

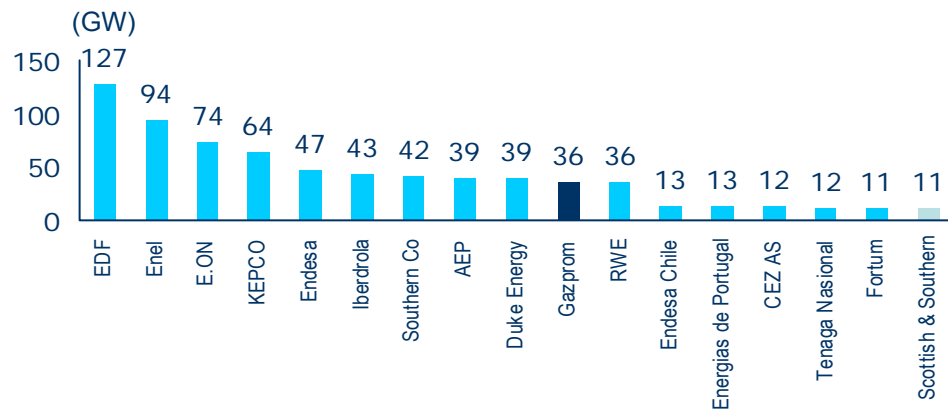
# GAZPROM IN POWER GENERATION

Denis Fyodorov

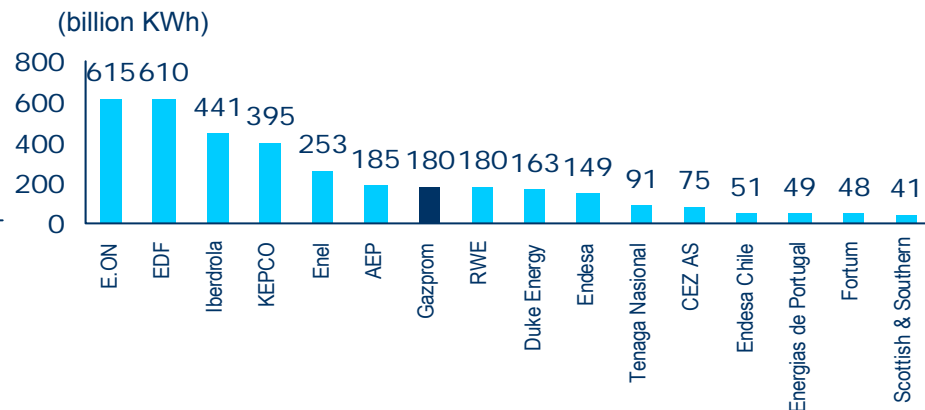
Director General,  
Gazprom energoholding

# Gazprom's Power Generation Assets: Ranking in Russia and Worldwide

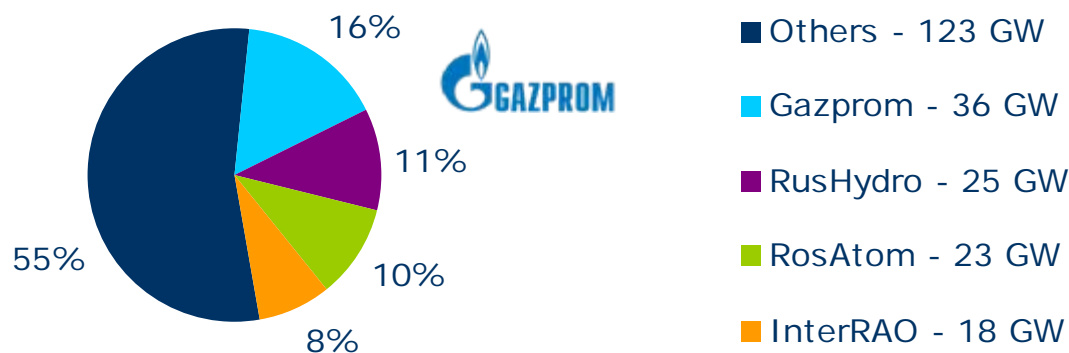
Installed capacity



Electricity generation



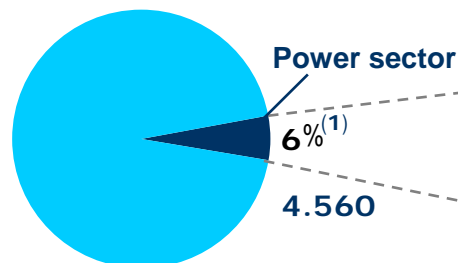
Share of Gazprom in Russia's power generation



