

**Audit Report  
on the Accounting (Financial) Statements  
of JSC Lenenergo  
for 2014**

*March, 2015*

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# Audit Report on the Accounting (Financial) Statements of JSC Lenenergo

## Independent Auditor's Report

To the shareholders and the Board of directors of JSC Lenenergo

We conducted an audit of the accounting (financial) statements of Lenenergo, Open Joint Stock Company, that consist of Balance Sheet as at 31 December 2014, Profit and Loss Statement for 2014 and the applications to them.

### *Responsibility of the audited entity for the accounting (financial) statements*

The management of Lenenergo, Open Joint Stock Company, bears responsibility for the drawing up and reliability of the given accounting (financial) statements according to the Russian Federation rules of drawing up of the accounting (financial) statements and for the system of internal control necessary for drawing up of the accounting (financial) statements, not containing essential distortions owing to unfair actions or mistakes.

### *Responsibility of the Auditor*

Our responsibility consists in the expression of opinion on reliability of present reporting on the basis of the audit carried out by us.

We conducted the audit according to federal standards of auditor activity, acting in the Russian Federation, and the international standards of audit. These standards demand observance of applicable ethical standards, and also planning and the carrying out of audits so to receive sufficient confidence that the accounting reporting does not contain essential distortions.

Audit included carrying out the auditor procedures directed on obtaining of auditor proofs, confirming numerical indicators in the accounting (financial) statements and information disclosure. The choice of auditor procedures is a subject of our judgment which is based on an assessment of risk of the essential distortions in accounting (financial) statements that allowed owing to unfair actions or mistakes. In the course of an assessment of this risk auditors consider the internal control system providing drawing up and reliability of the accounting (financial) statements, for the purpose of a choice of the corresponding auditor procedures, but not for the purpose of expression of opinion on efficiency of internal control. Audit also included an assessment of appropriate character of applied accounting policies and validity of the estimated indicators received by the Company management, and also an assessment of submission of the accounting (financial) statements as a whole.

We believe that the auditor proofs received during the audit give the sufficient grounds for expression of opinion on reliability of the accounting reporting.

### *Opinion*

In our opinion, the accounting (financial) statements reflect authentically in all essential aspects financial position of Lenenergo, Open Joint Stock Company as at 31 December 2014, results of its financial and business activity and cash flow for 2014 according to the Russian Federation rules of drawing up of the accounting (financial) statements.

### *Other data*

Audit of the accounting (financial) statements of Lenenergo, Open Joint Stock Company for 2013 and 2012 was carried out by other auditor who in an audit report from 7 March 2014 and 11 March 2013 expressed a non-modified opinion.

The enclosed accounting (financial) statements are not intended to represent the financial position and results of activity according to the principles or methods of accounting standards, accepted in the countries and other administrative-territorial educations, besides the Russian Federation. Respectively, the enclosed accounting (financial) statements

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are not intended for the persons not familiar with the principles, procedures and methods of accounting that are accepted in the Russian Federation.

A. Y. Grebenuk  
Partner  
LLC Ernst & Young  
18 March 2015

### *Data on the Audited Person*

Name: JSC Lenenergo  
Brought in the Uniform state register of legal entities and assigned state registration number 1027809170300 on July 22, 2002  
Location: 196247, St. Petersburg, Constitution Sq, 1

### *Data on the Auditor*

Name: LLC Ernst & Young  
Brought in the Uniform state register of legal entities and assigned state registration number 1027739707203 on 5 December, 2002.  
Location: 115035, Russian federation, Moscow, Sadovnicheskaya Nab., 77, bld. 1  
LLC Ernst & Young is a member of the Self-regulating organization of auditors of Non-Profit partnership Auditor Chamber of Russia (SRO NP ACR).  
LLC Ernst & Young is included in the control copy of the state register of auditors and auditor organizations behind the state registration number 10201017420.

## Explanations to the Accounting (Financial) Statements of JSC Lenenergo for 2014

These textual explanations are an integral part of the annual accounting (financial) statements of JSC Lenenergo for 2014, prepared in accordance with the current legislation of the Russian Federation.

All sums are in thousands of rubles. Negative values are shown in parentheses.

### 1. GENERAL INFORMATION

Legal address of the Company: 196247, St. Petersburg, Constitution Sq, 1

Postal address of the Company: 196247, St. Petersburg, Constitution Sq, 1

INN (KPP): 7803002209 (781001001)

OGRN: 1027809170300

State registration date: 22 January 1993, certificate # 2084. The body which carried out the state registration: Registration Chamber of the Administration of St. Petersburg. The Company was established without limitation of the period of activity.

Nowadays JSC Lenenergo carries out its activities in the territory of two subjects of the Russian Federation: St. Petersburg and the Leningrad Region.

The main goal of the Company's activity is to gain profit. The Company is entitled to carry out the following types of activity to gain profit:

- electric power transmission;
- power networks operation activities;
- connection of additional capacity to consumers;
- other types of activity not restricted by the legislation of the Russian Federation.

Average personnel number for the reporting year of 2014 totaled 6,210 people and for the previous reporting year of 2013 — 6,218 people.

The Board of Directors and the executive body of the Company are as follows:

The Company's Board of Directors was elected by the decision of the Annual General Meeting of Shareholders on 23.06.2014 in 13 people.

The composition of the Board of Directors on 31 December 2014:

#	Full name of the candidate	Position of the candidate (at the moment of promotion)
1	Prokhorov Egor Vyacheslavovich	Chairperson of the Board of Directors of JSC Deputy Director General of finance of JSC Rosseti
2	Lebedev Sergey Yuryevich	Deputy Chairperson of the Board of Directors of JSC Lenenergo. Director of Strategic Development Department of JSC Rosseti
3	Snikkars Pavel Nikolayevich	Director of Department of Power Industry Development of the Ministry of Power Industry of Russia
4	Zafesov Yury Kazbekovich	Director of the Department of Procurement Activities of JSC Rosseti
5	Zholnerchik Svetlana Semenovna	Deputy Director General of JSC Rosseti
6	Sorochinskiy Andrey Valentinovich	Director General of JSC Lenenergo
7	Kolyada Andrey Sergeyevich	Director of the Department of the Share Capital of Corporate Governance, Shareholders and Investor Relations of JSC Rosseti
8	Akimov Leonid Yuryevich	Director of Legal Department of JSC Rosseti

#	Full name of the candidate	Position of the candidate (at the moment of promotion)
9	Komarov Valentin Mikhailovich	Deputy Head of Organization of Special Projects of JSC Rosseti
10	Serebryakov Konstantin Sergeyevich	Head of Division of Corporate Events of subsidiaries and affiliates of Corporate Governance, Shareholders and Investor Relations Department of JSC Rosseti
11	Rozova Eugenia Evgenyevna	Vice-chairperson the Committee on Power and Engineering Support of the Government of St. Petersburg
12	Zotov Oleg Yuryevich	Head of the State Administrative and technical inspection of St. Petersburg
13	Koptin Dmitry Viktorovich	Chairperson of the Committee on Tariffs of St. Petersburg

The composition of the Management Board of JSC Lenenergo as on the 31 December 2014 consists:

#	Full name	Position in JSC Lenenergo
1	Sorochinskiy Andrey Valentinovich	Director General of JSC Lenenergo
2	Artemyev Maxim Sergeyevich	Deputy Director General on Technical Affairs – Chief Engineer
3	Zykov Andrey Vladimirovich	Deputy Director General on Development and Implementation of Services
4	Meshcheryakov Ilya Georgiyevich	Deputy Director General on Capital Construction
5	Melnichenko Evgeny Ivanovich	Deputy Director General on Corporate Governance
6	Nikonov Aleksander Dmitriyevich	Deputy Director General on Security

In January 2015, after the decision of the Board of Directors dated 16 January 2015, in JSC Lenenergo was a change of Director General of the Company, initiated by a major shareholder - JSC Rossetti. Sorochinskiy Andrey Valentinovich was dismissed, Nikonov Vasily Vladislavovich was appointed to be the Acting Director General. By the decision of the Board of Directors of 13 February 2015 Nikonov V.V. was appointed Director General of JSC Lenenergo since 14 February 2015.

These statements were signed (approved) on 18 March 2015.

## 2. THE PRINCIPAL ACCOUNTING POLICIES

### *Basis of preparation of the annual account (financial) reporting*

The accounting report of the Company is prepared according with the Federal Law #402 FZ of 06.12.2011 “On Accounting” and “Regulations on accounting and financial reporting in the Russian Federation”, approved by Order of the Ministry of Finance of the Russian Federation #34n of 29.07.1998 (amendments of 30.12.1999, 24.03.2000, 18.09.2006, 26.03.2007, 25.10.2010 and 24.12.2010), and the Regulations of accounting policies. Accounting (financial) statements of JSC Lenenergo for 2014 has been prepared in accordance with the same Law and regulations, the Company’s Accounting policies, approved by Order #836 of 31.12.2013, on the basis of consolidated data on separate balances of the Company’s branches.

The accounting (financial) statements of the Company are prepared taking into account the samples of forms recommended for application by Order of the Ministry of Finance of the Russian Federation # 66-n of 02.07.2010 (amendments of 04.12.2012) “About the forms of accounting reporting”.

In the case of data absence of the Company's related assets, liabilities, income, expenses, business operations, indicators (line graphs) which are provided in the form of samples, these figures (line graphs) in the forms of organization are not included.

Responsibility for the organization of accounting and submission of the Company's authentic accounting report, observance of legislation at performance of business operations, and provision of obligatory audit is held by the Director General, Deputies Director General and Directors of the Company branches.

The Chief Accountant – Head of Department of accounting and tax accounting and reporting of the Company is responsible for conducting accounting, preparation of the accounting report, formation of accounting policies, and provision of the full and authentic accounting report to internal and external users.

The accounting (financial) statements of the Company for 2014 are prepared made without derogations from principles and rules of accounting which can take place in case when such rules do not allow reflecting authentically a property status and financial result of the Company's activities.

Each essential indicator is disclosed in the accounting (financial) statements of the Company. An indicator is considered essential if its non-disclosure in a separate line in the balance sheet and the profit and loss statement can affect economic decisions of the interested users made on the basis of the reporting information.

### *Uncertainty of estimated values*

The key assumptions concerning the future and other sources of uncertainty of estimated values at the reporting date that have a significant risk of causing a material adjustment to the book value of assets and liabilities within the next financial year are following:

- reserve on doubtful debts;
- reserve on future expenses for vacation payments;
- reserve on payment of annual remuneration;
- reserve on the premiums for the commissioning of new facilities;
- the reserves formed in connection with consequences of the conditional facts of business operations:
  - reserve on claims;
  - reserve created in connection by judicial proceedings.

### *Fixed Assets*

In accordance with the item 7, 8 of RAS 6/01 "Accounting of fixed assets", fixed assets are accepted into accounting at their initial cost. Initial cost of fixed assets acquired for payment are the amount of Company's actual expenses for the acquisition, construction and manufacturing, with the exception of the value added tax and other refundable taxes (except as provided by the legislation of the Russian Federation).

The Company conducts revaluation of fixed assets for the current (replacement) value on a regular basis, so the cost of fixed assets by which they are reflected in accounting and reporting is not significantly different from the current (replacement) cost, but not more often than once a year.

Revaluation of groups of fixed assets is carried out in the order established by law, on the basis of the relevant administrative documents of JSC Lenenergo.

The sum of devaluation of fixed assets, as a result of revaluation, belongs on financial result as other expenses.

The amount of devaluation of fixed assets related to the reduction of additional capital organization, formed by this object revaluation surplus that was held in previous years. The excess of the write-down of the object on its revaluation surplus credited to additional capital of the organization as a result of the revaluation carried out in previous periods in the income statement as other expenses.

The amount of the fixed asset revaluation surplus from the revaluation is credited to additional capital organization. The amount of the fixed asset revaluation surplus, equal to the sum of its devaluation that was undertaken in previous periods and recognized in the financial result as other expenses, credited to the financial result as other income.

Revaluation surplus in case of fixed assets disposal is transferred from the additional capital to retained earnings of the Company.

Depreciation of fixed assets commissioned before 01.01.2002 is calculated by the linear way under the norms approved by Resolution of the Government of the USSR # 1072 of 22.10.1990.

Depreciation of fixed assets acquired after 01.01.2002 is made under the norms calculated proceeding from the useful lives defined according to the Classification of fixed assets included in depreciation groups approved by Resolution of the Government of the Russian Federation # 1 of January 01, 2002.

According to item 20 of RAS 6/01 "Accounting of fixed assets", useful lives of fixed assets (in years) that have been used for calculating depreciation are given in Application 5.3.2.

Depreciation charges on fixed assets are recorded in accounting of the reporting period to which they relate and accrued irrespective of results of the Company during the reporting period (RAS 6/01).

Change of initial costs of fixed assets, in which they are accepted for accounting is permitted in cases of completion, additional equipment, renovation, modernization, partial liquidation and revaluation of fixed assets (it. 14 RAS 6/01).

According to item 11 of RAS 6/01 "Accounting of fixed assets", fixed assets, received on the contracts providing performance of liabilities (payment) by non-cash funds is estimated as follows:

- Initial cost of fixed assets received on the contracts providing performance of liabilities (payment) by non-cash funds are recognized as the cost of values of which are transferred or subject to transfer from the organization. The valuation of property transferred or subject to transfer by organizations established on the basis of the price at which in comparable circumstances the organization usually determines the cost of similar values.
- If it is impossible to establish the valuation of property transferred or subject to transfer by organization, the value of fixed assets, received on the contracts providing performance of liabilities (payment) by non-cash funds, is estimated on the basis of the price at which in comparable circumstances similar to those fixed assets are acquired.

Revenue from grid connection to the networks of JSC Lenenergo, received as a result of implementation of the contracts, providing payment by non-cash funds for 2014 was formed on 39 organizations and its RUB 1,533,671 thousand (without VAT).

The revenue, under these contracts with the related parties is absent.

### ***Intangible assets***

In accordance with the item 6 of RAS 14/2007 "Accounting of intangible assets", intangible assets are accepted to accounting at their initial cost. The initial cost of intangible assets is the amount calculated in monetary terms, equal to the amount of payment in cash or in another form or amount of accounts payable, accrued or paid by the organization on the acquisition, creating an asset and provide the conditions for use of the asset for intended purposes.

According to item 28 RAS 14/2007 "Accounting of intangible assets" depreciation of intangible assets with determined period of useful life is charged by the linear way.

JSC Lenenergo establishes useful life by each type of depreciated intangible assets in their statement on the account proceeding from the expected term of use of this item during which the Company can receive cost benefits, thus the term of useful life of an intangible assets item is defined by a specially created commission.

During the reporting period the Company did not reveal any factors indicating the need for clarification of the useful lives and depreciation factors.

Depreciation charges on intangible assets are recorded in accounting of the reporting period to which they relate and accrued irrespective of results of the Company during the reporting period (it.33 RAS 14/2007)

The useful lives of intangible assets for the purpose of calculating depreciation:



<b>Intangible assets</b>	<b>Useful lives</b>
Website "lenenergo.ru"	11 months
IS Alpha	60 months
Electronic archive	60 months
Electronic database	60 months
Trademark	120 months
Research and Development	12 months

The intangible asset "Lenenergo website" is not written off from accounting after complete repayment of cost due to its use for gaining cost benefits and advertising purposes

### ***Inventories***

In accordance with item 2 RAS 5/01 "Accounting of inventories" as inventories are taken assets that used as raw materials in the implementation of the main activities of the Company (works, services), as well as used for administrative needs.

According to items 5, 6 of RAS 5/01 "Accounting of inventories", inventories are accepted to accounting on the actual cost of their acquisition. Actual cost of the inventories acquired for payment is the amount of actual expenses of the organization for the purchase, with the exception of the value added tax and other refundable taxes (except as provided by the laws of the Russian Federation).

At output of inventories to production or other retirement their valuation is made by the FIFO method (First-In-First-Out).

The cost of tools, stock and household supplies is written off on expenses in full when sending in operation, with a view of ensuring their safety, a quantitative account is organized.

In accordance with item 24 of RAS 5/01 "Accounting of inventories" at the end of the reporting year, inventories are recognized on the balance sheet at cost, determined on the basis of the above methods of inventories assessment.

Procedure for registration and release of special clothing are carried out on the basis of the standard "Safety management system" in JSC Lenenergo:

- Standard norms of free release of special clothes, special footwear and other personal protective equipment;
- Norms of a complete set of workplaces with inventory (duty) protective equipment;
- Procedure for providing employees with special clothing, footwear and other personal protective equipment.

### ***Receivables***

Doubtful debt is receivables of the organization which are not redeemed in the terms established by the contract and are not provided with the corresponding guarantees. The reserve for doubtful debts is created on the basis of results of the carried-out inventory of receivables of the organization.

The size of the reserve is determined separately on each doubtful debt, depending on a financial status (solvency) of the debtor and an assessment of probability of repayment of the debt in full or in part.

The Company creates the reserve for doubtful debts in case it is more probable that there will be an outflow of economic resources or a drop of inflow of cost benefits for the Company as a result of non-payment of the corresponding debt.

The Company creates the reserve for doubtful debts in case of recognition of doubtful receivables, with declared sum of the reserve on the financial performance of the organization.

### ***Income***

The revenue is recognized for the business accounting in the sum estimated in money terms, equal size of receipt of money funds and other property and (or) debt receivable size (according to item 3 of the

Accounting Regulations “Income of organization” of RAS 9/99 # 32n (amendments of 30.12.1999, 30.03.2001, 18.09.2006, 27.10.2006). If the incoming amounts do not cover all of what is due, the revenue accepted for accounting is determined as the sum of receipts and accounts receivable (with regard to the part which is not covered by receipts).

Revenue is recognized by the Company in the accounting with the following conditions (item 12 RAS 9/99):

- organization is eligible to receive this revenue arising from the particular contract or confirmed by other suitable means;
- amount of revenue can be determined;
- there is confidence in the fact that as a result of a particular operation the economic benefits will be increased;
- the property right (ownership, use and management) of products (goods) was transferred to the buyer from the organization or work was accepted by the customer (service was provided);
- charges that are produced or will be produced in connection with the operation can be determined.

The list of receipts recognized as income from ordinary types of activity of the Company:

- revenue from electric power transmission;
- revenue from technological connection;
- revenue from works and services of industrial character.

Revenue from performance of specific work, rendering of specific services and sale of specific goods are reflected in the accounting when completed, if it is possible to define completeness of work, services and goods.

Income of the organization not associated with the sale of goods, performance of work and rendering of services are not reflected as income from ordinary types of activity and are subject to accounting in the structure of other income according to requirements of RAS 9/99.

Revenue from sales of production and goods, including proceeds associated with performance of work and rendering of services is reflected according to assumption of temporary definiteness of the facts of economic activity (upon shipment) and submission of payables. The accounting of revenue is made by the types of activity.

Sales revenue is reflected in the financial results statement net of the value added tax, discounts and similar obligatory payments.

Income for fiscal year is reflected in the financial results statement separately by ordinary types of activity and other income and expenses with interpretations by types and sizes, and comparison to the previous year.

### ***Expenses***

The accounting of expenses is made by the Company pursuant to the Accounting Regulations “Expenses of organization” of RAS 10/99 approved by Order of the Ministry of Finance of the Russian Federation # 33n of 06.05.1999.

According to item 17 of RAS 10/99 “Expenses of organization” expenses are subject to reflection in the accounting irrespective both of intention to gain revenue, miscellaneous or other income and the form of implementation of expenses (cash, natural and other).

According to item 18 of RAS 10/99 “Expenses of organization” expenses are admitted in that reporting period in which they took place irrespective of the time of actual payment of cash funds and other form of implementation.

Management expenses from the general running costs of the core activities are not allocated and business expenses are not ring-fenced.

Expenses for the reporting year are reflected in the profit and loss statement separately by ordinary types of activity and miscellaneous income and expenses with interpretations by types, sizes and comparison to the previous year.

### ***Accounting on loans and credits***

The accounting of expenses on loans and credits is made by the Company pursuant to the Accounting Regulations "Accounting of expenses on loans and credits" of RAS 15/2008 approved by Order of the Ministry of Finance of the Russian Federation # 107n of 06.10.2008.

Accounts payable on received credits and loans are considered taking into account interest payable for the end of the reporting period.

Accrual of interest payable to payment to creditors is made monthly. The accrued sums of interest are considered separately.

The accrued coupon yield on bonds is reflected in the structure of other expenses in those reporting periods which these charges concern. Charges are also made monthly.

Additional expenses on loans and credits (cost of information and consulting services, etc.) are considered separately and reflected as other expenses in the process of their emergence.

Accounting of operations associated with the issue of bonds is conducted pursuant to requirements of RAS 15/01 "Accounting of credits and loans".

Interest on received loans and credits directly relating to acquisition and (or) construction of the investment asset, join in the cost of this asset and are repaid by means of depreciation charge, except for cases when charge of depreciation of the asset is not provided by accounting rules.

### ***Methods for valuation of property***

In accordance with item 1, Art. 11 of the Federal Law # 402-FZ, valuation of property and liabilities are made for their reflection in the accounting and accounting (financial) statements in monetary terms.

