



Inter RAO Group FY2013 Consolidated Financial and Operating Results

February, 28 2014



Key Factors Affecting The Group Financial Performance



GENERATION:

- Inorganic growth due to the acquisition of Bashkir Generation and Trakya Elektrik at the end of 2012;
- About 1.3 GW of new and modernized generating capacity commissioned under capacity delivery agreements from the end 2012 (Urengoiskaya GRES, Kharanorskaya GRES, Gusinozerskaya GRES, Djubginskaya CHPP, Tomskaya CHPP-1, Omskaya CHPP-3);
- Favorable domestic pricing environment in 2013: electricity spot prices increased in the 1st price zone by 10.2% YoY and in the 2nd price zone by 1.3% YoY;
- KOM's capacity prices in the wholesale market went up by 11.7% YoY;
- Gas prices for the Group's generation assets in Russia increased by 12.9% YoY while the average growth of gas prices for Russian industrial customers amounted to 15%.



SUPPLY:

- Regulated supply margin for Inter RAO Group's guaranteed supply companies went up by 30.4% on the average;
- Consolidation of Tomsk energy supply company from September 2013.



TRADING:

- Favorable pricing dynamics in Scandinavian electricity market: average electricity price growth in the Nord Pool (+12.6%) outran electricity price growth in the domestic market;
- Implementation of technical constraints on network transmission capacity by system operators of Baltics countries from June 2013.



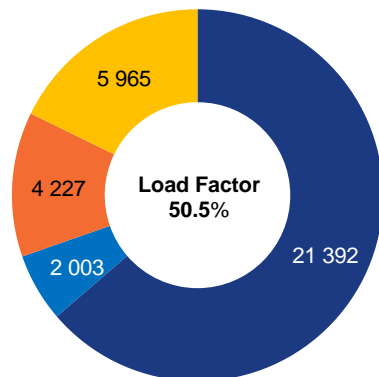
I. Operational Performance Results



Electricity And Heat Production

Installed Electric Capacity

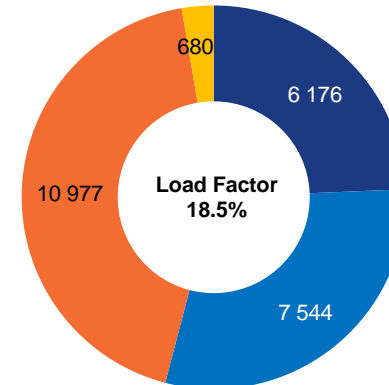
Total: 33 587 MW



■ IRAO – Electricity Generation ■ TGK-11 ■ Bashkir Generation ■ Foreign Generation

Installed Heat Capacity

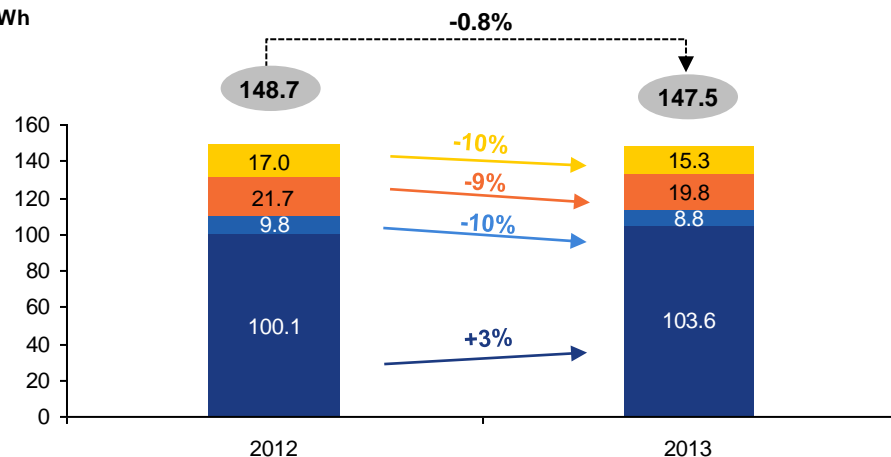
Total: 25 377 Gcal/h



■ IRAO – Electricity Generation ■ TGK-11 ■ Bashkir Generation ■ Foreign Generation

Electricity Production

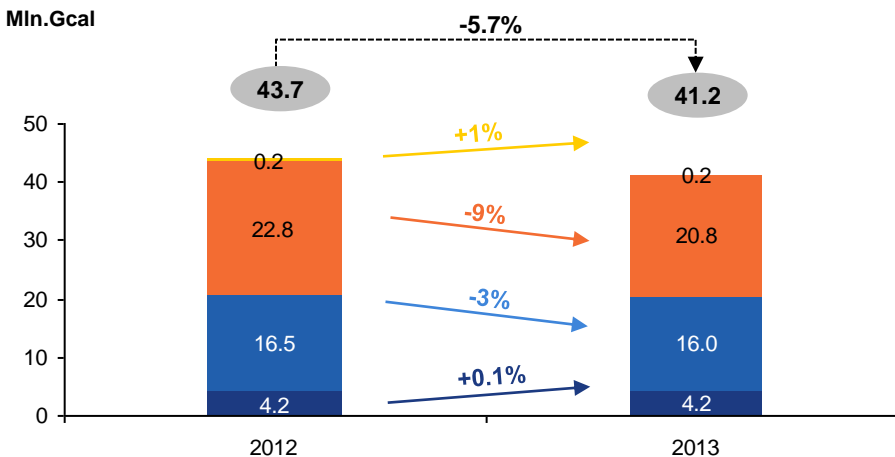
TWh



■ IRAO – Electricity Generation ■ TGK-11 ■ Bashkir Generation ■ Foreign Generation

Heat Production

Mln.Gcal



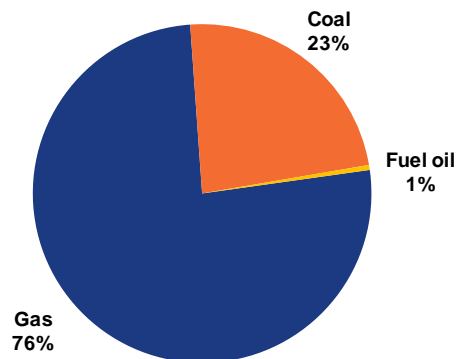
■ IRAO – Electricity Generation ■ TGK-11 ■ Bashkir Generation ■ Foreign Generation

Note: Operational results of Bashkir Generation and Trakya Elektrik are presented on LFL basis, operational results of Group's subsidiaries are presented on an aggregate basis without excluding inter-segment transactions



Fuel Consumption

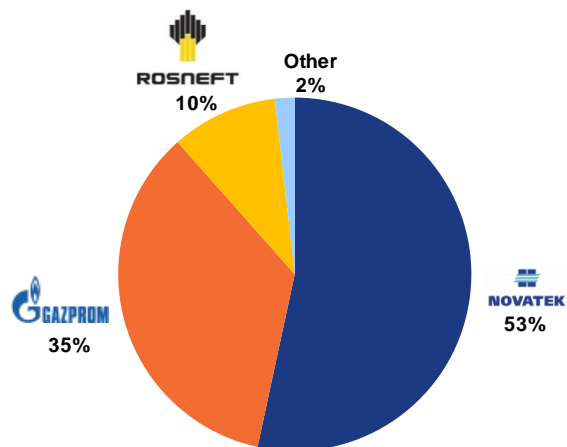
Fuel Mix



Total gas consumption for Inter RAO Group reached: 33 011 mcm

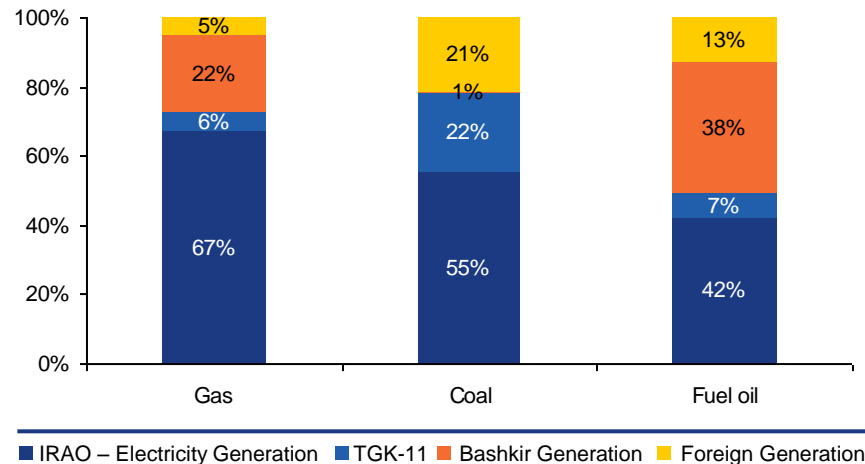
Total coal consumption for Inter RAO Group reached : 19,968 ths. tons

