



RAO «UES of Russia»

Summary report on operating and financial results for 12M03
(Group)

July 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 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, 2004 FST (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 (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

54.9% of the consumers are industrial producers, 17,1% are re-sellers, population and settlements attract more than 10.2%, 6% goes to transport, 8.9% - to non-industrial sector, and 2.9%.- to agriculture.

Personnel structure

At 31 December 2003, the number of employees of the Group was approximately 557,000 (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.
- 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 27 June 2003 No 865-r (p). RAO UES has been playing an active role in drafting these pieces 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". 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.
- 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 Transition 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 June 2004 the number of participants of the liberalized sector consisted of 84 participants (including 19 which were not UES subsidiaries and dependent companies).

	November 2003	June 2004
Volume of the market (ml.kWh)	521,8*	3604,6**
Turnover of the market (ml.Rub.)	328,6	4325,2
Average market price (Rub/MWh)	264,25	484,97

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

**Approximately 8 % % 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.
- As at 5 July 2004, 30 subsidiaries of RAO UES had held General shareholders meeting at which plans for reorganization had 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 year ended 31 December 2003.

	12 months ended 31 December 2003	12 months ended 31 December 2002	Change (%)
Revenues	593,149	503,409	17,8%
Electricity	448,043	377,766	18,6%
Heating	100,117	87,946	13,8%
Costs and other deductions	528,672	485,109	9%
Fuel expenses	161,251	133,579	20,7%
Purchased power	70,312	61,439	14,4%
Depreciation and amortization	61,771	59,171	4,4%
Repairs and maintenance	41,936	37,056	13,2%
Income from operations	64,477	18,300	252,3%
Income before profit tax and minority interest	49,036	14,564	236,7%
Total profit tax benefit (charge)	(24,754)	24,283	(202%)
Net Income	26,983	34,994	(22,9%)
EBITDA*	124,712	89,584	39,2%
EBITDA margin	21%	17.8%	-
Operational margin	10,9%	3.6%	-
Net margin	4,5%	7.0%	-
Return on equity (ROE)	4,6%	6.2%	-
Return on assets (ROA)**	2,2%	3.7%	-

* *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 – 31 December 2003 compared to 31 December 2002

- Property, plant and equipment (PPE) have increased (by RR 8,491 mln) due to significant increase in capital expenditures and the Group acquiring businesses in Georgia and Armenia;
- In general, in the reporting period the accounts receivable (13%) grew to a less extent than the revenues (18%). The change in accounts receivable was primarily caused by the three mutually offsetting factors:
 - decrease of other receivables by RR 2,127 mln due to the certain Group entities' bad debt write-off ;
 - an increase in VAT recoverable by RR 4,053 mln due to greater volumes of capital construction at certain Group entities;
 - increase of tax prepayments by RR 1,923 mln;
- At 31 December 2003, the Group's current liabilities slightly exceeded its current assets by RR 812 mln (at 31 December 2002 by RR 12,815 mln). Compared to prior year, the Group has improved its financial position, largely thanks to higher tariffs for both electricity and heat.

Statements of Operations – 12 months 2003 compared to 12 months 2002

- Income from operations for the period increased 3.5 times compared to the same period for 2002. Increase in revenues (by 18%) significantly exceeded the increase in costs of operations (increased by 9%);
- Increase in income from operations was outweighed by an increase in non-operating expenses and a switch in deferred tax (in 2002 the Group has recognized deferred profit tax benefit resulted from property, plant and equipment revaluation; no such effect occurred in 2003). As a result, net income decreased. Net income in 2003 amounted to RR 26,983 mln, that is RR 8, 011 mln less than the same in 2002. Excluding the effect of deferred tax, a net income would have moved from a net loss of RR 3,053 mln in 2002 to a net profit of RR 34,839 mln in 2003.

Revenues

- Increase in revenues by 19% was driven by the following factors:
 - unrestated increase in tariffs – 21.3% (restated on inflation factor for calculation of comparable numbers – 15.6%);
 - increase in demand – 3.3%.
- Increase in revenues by 14% was caused by the following reasons:
 - unrestated increase in heat tariff – 23.8% (restated on inflation factor for calculation of comparable numbers – 13.0%);
 - decrease in sales – 0.6%.

Costs and other deductions

- Increase in fuel expenses by 21% was caused by the following factors:
 - prices for all types of fuel on average increased by 25.8% without taking into account inflation (restated on coefficient for calculation of comparable numbers – 18.2%);
 - consumption of fuel increased by 1.4% that is in line with increase in electricity generation. No significant changes in the structure of fuel consumption took place during the period.
- Increase in purchased power by 14% was driven by growth in both volumes and tariffs:
 - the increase without taking into account inflation amounted to 15.2% (restated on coefficient for calculation of comparable numbers – 5.6%);
 - volumes of purchases increased by 6.6% (including increase in purchases from REA).
- Increase in repairs and maintenance by 13% attributable to both increase in volume of repairs and prices for materials and services

Statement of Cash Flows – 12 months 2003 compared to 12 months 2002



- Group's operations were financed out of proceeds generated from operating activities which increased by RR 23 bln or 39%;
- Increase in investing activity in cash form (by RR 23 bln). Net cash inflow from operating activity was 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 17-19



5. Appendix 1. RAO UES Group IAS Consolidated Financial Statements for the year ended 31 December 2003

5.1. Consolidated Balance Sheet as at 31 December 2003

(in millions of Russian Roubles)

