

OJSC «OGK-2»

9M 2013 IFRS Results

The information contained herein has been prepared using information available to JSC “OGK-2”(hereinafter - OGK-2 or the Company) at the time of preparation of the presentation. Since making a presentation, on the activities of OGK-2 and the content of the presentation could affect the external or other factors. In addition all relevant information about OGK-2 may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty. OGK-2 cautions that actual results may differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Report for a description of the major risk factors.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in OGK-2, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Successful operations

- Load optimization: increase in output of efficient equipment (Novocherkasskaya TPP) and decrease in operations of unprofitable units (Pskovskaya TPP, Ryazanskaya TPP, Stavropolskaya TPP)
- Effect of new capacities commissioning: profit margin of Kirishskaya TPP, the CSA object, totals RUR 946.3 mn.
- Fuel economy:
 - Fuel balance optimization: Cherepovetskayaa TPP share of coal has been increased from 26% to 55% year-on-year. Troitskaya TPP share of coal has been increased from 96.7% to 97.3% year-on-year. Serovskaya TPP share of coal has been increased from 75.3% to 77.1% year-on-year.
 - The fuel oil usage decrease (fuel oil usage decreased from 216 thous. for 9M 2012, down to 37 thous. t.)

Active use of tender procedures

- Predominant use of tender procedures (single-source purchasing plan for 2013 will not exceed 11% of the total 2013 purchasing)
- Use of electronic trading platform since September 2012
- Positive effect of tender procedures centralization reflected in the total year-on-year decrease of operating costs for the 9 months of 2013 ,s:
 - Consulting, legal and audit services – decreased by 68.6%
 - Transport – decreased by 19.0 %
 - Raw materials and supplies – decreased by 18.9%

Improvement of organization structure

- New organization structures has been implemented: since 01.04.2013 – typical affiliate structure; since 01.05.2013 – new executive management structure

Fuel prices

- April 2013 – Gas prices decreased by OJSC Gazprom for industrial consumers by 3%
- July 2013 – Gas prices increased by OJSC Gazprom for industrial consumers by 15%
- August 2013 – Gas prices increased by OJSC Gazprom for industrial consumers by 3%

Electricity market

- January 2013 – Guaranteeing supplier status was taken from several Energosreem group companies due to their debt burdens
- June 2013 – V. Putin declared, that regulated tariff growth should not increase inflation (i.e. about 6%) since 2014
- July 2013 – D. Medvedev signed resolution on the introduction of a social norm of energy consumption
- August 2013 – The start of tendering for guaranteeing supplier status in a number of regions, in which the status was taken from the existing guaranteeing suppliers due to their debt burdens
- September 2013 – The Government of Russian Federation decided to freeze tariffs of natural monopolies

Capacity market

- August 2012 – The Ministry of Economic Development publicly commented on the draft of methodology for power tariff adjustments under CSA
- September 2012 – CCO results for 2013. Estimated average price growth was about 6.5% year-on-year
- September 2013 – CCO results for 2014. Marginal capacity price growth was increased nearly by 4% year-on-year in the first pricing zone and by 5% – in the second pricing zone
- October 2013 – CCO results for 2014. The price in Siberian free power transfer zone was by 37.5% lower than CCO 2013 price.
- November 2013 – According to the existing plans, capacity tariffs, defined by CCO results, as well as regulated electricity and capacity prices, would not be indexed in 2014. Draft Resolution should be prepared by the Ministry of Energy, Federal Tariff Service and the Ministry of Economic Development by December 15, 2013

Heat market

- August 2012 – Adoption of the Resolution of the Government of the Russian Federation of 27.08.2012 N 857 "On the application of the Rules on utility services provision to apartments and houses owners and users in 2012-2014"
- September 2012 – Heat tariff indexation by 6.5–11.9% (depending in the region)
- October 2012 – Adoption of the Resolution of the Government of the Russian Federation of 22.10.2012 N 1075 «On pricing in heating sector»
- July 2013 – Average heat tariff indexation by 10%

Operational Highlights¹

	9M 2012	9M 2013	Change
Electricity Output, mn kWh	56,240	52,560	-6.5%
Effective Electricity Output Without Regard to Financial Operations, mn kWh	59,834	55,885	-6.6%
Heat Output, thousand Gcal	4,002	4,364	+9.0%
Fuel Rate on Electricity, g/kWh	354.4	347.0	-2.1%
Fuel Rate on Heat, kg/Gcal	154.5	153.7	-0.5%
Installed Capacity Load Factor, %	47.5	44.6	-2.9 p.p.

