



INTER RAO UES 2011 Consolidated Financial and Operational Performance

27 April 2012

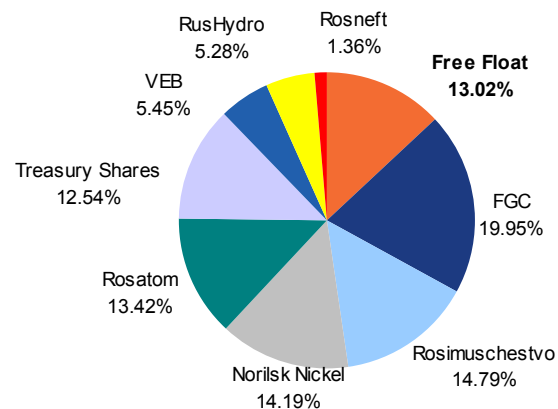


INTER RAO Brief Description

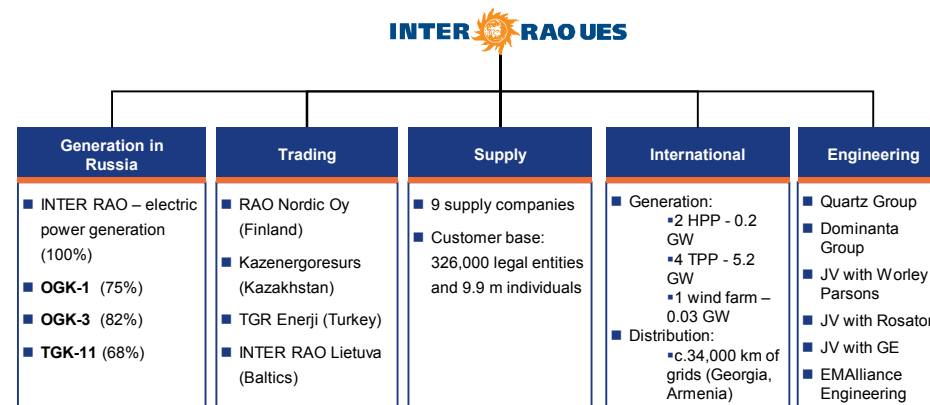
A Leading Russian Power Company

- Diversified power holding involved in **electricity/heat generation and supply, export/import of electricity** and **engineering**
- Operates and manages 27 thermal and 2 hydro power plants, and 1 wind power farm
 - Total installed electricity capacity of **29 GW** and 2011 electricity output of **127 TWh**⁽¹⁾
- Leading Russian export-import operator accounting for 97% of Russian electricity export in 2011
- Operations in over 14 countries, including Russia, Georgia, Armenia, Kazakhstan, Belarus, Moldova, Lithuania and Finland
- Listed on RTS and MICEX (List A1), MCAP⁽²⁾ of \$9.1bn, INTER RAO GDRs are admitted to LSE. Shares are included into MSCI Large Caps Index

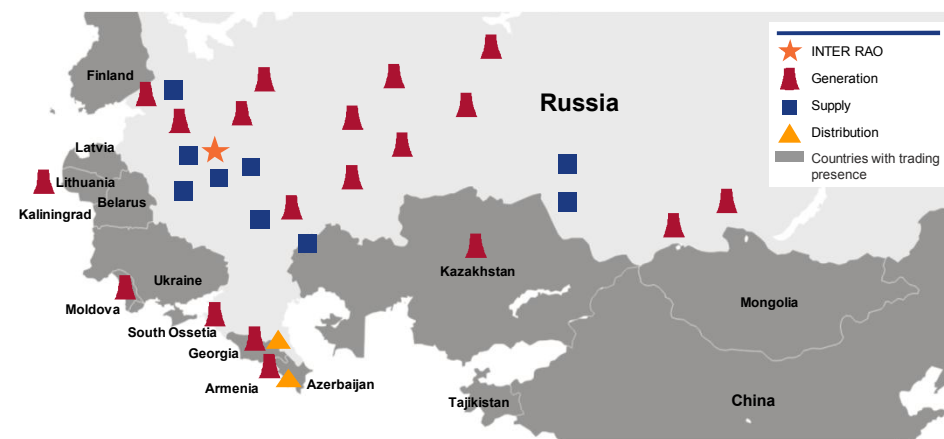
Ownership Structure



Group's Diversified Operations



Broad Geographic Coverage



(1) Including Armenian NPP
 (2) As of 25 April 2012



Key Factors Driving the Group's Performance

GENERATION



The Group's expansion through companies consolidation and M&A activities



Electricity output growth: Russia +8,1%⁽¹⁾, International markets +8.7%



Favourable domestic market pricing conditions: +12% price growth for wholesale electricity and capacity in the 1st pricing zone and +11% in the 2nd pricing zone



Diversified fuel supply structure

Supply



9-10% supply companies tariffs growth for households and 9-16% for other consumer groups depending on the geography

TRADING



Export - Import operations growth by 21.3%, volatile electricity prices in international markets



Positive financial results from hedging of international trading activities, FX risks, and lower interest expenses



Implementation of the Group's investment programme

(1) According to the UES System Operator 2011 electricity output grew by 1.5% in Russia



1. Operational Performance

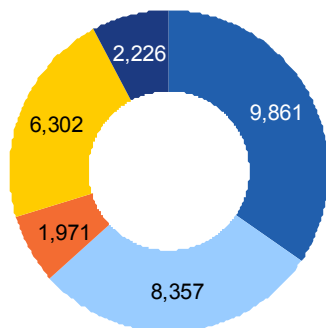


Electric Power Generation

Installed Capacity Breakdown

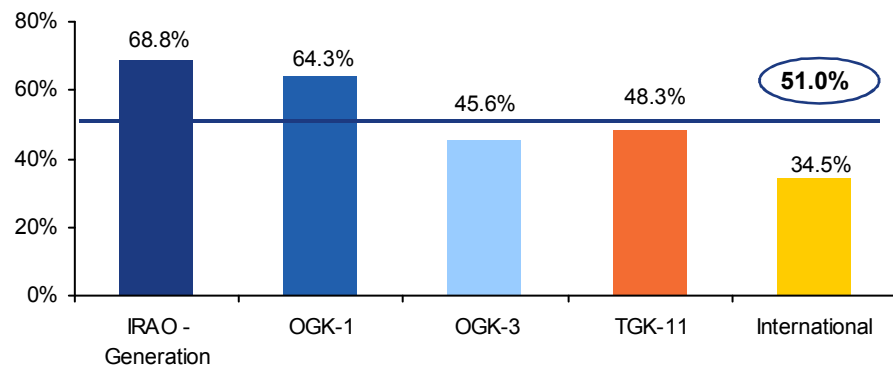
MW

Total: 28.7 GW



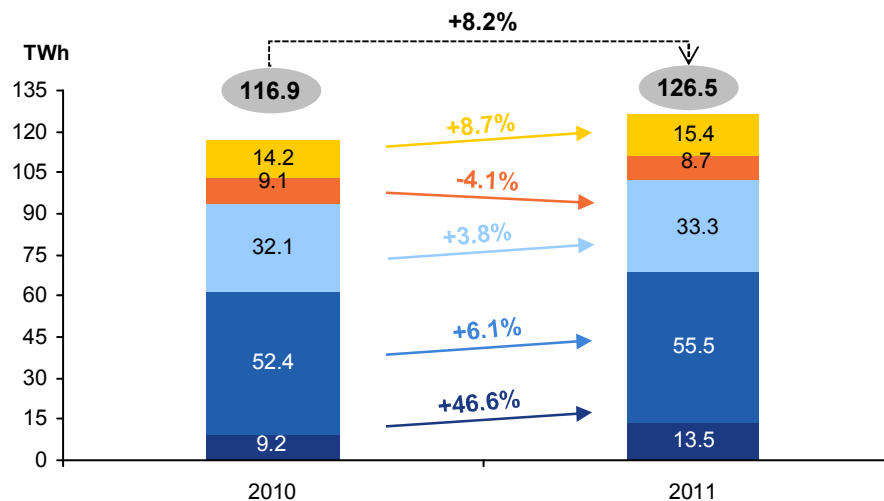
■ IRAO - Generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International

