

**RAO ENERGY SYSTEM OF EAST GROUP**

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

**AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Financial Position as at 30 September 2012 (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)

	30 September 2012	31 December 2011
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,180	49,671
Investments in associates	682	947
Available-for-sale financial assets	691	785
Deferred tax assets	157	180
Other non-current assets	1,011	839
<b>Total non-current assets</b>	<b>56,721</b>	<b>52,422</b>
<b>Current assets</b>		
Cash and cash equivalents	4,842	4,330
Accounts receivable and prepayments	19,745	22,623
Inventories	20,448	16,188
Other current assets	4,784	6,875
<b>Total current assets</b>	<b>49,819</b>	<b>50,016</b>
Assets of disposal group classified as held for sale	28,818	27,873
<b>TOTAL ASSETS</b>	<b>135,358</b>	<b>130,311</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	22,717	21,558
Treasury shares	(410)	-
Revaluation reserve on property, plant and equipment	9,968	10,394
Retained losses and other reserves	(20,753)	(14,422)
<b>Equity attributable to the shareholders of OJSC RAO Energy System of East</b>	<b>11,522</b>	<b>17,530</b>
Non-controlling interest	6,703	11,637
<b>TOTAL EQUITY</b>	<b>18,225</b>	<b>29,167</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	3,330	4,087
Non-current debt	19,378	34,102
Other non-current liabilities	9,845	9,246
<b>Total non-current liabilities</b>	<b>32,553</b>	<b>47,435</b>
<b>Current liabilities</b>		
Current debt and current portion of non-current debt	45,747	18,061
Accounts payable and accruals	20,367	18,059
Current income tax payable	75	245
Other taxes payable	2,573	4,251
<b>Total current liabilities</b>	<b>68,762</b>	<b>40,616</b>
Liabilities of disposal group classified as held for sale	15,818	13,093
<b>TOTAL LIABILITIES</b>	<b>117,133</b>	<b>101,144</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>135,358</b>	<b>130,311</b>

General Director

Chief Accountant



*(Handwritten signatures in blue ink)*

S. N. Tolstoguzov

A. P. Vaynilavichute

24 December 2012

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Income Statement for the nine months ended 30 September 2012**  
**(unaudited)**

(in millions of Russian Rubles unless noted otherwise)

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Revenues	90,850	86,799
Government grants	6,620	5,761
Expenses	(101,265)	(89,560)
Impairment of property, plant and equipment	(4,872)	(17,927)
<b>Operating loss</b>	<b>(8,667)</b>	<b>(14,927)</b>
Finance income	599	662
Finance expenses	(3,877)	(2,919)
Share of income of associates	(145)	1
<b>Loss before income tax</b>	<b>(12,090)</b>	<b>(17,183)</b>
Total income tax benefit	1,053	3,133
<b>Loss for the period</b>	<b>(11,037)</b>	<b>(14,050)</b>
Attributable to:		
Shareholders of OJSC RAO Energy System of East	(6,350)	(7,086)
Non-controlling interest	(4,687)	(6,964)
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)	(0.0948)	(0.1643)
Weighted average number of ordinary shares (in thousands)	64,923,907	41,041,754
Weighted average number of preference shares (in thousands)	2,075,149	2,075,149

General Director

Chief Accountant



*S. N. Tolstoguzov*

S. N. Tolstoguzov

A. P. Vaynilavichute

24 December 2012

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Comprehensive Income for the nine months ended**  
**30 September 2012 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
<b>Loss for the nine months ended 30 September 2012</b>	<b>(11,037)</b>	<b>(14,050)</b>
<b>Other comprehensive income after income tax:</b>		
Change in fair value of available-for-sale financial assets, net of tax	(76)	(229)
Revaluation of property, plant and equipment, net of tax	(716)	20,969
<b>Total comprehensive income for the period</b>	<b>(11,829)</b>	<b>6,690</b>
<b>Attributable to:</b>		
Shareholders of OJSC RAO Energy System of East	(6,757)	3,305
Non-controlling interest	(5,072)	3,385

