

Supplement on Electricity DistCos

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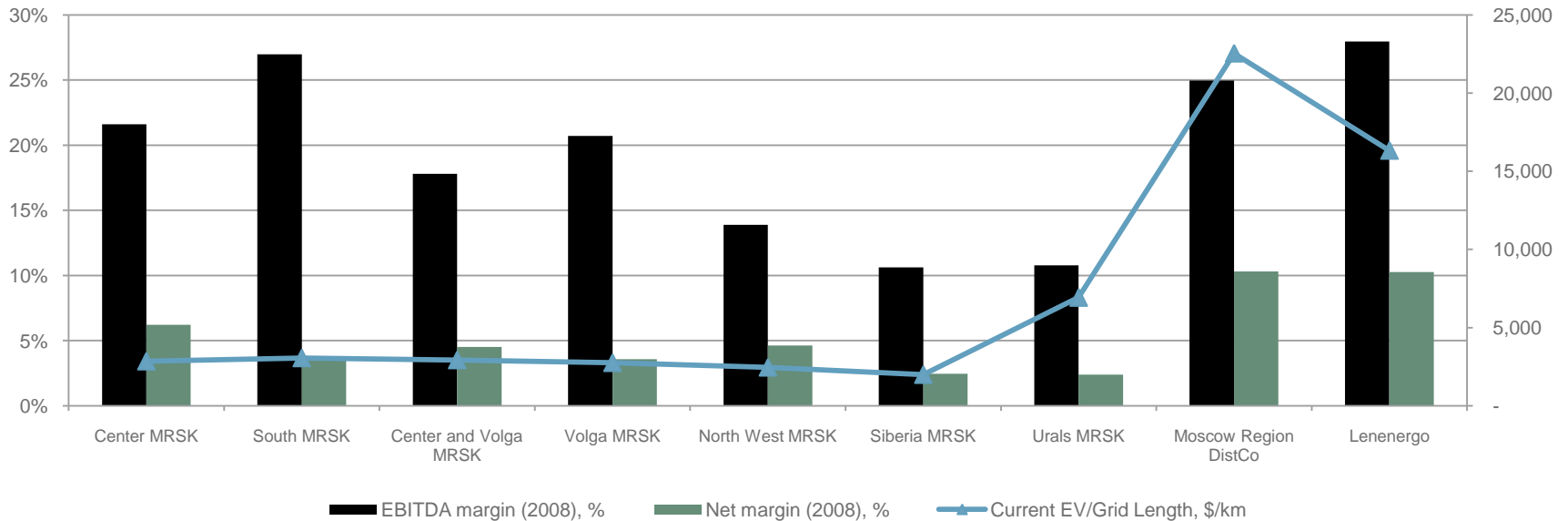
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Current profitability summary

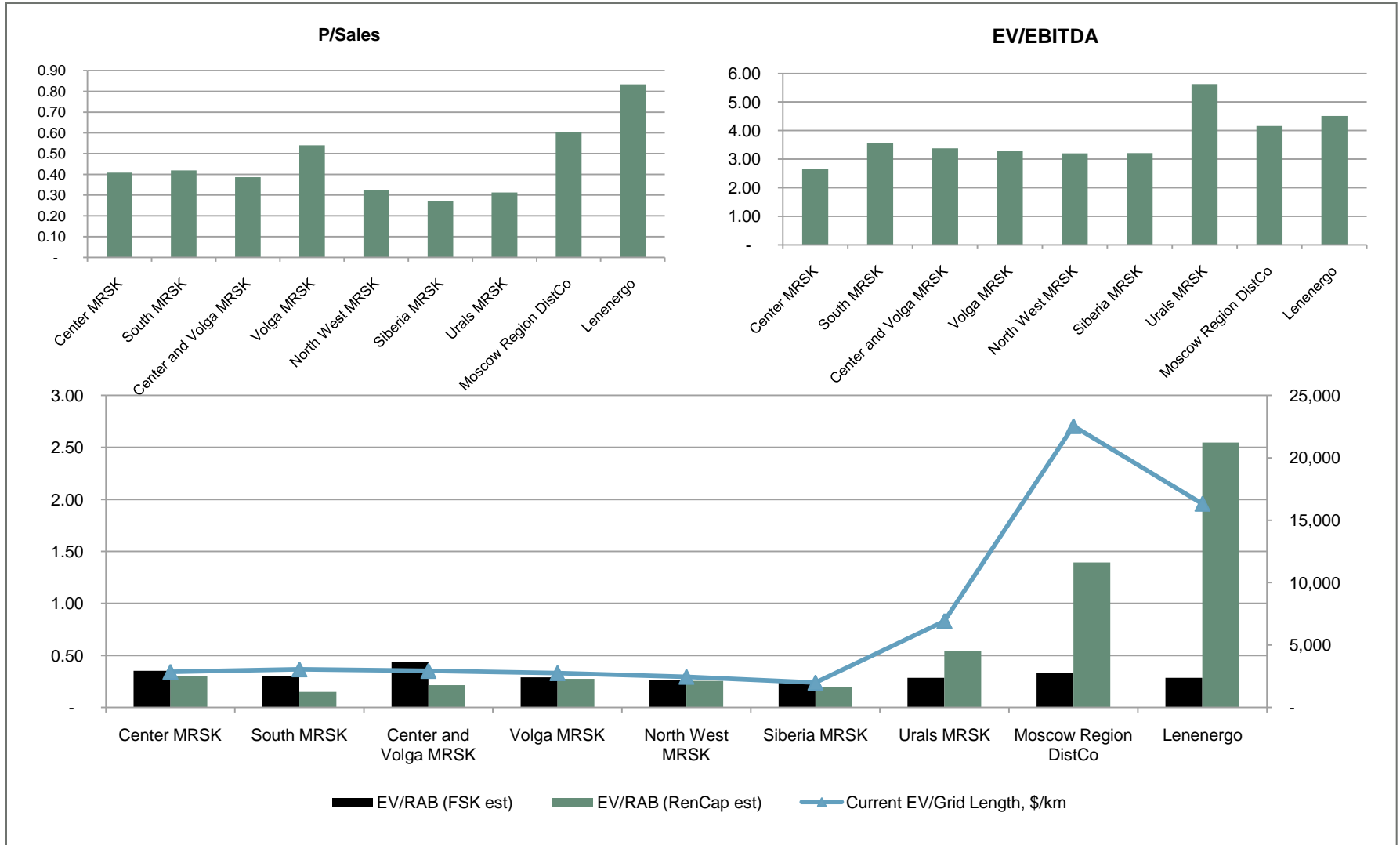
Comparison of financial multiples for electricity distribution companies

