



Serving the electric power sector  
Statement of qualifications



# Why Deloitte?

- Global strength of approximately more than 210,000 professionals in 150+ countries
- Revenues for fiscal year 2014 were US\$ 34.2 billion
- In the past year Deloitte served more than 79 % of the Global Fortune 500

## Deloitte in the CIS



# Electric power industry

## Changing landscape

During the past years the Russian power industry has been engaged in an ambitious restructuring program aimed at improving generation and distribution infrastructure, developing fair and competitive power markets, stimulating foreign investment activities and providing customers with a reliable power supply. The growth in the power sector depends on the successful transformation of power companies from state owned enterprises to market driven commercial entities. This restructuring program is permanently redefining the landscape of the Russian power industry.

The emerging industry leaders will be the companies able to drive future value creation through the use of the following four key strategic levers:

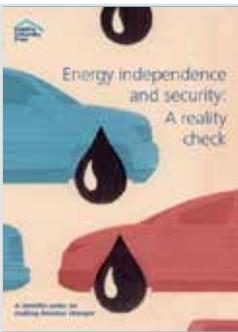
- Selective and disciplined asset investment programmes, consistent with market dynamics and competitive differentiation;
- A particular focus on operational excellence, cost efficiency and continuous improvement;
- Strong support of regulatory compliance and technology innovation through corporate social responsibility, industry partnership and sustainable growth;
- Robust, enterprise-wide risk management capability.

Deloitte CIS works with clients to help companies achieve this success.

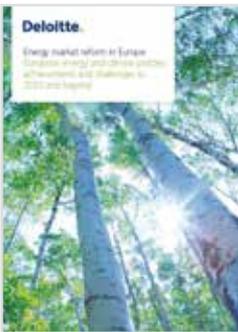
**Deloitte regularly publishes research and analysis that presents unique points-of-view and challenges our clients' thinking.**



**Power insight. Using analytics to drive performance in the utilities industry**



**Energy independence and security: A reality check**



**Energy market reform in Europe. European energy and climate policies: achievements and challenges to 2020 and beyond**



**The future of the global power sector. Preparing for emerging opportunities and threats**

# Our electric power group

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## Solutions tailored to a complex industry

Deloitte's power group is a well-established project group with experience in all areas of the power industry, including power generation, heat and power grids, and marketing. Our team specializes in complex projects focused on resolving specific practical issues.

### Examples

During the reformation of RAO UES of Russia, Deloitte provided assistance to the company and was responsible for creating the uniform methodology and key assumptions behind the process of valuating all RAO UES assets, minimizing the time for approval of the spin-off by minority shareholders. At the final stage we carried out a valuation of RAO UES's shares for buyout purposes to the satisfaction of all stakeholders.

Deloitte developed the appropriate methodology for valuating power supply companies, showing a declining trend for large consumers and the potential profitability of retail on a regional basis.

Deloitte performed a set of projects for one of Russia's largest power supply holdings, including assistance in the development and promotion of an advanced price regulation method for power grids based on return on assets. Implementation of this methodology may have boosted the earnings generated from the holding's power grids.

Deloitte developed and continues to update the Russian wholesale electricity and power market model. The main purpose of the model is to provide an analysis of electricity and power demand by region, power plant load factor forecasts and prediction of electricity tariffs.

For the largest privately-owned vertically-integrated energy company in the Ukraine, Deloitte developed a model that allows assessment of the effect of electricity outputs on coal extraction dynamics, with due consideration given to logistic limitations and alternative fuel source pricing forecasts. The model also allows for assessment of effectiveness of separate investment projects and calculation of indicative values of separate business structures and the entire company as a whole.

Deloitte also carried out projects in relation to Russian and foreign assets, and analyzed potential markets for one of the largest diversified energy holdings in the CIS. Furthermore, Deloitte has implemented many other projects for large- and medium-sized players in the power industry in Russia and the CIS.

# Our integrated service offerings

Deloitte is the only Big Four firm to offer a full portfolio of audit, tax, consulting and financial advisory services and emphasizes the benefits of “delivering integrated solutions” in helping its clients to create value and mitigate risks. Lead Client Service Partners take a client-centric perspective to develop and implement multi-functional engagement strategies. This role also holds the responsibility of ensuring audit and advisory services and client relationships are appropriately segmented to meet both regulatory and ethical guidelines.