The valuation of property purchased for a fee is carried out by summarizing of actually made expenses on its purchase; property received gratuitously at market cost for the posting date; property manufactured by the organization at the cost of its manufacturing.

Depreciation of fixed assets and intangible assets are charged irrespective of the Company's results of economic activities in the reporting period.

### ***Cash and cash equivalents***

Company's cash include:

- funds in cash at the cashier's desk of the Executive Office and branches;
- funds in non-cash, including funds on ruble and foreign currency current accounts of the Executive Office and branches, in special accounts, not including deposit accounts and cash in transit.

Accounting for cash flow statement between Company's current accounts is kept in the account 57 "Transfers on the way".

Company branches provide separate accounting of cash flows at the cashier's desk and on the accounts of the branches, self-organizing cash control and cash management books.

### ***Cash and cash equivalents, cash flow reflection***

For the purposes of cash flow reporting, the Company includes in cash cash equivalents, which are defined as short-term highly liquid financial investments that can be easily converted into known amounts of cash and which are subject to an insignificant risk of changes in value. In particular, the Company refers to cash equivalents bank deposits in credit institutions, issued at the request and / or with a maturity of three months or less and highly liquid bank promissory notes with a maturity of up to three months. For the purposes of the balance sheet the Company includes cash equivalents in financial investments.

### ***Minimized reflection of cash flows***

The cash flows reflected in the cash flow report minimized when they characterize not only the organization's activities as activities of its counterparties, and (or) when the proceeds from one individual determine appropriate payments to others.

For the purposes of creating report of cash flows (RCF), in connection with the requirements of RAS 23/2011 balanced variant of indirect taxes is reflected in the line "other payments" form of RCF and not distributed by type of activity (current, investment and financial transactions). Payments to vendors and receipts from customers reflected excluding VAT.

### ***Other***

Expenses incurred during the reporting period, but related to future periods are considered in the accounting and reflected in the balance sheet in accordance with the terms of the recognition of assets established by normative legal acts on accounting and are written off in the order, prescribed for the depreciation of assets of this type.

Expenses recognized as deferred expenses, are registered in the account at the specially opened account 76.07 "Deferred Assets" in the balance sheet are reflected in other non-current assets.

The composition of those assets included:

- payments on voluntary and compulsory insurance of property and employees;
- non-exclusive rights to use the software and databases, provided that the duration of the rights established in the contract;
- the cost of creating and bringing to the level of commercial operation of the database, based on license agreements;
- payment for the right to use the results of intellectual activity, produced in the form of a fixed single payment to be written off in accordance with the duration of the rights specified in the contract;
- other expenses affecting obtainable income by the Company in future periods.

If on a particular issue in the regulatory acts accounting methods have not been established, then within the formation of the accounting policy by the Company is carried out, development of corresponding methods on the basis of this and other accounting regulations, as well as international standards of accounting (financial) statements (it. 7 RAS 1/2008).

### ***Changes in accounting policies***

The consequences of changes in Accounting policies that have had or could have a significant impact on the Company's financial position, financial performance and (or) cash flows are reflected in accounting retrospectively, except in cases where monetary valuation for such consequences with relation to previous periods may not be made with sufficient reliability.

In case of changing the requirements established by law or federal or industry standards, the development or choice of new methods of accounting, significant changes in the Company's activities, which will lead to the emergence of new economic activity in the facts of economic activities, methods of accounting that are not defined in the accounting policies will be issued as an addition to the accounting policies. Addition to the accounting policies issued as a supplement to the present Regulation, which is not regarded as its new edition and can be used after approval.

Changes made to the Accounting policy of JSC Lenenergo for 2014, are characterized by a more detailed description of the model for the Company's accounting and structuring aspects of Accounting policy forms, and mainly related with the effective in parent company by "Unified Corporate accounting principles" (UCAP) by Order of JSC Russian Grids #547 of 02.09.2013 "On approval of regulations in the accounting of the Group JSC Rosseti".

During 2014 Company hasn't included in accounting policies of the current year any additions and changes, including the new standards of accounting which aren't connected with acceptance.

Additions made to the accounting policy of JSC Lenenergo for 2015, have the character of a more detailed description of typical aspects of the Company's accounting for fixed assets and other refinements of accounting principles, and is associated with the introduction of regulatory documents of JSC Russian Grids to clarify the corporate standard "Unified Corporate accounting principles "(UCAP) to Russian Accounting Standards (RAS)".

### 3. ADJUSTMENTS CONCERNING COMPARATIVE INDICATORS

The Company has made adjustments to the form 1 "Balance Sheet" for 2014 in terms of comparable data for the previous reporting period (2013-2012 years), aimed at clarifying the reporting of assets and liabilities on claims, insurance calculations, calculating with agents and reflection VAT on long-term advances received. The results of the adjustments concerning comparative indicators of the accounting (financial) statements are presented in the table below:

Adjustments in 2013

Indicator balance sheet for 2014	Code	Comment on the comparability of data	Before adjustment	Adjustment for 2013	After adjustment
<b>I. Non-current assets</b>					
Other non-current assets	1190	net-off payable (60.01) and accounts receivables (76.01.1) according to the calculations on insurance	706,526	(74,311)	632,215
<b>II. Current assets</b>					
Accounts receivable	1230		10,071,190	(288,826)	9,782,364
		<i>including:</i>			
Long-term accounts receivable (other)	123104	transfer of VAT from advances received (76.AV) on advances received (62.02), was transferred from short-term liabilities into long-term	75,710	211,961	287,671
Short-term accounts receivable (other)	123206		3,524,526	(500,787)	3,023,739
		<i>including:</i>			
		transfer of VAT from advances received (76.AV) on advances received (62.02), was transferred from short-term liabilities into long-term		(211,961)	
		net off payable (60.01) and accounts receivable (76.02) on claims		(288,826)	
		<b>BALANCE (asset)</b>	<b>148,482,930</b>	<b>(363,137)</b>	<b>148,119,793</b>
<b>IV. Long-term liabilities</b>					
Other liabilities	1450		572,489	1,334,244	1,906,733
		<i>including:</i>			
		net-off payable (60.01)and accounts receivables (76.01.1) according to the calculations on insurance		(55,276)	
		transfer 60.02 (advances) from short-term liabilities into long-term under the contract		1,389,520	
<b>V. Short-term liabilities</b>					
Accounts payable	1520	<i>including:</i>	34,614,993	(1,697,381)	32,917,612
Accounts payable (suppliers and contractors)	1521		14,206,328	(214,639)	13,991,689
		<i>including:</i>			
		net-off payable (60.01)and		(19,035)	

Indicator balance sheet for 2014	Code	Comment on the comparability of data	Before adjustment	Adjustment for 2013	After adjustment
		accounts receivables (76.01.1) according to the calculations on insurance			
		net-off payable (60.01) and accounts receivable (76.02) on claims		(288,826)	
		transfer payments with agents from other in trade payables		93,222	
Accounts payable (advances received)	1526	transfer 62.02 (advances) from short-term liabilities into long-term under the contract	15,189,554	(1,389,520)	13,800,034
Accounts payable (other)	1528	transfer payments with agents from other in trade payables	4,266,343	(93,222)	4,173,121
		<b>BALANCE (liability)</b>	<b>148,482,930</b>	<b>(363,137)</b>	<b>148,119,793</b>

Indicator balance sheet for 2014	Code	Comment on the comparability of data	Before adjustment	Adjustment for 2013	After adjustment
<b>Operating activities</b>					
<b>Payments-total</b>			(26,708,113)	390,508	(26,317,605)
due to remuneration of employees	4122	Transfer outflows on wages, in relation with creation of investment assets	(4,666,081)	390,508	(4,275,573)
<b>Cash flow from investment operations</b>					
<b>Revenues - total</b>			570,450	8,202,729	8,773,179
from the return of loans, from the sale of debt securities (rights to claim funds to other parties)	4213	Expanding of flows on more than 3 months deposit contracts, transfer to investment activity	–	8,202,729	8,202,729
<b>Payments-total</b>			(14,534,786)	(12,611,347)	(27,146,133)
due to the acquisition, production, modernization, reconstruction and preparation for the use of non-current assets	4221	Transfer outflows on wages, in relation with creation of investment assets	(14,147,397)	(390,508)	(14,537,905)
due to the acquisition of debt securities (rights to claim funds to other parties), granting loans to others	4223	Expanding of flows on more than 3 months deposit contracts, transfer to investment activity	(7,000)	(12,220,839)	(12,227,839)
<b>Cash flow from financial operations</b>					
<b>Payments-total</b>			(17,651,181)	4,018,110	(13,633,071)
Other payments	4329	Expanding of flows on more than 3 months deposit contracts, transfer to investment activity	(4,097,629)	4,018,110	(79,519)

Adjustments of comparative indicators in 2012:

Indicator balance sheet for 2014	Code	Comment on the comparability of data	Before adjustment	Adjustment for 2012	After adjustment
<b>I. Non-current assets</b>					
Other non-current assets	1190	Net-off payable (60.01) and accounts receivables (76.01.1) according to the calculations on insurance	776,552	(109,620)	666,932
<b>II. Current assets</b>					
Accounts receivable	1230	<i>including:</i>	7,796,952	(1,519,447)	6,277,505
Short-term receivables (other)	123206	Net-off payable (60.01) and accounts receivable (76.02) on claims	4,549,824	(1,519,447)	3,030,377
		<b>Balance (asset)</b>	<b>131,548,234</b>	<b>(1,629,067)</b>	<b>129,919,167</b>
<b>III. Long-term liabilities</b>					
Other liabilities	1450	Net-off payable (60.01) and accounts receivables (76.01.1) according to the calculations on insurance	1,585,858	(109,537)	1,476,321
<b>IV. Short-term liabilities</b>					
Accounts payable	1520	<i>including:</i>	22,897,723	(1,519,530)	21,378,193

Indicator balance sheet for 2014	Code	Comment on the comparability of data	Before adjustment	Adjustment for 2012	After adjustment
Accounts payable (suppliers and contractors)	1521		7,941,330	(1,464,463)	6,476,867
		<i>including:</i>			
		Net-off payable (60.01) and accounts receivables (76.01.1) according to the calculations on insurance		(83)	
		Net off payable (60.01) and accounts receivable (76.02) on claims		(1,519,447)	
		transfer payments with agents from other in trade payables		55,067	
Accounts payable (other)	1528	transfer payments with agents from other in trade payables	481,125	(55,067)	426,058
		<b>Balance (liability)</b>	<b>131,548,234</b>	<b>(1,629,067)</b>	<b>129,919,167</b>

In the deciphering of Explanations was amended comparability of data according to the above information. Due to presented changes, the sum of basic and diluted earnings per share for 2012 and 2013 hasn't changed and made RUB 1,057 and 0,374 thousand.

#### 4. INTANGIBLE ASSETS

The structure of intangible assets on the beginning and end of the reporting period and their movement is given in Application 5.1.1 to the balance sheet of the Company "Existence and movement of intangible assets".

As of December 31, 2014 the Company has no intangible assets with indefinite useful lives. Previously, those assets are determined as apartments, the last apartment has been removed from registration during the reporting year.

The Company has made expenses from acquiring non-exclusive rights and licenses. In accounting, these costs are reflected on account 76.07 "Deferred Assets", they are long-term and included in Section I of the Balance Sheet "Non-current assets" (line "Other current assets", except for the part to be repaid within 12 months after the reporting date.

In 2014, the Company has incurred costs of purchase (creation) of intangible assets totaling RUB 94,805 thousand.

#### 5. THE RESULTS OF RESEARCH AND DEVELOPMENT (R&D)

During the reporting period, the Company applies the linear way to write-off the cost of R&D over the period of useful life of the results of research, development and engineering works (hereinafter R&D), that are indicated in the following table:

Types of R&D	Useful life
Development of devices of relay protection and automation (UPS RZA) for power lines with a voltage of 6-110 kV	36 months
Standard "Production asset management"	36 months
Investigation of network equipment operation modes with different methods of neutral grounding and the development of guidelines on how to choose the neutral grounding in electrical networks 6-35 kV	36 months

R&D structure on the beginning and for the end of the reporting period and its movement are given in the tables of explanations to the balance sheet of the Company in Application 5.2.1 "Existence and movement of



R&D results” and in Application 5.2.2 “Incomplete and unexecuted R&D and incomplete operations on acquisition of intangible assets”.

R & D expenses are determined in accounting under the following conditions:

- the amount of expense can be determined and verified,
- there is documented evidence of work (the act of acceptance of work performed, etc.)
- the use of results of works for the production and (or) management needs will lead to results with future economic benefits (income),
- the use of R&D results can be demonstrated.

In order that expenses of performed R&D were qualified for accounting purposes as part of R&D expenditure, it is necessary that:

- The company acted as the customer under contract for R&D, or performs work on their own structural units with the intention to use the results in their work,
- results of work were not subject to legal protection in accordance with applicable law or subject to legal protection, but it was not planned to obtain exclusive rights in accordance with legislation.

In case if results of performed R&D are planned to get the exclusive rights, the cost of this R&D accounted as an expenses of creation of intangible assets.

In case of failure of at least one of the above conditions and the costs associated with the implementation of R&D are determined as expenses of the current period.

In 2014, the Company did not incur the cost of establishing R&D.

## 6. FIXED ASSETS

Movement and the existence of fixed assets and related accumulated depreciation are presented in the Table of Application 5.3.1 “The existence and movement of fixed assets” of Explanations to the Balance Sheet of the Company.

As of December 31, 2014 the balance value of fully depreciated fixed assets excluding depreciation is amounted to RUB 45,763 thousand (31 December 2013: RUB 45,939 thousand, December 31, 2012: RUB 45,881 thousand).

Pledged as collateral against bank's loans of fixed assets of JSC Lenenergo as of 31.12.2014 aren't presented.

Expenses on the credits and loans of RUB 809,817 thousand (2013: RUB 401,732 thousand) were capitalized during the reporting period.

Fixed assets include objects, with consumer properties that with the passage of time do not change, are not subject to amortization. Information on the book value of such facilities as at December 31 is presented in the table below:

<b>Fixed assets</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Land plots	107,416	79,465	76,985
<b>Total</b>	<b>107,416</b>	<b>79,465</b>	<b>76,985</b>

Information about changes in the cost of fixed assets in which they are included for accounting purposes (construction, further equipping, reconstruction, partial liquidation and revaluation of fixed assets) is presented in the Table of Application 5.3.3 of Explanations to the balance sheet.

Information about the existence and movement of assets under construction and pending transactions for the purchase, modernization etc. is presented in the Table of Application 5.3.3 of Explanations to the balance sheet.

## 7. FINANCIAL INVESTMENTS

Information about the existence and movement of financial investments in the reporting period is presented in the Table of Application 5.4.1 of Explanations to the balance sheet.

On December 31, the value of financial investments is as follows:

	2014	2013	2012
Equity investments, for which the market value is not determined with minus of allowance for impairment in the amount of 49,318 (2013: 49,318, 2012: 105)	901,291	897,795	947,113
Debt financial investments for which the current market value is not determined	4 760,256	6,284,109	2,266,000
<i>Including:</i>			
Long-term part	1,703,717	–	–
Short-term part	3,056,539	6,284,109	2,266,000

### 7.1. Equity financial investments

Financial investments considered on balance of the Company as at 31.12.2014 classified as long-term investments into subsidiaries, dependent and other companies, taking into account the created reserve under depreciation total RUB 901,290 thousand.

Name	Type of shares	Quantity	Share in the authorized capital	Year of investment	Book value as at 31.12.2014	Book value as at 31.12.2013	Book value as at 31.12.2012
CJSC Kurortenergo	ordinary preferred	1,599 77	98,13%	2010	517,140	517,140	517,140
CJSC Tsarskoselskaya Energy Company	ordinary preferred	7,229 1,272	96,96%	2010	372,313	372,313	372,313
JSC Northwest Energy Management Company	ordinary preferred	74,180,864 38,063,689	12.51%	2005	–	–	49,318
CJSC LESR	ordinary	1,000	100%	1999	7,338	7,338	7,338
JSC Power Service Company Lenenergo	ordinary	1,000,000	100%	2011	1,000	1,000	1,000
JSC Energouchet	ordinary	4,000	40%	1993	–	4	4
AOZT Akvatron	ordinary	2	1,33%	1991	–	–	–
PJSC Federal Test Center	ordinary	3,500	1%	2014	3,500	–	–
<b>Total</b>					<b>901,291</b>	<b>897,795</b>	<b>947,113</b>

The indicated shares of JSC Energouchet were sold on 01.04.2014 according to the signed contract w/n of sale of ordinary registered uncertified shares with LLC Investment center Picasso on the basis of the decision of the Board of Directors of JSC Lenenergo of 11.02.2014 (Item 5 of Minutes # 21) pursuant to sub-item 21 of item 15.1 Article 15 of the Charter of JSC Lenenergo.

Based on the decision of the Board of Directors of JSC Lenenergo of 06.11.2014 (item 1 of Minutes #11) the Company's participation in the public joint stock company Federal Test Center (PJSC FTC) was approved. Share of the JSC Lenenergo in the authorized capital of PJSC FTC is 1%, which represents RUB 3,500 thousand.

As of 31.12.2014 a reserve under depreciation of financial investments concerning JSC Northwest Energy Management Company shares and AOZT Akvatron in the amount of RUB 49,318 thousand was created by the Company.

### 7.2. Debt financial investments

The Company has debt financial investments that are represented by deposits. As of 31 December 2014 the amount of Company's deposits in the credit organizations amounted to RUB 13,367,045 thousand (31 December 2013: RUB 6,284,109 thousand, 31 December 2012: RUB 2,266,000 thousand).

Description of deposits as of 31.12.14 is as follows:

<b>Deposits by maturity</b>	<b>Interest rate (from / to)</b>	<b>Maturity date</b>	<b>Amount, RUB thousand</b>
Bank Tavrichesky (JSC)	9,75	20 April 2015	3,671,488
Bank Tavrichesky (JSC)	9,75-12,75	29 May 2015	9,695,557
<b>Total</b>			<b>13,367,045</b>

As of December 31, 2014, the Bank Tavrichesky (hereinafter - the Bank) have problems with liquidity. On February 11, 2015 the Bank introduced the procedure of external management, the interim administration functions were imposed on GC Deposit Insurance Agency (hereinafter - DIA). In accordance with the plan of participation, DIA implements a set of measures to prevent bank failures.

Currently, the DIA held a competition to select an investor for the rehabilitation of the Bank. According to the results of the competition investor Bank was announced JSC AKB International financial club. DIA provides funding of up to 28 RUB bn for the purposes of financial recovery procedures. These funds, first and foremost, will let to restore the current liquidity of the Bank and normalize its payment discipline.

In the transit account of the Bank there were some funds of the Company that were sent to the repayment of debts to contractors, but not performed as of December 31, 2014. The amount of outstanding unfulfilled payment orders totaled RUB 2,285,575 thousand. By the terms of the contracts JSC Lenenergo with counterparties, the obligation of JSC Lenenergo to pay for works performed and services rendered are considered from the moment of debiting the funds from the settlement account of JSC Lenenergo. Accordingly, due to the performance of their obligations, the Company has reflected on 31.12.14 repayment of debt.

In accordance with the restructuring plan, the Company's management expects that the portion of the debt will be returned to the account of JSC Lenenergo in 2015, and the rest in 20 years with quarterly payments of interest accrued at the rate of 0.51% on the amount of payment in advance.

As of December 31, 2014 debt investments, which of the current market value is not defined, were evaluated on the estimated cost. Estimated cost of debt financial investments of the Company is defined as the value of the economic benefits that the Company expects to receive from these investments in the normal conditions of its activities.

As of 31.12.2014, a provision for impairment of financial investments in the amount of the difference between the book value and the estimated value of such investments was created. The reserve as of 31.12.2014 amounted to RUB 8,606,789 thousand.

As of 31 December 2014, the Company granted no loans.

## **8. INVENTORIES**

The existence and movement of inventories is given in the Table of the Application 5.5.1 of Explanations to the balance sheet.

As of December 31, 2014 the pledged material and production inventories are absent.

## **9. RECEIVABLES**

The information about existence and movement of receivables on the reporting period is given in the Table 5.6.1 of Explanations to the balance sheet.

As of 31.12.2014 the Company' receivables totaled RUB 12,519,884 thousand, that is by RUB 2,737,520 thousand higher than for the year beginning when receivables totaled RUB 9,782,364 thousand.

From the total amount of receivables:

- long-term receivables – RUB 752,712 thousand (5.9% from total receivables);
- short-term receivables – RUB 11,767,172 thousand (94.1 % from total receivables).

