



ХОЛДИНГ
МРСК

**IDGC OF CENTRE:
RESULTS OF 1 HALF 2010,
FORECAST FOR 2010**

September 8, 2010



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December '04
“Interregional Distribution Grid Company of Centre”, Open Joint-Stock Company, was incorporated

April '07
The final structure of the Company was approved, the Company now includes 11 regional grid companies in Central Russia (decision of the Board of Directors of RAO UES of Russia)

January '09 the first 3 branches transferred to RAB: Belgorodenergo, Lipetskenergo, Tverenergo

April '09 Listing at MICEX. The Company's shares were included into “B” quotation list of exchange

November '09 the Company obtained the credit rating S&P BB-/B/ruAA- forecast “Stable”

2004-2005

2006

2007

2008

2009

2010

'06
Enhancement of DGC management system. Transferring of powers of the DGC sole executive body to the Company

March '08 Connection DGCs to IDGC of Centre

May '08 Company's shares were launched for trading at MICEX (MRKC) and RTS

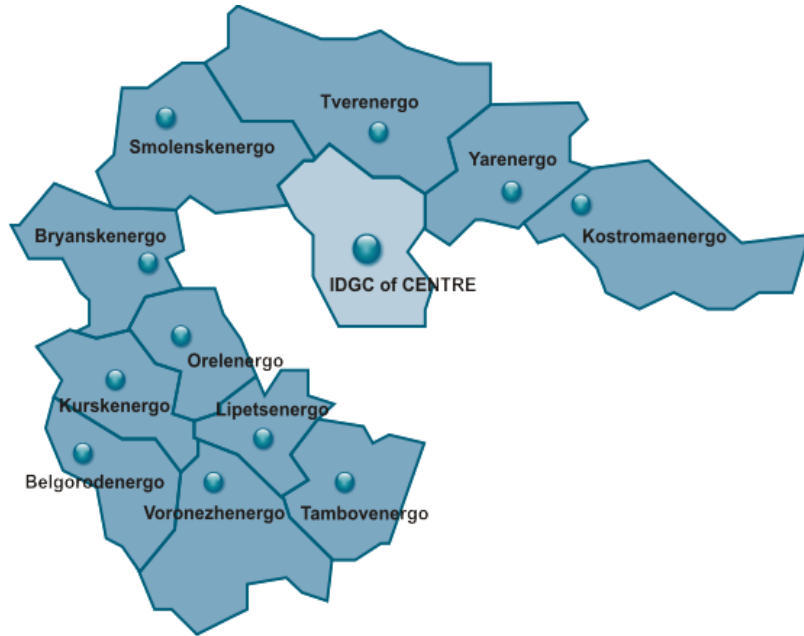
July '08 JSC “IDGC Holding” became the majority shareholder of the Company

October '08 Shares of IDGC of Centre were included in calculation base of MICEX PWR

January '10 Another 2 branches transferred to RAB: Kurskenergo, Yarenergo

July '10 Rating Agency S&P approved the Company's credit rating “BB-”, forecast “Stable”

July '10 Applications of REC are submitted to FST of Russia on the remaining 6 branches



Capitalization
(as of 31.08.2010)

RUR 47.5 bln
USD 1.55 bln

Amount of shareholders
(as of 12.05.2009)

15,157

Revenue
(RAS 2009)
(RAS 1H 2010)

RUR 49.1 bln
RUR 29.4 bln

Net profit
(RAS 2009)
(RAS 1H 2010)

RUR 1.3 bln
RUR 2.5 bln
RUR 43.8 bln

Net assets
(RAS as of 30.06.2010)

Output
(2009)
(as of 30.06.2010)

53.1 bln kWh
27.77 bln kWh

Length of power lines
(overhead 0.4 – 110 kV power lines
as of 30.06.2010)

372.4 thousand km

Capacity of substations
(as of 30.06.2010)

35 – 110 kV

31.0 GVA

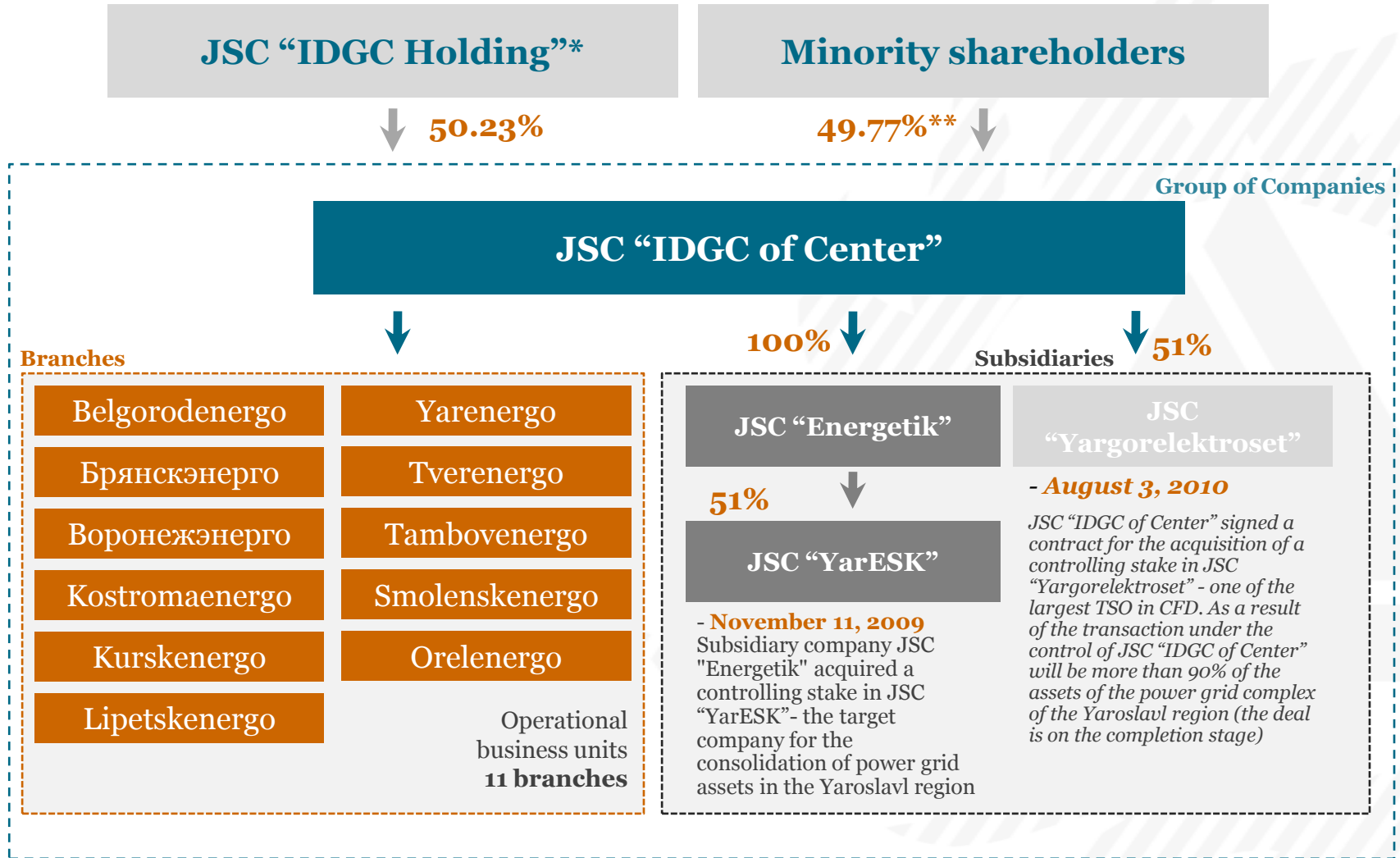
6 – 10/0.4 kV

14.9 GVA

Number of personnel
(as of 30.06.2010)

