

RAO ENERGY SYSTEM OF EAST GROUP

**DRAFT OF CONSOLIDATED INTERIM CONDENSED
FINANCIAL INFORMATION (UNAUDITED)
PREPARED IN ACCORDANCE WITH IFRS**

AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2012

RAO Energy System of East Group
Consolidated Statement of Financial Position as at 31 March 2012
(in millions of Russian Rubles unless noted otherwise)

	31 March 2012	31 December 2011
ASSETS		
Non-current assets		
Property, plant and equipment	50,529	49,671
Investments in associates	954	947
Available-for-sale financial assets	855	785
Deferred tax assets	218	180
Other non-current assets	871	839
Total non-current assets	53,427	52,422
Current assets		
Cash and cash equivalents	2,675	4,330
Accounts receivable and prepayments	27,232	22,623
Inventories	13,477	16,188
Other current assets	9,028	6,875
Assets of disposal group classified as held for sale	28,655	27,873
Total current assets	81,067	77,889
TOTAL ASSETS	134,494	130,311
EQUITY AND LIABILITIES		
Equity		
Share capital	22,717	21,558
Treasury shares	(410)	-
Revaluation reserve on property, plant and equipment	10,392	10,394
Retained losses and other reserves	(12,929)	(14,422)
Equity attributable to the shareholders of OJSC RAO Energy System of East	19,770	17,530
Non-controlling interest	12,711	11,637
TOTAL EQUITY	32,481	29,167
Non-current liabilities		
Deferred income tax liabilities	4,461	4,087
Non-current debt	30,300	34,102
Other non-current liabilities	10,390	9,246
Total non-current liabilities	45,151	47,435
Current liabilities		
Current debt and current portion of non-current debt	21,216	18,061
Accounts payable and accruals	15,895	18,059
Current income tax payable	546	245
Other taxes payable	5,642	4,251
Liabilities of disposal group classified as held for sale	13,563	13,093
Total current liabilities	56,862	53,709
TOTAL LIABILITIES	102,013	101,144
TOTAL EQUITY AND LIABILITIES	134,494	130,311

Acting General Director

Acting Chief Accountant



N.L. Zapryagaeva

E.N. Makina

01 August 2012

RAO Energy System of East Group
Consolidated Income Statement for the three months ended 31 March 2012
(in millions of Russian Rubles unless noted otherwise)

	Three months ended 31 March 2012	Three months ended 31 March 2011
Revenues	42,582	40,050
Government grants	2,579	1,860
Expenses	(40,704)	(33,159)
Impairment of property, plant and equipment	-	(21,327)
Operating (profit)/loss	4,457	(12,576)
Finance income	221	202
Finance expenses	(1,300)	(853)
Share of income of associates	7	-
Profit/(loss) before income tax	3,385	(13,227)
Total income tax expense/(benefit)	(872)	5,103
(Profit)/loss for the year	2,513	(8,124)
Attributable to:		
Shareholders of OJSC RAO Energy System of East	1,463	(3,570)
Non-controlling interest	1,050	(4,554)
Profit/(loss) per share from loss from continuing operations attributable to the shareholders of OJSC RAO Energy System of East – basic and diluted (in Russian Rubles per share)		
	0.0329	(0.0828)
Weighted average number of ordinary shares (in thousands)	42,406,250	41,041,754
Weighted average number of preference shares (in thousands)	2,075,149	2,075,149

Acting General Director

Acting Chief Accountant



N.L. Zapryagaeva

E.N. Makina

01 August 2012

RAO Energy System of East Group

Consolidated Statement of Comprehensive Income for the three months ended 31 March 2012

(in millions of Russian Rubles unless noted otherwise)

	Three months ended 31 March 2012	Three months ended 31 March 2011
(Profit)/loss for the year	2,513	(8,124)
Other comprehensive income after income tax:		
Change in fair value of available-for-sale financial assets, net of tax	57	27
Revaluation of property, plant and equipment, net of tax	3	27,529
Total comprehensive income for the year	2,573	19,432
Attributable to:		
Shareholders of OJSC RAO Energy System of East	1,499	10,428
Non-controlling interest	1,074	9,004

Acting General Director

Acting Chief Accountant



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N.L. Zapryagaeva

E.N. Makina

01 August 2012

RAO Energy System of East Group
Consolidated Statement of Changes in Equity for the three months ended 31 March 2012
(in millions of Russian Rubles unless noted otherwise)

