



## **RAO «UES of Russia»**

Summary report on operating and financial results for 9M03  
(Group)

February 2004

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## **SECTION 1. THE RAO UES GROUP**

### **1. General information**

**The RAO “UES of Russia” Group** incorporates the Parent company and its subsidiaries and affiliates (the list is enclosed: Appendix 1, Part 5.5), including:

- "Federal Grid Company" (FGC) and a System Operator-Central Dispatching Unit of the Unified Energy System (SO-CDU UES) as 100% subsidiaries of RAO "UES of Russia";
- 73 regional energos, vertically-integrated companies, generating and transmitting power with the Parent company share ranging from 14% to 100%;
- 41 AO-power plants (out of which 9 power plants are under construction) with the Parent company share ranging from 50% to 100%.
- The report's data includes seven subsidiaries of ZAO “InterRAO” (100% UES Subsidiary). They were established in accordance with Russian legislation and operate outside Russia.(see Appendix 5) .

### **The RAO UES Group in the power industry of the Russian Federation**

#### **Core business of the RAO UES Group**

##### **Transmission of power energy**

RAO “UES of Russia” owns as 100% subsidiary Federal Grid Company (FGC). Total length of network is 2.3 mln km (96.1% of the total length of network in Russia), including high voltage grids extending to about 47.2 thousand km.

##### **Power and heat energy production**

Total quantity of thermal and hydro power stations amounts to 407.

Installed capacity of Power plants within the Group is 72.5% of the total installed capacity in the Russian Federation.

Fuel Balance structure: 68.1% of Power plants use gas, 27.2% - coal, 4.3% - fuel oil and 0.4% - other fuels (for reference: gas price is within the exclusive competence of the State, fuel oil and coal are subject to market pricing).

Power and heat energy generation is 69.4% and 32.4% of the total power and heat generation in Russia respectively.

##### **Dispatching:**

System Operator – “OAO System Operator – Central Dispatch Unit of Unified Energy System” (“SO”) – SO was established in June 2002, to carry out the dispatch functions within the Group.

##### **Pricing policy**

Tariffs for transmission and supply of power energy are within the sole competence of the State. Federal Energy Commission (FEC) sets up tariffs for transmission of power energy through high-voltage grids and tariffs for supply of power energy on Wholesale market (FOREM). Regional Energy Commissions (REC) set up tariffs for distribution and supply of power and heat energy produced by regional energos.



### **For reference:**

- Starting November 1, 2002 FEC set the fee for SO services amounting to 1.82 rub./MWh. Starting January 1, 2004 FEC set fee for SO services amounting to 8.79 rub./MWh.
- Starting July 1, 2003 FEC set the fee for transmission via National Transmission Network for Federal Grid Company amounting to 31.35 rub./MWh. Starting January 1, 2004 FEC set the fee for transmission via National Transmission Network for Federal Grid Company amounting to 37.88 rub./MWh.
- Starting July 1, 2003 the transmission fee for RAO UES services decreased from 85,35 rub./MWh to 51.85 rub./MWh because of introduction of fee for FGC's services. Starting January 1, 2004 the transmission fee for RAO UES services amounted to 45.26 rub./MWh.

### **Consumption structure**

55.61% of the consumers are industrial producers, 16,77% are re-sellers, population and settlements attract more than 10.09%, 5.99% goes to transport, 8.63% - to non-industrial sector, and 2.92% - to agriculture.

### **Personnel structure**

At 30 September 2003, the number of employees of the Group was approximately 583,000 (31 December 2002: 599,000).

### **Financial statements of the RAO UES Group**

The RAO UES Group publishes 3 times a year consolidated financial statements prepared in accordance with International Accounting Standards (IAS). The intergroup transactions within the Group are excluded in IAS statements.

### **Dividends**

Dividends are paid from the net profit of the Parent company.

### **Changes within the power industry**

The Russian electric utilities industry in general and the Group in particular are presently undergoing a restructuring process designed to introduce competition into the electricity sector and to create an environment in which the Group and its successor companies can raise the capital required to maintain and expand current capacity. The regulatory framework governing the process of reforming the Russian Federation electric utilities industry and the functioning of the industry, both during the transition period and subsequent to the completion of reforms, is set forth in the following legislation: Federal Law No. 35-FZ of 26 March 2003 "On the Electric Utilities of the Russian Federation" and Federal Law No. 36-FZ of 26 March 2003 "On the Specifics of the Functioning of Electric Utilities During the Transition Period and the Introduction of Amendments to Certain Russian Federation Legislative Acts and the Invalidation of Certain Russian Federation Legislative Acts in Connection with the Adoption of the Law "On the Electric Utilities of the Russian Federation".

- In April 2003, legislation underlying the electric utilities reform effort took effect. This legislative package, consisting of six laws drafted by the Russian Federation government, defines the key areas in the industry reform program, as well as the terms and conditions under which electric utilities will function both during the transition period and following the reforms.
- The Federal Grid Company (FGC) (100% RAO UES subsidiary) was established in June 2002 in order to manage the transmission of electricity through the use of transmission assets received from RAO UES and its subsidiaries.
- The System Operator – "OAO System Operator – Central Dispatch Unit of Unified Energy System" ("SO") – SO (100% RAO UES subsidiary) - was established In June 2002 to carry out the dispatch functions within the unified electricity system of the Russian Federation.



- On September 1, 2002 the Government of the Russian Federation signed the ordinance “Concerning Composition of Generating Companies of the Wholesale Electric Power Market». According to the ordinance, there will be 10 generating companies (4 hydro and 6 heat generating companies) created on the basis of the largest electric power plants owned by UES and its subsidiaries.
- On October 27, 2003 the Government of the Russian Federation signed the Degree “Concerning Wholesale Electric power (Capacity) Market Rules of the Transitional Period”. The Rules propose functioning of three sectors of wholesale the power market during the reform – regulated sector, the liberalized sector and the “deviant” sector. In the liberalized sector the suppliers are able to sell up to 15% of their capacity.
- Starting November 2003 non-profitable partnership “Administrator of Trading System” made the first deals in the liberalized power sector in accordance with the Wholesale Electric power (Capacity) Market Rules of the Transitional Period. During November the number of participants was constant and made up 14 (7 consumers and 6 suppliers). In December the number of participants doubled and consisted of 16 consumers and 11 suppliers of the power energy.

	November	December
Volume of the market (ml.kWh)	521.8 *	1327.1*
Turnover of the market (ml.Rub.)	328.6	820.0
Average market price (Rub/MWh)	264.2	251.9

\*Approximately 1% from the total consumption in European part of Russia and Ural.

- On May 29, 2003 the Board of Directors of RAO UES of Russian approved the Concept of RAO UESR’s strategy for 2003-2008 “The 5+5”. The document provides a detailed description of the major changes that are slated to take place in the Group during the reform of the power sector, including the various stages in the process of establishing participant entities, based on the Group, in both the wholesale and retail electricity markets, and the key areas for further development of the companies thereby being established.
- All the individual AO-energos that are subject to reform have worked out their reform plans and sent them for approval to management bodies of RAO UES.
- The Board of Directors of RAO UES of Russia approved the decision on starting the implementation of pilot projects for the reorganization of four Energos (OAO “Tulenergo”, OAO “Kalugaenergo”, OAO “Bryanskenergo” and OAO “Oryolenergo”) on the basis of a framework reform scenario and establishing of new companies by lines of businesses: generating company, network distribution company and sales company, which will incorporate the corresponding activities of the existing companies in the four regions. On September 30, 2003 the Extraordinary General Meetings of OAO “Kalugaenergo” and OAO “Oryolenergo” made a decision on restructuring. The same decision on restructuring was made at the EGM of OAO “Bryanskenergo” on October 30, 2003.
- During 2003 the Board of Directors of RAO UES examined the restructuring projects of 30 AO-energos, including:

Karelenergo	Volgogradenergo	Astrahanenergo
Chuvashenergo	Ivenergo	Chelyabenergo
Marienergo	SEUK-Arkhangelsk	Dagenergo
Mordovenergo	SEUK-Vologda	Kubanenergo
Nizhnovenergo	SEUK-Kostroma	Lipetskenergo
Penzaenergo	Tambovenergo	Permenergo
Vladimirenergo	Tverenergo	Ryazanenergo
Voronezhenergo	Belgorodenergo	Sverdlovenergo
Kirovenergo	Rostovenergo	Stavropolenergo
Yarenergo	Smolenskenergo	Udmurtenergo



## **2. Key financial statements of the RAO UES Group (IAS)**

(in millions of Russian roubles)

As the characteristics of the economic environment of the RF indicate that hyperinflationary has ceased, effective from 1 January 2003 the Group no longer applies the provision of IAS 29. Accordingly, no monetary effects are recognized for the nine months ended 30 September 2003.

