

LENENERGO
SINCE 1886

FY 2010
Operational &
Financial Results
(under RAS)

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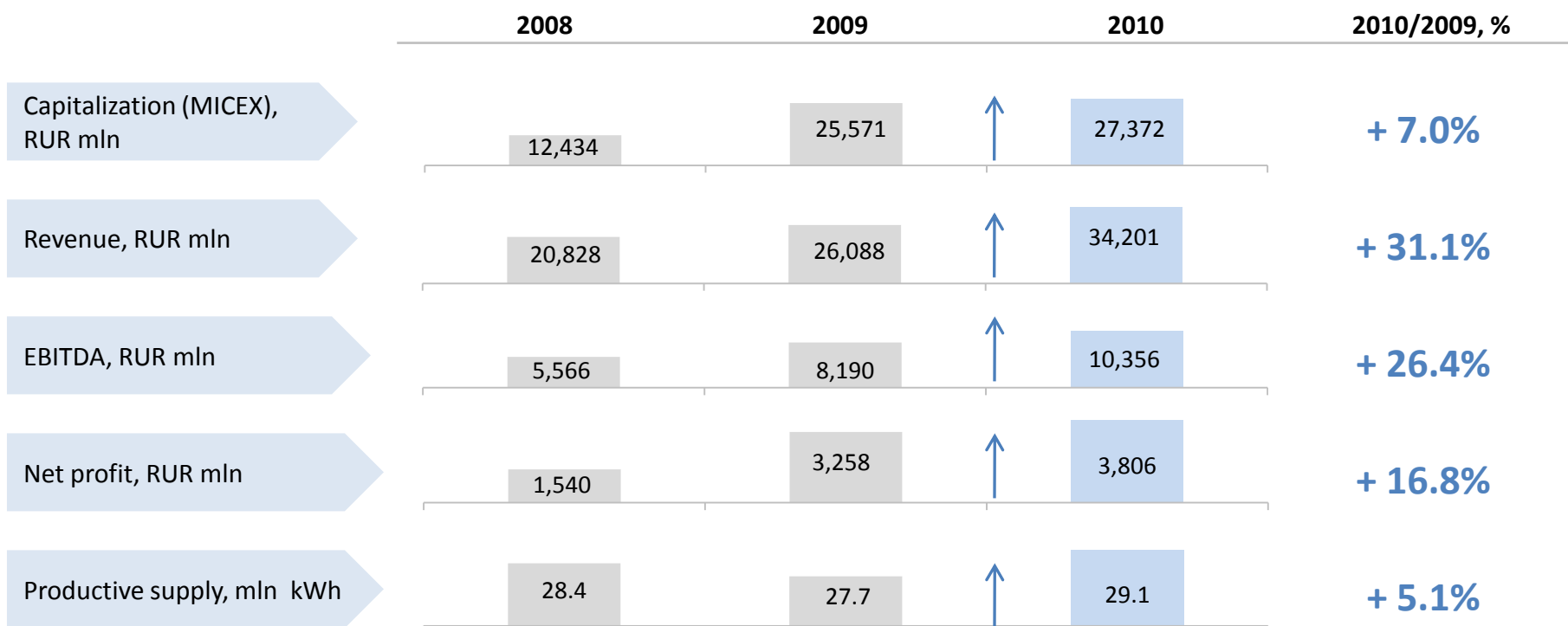
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Key results of the Company's performance in 2010

Assets of JSC "Lenenergo" as of 31.12.2010

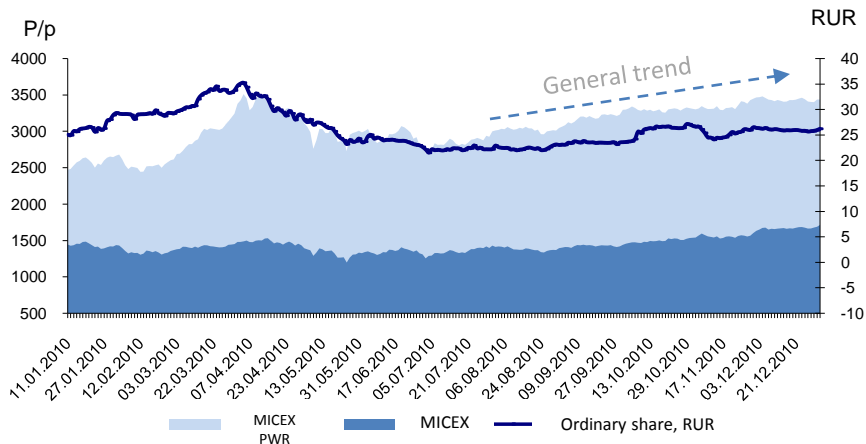
	Unit	2008	2009	2010
Installed capacity	MVa	19,365.5	19,901.4	20,740.5
OTL 0.38-110 kV by circuits	km	39,084.6	39,285.9	39,418.8
OTL 0.38-110 kV on line	km	35,966.5	36,148.2	36,273.6
Cable lines 0.38-110 kV	km	16,730.9	17,650.7	18,622.3
Substations 35-110 kV	pcs (MVA)	368 (12,818)	370 (13,083.8)	372 (13,465.5)
Transformer substations 6-35 kV	pcs (MVA)	13,646 (6,547.5)	13,909 (6,817.6)	14,361 (7,275.0)

