



INTER RAO UES Group 1H 2012 consolidated financial and operating results

5 October 2012



Key drivers of the Group financial performance

GENERATION



Unfavourable domestic pricing environment: decreased prices in the wholesale electricity market and 10% capacity reduction in the 1st pricing area (Center and Urals)



Lower prices in competitive capacity contracts market in 1H 2012 y-o-y in the Center and Urals free power transfer zones (-4% y-o-y)



Cancellation of electricity tariff indexation from 1 January 2012



1.4% decrease in electricity output due to low capacity loading of the stations by the System operator and scheduled generation equipment overhauls

SUPPLY



No more differentiation by hours of capacity utilization for customers of electricity supply companies from 1 April 2012



Tariff reduction by electricity supply companies to meet the requirements of the Russian Government regulations

TRADING



22% reduction of export/import volumes, declining electricity prices in external markets (Nasdaq OMX, Baltpool)



Group Investment Programme implementation



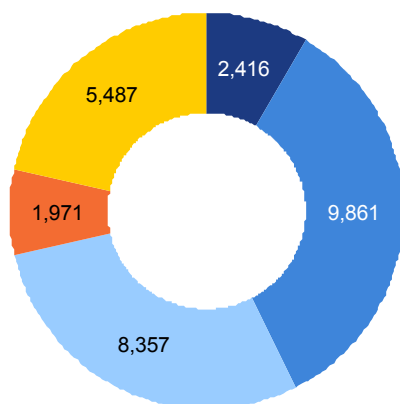
1. Operational performance results in 1H2012



Electricity generation

Installed capacity structure

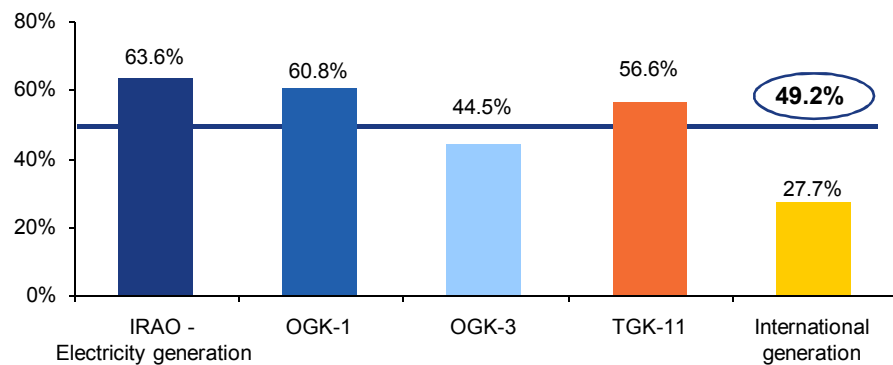
GW



Total: 28 GW

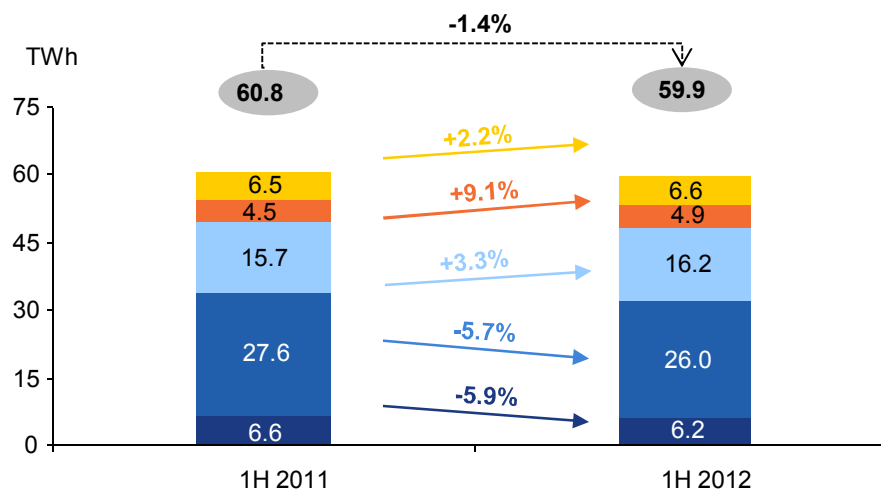
■ IRAO-Electricity generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International generation

Capacity utilisation



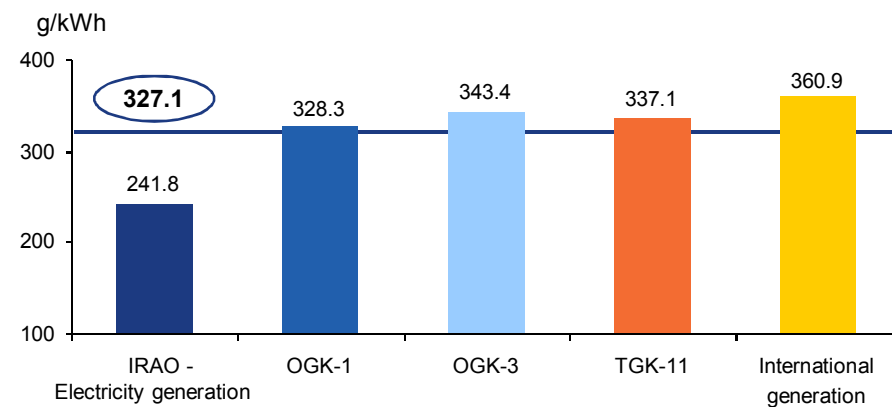
#% - capacity utilisation for INTER RAO UES Group

Electricity output



■ IRAO-Electricity generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International generation