Company	EV/RAB (FSK est)	EV/RAB (RenCap est)	P/Sales	P/E	EV/EBITDA	Debt/EBITDA	EBITDA margin (2008), %	Net margin (2008), %	Current EV/Grid Length, \$/km
Center MRSK	0.35	0.30	0.41	6.54	2.65	0.76	22%	6%	2,849
South MRSK	0.30	0.15	0.42	11.24	3.56	2.01	27%	4%	3,053
Center and Volga MRSK	0.44	0.22	0.39	8.58	3.38	1.21	18%	5%	2,929
Volga MRSK	0.29	0.28	0.54	15.15	3.30	0.69	21%	4%	2,758
North West MRSK	0.27	0.26	0.33	7.05	3.21	0.86	14%	5%	2,462
Siberia MRSK	0.24	0.20	0.27	10.97	3.21	0.67	11%	2%	1,991
Urals MRSK	0.29	0.54	0.31	13.04	5.63	2.73	11%	2%	6,925
Moscow Region DistCo	0.33	1.40	0.61	5.88	4.16	1.73	25%	10%	22,567
Lenenergo	0.28	2.55	0.83	8.13	4.51	1.53	28%	10%	16,325
Average for the sector	0.31	0.65	0.46	9.62	3.73	1.35	19%	5%	6,873

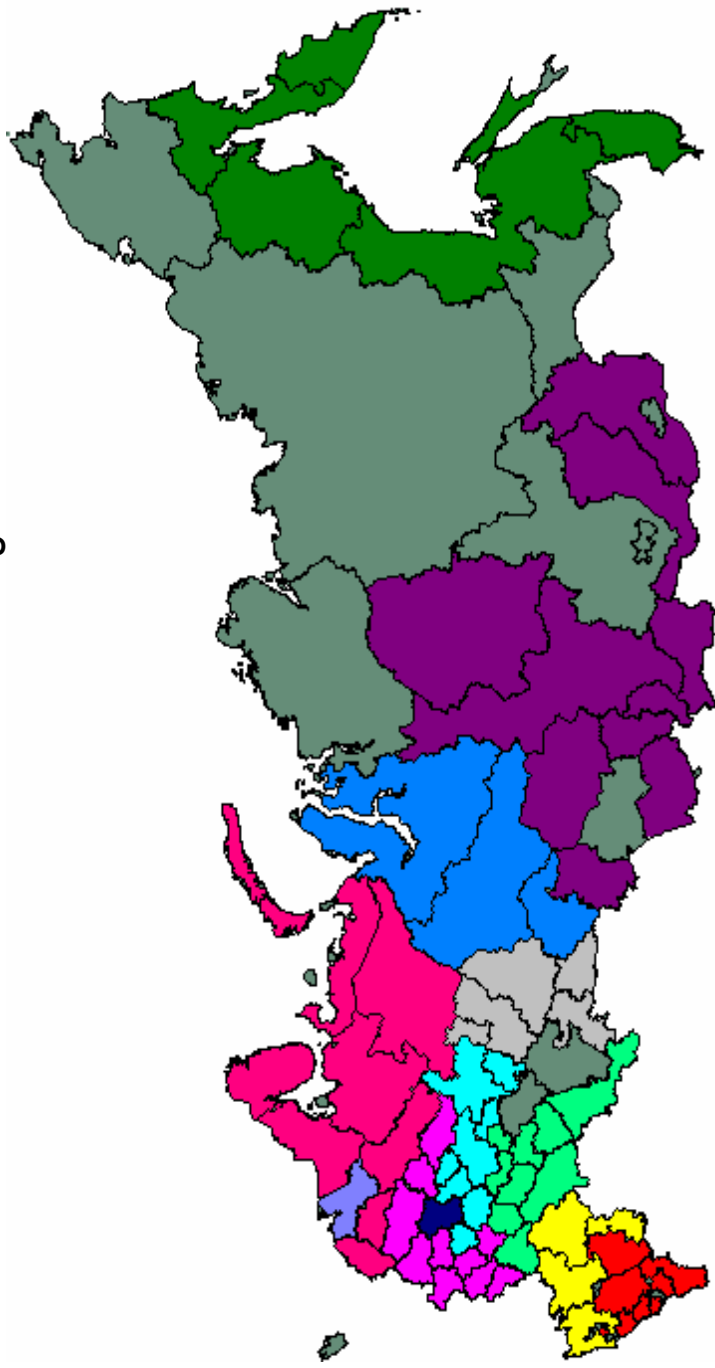
Source: Companies data, Renaissance Capital estimates



Current profitability summary



MRSK Holding



- Center MRSK
- South MRSK
- Moscow Unified MRSK
- Urals MRSK
- Far East MRSK

- North Caucasus MRSK
- Lenenergo
- North West MRSK
- Tyumen MRSK

- Center and Volga Region MRSK
- Siberia MRSK
- Volga MRSK
- Isolated and independent Energos

Holding structure and stakes in the respective MRSKs

CENTER (49.92%)
 Belgorodenergo
 Bryanskenergo
 Kostromaenergo
 Kurskenergo
 Lipetskenergo
 Orelenergo
 Tambovenergo
 Smolenskenergo
 Tverenergo
 Voronezhenergo
 Yarenergo

URALS (49%)
 Kurganenergo
 Permenergo
 Sverdlovenergo
 Chelyabenergo

NORTH CAUCASUS (50.48%)
 Dagestenergo
 KEUK
 Nurenergo
 Stavropolenergo

MOSCOW UNIFIED (50.90%)
 Moscow City DistCo
 Moscow Region DistCo

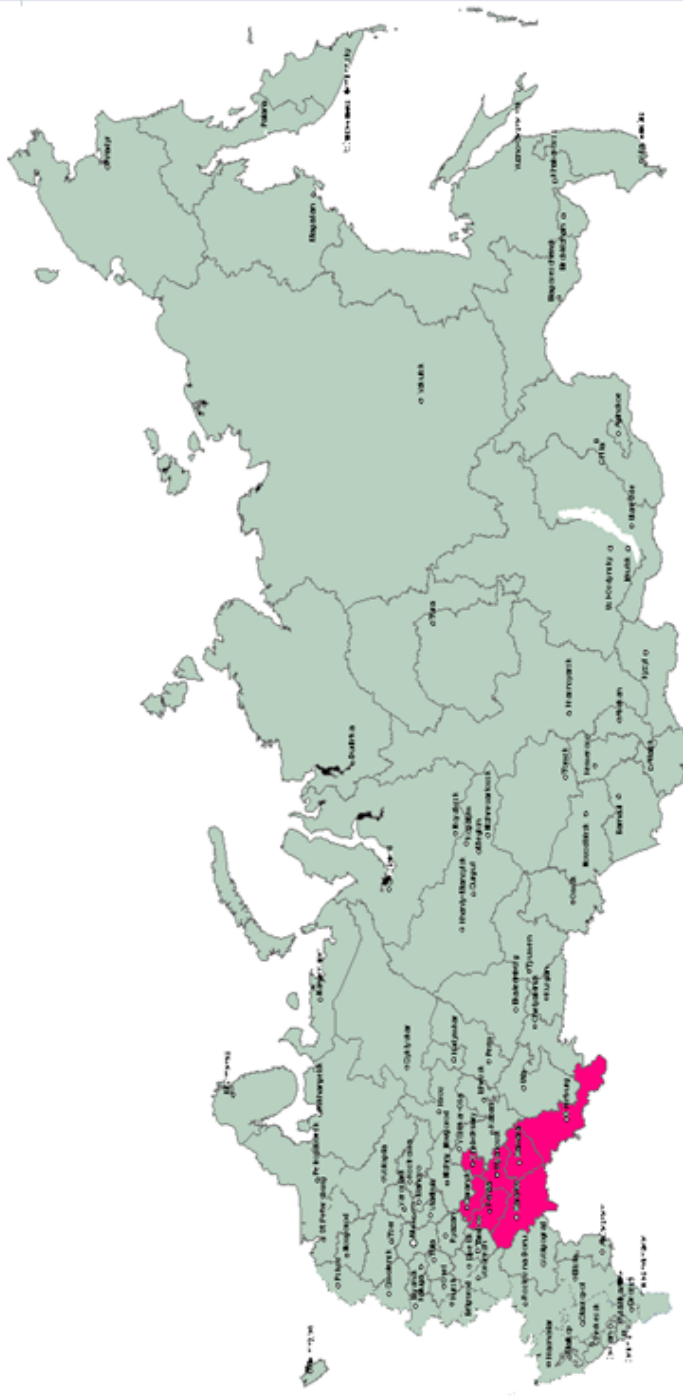
VOLGA (64.87%)
 Mordovenergo
 Orenburgenergo
 Penzaenergo
 Volzhskaya MRSK
 Chuvashenergo

