

PRESS-RELEASE

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The company has published IFRS financial statements for the year of 2012, the rate of revenue from electricity transmission services increased by 2.3%, EBITDA by 0.4%

IDGC of Centre has published its consolidated financial statements for the year of 2012 in accordance with IFRS. The company's revenue over the same period last year increased by 1.4% and amounted to 69,98 bln RUB, including from electric energy transmission - 67,49 bln RUB, from grid connection - 1,36 bln RUB and other revenues - 1,13 bln RUB. Revenue from electricity transmission is due to the growth of productive supply by 1.8%, which is associated primarily with the growth of consumption of metallurgical and chemical industry, agriculture, as well as increased consumption of medium and small businesses.

Operating profit of IDGC of Centre for the reporting period reached 7,56 bln RUB, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 14,85 bln RUB, while net profit fell 1,10 bln RUB to 4,43 bln RUB. The indicator decline is due to a stronger containment of growth of tariffs for electricity in 2012 compared with 2011. Profitability of IDGC of Centre at the end of 2012 reached the following values: EBITDA - 21,2%, net profit - 6.3%.

Data in billion RUB, unless specified otherwise

Indicators	2012	2011	Change, %
Revenue (total), including:	69,98	69,04	1,4%
Revenue from electricity transmission	67,49	65,95	2,3%
Revenue from grid connection	1,36	1,82	-25,3%
Other revenue	1,13	1,27	-11,0%
Operating profit	7,56	8,93	-15,3%
EBITDA¹	14,85	14,79	0,4%
<i>EBITDA margin, %</i>	<i>21,2%</i>	<i>21,4%</i>	<i>-0,2 p.p.</i>
Net profit	4,43	5,53	-19,9%
<i>Net profit margin, %</i>	<i>6,3%</i>	<i>8,0%</i>	<i>-1,7 p.p.</i>
Net debt²	25,53	18,59	37,3%
Net debt/EBITDA	1,7	1,3	+0,4 unit

¹ The calculation was made according to the formula: profit and total comprehensive income for the period + income tax expense + interest payable (excluding interest on finance lease obligations and employee benefits) + depreciation

² The calculation was made according to the formula: short-term and long-term debt - cash and cash equivalents

Operating expenses at the end of 2012 amounted to 63,30 bln RUB, which is 3.7% more compared to last year. The growth in operating expenses is mainly due to increased cost of non-controllable opex: the increase in service charges on electricity transmission in the UNPG and electricity transmission services through grids of third party organizations, as well as higher depreciation due to the investment program implementation.

It should also be noted that at the end of 2012 there was a decrease of controllable opex in a number of articles in comparison with 2011: insurance coverage by 23%, the cost of purchasing utility energy by 17%, transport costs by almost 5 times.

The loan portfolio (short-term and long-term borrowings of the company at the end of the reporting period) amounted to 26,50 bln RUB; for comparison, the value of this indicator at 31 December 2011 was 21,24 bln RUB. The growth of the loan portfolio amounted to 24.8%. Net debt at 31 December 2012 amounted to 25,53 bln RUB. The indicator Net debt/EBITDA was 1.7x, the Company's debt load remains at a fairly comfortable level, without exceeding limits recommended by the credit policy.

IFRS Financial Statements for 2012 and prior periods are available on the company's website at: <http://www.mrsk-1.ru/inform/msfo/>