Fuel efficiency

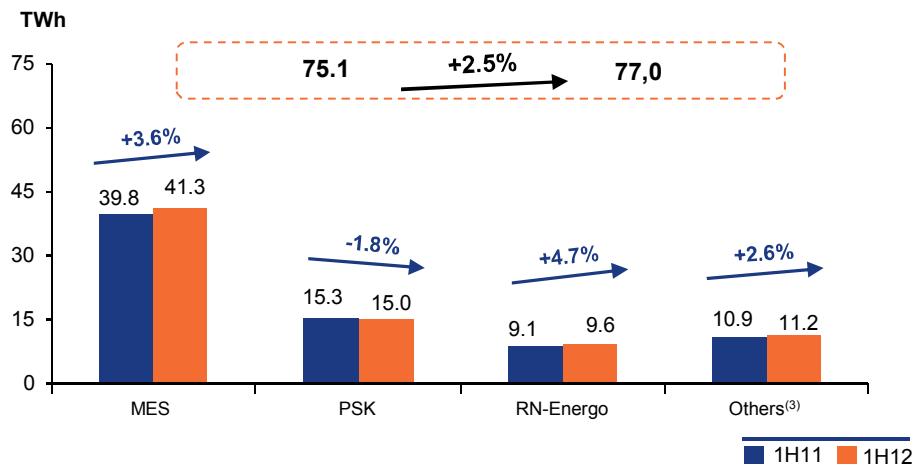


- fuel efficiency for INTER RAO UES Group

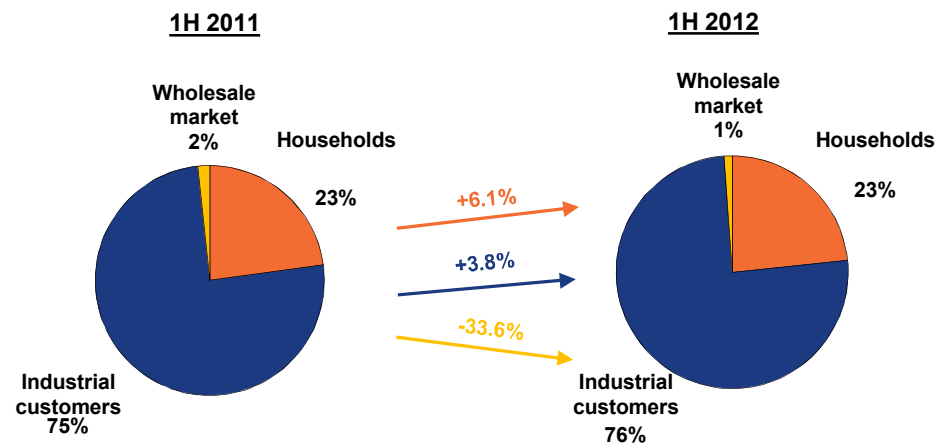


Electricity supply

Net electricity supply to customers⁽¹⁾

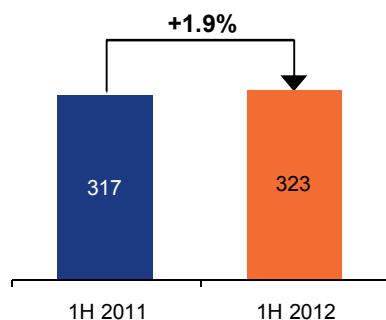


Electricity sales structure⁽²⁾

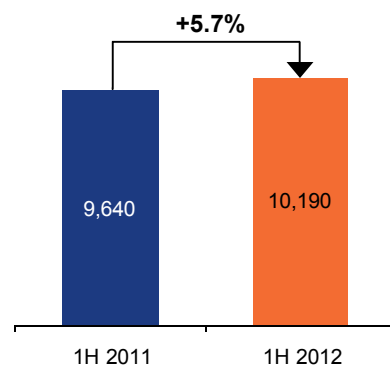


Number of customers

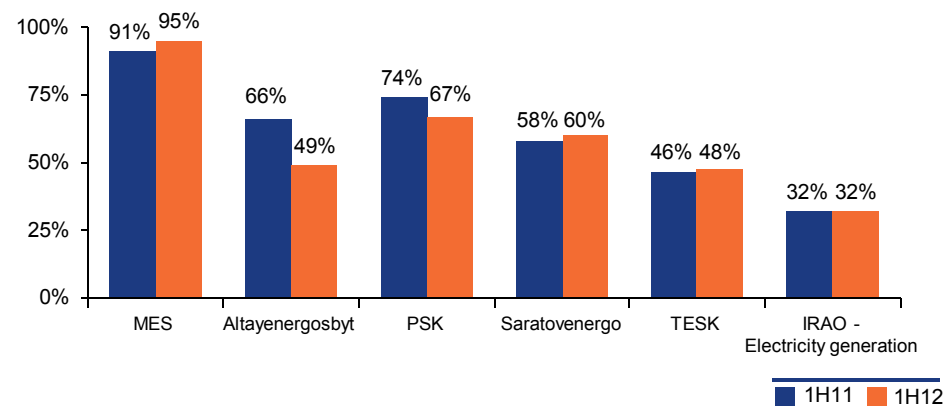
Industrial customers thousand accounts



Households thousand accounts



Regional market shares⁽⁴⁾



(1) Including electricity trading in retail and wholesale markets

(2) Less the electricity for power loss compensation

(3) Including Altayenergosbyt, Saratov, Tambov power supply companies, INTER RAO – Orelenergosbyt, RT-Energy Trading and Promyshlennaya Energetika

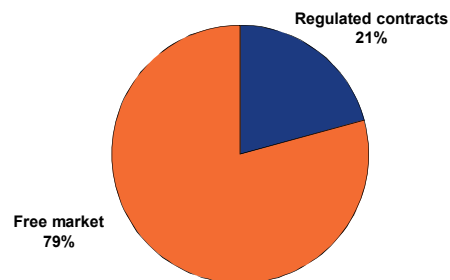
(4) RN-Energo, RT-Energy Trading and Promyshlennaya Energetika operate simultaneously in several regions in the Russian Federation



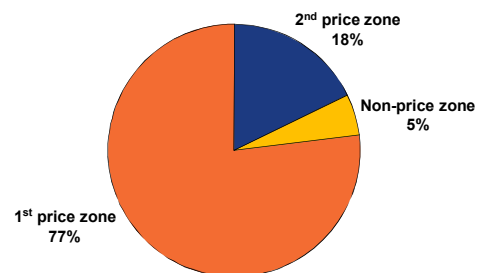
Trading in the Russian market

Electricity sales breakdown, TWh

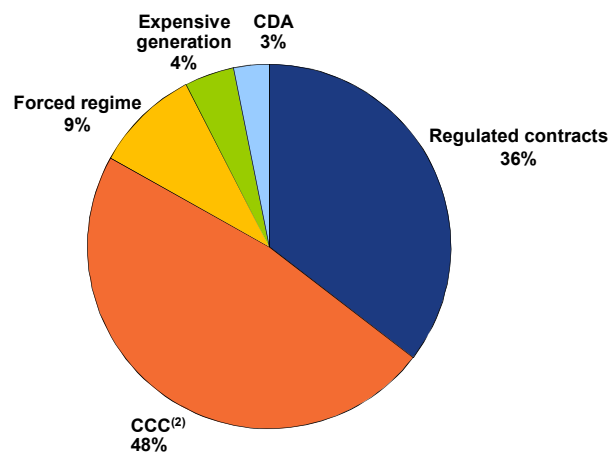
By market segments:



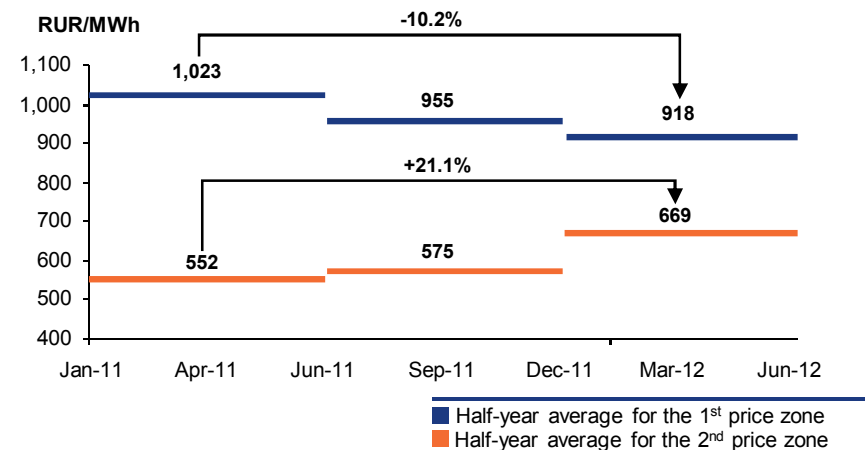
By price zones:



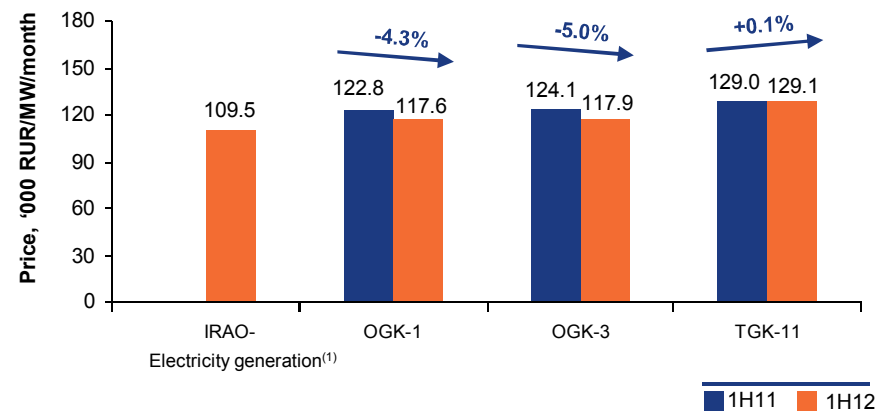
Capacity sales breakdown, MW



Day ahead electricity prices



Capacity prices (CCC)⁽²⁾



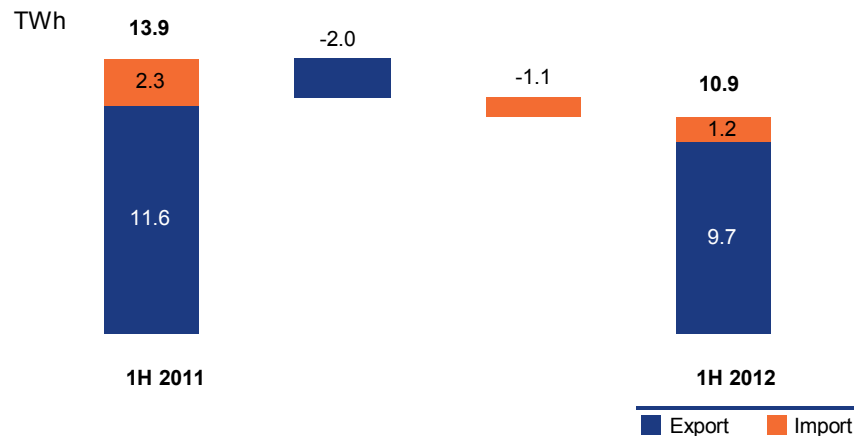
(1) In 1H 2011, power plants of INTER RAO-Electricity generation were not paid for competitive power takeoff

