



IDGC of CENTRE

2 YEARS' HISTORY
ON STOCK EXCHANGE

June 2010



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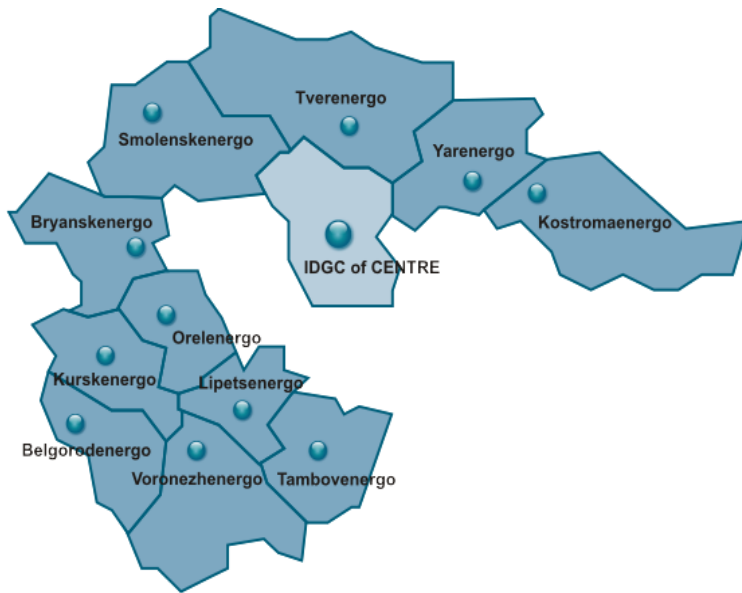
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History of the Company

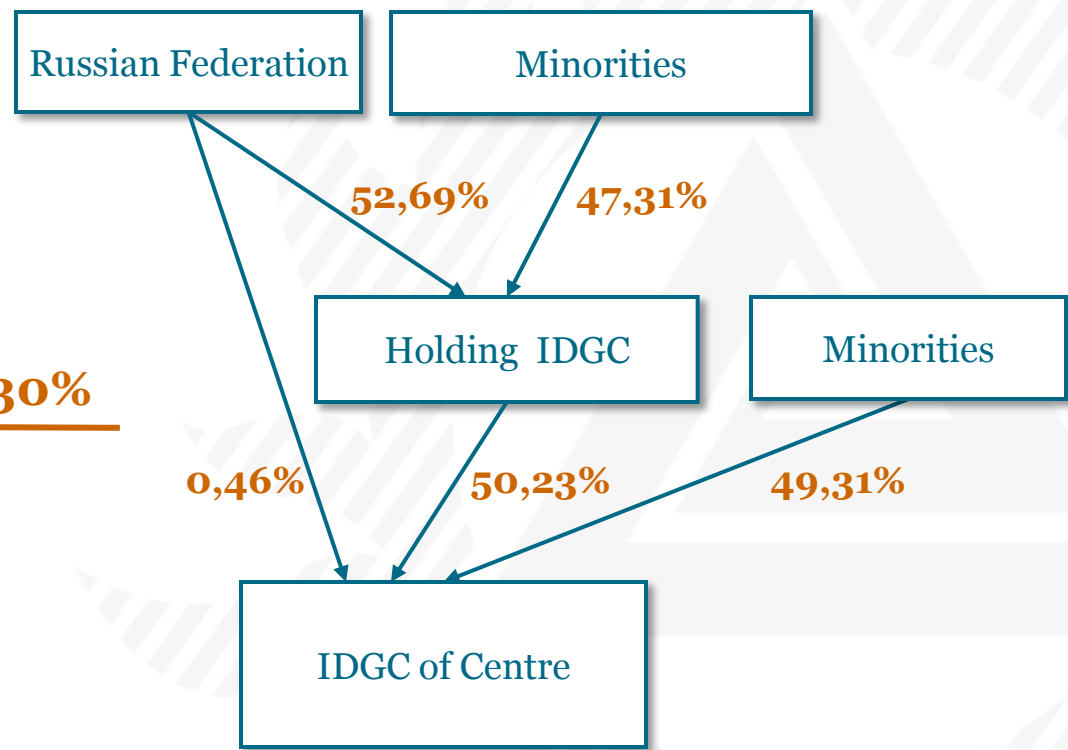
- December 17, 2004** “Interregional Distribution Grid Company of Centre”, Open Joint-Stock Company, was incorporated.
- April 27, 2007** The final structure of the Company is approved.
IDGC of Centre consists of 11 Distribution Grid Companies in Central Russia: Belgorodenergo, Bryanskenergo, Voronezhenergo, Kostromaenergo, Kurskenergo, Lipetskenergo, Orelenergo, Tambovenergo, Smolenskenergo, Tverenergo and Yarenergo.
- March 31, 2008** DGCs were affiliated to IDGC of Centre, JSC in the form of branches.
- May 21, 2008** Shares of IDGC of Centre began to be traded at the MICEX (MRKC) and RTS (MRKC; MRKCG).
- July 01, 2008** IDGC Holding became the major shareholder of the Company – 50,23% share.
- October 25, 2008** IDGC of Centre shares are included in MICEX PWR index calculation base.
- April 09, 2009** The shares are included in "B" quotation list of MICEX.