	31 December 2003	31 December 2002
Assets		
Non-current assets		
Property, plant and equipment	872,179	863,688
Investments in associates	196	-
Deferred profit tax assets	196	-
Other non-current assets	26,200	25,342
Total non-current assets	902,456	898,152
Current assets		
Cash and cash equivalents	31,978	17,569
Accounts receivable and prepayments	105,340	92,971
Inventories	42,731	38,383
Loans issued	-	2,635
Other current assets	5,036	11,726
Total current assets	185,085	163,284
Total assets	1,087,541	1,061,436
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)	(770)
	154,751	154,336
Retained earnings and fair value reserve	432,553	412,079
Total shareholders' equity	587,304	566,415
Minority interest	219,687	223,981
Non-current liabilities		
Deferred profit tax liabilities	57,895	54,608
Non-current debt	12,556	13,461
Other non-current liabilities	24,202	26,872
Total non-current liabilities	94,653	94,941
Current liabilities		
Current debt and current portion of non-current debt		
	50,496	42,236
Accounts payable and accrued charges	89,758	84,337
Taxes payable	45,643	49,526
Total current liabilities	185,897	176,099
Total liabilities	280,550	271,040
Total shareholders' equity and liabilities	1,087,541	1,061,436



5.2. Consolidated Statement of Operations for the year ended 31 December 2003
(in millions of Russian Roubles)

	Year ended 31 December 2003	Year ended 31 December 2002
Revenues		
Electricity	448,043	377,766
Heating	100,117	87,946
Governmental assistance	5,200	5,370
Other	39,789	32,327
Total revenues	593,149	503,409
Costs and other deductions		
Fuel expenses	161,251	133,579
Wages, benefits and payroll taxes	96,172	88,290
Purchased power	70,312	61,439
Depreciation	61,771	59,171
Repairs and maintenance	41,936	37,056
Taxes other than on income	13,371	23,995
Other materials	13,313	14,736
Electricity and heat distribution	6,081	4,491
Water usage expenses	4,578	3,988
Insurance expense	4,552	3,115
Social expenditures	3,193	5,299
Doubtful debtors (release) / expense	(1,536)	12,113
Loss on disposal of property, plant and equipment and investments	1,873	(150)
Other expenses	51,805	37,987
Total costs and other deductions	528,672	485,109
Income from operations	64,477	18,300
Share of (loss) / income of associates	(54)	237
Monetary effects and financing items	(15,387)	(3,973)
Income before profit tax and minority interest	49,036	14,564
Total profit tax (charge) / benefit	(24,754)	24,283
Income before minority interest	24,282	38,847
Minority interest: share of net result	2,701	(3,853)
Net income	26,983	34,994
Earnings per ordinary and preference share – basic and diluted (in Russian Roubles)	0.63	0.82



5.3. Consolidated Cash Flow Statement for the year ended 31 December 2003
(in millions of Russian Roubles)

	Year ended 31 December 2003	Year ended 31 December 2002
CASH FLOW FROM OPERATING ACTIVITIES:		
Income before profit tax	49,036	14,564
Adjustments to reconcile income before profit tax to net cash provided by operations:		
Depreciation	61,771	59,171
Doubtful debtors (release) / expense	(1,536)	12,113
Interest and gain on restructuring accounts payable and taxes payable	16,947	11,318
Share of loss / (income) of associates, before profit tax	54	(237)
Loss / (gain) on disposal of property, plant and equipment and investments	1,873	(150)
Monetary effects on non-operating balances	-	(4,624)
Adjustment for non-cash investing activities	(10,229)	(9,851)
Other	(2)	7
Operating cash flows before working capital changes and profit tax paid	117,914	82,311
Working capital changes:		
Increase in accounts receivable and prepayments	(9,356)	(1,165)
Decrease / (increase) in other current assets	6,738	(6,243)
Decrease in loans issued	2,635	12,705
(Increase) / decrease in inventories	(4,093)	4,704
(Increase) / decrease in other non-current assets	(3,458)	6,398
Increase / (decrease) in accounts payable and accrued charges	4,864	(17,769)
Decrease in taxes payable, other than profits tax	(13,707)	(4,539)
(Decrease) / increase in other non-current liabilities	(3,882)	1,579
Profit tax paid (cash)	(16,389)	(19,086)
Profit tax paid (non-cash)	(233)	(390)
Net cash provided by operating activities	81,033	58,505
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(64,338)	(40,830)
Proceeds from sale of property, plant and equipment	3,974	2,221
Purchases of investments, net	(554)	(429)
Acquisition of subsidiaries, net of cash acquired	(651)	-
Net cash used for investing activities	(61,569)	(39,038)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of current debt	163,783	135,459
Proceeds from issuance of non-current debt	2,900	9,688
Repayment of debt	(162,124)	(147,822)
Interest paid	(7,550)	(9,094)
Dividends paid to RAO UES shareholders	(2,028)	(1,347)
Dividends paid by Group to minority interest shareholders	(1,938)	(1,942)
Proceeds from share issuance	456	899
Proceeds from / (purchase) of treasury shares, net	1,446	(8)
Net cash used for financing activities	(5,055)	(14,167)
Effect of inflation on cash and cash equivalents	-	(2,284)
Increase in cash and cash equivalents	14,409	3,016
Cash and cash equivalents at the beginning of the period	17,569	14,553
Cash and cash equivalents at the end of the period	31,978	17,569