28,088

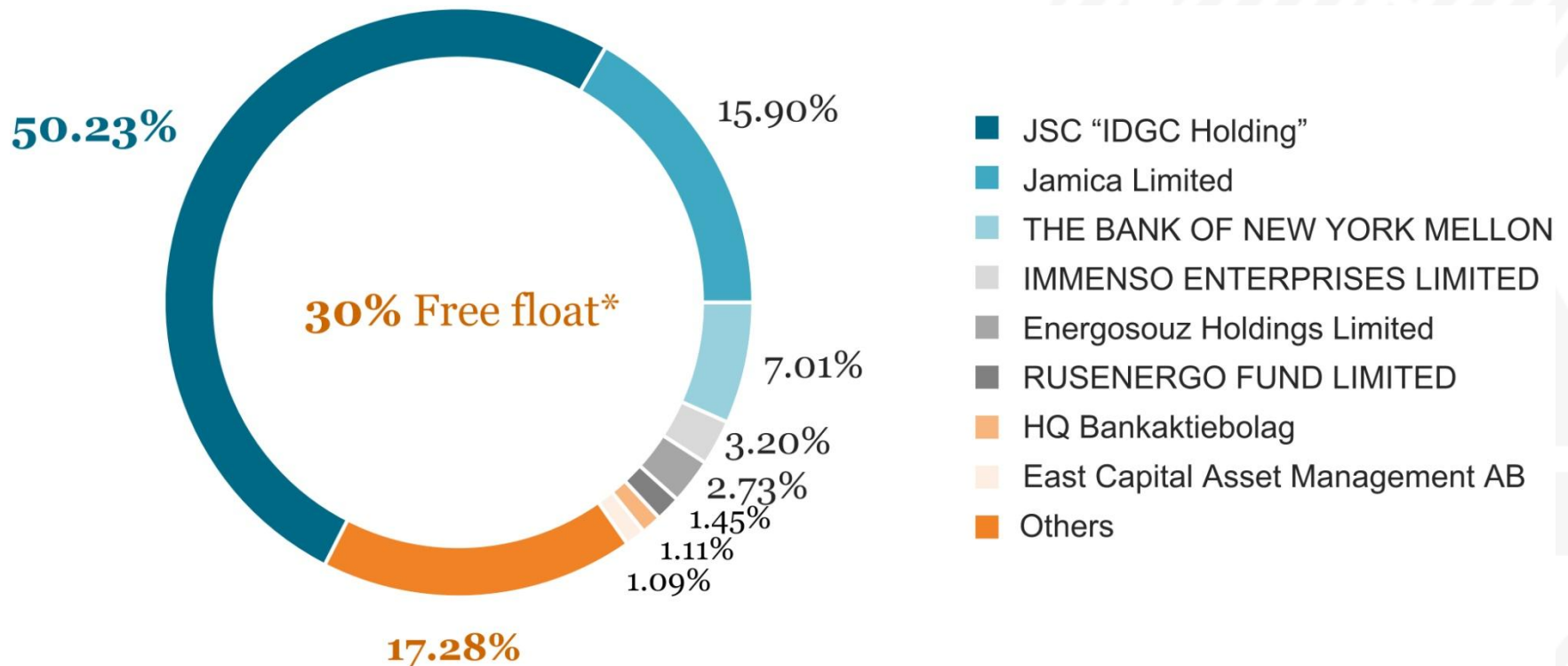
Structure of Group of Companies IDGC of Center . Key shareholders



* - the share of the State in JSC "IDGC Holding" – 52.69%

** - taking into account the State's share 0.46%

IDGC of Center has a diversified share capital structure. Free float according to the Company's management estimations is about 30%.



* - as of 12.05.2010

External bodies responsible for monitoring financial and economic activities:



High authority:



Strategic management body:




Committees (5):

Executive bodies:



Internal control bodies over business activity

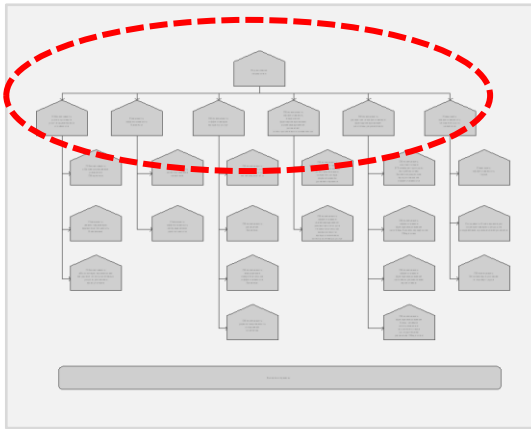


 Control bodies over the Company's business activity

 Bodies providing recommendations for the Board of Directors over the Company's strategic development

 formed in 2009

Goals of the Company



Challenges of the top level

Target subsystems of the management:

- Growth and changes
- Finance
- Consumers
- Main business processes
- Management system
- Personnel



Growth

Ensure long-term growth of shareholder capital value

Finance

Enhance the efficiency of business

Consumers

Ensure effective sales of services

Processes

Realize efficient and safe functioning and innovative development of electricity network complex

Management

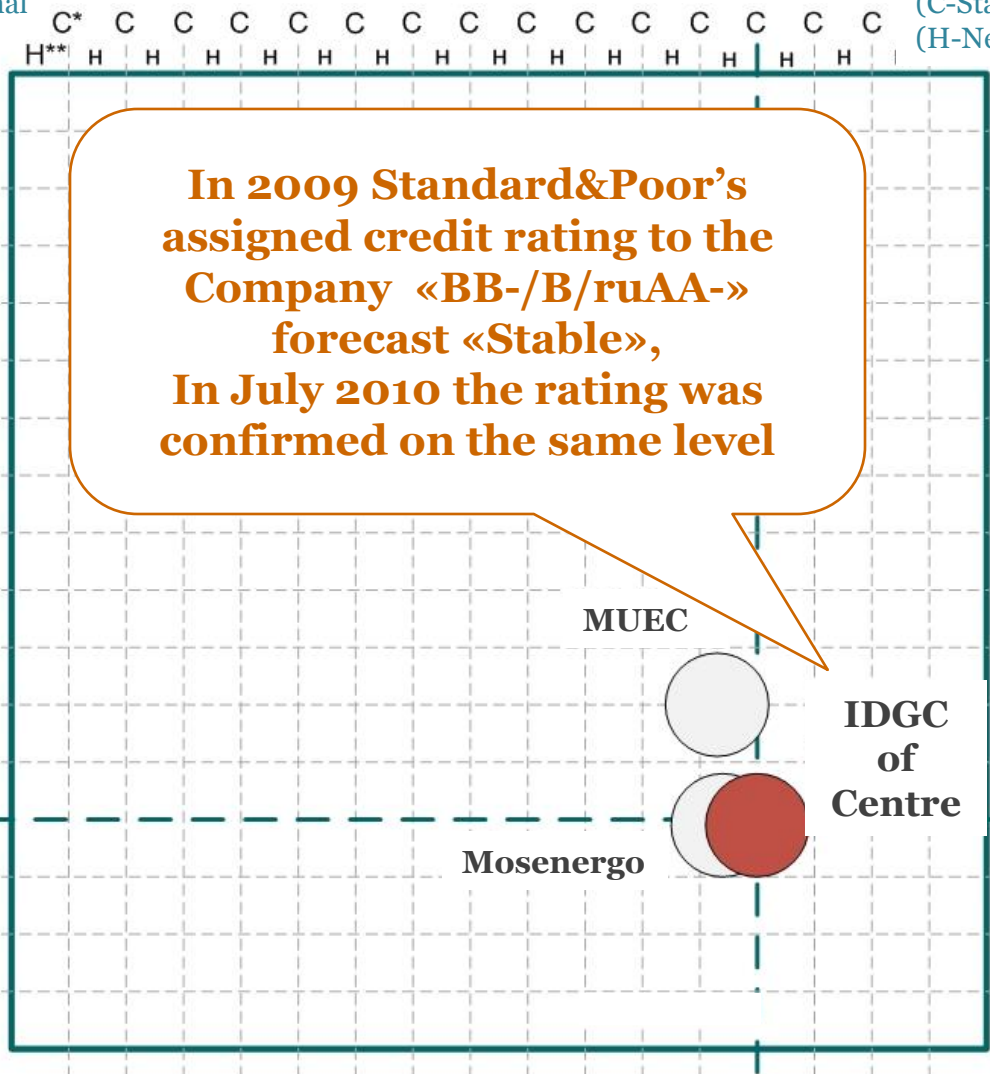
Ensure development and efficient functioning of management system

