

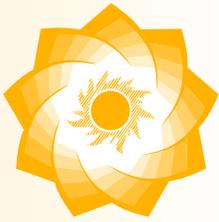


INVESTMENT PROGRAM: PLATFORM FOR VALUE CREATION IN A NEW MARKET ENVIRONMENT

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Conference "Reform Completion: Strategic vision and long term development scenarios of Russian power sector"

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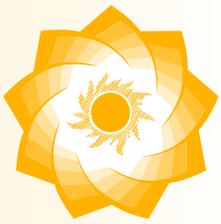
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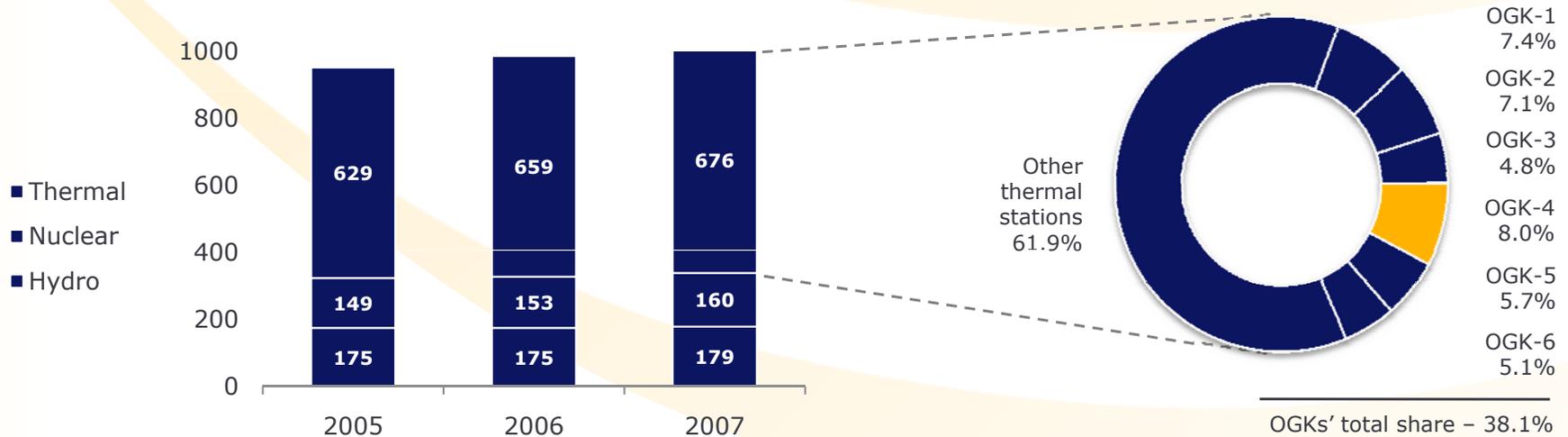
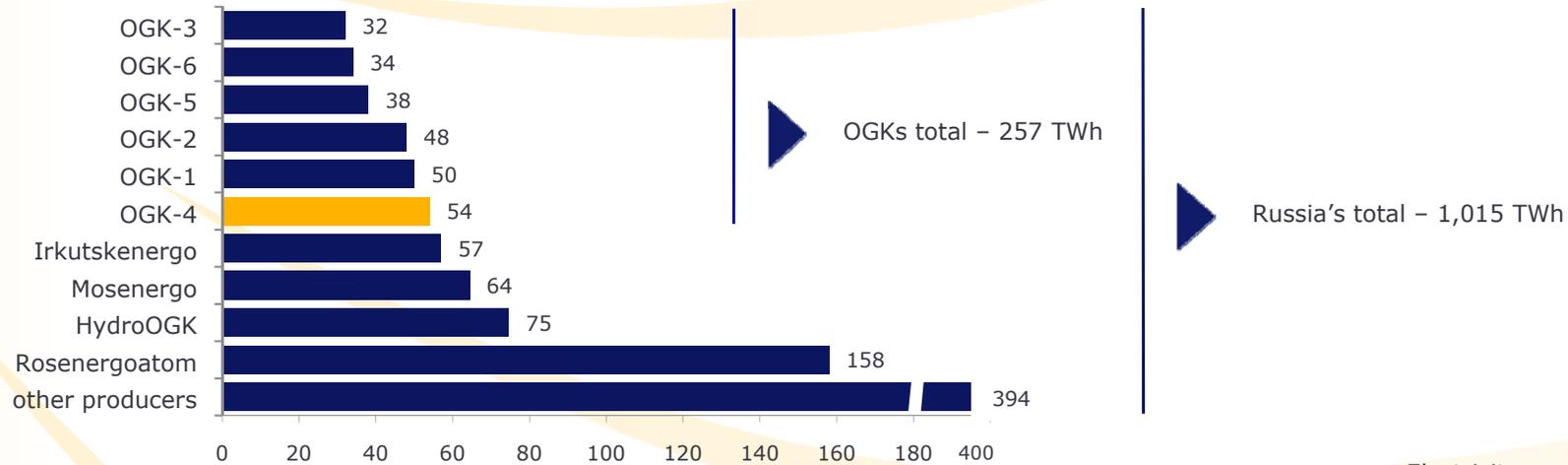
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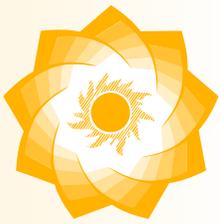


