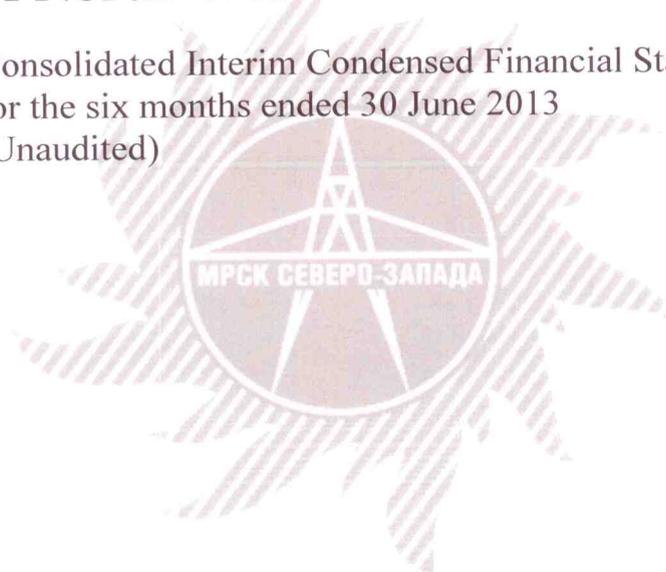




# **Interregional Distribution Grid (IDG) Company of North-West**

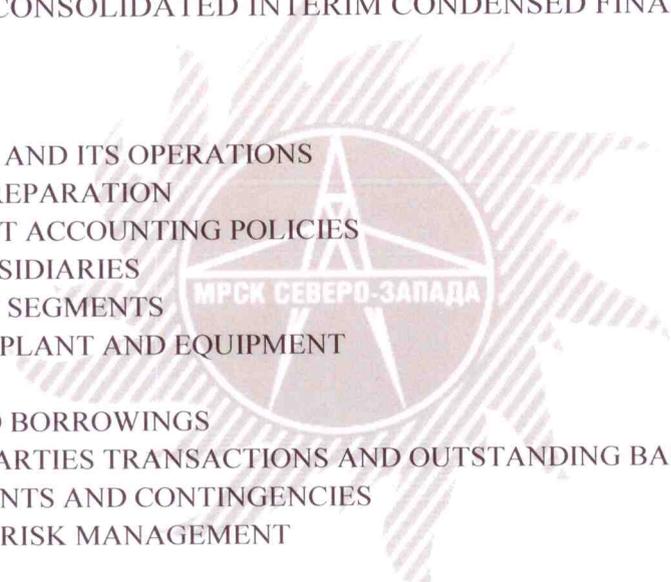
Consolidated Interim Condensed Financial Statements  
for the six months ended 30 June 2013  
(Unaudited)





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# OJSC "IDGC of North-West"



## Consolidated Condensed Statement of Profit or Loss and Other Comprehensive Income for the 6 months ended 30 June 2013 (Unaudited)

(in thousands of Russian roubles, except share and per share data)

	Notes	For the six months ended 30 June	
		2013	2012
<b>Revenue:</b>			
Power transmitting		13,380,922	13,158,438
Sale of electricity		6,783,932	2,577,138
Connection to power network		77,439	499,863
Other revenue		115,804	194,266
<b>Total revenue</b>		<b>20,358,097</b>	<b>16,429,705</b>
Government subsidies received		436	46
<b>Expenses:</b>			
Power transmitting services		(5,215,848)	(4,532,536)
Salaries and other personnel expenses		(4,736,529)	(4,326,449)
Electric power to cover losses		(1,690,587)	(1,541,119)
Depreciation and amortization of non-current assets		(1,737,009)	(1,520,946)
Electric purchases for resale		(3,784,879)	(1,215,570)
Raw materials used		(754,887)	(681,326)
Network and equipment repair services		(269,169)	(219,793)
Taxes other than income tax		(152,572)	(79,540)
Other services		(671,941)	(684,747)
Other operating expenses		(1,245,037)	(834,131)
<b>Total expenses</b>		<b>(20,258,458)</b>	<b>(15,636,157)</b>
<b>Operating result</b>		<b>100,075</b>	<b>793,594</b>
Other non-operating income, net		230,529	125,225
Finance costs, net		(468,643)	(213,225)
<b>Profit before income tax</b>		<b>(138,039)</b>	<b>705,594</b>
Income tax expense		(108,789)	(232,535)
<b>Profit for the period</b>		<b>(246,828)</b>	<b>473,059</b>