Personnel

Enhance efficiency of human resources

Scale of international rating (in foreign currency)

Outlook (C-Stable) (H-Negative)

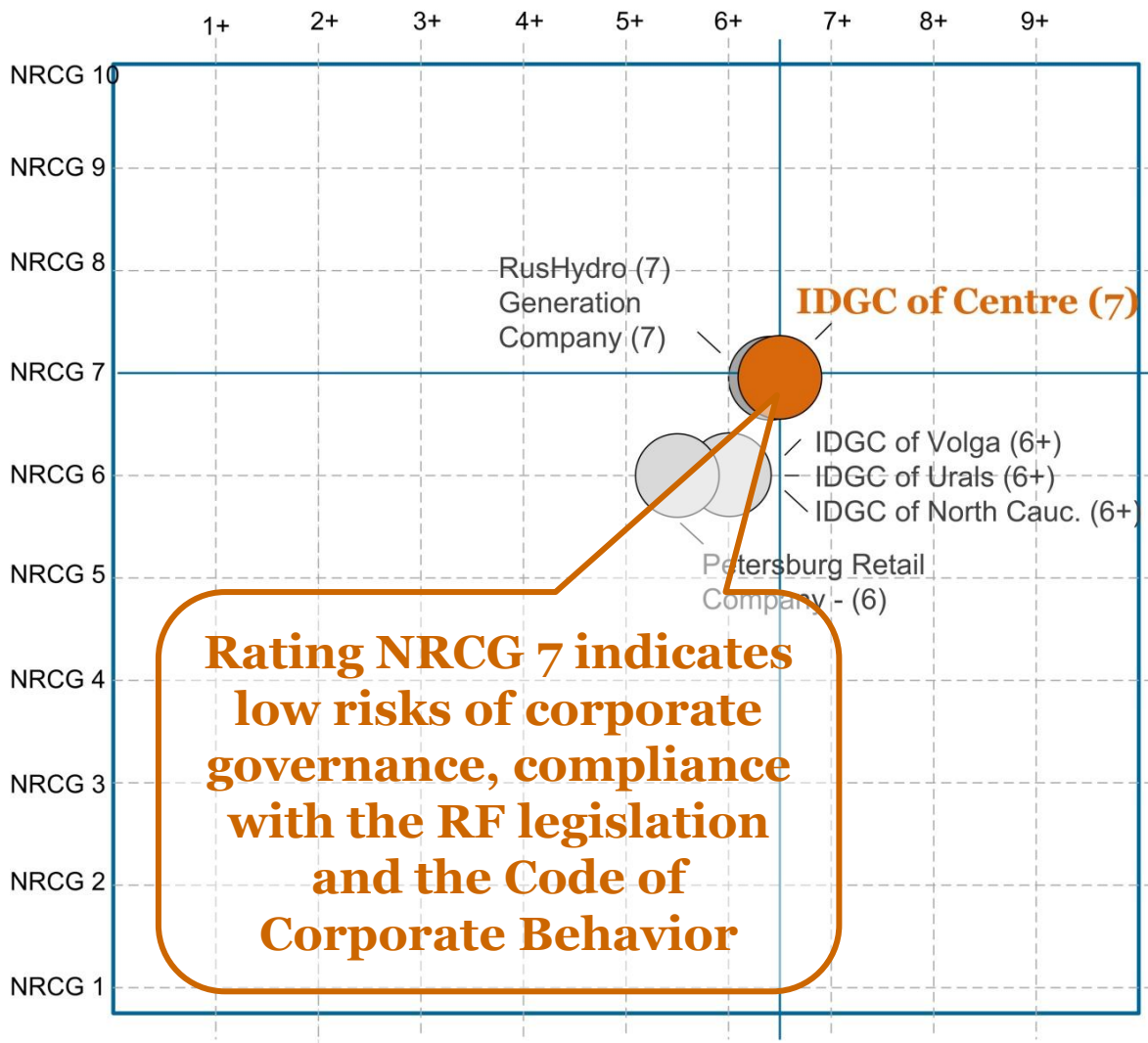


History of credit rating

Confirmed	July '10
Assigned	November '09



The level confirms the Company's ability to extend credit



Rating NRCG 7 indicates low risks of corporate governance, compliance with the RF legislation and the Code of Corporate Behavior

History of RCG of IDGC of Center

Confirmed	July' 09
Confirmed	February'09
Assigned	September '08

Developed practice of corporate governance



“7” Developed practice of corporate governance. Leading position among IDGCs

Dynamics of changes in IDGC of Centre share price, MicexPWR and Network Index in 2010

