

**Research Note Analysis of the results of common share tenders of DGC affiliated companies  
in IV quarter 2007**

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**Open joint-stock company  
IDGC of Centre**



**Security market of regional DGC  
that are subject to inclusion in JSC IDGC  
of Centre in IV quarter 2007**

Moscow, January 2008

### **Main events in 4 quarter 2007**

1. On 19 December, 2007 Russian Government issued the order on formation before 31 December, 2008 of JSC IDGC of the North-West, JSC IDGC of Centre and Volga, JSC IDGC of Siberia, JSC IDGC of Centre, JSC IDGC of South, JSC IDGC of North Caucasus, JSC IDGC of Volga and JSC IDGC of Urals.
2. The Evaluation Committee of JSC RAO UES of Russia has approved cost evaluation of distribution grid companies (DGC) that will be united into JSC IDGC of the North-West, JSC IDGC of Centre and Volga, JSC IDGC of Siberia, JSC IDGC of Centre, JSC IDGC of South, JSC IDGC of North Caucasus, JSC IDGC of Volga, and JSC IDGC of Urals. In general these evaluation rates are 30 % below the companies' market capitalisation. The Board of Directors of JSC RAO UES of Russia has approved terms of formation of inter-regional distribution grid companies. The Board of Directors also considered private placement of supplement shares of IDGC in favour of JSC RAO UES of Russia unreasonable in case shareholder meetings of some DGC do not decide to join IDGC. Termination of IDGC target structure formation is planned for the beginning of II quarter 2008. Stake of JSC RAO UES of Russia in IDGC's authorised capitals after completion of the company's establishment will equal no less than 50 %.
3. Shareholders of DGC included in the pattern of IDGC of Centre and Volga, JSC IDGC of the North-West, and JSC IDGC of Siberia, have supported the companies' reorganisation in the form of their joining to corresponding IDGC. Shareholders of DGC included in the structure of JSC IDGC of Centre, JSC IDGC of South», JSC IDGC of North Caucasus, JSC IDGC of Volga, and JSC IDGC of Urals, plan to consider the specified business at their Extraordinary Meetings in January, 2008
4. The Board of Directors of JSC RAO UES of Russia has transferred to January 2008 consideration of the term prolongation of trust management of interregional distribution grid complex by the Federal Grid Company. The trust management contract expires on 1 July, 2008. Earlier the Strategy and Reform Committee of JSC RAO UES of Russia refused to support term prolongation of trust management.
5. According to the statement in January 2007 of the Management Board's Deputy Chairman Aleskandr Chistyakov, JSC UES FGC plans from 2009 to switch the first distribution network companies to work based on internal rate of return (RAB). For this purpose JSC UES FGC in 2007 initiated the legislation updating concerning price formation bases in power industry, and within 2008 it plans to introduce a number of necessary techniques. Since 2010 all companies, including municipal distribution network companies, will be able to switch to RAB.
6. JSC RAO UES of Russia has amended IDGC establishment procedure on the territory of Moscow and the Moscow Region. At the first stage the uniform grid company will be established by way of joining of MCGC (Moscow City Grid Company) to MUGC (Moscow United Grid Company), and at the second stage - additional issue for consolidation of grid assets of Moscow. The approved amendments to the legislation on electric power industry allow to perform reorganisation of MUGC and MCGC by a simple majority of votes. It is planned to complete all corporate activities connected with reorganisation of MUGC and MCGC in the first half-year 2008.

### Security market in IV quarter 2007

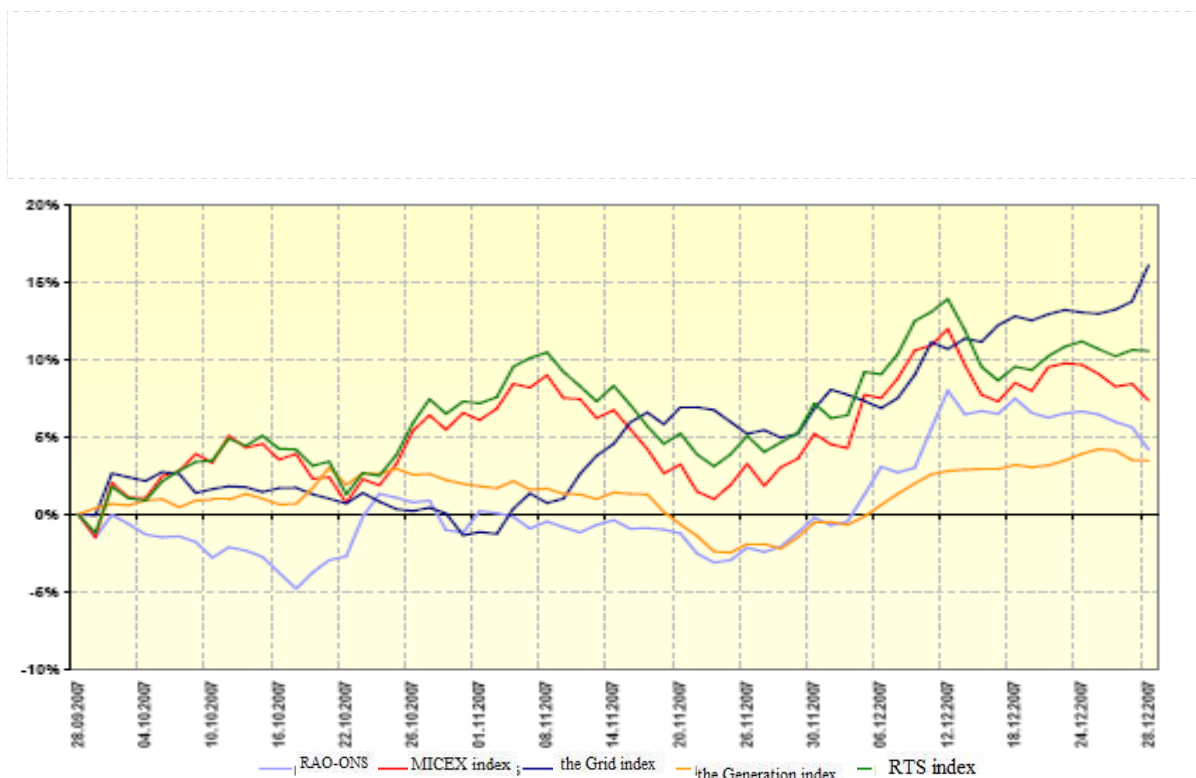
In 4 quarter 2007 tenders on the Russian stock exchange platforms fully depended on dynamics of mortgage crisis development and expectation of change of discount rate of the Federal Reserve System. Throughout the whole quarter, lacking its own ideas, the Russian market depended from changes of American and European indices.

The tenders, both on western and domestic platforms were characterised by a high volatility reflecting lack of investors' belief in safe solution of the mortgage crisis and liquidity crisis connected with it. During 4 quarter the FRS of the USA twice reduced the discount rate by 0.25 %, thus supporting securities on the world share platforms. Nearly during the whole period, investors' activity on the Russian market was supported by local resources alone.

The market ambient was influenced by publication during this period of positive data on the American economy, in particular positive macroeconomic indicators and stabilisation on the housing market. In the reporting quarter MICEX index increased by 7 %, RTS index increased by 11 %, particularly due to the rouble strengthening. Securities of the grid companies as a whole followed the general tendency - for the same period ordinary shares of JSC RAO UES of Russia increased 4 %, the generation index increased by 3.5 %.

4 quarter 2007 was marked by a special attention of investors distribution power companies at the threshold of completion of IDGC's target structures, and the index of distribution networks increased by 16 %.

Performance of JSC RAO UES of Russia's ONS cost, MICEX, RTS, DGC and Generation's indices in IV quarter 2007



Source: MICEX, RTS

**Basic indicators of the security market of regional DGC that are subject to inclusion in IDGC of Center's structure.**

The following table contains data on the results of the tenders on three platforms: NP RTS, JSC RTS, and MICEX.

Columns *Number, Volume, pieces, Volume, thousand rbl* contain results of all market transactions made at three stock exchanges on the corresponding instruments.

In columns *Last transactions* and *Last quotations* data of tender termination on 28.12.2007 on MICEX was used for all issuers, except for JSC Yarenergo, data on its last transactions and share quotations being considered in accordance with the results of the tenders in JSC RTS.

**Characteristics of the security market of DGC being part of IDGC of Center, according to the results of IV quarter 2007**

Name of the company, type of shares	Character of transactions			Last transaction			Last quotations, rbl			
	Number	Volume, pieces	% from payment	Volume, thous.rbl	rbl	Changes for the quarter, %	the highest bid price	Changes for the quarter, %	the lowest ask price	Changes for the quarter, %
Belgorodenergo, ons	52	1080	0,12%	11933,5	13999	35,9%	10501	10,5%	13999	33,3%
Belgorodenergo, pns	107	4439	1,76%	46351,1	11111,11	38,9%	10998	38,7%	11264	7,3%
Bryanskenergo, ons	114	96800	1,02%	26331,1	292	7,2%	290	37,4%	349,99	34,6%
Bryanskenergo, pns	101	78100	2,48%	18196,8	265,5	20,1%	240,01	11,6%	280	21,7%
Voronezhenergo, ons	309	567118	1,01%	53926,4	120	69,0%	100,12	47,2%	125,99	61,6%
Voronezhenergo, pns	612	3282952	17,54%	257144,8	108	80,0%	105,011	75,8%	110	77,5%
Kostromaenergo, ons	172	2411800	0,59%	11875,7	5,1	7,4%	5,09	11,9%	5,3	0,0%
Kostromaenergo, pns	185	3129600	2,30%	14217,7	4,65	19,2%	4,46	14,4%	4,85	10,7%
Kurskenergo, ons	393	7790595	0,68%	24629,6	3,39	-5,8%	3,22	-6,7%	3,39	-5,6%
Kurskenergo, pns	292	5711100	2,34%	15685,3	3,05	13,0%	3,01	20,4%	3,08	6,9%
Lipetskenergo, ons	280	800335	0,51%	22172,6	28,01	-6,6%	28,01	-1,7%	29,69	-1,0%
Orelenergo, ons	1702	311117400	61,58%	3164686	9,95	-8,3%	9,95	-5,7%	10,55	-2,9%
Orelenergo, ops	265	1049400	2,35%	8784,4	7,26	-9,7%	7,4	-9,8%	7,99	-11,2%
Smolenskenergo, ons	62	159400	0,08%	2281,2	13,17	-9,4%	13,24	-5,4%	14,97	-1,3%
Smolenskenergo, pns	28	110900	0,27%	1419,2	13,58	7,8%	12,8	6,3%	17	9,7%
Tambovenergo, ons	790	6940818	0,45%	9874,7	1,22	-29,8%	1,17	-31,2%	1,249	-28,2%
Tambovenergo, pns	253	3276200	1,50%	3986,8	1,216	-17,3%	1,021	-25,5%	1,069	-24,6%
Twerenergo, ons	736	2822800	0,82%	22573,9	7,25	-23,9%	7	-19,5%	7,25	-25,2%
Twerenergo, pns	430	1462100	1,27%	10674,7	5,854	-21,9%	5,404	-24,3%	5,85	-22,0%
Yarenergo, ons	33	45500	0,27%	10916,8	251,3	13,0%	201,02	11,7%	218	14,7%
Yarenergo, pns	54	77640	1,72%	15087,2	215,3	18,2%	195,01	25,8%	199	22,8%

Source: MICEX, RTS

In 3 quarter, 2007 almost all security-concerned market transactions were executed only on MICEX. JSC RTS is the basic trading platform only for JSC Yarenergo's securities.

In the last quarter turnover on the majority of securities dropped up, but their low liquidity remains. JSC Orelenergo's ordinary shares are leading in the market volume - more than 16% of the securities from the amount of the Company's placed shares passed through stock exchanges, which first of all is connected with a great number of portfolio investors who appeared after drawing from the share capital of Eurochem structures.

In 4 quarter 2007 share performance was influenced by evaluation of IDGC of Centre's companies, approved by RAO UES of Russia. Though, according to the evaluation, the price of ordinary shares was 40% lower than the closing price as at 28.12.2007, the market performance was

determined by the future share stakes of the grid companies in the target IDGC. As a result, price of ordinary shares in Voronezhenergo increased by 69%, in Belgorodenergo – by 35%, in Tambovenergo and Twerenergo it decreased by more than 20%.

