



## **WGC-3 1H 2008 Financial Results Presentation**

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**October 06, 2008**



## Forward Looking Statements

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## IFRS Financials Highlights

	1H 2008	1H 2007	Change 1H2007/ 1H2008
<b>Gross Revenue (RUR mln )</b>	<b>18,381</b>	<b>15,018</b>	<b>22%</b>
<b>EBITDA adjusted (RUR mln )<sup>(1)</sup></b>	<b>2,085</b>	<b>1,882</b>	<b>+11%</b>
<b>Net Income adjusted (RUR mln )<sup>(1)</sup></b>	<b>3,232</b>	<b>1,482</b>	<b>+118%</b>
<b>ROAE (net income adj/Av Equity) (%)</b>	<b>3,2</b>	<b>2,6</b>	<b>+23%</b>
<b>Quick ratio (ST Assets less Inventory / ST Liabs)</b>	<b>34</b>	<b>36</b>	<b>-5%</b>

<sup>(1)</sup> Excluding the effect from reversal of impairment of property, plant and equipment , net of RUR 355 mln in 1H 2007 before tax



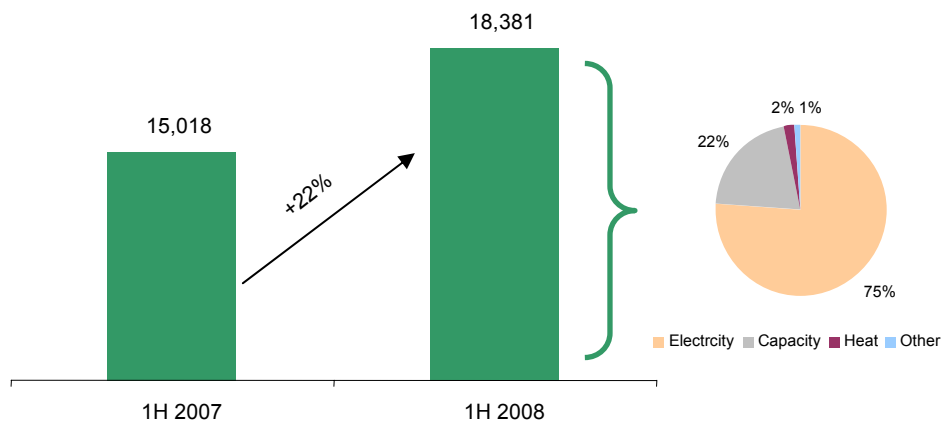
## Operational Highlights

	1H 2008	1H 2007	Change 1H2007 / 1H2008
<b>Electricity Output (KW/h bln)</b>	<b>16.6</b>	<b>14.4</b>	<b>+15.3%</b>
<b>Heat Output (Gcal k)</b>	<b>800.4</b>	<b>743.7</b>	<b>+7.6%</b>
<b>Fuel Consumption (TRF k)</b>	<b>5,567</b>	<b>4,833</b>	<b>+15.2%</b>
<b>Capacity Factor (%)</b>	<b>45.6%</b>	<b>39.0%</b>	<b>+16.9%</b>
<b>Heat Rate (gRF/KWh)</b>	<b>342.7</b>	<b>344.9</b>	<b>-0.6%</b>