Gas Suppliers⁽¹⁾

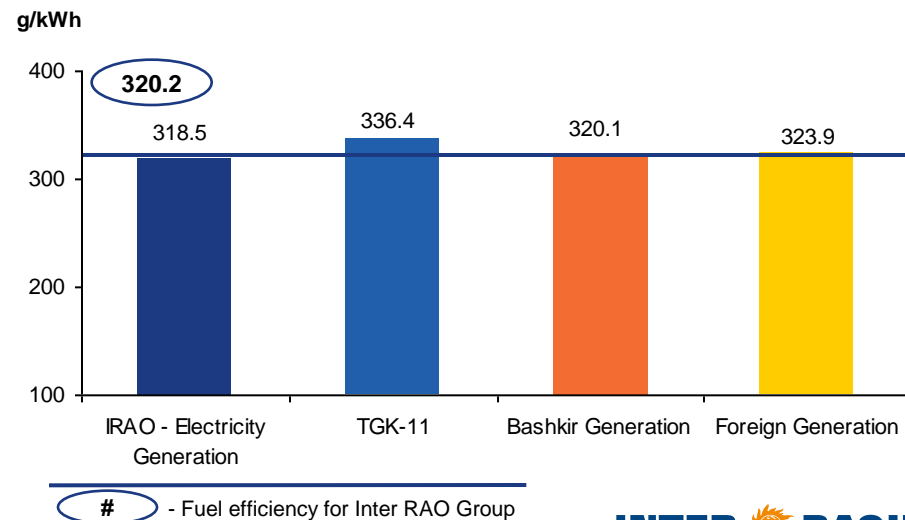


(1) For Russian generation assets

Fuel Consumption Breakdown



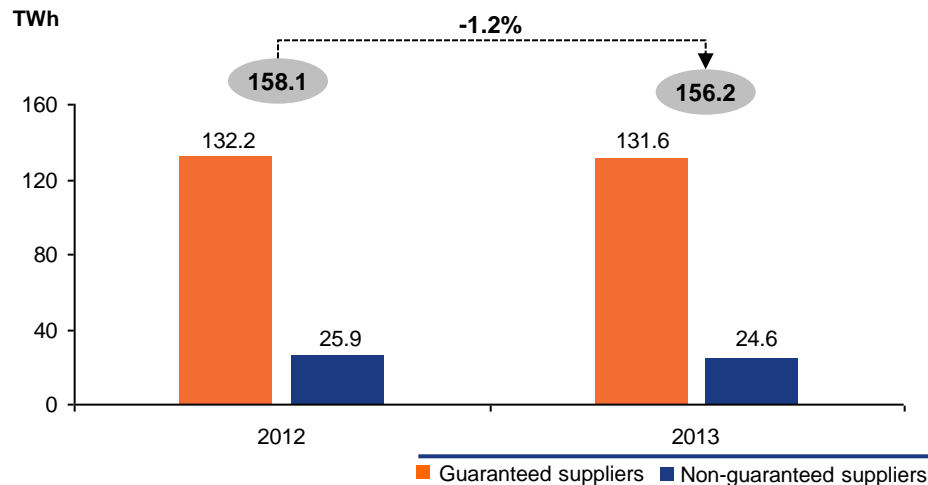
Fuel Efficiency



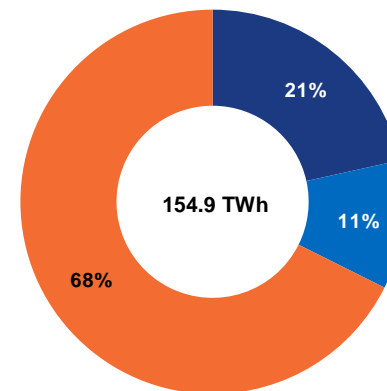


Electricity Supply

Electricity Sales to Customers⁽¹⁾



Retail Electricity Sales Breakdown

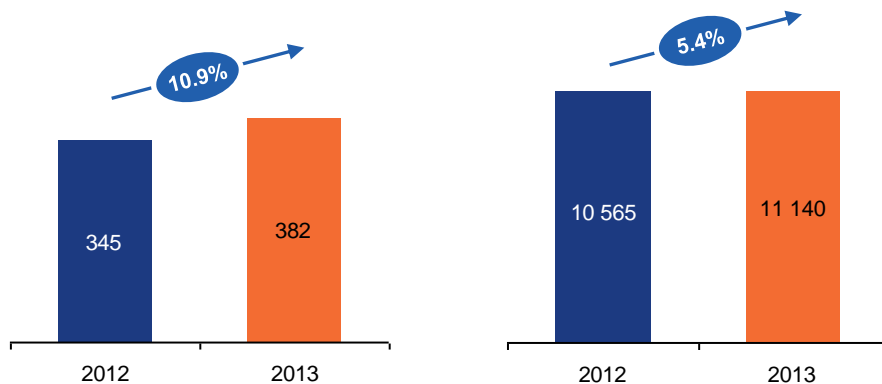


■ Households and equated groups of customers ■ Loss compensation ■ Other customers

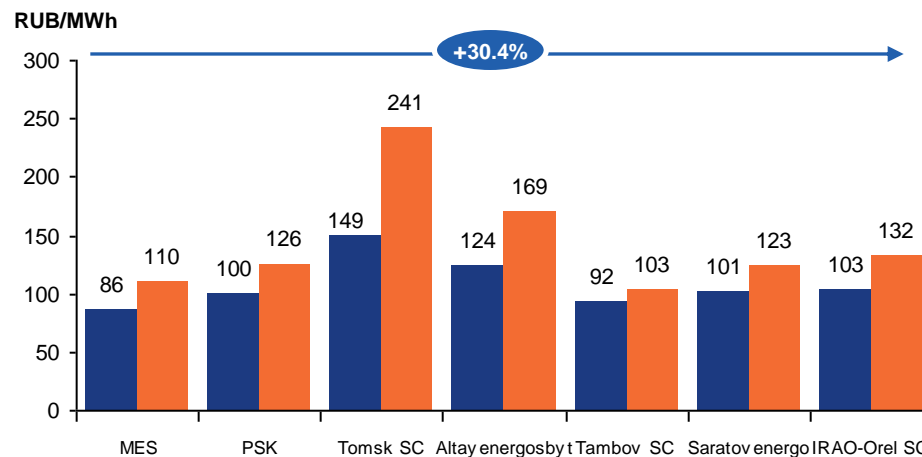
Number of Customers

Legal entities,
thousand accounts

Households,
thousands accounts



Supply Margins of Guaranteed Suppliers⁽²⁾



■ 2012 ■ 2013 → #% Average growth of supply margin for Inter RAO Group's supply companies (YoY)

Note: Operational results of Tomsk energy supply company are presented on LFL basis

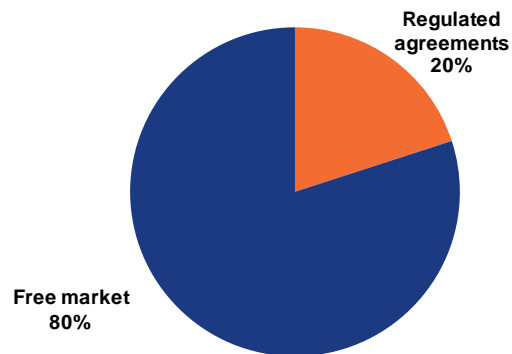
(1) Includes electricity sales in retail and wholesale markets