According to the results of 4 quarter, capitalisation increased in 7 DGC and decreased in 4 DGC, total capitalization of IDGC of Centre's companies increased by 9.91%.

### Results of 2007 capitalisation, free-float, and spread performance of share trade of regional DGC of IDGC of Centre's pattern in 4 quarter 2007



the Company	Capitalisation		ONS		PNS		free-float
	USD, m	Change for the quarter	Spread	Change for the quarter	Spread	Change for the quarter	
Belgorodenergo	624,11	38,43%	33,31%	22,81%	2,42%	-30,01%	15%
Bryanskenergo	143,75	9,07%	20,69%	-2,53%	16,66%	9,69%	14%
Voronezhenergo	357,15	72,76%	25,84%	11,18%	4,75%	1,00%	7%
Kostromaenergo	115,91	16,87%	4,13%	-12,35%	8,74%	-3,57%	8%
Kurskenergo	185,87	1,66%	5,28%	1,22%	2,33%	-12,87%	28%
Lipetskenergo	177,47	-0,11%	6,00%	0,74%			13%
Orelenergo	98,38	3,12%	6,03%	3,09%	7,97%	-1,79%	20%
Smolenskenergo	127,85	-1,32%	13,07%	4,78%	32,81%	4,07%	13%
Tambovenergo	86,20	-26,69%	6,75%	4,46%	4,70%	1,27%	16%
Twerenergo	126,09	-20,62%	3,57%	-7,90%	8,25%	3,24%	11%
Yarenergo	214,92	15,83%	8,45%	2,89%	2,05%	-2,47%	5%
Total/average	2257,70	9,91%	12,10%	2,58%	9,07%	-3,14%	13,6%

Source: MICEX, RTS

For the quarter ended bid prices increased by 8.7 %, ask prices increased by 8.5 %. In general spread of ordinary shares increased by 2.58 %. Decrease of spread by 3.14 % was caused by essential decrease of spread of Belgorodenergo's preferred shares. In general it should be noted that official share cost evaluation of IDGC of Centre's distribution grid companies amended considerably redistribution of the companies' shares in IDGC of the Centre's total capitalisation.

№	the Company	Capitalisation (RUR, bn)			DGC's stake in IDGC of Centre's total % capitalisation		
		as at 01.11.07	RAO's evaluation	as at 01.01.08	as at 01.11.07	RAO's evaluation	as at 01.01.08
1	Belgorodenergo	9,8	8,3	15,3	20%	25%	28%
2	Bryanskenergo	2,9	2,3	3,6	6%	7%	7%
3	Voronezhenergo	5,6	5,5	8,8	12%	17%	16%
4	Kostromaenergo	3,1	1,7	2,7	6%	5%	5%
5	Kurskenergo	4,2	2,9	4,6	9%	9%	8%
6	Lipetskenergo	4,1	2,8	4,4	9%	9%	8%
7	Orelenergo	2,9	1,3	2,4	6%	4%	4%
8	Smolenskenergo	3,6	2,1	3,1	7%	7%	6%
9	Tambovenergo	2,7	1,3	2,1	6%	4%	4%
10	Twerenergo	4,1	1,7	3,1	8%	5%	6%
11	Yarenergo	4,9	3,0	5,3	10%	9%	10%

Source: MICEX, RTS, RAO UES of Russia

### JSC Belgorodenergo

The main minority shareholders of the Company as at 03 December 2007 were: Citigroup - 11.99 % AC (10.47 % ONS), Deutsche UFG - 7.12 % AC (3.98 % ONS), Pictet And Cie, Banquiers - 5.92 % AC (5.69 % ONS). During the reporting period assets of the bankrupt YUKOS oil company, earlier purchased by Monte-Valle Ltd (24.74 % ONS; 25,73 % AC), were resold to a great number of foreign portfolio investors. The largest package was purchased by Citigroup. Free-float of the Company's ONS is 15 %.

Security market performance in 4 quarter 2007 is presented in the table:

#### Belgorodenergo's share market in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	50	1018	9500	8500	13999	13999	10975	13999	8500	10501	13999
RTS- classical market	-	-	-	-	-	-	-	12442,54	11598,12	12442,54	12812,12
RTS – stock exchange market	2	62	11530	11530	12400	12400	12273,7	12000	9900	12000	12450

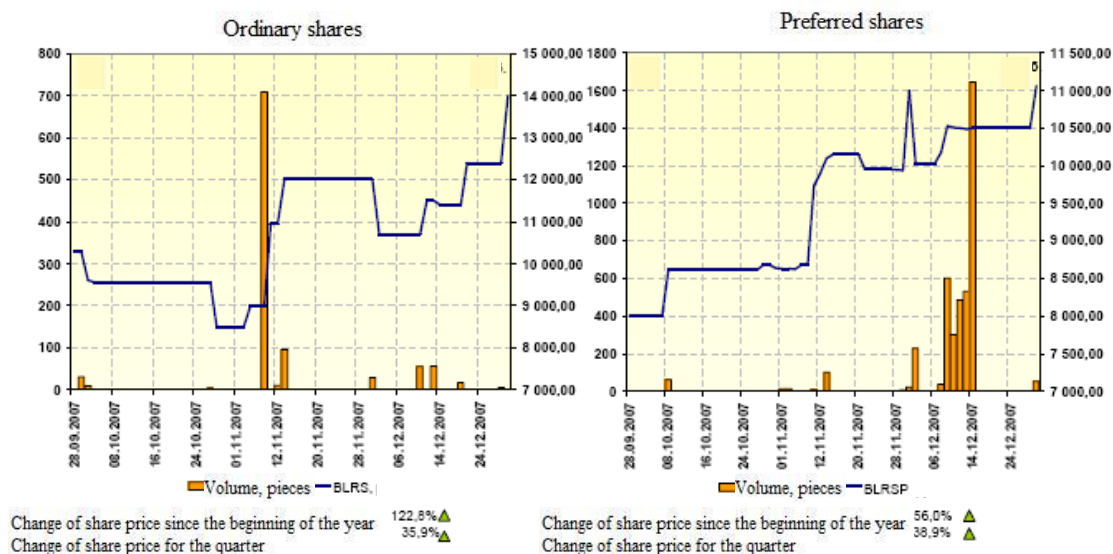
Preferred shares											
MICEX	103	4107	8600	8550	12000	11111	10429,59	7750	11500	10998	11264
RTS- classical market	-	-	-	-	-	-	-	10594,64	9559,8	10594,64	11333,80
RTS – stock exchange market	4	332	10600	10400	10600	10600	10592,7	8561	7800	-	-

As compared to the previous quarter, turnover of ordinary and preferred shares increased 5 times.

#### Performance and volume of tenders of Belgorodenergo's shares for IV quarter 2007



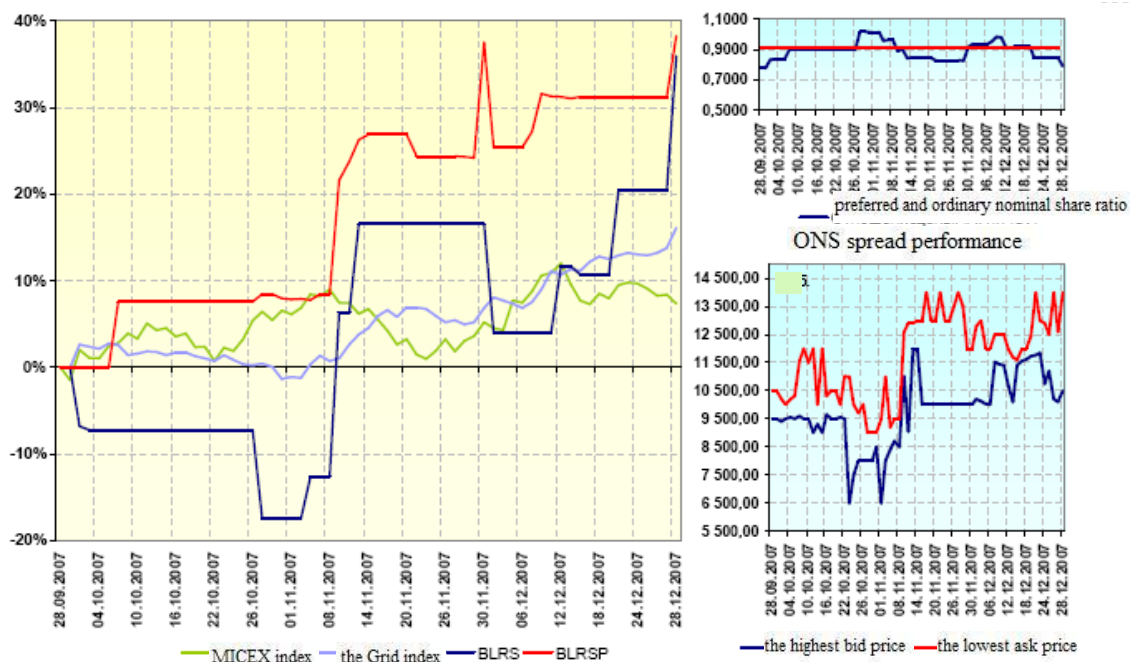
#### Belgorodenergo



Source: MICEX

Within IV quarter of the current year ONS increased by 35.9 %, preferred shares increased by 38.9 %. From the beginning of the year Belgorodenergo's ordinary shares increased by 122.8 %. Spread of ordinary securities increased by 33.3 %, of preferred securities - by 2.4 %.

#### Index and cost performance of Belgorodenergo's shares for IV quarter 2007



Source: MICEX, own calculations

The following table includes annual forecasts and recommendations of professional participants: Professional participants' forecasts and recommendations concerning Belgorodenergo's shares

#### Ordinary shares

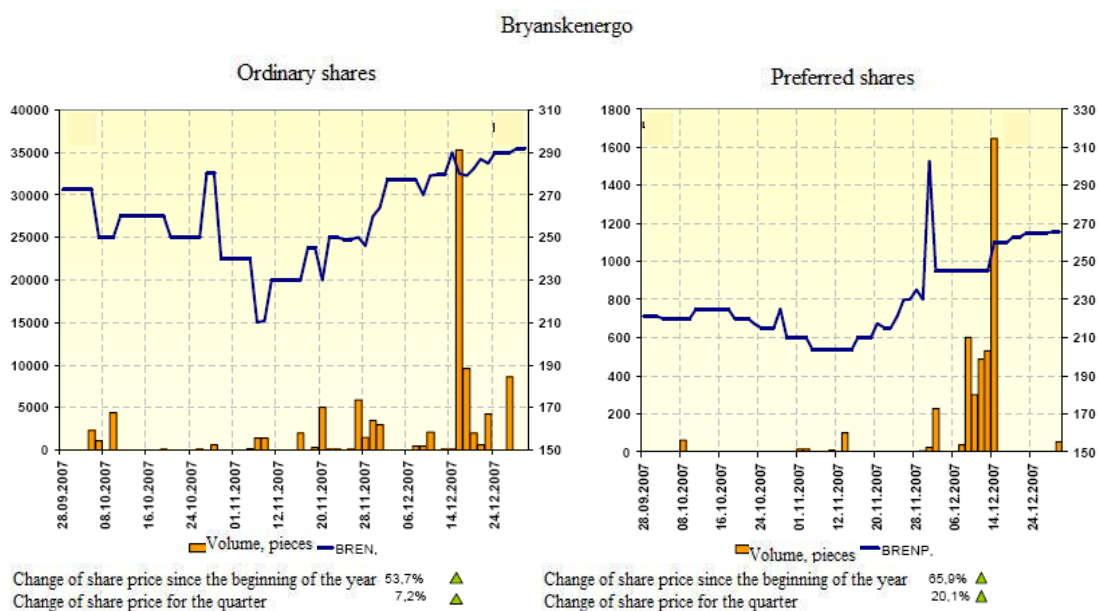
No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 310 (RUR 7750)	21.02.2007
2	Troika Dialog	\$ 258 (RUR 6450)	31.01.2007
3	Prospect investment company	\$ 491 (RUR 12275)	06.02.2007
4	Olma investment company	\$ 305 (RUR 7625)	25.05.2007
5	KIT Finance Investment Bank	\$ 332,1 (RUR 8303)	09.08.2007
	Consensus	\$ 339 (RUR 8480)	





In the last quarter 2007 the Company's ordinary shares were involved in 114 transactions, preferred shares - in 101 transaction. Security turnover increased 2 times.