The accompanying notes on pages 11 to 23 are an integral part of these consolidated interim condensed financial statements.

# OJSC "IDGC of North-West"



## Consolidated Condensed Statement of Profit or Loss and Other Comprehensive Income for the 6 months ended 30 June 2013 (Unaudited)

(in thousands of Russian roubles, except share and per share data)

	Notes	For the six months ended 30 June	
		2013	2012
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Net change in fair value of available-for-sale financial assets		(585)	(3,249)
Income tax on items that are or may be reclassified subsequently to profit or loss		69	491
<i>Total items that are or may be reclassified subsequently to profit or loss</i>		(516)	(2,758)
<i>Items that will never be reclassified to profit or loss:</i>			
Remeasurements of the defined benefit liability (asset)		29,599	(31,116)
Income tax on items that will never be reclassified to profit or loss		(5,920)	6,223
<i>Total items that will not be reclassified to profit or loss</i>		23,679	(24,893)
<b>Other comprehensive income/(loss) for the period, net of income tax</b>		<b>23,163</b>	<b>(27,651)</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(223,665)</b>	<b>445,408</b>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company		(246,832)	473,052
Non-controlling interests		4	7
<b>(Loss)/profit for the period</b>		<b>(246,828)</b>	<b>473,059</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company		(223,669)	445,401
Non-controlling interests		4	7
<b>Total comprehensive (loss)/income for the period</b>		<b>(223,665)</b>	<b>445,408</b>
<b>(Loss)/earnings per share</b>			
Basic and diluted (loss)/earnings per share (expressed in RUB)		(0.0023)	0.0047
Weighted average number of ordinary shares in issue	7	95,785,923,138	95,785,923,138

General Director

Titov S.G.

Deputy General Director for economy and finance

Guba D.O.

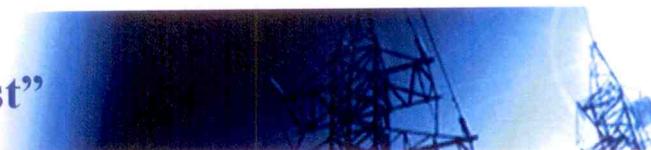
Chief Accountant

Maksimova T. V.

29 August 2013

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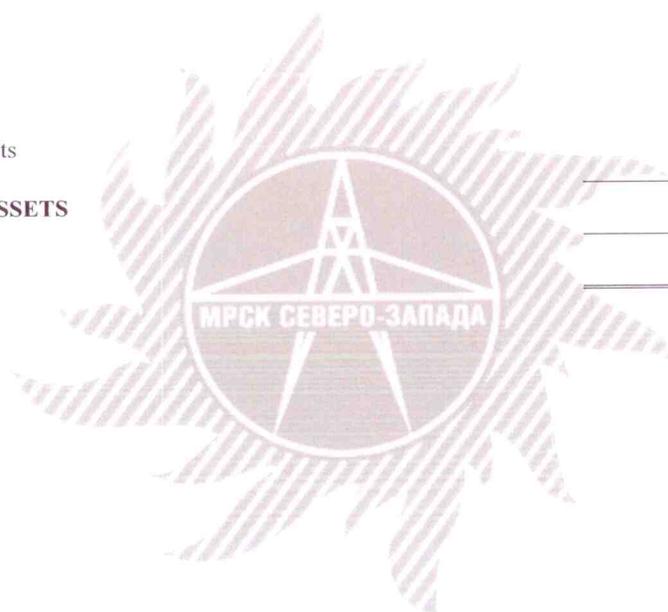
# OJSC "IDGC of North-West"