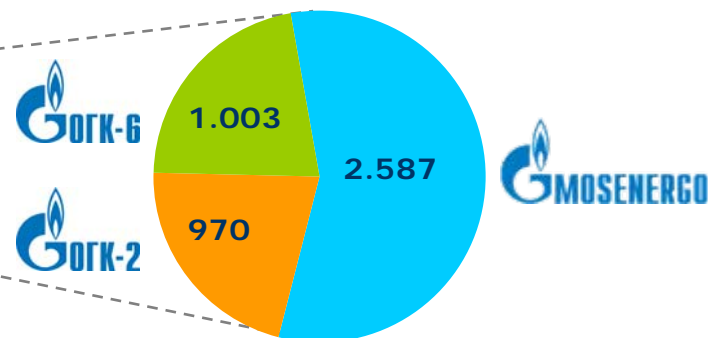
Sources: Russia's Federal State Statistics Service, data provided by companies and UES operator as of 2008

# Role of Gazprom Group in Power Generation

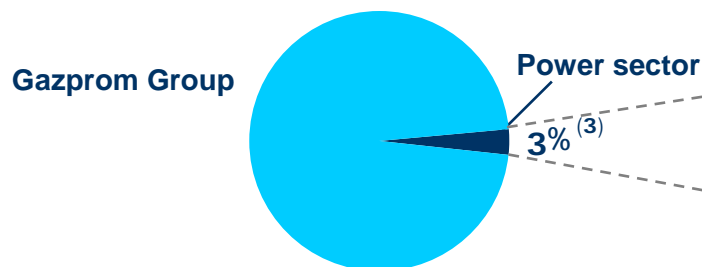
Gazprom Group revenues as of 9M2009,  
USD million



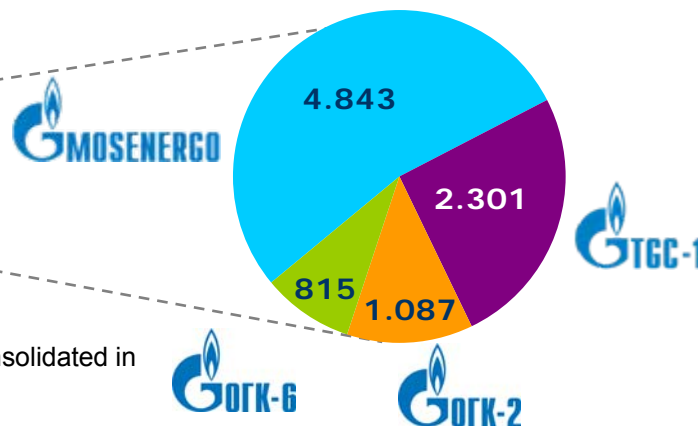
Share of power generating companies in Gazprom  
Group revenues as of 9M2009, USD million



Share of power generation assets in Gazprom  
Group capitalization (2)



Market value of power generating companies,  
USD million (2)

