with 110 kV OL (the 1st stage)</td>
<td>2012</td>
<td>7 km</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Marienergo</strong></td>
<td>10 kV OL Pig complex in rural settlement Velikopol'ye of Orshansk district</td>
<td>2011</td>
<td>3,883 km</td>
<td></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Kirovenergo</strong></td>
<td>Construction of two-chain 110 kV OL TPP3-Chepetsk, TPP3-Vyatka</td>
<td>2012</td>
<td>80 MVA/3,4 km</td>
<td></td>
<td>2013</td>
</tr>
</tbody>
</table>

### Details
- **Kirovenergo**
  - Construction of two-chain 110 kV OL TPP3-Chepetsk, TPP3-Vyatka
  - Beginning of construction: 2012
  - Completion deadline: 2013
  - Lead-in power: 80 MVA/3,4 km

- **Kalugaenergo**
  - Reconstruction of 110 kV SS "Rosva"
  - Beginning of construction: 2011
  - Completion deadline: 2012

- **Marienergo**
  - 10 kV OL Pig complex in rural settlement Velikopol'ye of Orshansk district
  - Beginning of construction: 2011
  - Completion deadline: 2012
  - Lead-in power: 3,883 km
INVESTMENT AND REPAIR PROGRAMS

**Sources of the investment program per assimilation in 2012, RUR mln.**

- Depreciation: 4,611
- Net profit in the grid tariff: 1,319
- Sources per technological connection: 553
- Other own sources: 156
- Credits and loans: 2,925

**Directions of the capital investments per assimilation in 2012, RUR mln.**

- Re-equipment and reconstruction of facilities: 3,936
- Acquisition of the fixed assets' facilities: 66
- Intangible assets: 156
- New construction and enlargement: 5,406

**Expenses for repair, totally, RUR mln.**

- 2009: 2,161
- 2010: 2,579
- 2011: 2,844
- 2012: 2,739
- 2013: 2,724
- 2014: 2,858
- 2015: 2,998
- 2016: 3,146

**Expenses for repair in 2012 by the regions, RUR mln.**

- Vladimirenergo: 313
- Ivenergo: 91
- Kalugaenergo: 202
- Kirovenergo: 270
- Marienergo: 69
- Nizhnovenergo: 1,164
- Ryazanenergo: 187
- Tulenergo: 217
- Udmurtenergo: 225

2,739 млн. руб.
The main problem of IDGC of Center and Volga Region, JSC – is a wear of the fixed assets – needs a large-scale renovation of the equipment.

Target value of the wear – is 50% towards year 2020.

The main objective of the renovation program – is bringing of the electric grids’ technical level to the world standards, increase of reliability and manageability by way of usage of the new highly efficient methods and technology, introduction of new, safe, maintenance-free types of equipment, controlled remotely.

The investment program of IDGC of Center and Volga Region, JSC for 2012-2017 stipulates the expenses for renovation in the amount of RUR 33,8 bln.

Sources of financing of renovation:

- tariff sources
- borrowed funds
- economy from the renovation program implementation – reduction of losses
TECHNOLOGICAL CONNECTION

**Average payment amount for the technological connection**

- **Vladimirenergo**: 955 RUR/kW (effective as of 30.06.12)
- **Ivenergo**: 486 RUR/kW (effective as of 1.09.2012)
- **Kirovenergo**: 583 RUR/kW (effective as of 30.06.12)
- **Udmurtenergo**: 70 RUR/kW (effective as of 12.02.2009)
- **Ryazanenergo**: 7,930 RUR/kW (with the investment component effective as of 30.06.12)
- **Marienergo**: 119 RUR/kW (without the investment component effective as of 30.06.12)
- **Tulenergo**: 14% of the market
- **Nizhnovenergo**: 54 RUR/kW (without the investment component effective as of 01/01/2013)
- **Kalugaenergo**: 7,344 RUR/kW (with the investment component effective as of 01/01/2012)

**Proceeds from the services on TC, RUR min.**

- 2009: 1,175
- 2010: 954
- 2011: 362
- 2012: 331

**Volume of the connected capacity, mW**

- 2009: 756
- 2010: 413
- 2011: 364
- 2012: 447

**Distribution of technological connection in 2011, mW**

- Ryazanenergo: 9%
- Nizhnovenergo: 21%
- Kirovenergo: 16%
- Udmurtenergo: 6%
- Marienergo: 6%
- Tulenergo: 14%
- Ivenergo: 4%
- Kalugaenergo: 14%

**Fact as of 30.06.12**

- Ryazanenergo: 9%
- Nizhnovenergo: 21%
- Kirovenergo: 16%
- Udmurtenergo: 6%
- Marienergo: 6%
- Tulenergo: 14%
- Ivenergo: 4%
- Kalugaenergo: 14%
* IDGC of Center and Volga Region, JSC has a vast program of consolidation, which will increase the Company’s market share and increase reliability of the consumers’ power supply.
* The main finance sources of the program is the current year’s profit in the tariff for transmission, depreciation, other own sources and borrowed funds
* Assumed total cost of the transactions in 2011–2015 amounts to RUR 5,8 bln. (RUR 2,1 bln. is spent to the lease)
* Assumed total increase of RGP (required gross profit) will amount to RUR 9,7 bln. (RUR 5,0 bln. is spent to the lease)
In 2012 they plan to place coupon commercial papers at MICEX.

