



## **OGK-1 Publishes the Group Consolidated Statements as per IFRS for the First Half-year of 2009.**

**Moscow. October 1, 2009.** OGK-1 is publishing the [Group unaudited consolidated interim financial statements\\* for the first half-year 2009, drawn up in conformity with IFRS \(International Financial Reporting Standards\).](#)

### ***Consolidated Interim Statement on Financial Performance as of June 30, 2009.***

The total assets of the OGK-1 Group for the period of January to June 2009 increased by 1.8% and amounted to RUR 50.8 billion. In particular, the value of non-current assets amounted to RUR 35.8 billion (4.8% increase).

The increase of non-current assets is related to the implementation of the investment program for constructing of new and retrofitting of the currently operating generating capacities by OGK-1. Thus, the fixed assets value of the OGK-1 Group increased by 4.7% up to RUR 35.3 billion due to implementation of the Company's priority investment projects, specifically, the project on constructing the third power generating unit at Kashirskaya GRES.

The current assets amount to billion, which is 4.8% lower as compared with the similar indicators as of beginning of the year 2009. This is mainly caused by the reduction of accounts receivable with regard to advance payments.

The accounts receivable for the period in question decreased by 1.4, i.e. decreased to RUR 3.1 billion. Meanwhile, for the reason of the purchasing discipline impairment on the energy and power market the consumers indebtedness increased by 47.9% and amounted to RUR 2.1 billion. OGK-1 carries out active claim-related activities; based on the year 2009 balance, the allowance for questionable accounts is supposed to be created as is stipulated by the accounting policy and IFRS (International Financial Reporting Standards). Based on the year 2008 balance, the same reserve as per IFRS amounted to RUR 376 billion.

OGK-1 Group net assets for the period of January to June 2009 increased by 7.2%, i.e. up to RUR 35.2 billion.

The joint liabilities for the period in question decreased by 8.6% and amounted to RUR 15.6 billion. The alteration is connected with the fact that short-term credits were partially repaid.

Throughout the first half-year of 2009 efforts were undertaken to optimize the loan portfolio, as well as to ease the debt burden: the volume of credits and loans in the first half-year of 2009 was reduced by RUR 1.8 billion (17%) and amounted to RUR 8.85 billion. As a result of the aforesaid, as well as due to the increase of EBITDA indicator, the debt / EBITDA correlation decreased from 2.5 to 1.53. Additionally, throughout the period mentioned, the loan portfolio structure was considerably improved. As compared with the beginning of the year, when the short-term and long-term loans correlation in the portfolio amounted to approximately 40/60, the structure of loans towards the end of the first half-year shifted in favor of long-term ones, i.e. amounted to 60/40 (RUR 5.3 and 3.55 billion accordingly). The long-term borrowed funds increase in the loan portfolio occurred mainly due to drawdown of the credit line with Vnesheconombank on financing the construction of the third generating unit at Kashirskaya GRES and paying off the short-term loans, previously used for investment programs budgeting.

Based on the first half-year 2009 balance, the Group net debt considerably decreased and amounted to RUR -0.2 billion, which testifies to the fact that the current debt is fully cleared with the Group's cash facilities. The aforementioned indicator decrease is related to the

repayment of the corporate loan issued by NVGRES HOLDING LIMITED in favor of TNK-BP. It should be noted, that in 2008, within the framework of the OGK-1 and TNK-BP cooperative project on constructing new generating capacities at Nizhnevartovskaya GRES, TNK-BP made a cash contribution to NVGRES HOLDING LIMITED, a specially opened enterprise, in the amount of EUR 230 million.

#### ***Consolidated interim statement on aggregate profit in I half-year 2009.***

The revenue of the OGK-1 Group in the I half-year of 2009 amounted to RUR 23.3 billion, which is 6.1% lower, than in the first half-year of 2008. The main reason for the aforementioned indicator decrease is the optimization of OGK-1 power stations generation caused by the decrease in power consumption within the areas of GRES (State District Power Plants) operation and the first-priority load shedding in heat generation, as well as the decline in competitive prices within the electric-power market free sector.

Moreover, the reduction in revenues, as well as the change in day-to-day operation expenses, apart from the above mentioned factors, were influenced by the effect of consolidation of the OGK-1 Group interest in CJSC Nizhnevartovskaya GRES' net assets. Thus, as per I half-year of 2008 reports such interest amounted to 100%, as per I half-year of 2009 reports – 75% less 1 share (proportionate to OGK-1 interest in the authorized capital stock of NVGRES HOLDING LIMITED, an enterprise jointly owned with TNK-BP, which is performing the investment project at Nizhnevartovskaya GRES).