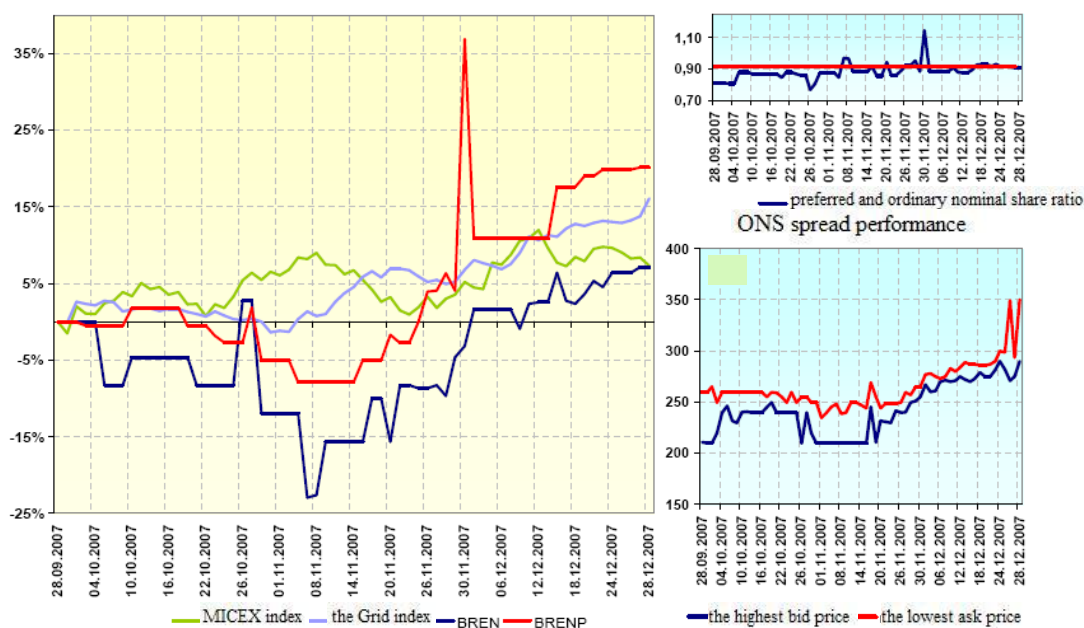
### Performance and volume of tenders of Bryanskenergo's shares for IV quarter 2007



Source: MICEX

Within the last three months Bryanskenergo's ordinary and preferred shares increased by 7.2 % and 20.1 % accordingly.

### Index and cost performance of Bryanskenergo's shares for IV quarter 2007



Source: MICEX, own calculations

Performance of Bryanskenergo's shares as a whole was worse than DGC's index. It should be noted that Bryanskenergo's shares have the largest spread out of all securities included in IDGC of Centre - 20%.

Professional participants' forecasts and recommendations concerning Bryanskenergo's shares

#### Ordinary shares

No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 15.9 (RUR 397.5)	21.02.2007
2	Troika Dialog	\$ 11.2 (RUR 280)	31.01.2007
3	Solid investment and financial company	\$ 6.9 (RUR 172.5)	08.05.2007
4	Aleamar investment financial corporation	\$ 9.2 (RUR 230)	19.02.2007
5	Olma investment company	\$ 16.2 (RUR 405)	25.05.2007
6	KIT Finance Investment Bank	\$ 8.7 (RUR 217.5)	09.08.2007
	Consensus	\$ 11.35 (RUR 283.75)	

**Preferred shares**

№	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 14.6 (RUR 365)	21.02.2007
2	KIT Finance	\$ 7.5 (RUR 187.5)	28.02.2007
3	Olma investment company	\$ 14.9 (RUR 372.5)	25.05.2007
4	KIT Finance Investment Bank	\$ 7.48 (RUR 187)	09.08.2007
	Consensus	\$ 11.12 (RUR 278.25)	

Source: quote.ru, Olma IC

**JSC Voronezhenergo**

The main minority shareholders of the Company as at 04 December, 2007 were: Prosperity Capital Management - 25.66 % AC (27.36 % ONS), Skandinaviska Enskilda Banken AB - 7.43 % AC (0 %). Free-float of the companies' ONS is 7 %.  
The security market performance in 4 quarter 2007 is presented in the table.

**Voronezhenergo's share market in 4 quarter 2007**

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
<b>Ordinary shares</b>											
MICEX	305	557300	78,5	70,02	120	120	95,064	120	70,02	100,12	125,99
RTS- classical market	-	-	-	-	-	-	-	111,41	80,79	111,12	244,91
RTS – stock exchange market	4	9818	75	75	106	106	96,4866	112	75	-	-
<b>Preferred shares</b>											
MICEX	606	3260400	59,99	41	129	108	78,2614	129,98	41	105,011	110

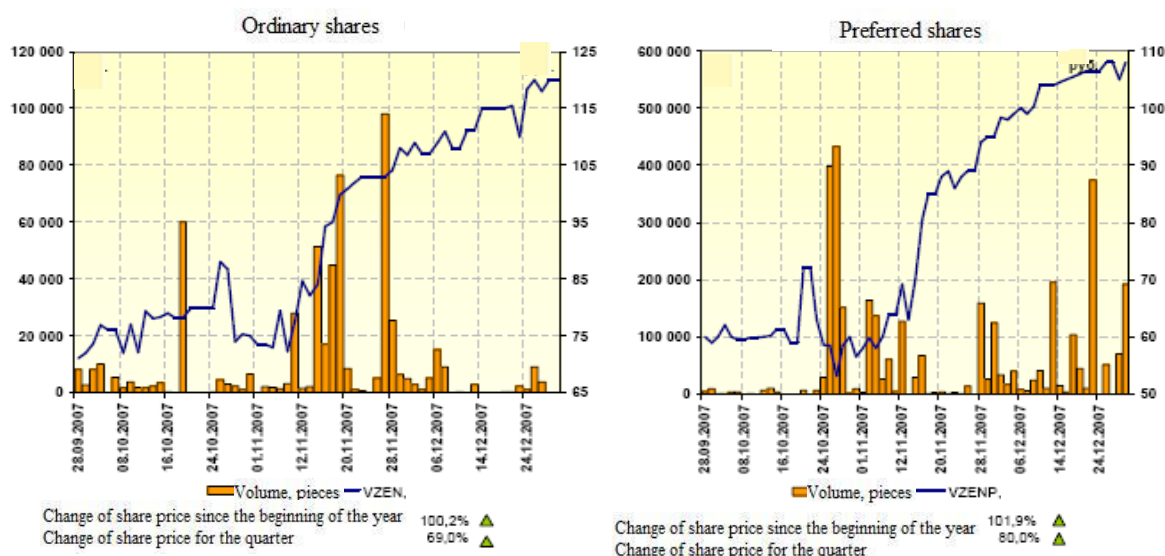
RTS- classical market	-	-	-	-	-	-	-	104,74	59,76	104,74	108,41
RTS – stock exchange market	6	22552	60	60	104,5	97	87,858	100	60	100	-

JSC Voronezhenergo's shares were subject of 117 market transactions executed on organisational platforms in the amount of RUR 10.2 m. ONS security turnover increased almost 10 times within the quarter, PNS security turnover practically did not change. In the whole, the company's shares have low liquidity.

**Performance and volume of tenders concerning Voronezhenergo's shares for IV quarter 2007**



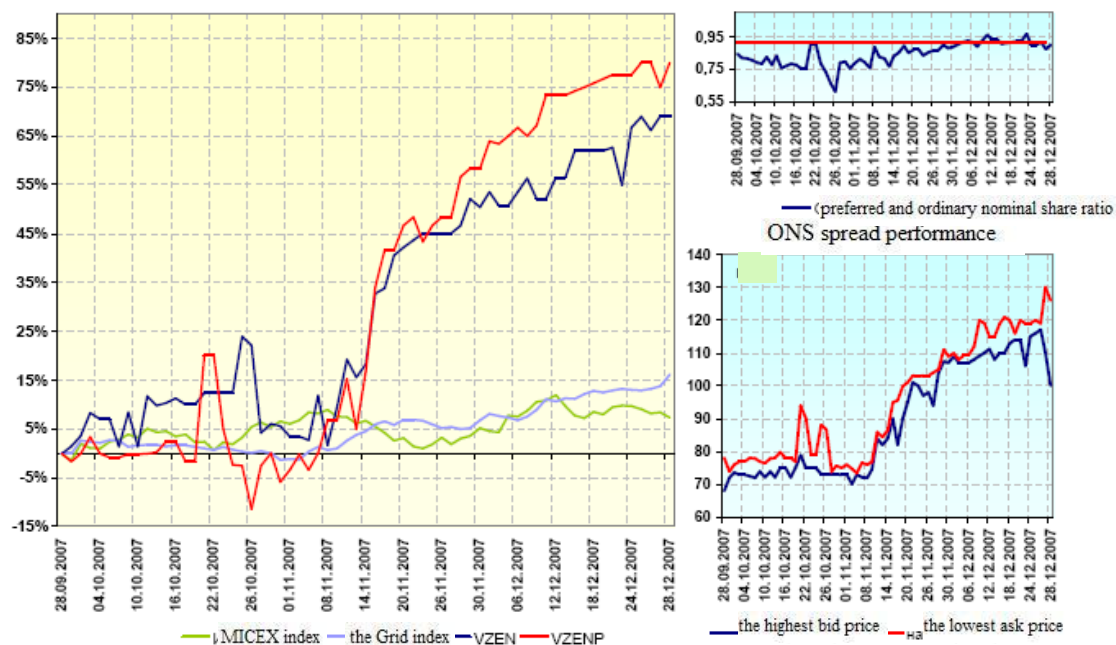
Voronezhenergo



Source: MICEX

In 4 quarter 2007 Voronezhenergo's ONS and PNS became leaders of growth among IDGC of Centre's companies, due to the published official evaluation of the companies included in IDGC of Centre. Within the last month and a half of the last year ONS and PNS increased by 69 % and 80 % accordingly, security turnover increased 10.5 and 35 times accordingly. Ordinary share spread equaled 25.8 %.

## Index and cost performance of Voronezhenergo's shares for IV quarter 2007



Source: MICEX, own calculations

Professional participants' forecasts and recommendations concerning the Company's shares are as follows:

Professional participants' forecasts and recommendations concerning Voronezhenergo's shares

### Ordinary shares

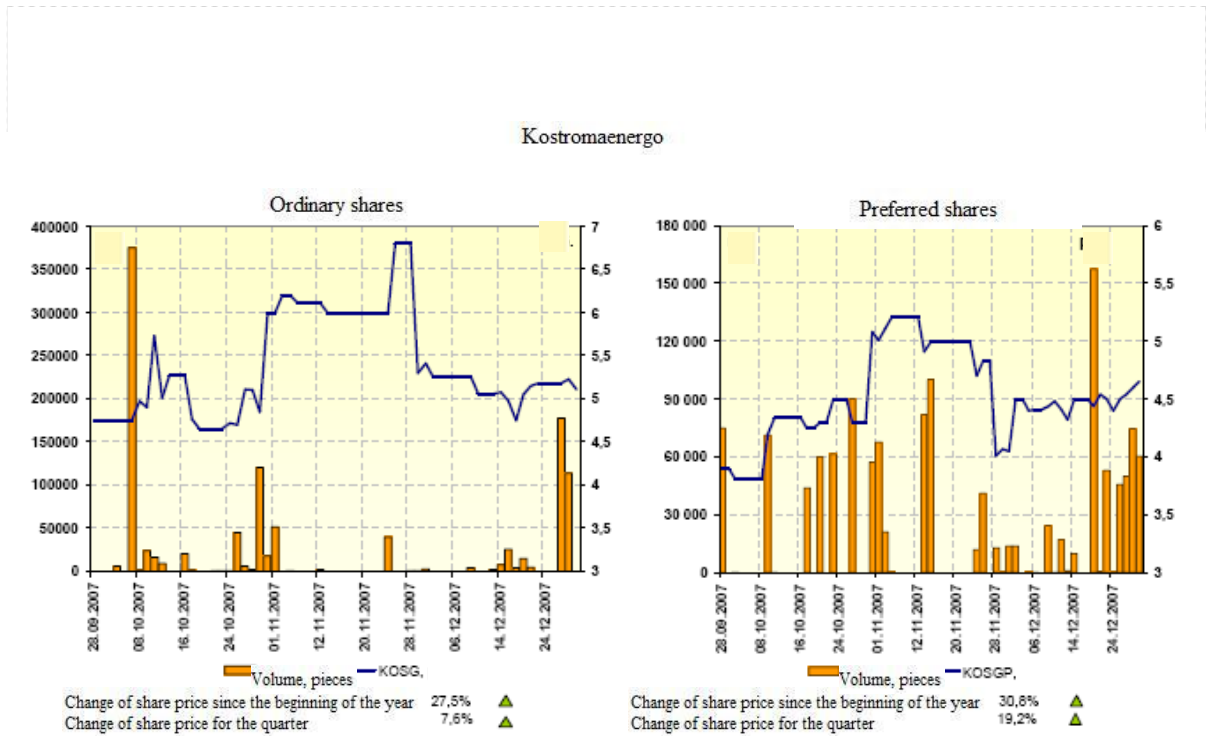
No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 5.66 (RUR 141.5)	21.02.2007
2	Troika Dialog	\$ 4.15 (RUR 103.75)	31.01.2007
5	Olma investment company	\$ 5.24 (RUR 131)	25.05.2007
	Consensus	\$ 5.02 (RUR 125.5)	



Preferred shares											
MICEX	185	3129600	3.9	3.81	5.4	4.65	4.543	5.28	3.69	4.46	4.85
RTS- classical market	-	-	-	-	-	-	-	4.94	4.73	4.19	5.17
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-

JSC Kostromaenergo's ONS were subject of 172 market transactions (RUR 11.8 m) , PNS - of 185 transactions ( RUR 14.2 m), ordinary security turnover decreased 1.5 times. Among the considered shares the Company's securities have average liquidity.

