



RAO «UES of Russia»

Summary report on operating and financial results for 6M04
(Group)

October 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%;
- 44 AO-power plants (including 8 power plants under construction) with the Parent company share ranging from 50% to 100%.
- The report’s data includes eight 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 2.5 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 72.4% of the total installed capacity in the Russian Federation.

Fuel Balance structure: 68.2% of Power plants use gas, 27.1% - coal, 4.1% - fuel oil and 0.6% - 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 Tariff Agency (FST) 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 FST (former FEC) set fee for SO services amounting to 8.79 rub./MWh. Starting July 1, 2004 FST (former FEC) set fee for SO services amounting to 8.94 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, 2004 FST (former FEC) set fee for transmission via National Transmission Network for Federal Grid Company amounting to 38.07 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, 2003 it amounted to 85.35 rub./MWh). Starting January 1, 2004 the transmission fee for RAO UES services amounted to 45.26 rub./MWh.

Consumption structure

54.05% of the consumers are industrial producers, 16,81% are re-sellers, population and settlements attract more than 10.2%, 6,29% goes to transport, 9,61% - to non-industrial sector, and 2.78% - to agriculture.

Personnel structure

At 30 June 2004, the number of employees of the Group was approximately 521,000 (31 December 2003: 557,000).

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 reform 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;
- At the present stage, bills are being drafted for the specific legislative acts envisioned under the aforementioned laws on electric utilities reform according to the action plan related to electric utilities reform and adopted by the resolution of the Russian Federation government of 17 July 2004 No 966-r (p). RAO UES has been playing an active role in drafting these parts of legislation;



- On November 23, 2003 in accordance with the Decree of the Government of the RF # 526 "On restructuring of the power sector of the RF" the non-profit partnership "Administrator of Trading System of the Wholesale Electricity Market" was established;
- The System Operator – "OAO System Operator – Central Dispatch Unit of Unified Energy System" ("SO") – SO (100% RAO UES subsidiary) - was established on 13 June, 2002 to carry out the dispatch functions within the unified electricity system of the Russian Federation;
- The Federal Grid Company (FGC) (100% RAO UES subsidiary) was established on June 25, 2002 in order to manage the transmission of electricity through the use of transmission assets received from RAO UES and its subsidiaries;
- 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". This document provides a detailed description of the major changes that are planned to take place in the Group during the electric utilities reform program;
- On September 1, 2003 the Russian Federation government issued Resolution No. 1254-r (p) approving the structures of generating companies in the wholesale electricity market. According to the aforementioned resolution 10 generating companies (4 – based on hydro generating power plants and 6 based on heat generating power plants), which will include the electric power plants owned by OAO RAO UES and its subsidiaries, will be established.
- On October 24, 2003, the Russian Federation government issued Resolution No. 643 "On the Rules for the Wholesale Electricity (Power) Market during the Transitional Period". According to the rules adopted, there will be two sectors within the Federal Wholesale Electricity (Power) Market: regulated trading sector and free trading sector. Within the free trading sector, electricity suppliers will be able to sell electricity generated with the use of facilities and equipment accounting for 15 percent of their working 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 September 2004 the number of participants of the liberalized sector consisted of 84 participants/

	November 2003	October 2004
Volume of the market (ml.kWh)	521.8*	5075.0**
Average market price (Rub/MWh)	264.25	501.11

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

**Approximately 9 % from the total consumption in European part of Russia and Ural.

- All the individual Energos that are subject to reform have developed their respective reform plans and submitted them to RAO UES. At present, these reform plans are being discussed, agreed and approved by the management bodies of RAO UES and the government bodies;
- On December 29, 2003, the Russian Federation Government issued Directive #1939-p, which set out the procedure for establishing 7 interregional trunk grid companies, to be incorporated by the Russian Federal Property Fund (ownership interest – 85%) and FGC (ownership interest – 15%);
- On 23 April 2004, the Board of Directors of RAO UES approved the incorporation of 14 regional generating companies. It is planned that these companies will ultimately own power plants, currently owned by RAO UES subsidiaries;
- The Board of Directors of RAO UES at its meeting on September 3, 2004 approved creation of TGC-9 and TGC-14 through establishment of wholly owned subsidiaries of RAO UES of Russia and transfer to the said subsidiaries of generating assets of relevant regional companies on a lease basis;
- In September-October of 2004 the Board of Directors of RAO UES at its meetings approved participation of RAO UES in WGC-5 and WGC-3;
- On 25 October 2004 the Russian Federation Government issued Directive # 1367-p, which introduced changes to the RF Directive # 1254-p, dated 1 September 2003, and foresaw establishment of the single Wholesale Generating Company on the basis of hydro power stations against four.



- As at 26 October 2004, 36 subsidiaries of RAO UES have held General shareholders meeting at which plans for reorganization have been approved.



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 6 months ended 30 June 2004.

	6 months ended 30 June 2004	6 months ended 30 June 2003	Change (%)
Revenues	342 728	300 847	13,9%
Electricity	255 166	225 184	13,3%
Heating	65 408	58 089	12,6%
Costs and other deductions	300 881	263 981	14%
Fuel expenses	96 425	85 213	13,2%
Purchased power	37 885	35 669	6,2%
Depreciation and amortization	33 574	30 048	11,7%
Repairs and maintenance	22 626	18 301	23,6%
Income from operations	41 847	36 866	13,5%
Income before profit tax and minority interest	35 986	32 446	11%
Total profit tax benefit (charge)	(13 782)	(14 911)	7,6%
Net Income	15 421	16 915	(8,8%)
EBITDA*	78 870	68 951	14,4%
EBITDA margin	23%	22,9%	
Operational margin	12,2%	12,3%	
Net margin	4,5%	5,6%	
Return on equity (ROE)	2,6%	2,9%	
Return on assets (ROA)**	1,4%	1,6%	

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

** Return on assets is calculated as (income before minority interest/total assets)



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

Balance Sheet – 30 June 2004 compared to 31 December 2003

- Fixed assets decreased (by RR 4,538 mln). Decrease in PP&E is due to additions (CAPEX) being less than depreciation charge and disposals and due to impairment charge in relation to certain fixed assets and construction in progress in Chechen Republic.
- Other non-current assets increased by RR 7,121 mln mainly due to seasonal growth in advances issued to contractors for capital construction.
- As a whole, the accounts receivable increased by RR 16,304 mln. The below factors have the most significant impact on the movements of the accounts receivable:
 - - Increase in trade receivables by RR 7,874 mln mainly due to the seasonal nature of operations and overall increase in tariffs for electricity and heat;
 - Increase in tax prepayments by RR 4,114 mln;
 - Increase in advances issued to the material and repair service contractors by RR 2,787 mln related to the seasonal nature of repair and maintenance activity;
 - Increase in prepayments for insurance by RR 2,058 mln;
- Accounts payable and accrued charges increased by RR 4,900 mln mainly because of increase in dividends payable balance as a result of declaration of 2003 dividends by the Group's entities;
- As of 30 June 2004 the Group's current assets exceeded its current liabilities by RR 18,844 mln (as at 31 December 2003 the Group's current liabilities exceeded its current assets by RR 812 mln, as at 31 December 2002 – by RR 12,815 mln). The Group's financial position has significantly improved, mainly due to the increase in the tariffs for electricity and heat.