NORTH-WEST (58%)
 Arkhenergo
 Vologdaenergo
 Karelienergo
 Kolenergo
 Komtengergo
 Novgorodenergo
 Pskovenergo
 Yantarenergo

CENTER AND VOLGA (50.08%)
 Vladimirenergo
 Ivenergo
 Kalugaenergo
 Kirovenergo
 Marienergo
 Nizhnovenergo
 Ryazanenergo
 Tulenergo
 Udmurtenergo

SIBERIA (53.32%)
 Altaienergo
 Buryatenergo
 Krasnoyarskenergo
 Kuzbassenergo
 Omskenergo
 Tomsk distribution company
 Tyvaenergo
 Khakasenergo
 Chitaenergo

Volga MRSK



Stock data

MRKV	Total grid length, km	217,537	FSK 'guidance' on total IRAB, \$mn	2,155
MRKV	including	178,578	Implied guidance IRAB/km	9,906
Number of shares, mn	0.0029	0.4-10 kV	80%	Implied potential share price upside*
Current share price, ask, \$	511	35 kV	9%	Pilot RAB projects
Market Cap, \$mn	134	110 kV	14%	\$/km
Net debt, 2Q09, \$mn	645	150 kV and above	0%	
EV, \$mn	2,964	Grid loss, %	7%	
Implied EV/Grid Length, \$/km	0.0117	Total distributed electricity in 2008, GWh	62,808	Company consultants' estimate of IRAB, \$/km
Target price, \$	BUY	Depreciation level of the grid, %	67%	Implied potential share price upside*
Rating	308%			* to achieve Price/IRAB of 1.0
Potential upside, %				

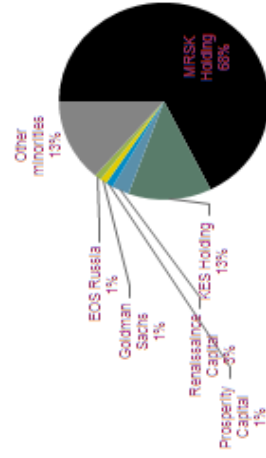
Technical data

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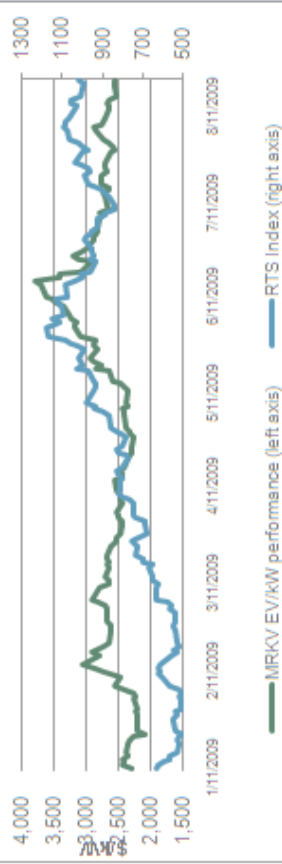
RAB roll-out

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Potential upside, %				

Shareholders data



Share price performance YTD, \$/km



Investment programme

Total capex planned in 2009-2012, \$mn	302	Total revenue, including	912
Total grid length to be constructed, km	n/a	electricity distribution	798
Total transformers capacity, MVA	n/a	connection fees	61
		other	53

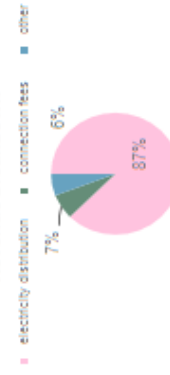
Main financial items (2008), \$mn

Operating expenses, including	802
grid loss compensation	n/a
personnel	153
depreciation	n/a
repair	79
other	n/a
Operating income	109
EBITDA	189
Net profit	33
EBITDA margin, %	21%
Net margin, %	4%

Tariffs

Average distribution tariff, \$/kWh	39
Tariff increase in 2009, %	EBITDA
Average operating exp in 2008, \$/MWh	13
	Net profit
	EBITDA margin, %
	Net margin, %

Revenue breakdown



Main financial multiples (2008 financial results)

P/RAB (Renaissance estimate), x	0.30
P/S, x	0.56
P/E, x	15.69
EV/EBITDA, x	3.42
EV/RAB (est), x	0.30
Debt/EBITDA, x	2.71
EV/DR, x	0.46

Source: Company data, Bloomberg, Renaissance Capital estimates

Center MRSK



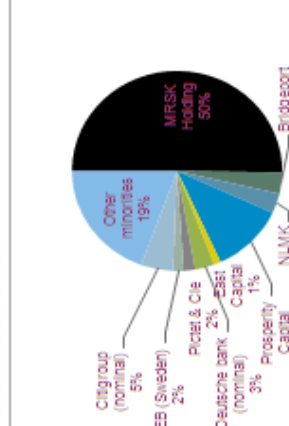
Stock data

Ticker	MRKC	Total grid length, km	369,988	FSK 'guidance' on total IRAB, \$mn	2,921
Number of shares, mn	42,218	including		Implied guidance IRAB/km	7,895
Current share price, ask, \$	0.0209	0.4-10 kV		84% Implied potential share price upside*	146%
Market Cap, \$mn	881			Pilot RAB projects	\$/km
Net debt, 2009, \$mn	307	35 kV		8% Beigorodenergo	14,688
EV, \$mn	1,188	110 kV and above		6% Lipetskenergo	10,838
Implied EV/Grid Length, \$/km	3,211	Grid loss, %		12% Tverenergo	8,958
Target price, \$	0.0742	Total distributed electricity in 2008, GWh	62,493	Company consultants' estimate of IRAB, \$/km	n/a
Rating	BUY	Depreciation level of the grid, %	67%	Implied potential share price upside*	n/a
Potential upside, %	255%			* to achieve Price/RAB of 1.0	

Technical data

Share price performance YTD, \$/km					

Shareholders data



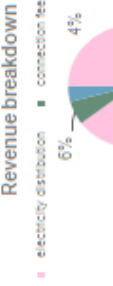
Investment programme

Total capex planned in 2009-2012, \$mn	1,159	Total revenue, including	1,805
Total grid length to be constructed, km	11,917	electricity distribution	1,618
Total transformers capacity, MVA	3,206	connection fees	113
Main consumers			
Operating expenses, including	74		
grid loss compensation	1,566		
personnel	303		
depreciation	282		
repair	151		
other	23		