(2) Competitive capacity contracts

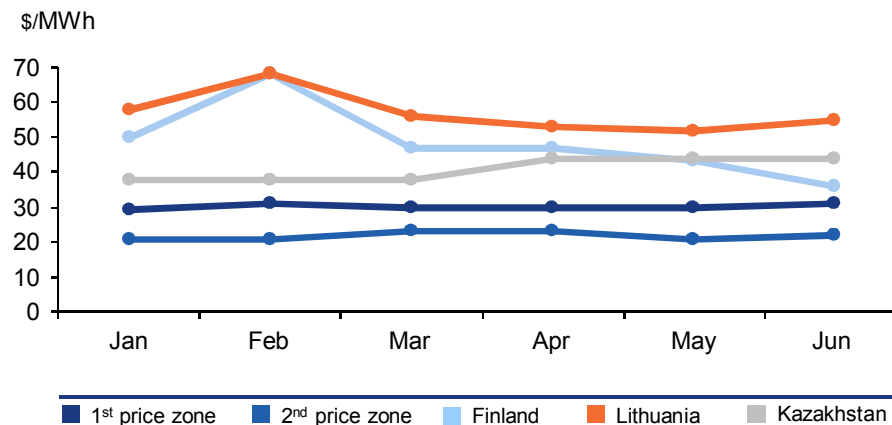


International activity

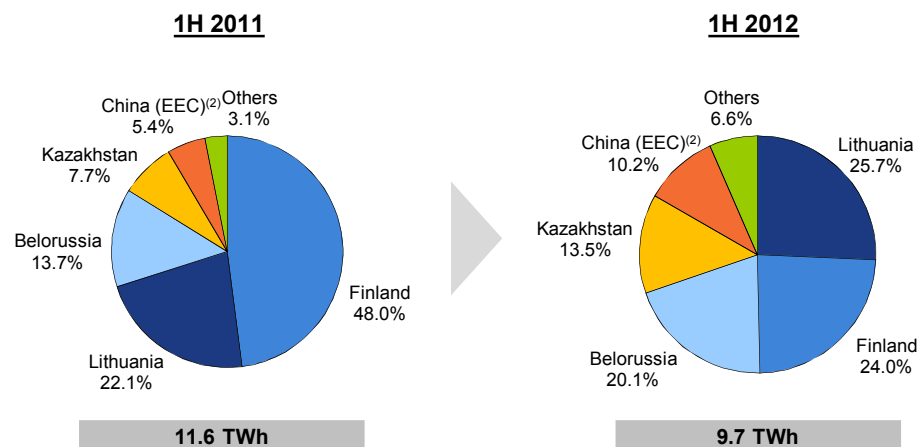
Export / import volumes



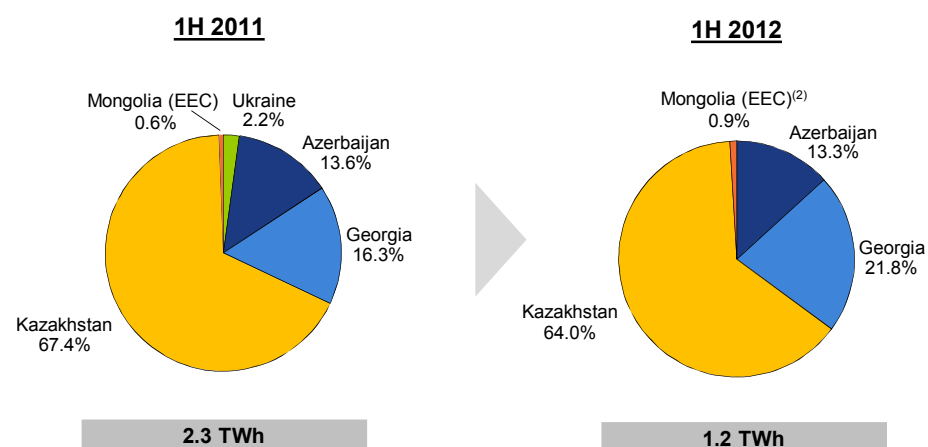
Electricity prices in 1H 2012⁽¹⁾



Electricity export breakdown, TWh



Electricity import breakdown, TWh

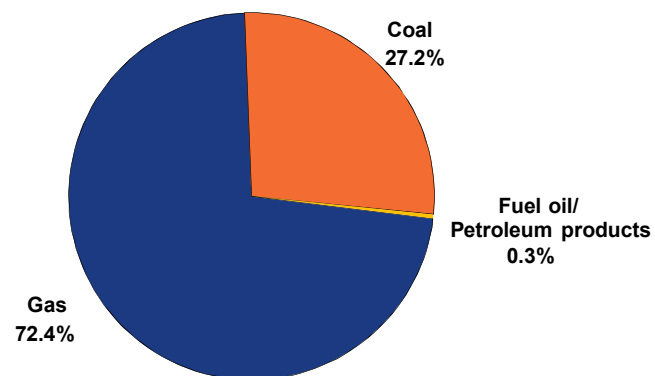


(1) Electricity prices in US\$ are based on the following exchange rates: USD/RUB = 30.61; USD/EUR = 0.77; USD/KZT = 148.2
 (2) Eastern Energy Company



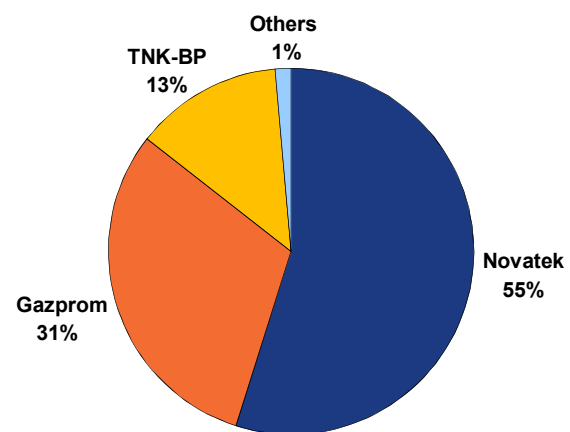
Fuel consumption in 1H 2012

Fuel mix

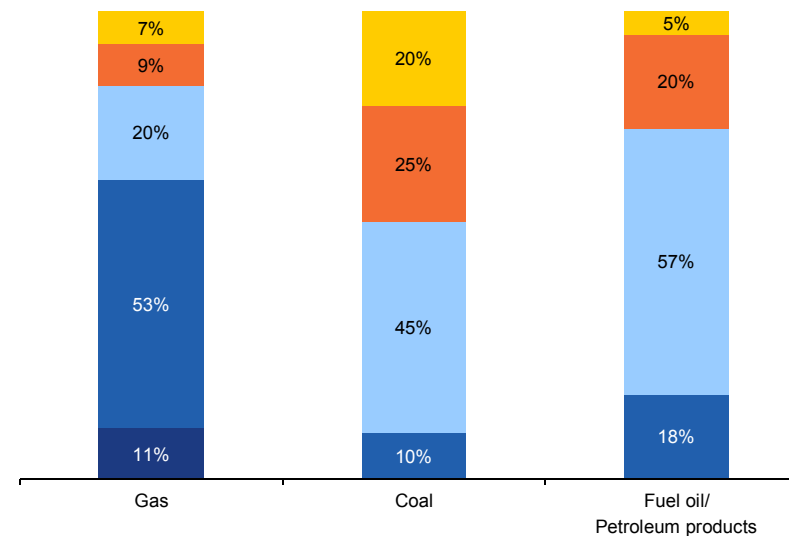


20,193 K tons of fuel equivalent

Gas suppliers⁽¹⁾



Fuel consumption breakdown



■ IRAQ-Electricity generation ■ OGK-1 ■ OGK-3 ■ TGK-11 ■ International generation