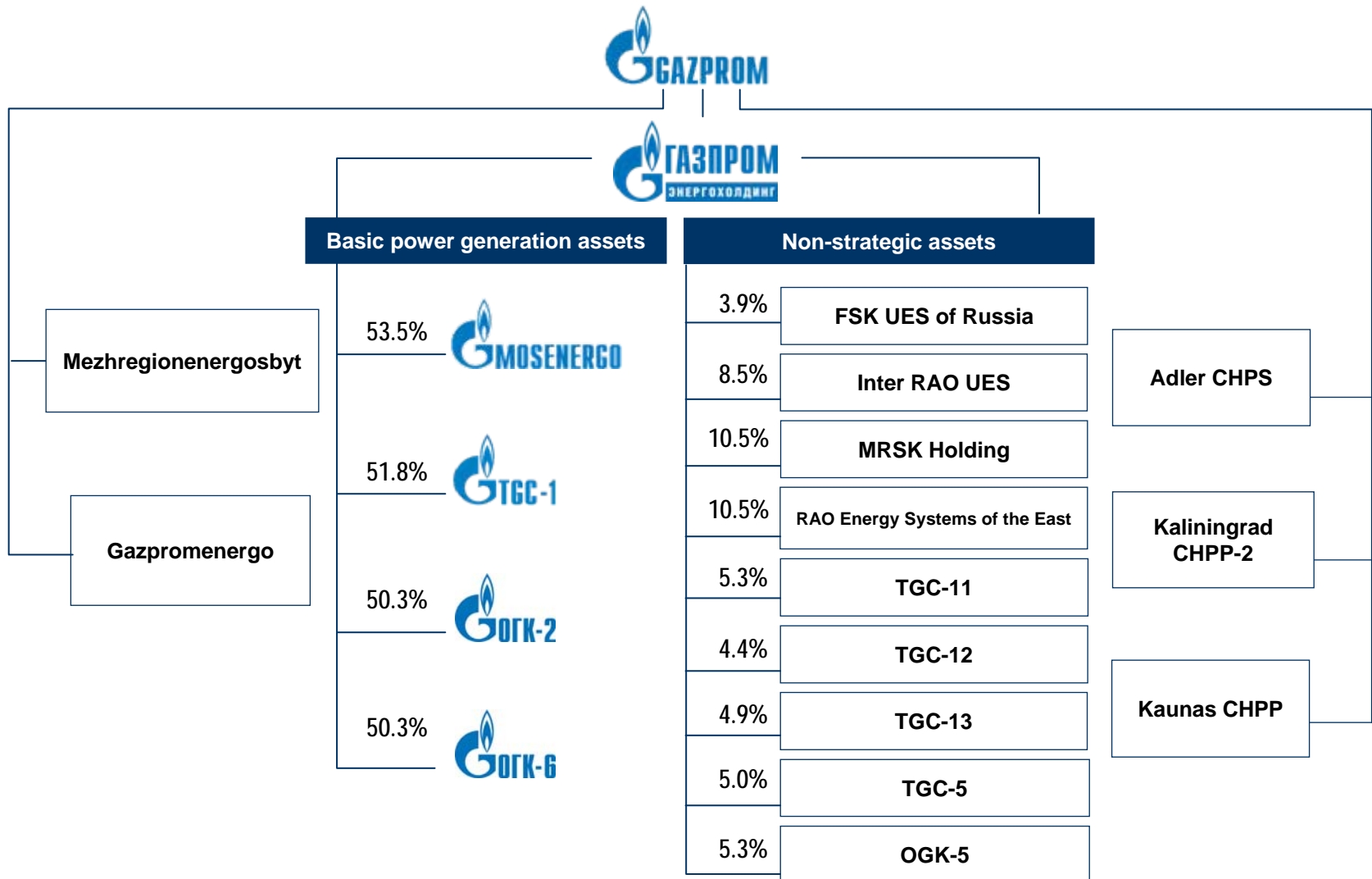


Sources: Bloomberg

(1) Results of Mosenergo, OGK-2 and OGK-6. Note that results of TGC-1 are not consolidated in Gazprom Group statements for 9M2009

(2) As of January 14, 2010

(3) With due account of Gazprom Group share in Mosenergo, TGC-1, OGK-2 and OGK-6



# Strategic Power Generation Assets Consolidation at Gazprom energoholding



**Gazprom Management Committee decision to consolidate all power generation assets at Gazprom energoholding was implemented in 2009**



- The largest company among TGCs in terms of installed electric and heat power generation capacity
- Provides some **70%** of power supplies to the Moscow region
- Installed capacity – **11,918.3** MWh (electricity) and **34,900** Gcal (heat)
- Installed capacity utilization factor – **65%**
- Average year of power generation assets commissioning – **1985**



- The main power generation company in the Northwestern Federal Okrug
- Integrates **55** power generation plants
- Share of hydropower plants in electricity generation – up to **50%**
- Installed capacity – **6,313** MWh (electricity) and **14,362** Gcal (heat)
- Installed capacity utilization factor – **49%**
- Average year of power generation assets commissioning – **1975**



- Integrates **5** SDPPs, some **70%** of the power generation assets in the Urals Federal Okrug
- The second largest OGK in terms of installed capacity utilization factor – **65%**
- Installed capacity – **8,695** MW
- Average year of power generation assets commissioning – **1975**