Key Figures



Capitalization (15.06.2010)	RUR 45.89 bln USD 1.45 bln
Amount of shareholders (04.05.2009)	17, 170
Revenue (RAS 2009)	RUR 49.1 bln
Net profit (RAS 2009)	RUR 1.3 bln
Net assets (RAS 31.12.2009)	RUR 41.3 bln
Output (2009)	53.1 b kWh
Length of power lines (overhead power lines c 0.4 – 110 kV 31.12.2009)	361.6 thousand km
Transformer capacity (31.12.2009)	31.0 GVA 14.9 GVA
Number of the personnel (31.12.2009)	28.3 thousand
Service area	457.7 thousand km ²

Share Capital & Corporate Structure



As of 04.05.2009

Strategic Vision of the Company's Top Management

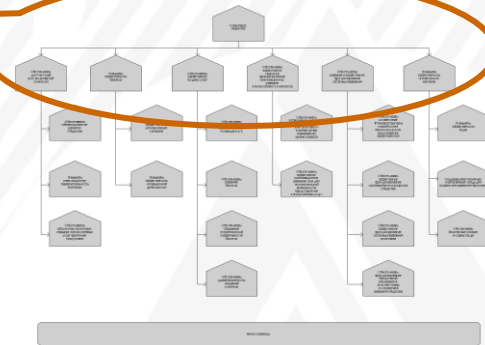
Management's target subsystems

- Growth and reforms
- Finance
- Clients
- Principal business processes
- Management systems
- Personnel

Key Goals of the Company

**Industry
leadership**

Goals of the Company



Ensure long-term growth of shareholders capital value

Enhance efficiency of business

Ensure effective sales of services

Realize efficient and safe functioning and innovative development of electricity network complex

Ensure the development and efficient functioning of management system

Enhance efficiency of human resources

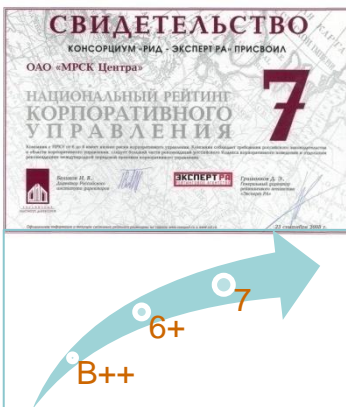
Key Control Indicators (1)

<p>GROWTH AND REFORMS</p>	<p>Total Shareholder Return (TSR)</p> <p>Company's share in the Region's output</p>	<p>Ranking list position of market multiples among IDGCs</p>	<p>Change of share value in comparison with industry indicators</p>
<p>FINANCE</p>	<p>Economic Value Added (EVA)</p> <p>Return on Equity (ROE)*</p> <p><i>*- ensured by cash flow</i></p>	<p>Return on Invested Capital (ROIC)*</p> <p><i>*- ensured by cash flow</i></p>	<p>Net Profit*</p> <p><i>*- ensured by cash flow</i></p>
<p>CLIENTS</p>	<p>Losses in networks</p>	<p>Fulfillment of plan on revenues from electricity transmission services</p>	<p>Fulfillment of plan on cash assets from electricity transmission services</p>

Key Control Indicators (2)

<p>PRINCIPAL BUSINESS PROCESSES</p>	<p>Fulfillment of program on technological losses decrease measures</p>	<p>Compliance with quality standards of electric power supply The System Average Interruption Frequency Index (SAIFI)</p>	<p>The System Average Interruption Duration Index (SAIDI)</p>
<p>MANAGEMENT SYSTEMS</p>	<p>Effectiveness of business processes' system</p>	<p>Effectiveness of projects' portfolio</p>	<p>Safety Indicator of IT infrastructure Expenses limitation on IT infrastructure</p>
<p>PERSONNEL</p>	<p>Quality of personnel training</p>	<p>Personnel number</p>	<p>Index of on-the-job injuries level</p>

Ratings



Corporate governance rating 7 “Advanced practice of corporate governance”



Standard&Poor's international rating agency assigned a long-term credit rating of “BB-”, short-term credit rating of “B” and the Russian national scale rating at level “ruAA-”