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ELECTRICITY PRODUCTION BY RUSSIAN COMPANIES, 2007



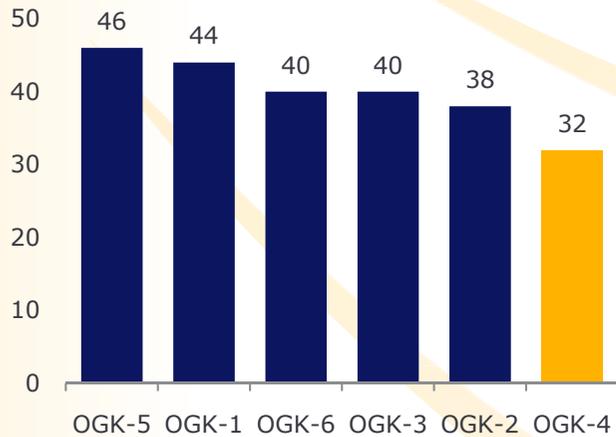


PACING THE OGKs PELOTON

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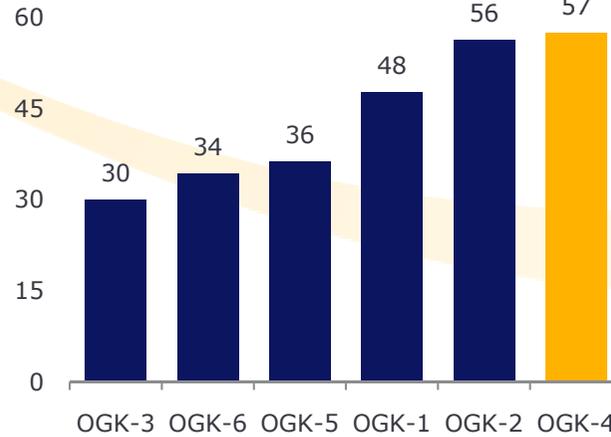
- ❖ Among the most modern facilities on the market with relatively low fixed costs
- ❖ Strong market positions due to operational efficiency and thanks to elaborated market strategies
- ❖ Higher evaluation by equity market reflects fundamental value of the Company and its opportunities