#	Receivables	Line code of the BS	As of 31.12. 2014	As of 31.12. 2013	As of 31.12.2012
<b>1</b>	<b>Total</b>	1230	<b>1, 519,884</b>	<b>9,782,364</b>	<b>6,277, 505</b>
<b>1.1</b>	<b>Long-term receivables including:</b>	1231	<b>752,712</b>	<b>323,534</b>	<b>201,158</b>
<b>1.1.1</b>	<b>Buyers and customers on technological connection</b>	12311	<b>202,527</b>	<b>2,983</b>	<b>4,867</b>
<b>1.1.2</b>	<b>Advances paid, including:</b>	12314	<b>3,852</b>	<b>32,880</b>	<b>117,733</b>
<b>1.1.3</b>	<b>Other receivables</b>	12315	<b>546,333</b>	<b>287,671</b>	<b>78,558</b>
	LLC Petroestate		71,721	71,721	71,121
	VAT from long-term advances received		469,980	211,962	–
	<i>Other</i>		4,632	3,988	7,437
<b>1.2</b>	<b>Short-term receivables</b>	1232	<b>11,767,172</b>	<b>9,458,830</b>	<b>6,076,347</b>
<b>1.2.1</b>	<b>Buyers and customers , including:</b>	123201	<b>6,866,073</b>	<b>5,894,969</b>	<b>2,790,090</b>
1.2.1.1	Power consumption without contract		724,941	554,592	1,76,776
1.2.1.2	Buyers and customers on technological connection		1, 672,721	2,102,797	1,190,642
1.2.1.3	Buyers and customers on electricity transmission		4,351,298	3,151,084	1,347,705
1.2.1.4	Income from leasing		30,776	34,101	54,162
1.2.1.5	Buyers and customers on other activities		86,337	52,395	20,805
<b>1.2.2</b>	<b>Advances paid</b>	123205	<b>1,051,051</b>	<b>540,122</b>	<b>255,880</b>
1.2.2.1	To suppliers of materials		4,344	4,309	3,892
1.2.2.2	To repair organizations		15,403	125	10,872
1.2.2.3	To service providers, including:		1, 031,304	535, 688	241,116
<b>1.2.3</b>	<b>Other debtors</b>	123206	<b>3,850,048</b>	<b>3,023,739</b>	<b>3 030,377</b>
1.2.3.1	On penalties, fines, penalties on contracts		4,233	4,508	7,038
1.2.3.2	Overpayment on taxes, including:		1,076,297	379,176	425,633
1.2.3.3	Overpayment to off-budget funds		2,769,518	2,640,055	2,597,706
	Other debtors		1,695,860	2,241,606	2,398,039

	VAT from advances received		142,603	139,750	132,439
	<i>The other debtors, including:</i>		931,055	258,699	67,228
	Interest on deposit contracts		748,366	–	–

## 10. CASH AND CASH EQUIVALENTS

As of 31.12.2014 cash funds including:

	2014	2013	2012
Cash funds in rubles in cashier's desk and in bank accounts	1 165,170	3,369,560	3,161,591
Cash equivalents	1,341	840	1,221
<b>Total</b>	<b>1,166,511</b>	<b>3,370,400</b>	<b>3,162,812</b>

As of 31.12.2014 the Company has the ability to attract the following additional funds:

- that opened to the Company, but unused lines of credit at the balance sheet date in the total amount of RUB 2,536,560 thousand. The creditor has set the following restrictions on the use of credit resources:

- RUB 2,500,000 thousand under the contract on revolving credit line # 0400-14-3-0 from 17.04.2014 with PJSC Promsvyazbank. Credit debt within the limit is provided for the following purposes: financing of production and business activities, including the financing of investment activities.

Borrower is not entitled to direct cash loans obtained in the credit line under this Contract to:

- granting of loans to third parties and the repayment of loans to third parties;
- the acquisition of bills of third parties.

- RUB 36,560 thousand on the contract on opening a revolving credit line #00.02-1-2 / 01/079/14 of 16.04.2014 with JSC AB RUSSIA. Credit debt within the limit is provided for the following purposes: to refinance loans.

Borrower is not entitled to direct cash loans obtained in the credit line under this Contract to:

- granting of loans to third parties and the repayment of loans to third parties;
- acquisition of bills of third parties.

In 2014, the Company transferred to the innovation and modernization of production RUB 12,642,724 thousand.

## 11. OTHER ASSETS

At December 31, other assets consisted of the following:

Type of asset	2014		2013		2012	
	Non-current	Current	Non-current		Non-current	Current
Expenses on acquisition non-exclusive rights and licenses	77,737	–	86,405	–	74,388	–
Expenses on the purchase of electric power by the Company from network companies for further technological connection of customers	475,623	–	537,167	–	572,726	–
Expenses on insurance of property and employees	13,778	–	8,643	–	19,818	–
VAT on advances issued for capital construction and	–	181,460	–	82,417	–	134,124

Type of asset	2014		2013		2012	
	Non-current	Current	Non-current		Non-current	Current
acquisition of fixed assets						
<b>Total</b>	<b>567,138</b>	<b>181,460</b>	<b>632,215</b>	<b>82,417</b>	<b>666,932</b>	<b>134,124</b>

## 12. Charter capital

The Company's charter capital is completely paid, and as at 31.12.2014 it constitutes RUB 1,752,079 thousand. The number of shares, issued and fully paid as of 31.12.2014 is amounted: 1,752,079 thousand pcs, (31.12.2013: 1,228,325 thousand pcs, 31.12.2012: 1,228,325 thousand pcs). The nominal value of each ordinary and preferred share is 1 ruble.

Ordinary registered uncertified shares, pcs	1,658,814,839
Preferred registered uncertified shares of type A, pcs	93,264,311

As of 31.12. 2014 the Company has no shares issued but not paid or partially paid. Also, the Company, its subsidiaries and affiliates on the reporting date has no owned shares.

	Number of shares outstanding		Authorized capital (RUB thousand)
	Preferred shares	Preferred shares	
<b>As of 31.12.2012</b>	93,264,311	1,135,061,313	1,228,326
<b>As of 31.12.2013</b>	93,264,311	1,135,061,313	1,228,326
Issue of shares	–	523,753,526	
<b>As of 31.12.2014</b>	93,264,311	1,658,814,839	1,752,079

On September 10, 2013 additional issue of ordinary shares of JSC Lenenergo in the quantity of 926,876,304 pieces was registered.

During implementation of the pre-emptive right, JSC Rosseti acquired 495,049,505 of ordinary shares to the amount of RUB 3 billion, other shareholders acquired 18,904,97 pieces of ordinary shares to the amount of RUB 114 thousand.

Within an open subscription, JSC Rossetti acquired 28,685,116 pieces of ordinary shares to the amount of RUB 173,832 thousand.

16 October 2014 the Report on results of additional issue was registered.

During the additional issue was actually placed 523,753,526 pieces of ordinary shares to the amount of RUB 3,173,946 thousand.

On January 15, 2015 by the decision of the Bank of Russia, due to the expiration of 3 months from the date of state registration of the report of additional issue of ordinary registered shares of JSC Lenenergo, the individual number of the additional issue - 003D (GRN - 1-01-00073-A 003D) (Notification of the Bank of Russia from 01.16.2015 # 52-4 / 290) was cancelled.

Information about shareholders holding 1% or more of the voting shares of the Company:

Name	% from ordinary shares	% from authorized capital
JSC Russian Grids	68,12	64,49
St. Petersburg represented by CPMC	18,18	17,22
JSC IDGC of Ural	4,89	5,93
ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED	2,32	2,23
RUSENERGO FUND LIMITED	1,53	2,98
Citigroup Global Markets Limited	1,35	1,28
Other	3,60	5,88
<b>Total</b>	<b>100,00</b>	<b>100,00</b>

In 2014, dividends were declared for 2013 on preferred shares to the amount of RUB 0.4556 per one preferred share of the Company in cash funds. Dividends on ordinary shares of the Company for 2013 were calculated as follows:

- the amount of dividend (in rubles) per one ordinary share = 15% of net profit for 2013 (according to the data of accounting in accordance with Russian accounting standards without proceeds from the revaluation of financial investments) actual number of placed ordinary shares of the Company as of the date of listing persons entitled to receive dividends. The amount of dividends for 2013 on ordinary shares amounted to RUB 0.0391 per ordinary share.

### 13. DEBT FUNDS

As of 31 December, debt funds included (RUB thousands of their principal amounts):

	2014		2013		2012	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Bank loans	1,400,000	42,188,440	3,813,440	23,406,037	3,000,000	21,644,586
Bonds	–	6,000,000	–	6,000,000	–	3,000,000
<b>Total</b>	<b>1,400,000</b>	<b>48,188,440</b>	<b>3,813,440</b>	<b>29,406,037</b>	<b>3,000,000</b>	<b>24,644,586</b>

Total expenses on loans and credits included in other expenses and in the value of investment assets, in 2014 amounted to RUB 2,765,977 thousand and RUB 809,818 thousand respectively, in 2013 - RUB 2,217,089 thousand and RUB 401,732 thousand respectively, in 2012 - RUB 1,787,795 thousand and RUB 279,681 thousand respectively.

As of 31.12.2014 short-term debt funds had the following structure on a principal debt sum:

Name	As of 31.12.2014	Annual interest rate, %	Maturity	Provision of security
<b>Credits</b>				
JSC Sberbank of Russia, Agreement 0162-1-108010 of 29.09.10	500,000	7,91	2015	Unsecured
Branch Meridian JSC VTB Bank in St. Petersburg, Agreement 80/10 of 28.07.10	500,000	8,19	2015	Unsecured
JSC AKB Svyaz-Bank agreement 005/2010 of 30.07.10	400,000	8,06	2015	Unsecured
<b>Total</b>	<b>1,400,000</b>			

The carrying value of short-term loans and credits with the accrued interest reflected in the following currencies (balance in RUB thousand as of 31 December, on a principal debt sum with interest):

	2014	2013	2012
Russian rubles	1,580,979	3,970,003	3,144,374
<b>Total</b>	<b>1,580,979</b>	<b>3,970,003</b>	<b>3,144,374</b>

As of 31.12.2014 long-term debt funds had the following structure of their principal amount:

Name	As of 31.12.2014	Annual interest rate, %	Maturity	Provision of security
<b>Credits</b>				
JSC Sberbank of Russia, Agreement # 0162-1-107311 of 19.04.2011	500,000	7,55	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-110811 of 4.07.2011	1,000,000	7,28	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-114711 of 27.09.2011	500,000	7,86	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-114811 of 27.09.2011	1,000,000	7,82	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-114911 of 27.09.2011	1,000,000	7,86	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-115011 of 27.09.2011	1,000,000	7,86	2016	Unsecured
JSC AB Russia Agreement # 2.1-1/045/2011 of 19.04.2011	1,025,000	12,5	2016	Unsecured
JSC AB Russia Agreement # 2.1-1/046/2011 of 19.04.2011	1,000,000	12,5	2016	Unsecured



Name	As of 31.12.2014	Annual interest rate,%	Maturity	Provision of security
JSC AB Russia Agreement # 2.1-1/047/2011 of 19.04.2011	1,000,000	12,5	2016	Unsecured
JSC AB Russia Agreement # 2.1-1/048/2011 of 19.04.2011	1,000,000	12,5	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-108213 of 28.06.2013	500,000	8,28	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-108313 of 28.06.2013	1,000,000	8,348	2016	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-108413 of 28.06.2013	500,000	8,28	2016	Unsecured
JSC Sberbank of Russia 0162-1-115913 of 17.09.2013	4,700,000	8,3	2018	Unsecured
JSC Sberbank of Russia, Agreement # 0162-104513-RKL of 27.09.2013	5,000,000	8,058	2018	Unsecured
JSC Sberbank of Russia, Agreement # 0162-104613- RKL of 27.09.2013	2,000,000	8,058	2017 – 2018	Unsecured
JSC Sberbank of Russia, Agreement # 0162-105313-RKL of 12.12.2013	5,000,000	8,058-10,00	2017 – 2018	Unsecured
JSC Sberbank of Russia, Agreement # 0162-1-101714 of 17.04.2014	2,000,000	9,1	2017	Unsecured
JSC Promsvyazbank, Agreement 0400-14-3-0 of 17.04.2014	1,500,000	16,08	2017	Unsecured
JSC AB Russia Agreement # 00.02-1-2/01/079/14 of 16.04.2014	2,963,440	9,25	2017	Unsecured
JSC Rosselkhozbank, Agreement # 143500/0068 of 24.09.2014	2,000,000	10,919	2017	Unsecured
JSC Rosselkhozbank, Agreement #143500/0069 of 24.09.2014	3,000,000	11,322-14,9	2017	Unsecured
JSC Sberbank of Russia, Agreement # 0162-100914-RKL of 10.11.2014	1,000,000	12,2	2017	Unsecured
JSC Sberbank of Russia, Agreement # 0162-100814-RKL of 10.11.2014	2,000,000	12,2	2017	Unsecured
<b>Bonds</b>				Unsecured
# 4 04 00073-A of 29.03.2012	3,000,000	8,5	2017	Unsecured
#4B02-01-00073-A of 20.07.2012	3,000,000	8,25	2016	Unsecured
<b>Total credits</b>	<b>42,188,440</b>			
<b>Total bonds</b>	<b>6,000,000</b>			
<b>Total debt funds</b>	<b>48,188,440</b>			

Below there is a schedule of payments on long-term debts (on a principal debt):

Maturity year	Sum, RUB thousand
2015	–
2016	14,025,000
2017	24,463,440
2018	9,700,000
After 2018	–

On the bond issue series 4 maturing in 2017 pursuant to item 7.22 “Data on holding (carrying) redemption”, on demand of the bond's holder can be produced 100% redemption of the nominal value with accrued coupon income on the date of redemption as of 21.04.2015 - payment of 6 coupon income with the consent of the issuer.

The carrying value of long-term loans and credits reflected in the following currencies (balance of RUB thousand as of December 31:

	2014	2013	2012
Russian rubles	48,188,440	29,406,037	24,644,586
<b>Total</b>	<b>48,188,440</b>	<b>29,406,037</b>	<b>24,644,586</b>

In 2014, the Company received loans and credits on innovation and modernization of production in the total amount RUB 17,718,963 thousand. As of 31.12.2014, were used RUB 12,642,724 thousand. The Company incurred expenses in the amount of RUB 17,298 thousand related to obtaining loans and credits for the purchase (creation) of investment assets in projects related to innovation and modernization of production.

#### 14. ESTIMATED LIABILITIES

Movement in estimated liabilities is given below:

	Reserves for future payments for holidays to employees	Reserve under payment of annual remuneration	Reserve under judicial proceedings	Other reserves	Total
<b>31 December 2012</b>	<b>132,554</b>	<b>112,539</b>	<b>141,277</b>	<b>674,739</b>	<b>1,061,109</b>
Recognized in the reporting period	351,058	127,874	310,213	527,501	1,316,646
Written off on reflection of expenses or recognition of accounts payable	(357,281)	(68,278)	(135,518)	(737,404)	(1,298,481)
Written off due to redundancy or termination of the conditions for recognition	(10,520)	(44,261)	(14,640)	–	(69,421)
<b>31 December 2013</b>	<b>115,811</b>	<b>127,874</b>	<b>301,332</b>	<b>464,836</b>	<b>1,009,853</b>
Recognized in the reporting period	377,501	106,514	310,246	4,367,467	5,161,728
Written off on reflection of expenses or recognition of accounts payable	(403,166)	(98,037)	(162,086)	(1,510,723)	(2,174,012)
Written off due to redundancy or termination of the conditions for recognition	–	(26,321)	(954)	–	(27,275)
<b>31 December 2014</b>	<b>90,146</b>	<b>110,030</b>	<b>448,538</b>	<b>3,321,580</b>	<b>3,970,294</b>

On December 31, estimated liabilities had the following structure:

	2014	2013	2012
<b>Of the total amount of reserves:</b>			
Long-term	–	–	–
Short-term	3,970,294	1,009,853	1,061,109
<b>Total</b>	<b>3,970,294</b>	<b>1,009,853</b>	<b>1,061,109</b>

#### *Reserves for future payments for holidays to employees*

Reserve was created in respect of future payments for holidays to employees by Company that is unused as of 31.12.2014. It is expected that the rest of the reserve as of 31 December 2014 will be used in the first half

of 2015. In the opinion of management, the actual flow of payments will not exceed the amount of the holiday allowance, reporting as of 31.12.2014.

***Reserve under forthcoming expenses on compensation payment following the results of work for the reporting period***

Reserve was created in respect of future payments for holidays to employees by Company that is unused as of 31.12.2014.

***Reserve under judicial proceedings***

Reserve under judicial proceedings, incomplete for the reporting date, include arbitration affairs decisions on which were not made by the court of the second instance in favor of JSC Lenenergo and the probability of which favorable outcome in favor of the Company was estimated by the Company as low. The size of this type of liabilities as of 31.12.2014 was RUB 448,538 thousand on 26 lawsuits, from which the largest are:

- JSC FGC UES for the sum of RUB 228,296 thousand under the contract on electricity transmission,
- LLC Interkros SP for the sum of RUB 195,501 thousand under the contract on connection to electric networks,
- LLC Admiral Invest of the sum of RUB 10,331 thousand under the contract on connection to electric networks,
- LLC Voin-B of the sum RUB 4,741 thousand, under the contract on connection to electric networks,

***Other reserves***

Reserves under other estimated liabilities include reserve under the award for input of facilities and reserve under disagreements that are not settled out in the pretrial order.

Reserves under estimated liabilities on disagreements, that are not settled out in the pretrial order, incomplete for the reporting date, include claims, that are under consideration and claims, under consideration by the court of the first instance in not favor of JSC Lenenergo and the probability of which favorable outcome in favor of the Company was estimated by the Company as low.

The size of this type of liabilities as of 31.12.2014 was RUB 3,183,603 thousand, from which the largest are:

- JSC St. Petersburg Electric Networks to the sum of RUB 1,932,579 thousand under the contract on electricity transmission,
- JSC Petrodvorets power networks to the sum of RUB 388,970 thousand under the contract on electricity transmission,
- JSC Petersburg Sales Company to the sum RUB 358,132 thousand under the contract on electricity transmission,
- SC Vsevolzhsk Electric Networks Enterprise to the sum of RUB 317,972 thousand under the contract on electricity transmission,
- JSC United Energy Company to the sum of 160,615 thousand under the contract on electricity transmission,
- JSC FGC UES to the sum RUB 25,034 thousand under the contract on electricity transmission,

Disagreements with related organizations have occurred from the issue of volume and cost of services provided for the electricity transmission. In the balance sheet the value of recognized estimated liability is reflected in the “Estimated liabilities”. It is expected that the court decisions on the claims will be made no later than the first half of 2015.

The reserve size under other liabilities which have not been settled with contractors is referred to other expenses.

Movement of reserves under estimated liabilities is given in the table of Application 5.7.1 “Estimated liabilities”.

## 15. ACCOUNTS PAYABLE

Existence and movement of accounts payable in reporting period is reflected in Table 5.6.5 of Explanations to the balance sheet.

In turnovers, accounts payable that have been formed and repaid in one reporting period is not included.

As of 31.12.2014 the Company's cumulative accounts payable totaled RUB 35,783,544 thousand which is higher by RUB 959,199 thousand than for the beginning of the year when cumulative accounts payable totaled RUB 34,824,345 thousand.

Of the total amount of accounts payable:

- long-term payables amounted to RUB 3,213,499 thousand (9% of total receivables);
- short-term payables amounted to RUB 32,570,045 thousand (91% of total receivables).

The structure of accounts payable is as follows:

#	Accounts payable	Line of balance code	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
<b>1.1.</b>	<b>Long-term accounts payable</b>	1450	<b>3,213,499</b>	<b>1,906,733</b>	<b>1,476,321</b>
	<i>Advances on technological connection</i>		3,080,959	1,770,333	1,335,149
<b>1.2.</b>	<b>Accounts payable</b>	1520	<b>32,570,045</b>	<b>32,917,612</b>	<b>21,378,193</b>
<b>1.2.1.</b>	<b>Debt to suppliers and contractors</b>	1521	<b>19,002,101</b>	<b>13,991,689</b>	<b>6,476,867</b>
	to construction organizations	15211	9,385,036	6,693,461	4,346,511
	to repair organizations	15212	545,674	617,470	395,827
	to other suppliers and contractors, including:	15213	9,071,391	6,680,758	1,734,529
	<i>on services of JSC FGC UES</i>		4,672,356	3,728,705	630,872
	<i>on services of other grid companies on electricity transmission</i>		2,903,969	1,574,624	585,627
	Other suppliers and contractors		1,495,066	1,377,429	518,030
	to other suppliers and contractors		705,097	643,107	–
	<i>Debt on contracts of technological connection</i>		114,759	143,701	200,314
	<i>Settlements with other suppliers and contractors</i>		74,418	125,446	–
	<i>Suppliers of MPZ except GSM</i>		59,687	146,066	13,822
<b>1.2.2.</b>	<b>Debt to labor payment</b>	1523	<b>226,929</b>	<b>234,879</b>	<b>154,674</b>
<b>1.2.3.</b>	<b>Debt to extra-budgetary funds</b>	1524	<b>86,304</b>	<b>75 606</b>	<b>85,956</b>
<b>1.2.4.</b>	<b>Debt to taxes and fees</b>	1525	<b>225,400</b>	<b>642,283</b>	<b>360,535</b>
<b>1.2.5.</b>	<b>Advances received</b>	1526	<b>11,030,377</b>	<b>13,800,034</b>	<b>13,874,103</b>
	on technological connection		10,948,173	13,773,589	13,853,656

	other advances received		82,204	26,445	20,447
<b>1.2.6.</b>	<b>Other creditors</b>	1528	<b>1,998,934</b>	<b>4,173,121</b>	<b>426 058</b>
	<i>Non-contractual electricity consumption</i>		14,003	12,377	6,677
	Settlements of Lawsuits		13,484	28,370	–
	JSC Russian Grids (settlements on the issue of shares)		–	3,0,0,000	–
	<i>Collateral</i>		1,961,063	867,376	291,537
	<i>Other</i>		10,384	264,998	127,844

The Table 5.6.6 of Explanations to the balance sheet shows the decoding of overdue payables as at 31 December 2012, 2013 and 2014, formed as a result of the analysis of contractual obligations of the Company to pay the debt.