Main financial items (2008), \$mn

Operating income	37	PIE, x	7.85
EBITDA	390	EV/EBITDA, x	3.05
Net profit	25	EV/RAB (est), x	0.41
EBITDA margin, %	22%	Debt/EBITDA, x	0.79
Net margin, %	6%	EV/DRC, x	0.49

Revenue breakdown



Tariffs

Average distribution tariff, \$/kWh	7.85
Tariff increase in 2009, %	3.05
Average operating exp in 2008, \$/MWh	0.41

Main financial multiples (2008 financial results)

P/RAB (Renaissance estimate), x	0.34
P/S, x	807
PIE, x	239
EV/EBITDA, x	390
EV/RAB (est), x	112
Debt/EBITDA, x	22%
EV/DRC, x	6%

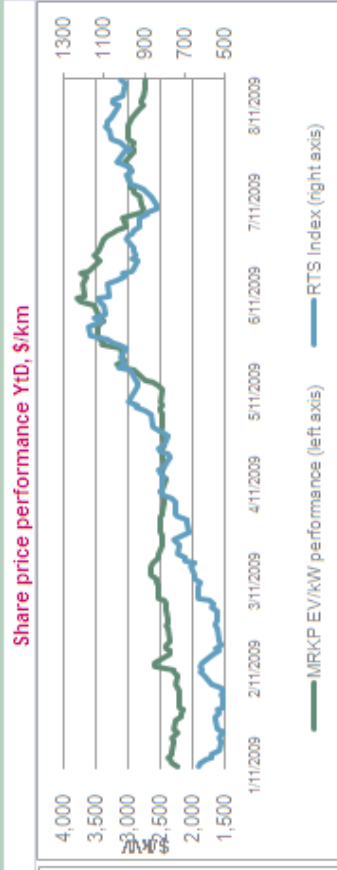
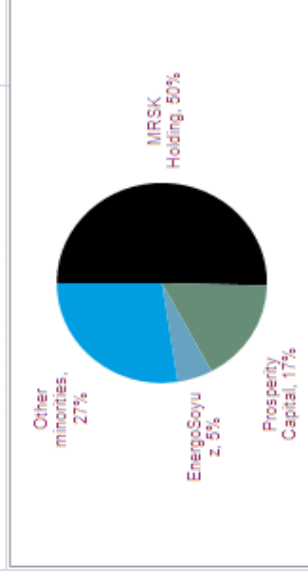
Center & Volga MRSK



Stock data

Stock data		Technical data		RAB roll-out	
MRKV	Total grid length, km	252,967	FSK 'guidance' on total IRAB, \$mn	1,814	
112,698	including		implied guidance IRAB/km	7,171	
0.0051	0.4 kV		39% implied potential share price upside*	111%	
576	6-10 kV		47% Pilot RAB projects	\$/km	
283	35 kV		7% Ryzanenergo	5,805	
858	110 kV and above		10% Tuluenergo	8,885	
3,394	Grid loss, %		9%		
0.0294	Total distributed electricity in 2008, GWh	61,122	Company consultants' estimate of IRAB, \$/km	n/a	
BUY	Depreciation level of the grid, %	68%	implied potential share price upside*	n/a	
476%			* to achieve Price/IRAB of 1.0		

Shareholders data



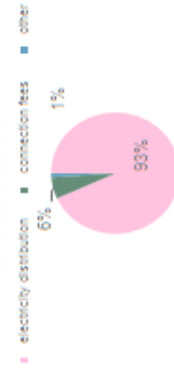
Investment programme

Investment programme		Main financial items (2008), \$mn	
Total capex planned in 2009-2012, \$mn	873	Total revenue, including	1,277
Total grid length to be constructed, km	n/a	electricity distribution	1,190
Total transformers capacity, MVA	n/a	connection fees	73
Main consumers		other	14
	Operating expenses, including		1,147
	grid loss compensation		n/a
	personnel		197
	depreciation		n/a
	repair		98
	other		n/a

Tariffs

Average distribution tariff, \$/kWh	37	Operating income	130	P/E, x	10.00
Tariff increase in 2009, %		EBITDA	227	EV/EBITDA, x	3.78
Average operating exp in 2008, \$/MWh	19	Net profit	58	EV/RAB (est), x	0.47
	EBITDA margin, %		18%	Debt/EBITDA, x	1.24
	Net margin, %		5%	EV/DRC, x	0.57

Revenue breakdown

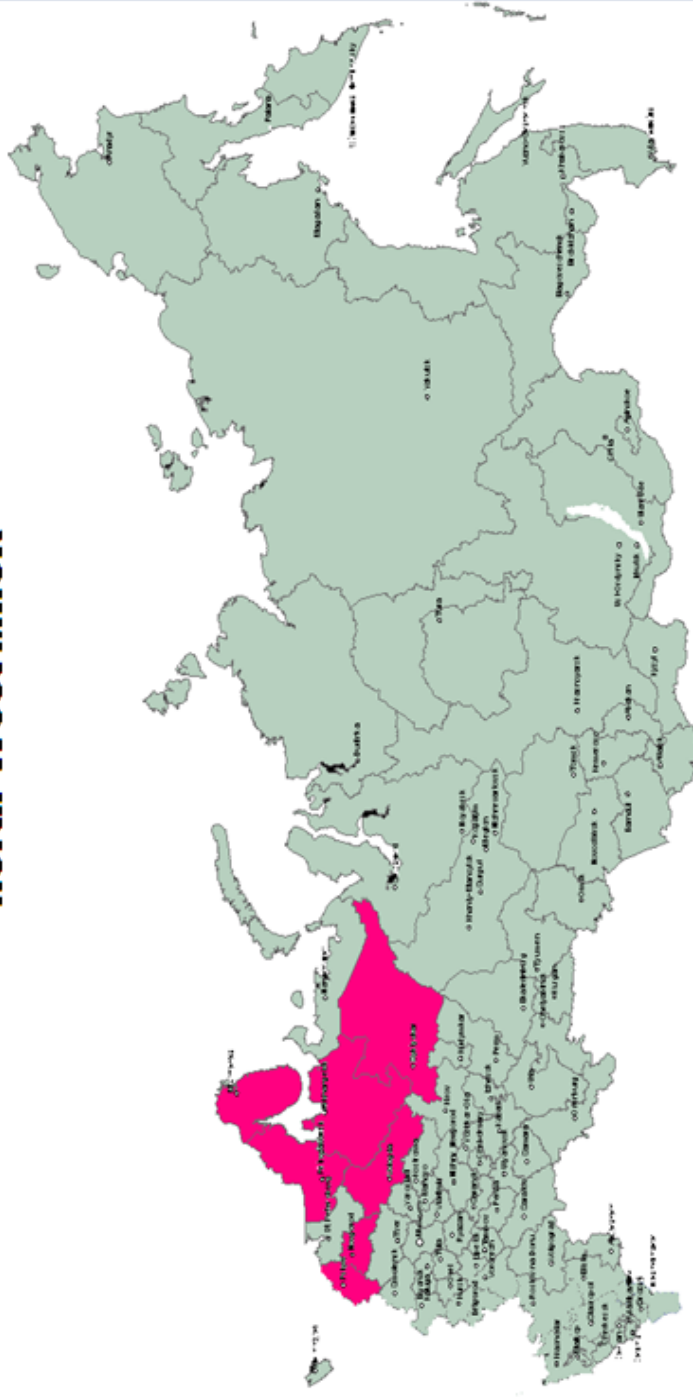


Main financial multiples (2008 financial results)