	<b>Nine months ended 30 September 2003</b>	<b>Nine months ended 30 September 2002</b>	<b>Change (%)</b>
<b>Revenues</b>	<b>419 819</b>	<b>342 402</b>	<b>22,6</b>
Electricity	326 997	266 747	22,6
Heating	66 845	52 240	28
<b>Costs and other deductions</b>	<b>382 616</b>	<b>340 190</b>	<b>12,5</b>
Fuel expenses	113 926	87 609	30
Purchased power	52 739	45 545	15,8
Depreciation and amortization	45 120	47 311	(4,6)
Repairs and maintenance	29 962	27 083	10,6
<b>Income from operations</b>	<b>37 203</b>	<b>2 212</b>	<b>1581,9</b>
Income before profit tax and minority interest	29 454	2 173	1255,5
Total profit tax benefit (charge)	(17998)	17 306	(204,1)
<b>Net Income</b>	<b>16 605</b>	<b>22 168</b>	<b>(25,1)</b>
<b>EBITDA*</b>	<b>83 232</b>	<b>51 526</b>	<b>61,5</b>
EBITDA margin	19,8	15	-
Operational margin	8,9	0,6	-
Net margin	4	6,5	-
Return on equity (ROE)	2,9	3,9	-
Return on assets (ROA)	1,5	2,1	-

\* EBITDA is adjusted by the Doubtful debtors expense / (release).



### **3. Notes to the Balance Sheet, Statements of Operations and Cash Flow**

#### **Balance Sheet – 30 September 2003 compared to 31 December 2002**

- Property, plant and equipment (PPE) have increased (by RR 462 mln), as the Group has acquired business in Georgia and Armenia. As in prior periods, capital expenditures were lower than depreciation and net book value of PPE disposals;
- Significant increase in accounts receivable and prepayments (by 12% or by RR 10,994 mln) is primarily attributable to increase in other receivables and prepayments (by RR 9,125 mln). Increase in other receivables is mainly due to tax prepayments. Stabilization of collection of the trade receivables at the level close to revenue for the period combined with seasonal decrease in consumption resulted in decrease in trade receivables by RR 3,024 mln;
- At 30 September 2003, the Group's current liabilities exceeded its current assets by RR 3,259 million (31 December 2002: RR 12,815 million). The Group has improved its financial position, largely thanks to higher tariffs for both electricity and heat.

#### **Statements of Operations – 9 months 2003 compared to 9 months 2002**

- Income from operations for the period increased 17 times compared to the same period for 2002 as increase revenues (by 22,6%) significantly exceeded increase in costs of operations (increased by 12,5%);
- The increase in volume of electricity (by 31,415 mln KWh) and heat sold (by 18,418 thousand Gcal) exceeded the increase of volume of purchased power (increased by 11,970 mln KWh). That was resulted in increase in own production;
- Increase in income from operations was partly compensated by increase in non-operating expenses (in 2002 the Group has recognized deferred profit tax benefit resulted from property, plant and equipment revaluation; no such effect was recognized in 2003). As a result of this net income has not changed significantly.

#### **Revenues**

- Increase in revenues was driven by the following factors:
  - unrestated increase in tariffs – 22.8% (restated on inflation factor for calculation of comparable numbers – 14%);
  - increase in demand – 7.5%.
- Increase in revenues was caused by the following reasons:
  - unrestated increase in heat tariff – 28.1% (restated on inflation factor for calculation of comparable numbers – 18.9%);
  - increase in demand – 7.6%.

#### **Costs and other deductions**

- Increase in fuel expenses was caused by the following factors:
  - prices for all types of fuel on average increased by 30% without taking into account inflation (restated on inflation factor for calculation of comparable numbers – 21.0%);
  - consumption of fuel increased by 7.5% that is in line with increase in electricity and heat production. No significant changes in the structure of fuel consumption took place during the period.
- - Increase in both volumes and tariffs:
  - the increase without taking into account inflation amounted to 13.6% (restated on inflation factor for calculation of comparable numbers – 5.4%);
  - volumes of purchases increased by 9.8% (including increase in purchases from REA).
- Increase in repairs and maintenance by 10,6% is attributable to both increase in volume of repairs and prices for materials and services.



### **Statement of Cash Flows – 9 months 2003 compared to 9 months 2002**

- Group's operations were financed out of proceeds generated from operating activities which increased by RR 18 bln or 72%;
- Increase in investing activity in cash form (by RR 15 mln). Net cash inflow from operating activity was mainly used for additions to PP&E. The Group has spent RR 0.7 bln for acquisition of subsidiaries in Georgia.

#### **4. Capital expenditures (Capex)**

**See pages 16 - 19.**





**5. Appendix 1. RAO UES Group IAS Consolidated Interim Financial Statements for the nine months ended 30 September 2003**

**5.1. Consolidated Interim Balance Sheet as at 30 September 2003**

(in millions of Russian Roubles)

	30 September 2003	31 December 2002
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	864,150	863,688
Investments in associates	240	-
Deferred profit tax assets	6,778	9,122
Other non-current assets	30,278	25,342
<b>Total non-current assets</b>	<b>901,446</b>	<b>898,152</b>
<b>Current assets</b>		
Cash and cash equivalents	19,475	17,569
Accounts receivable and prepayments	103,965	92,971
Inventories	45,258	38,383
Loans issued	101	2,635
Other current assets	11,209	11,726
<b>Total current assets</b>	<b>180,008</b>	<b>163,284</b>
<b>Total assets</b>	<b>1,081,454</b>	<b>1,061,436</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
Share capital		
Ordinary shares (nominal value RR 20,521 million)	147,439	147,439
Preference shares (nominal value RR 1,038 million)	7,667	7,667
Treasury shares	(355)	(770)
	154,751	154,336
Retained earnings and fair value reserve	427,365	412,079
<b>Total shareholders' equity</b>	<b>582,116</b>	<b>566,415</b>
<b>Minority interest</b>	<b>218,108</b>	<b>223,981</b>
<b>Non-current liabilities</b>		
Deferred profit tax liabilities	58,920	54,608
Non-current debt	10,783	13,461
Other non-current liabilities	28,260	26,872
<b>Total non-current liabilities</b>	<b>97,963</b>	<b>94,941</b>
<b>Current liabilities</b>		
Current debt and current portion of non-current debt	48,777	42,236
Accounts payable and accrued charges	90,917	84,337
Taxes payable	43,573	49,526
<b>Total current liabilities</b>	<b>183,267</b>	<b>176,099</b>
<b>Total liabilities</b>	<b>281,230</b>	<b>271,040</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,081,454</b>	<b>1,061,436</b>



## 5.2. Consolidated Interim Statement of Operations for the three and nine months ended 30 September 2003

(in millions of Russian Roubles)