Load Factor



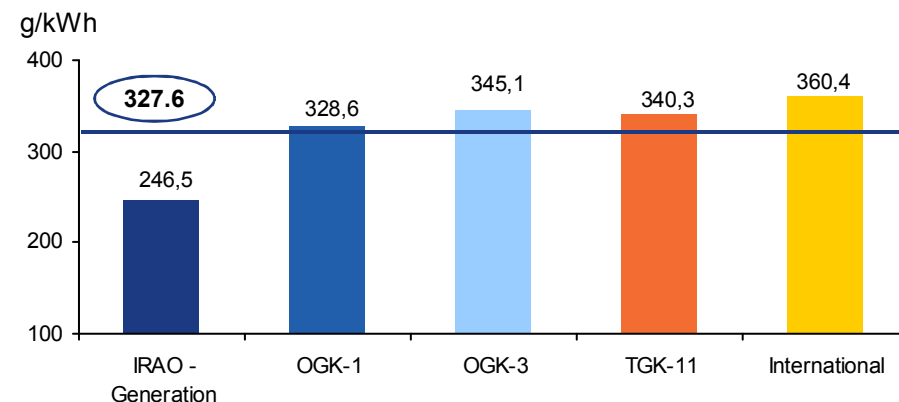
#% - INTER RAO load factor

Electric Power Output



■ IRAO - Generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International

Fuel Consumption

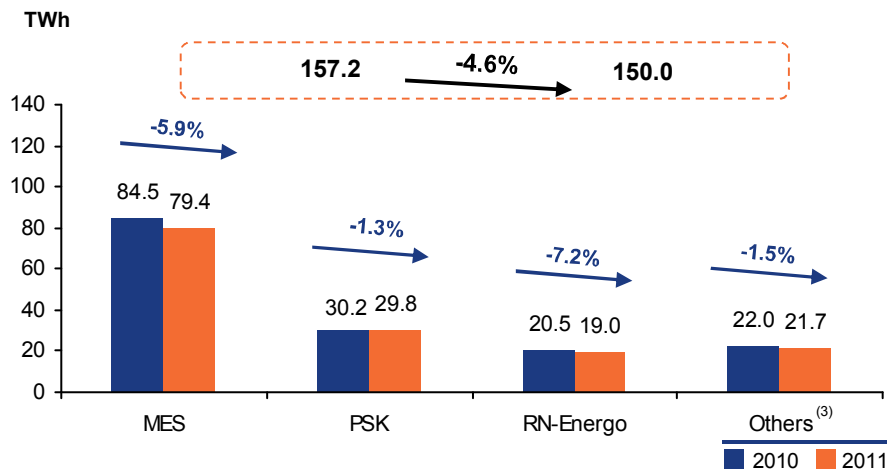


- INTER RAO Fuel Consumption

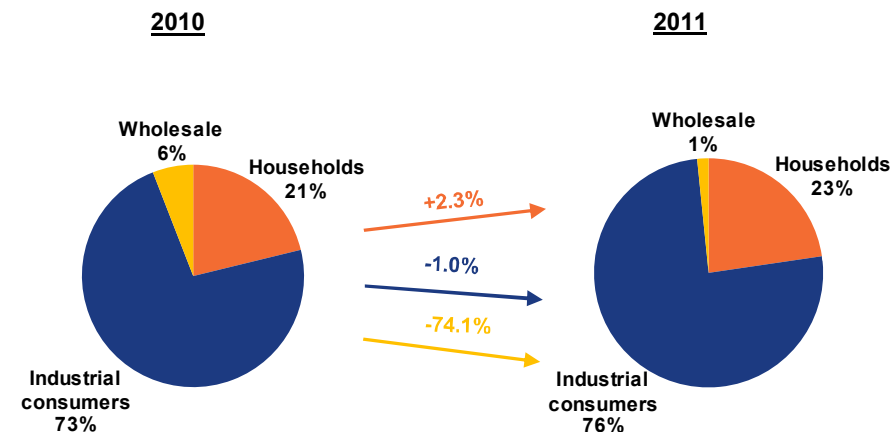


Electricity Supply

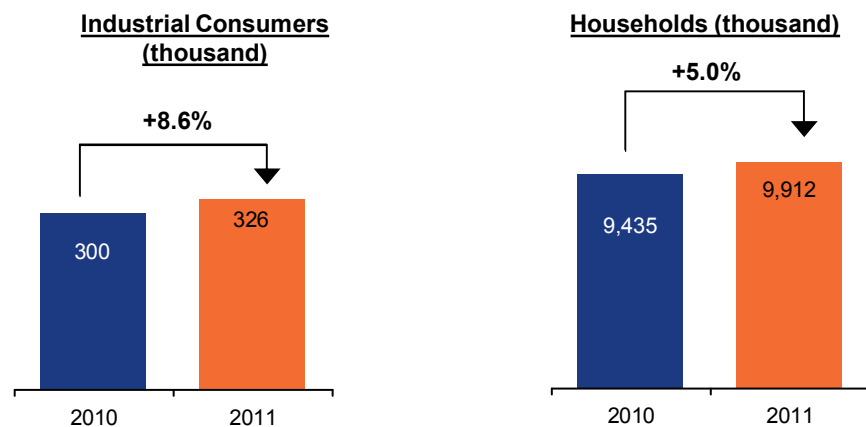
Net Supply Output⁽¹⁾



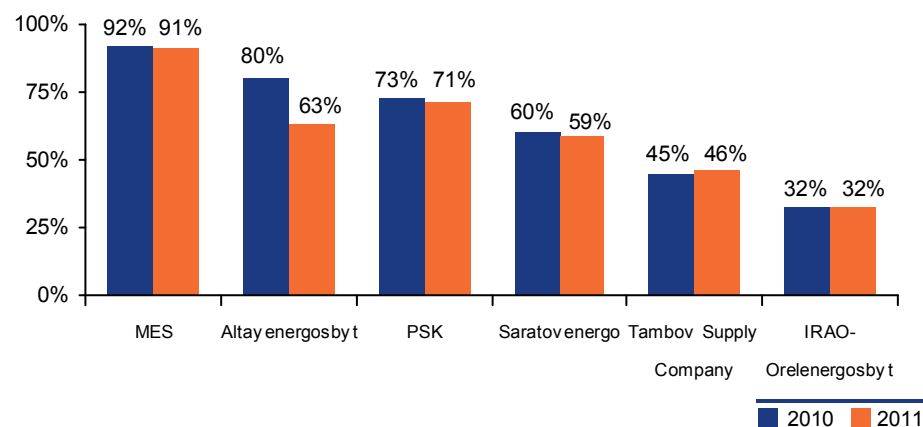
Electricity Sales Breakdown⁽²⁾



Number of Customers



Regional Market Share⁽⁴⁾



(1) Including sales of electricity in the retail and wholesale markets

(2) Excluding electricity to compensate for losses

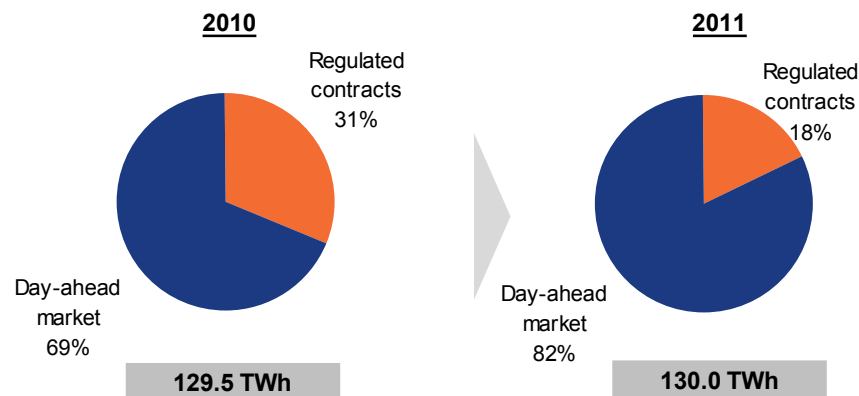
(3) Includes Altayenergosbyt, Saratov, Tambov Supply Companies, INTER RAO – Orel Energosbyt, RT-Energotrading and Industrial Power