Statements of Operations – 6 months 2004 compared to 6 months 2003

- Income from operations for the reporting period increased by RR 4,981 mln (14%) as compared with the same period of 2003 due to the fact that the increase in operating revenues exceeded the increase in operating expenses;
- Net income decreased by 9 percent that was a result of the increase in net income attributable to minority shareholders by 994 percent. Increase in net income attributable to minority shareholders was mainly due to the increase in profitability of Group entities with significant percentage of Minority interest.

Revenues

- Increase in revenues from power energy generation by 13% was driven by the following factors:
 - increase in tariffs – 13.2%;
 - increase in demand – 0.3%.
- Increase in revenues from heat energy generation by 13% was caused by the following reasons:
 - increase in heat tariff – 15.3%;
 - decrease in sales – 3.0%.

Costs and other deductions

- Increase in fuel expenses by 13% was caused by the following factors:
 - prices for all types of fuel on average increased by 13.4 %;
 - consumption of fuel decreased by 0.3%.
- The increase in purchased power by 6% is caused by the following reasons:
 - increase in the tariffs by 12.8%;
 - decrease in purchases by 5.8%.
- Increase in Depreciation and property, plant and equipment impairment is also explained by increase in depreciation charge (by RR 930 mln) as a result of input of new fixed assets into operation;



Statement of Cash Flows – 6 months 2004 compared to 6 months 2003

- For the six months ended 30 June 2004 Group's operations were financed out of proceeds generated from operating activities which increased by RR 4,420 mln as compared with the same period of the prior year;
- Net cash inflow from operating activity was used for investments in capital construction. For the six months ended 30 June 2004 cash investments increased by RR 4,680 mln as compared with the six months of 2003.

4. Capital expenditures (Capex)

See pages 18-20



5. Appendix 1. RAO UES Group IAS Consolidated Interim Financial Statements for the six month ended 30 June 2004

5.1. Consolidated Interim Balance Sheet as at 30 June 2004 (in millions of Russian Roubles)

	30 June 2004	31 December 2003
Assets		
Non-current assets		
Property, plant and equipment	867,641	872,179
Investments in associates	32	196
Deferred profit tax assets	3,531	3,881
Other non-current assets	33,321	26,200
Total non-current assets	904,525	902,456
Current assets		
Cash and cash equivalents	40,148	31,978
Accounts receivable and prepayments	121,644	105,340
Inventories	42,108	42,731
Other current assets	4,540	5,036
Total current assets	208,440	185,085
Total assets	1,112,965	1,087,541
Shareholders' equity and liabilities		
Shareholders' equity		
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)	(355)
	154,751	154,751
Retained earnings and fair value reserve	445,443	432,553
Total shareholders' equity	600,194	587,304
Minority interest	225,377	219,687
Non-current liabilities		
Deferred profit tax liabilities	58,299	57,895
Non-current debt	17,236	12,556
Other non-current liabilities	22,263	24,202
Total non-current liabilities	97,798	94,653
Current liabilities		
Current debt and current portion of non-current debt	51,314	50,496
Accounts payable and accrued charges	94,658	89,758
Taxes payable	43,624	45,643
Total current liabilities	189,596	185,897
Total liabilities	287,394	280,550
Total shareholders' equity and liabilities	1,112,965	1,087,541



5.2. Consolidated Interim Statement of Operations for the six month ended 30 June 2004
(in millions of Russian Roubles)

	Six month ended 30 June 2004	Six month ended 30 June 2003
Revenues		
Electricity	255,166	225,184
Heating	65,408	58,089
Governmental assistance	2,266	2,229
Other	19,888	15,345
Total revenues	342,728	300,847
Costs and other deductions		
Fuel expenses	96,425	85,213
Wages, benefits and payroll taxes	47,735	44,071
Purchased power	37,885	35,669
Depreciation and property, plan and equipment impairment	33,574	30,048
Repairs and maintenance	22,626	18,301
Taxes other than on income	10,839	10,104
Other materials	5,572	7,241
Electricity and heat distribution	4,317	2,482
Doubtful debtors expense	3,449	2,037
Insurance expense	2,331	2,135
Water usage expenses	2,062	2,351
Social expenditures	852	1,668
Loss on disposal of property, plant and equipment and investments	614	189
Other expenses	32,600	22,472
Total costs and other deductions	300,881	263,981
Income from operations	41,847	36,866
Share of loss of associates	(164)	-
Net financing expenses	(5,697)	(4,420)
Income before profit tax and minority interest	35,986	32,446
Total profit tax charge	(13,782)	(14,911)
Income before minority interest	22,204	17,535
Minority interest: share of net result	(6,783)	(620)
Net income	15,421	16,915
Earnings per ordinary and preference share – basic and diluted (in Russian Roubles)	0.36	0.39



5.3. Consolidated Interim Cash Flow Statement for the six month ended 30 June 2004

(in millions of Russian Roubles)