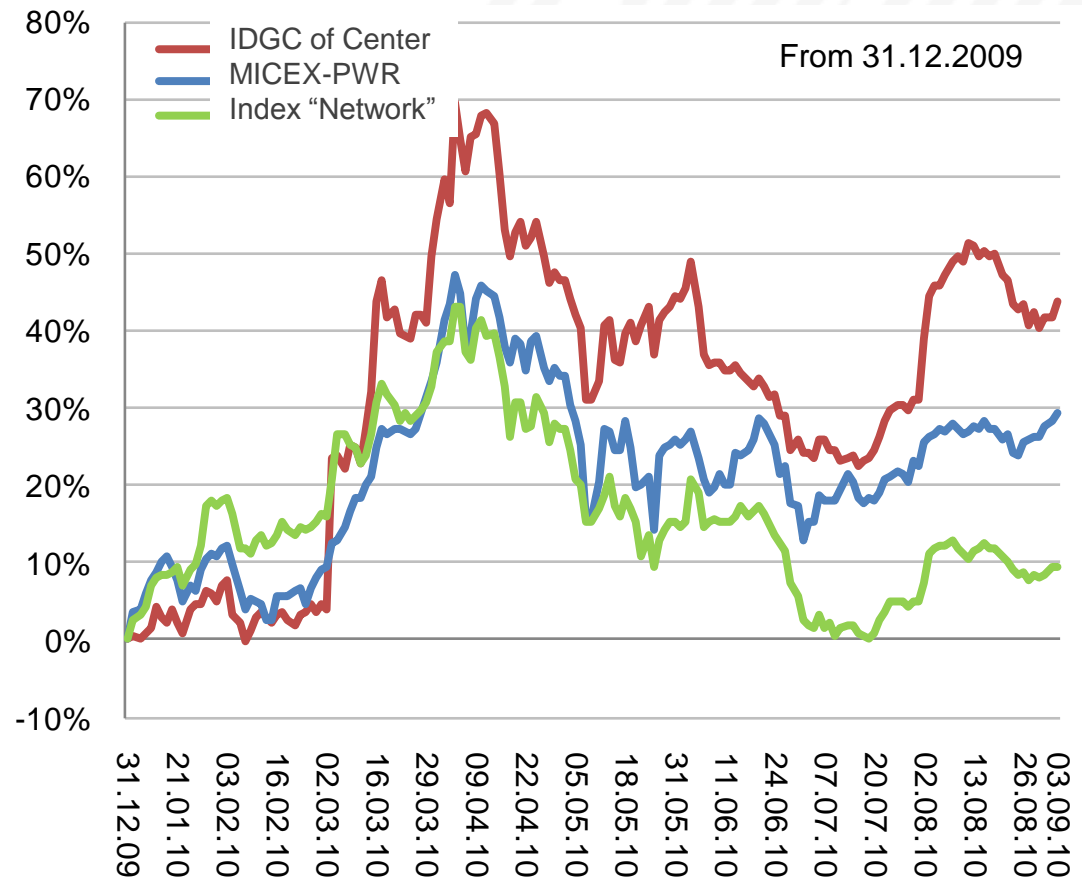
Start of trading:
May 21, 2008

Quotation list:
«B» MICEX

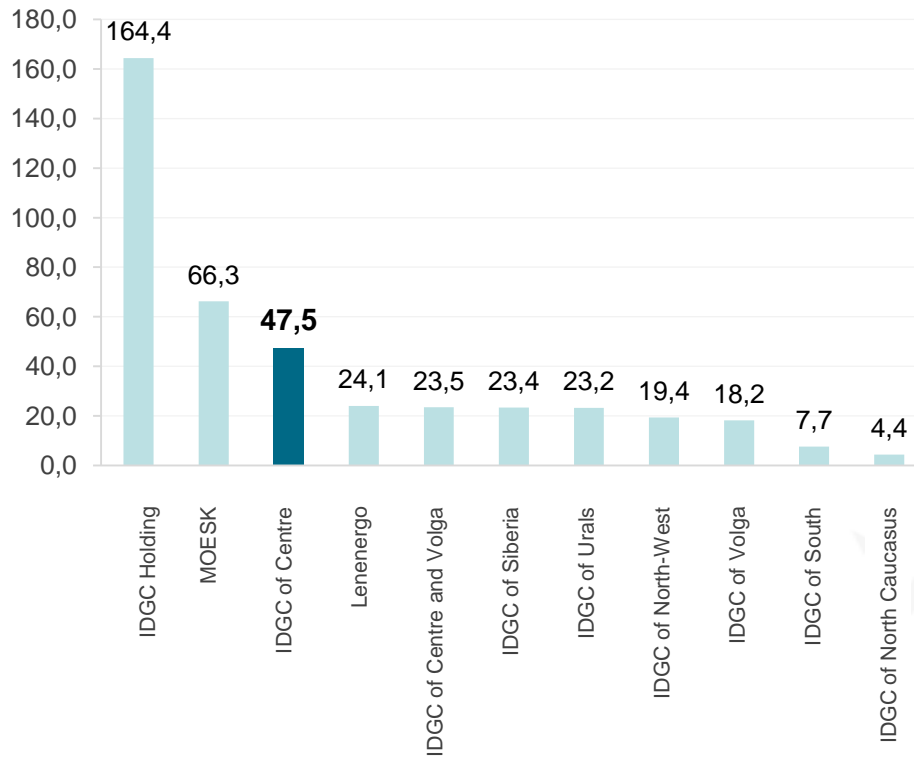
IDGC of Centre shares are included in **MICEX PWR** index calculation base

Ticker symbols

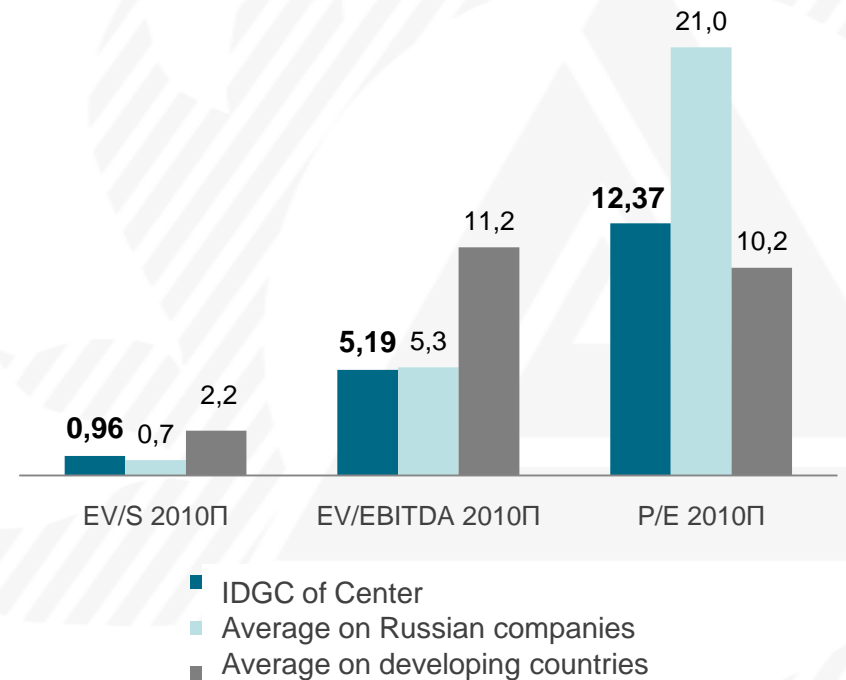
MICEX	MRKC
RTS classic	MRKC
RTS stock	MRKCG



Capitalization of distribution grid companies as of 31.08.10, RUR bln (MICEX)



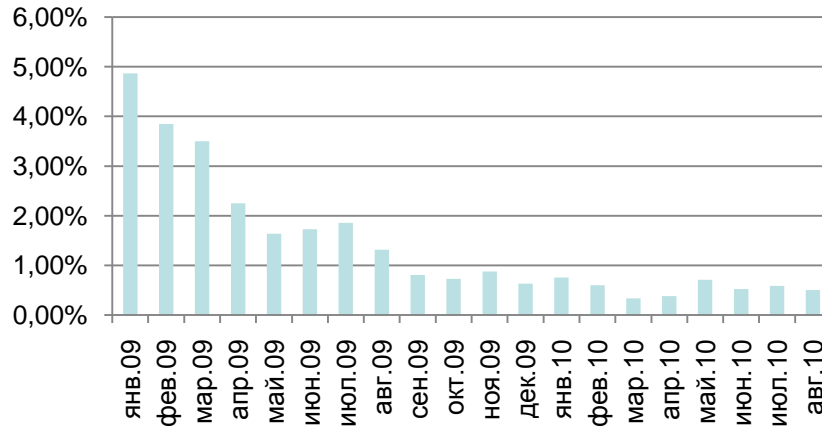
Market multiples on IDGCs and foreign companies-analogues *



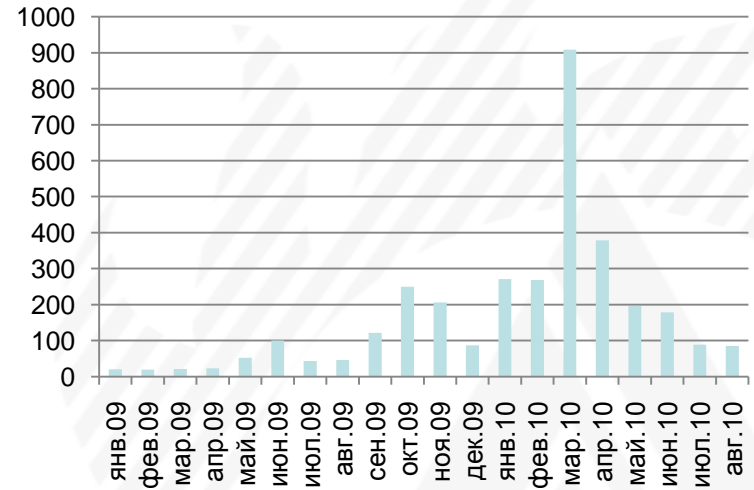
* Calculations of the Company, data of investment banks covering the activities of IDGCs

** Calculations of the Company, data of investment banks covering the activities of IDGCs (foreign analogues: Eletropaulo, Compania General de Electricidad, Aksu Enerji ve Ticaret, etc.)