(4) RT-Energotrading, RN-Energo, Promenergetika operates in several regions

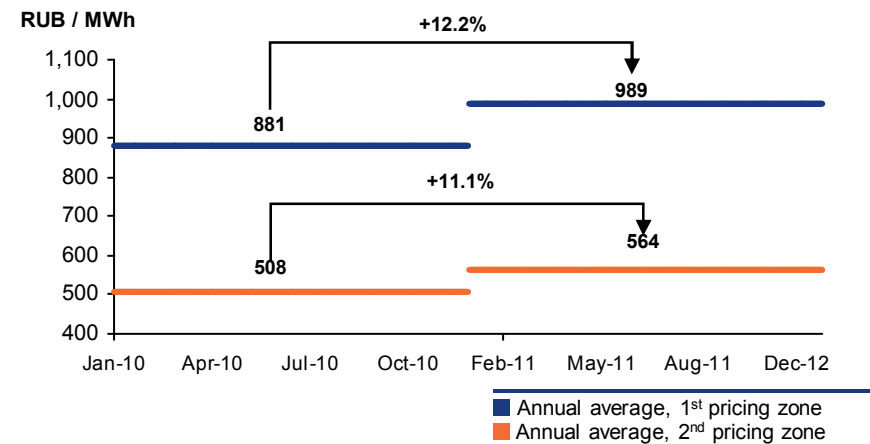


Domestic Trading

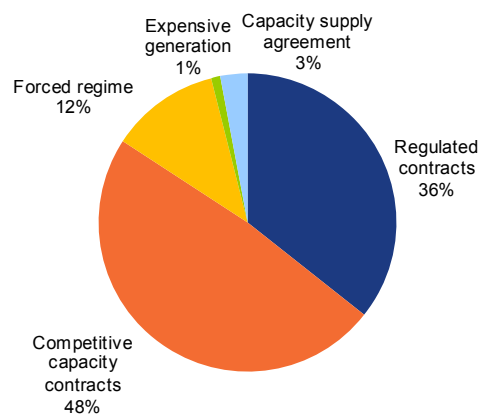
Electricity Sales Breakdown, TWh



Day-ahead Electricity Prices



Capacity Sales Breakdown, MW



Capacity Tariffs in 2011⁽¹⁾

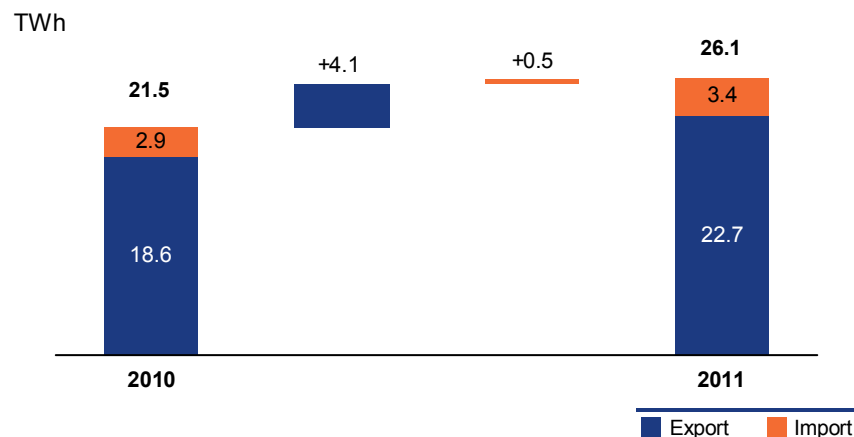
| | Plant | Status | RUB / MW / month |
|-----------|---------------------------|----------------------|------------------|
| INTER RAO | Sochinskaya TPS | Forced regime | 502,964.47 |
| | Sochinskaya TPS (80 MW) | CSA | 762,973.02 |
| | Ivanovskie CPP | Expensive generation | 260,376.54 |
| | Severno-Zapadnaya TPS | Forced regime | 120,407.80 |
| OGK-1 | Kashirskaya GRES (330 MW) | CSA | 446,695.75 |
| | Urengoyanskaya GRES | Forced regime | 118,125.00 |
| OGK-3 | Gysinozerskaya GRES | Forced regime | 173,527.69 |
| | Kharanorskaya GRES | Forced regime | 263,612.35 |
| TGK-11 | Omskaya CHPP-3 | Forced regime | 150,765.44 |
| | Omskaya CHPP-4 | Forced regime | 228,765.02 |
| | Tomskaya GRES-2 | Forced regime | 148,481.23 |
| | Tomskaya CHPP-3 | Forced regime | 222,744.20 |

(1) Permskaya TPS, Nizhnevarovskaya TPS, Irklinskaya TPS, Verkhnetagilskaya TPS, Kashirskaya TPS, Kostromskaya TPS, Cherepetskaya TPS, Yuzhnouralskaya TPS and Omskaya TPS-5 received capacity payments at comparative power takeoff prices in 2011

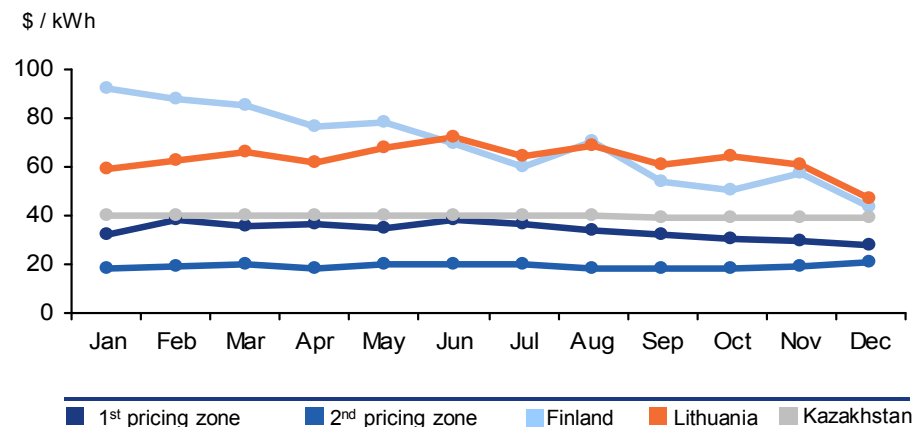


Trading Operations

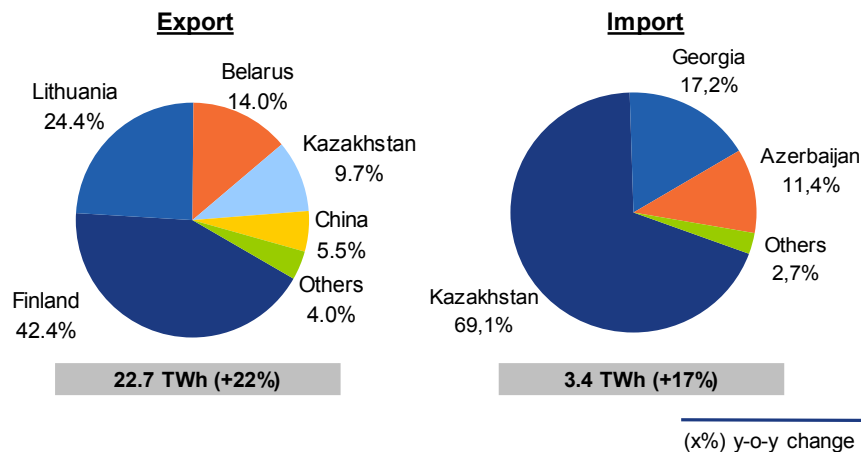
Export – Import Volumes



2011 Electricity Market Prices⁽¹⁾



Export - Import Operations Breakdown by Geography, TWh



Comments

- During 2011 export volume amounted to c.23 TWh. Key export destinations – Finland, Belarus, and Lithuania (over 80%)
- Export revenue grew 34%. Electricity sales to Finland accounted for c.50% of the total export revenue
- Electricity to China and Mongolia was exported through subsidiary OAO “VEK” in amount of c.1.5 TWh
- Export-import operations growth was driven primarily by flows to and from Kazakhstan, related to optimizing operations in the Russian power market

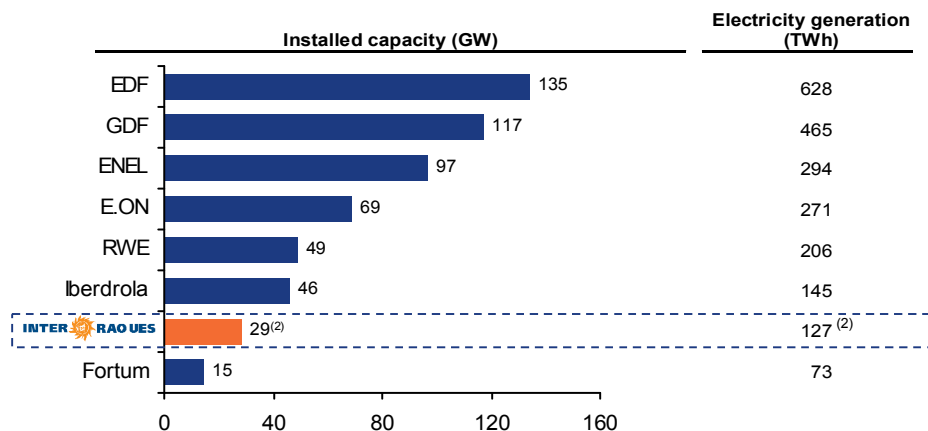
Russia's undisputed leader in electricity export / import with average profitability of 13.65%

(1) Figures converted from RUB at average 2011 FX rates (29.38 RUB/\$, 1.39 \$/€, 146.7 KZT/\$)