(2) Weighted average supply margin by group of customers



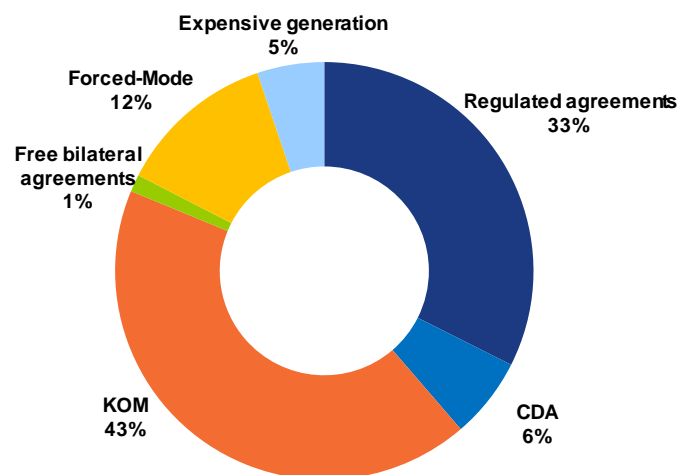
Trading in The Russian Market

Electricity Sales Breakdown, TWh

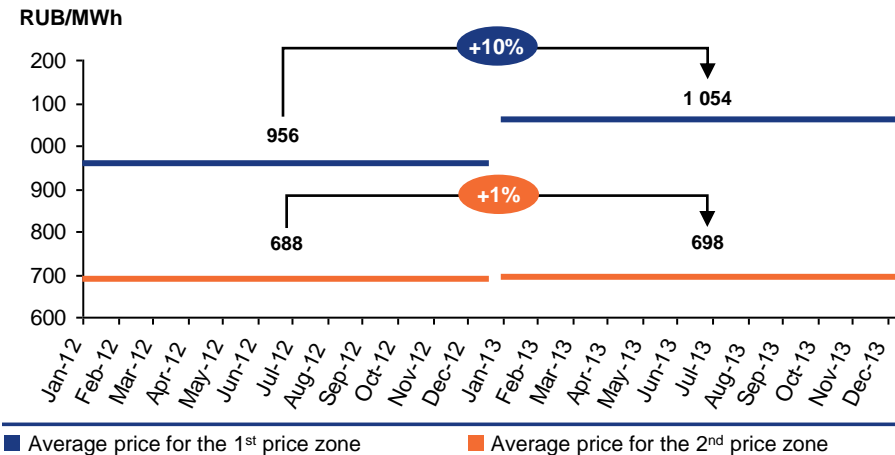


Total electricity sales in the wholesale market - 137 TWh

Capacity Sales Breakdown, MW



Electricity Price Dynamics on the Spot Market⁽¹⁾



Capacity Price Dynamics on the Wholesale Market⁽²⁾

RUB/MW/month	2012	2013	Change, %
Regulated agreements	121 523	123 356	1.5%
CDA	546 598	704 846	29.0%
KOM	120 756	134 927	11.7%
Forced-Mode	124 411	134 520	8.1%
Expensive generation	166 593	191 209	14.8%
Free bilateral agreements	160 787	150 838	-6.2%

(1) Dynamics of equilibrium price index for electricity purchase in the Russian spot market (source: ATS)

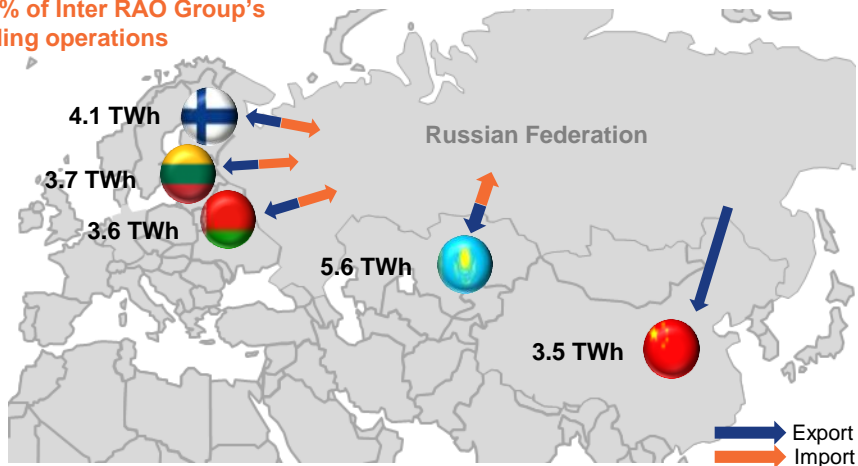
(2) Capacity prices dynamics is calculated on the base of nominal average price of 1MW of capacity sold in each market segment



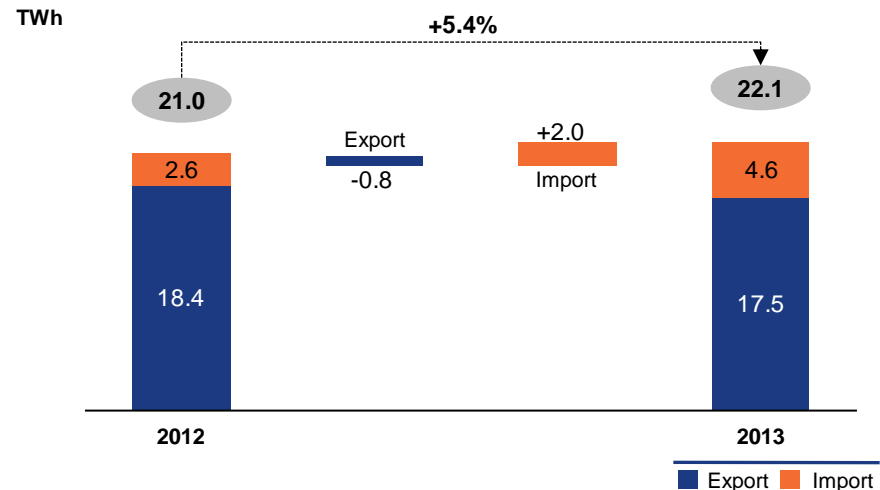
International Activity

Main Trading Areas

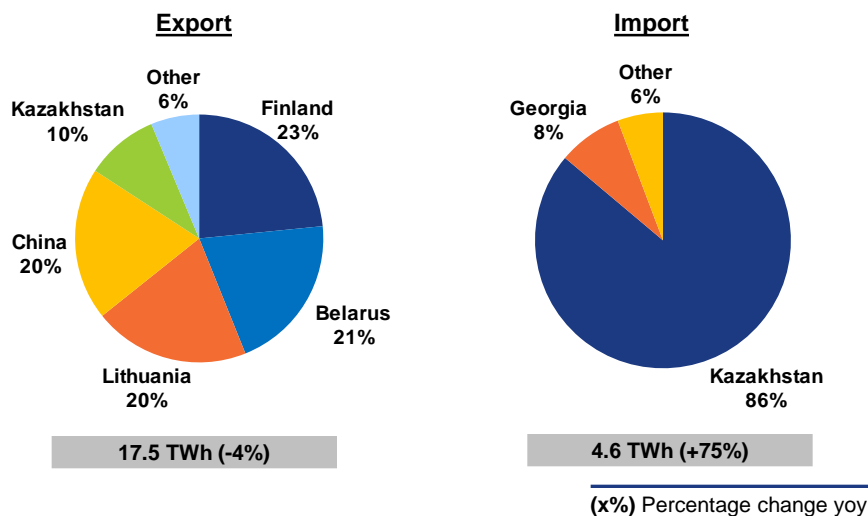
>90% of Inter RAO Group's trading operations



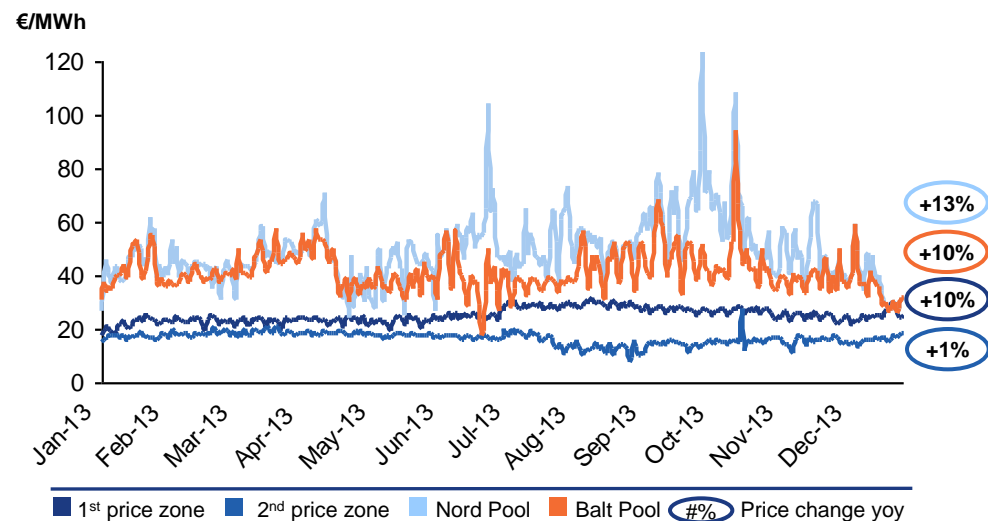
Export/Import Volumes



Electricity Export/Import Operations Breakdown, TWh



Electricity Spot Prices⁽¹⁾



(1) Electricity prices in EUR are based on the following average exchange rate for 2013: EUR/RUB = 42.4001;