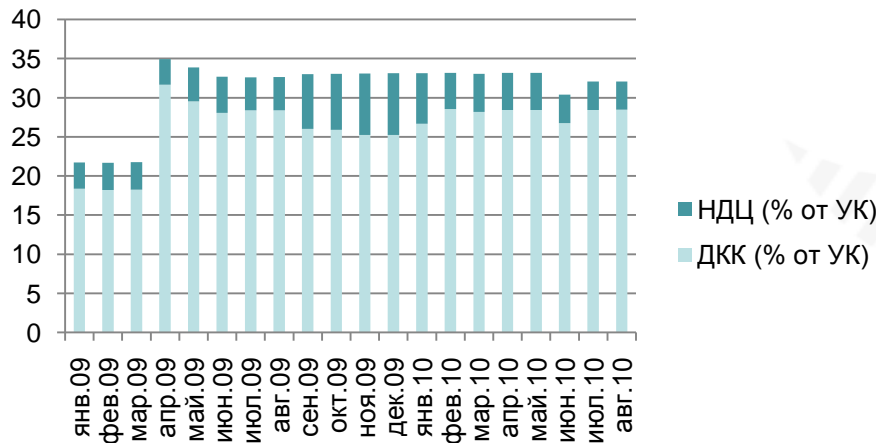
Average bid-ask spread of MRKC at MICEX (%), 2009-2010



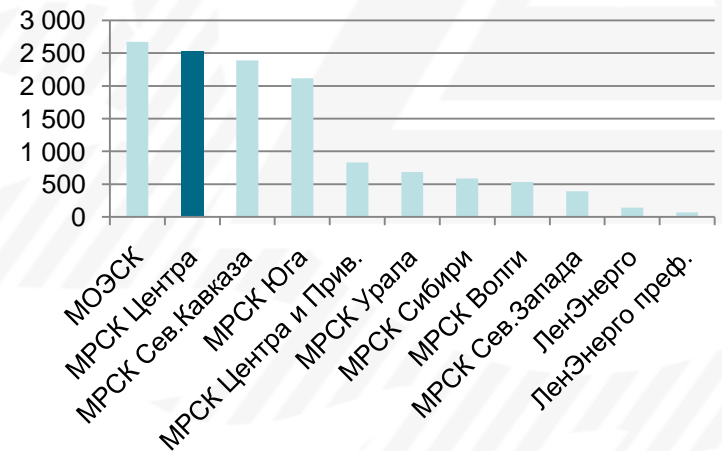
Day-average number of contracts at MICEX



Proportion of shares in the nominal holding by depository exchanges 2009-2010gg:



Stock turnover at MICEX, Jan- Aug 2010, RUR mln



IDGC of Centre

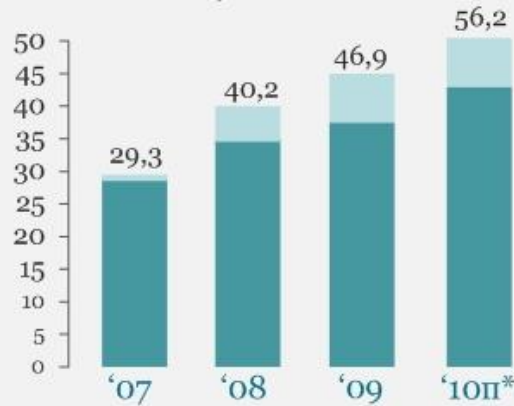
- RAS for 1H 2010, forecast for 2010
- Transit to RAB-based regulation

REVENUE BY ACTIVITY, RUR bln



- ELECTRICITY DISTRIBUTION
- TECHNOLOGICAL CONNECTION
- OTHER ACTIVITIES

ELECTRICITY DISTRIBUTION REVENUE, RUR bln



- OTHER TGCs' REVENUE TRANSIT
- REVENUE WITHOUT OTHER TGCs

TECHNOLOGICAL CONNECTION REVENUE, RUR bln

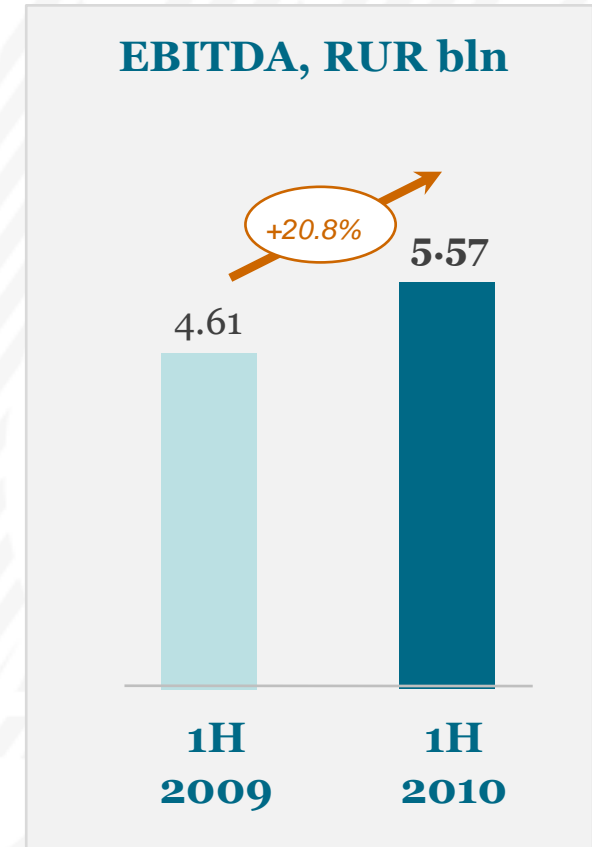


- ВЫРУЧКА ОТ ТЕХ.ПРИСОЕДИНЕНИЯ

*- forecast

(RAS)

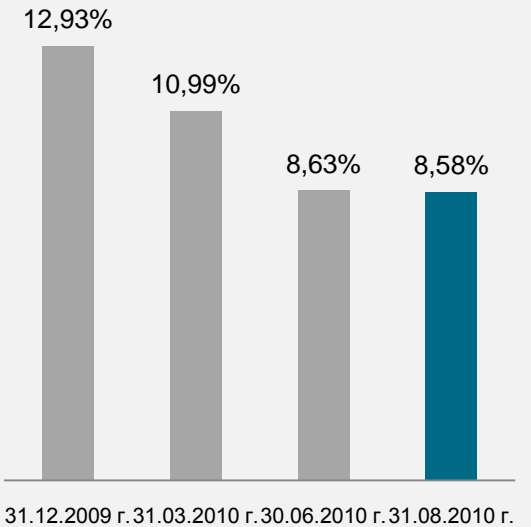
<i>RUR bln</i>	30.06.2009	30.06.2010	Change
Revenue	24.92	29.41	18.0%
Cost	21.33	25.04	17.4%
Gross profit	3.58	4.37	22.0%
Gross profit margin	14.4%	14.9%	0.5 p.p.
EBITDA	4.61	5.57	20.8%
EBITDA margin	18.5%	18.9%	0.4 p.p.
Net profit	1.77	2.49	41.2%
Net profit margin	7.1%	8.5%	1.4 p.p.