Total gas consumption for INTER RAO Group reached 12,646 million cubic metres

Total coal consumption for INTER RAO Group reached 9,318 thousand tons

(1) for Russian power generation assets



2. IFRS financial performance in 1H2012



Key Financials

<i>RUBm</i>	1 half 2012	1 half 2011	Change
Revenue	264 635	273 301	-3,2%
Adjusted EBITDA	16 872	25 066	-32,7%
<i>Adjusted EBITDA margin</i>	6,4%	9,2%	
Adjusted EBIT	9 230	19 568	-52,8%
Net (loss) / profit	(10 219)	49 958	-
FCFF	-18 090	19 044	-
<i>RUBm</i>	30.06.2012	31.12.2011	Change
Total Assets	508 699	531 916	-4,4%
Total Equity	356 115	390 657	-8,8%
Adjusted Total Debt ⁽¹⁾	48 483	48 644	-0,3%
Adjusted net Debt ⁽²⁾	(31 939)	(33 541)	-

(1) Includes share in debt of jointly-controlled entities RUB 1 202m as of 30.06.2012 (RUB 672m as of 31.12.2011)

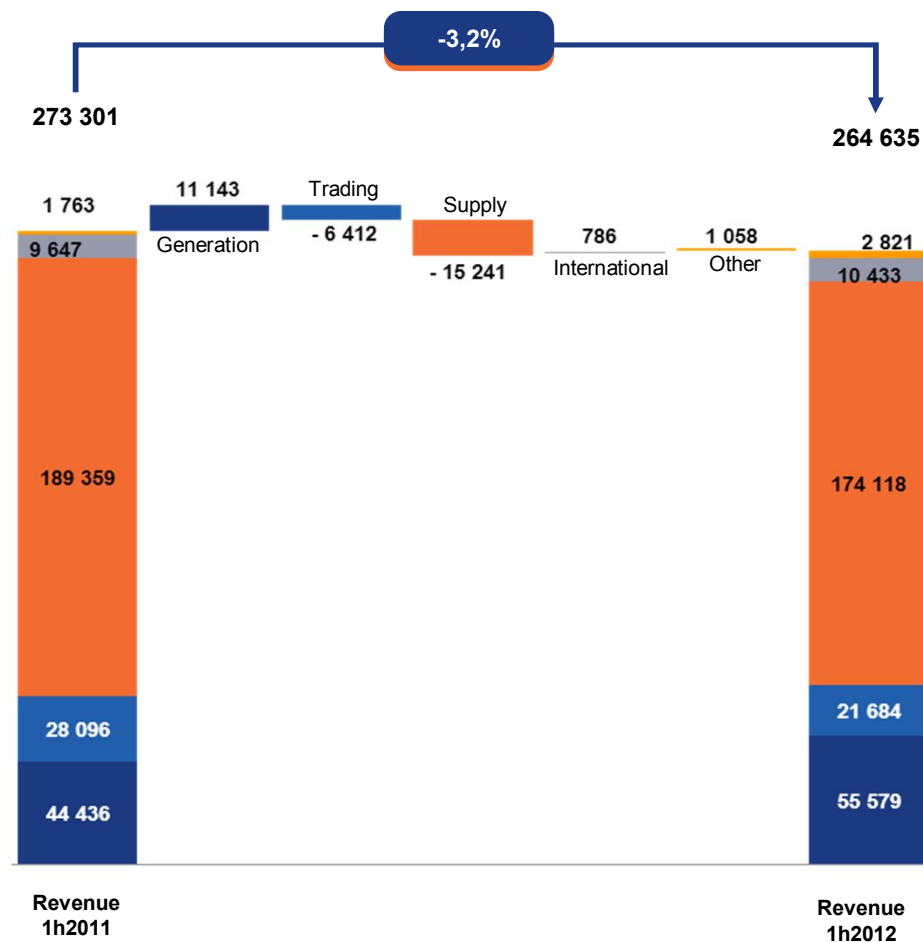
(2) Includes cash deposits (3-12months) of RUB 15 777m as of 30.06.2012 (RUB 38 667m as of 31.12.2011) and share in debt of jointly-controlled entities of RUB 1 202m as of 30.06.2012 (as of 31.12.2011 RUB 672m)



Evolution of Key Financials – 1 half 2012 / 2011

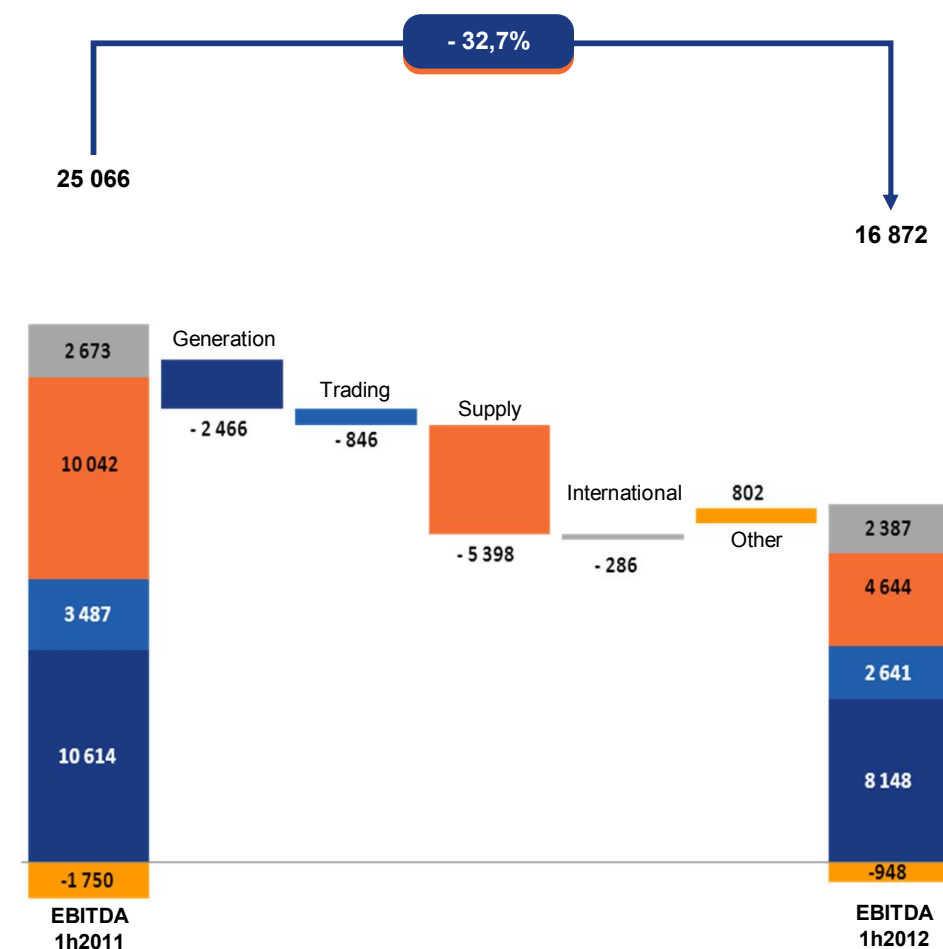
Revenue Bridge ⁽¹⁾

RUB m



EBITDA bridge ⁽²⁾

RUB m



Revenue fall was mainly in Supply segment, revenue growth in Generation segment. EBITDA fall mainly in Supply segment.