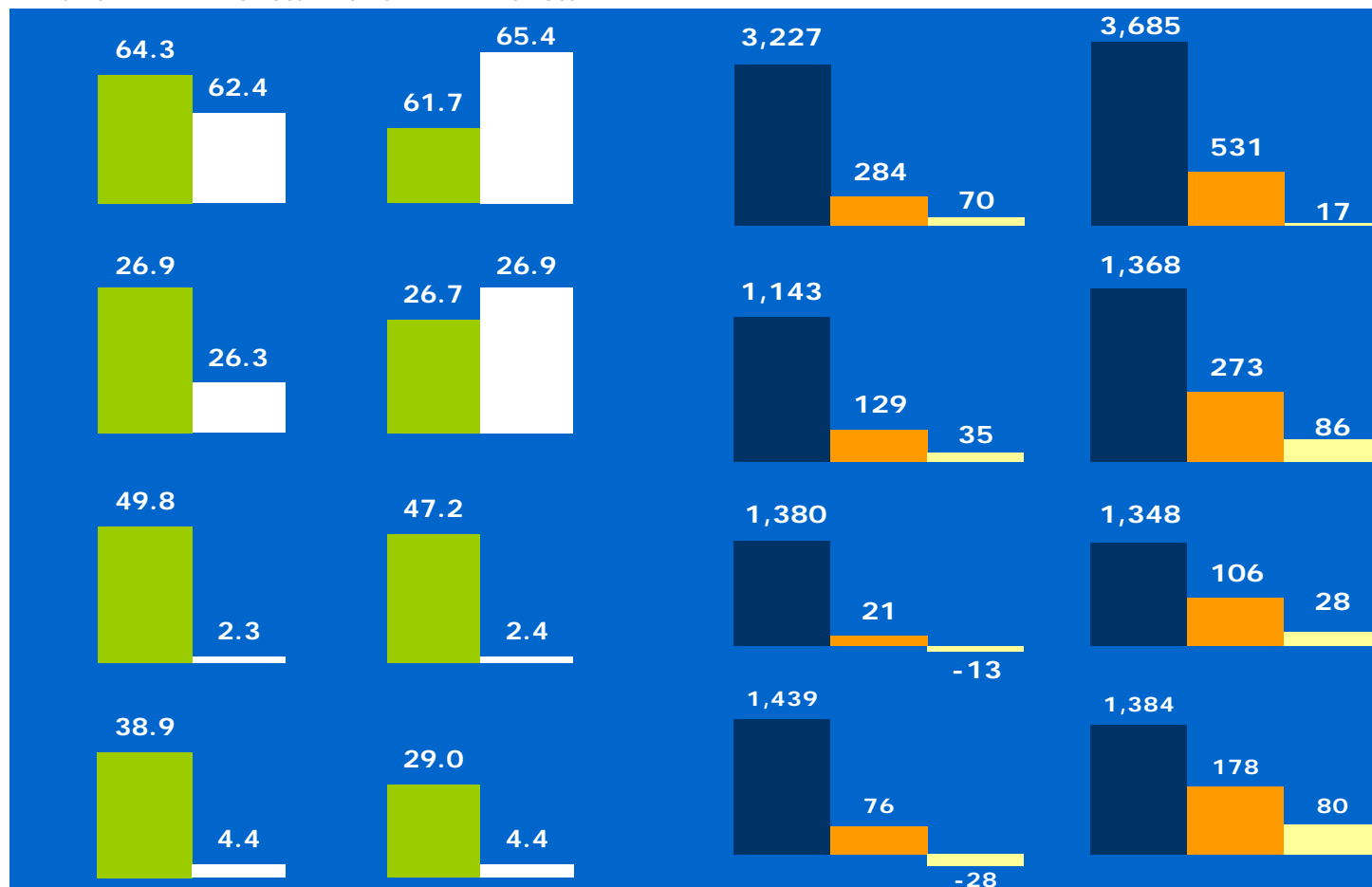
- Integrates **6** SDPPs, some **40%** of the power generation assets located in the Central Federal Okrug
- The second largest OGK in terms of installed electric and heat power generation capacity
- Installed capacity – **9,052** MW
- Installed capacity utilization factor – **49%**
- Average year of power generation assets commissioning – **1975**

## Power Generation

■ Revenues ■ EBITDA ■ Net Income

Electricity,  
billion kWh      Heat,  
million Gcal      Electricity,  
billion kWh      Heat,  
million Gcal