#### *Debt to governmental extra-budgetary funds*

As of 31 December debt to governmental extra-budgetary funds had the following structure:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Insurance premiums – total	85,238	74,072	84,331
including:			
Social Insurance Fund	–	350	1,686
Pension Fund	73,985	63,655	71,165
Federal Compulsory Medical Insurance Fund	11,253	10,067	11,480
Compulsory Social Insurance Fund (compulsory accident insurance at work and occupational diseases)	1,066	1,534	1,625
<b>Total debt to governmental extra-budgetary funds</b>	<b>86,304</b>	<b>75,606</b>	<b>85,956</b>

#### *Debt to taxes and fees*

As of 31 December, debt to taxes and fees includes:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Profit Tax	–	476,837	305,687
Value added tax	–	–	1,033
Property tax	176,928	116,694	22,962
PIT	46,265	46,538	27,883
Other	2,207	2,214	2,970
<b>Total debt to taxes and fees</b>	<b>225,400</b>	<b>642,283</b>	<b>360,535</b>

As of 31.12.2014, 2013 and 2012 the Company had no overdue obligations on taxes and fees.

## **16. INCOME AND EXPENSES**

Information on revenue (net) from sales of goods, products, works and services (net of VAT, excise taxes and other similar compulsory payments) (RAS 9/99), the cost of goods, products, works and services, as well as commercial and management expenses is represented below (RAS 10/99):

Type of activities	Revenue (net) from sales of goods, products, works and services (net of VAT, excise taxes and other similar compulsory payments)	Cost of goods, products, works, services sold	Gross profit \ (loss)
from electric power transmission	36,261,449	38,756,444	(2,494,995)
from technological connection	8,248,994	390,068	7,858,926
from works and services of industrial character	211,666	110,040	101,626
<b>Total for 2014</b>	<b>44,722,108</b>	<b>39,256,552</b>	<b>5,465,556</b>

Type of activities	Revenue (net) from sales of goods, products, works and services (net of VAT, excise taxes and other similar compulsory payments)	Cost of goods, products, works, services sold	Gross profit \ (loss)
from electric power transmission	33,206,992	35,903,216	(2,696,224)
from technological connection	6,515,077	436,615	6,078,462
from works and services of industrial character	179,949	89,445	90,504
<b>Total for 2013</b>	<b>39,902,018</b>	<b>36,429,276</b>	<b>3,472,742</b>

The buyers sales revenue, on which makes not less than 10 % of total revenue of the Company from sales to external buyers are as follows:

1. JSC Petersburg Sales Company. The total value of revenue in 2014 from sale of services on electric power transmission to JSC Petersburg Sales Company was RUB 26,769,521 thousand (w/o VAT). In 2013 this amount was RUB 20,673,140 thousand (w/o VAT).
2. JSC RKS-energo. The total value of revenue in 2014 from sale of services on electric power transmission to JSC RKS-energo was RUB 3,789,987 thousand (w/o VAT). In 2013 this amount was RUB 3,512,099 thousand (w/o VAT).

Revenue from technological connection to the networks of JSC Lenenergo received as a result of implementation of the contracts providing payment by non-cash funds was formed on 39 organizations and totaled RUB 1,533,671 thousand (w/o VAT).

Information on the cost of goods manufactured and sold in the reporting period (works, services) in the context of the cost components is presented in Table of Explanations to the Balance Sheet and the financial results.

Cost of sold goods, works and services in elements of costs (RUB thousand):

Elements of costs	2014	2013
Works and services of industrial character performed by third-party organizations	22,103,458	20,331,893
Depreciation	8,972,034	8,261,000
Labor costs	3,269,620	3,154,032
Repairs	1,234,108	1,460,398
Deductions for social welfare	860,058	826,538
Material costs	404,795	593,863
Miscellaneous expenditures:	2,412,501	1,801,552
Taxes included in prime cost	744,676	500,373
Payment for rent	458,163	416,686
Insurance fees	149,311	140,160
Other expenses	328,302	347,208
Other services of third-party organizations	732,049	397,125
<b>Total</b>	<b>39,256,552</b>	<b>36,429,276</b>

The cost of sales reflects general expenses to the amount of RUB 1,671,647 thousand for 2014 and to the amount of RUB 1,989,258 thousand for 2013.

## 17. MISCELLANEOUS INCOME AND EXPENSES

During 2014, the following miscellaneous income and expenses were produced and incurred:

Miscellaneous income	2014	2013
Income related to the provision for payments for temporary use of the Company's assets	145,459	118,908
Income from sale of fixed assets and other assets, other than cash funds, products and goods	39,715	41,817
Fines and penalties for breach of contract	32,480	155,308
Donated assets	2,939	16,705
Income of previous years revealed in the reporting year	45,209	13,668
Assets capitalized on the results of the inventory	78,298	2,983
Restoration of estimated reserves due to redundancy or termination of the conditions for recognition	1,453,686	183,234
Accounts payable for which limitation period has expired	24,147	255,149
Income from the identified non-contractual electricity consumption	1,528,522	1,907,313
The cost of material values credited by dismantling and disposal of assets	33,277	23,191
Other	238,781	811,200

<b>Total miscellaneous income</b>	<b>3,622,513</b>	<b>3,529,476</b>
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<b>Miscellaneous expenses</b>	<b>2014</b>	<b>2013</b>
Expenses from sale, disposal, and other written-off of fixed assets and other assets, other than cash funds (except foreign currency), products and goods	30,031	29,181
Expenses related to payment services provided by credit institutions	5,278	7,555
Contributions on reserve for estimated liabilities/ reserves of the forthcoming expenses	4,936,865	1,831,229
Depreciation of financial investments	8,606,789	49,318
Fines and penalties for breach of contract	103,959	92,914
Loss of previous years revealed in the reporting year	957,511	114,891
Expenses on identified non-contractual electricity consumption	263,825	456,866
Charitable contributions	24,980	35,406
Accounts receivable for which limitation period has expired	142,149	193,632
Disposal of incomeless assets	50,008	150,001
Legal fees and expenses of executive production	170,047	90,990
Expenses for sports and cultural activities	37,265	36,384
Other	1,132,169	896,799
<b>Total miscellaneous expenses</b>	<b>16,460,876</b>	<b>3,985,166</b>

## 18. PROFIT TAX

Reconciliation between profit tax and accounting profit is given in Table 2.3 of Explanations to the balance sheet.

In 2011, on the transit of electricity there were disagreements on the volume and tariff rate of contractual relations with JSC FGC UES. Amounts of difference were reserved in 2011 and it was formed by a deferred tax asset. In 2014 the tax asset in the amount of RUB 96,315 thousand was reflected in the adjustments for profit tax of the updated Declaration for 2011.

## 19. EARNINGS PER SHARE

The Company has no potential diluted ordinary shares; therefore the diluted earnings per share equal basic earnings per share.

	<b>2014</b>	<b>2013</b>
Weighted average number of outstanding ordinary shares (thousand)	1,178,707	1,135,061
Net of weighted number of owned ordinary repurchased shares (thousand)	–	–
Weighted average number of outstanding ordinary shares (thousand)	1,178,707	1,135,061
Profit / (loss) for the year attributable to shareholders of the parent company	(7,967,844)	424,867
Base and diluted earnings / (loss) per share (thousand)	(6.7598)	0.3743



## 20. RELATED PARTIES

In the course of implementation of financial and business activity, the Company makes transactions with companies that are related parties.

For the purposes of the present accounting (financial) statements in accordance with RAS 11/2008 “Information on related parties” the following related parties were identified:

Information on affiliates of the JSC Lenenergo pursuant to requirements of Corporate Code of Conduct and normative documents of the Federal Service for Financial Markets of Russia is disclosed and published in the Internet on the website at [www.lenenergo.ru](http://www.lenenergo.ru), and on the website for information disclosure <http://www.e-disclosure.ru/portal/company.aspx?id=65>.

Conditions and terms of implementation (completion) of calculations for operations are carried out according to the signed contracts, the form of calculations – non-cash. Calculations with organizations are carried out in rubles.

As of 31.12.2014 balances on transactions between the Company and its related parties are presented below:

	2014	2013	2012
<b>Accounts receivable and advances made</b>	<b>111,186</b>	<b>56,399</b>	<b>69,996</b>
- main economic company	821	33	3,242
- affiliated economic companies	26,574	22,797	41,063
- other related parties	83,791	33,569	25,691
<b>Accounts payable</b>	<b>5,463,986</b>	<b>4,198,491</b>	<b>1,288,817</b>
- main economic company	4,813	4,813	–
- affiliated economic companies	227,025	134,182	132,737
- other related parties	5,232,147	4,059,496	1,156,080
<b>Advances received</b>	<b>39,385</b>	<b>47,856</b>	<b>47,905</b>
- main economic company	–	–	–
- affiliated economic companies	38,186	47,392	47,214
- other related parties	1,199	464	692

The types and amount of transactions with related parties:

	2014	2013
<b>Sale of goods, works and services</b>	<b>46,915</b>	<b>1,004</b>
- main economic company	2,149	–
- affiliated economic companies	10,537	1,004
- other related parties	34,229	–
<b>Purchase of goods, works and services</b>	<b>8,088,205</b>	<b>8,270,295</b>
- main economic company	91,356	88,382
- affiliated economic companies	1,404,885	1,039,412
- other related parties	6,591,964	7,142,501
<b>Rental assets from related parties</b>	<b>1,208</b>	<b>5,449</b>
- main economic company	–	–
- affiliated economic companies	–	–
- other related parties	1,208	5,449
<b>Leasing of assets to related parties</b>	<b>141,201</b>	<b>102,711</b>
- main economic company	–	–
- affiliated economic companies	140 578	102 711

	2014	2013
- other related parties	623	–
<b>Financial operations - Proceeds of issue</b>	<b>173 832</b>	<b>3 000 000</b>
- main economic company	173 832	3 000 000
- affiliated economic companies	–	–
- other related parties	–	–
<b>Financial operations - Acquisition of a share in the Company</b>	<b>3 500</b>	–
- main economic company	–	–
- affiliated economic companies	–	–
- other related parties	3 500	–

In 2014, according to the Company's Charter the remuneration totaled RUB 12,518 thousand to:

- Members of the Board of Directors – RUB 11,400 thousand;
- Audit Commission – RUB 1,118 thousand.

## 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### *Existing and potential claims against the Company*

As of 31.12.2014 the Company is involved in legal proceedings arising in the course of financial and economic activity. Litigation and claims with a high risk of loss disclosed in item 14 “Estimated liabilities”. The Company has reflected all contingent liabilities with a high risk of losing a part of the reserve.

### *Taxation*

Russian tax, currency and customs legislation is subject to varying interpretations and frequent changes. The management's interpretation of such legislation applied to the Company, the transactions and activity may be challenged by the relevant regional and federal authorities. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation of the legislation and assessments. As a result, tax authorities may challenge transactions and the accounting methods which they were used to not been challenged. As a result, they may be charged significant additional taxes, penalties and interest. Determination of amounts of claims for possible, but not the presented claims, as well as assessment of the likelihood of unfavorable outcome are not possible. Tax inspections may cover three calendar years proceeding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that, as of December 31, 2014, the relevant legislation is interpreted by them correctly, and the probability of maintaining a condition in which the Company's tax, currency and customs legislation are high.

From January 1, 2012 legislation in relation to transfer pricing, according to which, transfer pricing rules are changed, the list of persons who can be recognized as interdependent and lists of monitored transactions have been expanded. As law enforcement practice under the new rules has not yet developed, and some provisions of the new law contain contradictions, they cannot be called “well-defined”. In order to eliminate significant impact risks related to transfer pricing, accounting (financial) statements of the Company have developed a methodology of pricing for all types of controlled transactions, as well as standards of reporting documentation.

### *Disagreements contested extrajudicial*

Also on 31.12.2014, the Company has disagreements that are contested in the court with the companies:

- JSC Petersburg Sales Company of the sum RUB 366,348 rubles, without VAT.
- JSC FGC of the sum RUB 414,242 thousand w/o VAT.

The risk of a favorable outcome in the settlement of these disputes is estimated by the Company as an average.

### *Provided collateral*

As of 31.12.2014, providing collateral by the Company to any third party for its own liabilities and received collateral are reflected in Application 5.8.

## **22. DEVELOPMENTS SINCE 31 OF DECEMBER 2014**

Decisions on the payment of interim dividends for 2014 were not accepted by the Company. The decision on the distribution of profits by the end of 2014, including the payment of dividends for 2014 will be taken at the annual general meeting of shareholders of the Company.

As of December 31, 2014, the Bank Tavrishesky has problems with liquidity. On February 11, 2015 the Bank introduced the procedure of external management, the interim administration functions were imposed on GC Deposit Insurance Agency (hereinafter - DIA). In accordance with the plan of participation, DIA implements a set of measures to prevent bank failures. Currently, the DIA held a competition to select an investor for the rehabilitation of the Bank and, on 13 of March 2015 the Bank's investor was announced JSC AKB International financial club.

As part of the procedures for financial rehabilitation of the bank Tavrishesky, due to the occurrence of certain events of JSC Lenenergo may require additional funds in the amount of maximum limits in the sum RUB 637 mln. The Company's management considers the probability of occurrence of these events is not above than average.

No other significant events after the date of account reporting for 2014 has been signed, which could have a significant impact on the reporting of JSC Lenenergo, not revealed, except disclosed in items of this explanation note of the areas of accounting.

## **23. STATE SUPPORT**

Use by the Company of budgetary funds is given in the table of Application 5.9 "State support". During 2014, the Company had allocated budgetary credits to the amount of RUB 59,802 thousand (2013: RUB 850 thousand) to:

- execution of the contract to perform mobilization preparation;
- the funding of preventive measures to reduce workplace injuries and occupational diseases;
- compensation of expenses to compensate emergency reserve of diesel generator sets and ensuring security of energy supply of the most significant social importance of consumers in connection with the relocation of the relevant powers to the Crimean Federal District.

As of 31.12.2014 the Company received budget funds that have been fully spent.

## **24. INFORMATION ON THE RISKS OF ECONOMIC ACTIVITY**

### ***Potentially significant business risks to which the Company is exposed***

In the course of business, the Company is subject to the influence of industry, regulatory and other internal and external factors (significant conditions, events, circumstances, actions). In this regard, there are various risks that could significantly affect the financial position and results of operations.

The Company is subject to industry, financial, country and regional and legal as well as risks exclusively inherent to the Company.

### ***The mechanism of risk management***

The Company's management oversees the management of the risks listed above in order to minimize possible adverse effects on the financial position and financial performance of the Company. The Board of Directors approved the Risk Management Policy (Minutes BD of 09.09.2014).

### ***Industry risks***

These risks are presented risks of tariff regulation and the risk of reduced demand for services. The main services provided by the Company is the transmission of electricity through distribution grids and technological connection of consumers to electric networks and are the services that regulated by the State. Thus, the Company may take on regulatory risks associated with containment by the authorities of planned growth of tariffs for electricity transmission, adjustments of necessary gross profit due to the deviation of the actual parameters of the approved regulation and the possibility of changes in legislation in the tariff regulation. In the case of reduction in electricity consumption by end users, and the negative impact of this factor on financial results, the Company plans to intensify efforts to reduce costs, as well as to compensate for lost income in the rate of the next regulatory period by applying to regulatory agencies.

***Country and regional risks***

In spite of the Russian Government introducing a range of stabilization measures aimed at providing liquidity and refinancing of foreign borrowings for Russian banks and companies, there continues to be uncertainty regarding the access to capital and cost of capital for the Company and its counterparties, which could affect the Company’s financial position, results of operations and business prospects. The instability in the capital markets may lead to significant deterioration of liquidity in the banking sector and tighter credit conditions within Russia.

In general, the Company may not have a significant impact on the economic situation in the country. However, in the case of a negative impact of changes in the situation in the country or region of the Russian Federation, in which the Company operates, the Company will take all measures to reduce the adverse effects on the financial position and financial performance of the Company.

***Legal risks***

To minimize the risks in the relations with shareholders, maintaining of the register of shareholders is carried out by the professional registrar. The Company regularly implements measures aimed at communicating with shareholders and implement measures to comply with the legitimate rights and interests of the latter.

***Risks of antimonopoly regulation***

To reduce the influence of the factors that lead to the realization of the risk of antimonopoly regulation, the Company develops business processes of technological connection, simplifying their internal procedures and reducing their terms, introducing new forms of customer service, in particular related to interactive methods of service that reduces the impact of errors and abuse of staff factors. The Company also regularly assesses customer satisfaction and develops corrective actions on the results of evaluation.

***Financial risks***

The Company is subject to market risk, credit risk and liquidity risk.

***Market risks***

Market risks - the risks that the Company may have adverse consequences in the case of changes in certain market parameters. Market parameters include the following types of risks: interest rate risks, the risks of changes in foreign exchange rates and price risks.

***Risk of the change of interest rate***

As part of the financial and economic activities, the Company attracted borrowed funds. At the same time, due to the increase in the key rate of the Central Bank of the Russian Federation and the instability in the financial markets is likely to increase, the interest rates on individual loans in view of the contractual rights of the bank to increase the rate unilaterally.

A quantitative sensitivity analysis of the change of interest rate on profit before taxation is represented below:

	<b>Change of interest rate</b>	<b>Influence on [profit before taxation, RUB</b>
--	--------------------------------	--

		<b>thousand</b>
<b>Influence on 2014</b>	+3.99	1,652,018
	-3.99	(1,652,018)
<b>Influence on 2013</b>	+1.82	553,863
	-1.82	(553,863)

To reduce interest rate risks the Company uses the following measures:

- Implementation of business planning in view of rising interest rates;
- Establishing long-term agreements on revolving credit lines with significant borrowing limit and the limitations of the maximum interest rate on the loan depending on the refinancing rate of the Central Bank of the Russian Federation;
- Selection of financial institutions to provide services through open competitive procedures that allows attracting borrowed funds on the most favorable terms for the Company.

#### *Currency risks*

The Company provides services, sells products, purchases goods and attracts substantial borrowings only in Russian rubles. Thus, management believes that the Company is not exposed to currency risks.

#### *Inflation risks*

The negative impact of inflation on the financial and economic activity of the Company may be due to losses in the real value of accounts receivable, an increase of interest expense, and an increase of production costs decrease the real value of the funds under the investment program. Business planning in the Company is carried out in view of the expected growth in prices for products, works and services.

In the case of acceleration of the inflation rate, the Company plans to carry out additional measures to reduce costs. In addition, the actual level of inflation is taken into account in the framework of adjustment of the necessary gross proceeds in making tariff decisions by regulatory authorities, which partially compensates for influence of this risk on the financial and economic activities of the Company.

#### **Credit risk**

Credit risk - the risk that the Company will incur financial losses because counterparties fail to meet their obligations to provide them with borrowed funds (including in the form of the purchase of bills of deferral and installment payment for goods sold, work performed or services supplied). The Company is subject to credit risk from its operating activities (primarily for trade receivables) and financing activities, including deposits with banks and financial operations. The amount of credit risk is limited by the carrying amount of accounts receivable, financial investments and cash funds on the balance sheet date.

#### *Trade accounts receivable*

The credit risk management, associated with customers, is carried in accordance with policies, procedures and control system established by the Company in relation to the credit risk management, associated with customers. The credit quality of the customer is assessed based on an extensive evaluation of its creditworthiness. It carried out regular monitoring of outstanding receivables to implement the taking of timely actions to recover or create reserves. Information about the significant debtors is presented in *Section 9. Accounts receivable* of these explanations. Amounts of outstanding receivables are shown in Application 5.6.3.

#### *Losses from impairment assets*

The need to take into account the impairment of assets is reviewed at each reporting date on an individual basis for major clients or assets. Information on doubtful receivables is provided in Application 5.6.2. Information on the composition of financial investments is presented in Section 7.2. *Debt investments* of these explanations. The Company has no property transferred to it as collateral to secure the debt due to it.

#### *Loans receivable and cash funds*

Management of credit risk due balances on accounts in banks and financial institutions, are carried out in accordance with the policy of the Company. Information on cash balances and investments are shown in section 10. *Cash and cash equivalents* and 7.2. *Debt investments* of these explanations.

### *Liquidity risk*

Liquidity risk is associated with the Company's ability to timely and fully pay off the financial liabilities that exist on the balance sheet date: accounts payable to suppliers and contractors, the debt creditors on credits and loans.