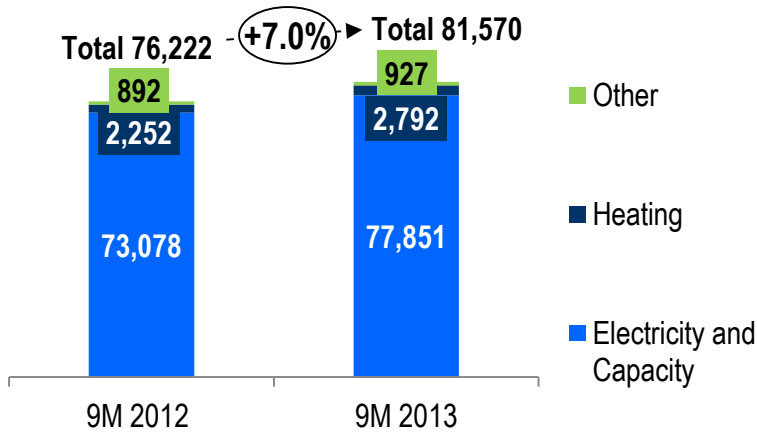
Financial Highlights, mn RUR

	9M 2012	9M 2013	Change
Revenue	76,222	81,570	+7.0%
Operating Expenses, incl.	(71,953)	(74,156)	+3.1%
Variable	(52,428)	(53,650)	+2.3%
Fixed	(15,964)	(17,127)	+7.3%
Depreciation and Amortization	(3,561)	(3,379)	-5.1%
Other Operating Items	(41)	116	-
Operating Profit	4,228	7,530	+78.1%
EBITDA ²	7,789	10,909	+40.1%
Profit for the Period	1,789	4,883	+172.9%
Total Comprehensive Income for the Period	1,781	4,869	+173.4%

1. Management report data.

2. EBITDA = Operating profit + Depreciation and Amortization

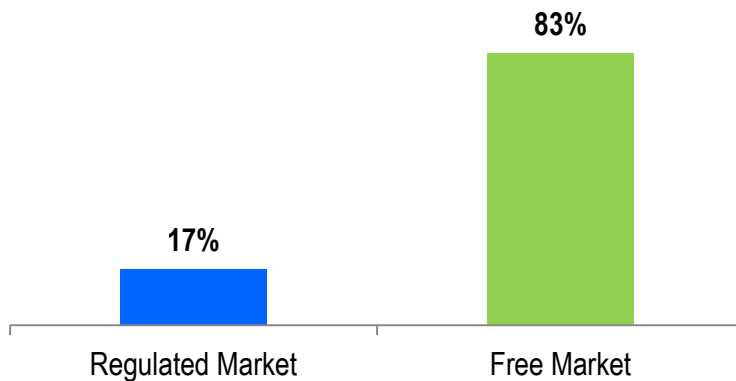
Revenue Structure, mn RUR



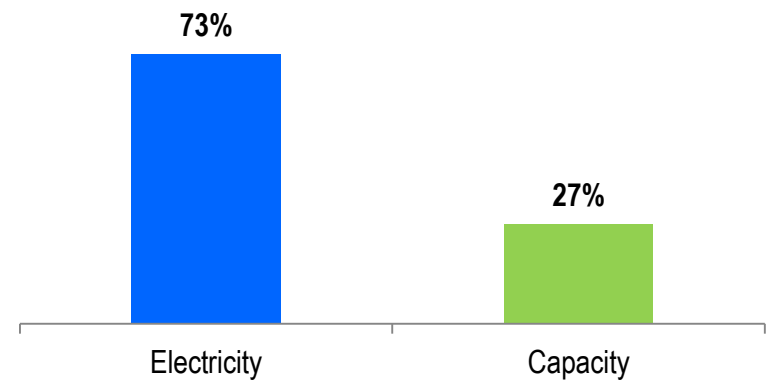
Prices and Tariffs¹

	9M 2013
Average Electricity Price at the Free Market, RUR/MWh	1,028
Average Heat Tariff, RUR/Gcal	635
Average price for new capacity, RUR/MW per month	306,899
Average price for old capacity, RUR/MW per month	123,745