USD million <sup>(1)</sup>



## GAZPROM IN POWER GENERATION

MOSENERGO

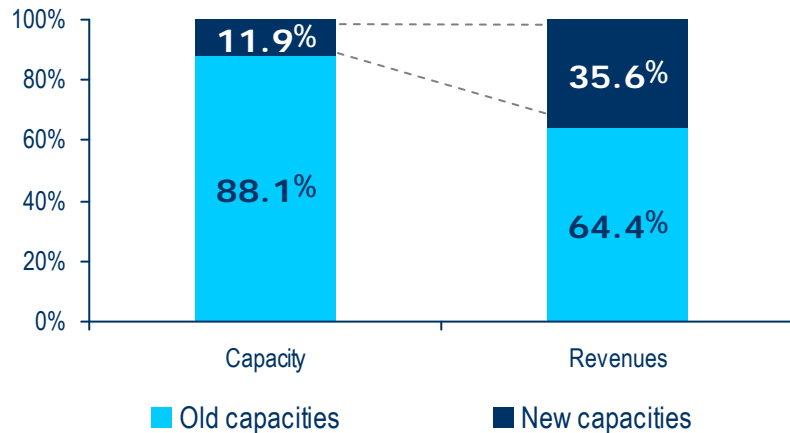
TGC-1

GOK-2

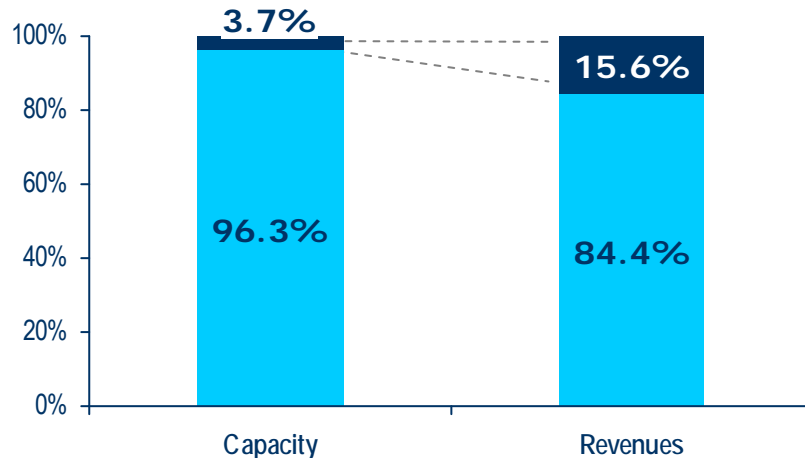
GOK-6

Source: Companies' data  
(1) Exchange rates are provided  
as of the end of the  
respective period

Revenues from Mosenergo capacity sales



Revenues from TGC-1 capacity sales

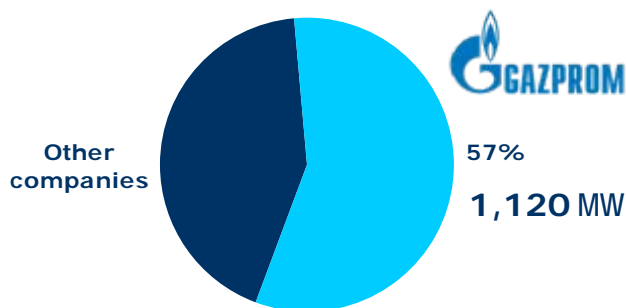


- Shaping of long-term capacity market is nearly completed
- A new compliance verification procedure for capacity sales price quotations was adopted in late November 2009. This gives us a more transparent mechanism for assessment of the amount of payments for capacity use
- Commissioning of new capacities helps increase the commercial viability of operations:
  - The old capacities tariff of Mosenergo is estimated to average RUB 132,000 per 1 MW a month in 2010. The new capacities tariff – RUB 533,000 per 1 MW a month
  - The old capacities tariff of TGC-1 will be equal to RUB 87,000 per 1 MW a month in 2010. The new capacities tariff – RUB 422,000 per 1 MW a month