Volume of issue: RUR 4,000,000 ths.
Circulation term: 3 years
Coupon’s rate: will be determined on basis of monitoring of the bonds market на основании

Organizers of the bonds issue: IC “Troika Dialog”, VTB Capital

The work on the credit rating receipt is carried out.
Main directions of the strategy implementation

- Provision of reliability and safety of the electric grid complex functioning, increase of quality of the services rendered
- Increase of the operating and investment efficiency
- Increase of the investment appeal and market capitalization
- Innovative development of assets and the arrangements implementation in the framework of the program for energy efficiency increase
- Enlargement and control of the market for the electric grid services
- Formation of highly efficient management system and highly skilled professional team

Milestones

- Reduction of the grid’s wear to 50% - towards year 2020
- Bringing of the operating efficiency figures towards year 2020 to the level of efficiency of the distribution grid companies of the developed countries
- Provision of a rate of return of the investments at a level of the companies’ rate of return with the comparable market risks in the Russian Federation
- Provision of the necessary funds attraction for the implementation of a large-scale renovation of the fixed assets, the result of which will be reliability and quality increase of the services, efficiency increase of the company’s activities
- Introduction of the innovative technologies, conforming to the best world standards in the sphere of electric power distribution, on all the stages of the technological process
The team of managers implements the specified strategy and goals of the company. These managers have:

* big job experience in the electric-power industry;
* high professional level of knowledge;
* huge wish to make great advances.

Ushakov Evgeny Victorovich - Chairperson of the Management Board, Director General of IDGC of Center and Volga Region, JSC

- Year of birth - 1964
- Education - Chelyabinsk polytechnical Institute after the name of Leninist Komsomol, engineer-electrician (electric power plants)
- Job experience in the electric-power industry is - 24 years

Andrus Sergey Timofeevich - Deputy Chairperson of the Management Board, Deputy Director General for the technical issues – chief engineer of IDGC of Center and Volga Region, JSC

- Year of birth - 1962
- Education - Kishinevsk polytechnical Institute, engineer-electrician (electrical systems)
- Job experience in the electric-power industry is - 23 years

Podolskaya Lada Alexandrovna - Deputy Director General for the corporate governance of IDGC of Center and Volga Region, JSC

- Year of birth - 1974
- Education - Ural State Juridical Academy, lawyer (jurisprudence)
- Job experience in the electric-power industry is - 12 years

Tikhomirova Olga Vladimirovna - Deputy Director General for economics and finances of IDGC of Center and Volga Region, JSC

- Year of birth - 1964
- Education - Moscow Power Engineering Institute, engineer of the electronic technology (industrial electronics), All-Russian extramural financial and economic Institute, economist (finances and credit), Ph.D. in Economics
- Job experience in the electric-power industry is - 19 years

Vedernikov Andrey Yurievich - Deputy Director General for development and services sales of IDGC of Center and Volga Region, JSC

- Year of birth - 1976
- Education - Vyatsky State Technical University, engineer-electrician (electrical power systems and networks), Vyatka State Agricultural academy, economist (finances and credit).
- Job experience in the electric-power industry is - 13 years

Yashanina Irina Victorovna - Deputy Director General – head of the Machinery of IDGC of Center and Volga Region, JSC

- Year of birth - 1962
- Education - Moscow Management Institute of the Order of the Red Banner of Labour, engineer-economist (governance bodies in the energy sector)
- Job experience in the electric-power industry is - 27 years

Shits Vladimir Victorovich - Deputy Director General for the capital construction of IDGC of Center and Volga Region, JSC

- Year of birth - 1972
- Education - Omsk State Technical University, engineer-electrician (electric power supply)
- Job experience in the electric-power industry is - 14 years

Prepodobny Alexander Vasilievich - Deputy Director General for safety of IDGC of Center and Volga Region, JSC

- Year of birth - 1954
- Education - Gorky higher school of Ministry of Home Affairs of USSR, Graduate military course of Research Institute of RF Ministry of Home Affairs, lawyer (jurisprudence), Cand.Sc.
- Job experience in the electric-power industry is - 4 years

Nikitushkin Evgeny Vladimirovich - head of the Treasury of IDGC of Center and Volga Region, JSC

- Year of birth - 1977
- Education - Saint Petersburg State Technical University, economist (finances and credit)
- Job experience in the electric-power industry is - 11 years
Thank you for attention!

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