Stock Market

Start of trading: **May 21, 2008**

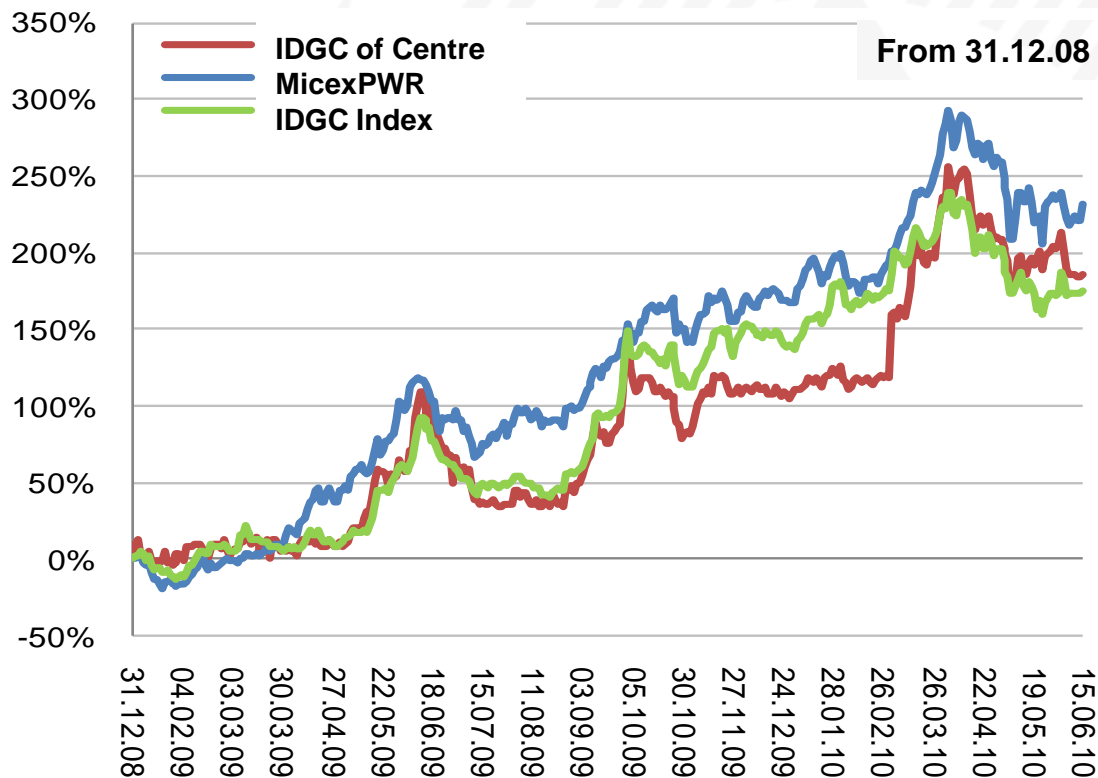
Quotation list «B» **MICEX**

IDGC of Centre shares are included in **MICEX PWR** index calculation base

Ticker symbols:

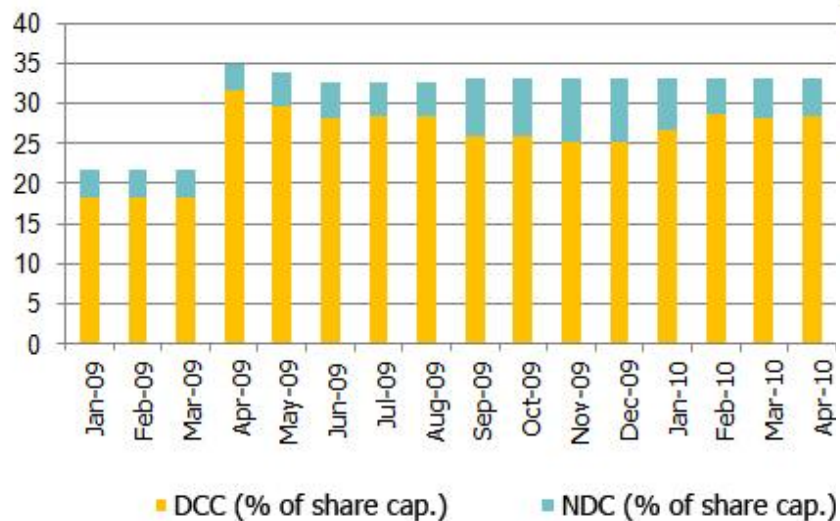
RTS	MRKC
	MRKCG
MICEX	MRKC

Dynamics of changes in IDGC of Centre share price, MicexPWR index and “Network” index