	Six month ended 30 June 2004	Six month ended 30 June 2003
CASH FLOW FROM OPERATING ACTIVITIES:		
Income before profit tax	35,986	32,446
Adjustments to reconcile income before profit tax to net cash provided by operations:		
Depreciation and property, plant and equipment impairment	33,574	30,048
Doubtful debtors expense	3,449	2,037
Interest and gain on restructuring accounts payable and taxes payable	6,411	4,799
Share of loss of associates, before profit tax	164	-
Loss on disposal of property, plant and equipment and investments	614	189
Adjustment for non-cash investing activities	(114)	(5,058)
Other	-	(3)
Operating cash flows before working capital changes and profit tax paid	80,084	64,458
Working capital changes:		
Increase in accounts receivable and prepayments	(19,753)	(15,004)
(Increase) / decrease in other current assets	496	69
Decrease in loans issued	-	1,909
Decrease / (increase) in inventories	623	(815)
Increase in other non-current assets	(5,984)	(4,138)
Increase in accounts payable and accrued charges	1,172	1,008
Increase / (decrease) in taxes payable, other than profits tax	712	(1,502)
Decrease in other non-current liabilities	(5,504)	(1,081)
Profit tax paid (cash)	(15,504)	(13,107)
Profit tax paid (non-cash)	(257)	(132)
Net cash provided by operating activities	36,085	31,665
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(29,715)	(23,018)
Proceeds from sale of property, plant and equipment	3,226	1,093
Purchases of investments, net	(197)	(81)
Net cash used for investing activities	(26,686)	(22,006)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of current debt	95,375	73,669
Proceeds from issuance of non-current debt	5,964	335
Repayment of debt	(98,947)	(79,907)
Interest paid	(3,417)	(3,872)
Dividends paid to RAO UES shareholders	-	(12)
Dividends paid by Group to minority interest shareholders	(231)	(189)
Proceeds from share issuance	27	512
Proceeds from of treasury shares, net	-	1,442
Net cash used for financing activities	(1,229)	(8,022)
Increase in cash and cash equivalents	8,170	1,637
Cash and cash equivalents at the beginning of the period	31,978	17,569
Cash and cash equivalents at the end of the period	40,148	19,206



5.4. Consolidated Interim Statement of Changes in Shareholders' Equity for the six month ended 30 June 2004

(in millions of Russian Roubles)

	Ordinary share capital	Preference share capital	Treasury shares	Retained earnings and fair value reserve	Total shareholders' equity
At 1 January 2003	147,439	7,667	(770)	412,079	566,415
Net income	-	-	-	16,915	16,915
Dividends	-	-	-	(1,988)	(1,988)
Change in fair value of available-for-sale investments	-	-	-	467	467
Change in treasury shares, net	-	-	409	729	1,138
At 30 June 2003	147,439	7,667	(361)	428,202	582,947
At 1 January 2004	147,439	7,667	(355)	432,553	587,304
Net income	-	-	-	15,421	15,421
Dividends	-	-	-	(2,399)	(2,399)
Change in fair value of available-for-sale investments	-	-	-	(106)	(106)
Translation differences	-	-	-	(26)	(26)
At 30 June 2004	147,439	7,667	(355)	445,443	600,194



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 are incorporated and operate in Russia.

Regional generation and distribution companies

Name	Ownership %	Voting %	Name	Ownership %	Voting %
Centre			South		
Astrakhanenergo	49.0	49.0	Dagenergo	51.3	51.3
Belgorodenergo	49.0	65.3	Kabbalkenergo	65.3	65.3
Bryanskenergo	49.0	65.2	Kalmenergo	96.4	96.4
Ivenergo	49.7	56.6	Karachaevo-Cherkesskenergo	100.0	100.0
Kalugaenergo	52.3	52.3	Kubanenergo	49.0	49.0
Kostromaenergo	49.0	65.3	Rostovenergo	48.4	62.8
Kurskenergo	49.0	59.5	Sevkavkazenergo	49.0	49.0
Lipetskenergo	49.0	49.0	Stavropolenergo	55.1	71.9
Mosenergo	50.9	50.9			
Orelenergo	49.5	60.6	Ural		
Ryazanenergo	49.0	49.0	Chelyabenergo	49.0	49.0
Smolenskenergo	48.7	59.3	Kirovenergo	48.2	64.0
Tambovenergo	49.0	56.0	Kurganenergo	49.0	49.0
Tulenergo	49.0	49.0	Orenburgenergo	100.0	100.0
Tverenergo	49.0	65.3	Permenergo	49.0	64.4
Vladimirenergo	49.0	49.0	Sverdlovenegero	49.0	49.0
Volgogradenergo	49.0	49.0	Tumenenergo	100.0	100.0
Vologdaenergo	49.0	49.0	Udmurtenergo	49.0	55.4
Voronezhenergo	49.0	49.0			
Yarenergo	47.8	60.3	Siberia		
North-West			Altaienergo	54.7	72.2
Arkhenegero	49.0	59.1	Buryatenergo	47.0	47.0
Karelenegero	100.0	100.0	Chitaenergo	49.0	62.2
Kolenergo	49.2	49.2	Khakasenergo	100.0	100.0
Komienergo	50.1	50.3	Krasnoyarskenergo	51.8	66.4
Lenenergo	49.0	57.4	Kuzbassenergo	49.0	49.0
Novgorodenergo	49.0	62.9	Omskenergo	49.0	60.4
Pskovenergo	49.0	49.0	Tomskenergo	52.0	59.9
Yantarenergo	100.0	100.0			
Middle Volga			East		
Chuvashenergo	100.0	100.0	Amurenergo	50.6	57.8
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	48.5	48.5
Penzaenergo	49.0	49.0	Kolymaenergo	93.0	93.0
Samaraenergo	49.0	56.3	Kamchatskenergo	49.0	49.0
Saratovenergo	49.0	49.0	Magadanenergo	49.0	64.4
Ulyanovskenergo	49.0	49.0	Sakhalinenergo	49.0	49.0
			Sakhaenergo	47.9	100.0
			Yakutskenergo	47.9	56.3



Hydrogenerating companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Bureyskaya GES	75.4	76.5	Taimyrenego	100.0	100.0
Kabbalk GES	81.4	98.0	Volzhskaya GES (Volzhsk)	83.3	83.4
Kamskaya GES	100.0	100.0	Volzhskaya GES (Zhigulevsk)	85.0	85.8
Kaskad Verhnevolzhskih GES	100.0	100.0	Votkinskaya GES	59.8	74.2
Nizhegorodskaya GES	100.0	100.0	Zaramagskie GES	90.0	91.7
Saratovskaya GES	100.0	100.0	Zeiskaya GES	56.9	57.4
Sayano-Shushenskaya GES	78.9	82.8	Zelenchugskie GES	100.0	100.0
Sulakenergo	99.1	99.1			