General Director

Chief Accountant



S. N. Tolstoguzov

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24 December 2012

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Cash Flows for the nine months ended**  
**30 September 2012 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Loss before income tax</b>	<b>(12,090)</b>	<b>(17,183)</b>
Depreciation of property, plant and equipment	3,232	4,805
Impairment losses on property, plant and equipment	4,872	17,927
Profit on disposal of property, plant and equipment	(135)	(341)
Finance cost, net	3,278	2,257
Accrual/(reversal) of impairment of accounts receivable	3,208	(2,083)
Loss/(profit) from associates	145	(1)
Other expenses	12	43
<b>Operating cash flows before working capital changes and income tax paid</b>	<b>2,522</b>	<b>5,424</b>
Working capital changes:		
Increase in accounts receivable and prepayments	(419)	(3,297)
Increase in inventories	(4,349)	(4,109)
Increase in accounts payable and accruals	3,894	2,940
Decrease in other taxes payable	(1,464)	(1,488)
Increase in other non-current assets	(118)	-
Increase in other non-current liabilities	196	355
Income tax paid	(1,332)	(1,577)
<b>Net cash used in operating activities</b>	<b>(1,070)</b>	<b>(1,752)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(12,506)	(12,551)
Proceeds from sale of property, plant and equipment	119	185
Proceeds from sale of promissory notes and other short-term investments	37	-
Purchase of promissory notes and other short-term investments	(37)	-
Disposal of cash and cash equivalents of disposed subsidiary	(3)	-
Purchase of associates and other investments	-	(400)
Interest received	493	549
Issue of loans and deposits placed	(8,685)	(6,328)
Proceeds from issued loans and deposits	10,722	7,625
<b>Net cash used in investing activities</b>	<b>(9,860)</b>	<b>(10,920)</b>

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Cash Flows for the nine months ended**  
**30 September 2012 (unaudited)**

(in millions of Russian Rubles unless noted otherwise)

	Nine months ended 30 September 2012	Nine months ended 30 September 2011
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from debt	57,067	50,485
Repayment of debt	(41,136)	(34,590)
Interest paid	(3,750)	(2,856)
Finance lease payments	(724)	(645)
<b>Net cash generated by financing activities</b>	<b>11,457</b>	<b>12,394</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>527</b>	<b>(278)</b>
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 92 million of cash and cash equivalents attributable to disposal group classified as held for sale)	4,934	3,575

General Director

Chief Accountant



*(Handwritten signatures in blue ink)*

S. N. Tolstoguzov

A. P. Vaynilavichute

24 December 2012

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Changes in Equity for the nine months ended 30 September 2012 (unaudited)**  
(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
<b>Balance as at 01 January 2011</b>	21,558	-	258	-	(4,660)	17,156	8,201	25,357
Loss for the period	-	-	-	-	(7,086)	(7,086)	(6,964)	(14,050)
<i>Other comprehensive income</i>								
Fair value profit on available-for-sale investments	-	-	(160)	-	-	(160)	(126)	(286)
Income tax recorded in other comprehensive income	-	-	32	-	-	32	25	57
Revaluation of fixed assets	-	-	-	13,149	-	13,149	13,062	26,211
Income tax recorded in other comprehensive income	-	-	-	(2,630)	-	(2,630)	(2,612)	(5,242)
Total other comprehensive income	-	-	(128)	10,519	-	10,391	10,349	20,740
<b>Total comprehensive income for the period</b>	-	-	(128)	10,519	(7,086)	3,305	3,385	6,690
Dividends declared	-	-	-	-	-	-	(30)	(30)
<b>Balance as at 30 September 2011</b>	21,558	-	130	10,519	(11,746)	20,461	11,556	32,017

**RAO Energy System of East Group**  
**Consolidated Interim Condensed Statement of Changes in Equity for the nine months ended 30 September 2012 (unaudited)**  
(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
<b>Balance as at 01 January 2012</b>	21,558	-	152	10,394	(14,574)	17,530	11,637	29,167
Loss for the period	-	-	-	-	(6,350)	(6,350)	(4,687)	(11,037)
<i>Other comprehensive income</i>								
Revaluation write-down due to impairment of PPE	-	-	-	(458)	-	(458)	(438)	(896)
Income tax recorded in other comprehensive income	-	-	-	92	-	92	88	180
Fair value loss on available-for-sale investments	-	-	(51)	-	-	(51)	(44)	(95)
Income tax recorded in other comprehensive income	-	-	10	-	-	10	9	19
Total other comprehensive income	-	-	(41)	(366)	-	(407)	(385)	(792)
<b>Total comprehensive income for the period</b>	-	-	(41)	(366)	(6,350)	(6,757)	(5,072)	(11,829)
Share issue	1,159	(410)	-	-	-	749	-	749
Dividends declared	-	-	-	-	-	-	(21)	(21)
Transfer of revaluation reserve to retain earnings	-	-	-	(75)	75	-	-	-
Income tax related to transfer of revaluation reserve to retained earnings	-	-	-	15	(15)	-	-	-
Other movements in non-controlling interest	-	-	-	-	-	-	159	159
<b>Balance as at 30 September 2012</b>	22,717	(410)	111	9,968	(20,864)	11,522	6,703	18,225

General Director

Chief Accountant



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S. N. Tolstoguzov

A. P. Vaynilavichute

24 December 2012