



**PAO ЭС
БОСТОКА**

JSC "RAO Energy System of East"

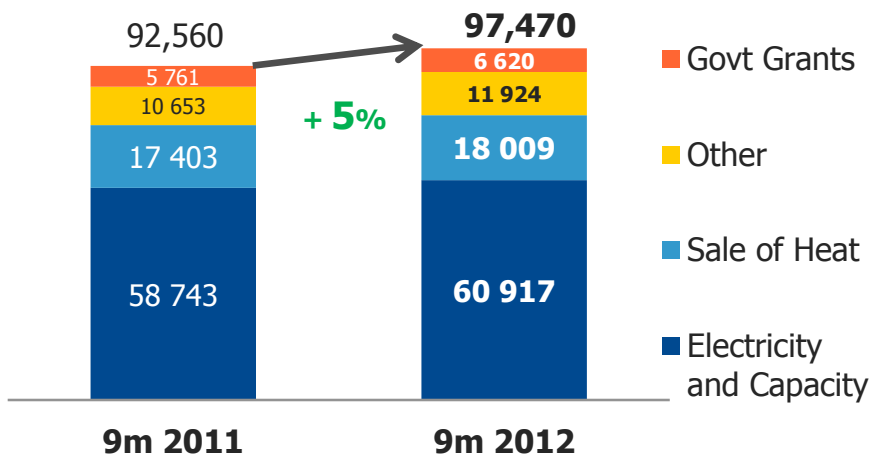
**Financial and operating results
of RAO Energy Systems of East
Group for 9m 2012 (IFRS)**