Performance and volume of tenders concerning Kostromaenergo's shares for IV quarter 2007

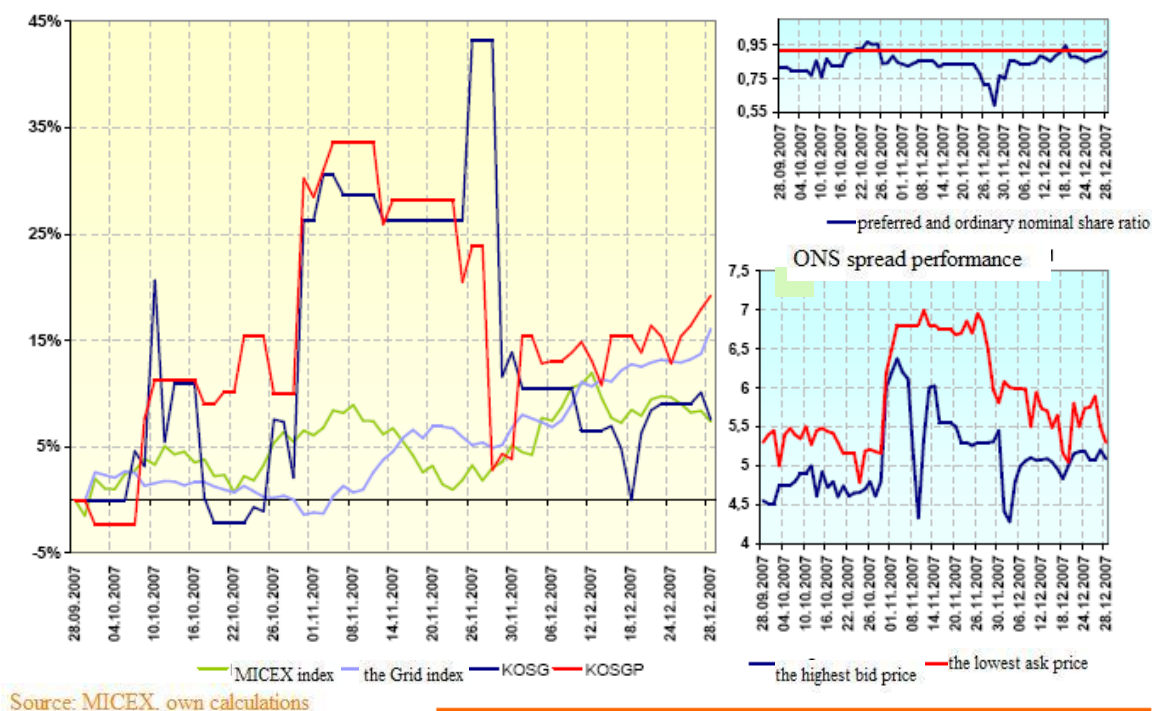
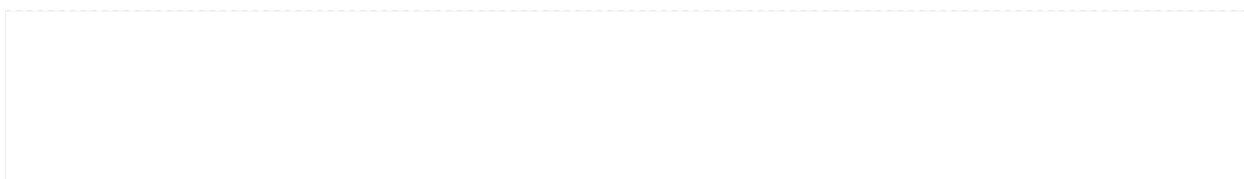


Source: MICEX

In 4 quarter Kostromaenergo's ordinary shares were sold in different directions, and according to the quarter results ONS price increase may be compared to the index growth of the MICEX. Within the quarter ONS spread decreased by 12.4 % and equaled 4.1 %. Of all IDGC of Centre' companies, only Twerenergo has a smaller share spread.



## Index and cost performance of Kostromaenergo's shares in IV quarter 2007



Throughout the whole quarter the Company's preferred shares showed better results than the market and branch indices.

### Professional participants' forecasts and recommendations concerning Kostromaenergo's shares

#### Ordinary shares

No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 0.370 (RUR 9.25)	21.02.2007
2	KIT Finance	\$ 0.340 (RUR 8.5)	28.02.2007
3	Troika Dialog	\$ 0.155 (RUR 3.875)	31.01.2007
4	Olma investment company	\$ 0.366 (RUR 9.15)	25.05.2007

	Consensus	\$ 0.308 (RUR 7.7)	
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Preferred shares

№	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 0.340 (RUR 8.5)	21.02.2007
2	KIT Finance	\$ 0.220 (RUR 5.5)	09.08.2007
3	Olma investment company	\$ 0.335 (RUR 8.375)	25.05.2007
	Consensus	\$ 0.298 (RUR 7.45)	

Source: quote.ru, Olma IC

According to the presented consensus forecast, Kostromaenergo's ONS have growth potential of about 50% from current values for ONS, PNS - more than 60 % growth potential.

### JSC Kurskenergo

The main minority shareholders of the Company as at 04 December, 2007 were Prosperity Capital Management - 18.07 % AC (12.97 % ONS), Citigroup - 2.87 % (1.70 % ONS). Due to small share holdings purchased mainly from foreign portfolio investors, Citigroup entered the Company share capital. ONS freefloat is 28 %.

The security market performance in 4 quarter 2007 is presented in the table.

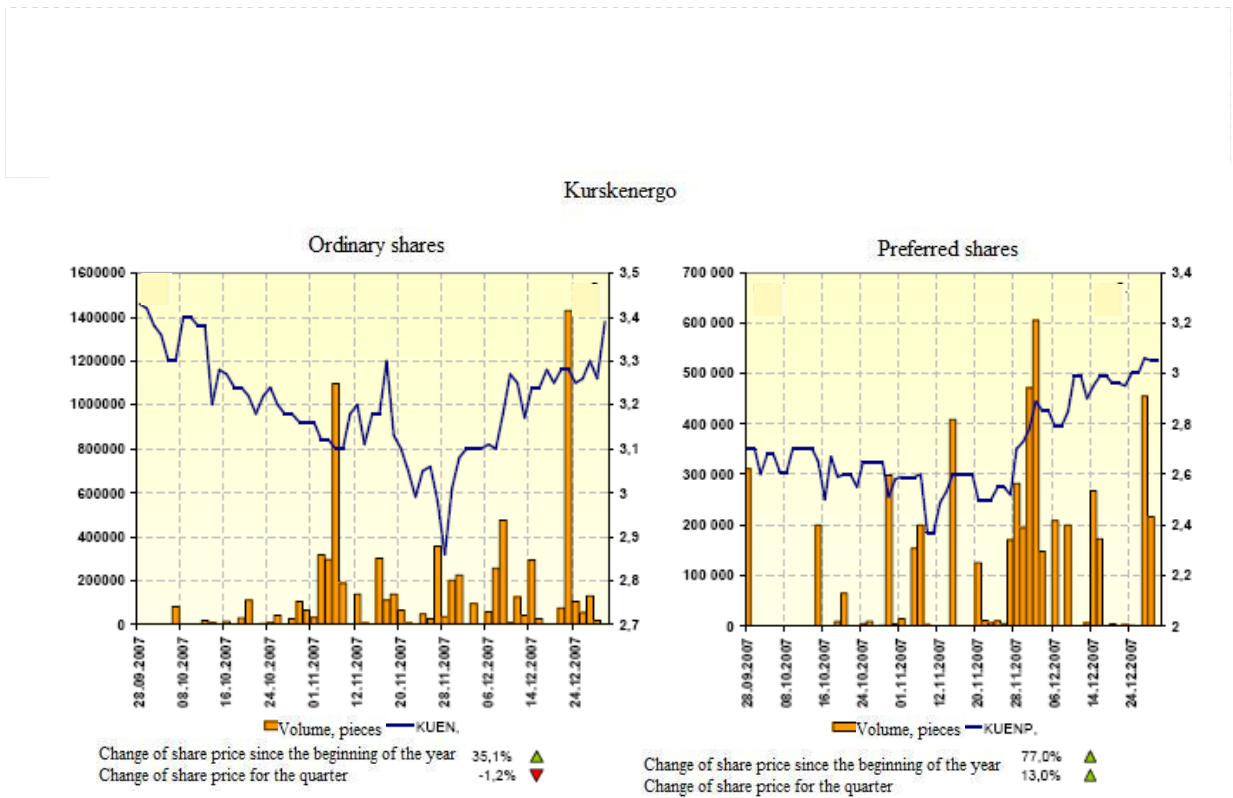
#### Kurskenergo's share market in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	386	7324000	3.4	2.8	3.45	3.39	3.161	3.45	2.8	3.22	3.39
RTS- classical market	-	-	-	-	-	-	-	3.24	3.21	3.23	3.33
RTS – stock exchange market	7	466595	3.168	3	4	3.2	3.1687	3.20	3	3	3.9
Preferred shares											

MICEX	288	5249900	2.7	2.07	3.1	3.05	2.753	3.1	2.21	3.01	3.08
RTS- classical market	-	-	-	-	-	-	-	2.89	2.78	2.89	3.20
RTS – stock exchange market	4	461200	2.5	2.5	3	3	2.672	3	2.48	2.9	2.99

Quantity of ONS that passed through organised platforms in 4 quarter hardly changed - 0.68 % from the issue, in the third quarter the given indicator equaled 0.7 %. Preferred shares turnover increased 2.3 times and equaled 2.34 % from the issue.

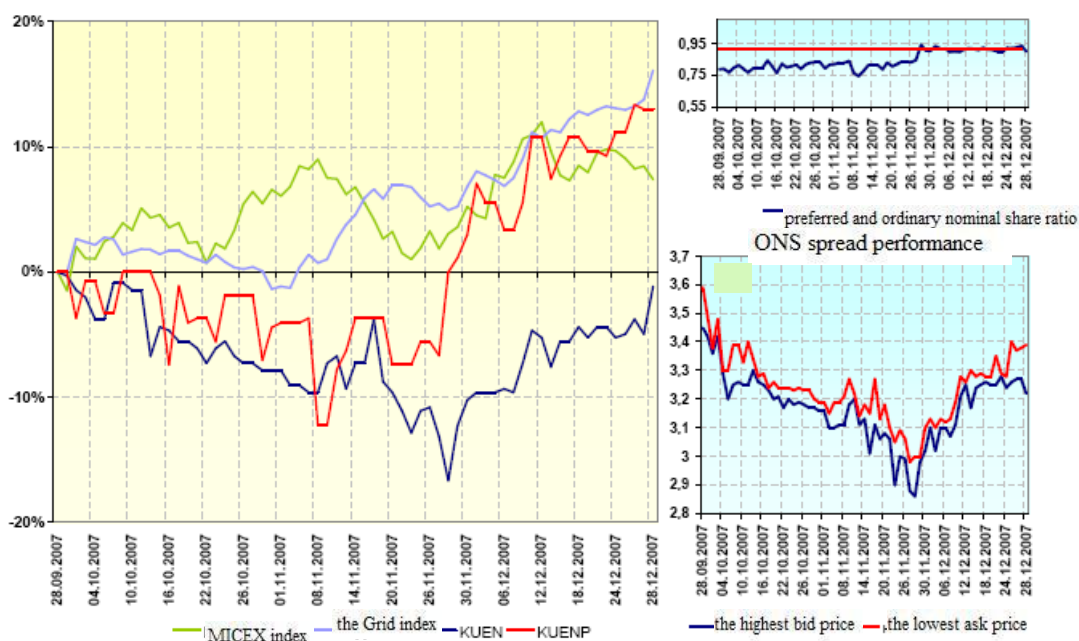
Performance and volume of tenders concerning Kurskenergo's shares in IV quarter 2007



Source: MICEX

Within the quarter Kurskenergo's ordinary share price decreased by 1.2 %, whereas the preferred share price increased by 13 %. Within 2007 PNS increased by 77 %, and ONS by 35.1 %.