5.4. Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2003
(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 2002	147,43	7,667	(762)	379,596	533,940
Net income	-	-	-	34,994	34,994
Dividends	-	-	-	(1,385)	(1,385)
Change in fair value of available-for-sale investments	-	-	-	(1,126)	(1,126)
Change in treasury shares, net	-	-	(8)	-	(8)
At 31 December 2002	147,43	7,667	(770)	412,079	566,415
At 1 January 2003	147,43	7,667	(770)	412,079	566,415
Net income	-	-	-	26,983	26,983
Dividends	-	-	-	(1,988)	(1,988)
Change in fair value of available-for-sale investments	-	-	-	(4,897)	(4,897)
Change in treasury shares, net	-	-	415	726	1,141
Transactions differences	-	-	-	(350)	(350)
At 31 December 2003	147,43	7,667	(355)	432,553	587,304



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	Experimentalnaya TETS	74.9	100.0
Bryanskenergo	49.0	49.0	Kabbalkenergo	65.3	65.3
Ivenergo	49.7	56.6	Kalmenergo	96.4	96.4
Kalugaenergo	52.3	52.3	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	Sevkvkazenergo	49.0	49.0
Mosenergo	50.9	50.9	Stavropolenergo	55.1	71.9
Orelenergo	49.5	49.2	Ural		
Ryazanenergo	49.0	49.0	Chelyabenergo	49.0	58.1
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	65.3
Volgogradenergo	49.0	61.3	Tumenenergo	100.0	100.0
Vologdaenergo	49.0	49.0	Udmurtenergo	49.0	55.4
Voronezhenergo	49.0	65.3	Siberia		
Yarenergo	47.8	60.3	Altaienergo	54.7	72.2
North-West			Buryatenergo	47.0	47.0
Arkhenergo	49.0	59.1	Chitaenergo	49.0	62.2
Karelenergo	100.0	100.0	Khakasenergo	100.0	100.0
Kolenergo	49.2	65.5	Krasnoyarskenergo	51.8	51.8
Komienergo	50.1	50.3	Kuzbassenergo	49.0	49.0
Lenenergo	49.0	57.4	Omskenergo	49.0	49.0
Novgorodenergo	49.0	62.9	Tomskenergo	52.0	59.9
Pskovenergo	49.0	49.0	East		
Yantarenergo	100.0	100.0	Amurenergo	53.1	53.1
Middle Volga			Dalenergo	49.0	65.3
Chuvashenergo	100.0	100.0	Geotherm	72.6	78.5
Marienergo	64.4	70.1	Khabarovskenergo	48.5	48.5
Mordovenergo	53.1	53.1	Kolymaenergo	93.0	93.0
Nizhnovenergo	49.0	62.3	Kamchatskenergo	49.0	49.0
Penzaenergo	49.0	60.2	Magadanenergo	49.0	49.0
Samaraenergo	49.0	56.3	Sakhalinenergo	49.0	49.0
Saratovenergo	49.0	49.0	Sakhaenergo	49.0	100.0
Ulyanovskenergo	49.0	65.3	Yakutskenergo	49.6	58.7



Hydrogenerating companies

Name	Ownership %	Voting %	Name	Ownership %	Voting %
Bureyskaya GES	75.4	76.5	Volzhskaya GES (Volzhsk)	83.3	83.3
Kabbalk GES	81.4	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	90.3	92.0
Sayano-Shushenskaya GES	78.9	78.9	Zeiskaya GES	56.9	57.4
Sulakenergo	99.3	99.3	Zelenchugskie GES	100.0	100.0
Taimyreneργο	100.0	100.0			

Thermal generating companies

Name	Ownership %	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
Gusinoozerskaya GRES	100.0	100.0	Novocherkasskaya GRES	100.0	100.0
Kaliningradskaya TETS –2	81.8	81.8	Pechorskaya GRES	51.0	51.0
Kharanorskaya GRES	100.0	100.0	Permskaya GRES	100.0	100.0
Kirishskaya GRES	100.0	100.0	Pskovskaya GRES	50.0	50.0
Konakovskaya GRES	51.0	51.0	Ryazanskaya GRES	100.0	100.0
Kostromskaya GRES	51.0	51.0	Shekinskie PGU	92.1	98.9
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	Ownership %	Voting %	Name	Ownership %	Voting %
Boguchanskaya GES	64.2	64.2	Chirkeigesstroi	100.0	100.0
Bureyagesstroy	100.0	100.0			

Other

Name	Ownership %	Voting %	Name	Ownership %	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
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 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 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 31 December 2003 the outstanding recoverable balance of RR 181 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 year ended 31 December 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.

Year ended 31 December 2003	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues	59,201	561,918	63,095	34,353	-	718,5
Intra-group revenues	(54,978)	(9,900)	(49,133)	(11,407)	-	(125,4)
Net revenues	4,223	552,018	13,962	22,946	-	593,1
Segment income	28,504	26,962	2,537	6,474	-	64,4
Capital expenditures	10,598	45,480	14,125	6,768	-	76,9
Depreciation and amortisation	7,958	45,545	6,434	1,834	-	61,7
Doubtful debtors expense / (release)	289	(3,413)	654	934	-	(1,5)
Year ended 31 December 2002	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Gross revenues	44,977	489,875	43,654	24,348	-	602,8
Intra-group revenues	(43,190)	(10,364)	(37,441)	(8,448)	-	(99,4)
Net revenues	1,787	479,511	6,213	15,898	-	503,4
Segment income / (loss)	29,208	(1,468)	(8,418)	(77)	(942)	18,3
Capital expenditures	6,397	34,682	8,122	3,208	-	52,4
Depreciation and amortisation	7,678	43,484	6,130	1,882	-	59,1
Doubtful debtors expense / (release)	398	10,092	2,242	(619)	-	12,1
As at 31 December 2003	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
Segment total assets	148,721	739,888	140,723	112,530	(54,518)	1,0
Associates	-	-	-	196	-	196
Total assets	148,721	739,888	140,723	112,726	(54,518)	1,0
Segment liabilities	4,353	144,554	33,033	136,790	(38,180)	280,5
Total liabilities	4,353	144,554	33,033	136,790	(38,180)	280,5



As at 31 December 2002	Transmission	Energos	Hydro and thermal generating stations	Unallocated	Consolidation adjustments	Total
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.