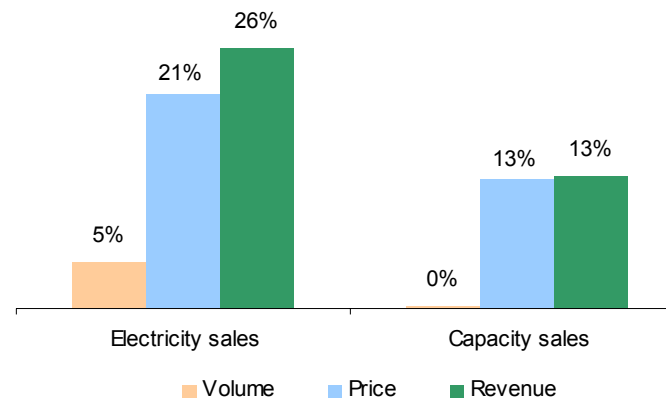


## Revenue

**Total Revenue (RUR mln)**



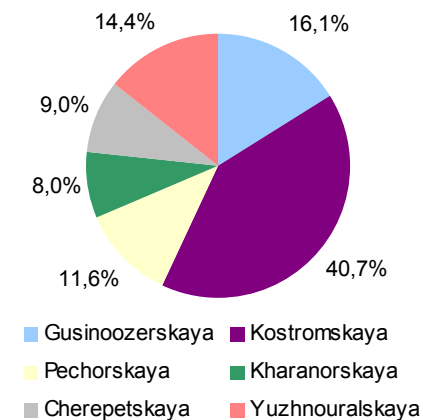
**Sales growth rates 1H2008/1H2007**



**Tariffs and Average Price**

	Electricity Av. Price Rur/MWh		Electricity Tariffs Rur/MWh <sup>(4)</sup>		Capacity Tariffs RUR/MW/month		Heat Tariffs <sup>(4)</sup> RUR/Gcal <sup>(5)</sup>	
	1H2007	1H2008	1H2007	1H2008	1H2007	1H2008	1H2007	1H2008
	<b>Gusinozerskaya TPP</b>	387.85	461.73	418.20	459.17	104 042.51	112 991.22	592.98
<b>Kostromskaya TPP</b>	547.58	723.37	529.27	617.05	61 499.80	67 139.98	413.90	484.00
<b>Pechorskaya TPP</b>	390.08	530.02	395.34	526.30	70 142.99	75 883.94	335.81	376.10
<b>Khranorskaya TPP</b>	311.34	348.88	321.46	342.40	199 202.71	213 479.07	418.80	429.37
<b>Cherepetskaya TPP</b>	897.26	871.80	894.73	927.14	65 780.89	63 519.70	541.60	583.81
<b>Yuzhnouraskaya TPP</b>	565.85	687.86	573.83	676.71	95 541.08	103 214.77	397.20	273.50

