



OGK-1 Publishes 12 M 2008 Audited Consolidated Financial Report (IFRS) of the Group

Moscow. 18 May 2009. JSC «OGK-1» publishes consolidated financial report of the Group for the year of 2008, prepared in accordance with the international financial reporting standards (IFRS).

In contrast to RAS financial statements, OGK-1 Group IFRS Financial Statements include the results of ZAO Nizhneartovskaya GRES in accordance with NVGRES Holding Ltd share structure. (OGK-1 Group has 75% - 1 share). The company (NVGRES Holding Ltd) has 100% shares of ZAO Nizhneartovskaya GRES. Since August 1, 2008 ZAO Nizhneartovskaya GRES functions as an independent legal entity.

Consolidated Balance Sheet as of December 31, 2008

Total assets of OGK-1 Group have increased by 37.3% during the year of 2008 and amounted to 49.91 bln rubles in the end of the year. The total assets include non-current assets (34.15 bln rubles), which have increased by 14.3%.

Rise of the non-current assets is explained by the implementation of the investment program of OGK-1 aimed at constructing new and modernizing the existing generating capacities. Thus, the rise is also explained by the fact, that the sum of the capital investments exceed the amortization payments and payments after the disposal of property plant and equipment. Thus, property, plant and equipment non-current assets of the Group have increased by 13.9% to 33.68 bln rubles due to the rise of capital investments, in particular, the modernization of the 3rd power unit of Kashirskaya GRES and the launch of Urengoyskaya GRES construction.

Current assets have amounted to 15.76 bln rubles which is 2.4 times more than in the beginning of the year 2008. This is mostly explained by the fact, that OGK-1 Group has received and then invested 6.54 bln rubles from NVGRES Holding Ltd shares placement (25% plus 1 share of the authorized capital) during the deal restructuring aimed at implementing the 3rd power unit investment project of Nizhneartovskaya GRES.

Total liabilities have amounted to 17.12 bln rubles, which is by 58.2% more than in 2007. The change is mostly explained by the debt financing to implement the investment program.

OGK-1 Group debt and liabilities have increased by 2 times during the year and amounted to 10.67 bln rubles. The debt increase is due to the necessity to implement OGK-1 investment program, while the financing from a strategic investor is missing.

OGK-1 Group net assets have increased by 28.4% up to 32.79 bln rubles.

Consolidated Statement of Operations for the year ended 31 December 2008

OGK-1 Group revenue (2008) has amounted to 49.9 bln rubles, having increased by 11.2%, compared with the previous year. In particular, revenues from electricity and capacity sales have increased by 10.7% to 48.55 bln rubles, which is explained mostly by the elevated efficiency of company operating on the wholesale energy market, rise of electricity production

and prices on the liberalized market in the first 6 months, as well as by the rise of the electricity and heat tariffs.

In the end of 2008 OGK-1 Group operating expenses have increased by 12.7% to 47.25 bln rubles mostly due to the rising fuel expenses.

In 2008 OGK-1 Group operating profit has decreased by 10.7%, compared to the figure in 2007, and amounted to 2.65 bln rubles.

In OGK-1 Group profit before tax has almost tripled, compared to the figure in 2007, and amounted to 7.92 bln rubles. The increase can be explained mostly by the income in the amount of 4.64 bln rubles from the shares placement (25% plus 1 share of the authorized capital) of NVGRES Holding Limited during the deal restructuring aimed at implementing the 3rd power unit investment project of Nizhnevartovskaya GRES. It is worth noticing, that the income emerged as a difference between the income from NVGRES Holding Limited share placement and the book value of the placed shares in the net assets of NVGRES Holding Ltd.

OGK-1 Group profit tax charge has decreased by 41% to 0.46 bln rubles. This fact can be explained by more detailed tax declarations due to the recalculation of the profit tax in 2005-2006 because of the lack of necessity to pay profit tax on “tariff imbalance” of FOREM for the periods mentioned.

In 2008 OGK-1 Group net profit has increased in 3.8 times, having amounted to 7.46 bln rubles. The net profit growth is mostly caused by the income from NVGRES Holding Limited shares placement in the amount of 4.64 bln rubles (25% plus 1 share).

Consolidated Statement of Cash Flows for the year ended 31 December 2008

In 2008 cash flows from operating activities have increased by 72% to 3.98 bln rubles, mostly thanks to the more favorable change of working capital in 2008 than in 2007.

In 2008 net cash used by investing activities have increased by 52.2% to 7.04 bln rubles. Total additions to property, plant and equipment have increased in 1.6 times to 7.36 bln rubles. This increase is explained by the ongoing modernization of the 3rd power unit of Kashirskaya GRES, and the launch of construction works at Urengoykaya GRES.

In 2008 cash flows from financing activities 2008 have increased by 108.8% to 4.57 bln rubles. Such increase is explained mostly by the bank loans received to implement the investment program.

The 2008 consolidated financial report (IFRS) has been audited by ZAO PricewaterhouseCoopers Audit.

Information on OGK-1

The first power generating company on the wholesale energy market (OGK-1) is the largest wholesale thermal power generation company in Russia with the installed capacity of 9,531 MW. The Company's power generation assets are all based in the Urals and the Central power systems. OGK-1 has incorporated the following thermal power plants: Permskaya GRES, Verkhnetagilskaya GRES, Kashirskaya GRES, Urengoykaya GRES and Irikliinskaya GRES. 2 power units of Nizhnevartovskaya GRES were transferred to the authorized capital of ZAO «Nizhnevartovskaya GRES». 100% shares of ZAO «Nizhnevartovskaya GRES» belong to NVGRES HOLDING LIMITED (NHL). 75% - 1 share of the NHL authorized capital belong to JSC «OGK-1», 25%+1 share belong to TNK-BP.

Registered ordinary shares of OGK-1 are traded on the RTS' Classic Market with the ticker OGKA, on the RTS's T+O Market with the ticker OGKAG and on the MICEX Stock Exchange with the ticker OGK1.

On March 17, 2009 61.9% voting share of OGK-1 have been transferred under the management of JSC Inter RAO “UES of Russia”. The share have been transferred under trustee management for 5 years with the prolongation right for the same period.

OGK-1 Website www.ogk1.com