Average age of assets, years



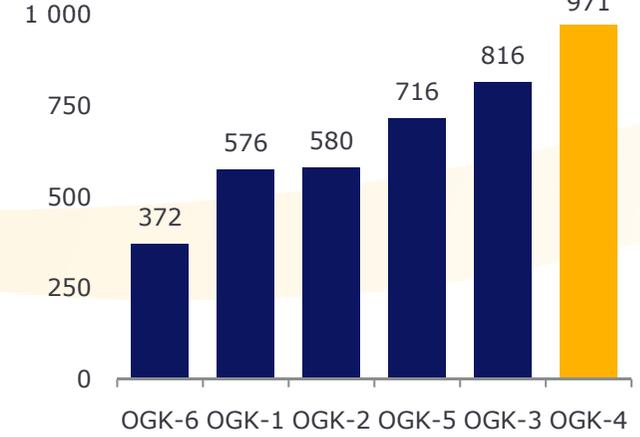
Source: companies' data

Electricity sales, TWh



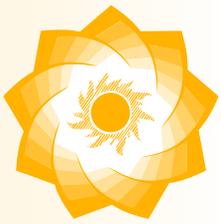
Source: companies' data

MCap/Inst. capacity, \$/kW



Source: RTS data as of 31.12.07; companies' data

- ❖ Robust asset portfolio and flexibility in varying fuel mix with a view to further commodity price volatility
- ❖ Competitive edges due to advantageous asset location in terms of fuel supply and electricity sales
- ❖ Substantial opportunities for organic growth on attractive markets + industry liberalization



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COMPANY OVERVIEW 2007

- ❖ 3.9% of Russia's total capacity
- ❖ 5.3% of Russia's total output
- ❖ 5.7% of Russia's fossil-fired capacity
- ❖ 8.0% of Russia's fossil-fired output
- ❖ 54.24 TWh of electricity output
- ❖ 57.47 TWh of electricity sales

Shaturskaya GRES

- Moscow region (IES Center)
- Capacity: 1,100 MW
- Production: 4.91 TWh
- % in region output: ~20%
- Sales: 5.48 TWh

Yajvinskaya GRES

- Perm territory (IES Urals)
- Capacity: 600 MW
- Production: 4.30 TWh
- % in region output: ~13%
- Sales: 6.13 TWh

Surgutskaya GRES-2

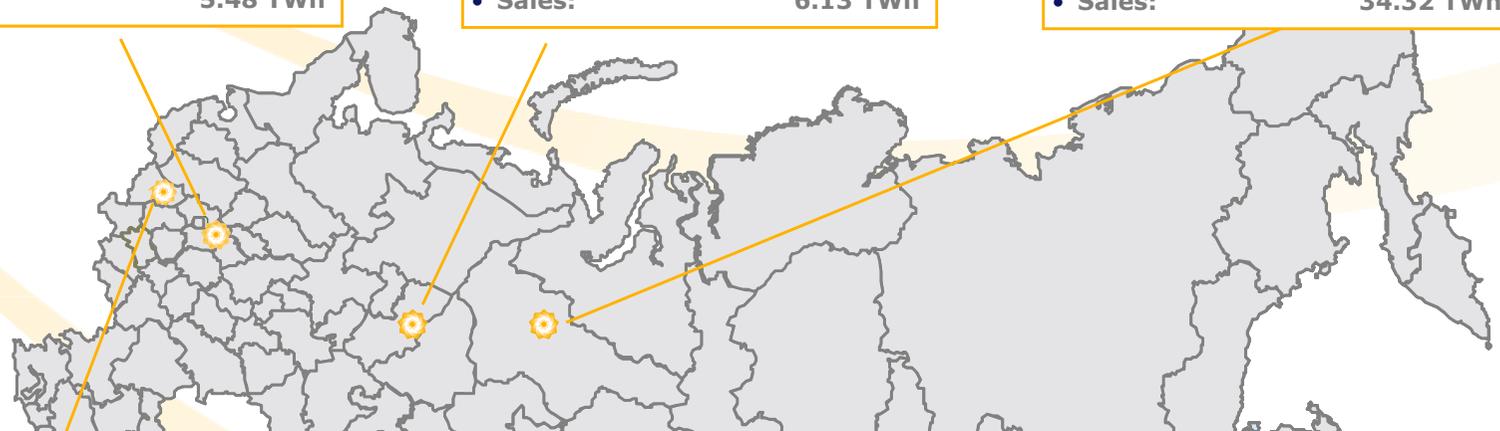
- Tyumen region (IES Urals)
- Capacity: 4,800 MW
- Production: 34.41 TWh
- % in region output: ~39%
- Sales: 34.32 TWh