Dynamics of key indicators of JSC "Lenenergo", 2008-2010

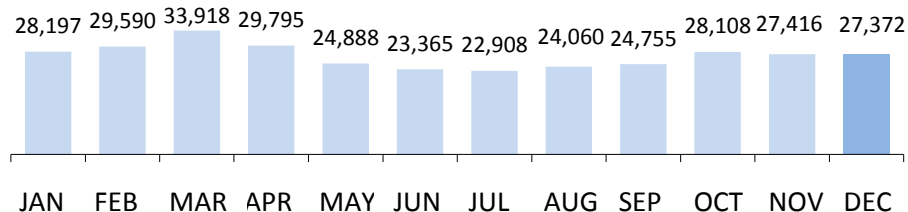


Securities of JSC "Lenenergo" in 2010

Dynamics of MICEX, MICEX PWR and ordinary shares of JSC "Lenenergo" in 2010

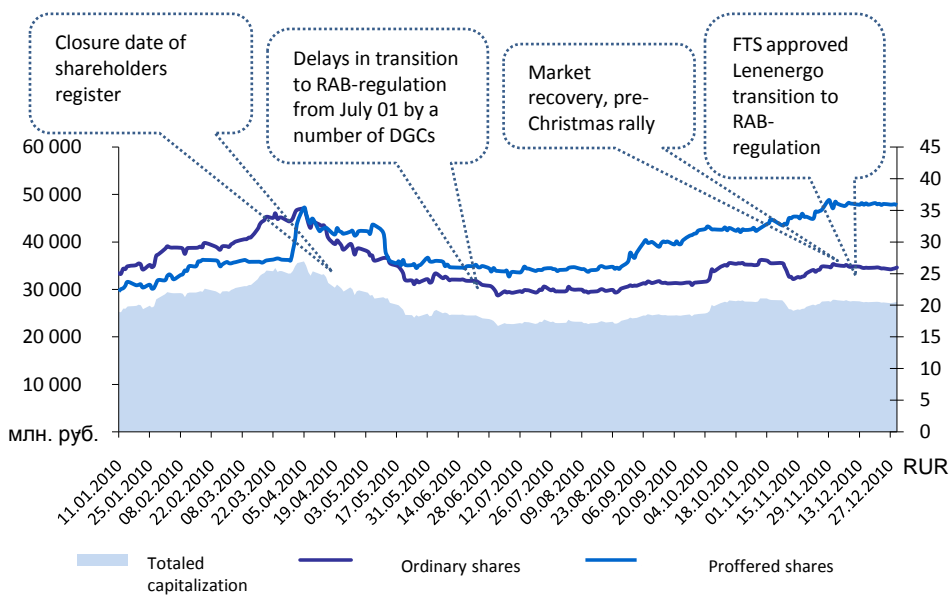


Capitalization of JSC "Lenenergo" in 2010, RUR mln*

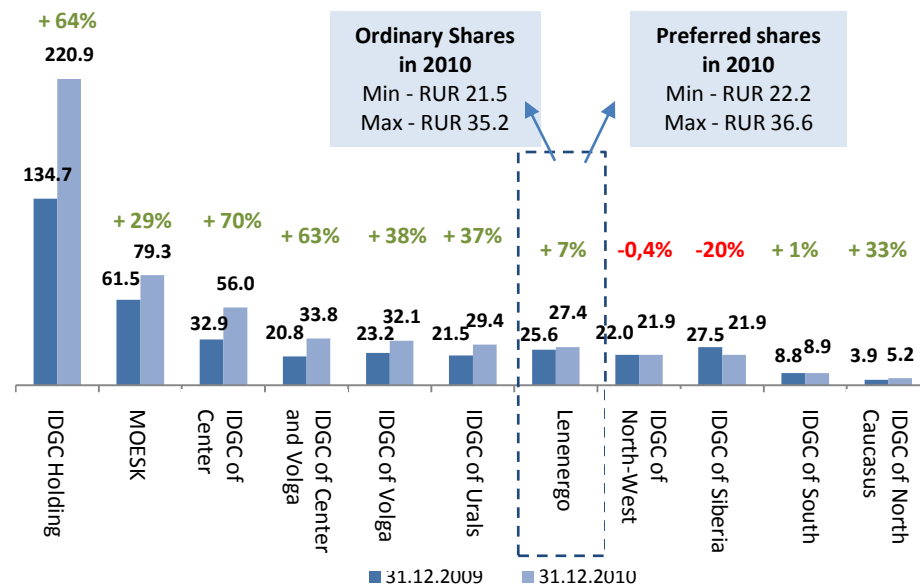


Capitalization, RUR mln	2008	2009	2010	Growth, %
MICEX	12,434	25,571	27,372	+7.0 %
RTS	11,739	25,703	27,516	+7.1%