**Sales Composition by Volume (k MWh), 1H 2008**



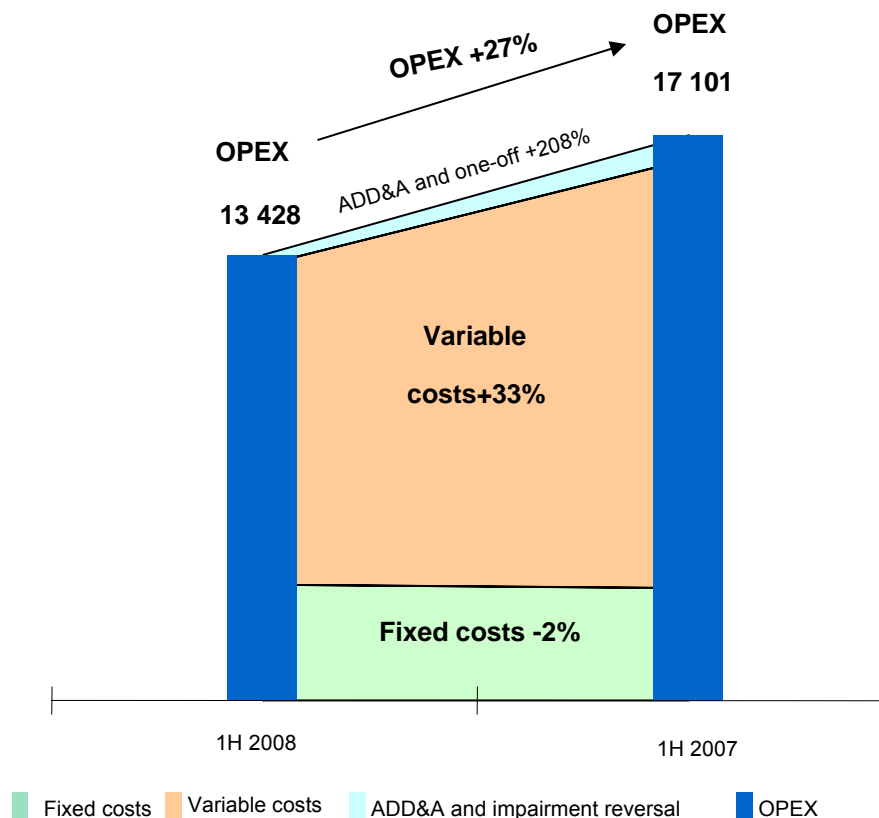


# Operating Expenses

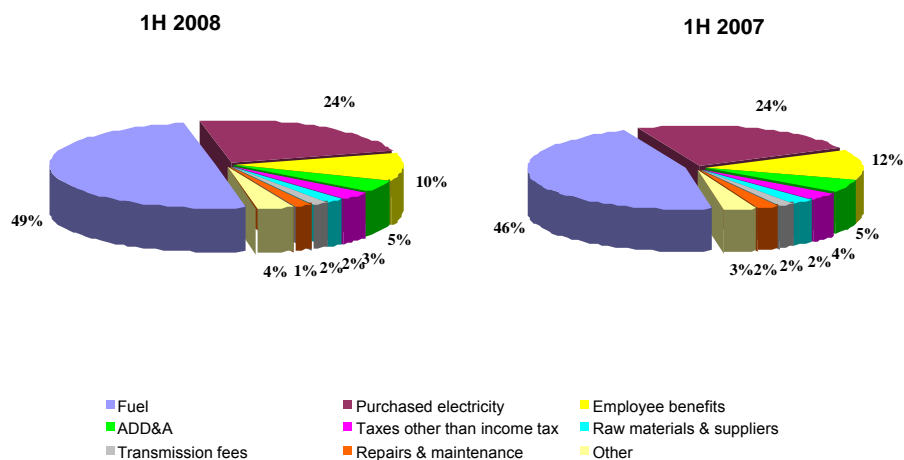
## Operating Expenses Breakdown

	1H 2008	1H 2007	Change, RRm	Change, %
Fuel costs	8 516	6 219	2 298	37%
Purchased electricity	4 030	3 198	832	26%
Other variable	357	287	70	24%
<b>Total Variable costs</b>	<b>12 903</b>	<b>9 703</b>	<b>3 199</b>	<b>33%</b>
Employee benefits	1 775	1 672	103	6%
Repairs & maintenance	255	312	(57)	-18%
Other fixed	1 383	1 486	(103)	-7%
<b>Total fixed costs</b>	<b>3 413</b>	<b>3 470</b>	<b>(57)</b>	<b>-2%</b>
DD&A	785	610	175	29%
Impairment reversal	-	(355)	355	-100%
<b>OPEX</b>	<b>17 101</b>	<b>13 428</b>	<b>3 673</b>	<b>27%</b>