## Index and cost performance of Kurskenergo's shares in IV quarter 2007



Source: MICEX, own calculations

In 4 quarter ONS showed worse results than DGC MICEX indices.

ONS spread slightly increased and equaled 5.28 %, PNS spread in the last quarter went down from 15.2 % to 2.3 %.

Professional participants' forecasts and recommendations concerning Kurskenergo's shares

Ordinary shares

No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 0.250 (RUR 6.25)	21.02.2007
2	Prospect investment company	\$ 0.191 (RUR 4.775)	06.02.2007
3	Troika Dialog	\$ 0.146 (RUR 3.65)	31.01.2007
4	Olma investment company	\$ 0.199 (RUR 4.975)	25.05.2007
	KIT Finance Investment Bank	\$ 0.1 (RUR 2.5)	09.08.2007
	Consensus	\$ 0.1772 (RUR 4.43)	

Preferred shares

№	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 0.230 (RUR 5.75)	21.02.2007
2	Olma investment company	\$ 0.183 (RUR 4.575)	25.05.2007
	Consensus	\$ 0.207 (RUR 5.175)	

Source: quote.ru, Olma IC

According to the presented consensus forecast, Kurskenergo's ONS have potential of growth of about 30 % from the current values, PNS - more than 69 % growth potential.

### JSC Lipetskenergo

The main minority shareholders of the Company as at 06 December, 2007 were:

NLMK (Novolipetsk Steel) - 37.66 % of the authorised capital, Prosperity Capital Management - 2.34 %. The Company's ONS free-float is 13 %.

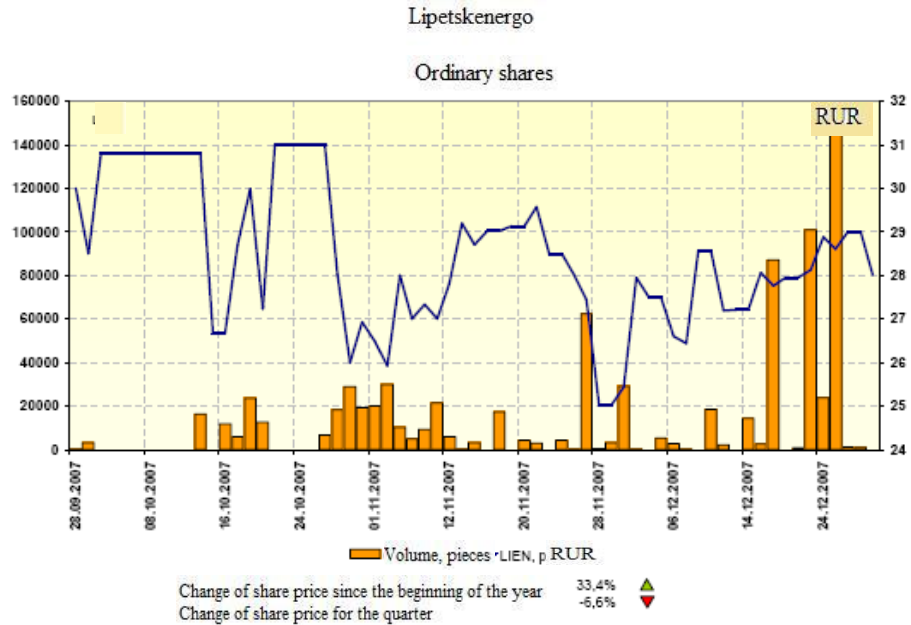
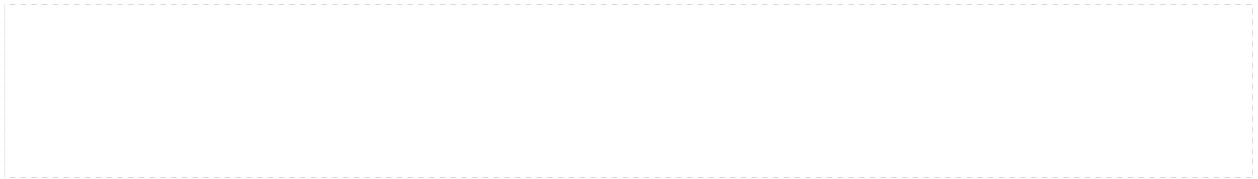
The security market performance in 4 quarter 2007 is presented in the table:

#### Lipetskenergo's share market in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	276	784700	29	25.01	31	28.01	27.718	31	24	28.01	29.69
RTS- classical market	-	-	-	-	-	-	-	28.21	26.72	27.13	30.16
RTS – stock exchange market	4	15635	27.9	25.9	27.9	26.5	27.01	26	26.5	-	31

Turnover of Lipetskenergo's securities increased within the quarter more than 2.8 times. The number of transactions involving JSC Lipetskenergo's ordinary shares that were executed on organised platforms went up from 176 transactions in 3 quarter to 280 transactions in 4 quarter. The main volume of transactions was executed on the MICEX platform.

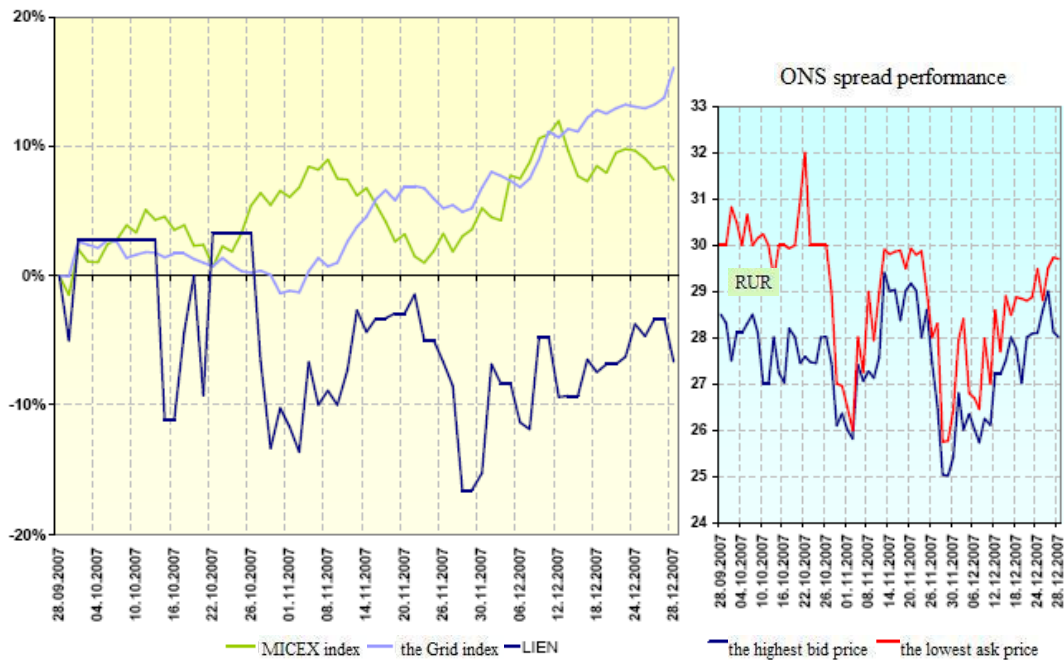
## Performance and volume of tenders of Lipetskenergo's shares in IV quarter 2007



Source: MICEX

Within 4 quarter 2007 Lipetskenergo's share price decreased by 6.6 %. The main reason was revaluation by investors of DGC share price after publication of the official price evaluations of IDGC of Centre's companies.

Index and cost performance of Lipetskenergo's shares in 4 quarter, 2007



Source: MICEX, own calculations

Lipetskenargo's shares for the quarter ended showed worse results than DGC and MICEX indices. ONS spread went up from 5 % to 6 %. Liquidity remains low, percent of the released securities that passed through the market is one of the lowest among IDGC of Centre's companies.

#### Professional participants' forecasts and recommendations concerning Lipetskenargo's shares.

##### Ordinary shares

No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 1.68 (RUR 42)	21.02.2007
2	Metropol investment and financial company	\$ 1.00 (RUR 25.00)	14.02.2007
3	Olma investment company	\$ 1.52 (RUR 38)	25.05.2007
	Consensus	\$ 1.40 (RUR 35)	

According to the presented consensus forecast, Lipetskenargo's shares have 25 % potential growth from the current values.

## JSC Orelenergo

The main minority shareholders of the Company as at 03 December, 2007 were:

Prosperity Capital Management - 14.50 % AC (2.24 % ONS), Deutsche UFG - 5.74 % AC (7.06 %), LUKOIL group - 4.69 % AC (5.76 %), Credit Suisse - 3.71 % AC (4.57 %). Within the reporting period Aljba Alliance Commercial Bank left the Company's share capital - 5.76 % (7.09 %). The Company's ONS freefloat is 20 %.

The security market performance in 4 quarter 2007 is presented in the table:

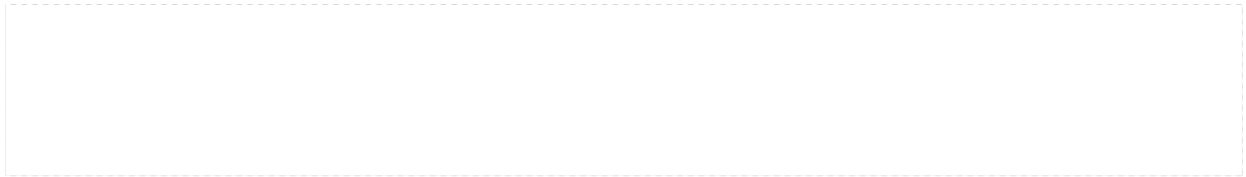
### Orelenergo's stock quotes in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	1702	311117400	11.08	9.04	13.96	9.95	10.172	16	9.04	9.95	10.55
RTS- classical market	-	-	-	-	-	-	-	14.37	12.86	9.36	14.78
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-
Preferred shares											
MICEX	265	1049400	8	6.62	11.5	7.26	8.3709	11.5	6.62	7.4	7.99
RTS- classical market	-	-	-	-	-	-	-	6.60	8.71	6.58	12.32
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-

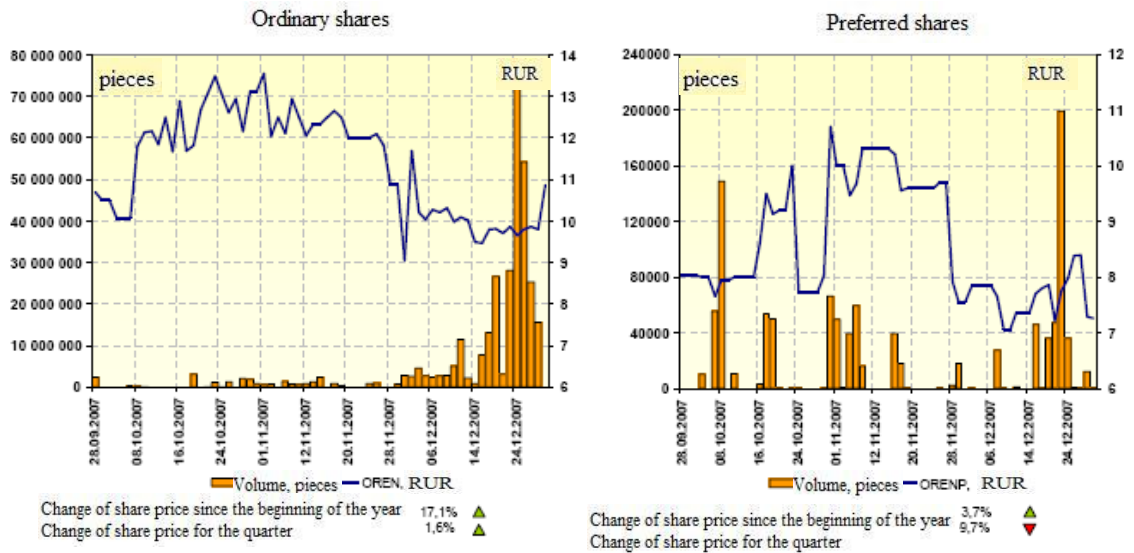
According to the results of 2 and 3 quarters, Orelenergo's ordinary shares were most liquid among IDGC of Centre's companies - 33% and 17% from the volume of ONS issue accordingly passed through the MICEX, but in comparison with 4 quarter the given figures are not high, the indicator equaled 162 %. JSC Orelenergo's ordinary shares were subject of 1702 market transactions on the MICEX for the sum of RUR 3.16 bn, last quarter this indicator equaled RUR 366.4 m. PNS turnover increased about 6 times.