Dynamics of JSC "Lenenergo" securities in 2010



Dynamics of DGCs' capitalization in 2009-2010 (MICEX), RUR mln

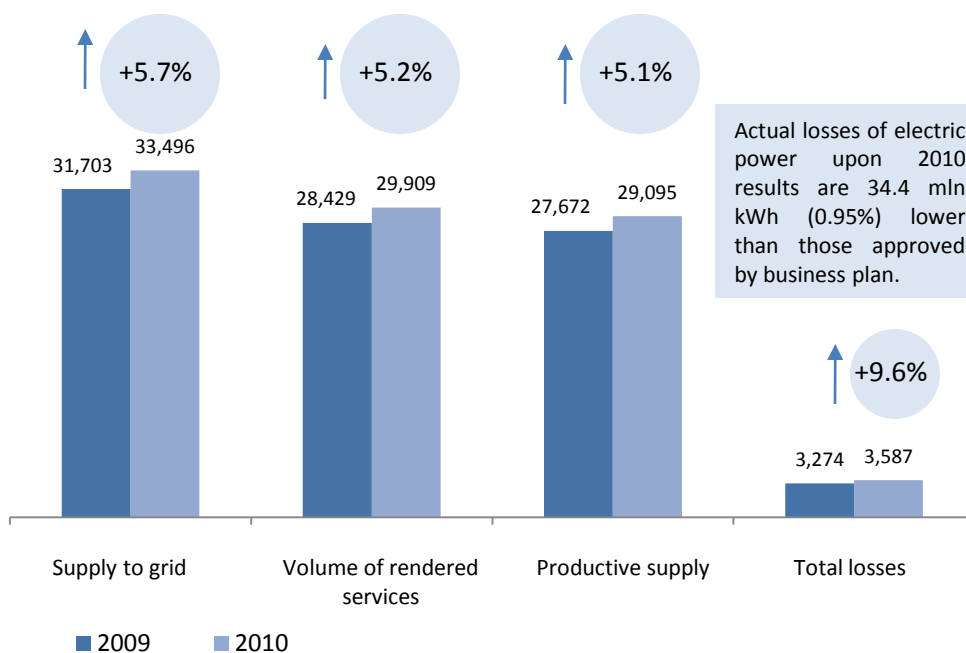


* - Calculation is executed on average price at MICEX on the estimated date

Electric power transmission in 2010

Indicators	Supply to grid, Mln kWh		Volume of rendered services, Mln kWh		Productive supply, Mln kWh		Electric power losses in grids			
	2009	2010	2009	2010	2009	2010	Mln kWh	%	Mln kWh	%
							2009		2010	
JSC "Lenenergo", including:	31,703.0	33,495.6	28,429.1	29,908.9	27,672.1	29,094.7	3,273.8	10.3	3,586.6	10.7
Saint Petersburg	20,222.4	21,244.0	18,036.7	18,930.8	17,779.5	18,625.9	2,185.7	10.8	2,313.3	10.9
Leningrad Region	11,480.6	12,251.5	10,392.4	10,978.2	9,892.6	10,468.8	1,088.2	9.5	1,273.3	10.4

Dynamics of key indicators of electric power transmission of JSC "Lenenergo", Mln kWh



In 2010 the volume of electric power losses in grids of JSC "Lenenergo" totaled **10.7%**

Implementation of program on losses reduction in grids of JSC "Lenenergo" in 2010

Activities aimed at reduction of electric power losses	Reduction of losses, Mln kWh
reduction of technical losses	9.5
reduction of commercial losses	345.8
Program implementation costs	RUR 80.5 mln
Economic effect from implementation of program on losses reduction	RUR 299.0 mln

