



*Joint-Stock Company*  
*"Moscow United Electric Grid Company"*

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# 2012 IFRS MOESK Group Financial Results

Moscow, 2013

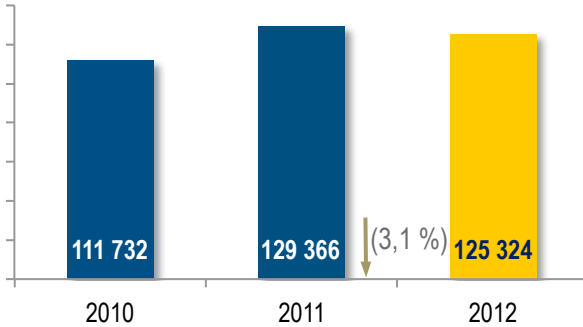


Indicator	2011	2012	Change 2012/2011
Revenue, mln rub.	129 366	125 324	-3,1 %
Results from Operating activities, mln rub.	25 110	26 186	4,3 %
EBITDA <sup>(1)</sup> , mln rub.	41 649	43 580	4,6 %
<i>EBITDA margin, %</i>	32,2 %	34,8 %	2,6 p.p.
Net profit, mln rub.	18 043	18 950	5,0 %
<i>Profit margin, %</i>	13,9 %	15,1 %	1,2 p.p.
Net Debt, mln rub.	42 531	45 776	7,6 %
<i>Net Debt/EBITDA, x</i>	1,02	1,05	0,03 p.p.
Productive supply, mln kWh	75 470	78 546	4,1 %

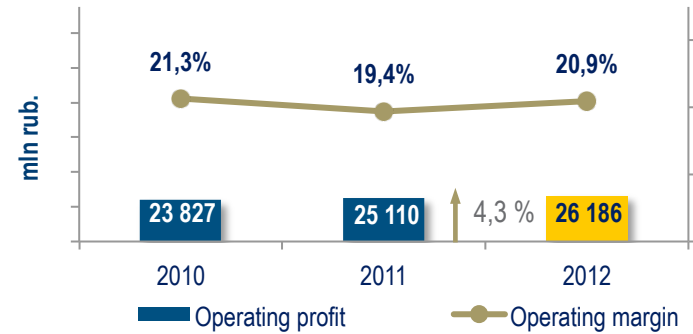
Note: (1) hereinafter: net profit + profit tax + interest payable + amortization and depreciation+ finance costs – finance income.



