



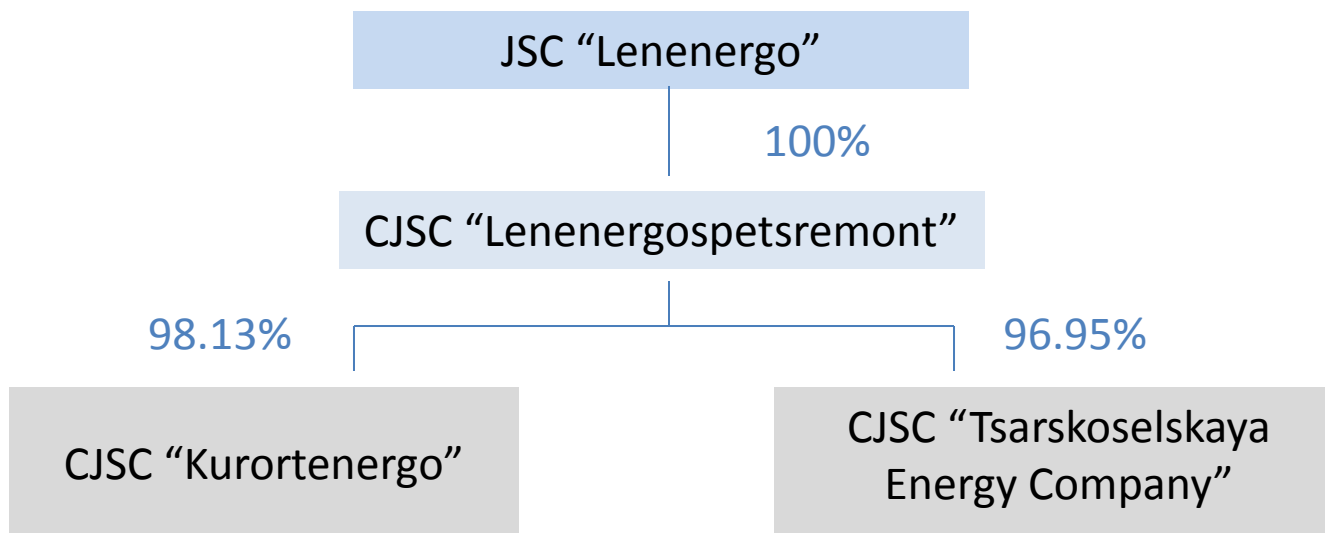
ЛЕНЭНЕРГО

Key Indicators of Unaudited
Interim Condensed Consolidated
Financial Statements
prepared in accordance with IFRS

1 Half of 2010

Structure of the Group of Companies of JSC “Lenenergo” as of June 30, 2010

On November 23, 2010 in-person meeting of the Audit Committee of JSC “Lenenergo” reviewed interim financial statements for the 1st half of 2010, prepared in accordance with IFRS, which was confirmed by an independent Auditor of the Company – Ernst & Young LLC

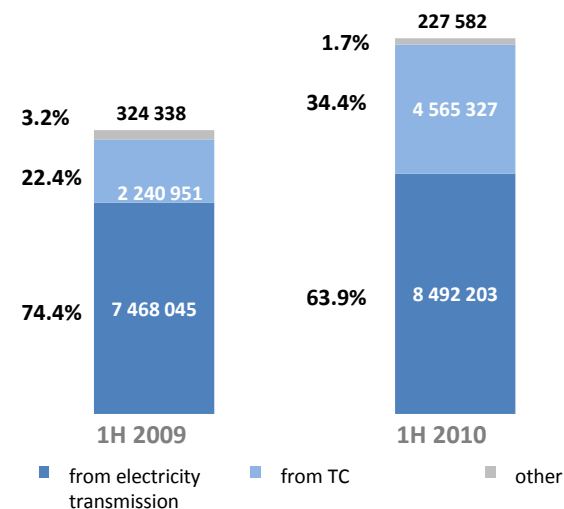


Indicators of subsidiaries CJSC “Lenenergospetsremont”, CJSC “TEC” and CJSC “Kurortenergo” are not considered because their impact on performance statements of the Group are insignificant.