Technological connection in 2010

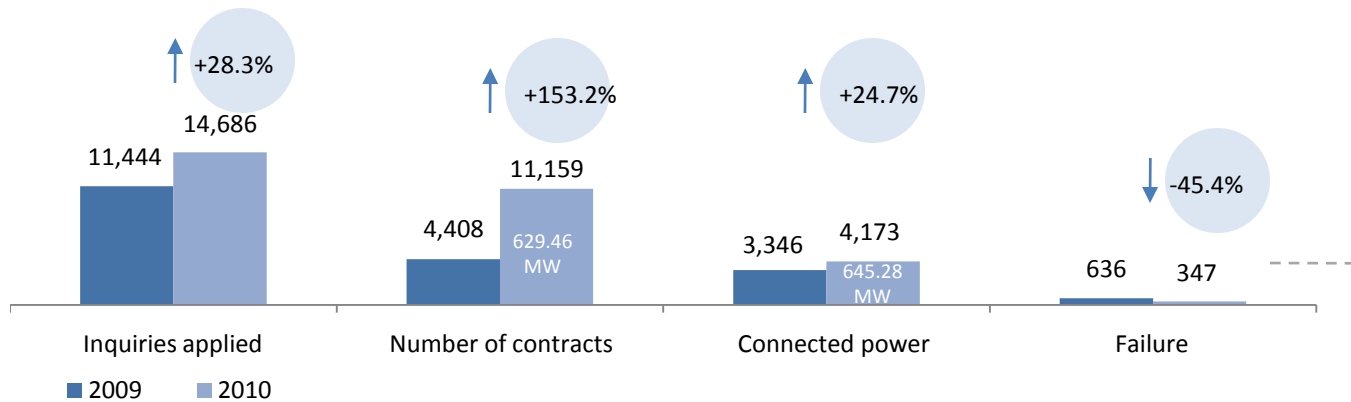
	Demand power value			
	2009		2010	
	Number of inquiries applied, pcs.	For total power, MW	Number of inquiries applied, pcs.	For total power, MW
JSC "Lenenergo", including:	11,444	1,883,600	14,686	2,089,700
Saint Petersburg	2,809	1,255,500	3,524	1,078,132
Leningrad Region	8,635	628,100	11,162	1,011,571

In 2010 the main volume of demand for technological connection accounts for Leningrad Region - **76%**.

During 2010 the increase in the number of inquiries applied for TC relative to 2009 amounted to **28,3%**.

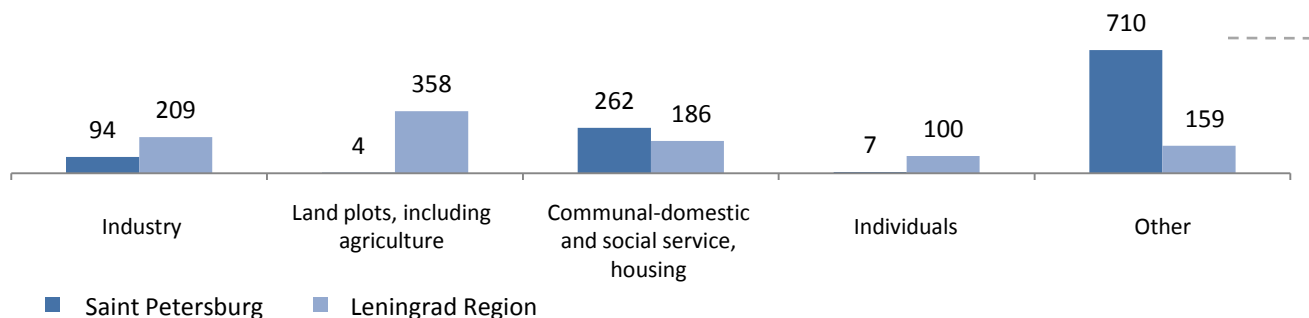
The number of fulfilled obligations for 12 months 2010 amounted to 4,173 contracts for the total capacity of 645.3 MW and the amount of RUR 10,163.7 mln (without VAT). As compared to the same period of 2009 (3,346 pcs., 352.9 MW, RUR 6,326.0 mln (without VAT) there is a growth in the number of amount by 19.8%, capacity – 1.8 times, and value – by RUR 3,837.7 mln (without VAT) – 1.6 times.

JSC "Lenenergo" work performance on technological connection in 2009-2010, pcs.



In 2010 there was recorded a decline in the share of failures with respect to 2009, including small and medium businesses (up to 750 kW) by **54%**, large businesses (more than 750 kW) - by **50%**.

Allocation of demand power over business activity branches in 2010, MW



The largest volume of demand power in 2010 was allocated for communal – domestic and social service and housing - **24%** of the total demand value of St. Petersburg and **18%** of the total demand value of Leningrad Region.