25 December 2012

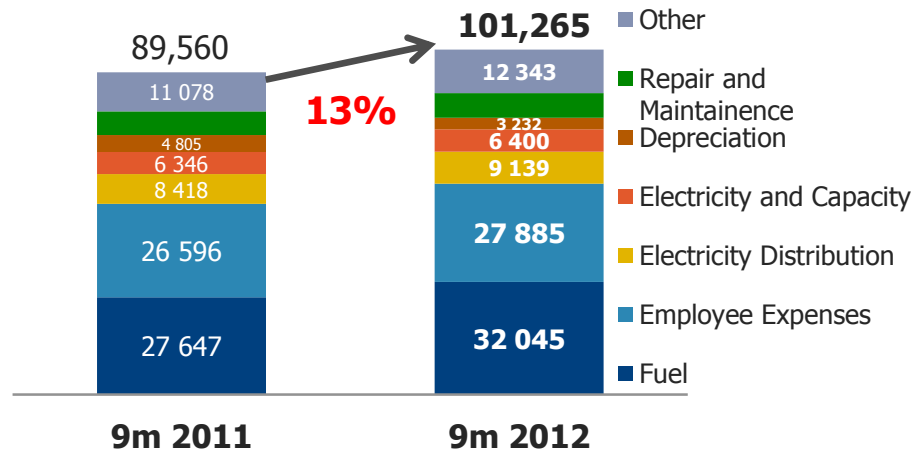
KEY FINANCIALS



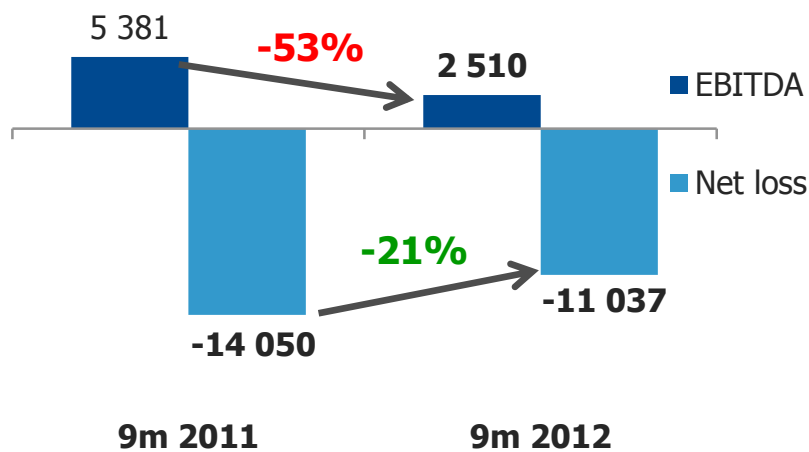
Revenue Breakdown, RUB in millions



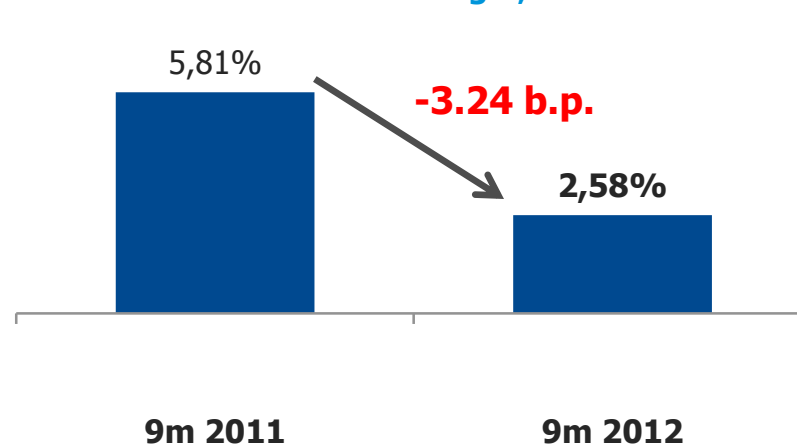
OPEX Breakdown, RUB in millions



Net loss ⁽¹⁾ and EBITDA, RUB in millions

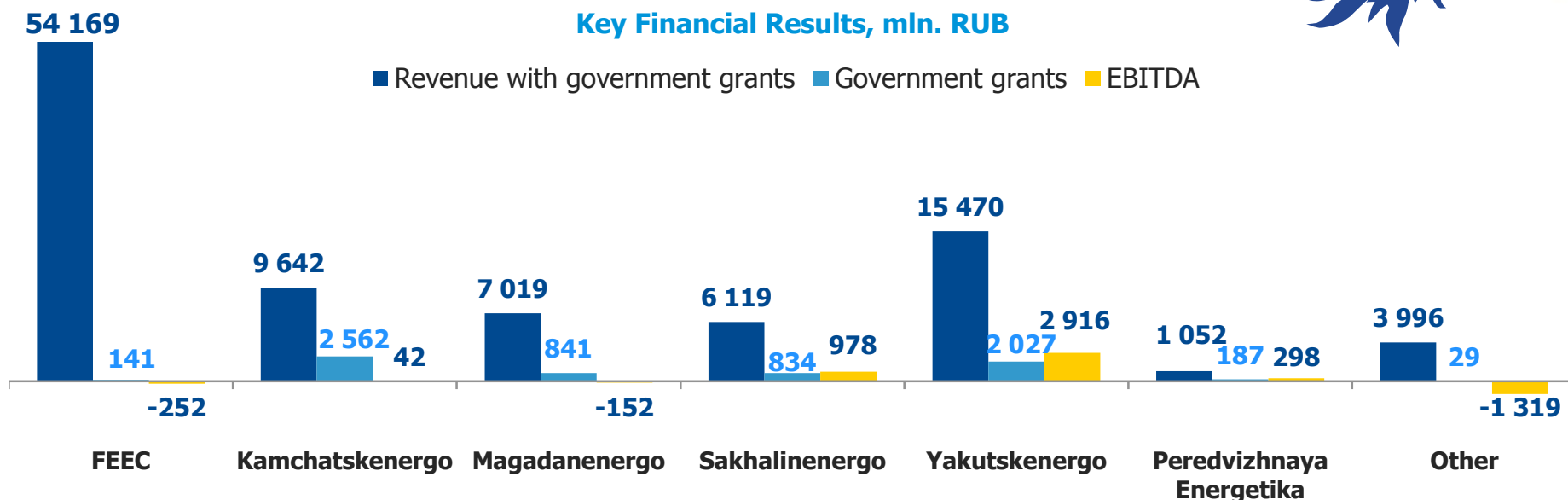


EBITDA margin, %



⁽¹⁾ Net loss is effected by the recognized impairment of the Group's property, plant and equipment