## **Audit and Assurance Advisory**

- Statutory and Independent Audit
- Information System Audit
- Internal Audit
- IFRS Financial Statements
- Accounting Compliance Review
- Revenue Assurance
- Forensic Services
- Capital Market Services
- Sarbanes-Oxley Compliance Services

## **IPO Services**

- IPO Readiness Assessment
- Fundraising Strategy and Feasibility
- IFRS and US/UK GAAP Reporting
- Transaction Structuring & Execution
- Regulatory Compliance
- IPO Tax Advisory

## **Enterprise Risk Services**

- Risk Management
- Internal Control Assurance
- Regulatory Advisory
- Corporate Responsibility and Sustainable Development
- Forensic and Dispute
- Fraud Prevention

## **Tax Advisory**

- Corporate Taxation
- International Taxation
- Legal and Regulatory Advisory
- Tax Risk Management
- Due Dilligence Support
- Transfer Pricing
- Energy Trading Taxation

## **Consulting**

- Strategy & Operations
- Corporate Strategy
- CFO Services (Financial Management)
- Human Capital
- Supply Chain Management
- Enterprise Applications (SAP, Oracle, JDE)
- Technology Integration
- IT Strategy & Management
- Architecture & Infrastructure
- Enterprise Business Integration

## **Financial Advisory Services**

- Corporate Finance
- Mergers and Acquisitions
- Due Dilligence
- Fundraising and Capital Activities
- Transaction Services and Support
- Valuation and Valuation Advisory
- Financial Modelling
- Economic Consulting
- Financial Reorganization
- Forensic investigations

## **Global Energy Markets**

- Risk Strategy (Enterprise Risk Management)
- Quantitative Analysis & Valuation
- Credit Advisory
- Energy and Derivative Transactions

# Our clients

Deloitte helps electric power clients address critical challenges and execute initiatives designed to further their strategic objectives and deliver value for their shareholders

## The client base includes\*:

Astanaenergobyt

Astana solar

Azerenerji

Bashkirian power grid company

**Central Asia Power Energy Company**

Energo-Pro Georgia

E.ON AG

E4 Group

Electricite de France S.A.

Enel S.p.A

**Fortum (TGK-10)**

FSK (Federal Grid Company)

Gazprom energoholding

**Georgian International Energy Corporation (GIEC)**

General Electric

Integrated Energy Systems (IES-Holding)

INTER RAO UES

KEGOC

Mosenergo

**Pavlodarenergy**

**Quadra (TGK-4)**

Rosatom

Rushydro

Samruk Energo

Schneider electric

Ukrenergo



\*Audit clients are marked with bold

# Our reputation

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## Delivering the best service

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“We engage a lot of consultants and, very often, we cannot work out which firm they represent. But Deloitte succeeded in standing out through its expert promotion of the project within the company. It was clear that the project was more than just paperwork.”

**A leading Russian generating company**  
Head of the Investments Department

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“There were definitely very positive results – we are satisfied with the deliverables and the value for money. Deloitte always manages its projects well and in time thanks to its significant expertise in the field of Russian electrical power engineering, which is its objective advantage over the competition. Deloitte can be trusted to deliver results within quite a short period of time.”

**A leading energy company**

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“We have a very positive impression: everything was arranged well. Timeframes and goals were clearly defined, we operated within a clear framework, and the project got off to a successful start. These are probably the main criteria by which we assessed the team’s work and the results speak for themselves.”

**A leading Russian generating company**  
Deputy Chief Accountant

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“So why did Deloitte win the tender? I believe it was due to its extensive industry expertise and the impressive package of value added proposals that Deloitte gave us, which helped us to very quickly understand the company’s corporate strategy and strategic initiatives which are a must for the company. We also liked the team representing Deloitte, and the action plan proposed by Deloitte was clear to us. In this way, Deloitte managed to meet the company’s major requirements.”

**Power generating company**  
Deputy General Manager

# Our electric power industry leadership

## Established network of specialists



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