Structure of Electricity Sales Volume at the Wholesale Market for 9M 2013¹



Electricity and Capacity Wholesale Market Revenue Structure for 9M 2013¹

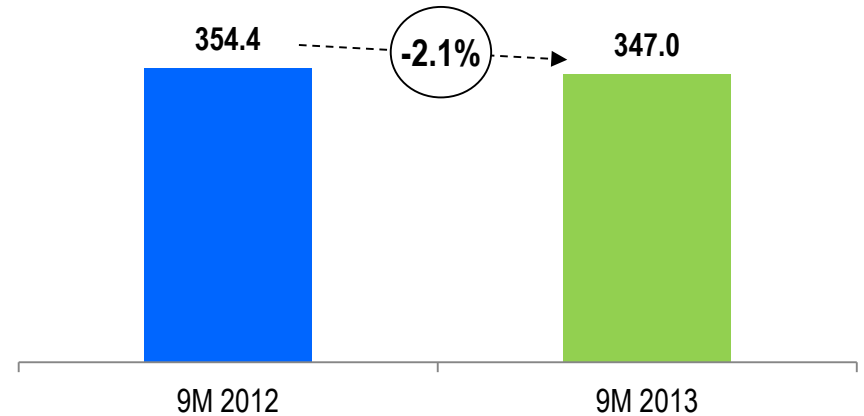


1. Management report data

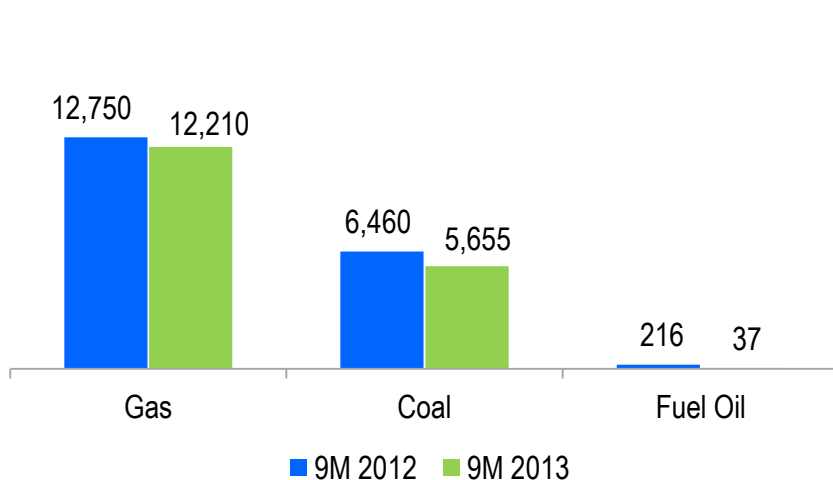
Variable Costs Structure, mn RUR

	9M 2012	9M 2013	Change
Fuel Expenses	45,571	46,580	+2.2%
Purchased Heat and Electricity	6,543	6,827	+4.3%
Other Variable Costs	314	243	-22.6%
Total Variable Costs	52,428	53,650	+2.3%