## Consolidated Condensed Statement of Financial Position as at 30 June 2013 (Unaudited)

(in thousands of Russian roubles)

	Notes	30 June 2013	31 December 2012
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	33,461,373	33,250,887
Intangible assets		55,001	56,231
Deferred tax assets		4,645	2,238
Investment in securities and other financial assets		141,631	155,645
Other non-current assets		618,654	634,676
<b>TOTAL NON-CURRENT ASSETS</b>		<b>34,281,304</b>	<b>34,099,677</b>
<b>CURRENT ASSETS</b>			
Accounts receivable and prepayments		9,515,076	5,755,100
Income tax receivable		184,115	318,592
Inventories		1,030,554	784,780
Other current assets		696,078	373,256
Cash and cash equivalents		505,137	726,997
<b>TOTAL CURRENT ASSETS</b>		<b>11,930,960</b>	<b>7,958,725</b>
<b>TOTAL ASSETS</b>		<b>46,212,264</b>	<b>42,058,402</b>



The accompanying notes on pages 11 to 23 are an integral part of these consolidated interim condensed financial statements.



## Consolidated Condensed Statement of Financial Position as at 30 June 2013 (Unaudited)

(in thousands of Russian roubles)

	Notes	30 June 2013	31 December 2012
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	9,578,592	9,578,592
Retained earnings		1,158,697	1,420,990
Merger reserve	7	10,457,284	10,457,284
Other reserves		532,382	509,219
<b>EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY</b>		<b>21,726,955</b>	<b>21,966,085</b>
Non – controlling interests		281	277
<b>TOTAL EQUITY</b>		<b>21,727,236</b>	<b>21,966,362</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans and borrowings	8	10,928,960	10,629,252
Retirement benefit obligations		1,373,046	1,391,400
Deferred tax liabilities		1,909,781	1,962,665
Other non-current liabilities		312,081	402,841
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,523,868</b>	<b>14,386,158</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and advances received		6,918,326	4,991,706
Current taxes payable		989,538	337,424
Income tax payable		3,646	134
Current loans and borrowings	8	1,789,943	19,021
Current provisions		259,707	357,597
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,961,160</b>	<b>5,705,882</b>
<b>TOTAL LIABILITIES</b>		<b>24,485,028</b>	<b>20,092,040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46,212,264</b>	<b>42,058,402</b>

General Director

Deputy General Director for economy and finance

Chief Accountant

29 August 2013

Titov S.G.

Guba D.O.

Maksimova T. V.

The accompanying notes on pages 11 to 23 are an integral part of these consolidated interim condensed financial statements.

# OJSC "IDGC of North-West"

## Consolidated Condensed Statement of Changes in Equity for the six months ended 30 June 2013 (Unaudited)

(in thousand of Russian roubles)

	Attributable to equity holders of the Company						
	Share capital	Retained earnings	Merger reserve	Other reserves	Total	Non-controlling interests	Total equity
Balance at 01 January 2012	9,578,592	1,183,604	10,457,284	607,852	21,827,332	260	21,827,592
Total comprehensive income for the period	-	473,052	-	-	473,052	7	473,059
Profit for the period	-	-	-	-	(27,651)	-	(27,651)
Other comprehensive loss for the period	-	473,052	-	(27,651)	445,401	7	445,408
Total comprehensive income/(loss) for the period	-	473,052	-	(27,651)	445,401	7	445,408
Balance at 30 June 2012	9,578,592	1,656,656	10,457,284	580,201	22,272,733	267	22,273,000

# OJSC "IDGC of North-West"



## Consolidated Condensed Statement of Changes in Equity for the six months ended 30 June 2013 (Unaudited)

(in thousand of Russian roubles)