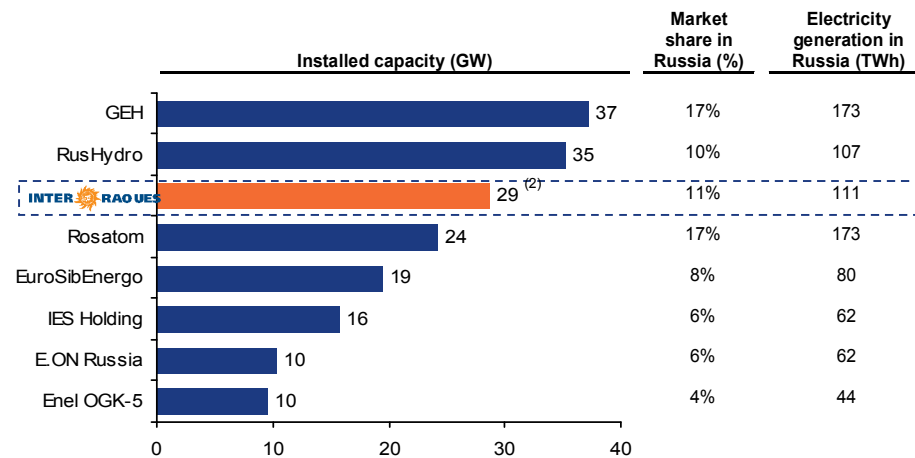


Competitive Positions in the Sector

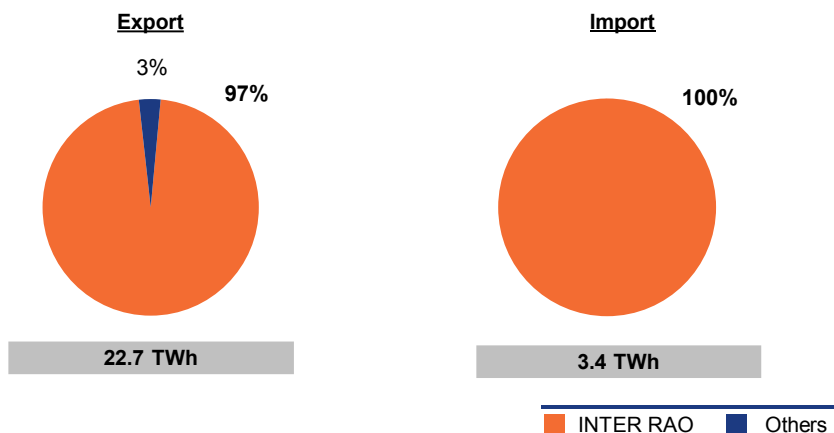
Ranks Among Major Global Power Companies⁽¹⁾



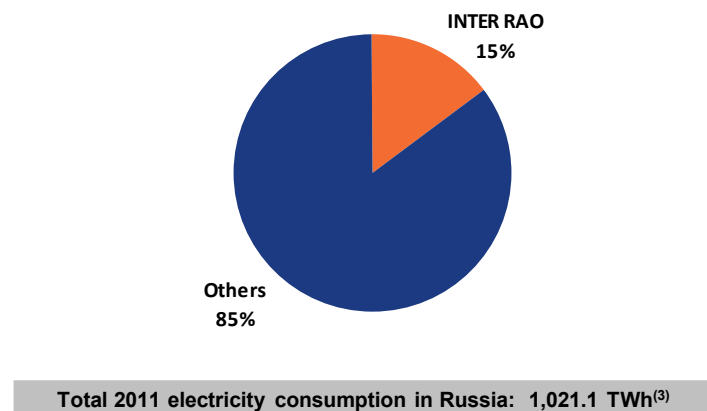
Leading Positions in the Russian Electricity Generation Segment



The Leader in Electricity Export / Import Operations in Russia



The Leader in the Electricity Supply Segment

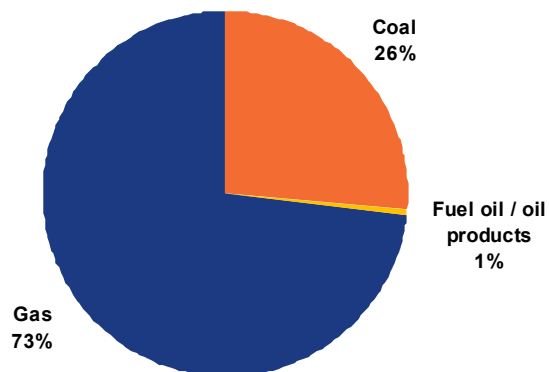


(1) Source: Companies' data as of EY 2011
 (2) Including International generation assets
 (3) Source: UES System Operator



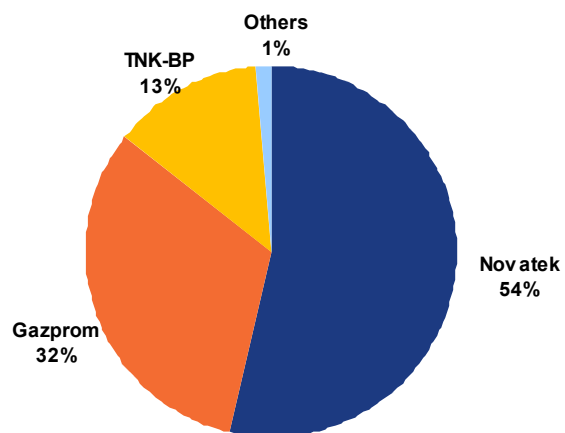
Fuel Consumption in 2011

Fuel Mix



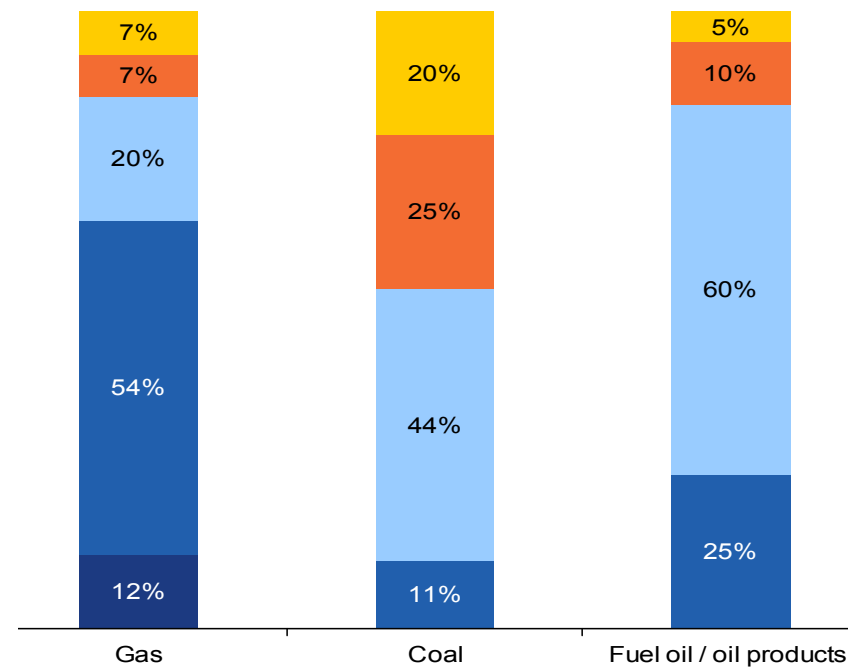
41,421,000 tons of reference fuel

Gas Suppliers⁽¹⁾



(1) Russian generating assets

Fuel Consumption Breakdown



■ IRA0 – Generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International

INTER RAO gas consumption: 26,189 million m³

INTER RAO coal consumption: 18,311,000 tons



2. IFRS Financial Performance in 2011



Key Financials

| (RUB m) | 2011 | 2010 | Change |
|--|---------------|---------------|--------------|
| Revenues | 536,244 | 464,386 | 15.5% |
| Adjusted EBITDA | 41,657 | 33,628 | 23.9% |
| Adjusted EBITDA Margin | 7.8% | 7.2% | |
| Adjusted EBIT | 28,641 | 26,180 | 9.4% |
| Net Profit | 41,457 | 18,639 | 122.4% |
| Operating Cash Flow | 16,533 | 13,478 | 22.7% |
| (RUB m) | 31 Dec 2011 | 31 Dec 2010 | Change |
| Total Assets | 531,916 | 249,090 | 113.5% |
| Total Equity | 390,657 | 139,139 | 180.8% |
| Adjusted Total Debt⁽¹⁾ | 48,644 | 39,167 | 24.2% |
| Adjusted Net Debt⁽²⁾ | (33,541) | 6,622 | |