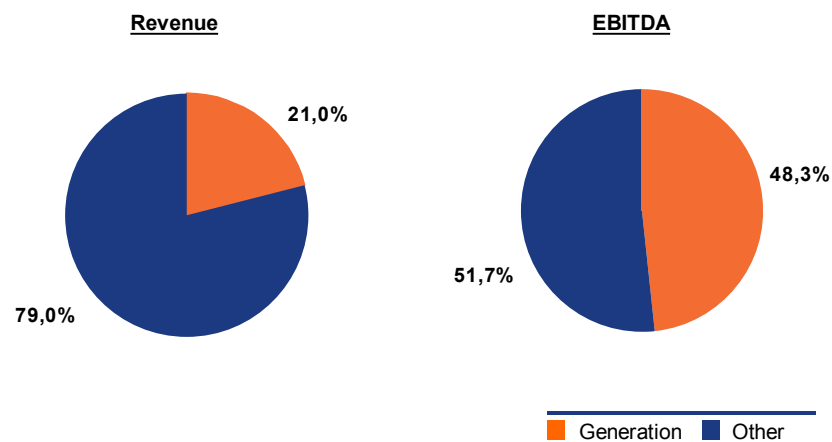
⁽¹⁾ Excludes intersegment revenue RUB 10 961 m as of 30.06.2012 and RUB 15 998 m as of 30.06.2011

⁽²⁾ EBITDA includes Unallocated and Eliminations for the purposes of this slide and excludes thereafter.

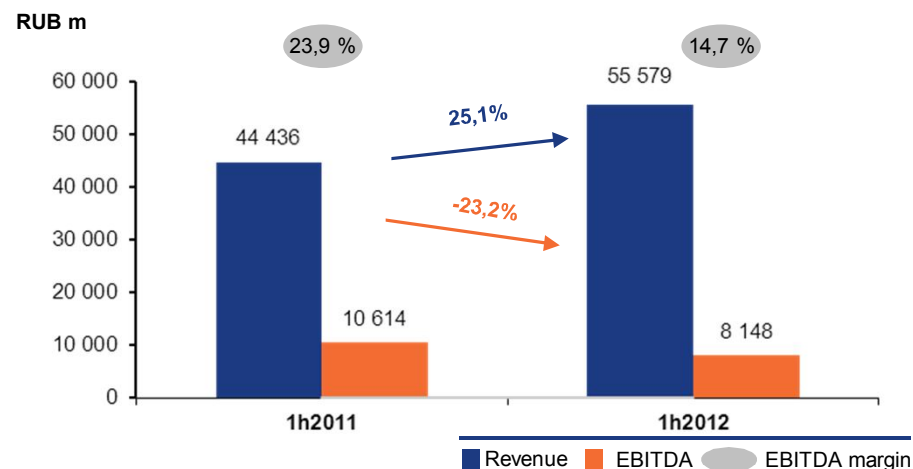


Key Segments: Generation

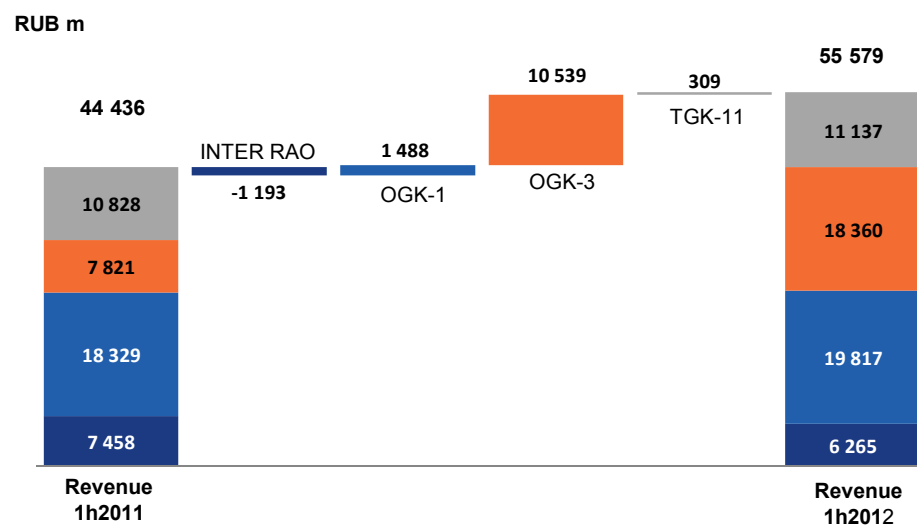
Contribution to Group's 1h2012 Results



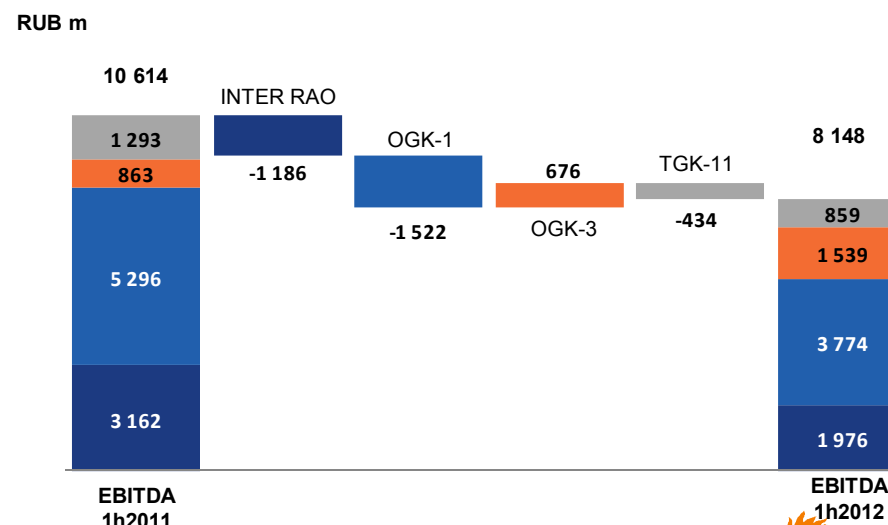
Revenue and EBITDA



Revenue Contribution by Company⁽¹⁾



EBITDA Contribution by Company

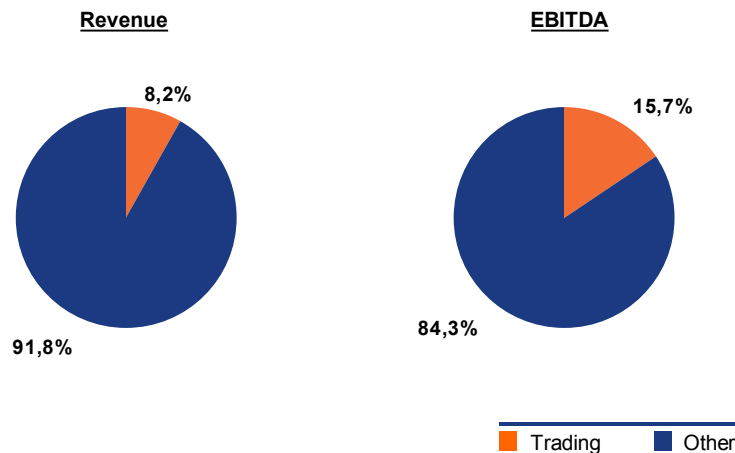


(1) Excludes intersegment revenue RUB 9 938m as of 1h2012 and RUB 13 237m as of 1h2011