Thermal generating companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Berezovskaya GRES –1	100.0	100.0	Nevinomysskaya GRES	100.0	100.0
Cherepetskaya GRES	55.8	55.8	North-West Station	68.2	75.3
Dzerzhinskaya TETS	49.0	100.0	Novocherkasskaya GRES	100.0	100.0
Gusinoozerskaya GRES	100.0	100.0	Novomoskovskaya GRES	49.0	100.0
Experimentalnaya TETS	74.9	100.0	Pechorskaya GRES	51.0	51.0
Kaliningradskaya TETS –2	87.0	87.0	Permskaya GRES	100.0	100.0
Kharanorskaya GRES	100.0	100.0	Pskovskaya GRES	50.0	50.0
Kirishskaya GRES	100.0	100.0	Ryazanskaya GRES	100.0	100.0
Konakovskaya GRES	51.0	51.0	Shekinskie PGU	92.1	98.9
Kostromskaya GRES	51.0	51.0	Sochinskaya TETS	100.0	100.0
Krasnoyarskaya GRES –2	100.0	100.0	Stavropolskaya GRES	51.0	51.0
Kuban GRES	79.8	99.9	Troitskaya GRES	100.0	100.0
Lutek	56.3	56.3			

Construction companies

Name	Owners hip %	Voting %	Name	Ownership %	Voting %
Boguchanskaya GES	64.2	68.0	Chirkeigesstroi	100.0	100.0
Bureyagesstroy	100.0	100.0			

Other

Name	Ownership %	Voting %	Name	Ownership %	Voting %
Central Dispatch Centre	100.0	100.0	Kaluzhskaya Sales Company	52.3	52.3
Insurance company LIDER	100.0	100.0	Federal Grid Company	100.0	100.0
System Operator	100.0	100.0	Centre of Settlement Optimisation	100.0	100.0
Inter RAO UES	60.0	60.0	Media-Holding REN-TV	70.0	70.0
Energy Centre	75.0	75.0	Engineering Centre	100.0	100.0



Foreign companies

Name	Ownership %	Voting %	Country
RAO Nordic	60.0	100.0	Finland
Telasi	45.0	75.0	Georgia
Mtkvari	60.0	100.0	Georgia
Transenergy	30.0	50.0	Georgia
Silk Road	60.0	100.0	Netherlands
Gardabani	60.0	100.0	Netherlands
Georgia	60.0	100.0	Netherlands
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. Primarily 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 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
Other current assets	52
Property, plant and equipment	1,077
Fair value of assets acquired	1,172

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 May 2003, RAO Nordic, a Group entity, concluded an agreement 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). RAO Nordic will receive this amount back from Armenian NPP along with interest during two years commencing in June 2003. As of 30 June 2004 the outstanding recoverable balance of RR 245 million is included within other current assets.

Inter RAO UES and the government of Armenia has entered into a contract in the respect of the 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 (in the case of annual dividend distribution).

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 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 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)
Fair value of net assets acquired	704
Less: cash and cash equivalents in subsidiary acquired	(53)
Cash flow on acquisition, net of cash acquired	651

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.

During the six months ended 30 June 2004 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.

Six month ended 30 June 2004	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues	28,671	325,803	36,701	15,935	-	407,110
Intra-group revenues	(25,319)	(7,293)	(25,309)	(6,461)	-	(64,382)
Net revenues	3,352	318,510	11,392	9,474	-	342,728
Segment income	13,311	25,389	4,542	(1,395)	-	41,847
Capital expenditures	6,492	17,980	7,587	1,397	-	33,456
Depreciation and property, plant and equipment impairment	6,928	22,369	3,289	988	-	33,574
Doubtful debtors expense / (release)	2	1,832	417	1,198	-	3,449
Six month ended 30 June 2003	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues	33,298	287,019	31,271	17,543	-	369,131
Intra-group revenues	(31,898)	(4,747)	(25,352)	(6,287)	-	(68,284)
Net revenues	1,400	282,272	5,919	11,256	-	300,847
Segment income / (loss)	15,600	17,554	2,548	1,189	(25)	36,866
Capital expenditures	4,183	13,709	6,504	4,106	-	28,502
Depreciation	3,933	22,009	3,053	1,053	-	30,048
Doubtful debtors expense / (release)	2	1,662	(239)	612	-	2,037
As at 30 June 2004	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Segment total assets	151,945	753,388	154,544	117,369	(64,313)	1,112,933
Associates	-	-	-	32	-	32
Total assets	151,945	753,388	154,544	117,401	(64,313)	1,112,965
Segment liabilities	5,181	144,566	40,762	148,412	(51,527)	287,394
Total liabilities	5,181	144,566	40,762	148,412	(51,527)	287,394



As at 31 December 2003	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Segment total assets	148,721	739,889	140,723	112,530	(54,518)	1,087,345
Associates	-	-	-	196	-	196
Total assets	148,721	739,889	140,723	112,726	(54,518)	1,087,541
Segment liabilities	4,353	144,554	33,033	136,790	(38,180)	280,550
Total liabilities	4,353	144,554	33,033	136,790	(38,180)	280,550



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.

	Revenue		Total assets		Capital expenditures	
	Six month ended 30 June 2004	Six month ended 30 June 2003	30 June 2004	31 December 2003	For six month ended 30 June 2004	For six month ended 30 June 2003
Transmission segment	28,671	33,298	151,945	148,721	6,492	4,183
Centre	108,582	92,554	253,146	252,458	6,125	4,954
North-West	39,927	34,796	88,147	82,194	4,205	2,060
Urals	79,358	70,679	188,303	187,967	3,030	2,231
Siberia	41,851	38,126	129,944	127,791	3,385	2,826
Middle Volga	35,579	32,042	69,090	63,875	1,692	1,048
East	33,782	31,366	113,292	107,162	3,873	5,763
South	24,937	22,123	69,193	65,558	3,498	2,026
	392,687	354,984	1,063,060	1,035,726	32,300	25,091
Unallocated	14,423	14,147	114,218	106,333	1,156	3,411
Consolidation adjustments	(64,382)	(68,284)	(64,313)	(54,518)	-	-
Total	342,728	300,847	1,112,965	1,087,541	33,456	8,502



5.7 Related parties

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

The following transactions were carried out with RKS, the majority of which are based on tariffs set by the REC:

	Six month ended 30 June 2004
Electricity revenues	441
Heating revenues	1,424
Electricity and heat distribution expense	43



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)*

	Six months ended 30 June 2004	Six months ended 30 June 2003	Change	%
Electricity external sales (mln KWh) ^{1,2}	307,565	306,771	794	0.3%
Less				
purchased power (mln KWh)	79,308	84,193	(4,885)	(5.8%)
Electricity generation (mln KWh)	228,257	222,578	5,679	2.6%
Heat production (ths GCl)	214,261	220,946	(6,685)	(3.0%)
Fuel expenses (thousand tonnes of equivalent fuel)	110,862	111,155	(293)	(0.3%)

* Difference in operational data contained in this analysis and operational data published by RAO UES HO is explained by the fact, that for purposes of this analysis operational data summarizes results of transactions with external companies, i.e. excluding intercompany operations, losses and usage of electricity for own needs.