## OPEX Dynamics



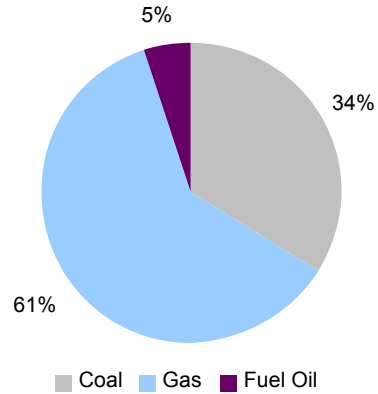
## Operating Expenses Composition



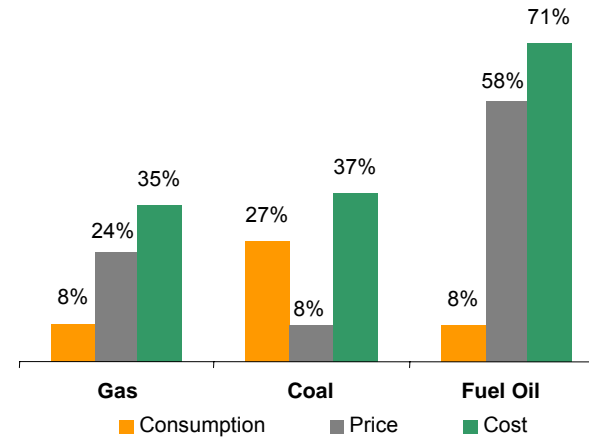


# Fuel Costs Analysis

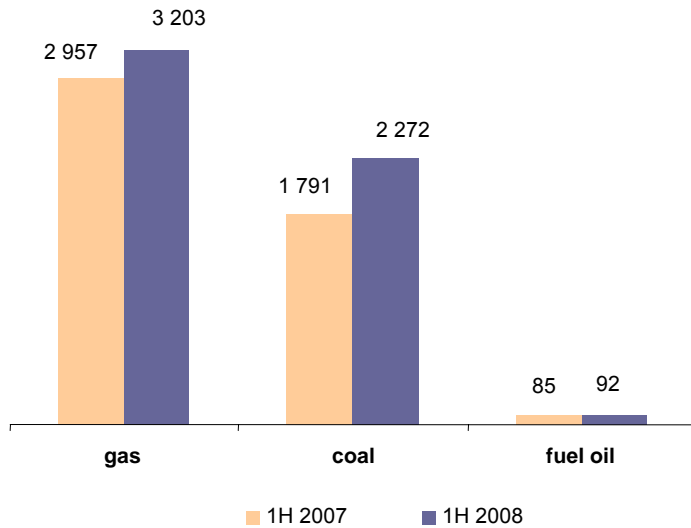
**Fuel Cost Structure 1H 2008**



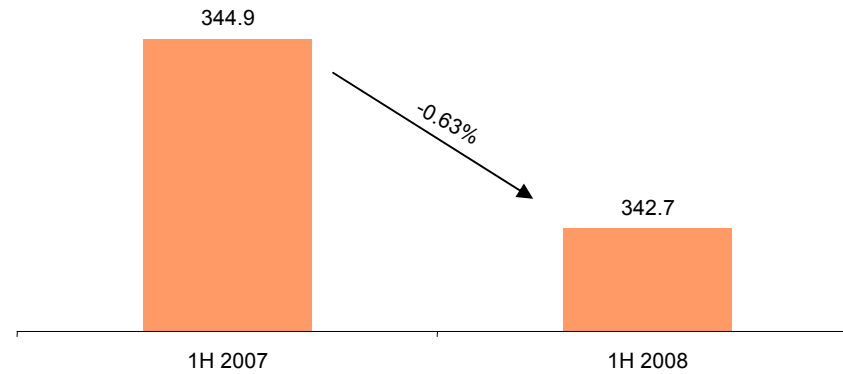
**Fuel Cost Growth Rates 1H2008/1H2007**