P/RAB (Renaissance estimate), x	0.25
P/S, x	0.45
P/E, x	10.00
EV/EBITDA, x	3.78
EV/RAB (est), x	0.47
Debt/EBITDA, x	1.24
EV/DRC, x	0.57

Source: Company data, Bloomberg, Renaissance Capital estimates

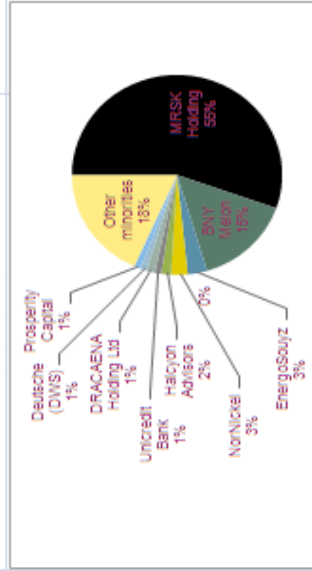
North-West MRSK



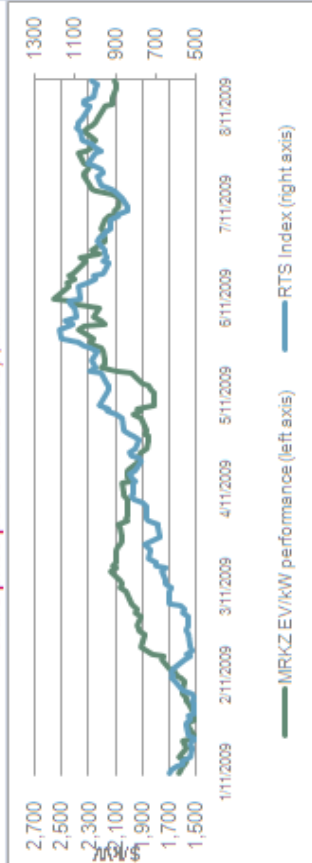
Stock data

Ticker	MRKZ	Total grid length, km	Technical data		RAB roll-out
Number of shares, mn	95,786	including	169,311	FSK 'guidance' on total IRAB, \$mn	1,566
Current share price, ask, \$	0.0040	0.4-6 kV		Implied guidance IRAB/km	9,249
Market Cap, \$mn	378	10 kV		35% Implied potential share price upside*	217%
Net debt, 2009, \$mn	115	35 kV		46% Pilot RAB projects	\$/km
EV, \$mn	494	110 kV and above			none selected
Implied EV/Grid Length, \$/km	2,916	Grid loss, %			
Target price, \$	0.0156	Total distributed electricity in 2008, GWh		7% Company consultants' estimate of IRAB, \$/km	21,084
Rating	BUY	Depreciation level of the grid, %		45,499 Implied potential share price upside*	629%
Potential upside, %	294%				

Shareholders data



Share price performance YTD, \$/km



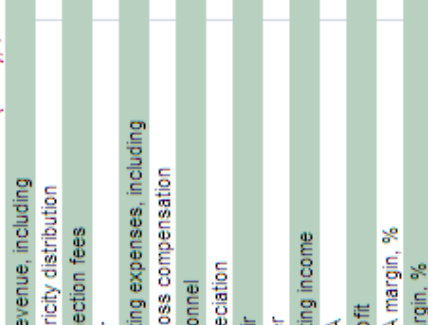
Investment programme

Total capex planned in 2009-2012, \$mn	937	Main financial items (2008), \$mn	
Total grid length to be constructed, km	736	Total revenue, including	937
Total transformers capacity, kVA	31	electricity distribution	736
		connection fees	31
		other	170
		Operating expenses, including	894
		grid loss compensation	115
		personnel	222
		depreciation	87
		repair	32
		other	437
		Operating income	43
		EBITDA	130
		Net profit	43
		EBITDA margin, %	14%
		Net margin, %	5%

Tariffs

Average distribution tariff, \$/kWh	8.73
Tariff increase in 2009, %	3.80
Average operating exp in 2008, \$/MWh	0.89

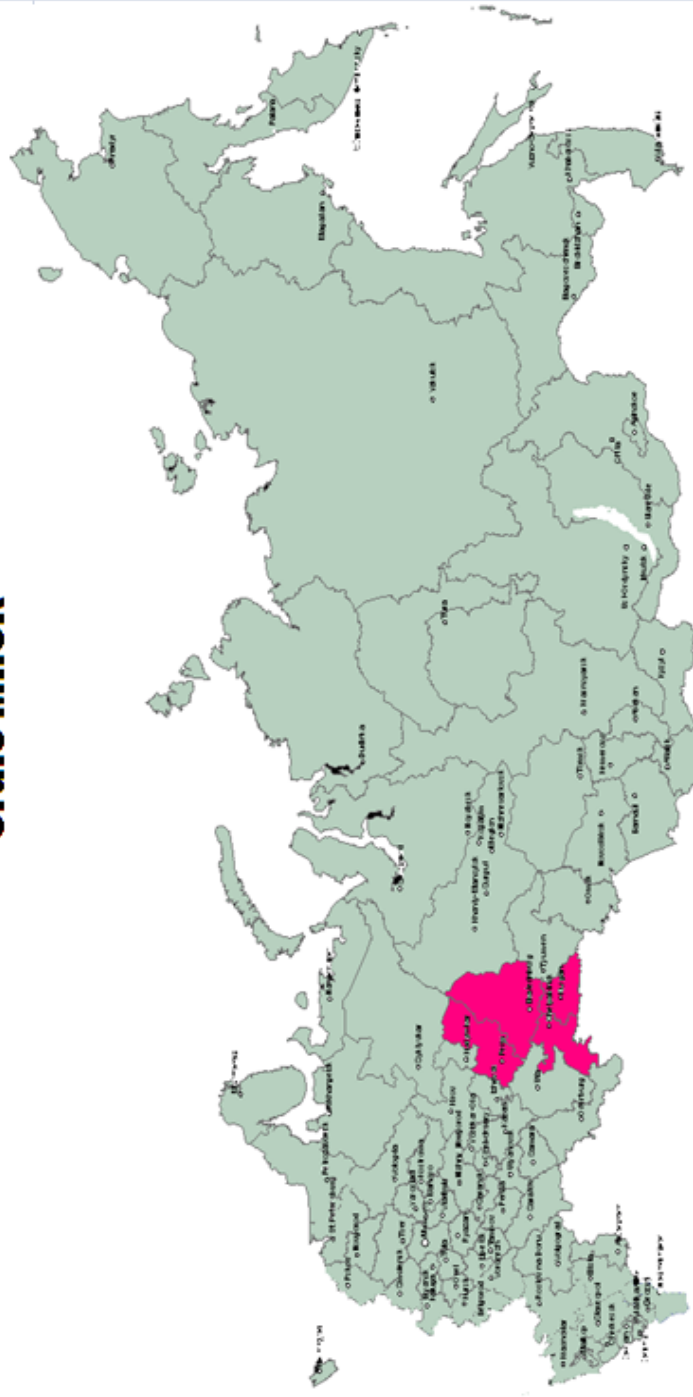
Revenue breakdown



Main financial multiples (2008 financial results)	
P/RAB (Renaissance estimate), x	0.30
P/S, x	0.40
P/E, x	8.73
EV/EBITDA, x	3.80
EV/RAB (est), x	0.32
Debt/EBITDA, x	0.89
EV/DR, x	0.17