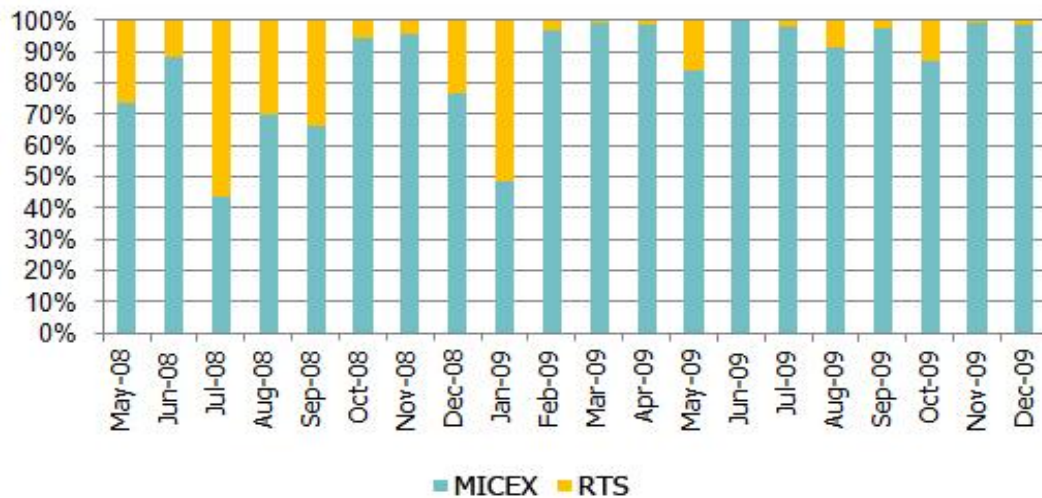


Stock Market Key Parameters (1)

Proportion of shares in the exchanges depository nominal holding– MICEX (NDC) and RTS (DCC) 2009-2010

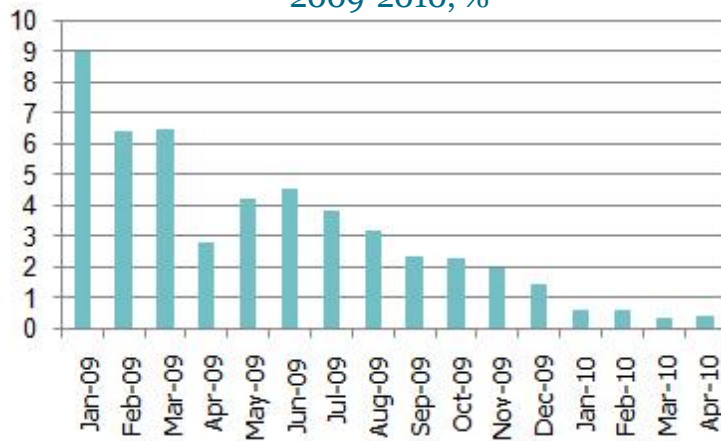


Stock turnover on MICEX and RTS (2008, 2009):

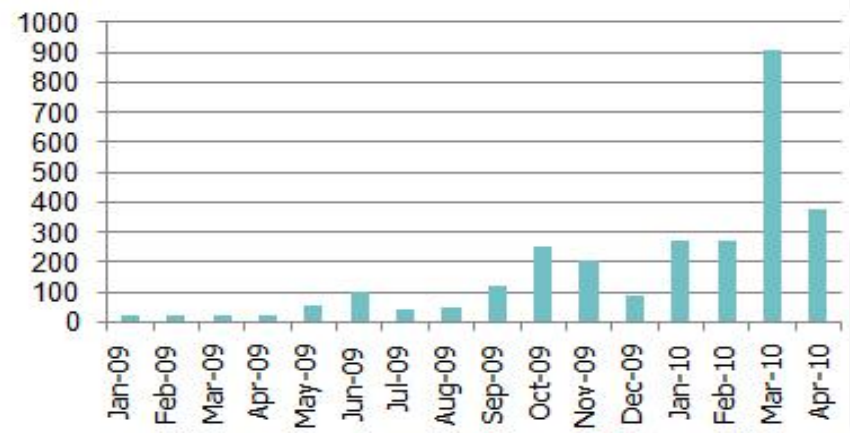


Stock Market Key Parameters (2)

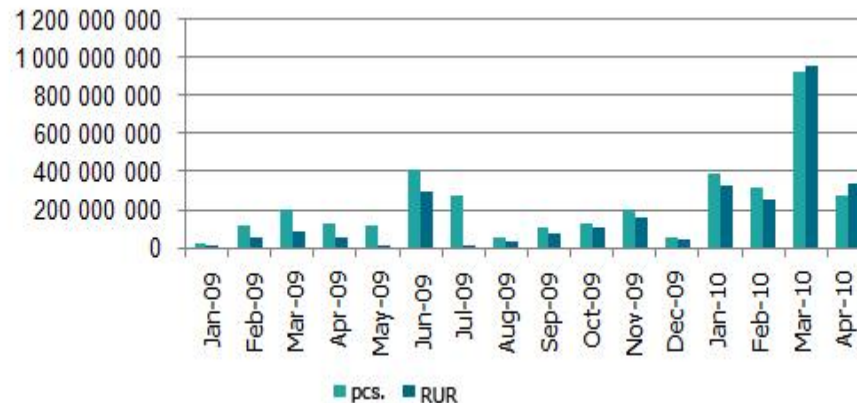
Average bid-ask spread for MRKC on MICEX 2009-2010, %