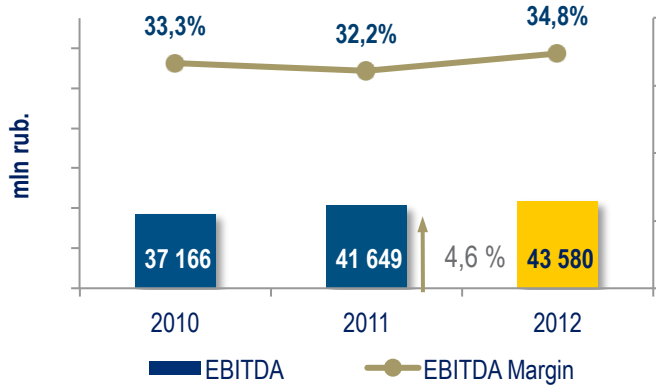
## REVENUE



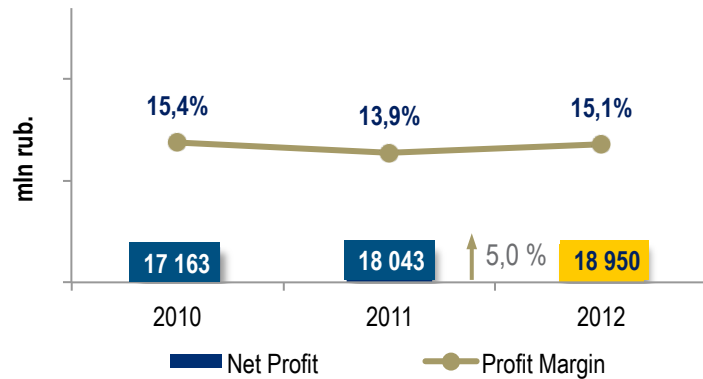
## OPERATING PROFIT



## EBITDA



## NET PROFIT

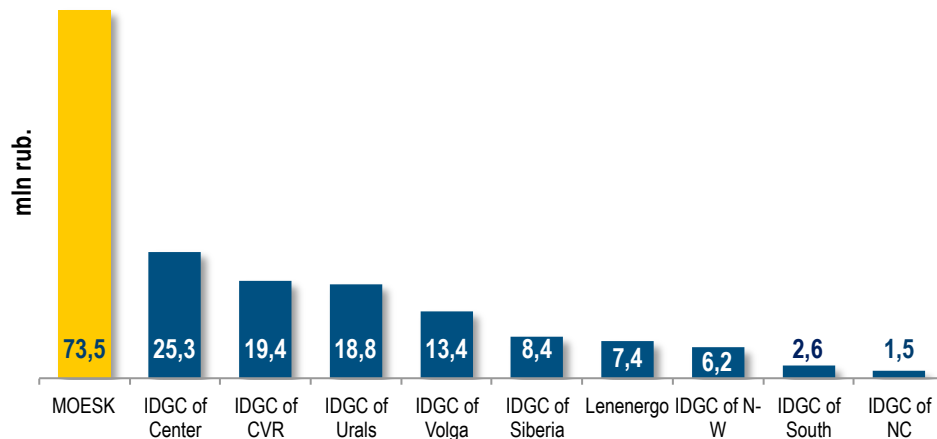


The reasons for the change in key financial indicators relative to 2011:

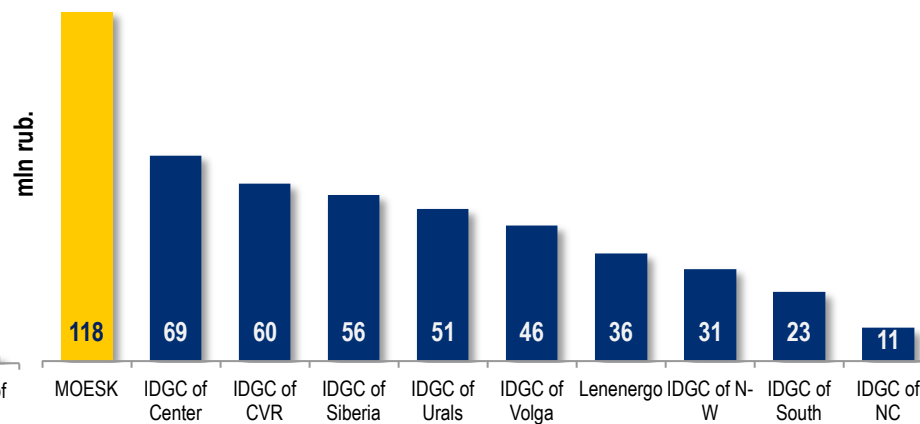
- revenue decrease is caused by the partial transfer of Moscow “Joint Payment” operator function to JSC “United Utility Company” (OEK).
- operating profit rise was achieved due to other operating profit increase ( +143 % because of taking on charge of the fixed assets as the result of inventory procedures).
- net profit rose due to operating profit increase, finance income growth (+ 1 458 % as the result of purchasing of JSC “Energocenter” bonds basing on consolidated level) and JSC “Energocenter” bond borrowing discounting owing to conclusion of agreement with creditors).