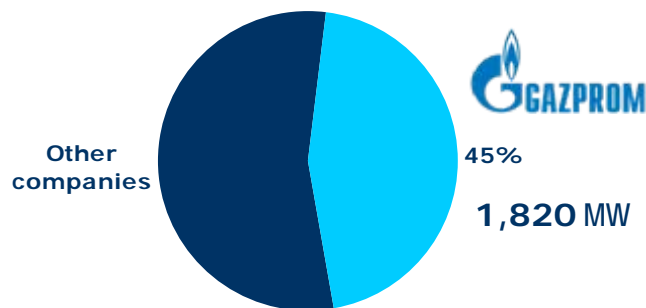
Sources: Company's data

# Investment Program: Commissioning of Assets in 2008–2010

Share of Gazprom Group in commissioning of assets in Russia (2008–2009)



Share of Gazprom Group in commissioning of assets in Russia (2010)



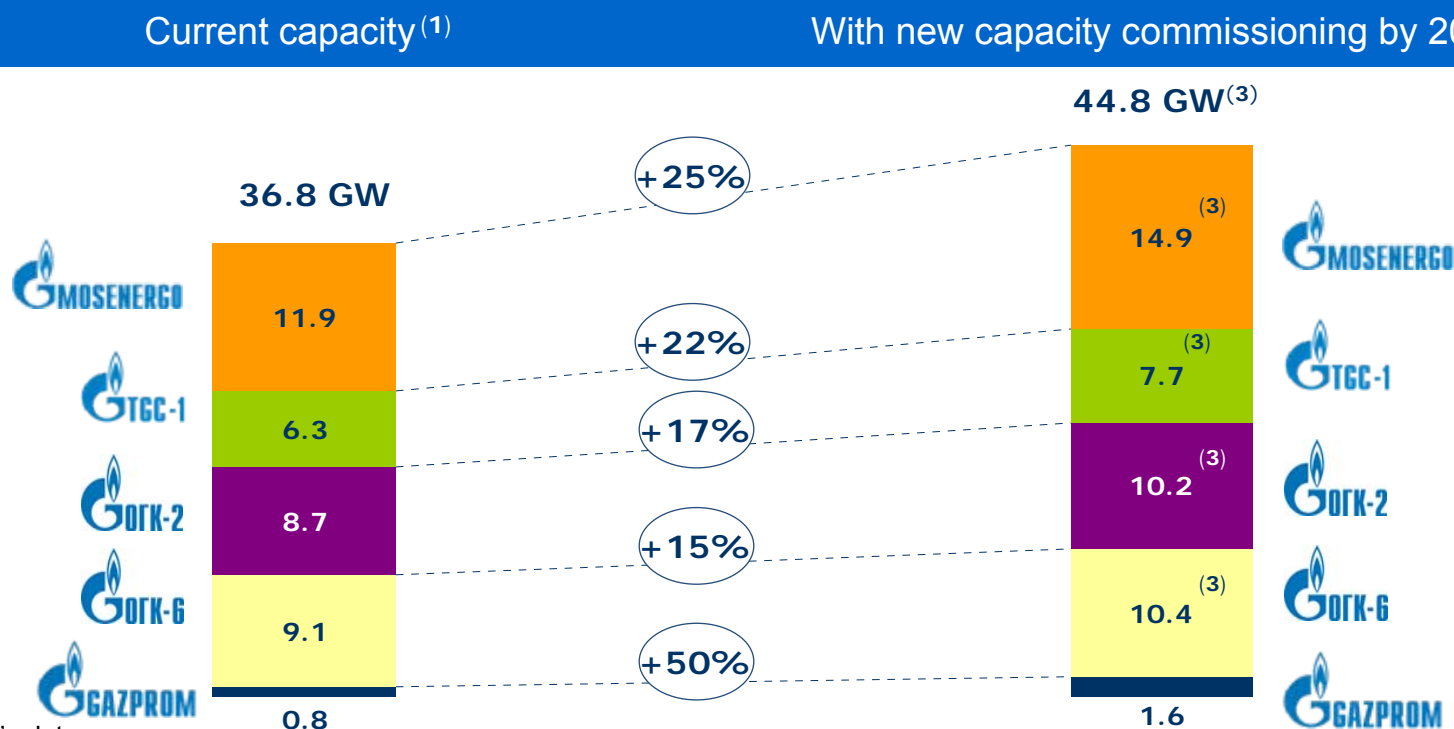
- Gazprom Group retained leadership in commissioning of assets in Russia through 2007–2009
- Installed capacity the Group's power generation assets increased by **215 MW** in 2009
- Gazprom will build up power generation capacities by **1.8 GW** in 2010