## Performance and volume of tenders of Orelenergo's shares in IV quarter 2007



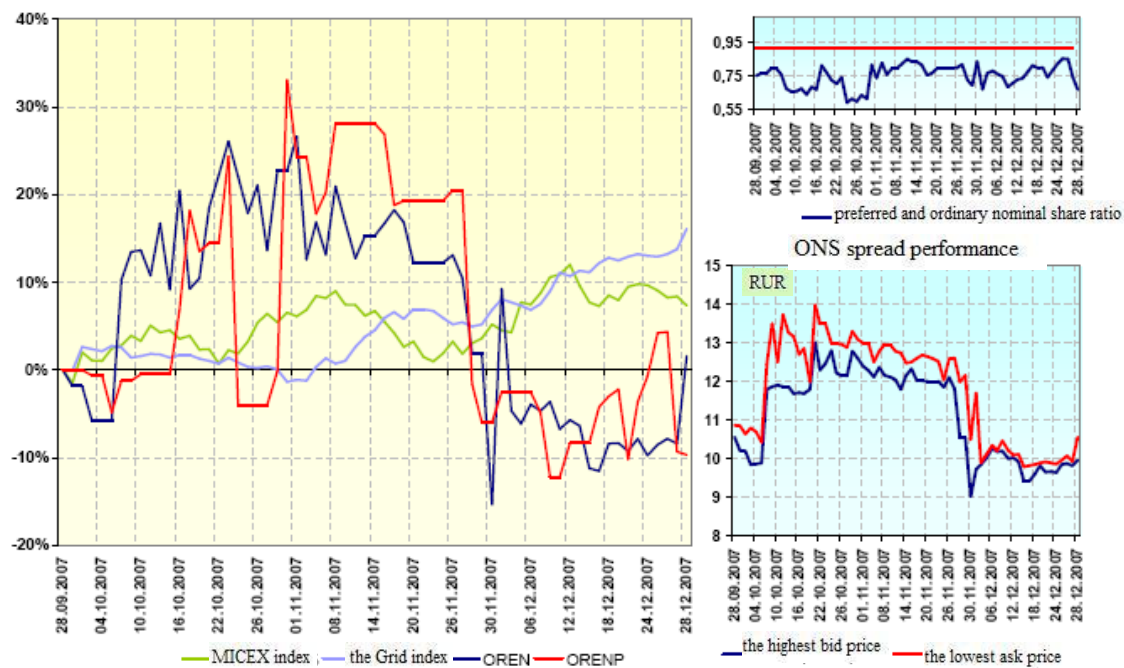
### Orelenergo



Source: MICEX

In 4 quarter 2007 ONS price slightly raised by 1.6 %, PNS price decreased by 9.7 %. The main ONS turnovers took place in the last decade of December.

### Index and cost performance of Orelenergo's shares in IV quarter 2007



Source: MICEX, own calculations

In 4 quarter, 2007 Orelenergo's share price shared worse results than DGC and MICEX index. ONS spread went up from 3 % to 6 %, PNS spread went down from 10 % to 8 %.

Professional participants' forecasts and recommendations concerning Orelenergo's shares.

#### Ordinary shares

№	Company	Annual forecast	Recommendations	Date of updating
1	Broker Credit Service	\$ 0.71 (RUR 17.75)	Purchase	21.02.2007
2	Troika Dialog	\$ 0.41 (RUR 10.25)	Hold	31.01.2007
3	Olma investment company	\$ 0.76 (RUR 19)	Purchase	25.05.2007
4	Consensus	\$ 0.63 (RUR 15.75)	Purchase	

#### Preferred shares

№	Company	Annual forecast	Recommendations	Date of updating
1	Broker Credit Service	\$ 0.65 (RUR 16.25)	Purchase	21.02.2007

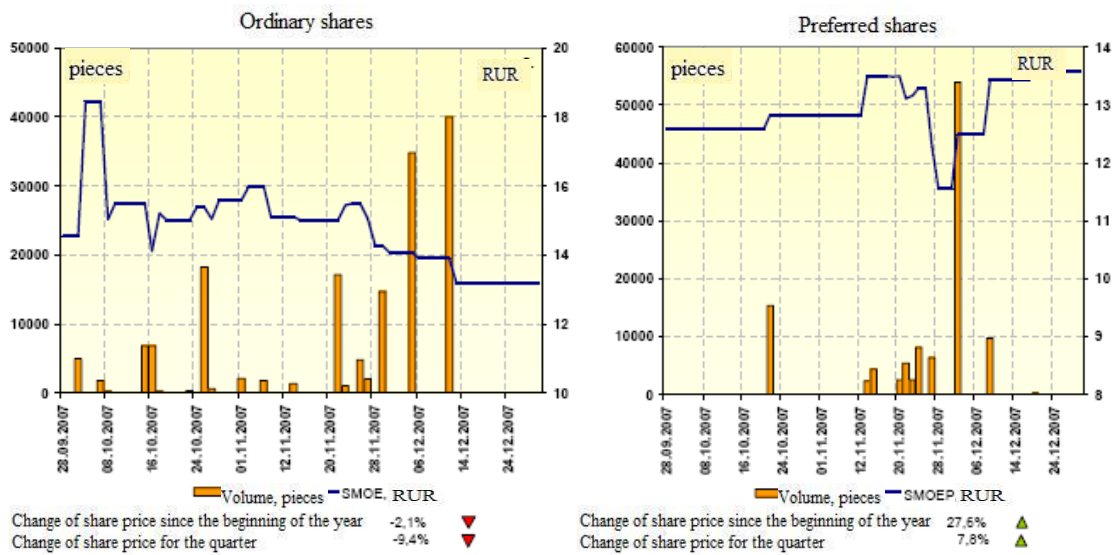


Smolenskenergo's shares have low liquidity. JSC Smolenskenergo's ordinary shares took part in 62 market transactions on organised platforms with the sum of RUR 2.2 m, preferred shares - in 28 transactions with the sum of RUR 1.4 m. All transactions were executed on the MICEX.

**Performance and volume of tenders of Smolenskenergo's shares in IV quarter 2007**



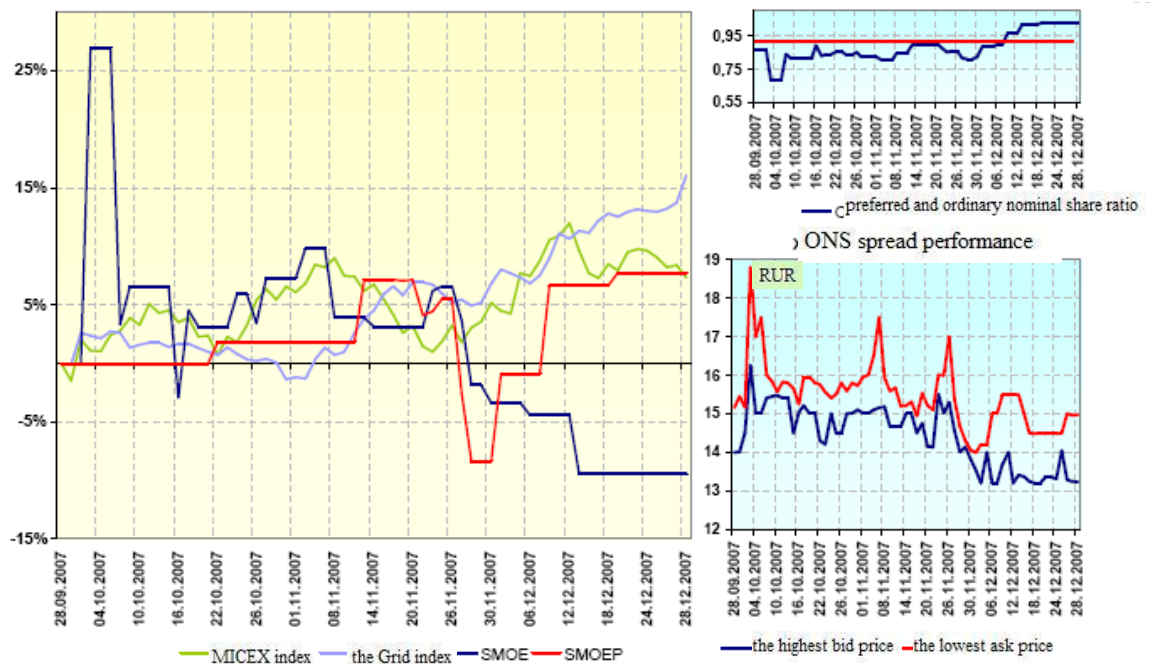
Smolenskenergo



Source: MICEX

According to 4 quarter results Smolenskenergo's ordinary share price decreased by 9.4 %, preferred share price increased by more than 7 %.

**Index and cost performance of Smolenskenergo's shares in IV quarter 2007**



Source: MICEX, own calculations

In 4 quarter Smolenskenergo' shares were behind DGC index. Smolenskenergo's ONS spread is subject to essential fluctuations.

Professional participants' forecasts and recommendations concerning Smolenskenergo's shares.

Ordinary shares

No	Company	Annual forecast	Recommendations	Date of updating
1	Aleamar Investment Financial Corporation	\$ 0.67 (RUR 16.75)	Purchase	19.02.2007
2	Broker Credit Service	\$ 0.78(RUR 19.5)	Purchase	21.02.2007
3	Troika Dialog	\$ 0.67 (RUR 16.75)	Hold	31.01.2007
4	Olma Investment Company	\$ 1.20 (RUR 30)	Purchase	25.05.2007
	Consensus	\$ 0.83 (RUR 20.75)	Purchase	

Preferred shares

№	Company	Annual forecast	Recommendations	Date of updating
1	Broker Credit Service	\$ 0.71 (RUR 17.75)	Purchase	21.02.2007
2	Olma investment company	\$ 1.10 (RUR 27.5)	Purchase	25.05.2007
	Consensus	\$ 0.95 (RUR 23.75.)	Purchase	

Source: quote.ru, Olma IC

According to the presented consensus forecast, Smolenskenergo's ONS have growth potential of about 57 from the current values, PNS - 75 % growth potential.