**Fuel Consumption (TRF)**



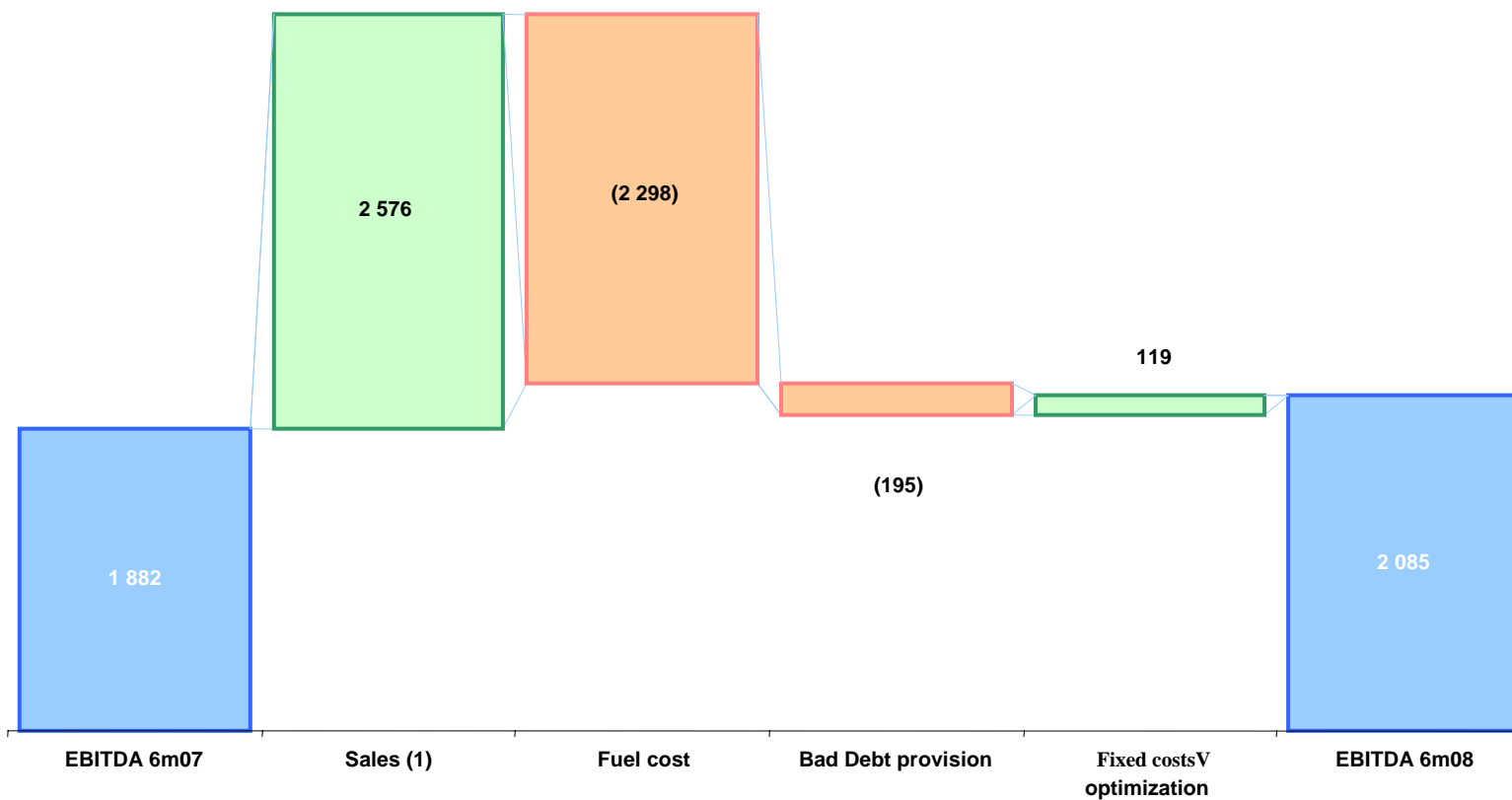
**Heat Rate (gRF/kwh)**





# EBITDA Analysis

EBITDA Bridge 1H 2008 (RUR mln)