Key Indicators of Financial Statements of the Group (IFRS), 1H 2010

Key indicators of financial statements of JSC "Lenenergo", RUR thousand				
Indicator	31.12.2009	30.06.2009	30.06.2010	Δ % 1H 2010/ 1H 2009
Assets	88,325,285	84,694,358	90,862,519	7.28%
Equity	45,833,693	43,331,255	47,800,871	10.31%
Liabilities, including:	42,491,592	41,363,103	43,061,648	4.11%
- non-current liabilities	16,926,166	22,656,334	17,135,935	-24.37%
- current liabilities	25,565,426	18,706,769	25,925,713	38.59%
Revenues, including:	22,800,390	10,033,334	13,285,112	32.41%
- from electricity transmission	15,415,703	7,468,045	8,492,203	13.71%
- from TC	6,638,230	2,240,951	4,565,327	103.72%
- other	746,457	324,338	227,582	-29.83%
Operating expenses	18,489,176	8,151,348	9,841,842	20.74%
Operating profit	4,311,214	1,881,986	3,443,270	82.96%
Net profit	2,587,372	242,019	2,587,589	969.17%
<i>For reference:</i>				
EBITDA	7,147,968	2,836,589	6,034,233	112.73%
EBITDA margin, %	31.35%	28.27%	45.51%	17.24 p.p.
Net profit margin, %	11.34%	2.4%	19.5%	17.10 p.p.
Return on equity, %	5.64%	0.6%	5.4%	4.80 p.p.

Structure of revenues of JSC "Lenenergo"
1H 2010 and 1H 2009, RUR thousand



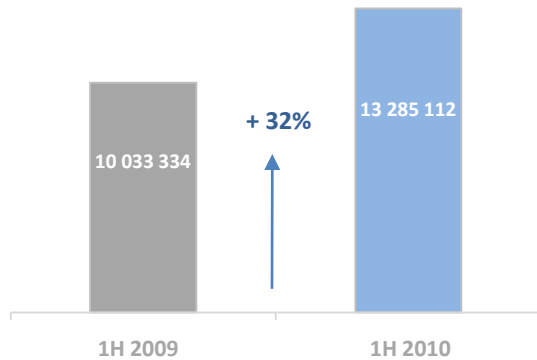
Information on revenues from electricity transmission is provided excluding normative technological losses which in 1H 2010 amounted to **RUR 2,785,495 thousand** (1H 2009 – RUR 2,096,910 thousand).

The Group's revenues from electricity transmission for 1H 2010 increased by **RUR 1,024,158 thousand (14%)** as compared to 1H 2009 due to the growth of transmission volumes and increase of average tariffs in 1H 2010 as compared to 1H 2009 by **14%**.

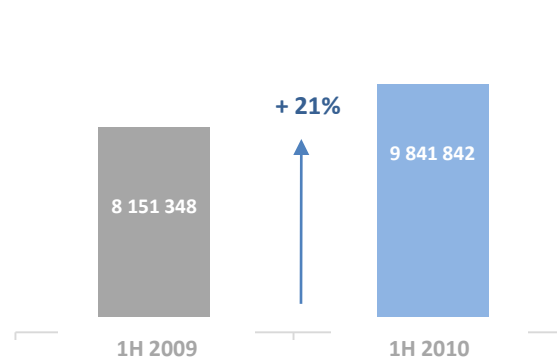
Revenues from technological connection (TC) in 1H 2010 increased by **RUR 2,324,376 thousand (104%)** as compared to the same period of 2009 due to the growth in volume (capacity) of connections.