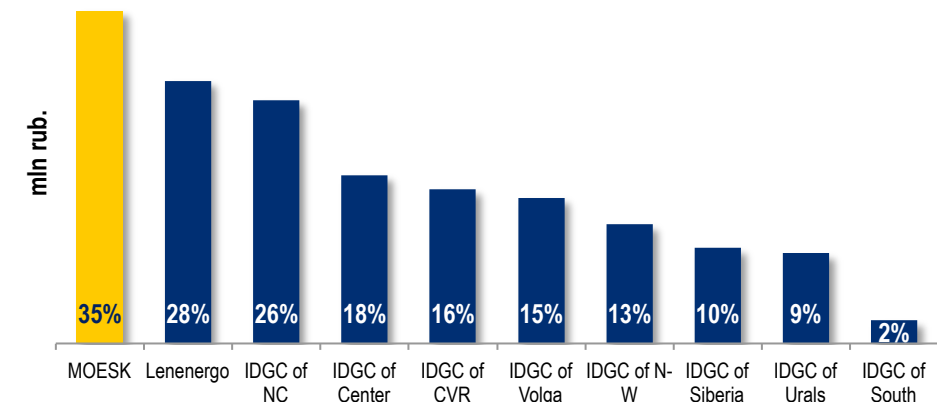
### MARKET CAP<sup>(1)</sup>



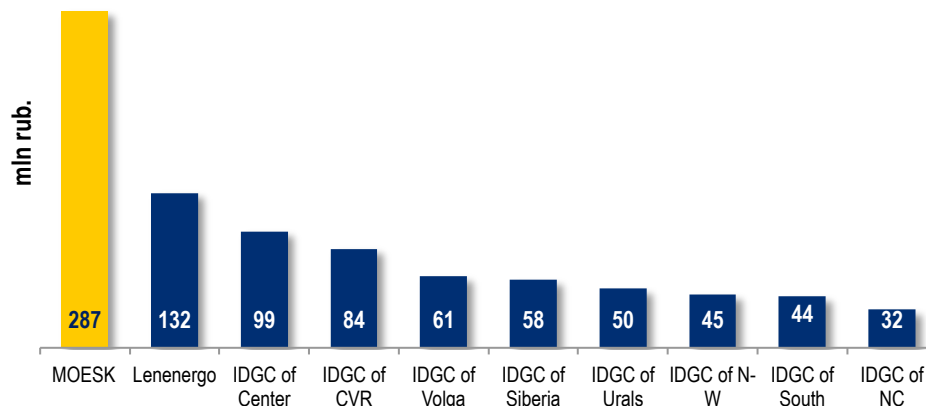
### REVENUE<sup>(2)</sup>



### EBITDA MARGIN<sup>(2)</sup>



### ASSETS<sup>(2)</sup>

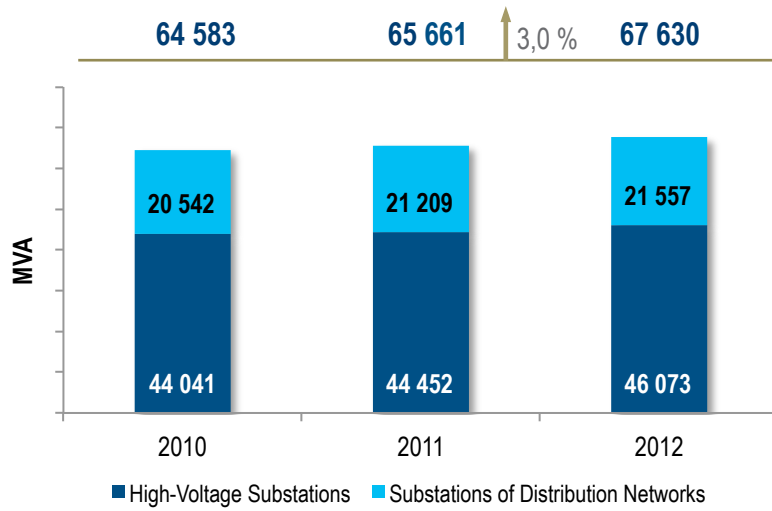


JSC "MOESK" IS THE LARGEST AMONG ALL RUSSIAN GRID COMPANIES

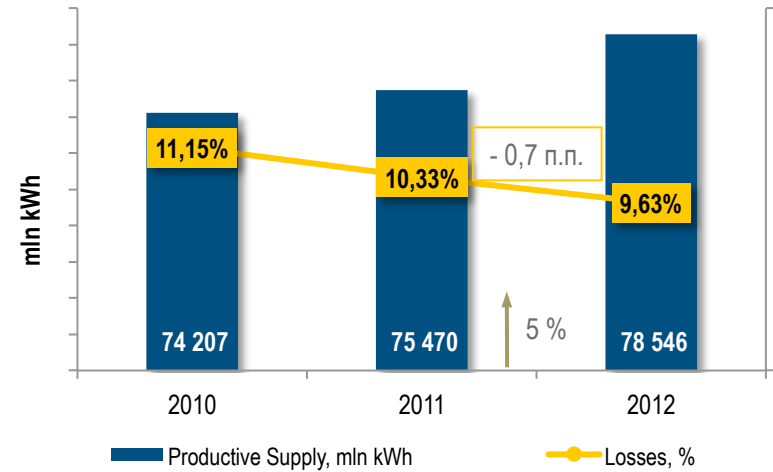
Note: (1) basing on closing price as of 28.12.2012, source: Bloomberg; (2) According to Operating segments of 2012 IFRS JSC «Russian Grids» (management accounting data)