1. Electricity sales and generation for 6 months ended 30 June 2003 was adjusted by RR 3,731 mln KW/h – ZAO CDR FOREM's sales to external buyers were included therein.
2. Insignificant increase in electricity sales is caused by the growth in sales due to the acquisition and consolidation of subsidiaries in Georgia and Armenia starting from the second half -year of 2003.

	Six months ended 30 June 2004	Six months ended 30 June 2003	Change	%
Electricity generation, total (mln KW/h)	228,257	222,578	5,679	2.6%
Less				
Electricity generation GES (mln KW/h)	35,408	30,804	4,604	14.9%
Electricity generation minus GES (mln KW/h)	192,849	191,774	1,075	0.6%
Heat generation (sales) (mln KW/h) (thousand Gcal was translated into mln KW/h using index 1,162)	248,971	256,740	(7,769)	(3.0%)
Total electricity and heat generation (mln KW/h)	441,820	448,514	(6,694)	(1.5%)
Fuel expenses (thousand tones of equivalent fuel)	110,862	111,155	(293)	(0.3%)

6.2. Tariffs movement analysis

	Six months ended 30 June 2004	Six months ended 30 June 2003	Change %
Electricity, RR/KWt/h	0.83	0.73	13.2%
Heat, RR thou./Gcal	0.30	0.26	15.3%
Fuel, RR thou./t of equivalent fuel	0.87	0.77	13.4%
Purchased power, RR/KWt/h	0.48	0.42	12.8%



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		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	14 778.8	14 730.1	0.33	11 221.0	10 421.0	7.68	8 257.6	8 257.6	0.00	3 244.5	3 244.5	0.00
TPPs	13 578.8	13 530.1	0.36	11 221.0	10 421.0	7.68	8 250.6	8 250.6	0.00	2 595.5	2 595.5	0.00
HPPs	1 200.0	1 200.0	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.:	11 704.7	11 563.4	1.22	8 454.8	8 510.4	-0.65	5 496.0	5 483.1	0.24	1 898.0	1 927.5	-1.53
TPPs	10 622.5	10 502.5	1.14	8 454.8	8 510.4	-0.65	5 492.6	5 479.4	0.24	1 385.2	1 463.2	-5.33
HPPs	1 082.2	1 060.9	2.01	0.0	0.0	-	3.4	3.7	-8.11	512.8	464.3	10.45
Power energy generation (ths kWh), incl.:	36 690 771	38 095 224	-3.69	34 367 736	34 385 235	-0.05	19 667 906	19 307 817	1.86	7 331 896	6 542 552	12.06
TPPs	35 737 614	37 179 583	-3.88	34 367 736	34 385 235	-0.05	19 657 005	19 292 461	1.89	5 574 553	5 491 566	1.51
HPPs	953 157	915 641	4.10	0	0	-	10 901	15 356	-29.01	1 757 343	1 050 986	67.21
Heat energy output (Gcal)	40 770 568	43 736 764	-6.78	7 088 293	6 844 917	3.56	13 702 108	14 089 067	-2.75	12 693 510	13 757 605	-7.73
Fuel rate on power energy (g/kWh)	289.8	289.5	0.10	310.5	308.8	0.55	357.6	357.2	0.11	299.1	297.6	0.50
Fuel rate on heat energy (kg/Gcal)	131.1	133.6	-1.87	142.2	141.9	0.21	147.3	147.6	-0.20	133.7	134.0	-0.22
Power energy output (ths kWh), incl.:	30 323 363	29 378 810	3.22	31 122 358	31 360 909	-0.76	17 682 871	16 685 284	5.98	12 532 822	12 754 270	-1.74
Industrial consumers 750 kVA and more	7 266 421	7 030 542	3.36	22 495 449	20 427 948	10.12	11 193 646	10 662 083	4.99	4 300 517	4 314 182	-0.32
Industrial consumers up to 750 kVA	2 006 568	1 942 705	3.29	673 814	575 909	17.00	412 821	453 713	-9.01	1 064 600	888 279	19.85
Railway transport	1 335 098	1 217 184	9.69	247 494	224 948	10.02	830 617	788 992	5.28	494 347	491 087	0.66
Municipal transport	1 046 558	1 000 040	4.65	2 047	2 882	-28.97	8 665	8 890	-2.53	107 856	336 480	-67.95
Non-industrial consumers	8 334 992	7 472 917	11.54	241 068	208 169	15.80	502 382	561 162	-10.47	2 577 919	2 105 418	22.44
Agriculture	468 378	472 302	-0.83	172 694	187 412	-7.85	270 020	284 471	-5.08	243 869	258 562	-5.68
Residential	4 660 263	4 756 805	-2.03	267 105	199 850	33.65	342 931	378 009	-9.28	2 219 928	1 907 164	16.40
Populated areas	868 481	1 254 518	-30.77	116 846	161 655	-27.72	238 795	372 783	-35.94	196 590	172 747	13.80
Wholesale consumers – power energy resellers	4 290 750	4 190 272	2.40	4 487 850	4 374 232	2.60	3 611 827	3 137 290	15.13	1 167 508	2 074 491	-43.72
Housing & Communal services	45 854	41 525	10.43	72 846	69 806	4.35	41 161	37 891	8.63	28 865	25 780	11.97
Transmission (balanced), incl.:	0	0	-	2 345 145	4 928 098	-52.41	230 006	0	-	130 823	180 080	-27.35
Supplied to FOREM	0	0	-	2 345 145	4 355 374	-46.16	230 006	0	-	0	0	-