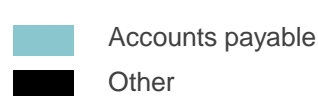
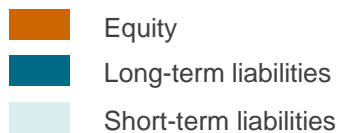
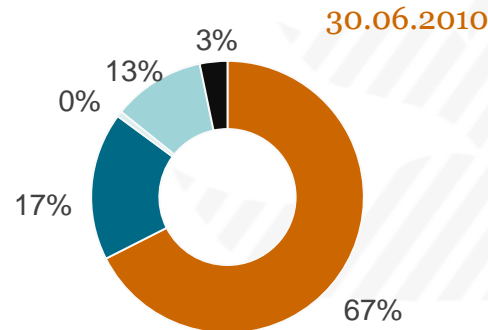
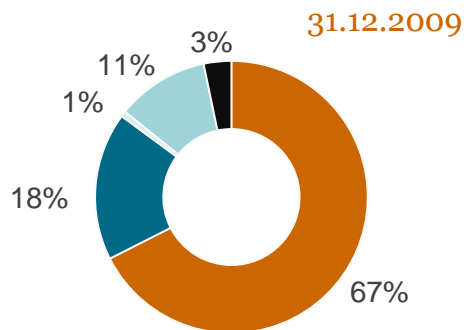
Capital structure

<i>RUR bln</i>	31.12.2009	30.06.2010	Change
Equity	41.23	43.73	6.1%
Long-term liabilities	10.73	11.23	4.7%
Short-term liabilities	0.40	-	-100%
Accounts payable	6.59	8.33	24.4%
Other	2.1	2.22	5.7%
Total liabilities	61.05	65.51	7.3%

Average interest rate on credits, 2008 - 2010



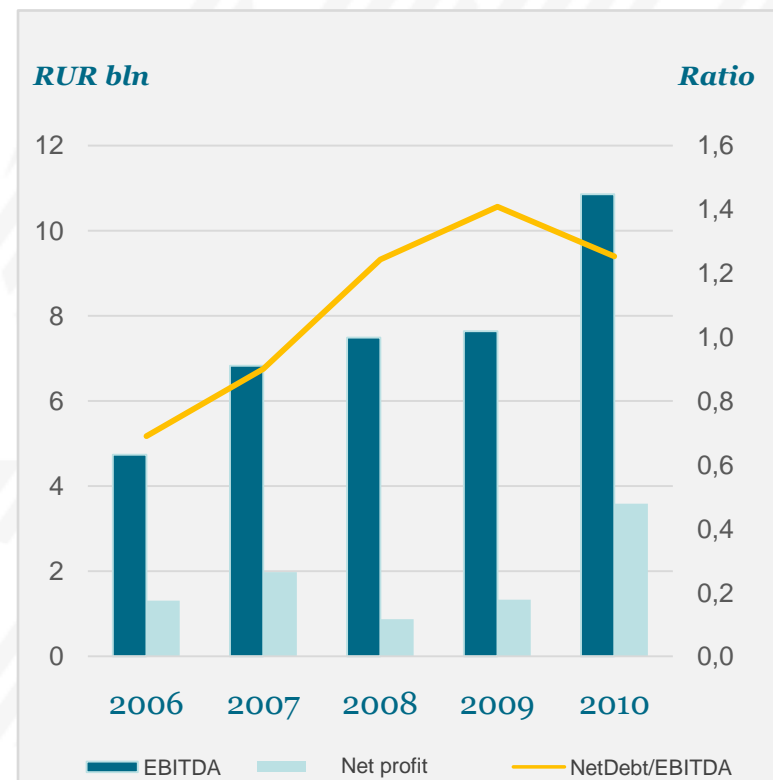
Liabilities structure



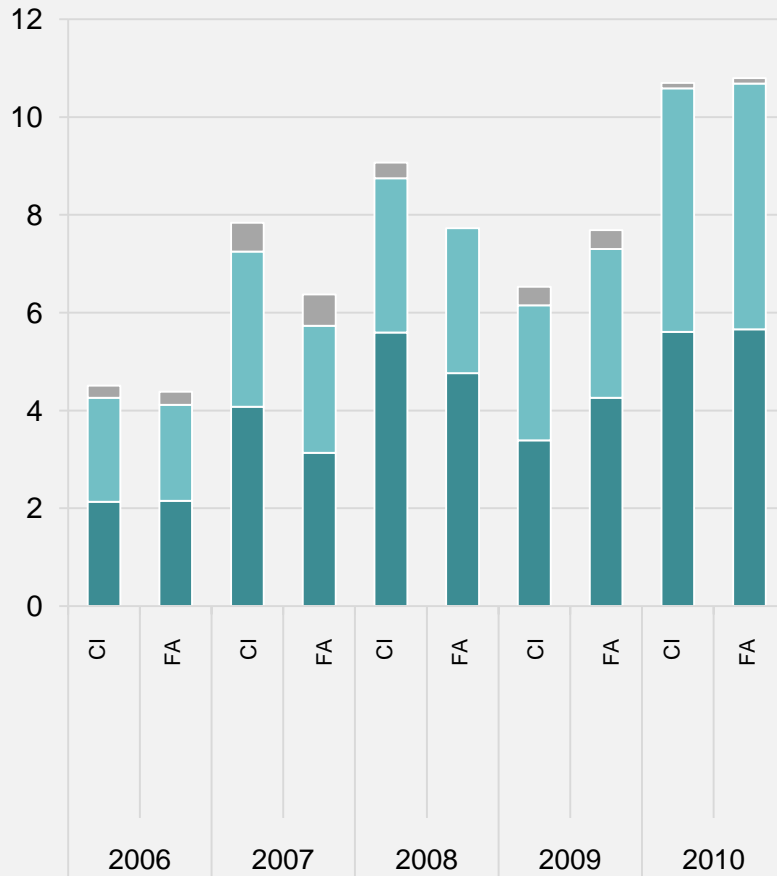
Short-term liabilities – **0%**

EBITDA vs. Net Profit, RUR bln Ratio Net Debt/EBITDA

Year	EBITDA	Net Profit	Net Debt	Net debt/ EBITDA
2006	4,74	1,31	3,27	0.69
2007	6,83	1,98	6,14	0.90
2008	7,49	0,87	9,31	1.24
2009	7,64	1,33	10,76	1.41
2010(F)	10,86	3,59	13,61	1.25
1 H '10	5,57	2,49	8,6	0.64



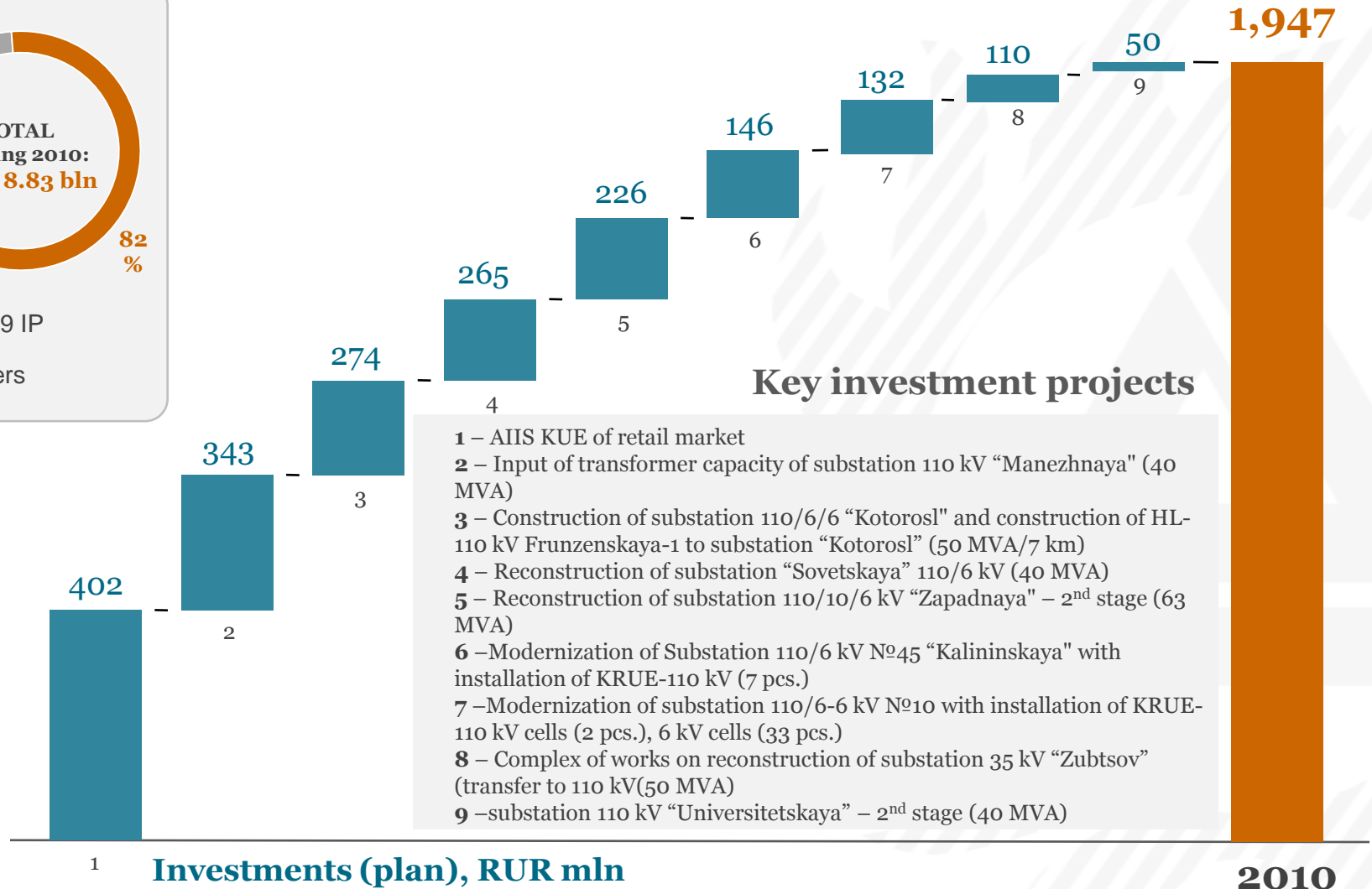
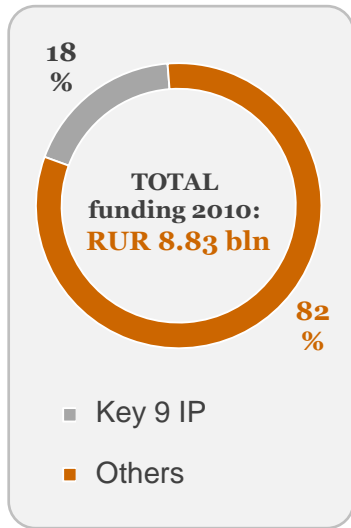
RUR bln