**JSC Tambovenergo**

The main minority shareholders of the Company as at 03 December, 2007 were: Citigroup - 10.53 % AC (10.4 % ONS), Prosperity Capital Management - 8.63 % (7.59 %), Pictet and Cie, Banquiers - 5.79 % (5.76 %), Deutsche UFG - 4.05 % (4.03 %). Within the reporting period assets of bankrupt YUKOS oil company **that had been purchased by Monte-Valle LLC (25.15 % AC)**, were resold to a great number of foreign portfolio investors. The largest package was purchased by Citigroup. The Company's ONS free-float is 16 %. Security market performance in 4 quarter 2007 is presented in the table:

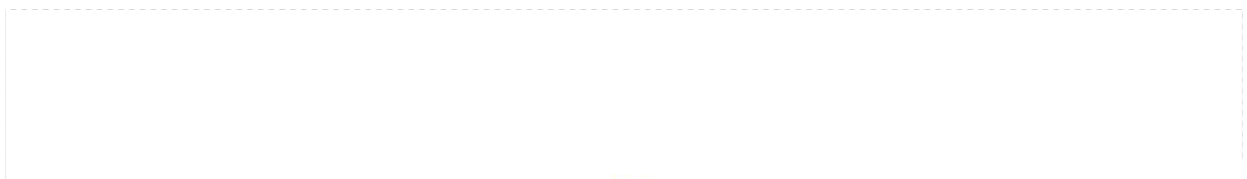
**Tambovenergo's share market in 4 quarter 2007**

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	789	6940800	1.69	1.072	1.889	1.22	1.4227	2	1.072	1.17	1.249
RTS- classical market	-	-	-	-	-	-	-	2.08	1.47	1.18	1.72
RTS – stock exchange market	1	18	1.75	1.75	1.75	1.75	1.75	2	1.75	-	-
Preferred shares											
MICEX	253	3276200	1.202	0.971	1.549	1.216	1.2169	1.6	0.97	1.021	1.069

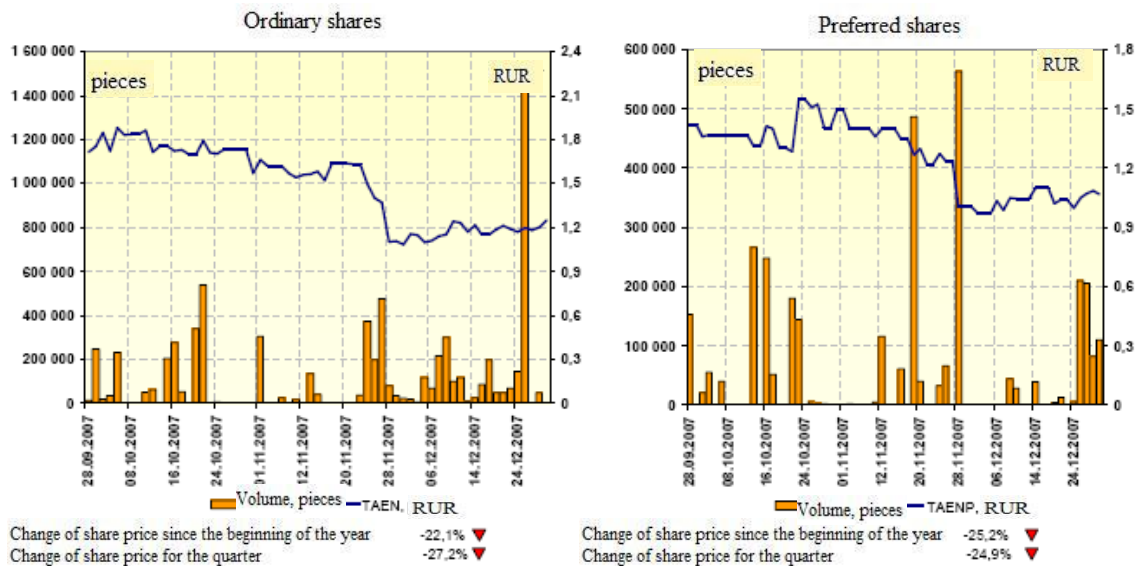
RTS- classical market	-	-	-	-	-	-	-	1.35	1.10	1.06	1.13
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-

JSC Tambovenergo's ordinary shares were subject of 790 market transactions of RUR 9.8 m executed on organised platforms., preferred shares - of 253 transactions of RUR 3.8 m. All transactions except for one were executed on the MICEX.

**Performance and volume of tenders of Tambovenergo's shares in IV quarter 2007**



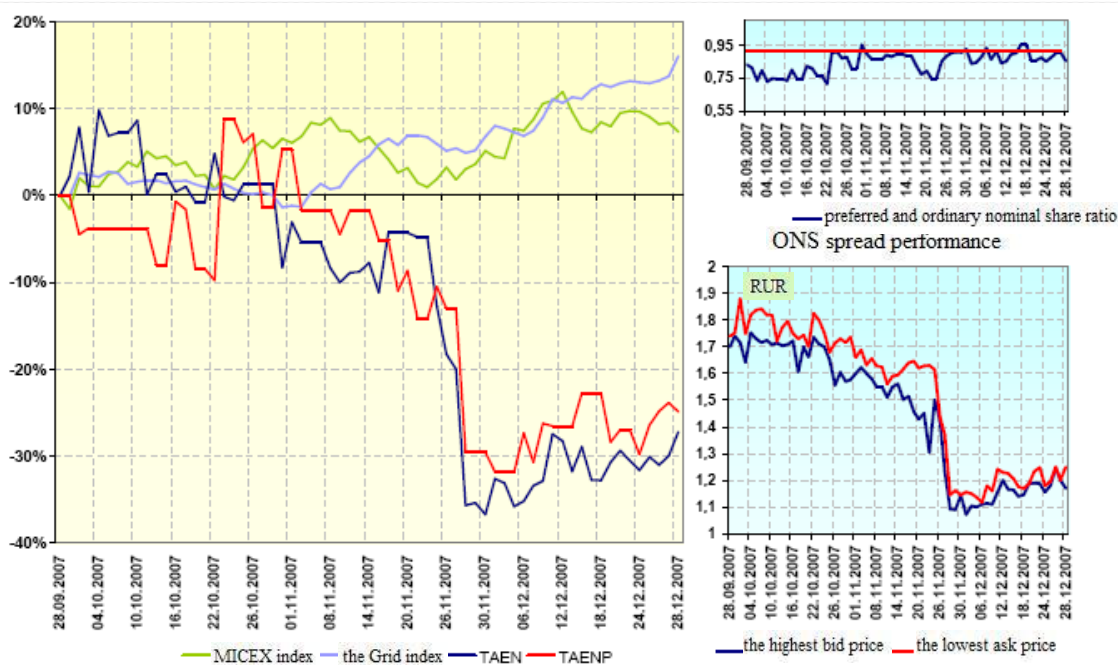
Tambovenergo



Source: MICEX

4 quarter for Tambovenergo's shares was unsuccessful, ordinary share price decreased by 27,2 %, preferred share price - by 24.9 %.

## Index and cost performance of Tambovenergo's shares in 4 quarter 2007



Source: MICEX, own calculations

In 4 quarter Tambovenergo's shares showed worst dynamics among all companies included in IDGC of Centre.

Professional participants' forecasts and recommendations concerning Tambovenergo's shares

### Ordinary shares

No	Company	Annual forecast	Date of updating
1	Aleamar Investment Financial Corporation	\$ 0.080 (RUR 2)	19.02.2007
2	Broker Credit Service	\$ 0.110 (RUR 2.75)	21.02.2007
3	Troika Dialog	\$ 0.078 (RUR 1.95)	31.01.2007
4	Olma Investment Company	\$ 0.134 (RUR 3.35)	25.05.2007
5	KIT Finance Investment Bank	\$ 0.05 (RUR 1.25)	09.08.2007
	Consensus	\$ 0.09 (RUR 2.26)	



Preferred shares

№	Company	Annual forecast	Date of updating
1	Olma Investment Company	\$ 0.123 (RUR 3.075)	25.05.2007
2	KIT Finance Investment Bank	\$ 0.04 (RUR 1)	09.08.2007
	Consensus	\$ 0.08 (RUR 2.03)	

Source: quote.ru, Olma IC

According to the presented consensus forecast, Tambovenergo's ONS have growth potential of about 80% from the current values, PNS - 93 % growth potential.

### JSC Twerenergo

The main minority shareholders of the Company as at 05 December, 2007 were:

Prosperity Capital Management - 26.47 % AC (17.29 % ONS), RBC Dexia IS - 4.55 % (6.07 %). Within the reporting period Aljba Allliance Commerical Bank drew from the Company's share capital (-2.29 % AC), Unicredit group (-3,75 % AC) considerably reduced its stake. Free-float of the Company's ONS is 11 %.

The security market performance in 4 quarter 2007 is presented in the table:

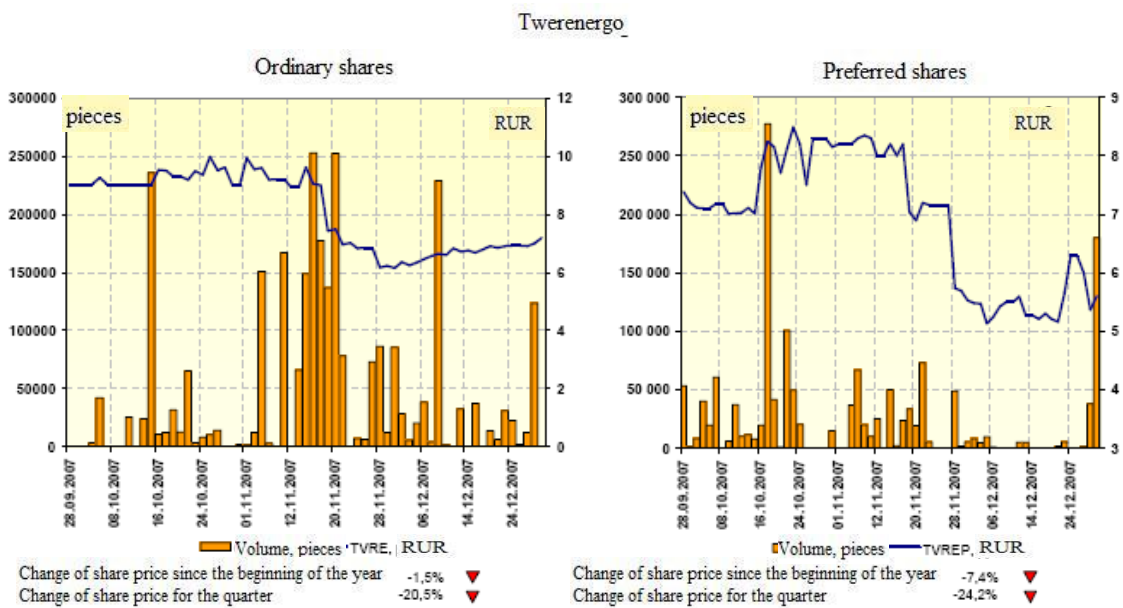
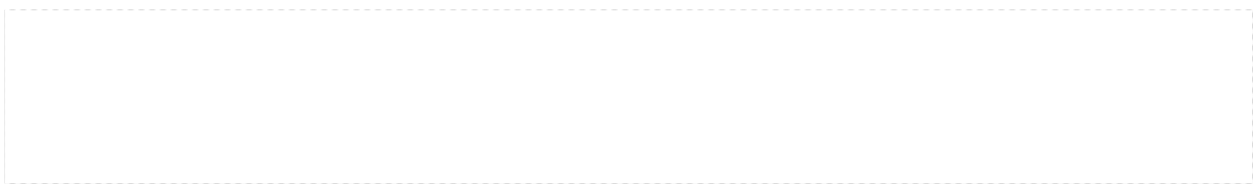
#### Twerenergo's share market in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	736	2822800	8.75	6.01	10	7.25	7.997	11	5.842	7.00	7.25
RTS- classical market	-	-	-	-	-	-	-	8.72	6.47	6.96	7.21
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-
Preferred shares											

MICEX	430	1462100	7.11	5.1	8.75	5.854	7.301	8.75	5.155	5.404	5.85
RTS- classical market	-	-	-	-	-	-	-	6.78	6.82	4.02	6.87
RTS – stock exchange market	-	-	-	-	-	-	-	-	-	-	-

Twerenergo's shares have high liquidity - JSC Twerenergo's ordinary nominal shares were subject of 736 market transactions (RUR 22.6 m) executed on organised platforms., PNS - 430 transactions (RUR 10.6 m). All transactions were executed on the MICEX.