II. IFRS Financial Results



Key Financials

<i>RUB m</i>	2013	2012	Change
Revenue	662 321	556 189	19.1%
Adjusted EBITDA	39 187	26 600	47.3%
EBITDA margin	5.9%	4.8%	1.1%
Operating EBITDA⁽¹⁾	41 584	25 075	65.8%
Adjusted EBIT	15 454	10 004	54.5%
Net (loss)/income	- 24 030	- 22 276	-
Adjusted Net Income⁽²⁾	17 475	12 779	36.7%
FCF	-20 466	-41 678	-
<i>RUB m</i>	as of 31.12.2013	as of 31.12.2012	Change
Total Assets	512 566	528 583	-3.0%
Total Equity	334 589	353 189	-5.3%
Adjusted Total Debt⁽³⁾	59 590	64 716	-7.9%
Adjusted Net Debt⁽⁴⁾	18 163	10 557	72.0%

(1) Note: Includes financial results of Bashkir Generation from the date of acquisition – November 2012 and Trakya Elektrik – December 2012.

(2) Operating EBITDA excludes proceeds from sales of minority stakes in other companies (RUB 2 397m of loss in 2013 versus RUB 1 525m of profit in 2012)

(3) Adjusted net income excludes provisions and impairments (RUB 31 092m in 2013 and RUB 39 410m in 2012), revaluation of put and call options under the agreement with Vnesheconombank (RUB 10 413m in 2013 and RUB 7 609m in 2012), effect of the excess of the acquired share in the fair value of the identifiable assets and liabilities over the cost of investment (RUB 11 645m in 2012) and revaluation of associates (RUB 319m in 2012)

(4) Includes share in debt of joint ventures RUB 6 839m as of 31.12.2013 (RUB 5 305m as of 31.12.2012)

(5) Includes cash deposits (3-12 months) RUB 1 545m as of 31.12.2013 (RUB 6 110m as of 31.12.2012) and share in debt of joint ventures RUB 6 839m as of 31.12.2013 (RUB 5 305m as of 31.12.2012)

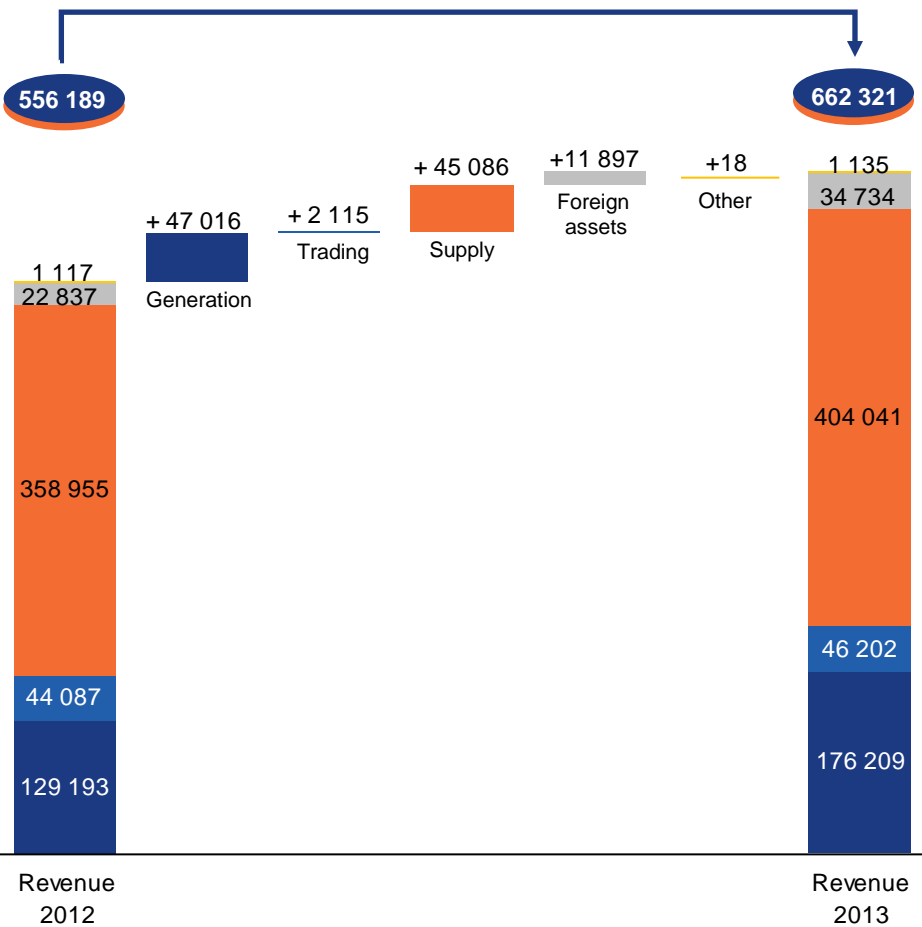


Evolution of Key Financials – 2012/2013

Revenue Bridge

RUB m

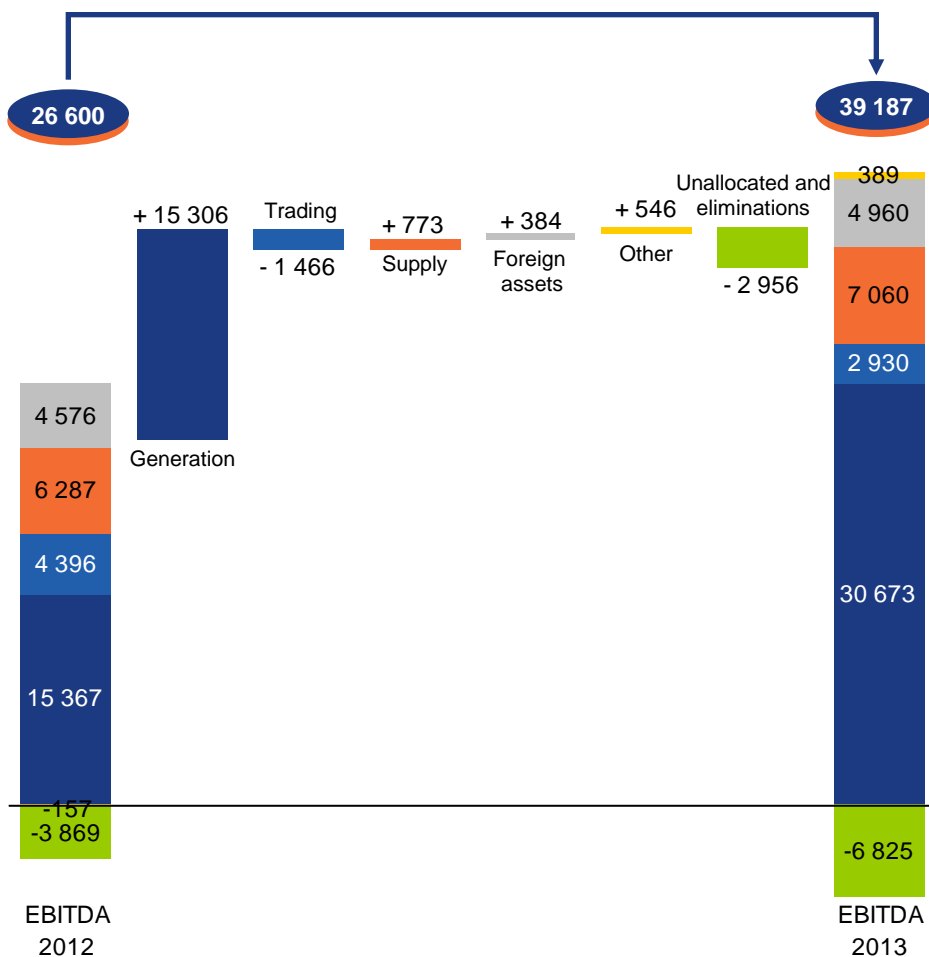
+19.1%



EBITDA Bridge

RUB m

+47.3%



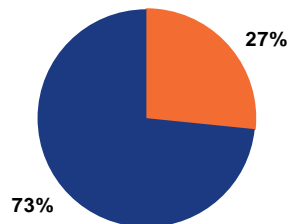
EBITDA increased mainly in Generation due to new capacity commissioning under capacity delivery agreements