	Share capital	Treasury shares	Available-for-sale financial assets	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 01 January 2011	21,558	-	258	-	(4,660)	17,156	8,201	25,357
Loss for the three months ended 31 March 2011	-	-	-	-	(3,570)	(3,570)	(4,554)	(8,124)
<i>Other comprehensive income</i>								
Fair value profit on available-for-sale investments	-	-	9	-	-	9	25	34
Income tax recorded in other comprehensive income	-	-	(2)	-	-	(2)	(5)	(7)
Revaluation of fixed assets	-	-	-	17,489	-	17,489	16,923	34,412
Income tax recorded in other comprehensive income	-	-	-	(3,498)	-	(3,498)	(3,385)	(6,883)
Total other comprehensive income	-	-	7	13,991	-	13,998	13,558	27,556
Total comprehensive income for three months ended 31 March 2011	-	-	7	13,991	(3,570)	10,428	9,004	19,432
Balance at 31 March 2011	21,558	-	265	13,991	(8,230)	27,584	17,205	44,789
Balance as at 01 January 2012	21,558	-	152	10,394	(14,574)	17,530	11,637	29,167
Share issue	1,159	(410)	-	-	-	749	-	749
Profit for the three months ended 31 March 2012	-	-	-	-	1,463	1,463	1,050	2,513
<i>Other comprehensive income</i>								
Fair value profit on available-for-sale investments	-	-	37	-	-	37	30	67
Income tax recorded in other comprehensive income	-	-	(7)	-	-	(7)	(5)	(12)
Revaluation of fixed assets	-	-	-	(2)	-	(2)	(1)	(3)
Income tax recorded in other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	30	(2)	-	28	24	52
Total comprehensive income for three months ended 31 March 2012	-	-	30	(2)	1,463	1,491	1,074	2,565
Balance at 31 March 2012	22,717	(410)	182	10,392	(13,111)	19,770	12,711	32,481

Acting General Director

Acting Chief Accountant

N.L. Zapryagaeva

E.N. Makina

01 August 2012



RAO Energy System of East Group
Consolidated Statement of Cash Flows for the three months ended 31 March 2012
(in millions of Russian Rubles unless noted otherwise)

	Three months ended 31 March 2012	Three months ended 31 March 2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before income tax	3,385	(13,227)
Depreciation of property, plant and equipment	1,283	1,840
Impairment losses on property, plant and equipment	-	21,327
(Loss)/profit on disposal of property, plant and equipment	23	(77)
Finance cost, net	875	659
Accrual/(reversal) of impairment of accounts receivable	1,244	(2,965)
Other expenses/(income)	213	(13)
Operating cash flows before working capital changes and income tax paid	7,023	7,544
Working capital changes:	,	,
Increase in accounts receivable and prepayments	(5,925)	(8,693)
Decrease in inventories	2,513	2,714
(Decrease)/increase in accounts payable and accruals	(831)	1,397
Increase in other taxes payable	1,730	1,742
(Decrease)/increase in other non-current liabilities	(117)	15
Income tax paid	(300)	(715)
Net cash generated by operating activities	4,093	4,004
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,667)	(2,174)
Proceeds from sale of property, plant and equipment	82	4
Purchase of associates and other investments	(8)	-
Interest received	160	197
Issue of loans and deposits placed	(5,715)	(2,851)
Proceeds from issued loans and deposits	3,560	2,314
Net cash used in investing activities	(4,588)	(2,510)

RAO Energy System of East Group
Consolidated Statement of Cash Flows for the three months ended 31 March 2012
(in millions of Russian Rubles unless noted otherwise)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from debt	11,907	10,748
Repayment of debt	(12,278)	(10,795)
Interest paid	(1,237)	(958)
Proceeds from share issue	748	-
Finance lease payments	(290)	(200)
Net cash generated by financing activities	(1,150)	(1,205)
Increase / (Decrease) in cash and cash equivalents	(1,645)	289
Cash and cash equivalents at the beginning of the period (including RR 77 million of cash and cash equivalents attributable to disposal group classified as held for sale)	4,407	3,853
Cash and cash equivalents at the end of the period (including RR 87 million of cash and cash equivalents attributable to disposal group classified as held for sale)	2,762	4,142

Acting General Director

Acting Chief Accountant



N.L. Zapryagaeva

E.N. Makina

01 August 2012