#### Performance and volume of tenders of Twerenergo's shares in IV quarter 2007

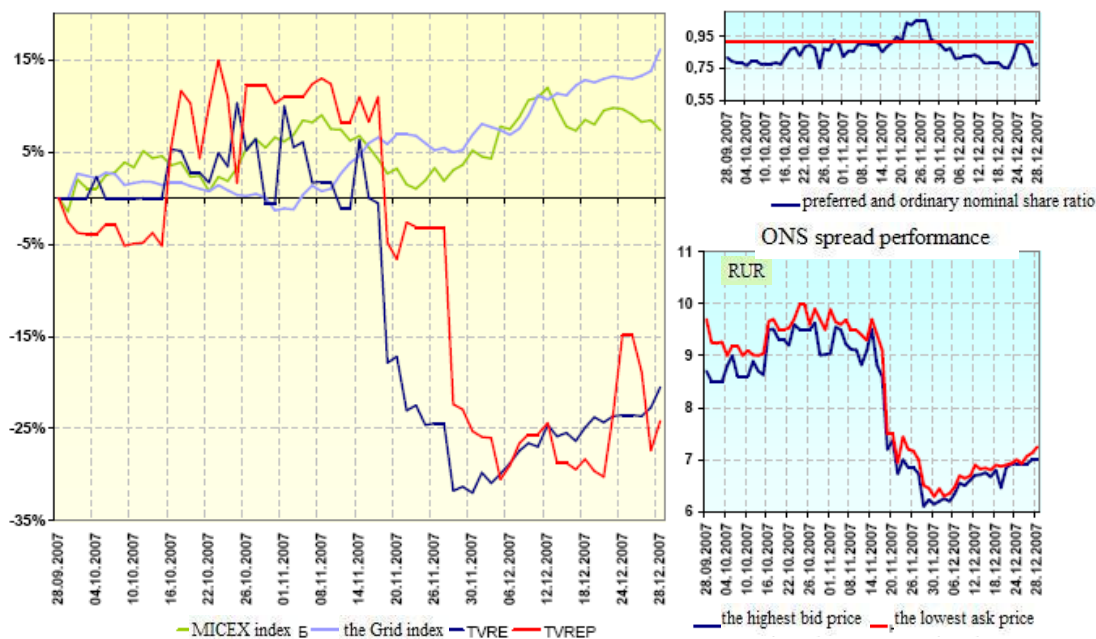


Source: MICEX

In 4 quarter Twerenergo's share price went down: ONS price decreased by 20.5 % and PNS - by 24.2 %. From the beginning of the year share price decreased by 1.5 % and 7.4 %.

tenders are stable enough as compared to other companies of IDGC of Centre.

## Index and cost performance of Twerenergo's shares in IV quarter 2007



Source: MICEX, own calculations

ONS spread reduced by 8 % and became the lowest among shares of the companies included in IDGC of Centre, PNS spread increased from 5 % to 8 %.

Professional participants' forecasts and recommendations concerning Twerenergo's shares.

Ordinary shares

No	Company	Annual forecast	Date of updating
1	Aleamar Investment Financial Corporation	\$ 0.350 (RUR 8.75)	19.02.2007
2	Broker Credit Service	\$ 0.440 (RUR 11 )	21.02.2007
3	Troika Dialog	\$ 0.385 (RUR 9.625)	31.01.2007
4	Olma Investment Company	\$ 0.754 (RUR 18.85)	25.05.2007
5	KIT Finance Investment Bank	\$ 0.16 (RUR 4)	09.08.2007
	Consensus	\$ 0.4178 (RUR 10.44)	

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#### Preferred shares

№	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 0.400 (RUR 10)	21.02.2007
2	Olma Investment Company	\$ 0.690 (RUR 17.25)	25.05.2007
	Consensus	\$ 0.55 (RUR 13.75)	

Source: quote.ru, Olma IC

According to the presented consensus forecast, Twerenergo's ONS have growth potential of about 45 % from the current values, PNS -145 % growth potential.

#### JSC Yarenergo

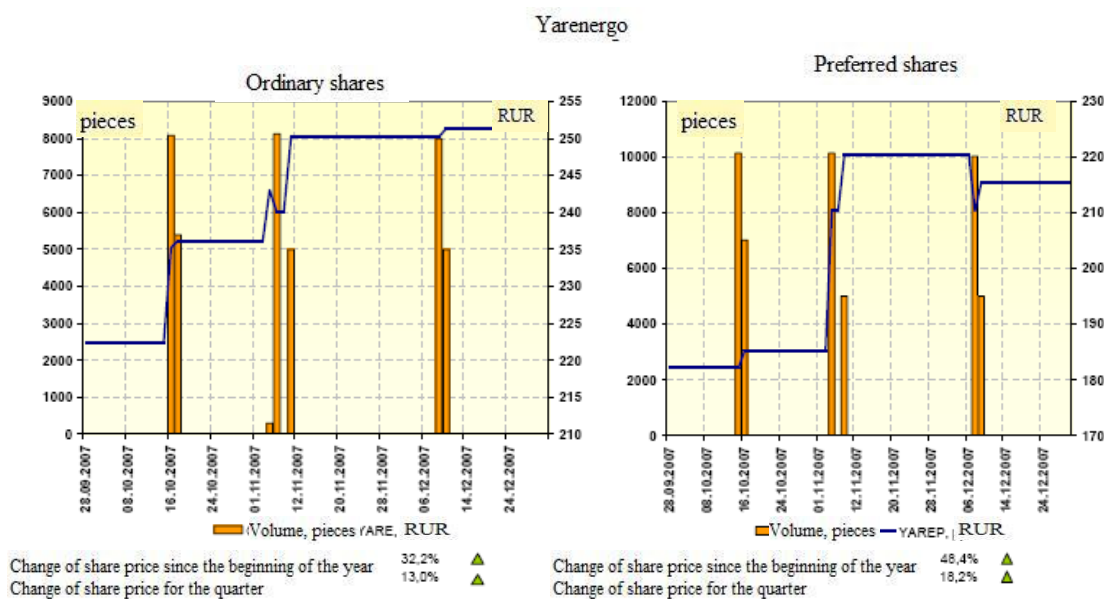
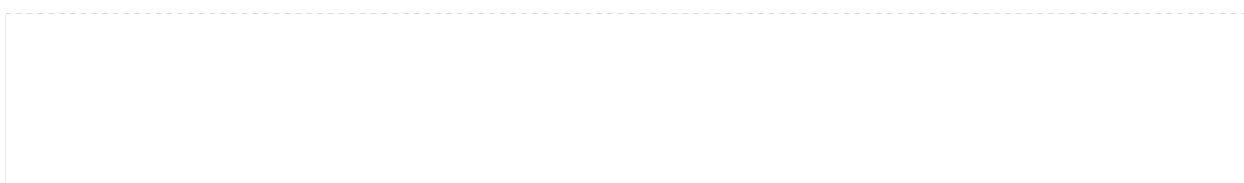
The main minority shareholders of the Company as at 06 December, 2007 were: Energosoyuz Holdings Limited - 18.97 % AC (16.65 % ONS), Kazkommertsbank group - 5.62 % (7.1 %), Troika Dialog IC - 5.04 % (5.25 %), Rosimuschestvo- 4.96 % (6.27 %). Within the reporting period Municipal Property Management Committee of Yaroslavl sold a share holding (-5.19 % AC). Bridgeport Management Limited's share holding was transferred to Energosoyuz Holdings Limited offshore company. Free-float of the Company's ONS is 5 %. Security market performance in 4 quarter 2007 is presented in the table:

#### Yarenergo's share market in 4 quarter 2007

Stock exchange	Transactions		Prices of transactions, rbl.					Quotation for the period, rbl.		Last quotations, rbl.	
	Number	Volume, pieces	Original price	Minimum price	Maximum price	Last price	Weighted average price	Highest bid price	Lowest ask price	Highest bid price	Lowest ask price
Ordinary shares											
MICEX	17	5600	180	180	244	212	209.304	244	180	201.02	218
RTS- classical market	-	-	-	-	-	-	-	246.85	243.86	178.63	369.58
RTS – stock exchange market	16	39900	235	235	251.3	251.3	244.229	240	230	-	-

Preferred shares											
MICEX	42	30400	160	154	215	199	182.369	220	154	195.01	199
RTS- classical market	-	-	-	-	-	-	-	222.16	154.22	173.46	215.34
RTS – stock exchange market	12	47240	182	182	220.3	215.3	202.016	180	221	-	-

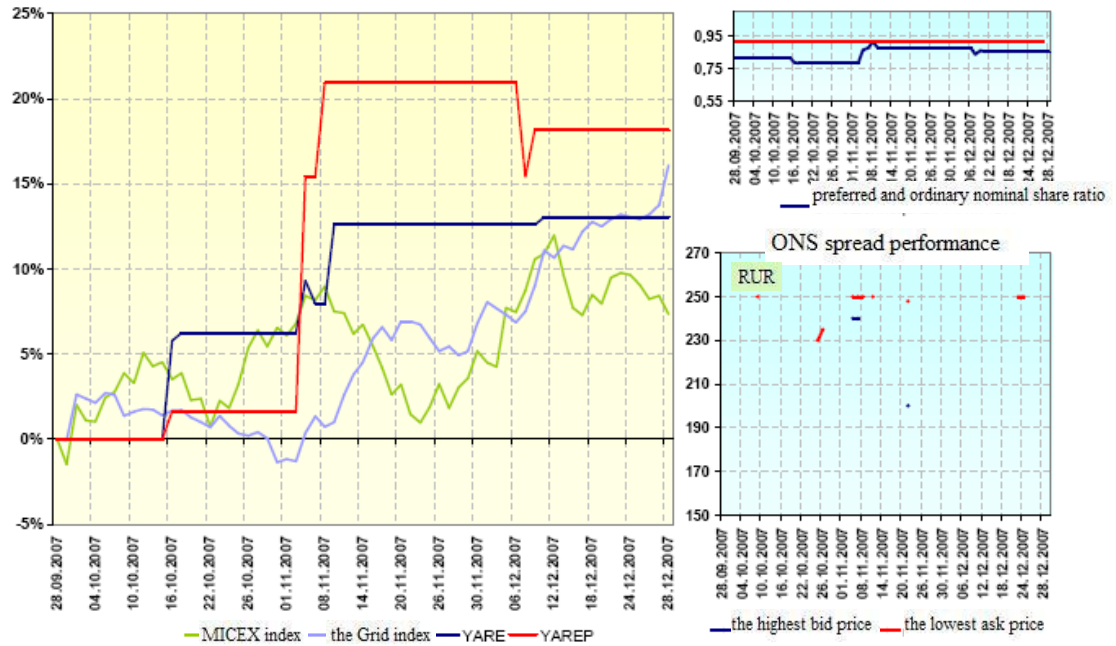
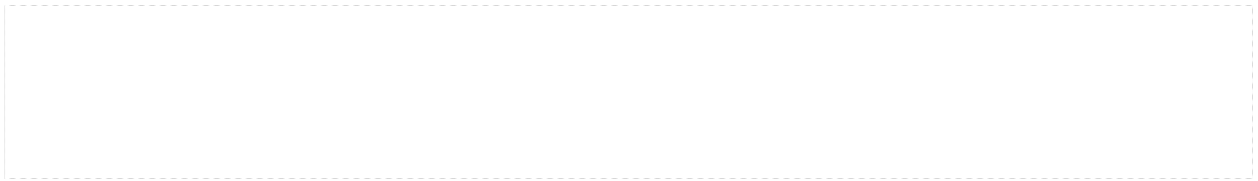
Yarenergo's shares have low liquidity and Yarenergo is among the three most illiquid companies of IDGC of Centre. The sum of ONS transactions equaled RUR 10.9 m., sum of PNS transactions - RUR 15.1 m.  
**Performance and volume of tenders of Yarenergo's shares in IV quarter 2007**



Source: RTS

Within the last three months ONS increased by 13 %, and PNS increased by 18.2 %. Liquidity did not change within this period, 0.27 % of the issued ONS passed through the market - the lowest indicator after ONS of Smolenskenergo and Belgorodenergo.

## Index and cost performance of Yarenergo's shares in IV quarter 2007



Source: RTS, own calculations

Performance of Yarenergo's shares does not differ from that of DGC index, ordinary shares had worse results. There is almost no supply and demand for Yarenergo's shares on RTS.

Professional participants' forecasts and recommendations concerning Yarenergo's shares.

### Ordinary shares

No	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 11,22 (RUR 280,5)	21.02.2007
2	Troika Dialog	\$ 13,39 (RUR 334,75)	31.01.2007
3	Olma Investment Company	\$ 11,32 (RUR 283)	25.05.2007
4	KIT Finance Investment Bank	\$ 5,51 (RUR 137,75)	09.08.2007
	Consensus	\$ 10,36 (RUR 259)	

## Preferred shares

№	Company	Annual forecast	Date of updating
1	Broker Credit Service	\$ 10,27 (RUR 267,0)	21.02.2007
2	Olma Investment Company	\$ 10,37 (RUR 269,6)	25.05.2007
3	KIT Finance Investment Bank	\$ 4,96 (RUR 124.)	09.08.2007
	Consensus	\$ 8,53 (RUR 213,3)	

Source: quote.ru, Olma IC

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