	Three months ended 30 September 2003	Nine months ended 30 September 2003	Three months ended 30 September 2002	Nine months ended 30 September 2002
<b>Revenues</b>				
Electricity	101,813	326,997	86,544	266,747
Heating	8,756	66,845	7,410	52,240
Governmental assistance	1,803	4,032	1,895	4,069
Other	6,600	21,945	5,398	19,346
<b>Total revenues</b>	<b>118,972</b>	<b>419,819</b>	<b>101,247</b>	<b>342,402</b>
<b>Costs and other deductions</b>				
Fuel expenses	28,713	113,926	24,285	87,609
Wages, benefits and payroll taxes	24,412	68,483	21,626	62,115
Purchased power	17,070	52,739	13,896	45,545
Depreciation	15,072	45,120	15,379	47,311
Repairs and maintenance	11,661	29,962	12,024	27,083
Taxes other than on income	4,666	14,770	7,504	20,549
Other materials	2,676	9,917	4,961	12,261
Electricity and heat distribution	1,274	3,756	872	2,579
Water usage expenses	993	3,344	914	2,925
Social expenditures	705	2,373	1,007	3,608
Doubtful debtors (release) / expense	(1,128)	909	958	2,003
Loss on disposal of property, plant and equipment and investments	144	333	270	186
Other expenses	12,377	36,984	8,441	26,416
<b>Total costs and other deductions</b>	<b>118,635</b>	<b>382,616</b>	<b>112,137</b>	<b>340,190</b>
<b>Income / (loss) from operations</b>	<b>337</b>	<b>37,203</b>	<b>(10,890)</b>	<b>2,212</b>
Share of (loss) / income of associates	(10)	(10)	(191)	296
Monetary effects and financing items	(3,319)	(7,739)	(3,279)	(335)
<b>Income / (loss) before profit tax and minority interest</b>	<b>(2,992)</b>	<b>29,454</b>	<b>(14,360)</b>	<b>2,173</b>
Total profit tax (charge) / benefit	(3,087)	(17,998)	10,101	17,306
<b>(Loss) / income before minority interest</b>	<b>(6,079)</b>	<b>11,456</b>	<b>(4,259)</b>	<b>19,479</b>
Minority interest: share of net result	5,769	5,149	7,638	2,689
<b>Net (loss) / income</b>	<b>(310)</b>	<b>16,605</b>	<b>3,379</b>	<b>22,168</b>
<b>Earnings per ordinary and preference share – basic and diluted (in Russian Roubles)</b>	<b>(0.01)</b>	<b>0.39</b>	<b>0.08</b>	<b>0.52</b>



**5.3. Consolidated Interim Cash Flow Statement for the nine months ended 30 September 2003**  
(in millions of Russian Roubles)

	Nine months ended 30 September 2003	Nine months ended 30 September 2002
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Income before profit tax</b>	<b>29,454</b>	<b>2,173</b>
Adjustments to reconcile income before profit tax to net cash provided by operations:		
Depreciation	45,120	47,311
Doubtful debtors expense	909	2,003
Interest and gain on restructuring accounts payable and taxes payable	8,553	5,965
Share of income of associates, before profit tax	10	(296)
Loss / (gain) on disposal of property, plant and equipment and investments	333	186
Monetary effects on non-operating balances	-	(3,859)
Adjustment for non-cash investing activities	(9,843)	(6,907)
Other	-	9
<b>Operating cash flows before working capital changes and profit tax paid</b>	<b>74,536</b>	<b>46,585</b>
Working capital changes:		
(Increase) / decrease in accounts receivable and prepayments	(10,426)	8,042
Decrease / (increase) in other current assets	682	(5,907)
Decrease in loans issued	2,534	6,337
(Increase) / decrease in inventories	(6,620)	(283)
(Increase) / decrease in other non-current assets	(3,535)	5,116
Increase / (decrease) in accounts payable and accrued charges	6,638	(10,540)
Decrease in taxes payable, other than profits tax	(8,208)	(9,714)
Increase / (decrease) in other non-current liabilities	1,236	1,348
Profit tax paid (cash)	(13,792)	(16,041)
Profit tax paid (non-cash)	(368)	(162)
<b>Net cash provided by operating activities</b>	<b>42,677</b>	<b>24,781</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(40,182)	(24,356)
Proceeds from sale of property, plant and equipment	3,505	1,483
Purchases of investments, net	(566)	(245)
Acquisition of subsidiaries, net of cash acquired	(651)	-
<b>Net cash used for investing activities</b>	<b>(37,894)</b>	<b>(23,118)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of current debt	123,049	88,597
Proceeds from issuance of non-current debt	1,705	4,708
Repayment of debt	(121,042)	(88,452)
Interest paid	(6,128)	(6,704)
Dividends paid to RAO UES shareholders	(503)	(541)
Dividends paid by Group to minority interest shareholders	(1,788)	(1,448)
Proceeds from share issuance	384	461
Proceeds from / (purchase) of treasury shares, net	1,446	(6)
<b>Net cash used for financing activities</b>	<b>(2,877)</b>	<b>(3,385)</b>
Effect of inflation on cash and cash equivalents	-	(1,288)
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>1,906</b>	<b>(3,010)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,569</b>	<b>14,554</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>19,475</b>	<b>11,544</b>



#### 5.4. Consolidated Interim Statement of Changes in Shareholders' Equity for the nine months ended 30 September 2003

(in millions of Russian Roubles)

	Ordinary share capital	Preference share capital	Treasury shares	Retained earnings and fair value reserve	Total shareholders' equity
<b>At 1 January 2002</b>	147,43	7,667	(762)	379,596	533,940
Net income	-	-	-	22,168	22,168
Dividends	-	-	-	(1,385)	(1,385)
Change in fair value of available-for-sale investments	-	-	-	(52)	(52)
Change in treasury shares, net	-	-	(8)	-	(8)
<b>At 30 September 2002</b>	147,43	7,667	(770)	400,327	554,663
<b>At 1 January 2003</b>	147,43	7,667	(770)	412,079	566,415
Net income	-	-	-	16,605	16,605
Dividends	-	-	-	(1,988)	(1,988)
Change in fair value of available-for-sale investments	-	-	-	(57)	(57)
Change in treasury shares, net	-	-	415	726	1,141
<b>At 30 September 2003</b>	147,43	7,667	(355)	427,365	582,116



## 5.5. Principal subsidiaries which have been consolidated into the RAO UES Group's financial statements

The following are the significant subsidiary enterprises, which have been consolidated into the Group's financial statements. All subsidiaries with the exception of foreign companies owned by ZAO "InterRAO" (100% UES Subsidiary) are incorporated and operate in Russia.

### Regional generation and distribution companies

Name	Ownership %	Voting %	Name	Ownership %	Voting %
<b>Centre</b>			<b>South</b>		
Astrakhanenergo	49.0	49.0	Dagenergo	51.4	51.4
Belgorodenergo	49.0	65.3	Experimentalnaya TETS	74.9	100.0
Bryanskenergo	49.0	49.0	Kabbalkenergo	66.4	66.4
Ivenergo	49.7	56.6	Kalmenergo	96.4	96.4
Kalugaenergo	49.0	49.0	Karachaevo-Cherkesskenergo	100.0	100.0
Kostromaenergo	49.0	49.0	Kubanenergo	49.0	49.0
Kurskenergo	49.4	59.8	Rostovenergo	48.4	62.8
Lipetskenergo	49.0	49.0	Sevkavkazenergo	49.0	49.0
Mosenergo	50.9	50.9	Stavropolenergo	55.1	71.9
Orelenergo	49.5	49.2			
Ryazanenergo	49.0	49.0	<b>Ural</b>		
Smolenskenergo	48.7	59.3	Chelyabenergo	49.0	58.1
Tambovenergo	49.0	56.0	Kirovenergo	48.2	64.0
Tulenergo	49.0	49.0	Kurganenergo	49.0	49.0
Tverenergo	49.0	65.3	Orenburgenergo	100.0	100.0
Vladimirenergo	49.0	49.0	Permenergo	49.0	64.4
Volgogradenergo	49.0	61.3	Sverdlovenergo	49.0	65.3
Vologdaenergo	49.0	49.0	Tumenenergo	100.0	100.0
Voronezhenergo	49.0	65.3	Udmurtenergo	49.0	55.4
Yarenergo	47.8	60.3			
<b>North-West</b>			<b>Siberia</b>		
Arkhenenergo	49.0	59.1	Altaienergo	54.7	72.2
Karelenergo	100.0	100.0	Buryatenergo	47.0	47.0
Kolenergo	49.2	65.5	Chitaenergo	49.0	62.2
Komienergo	50.1	50.3	Khakasenergo	100.0	100.0
Lenenergo	49.0	57.4	Krasnoyarskenergo	51.8	51.8
Novgorodenergo	49.0	62.9	Kuzbassenergo	49.0	49.0
Pskovenergo	49.0	49.0	Omskenergo	49.0	49.0
Yantarenergo	100.0	100.0	Tomskenergo	52.0	59.9
<b>Middle Volga</b>			<b>East</b>		
Chuvashenergo	100.0	100.0	Amurenergo	53.1	53.1
Marienergo	64.4	70.1	Dalenergo	49.0	65.3
Mordovenergo	53.1	53.1	Geotherm	72.6	78.5
Nizhnovenergo	49.0	62.3	Khabarovskenergo	48.8	48.8
Penzaenergo	49.0	60.2	Kolymaenergo	93.4	93.4
Samaraenergo	49.0	56.3	Kamchatskenergo	49.0	49.0
Saratovenergo	49.0	49.0	Magadanenergo	49.0	49.0
Ulyanovskenergo	49.0	65.3	Sakhalinenergo	49.0	49.0
			Sakhaenergo	49.0	100.0
			Yakutskenergo	49.0	58.1



