

Alexey Miller, Chairman of the Gazprom Management Committee:

“Today Gazprom constitutes not only a gas and oil company, but also a company operating in the power industry. We are currently the largest power supplier to the Russian market. Gazprom has gained a very good momentum in new capacities commissioning. This year Gazprom Group will launch more power assets than RAO UES of Russia has launched over its entire history.

The bargain being concluded with Renova Group envisages the establishment of a merged Company, which is based on the power assets of Gazprom and Renova Group. Gazprom is meant to hold 75 per cent less one share, Renova Group – 25 per cent plus one share in the target structure of the merged company’s equity capital. The company will rank with such large energy concerns as E.ON, EDF, and Endesa. The company will occupy a 25 per cent share in the Russian Federation market [*of power generation*], and the aggregate installed capacity of the company will amount to 52 GW. The company will also operate in the power [*distribution*] sector, above all, surely, in the large Russian million cities. And undoubtedly the creation of such a merged company will provide for the increased reliability and consistency of power supplies to Russian consumers.”

Viktor Vekselberg, Chairman of the Renova Group Board of Directors:

“I would like to express my satisfaction with the fact that following quite a long period of cooperation with our partners, we managed to reach an understanding, and today we inked an Agreement to form the basis for further activities on the preparation of legally binding documents.

I would like to mention three main aspects related to the implementation of this bargain.

First, for us as for Renova Group the power business has been a priority area. We do not sell, we do not leave the power sector, we are taking part in the establishment of a large energy holding, and our basic condition is to have at least a blocking stake. The active participation of our management is expected on the administrative as well as on the shareholder level.

The second issue – I would like to say that the bargain has a substantial industrial logics. And the synergetic effect of merging two structures is counted in hundreds of millions. And we can see further industrial logics of development. IES is a largest gas consumer, Gazprom is surely a largest gas supplier, and the synergetic effect is quite obvious here.

And the last – we would like to mention that until now Gazprom energoholding and IES have been private companies. In merging, we set ourselves a task of establishing a public company and bringing it to the international and Russian markets. That is we hope a new attractable “blue chip” to appear and engage a considerable interest of Russian as well as international investors.”