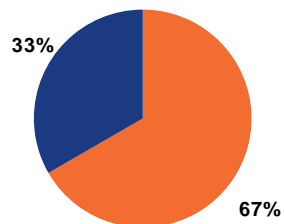
Key Segments: Generation

Contribution to Group for 2013

Revenue



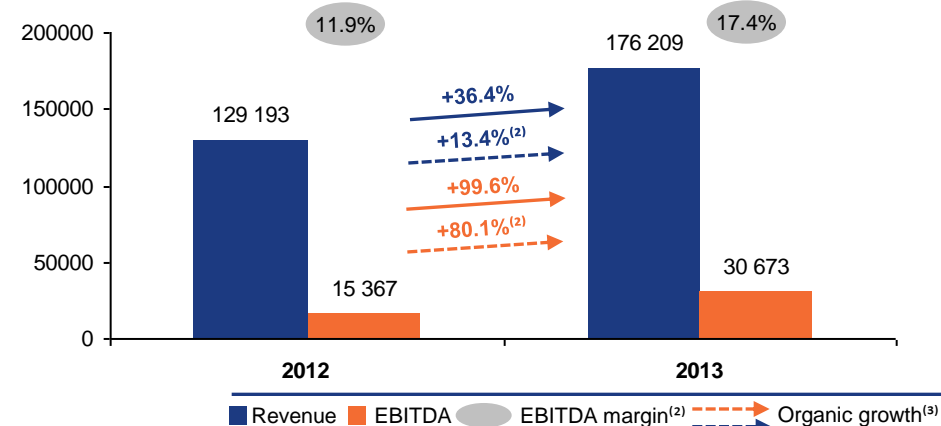
EBITDA⁽¹⁾



■ Generation ■ Other

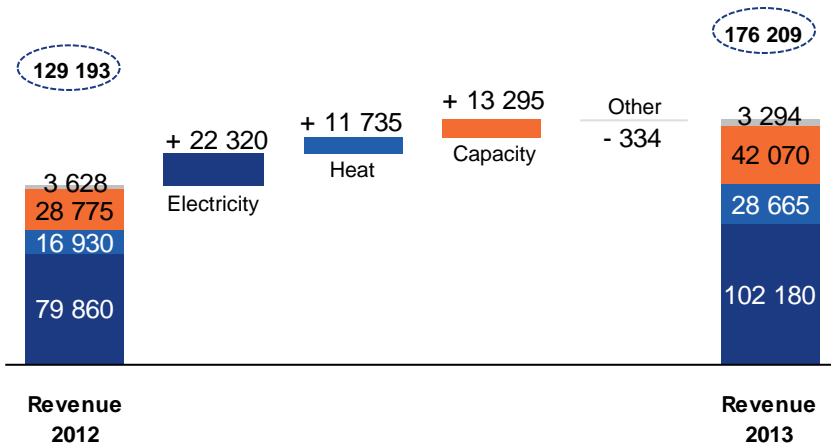
Revenue and EBITDA

RUB m



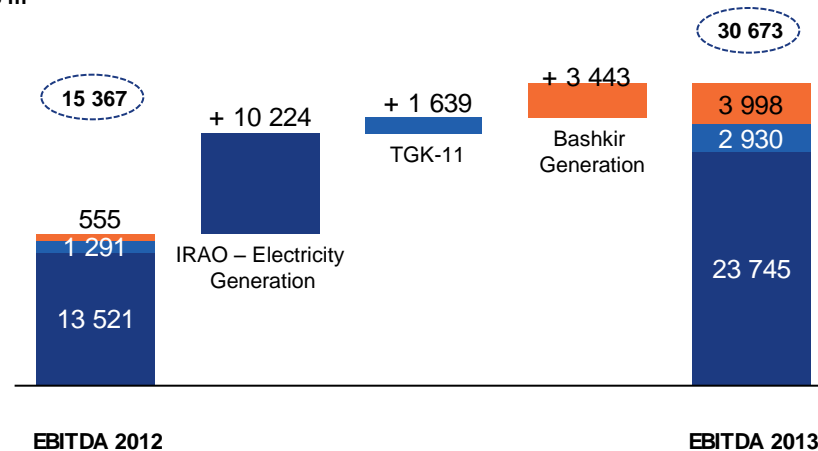
Revenue Contribution by Product⁽⁴⁾

RUB m



EBITDA Contribution by Company

RUB m

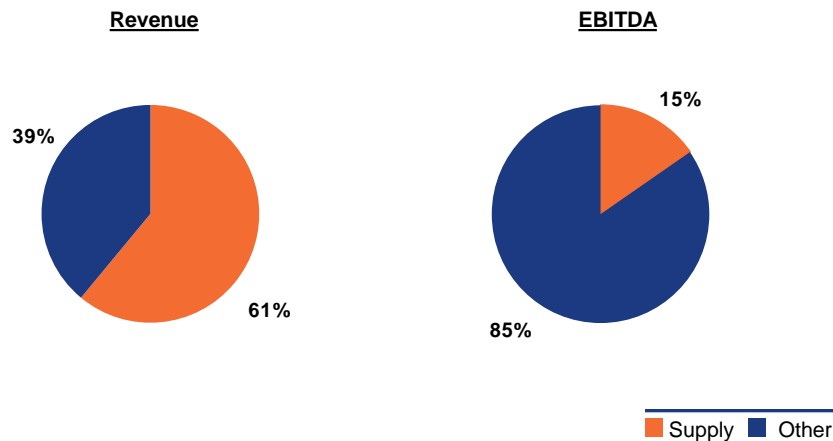


- (1) On this slide and further calculation of business segment share in EBITDA excludes unallocated and eliminations
 (2) EBITDA margin calculation excludes inter-segment revenue RUB 23 149m in 2012 and RUB 30 196m in 2013
 (3) Excludes financial results of Bashkir Generation, that is recognized from the date of acquisition – November 2012
 (4) Excludes inter-segment revenue RUB 23 149 m in 2012 and RUB 30 196 m in 2013