KEY FINANCIALS BY OPERATING SEGMENT



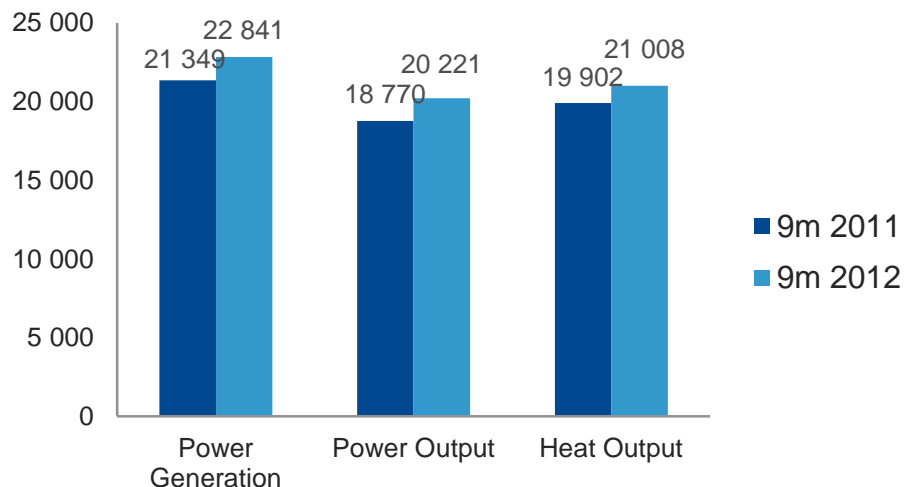
The main factors influencing revenue and operating expenses in nine months of 2012 were:

- An increase in power consumption by 5% in the Unified Power System of the East, in the Republic of Sakha (Yakutia) by 4%, in the Magadan oblast by 5%, in the Sakhalin oblast by 4%.
- An increase of fuel expenses by 16% due to a 7% rise in power generation, accompanied by an increase in the equivalent specific fuel consumption on less efficient power plants as well as the increased consumption of fuel oil resulting from interruptions to the gas supplies because of so called "hydration" blockages.

OPERATING RESULTS: GENERATION AND GRIDS

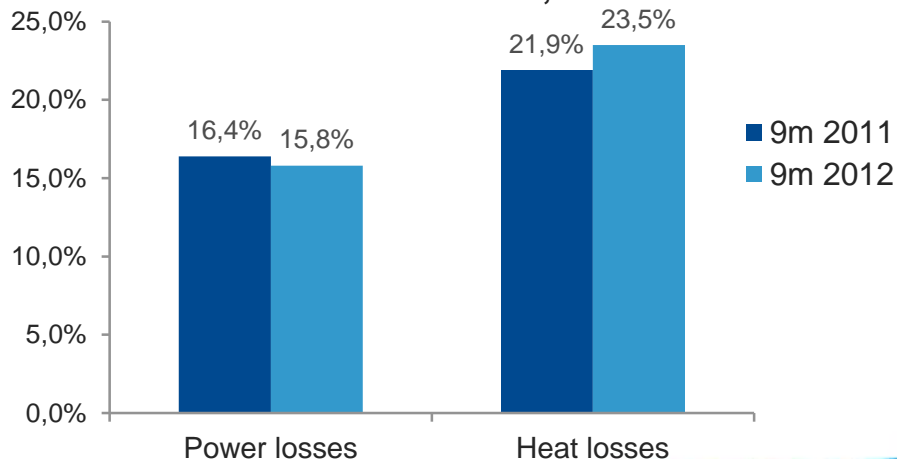


Power and Heat Indicators, 9m 2011-2012



- Power generation in 9m 2012 increased by 7% y-o-y due to a rise in industrial consumption and a 95% increase in exports to China up to 1,806 mln kWh.
- The 9m 2012 heat output increased by 6% y-o-y due to the acquisition of municipal boilers in Yakutia and Khabarovskiy krai.
- Equivalent specific fuel consumption (ESFC) of power production in 9m of 2012 increased due to condensational output at CHP power units.