	Capacity buildup, MW	Total capacity buildup, MW
2008		
TGC-1	30	905
Mosenergo	875	
2009		
TGC-1	215	215
2010 (estimated)		
TGC-1	823	1,819
Mosenergo	436	
OGK-6	110	
Kaliningrad CHPP-2	450	



# Investment Program: Commissioning of New Capacities

- Gazprom Group investment program in power generation (as amended) envisages that installed capacity will grow from **36.8** to **44.8** GW so as to retain leadership in this sector of industry
- Total amount of the investment program until 2020 will be RUB **315** billion



Sources: Company's data

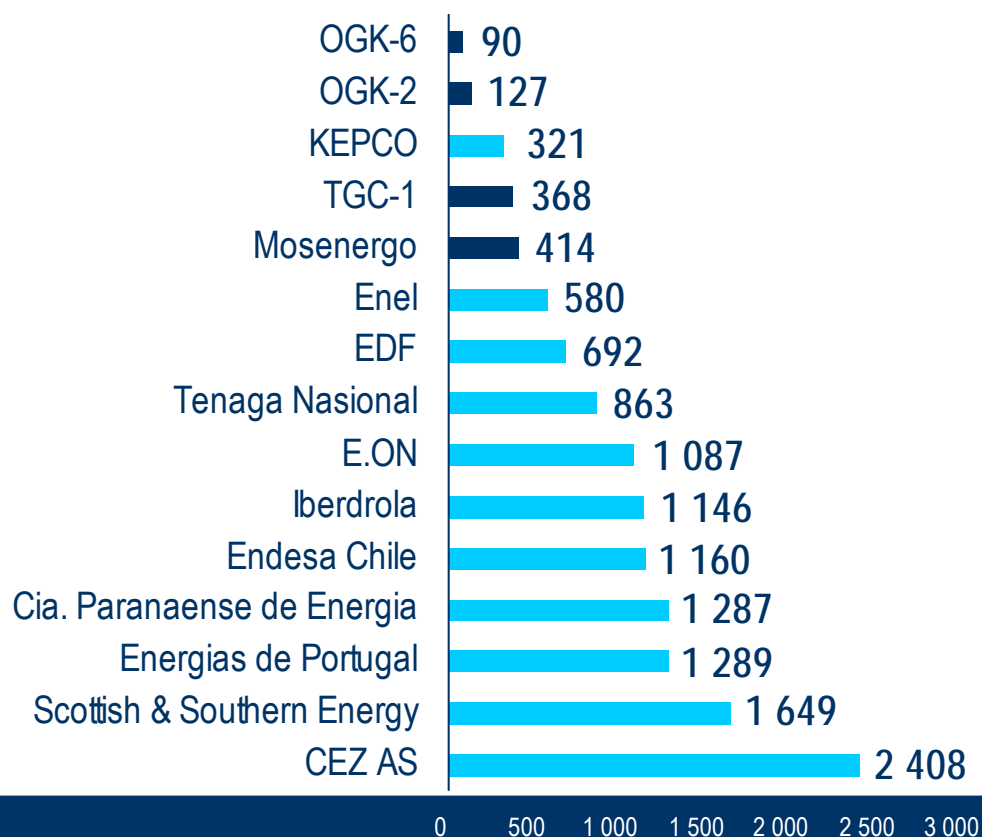
(1) As of 2009

(2) Investment program amendments not yet approved by the Government as of January 14, 2010

(3) Decommissioned capacities excluded

# Potential for Market Value Growth

Market value per unit of capacity in power generating companies, USD/KW <sup>(1)</sup>



- Gazprom energoholding is a major energy company of Russia
- Large-scale investment program will enable the company to retain leadership in this sector of industry
- Power generation assets of the holding are located in the regions with sustained energy consumption
- Complete liberalization of the electric power market is expected by 2011
- Unfolding of the long-term capacity market justifies the economic viability of Gazprom's investment program
- The companies integrated into Gazprom energoholding are grossly undervalued when compared to their peers worldwide

Sources: Bloomberg and companies' data  
(1) As of January 18, 2010

**THANK YOU FOR YOUR ATTENTION!**