### Hydrogenerating companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Bureyskaya GES	75.4	76.5	Volzhskaya GES (Volzhsk)	83.3	83.3
Kabbalk GES	82.0	98.0	Volzhskaya GES (Zhigulevsk)	85.0	85.8
Kamskaya GES	100.0	100.0	Votkinskaya GES	59.8	74.2
Kaskad Verhnevolzhskih GES	100.0	100.0	Zaramagskie GES	88.7	90.6
Sayano-Shushenskaya GES	78.9	78.9	Zeiskaya GES	56.9	57.4
Sulakenergo	99.2	99.2	Zelenchugskie GES	100.0	100.0
Taimyrenergo	100.0	100.0			

### Thermal generating companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Berezovskaya GRES –1	100.0	100.0	North-West Station	68.2	75.3
Cherepetskaya GRES	55.8	55.8	Novocherkasskaya GRES	100.0	100.0
Gusinoozerskaya GRES	100.0	100.0	Pechorskaya GRES	51.0	51.0
Konakovskaya GRES	51.0	51.0	Permskaya GRES	100.0	100.0
Kostromskaya GRES	51.0	51.0	Pskovskaya GRES	50.0	50.0
Krasnoyarskaya GRES –2	100.0	100.0	Ryazanskaya GRES	100.0	100.0
Kuban GRES	79.8	99.9	Shekinskie PGU	92.1	98.9
Kaliningradskaya TETS –2	63.2	63.2	Stavropolskaya GRES	51.0	51.0
Lutek	56.3	56.3	Troitskaya GRES	100.0	100.0
Nevinomysskaya GRES	100.0	100.0			

### Construction companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Boguchanskaya GES	65.4	65.4	Cherkeigesstroi	100.0	100.0
Bureyagesstroy	100.0	100.0			

### Other

Name	Ownership p %	Voting %	Name	Ownership p %	Voting %
Central Dispatch Centre	100.0	100.0	System Operator	100.0	100.0
Federal Grid Company	100.0	100.0	Media-Holding REN-TV	70.0	70.0
Insurance company LIDER	100.0	100.0	Inter RAO UES	60.0	60.0
Centre of Settlement Optimisation	100.0	100.0	Energy Centre	75.0	75.0

### Foreign companies

Name	Ownership %	Voting %	Country
RAO Nordic	60.0	100.0	Finland
AES Telasi	45.0	75.0	Georgia
AES Mtkvari	60.0	100.0	Georgia
AES Transenergy	30.0	50.0	Georgia



AES Silk Road	60.0	100.0	Netherlands
AES Gardabani	60.0	100.0	Netherlands
AES Georgia	60.0	100.0	Netherlands
ZAO MEK	54.0	100.0	Armenia

The Group controls Centre for Assistance in Restructuring the Electricity Sector, a non-commercial partnership.

Differences between ownership interest and voting interest normally represent the effect of preference shares. RAO UES does not hold any preference shares of its subsidiaries. Such preference shares do not have any voting rights, unless dividends have not been declared fully at the Annual shareholders' meeting.

In August 2001, the Group acquired a controlling interest in OOO Media-Holding REN-TV, an entity which holds television broadcasting equipment and licenses. This investment was acquired and held exclusively with a view to its subsequent disposal in the near future. In absence of completion of the disposal it has been consolidated with the effect from October 2002.

In August 2003, the Group acquired 100 percent of the shares of AES Silk Road, AES Gardabani and AES Georgia, all holding companies based in the Netherlands, from the AES Group. In addition, amounts receivable by the AES Group from the above companies amounting to RR 15,923 million (US\$ 522 million) were acquired by the Group. The total consideration paid in cash was RR 704 million (US\$ 23 million).

The above holding companies were, in their turn, the owners of shares in certain entities located in Georgia: 75 percent of JSC AES Telasi, an entity which holds electricity distribution assets, 100 percent of OOO AES Mtkvari, an entity which holds electricity and heat generation assets; 50 percent of OOO AES Transenergy, an entity which exports energy; AES Georgia was also the owner of the management rights of Khramesy 1 and 2 hydrogeneration plants.

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	53
Accounts receivable and prepayments	1,247
Other current assets	448
Property, plant and equipment	613
Other non-current assets	258
Accounts payable and accrued charges	(221)
Other current liabilities	(343)
Non-current debt	(97)
Other non-current liabilities	(153)
Minority interest	(1,101)
<b>Fair value of net assets acquired</b>	<b>704</b>
Less: cash and cash equivalents in subsidiary acquired	(53)
<b>Cash flow on acquisition, net of cash acquired</b>	<b>651</b>

The acquisition was accounted for under the purchase method of accounting. The results of operations of the acquired businesses were included in the consolidated financial statements as of the respective date of acquisition. The purchase price of the foreign acquisition was translated at the exchange rates in effect as the respective date of acquisition.

In June 2003, RAO Nordic, a Group entity, founded ZAO MEK, an entity located in Armenia. RAO Nordic owns a 90 percent interest in this entity. In September 2003, ZAO MEK purchased assets of ZAO Sevan-Razdansky Kaskad, a cascade of hydroplants located in Armenia, for a fair value consideration of RR 1 172 million (US\$ 25 million payable immediately and EUR 17 million payable along with related interest over a period of 32 years commencing in 2009). The Group has settled the US\$ 25 million payment to the seller by assuming the liability of ZAO Armyanskaya AS, a nuclear power plant, located in Armenia ("Armenian NPP"), owned by the government of Armenia, which is also the ultimate owner of the assets purchased, to a supplier of nuclear fuel. The assumed liability is payable in equal installments over a period of 5 years commencing in 2004.

The assets arising from the acquisition are as follows:

Accounts receivable and prepayments	43
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Other current assets	52
Property, plant and equipment	1,077
<b><u>Fair value of assets acquired</u></b>	<b><u>1,172</u></b>

The above acquisition was accounted for under the purchase method of accounting. The purchase price of the foreign acquisition was translated at the exchange rate in effect at the date of acquisition.

In September 2003, Inter RAO UES, a Group entity, concluded an agreement with the government of Armenia to settle a separate liability of Armenian NPP to another supplier of nuclear fuel for the amount of RR 490 million (US\$ 15.7 million). Inter RAO UES will receive this amount back along with interest during two years commencing in September 2003. Inter RAO UES has entered into a management contract in respect of Armenian NPP and will be entitled to the higher of 25 percent of that plant's annual net income during the period of 5 years commencing in September 2003 or US\$ 0.1 million annually as a management fee. The current portion of the outstanding recoverable balance of RR 194 million is included within other current assets; the remaining RR 193 million is included within other non-current assets.

During the nine months ended 30 September 2003 there were certain other changes in RAO UES' ownership percentage of several of its subsidiaries, which had an immaterial impact on the statement of operations.





## 5.6. Segmental information

**Primary reporting segments - business segments.** The Group is organised into four main business segments:

- **“Transmission segment”** this segment principally comprises RAO UES, FGC, SO-CDU and CDC, which maintain and operate the high voltage electricity transmission grid and perform electricity dispatch functions. Transmission fees are set by the FEC;
- **“Energos segment”** consists of regional electricity and heat generation and distribution. The majority of electricity generated by energos is sold within the regions in which the energo operates at tariffs set by RECs. Certain energos have surplus generation and sell electricity via FOREM. Tariffs in FOREM are set by the FEC;
- **“Hydro and thermal generating stations segment”** consists of entities that produce and sell electricity to energos through FOREM, at tariffs set by the FEC; and
- **“Unallocated”** consists of numerous insignificant segments including construction, and export generation and sales.