Year	Volume of capital investments, RUR bln w/o VAT	Commissioning of fixed assets. RUR bln w/o VAT
2006	4.509	4.350
2007	7.839	6.372
2008	9.071	7.739
2009	6.529	7.687
2010F*	10.701	10.797

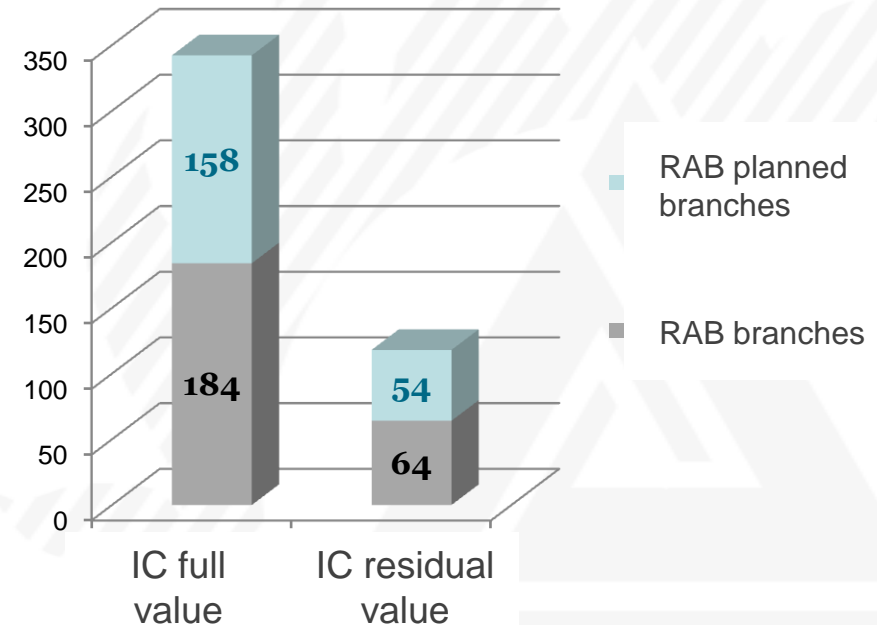
- Others
- New construction and expansion of existing facilities
- Modernization and reconstruction

Key investment projects in 2010



Date of transition	Branch	IRAB, RUR bln
From 01.01.2009	Belgorodenergo	19.930
	Lipetskenergo	10.030
From 01.01.2010	Tverenergo	14.366
	Kurskenergo	10.802
	Yarenergo	8.968
During 2010	Bryanskenergo	6.687
	Orelenergo	6.590
From 01.01.2011	Kostromaenergo	7.437
	Tambovenergo	6.607
	Voronezhenergo	12.810
	Smolenskenergo	13.785

■ forecast



Expected IRAB on all branches according to **independent estimations** – **RUR 118 bln**

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Head of Department for Shareholders Relationship

Tatiana N. Miroshnichenko

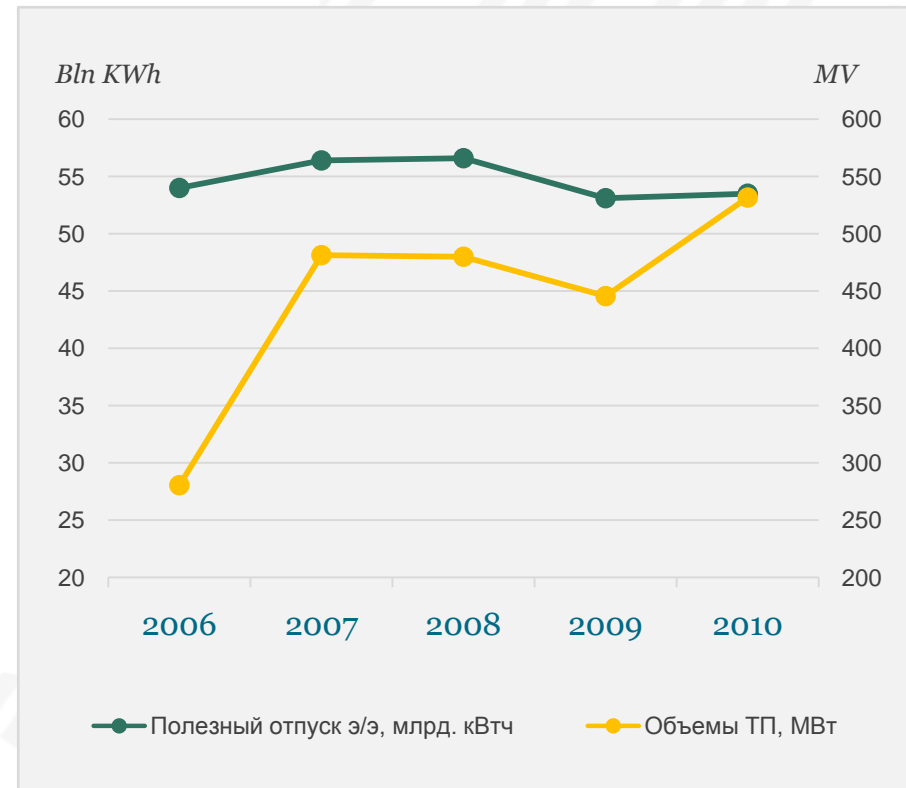
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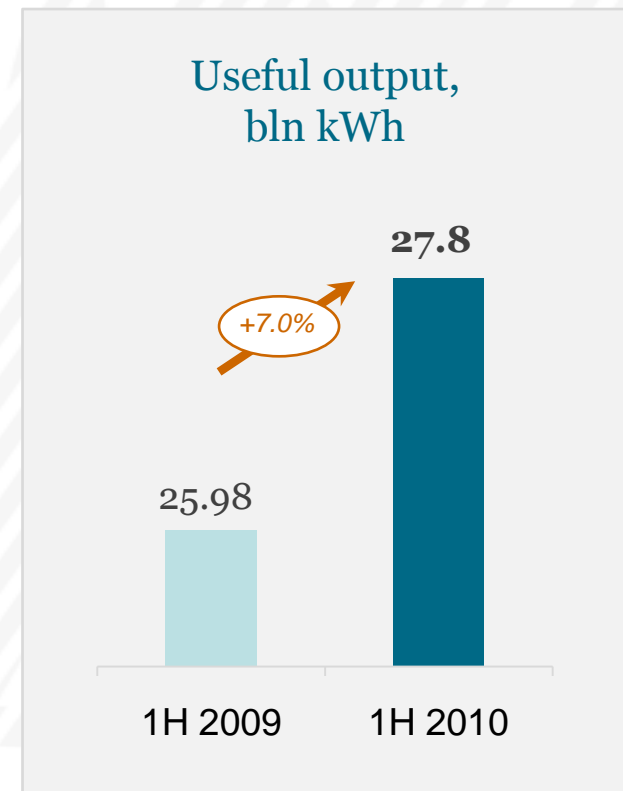
Appendix