Dynamics of Key Financial Indicators in 1H 2009-2010

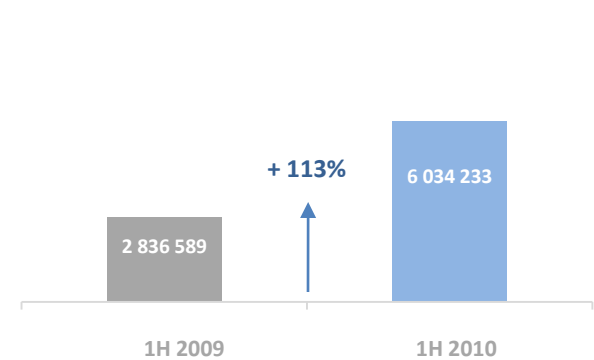
Revenues, RUR thousand



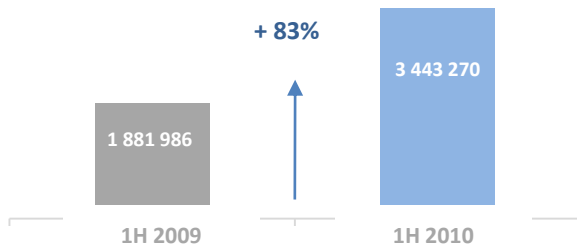
Operating expenses, RUR thousand



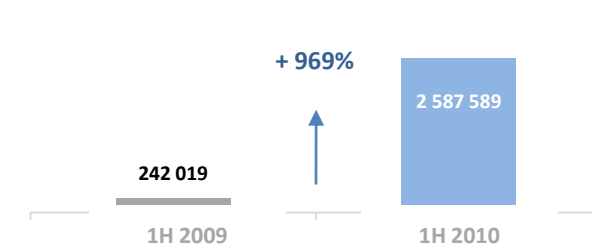
EBITDA, RUR thousand



Operating profit, RUR thousand

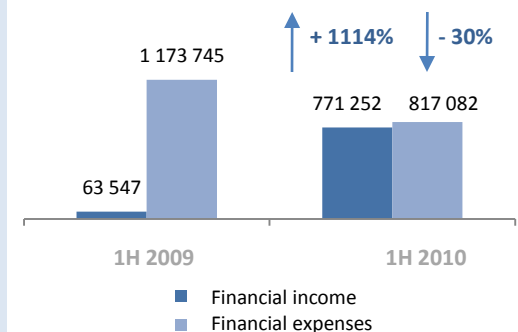


Net profit, RUR thousand



	1H 2009	1H 2010	Δ % 1H 2010/ 1H 2009
EBITDA margin, %	28.27	45.51	+17.24 p.p.
Debt/EBITDA	5.12	2.62	- 95.4%

* For reference: dynamics of financial expenses/income of the Group, RUR thousand

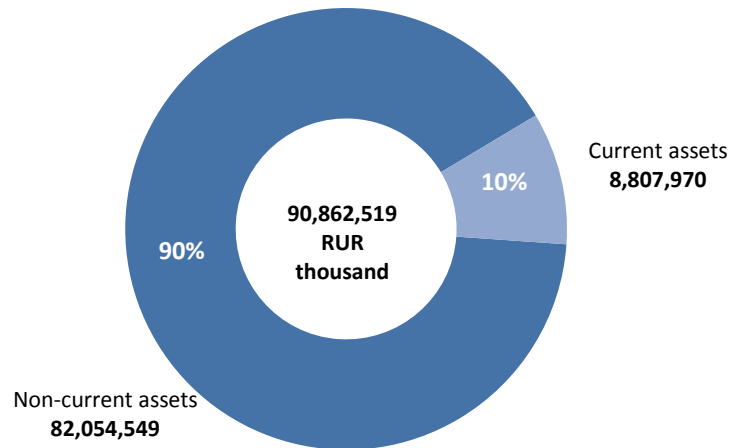


For the 6 months of 2010 the Group's revenue as compared to the same period of 2009 increased by +32%, while operating expenses increased by 21%. EBITDA and operating profit for the reporting period increased more drastically: by +113% and +83% respectively. The positive dynamics is observed in terms of EBITDA margin - increase by 17 percentage points (+61%). Net income shows substantial growth over the same period of the last year (+969%) due to increase in operating profit and a sufficient surplus of the financial activities of the Group: in 1H 2010 the Group sold its stakes in JSC "Federal Grid Company" and JSC "Petersburg Retail Company" for a cash reward of RUR 657,087 thousand. Reserve of unrealized profit at the time of disposal of investments available for sale in the amount of RUR 532,866 thousand have been reclassified into financial income (increase of financial income amounted to +1,114%)

Debt/EBITDA in 1H 2010 decreased almost 2 times as compared to 1H 2009 to the level of 2.62 due to significant growth of EBITDA (+113%) accompanied by quite insignificant growth of debt (+9%).

Structure of the Group's Assets as of June 30, 2010

Structure of Assets, RUR thousand



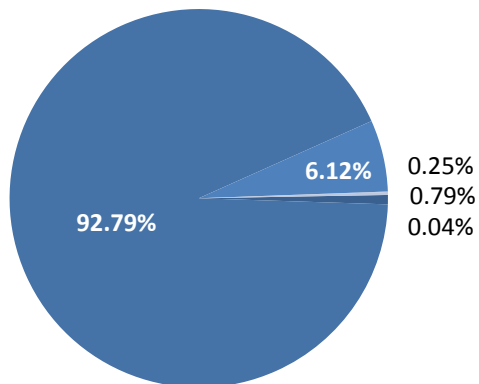
During the first half of 2010 the structure of the Group's assets remained almost unchanged.

As of June 30, 2010 the Group's assets amounted to **RUR 90,862,519 thousand** which is **3%** higher than as of December 31, 2009.

The predominant share of the Group's assets belongs to non-current assets – **RUR 82,054,549 thousand (90%)**. During the reporting period there was an increase of **4%**.

As of June 30, 2010 current assets amounted to RUR 8,807,970 thousand (10%). During the reporting period there was a decrease of **6%**.

Structure of Non-current assets



- Intangible assets
- Property, plant and equipment
- Advances for construction of property, plant and equipment
- Available-for-sale investments
- Other non-current assets

Major changes in the structure of the Group's assets since early 2010

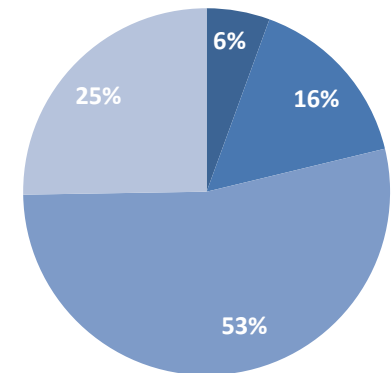
As of 30.06.2010, as well as at the end of 2009, the most significant share in the structure of **Non-current assets** accounted for **Property, plant and equipment - 93%**.