Indicators/Power system	Mosenergo			Tyumenenergo			Sverdlovenegero			Lenenergo		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Average tariff for end-consumers (Kop/kWh)	106.46	81.61	30.45	71.43	64.6	10.57	67.26	59.91	12.27	87.80	78.3	12.13
Heat energy output (Gcal), incl.:	37 915 199	41 451 130	-8.53	6 401 284	6 348 499	0.83	12 941 237	13 309 693	-2.77	12 377 636	13 427 977	-7.82
Industrial consumers, incl.:	34 208 705	37 721 724	-9.31	4 278 421	2 814 957	51.99	10 782 535	11 690 933	-7.77	8 451 928	9 081 616	-6.93
Housing & Communal facilities	2 814 355	2 913 377	-3.40	301 825	77 032	291.82	542 999	567 267	-4.28	1 138 081	1 207 048	-5.71
Greenhouse farming	64 652	89 676	-27.90	61 324	78 747	-22.13	58 218	108 758	-46.47	5 947	9 968	-40.34
Garage & Communal facilities, hotels	74 266	85 632	-13.27	384 958	7 669	4919.66	18 750	16 953	10.60	26 524	27 013	-1.81
Wholesale consumers – heat energy resellers	753 221	640 721	17.56	1 374 756	3 370 094	-59.21	1 538 735	925 782	66.21	2 755 156	3 102 332	-11.19
Average tariff for end-consumers (Rub/Gcal)	350.44	287.91	21.72	193.9	171.38	13.14	211.73	202.44	4.59	329.9	283.19	16.49
Revenues from sale of goods, products, works and services (ths Rub), incl.:	45 674 064	36 112 041	26.48	24 109 494	21 989 123	9.64	14 911 026	12 934 287	15.28	15 613 555	14 102 758	10.71
Power energy	31 307 344	23 221 241	34.82	22 220 505	20 261 097	9.67	11 844 937	9 927 532	19.31	10 734 181	9 874 875	8.70
Heat energy	13 210 399	11 869 207	11.30	1 241 191	1 088 013	14.08	2 720 094	2 674 293	1.71	4 085 488	3 804 675	7.38
Other goods, products, works, services related to operating activity	938 353	830 553	12.98	612 074	415 173	47.43	332 047	288 460	15.11	773 853	401 615	92.69
Other goods, products, works, services related to non-operating activity	217 968	191 040	14.10	35 724	224 840	-84.11	13 948	44 002	-68.30	20 033	21 593	-7.22
Cost of goods, products, works, services (ths Rub), incl.:	(38 295 821)	(32 086 238)	19.35	(21 026 862)	(17 236 180)	21.99	(13 889 502)	(11 741 027)	18.30	(14 397 696)	(12 458 129)	15.57
Power energy	(23 725 400)	(19 210 624)	23.50	(18 811 640)	(15 473 017)	21.58	(10 665 417)	(8 920 570)	19.56	(10 026 847)	(8 809 540)	13.82
Heat energy	(13 515 613)	(11 933 734)	13.26	(1 642 212)	(1 236 046)	32.86	(2 878 577)	(2 463 335)	16.86	(4 014 457)	(3 538 678)	13.45
Other goods, products, works, services related to operating activity	(666 494)	(570 222)	16.88	(496 384)	(356 758)	39.14	(320 534)	(274 796)	16.64	(353 313)	(103 294)	242.05
Other goods, products, works, services related to non-operating activity	(388 314)	(371 658)	4.48	(76 626)	(170 359)	-55.02	(24 974)	(82 326)	-69.66	(3 079)	(6 617)	-53.47
Operating Profit / (Loss) (ths Rub)	7 345 130	3 990 053	84.09	3 078 187	4 747 796	-35.17	975 010	1 141 246	-14.57	1 215 859	1 644 629	-26.07
Profit / (Loss) before taxation (ths Rub)	872 460	2 009 453	-56.58	2 969 169	3 881 322	-23.50	515 453	631 653	-18.40	315 465	619 263	-49.06
Net Profit / (Loss) (ths Rub)	(285 167)	1 307 631	-	3 385 759	2 737 660	23.67	272 249	302 934	-10.13	46 132	442 085	-89.56



Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	4 792.0	4 667.0	2.68	3 413.4	1 903.4	79.33	3 513.2	3 519.7	-0.18	1 808.0	1 814.0	-0.33
TPPs	4 792.0	4 667.0	2.68	1 873.4	1 875.4	-0.11	3 513.2	3 519.7	-0.18	1 808.0	1 814.0	-0.33
HPPs	0.0	0.0	-	1 540.0	28.0	5400.00	0.0	0.0	-	0.0	0.0	-
Average Operating capacity for the reporting period (MW), incl.:	3 379.0	3 752.7	-9.96	2 415.1	1 212.8	99.13	1 976.0	2 034.6	-2.88	1 340.0	1 263.9	6.02
TPPs	3 379.0	3 752.7	-9.96	1 265.1	1 188.6	6.44	1 976.0	2 034.6	-2.88	1 340.0	1 263.9	6.02
HPPs	0.0	0.0	-	1 150.0	24.2	4652.07	0.0	0.0	-	0.0	0.0	-
Power energy generation (ths kWh), incl.:	12 219 597	13 615 394	-10.25	7 430 481	4 739 481	56.78	7 113 534	7 158 615	-0.63	5 394 866	4 309 175	25.19
TPPs	12 219 597	13 615 394	-10.25	5 132 136	4 677 820	9.71	7 113 534	7 158 615	-0.63	5 394 866	4 309 175	25.19
HPPs	0	0	-	2 298 345	61 661	3627.39	0	0	-	0	0	-
Heat energy output (Gcal)	8 118 032	8 201 382	-1.02	8 637 871	8 659 572	-0.25	14 586 212	14 626 023	-0.27	6 517 660	6 721 650	-3.03
Fuel rate on power energy (g/kWh)	356.3	357.5	-0.34	357.1	359.2	-0.58	330.2	343.2	-3.79	357.3	348.3	2.58
Fuel rate on heat energy (kg/Gcal)	148.6	149.3	-0.47	149.0	150.5	-1.00	141.1	142.6	-1.05	142.9	142.1	0.56
Power energy output (ths kWh), incl.:	11 333 643	13 661 522	-17.04	8 524 760	8 238 168	3.48	9 008 628	8 997 639	0.12	7 233 353	7 585 815	-4.65
Industrial consumers 750 kVA and more	7 389 823	9 807 404	-24.65	5 155 116	5 253 283	-1.87	5 390 850	5 266 117	2.37	3 516 835	3 644 567	-3.50
Industrial consumers up to 750 kVA	704 380	835 551	-15.70	725 332	365 834	98.27	387 570	257 548	50.48	490 725	448 562	9.40
Railway transport	546 515	0	-	483 270	444 593	8.70	353 393	346 708	1.93	598 935	561 323	6.70
Municipal transport	0	0	-	27 274	28 744	-5.11	68 069	69 019	-1.38	64 041	69 415	-7.74
Non-industrial consumers	101 203	107 471	-5.83	468 498	475 594	-1.49	227 273	203 002	11.96	699 192	619 412	12.88
Agriculture	153 398	163 039	-5.91	182 995	221 134	-17.25	127 953	161 775	-20.91	244 536	275 993	-11.40
Resedentals	126 787	155 871	-18.66	520 063	489 987	6.14	191 937	130 645	46.91	916 606	907 601	0.99
Populated areas	51 230	64 664	-20.78	76 172	74 400	2.38	87 446	120 272	-27.29	101 979	148 454	-31.31
Wholesale consumers – power energy resellers	2 260 307	2 527 522	-10.57	855 521	851 472	0.48	2 174 137	2 442 553	-10.99	569 993	877 646	-35.05
Housing & Communal services	0	0	-	30 520	33 125	-7.86	0	0	-	30 511	32 842	-7.10
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)	56.4	50.75	11.13	83.95	75.78	10.78	86.07	77.25	11.42	92.67	78.56	17.96
Heat energy output (Gcal), incl.:	7 624 708	7 677 718	-0.69	8 336 022	8 694 103	-4.12	13 555 096	13 576 264	-0.16	5 840 204	6 020 714	-3.00



Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Industrial consumers, incl.:	7 391 177	7 426 937	-0.48	7 832 950	5 552 006	41.08	7 680 020	7 606 392	0.97	5 266 483	4 970 711	5.95
Housing & Communal facilities	103 053	61 626	67.22	441 051	297 452	48.28	67 462	58 075	16.16	530 012	496 269	6.80
Greenhouse farming	125 806	184 772	-31.91	60 022	190 021	-68.41	152 517	207 302	-26.43	40 833	47 627	-14.27
Garage & Communal facilities. hotels	4 672	4 383	6.59	1 999	2 071	-3.48	3 908	4 670	-16.32	2 876	2 627	9.48
Wholesale consumers – heat energy resellers	0	0	-	0	2 652 553	-100.00	5 651 189	5 699 825	-0.85	0	503 480	-100.00
Average tariff for end-consumers (Rub/Gcal)	264.97	226.83	16.81	254.99	219.07	16.40	241.52	204.04	18.37	216.78	171.21	26.62
Revenues from sale of goods, products, works and services (ths Rub), incl.:	8 802 380	8 979 800	-1.98	9 570 496	8 261 460	15.85	11 714 015	9 850 873	18.91	8 452 423	7 468 507	13.17
Power energy	6 413 934	6 923 255	-7.36	7 251 688	6 193 252	17.09	7 712 341	6 534 771	18.02	6 873 304	5 964 557	15.24
Heat energy	1 985 036	1 703 989	16.49	2 125 588	1 893 755	12.24	3 270 366	2 754 498	18.73	1 267 915	1 038 484	22.09
Other goods, products, works, services related to operating activity	354 827	304 825	16.40	178 531	111 606	59.97	699 396	536 038	30.48	256 047	405 176	-36.81
Other goods, products, works, services related to non-operating activity	48 583	47 731	1.79	14 689	62 847	-76.63	31 912	25 566	24.82	55 157	60 290	-8.51
Cost of goods, products, works, services (ths Rub), incl.:	(7 530 597)	(7 823 702)	-3.75	(7 471 988)	(7 401 213)	0.96	(9 952 795)	(8 747 619)	13.78	(7 874 904)	(6 864 873)	14.71
Power energy	(5 688 302)	(6 110 892)	-6.92	(5 546 042)	(5 581 368)	-0.63	(6 703 847)	(6 041 949)	10.96	(5 942 317)	(5 220 074)	13.84
Heat energy	(1 553 241)	(1 415 604)	9.72	(1 726 229)	(1 625 069)	6.22	(2 833 123)	(2 311 030)	22.59	(1 654 575)	(1 372 258)	20.57
Other goods, products, works, services related to operating activity	(244 257)	(244 049)	0.09	(173 204)	(88 369)	96.00	(370 212)	(360 419)	2.72	(191 688)	(177 486)	8.00
Other goods, products, works, services related to non-operating activity	(44 797)	(53 157)	-15.73	(26 513)	(106 407)	-75.08	(45 613)	(34 221)	33.29	(86 324)	(95 055)	-9.19
Operating Profit / (Loss) (ths Rub)	1 264 304	1 140 848	10.82	2 098 507	860 194	143.96	1 761 220	1 101 632	59.87	562 212	599 728	-6.26
Profit / (Loss) before taxation (ths Rub)	(15 205)	541 426	-	1 611 446	330 132	388.12	1 035 891	243 373	325.64	261 921	201 665	29.88
Net Profit / (Loss) (ths Rub)	(155 929)	295 883	-	1 157 409	129 962	790.57	514 112	121 059	324.68	86 411	(3 635)	-