Key financial indicators of JSC “Lenenergo” for 2010

Indicator	Unit	2009	2010	%, 2010/2009
Book value of assets	RUR mln	82,784	88,700	7.1%
Net assets	RUR mln	48,491	51,897	7.0%
Equity	RUR mln	48,344	51,759	7.1%
ROE*	%	6.4%	7.8%	22.4%
Revenue from sales of products, including:	RUR mln	26,088	34,201	31.1%
- from services on electric power transmission	RUR mln	19,597	23,873	21.8%
- from services on technological connection	RUR mln	6,326	10,164	60.7%
- from other activities	RUR mln	165	164	-0.6%
Cost of goods sold	RUR mln	20,815	27,488	32.1%
EBITDA	RUR mln	8,190	10,356	26.4%
Profit on sales	RUR mln	5,273	6,713	27.3%
Profit before taxes	RUR mln	4,086	5,282	29.3%
Net profit	RUR mln	3,258	3,806	16.8%
EBITDA margin	%	31.4%	30.3%	-3.5%
DEBT/EBITDA ***	-	2.37	2.13	-10.2%
Debt as at the end of the period**	RUR mln	13,900	14,562	4.8%
Net debt	RUR mln	11,564	14,405	24.6%
Ratio of equity and borrowed funds	-	1.4	1.4	-
Leverage	%	22.6%	22.2%	-2.1%
Ratio of receivables and payables	-	0.62	0.46	-26.5%

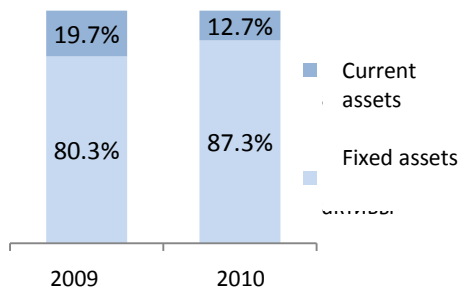
* Adjusted Net profit is used to calculate ROE indicator

** Debt as at the end of the period is calculated as debt under loans and credits (i.e. sum of lines 510 and 610 of balance sheet, excluding debt under interest accrued but not paid)

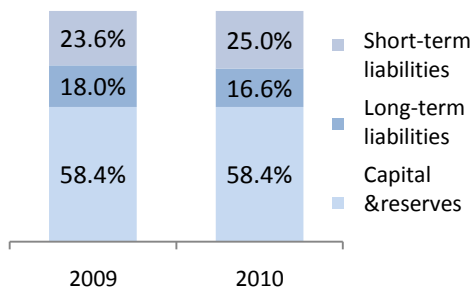
*** Short-term liabilities of the Company are allowed when calculating DEBT/EBITDA

Key financial indicators of JSC “Lenenergo” for 2010

Assets structure



Liabilities structure



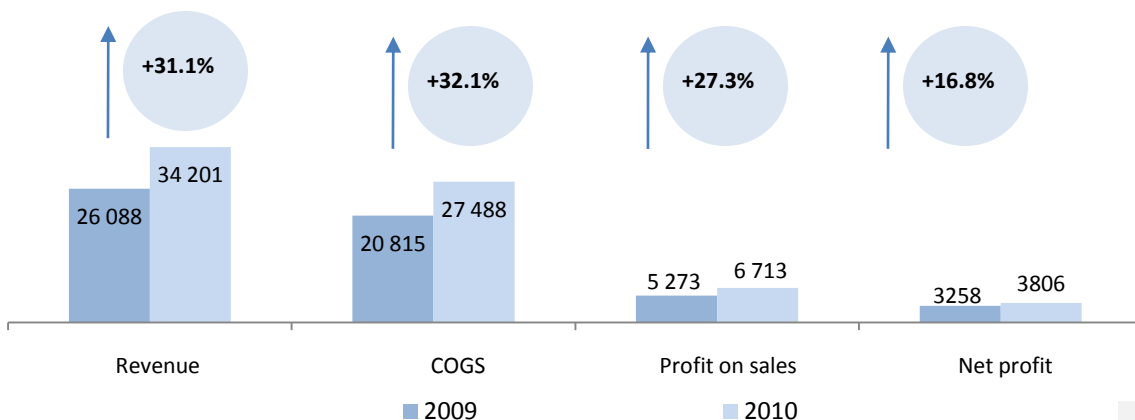
Balance sheet of JSC “Lenenergo” as of 31.12.2010

Sum of Company’s total assets as of December 31, 2010 RUR 88,700 mln (there was a rise +7,1% in contrast with 2009)

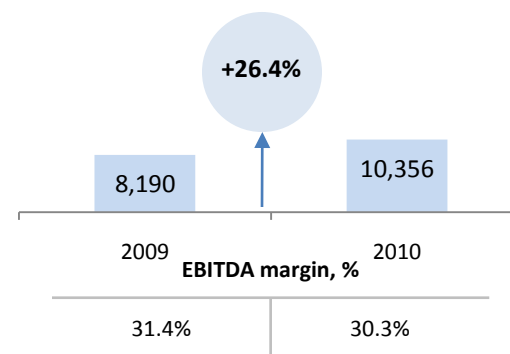
Features of the formation of Balance Lenenergo on 31.12.2010:

- high proportion of non-current assets - 87,3% of the balance sheet;
- a large proportion of accounts receivable - 10.8% of total assets, or 85.0% of working capital;
- significant amount of loans and credits - 16,6% of the balance sheet, 39,9% of total liabilities of the Company.