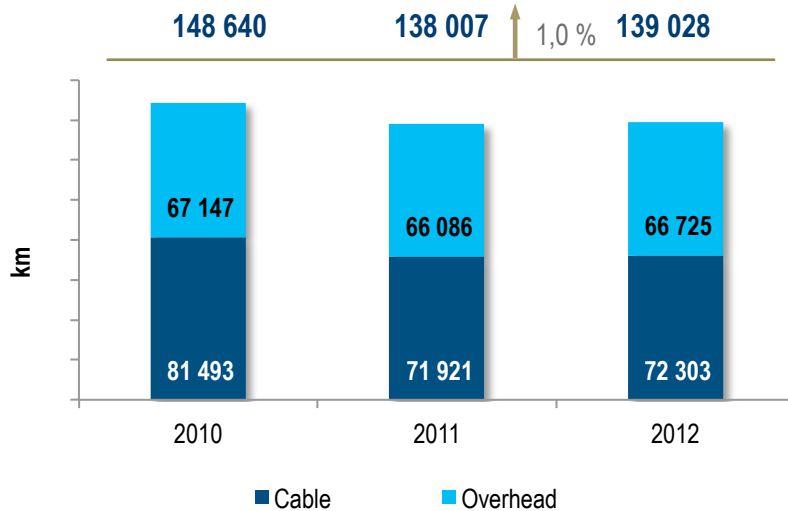
## TRANSFORMER CAPACITY



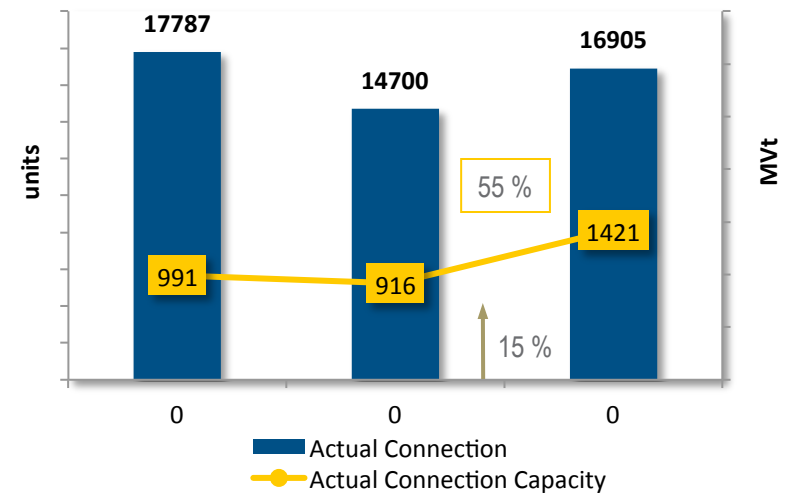
## PRODUCTIVE SUPPLY AND LOSSES



## LENGTH OF POWER TRANSMISSION LINES

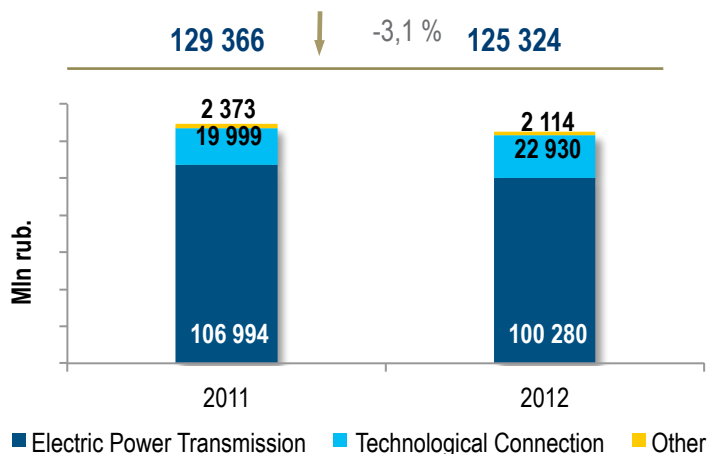


## TECHNOLOGICAL CONNECTION



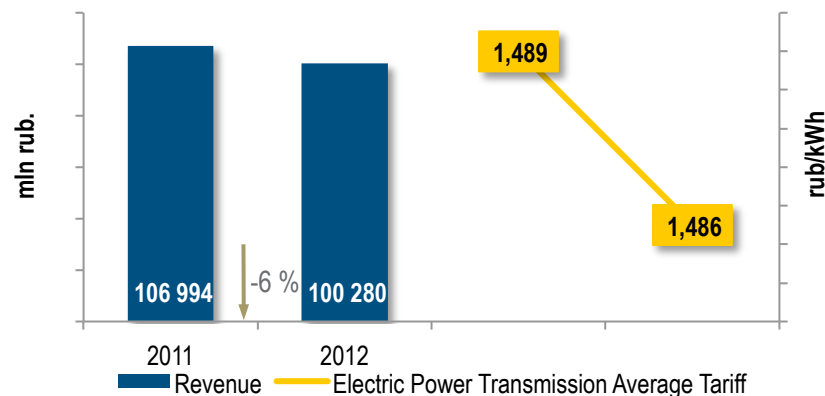


### REVENUE STRUCTURE BY ACTIVITY, MLN RUB.

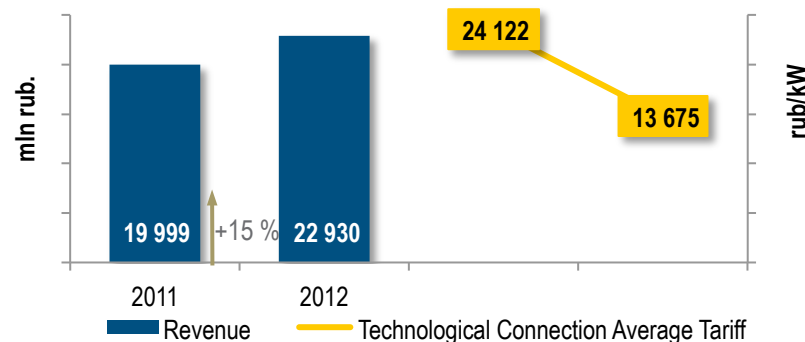


6 % revenue from electricity transmission decrease is caused by the partial transfer of Moscow "Joint Payment" operator function to JSC "United Utility Company" (OEK). 15 % of the revenue from technological connection according to IFRS in comparison with 7,8 % according to RAS took place due to including of earnings under loss compensation agreements into the revenue according to IFRS.