Three months ended 30 September 2003		Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues		11,181	113,249	13,863	7,805	-	146,0
Intra-group revenues		(10,357)	(2,444)	(10,032)	(4,293)	-	(27,1
Net revenues		824	110,805	3,831	3,512	-	118,9
Segment income / (loss)		3,422	(3,447)	(2,073)	2,410	25	337
Capital expenditures		2,650	14,517	3,043	735	-	20,9
Depreciation and amortisation		2,025	11,035	1,613	395	-	15,0
Doubtful debtors expense / (release)		548	(1,502)	340	(514)	-	(1,1
Nine months ended 30 September 2003		Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues		44,475	400,267	45,134	25,350	-	515,2
Intra-group revenues		(42,253)	(7,191)	(35,384)	(10,583)	-	(95,4
Net revenues		2,222	393,076	9,750	14,767	-	419,8
Segment income / (loss)		19,022	14,107	475	3,595	-	37,2
Capital expenditures		6,834	28,226	9,547	4,840	-	49,4
Depreciation and amortisation		5,963	33,044	4,667	1,446	-	45,1
Doubtful debtors expense / (release)		550	160	101	98	-	909
Three months ended 30 September 2002		Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues		10,691	100,396	11,178	4,858	-	127,1
Intra-group revenues		(9,681)	(3,295)	(10,371)	(2,525)	-	(25,8
Net revenues		1,010	97,101	807	2,333	-	101,2
Segment income / (loss)		11,722	(14,157)	(1,194)	(6,962)	(299)	(10,8
Capital expenditures		1,540	8,091	2,415	817	-	12,8
Depreciation and amortisation		2,053	11,303	1,629	394	-	15,3
Doubtful debtors expense / (release)		176	(113)	835	60	-	958



<b>Nine months ended 30 September 2002</b>		<b>Hydro and thermal generating stations</b>				<b>Consolidation adjustments</b>	<b>Total</b>
	<b>Transmission</b>	<b>Energos</b>		<b>Unallocated</b>			
Gross revenues	31,472	335,584	30,525	14,484	-	412,0	
Intra-group revenues	(29,57€)	(6,93€)	(26,989)	(6,16€)	-	(69,6	
Net revenues	1,894	328,651	3,536	8,321	-	342,4	
Segment income / (loss)	22,22€	(8,10€)	(6,525)	(5,074)	(308)	2,2	
Capital expenditures	4,17€	20,42€	5,405	2,54€	-	32,5	
Depreciation and amortisation	6,071	34,582	4,867	1,791	-	47,3	
Doubtful debtors expense / (release)	531	517	1,068	(113)	-	2,0	
<b>As at 30 September 2003</b>							
	<b>Transmission</b>	<b>Energos</b>	<b>Hydro and thermal generating stations</b>	<b>Unallocated</b>	<b>Consolidation adjustments</b>	<b>Total</b>	
Segment total assets	148,00€	730,07€	139,291	119,02€	(55,177)	1,0	
Associates	-	-	-	240	-	240	
Total assets	148,00€	730,07€	139,291	119,26€	(55,177)	1,0	
Segment liabilities	6,02€	138,08€	36,718	137,557	(37,152)	281,2	
Total liabilities	6,02€	138,08€	36,718	137,557	(37,152)	281,2	
<b>As at 31 December 2002</b>							
	<b>Transmission</b>	<b>Energos</b>	<b>Hydro and thermal generating stations</b>	<b>Unallocated</b>	<b>Consolidation adjustments</b>	<b>Total</b>	
Segment total assets	148,723	728,760	123,582	111,761	(51,390)	1,0	
Associates	-	-	-	-	-	-	
Total assets	148,723	728,760	123,582	111,761	(51,390)	1,0	
Segment liabilities	3,157	141,351	30,517	126,357	(30,342)	271,0	
Total liabilities	3,157	141,351	30,517	126,357	(30,342)	271,0	



**Secondary reporting segments - geographical segments.** The Group operates in seven geographical areas within the Russian Federation. These geographical areas correspond to the regions established for system operation. Group entities have been aggregated within these geographical areas based on the area where their assets are located, with the exception of the Transmission segment. The transmission grid, owned by RAO UES and FGC, is located throughout the territory of the Russian Federation, but is recorded in the books of these enterprises without details of geographic location. Accordingly, it is not practicable to split these assets on a geographical basis. The Group's assets generate revenues primarily within the geographical region where they are located.

<b>Revenue</b>				
	<b>Three months ended 30 September 2003</b>	<b>Nine months ended 30 September 2003</b>	<b>For three months ended 30 September 2002</b>	<b>For nine months ended 30 September 2002</b>
Transmission segment	11,181	44,479	10,691	31,472
Centre	36,088	128,642	32,311	103,353
North-West	12,771	47,567	10,402	38,215
Urals	29,152	99,831	26,421	84,809
Siberia	14,760	52,886	13,326	44,432
Middle Volga	13,325	45,367	10,509	35,161
East	11,650	43,016	10,945	36,702
South	10,654	32,777	8,903	27,039
	139,581	494,565	123,508	401,183
Unallocated	6,517	20,665	3,615	10,882
Consolidation adjustments	(27,126)	(95,411)	(25,876)	(69,663)
<b>Total</b>	<b>118,972</b>	<b>419,819</b>	<b>101,247</b>	<b>342,402</b>

	<b>Total assets</b>		<b>Capital expenditures</b>			
	<b>30 September 2003</b>	<b>31 December 2002</b>	<b>Three months ended 30 September 2003</b>	<b>Nine months ended 30 September 2003</b>	<b>Three months ended 30 September 2002</b>	<b>Nine months ended 30 September 2002</b>
Transmission segment	148,000	148,723	2,650	6,834	1,540	4,179
Centre	247,406	250,076	4,677	9,630	2,404	6,600
North-West	77,202	71,477	1,768	3,827	1,168	2,828
Urals	190,373	189,214	3,479	5,710	2,020	4,577
Siberia	126,800	121,418	2,665	5,491	1,491	3,604
Middle Volga	63,986	66,101	543	1,591	419	1,334
East	106,804	99,553	2,808	8,571	2,084	5,453
South	63,295	65,214	1,870	3,895	1,074	2,494
	1,023,8	1,011,7	20,460	45,549	12,200	31,069
Unallocated	112,765	101,050	485	3,898	663	1,489
Consolidation adjustments	(55,177)	(51,390)	-	-	-	-
<b>Total</b>	<b>1,081,454</b>	<b>1,061,4</b>	<b>20,945</b>	<b>49,447</b>	<b>12,863</b>	<b>32,558</b>



**Associates.** The following transactions were carried out with associates, Bashkirenergo and Novosibirskenergo, the majority of which are based on tariffs set by the FEC:

	<b>Three months ended 30 September 2002</b>	<b>Nine months ended 30 September 2002</b>
Transmission fee income	159	509
Electricity revenues	81	153
Rental fee income	10	30
Purchased power expense	65	137

In late 2002 management re-assessed the level of influence that the Group had over the companies previously regarded as associates and determined that this no longer amounted to significant influence. Consequently, the investments in these companies, which had formerly been accounted for as associates were re-classified as non-current available-for-sale investments.

In May 2003, the Group acquired 25 percent of the share capital of a new entity JSC “Rossiskiye kommunalniye sistemy” (“JSC RKS”). JSK RKS is incorporated and operates in Russia. The entity was set up with the purpose to provide local utility services to customers.



**6. Appendix 2. Electricity (sales), heat, fuel, purchased power tariffs (used in preparation of financial statements in accordance with IAS)**

**6.1. Operating income & major costs (physical indicators)**

	Nine months ended 30 September 2003	Nine months ended 30 September 2002	Change	%
Electricity external sales (mln KWh)	447,6	416	31,4	7,5
<b>Less</b>				
purchased power (mln KWh)	133,8	121	11,9	9,8
Electricity generation (mln KWh)	313,8	294	19,4	6,6
Heat production (ths GCl)	259,9	241	18,4	7,6
Fuel expenses (thousand tonnes of equivalent fuel)	147,2	137	10,2	7,5

**6.2. Tariffs movement analysis**

**Restated\***

	Nine months ended 30 September 2003	Nine months ended 30 September 2002	Change %
Electricity, RR/KWt/h	0.73	0.64	14%
Heat, RR thou./Gcal	0.26	0.22	18.9%
Fuel, RR thou./t of equivalent fuel	0.77	0.64	21%
Purchased power, RR/KWt/h	0.39	0.37	5.4%

\* Inflation factor for calculation of comparable numbers is 7.75% for data for 9 months ended 30 September 2002.