Average daily number of transactions on MICEX



Stock turnover on MICEX 2009-2010



Plans on stock exchange market

STRATEGIC GOALS OF
THE COMPANY ON STOCK
MARKET

<i>Goal</i>	<i>Period</i>
Quotation list A2 MICEX	2010
Change of share value in comparison with industry indicators – Above Index	2010
Ranking list position of market multiples among IDGCs Num.1	2016

IDGC of CENTRE

RAS & IFRS 2009 RAB Adoption

IFRS 2009

Bln. RUR	2008	2009	2009/2008
Revenue	43.7	49.3	12.78%
Operational expenses	38.8	45.3	16.54%
EBITDA	8.6	8.2	-2.49%
EBITDA margin	20%	17%	-3 п.п.
Net debt / EBITDA	1.05	1.25	+0.20
Profit and total consolidated profit for the year	2.8	2.1	-24.4%
Profit margin	6%	4%	-2 п.п.

IFRS 2009: Key Assets Indicators

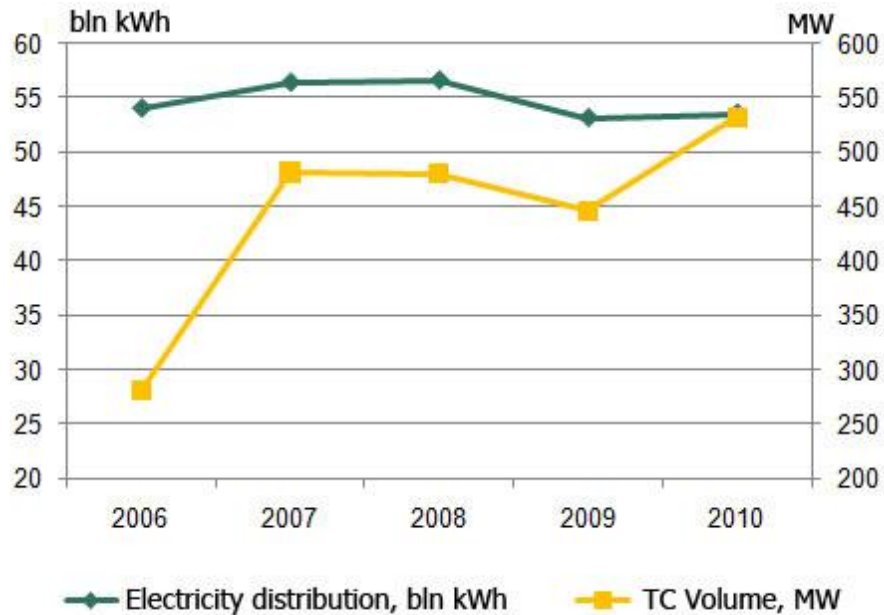
Bln. RUR	31.12.2008	31.12.2009	2009/2008
PP&E	41.34	43.40	4.96%
Intangible assets	0.90	1.26	40.18%
Investments and financial assets	0.03	0.76	2103.79%
Cash & cash equivalents	0.07	0.37	393.05%
Trade and other receivables	5.19	5.04	-3.05%
Total assets	49.16	52.33	6.43

Account receivable (change) **-3.05%**

IFRS 2009: Key Indicators of Equity and Liabilities

Bln. RUR	31.12.2008	31.12.2009	2009/2008
Equity	26.09	28.55	9.45%
Loans and borrowings	3.97	5.16	29.74%
Total non-current liabilities	9.12	10.04	10.06%
Loans and borrowings	5.40	5.96	10.39%
Current part of long-term loans and borrowings	1.49	5.56	273.15%
Short-term loans and borrowings	3.91	0.4	-89.77%
Trade and other payables	6.50	5.88	-9.58%
Total current liabilities	13.95	13.73	-1.58%
Total equity and liabilities	49.16	52.33	6.43%
Non-current loans and borrowings	5.16 Bln. RUR (31.12.2009)		
Current loans and borrowings	5.96 Bln.RUR (31.12.2009)		