In the financial and economic activities, the Company relies on its own sources and short-term and long-term sources of debt financing. The fair value of cash funds, loans and receivables, trade and other payables and short-term borrowings as of 31 December 2014 is equal to their carrying values due to the short maturity of these instruments.

Disclosure of information on the existence and composition of liabilities, as well as the maturity is given in Section 13. *Debt funds* and 15. *Accounts payable* of these explanations.

### *Risk Management*

The Company manages liquidity risk by targeting an optimal ratio between equity and debt funds.

Also, by the decision of the Company's management, a number of limits on the involvement of the total borrowed capital were set. On the debt position of the group at the same time sets the following Limits:

- ▶ based on the structure of working capital (medium-term liquidity Limit);
  - ▶ based on the structure of liabilities (Limit on financial leverage);
  - ▶ based on the amount of operating cash flow (to cover the debt Limit and Limit on debt service cover).
- In addition to limits of the debt position, the Group's management approves the Limit of borrowing cost parameters within which the Company carries out borrowing. The attraction of borrowed funds by the Company in excess of the Limit of borrowing cost parameters is not permitted.

For the purpose of controlling the dynamics of receivables and payables, the Company operates the regulatory documents of operational nature defining the competence of departments of the company, decision-makers and specialists in the field of working with debt and regulating their activities. The Company also monitors outstanding receivables and payables - the information is given in Table 5.6.3 and 5.6.6 of Explanations to the balance sheet.

### *Current financial situation*

In 2014, the Company incurred a loss in the amount of RUB 7,967,844 thousand (2013: net profit of RUB 424,867 thousand), and on December 31, 2014 short-term liabilities exceeded of current assets by RUB 19,574,707 thousand (31 December 2013: RUB 17,299,531 thousand).

Management of the Company is taking the following measures to improve the financial position and liquidity; in particular measures to improve the efficiency of financial and economic activities of the Company are carried out activities to reduce costs:

- for 2013-2017 the Program of management of efficiency was created, which ensures the achievement of the target of reducing the cost of unit's electrical equipment care on the level of 2012 in accordance with the requirements of the Strategy of development of the electric grid complex of the Russian Federation. The Program of management of efficiency is a key tool for improving internal operational efficiency of the Company's activity;
- Annually develops and implements Program of energy saving and energy efficiency;
- Tender procedures are carried out, conducted for the Government of the Russian Federation task implementation to reduce the costs of acquiring goods, works and services per unit of production by at least 15% by 2017, taking into account the level of inflation in 2012, based on the maintenance of electrical equipment unit (of 03.04.2013, #511 p).
- The price parameters of investment projects are analysed;

- The work with contractors on installment payments for services performed are carried out;

In order to normalize the financial and economic situation and to ensure the liquidity of JSC Lenenergo, the List of priority measures to ensure the financial stability of JSC Lenenergo for 2015-2019 (Anti-Crisis Program) was developed, which is based on established tariff decisions for 2015 year, forecast of tariff decisions on the extension of the first regulatory period up to 2019 and the prevailing macroeconomic conditions. These activities include:

1. Defending the interests of the company in terms of Tariff-balance solutions.
2. Reduce of operating costs.
3. Adjusting of the amount of financing of the investment program of JSC Lenenergo for 2015-2019.
4. Measures aimed on ensuring the financial sustainability of the activities of technological connection:
  - ▶ The inventory of concluded agreements on technological connection, including the connection of the specifications. Structuring of the company's liabilities and the required amount of investment costs for the fulfillment of obligations
  - ▶ Analysis of the amount of financing sources of investment costs, required to settle the obligation and the timing of execution of obligations on the basis of the prevailing financial and economic conditions
  - ▶ Attraction of borrowed funds to finance the investment costs for the fulfillment of obligations on technological connection, that are unsecured with payment for technological connection within the framework of the approved long-term projections of tariff for electricity transmission.

The management of JSC Lenenergo believes that the Company will be able to continue their activities continuously and, as a consequence, it will be able to realize its assets and fulfill its obligations in the normal course of business.

## 25. SEGMENTS

The Company carries out a regulated activity in the territory of Saint-Petersburg and Leningrad region. Tariffs for services on core activities - electricity transmission services, services on technological connection to the network are established separately by the regional regulators. In order to provide the necessary data to regional regulatory authorities for calculating tariffs, Company maintains analytical records of business transactions in the context of the above two geographic entities. Table 5.13 of Explanations to the Balance Sheet of the Company provides information with the distribution of the results of the Company for 2014 in St. Petersburg and Leningrad region.

Based on the fact that in each geographic operating segment The Company carries out an economic homogenous activities and provides services similar in nature and operates in the same legal environment in the territory of one state - above geographical segments are defined as a single segment for purposes of these financial (accounting) report. The Company believes that the combination of segments provides interested users of the accounting (financial) statements the most relevant information about the specifics of the industry, the economic structure and financial performance of the Company.

Director General

V.V. Nikonov

Chief Accountant

G.V. Kuznetsova

18 March 2015

**Balance Sheet**  
as at **31 December 20 14**

Company **JSC Lenenergo**  
 Taxpayer Identification Number \_\_\_\_\_  
 Type of business activity \_\_\_\_\_  
 Business legal structure / Form of ownership \_\_\_\_\_ joint stock company / joint private or foreign property \_\_\_\_\_  
 Unit: RUB thousand \_\_\_\_\_  
 Location (address) **196247 St. Petersburg, Constitution Sq, 1**

Codes		
Form under ARCMD	0710001	
Date (day, month, year)	31	12 2014
under ARCBO	00107131	
TIN	7803002209	
under ADCEA	40.10.2	
under ARCFI/ARCFO	1 22 47	34
under ARCM	384	

Notes	Indicator	Line Code	As at 2014 (1)	As at 2013 (2)	As at 2012 (3)
<b>ASSETS</b>					
<b>I. NON-CURRENT ASSETS</b>					
5.1.1.-5.2.2.	Intangible assets	1110	214 363	105 301	146 240
5.2.2.	including pending transactions to acquire intangible assets	1111	83 407	33 137	23 380
5.2.1.-5.2.2.	R&D results	1120	14 299	83 401	67 494
5.2.2.	including expenses for R&D in progress	1121			54 578
	Intangible exploratory assets	1130			
	Tangible exploratory assets	1140			
5.3.1.-5.3.6.	Fixed assets	1150	139 479 145	124 823 286	115 075 239
	land plots and environmental facilities	1151	107 416	79 465	76 985
	buildings, machinery and equipment, constructions	1152	127 462 247	112 321 552	102 104 509
	other types of fixed assets	1153	62 085	24 305	21 831
5.3.5.	construction in progress	1154	10 558 780	11 753 400	11 321 706
5.3.6.	advances made for capital construction and acquisition of fixed assets	1155	1 008 111	457 875	745 135
	raw materials for use in the creation of fixed assets*	1156	280 506	186 689	805 073
5.3.1.	Profitable investments in tangible assets	1160	-	-	-
	property for leasing	1161			
	property on tenancy contract basis	1162			
5.4.1.-5.4.3.	Financial investments	1170	2 605 008	897 795	947 113
	investments in subsidiaries	1171	897 791	897 791	897 791
	investments in affiliates	1172		4	4
	investments in other companies	1173	3 500		49 318
	loans granted to companies for more than 12 months period	1174			
	financial investments	1175	1 703 717		
5.7.2.	Deferred tax assets	1180	3 342 825	979 858	510 444
	Other non-current assets	1190	567 138	632 215	666 932
	TOTAL for section I	1100	146 222 778	127 521 856	117 413 462
<b>II. CURRENT ASSETS</b>					
5.5.1-5.5.2.	Supplies	1210	681 106	584 059	442 638
	raw material, materials and other analogous values	1211	681 106	584 059	442 638
	construction in progress costs	1212			
	finished products and goods for resale	1213			
	shipped goods	1214			
	other supplies and expenses	1215			
	Value added tax according to purchased valuables	1220	941 111	494 588	222 626
5.6.1.-5.6.4.	Accounts receivable	1230	12 519 884	9 782 364	6 277 505
	Payments on which are expected more than 12 months after accounting date	1231	752 712	323 534	201 158
	buyers and customers	123101	202 527	2 983	4 867
	bills receivable	123102			
	advances made	123103	3 852	32 880	117 733
	other accounts receivable	123104	546 333	287 671	78 558
	Payments on which are expected within 12 months after accounting date	1232	11 767 172	9 458 830	6 076 347
	buyers and customers	123201	6 866 073	5 894 969	2 790 090
	bills receivable	123202			
	debts of subsidiaries and affiliates on dividends	123203			
	debts of participators (founders) according to contributions in the authorised capital	123204			
	advances made	123205	1 051 051	540 122	255 880
	other accounts receivable	123206	3 850 048	3 023 739	3 030 377
5.4.1-5.4.3.	Financial investments (excluding money equivalents)	1240	3 056 539	6 284 109	2 266 000
	loans granted to organisations for less than 12 months period	1241			
	other short-term financial investments	1242	3 056 539	6 284 109	2 266 000
F.4	Cash and cash equivalents	1250	1 166 511	3 370 400	3 162 812
	cashier's desk	1251	95	106	111
	settlement accounts	1252	1 165 075	3 369 454	3 161 480
	foreign exchange accounts	1253			
	other monetary funds	1254	1 341	840	1 221
	Other currents assets	1260	181 460	82 417	134 124
	TOTAL for section II	1200	18 546 611	20 597 937	12 505 705
	<b>BALANCE</b>	<b>1600</b>	<b>164 769 389</b>	<b>148 119 793</b>	<b>129 919 167</b>



Notes	Indicator	Line Code	As at 2014 (1)	As at 2013 (2)	As at 2012 (3)
	<b>ПАССИВ</b>				
	<b>III. CAPITAL AND RESERVES</b>				
3.1.	Charter capital (joint-stock capital, authorised capital, limited partner contributions)	1310	1 752 079	1 228 326	1 228 326
3.1.	Own shares repurchased from shareholders	1320			
5.3.1.,5.1.1.	Revaluation of non-current assets	1340	51 259 380	51 433 062	51 520 365
3.1.	Additional capital (without revaluation)	1350	14 067 153	11 416 960	11 416 960
3.1.	Reserve capital	1360	184 249	184 249	152 893
3.1.	Retained profit (uncovered loss)	1370	4 177 883	12 078 295	11 906 679
	of past years	1371	12 145 727	11 653 428	10 864 458
	of the reporting period	1372	(7 967 844)	424 867	1 042 221
	TOTAL for section III	1300	71 440 744	76 340 892	76 225 223
	<b>IV. LONG-TERM LIABILITIES</b>				
5.6.7.-5.6.8.	Loans and credits	1410	48 188 440	29 406 037	24 644 586
	bank credits subject to payment more than within 12 months after the reporting date	1411	42 188 440	23 406 037	21 644 586
	loans subject to payment more than within 12 months after the reporting date	1412	6 000 000	6 000 000	3 000 000
5.7.2.	Deferred tax liabilities	1420	3 805 388	2 568 663	1 989 361
5.7.1.	Estimated liabilities	1430			
5.6.5.-5.6.6.	Other liabilities	1450	3 213 499	1 906 733	1 476 321
	TOTAL for section IV	1400	55 207 327	33 881 433	28 110 268
	<b>V. SHORT-TERM LIABILITIES</b>				
5.6.7.-5.6.8.	Loans and credits	1510	1 580 979	3 970 003	3 144 374
	bank credits subject to payment within 12 months after the reporting date	1511	1 477 788	3 868 188	3 095 474
	loans subject to payment within 12 months after the reporting date	1512	103 191	101 815	48 900
5.6.5.-5.6.6.	Accounts payable	1520	32 570 045	32 917 612	21 378 193
	suppliers and contractors	1521	19 002 101	13 991 689	6 476 867
	bills payable	1522			
	debt to personnel relating to labour payment	1523	226 929	234 879	154 674
	debt to governmental extra-budgetary funds	1524	86 304	75 606	85 956
	taxes and levies payable	1525	225 400	642 283	360 535
	advances received	1526	11 030 377	13 800 034	13 874 103
	debts to participators (founders) according to income payment	1527			
	other accounts payable	1528	1 998 934	4 173 121	426 058
	Deferred income	1530			
5.7.1.	Estimated liabilities	1540	3 970 294	1 009 853	1 061 109
	Other liabilities	1550			
	TOTAL for section V	1500	38 121 318	37 897 468	25 583 676
	<b>BALANCE</b>	<b>1700</b>	<b>164 769 389</b>	<b>148 119 793</b>	<b>129 919 167</b>

Director General \_\_\_\_\_ V.V. Nikonov  
(signature) (print full name)

Chief Accountant \_\_\_\_\_  
(signature)

G.V. Kuznetsova \_\_\_\_\_

" 18 " March 20 15

**Profit and Loss Statement**  
for 12 months of 20 14

Company **JSC Lenenergo**  
Taxpayer Identification Number \_\_\_\_\_  
Type of business \_\_\_\_\_  
activity \_\_\_\_\_ power industry \_\_\_\_\_  
Business legal structure / Form of ownership \_\_\_\_\_ joint stock company \_\_\_\_\_

Unit: RUB thousand

		Codes
Form under ARCMD		0710002
Date (day, month, year)	31   12   2014	
under ARCBO		00107131
TIN		7803002209
under ADCEA		40,10,2
under ARCFI/ARCFO		1 22 47 34
under ARCM		384

Notes	Indicator	Code	For 2014	For 2013
			(1)	(2)
1	2	3	4	5
	Revenue	2110	44 722 108	39 902 018
	including			
	revenue from electricity transmission	2111	36 261 449	33 206 992
	revenue from grid connection	2112	8 248 994	6 515 077
	revenue from functioning organisation and development of UES of Russia in terms of electric distribution grid	2113		
	revenue from resale of electric energy and power	2114		
	income from participation in other organisations	2115		
	lease income	2116		
	revenue from sale of other goods, products, works, services of industrial nature	2117	211 665	179 949
	revenue from sale of other goods, products, works, services of non-industrial nature	2118		
2.1.	Cost of sales	2120	(39 256 552)	(36 429 276)
	including			
	electricity transmission	2121	(38 756 444)	(35 903 216)
	grid connection	2122	(390 068)	(436 615)
	functioning organisation and development of UES of Russia in terms of electric distribution grid	2123		
	resale of electric energy and power	2124		
	participation in other organisations	2125		
	lease	2126		
	other goods, products, works, services of industrial nature	2127	(110 040)	(89 445)
	other goods, products, works, services of non-industrial nature	2128		
	Gross profit (loss)	2100	5 465 556	3 472 742
2.1.	Commercial expenses	2210		
2.1.	Management expenses	2220		
	Profit (loss) from sales	2200	5 465 556	3 472 742
	Profit from participation in other organisations	2310	560	690
	Interest receivable	2320	1 344 860	643 594
	Interest payable	2330	(2 765 976)	(2 217 089)
5.11.	Other profit	2340	3 622 513	3 529 476
5.11.	Other expenses	2350	(16 460 876)	(3 985 166)
	Profit (loss) before taxation	2300	(8 793 363)	1 444 247
2.3.	Current profit tax	2410	(481 718)	(999 927)
2.3.	including constant tax liabilities (assets)	2421	1 017 805	820 351
2.3.	Change in deferred tax liabilities	2430	(1 236 725)	(579 302)
2.3.	Change in deferred tax assets	2450	2 362 967	470 029
2.3.	Other	2460	180 995	89 820
	Net profit (loss)	2400	(7 967 844)	424 867

Notes	Indicator	Code	For 2014	For 2013
			(1)	(2)
5.1.1.	<b>FOR REFERENCE</b>			
5.3.1.	Result from the revaluation of fixed assets, not included in net income (loss) for the period	2510		
3.2.	Result from other transactions not included in net income (loss) for the period	2520		
	Aggregate financial result of the period	2500	(7 967 844)	424 867
2.2.	Basic earnings (loss) per share, RUR	2900	-6,75980	0,37430
2.2.	Diluted earnings (loss) per share, RUR	2910		

Director General \_\_\_\_\_ V.V. Nikonov \_\_\_\_\_ Chief Accountant \_\_\_\_\_ G.V. Kuznetsova \_\_\_\_\_  
(signature) (print full name) (signature)

" 18 " March 20 15

## Explanations to the Balance Sheet and Profit and Loss Statement

### 2.1. Cost of sold goods, works, services in elements of costs

Indicator		For 2014	For 2013
Name	Code		
1	2	3	4
Production costs	6510	39 256 552	36 429 276
including:			
material costs	6511	607 668	593 863
labor costs	6512	3 383 642	3 154 032
deductions for social welfare	6513	894 540	826 538
amortization	6514	8 972 034	8 261 000
miscellaneous expenditures	6515	25 398 668	23 593 843
For reference: change of stock and reserves growth [+], drop [-]:	6520	-	-
including:			
work in progress	6521		
final goods	6522		
purchased goods	6523		
shipped goods	6524		
auxiliary raw	6525		
<b>Total cost of goods (works, services) sold</b>	<b>6500</b>	<b>39 256 552</b>	<b>36 429 276</b>
including:			
cost of sales	6530	39 256 552	36 429 276
third-party management services	6540		
Commercial expenses	6550	-	-
including:			
material costs	6551		
labor costs	6552		
deductions for social welfare	6553		
amortization	6554		
miscellaneous expenditures	6555		
Administrative expenses	6560	-	-
including:			
material costs	6561		
labor costs	6562		
deductions for social welfare	6563		
amortization	6564		
miscellaneous expenditures	6565		

## 2.2. Earnings per share and diluted earnings per share

Indicator		For 2014	For 2013
Name	Code		
1	2	3	4
<b>Net profit (uncovered loss) of the reporting period</b>	6610	(7 967 844)	424 867
Дивиденды по привилегированным акциям <sup>3</sup>	6611		
Базовая прибыль (убыток) отчетного периода	6612	(7 967 844)	424 867
Weighted average number of outstanding ordinary shares during the period	6613	1 178 707	1 135 061
<b>Base profit (loss) per share</b>	6620	-6,759800	0,374300
Weighted average market value of one ordinary share	6621		4 718
<b>Possible increment in profit and weighted average number of outstanding shares</b>	6630	X	X
As a result of convertation of preferred shares into ordinary shares	6631	X	X
possible increment in profit	66311		
additional number of shares	66312		
As a result of convertation of bonds into ordinary shares	6632	X	X
possible increment in profit	66321		
additional number of shares	66322		
As a result of execution of the contracts of purchase and sale of shares at the price of below market	6633	X	X
contract price	66331		
possible increment in profit	66332		
additional number of shares	66333		
<b>Diluted earnings per share</b>	6640	0,0000	0,0000
adjusted base profit	6641		
adjusted weighted average number of outstanding shares	6642		

### 2.3. Profit taxation

Indicator	Code	For 2014	For 2013
1	2	3	4
<b>Profit (loss) before taxation</b>	6710	(8 793 363)	1 444 247
including assessed under the rate of:			
20%	67101	(8 793 922)	1 444 247
other rates	67102		
non-taxable	67103	559	
Permanent differences	6711	5 089 024	4 101 756
For reference: permanent differences, corresponding with time differences	67111		
Change of time subtracted differences	6712	11 814 835	2 350 143
Change of time taxable differences	6713	(6 183 625)	(2 896 512)
Tax base	6714	1 926 871	4 999 634
<b>Expense (income) on the profits tax</b>	6720	(1 559 693)	380 573
Conditional expense (income) on the profits tax	6721	(1 758 673)	288 849
Permanent tax obligation (assets)	6722	1 017 805	820 351
For reference: the change of the deferred taxes carried on profit and losses	67221		
Expense (income) on the deferred taxes	6723	1 126 242	(109 273)
including:			
change of the deferred tax asset	67231	2 362 967	470 029
change of the deferred tax obligation	67232	(1 236 725)	(579 302)
Current profit tax	6724	(481 718)	(999 927)
Specification of the sums of the profit tax for last tax periods	6725	198 980	91 724
<b>Other fiscal charges and sanctions from profit</b>	6730	(17 985)	(1 904)
including under essential articles	6731		
<b>Profit (loss) on ordinary activity</b>	6740	(7 967 844)	424 867

**Statement of Changes in Equity  
for 20 14**

Company ОАО "Ленэнерго"  
 Taxpayer Identification Number \_\_\_\_\_  
 Type of business activity power industry  
 Business legal structure / Form of ownership joint stock company

	Codes
Form under ARCMD	0710003
Date (day, month, year)	31 12  2014
under ARCBO	00107131
TIN	7803002209
under ADCEA	40.10.2
under ARCFI/ARCFO	1 22 47   34
under ARCM	384