Appendix 1 Sales of services (RAS)

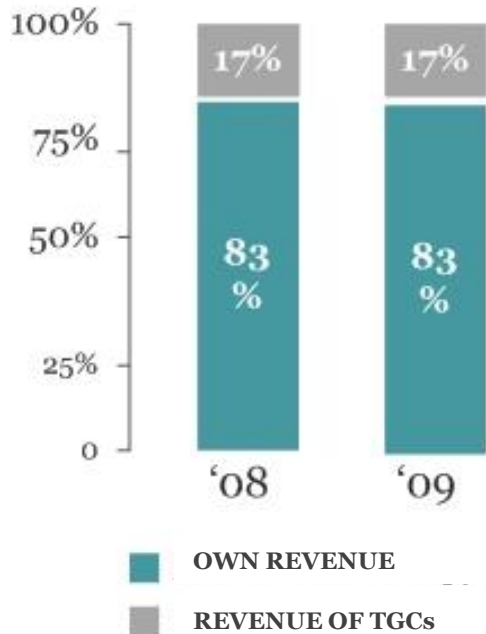
Year	Полезный отпуск э/э, bln kWh	Growth rate, %	Volume of technological connection, MV	Growth rate, %
2006	54.0	-	280.47	-
2007	56.4	4.4%	481.28	71.6%
2008	56.6	0.4%	479.84	-0.3%
2009	53.1	-6.2%	445.62	-7.1%
2010(F)	53.5	0.8%	531.55	19.3%



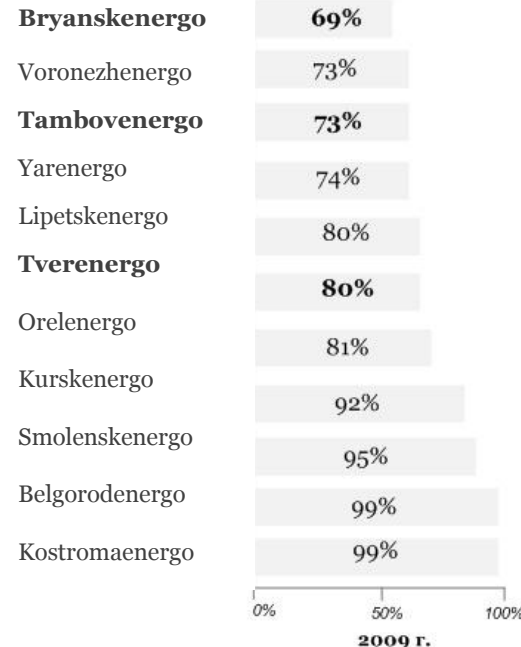
Indicator	1H 2009	1H 2010	Change
Output, bln kWh	28.99	31.06	7.1%
Useful output, bln kWh	25.98	27.8	7.0%
Losses, bln kWh	3.0	3.3	1%
Losses, %	10.4	10.6	0.2 p.p.



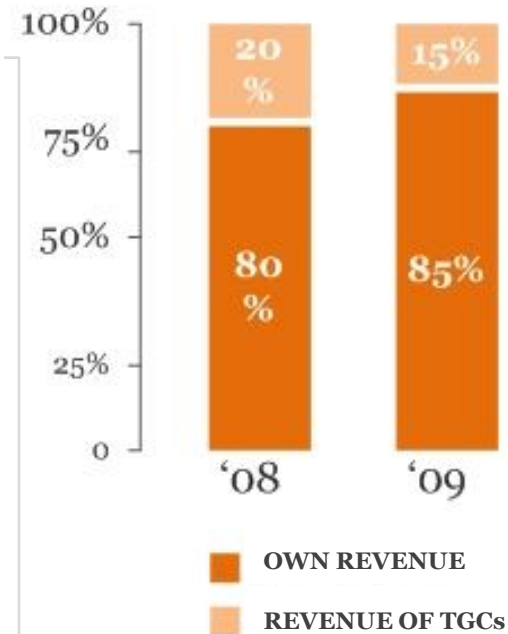
Power transmission share market in 2008-2009 (in terms of money)



Company's share in the power transmission market in regions, % (2009)



Technological connection share market in 2008-2009 (in terms of money)



Branch	Average distributional tariffs, kop/kWh				
	2006	2007	2008*	2009*	2010*
Belgorodenergo	48,4	52,4	65,2	80,8	100,1
Bryanskenergo	40,5	74,9*	86,9	106,0	130,5
Voronezhenergo	38,2	45,5	74,0	91,1	102,4
Kostromaenergo	64,3	76,2	91,1	106,4	130,8
Kurskenergo	46,4	47,6	59,1	69,1	98,7
Lipetskenergo	33,5	42,3	64,8	82,2	111,1
Orelenergo	48,3	66,5	105,6	117,0	140,5
Smolenskenergo	65,4	73,0	90,3	110,4	123,8
Tambovenergo	47,0	49,3	87,3	100,3	108,3
Tverenergo	52,7	58,4	103,4	138,3	154,2
Yarenergo	48,4	43,3	59,8	74,0	86,2

* Tariffs are inclusive of the territorial network organizations

Average distributional tariffs w/o TNO, kop/kWh			
Branch	2008	2009	2010
Belgorodenergo	64,5	79,8	98,9
Bryanskenergo	55,4	70,3	83,8
Voronezhenergo	52,8	62,6	71,5
Kostromaenergo	90,2	104,5	126,7
Kurskenergo	52,0	60,4	65,8
Lipetskenergo	52,9	68,9	91,8
Orelenergo	79,6	91,1	108,2
Smolenskenergo	85,7	105,3	118,0
Tambovenergo	51,8	62,6	70,9
Tverenergo	72,4	102,2	120,5
Yarenergo	42,1	51,2	60,6

Fixed assets characteristic (as of 31.12.2009)

	Capacity		Length	
	35-110 kV, MVA	6-35/0,4 kV, MVA	35-110 kV, km	0,4-10 kV, km
IDGC of Center	31013,4	14863,66	51602,5	320744,8
Belgorodenergo	2634,5	2754,95	4206,5	38534,9
Bryanskenergo	2281,8	758,83	3514,2	22048,2
Voronezhenergo	4465,5	1532,04	6788,6	43543,6
Kostromaenergo	1707,0	1420,12	4304,5	20648,0
Kurskenergo	3286,5	1420,1	4715,9	29537,0
Lipetskenergo	2587,2	1020,6	3834,5	22850,4
Orelenergo	1682,0	793,9	3081,4	24688,6
Smolenskenergo	3071,6	1774,9	6330,9	33559,9
Tambovenergo	2452,3	928,73	4970,8	23194,3
Tverenergo	3962,2	1521,62	6718,0	39472,2
Yarenergo	2882,8	937,87	3137,2	22667,7