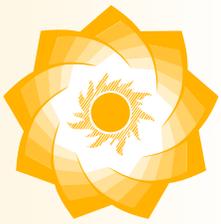
Smolenskaya GRES

- Smolensk region (IES Center)
- Capacity: 630 MW
- Production: 2.10 TWh
- % in region output: ~9%
- Sales: 2.36 TWh

Berezovskaya GRES

- Krasnoyarsk ter-ry (IES Siberia)
- Capacity: 1,500 MW
- Production: 8.53 TWh
- % in region output: ~15%
- Sales: 9.19 TWh



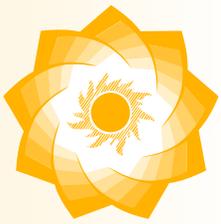


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FUNDAMENTAL VALUES

❖ Four bricks forming a stepping stone for further development





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MID-TERM STRATEGIC FOCUS ON ORGANIC GROWTH

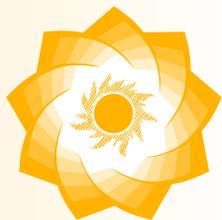
❖ Electricity consumption growth and soaring spot prices allow making positive views on planned investment projects

Spot price ³	+89.8%	+29.7%	+92.4%	+30.3%
	Shaturskaya	Surgutskaya ²	Berezovskaya	Yajvinskaya
Type	CCGT	CCGT	Coal	CCGT
Capacity	400 MW	2x400 MW	800 MW	400 MW
Cost	€410 mln ⁴	€840 mln ⁴	€400 mln ⁵	€440 mln ⁵
Start	4Q 2009	4Q 2010	4Q 2009	4Q 2010

- ❖ In regions with existing or expected deficit
- ❖ New and efficient facilities enhance competitiveness
- ❖ New electricity/capacity to be sold at free prices
- ❖ All new build contracts on the EPC (turnkey) basis

⁴ expected cost in forecasted prices basing on signed EPC contracts; does not include possible payments for grid connection and other expenses related to new capacity supply to the grid

⁵ expected cost in forecasted prices; may significantly vary from EPC contracts; does not include possible payments for grid connection and other expenses related to new capacity supply to the grid



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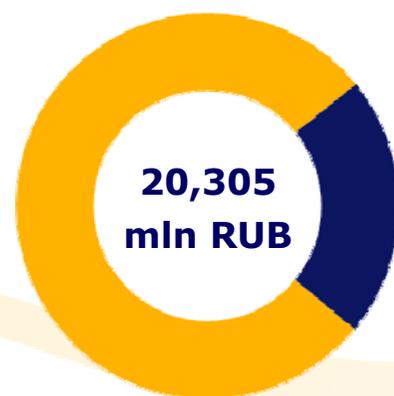
RESULTS IN FREE SEGMENT STIMULATE FURTHER DEVELOPMENT