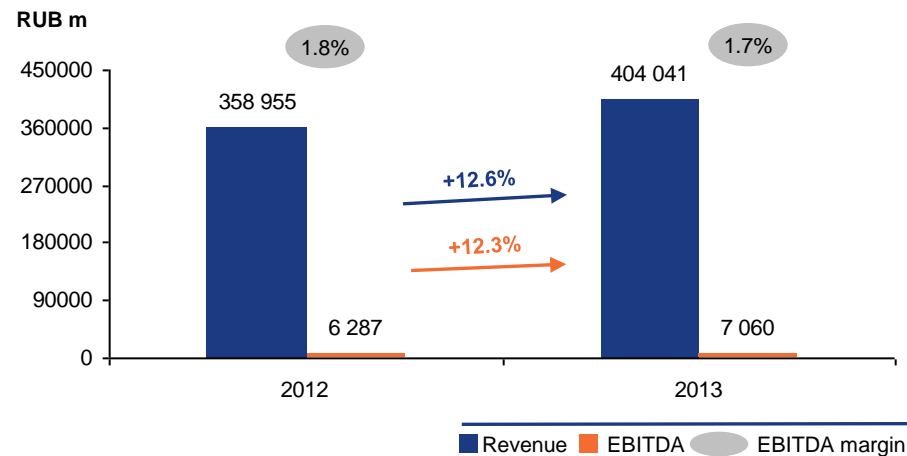


Key Segments: Supply

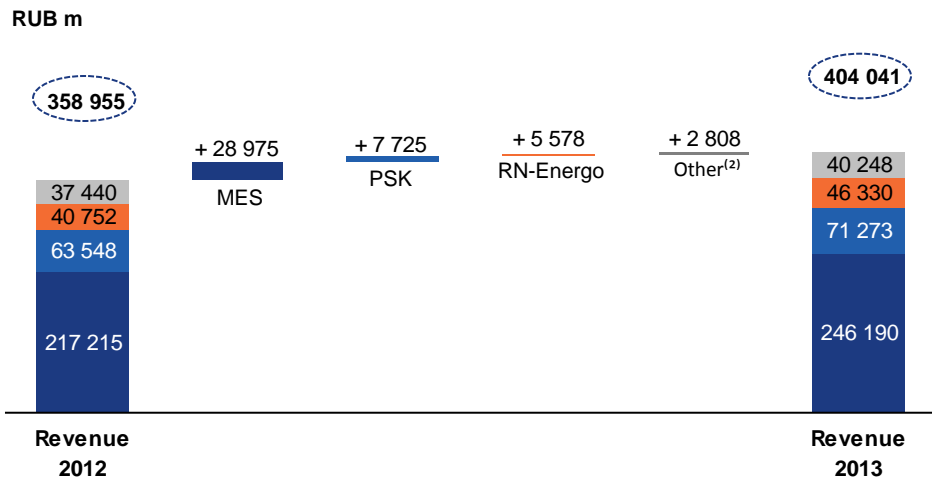
Contribution to Group results for 2013



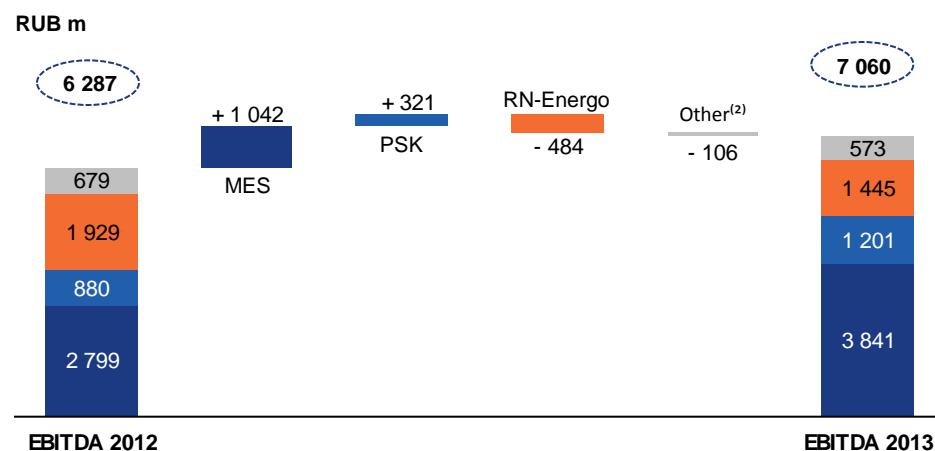
Revenue and EBITDA



Revenue Contribution by Company ⁽¹⁾



EBITDA Contribution by Company



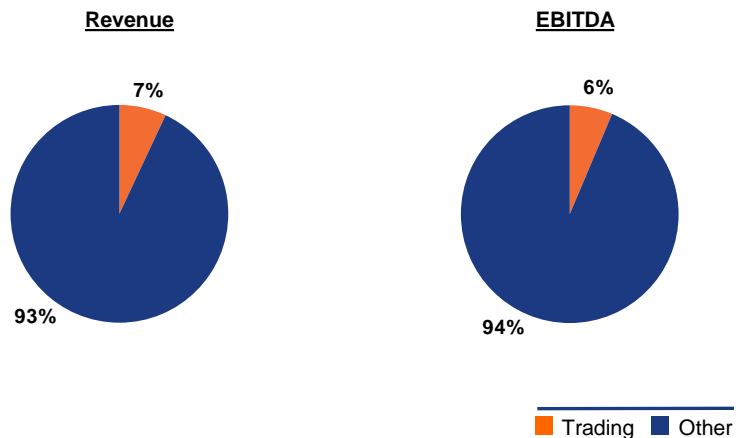
(1) Excludes inter-segmente revenue RUB 150m in 2012 and RUB 249m in 2013

(2) Includes Tambov Energy Retail Company, Saratovenergo, Altayenergosbyt, Inter RAO – Orlovskiy energosbyt, Tomskenergosbyt, Industrial Energetics, OESK and RT-Energotrading (jointly controlled entity)

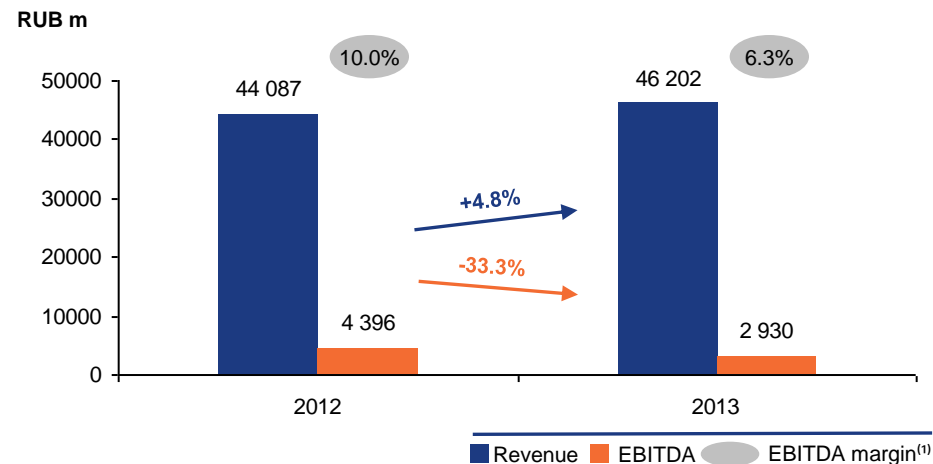


Key Segments: Trading

Contribution to Group Results for 2013

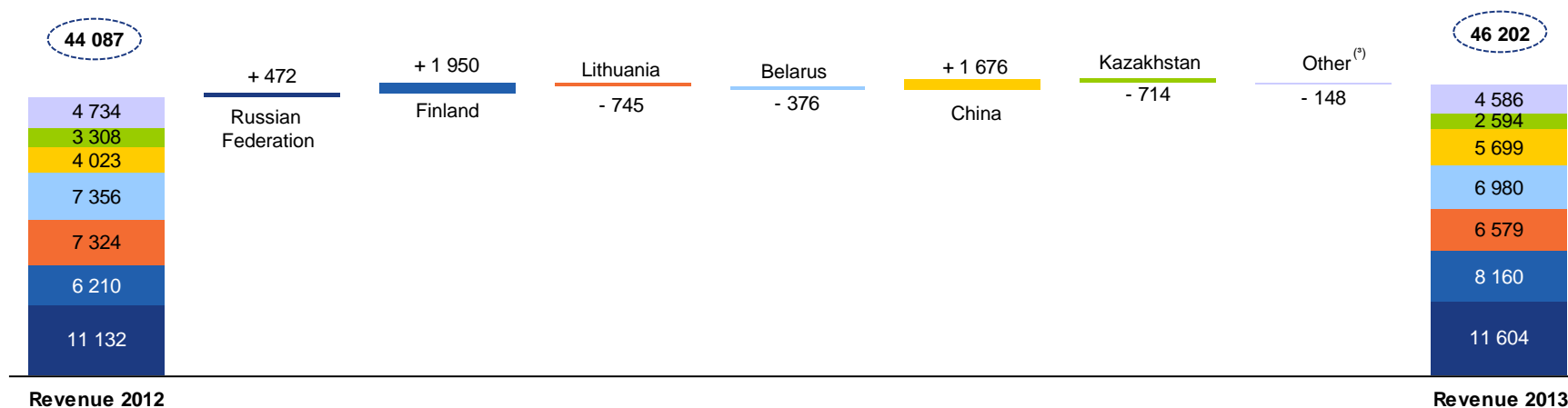


Revenue and EBITDA



Revenue Contribution by Geography⁽²⁾

RUB m

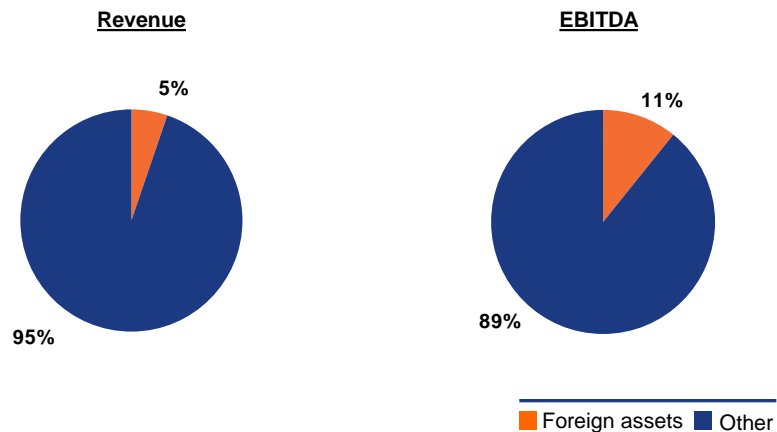


(1) EBITDA margin calculation excludes inter-segment revenue RUB 1 162m in 2012 and RUB 1 282m in 2013;
 (2) Excludes inter-segment revenue RUB 1 162 m in 2012 and RUB 1 282m in 2013;
 (3) Georgia, South Ossetia, Azerbaijan, Mongolia, Ukraine, Norway, Latvia and Estonia;