Unit: RUB thousand

**3.1. Capital flow**

Indicator	Code	Authorised capital	Own shares repurchased from shareholders	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Capital stock for 31 December 20 12 (1) for 20 13 (2)	3100	1 228 326	-	62 937 325	152 893	11 906 679	76 225 223
Capital increase - total:	3210	-	-	-	-	424 867	424 867
including:							
net profit	3211	x	x	x	x	424 867	424 867
property revaluation	3212	x	x		x		-
income due directly to increase of the capital	3213	x	x		x		-
additional share issue	3214				x	x	-
increase in par value of shares	3215		x	x	x		x
reorganisation of the legal person	3216						-
Capital reduction - total:	3220	-	-	-	-	(309 198)	(309 198)
including:							
loss	3221	x	x	x	x		-
property revaluation	3222	x	x		x		-
expenses dut directly to capital reduction	3223	x	x		x	(615)	(615)
reduction of par value of shares	3224			x	x		-
reduction of quantity of shares	3225			x	x		-
reorganisation of the legal person	3226						-
dividends	3227	x	x	x	x	(308 583)	(308 583)
Additional capital change	3230	x	x	(87 303)	x	87 303	x
Reserve capital change	3240	x	x	x	31 356	(31 356)	x
Capital stock for 31 December 20 13 (2) for 20 14 (3)	3200	1 228 326	-	62 850 022	184 249	12 078 295	76 340 892
Capital increase - total:	3310	523 753	-	2 650 194	-	(7 967 844)	(4 793 897)
including:							
net profit	3311	x	x	x	x	(7 967 844)	(7 967 844)
property revaluation	3312	x	x		x		-
income due directly to increase of the capital	3313	x	x		x		-
additional share issue	3314	523 753		2 650 194	x	x	3 173 947
increase in par value of shares	3315		x	x	x		x
reorganisation of the legal person	3316						-
Capital reduction - in total	3320	-	-	-	-	(106 251)	(106 251)
including:							
loss	3321	x	x	x	x		-
property revaluation	3322	x	x		x		-
expenses dut directly to capital reduction	3323	x	x		x	(22)	(22)
reduction of par value of shares	3324		x	x	x		-
reduction of quantity of shares	3325			x	x		-
reorganisation of the legal person	3326						-
dividends	3327	x	x	x	x	(106 229)	(106 229)
Additional capital change	3330	x	x	(173 683)	x	173 683	x
Reserve capital change	3340	x	x	x			x
Capital stock for 31 December 20 14 (3)	3300	1 752 079	-	65 326 533	184 249	4 177 883	71 440 744

### 3.2. Adjustments in connection with change of accounting policy and correction of errors

Indicator	Code	As at 31 December 2012	Capital change for 2013		As at 31 December 2014
			at the expense of net profit	at the expense of other factors	
<b>Capital - total</b>					
before adjustments	3400	76 225 223	171 616	(55 947)	76 340 892
adjustment in connection with:					
accounting policy change	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after adjustments	3500	76 225 223	171 616	(55 947)	76 340 892
including:					
retained earnings (uncovered loss):					
before adjustments	3401	11 906 679	171 616		12 078 295
adjustment in connection with:					
accounting policy change	3411				-
correction of errors	3421				-
after adjustments	3501	11 906 679	171 616	-	12 078 295
Other articles of the capital, on which adjustments are performed: (under articles)					
before adjustments	3402	64 318 544	-	(55 947)	64 262 597
Charter capital	34021	1 228 326			1 228 326
Own stocks repurchased from shareholders	34022	-			-
Additional capital	34023	62 937 325		(87 303)	62 850 022
Reserve capital	34024	152 893		31 356	184 249
adjustment in connection with:					
accounting policy change	3412				-
correction of errors	3422				-
after adjustments	3502	64 318 544	-	(55 947)	64 262 597

**JSC Lenenergo**

**3.3. Net assets**

Indicator	Code	As at 31 December 2014	As at 31 December 2013	As at 31 December 2012
Net assets	3600	71 440 744	76 340 892	76 225 223

Director General \_\_\_\_\_

V.V. Nikonov \_\_\_\_\_



**3.4. Calculation of cost estimation  
of net assets of the joint stock company**

Indicator	Line code of the balance sheet	As at 31 December 2014 (8)	As at 31 December 2013 (7)	As at 31 December 2012 (6)
1	2	3	4	5
<b>I. Assets</b>				
1. Intangible assets	1110	214 363	105 301	146 240
2. Results of researches and developments	1120	14 299	83 401	67 494
3. Intangible exploratory assets	1130	-	-	-
4. Tangible exploratory assets	1140	-	-	-
5. Fixed assets	1150	139 479 145	124 823 286	115 075 239
6. Profitable investments in material assets	1160	-	-	-
7. Long-term and short-term financial investments	1170 + 1240	5 661 547	7 181 904	3 213 113
8. Other non-current assets	1180+1190	3 909 963	1 612 073	1 177 376
9. Supplies	1210	681 106	584 059	442 638
10. Value-added tax on the acquired values	1220	941 111	494 588	222 626
11. Accounts receivable	1230	12 519 884	9 782 364	6 277 505
12. Cash and cash equivalents	1250	1 166 511	3 370 400	3 162 812
13. Other current assets	1260	181 460	82 417	134 124
14. Total assets accepted to calculation (the sum of given points 1-13)		164 769 389	148 119 793	129 919 167
<b>II. Liabilities</b>				
15. Long-term borrowings	1410	48 188 440	29 406 037	24 644 586
16. Deferred tax liabilities	1420	3 805 388	2 568 663	1 989 361
17. Estimated liabilities	1430+1540	3 970 294	1 009 853	1 061 109
18. Other long-term liabilities	1450	3 213 499	1 906 733	1 476 321
19. Short-term borrowings	1510	1 580 979	3 970 003	3 144 374
20. Accounts payable	1520	32 570 045	32 917 612	21 378 193
21. Other short-term liabilities	1550	-	-	-
22. Total liabilities accepted to calculation (the sum of given points 15-21)		93 328 645	71 778 901	53 693 944
23. Joint stock company net assets value (total assets accepted to calculation (line 14) minus total liabilities accepted to calculation (line 22))		71 440 744	76 340 892	76 225 223

**Cash Flow Statement**  
for 12 months of 20 14

Company JSC Lenenergo  
Taxpayer Identification Number \_\_\_\_\_  
Type of business activity power industry  
Business legal structure / Form of ownership \_\_\_\_\_

	Codes		
Form under ARCMD	0710004		
Date (day, month, year)	31	12	2014
under ARCBO	00107131		
TIN	7803002209		
under ADCEA	40.10.2		
under ARCFI/ARCFO	1 22 47	34	
under ARCM	384		

Unit: RUB thousand

Indicator	Code	For 2014	For 2013
1	2	3	4
<b>Cash flows from current transactions</b>			
Receipts - total	4110	42 536 434	36 688 051
including:			
from sale of products, goods, works and services	4111	42 162 482	35 698 056
<i>including from sale of products, the goods, works and services to the parent, affiliated and dependent companies</i>	411101	890	1 025
rent payments, licence fees, royalty, commission fee and other similar payments	4112	47 439	42 084
<i>including from rent payments, licence fees, royalty, commission fee and other similar payments from the parent, affiliated and dependent companies</i>	411201	18 472	
from resale of financial investments	4113		
<i>including from resale of financial investments to the parent, affiliated and dependent companies</i>	411301		
other receipts	4119	326 513	947 911
<i>including other receipts from the parent, affiliated and dependent companies</i>	411901	25	185
Payments - total	4120	(34 898 030)	(26 317 605)
including:			
to suppliers (contractors) for raw, materials, works, services	4121	(23 099 971)	(16 888 213)
<i>including to suppliers (contractors) for raw, materials, works, services of the parent, affiliated and dependent companies</i>	412101	(1 199 889)	(4 985 906)
in connection with payment for the labour of employees	4122	(5 006 193)	(4 275 573)
debenture interests	4123	(2 755 704)	(2 226 244)
<i>including debenture interests to the parent, affiliated and dependent companies</i>	412301		
profit tax of the organisations	4124	(760 871)	(740 765)
other payments	4129	(3 275 291)	(2 186 810)
<i>including other payments to the parent, affiliated and dependent companies</i>	412901	(96 268)	(514 906)
Balance of cash flows from current transactions	4100	7 638 404	10 370 446
<b>Cash flows from investment transactions</b>			
Receipts - total	4210	5 022 874	8 773 179
including:			
from sale of non-current assets (except financial investments)	4211	17 471	6 298
<i>including from sale of non-current assets (except financial investments) to the parent, affiliated and dependent companies</i>	421101		
from sale of stocks of other organisations (participation share)	4212		20
<i>including from sale of stocks of other organisations (participation share) to the parent, affiliated and dependent companies</i>	421201		
from return of the given loans, from sale of debt securities (the rights of the requirement of money funds to other persons)	4213	4 328 131	8 202 729
<i>including from return of the given loans, from sale of debt securities (the rights of the requirement of money funds to other persons) of the parent, affiliated and dependent companies</i>	421301		
dividends, percent on debt financial investments and similar receipts from individual share in other organisations	4214	677 272	564 132
<i>including dividends, percent on debt financial investments and similar receipts from individual share in other organisations from the parent, affiliated and dependent companies</i>	421401	624	692
other receipts	4219		
<i>including other receipts from the parent, affiliated and dependent companies</i>	421901		
Payments - total	4220	(31 283 738)	(27 146 133)
including:			
in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(19 080 629)	(14 537 905)
<i>including payments to the parent, affiliated and dependent companies in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets</i>	422101		(5 949)
in connection with share acquisition of other organisations (participation shares)	4222	(3 500)	
<i>including payments to the parent, affiliated and dependent companies in connection with share acquisition of other organisations (participation shares)</i>	422201		
in connection with acquisition of debt securities (the rights of the requirement of money funds to other persons), granting of loans to other persons	4223	(11 403 935)	(12 227 839)
<i>including payments to the parent, affiliated and dependent companies in connection with acquisition of debt securities (the rights of the requirement of money funds to other persons), granting of loans to other persons</i>	422301		
debenture interests, included in cost of investment assets	4224	(795 674)	(380 389)
<i>including the debenture interests, included in cost of investment assets to the parent, affiliated and dependent companies</i>	422401		
other payments	4229		
<i>including other payments to the parent, affiliated and dependent companies</i>	422901		(624)
Balance of cash flows from investment transactions	4200	(26 260 864)	(18 372 954)

Indicator	Code	For _____ 2014	For _____ 2013
<b>Cash flows from financial transactions</b>			
Receipts - total		22 856 557	21 843 167
including:			
receipt of credits and loans	4310	22 682 403	18 843 076
<i>including reception of credits and loans from the parent, affiliated and dependent companies</i>	431101		
money deposits of proprietors (participants)	4312		
<i>including money deposits of proprietors (participants) of the parent, affiliated and dependent companies</i>	431201		
from a share issue, increase in shares of participation	4313	174 154	3 000 091
<i>including from a share issue, increase in shares of participation of the parent, affiliated and dependent companies</i>	431301	173 832	3 000 000
from bond issue, bills and other debt securities, etc.	4314		
<i>including from bond issue, bills and other debt securities, etc. of the parent, affiliated and dependent companies</i>	431401		
other receipts	4319		
<i>including other receipts from the parent, affiliated and dependent companies</i>	431901		
Payments - total		(6 437 986)	(13 633 071)
including:			
to proprietors (participants) in connection with the repurchase of stocks from them (participation share) of the organisation or their secession as participants	4321		
<i>including to proprietors (participants) in connection with the repurchase of stocks from them (participation share) of the organisation or their secession as participants of the parent, affiliated and dependent companies</i>	432101		
on payment of dividends and other payments on profit distribution for benefit of proprietors (participants)	4322	(106 253)	(285 052)
<i>including on payment of dividends and other payments on profit distribution for benefit of proprietors (participants) of the parent, affiliated and dependent companies</i>	432201		
in connection with repayment (redemption) of bills and other debt securities, return of credits and loans	4323	(6 313 440)	(13 268 500)
<i>including in connection with repayment (redemption) of bills and other debt securities, return of credits and loans to the parent, affiliated and dependent companies</i>	432301		
other payments	4329	(18 293)	(79 519)
<i>including other payments to the parent, affiliated and dependent companies</i>	432901		
Balance of cash flows from financial transactions	4300	16 418 571	8 210 096
<b>Balance of cash flows for the accounting period</b>	<b>4400</b>	<b>(2 203 889)</b>	<b>207 588</b>
<b>Balance of cash and cash equivalents on the accounting period beginning</b>	<b>4450</b>	<b>3 370 400</b>	<b>3 162 812</b>
<b>Balance of cash and cash equivalents on the accounting period end</b>	<b>4500</b>	<b>1 166 511</b>	<b>3 370 400</b>
Size of influence of rate changes of foreign exchange to rouble	4490		

Director General \_\_\_\_\_  
(signature)

V.V. Nikonov \_\_\_\_\_  
(print full name)

Chief Accountant

\_\_\_\_\_  
(signature) G.V. Kuznetsova  
(print full name)

" 18 " \_\_\_\_\_ March \_\_\_\_\_ 20 15

## 5.1. Intangible assets

### 5.1.1. Availability and movement of intangible assets

Indicator			At the beginning of year				Changes for the period							At the period end				
Name	Code	Period	Initial / current market value	Accumulated depreciation	Losses from depreciation	Residual value	Accepted	Revaluation			Accrued depreciation	Losses from depreciation	At the period end					
								Initial / current market value	Accumulated depreciation	Losses from depreciation			Initial / current market value	Accumulated depreciation	Losses from depreciation	Residual value		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
<b>Intangible assets - total</b>	5100	for 2014 (1)	293 548	(221 384)	-	72 164	102 501	(153)	-	-	(43 556)	-	-	-	395 896	(264 940)	-	130 956
	5110	for 2013 (2)	293 548	(170 688)	-	122 860	-	-	-	-	(50 696)	-	-	-	293 548	(221 384)	-	72 164
Objects of intellectual property (exclusive rights to results of intellectual property) including:	5101	for 2014 (1)	61 198	(24 480)	-	36 718	102 501	-	-	-	(12 242)	-	-	-	163 699	(36 722)	-	126 977
	5111	for 2013 (2)	61 198	(12 240)	-	48 958	-	-	-	-	(12 240)	-	-	-	61 198	(24 480)	-	36 718
<i>at the patentee on inventions, industrial pattern, useful model</i>	51011	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	51111	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>at the legal owner on computer software programs, databases</i>	51012	for 2014 (1)	61 198	(24 480)	-	36 718	102 481	-	-	-	(12 240)	-	-	-	163 679	(36 720)	-	126 959
	51112	for 2013 (2)	61 198	(12 240)	-	48 958	-	-	-	-	(12 240)	-	-	-	61 198	(24 480)	-	36 718
<i>at the legal owner on topology of integrated microcircuits</i>	51013	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	51113	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>at the owner on a trade mark, a service mark, the name of a place of an origin of the goods</i>	51014	for 2014 (1)	-	-	-	-	20	-	-	-	(2)	-	-	-	20	(2)	-	18
	51114	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business reputation of the Company	5102	for 2014 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5112	for 2013 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5103	for 2014 (1)	232 350	(196 904)	-	35 446	-	(153)	-	-	(31 314)	-	-	-	232 197	(228 218)	-	3 979
	5113	for 2013 (2)	232 350	(158 448)	-	73 902	-	-	-	-	(38 456)	-	-	-	232 350	(196 904)	-	35 446



**5.2.2. Not finished and not properly executed R&D and not finished transactions on acquisition of intangible assets**

Indicator	Code	Period	At the beginning of year	Changes for the period			At the period end
				expenses for the period	written off costs as not given positive result	accepted to accounting as intangible assets or	
1	2	3	4	5	6	7	8
Total costs of not finished R&D	5160	for 20 14 (1)	-	-	-	-	-
	5170	for 20 13 (2)	54 578	21 795	-	(76 373)	-
including:							
Research works	5161	for 20 14 (1)	-				-
	5171	for 20 13 (2)	54 578	21 795		(76 373)	-
Developmental works	5162	for 20 14 (1)	-				-
	5172	for 20 13 (2)					-
Technological works	5163	for 20 14 (1)	-				-
	5173	for 20 13 (2)					-
Other	5164	for 20 14 (1)	-				-
	5174	for 20 13 (2)					-
Total not finished transactions on acquisition of intangible assets	5180	for 20 14 (1)	33 137	94 805	-	(44 535)	83 407
	5190	for 20 13 (2)	23 380	9 757	-	-	33 137
including:							
at the patentee on inventions, the industrial pattern, useful model	5181	for 20 14 (1)	-				-
	5191	for 20 13 (2)					-
at the legal owner on computer software programs, databases	5182	for 20 14 (1)	27 205	58 574		(44 515)	41 264
	5192	for 20 13 (2)	17 448	9 757			27 205
at the legal owner on topology of integrated microcircuits	5183	for 20 14 (1)	-				-
	5193	for 20 13 (2)					-
at the owner on a trade mark, a service mark, the name of a place of an origin of the goods	5184	for 20 14 (1)	-	20		(20)	-
	5194	for 20 13 (2)					-
Other	5185	for 20 14 (1)	5 932	36 211			42 143
	5195	for 20 13 (2)	5 932				5 932

### 5.3. Fixed assets

#### 5.3.1. Availability and movement of fixed assets

Indicator	Code	Period	At the beginning of year			Changes for the period							At the period end		
			initial cost	accumulated depreciation	residual value	accepted	accumulated depreciation on accepted items			accrued depreciation	revaluation		initial cost	accumulated depreciation	residual value
								initial cost	accumulated depreciation		initial cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Fixed assets (without profitable investments in tangible assets) - total</b>	5200	for 2014	251 679 059	(139 253 737)	112 425 322	24 341 888	-	(726 671)	625 527	(9 034 318)	-	-	275 294 276	(147 662 528)	127 631 748
	5210	for 2013	233 411 138	(131 207 813)	102 203 325	18 582 173	-	(314 252)	263 229	(8 309 153)	-	-	251 679 059	(139 253 737)	112 425 322
including:															
<b>Depreciable fixed assets - total</b>	5201	for 2014	251 599 594	(139 253 737)	112 345 857	24 313 937	-	(726 671)	625 527	(9 034 318)	-	-	275 186 860	(147 662 528)	127 524 332
	5211	for 2013	233 334 153	(131 207 813)	102 126 340	18 579 693	-	(314 252)	263 229	(8 309 153)	-	-	251 599 594	(139 253 737)	112 345 857
including:															
production buildings	52011	for 2014	20 827 395	(11 373 751)	9 453 644	1 140 195		(98 055)	77 662	(358 175)			21 869 535	(11 654 264)	10 215 271
	52111	for 2013	20 316 081	(11 084 083)	9 231 998	601 321		(90 007)	66 429	(356 097)			20 827 395	(11 373 751)	9 453 644
constructions, except power lines	52012	for 2014	4 059 601	(2 007 282)	2 052 319	433 157		(14 600)	11 967	(137 079)			4 478 158	(2 132 394)	2 345 764
	52112	for 2013	3 870 427	(1 888 615)	1 981 812	207 047		(17 873)	15 362	(134 029)			4 059 601	(2 007 282)	2 052 319
power lines and devices to them	52013	for 2014	169 151 843	(101 475 687)	67 676 156	11 578 374		(162 637)	162 052	(4 678 871)			180 567 580	(105 992 506)	74 575 074
	52113	for 2013	158 656 829	(97 065 720)	61 591 109	10 577 711		(82 697)	75 943	(4 485 910)			169 151 843	(101 475 687)	67 676 156
machines and equipment for electric power generation, substations, equipment for electric power transformation	52014	for 2014	57 468 286	(24 328 853)	33 139 433	11 113 618		(448 939)	371 407	(3 849 381)			68 132 965	(27 806 827)	40 326 138
	52114	for 2013	50 407 825	(21 108 235)	29 299 590	7 182 956		(122 495)	104 373	(3 324 991)			57 468 286	(24 328 853)	33 139 433
production and economic stock	52015	for 2014	91 956	(68 056)	23 900	48 593		(2 439)	2 439	(10 754)			138 110	(76 371)	61 739
	52115	for 2013	82 420	(61 108)	21 312	10 658		(1 122)	1 122	(8 070)			91 956	(68 056)	23 900
other	52016	for 2014	513	(108)	405			(1)		(58)			512	(166)	346
	52116	for 2013	571	(52)	519			(58)		(56)			513	(108)	405

Indicator	Code	Period	At the beginning of year			Changes for the period							At the period end		
			initial cost	accumulated depreciation	residual value	accepted	accumulated depreciation on accepted items			accrued depreciation	revaluation		initial cost	accumulated depreciation	residual value
								initial cost	accumulated depreciation		initial cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Objects with unlimited useful life, not depreciable - total</b>	5202	for 2014	79 465	-	79 465	27 951	-	-	-	-	-	-	107 416	-	107 416
	5212	for 2013	76 985	-	76 985	2 480	-	-	-	-	-	-	79 465	-	79 465
including:															
land lots	52021	for 2014	79 465	-	79 465	27 951							107 416	-	107 416
	52121	for 2013	76 985		76 985	2 480							79 465	-	79 465
environmental facilities	52022	for 2014	-	-	-								-	-	-
	52122	for 2013			-								-	-	-
<b>Capital investments on radical improvement of the land lots</b>	5203	for 2014	-	-	-								-	-	-
	5213	for 2013			-								-	-	-
<b>Accounted as a part of profitable investments in tangible assets - total</b>	5220	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	for 2013	-	-	-	-	-	-	-	-	-	-	-	-	-
including:					-										
property for transfer to leasing	5221	for 2014	-	-	-								-	-	-
	5231	for 2013			-								-	-	-
property given under the lease contract	5222	for 2014	-	-	-								-	-	-
	5232	for 2013			-								-	-	-