	Revenue		Total assets		Capital expenditures	
	Year ended 31 December 2003	Year ended 31 December 2002	31 December 2003	31 December 2002	Year ended 31 December 2003	Year ended 31 December 2002
Transmission segment	58,588	44,977	148,721	148,723	10,599	6,397
Centre	180,713	152,880	252,458	250,076	15,294	11,365
North-West	67,267	56,223	82,194	71,477	6,514	4,224
Urals	138,763	121,649	187,967	189,214	10,291	6,929
Siberia	74,765	64,961	127,791	121,418	8,167	6,399
Middle Volga	63,540	51,028	63,875	66,101	2,697	2,240
East	60,426	53,446	107,162	99,553	11,450	8,344
South	45,444	37,665	65,558	65,214	6,329	4,351
	689,506	582,829	1,035	1,011,	71,341	50,249
Unallocated	29,061	20,023	106,333	101,050	5,632	2,160
Consolidation adjustments	(125,418)	(99,443)	(54,518)	(51,390)	-	-
Total	593,149	503,409	1,087	1,061,	76,973	52,409



5.7 Related parties

Associates. In late 2002 management re-assessed the level of influence that the Group had over Bashkirenergo and Novosibirskenergo 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" (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 associates, Bashkirenergo, Novosibirskenergo and RKS, the majority of which are based on tariffs set by the FEC:

	Year ended 31 December 2003	Year ended 31 December 2002
Transmission fee income	-	733
Electricity revenues	106	226
Heating revenues	263	-
Rental fee income	-	39
Purchased power expense	-	135
Electricity and heat distribution expense	15	-



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)*

	12 months ended 31 December 2003	12 months ended 31 December 2002	Change	%
Electricity external sales (mln KWh)	605,041	585,932 ¹	19,109	3.3
Less				
purchased power (mln KWh)	183,796	172,486	11,310	6.6
Electricity generation (mln KWh)	421,245	413,446 ¹	7,799	1.9
Heat production (ths GCl)	385,598	387,869	(2,271)	(0.6)
Fuel expenses (thousand tonnes of equivalent fuel)	206,566	203,656	2,910	1.4

* 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 12 months ended 31 December 2002 was adjusted by 6,930 mln KW/h – ZAO CDR FOREM's sales to external buyers were included therein.

6.2. Tariffs movement analysis

Restated*

	12 months ended 31 December 2003	12 months ended 31 December 2002	Change %
Electricity, RR/KWt/h	0.74	0.64	15.6%
Heat, RR thou./Gcal	0.26	0.23	13.0%
Fuel, RR thou./t of equivalent fuel	0.78	0.66	18.2%
Purchased power, RR/KWt/h	0.38	0.36	5.6%

* Coefficient for calculation of comparable numbers is 6.38% for data for 12 months ended 31 December 2002.

Unrestated for inflation – historic nominal prices

	12 months ended 31 December 2003	12 months ended 31 December 2002	Change %
Electricity, RR/KWt/h	0.74	0.61	21.3%
Heat, RR thou./Gcal	0.26	0.21	23.8%
Fuel, RR thou./t of equivalent fuel	0.78	0.62	25.8%
Purchased power, RR/KWt/h	0.38	0.33	15.2%



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-energies: financial results prepared in accordance with Russian Accounting Standards (RAS)