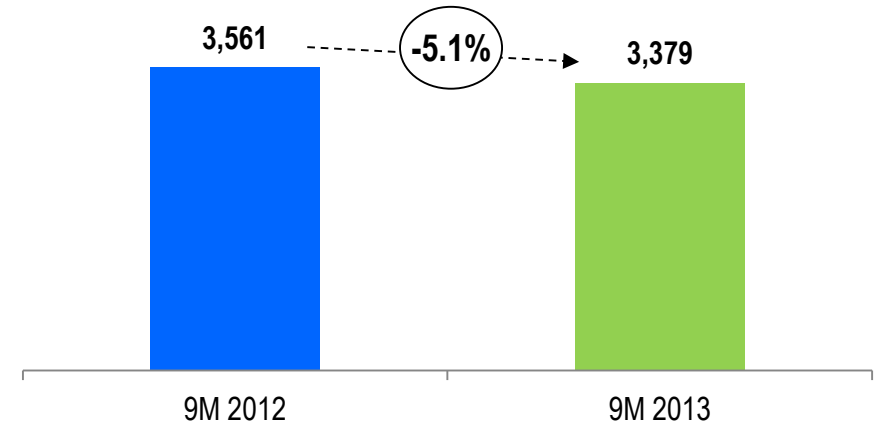
Fuel Rate on Electricity, g/kWh



Fuel Consumption, thous. t



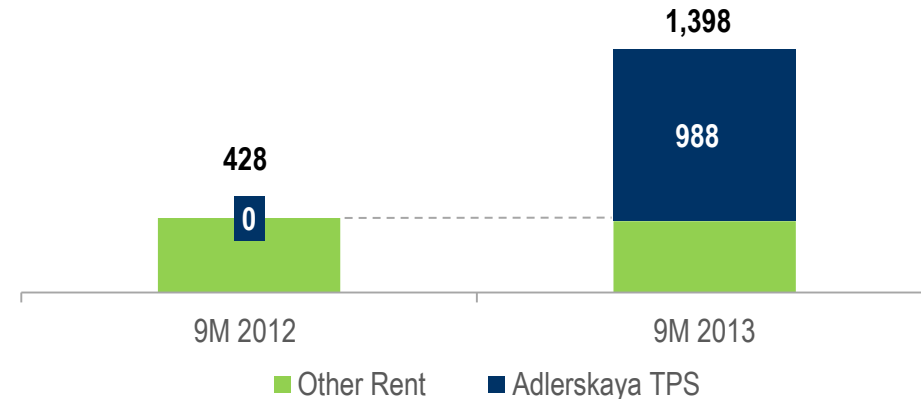
Depreciation and Amortization, mn RUR



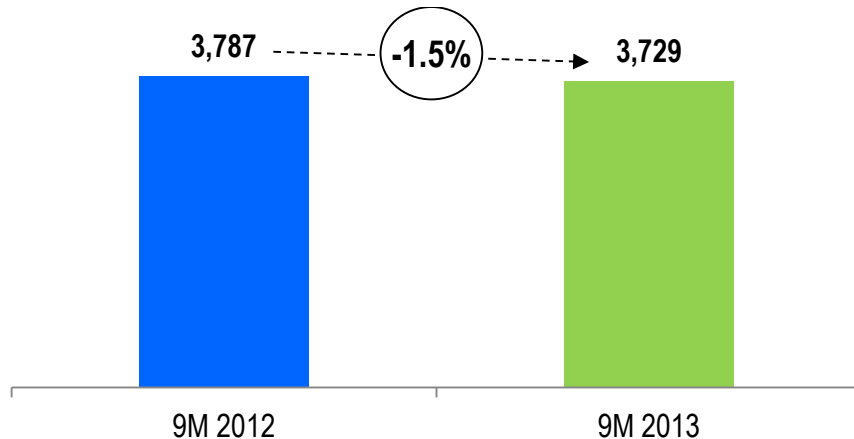
Fixed Costs Structure, mn RUR

	9M 2012	9M 2013	Изм.
Personnel Expenses	5,024	5,338	+6.3%
Maintenance and Repair Expenses	2,289	2,350	+2.7%
Fee of System Operator	1,269	1,391	+9.6%
Taxes Other than Income Tax	1,655	1,771	+7.0%
Rent	428	1,398	x 3.3
Other Fixed Costs	5,299	4,879	-7.9%
Total Fixed Costs	15,964	17,127	+7.3%