Source: Company data, Bloomberg, Renaissance Capital estimates

Urals MRSK



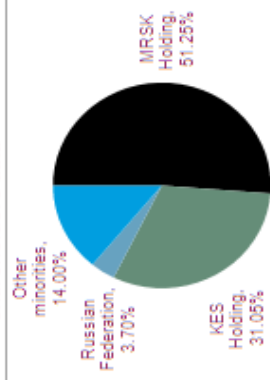
Stock data

Ticker	MIRKU	Total grid length, km	126,897	FSK 'guidance' on total IRAB, \$mn	3,078
Number of shares, mn	87,430	including		implied guidance IRAB/km	24,256
Current share price, ask, \$	0.0058	0.4-6 kV		n/a	225%
Market Cap, \$mn	507	10 kV		n/a	Pilot RAB projects
Net debt, 2Q09, \$mn	439	35 kV		n/a	Kurganenergo
EV, \$mn	946	110 kV and above		n/a	Permenergo
Implied EV/Grid Length, \$/km	7,454	Grid loss, %	8%		
Target price, \$	0.0231	Total distributed electricity in 2008, GWh	86,365	Company consultants' estimate of IRAB, \$/km	n/a
Rating	BUY	Depreciation level of the grid, %	70%	Implied potential share price upside*	n/a
Potential upside, %	299%			* to achieve Price/IRAB of 1.0	

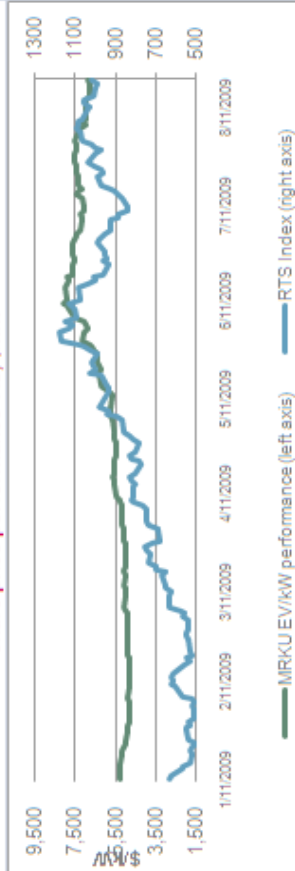
Technical data

RAB roll-out

Shareholders data



Share price performance YTD, \$/km

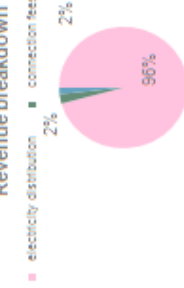


Investment programme

Main financial items (2008), \$mn

Total capex planned in 2009-2012, \$mn	481	Total revenue, including	1,450
Total grid length to be constructed, km	2,769	electricity distribution	1,388
Total transformers capacity, MVA	2,348	connection fees	36
		other	25
		Operating expenses, including	1,368
		grid loss compensation	302
		personnel	156
		depreciation	
		repair	75
		other	40
			795
			P/S, x
			81
			PIE, x
			156
			EV/EBITDA, x
			35
			EV/IRAB (est), x
			11%
			Debt/EBITDA, x
			2%
			EV/DRC, x

Revenue breakdown

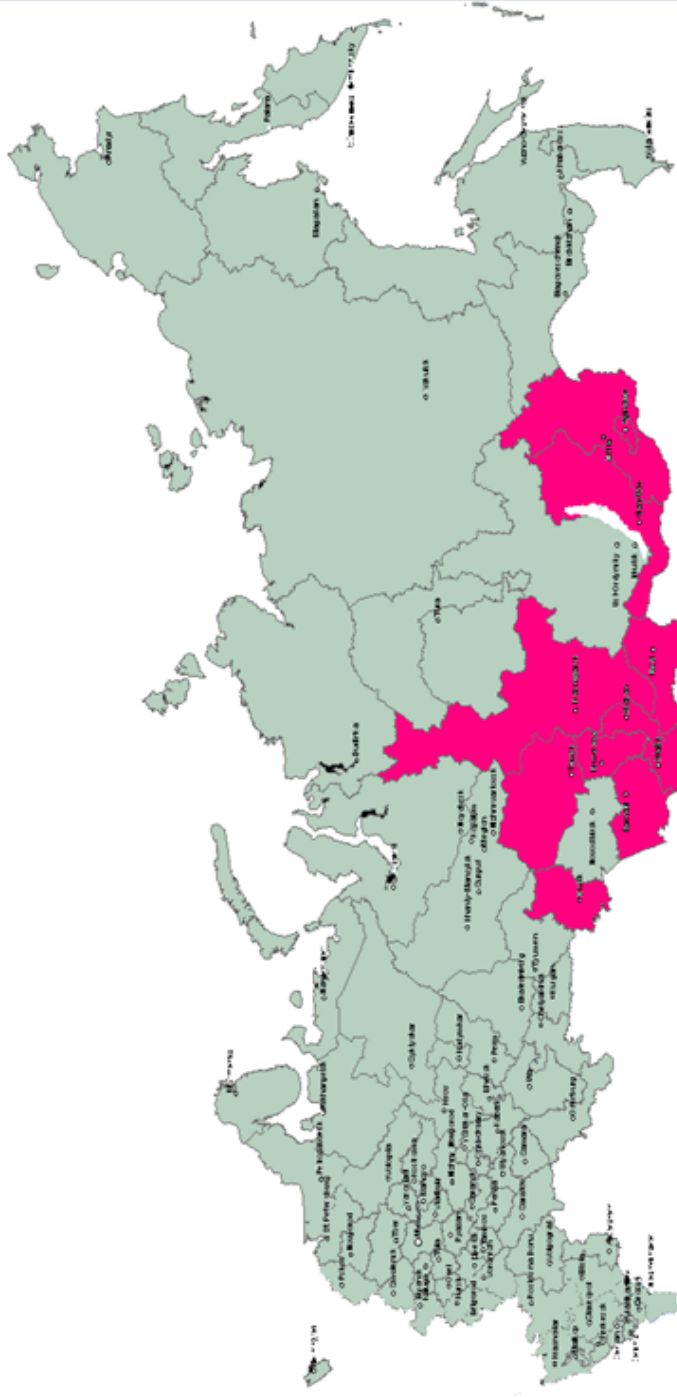


Main financial multiples (2008 financial results)

PRAB (Renaissance estimate), x	0.59
P/S, x	0.35
PIE, x	14.58
EV/EBITDA, x	6.06
EV/IRAB (est), x	0.31
Debt/EBITDA, x	2.81
EV/DRC, x	1.49