### 5.3.2. Terms of useful life and depreciation methods

Indicator	Code	Determined average useful life (in months)	Depreciation methods
1	2	3	4
Production buildings	7001	664	straight-line
Constructions, except power lines	7002	347	straight-line
Power lines and devices to them	7003	372	straight-line
Machines and equipment for electric power generation, substations, equipment for electric power transformation	7004	196	straight-line
Production and economic stock	7005	70	straight-line
Other	7006	36	straight-line

**5.3.3. Value change of fixed assets as a result of completion, additional equipment, reconstruction and partial liquidation**

Indicator	Cod	For 2014	For 2013
1	2	3	4
Value addition of items of fixed assets as a result of completion, additional equipment, reconstruction - total	5260	4 632 275	3 300 593
including:			
production buildings	5261	354 056	73 045
constructions, except power lines	5262	51 202	33 354
power lines and devices to them	5263	2 954 226	2 367 780
machines and equipment for electric power generation, substations, equipment for electric power transformation	5264	1 272 791	826 370
production and economic stock	5265		44
other	5266		
Reduction of cost of items of fixed assets as a result of partial liquidation - total	5270	42 213	13 930
including:			
production buildings	5271		7 145
constructions, except power lines	5272		
power lines and devices to them	5273	41 334	5 098
machines and equipment for electric power generation, substations, equipment for electric power transformation	5274	879	1 687
production and economic stock	5275		
other	5276		

### 5.3.4. Other use of fixed assets

Indicator	Code	As at 31 December 2014 (1)	As at 31 December 2013 (2)	As at 31 December 2012 (3)
1	2	3	4	5
Fixed assets transferred in rent which are registered on the balance sheet	5280	2 433 874	2 409 201	1 501 948
Fixed assets transferred in rent which are registered off the balance sheet	5281			
Fixed assets received in rent which are registered on the balance sheet	5282			
Fixed assets received in rent which are registered off the balance sheet	5283	1 503 677	1 489 605	2 008 396
Items of immovable property accepted in transaction and actually used, in process of the state registration	5284	2 186 253	1 694 105	1 234 239
Fixed assets transferred for preservation	5285	39 441	189 560	
Other use of fixed assets (pledge, etc.)	5286			

### 5.3.5. Capital investments in progress

Indicator	Code	Period	At the beginning of year	Changes for the period			At the period end
				expenses for the period	written off	accepted to accounting as fixed assets or cost is increased	
1	2	3	4	5	6	7	8
Construction in progress and not complete transactions on acquisition, modernisation, etc. of fixed assets - total	5240	for 20 14 (1)	11 753 400	23 393 036	(322 103)	(24 265 553)	10 558 780
	5250	for 20 13 (2)	11 321 706	19 319 462	(310 972)	(18 576 796)	11 753 400
including:							
of production use	5241	for 20 14 (1)	11 753 400	23 393 036	(322 103)	(24 265 553)	10 558 780
	5251	for 20 13 (2)	11 321 706	19 319 462	(310 972)	(18 576 796)	11 753 400
construction in progress	52411	for 20 14 (1)	11 184 938	20 836 902	(41 797)	(21 865 690)	10 114 353
	52511	for 20 13 (2)	10 776 364	16 299 914	(291 956)	(15 599 384)	11 184 938
acquisition of fixed assets	52412	for 20 14 (1)	71 473	1 269 055	(438)	(1 112 789)	227 301
	52512	for 20 13 (2)	2 331	951 009	(6 979)	(874 888)	71 473
equipment for installation	52413	for 20 14 (1)	457 997		(279 868)		178 129
	52513	for 20 13 (2)	503 963	761 741	(12 037)	(795 670)	457 997
other	52414	for 20 14 (1)	38 992	1 287 079		(1 287 074)	38 997
	52514	for 20 13 (2)	39 048	1 306 798		(1 306 854)	38 992
of non-production use	5242	for 20 14 (1)	-	-	-	-	-
	5252	for 20 13 (2)	-	-	-	-	-
construction in progress	52421	for 20 14 (1)	-				-
	52521	for 20 13 (2)					-
acquisition of fixed assets	52422	for 20 14 (1)	-				-
	52522	for 20 13 (2)					-
equipment for installation	52423	for 20 14 (1)					
	52523	for 20 13 (2)					
other	52424	for 20 14 (1)	-				-
	52524	for 20 13 (2)					-

### 5.3.6. Advances issued under capital construction

Indicator	Code	Period	At the beginning of year		acceptance	
			accounted under contract provisions	reserve size on doubtful debts	as a result of business transactions (amount of debt under the transaction)	other charges
1	2	3	4		6	7
Advances issued under capital construction	5291	for 20 14 (1)	565 031	(107 156)	2 837 140	-
	5292	for 20 13 (2)	745 135	-	1 457 025	-
including:						
<i>capital construction</i>	52911	for 20 14 (1)	564 549	(107 156)	2 807 887	
	52921	for 20 13 (2)	744 814	-	1 354 174	
<i>acquisition of fixed assets</i>	52912	for 20 14 (1)	482	-	29 253	
	52922	for 20 13 (2)	321		102 851	
<i>other</i>	52913	for 20 14 (1)	-	-		
	52923	for 20 13 (2)				

**ction and acquisition of fixed assets**

Changes for the period					At the period end	
reserve charge	retirement				accounted under contract provisions	reserve size on doubtful debts
	repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration		
					13	
(45 853)	(2 293 980)	(3 184)	(84)	53 013	1 104 923	(96 812)
(107 663)	(1 635 972)	(507)	(650)	-	565 031	(107 156)
(45 853)	(2 264 958)	(3 184)	(78)	53 013	1 104 216	(96 812)
(107 663)	(1 533 282)	(507)	(650)		564 549	(107 156)
	(29 022)		(6)		707	-
	(102 690)				482	-
					-	-
					-	-



## 5.4. Financial investments

### 5.4.1. Availability and movement of financial investments

Indicator	Code	Period	At the beginning of year		Change for the period					At the period end	
			initial cost	accumulated adjustment	accepted	retired (repaid)		interests accrual (including bringing the initial cost to nominal)	mark-to-market value (losses from depreciation)	initial cost	accumulated adjustment
						initial cost	accumulated adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
<b>Long-term financial investments - total</b>	5301	for 20 14 (1)	947 113	(49 318)	1 707 217	(4)	-	-	-	2 654 326	(49 318)
	5311	for 20 13 (2)	947 218	(105)	-	(105)	105	-	(49 318)	947 113	(49 318)
Contributions in authorised (share) capital of other companies - total	53021	for 20 14 (1)	947 113	(49 318)	3 500	(4)	-	-	-	950 609	(49 318)
	53121	for 20 13 (2)	947 218	(105)	-	(105)	105	-	(49 318)	947 113	(49 318)
including:											
affiliated economic companies	530211	for 20 14 (1)	897 791	-	-	-	-	-	-	897 791	-
	531211	for 20 13 (2)	897 791	-	-	-	-	-	-	897 791	-
dependent economic companies	530212	for 20 14 (1)	4	-	-	(4)	-	-	-	-	-
	531212	for 20 13 (2)	4	-	-	-	-	-	-	4	-
other	530213	for 20 14 (1)	49 318	(49 318)	3 500	-	-	-	-	52 818	(49 318)
	531213	for 20 13 (2)	49 423	(105)	-	(105)	105	-	(49 318)	49 318	(49 318)
State and municipal securities	53022	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53122	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53023	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53123	for 20 13 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530231	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	531231	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Loans granted	53024	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53124	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Deposits	53025	for 20 14 (1)	-	-	1 703 717	-	-	-	-	1 703 717	-
	53125	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Other	53026	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53126	for 20 13 (2)	-	-	-	-	-	-	-	-	-
<b>Long-term financial investments with current market value - total</b>	5302	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	5312	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Contributions in authorised (share) capital of other companies - total	53031	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53131	for 20 13 (2)	-	-	-	-	-	-	-	-	-
including:											
affiliated economic companies	530311	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	531311	for 20 13 (2)	-	-	-	-	-	-	-	-	-
dependent economic companies	530312	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	531312	for 20 13 (2)	-	-	-	-	-	-	-	-	-
other	530313	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	531313	for 20 13 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53032	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53132	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53033	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53133	for 20 13 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530331	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	531331	for 20 13 (2)	-	-	-	-	-	-	-	-	-
Other	53034	for 20 14 (1)	-	-	-	-	-	-	-	-	-
	53134	for 20 13 (2)	-	-	-	-	-	-	-	-	-
<b>Long-term financial investments on which current market value is not determined - total</b>	5303	for 20 14 (1)	947 113	(49 318)	1 707 217	(4)	-	-	-	2 654 326	(49 318)
	5313	for 20 13 (2)	947 218	(105)	-	(105)	105	-	(49 318)	947 113	(49 318)





Indicator	Code	Period	At the beginning of year		Change for the period					At the period end	
			initial cost	accumulated adjustment	accepted	retired (repaid)		interests accrual (including bringing the initial cost to nominal)	mark-to-market value (losses from)	initial cost	accumulated adjustment
						initial cost	accumulated adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Contributions in authorised (share) capital of other companies - total	53071	for 20 14 (1)	-	-						-	-
	53171	for 20 13 (2)								-	-
State and municipal securities	53072	for 20 14 (1)	-	-						-	-
	53172	for 20 13 (2)								-	-
Securities of other organisations - total	53073	for 20 14 (1)	-	-						-	-
	53173	for 20 13 (2)								-	-
including:											
debt securities (bonds, bills)	530731	for 20 14 (1)	-	-						-	-
	531731	for 20 13 (2)								-	-
Other	53074	for 20 14 (1)	-	-						-	-
	53174	for 20 13 (2)								-	-
Short-term financial investments on which current market value is not determined - total	5307	for 20 14 (1)	6 284 109	-	15 379 179	(9 999 960)			(8 606 789)	11 663 328	(8 606 789)
	5317	for 20 13 (2)	2 266 000		12 220 838	(8 202 729)				6 284 109	-
Financial investments - total	5300	for 20 14 (1)	7 231 222	(49 318)	17 086 396	(9 999 964)	-	-	-	14 317 654	(8 656 107)
	5310	for 20 13 (2)	3 213 218	(105)	12 220 838	(8 202 834)	105	-	(49 318)	7 231 222	(49 318)

### 5.4.2. Adjustments of estimations of financial investments

Indicator		At the beginning of year	Change for the period			At the period end
Name	Code		Increase	Reduction	Retirement at write-off of financial investments	
1	2	3	4	5	6	7
<b>Long-term financial investments</b>	7100	(49 318)	-	-	-	(49 318)
Difference between the current market value of financial investments and their previous estimation	7110	-	-	-	-	-
<i>including:</i>						
Contributions in authorised (share) capital of other companies - total	7111	-	-	-	-	-
<i>including:</i>						
affiliated economic companies	71111					-
dependent economic companies	71112					-
other	71113					-
State and municipal securities	7112					-
Securities of other organisations - total	7113					-
<i>including:</i>						
debt securities (Bonds, bills)	71131					-
Other	7114					-
Difference between the current value of debt securities and their initial cost	7120	-	-	-	-	-
<i>including:</i>						
Securities of other organisations - total	7121					-
<i>including:</i>						
debt securities (Bonds, bills)	71211					-
Other	7122					-
Reserve under depreciation of the financial investments, on which the market value is not determined	7130	(49 318)	-	-	-	(49 318)
<i>including:</i>						
Contributions in authorised (share) capital of other companies - total	7131	(49 318)	-	-	-	(49 318)
<i>including:</i>						
affiliated economic companies	71311					-
dependent economic companies	71312					-
other	71313	(49 318)				(49 318)
State and municipal securities	7132					-
Securities of other organisations - total	7133					-
<i>including:</i>						
debt securities (Bonds, bills)	71331					-
Loans granted	7134					-
Deposits	7135					-
Other	7136					-

Indicator		At the beginning of year	Change for the period			At the period end
Name	Code		Increase	Reduction	Retirement at write-off of financial investments	
1	2	3	4	5	6	7
<b>Short-term financial investments</b>	7200	-	(8 606 789)	-	-	(8 606 789)
Difference between the current market value of financial investments and their previous estimation, at which it was determined	7210	-	-	-	-	-
<i>including:</i>						
Contributions in authorised (share) capital of other companies - total	7211	-	-	-	-	-
<i>including:</i>						
affiliated economic companies	72111					-
dependent economic companies	72112					-
other	72113					-
Securities of other organisations - total	7212					-
<i>including:</i>						
debt securities (bonds, bills)	72121					-
Other	7213					-
Difference between the current value of debt securities and their initial cost	7220	-	-	-	-	-
<i>including:</i>						
Securities of other organisations - total	7221					-
<i>including:</i>						
debt securities (bonds, bills)	72211					-
Other	7222					-
Reserve under depreciation of the financial investments which do not have the market value	7230	-	(8 606 789)	-	-	(8 606 789)
<i>including:</i>						
Contributions in authorised (share) capital of other companies - total	7231	-	-	-	-	-
<i>including:</i>						
affiliated economic companies	72311					-
dependent economic companies	72312					-
other	72313					-
State and municipal securities	7232					-
Securities of other organisations - total	7233					-
<i>including:</i>						
debt securities (Bonds, bills)	72331					-
Loans granted	7234					-
Deposits	7235		(8 606 789)			(8 606 789)
Other	7236					-

### 5.4.3. Other use of financial investments

Indicator	Code	As at 31 December	As at 31 December	As at 31 December
		2014 (1)	2013 (2)	2012 (3)
1	2	3	4	5
Financial investments in pledge - total	5320			
including:				
bonds	5321			
bills	5322			
stocks	5323			
Financial investments transferred to third parties (except sale) - total	5325			
including:				
bonds	5326			
bills	5327			
stocks	5328			
Other use of financial investments	5329			



### 5.5.2. Supplies in pledge

Indicator	Code	2014 (1)	2013 (2)	2012 (3)
1	2	3	4	5
Supplies not paid for on the reporting date - total	5440	452 253	520 341	378 617
including:				
raw and materials	5441	452 253	520 341	378 617
work in progress	5442			
goods shipped	5443			
finished products and goods	54441			
other stocks and costs	54442			
Supplies in pledge under the agreement - total	5445	-	-	-
including:				
raw and materials	5446			
goods shipped	5447			
finished products and goods	5448			
other stocks and costs	5449			









Indicator	Code	Period	At the beginning of year		Change for the period							At the pe		
			accounted under contract provisions	reserve size for doubtful debts	acceptance				repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration	transfer from long-term to short-term debt	accounted under contract provisions
					as a result of business transactions (amount of debt under transactions)	interests, penalties and other charges due	reserve accrual							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
indebtedness of participants (founders) on instalments in authorised capital	5514	for 20 14 (1)	-	-									-	
	5534	for 20 13 (2)											-	
Indebtedness of affiliated and dependent companies on dividends	5515	for 20 14 (1)	-	-									-	
	5535	for 20 13 (2)											-	
Other debt receivable	5516	for 20 14 (1)	4 000 373	(976 634)	30 744 292	-	-	(29 819 544)	-	(133 181)	1 862	32 880	4 824 820	
	5536	for 20 13 (2)	3 049 665	(19 288)	28 884 873	-	(957 346)	(28 001 900)	-	(17 276)	-	85 011	4 000 373	
including:														
non-interest-bearing notes	55161	for 20 14 (1)	-	-									-	
	55361	for 20 13 (2)											-	
overpayment under taxes and levies	55162	for 20 14 (1)	383 684	-	19 209 461			(18 512 615)					1 080 530	
	55362	for 20 13 (2)	432 671		16 836 058			(16 885 045)					383 684	
property sale	55163	for 20 14 (1)	-	-									-	
	55363	for 20 13 (2)											-	
other	55164	for 20 14 (1)	3 616 689	(976 634)	11 534 831			(11 306 929)		(133 181)	1 862	32 880	3 744 290	
	55364	for 20 13 (2)	2 616 994	(19 288)	12 048 815		(957 346)	(11 116 855)		(17 276)		85 011	3 616 689	
From the total sum of short-term accounts receivable:	5517	for 20 14 (1)	50 550	-	151 114	-	-	(175 091)	-	-	-	-	26 573	
	5537	for 20 13 (2)	42 441	-	106 299	-	-	(98 190)	-	-	-	-	50 550	
indebtedness of affiliated companies	55171	for 20 14 (1)	50 550	-	151 114			(175 091)					26 573	
	55371	for 20 13 (2)	42 441		106 299			(98 190)					50 550	
indebtedness of dependent companies	55172	for 20 14 (1)	-	-									-	
	55372	for 20 13 (2)											-	
Total	5500	for 20 14 (1)	10 796 323	(1 013 959)	93 339 380	-	(414 665)	(89 848 856)	(42 570)	(340 223)	1 884	-	13 904 054	
	5520	for 20 13 (2)	6 317 114	(39 609)	89 417 115	-	(1 004 383)	(84 853 949)	(22 797)	(61 160)	7 236	-	10 796 323	





period end
reserve size for doubtful debts
15
(1 384 170)
(1 013 959)
(409 398)
(36 729)
-
-
(240 610)
(36 441)
-
-
-
-
(103)
(95)
(168 685)
(193)
-
(596)
-
-

Period end
reserve size for doubtful debts
15
-
-
-
-
(974 772)
(976 634)
-
-
-
-
-
(974 772)
(976 634)
-
-
-
-
-
(1 384 170)
(1 013 959)

**5.6.2. Reserve on doubtful debts**

Indicator		At the beginning of year	Change for the period		At the period end
Name	Code		Reserve creation	Reserve write-off	
1	2	3	4	5	6
Settlements with buyers and customers	7310	36 729	414 665	(41 996)	409 398
including:					
<i>for electric power transmission</i>	7311				-
<i>for grid connection</i>	7312	36 441	246 115	(41 946)	240 610
<i>for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex</i>	7313				-
<i>for electric power and capacity resale</i>	7314				-
<i>for lease revenues</i>	7315	95	8		103
<i>other</i>	7316	193	168 542	(50)	168 685
Advances issued	7330	107 752	54 108	(65 048)	96 812
Other accounts receivable	7320	976 634		(1 862)	974 772
<b>Total</b>	7300	1 121 115	468 773	(108 906)	1 480 982



### 5.6.3. Overdue accounts receivable

Indicator	Code	As at 31 December 2014 (1)		As at 31 December 2013 (2)		As at 31 December 2012 (3)	
		accounted under contract provisions	book value (minus a reserve on doubtful debts)	accounted under contract provisions	book value (minus a reserve on doubtful debts)	accounted under contract provisions	book value (minus a reserve on doubtful debts)
1	2	3	4	5	6	7	8
Total	5540	1 460 724	1 460 724	755 056	755 056	809 940	789 620
including:							
Settlements with buyers and customers, including	5541	1 460 724	1 460 724	755 056	755 056	809 940	789 620
<i>for electric power transmission</i>	55411	928 832	928 832	30 322	30 322	344 259	344 259
<i>for grid connection</i>	55412	531 892	531 892	724 734	724 734	463 326	445 361
<i>for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex</i>	55413						
<i>for electric power and capacity resale</i>	55414						
<i>for lease revenues</i>	55415					1 579	
<i>other</i>	55416					776	
Other accounts receivable	5542						

5.6.4. Disagreements with retail companies

Contractor	At the beginning of year		Change for the period				At the period end	
			c		Paid for the period (turnover on creditors, RUB thousand)			
	Company data	Contractor data	Company data	Contractor data	Company data	Contractor data	Company data	Contractor data
1	2	3	4	5	6	7	8	9
LLC Rusenergoresurs		2 552		4 500			-	7 052
JSC SUAL		325 683		(84 167)		228 627	-	12 889
LLC Dizazh M		870		(870)			-	-
CJSC Energy trading company of Kirov plant		30 153		(16 676)		13 477	-	-
LLC Transenergoprom		493		15 358			-	15 851
JSC Oboronenergobyт		137						
LLC EnergoROK-1				60				
CJSC Izhora-Energosbyт				5 308			-	5 308

