

# INTER RAO UES TO RAISE CONVERTIBLE LOAN FROM THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

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INTER RAO UES Group and the European Bank for Reconstruction and Development (EBRD) signed an agreement for a 9.6 billion rubles 5-year convertible loan with a floating interest rate equal to 8.81% per annum as of the date of signing.

According to the transaction terms, the EBRD will have an option to convert the loan into common shares of JSC INTER RAO UES within 4.5 years after disbursement. The conversion price is agreed at 0,055 rubles per share.

Taking into account set of commercial parameters, convertible loan from the EBRD will enable INTER RAO UES to optimize its capital structure in line with the overall corporate development strategy as approved by the company's Board of directors.

Cooperation between INTER RAO UES and the EBRD within this project is not limited only to financing, but also implies implementation of a number of measures and initiatives aimed at improving corporate governance, environmental, health and safety standards, as well as increasing INTER RAO UES investor appeal.

"We highly appreciate this transaction, which brings the EBRD in not only as a potential shareholder of INTER RAO UES, but also as a long-term partner in enhancing our corporate governance system and increasing business transparency," said Boris KOVALCHUK, INTER RAO UES Chairman of the Management Board. "Strategic partnership with the EBRD is especially important in connection with INTER RAO UES positioning in the investment community and our development towards international capital markets," he added.

Xenon Capital Partners acted as financial advisor to INTER RAO UES, while Goltsblat BLP, the Russian practice of Berwin Leighton Paisner, provided legal support.

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**INTER RAO UES Group** is a diversified energy holding working in various segments of Russian and international electric power industry. INTER RAO UES is a leading exporter and importer of electric energy in Russia actively increasing electricity generation and sales, and developing new lines of business. INTER RAO UES focuses its corporate strategy on making the company a global energy enterprise and a key player in the international energy market. INTER RAO UES Group owns and operates approximately 28,000 MW of installed power generating capacity [www.interrao.ru](http://www.interrao.ru)

**The European Bank for Reconstruction and Development** was established in 1991. The EBRD shareholders are 63 countries, including Russian Federation, as well as two intergovernmental institutions – the European Union and European Investment Bank. The EBRD supports projects in 29 countries from central and eastern Europe to central Asia and currently is expanding its operations to north Africa. [www.ebrd.com](http://www.ebrd.com)