Rent, mn RUR



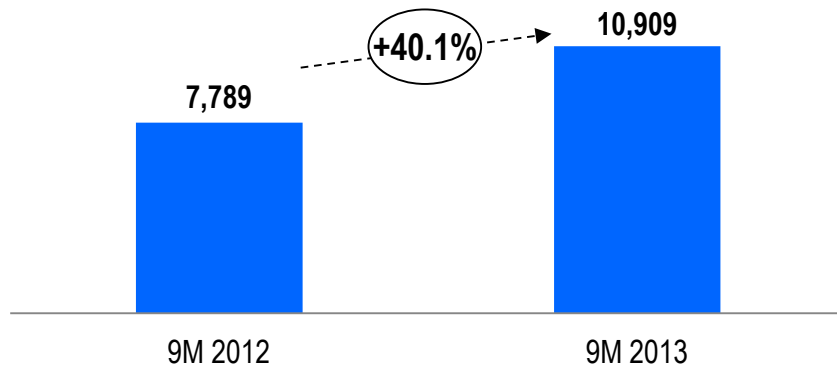
Salaries and Wages, mn RUR



Fixed Costs Change Factors

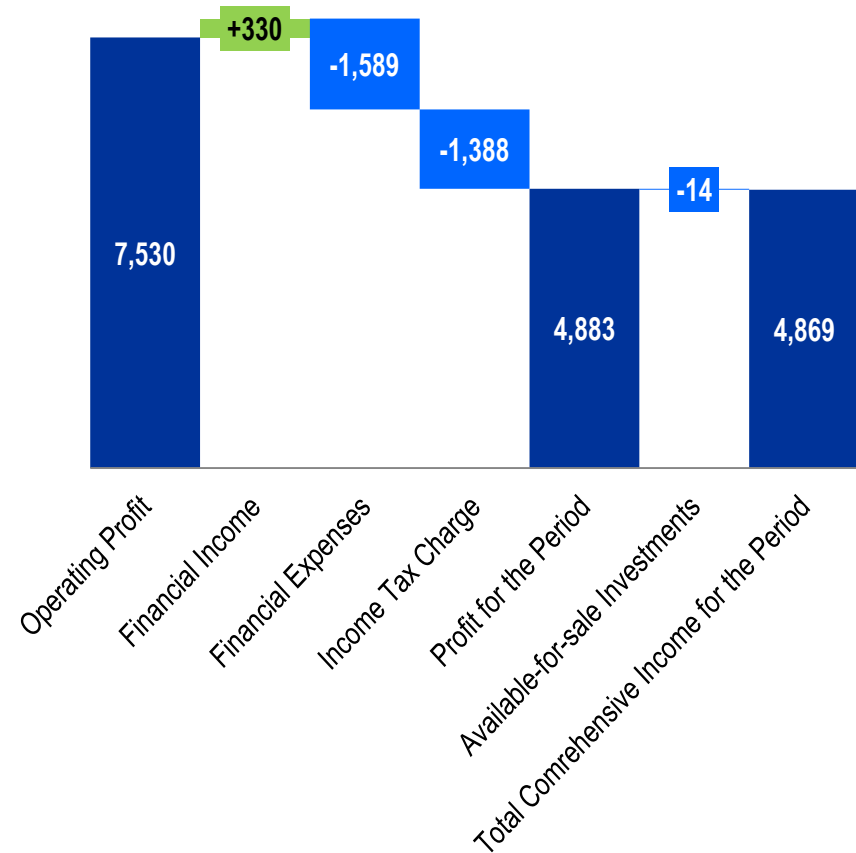
- Higher personnel expenses mostly due to compensatory payments by termination of employment agreements reasoned by headcount optimization
- Rent expenses increased more than threefold on the back of recently introduced CDA-scheme for Adlerskaya TPS
- Fee of System Operator increased by 9.6% related to tariff growth on the services in question