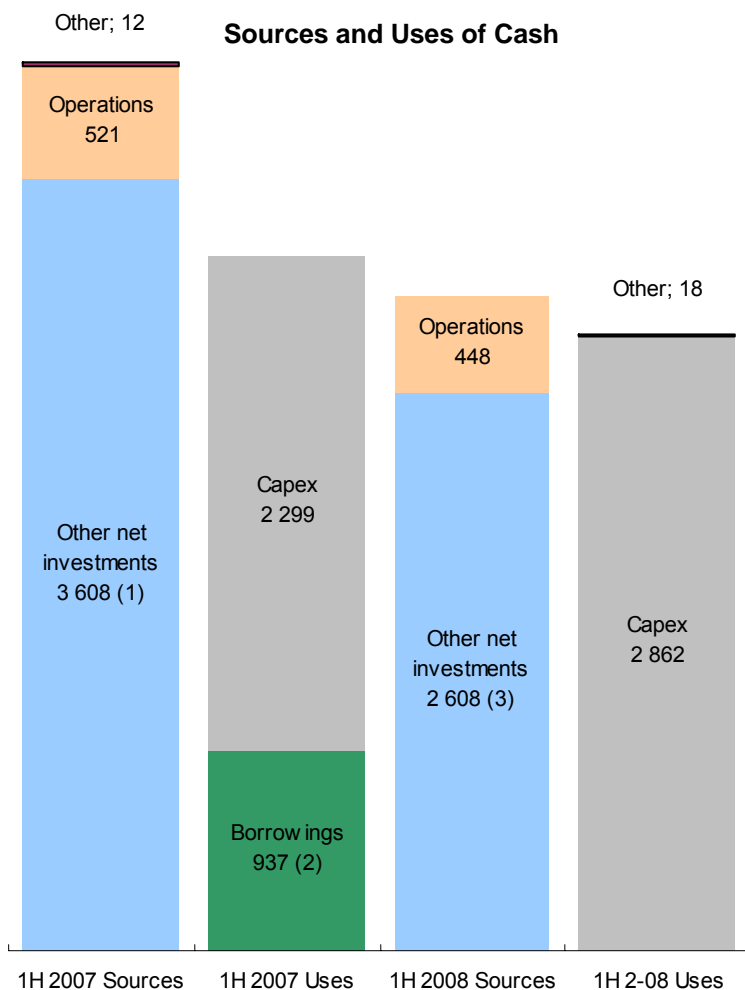


(1) Net of purchased electricity cost





## Cash Flow Highlights



**Cash Flow Highlights**

	1H 2008 mln RUR	1H 2007 mln RUR	Change mln RUR
<b>Net Cash Flow from Operations</b>	448	521	(73)
<b>Net Cash Flow from Investing Activities</b>	7,855	(79,463)	83,318
<b>Net Cash Flow from Financing Activities</b>	(8,127)	79,848	(87,975)
<b>Net Cash Inflow</b>	176	905	(730)

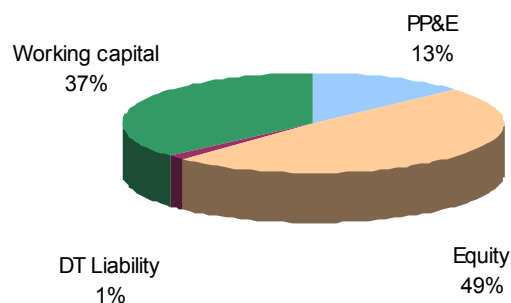
- (1) Cash proceeds from additional share issue (RUR 80,778 million) are netted with reinvested funds (RUR 74,750 million) and loans issued (RUR 382 million)
- (2) Net cash from borrowings including interest paid
- (3) Cash released from deposits and promissory notes (RUR 8,220 million) and related interest proceeds (RUR 2,511 million) are netted with funds transferred to the purchase of treasury shares (RUR 8,123 million)



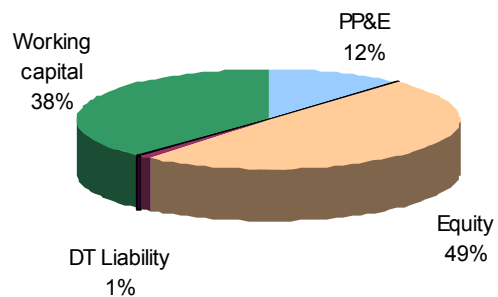
## Balance Sheet, Liquidity and Working Capital Highlights