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	8 188.0	8 130.4	0.71	1 311.0	1 311.0	0.00	829.0	829.0	0.00	3 140.0	3 140.0	0.00
TPPs	2 188.0	2 130.4	2.70	1 311.0	1 311.0	0.00	620.0	620.0	0.00	3 110.0	3 110.0	0.00
HPPs	6 000.0	6 000.0	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.:	4 393.0	3 782.9	16.13	626.5	646.8	-3.14	471.8	512.9	-8.01	2 136.4	2 001.8	6.72
TPPs	1 679.3	1 465.7	14.57	626.5	646.8	-3.14	329.9	327.5	0.73	2 115.4	1 982.3	6.71
HPPs	2 713.7	2 317.2	17.11	0.0	0.0	-	141.9	185.4	-23.46	21.0	19.5	7.69
Power energy generation (ths kWh). incl.:	5 346 203	5 827 770	-8.26	1 535 145	1 643 342	-6.58	1 889 435	1 686 745	12.02	7 319 286	7 151 534	2.35
TPPs	5 346 203	5 827 770	-8.26	1 535 145	1 643 342	-6.58	1 399 820	1 252 382	11.77	7 262 681	7 107 615	2.18
HPPs	0	0	-	0	0	-	489 615	434 363	12.72	56 605	43 919	28.88
Heat energy output (Gcal)	7 652 271	7 436 921	2.90	2 548 570	2 867 930	-11.14	2 381 889	2 662 926	-10.55	5 192 505	5 625 265	-7.69
Fuel rate on power energy (g/kWh)	337.5	347.1	-2.77	409.9	403.8	1.51	316.2	308.4	2.53	320.2	320.0	0.06
Fuel rate on heat energy (kg/Gcal)	146.2	145.7	0.34	157.3	155.0	1.48	148.4	150.6	-1.46	131.9	132.7	-0.60
Power energy output (ths kWh), incl.:	14 474 065	14 142 496	2.34	5 780 217	7 321 645	-21.05	4 828 962	5 433 738	-11.13	6 097 819	6 086 241	0.19
Industrial consumers 750 kVA and more	10 503 047	10 101 394	3.98	2 644 027	4 249 686	-37.78	1 187 859	1 658 926	-28.40	3 310 881	3 119 507	6.13
Industrial consumers up to 750 kVA	522 660	398 902	31.02	1 124 683	578 404	94.45	141 448	130 652	8.26	288 505	333 315	-13.44
Railway transport	629 706	580 148	8.54	238 782	230 310	3.68	362 395	320 400	13.11	204 798	198 141	3.36
Municipal transport	14 326	13 707	4.52	53 410	56 954	-6.22	16 278	19 488	-16.47	20 493	24 143	-15.12
Non-industrial consumers	1 038 618	757 330	37.14	368 091	734 405	-49.88	269 665	288 623	-6.57	311 391	284 745	9.36
Agriculture	336 504	345 246	-2.53	220 715	255 810	-13.72	194 548	226 672	-14.17	165 132	187 917	-12.13
Resedentals	1 205 322	869 001	38.70	804 309	842 545	-4.54	352 888	363 181	-2.83	524 870	548 770	-4.36
Populated areas	126 574	140 612	-9.98	304 744	349 712	-12.86	99 907	111 673	-10.54	159 951	170 023	-5.92
Wholesale consumers – power energy resellers	74 793	910 677	-91.79	0	0	-	2 203 974	2 314 123	-4.76	492 508	513 719	-4.13
Housing & Communal services	22 515	25 479	-11.63	21 456	23 819	-9.92	0	0	-	16 966	17 621	-3.72
Transmission (balanced), incl.:	0	0	-	0	0	-	0	0	-	602 325	688 339	-12.50
Supplied to FOREM	0	0	-	0	0	-	0	0	-	497 757	664 818	-25.13
Average tariff for end-consumers (Kop/kWh)	40.32	39.32	2.54	90.33	81.41	10.96	87.19	77.48	12.53	78.45	66.03	18.81



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)	6 months ended 30 June 2004	6 months ended 30 June 2003	Changes (%)
Heat energy output (Gcal), incl.:	6 917 786	6 542 282	5.74	2 534 838	2 840 652	-10.77	2 103 533	2 356 948	-10.75	5 003 515	5 430 233	-7.86
Industrial consumers, incl.:	6 104 062	5 245 956	16.36	2 439 255	2 739 979	-10.98	1 830 740	2 099 454	-12.80	2 854 360	3 231 725	-11.68
Housing & Communal facilities	543 935	538 668	0.98	95 583	100 221	-4.63	267 871	252 375	6.14	4 977	7 990	-37.71
Greenhouse farming	6 224	22 797	-72.70	0	209	-100.00	0	0	-	33 171	41 912	-20.86
Garage & Communal facilities. hotels	9 467	8 262	14.58	0	243	-100.00	4 922	5 119	-3.85	261	277	-5.78
Wholesale consumers – heat energy resellers	254 098	726 599	-65.03	0	0	-	0	0	-	2 110 746	2 148 329	-1.75
Average tariff for end-consumers (Rub/Gcal)	308.39	305.51	0.94	290.00	215.53	34.55	328.21	294.64	11.39	262.08	215.43	21.65
Revenues from sale of goods, products, works and services (ths Rub), incl.:	7 978 421	7 527 185	5.99	6 369 736	6 708 206	-5.05	5 089 041	5 078 458	0.21	6 498 352	5 420 235	19.89
Power energy	5 741 568	5 486 952	4.64	5 147 209	5 794 447	-11.17	4 266 733	4 179 532	2.09	4 784 866	3 987 042	20.01
Heat energy	2 102 199	1 980 196	6.16	735 094	612 246	20.07	742 459	750 760	-1.11	1 311 093	1 169 554	12.10
Other goods, products, works, services related to operating activity	120 972	47 979	152.14	434 426	256 826	69.15	60 724	93 856	-35.30	384 781	239 284	60.81
Other goods, products, works, services related to non-operating activity	13 682	12 058	13.47	53 007	44 687	18.62	19 125	54 310	-64.79	17 612	24 355	-27.69
Cost of goods, products, works, services (ths Rub), incl.:	(7 471 829)	(7 005 426)	6.66	(5 907 062)	(6 156 768)	-4.06	(4 349 682)	(4 471 813)	-2.73	(5 302 534)	(4 497 782)	17.89
Power energy	(5 387 543)	(5 037 588)	6.95	(5 141 039)	(5 329 688)	-3.54	(3 645 901)	(3 719 916)	-1.99	(4 064 623)	(3 497 204)	16.22
Heat energy	(1 938 519)	(1 903 126)	1.86	(653 763)	(649 564)	0.65	(636 526)	(596 796)	6.66	(909 381)	(801 063)	13.52
Other goods, products, works, services related to operating activity	(122 013)	(37 162)	228.33	(60 076)	(132 446)	-54.64	(48 640)	(82 969)	-41.38	(311 912)	(176 002)	77.22
Other goods, products, works, services related to non-operating activity	(23 754)	(27 550)	-13.78	(52 184)	(45 070)	15.78	(18 615)	(72 132)	-74.19	(16 618)	(23 513)	-29.32
Operating Profit / (Loss) (ths Rub)	506 592	521 759	-2.91	462 674	549 879	-15.86	739 359	606 645	21.88	1 195 813	922 420	29.64
Profit / (Loss) before taxation (ths Rub)	369 736	151 419	144.18	227 901	396 427	-42.51	631 582	491 089	28.61	883 183	709 359	24.50
Net Profit / (Loss) (ths Rub)	156 264	199 075	-21.50	27 519	359 724	-92.35	457 805	357 855	27.93	585 201	467 811	25.09