Formation of gross profit and net profit, RUR mln



EBITDA, RUR mln



Profitability indicators	2009	2010	Deviation, %
ROE	6.37%	7.80%	22.4%
ROA	3.94%	4.29%	9.0%
ROS	20.21%	19.63%	-2.9%

ROS: A small decrease in return on sales (at 0.58 percentage points) due to the fact that the growth rate of revenue growth in 2010 is slightly lower than the rate of increase in costs.

ROA: The growth rate of return on assets at 0.35 points indicates an increase in efficiency of use of the Company property.

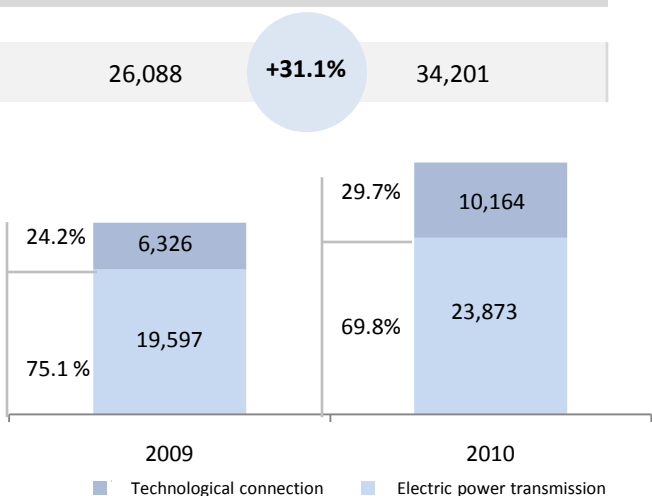
ROE: The growth of ROE is connected with an increase in the net profit of the Company.

According to the results of the 2010 Company's financial figures, as well as the majority of indicators reached their maximum profitability for the past three years, a level that is the result of effective management policies due to:

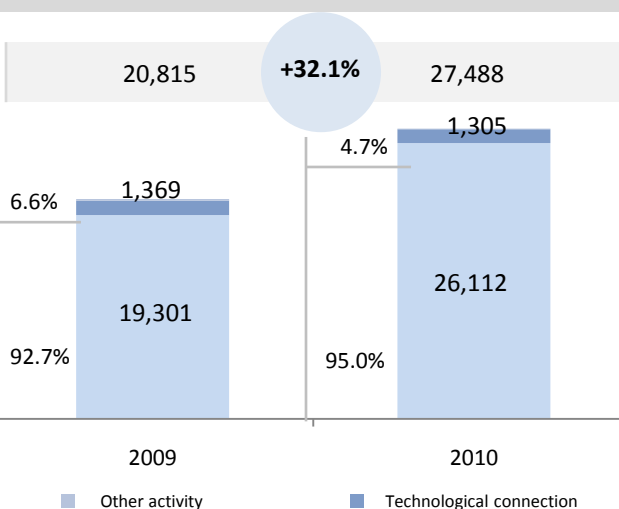
- implementation of costs reducing program;
- withdrawal from the Company's non-core assets;
- an economically sound tariff policy;
- obligations of the Company of technological connection subscriber cost

Structure of profits and expenses of JSC "Lenenergo" in 2010

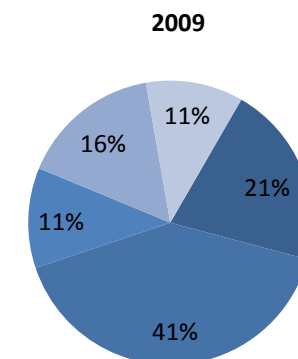
Revenue by types of activity*, RUR mln



COGS by types of activity*, RUR mln



COGS structure



- Material costs
- Work and production services
- Salaries and social charges
- Depreciation
- Other costs

* Including other types of activity, sums of revenue and GOGS of which are insignificant and amount to less than 1% in total sum

Costs of production and sales	2009	2010	2010/2009
Material costs	4,334	6,300*	45.3%
Work and production services	8,468	11,313**	33.6%
Salaries and social charges	2,374	2,643	11.3%
Depreciation	3,330	4,135	24.2%
Other costs	2,309	3,098	34.2%
Total	20,815	27,488	32.1%

* Material costs	6,300
Purchased electricity for compensation of losses	5,865
Purchase power energy for industrial and household needs	82
Raw materials	352