Power and heat losses, 9m 2011-2012



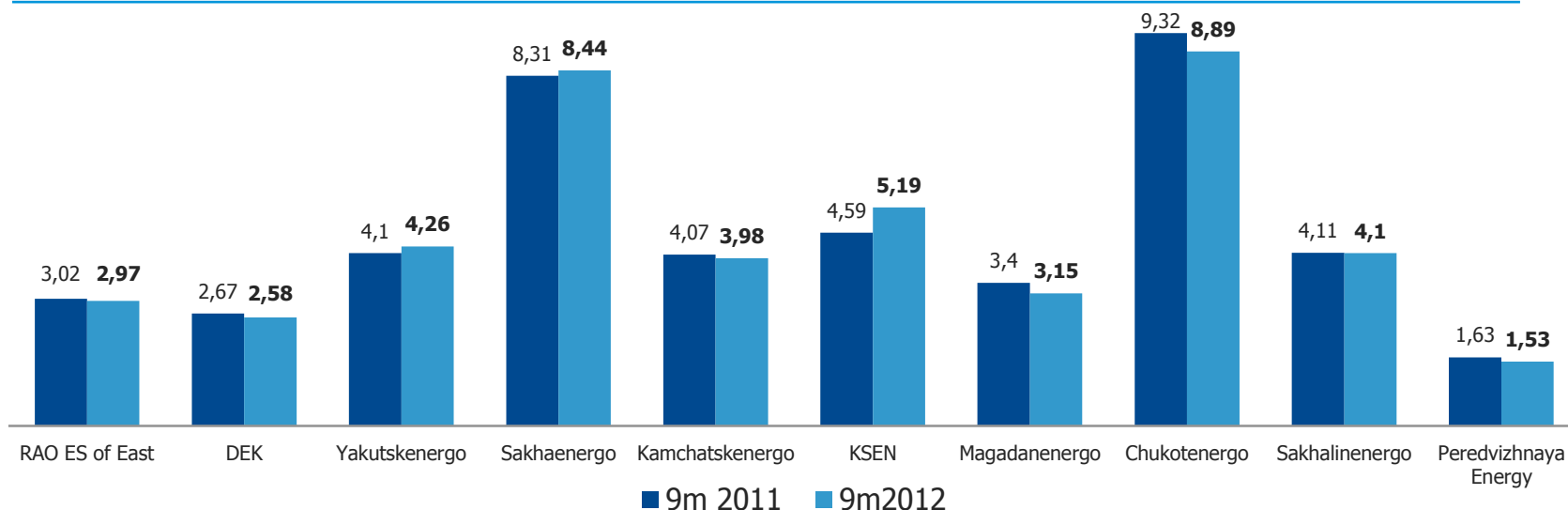
- Power transmission in the grid increased 3% to 25,559 million kWh.
- Power losses in the grid decreased 0.6 bps from 16.4% to 15.8%.
- Heat transmission in the grid increased 5.5% to 20,885 thousand Gcal.
- Heat losses increased from 1.6 bps from 21.9% to 23.5%.

ELECTRIC POWER RETAIL TARIFFS



RAO ESV subsidiaries average retail sales tariffs for electric power in January-September 2012 demonstrated a 2% y-o-y decline to 2.97 RUB/kW-h

JSC "RAO ESV" electric power retail sales tariffs dynamics by companies, RUB/kW-h



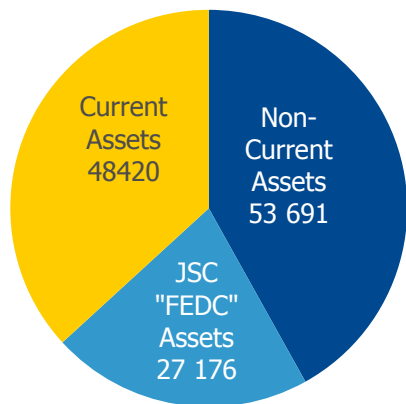
The drop in electric power retail sales tariffs is explained by:

- Change in the rules of price relay;
- Increase in power exports to China, which resulted in lower capacity levels sold on retail electricity markets and, consequently, to a slight retail sales tariff decline in 6m 2012 y-o-y.
- Shift to direct subsidizing system in the Magadan region.
- Entry of Peredvizhnaya Energy to the Wholesale Market of Electricity and Capacity

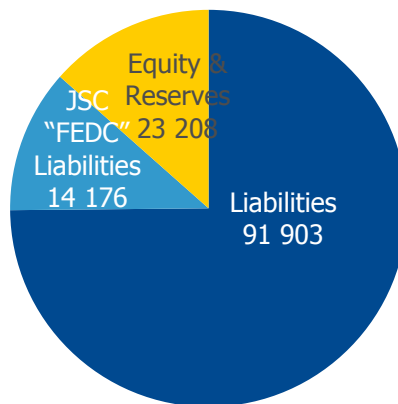
ASSETS AND LIABILITIES BREAKDOWN AS OF 30.09.2012