The day-to-day operation expenses of the OGK-1 Group over the I half-year of 2009 decreased by 12.5% and amounted to RUR 21.0 billion. The accelerated rate of cost saving as compared to profit deflation rate is mainly caused by the reduction in variable and fixed costs.

The financial revenues over the first six months of 2009 amounted to RUR 0.2 billion as compared with RUR 0.1 billion financial revenues over the similar period of 2008. The financial revenues occurred out of interest income and positive exchange rate variations within the framework of measures aimed at managing the transiently spare cash funds of NVGRES HOLDING LIMITED, a member of the OGK-1 Group.

In connection with the accelerated rate of cost saving as compared to profit deflation, the profit of the OGK-1 Group day-to-day operation over the I half-year of 2009 increased by 196% up to RUR 2.2 billion as compared with the similar indicator for the I half-year of 2008.

The OGK-1 Group pre-tax profit for the period of January to June 2009 increased by 284% as compared with the similar period of 2008 and amounted to RUR 2.4 billion. The OGK-1 Group profit tax expenses in the I half-year of 2009 increased by 39% and amounted to RUR 0.5 billion.

The OGK-1 Group net profit over the I half-year of 2009 increased by 564% and amounted to RUR 1.9 billion. The growth of net profit, as is mentioned above, is explained by the economic effect from the implementation of the comprehensive program of anti-recession measures, as well as by not a single one, like in the previous years, but a stage-by-stage (quarter-by-quarter) boost of gas tariffs with simultaneous indexing (from January 1, 2009) of energy and heat tariffs. One could expect, that, based on the year's results, the economic effect from the stage-by-stage boost of tariffs for limit gas will be leveled, and their growth, with respect to the previous year, will amount to 27.7%. Besides, what also mattered was the obtaining of the target investment constituent in the tariff for implementing the project on commissioning of the third generating unit at Kashirskaya GRES and modernization of Irikliinskaya GRES.

The changes in the net profit occurred due to the fact that the costs for commercial gas purchase were reduced, the costs for stock-exchange and above-the-limit gas purchase were absent, the arrangement of generating equipment, which was on under the decrease of energy generation volumes as a consequence of the energy consumption decrease, was optimized. Besides, the said indicator growth was caused by the financial income in the amount of RUR 0.2 billion within the framework of measures aimed at investing the transiently spare cash funds.

#### ***Consolidated Interim Statement on Cash Flow in I half-year of 2009***

The cash returns from day-to-day operation in the reporting period increased 8.2 times, up to RUR 4.3 billion, which produced a positive impact on the OGK-1 Group's liquidity.

\*The OGK-1 Group, apart from JSC OGK-1, includes three service affiliated companies and the interest in the amount of 75% less 1 share in the authorized capital stock of NVGRES HOLDING LIMITED, an enterprise jointly owned with TNK-BP (NHL). JSC Nizhnevartovskaya GRES, to whose authorized capital 2 generating units of Nizhnevartovskaya GRES are contributed, belongs to NHL.

JSC OGK-1 includes Permskaya GRES, Verkhnetagilskaya GRES, Kashirskaya GRES, Urengoiskaya GRES and Irikliinskaya GRES. OGK-1 is the biggest of wholesale heat generating companies with the rated capacity of 9,531 MW.

The shares of OGK-1 are placed for sale on the MICEX - Moscow Interbank Currency Exchange (OGK1) in the A1 quotation list, as well as on classical and stock-exchange markets of RTS - Russian Trading System Stock Exchange (OGKA and OGKAG accordingly).

On March 17, 2009 OJSC Inter RAO UES took control over the rights with regard to 61.9% of OGK-1's voting shares. The rights with regard to OGK-1's shares are transferred to the asset management for a 5-years term and subject to prolongation for the similar period. Starting from July 6, 2009, the powers of an exclusive executive board of JSC OGK-1 were transferred to a controlling organization – OJSC Inter RAO UES.

**OJSC Inter RAO UES** is a rapidly developing electric power supplier, which controls a number of generating and distributing power assets in Russia and abroad. The total established capacity of electric power stations owned and controlled by OJSC Inter RAO UES amounts to 18,000 MW. The company carries out a number of investment activities, occupies the leading position in the sphere of electric power export/import in Russia.

The authorized capital of OJSC Inter RAO UES amounts to RUR 227 billion 411 million 385 thousand. 57.3% of the Company's authorized capital is owned by the State Atomic Energy Corporation Rosatom and OJSC Energoatom Concern, its affiliated company.