### ELECTRICITY TRANSMISSION REVENUE AND AVERAGE TARIFF



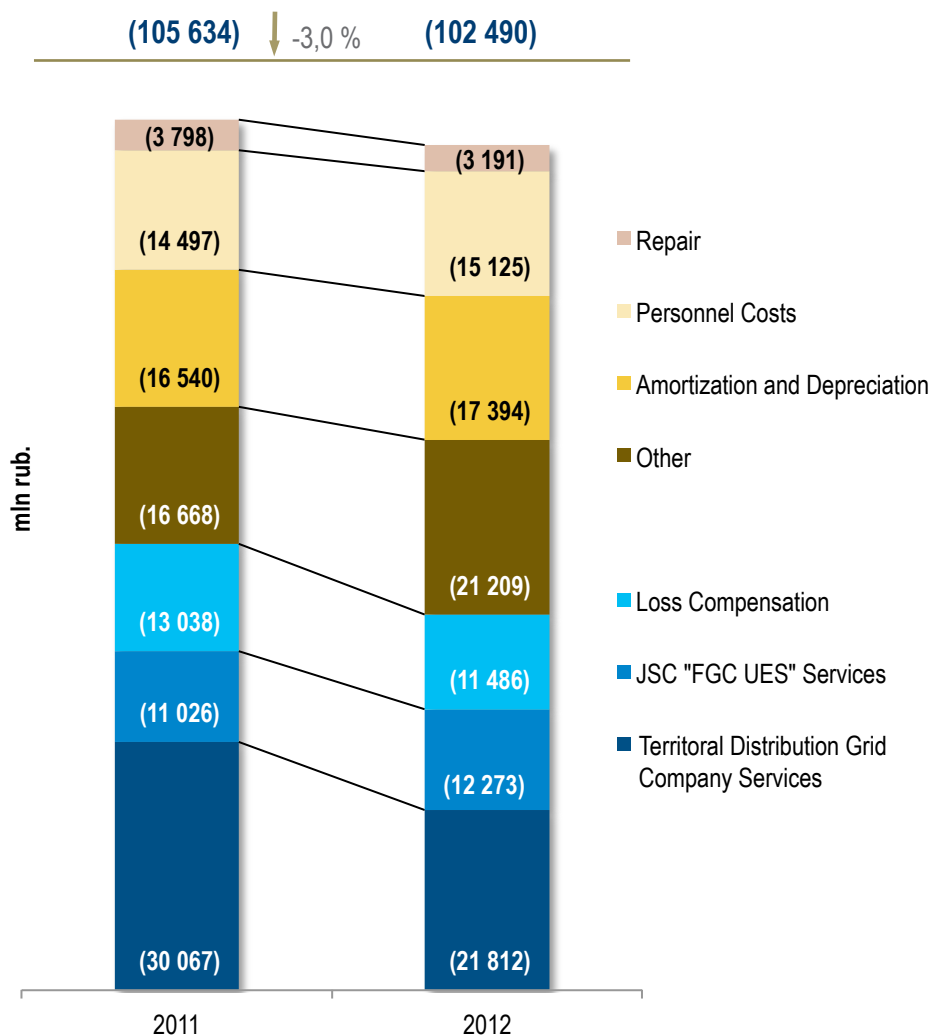
### TECHNOLOGICAL CONNECTION REVENUE AND AVERAGE TARIFF (1)



Note: (1) (Sum put on record (full) / Capacity put on record \* 1,18 regarding Moscow) +(Sum put on record (full) / Capacity put on record \* 1,18 regarding Moscow Region) / 2



## OPERATING COST STRUCTURE



Reduction of operating costs is mainly caused by the change in electricity transmission payment scheme inside Moscow. As the result expenses on Territorial Distribution Grid Company services fell by 27 % and accounted to 21 % of all operating costs in comparison with 28 % in 2011.