Indicators/Power system	Mosenergo			Tyumenenergo			Sverdlovennergo			Lenenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	14 701.0	15 038.1	-2.24	10 526.2	10 421.0	1.01	8 257.6	8 263.1	-0.07	3 244.5	5 352.5	-39.38
TPPs	13 501.0	13 838.1	-2.44	10 526.2	10 421.0	1.01	8 250.6	8 256.1	-0.07	2 595.5	4 703.5	-44.82
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.:	11 454.8	11 355.0	0.88	8 375.4	8 171.7	2.49	5 451.0	5 510.0	-1.07	1 793.8	2 660.5	-32.58
TPPs	10 385.9	10 314.6	0.69	8 375.4	8 171.7	2.49	5 447.5	5 506.7	-1.08	1 301.0	2 154.2	-39.61
HPPs	1 068.8	1 040.4	2.73	0.0	0.0	-	3.5	3.3	6.06	492.8	506.3	-2.67
Power energy generation (ths kWh), incl.:	75 127 484	71 184 769	5.54	68 314 618	63 440 965	7.68	38 886 178	36 895 179	5.40	12 421 187	16 709 637	-25.66
TPPs	73 183 875	69 223 195	5.72	68 314 618	63 440 965	7.68	38 864 063	36 872 324	5.40	9 831 483	13 924 298	-29.39
HPPs	1 943 609	1 961 574	-0.92	0	0	-	22 115	22 855	-3.24	2 589 704	2 785 339	-7.02
Heat energy output (Gcal)	73 276 626	72 494 543	1.08	12 463 323	12 258 781	1.67	24 952 903	24 906 913	0.18	23 122 548	25 456 743	-9.17
Fuel rate on power energy (g/kWh)	297.3	297.0	0.10	311.2	311.8	-0.19	359.0	358.3	0.20	303.7	312.4	-2.78
Fuel rate on heat energy (kg/Gcal)	133.0	132.9	0.08	143.2	144.1	-0.62	148.3	147.5	0.54	135.0	137.2	-1.60
Power energy output (ths kWh), incl.:	57 892 675	56 911 090	1.72	62 068 970	57 448 982	8.04	33 601 323	32 968 415	1.92	24 730 280	23 521 989	5.14
Industrial consumers 750 kVA and more	14 124 127	13 478 394	4.79	41 463 110	37 787 136	9.73	21 829 072	21 132 583	3.30	8 740 368	8 404 247	4.00
Industrial consumers up to 750 kVA	3 646 373	3 414 472	6.79	1 088 778	1 112 049	-2.09	800 347	552 969	44.74	1 718 845	1 478 641	16.24
Railway transport	2 501 058	2 106 311	18.74	467 166	414 933	12.59	1 612 760	1 508 527	6.91	972 017	942 008	3.19
Municipal transport	2 035 721	1 953 754	4.20	4 593	6 489	-29.22	16 632	20 049	-17.04	660 572	678 241	-2.61
Non-industrial consumers	15 201 704	14 466 948	5.08	385 936	339 511	13.67	993 406	842 018	17.98	4 335 449	3 356 073	29.18
Agriculture	859 492	871 280	-1.35	321 585	359 529	-10.55	499 355	545 746	-8.50	477 086	473 592	0.74
Residential	9 094 707	10 823 883	-15.98	436 242	314 338	38.78	762 481	712 736	6.98	4 008 957	3 608 875	11.09
Populated areas	2 105 821	1 875 777	12.26	289 032	511 351	-43.48	620 741	757 237	-18.03	368 858	347 316	6.20
Wholesale consumers – power energy resellers	8 243 803	7 843 124	5.11	8 324 281	8 049 752	3.41	6 397 229	6 836 487	-6.43	3 085 616	3 847 776	-19.81
Housing & Communal services	79 869	77 147	3.53	130 080	122 445	6.24	69 302	60 064	15.38	44 958	49 095	-8.43
Transmission (balanced), incl.:	0	0	-	9 158 167	8 431 449	8.62	0	0	-	317 554	336 125	-5.53
Supplied to FOREM	0	0	-	6 896 547	8 431 449	-18.20	0	0	-	0	0	-



Indicators/Power system	Mosenergo			Tyumenenergo			Sverdlovenergo			Lenenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Average tariff for end-consumers (Kop/kWh)	84.05	63.99	31.35	64.64	55.76	15.93	58.98	52.47	12.41	79.53	67.38	18.03
Heat energy output (Gcal), incl.:	68 536 983	66 473 013	3.10	11 464 334	11 783 644	-2.71	23 458 165	23 935 412	-1.99	22 502 849	24 857 508	-9.47
Industrial consumers, incl.:	62 159 871	60 480 967	2.78	6 060 997	4 438 095	36.57	20 727 098	15 387 147	34.70	15 182 928	17 292 509	-12.20
Housing & Communal facilities	4 951 340	4 658 667	6.28	265 058	0	-	977 067	268 907	263.35	1 999 521	1 947 972	2.65
Greenhouse farming	121 733	155 085	-21.51	123 039	61 566	99.85	131 883	219 089	-39.80	13 712	50 771	-72.99
Garage & Communal facilities. hotels	132 576	117 879	12.47	13 987	7 037	98.76	26 896	22 404	20.05	44 445	36 945	20.30
Wholesale consumers – heat energy resellers	1 171 463	1 060 415	10.47	5 001 253	7 276 946	-31.27	1 595 221	8 037 866	-80.15	5 262 243	5 529 311	-4.83
Average tariff for end-consumers (Rub/Gcal)	294.41	238.06	23.67	179.02	125.99	42.09	197.57	162.19	21.81	286.73	258.8	10.79
Revenues from sale of goods, products, works and services (ths Rub), incl.:	69 605 033	52 962 424	31.42	43 645 276	34 580 240	26.21	24 909 694	21 705 374	14.76	26 623 403	22 512 524	18.26
Power energy	47 146 694	35 425 439	33.09	40 188 420	32 020 750	25.51	19 645 877	17 224 018	14.06	19 124 919	15 484 668	23.51
Heat energy	20 071 415	15 738 080	27.53	2 052 310	1 484 566	38.24	4 598 954	3 872 722	18.75	6 456 137	6 406 763	0.77
Other goods, products, works. services related to operating activity	1 974 845	1 488 803	32.65	910 723	772 341	17.92	584 304	456 951	27.87	1 000 985	578 857	72.92
Other goods. products, works, services related to non-operating activity	412 079	310 102	32.88	493 823	302 583	63.20	80 559	151 683	-46.89	41 362	42 236	-2.07
Cost of goods, products, works. services (ths Rub), incl.:	(62 895 953)	(48 318 368)	30.17	(38 341 452)	(29 870 673)	28.36	(23 601 304)	(19 841 883)	18.95	(25 277 330)	(20 127 512)	25.59
Power energy	(40 153 477)	(30 494 539)	31.67	(34 295 792)	(26 754 453)	28.19	(18 225 734)	(15 325 239)	18.93	(18 043 663)	(13 741 492)	31.31
Heat energy	(20 578 441)	(16 148 978)	27.43	(2 754 752)	(1 989 450)	38.47	(4 668 513)	(3 784 787)	23.35	(6 989 237)	(6 187 090)	12.96
Other goods, products. works. services related to operating activity	(1 420 600)	(1 028 214)	38.16	(848 940)	(700 434)	21.20	(554 138)	(458 906)	20.75	(234 199)	(178 331)	31.33
Other goods, products, works, services related to non-operating activity	(743 435)	(646 637)	14.97	(441 968)	(426 336)	3.67	(152 919)	(272 951)	-43.98	(10 231)	(20 599)	-50.33
Operating Profit / (Loss) (ths Rub)	6 643 238	4 595 363	44.56	5 295 565	4 698 986	12.70	1 201 990	1 783 384	-32.60	1 346 073	2 385 012	-43.56
Profit / (Loss) before taxation (ths Rub)	3 189 430	961 343	231.77	3 395 532	2 569 145	32.17	399 826	919 781	-56.53	436 627	1 573 451	-72.25
Net Profit / (Loss) (ths Rub)	1 730 981	646 254	167.85	2 089 718	1 368 448	52.71	100 911	(10 924)	-	219 298	1 280 228	-82.87



Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	4 670.2	4 732.0	-1.31	2 662.1	2 007.1	32.63	3 519.7	3 469.7	1.44	1 814.0	1 824.0	-0.55
TPPs	4 670.2	4 732.0	-1.31	1 874.2	1 979.1	-5.30	3 519.7	3 469.7	1.44	1 814.0	1 824.0	-0.55
HPPs	0.0	0.0	-	787.9	28.0	2 713.93	0.0	0.0	-	0.0	0.0	-
Average Operating capacity for the reporting period (MW), incl.:	3 479.8	3 710.3	-6.21	1 775.4	1 219.9	45.54	1 965.6	1 931.7	1.75	1 256.7	1 324.9	-5.15
TPPs	3 479.8	3 710.3	-6.21	1 180.5	1 196.2	-1.31	1 965.6	1 931.7	1.75	1 256.7	1 324.9	-5.15
HPPs	0.0	0.0	-	594.9	23.7	2 410.13	0.0	0.0	-	0.0	0.0	-
Power energy generation (ths kWh), incl.:	24 866 824	27 184 572	-8.53	11 030 712	9 178 408	20.18	14 007 096	13 503 161	3.73	8 900 261	8 490 882	4.82
TPPs	24 866 824	27 184 572	-8.53	9 169 321	9 065 797	1.14	14 007 096	13 503 161	3.73	8 900 261	8 490 882	4.82
HPPs	0	0	-	1 861 391	112 611	1552.94	0	0	-	0	0	-
Heat energy output (Gcal)	14 653 554	14 402 679	1.74	15 172 445	16 671 039	-8.99	25 473 993	24 981 629	1.97	11 574 619	11 955 579	-3.19
Fuel rate on power energy (g/kWh)	362.7	363.0	-0.08	364.2	367.9	-1.01	349.6	354.5	-1.38	353.9	356.1	-0.62
Fuel rate on heat energy (kg/Gcal)	150.7	152.5	-1.18	151.0	150.9	0.07	144.3	144.7	-0.28	143.7	143.0	0.49
Power energy output (ths kWh), incl.:	25 804 994	26 618 052	-3.05	16 465 569	16 472 504	-0.04	17 968 176	17 568 046	2.28	14 766 687	15 848 118	-6.82
Industrial consumers 750 kVA and more	18 654 086	19 055 956	-2.11	10 638 083	10 833 347	-1.80	10 759 169	10 510 759	2.36	7 346 897	7 680 130	-4.34
Industrial consumers up to 750 kVA	1 326 069	391 345	238.85	745 708	635 976	17.25	497 975	464 373	7.24	848 688	840 463	0.98
Railway transport	317 792	953 862	-66.68	916 226	858 541	6.72	681 023	631 735	7.80	1 141 834	1 055 194	8.21
Municipal transport	0	23 333	-100.00	54 938	56 458	-2.69	132 744	134 997	-1.67	128 734	138 604	-7.12
Non-industrial consumers	240 205	299 080	-19.69	862 871	896 517	-3.75	388 382	401 583	-3.29	1 239 899	1 111 836	11.52
Agriculture	291 569	304 854	-4.36	393 106	424 326	-7.36	288 524	347 882	-17.06	484 162	542 335	-10.73
Residential	284 957	351 778	-19.00	1 023 416	927 444	10.35	293 067	347 794	-15.74	1 834 552	1 892 782	-3.08
Populated areas	116 509	161 552	-27.88	137 951	149 206	-7.54	218 078	224 048	-2.66	264 378	275 629	-4.08
Wholesale consumers – power energy resellers	4 539 619	4 991 085	-9.05	1 633 649	1 630 421	0.20	4 709 214	4 504 875	4.54	1 420 613	2 254 726	-36.99
Housing & Communal services	0	85 207	-100.00	59 622	60 268	-1.07	0	0	-	56 930	56 419	0.91
Transmission (balanced), incl.:	34 188	0	-	0	0	-	0	0	-	0	0	-
Supplied to FOREM	34 188	0	-	0	0	-	0	0	-	0	0	-
Average tariff for end-consumers (Kop/kWh)	51.99	44.59	16.60	76.19	66.35	14.83	77.32	57.36	34.80	80.99	66.49	21.81
Heat energy output (Gcal), incl.:	13 688 506	13 523 948	1.22	15 081 639	16 744 150	-9.93	23 576 835	23 153 557	1.83	10 220 854	10 608 431	-3.65