Assets, RUB in millions

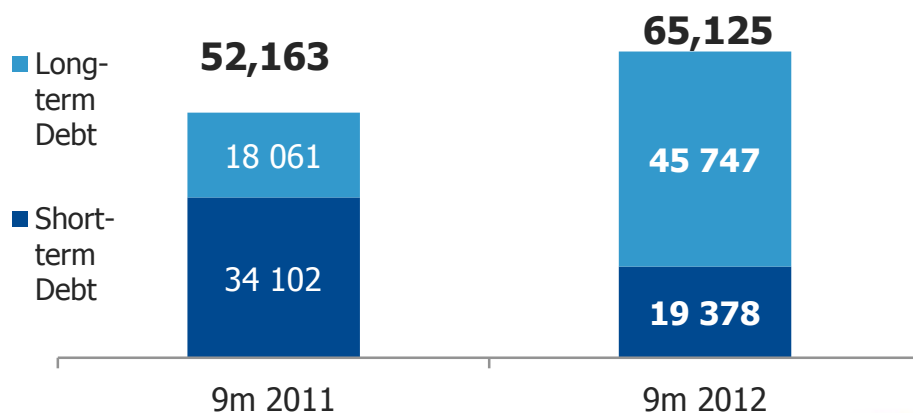


Equity and liabilities, RUB in millions



- As of September 30, 2012 the Group's total assets amounted to 129,287 million RUB, grew 4% to 135,358 mln RUB.
- The JSC "FEDC" assets classified as held for sale to FSK UES (JSC) in 9m 2012 increased by 3% to 28,818 million RUB.

Debt breakdown ⁽¹⁾ RUB in millions



- Financial debt in the first nine months of 2012 increased by 25% to 65,125 million RUB as of 31 December 2011
- Non-current debt decreased by 43% to 19,378 million RUB accompanied by a 153% increase in current debt due to increase of long-term borrowing rates early in the year.

⁽¹⁾ Excluding disposal Group liabilities (JSC "FEDC")

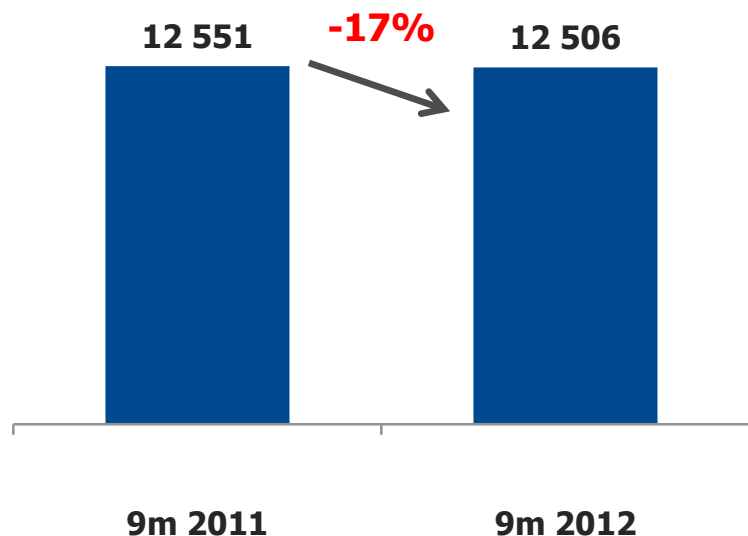
INVESTMENT PROJECTS



➤Capital expenditure (capex) in the first nine of 2012 totaled 7,608 million RUB (excluding VAT) remaining at the same level as the previous year.

➤The 5th unit at Yuzhno-Sakhalinsk CHP plant-1, 91.2 MW (project cost 3.3 billion) was successfully launched on August 29, 2012.

CAPEX, million RUB (excl. VAT)



Construction of Yuzhno-Sakhalinskaya HPP-1 5th power block

Project Budget	3,283.7 million RUR
Installed Capacity	91.2 MW
Equivalent specific fuel consumption	307 g/kWh
NPV	437 mln RUB



Disclaimer

The logo for PAO 3C BOCTOKA is located in the top right corner. It consists of a white circle with a dark blue sunburst or gear-like border. Inside the circle, the text "PAO 3C" is written in a bold, dark blue font, and "BOCTOKA" is written in a smaller, dark blue font below it.

PAO 3C
BOCTOKA

The information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of RAO Energy Systems of East. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might," the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to RAO Energy Systems of East and its operations.

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