** Work and production services	11,313
Services of contractors for maintenance and repair of equipment	515
Services of network of companies on electricity transmission	10,373
Other production services	425

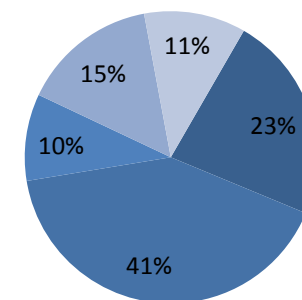
Services of JSC "FGC UES"	4,909
Services of distribution grid companies	5,464

Major changes in the cost structure in 2010:

- in absolute terms there is a significant increase (by 33.6% or RUR 2,844 mln) in "Work and production services" - due to rising costs for services of network grid companies on electricity transmission - the tariffs for these services are set by regulators.

-increase in depreciation (by RUR 804 mln, 24.2%) - due to the growth of fixed assets - at the expense of newly commissioned fixed assets during the implementation of the investment program.

2010



- Material costs
- Work and production services
- Salaries and social charges
- Depreciation
- Other costs

Loan portfolio and debt position of JSC “Lenenergo” in 2010

Структура капитала, млн. руб.

	2009	2010	Δ в % 2010/2009
Equity	48,344	51,759	+7.1%
Liabilities, including:	34,440	36,941	+7.3%
Long-term liabilities	14,913	14,760	-1.0%
Short-term liabilities	19,527	22,181	+13.6%
Ratio of equity and borrowed funds	1.4	1.4	-
Leverage	22.6%	22.2%	-1.8%

Loan portfolio, RUR mln

	2009	2010	Δ in % 2010/2009
Long-term credits and loans, including:	13,900	13,562	-2.4%
Bonded debt (repayment in 2012)	6,000	6,000	-
Short-term credits and loans	246	1,172*	376.4%
Accounts payable	19,356	20,985**	8.4%

* The loan borrowed by the Company in 2009 in the amount of RUR 1,000 mln was moved into the structure of short-term liabilities in connection with the forthcoming repayment in 2011 in accordance with the accounting requirements.

** There is displayed the amount of aggregate (long-term and short-term) accounts payable. The share of short-term account payable (line 620 of balance sheet) amounts to 93.9% of short-term liabilities

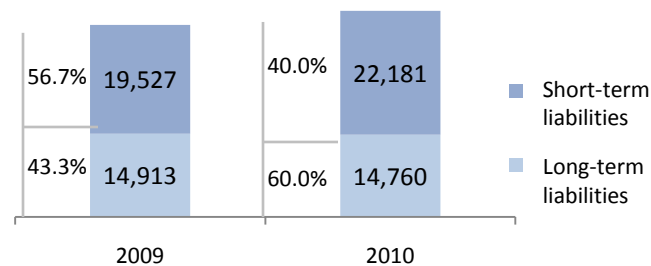
Debt position, RUR mln

	2009	2010	Δ in % 2010/2009
EBITDA	8,190	10,356	26.4%
DEBT*/EBITDA	2.37	2.13	-
Debt as at the end of the period**	13,900	14,562	4.8%
Net debt	11,564	14,405	24.6%

* When calculating DEBT/EBITDA ratio there are considered short-term liabilities of the Company

** Debt as at the end of the period is calculated as liabilities on the sum of main debt on loans

Liabilities structure, RUR mln



Borrowings and repayments in 2010:

- Borrowed - RUR 10,890 mln
- Repaid - RUR 10,228 mln

Key banks – partners of JSC “Lenenergo”:

JSC “Sberbank of Russia”
JSC “Bank VTB Severo-Zapad”
JSC JSCB “Svyaz-bank”
JSC JSB “ROSSIYA”
JSC “Alfa-bank”

Weight average rate of borrowing as of 31.12.2010

7.85%

Credit rating



Agency	Rating	Assigned
Moody's	Ba2 (forecast stable)	November 2009
Moody's Interfax Rating Agency (rating on national scale)	Aa2.ru (forecast stable)	November 2009

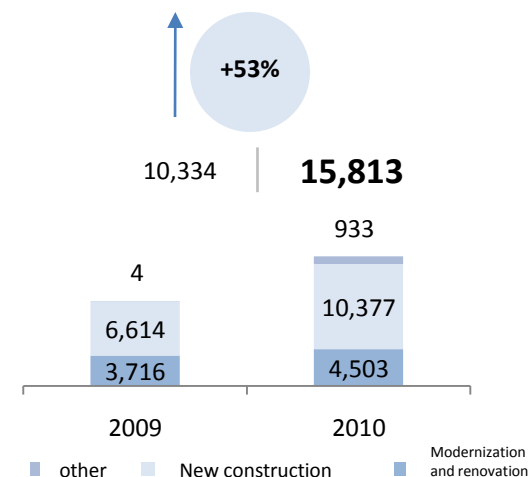
Confirmed in March 2011

Implementation of investment program of JSC “Lenenergo” in 2010

Adjusted investment program for 2010 was approved by the Board of Directors of JSC “Lenenergo” on October 27, 2010 in the amount of capital investments - RUR 15,183 mln. The actual disbursement of capital investments during the reporting period amounted to RUR 15,813 mln, that is 104% of the plan.