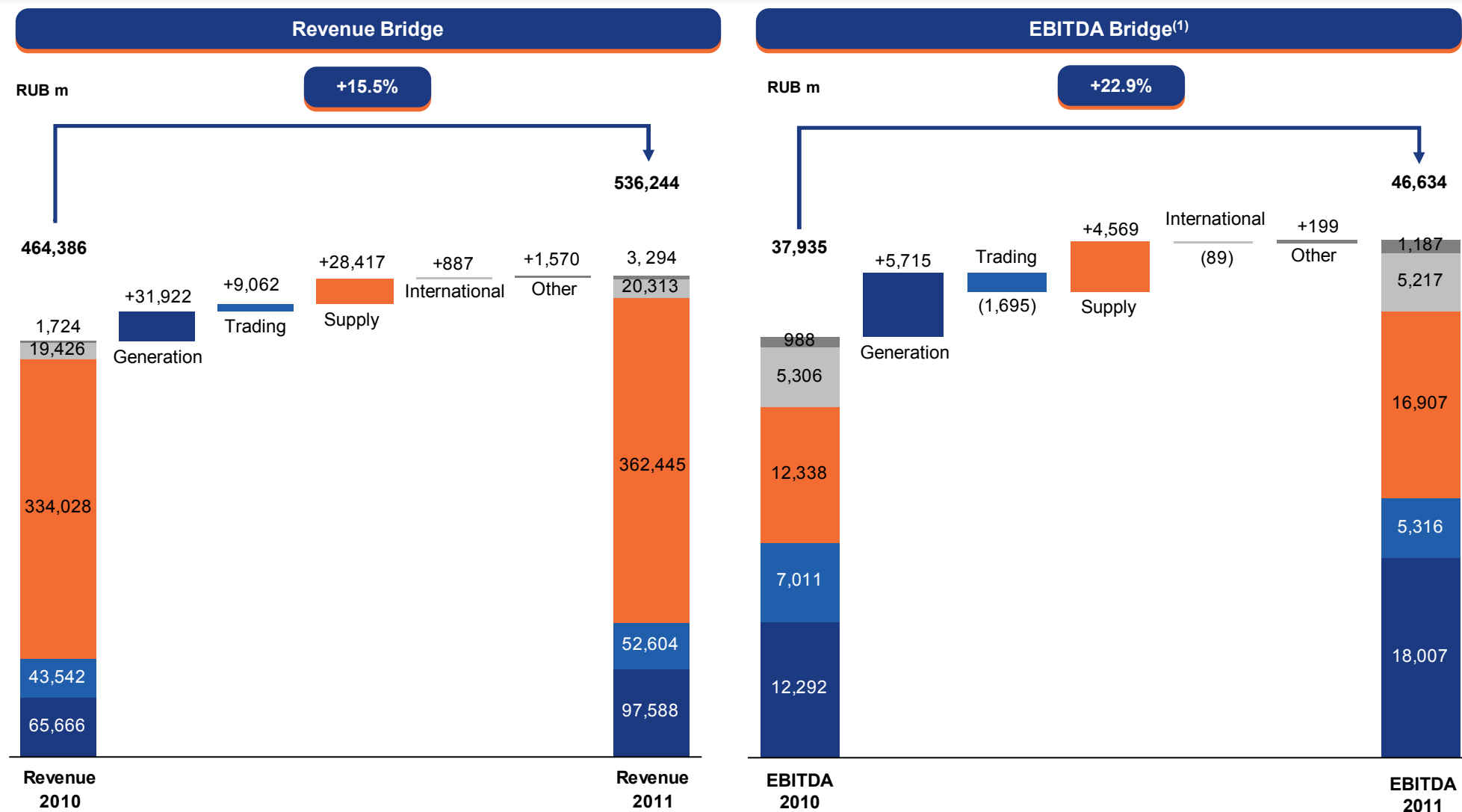
Note 1: OGK-3 performance is included since the date of acquisition – 1 April 2011

(1) Includes share in debt of jointly-controlled entities RUB 672m as of 31.12.2011 (RUB 633m as of 31.12.2010)

(2) Includes cash deposits (3-12months) of RUB 38,667m as of 31 December 2011 (RUB 1,275m as of 31 December 2010) and share in debt of jointly-controlled entities of RUB 672m as of 31 December 2011 (as of 31 December 2010: RUB 633m)



Evolution of Key Financials – 2010 / 2011



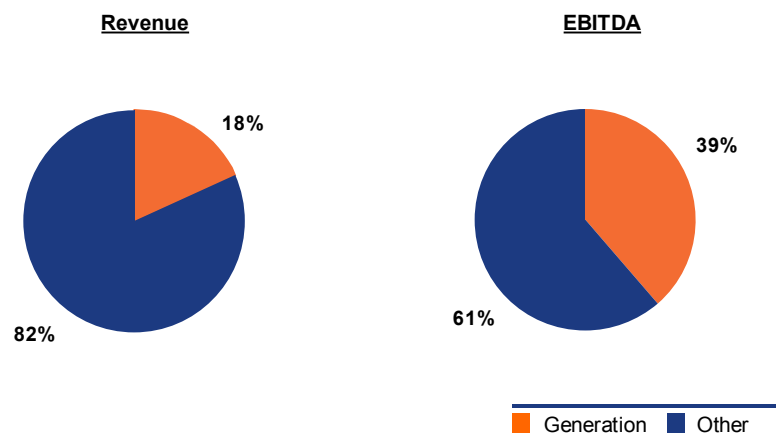
Revenue and EBITDA growth mainly driven by generation and supply segments

(1) EBITDA includes Unallocated and Eliminations for the purposes of this slide and excludes thereafter