Source: Company data, Bloomberg, Renaissance Capital estimates

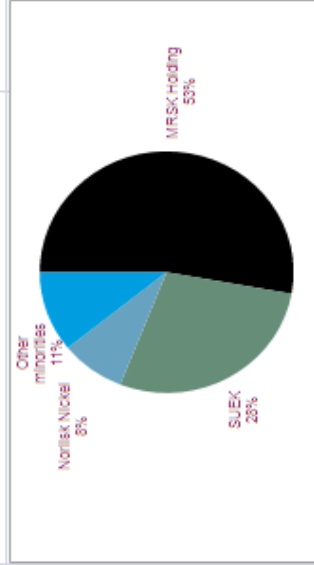
Siberia MRSK



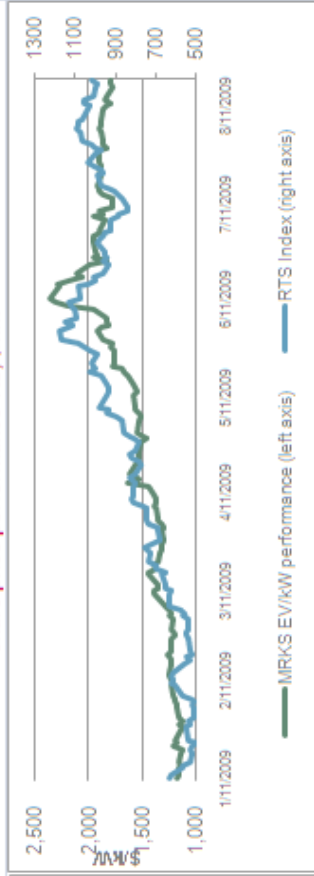
Stock data Technical data RAB roll-out

Number of shares, mn	89,368	MRKS	Total grid length, km	260,595	FSK 'guidance' on total IRAB, \$mn	2,055
Current share price, ask, \$	0.0055		including		Implied guidance IRAB/km	7,886
Market Cap, \$mn	492		0.4-6 kV		30% implied potential share price upside*	243%
Net debt, 2Q09, \$mn	108		10 kV		42% Pilot RAB projects	\$/km
EV, \$mn	600		35 kV			
Implied EV/Grid Length, \$/km	2,302		110 kV and above			
Target price, \$	0.0281		Grid loss, %	10%		
Rating	BUY		Total distributed electricity in 2008, GWh	110,961	Company consultants' estimate of IRAB, \$/km	n/a
Potential upside, %	411%		Depreciation level of the grid, %	65%	Implied potential share price upside*	n/a
					* to achieve Price/IRAB of 1.0	

Shareholders data



Share price performance Ytd, \$/km



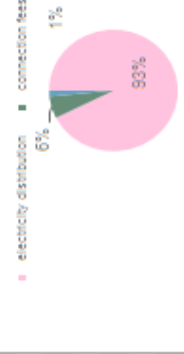
Investment programme

Total capex planned in 2009-2012, \$mn	1,472	Main financial items (2008), \$mn	1,472
Total grid length to be constructed, km	1,363	Total revenue, including electricity distribution	1,363
Total transformers capacity, MVA	85	connection fees	85
	23	other	23
Operating expenses, including grid loss compensation	1,399	personnel	n/a
	183	depreciation	183
	83	repair	n/a
	n/a	other	n/a

Tariffs

Average distribution tariff, \$/kWh	12	Operating income	73	P/E, x	13.59
Tariff increase in 2009, %		EBITDA	156	EV/EBITDA, x	3.84
Average operating exp in 2008, \$/MWh	13	Net profit	36	EV/RAB (est), x	0.29
		EBITDA margin, %	11%	Debt/EBITDA, x	0.69
		Net margin, %	2%	EV/DRC, x	0.31

Revenue breakdown



Main financial multiples (2008 financial results)

P/RAB (Renaissance estimate), x	0.23
P/S, x	0.33
P/E, x	13.59
EV/EBITDA, x	3.84
EV/RAB (est), x	0.29
Debt/EBITDA, x	0.69
EV/DRC, x	0.31

Source: Company data, Bloomberg, Renaissance Capital estimates

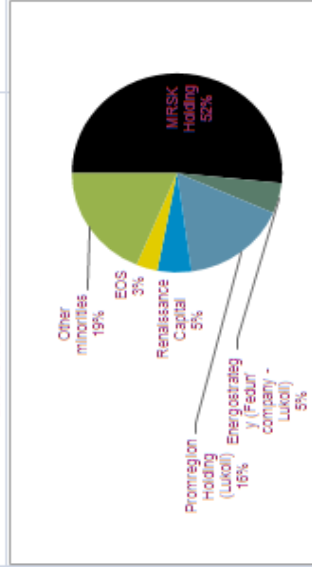
South MRSK



Stock data

Ticker	MIRKY	Total grid length, km	Technical data		RAB roll-out
Number of shares, mn	49,811	including	165,839	FSK 'guidance' on total IRAB, \$mn (adj for KUBE)	1,161
Current share price, ask, \$	0.0049	0.4-10 kV		Implied guidance IRAB/km	7,001
Market Cap, \$mn	242			83% Implied potential share price upside*	116%
Net debt, 2009, \$mn	295	35 kV		Pilot RAB projects	\$/km
EV, \$mn	537	110 kV and above		7% Astrakhanenergo	9,993
Implied EV/Grid Length, \$/km	3,241	Grid loss, %		10% Rostovenergo	6,485
Target price, \$	0.0742	Total distributed electricity in 2008, GWh		8%	n/a
Rating	BUY	Depreciation level of the grid, %		67% Implied potential share price upside*	n/a
Potential upside, %	1427%			* to achieve Price/RAB of 1.0	

Shareholders data



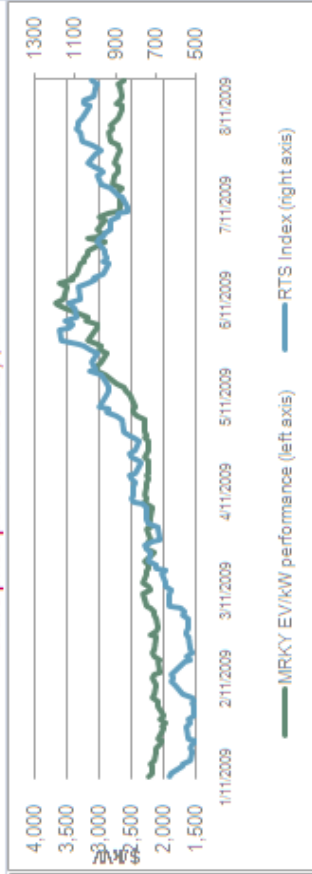
Investment programme

Total capex planned in 2009-2012, \$mn	Main financial items (2008), \$mn	
528	Total revenue, including electricity distribution	528
n/a	connection fees	n/a
n/a	other	n/a
440	Operating expenses, including grid loss compensation	440
n/a	personnel	n/a
78	depreciation	78
n/a	repair	n/a
54	other	54