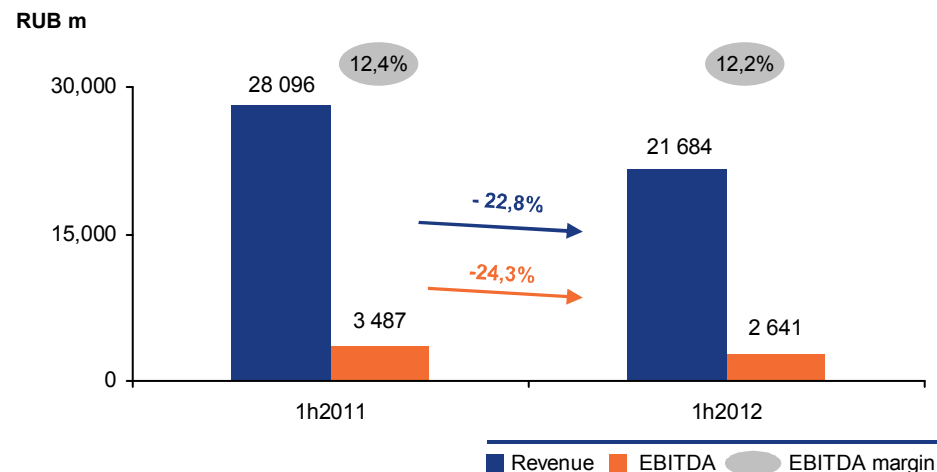


Key Segments: Trading

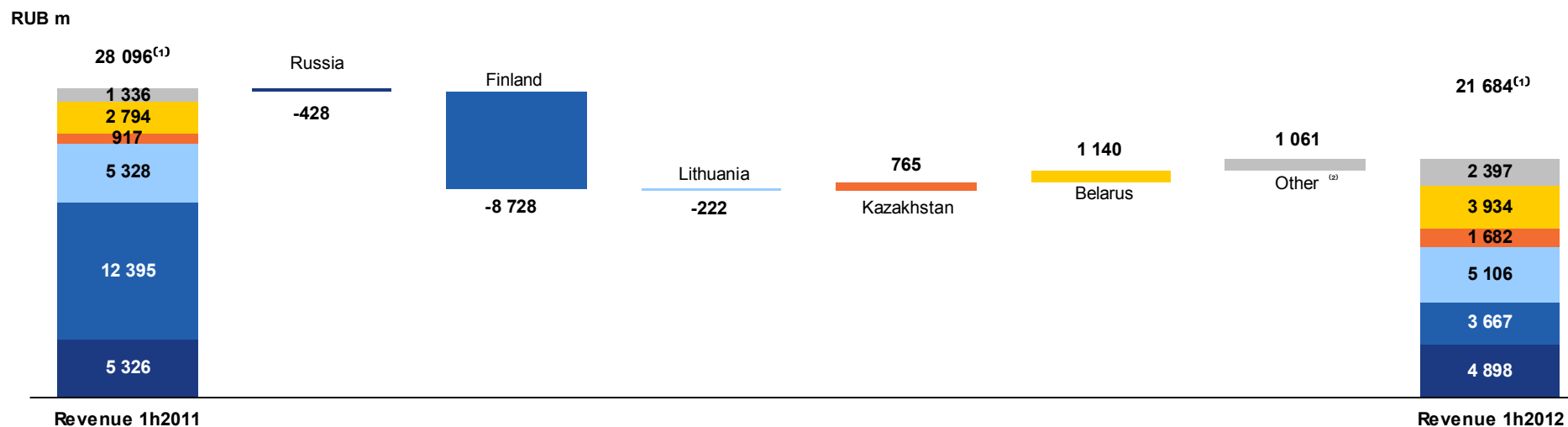
Contribution to Group's 1h2012 Results



Revenue and EBITDA



Revenue Evolution by Geography



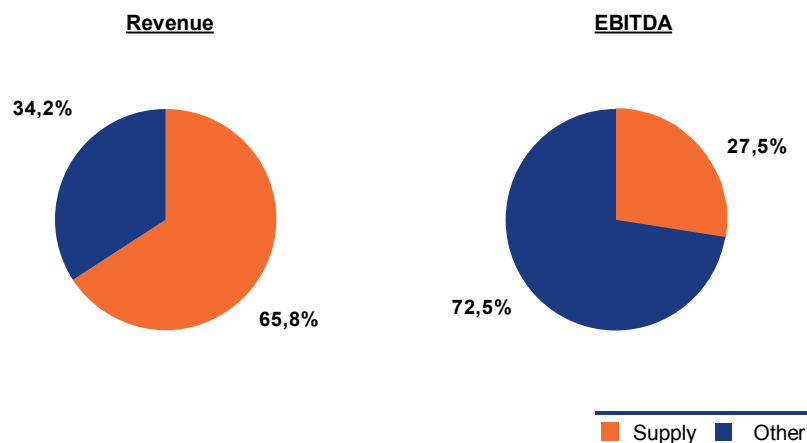
(1) Excludes intersegment revenue RUB 657m as of 1h2012 and RUB 2 244m as of 1h2011.;

(2) Norway, Gergia, Azerbaijan, Ukraine,,Latvia and Estonia

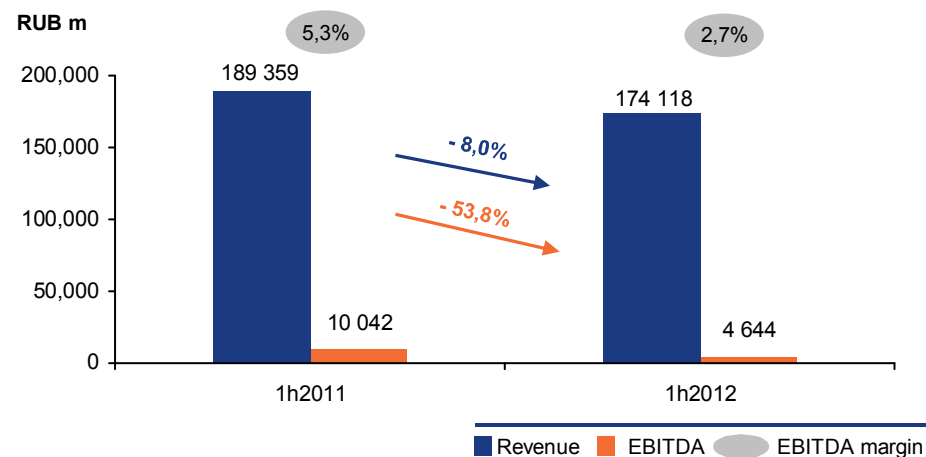


Key Segments: Supply

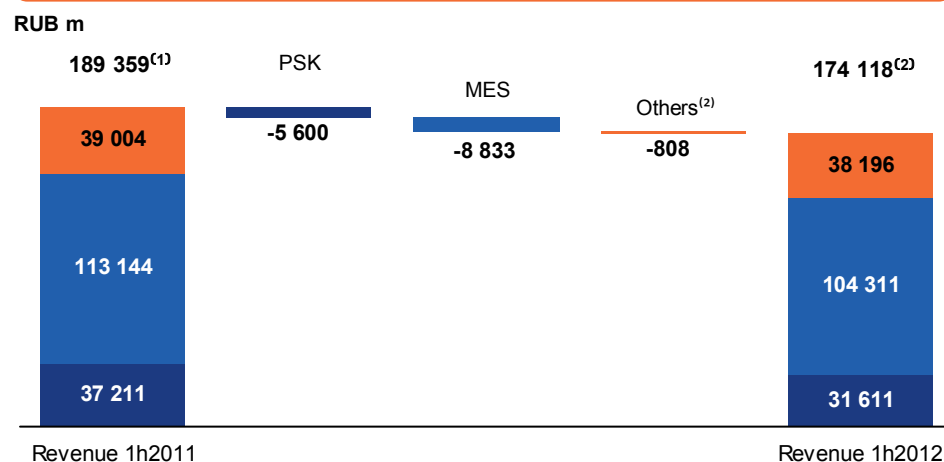
Contribution to Group's 1h2012 Results



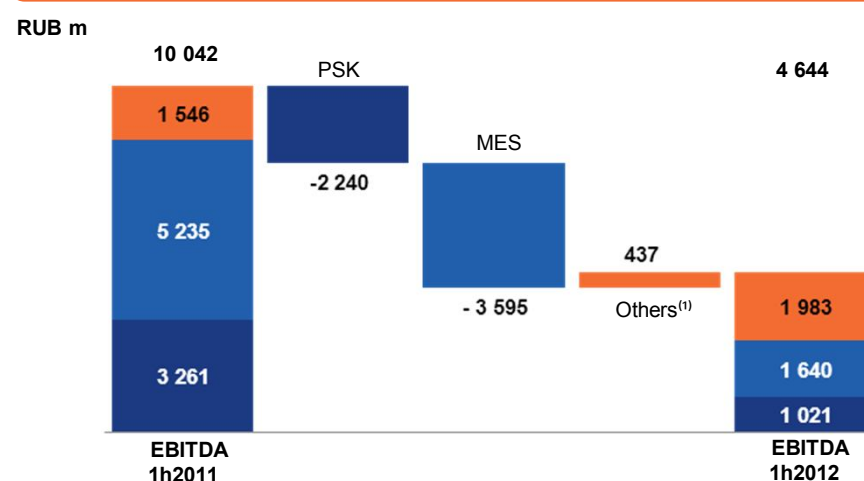
Revenue and EBITDA



Revenue Evolution by Supply Subsidiary⁽³⁾



EBITDA Evolution by Supply Subsidiary



⁽¹⁾ Includes Tambov Supply Company, Saratov Energosbyt, Altayenergoby, United Supply Company, RN-Energ and Industrial Power