Indicators/Power system	Kuzbassenergo			Permenergo			Samaraenergo			Chelyabenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Industrial consumers, incl.:	13 314 711	13 129 080	1.41	9 766 781	11 239 116	-13.10	13 666 019	13 069 897	4.56	8 772 965	8 801 215	-0.32
Housing & Communal facilities	112 839	97 945	15.21	463 962	443 542	4.60	95 720	87 480	9.42	876 373	777 132	12.77
Greenhouse farming	253 546	288 741	-12.19	286 271	312 347	-8.35	274 507	323 876	-15.24	63 512	65 145	-2.51
Garage & Communal facilities. hotels	7 410	8 182	-9.44	3 131	3 781	-17.19	7 822	8 906	-12.17	4 524	5 660	-20.07
Wholesale consumers – heat energy resellers	0	0	-	4 561 494	4 745 364	-3.87	9 532 767	9 663 398	-1.35	503 480	959 279	-47.51
Average tariff for end-consumers (Rub/Gcal)	235.01	180.45	30.24	223.21	183.79	21.45	204.5	163.8	24.85	174.86	145.72	20.00
Revenues from sale of goods, products, works and services (ths Rub), incl.:	17 344 779	15 052 123	15.23	16 138 485	14 311 599	12.77	19 804 975	14 671 971	34.99	14 787 178	12 880 725	14.80
Power energy	13 398 942	11 809 095	13.46	12 443 042	10 853 287	14.65	13 832 336	10 025 163	37.98	12 040 230	10 538 391	14.25
Heat energy	3 153 930	2 418 386	30.41	3 348 540	3 066 700	9.19	4 817 132	3 790 936	27.07	1 798 354	1 568 232	14.67
Other goods. products, works, services related to operating activity	671 775	678 032	-0.92	260 751	218 651	19.25	1 093 807	805 943	35.72	832 447	636 531	30.78
Other goods, products, works, services related to non-operating activity	120 132	146 610	-18.06	86 152	172 961	-50.19	61 700	49 929	23.58	116 147	137 571	-15.57
Cost of goods, products, works, services (ths Rub), incl.:	(15 632 147)	(13 160 333)	18.78	(13 854 514)	(12 940 714)	7.06	(17 560 235)	(13 964 711)	25.75	(13 427 042)	(11 665 106)	15.10
Power energy	(12 126 570)	(10 075 382)	20.36	(10 464 195)	(9 587 383)	9.15	(12 477 239)	(9 648 796)	29.31	(10 085 646)	(9 020 060)	11.81
Heat energy	(2 860 940)	(2 294 627)	24.68	(3 017 967)	(2 860 592)	5.50	(4 316 481)	(3 697 393)	16.74	(2 542 970)	(2 139 471)	18.86
Other goods, products, works, services related to operating activity	(543 416)	(621 981)	-12.63	(197 491)	(190 688)	3.57	(672 698)	(552 000)	21.87	(604 411)	(298 349)	102.59
Other goods, products, works, services related to non-operating activity	(101 221)	(168 343)	-39.87	(174 861)	(302 051)	-42.11	(93 817)	(66 522)	41.03	(194 015)	(207 226)	-6.38
Operating Profit / (Loss) (ths Rub)	1 682 722	1 867 576	-9.90	2 283 748	1 370 653	66.62	2 242 652	706 193	217.57	1 346 817	1 209 896	11.32
Profit / (Loss) before taxation (ths Rub)	539 138	(238 466)	-	1 158 462	543 576	113.12	664 745	176 230	277.20	311 417	230 374	35.18
Net Profit / (Loss) (ths Rub)	20 575	(420 680)	-	659 889	270 360	144.08	253 450	117 843	115.07	(1 322 532)	21 863	-



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Average Installed capacity for the reporting period (MW), incl.:	8 159.4	8 075.0	1.05	1311.0	1311.0	0.00	829.0	829.0	0.00	3 140.0	3 154.3	-0.45
TPPs	2 159.4	2 075.0	4.07	1311.0	1311.0	0.00	620.0	620.0	0.00	3 110.0	3 124.3	-0.46
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.:	3 890.8	3 897.2	-0.16	608.1	708.3	-14.15	478.8	475.2	0.76	1 903.2	2 156.3	-11.74
TPPs	1 491.9	1 234.3	20.87	608.1	708.3	-14.15	311.7	313.5	-0.57	1 889.3	2 140.6	-11.74
HPPs	2 398.9	2 662.9	-9.91	0.0	0.0	-	167.1	161.7	3.34	13.9	15.7	-11.46
Power energy generation (ths kWh), incl.:	10 748 982	9 758 333	10.15	3 121 290	4 312 175	-27.62	3 148 504	3 231 159	-2.56	13 864 923	13 397 987	3.49
TPPs	10 748 982	9 758 333	10.15	3 121 290	4 312 175	-27.62	2 353 372	2 570 581	-8.45	13 806 134	13 294 443	3.85
HPPs	0	0	-	0	0	-	795 132	660 578	20.37	58 789	103 544	-43.22
Heat energy output (Gcal)	13 476 816	13 801 347	-2.35	4 905 311	6 802 328	-27.89	4 300 263	4 397 470	-2.21	9 649 840	9 824 374	-1.78
Fuel rate on power energy (g/kWh)	345.8	345.5	0.09	411.0	393.7	4.39	320.0	318.8	0.38	324.8	325.3	-0.15
Fuel rate on heat energy (kg/Gcal)	145.8	147.2	-0.95	155.7	153.7	1.30	151.2	152.2	-0.66	133.0	133.6	-0.45
Power energy output (ths kWh), incl.:	28 252 353	27 306 573	3.46	13 372 681	14 316 346	-6.59	10 568 118	10 705 674	-1.28	11 739 048	10 843 660	8.26
Industrial consumers 750 kVA and more	20 521 266	19 788 206	3.70	7 537 876	8 520 950	-11.54	3 137 172	3 239 542	-3.16	6 489 891	6 202 401	4.64
Industrial consumers up to 750 kVA	736 271	770 743	-4.47	1 081 117	1 004 635	7.61	247 257	240 601	2.77	611 852	459 002	33.30
Railway transport	1 189 366	1 117 162	6.46	465 206	508 367	-8.49	703 078	697 338	0.82	391 389	372 368	5.11
Municipal transport	25 780	29 534	-12.71	106 914	109 532	-2.39	38 649	36 413	6.14	44 618	48 980	-8.91
Non-industrial consumers	1 410 730	1 336 578	5.55	1 365 272	1 332 787	2.44	553 953	542 665	2.08	552 182	524 036	5.37
Agriculture	610 988	605 136	0.97	449 627	473 731	-5.09	430 683	422 697	1.89	328 941	366 017	-10.13
Resedentals	1 843 944	1 532 177	20.35	1 659 409	1 643 740	0.95	726 784	773 846	-6.08	1 028 893	1 010 041	1.87
Populated areas	262 456	284 200	-7.65	665 328	682 603	-2.53	236 697	317 596	-25.47	323 106	365 034	-11.49
Wholesale consumers – power energy resellers	1 603 012	1 789 554	-10.42	0	0	-	4 493 845	4 395 004	2.25	956 462	953 946	0.26
Housing & Communal services	48 540	53 283	-8.90	41 932	40 001	4.83	0	39 972	-100.00	30 898	33 351	-7.36
Transmission (balanced), incl.:	0	0	-	0	0	-	0	0	-	980 817	508 483	92.89
Supplied to FOREM	0	0	-	0	0	-	0	0	-	917 535	508 483	80.45
Average tariff for end-consumers (Kop/kWh)	38.79	34.52	12.37	86.35	63.37	36.26	76.33	61.93	23.25	68.64	61.87	10.94