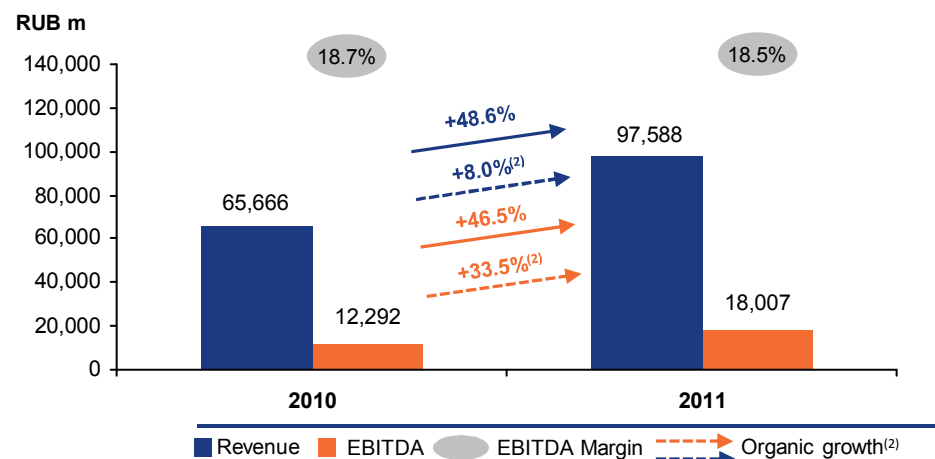


Key Segments: Generation

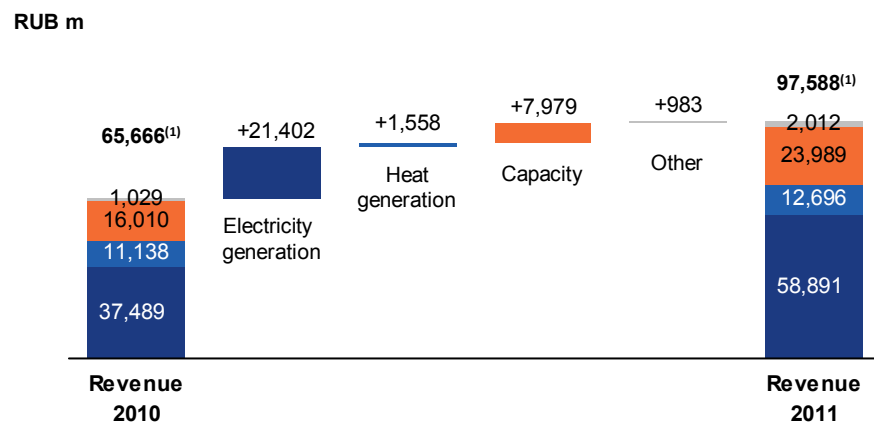
Contribution to Group's 2011 Results



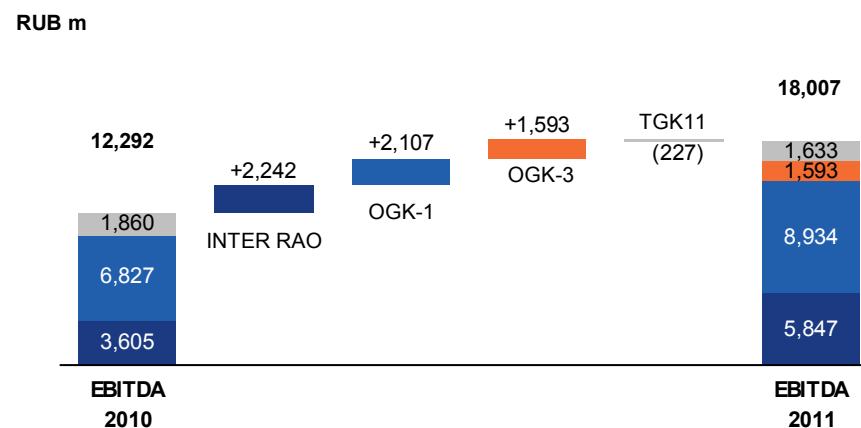
Revenue and EBITDA



Revenue Evolution by Segment



EBITDA Contribution by Company



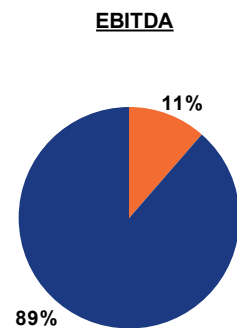
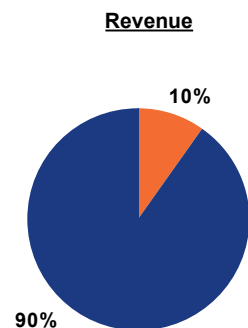
(1) Excludes intersegment revenue of RUB 15,385m and RUB 28,960m in 2011

(2) OGK-3 performance is excluded for the purposes of organic growth calculation, IFRS financials include OGK-3 since the date of acquisition (1 Apr 2011)



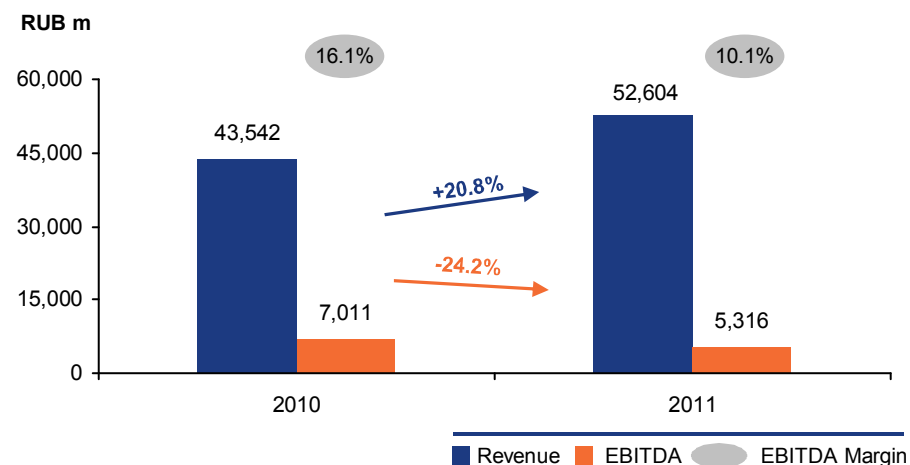
Key Segments: Trading

Contribution to Group's 2011 Results



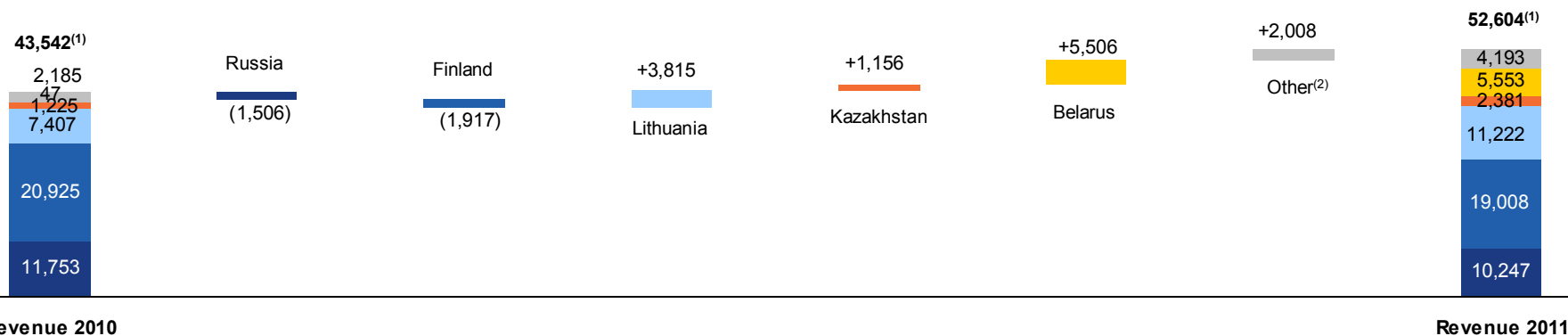
Trading Other

Revenue and EBITDA



Revenue Evolution by Geography

RUB m



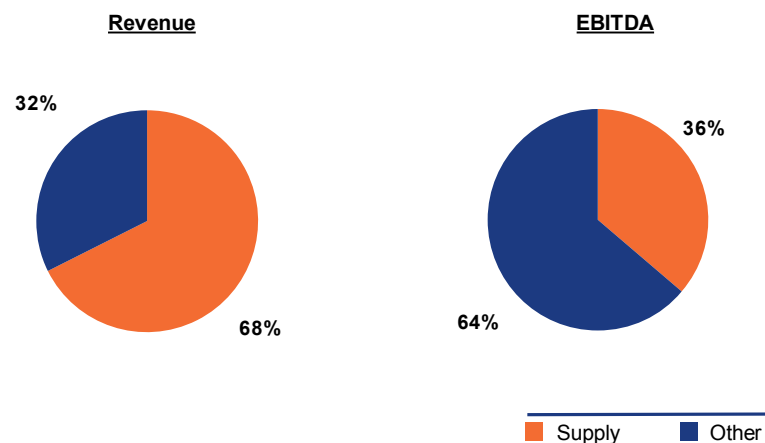
(1) Excludes intersegment revenue of RUB 2,760m in 2010 and RUB 3,921m in 2011

