



“Mangystau Electricity Distribution Network Company” JSC (“MEDNC” JSC)

The information for investors

“MEDNC” JSC was founded in 1996 on the basis of Mangystau Electric Network Enterprise. The JSC major activities are electric power transmission and distribution.

Electric networks include the following:

- 35-220 kV substations – 57 units;
- factory-assembled transforming substations 6-10/0, 4 kV – 455 units;
- High-voltage Power Lines (HVPL) 35÷220 kV –2658 km in length;
- HVPL -0,4-6(10) kV - 2463 km in length.

Beginning from 01 June 2009 the power transmission rate is 1,95 KZT for 1kW/hour, without VAT.

According to the Electric Networks Perspective Development Plan within the “MPSDC” JSC operating zone till 2015 the JSC has fulfilled the following achievements:

- 2004 – being the first among all Kazakhstani Power Supply Distributional Companies to launch a pilot investment project “Switching over “Karazhanbas” URPS to 220 kV” (I line) costing 561 million KZT at the bonded loan expense (bonds are paid off in 2007).
- 2005 – registering bond program for 9,8 milliard KZT on the Kazakhstani stock exchange (KASE).
- 2006 – construction and commissioning of “Bautino” 110/10-10 kV Substation with 500 million KZT estimated cost (loan payment term is due in August 2010);
- 2007 - construction and commissioning of “Kuryk” 110/10-10 kV Substation and constructing Aktau-Kuryk 110 kV High-Voltage Line 60 km in length, with 1,2 milliard KZT estimated cost (loan payment term is due in 2011-2012);
- 2008-2009 – constructing “Tauchik” 35/6 kV Substation and reconstructing “Dunga” 35/6 kV Substation, “Kuibyshev” 35/6 kV Substation, as well as constructing “Dunga – Tauchik – Kuibyshev” High-Voltage Line 66 km in length with 861 million KZT estimated cost (loan payment term is due in 2013);
- 2008-2009 – constructing II line under “Switching over “Karazhanbas” URPS to 220 kV” project with 2,1 milliard KZT estimated cost, funding sources are the payment for connecting extra power capacity and additional issue of ordinary shares;
- During 2009 constructing “Beyneu” 110/35/6 kV Substation with 1,2 milliard KZT estimated cost has started at the expense of the payment for connecting extra power capacity and reconstructing “Umirzak” 110/6 kV Substation with 795 million KZT estimated cost has also commenced at the expense of bonds allocation (loan payment term is due in 2014).
- During the 2008-2011 period “MEDNC” JSC has been fulfilling project on introducing Power Commercial Stocktaking Computer-Based Systems (PCSCBS) with 433 million KZT estimated cost.
- The following funding sources are used to cover the investment projects:
 - bonds issue and distribution on the stock exchange during 2004-2009 period – 3,9 milliard KZT;
 - the payment for connecting extra power capacity for 2007-2008 r. period (on repayable basis) - 2,6 milliard KZT;
 - distribution of an additional share issue on the stock exchange in 2008 – 776 million KZT.
- The “MEDNC” JSC current rating as of the beginning of 2010 granted by Fitch Ratings Agency:
 - International long-term rating of “BB” issuer default rating, “stable” outlook;
 - International short-term rating of “B” issuer default;
 - AA-(KAZ) national long-term rating, “stable” outlook;
 - Long-term rating of “BB+” debt securities.
- Average annual level of normative technical losses in 2009 made up 8,60%, factual technical losses across the “MEDNC” JSC power networks made up 8,32%, for 2010 it is established 8,4%.
- During 2009 the actual scope of electrical power transportation was 2,153 milliard kW/hour to the amount of 4,267 milliard KZT including:



- legal entities (industry) – 2,11 milliard kW/hour to the amount of 4,05 milliard KZT or 98% (large-scale consumers are – “Ozenmunaigas” PF, “KazMunaigas” RD, “Mangystaumunaigas” JSC, “Karazhanbasmunai” JSC, “KazTransOil” JSC ZF, Buzachi Operating JSC, “Aktau Sea Port” Regional Public Enterprise, “Karakudukmunai” JSC and others);
- sole proprietors and local consumers – 43 million kW/hour to the amount of 214 million KZT or 2%;
- average annual gain in electrical power transportation range is 3% on average, according to the 2009 results the gain in electrical power transportation ranges made up 5%.
- Maximum power load: in winter - 308 MW, in summer - 245 MW.
- Average enrollment labor force of the MEDNC” JSC is 614 employees, 51 out of which are administration-management personnel, the average monthly paid salary within the Company is 82 thousand KZT.
- The MEDNC” JSC ordinary share on KASE costs 1000 KZT.
- The sum of ordinary shares of MEDNC” JSC is 2 011 016 Among the MEDNC” JSC shareholders such companies as “Samruk-Energo” JSC 75%+1 share (1 580 467 shares) and other (accumulating pension funds, physical persons). The MEDNC” JSC has 96 272 preferred stocks, which are nominally held by the JSC employees.
- Cumulative actives make 16, 6 milliard KZT, net profit for 2009 made up 305 million KZT.
- Financial-business activity statements approved by the auditor’s conclusion for the last three years may be found on www.mrek.kz website.

Information on the MEDNC” JSC financial-business activity is presented in the light of implementing the Republic of Kazakhstan Government Plan for the Kazakhstania stock market development aspects.