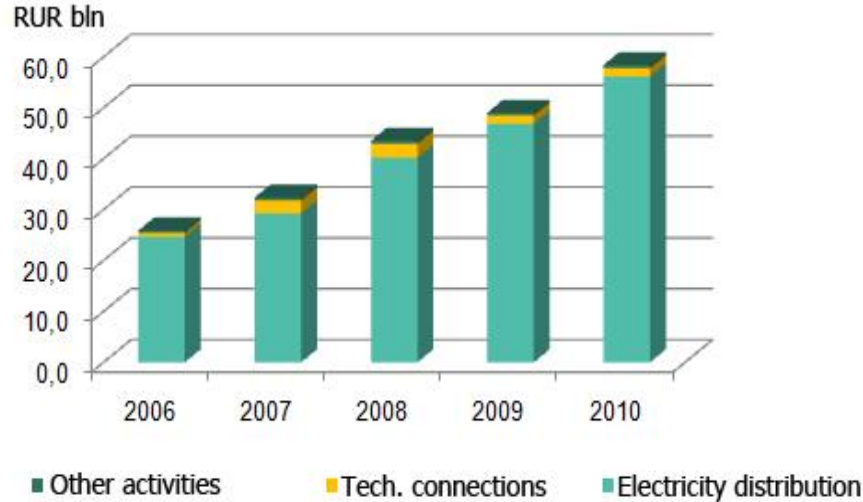
RAS 2009: Sales Volume



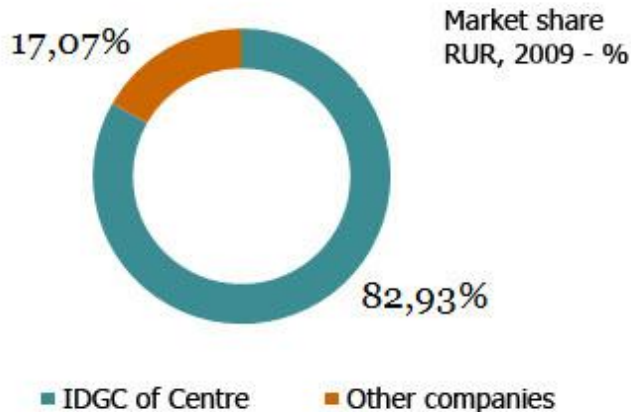
Year	Electricity distribution, bln kWh	Growth rate, %	TC volume, MW	Growth rate, %
2006	54.0		280.47	
2007	56.4	4.4%	481.28	71.6%
2008	56.6	0.4%	479.84	-0.3%
2009	53.1	-6.2%	445.62	-7.1%
2010	53.5	0.8%	531.55	19.3%

■ - forecast

Revenue by activity



Electricity distribution services



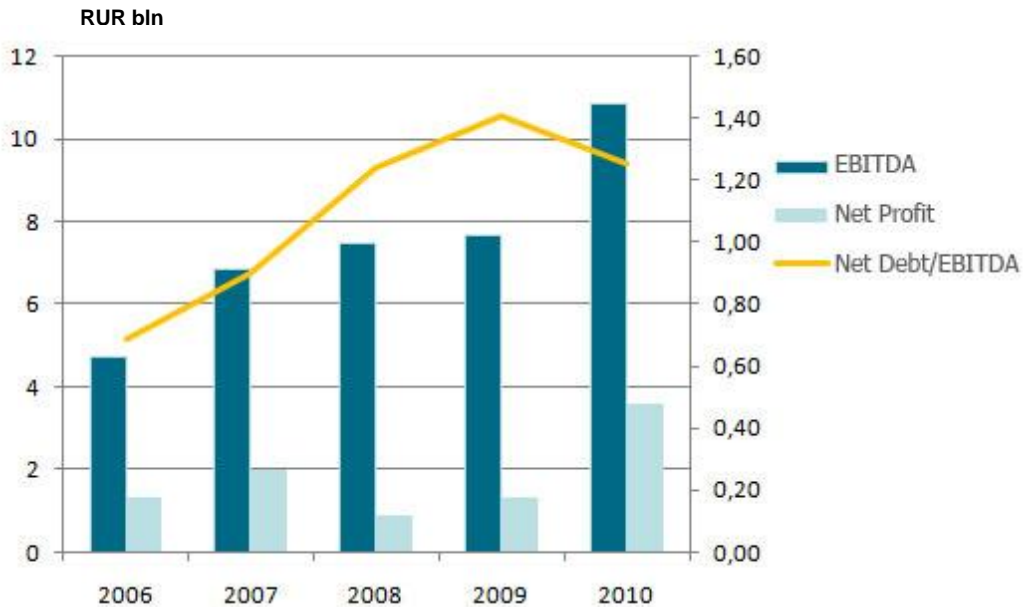
Year	Revenue, RUR bln	Growth rate, %	incl. electricity distribution, RUR bln	incl. technological connection, RUR bln
2006	25,91		24,70	0,80
2007	32,40	25,0%	29,30	2,57
2008	43,55	14,0%	40,20	2,77
2009	49,05	11,0%	46,90	1,65
2010	58,44	19,0%	56,20	1,63