(2) Georgia, Azerbaijan, Mongolia, Ukraine, Latvia and Estonia

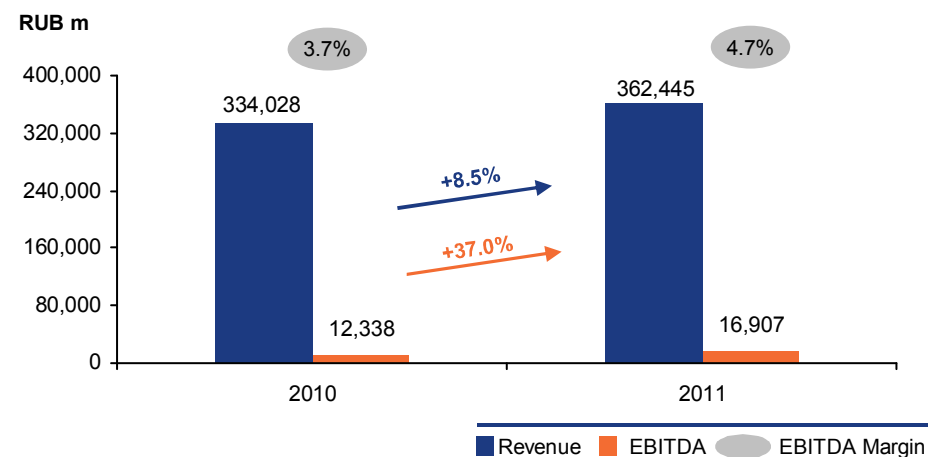


Key Segments: Supply

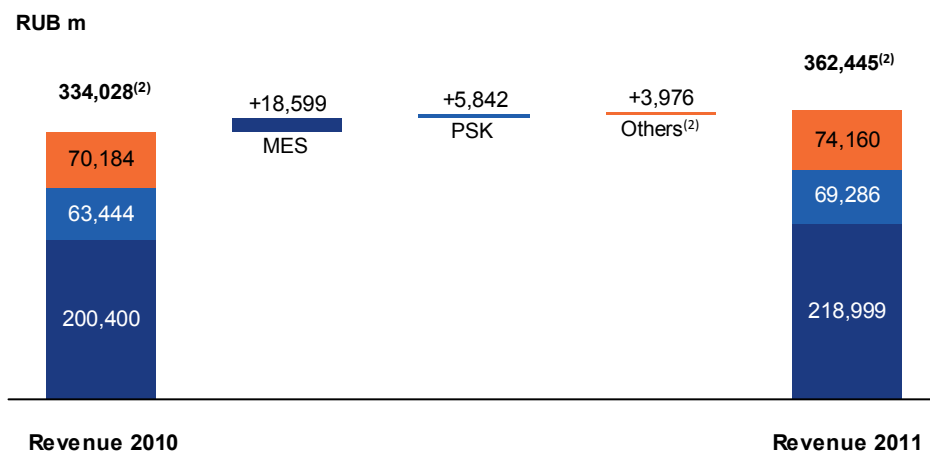
Contribution to Group's 2011 Results



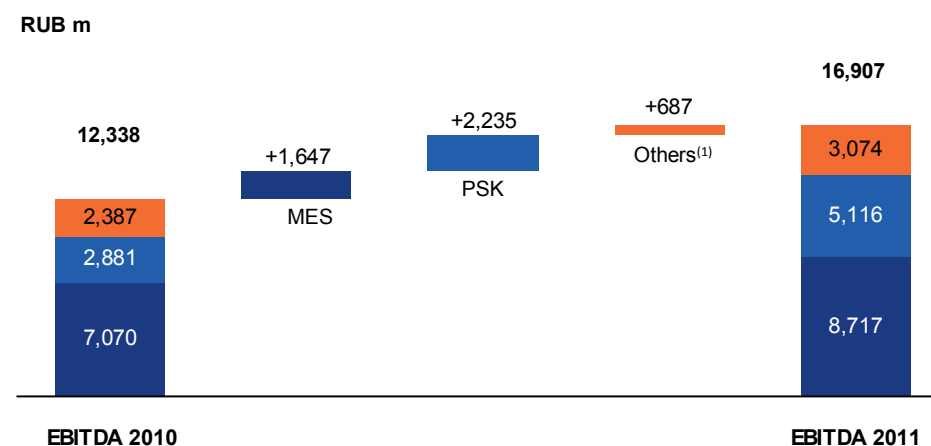
Revenue and EBITDA



Revenue Evolution by Supply Subsidiary



EBITDA Evolution by Supply Subsidiary

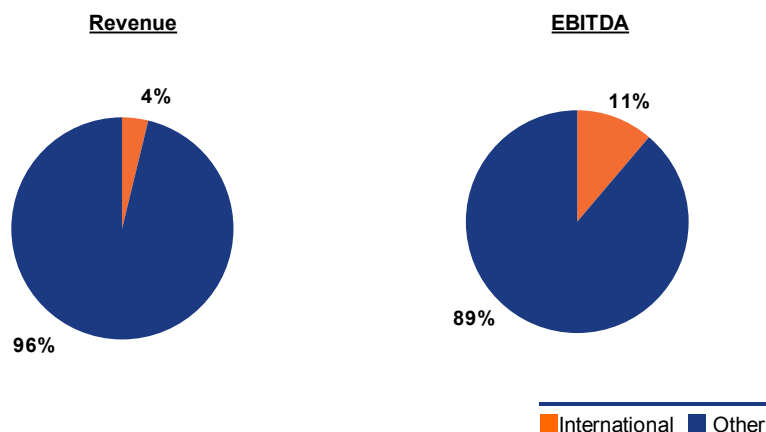


(1) Includes Tambov Supply Company, Saratov Energosbyt, Altayenergoby, United Supply Company, RN-Energo and Industrial Power
(2) Excludes intersegment revenue of RUB 579m in 2010 and RUB 171m in 2011

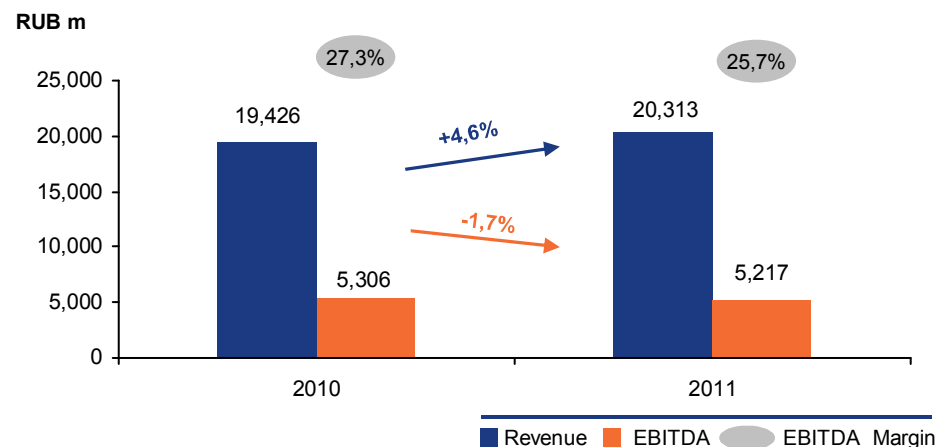


Key Segments: International

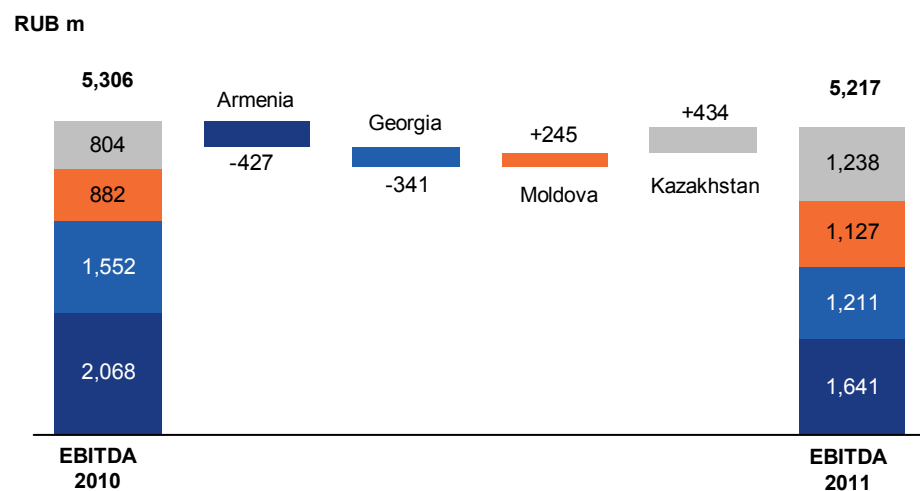
Contribution to Group's 2011 Results



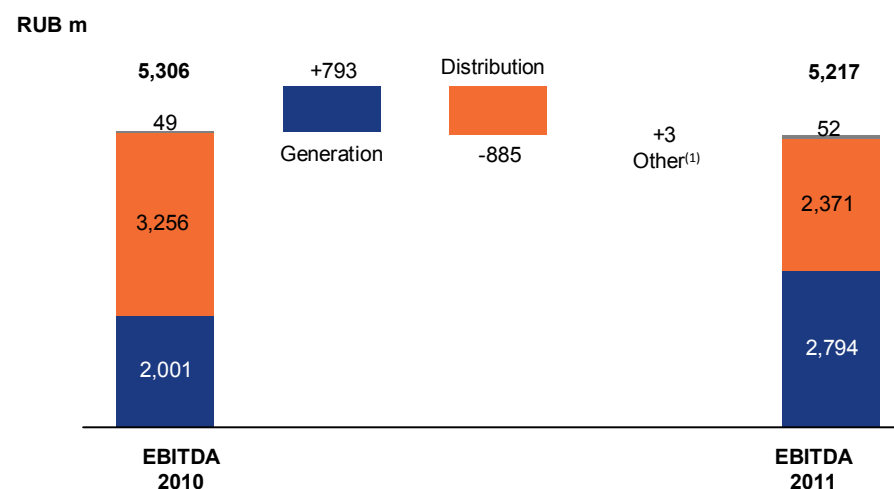
Revenue and EBITDA



EBITDA Evolution by Geography



EBITDA Evolution by Segment



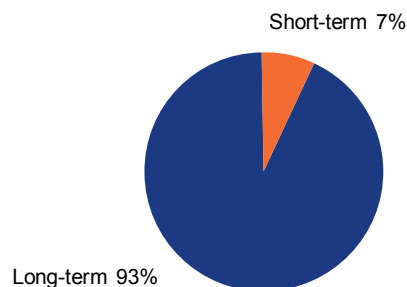
(1) Includes EBITDA from intersegment trading operations and other activities



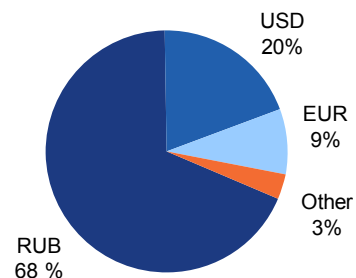
Debt and Liquidity Analysis

Debt Structure (as of 31.12.2011)