Electricity output⁶, 2007



■ Regulated sector – 87%
■ Liberalized sector – 13%

Products sold (electricity)⁶, 2007

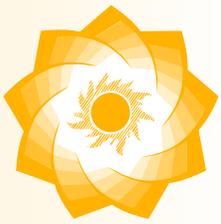


■ Regulated sector – 78%
■ Liberalized sector – 22%

Gross profit on electricity sales, 2007



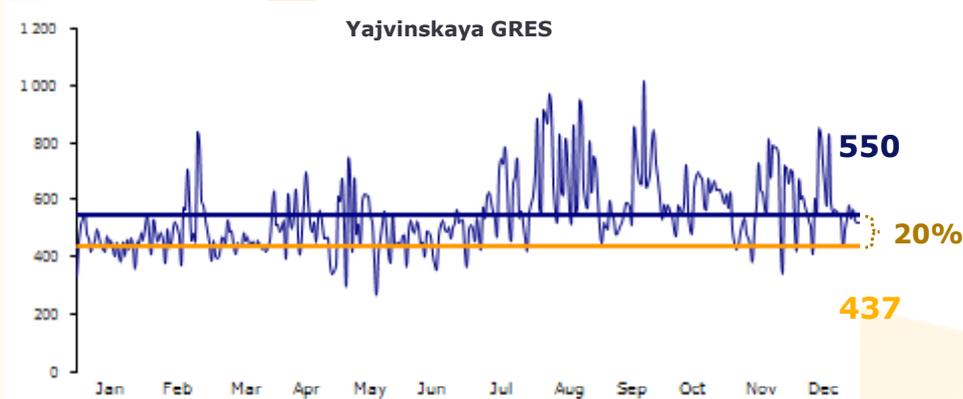
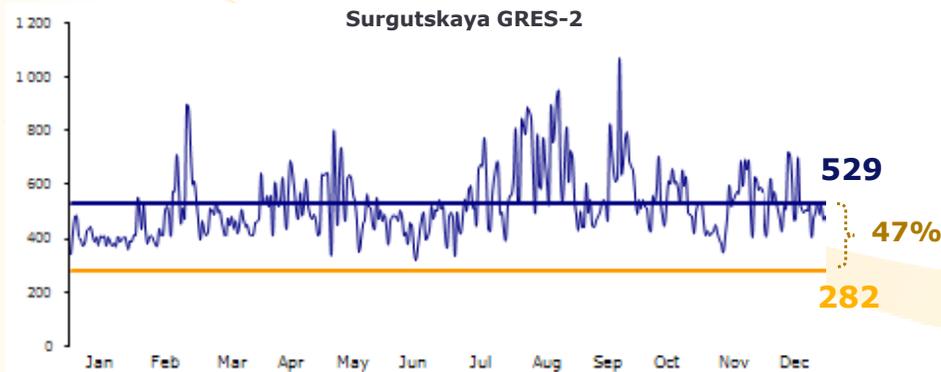
■ Regulated sector – 33%
■ Liberalized sector – 67%

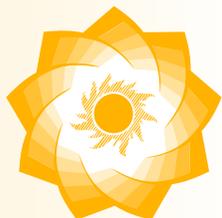


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MARKET AND EFFICIENT FACILITIES REVEAL NEW OPPORTUNITIES

- Spot market price, RUB/MWh, 2007
- Average Spot market price, RUB/MWh, 2007
- Fuel cost, RUB/MWh, 2007
- % Heat spark margin, %