Indicators/Power system	Krasnoyarskenergo			Nizhnovenergo			Rostovenergo			Orenburgenergo		
	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)	Year ended 31 December 2003	Year ended 31 December 2002	Changes (%)
Heat energy output (Gcal), incl.:	11 731 890	11 985 796	-2.12	4 856 686	6 717 570	-27.70	3 777 473	3 862 653	-2.21	9 284 402	9 434 958	-1.60
Industrial consumers, incl.:	9 776 769	9 531 808	2.57	4 679 681	6 485 300	-27.84	3 359 131	3 459 561	-2.90	5 740 587	5 831 782	-1.56
Housing & Communal facilities	949 985	841 733	12.86	176 553	192 758	-8.41	410 500	391 294	4.91	12 278	16 072	-23.61
Greenhouse farming	25 755	146 078	-82.37	209	39 217	-99.47	0	0	-	59 135	57 605	2.66
Garage & Communal facilities, hotels	15 210	13 897	9.45	243	295	-17.63	7 842	7 467	5.02	354	459	-22.88
Wholesale consumers – heat energy resellers	964 171	1 452 280	-33.61	0	0	-	0	4 331	-100.00	3 472 048	3 529 040	-1.61
Average tariff for end-consumers (Rub/Gcal)	310.49	257.98	20.35	227.00	194.46	16.73	292.75	223.56	30.95	222.55	172.5	29.01
Revenues from sale of goods, products, works and services (ths Rub), incl.:	14 526 333	12 693 344	14.44	13 054 218	10 560 873	23.61	9 612 101	7 959 284	20.77	10 618 043	8 724 682	21.70
Power energy	10 803 770	9 398 232	14.96	11 306 833	8 600 004	31.47	8 038 483	6 594 728	21.89	8 007 175	6 671 770	20.02
Heat energy	3 600 700	3 066 330	17.43	1 102 450	1 217 663	-9.46	1 207 685	966 752	24.92	2 065 736	1 805 094	14.44
Other goods, products, works, services related to operating activity	98 994	207 821	-52.37	579 866	599 480	-3.27	216 354	214 939	0.66	486 476	173 491	180.40
Other goods, products, works, services related to non-operating activity	22 869	20 961	9.10	65 069	143 726	-54.73	149 579	182 865	-18.20	58 656	74 327	-21.08
Cost of goods, products, works, services (ths Rub), incl.:	(13 689 666)	(11 495 712)	19.08	(12 354 999)	(9 864 595)	25.25	(8 666 352)	(7 556 754)	14.68	(9 376 707)	(7 092 775)	32.20
Power energy	(9 974 115)	(8 189 319)	21.79	(10 744 047)	(8 247 563)	30.27	(7 187 050)	(6 240 858)	15.16	(7 353 328)	(5 544 335)	32.63
Heat energy	(3 598 388)	(3 043 832)	18.22	(1 228 735)	(1 112 463)	10.45	(1 116 527)	(942 761)	18.43	(1 544 118)	(1 322 880)	16.72
Other goods, products, works, services related to operating activity	(64 737)	(197 098)	-67.15	(317 991)	(362 045)	-12.17	(195 938)	(183 840)	6.58	(422 346)	(149 171)	183.13
Other goods, products, works, services related to non-operating activity	(52 426)	(65 463)	-19.92	(64 226)	(142 524)	-54.94	(166 837)	(189 295)	-11.86	(56 915)	(76 389)	-25.49
Operating Profit / (Loss) (ths Rub)	836 667	1 194 836	-29.98	696 960	694 837	0.31	945 749	402 530	134.95	1 241 271	1 631 483	-23.92
Profit / (Loss) before taxation (ths Rub)	274 769	(1 008 210)	-	691 494	238 589	189.83	766 222	382 627	100.25	1 142 085	761 479	49.98
Net Profit / (Loss) (ths Rub)	888 775	(2 196 333)	-	38 655	41 308	-6.42	495 979	54 053	817.58	554 801	288 174	92.52