Tariffs

Average distribution tariff, \$/kWh	37	Operating income	88	P/E, x	12.35
Tariff increase in 2009, %		EBITDA	142	EV/EBITDA, x	3.78
Average operating exp in 2008, \$/MWh	14	Net profit	20	EV/IRAB (est), x	0.46
		EBITDA margin, %	27%	Debt/EBITDA, x	2.08
		Net margin, %	4%	EV/DR, x	0.50

Source: Company data, Bloomberg, Renaissance Capital estimates

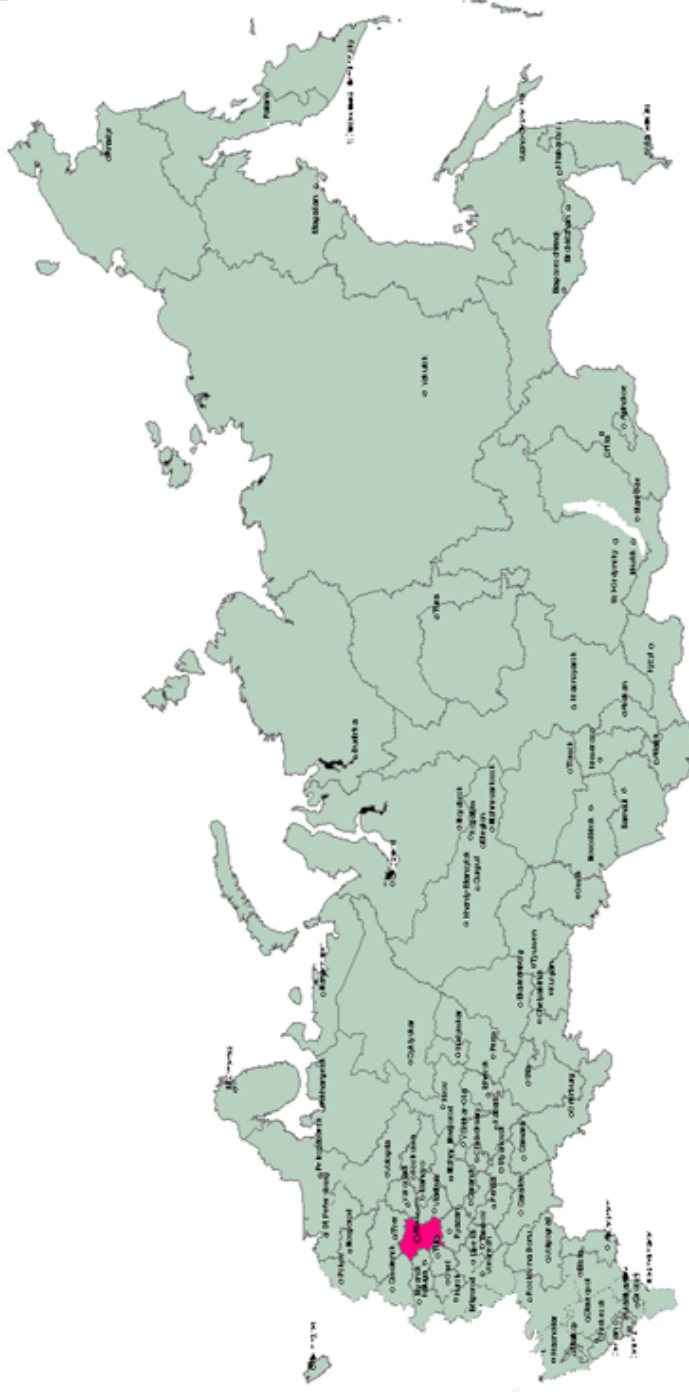


revenue breakdown graph not available

Main financial multiples (2008 financial results)

n/a	PIRAB (Renaissance estimate), x	0.15
n/a	P/S, x	0.46
88	P/E, x	12.35
142	EV/EBITDA, x	3.78
20	EV/IRAB (est), x	0.46
27%	Debt/EBITDA, x	2.08
4%	EV/DR, x	0.50

Moscow United DistCo



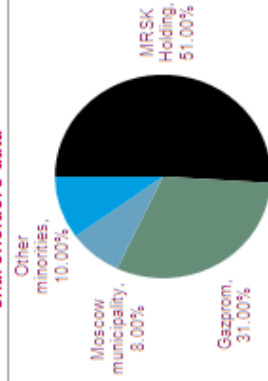
Stock data

Ticker	MIRS	Total grid length, km	121,143	FSK 'guidance' on total IRAB, \$mn	8,226
Number of shares, mn (common only)	48,707	including	implied guidance IRAB/km	67,903	
Current share price, ask, \$	0.0363	0.4-6 kV	8%	implied potential share price upside*	174%
Market Cap, \$mn	1,830	6-10 kV	12%	Pilot RAB projects	\$/km
Net debt, 2Q09, \$mn	1,175	35-110 kV	75%		
EV, \$mn	3,004	110 kV and above	4%		
Implied EV/Grid Length, \$/km	24,800	Grid loss, %	11%		not applicable
Target price, \$	0.0153	Total distributed electricity in 2008, GWh	32,354	Company consultants' estimate of IRAB, \$/km	n/a
Rating	SELL	Depreciation level of the grid, %	65%	implied potential share price upside*	n/a
Potential upside, %	-58%			* to achieve Price/IRAB of 1.0	

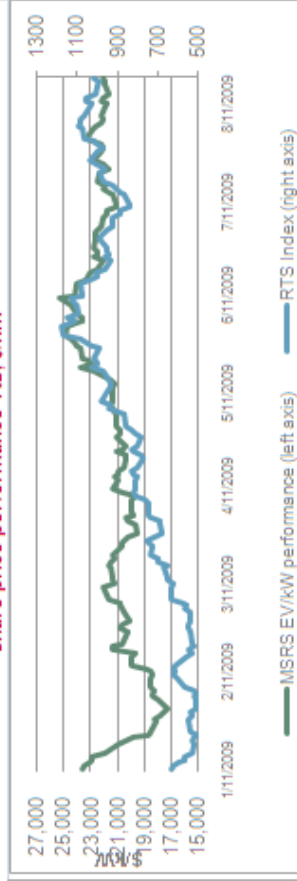
Technical data

RAB roll-out

Shareholders data



Share price performance YTD, \$/km



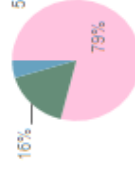
Investment programme

Main financial items (2008), \$mn

Total capex planned in 2009-2012, \$mn	2,633
Total grid length to be constructed, km	2,080
Total transformers capacity, MVA	429
Main consumers	124
Operating expenses, including	2,325
grid loss compensation	813
personnel	325
depreciation	349
repair	196
other	643
Tariffs	
Average distribution tariff, \$/kWh	42
Tariff increase in 2009, %	EBITDA
Average operating exp in 2008, \$/MWh	72
	Net profit
	EBITDA margin, %
	Net margin, %

Revenue breakdown

■ electricity distribution ■ connection fees ■ other



Main financial multiples (2008 financial results)

PIRAB (Renaissance estimate), x	1.53
P/S, x	0.69
PIE, x	6.74
EV/EBITDA, x	4.57
EV/IRAB (est), x	0.37
Debt/EBITDA, x	1.79
EV/DRC, x	3.31

Source: Company data, Bloomberg, Renaissance Capital estimates