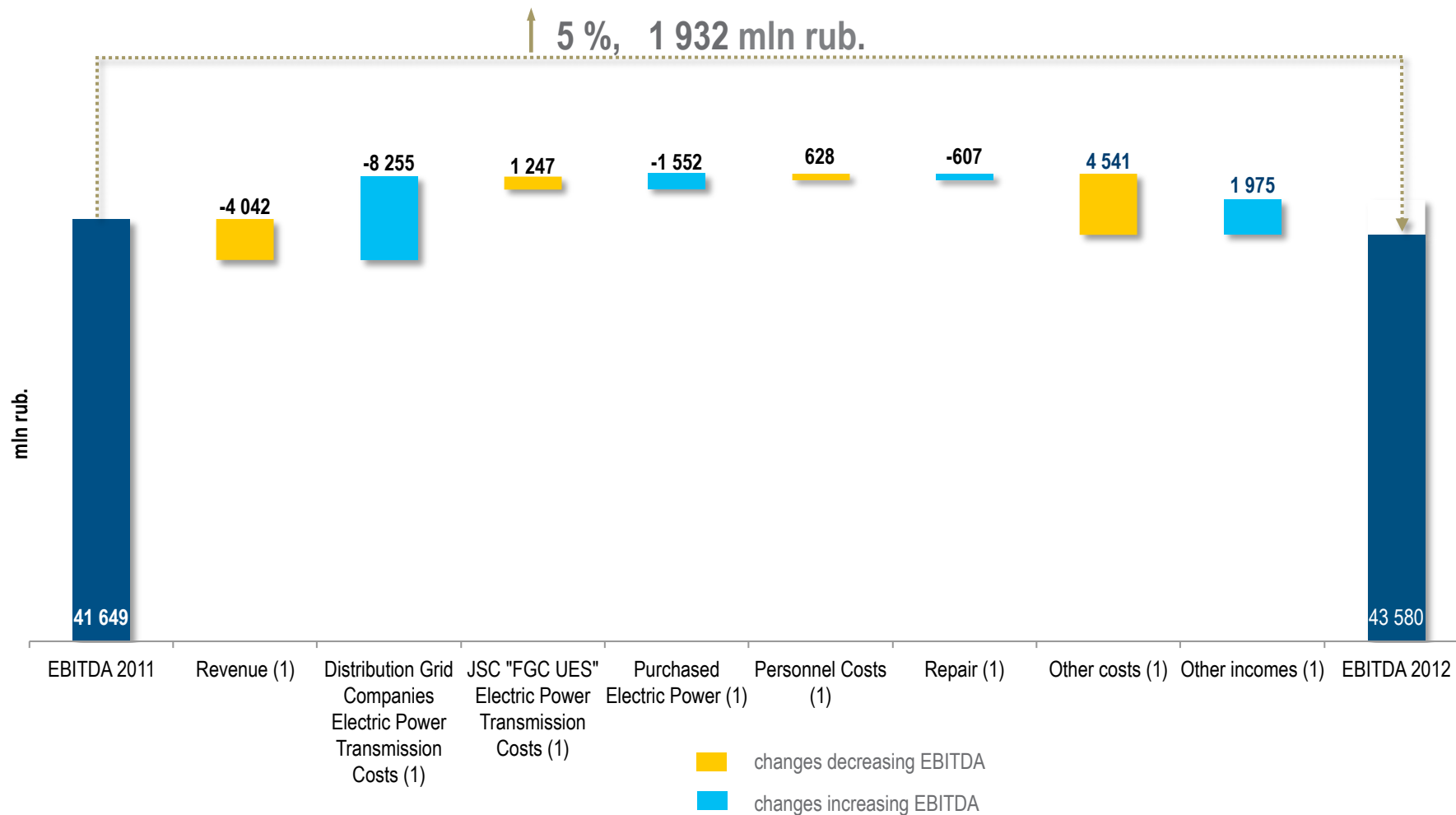
Decrease of loss compensation costs is the consequence of energy efficiency measure implementation and decline of electricity price purchased for loss compensation purposes.

Personnel costs growth was prompted by the rise of payments into Pension Fund of Russia and decline of actuarial income under long-term personnel benefits.

Reduction of costs on repairs is the result of absence of additional works on repairing the damage caused by "Freezing rain".

Rise of depreciation and amortization is driven by the significant increase in commissioning and modernization of fixed assets at the end of 2011 and during 2012.