■ - forecast

Market share, %

Company	Market share (%)
IDGC of Centre	82,93
Belgorodenergo	98,54
Bryanskenergo	68,23
Voronezhenergo	72,75
Kostromaenergo	98,87
Kurskenergo	91,51
Lipetskenergo	79,56
Orelenergo	80,62
Smolenskenergo	96,01
Tambovenergo	73,30
Tverenergo	80,13
Yarenergo	74,13

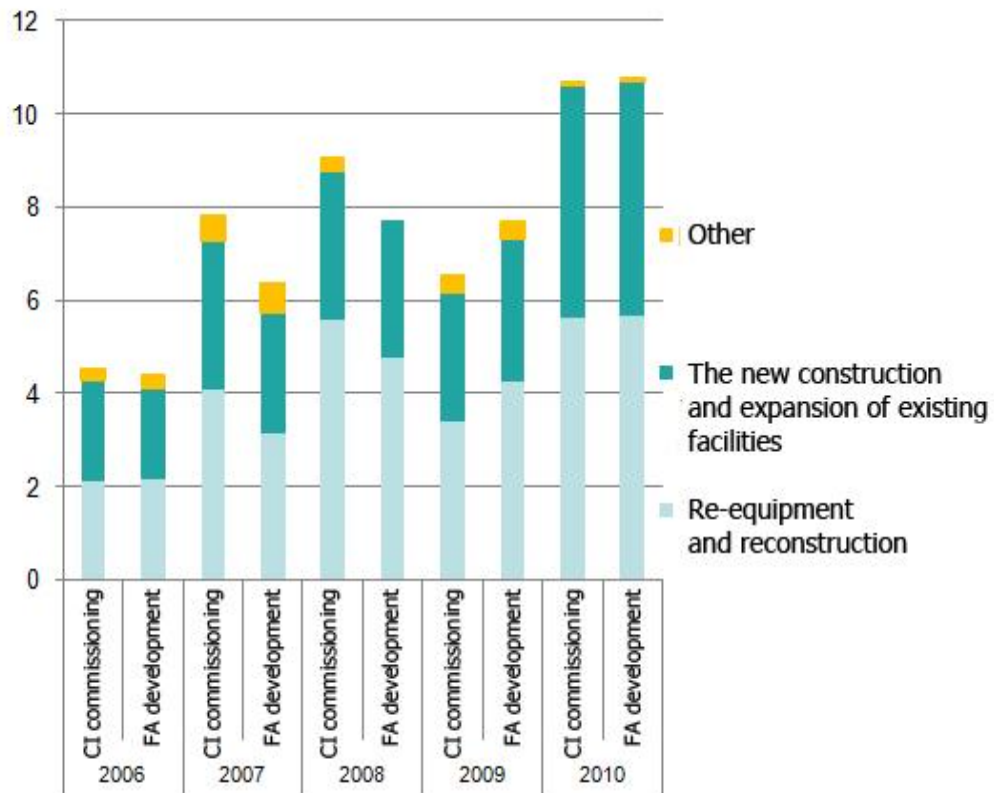
EBITDA vs. Net profit, Net Debt/EBITDA



Year	EBITDA, RUR bln	Net Profit, RUR bln	Net Debt, RUR bln
2006	4,74	1,31	3,27
2007	6,83	1,98	6,14
2008	7,49	0,87	9,31
2009	7,64	1,33	10,76
2010	10,86	3,59	13,61

■ - forecast

Investment activities



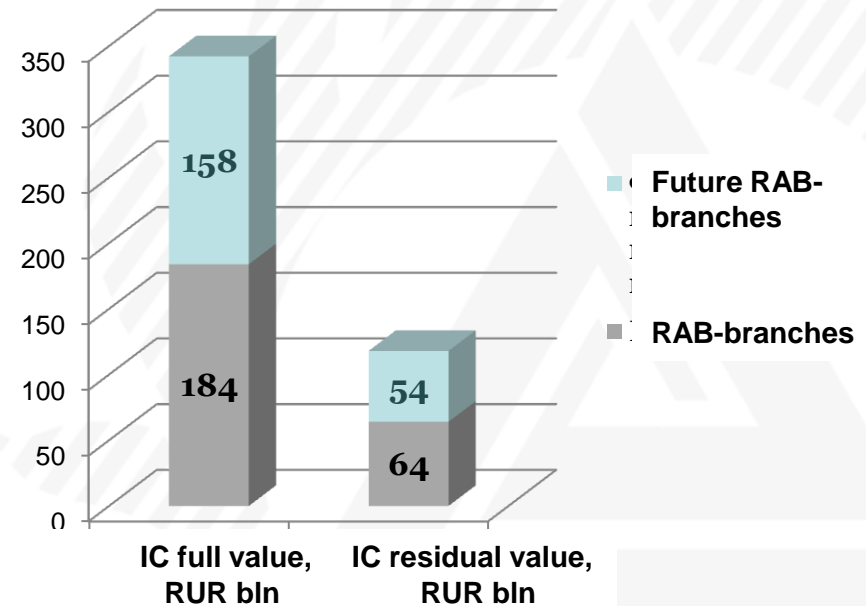
Year	Level of capital investments, RUR bln, VAT n/i	Fixed assets commissioning, RURbln, VAT n/i
2006	4,509	4,350
2007	7,839	6,372
2008	9,071	7,739
2009	6,529	7,687
2010	10,701	10,797