Available-for-sale investments reduced significantly **(-94%)** in connection with the sale of the Group's stake in JSC "FGC" and JSC "PRC".

As of 30.06.2010, as well as at the end of 2009, the most significant share in the structure of **Current assets** accounted for **Other current assets -53%** (as of 31.12.2009 - 50%).

A significant increase by **36%** occurred in **Inventories** as compared to the end of 2009, due to the transition of the Group on the scheme of raw material.

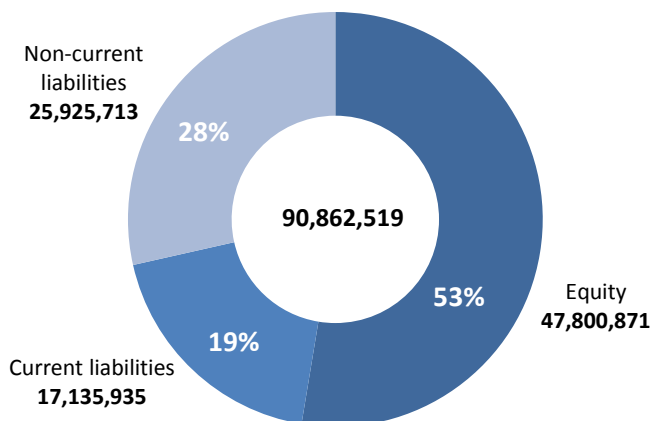
Structure of Current assets



- Inventories
- Accounts receivable
- Other current assets
- Cash and cash equivalents

Structure of the Group's Equity and Liabilities as of June 30, 2010

Structure of Equity and Liabilities,
RUR thousand



During the first half of 2010 the structure of the Group's liabilities remained almost unchanged. Ratio of equity/liabilities as of June 30, 2010 accounts for **1.11** (as of 31.12.2009 – 1.08)

The predominant share of the Group's equity and liabilities belongs to equity and reserves (**53%**).

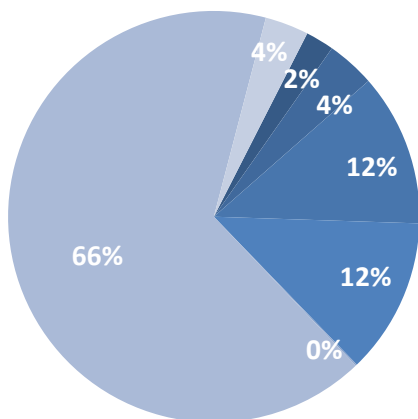
Main items of non-current liabilities as of 30.06.2010:

- bonded loans (RUR 5,980,675 thousand) – 35%
- deferred tax liabilities (RUR 5,194,961 thousand) – 30%
- bank loans (RUR 4,347,000 thousand) – 25%

Main items of current liabilities as of 30.06.2010:

- advances received from customers (RUR 17,162,358 thousand) – 66%
- syndicated loan (RUR 3,107,118 thousand) – 12%
- trade payables (RUR 3,177,086 thousand) – 12%

Structure of Current liabilities



- Short-term portion of finance lease liabilities
- Short-term portion of bank loans
- Syndicated loan
- Trade payables
- Income tax payable
- Advances received from customers
- Other payables

**Major changes in the structure of the
Group's liabilities since early 2010**

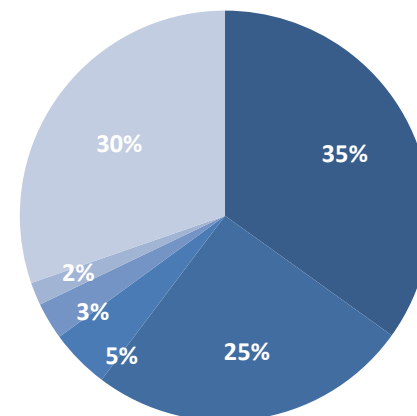
During 1H 2010 the Group attracted:

- **Long-term borrowings** for the total amount of RUR 1,347,000 thousand, average interest rate - **7%**,
- **Short-term borrowings** for the total amount of RUR 985,000 thousand, average interest rate – **8.8%**

In compliance with the loan agreement between Lenenergo and Barclays Bank, the Group paid half the amount of syndicated loan in 1H 2010 (RUR 2,919,796 thousand)

Since the beginning of 2010 income tax payable considerably reduced up to RUR 26,868 thousand (**-95%**)

Structure of Non-current liabilities



- Bonded loans
- Bank loans
- Finance lease liabilities
- Other non-current liabilities
- Post-employment benefits liability
- Deferred tax liabilities



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