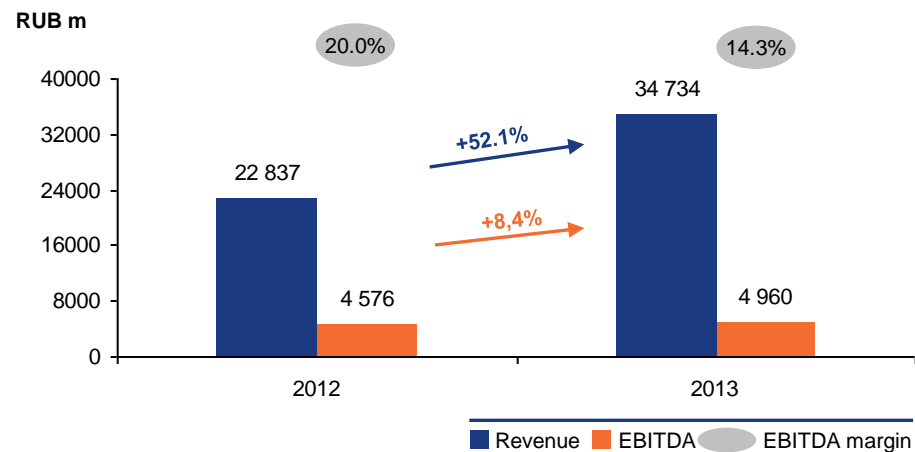


Key Segments: Foreign Assets

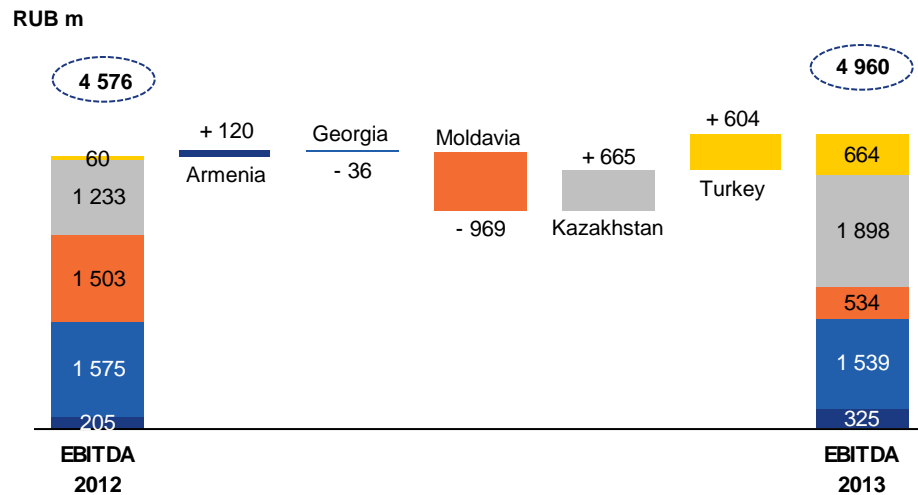
Contribution to Group for 2013



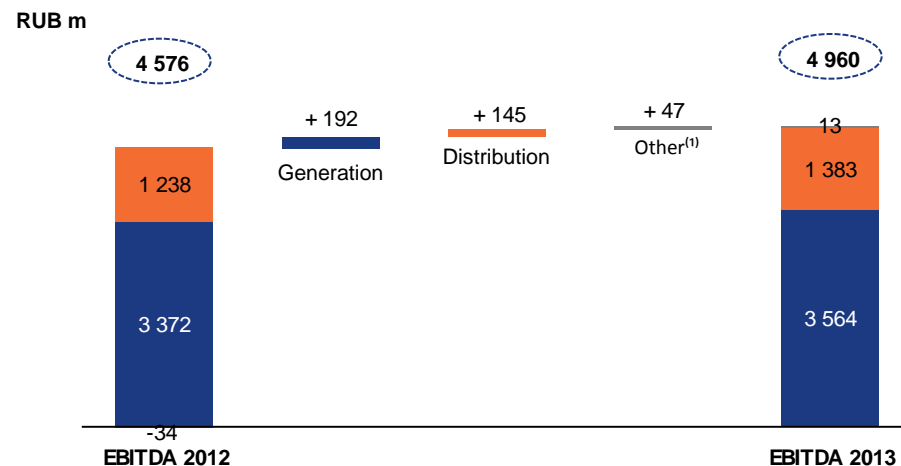
Revenue and EBITDA



EBITDA Contribution by Geography ITDA



EBITDA Contribution by Business



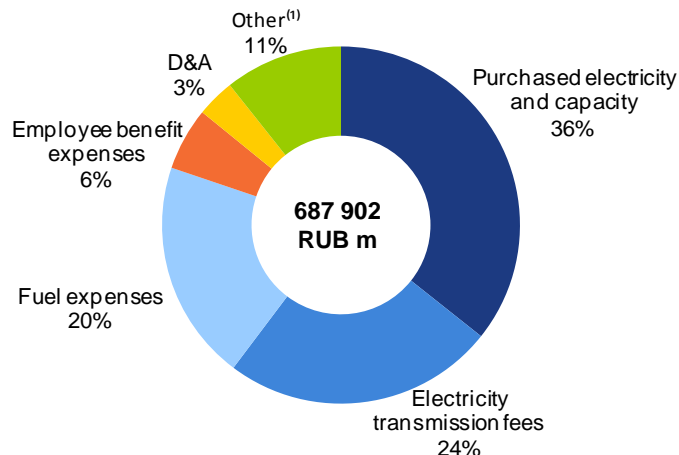
Note: Includes financial results of Trakya Elektrik from December 2012

(1) Includes EBITDA from trading and other operations



Consolidated Operating Expenses

OPEX Breakdown

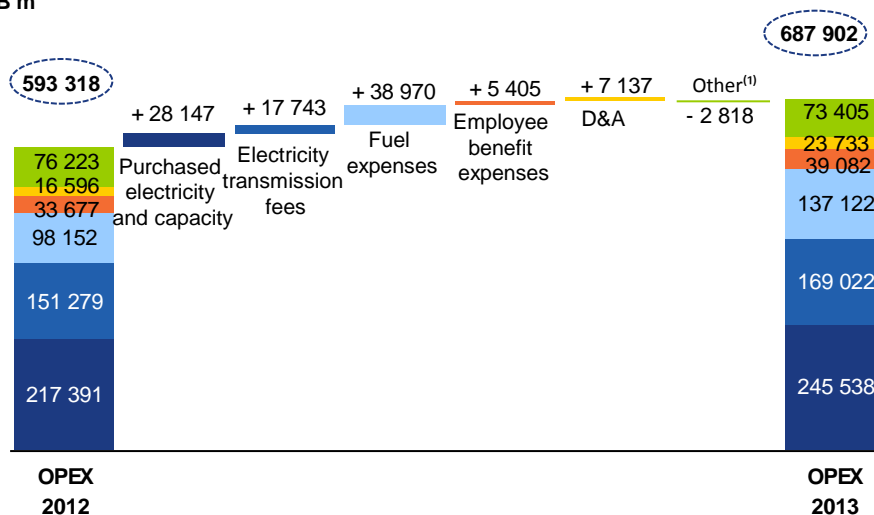


Comments

- In 2013 operating expenses of Inter RAO Group increased by RUB 94 584m (+16% YoY):
- Key OPEX change drivers:
 - Fuel expenses increased by RUB 38 970m mainly due to acquisition of Bashkir generation and Trakya Elektrik gas-fired power plant in Turkey at the end of 2012.;
 - Purchased electricity and capacity costs went up by RUB 28 147m as a consequence of electricity spot prices growth, change of purchased capacity structure – enhancement of CDA capacity purchase) and rise of export/import operations;
 - Electricity transmission costs increased by RUB 17 743m as a result of grid tariffs growth in 2013 and electricity sales growth under the electricity supply agreements.