**Unrestated for inflation – historic nominal prices**

	Nine months ended 30 September 2003	Nine months ended 30 September 2002	Change %
Electricity, RR/KWt/h	0.73	0.59	22.8%
Heat, RR thou./Gcal	0.26	0.20	28.1%
Fuel, RR thou./t of equivalent fuel	0.77	0.59	30.3%
Purchased power, RR/KWt/h	0.39	0.35	13.6%



## SECTION 2. 12 REGIONAL COMPANIES OF RAO UES GROUP (constituting more than 40% of Group's aggregated revenue)

Mosenergo, Tyumenenergo, Sverdlovennergo, Lenenergo, Kuzbassenergo, Permenergo, Samaraenergo, Chelyabenergo, Krasnoyarskenergo, Nizhnovenergo, Rostovenergo, Orenburgenergo. Summary report on the largest AO-energoes: financial results prepared in accordance with Russian Accounting Standards (RAS)

Indicators/Power system	Mosenergo			Tyumenenergo			Sverdlovennergo			Lenenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	14709.4	15099.7	-2.58	10421.0	10421.0	0.00	8257.6	8263.1	-0.07	3244.5	5352.5	-39.38
TPPs	13509.4	13899.7	-2.81	10421.0	10421.0	0.00	8250.6	8256.1	-0.07	2595.5	4703.5	-44.82
HPPs	1200.0	1200.0	0.00	0.0	0.0	-	7.0	7.0	0.00	649.0	649.0	0.00
Average Operating capacity for the reporting period (MW), incl.:	10908.8	10780.1	1.19	8215.8	7898.7	4.01	5294.3	5335.9	-0.78	1685.2	2547.6	-33.85
TPPs	9870.6	9752.2	1.21	8215.8	7898.7	4.01	5290.7	5332.6	-0.79	1202.4	2035.4	-40.93
HPPs	1038.2	1028.0	0.99	0.0	0.0	-	3.6	3.3	9.09	482.8	512.2	-5.74
Power energy generation (ths kWh), incl.:	53 927 853	49 297 204	9.39	50 237 275	45 196 336	11.15	28 033 892	25 976 899	7.92	8 513 148	11 717 471	-27.35
TPPs	52 495 236	47 826 527	9.76	50 237 275	45 196 336	11.15	28 014 106	25 958 702	7.92	6 742 311	9 428 833	-28.49
HPPs	1 432 617	1 470 677	-2.59	0	0	-	19 786	18 197	8.73	1 770 837	2 288 638	-22.62
Heat energy output (Gcal)	49 581 693	43 379 809	14.30	8 333 747	7 864 268	5.97	17 259 445	16 118 856	7.08	15 456 079	15 798 293	-2.17
Fuel rate on power energy (g/kWh)	304.2	304.2	0.00	312.4	313.6	-0.38	360.8	361.6	-0.22	310.4	317.7	-2.30
Fuel rate on heat energy (kg/Gcal)	134.9	133.8	0.82	144.0	145.6	-1.10	148.7	147.8	0.61	136.2	139.0	-2.01
Power energy output (ths kWh), incl.:	41 891 261	39 966 767	4.82	45 873 514	41 040 832	11.78	24 568 749	23 980 380	2.45	17 985 441	16 731 356	7.50
Industrial consumers 750 kVA and more	10 297 946	9 509 251	8.29	30 496 486	27 493 199	10.92	16 133 492	15 560 220	3.68	6 381 008	6 067 019	5.18
Industrial consumers up to 750 kVA	2 643 152	2 424 056	9.04	758 217	777 397	-2.47	587 414	382 746	53.47	1 199 811	1 041 248	15.23
Railway transport	1 825 024	1 533 603	19.00	334 893	295 850	13.20	1 180 301	1 088 597	8.42	722 891	694 844	4.04
Municipal transport	1 500 082	1 442 567	3.99	3 624	4 828	-24.94	12 523	14 721	-14.93	486 196	492 825	-1.35
Non-industrial consumers	10 796 405	10 057 162	7.35	266 742	249 881	6.75	723 863	584 626	23.82	2 947 237	2 436 788	20.95
Agriculture	625 819	623 398	0.39	240 591	260 798	-7.75	366 565	387 052	-5.29	348 709	343 023	1.66
Resedentials	6 666 270	7 647 560	-12.83	293 744	218 910	34.18	550 206	525 949	4.61	2 799 652	2 486 044	12.61
Populated areas	1 657 347	1 311 266	26.39	211 140	391 512	-46.07	484 868	548 700	-11.63	274 379	248 774	10.29
Wholesale consumers – power energy resellers	5 823 410	5 367 000	8.50	5 861 880	5 497 693	6.62	4 481 222	4 847 200	-7.55	2 522 747	2 649 666	-4.79
Housing & Communal services	55 806	50 904	9.63	87 227	82 942	5.17	48 295	40 568	19.05	32 005	32 878	-2.66
Transmission (balanced), incl.:	0	0	-	7 318 970	5 767 822	26.89	0	0	-	270 806	238 247	13.67
Supplied to FOREM	0	0	-	6 206 119	5 767 822	7.60	0	0	-	0	0	-



Indicators/Power system	Mosenergo			Tyumenenergo			Sverdlovenergo			Lenenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Average tariff for end-consumers (Kop/kWh)	83.13	61.47	35.24	65.04	53.59	21.37	58.96	52.8	11.67	80.29	66.25	21.19
Heat energy output (Gcal), incl.:	46 648 655	39 822 810	17.14	7 720 449	7 570 971	1.97	16 228 262	15 514 430	4.60	14 997 008	15 348 485	-2.29
Industrial consumers, incl.:	42 393 556	36 212 691	17.07	3 844 391	3 118 050	23.29	14 425 778	9 977 475	44.58	10 074 492	10 701 015	-5.85
Housing & Communal facilities	3 329 809	2 790 164	19.34	104 330	0	-	650 343	138 581	369.29	1 329 652	1 181 091	12.58
Greenhouse farming	92 105	88 091	4.56	85 537	36 632	133.50	112 434	159 633	-29.57	10 233	31 395	-67.41
Garage & Communal facilities. hotels	90 823	67 300	34.95	7 953	3 538	124.79	17 018	11 850	43.61	29 249	20 268	44.31
Wholesale consumers – heat energy resellers	742 362	664 564	11.71	3 678 238	4 412 751	-16.65	1 022 689	5 226 890	-80.43	3 553 382	3 414 716	4.06
Average tariff for end-consumers (Rub/Gcal)	289.28	217.81	32.81	170.66	121.3	40.69	192.43	157.09	22.50	283.74	249.48	13.73
Revenues from sale of goods, products, works and services (ths Rub), incl.:	48 852 432	33 796 262	44.55	32 188 059	23 762 642	35.46	17 969 218	15 445 917	16.34	18 993 668	15 047 364	26.23
Power energy	33 741 991	23 914 572	41.09	29 836 159	21 980 866	35.74	14 388 936	12 564 574	14.52	14 036 670	10 848 833	29.38
Heat energy	13 418 370	8 627 893	55.52	1 317 584	918 369	43.47	3 099 586	2 432 658	27.42	4 257 923	3 803 982	11.93
Other goods, products, works. services related to operating activity	1 372 454	1 008 812	36.05	676 619	617 228	9.62	416 505	338 559	23.02	664 223	361 939	83.52
Other goods. products, works, services related to non-operating activity	319 617	244 985	30.46	357 697	246 179	45.30	64 191	110 126	-41.71	34 852	32 610	6.88
Cost of goods, products, works. services (ths Rub), incl.:	46 280 698	34 574 019	33.86	26 821 245	19 784 702	35.57	17 042 265	13 895 812	22.64	17 759 288	13 754 304	29.12
Power energy	29 882 341	22 188 184	34.68	24 119 902	17 564 713	37.32	13 271 560	10 894 396	21.82	12 901 094	9 496 120	35.86
Heat energy	14 866 854	11 235 936	32.32	1 840 124	1 224 794	50.24	3 253 227	2 475 633	31.41	4 685 744	4 076 375	14.95
Other goods, products. works. services related to operating activity	978 529	690 461	41.72	607 758	569 963	6.63	405 786	329 653	23.09	163 741	101 595	61.17
Other goods, products, works, services related to non-operating activity	552 974	459 438	20.36	253 461	425 232	-40.39	111 692	196 130	-43.05	8 709	80 214	-89.14
Operating Profit / (Loss) (ths Rub)	2 519 768	(816 415)	-	5 358 772	3 970 891	34.95	852 579	1 495 482	-42.99	1 234 380	1 293 060	-4.54
Profit / (Loss) before taxation (ths Rub)	(674 321)	(3 132 257)	-	4 221 085	2 539 706	66.20	52 386	699 551	-92.51	19 717	(202 900)	-
Net Profit / (Loss) (ths Rub)	(1 067 294)	(3 393 366)	-	2 876 553	1 596 778	80.15	(196 188)	378 337	-	(203 721)	(263 726)	-



Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	4667.0	4732.0	-1.37	2409.9	2031.9	18.60	3519.7	3469.7	1.44	1814.0	1824.0	-0.55
TPPs	4667.0	4732.0	-1.37	1875.4	2003.9	-6.41	3519.7	3469.7	1.44	1814.0	1824.0	-0.55
HPPs	0.0	0.0	-	534.5	28.0	1808.93	0.0	0.0	-	0.0	0.0	-
Average Operating capacity for the reporting period (MW), incl.:	3368.3	3547.2	-5.04	1501.0	1160.8	29.31	1811.0	1798.7	0.68	1202.9	1292.2	-6.91
TPPs	3368.3	3547.2	-5.04	1103.3	1137.2	-2.98	1811.0	1798.7	0.68	1202.9	1292.2	-6.91
HPPs	0.0	0.0	-	397.7	23.6	1585.17	0.0	0.0	-	0.0	0.0	-
Power energy generation (ths kWh), incl.:	17 855 826	18 934 515	-5.70	7 541 344	6 523 325	15.61	9 687 661	9 167 769	5.67	6 327 189	6 270 249	0.91
TPPs	17 855 826	18 934 515	-5.70	6 452 422	6 444 805	0.12	9 687 661	9 167 769	5.67	6 327 189	6 270 249	0.91
HPPs	0	0	-	1 088 922	78 520	1286.81	0	0	-	0	0	-
Heat energy output (Gcal)	9 612 347	9 085 022	5.80	10 361 800	10 968 288	-5.53	17 534 297	15 997 529	9.61	7 627 663	7 491 084	1.82
Fuel rate on power energy (g/kWh)	365.0	366.2	-0.33	369.2	373.4	-1.12	357.2	361.4	-1.16	357.7	359.7	-0.56
Fuel rate on heat energy (kg/Gcal)	151.5	154.7	-2.07	152.1	151.7	0.26	145.4	145.7	-0.21	144.5	143.6	0.63
Power energy output (ths kWh), incl.:	19 908 473	19 506 075	2.06	12 026 490	12 084 687	-0.48	13 209 066	12 793 757	3.25	10 789 060	11 163 845	-3.36
Industrial consumers 750 kVA and more	14 751 705	14 085 803	4.73	7 862 611	8 083 101	-2.73	7 980 828	7 826 191	1.98	5 415 418	5 355 976	1.11
Industrial consumers up to 750 kVA	1 123 173	282 722	297.27	529 884	450 448	17.63	353 086	331 275	6.58	598 044	586 807	1.91
Railway transport	70 278	680 844	-89.68	667 677	622 696	7.22	498 608	460 131	8.36	831 924	771 328	7.86
Municipal transport	0	17 053	-100.00	40 616	41 179	-1.37	98 061	98 179	-0.12	96 191	101 752	-5.47
Non-industrial consumers	146 423	217 871	-32.79	621 009	629 510	-1.35	276 008	290 023	-4.83	865 356	730 323	18.49
Agriculture	209 555	221 966	-5.59	299 620	305 974	-2.08	216 606	255 124	-15.10	354 138	382 759	-7.48
Residential	207 752	248 142	-16.28	709 257	669 018	6.01	208 238	253 737	-17.93	1 305 982	1 374 257	-4.97
Populated areas	88 740	122 397	-27.50	100 122	103 770	-3.52	168 733	167 885	0.51	193 158	191 265	0.99
Wholesale consumers – power energy resellers	3 310 847	3 566 141	-7.16	1 154 704	1 138 055	1.46	3 408 898	3 111 212	9.57	1 089 703	1 630 004	-33.15
Housing & Communal services	0	63 136	-100.00	40 992	40 936	0.14	0	0	-	39 146	39 374	-0.58
Transmission (balanced), incl.:	0	0	-	0	0	-	0	0	-	0	0	-
Supplied to FOREM	0	0	-	0	0	-	0	0	-	0	0	-
Average tariff for end-consumers (Kop/kWh)	51.58	44.04	17.12	76.31	64.49	18.33	77.23	55.42	39.35	79.93	65.39	22.24
Heat energy output (Gcal), incl.:	8 955 097	8 487 575	5.51	10 232 605	10 931 887	-6.40	16 180 777	14 730 111	9.85	6 664 734	6 550 607	1.74





Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Industrial consumers, incl.:	8 686 354	8 253 269	5.25	6 702 751	7 569 536	-11.45	9 484 139	8 495 041	11.64	5 555 343	5 439 116	2.14
Housing & Communal facilities	72 137	60 812	18.62	323 333	264 953	22.03	62 995	51 266	22.88	554 704	460 282	20.51
Greenhouse farming	191 910	168 006	14.23	198 575	192 490	3.16	209 417	211 147	-0.82	48 529	47 432	2.31
Garage & Communal facilities. hotels	4 696	5 488	-14.43	2 141	2 572	-16.76	5 257	6 103	-13.86	2 678	3 883	-31.03
Wholesale consumers – heat energy resellers	0	0	-	3 005 805	2 902 336	3.57	6 418 969	5 966 554	7.58	503 480	599 894	-16.07
Average tariff for end-consumers (Rub/Gcal)	229.62	174.43	31.64	221.39	173.55	27.57	204.22	149.48	36.62	179.03	145.63	22.93
Revenues from sale of goods, products, works and services (ths Rub), incl.:	12 823 054	10 524 998	21.83	11 605 383	9 900 591	17.22	14 164 624	9 841 609	43.93	10 507 504	8 954 491	17.34
Power energy	10 206 002	8 531 069	19.63	9 105 879	7 741 965	17.62	10 046 023	7 056 756	42.36	8 663 169	7 311 128	18.49
Heat energy	2 011 300	1 465 984	37.20	2 253 468	1 892 202	19.09	3 301 756	2 201 085	50.01	1 202 206	968 707	24.10
Other goods, products, works, services related to operating activity	504 072	399 393	26.21	176 251	142 389	23.78	772 206	546 233	41.37	526 229	567 854	-7.33
Other goods, products, works, services related to non-operating activity	101 680	128 552	-20.90	69 785	124 035	-43.74	44 639	37 535	18.93	115 900	106 802	8.52
Cost of goods, products, works, services (ths Rub), incl.:	11 674 141	9 359 161	24.73	10 211 654	9 195 151	11.05	12 698 630	9 828 740	29.20	9 611 947	8 077 994	18.99
Power energy	9 216 071	7 322 453	25.86	7 833 591	6 950 925	12.70	9 130 748	7 005 014	30.35	7 393 781	6 331 218	16.78
Heat energy	1 939 747	1 535 113	26.36	2 110 772	1 923 708	9.72	2 999 654	2 401 475	24.91	1 729 621	1 374 969	25.79
Other goods, products, works, services related to operating activity	418 744	322 244	29.95	133 868	111 779	19.76	494 686	375 136	31.87	315 610	255 455	23.55
Other goods, products, works, services related to non-operating activity	99 579	179 351	-44.48	133 423	208 739	-36.08	73 542	47 115	56.09	172 935	116 352	48.63
Operating Profit / (Loss) (ths Rub)	1 127 061	1 151 723	-2.14	1 393 534	705 244	97.60	1 464 090	12 478	11633.37	890 340	872 595	2.03
Profit / (Loss) before taxation (ths Rub)	194 332	(608 480)	-	533 781	129 200	313.14	369 286	(407 371)	-	347 741	(33 186)	-
Net Profit / (Loss) (ths Rub)	(34 920)	(850 829)	-	233 413	4 964	4602.12	172 916	(420 686)	-	52 667	(180 563)	-