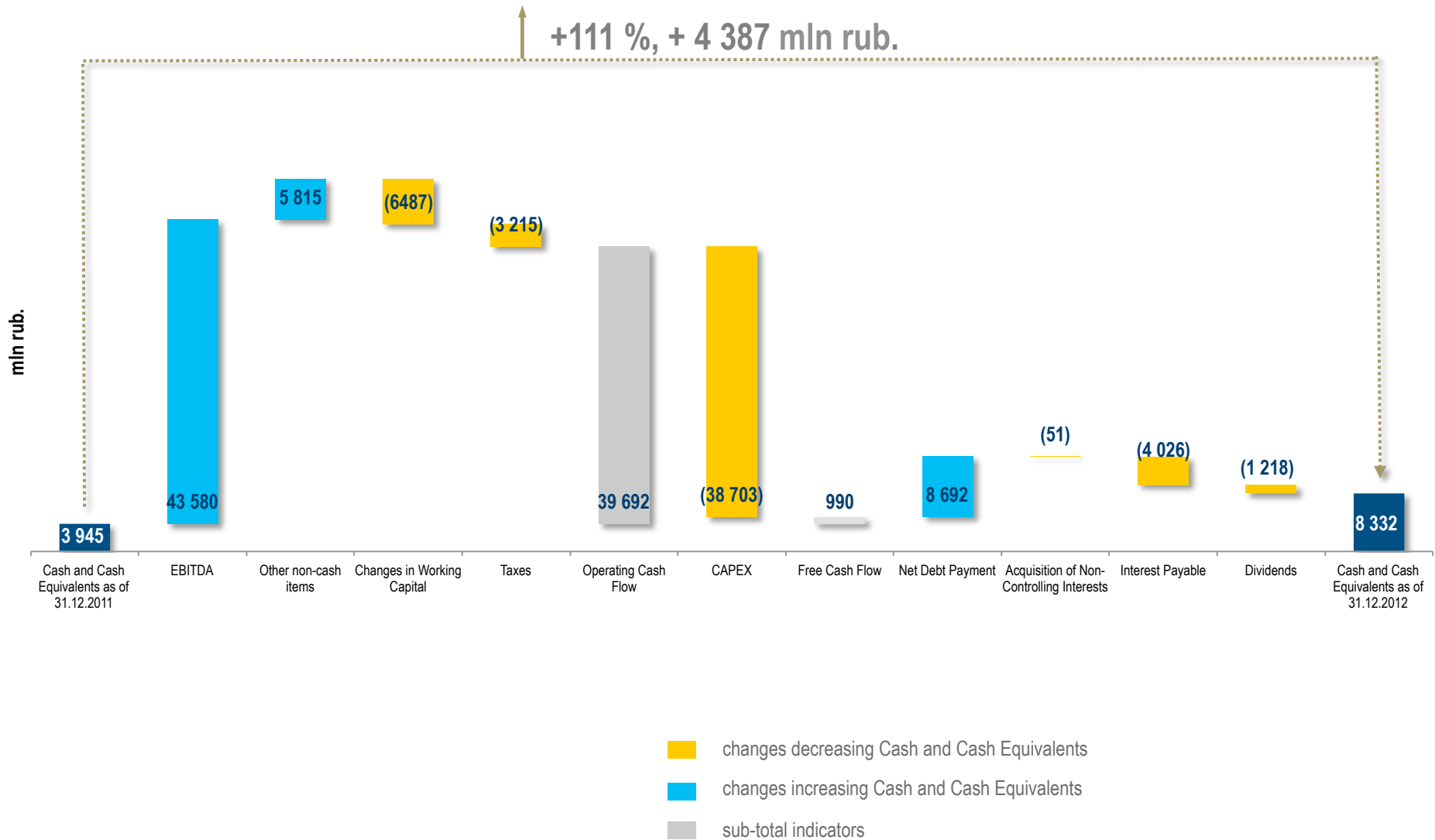
Among other operating costs maximum growth was shown in the following articles: provision for inventory obsolescence, impairment losses on property, plant and equipment, provision for legal claims, registration of rights to property, services of partners regarding technological connection.



5 % EBITDA growth is explained by the reduction of expenditures for electricity transmission, lease, repair as well as other operating profit expansion.