Parameters of the investment program, RUR mln

Indicator	Saint Petersburg			Leningrad Region			JSC “Lenenergo”		
	2009	2010	Growth, %	2009	2010	Growth, %	2009	2010	Growth, %
Disbursement, RUR mln net of VAT	7,654	12,574	164%	2,681	3,239	121%	10,335	15,813	53%
Commissioning of fixed assets, RUR mln	7,206	11,328	157%	2,856	2,421	-115%	10,062	13,749	37%
Funding, RUR mln including VAT	8,670	12,704	147%	3,651	3,723	102%	12,321	16,427	33%
Power input, MVA	495	704	142%	337	228	-132%	832	932	12%
Power input, km	316	995	315%	353	512	145%	669	1 507	125%
Growth of power, MVA	336	647	193%	283	215	-124%	619	862	39%
Growth of power, km	253	912	360%	176	180	102%	429	1 092	155%



Volume of capital investments, RUR mln without VAT

JSC “Lenenergo”	2009	2010	2010/2009, %
TOTAL	10,334	15,813	53%
Modernization and renovation	3,716	4,503	21%
New construction	6,614	10,377 *	57%
Other	4	933**	223 times

* A significant increase in new construction is associated with the increase in property contracts on technological connection, increase in construction and reconstruction of the distribution network 0.4-10 kV on connection of consumers.

** Increase in other capital investments is associated with the acquisition of shares in JSC “Kurortenergo” and JSC “Tsarskoselskaya Energy Company”.

Sources of funding of capital investments in 2010, RUR mln net of VAT

Sources of investments, total	15,813
Internal funding sources	
Depreciation of the reporting period	2,564
Non-used depreciation of past years	92
Non-used profit of past years	377
Other internal sources (property settlements, lost income)	5,824
External funding sources	
Borrowed funds (loan interest)	3,371
Payment for technological connection - Advances	3,585

Appendix 1

Tariffs for electricity transmission in 2010

Indicator	Unit	2009	2010		Deviation Fact 2010 / Approved 2010		Deviation Fact 2010 / Fact 2009	
		Fact	Approved by RPC	Fact	Absolute	Relative (percentage)	Absolute	Relative (percentage)
Leningrad Region								
Revenue	RUR thousand	8,006,193	9,465,368	8,901,968	-563,399	-6.0%	895,775	11.2%
Productive supply of electric power	Mln kWh	9,893	9,809	10,469	660	6.7%	576	5.8%
Average supply rate	RUR / mWh	809.3	965.0	850.3	-115	-11.9%	41	5.1%
Saint Petersburg								
Revenue	RUR thousand	11,590,811	14,676,095	14,970,935	294,840	2.0%	3,380,123	29.2%
Productive supply of electric power	Mln kWh	17,780	18,389	18,626	237	1.3%	846	4.8%
Average supply rate	RUR / mWh	651.9	798.1	803.8	6	0.7%	152	23.3%
JSC "Lenenergo" as a whole								
Revenue	RUR thousand	19,597,004	24,141,463	23,872,903	-268,560	-1.1%	4,275,899	21.8%
Productive supply of electric power	Mln kWh	27,672	28,197	29,095	898	3.2%	1,423	5.1%
Average supply rate	RUR / mWh	708.2	856.2	820.5	-36	-4.2%	112	15.9%

Appendix 2

Tariffs for technological connection in 2010

Indicator	Unit	2009 fact	2010 fact	Changes fact 2010/2009	
				abs.	rel.
Leningrad Region					
Revenue	RUR thousand	1,712,144	2,256,775	544,631	31.8%
Connected capacity	MW	142.4	185.3	42.9	30.2%
Average rate on closing contracts	RUR thousand / MW	12,028	12,180	152	1.3%
Saint Petersburg					
Revenue	RUR thousand	4,613,870	7,906,919	3,293,049	71.4%
Connected capacity	MW	210.6	460.0	249.4	118.4%
Average rate on closing contracts	RUR thousand / MW	21,909	17,190	-4,719	-21.5%
JSC "Lenenergo" as a whole					
Revenue	RUR thousand	6,326,014	10,163,694	3,837,680	60.7%
Connected capacity	MW	352.9	645.3	292.3	82.8%
Average rate on closing contracts	RUR thousand / MW	17,924	15,751	-2,173	-12.1%



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