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	8149.8	8075.0	0.93	1311.0	1311.0	0.00	829.0	829.0	0.00	3140.0	3159.1	-0.60
TPPs	2149.8	2075.0	3.60	1311.0	1311.0	0.00	620.0	620.0	0.00	3110.0	3129.1	-0.61
HPPs	6000.0	6000.0	0.00	0.0	0.0	-	209.0	209.0	0.00	30.0	30.0	0.00
Average Operating capacity for the reporting period (MW), incl.:	3739.4	3950.2	-5.34	571.1	662.4	-13.78	463.8	450.7	2.91	1846.7	1989.2	-7.16
TPPs	1377.1	1146.4	20.12	571.1	662.4	-13.78	290.1	297.1	-2.36	1832.8	1972.6	-7.09
HPPs	2362.3	2803.8	-15.75	0.0	0.0	-	173.7	153.6	13.09	13.9	16.6	-16.27
Power energy generation (ths kWh), incl.:	7 619 617	6 652 329	14.54	2 234 142	3 305 402	-32.41	2 247 209	2 314 796	-2.92	9 965 762	8 895 047	12.04
TPPs	7 619 617	6 652 329	14.54	2 234 142	3 305 402	-32.41	1 628 673	1 805 958	-9.82	9 920 993	8 803 474	12.69
HPPs	0	0	-	0	0	-	618 536	508 838	21.56	44 769	91 573	-51.11
Heat energy output (Gcal)	8 817 341	8 736 251	0.93	3 445 445	4 987 497	-30.92	2 945 286	2 688 842	9.54	6 786 522	6 501 419	4.39
Fuel rate on power energy (g/kWh)	349.9	347.4	0.72	418.2	398.0	5.08	323.6	326.0	-0.74	325.5	327.4	-0.58
Fuel rate on heat energy (kg/Gcal)	146.3	148.0	-1.15	156.7	153.7	1.95	152.0	152.7	-0.46	133.1	133.3	-0.15
Power energy output (ths kWh), incl.:	20 700 780	19 892 256	4.06	10 188 477	10 447 365	-2.48	7 837 775	7 653 089	2.41	8 575 342	7 561 178	13.41
Industrial consumers 750 kVA and more	15 209 598	14 627 414	3.98	5 923 849	6 294 219	-5.88	2 448 047	2 338 681	4.68	4 762 503	4 597 949	3.58
Industrial consumers up to 750 kVA	511 093	536 033	-4.65	776 758	694 009	11.92	182 444	170 748	6.85	464 065	325 233	42.69
Railway transport	870 675	812 703	7.13	342 226	380 800	-10.13	521 109	529 845	-1.65	287 969	266 636	8.00
Municipal transport	19 080	22 251	-14.25	78 960	78 357	0.77	27 455	26 680	2.90	33 372	34 173	-2.34
Non-industrial consumers	967 944	912 396	6.09	983 518	929 534	5.81	390 435	382 673	2.03	381 527	366 971	3.97
Agriculture	432 269	411 411	5.07	339 910	349 256	-2.68	331 126	315 072	5.10	244 761	273 558	-10.53
Resedentals	1 282 321	1 097 838	16.80	1 229 496	1 210 448	1.57	533 510	558 979	-4.56	752 266	752 163	0.01
Populated areas	188 910	205 535	-8.09	484 621	486 695	-0.43	164 912	229 548	-28.16	235 368	263 615	-10.72
Wholesale consumers – power energy resellers	1 185 293	1 228 572	-3.52	0	0	-	3 238 737	3 073 593	5.37	679 919	658 705	3.22
Housing & Communal services	33 597	38 103	-11.83	29 139	24 047	21.18	0	27 270	-100.00	21 990	22 174	-0.83
Transmission (balanced), incl.:	0	0	-	0	0	-	0	0	-	711 601	0	-
Supplied to FOREM	0	0	-	0	0	-	0	0	-	651 282	0	-
Average tariff for end-consumers (Kop/kWh)	38.6	34.31	12.50	84.51	62.82	34.53	77.19	61.33	25.86	68.54	62.43	9.79



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)	9 months ended 30 Sep 2003	9 months ended 30 Sep 2002	Changes (%)
Heat energy output (Gcal), incl.:	7 687 184	7 577 434	1.45	3 413 976	4 920 780	-30.62	2 550 879	2 309 964	10.43	6 514 484	6 222 199	4.70
Industrial consumers, incl.:	6 215 575	6 070 884	2.38	3 303 889	4 757 792	-30.56	2 268 818	2 063 300	9.96	4 104 246	4 027 822	1.90
Housing & Communal facilities	630 774	527 943	19.48	109 635	123 732	-11.39	276 502	239 078	15.65	9 090	9 796	-7.21
Greenhouse farming	22 834	131 106	-82.58	209	39 080	-99.47	0	0	-	42 016	38 806	8.27
Garage & Communal facilities. hotels	9 252	8 674	6.66	243	176	38.07	5 559	4 720	17.78	277	301	-7.97
Wholesale consumers – heat energy resellers	808 749	838 827	-3.59	0	0	-	0	2 866	-100.00	2 358 855	2 145 474	9.95
Average tariff for end-consumers (Rub/Gcal)	306.68	249.28	23.03	221.86	198.28	11.89	290.92	222.53	30.73	221.37	169.36	30.71
Revenues from sale of goods, products, works and services (ths Rub), incl.:	10 300 137	8 883 125	15.95	9 577 485	7 648 452	25.22	7 085 143	5 533 346	28.04	7 696 499	6 064 498	26.91
Power energy	7 881 249	6 838 360	15.25	8 409 676	6 267 255	34.18	6 005 799	4 670 722	28.58	5 838 549	4 682 037	24.70
Heat energy	2 333 890	1 875 120	24.47	757 425	886 623	-14.57	818 627	584 846	39.97	1 441 764	1 185 508	21.62
Other goods, products, works, services related to operating activity	68 398	131 113	-47.83	352 650	372 617	-5.36	150 782	152 640	-1.22	379 604	119 692	217.15
Other goods, products, works, services related to non-operating activity	16 600	38 532	-56.92	57 734	121 957	-52.66	109 935	125 138	-12.15	36 582	77 261	-52.65
Cost of goods, products, works, services (ths Rub), incl.:	9 888 689	7 961 930	24.20	8 985 946	6 797 915	32.19	6 356 101	5 219 478	21.78	6 794 758	4 987 526	36.24
Power energy	7 313 936	5 756 947	27.05	7 884 298	5 752 010	37.07	5 319 905	4 371 152	21.70	5 346 310	3 921 443	36.34
Heat energy	2 487 977	2 003 314	24.19	844 659	705 922	19.65	778 454	606 372	28.38	1 082 482	885 595	22.23
Other goods, products, works, services related to operating activity	47 533	121 415	-60.85	199 461	216 372	-7.82	130 119	122 552	6.17	330 924	106 692	210.17
Other goods, products, works, services related to non-operating activity	39 243	80 254	-51.10	57 528	123 611	-53.46	127 623	119 402	6.89	35 042	73 796	-52.52
Operating Profit / (Loss) (ths Rub)	411 448	919 750	-55.27	589 680	850 537	-30.67	729 042	313 868	132.28	901 693	1 076 731	-16.26
Profit / (Loss) before taxation (ths Rub)	94 091	(83 532)	-	208 505	33 222	527.61	541 073	361 265	49.77	570 466	177 992	220.50
Net Profit / (Loss) (ths Rub)	139 136	(270 411)	-	133 016	(68 686)	-	401 683	63 173	535.85	316 131	(87 916)	-