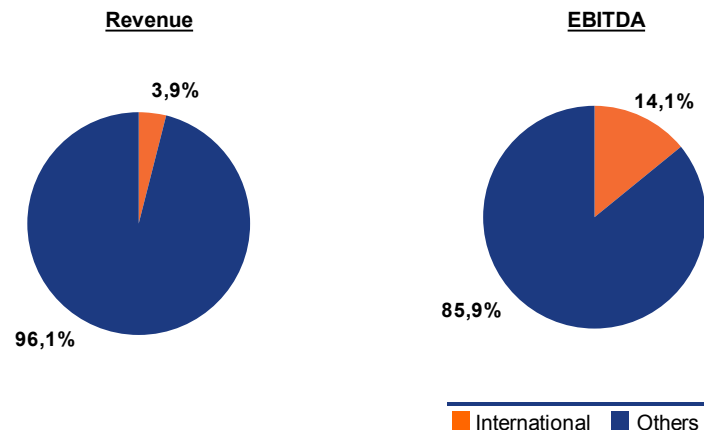
⁽²⁾ Includes Tambov Supply Company, Saratov Energosbyt, Altayenergoby, United Supply Company, RN-Energ, Industrial Power, and Orlovsky energosbyt

⁽³⁾ Excludes intersegment revenue RUB 75m as of 1h2012 and RUB 129m as of 1h2011

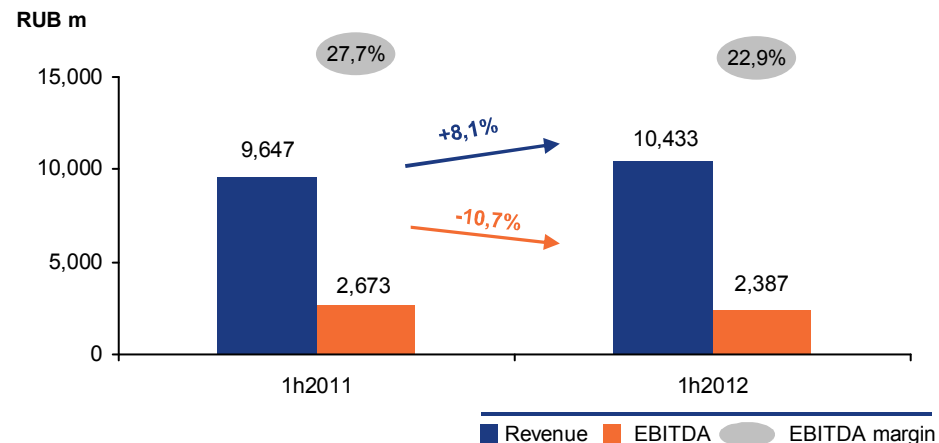


Key Segments: International

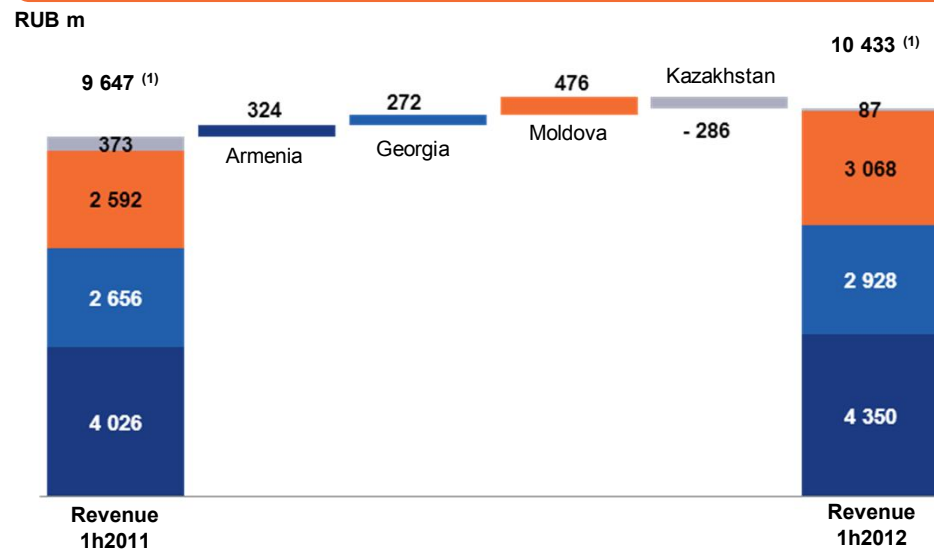
Contribution to Group's 1h2012 Results



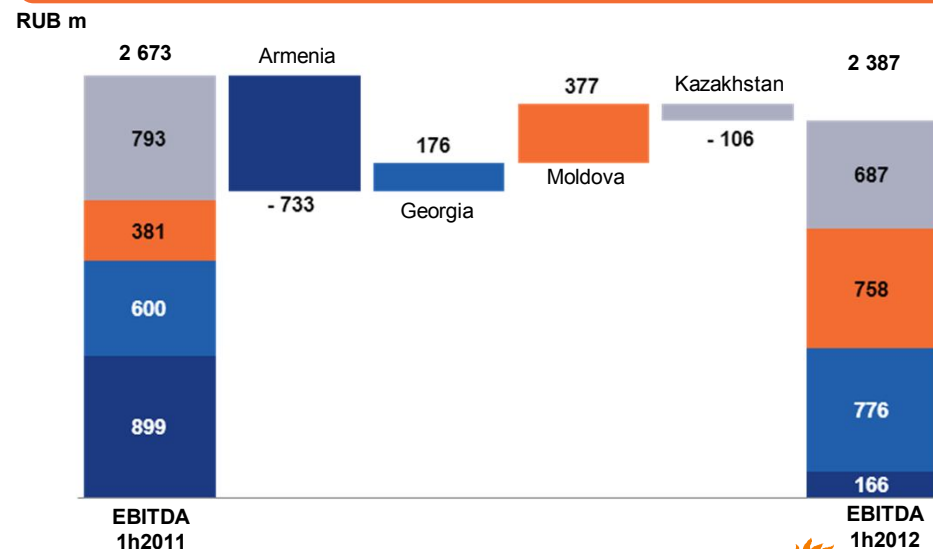
Revenue and EBITDA



Revenue Evolution by Geography



EBITDA Evolution by Geography



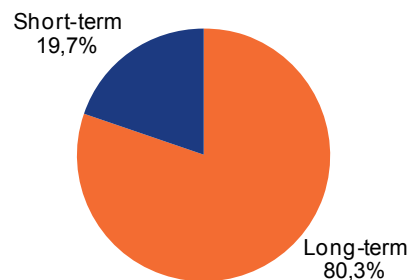
(1) Excludes intersegment revenue RUB2m as of 1h2012 and RUB 214m as of 1h2011



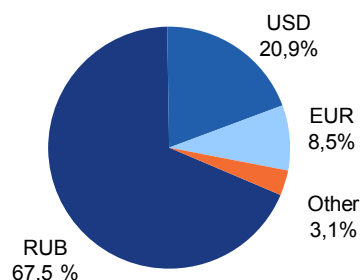
Debt and Liquidity Analysis

Debt Structure (as of 30.06.2012)