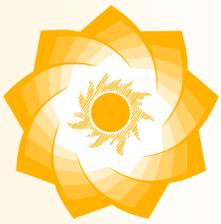




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NEW BUILT ALLOW MAKING POSITIVE EXPECTATIONS FOR 2011 AND BEYOND

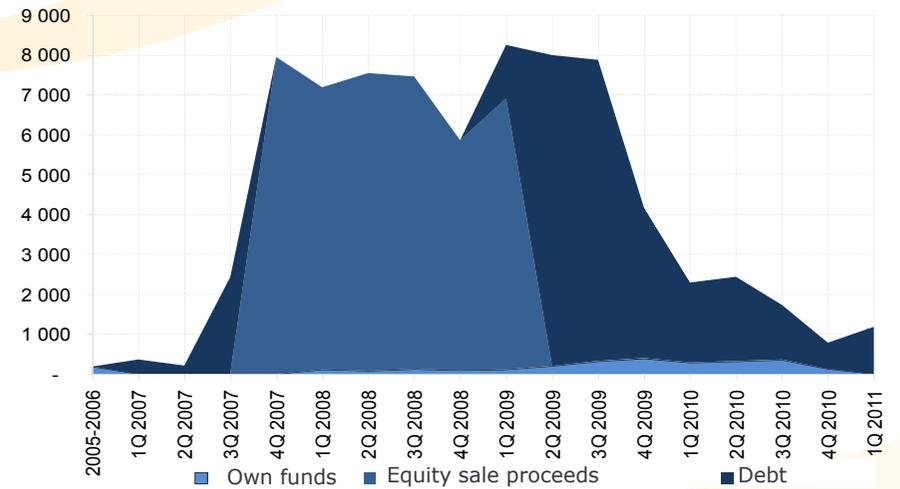
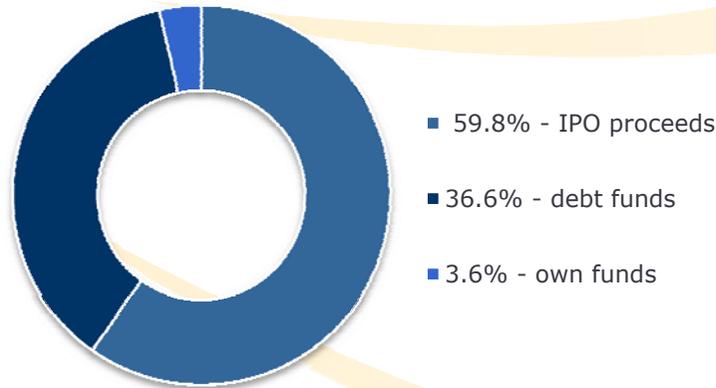
Plant	Installed capacity	Fuel	Price formation	Impact of network limitations on the load factor (subject to completion of the investment programme by FSK)	Competitive position	
Shaturskaya	Existing	1100	Gas Coal	Gas generation of "old" plants in IES Centre	Load possibilities not limited	Medium
	New	400	Gas			Strong
Surgutskaya-2	Existing	4800	Gas	Gas generation of "old" plants in IES Urals	Load possibilities not limited, potential to increase as the connection Tyumen – Urals strengthens	Strong
	New	800				Strong
Yaivinskaya	Existing	600	Coal	Gas generation of "old" plants in IES Urals	Load possibilities not limited, potential to increase as the connection Perm – Urals strengthens	Strong
	New	400	Gas			Strong
Smolenskaya	Existing Capacity	630	Coal	Gas generation of "old" plants in IES Centre	Load possibilities not limited, potential to increase as the connection Smolensk – Moscow strengthens	Medium
Berezovskaya	Existing	1500	Coal	Coal-fired units in Krasnoyarsk and Kuzbass energy systems	Load possibilities increase as the connection between Siber and Europe improves	Strong
	New	800				Strong



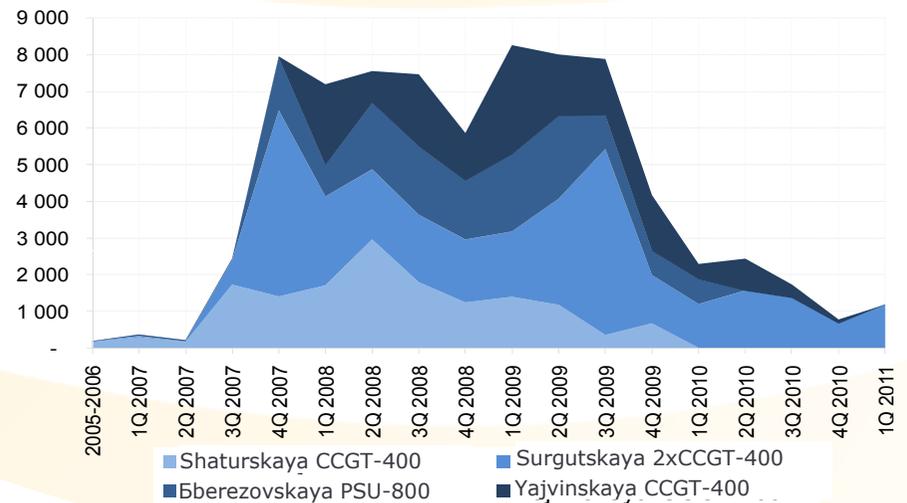
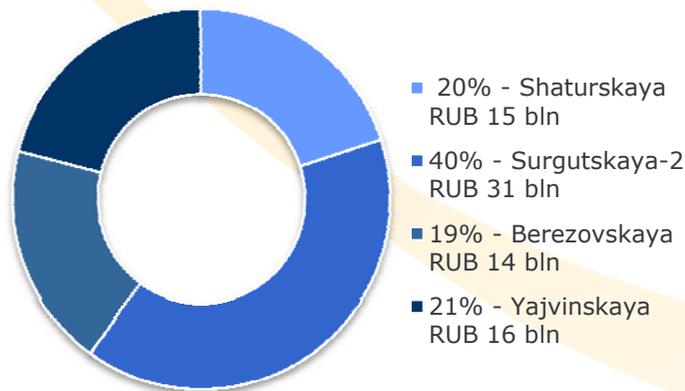
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INVESTMENT PROGRAM: FINANCING SOURCES AND STRUCTURE