EBITDA¹, mn RUR



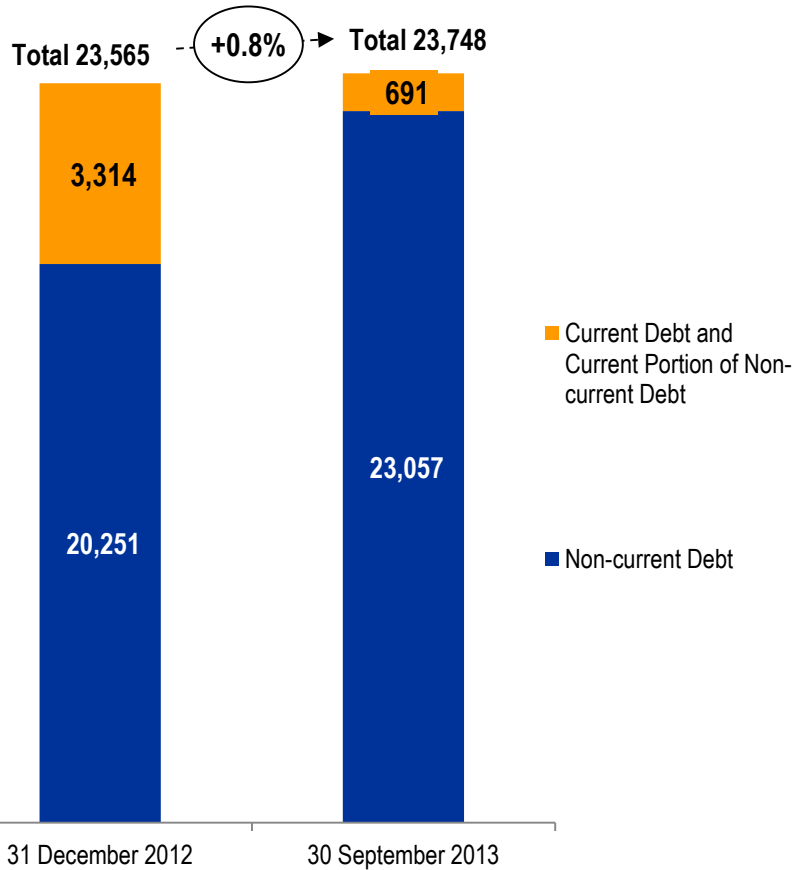
EBITDA change was mostly related to revenue growth due to increased CDA capacity sales and higher CCO prices, as well as cost optimization program, which helped to restrain growth of expenses