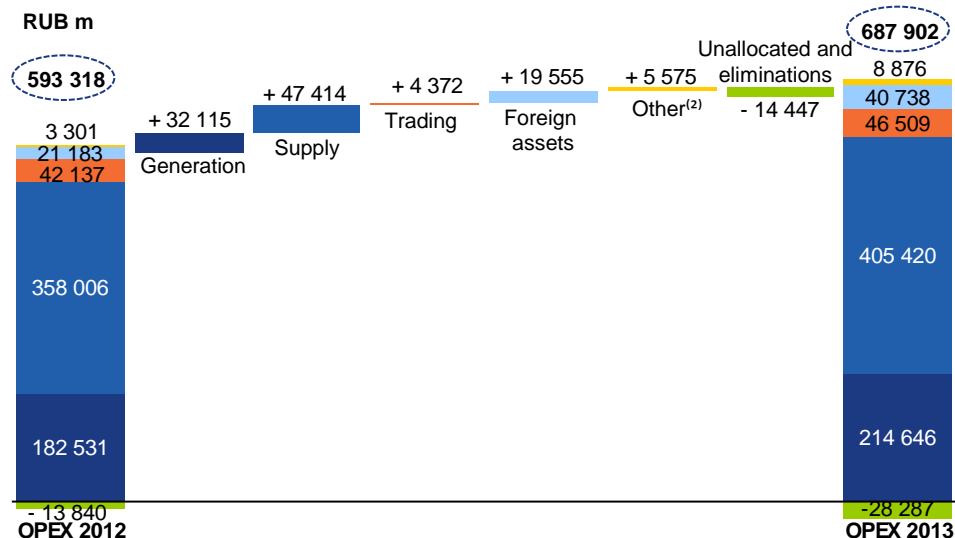
OPEX Dynamics By The Main Items

RUB m



OPEX Dynamics By Business Segments

RUB m



Inter RAO Group's operating expenses increased by 16% YoY while consolidated revenue growth for the same period was 19%

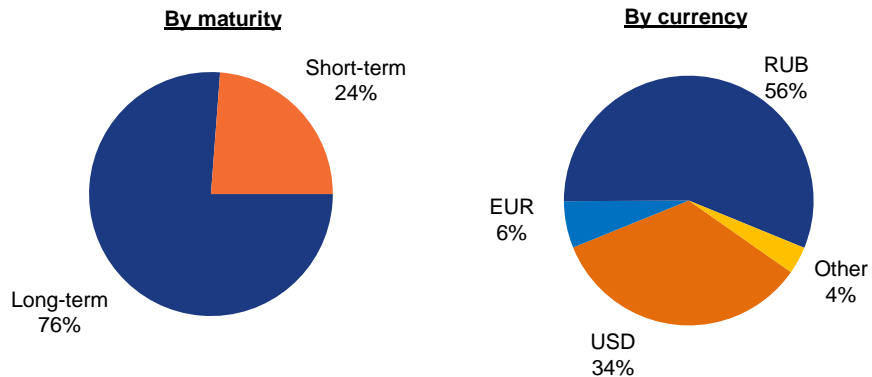
(1) Includes impairments of PPE and accounts receivables and other operating expenses

(2) Includes Engineering segment's OPEX

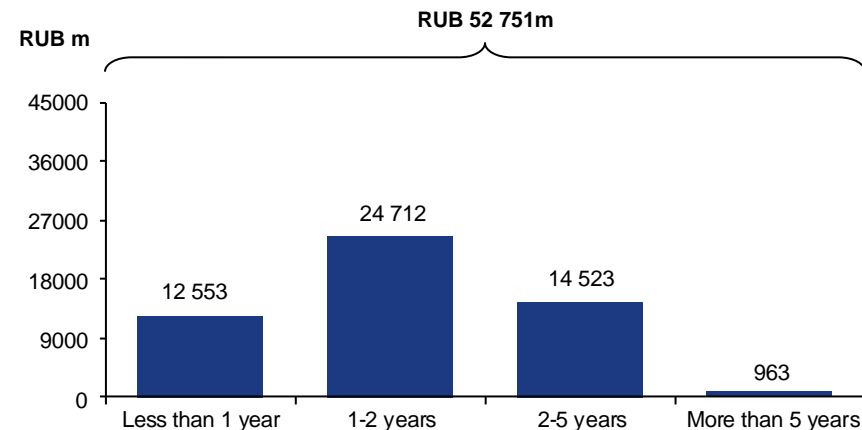


Debt and Liquidity Analysis⁽¹⁾

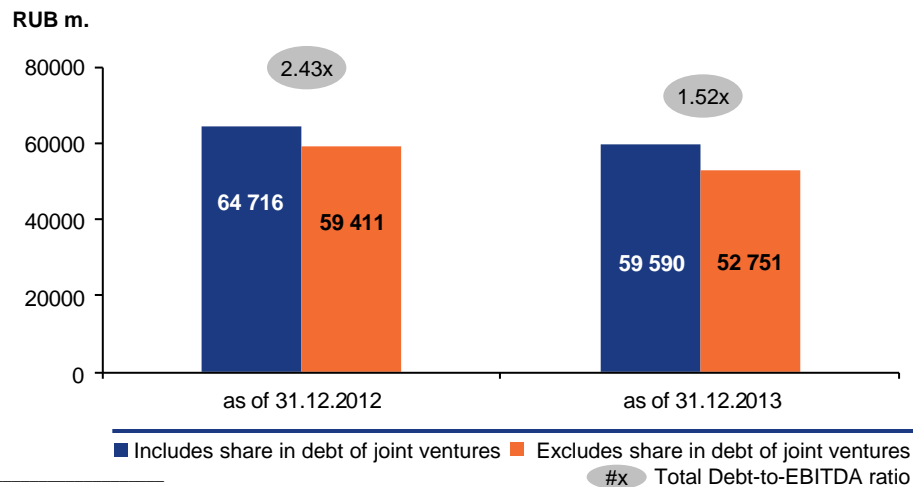
Debt Composition



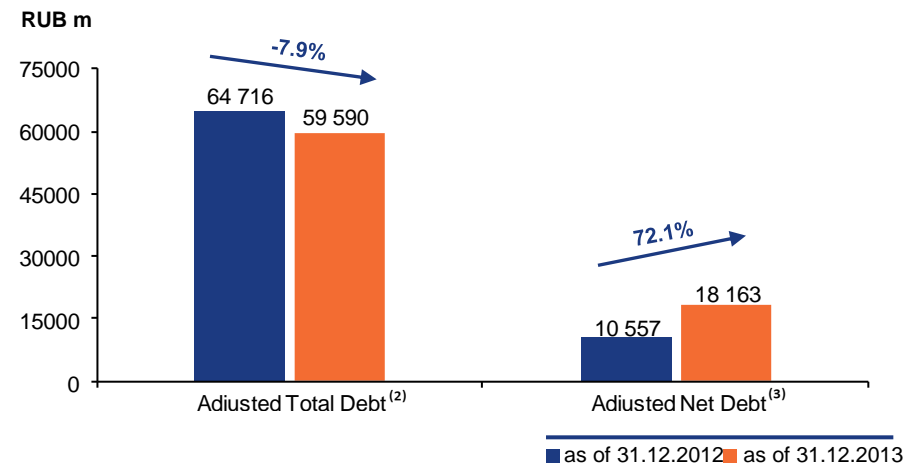
Debt Maturity Profile



Total Debt Statistics⁽²⁾



Debt Evolution



(1) Includes financial lease

(2) Includes share in debt of joint ventures in the amount of RUB 6 839m as of 31.12.2013. (RUB 5 305m as of 31.12.2012a.)

(3) Includes cash deposits (3-12 months) in amount of RUB 1 545m as of 31.12.2013. (as of 31.12.2012 – RUB 6 110m) and share in debt of joint ventures in amount of RUB 6 839m. as of 31.12.2013 (as of 31.12.2012 – RUB 5 305m)



Thanks For Your Time