By maturity

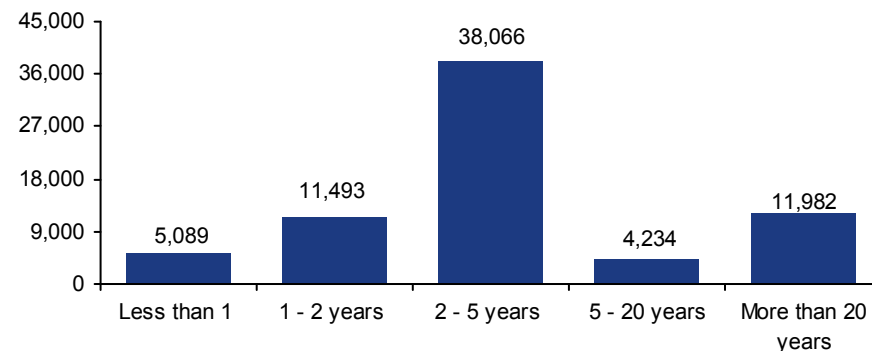


By currency

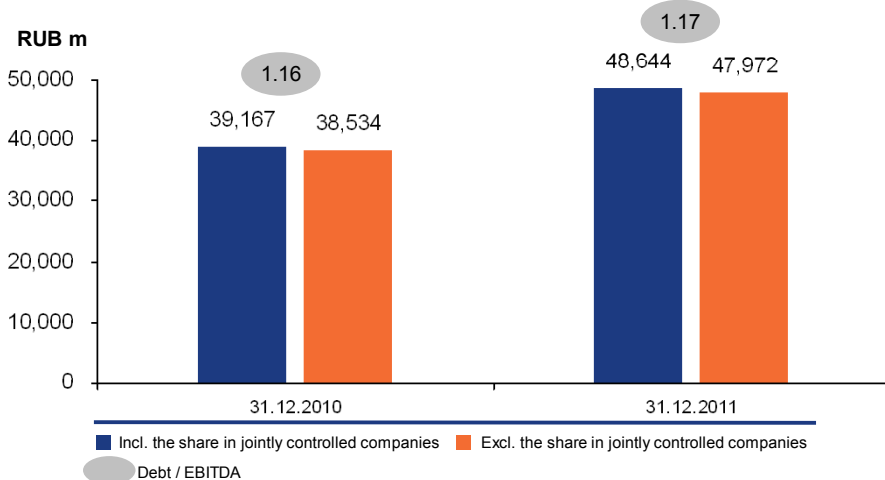


Debt Structure by Maturity⁽¹⁾

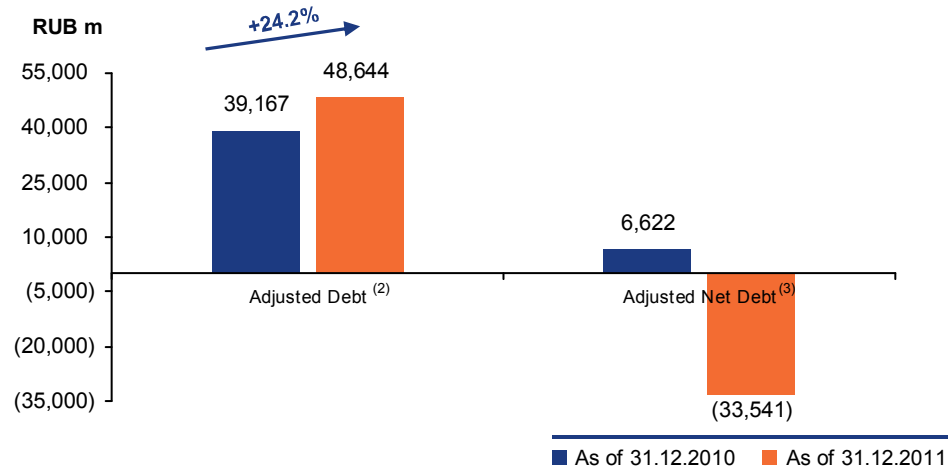
RUB m



Leverage Evolution⁽²⁾



Leverage Evolution



(1) Undiscounted debt statistics, including financial leasing

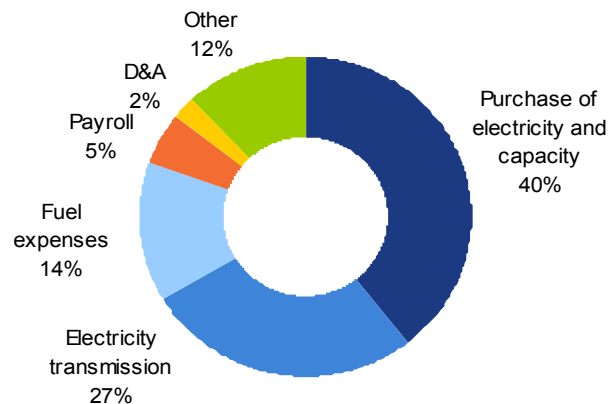
(2) Includes share in debt of jointly-controlled entities RUB 672m as of 31.12.2011 (RUB 633m as of 31.12.2010)

(3) Includes cash deposits (3-12 months) of RUB 38,667m as of 31 December 2011 (as of 31 December 2010: RUB 1,275m) and share in debt of jointly-controlled entities of RUB 672m as of 31 December 2011 (as of 31 December 2010: RUB 633m)



Consolidated Operating Expenses

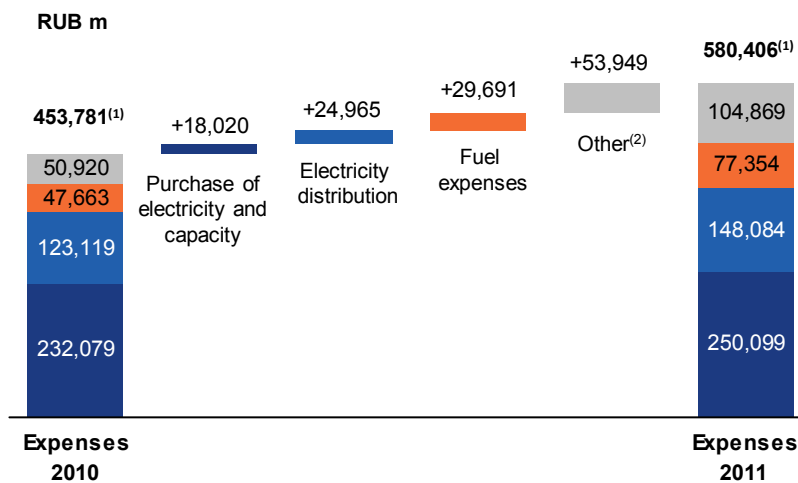
OPEX Breakdown



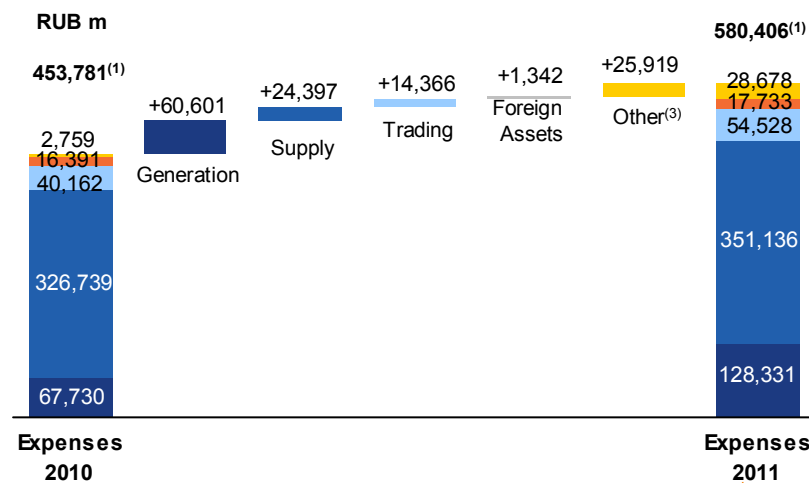
Comments⁽¹⁾

- In 2011 INTER RAO OPEX increased by 28% y-o-y
- Key OPEX growth drivers are:
 - Consolidation of OGK-3, Khrami HPP-1 and Khrami HPP-2 within the Group
 - Increase in electricity purchase and capacity expenses by RUB 18bn due to the Electricity market liberalization and higher prices at the day-ahead market
 - Increase in electricity transmission expenses by RUB 25bn due to a significant increase in tariffs by the Group's supply companies
 - Increase in fuel expenses by RUB 30bn by the Group's generating assets due to higher 2011 gas prices and higher consumption volumes

OPEX Dynamics



OPEX Dynamics by Segment



⁽¹⁾ OPEX do not include unallocated items and eliminations of RUB 31,904bn in 2011 and RUB 15,476bn in 2010

⁽²⁾ Includes payroll expenses, depreciation and other

⁽³⁾ Includes Engineering expenses



THANK YOU!