■ forecast

RAB adoption

Date	Branch	IRAB RUR bln
01.01.2009	Belgorodenergo	19,930
	Lipetskenergo	10,030
	Tverenergo	14,366
01.01.2010	Kurskenergo	10,802
	Yarenergo	8,968
01.07.2010	Bryanskenergo	6,687
	Kostromaenergo	7,437
	Voronezhenergo	12,810
	Orelenergo	6,590
	Smolenskenergo	13,785
	Tambovenergo	6,607

■ forecast



Expected IRAB on
 01.07.2010г. –
RUR 118 bln

IDGC of Centre, JSC

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Ticker symbols

MICEX: MRKC

RTS : MRKC, MRKCG

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Appendix

Branch	Average distributional tariffs, kop/kWh				
	2006	2007	2008*	2009*	2010*
Belgorodenergo	48,4	52,4	65,2	80,8	91,7
Bryanskenergo	40,5	74,9*	86,9	106,0	130,5
Voronezhenergo	38,2	45,5	74,0	91,1	102,4
Kostromaenergo	64,3	76,2	91,1	106,4	130,8
Kurskenergo	46,4	47,6	59,1	69,1	98,7
Lipetskenergo	33,5	42,3	64,8	82,2	111,1
Orelenergo	48,3	66,5	105,6	117,0	140,5
Smolenskenergo	65,4	73,0	90,3	110,4	123,8
Tambovenergo	47,0	49,3	87,3	100,3	108,3
Tverenergo	52,7	58,4	103,4	138,3	154,2
Yarenergo	48,4	43,3	59,8	74,0	86,2

* Tariffs are inclusive of the territorial network organizations

Average distributional tariffs w/o TNO, kop/kWh

Branch	2008	2009	2010
Belgorodenergo	64,5	79,8	90,5
Bryanskenergo	55,4	70,3	83,8
Voronezhenergo	52,8	62,6	71,5
Kostromaenergo	90,2	104,5	126,7
Kurskenergo	52,0	60,4	65,8
Lipetskenergo	52,9	68,9	91,8
Orelenergo	79,6	91,1	108,2
Smolenskenergo	85,7	105,3	118,0
Tambovenergo	51,8	62,6	70,9
Tverenergo	72,4	102,2	120,5
Yarenergo	42,1	51,2	60,6

Average tariff (30.03.10) for technological connection, RUR thousand/ kW

Branch	Tariff rate, VAT n/i
Belgorodenergo	0,637
Bryanskenergo	8,931
Voronezhenergo	18,045
Kostromaenergo	9,991
Kurskenergo	9,770
Lipetskenergo	7,395
Orelenergo	9,003
Smolenskenergo	5,619
Tambovenergo	2,348
Tverenergo	10,271
Yarenergo	10,323

Fixed assets

Fixed assets characteristic for 31.12.09

	Capacity		Length	
	35-110 kV, MVA	6-35/0,4 kV, MVA	35-110 kV, km	0,4-10 kV, km
IDGC of Centre	31013,4	14863,66	51602,5	320744,8
Belgorodenergo	2634,5	2754,95	4206,5	38534,9
Bryanskenergo	2281,8	758,83	3514,2	22048,2
Voronezhenergo	4465,5	1532,04	6788,6	43543,6
Kostromaenergo	1707,0	1420,12	4304,5	20648,0
Kurskenergo	3286,5	1420,1	4715,9	29537,0
Lipetskenergo	2587,2	1020,6	3834,5	22850,4
Orelenergo	1682,0	793,9	3081,4	24688,6
Smolenskenergo	3071,6	1774,9	6330,9	33559,9
Tambovenergo	2452,3	928,73	4970,8	23194,3
Tverenergo	3962,2	1521,62	6718,0	39472,2
Yarenergo	2882,8	937,87	3137,2	22667,7