### Balance Sheet Structure

June 30, 2008



December 31, 2007

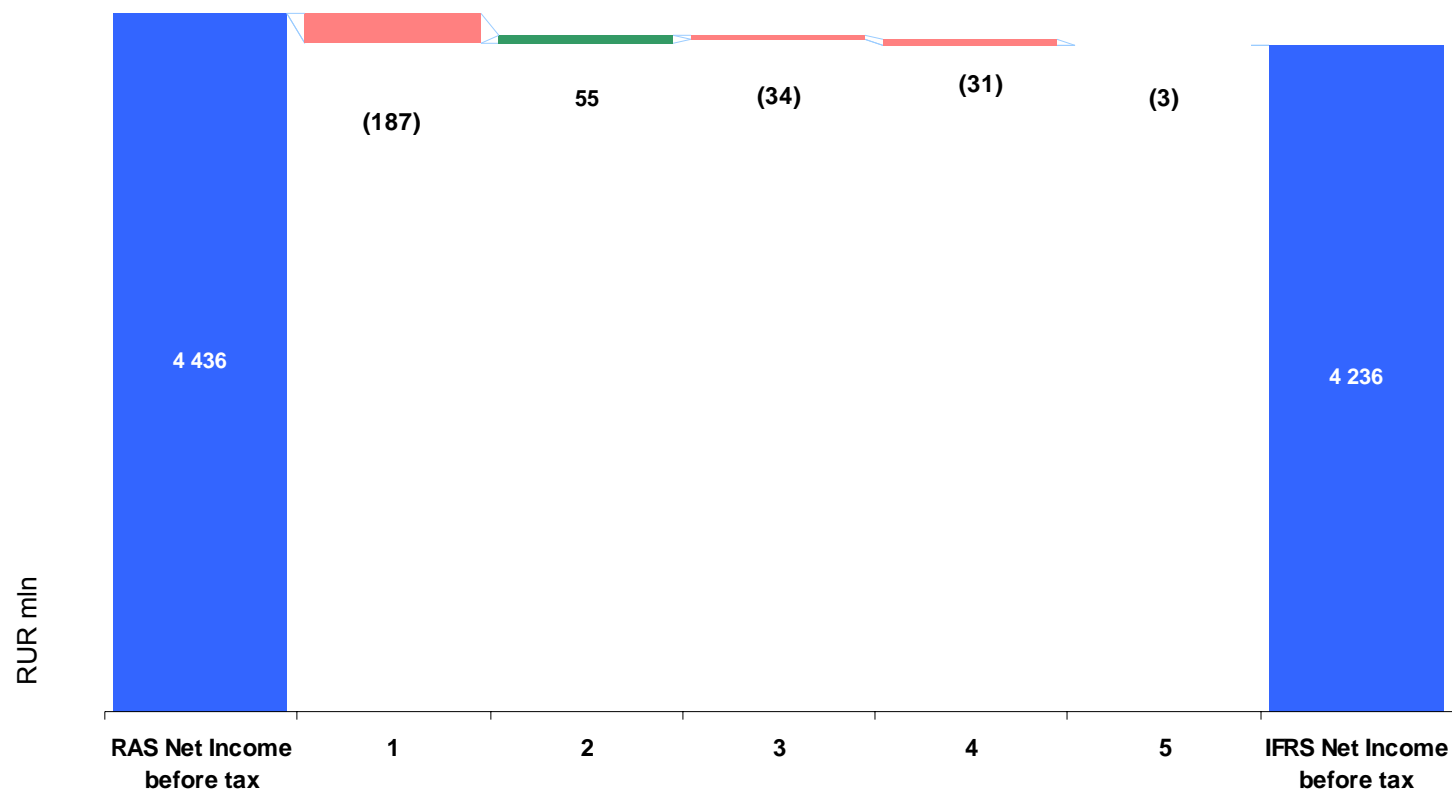


### Liquidity and Working Capital Highlights

	30 June 2008	31 Dec 2007	Diff., RRm	Diff, %
Accounts and notes receivable	1 935	2 060	(124)	-6%
Inventory	2 539	2 328	211	9%
Deposits and notes held to maturity	66 530	74 750	(8 220)	-11%
Interest receivable	1 286	862	424	49%
Cash and equivalents	2 358	2 182	176	8%
Other ST Assets	447	121	326	269%
<b>Total current assets</b>	<b>75 095</b>	<b>82 303</b>	<b>(7 208)</b>	<b>-9%</b>
Accounts payable	1 480	1 460	20	1%
Taxes payable	398	433	(35)	-8%
Provisions	250	324	(74)	-23%
ST Loans received	-	-	-	-
<b>Total current liabs</b>	<b>2 127</b>	<b>2 216</b>	<b>(89)</b>	<b>-4%</b>
<b>Net Working Capital</b>	<b>72 968</b>	<b>80 087</b>	<b>(7 119)</b>	<b>-9%</b>
AR turnover, days	30	25		
Inventory turnover, days	50	62		



## RAS to IFRS Net Income Bridge



- 1 – PPE Adjustments (DD&A, Disposals)
- 2 – IFRS Provisions
- 3 – Fin.investments revalued to Capital
- 4 –RAS reserves and deferred income w/off
- 5 –Other adjustments



## Contacts

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Thank you for your attention!

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