PROJECTS FINANCING STRUCTURE BY SOURCES



FINANCING STRUCTURE BY PROJECTS



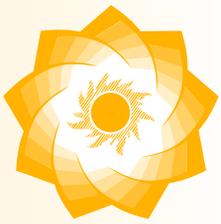


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NEED IN GENERATING EQUIPMENT...

	<u>Shaturskaya</u>	<u>Surgutskaya2</u>	<u>Berezovskaya</u>	<u>Yajvinskaya</u>
Type	CCGT-400	2xCCGT-400	PSU-800	CCGT-400
Turbines	✓ GE	✓ GE	✓	✓
HRSG	✓ CMI	✓ ...	✓	✓
Generator	✓ GE	✓ GE	✓ PwrMach	✓
Transformers	✓ Areva	✓ on EPC	✓	✓
Delivery	2008	2009	2009	2010

- ✓ In stock
- ✓ Ordered; delivery according to EPC-contract terms
- ✓ Required; delivery will be included in EPC-contract terms



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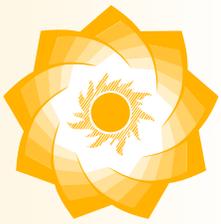
...AND OTHER RESOURCES AS WELL

NEED IN ADDITIONAL FUEL RESOURCES

<u>Project</u>	<u>Fuel</u>	<u>Vol. required</u>
2xCCGT-400 Surgutskaya-2	Gas	844 – 1,060 mln.m ³
CCGT-400 Shaturskaya	Gas	422 – 530 mln.m ³
PSU-800 Berezovskaya	Coal	2,600 – 3,200 thou.tons
CCGT-400 Yajvinskaya	Gas	422 – 530 mln.m ³

NEED IN ADDITIONAL WORKFORCE

<u>Project</u>	<u>+ staff</u>	<u>+ for constr. period</u>
2xCCGT-400 Surgutskaya-2	~140	800 – 1,200
CCGT-400 Shaturskaya	~70	500 – 1,000
PSU-800 Berezovskaya	~100	~700
CCGT-400 Yajvinskaya	~70	300 – 700



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FURTHER VALUE EXTRICATION

❖ We believe certain expected developments of Russian electricity market would open new horizons for OGK-4

KEY FACTORS AFFECTING CREATION OF ADDITIONAL VALUE OF OGK-4 IN 2008 AND BEYOND

Factor	Extent of affect
Further market liberalization	
Electricity consumption growth	
Growth of spot prices	
Launch of the capacity market	
Launch of the system services markets	
New grid connections and flow bridges	

	Crucial for the Company's further development		Medium affect on the Company's further development
	Strong affect on the Company's further development		Low affect on the Company's further development



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CURRENT STATUS OF IMPLEMENTATION

CCGT-400 SHATURSKAYA GRES



- ❖ signed EPC-contract with GE/GAMA
- ❖ initial works on site

2xCCGT-400 SURGUTSKAYA GRES-2



- ❖ signed EPC-contract with GE/GAMA
- ❖ site preparation works

PSU-800 BEREZOVSKAYA GRES

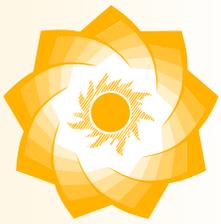


- ❖ EPC-contract T&C under discussion
- ❖ inspection of construction in progress

CCGT-400 YAJVINSKAYA GRES



- ❖ final stage of the tender for EPC-contractor



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