Profit Bridge for 9M 2013, mn RUR

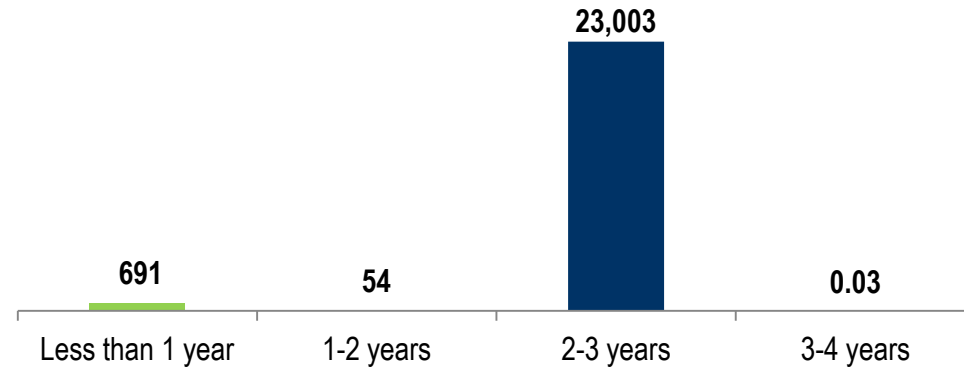


1. EBITDA = Operating Profit + Depreciation and Amortization

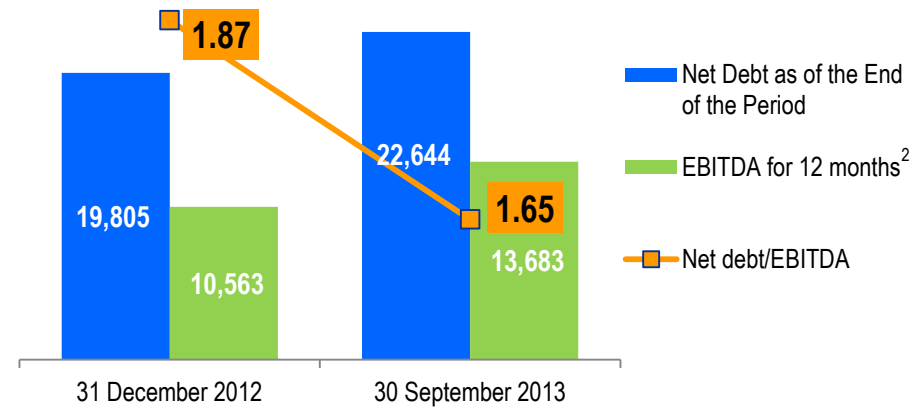
Debt Structure, mn RUR



Maturity Profile, as of 30 September, 2013, mn RUR



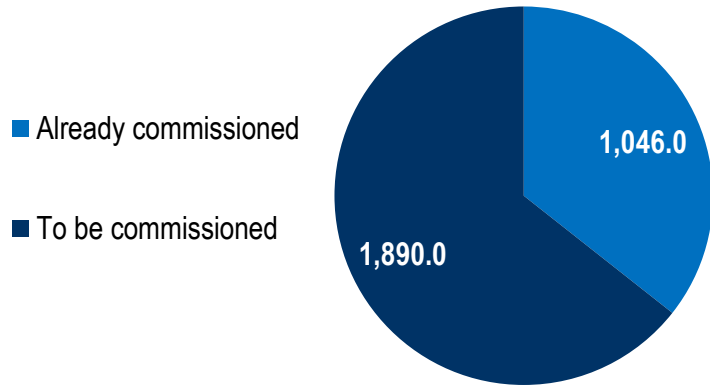
Net Debt, mn RUR¹



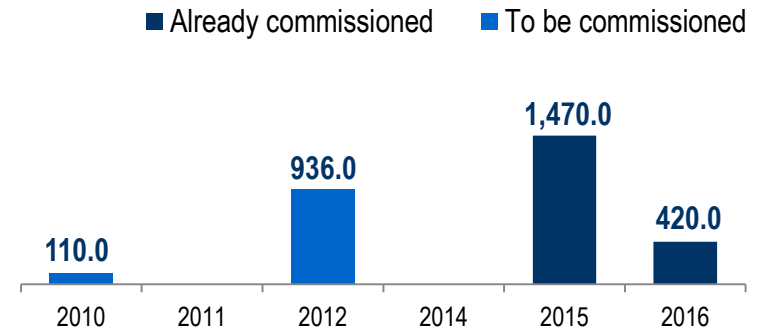
1. Net Debt = Total Debt less Cash and cash equivalents

2. EBITDA for 12 months, ended September 30, 2013 = EBITDA for 2012 + EBITDA for 9 months of 2013 - EBITDA for 9 months of 2012

CSA Program¹, MW



Timing of CSA Units Commissioning¹, MW



It is planned to finance large or new investment projects in total amount of RUR 20.12 bn in 2013.

Actual financing in the 9 months of 2013 totals RUR 13.20 bn.

CSA Units¹

	CSA units capacity increase	CSA units installed capacity	Year of commissioning ²
Ryazanskaya SDPP	110	420	01.06.2010
Kirishskaya SDPP	540	800	01.02.2012
Adlerskaya TPS	180	180	31.10.2012
	180	180	31.12.2012
Novocherkasskaya SDPP	36	300	31.12.2012
Ryazanskaya SDPP	60	330	30.11.2015
Troitskaya SDPP	660	660	30.11.2015
Serovskaya SDPP	420	420	30.11.2015
Novocherkasskaya SDPP	330	330	30.11.2015
Stavropolskaya SDPP	420	420	30.11.2016
Total	2,936 MW	4,040 MW	

1. Excluding Cherepovetskaya SDPP

2. Including CSA notices



Thank You For Your Attention!

IR contacts:

Alina Rassmagina

Tel.: +7 (495) 428-54-28, ext. 2423

Email: RassmaginaAZ@ogk2.ru