### Attributable to equity holders of the Company

	Share capital	Retained earnings	Merger reserve	Other reserves	Total	Non-controlling interests	Total equity
Balance at 01 January 2013	9,578,592	1,420,990	10,457,284	509,219	21,966,085	277	21,966,362
Total comprehensive income for the period	-	(246,832)	-	-	(246,832)	4	(246,828)
Profit/(loss) for the period	-	-	-	23,163	23,163	-	23,163
Other comprehensive income	-	(246,832)	-	-	(246,832)	4	(223,665)
Total comprehensive income/(loss) for the period	-	(246,832)	-	23,163	(223,669)	4	(223,665)
Transactions with owners, recorded directly in equity	-	(15,461)	-	-	-	-	(15,461)
Dividends to equity holders	-	-	-	-	-	-	-
Balance at 30 June 2013	9,578,592	1,158,697	10,457,284	532,382	21,726,955	281	21,727,236

General Director

Titov S.G.

Deputy General Director for economy and finance

Guba D.O.

Chief Accountant

Maksimova T. V.

29 August 2013



## Consolidated Condensed Statement of Cash Flows

for the six months ended 30 June 2013 (Unaudited)

(in thousands of Russian roubles)

	6 months ended 30 June	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit for the period</b>	<b>(246,825)</b>	<b>473,059</b>
<i>Adjustments for non-cash transactions:</i>		
Income tax expense recognised in profit or loss	108,789	232,535
Net finance costs	468,645	164,701
Depreciation and amortisation of non-current assets	1,737,009	1,520,946
Loss/(profit) from disposal of PPE	(11,833)	(10,737)
Provision for inventory obsolescence	740	393
Other non-cash loss	29,362	-
<b>Operating cash flows before changes in working capital and provisions</b>	<b>2,085,887</b>	<b>2,380,897</b>
<i>Working capital changes</i>		
Change in accounts receivable and prepayments	(3,664,225)	(297,885)
Change in inventories	(246,514)	(342,308)
Change in other current assets	(322,821)	86,889
Change in provisions and employee benefits	(28,407)	37,360
Change in accounts payable, advances received and provisions	2,499,638	150,012
<b>Cash generated by operations</b>	<b>323,558</b>	<b>2,014,965</b>
Interest paid	(451,622)	(209,658)
Income tax paid	(31,945)	(73,383)
<b>Net cash generated by operating activities</b>	<b>(160,009)</b>	<b>1,731,924</b>

The accompanying notes on pages 11 to 23 are an integral part of these consolidated interim condensed financial statements.



## Consolidated Condensed Statement of Cash Flows

for the six months ended 30 June 2013 (Unaudited)

(in thousands of Russian roubles)

	6 months ended 30 June	
	2013	2012
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of property, plant and equipment	49,387	31,869
Purchase of property, plant and equipment and other non-current assets	(2,137,888)	(2,102,270)
Interest received	4,899	15,213
Other investment income received	(45,964)	(2,425)
<b>Net cash used in investing activities</b>	<b>(2,129,566)</b>	<b>(2,057,613)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from loans and borrowings	6,193,934	695,706
Repayments of loans and borrowings	(4,126,220)	(1,171,716)
<b>Net cash used in financing activities</b>	<b>2,067,714</b>	<b>(476,010)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(221,861)</b>	<b>(801,699)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>726,997</b>	<b>1,534,693</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>505,137</b>	<b>732,995</b>

General Director

Deputy General Director for economy and finance

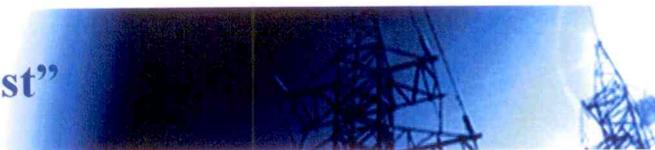
Chief Accountant

19 August 2013

Titov S.G.

Guba D.O.

Maksimova T. V.



## **Notes to the Consolidated Interim Condensed Financial Statements**

**for the 6 months ended 30 June 2013 (Unaudited)**

*(in thousands of Russian roubles unless otherwise stated)*