Note: (1) Indicator change by the end of reporting period





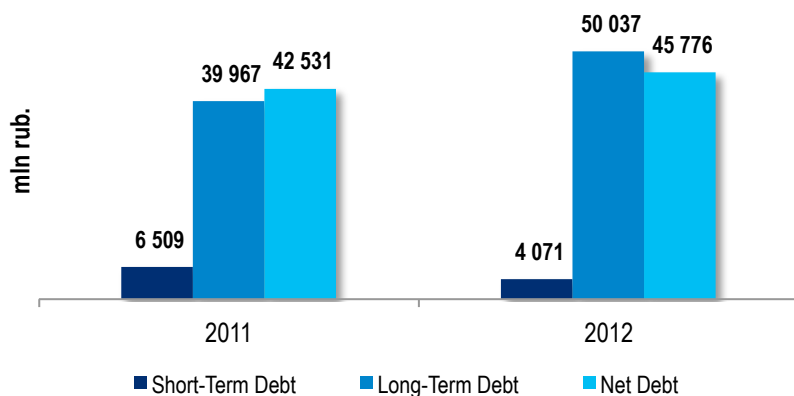


Indicator	2011	2012	Change 2012/2011
Operating Profit, mln rub.	25 110	26 186	4,3 %
Finance income, mln rub.	124	1 933	1 459 %
Finance costs, mln rub.	(1 789)	(2 722)	52 %
EBT, mln rub.	23 445	25 397	8 %
Income Tax Expenses, mln rub.	(5 402)	(6 447)	19 %
Net Profit, mln rub.	18 043	18 950	5 %
Issued Shares, units		48 707 091 574	-
Profit per Share, rub./units	0,3685	0,3893	6 %

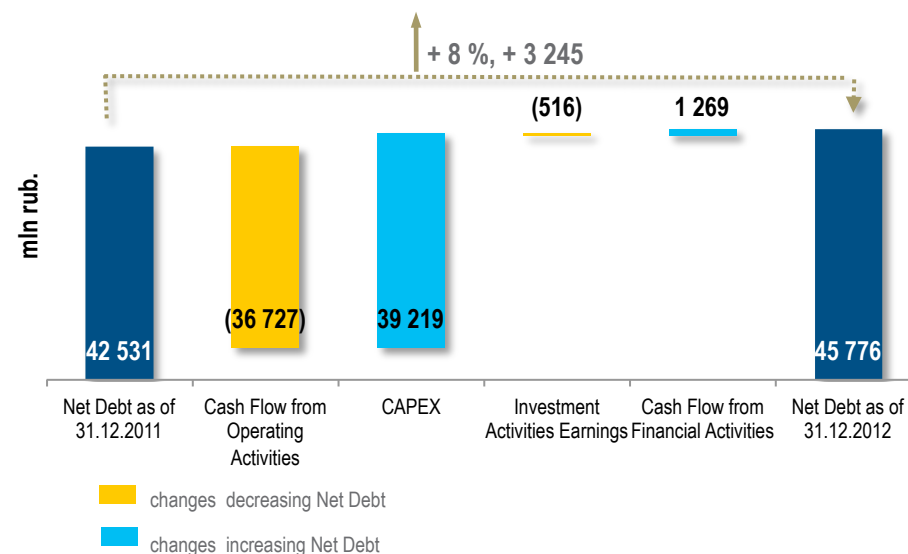
Operating profit rise was achieved in 2012 due to reduction of payments for loss compensation, services of territorial grid organizations, lease and repair.



## DEBT STRUCTURE AND NET DEBT



## NET DEBT CHANGE ANALYSIS



## FINANCIAL INDICATORS

Indicator	2011	2012	Change
Net Debt/Capital, x	0,35	0,33	(0,02) p.p.
Capital/Total Assets, x	0,49	0,52	0,03 p.p.
Net Debt/EBITDA, x	1,02	1,05	0,03 p.p.
Weighted Average Interest Rate, %	8,16	8,59	0,43 p.p.

## DEBT STRUCTURE BY TYPES OF BORROWINGS

Indicator	2011	2012	Change
Loans and Borrowings, mln rub.	39 065	42 295	8 %
Financial Lease Liabilities, mln rub.	2 921	926	(68 %)
Notes, mln rub.	1 254	-	(100 %)
Bonds, mln rub.	3 236	10 886	(236 %)
Итого	46 476	54 107	16 %



**11.01.2012**

S&P assigned JSC "MOESK" credit ratings «BB-/ruAA-»; forecast - «stable»

**05.05.2012**

On an order dated 05.05.2012 № 241 Russian Ministry for Energy approved JSC "MOESK" 2012-2017 Investment Program

**25.06.2012**

Annual Shareholder meeting took place and decided to approve dividend amount of 1 218 mln rub., thus dividend per share accounted to 0,025 rub.

**10.07.2012**

Pyotr Alekseevich Sinyutin is appointed as Acting Director General

**12.10.2012**

Russian Federal Agency for Tariffs agreed transfer of the Company to RAB and long-term parameters of tariff regulation for 2012-2017

**01.11.2012**

Transfer to tariff regulation under RAB method

**19.11.2012**

Russian Ministry for Energy increased 2012-2017 Investment Program by 1,4 %

**18.12.2012**

JSC "MOESK" shares are included into MICEX Index



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# THANK YOU FOR YOUR ATTENTION!

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2012 Financial Report according to IFRS is available at: [http://www.moesk.ru/raskritie/disclosure\\_securities/annual\\_reports/](http://www.moesk.ru/raskritie/disclosure_securities/annual_reports/)

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