By maturity

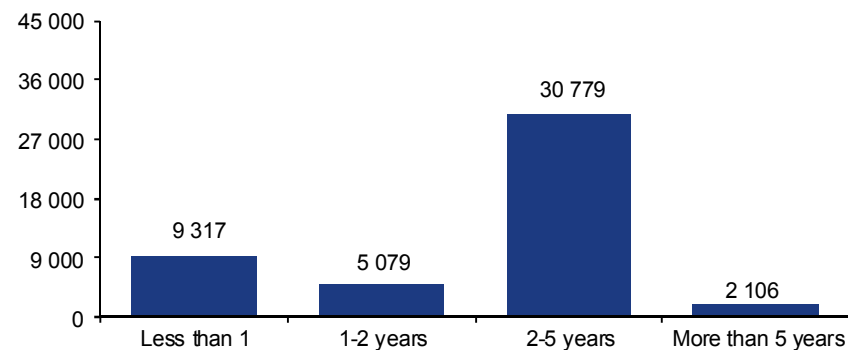


By currency



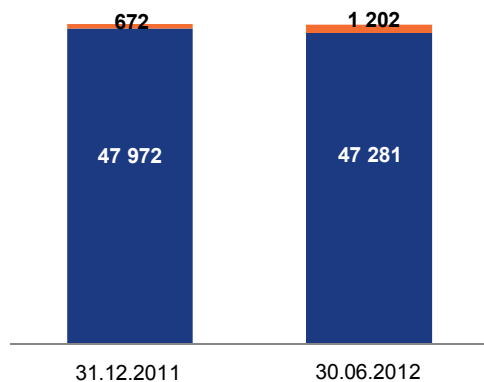
Debt Structure by Maturity (as of 30.06.2012) ¹

RUB m



Leverage Evolution

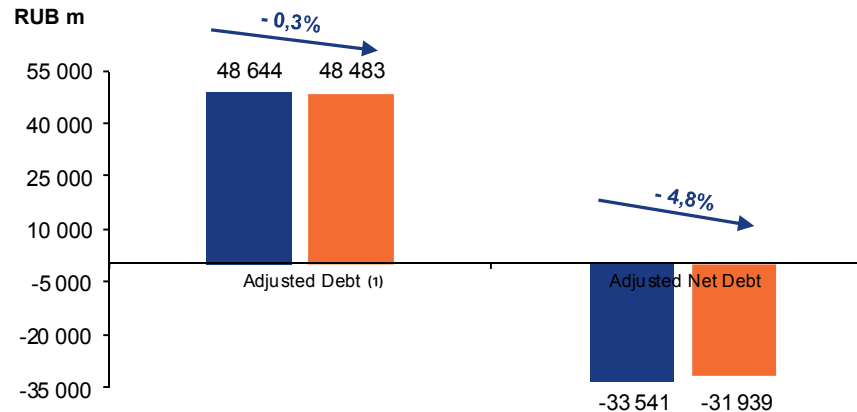
RUB m



■ Debt excluding share in jointly controlled companies
■ Share in jointly controlled companies

Leverage Evolution

RUB m



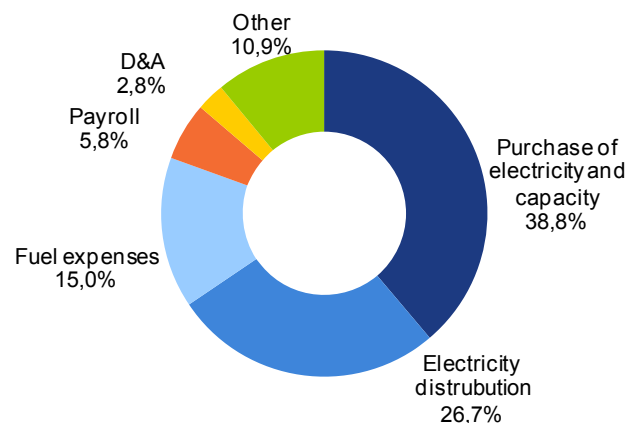
■ as of 31.12.2011 ■ as of 30.06.2012

(1) Including financial lease and excluding share in debt of jointly-controlled entities RUB 1 202m as of 30.06.2012.



Consolidated Operating Expenses

OPEX Breakdown as of 30.06.2012



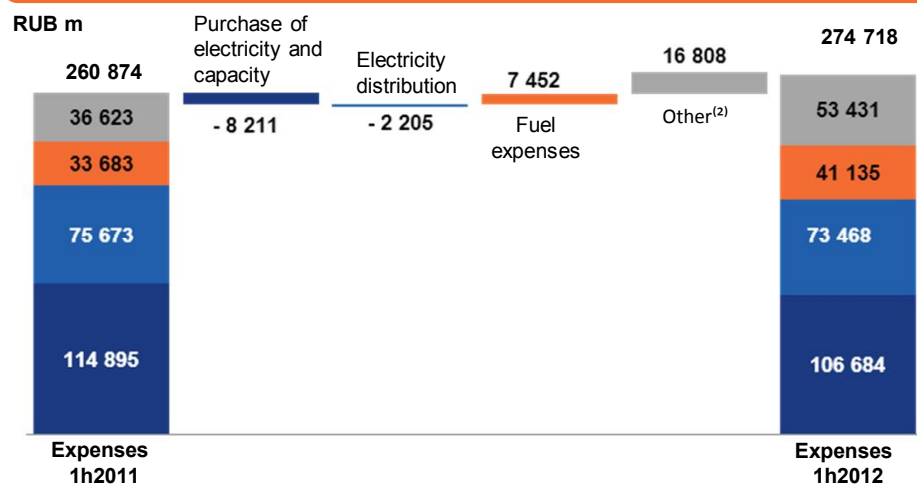
Comments⁽¹⁾

1h 2012 INTER RAO OPEX increased by 5,3% in comparison with 1h2011

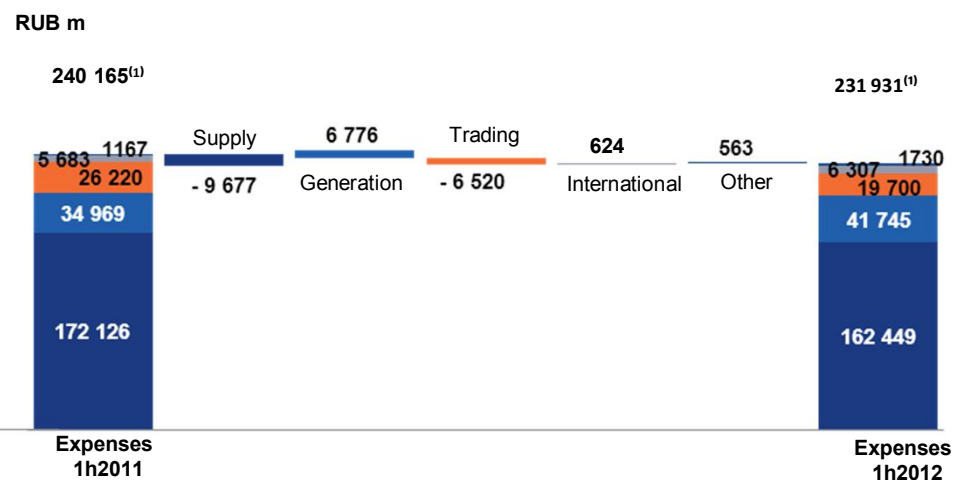
Key OPEX change drivers are follows:

- Consolidation of OGK-3, Khrami HPP-1 and Khrami HPP-2 within the Group since 2Q occurred OPEX rise in Generation
- Decrease in electricity purchase for export transactions due to negative market conditions of Scandinavia in 2012 cut off OPEX in Trading
- Total OPEX decrease in Supply caused by reduction of electricity and capacity purchases' expenses as a result of shortening of electricity volume purchases and average prices at the Wholesale market of electricity and capacity.
- Increase in fuel expenses by the Group's generating assets due to higher coal and fuel oil prices in 2012 and higher consumption volumes for OGK-3

OPEX Dynamics



OPEX Dynamics by Segment



(1) Opex excluding unallocated items and eliminations of RUB 10 644 m in 1h2012 and RUB 15 914 m in 1h2011 and include expenses for purchase of electricity and capacity, electricity distribution, fuel expenses

(2) Including payroll expenses, D&A and other



THANK YOU FOR YOUR TIME