5.6.5. Availability and movement of accounts payable

Indicator	Code	Period	Balance at the beginning of year	Change for the period					Balance at the period end
				acceptance				transfer from long-term to short-term debt	
				as a result of business transactions (amount of debt under transactions)	accrued interests, penalties and other charges	repayment	write-off on financial result		
1	2	3	4	5	6	7	8	9	10
<b>Long-term accounts payable - total</b>	5551	for 20 14 (1)	1 906 733	3 181 607	-	(73 946)	-	(1 800 895)	3 213 499
	5571	for 20 13 (2)	1 476 321	2 252 431	-	(724 500)	-	(1 097 519)	1 906 733
including:									
accounts payable of suppliers and contractors	5552	for 20 14 (1)	30 938	-	-	(2 210)	-	-	28 728
	5572	for 20 13 (2)	33 148	-	-	(2 210)	-	-	30 938
including:									
<i>construction</i>	55521	for 20 14 (1)	-						-
	55721	for 20 13 (2)							-
<i>other</i>	55522	for 20 14 (1)	30 938			(2 210)			28 728
	55722	for 20 13 (2)	33 148			(2 210)			30 938
Other accounts payable	5553	for 20 14 (1)	1 875 795	3 181 607		(71 736)		(1 800 895)	3 184 771
	5573	for 20 13 (2)	1 443 173	2 252 431		(722 290)		(1 097 519)	1 875 795
<b>From the total sum of long-term accounts payable</b>	5554	for 20 14 (1)	-	-	-	-	-	-	-
	5574	for 20 13 (2)	-	-	-	-	-	-	-
<i>indebtedness towards affiliated companies</i>	55541	for 20 14 (1)	-						-
	55741	for 20 13 (2)							-
<i>indebtedness towards dependent companies</i>	55542	for 20 14 (1)	-						-
	55742	for 20 13 (2)							-

Indicator	Code	Period	Balance at the beginning of year	Change for the period					Balance at the period end
				acceptance				transfer from long-term to short-term debt	
				as a result of business transactions (amount of debt under transactions)	accrued interests, penalties and other charges	repayment	write-off on financial result		
1	2	3	4	5	6	7	8	9	10
<b>Short-term accounts payable - total</b>	5560	for 20 14 (1)	32 917 612	119 648 565	-	(121 772 861)	(24 166)	1 800 895	32 570 045
	5580	for 20 13 (2)	21 378 193	106 402 631	-	(95 733 028)	(227 703)	1 097 519	32 917 612
including:									
Settlements with suppliers and contractors	5561	for 20 14 (1)	13 991 689	65 303 505	-	(60 276 165)	(16 928)	-	19 002 101
	5581	for 20 13 (2)	6 476 867	50 058 477	-	(42 541 541)	(2 114)	-	13 991 689
including:									
<i>construction</i>	55611	for 20 14 (1)	6 693 461	26 069 865		(23 376 601)	(1 689)		9 385 036
	55811	for 20 13 (2)	4 346 511	19 490 562		(17 143 299)	(313)		6 693 461
<i>other</i>	55612	for 20 14 (1)	7 298 228	39 233 640		(36 899 564)	(15 239)		9 617 065
	55812	for 20 13 (2)	2 130 356	30 567 915		(25 398 242)	(1 801)		7 298 228
Advances received	5562	for 20 14 (1)	13 800 034	24 824 062	-	(29 388 576)	(6 038)	1 800 895	11 030 377
	5582	for 20 13 (2)	13 874 103	24 023 198	-	(24 970 434)	(224 352)	1 097 519	13 800 034
including:									
<i>for electric power transmission</i>	55621	for 20 14 (1)	13 360	22 787 865		(22 749 355)			51 870
	55821	for 20 13 (2)	12 834	20 397 856		(20 397 330)			13 360
<i>for grid connection</i>	55622	for 20 14 (1)	13 773 587	1 858 503		(6 479 232)	(5 580)	1 800 895	10 948 173
	55822	for 20 13 (2)	13 853 656	3 453 232		(4 407 124)	(223 696)	1 097 519	13 773 587
<i>for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex</i>	55623	for 20 14 (1)	10 940	166 291		(146 462)	(458)		30 311
	55823	for 20 13 (2)	7 300	152 707		(148 414)	(653)		10 940
<i>for electric power and capacity resale</i>	55624	for 20 14 (1)	-						-
	55824	for 20 13 (2)							-

Indicator	Code	Period	Balance at the beginning of year	Change for the period					Balance at the period end
				acceptance				transfer from long-term to short-term debt	
				as a result of business transactions (amount of debt under transactions)	accrued interests, penalties and other charges	repayment	write-off on financial result		
1	2	3	4	5	6	7	8	9	10
<i>for participation in other organisations</i>	55625	for 20 14 (1)	-						-
	55825	for 20 13 (2)							-
<i>for rent services</i>	55626	for 20 14 (1)	2 147	11 403		(13 527)			23
	55826	for 20 13 (2)	313	19 403		(17 566)	(3)		2 147
<i>for other</i>	55627	for 20 14 (1)	-						-
	55826	for 20 13 (2)							-
Indebtedness to participants (founders) on payment of incomes	5563	for 20 14 (1)	-						-
	5583	for 20 13 (2)	-						-
Bills payable	5564	for 20 14 (1)	-						-
	5584	for 20 13 (2)	-						-
Indebtedness before the state off-budget funds	5565	for 20 14 (1)	75 606	1 055 040		(1 044 342)			86 304
	5585	for 20 13 (2)	85 956	964 702		(975 052)			75 606
Settlements under taxes and levies	5566	for 20 14 (1)	642 283	17 361 493		(17 778 372)	(4)		225 400
	5586	for 20 13 (2)	360 535	15 242 137		(14 960 389)			642 283
Indebtedness before the company personnel	5567	for 20 14 (1)	234 879	4 216 519		(4 224 469)			226 929
	5587	for 20 13 (2)	154 674	3 864 161		(3 783 956)			234 879
Other accounts payable	5568	for 20 14 (1)	4 173 121	6 887 946		(9 060 937)	(1 196)		1 998 934
	5588	for 20 13 (2)	426 058	12 249 956		(8 501 656)	(1 237)		4 173 121
<b>From total sum of short-term accounts payable</b>	5569	for 20 14 (1)	192 750	1 651 859	-	(1 579 398)	-	-	265 211
	5589	for 20 13 (2)	138 888	1 184 658	-	(1 130 796)	-	-	192 750
<i>indebtedness towards affiliated companies</i>	55691	for 20 14 (1)	192 750	1 651 859		(1 579 398)			265 211
	55891	for 20 13 (2)	138 888	1 184 658		(1 130 796)			192 750
<i>indebtedness towards dependent companies</i>	55692	for 20 14 (1)	-						-
	55892	for 20 13 (2)							-
<b>Total</b>	5550	for 20 14 (1)	34 824 345	122 830 172	-	(121 846 807)	(24 166)	-	35 783 544
	5570	for 20 13 (2)	22 854 514	108 655 062	-	(96 457 528)	(227 703)	-	34 824 345

### 5.6.6. Overdue accounts payable

Indicator	Code	As at 31 December 2014 (1)	As at 31 December 2013 (2)	As at 31 December 2012 (3)
1	2	3	4	5
Total	5590	1 952 950	1 620 695	1 623 185
including:				
Settlements with suppliers and contractors	5591	-	-	-
<i>including</i>				
<i>construction</i>	55911			
<i>other</i>	55912			
Indebtedness to participants (founders) on payment of incomes	5592			
Indebtedness before the state off-budget funds	5593			
Settlements under taxes and levies	5594			
Indebtedness before the company personnel	5595			
Other accounts payable	5596	1 952 950	1 620 695	1 623 185

### 5.6.7. Credits and loans

Indicator	Code	Period	As of the beginning of the year	Changes for the Period					As of the end of the period
				Entry	Accrual of Interest	Principal Repayment	Interest Repayment	Transfer from Short-term Debt to Long-term Debt	
1	2	3	4	5	6	7	8	9	10
<b>Total long-term borrowings</b>	7410	for 20 13 (2)	29 406 037	22 682 403	-	(2 500 000)	-	(1 400 000)	48 188 440
	7430	for 20 14 (1)	24 644 586	18 843 451	-	(5 168 560)	-	(8 913 440)	29 406 037
including:									
Credits	7411	for 20 13 (2)	23 406 037	22 682 403		(2 500 000)		(1 400 000)	42 188 440
	7431	for 20 14 (1)	21 644 586	15 843 451		(5 168 560)		(8 913 440)	23 406 037
Loans	7412	for 20 13 (2)	6 000 000						6 000 000
	7432	for 20 14 (1)	3 000 000	3 000 000					6 000 000
<b>Total short-term borrowings</b>	7420	for 20 13 (2)	3 970 003	-	3 575 795	(3 813 439)	(3 551 380)	1 400 000	1 580 979
	7440	for 20 14 (1)	3 144 374	-	2 618 821	(8 100 000)	(2 606 632)	8 913 440	3 970 003
including:									
Credits	7421	for 20 13 (2)	3 813 440			(3 813 439)		1 400 000	1 400 001
	7441	for 20 14 (1)	3 000 000			(8 100 000)		8 913 440	3 813 440
<i>Interest on credits</i>	74211	for 20 13 (2)	54 748		3 073 298		(3 050 259)		77 787
	74411	for 20 14 (1)	95 474		2 188 206		(2 228 932)		54 748
Loans	7422	for 20 13 (2)	101 815		502 497		(501 121)		103 191
	7442	for 20 14 (1)	48 900		430 615		(377 700)		101 815

### 5.6.8. Expenses on credits and loans

Indicator		On long-term credits and loans	On short-term credits and loans
Name	Code		
1	2	3	4
Expenses on credits in total	7510	2 815 313	257 985
written off on other expenses	7511	2 076 305	236 516
included in cost of assets	7512	739 008	21 469
Expenses on loans in total	7520	502 497	-
written off on other expenses	7521	453 156	
included in cost of assets	7522	49 341	
From total expenses on loans and credits:	7530	3 317 810	257 985
accrued %	7531	3 300 512	257 985
other expenses	7532	17 298	



## 5.7. Contingent assets и liabilities

### 5.7.1. Estimated liabilities

Indicator		Balance at the beginning of year	Recognised	Redeemed	Written off as the excessive sum	Ending balance
Name	Code					
1	2	3	4	5	6	7
<b>Estimated liabilities - total</b>	5700	1 009 853	5 161 728	(810 178)	(1 391 109)	3 970 294
including:						
Payment of forthcoming holidays	5701	115 811	377 501	(403 166)		90 146
Annual bonus payment	5702	127 874	106 514	(98 037)	(26 321)	110 030
For repair of fixed assets	5703					-
For works in connection with the seasonal character of production	5704					-
warranties and claims	5705					-
liquidating obligations	5706					-
judicial proceedings which have not been settled on the reporting date	5707	301 331	310 246	(162 086)	(954)	448 537
claims of taxing authorities by results of the tax checks, not settled on the reporting date	5708					-
other estimated liabilities	5709	464 837	4 367 467	(146 889)	(1 363 834)	3 321 581
<b>From the total sum of contingent liabilities:</b>						
Created for account of expenses on usual types of activity	5710	429 010				
Created for account of other expenses	5720	3 766 955				
Included in assets cost	5730	276 452				

### 5.7.2. Deferred taxes

Name	Code	Deductible temporary difference	Deferred tax assets	Taxable temporary difference	Deferred tax liabilities
1	2	3	4	5	6
Balance at the beginning of accounting year	7700	1 989 361	979 858	12 843 315	2 568 663
Income	7710	7 949 470	3 311 252	9 651 970	1 930 394
Expense	7720	(4 259 705)	(851 941)	(3 468 345)	(693 669)
Result of change of the tax rates	7730	X		X	
Result of correction of errors of past	7740	(481 720)	(96 344)		
Permanent differences in cost of assets and liabilities	7750				
Write-off which does not imply tax consequences	7760				
Balance on the accounting period end	7800	5 197 406	3 342 825	19 026 940	3 805 388

## 5.8. Provisions

Indicator		As at 31 December	As at 31 December	As at 31 December
Name	Code	2014 (1)	2013 (2)	2012 (3)
1	2	3	4	5
Received - total	5800	1 962 324	868 436	393 896
including:				
notes	5801			
Property in pledge	5802	-	-	-
from which:				
fixed assets	58021			
securities and other financial investments	58022			
other	58023			
other received	5803	1 962 324	868 436	393 896
Issued under own liabilities – total	5810	138 023	138 026	137 724
including:				
notes	5811			
Collateral	5812	-	-	-
from which:				
fixed assets	58121			
securities and other financial investments	58122			
other	58123			
other issued	5813	138 023	138 026	137 724

### 5.9. Government assistance

Indicator	Code	For 2014 (1)				For 2013 (2)			
1	2	3				4			
Budgetary funds received - total	5900	59 802				850			
including:									
for current expenses	5901								
compensation for Chernobyl cleanup veterans	5902								
for accomplishment of tasks on mobilisation preparation	5903	790				850			
for liquidation of the interterritorial cross subsidising	5904								
for investments in non-current assets	5905								
for other purposes	5906	59 012							
Indicator	Code	At the beginning of year	Received for the year	Returned for the year	At the year end	At the beginning of year	Received for the year	Returned for the year	At the year end
Budget credits - total	5910	-	2 951	(2 951)	-	-	371	(371)	-
including:									
financing of precautionary measures on reducing of industrial injuries and occupational diseases	5911		2 951	(2 951)	-		371	(371)	-
financing of profound medical checks of the employees at work with harmful and (or) dangerous production factors	5912				-				-
other	5913				-				-

**5.10. Government assistance on which the conditions of its granting are not satisfied**

Indicator		For 2014 (1)		For 2013 (2)	
Name	Code	Subject to return	Actually returned	Subject to return	Actually returned
1	2	3	4	5	6
Received budgetary funds on which the conditions of their granting are not satisfied	7910	-	-	-	-
<i>including</i>					
<i>for current expenses</i>	7911				
<i>compensation for Chernobyl cleanup veterans</i>	7912				
<i>for accomplishment of tasks on mobilisation preparation</i>	7913				
<i>for liquidation of the interterritorial cross subsidising</i>	7914				
<i>other</i>	7915				
Received budget credits on which the conditions of their granting are not satisfied	7920	-	-	-	-
<i>including</i>					
<i>financing of precautionary measures on reducing of industrial injuries and occupational diseases</i>	7921				
<i>financing of profound medical checks of the employees at work with harmful and (or) dangerous production factors</i>	7922				
<i>other</i>	7925				

### 5.11. Miscellaneous income and expenses

Indicator		For 2014 (1)	For 2013 (2)
Name	Code		
1	2		
<b>Total miscellaneous income</b>	8000	3 622 513	3 529 476
including:			
From disposal of fixed assets except for apartments	8001	10 448	8 940
From disposal of apartments	8002	1 476	2 340
From disposal of inventory	8003	27 333	30 426
From disposal of currency	8004		
From disposal of intangible assets	8005		
From sales of securities	8006	373	20
From disposal of other assets	8007	85	91
From joint activity	8008		
Profit of 2011 identified in the reporting period	8009	45 124	13 668
Profit of 2010 identified in the reporting period	8010	18 779	
Profit of 2009 identified in the reporting period	8011		
Profit before 01.01.2009 identified in the reporting period	8012		
Acknowledged fines, forfeitures and other financial penalties	8013	32 480	155 308
Accounts payable for which limitation period has expired (over 3 years)	8014	24 147	255 149
Exchange rate differences	8015		139
Property in surplus by results of inventory	8016	78 298	2 983
Donated assets except for fixed assets and intangible assets	8017		28
Income from donated fixed assets determined in the established order	8018	2 939	16 677
Cost of tangible assets remaining from write-off of assets obsolete to restore and further use	8019	33 277	23 191
Revaluation of financial investments at current market value	8020		
Income from decrease (write-off) of doubtful debt reserve	8021	62 578	7 237
Income from decrease (write-off) of reserve for estimated liabilities	8022	1 391 108	175 998
Income from decrease (write-off) of reserve against decreases in the value of tangible assets	8023		
Income from claim assignment agreements	8024		
Income from identified non-contractual electricity consumption	8025	1 528 522	1 907 313
Insurance payments receivable	8026	11 960	58 059
Income from participation in the authorized capital of other organizations	8027		
Recovery of previously written off receivables	8028	15	
Discount on notes	8029		
Tariffs difference compensation (budget funding)	8030		
Income from decrease (write-off) of reserve against devaluation of financial investments	8031		
Full appreciation of fixed assets	8032		
Other	8033	353 571	871 909

Indicator		For 2014 (1)	For 2013 (2)
Name	Code		
1	2		
<b>Total miscellaneous expenses</b>	8100	(16 460 876)	(3 985 166)
including:			
On disposal of fixed assets except for apartments	8101	(5 242)	(869)
On disposal of apartments	8102	(118)	(57)
On disposal of inventory	8103	(24 606)	(28 054)
On disposal of currency	8104		
On disposal of intangible assets	8105		
On sales of securities	8106	(4)	(105)
On disposal of other assets	8107	(61)	(96)
Other taxes	8108	(9 677)	(6 997)
Expenses on bank services payment	8109	(5 278)	(7 555)
Cost financial investments servicing	8110	(12 614)	(24 661)
Reserve for doubtful debts	8111	(468 772)	(1 131 427)
Reserve against devaluation of financial investments	8112	(8 606 789)	(49 318)
Reserve against decreases in the value of tangible assets	8113		
Reserve for discontinued operations	8114		
Reserve for estimated liabilities	8115	(4 468 093)	(699 802)
Disposal of incomeless assets	8116	(50 009)	(150 002)
VAT on donated property	8117		
Loss of 2011 identified in the reporting period	8118	(926 311)	(114 704)
Loss of 2010 identified in the reporting period	8119	(31 200)	(187)
Loss of 2009 identified in the reporting period	8120		
Loss before 01.01.2009 identified in the reporting period	8121		
Acknowledged fines, forfeitures and other financial penalties	8122	(103 959)	(92 914)
State duties on economic contracts	8123	(10 263)	(8 989)
Revaluation of financial investments at current market value	8124		
Discount on notes	8125		
Expenses on claim assignment agreements	8126		
Non-refundable VAT	8127	(78 490)	(123 750)
Expenses on identified non-contractual electricity consumption	8128	(263 825)	(456 866)
Contributions to associations and foundations	8129	(6 781)	(3 180)
Accounts receivable for which limitation period has expired (over 3 years)	8130	(142 149)	(193 632)
Exchange rate differences	8131	(88)	(196)
Legal costs	8132	(96 474)	(15 856)
Embezzlement and deficiencies	8133	(45)	(28 924)
Costs of enforcement	8134	(73 573)	(75 134)
Payment of cost of employees' apartments	8135		(2 761)
Other material (financial) assistance and other payments to employees	8136	(259 870)	(223 436)
Material assistance to pensioners (including immediate compensation for utilities)	8137	(11 773)	(11 548)
Expenses for sports activities	8138	(6 187)	(7 963)
Expenses for cultural activities	8139	(31 078)	(28 421)
Charitable contributions	8140	(24 980)	(35 406)

Indicator		For 2014 (1)	For 2013 (2)
Name	Code		
1	2		
Write-down of fixed assets	8141		
Other	8142	(742 567)	(462 356)









### 5.12. Reference on assets booked on off-balance-sheet accounts

Indicator	Code	As at 31 December 2014 (1)	As at 31 December 2013 (2)	As at 31 December 2012 (3)
1	2	3	4	5
Leased fixed assets	8200	1 503 677	1 489 605	2 008 396
including: on leasing	82001	343 451	603 470	1 239 796
Goods and materials accepted for custody	8201	53 991	79 605	30 287
Materials accepted for processing	8202			
Goods accepted on commission	8203			
Equipment accepted for assembly	8204			
Indebtedness of insolvent debtors written off to losses	8205	861 959	989 807	1 030 257
Wear of land improvement facilities and other similar facilities	8206	288	606	624
Strict reporting forms	8207	55	74	101
Federally owned property	8208			
Intangible assets acquired in use	8209			
Property transferred to share capital as payment for purchased shares	8210			

### 5.13. Reportable segment information

As at 31.12.2014	Code	St. Petersburg	Leningrad Region	Reporting Segment	Reporting Segment	Reporting Segment	Other Segments	Total
1	2	3	4	5	6	7	8	9
Revenue from external customers	8310	25 993 647	18 728 461					44 722 108
Sales revenue between segments	8320							-
<b>Total revenue of segment</b>	8300	<b>25 993 647</b>	<b>18 728 462</b>	-	-	-	-	<b>44 722 109</b>
including:								-
<i>revenue from electricity transmission</i>	8301	<b>20 771 476</b>	<b>15 489 973</b>					<b>36 261 449</b>
<i>revenue from grid connection</i>	8302	<b>5 077 557</b>	<b>3 171 437</b>					<b>8 248 994</b>
<i>other revenue</i>	8303	<b>144 614</b>	<b>67 052</b>					<b>211 666</b>
Interest receivable	8330	<b>685 887</b>	<b>658 973</b>					<b>1 344 860</b>
Interest payable	8340	<b>1 721 077</b>	<b>1 044 900</b>					<b>2 765 977</b>
Profit tax expenses	8350	(525 457)	(641 209)					<b>(1 166 666)</b>
<b>Profit (loss) of segment</b>	8360	<b>(4 340 881)</b>	<b>(3 626 963)</b>					<b>(7 967 844)</b>
<b>Assets of segments</b>	8370	<b>103 030 623</b>	<b>61 738 766</b>					<b>164 769 389</b>
incl. non-current assets	8371	93 206 890	51 312 171					<b>144 519 061</b>
<b>Liabilities of segments</b>	8380	<b>46 805 094</b>	<b>46 523 551</b>					<b>93 328 645</b>
<b>Depreciation of fixed assets and intangible assets</b>	8390	<b>5 568 769</b>	<b>3 403 265</b>					<b>8 972 034</b>