



ЛЕНЭНЕРГО

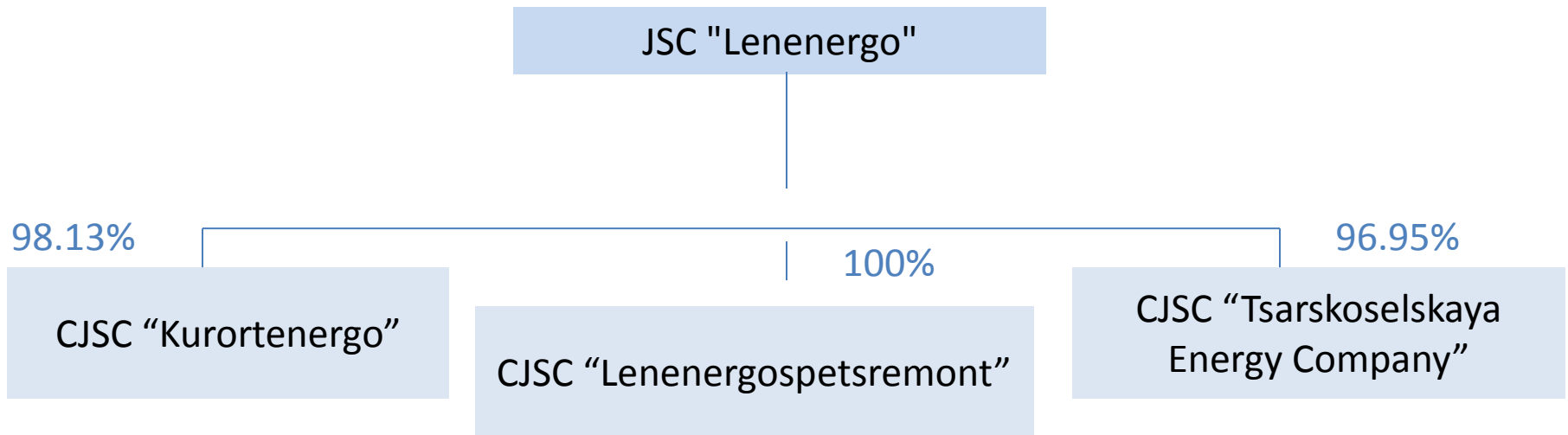
Key Indicators of Interim
Financial Statements
prepared in accordance with
IFRS (IAS 34)
for the six months
ended June 30, 2011

The Company's financial statements for the six months ended June 30, 2011, prepared in accordance with IFRS, were reviewed and noted by the Audit Committee of JSC "Lenenergo" on the in-person meeting dated October 14, 2011.

Key indicators of unaudited interim condensed consolidated financial statements, prepared in accordance with International Financial Reporting Standards IAS 34 for the six months ended June 30, 2011
(IFRS HY2011)

Structure of JSC "Lenenergo" Group of Companies as of December 31, 2010

LLC "Ernst & Young" – an independent Auditor of the Company - in the course of a review did not reveal any facts that would allow considering the interim condensed consolidated financial statements not to be prepared, in all material aspects, in accordance with IFRS (IAS) 34.



Indicators of the Company's subsidiaries (CJSC "Lenenergospetsremont", CJSC "TEC" and CJSC "Kurortenergo") shall not be considered as their impact on the Group's performance indicators are insignificant.

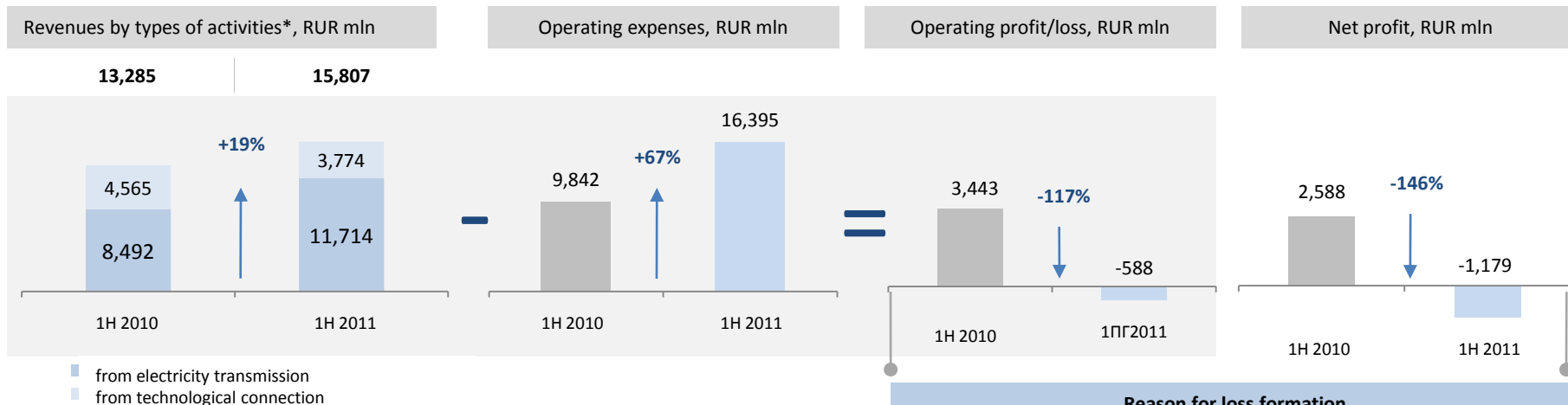
Review of Key Indicators of JSC “Lenenergo” Financial Statements (IFRS) in 1H 2010, RUR thousand

Key indicators of financial reporting of JSC “Lenenergo” (IFRS), RUR thousand					
Indicator	Unit	31.12.2010	30.06.2010	30.06.2011	Δ % 1H 2011/ 1H 2010
Assets	RUR thousand	93,382,344	90,862,519	88,761,036	-2%
Equity	RUR thousand	49,960,983	47,800,871	45,479,412	-5%
Liabilities, including:	RUR thousand	43,421,361	43,061,648	43,281,624	1%
- non-current liabilities	RUR thousand	21,924,041	17,135,935	16,957,172	-1%
- current liabilities	RUR thousand	21,497,320	25,925,713	26,324,452	2%
Revenues, including:	RUR thousand	28,573,575	13,285,112	15,806,821	19%
- from electricity transmission	RUR thousand	17,691,876	8,492,203	11,714,338	38%
- from technological connection	RUR thousand	10,299,774	4,565,327	3,774,349	-17%
- other	RUR thousand	581,925	227,582	318,133	40%
Operating expenses	RUR thousand	(21,440,791)	(9,841,842)	(16,394,887)	67%
Operating profit / loss	RUR thousand	7,132,784	3,443,270	(588,066)	-117%
Net profit / loss	RUR thousand	4,750,421	2,587,589	(1,178,642)	-146%
Profit /loss per ordinary share	RUR	4.66	2.54	(1.16)	-146%
For reference:					
EBITDA	RUR thousand	11,933,940	6,034,233	1,663,844	-72%
DEBT*/EBITDA	-	1.31	2.62	10.04	-
Profitability indicators					
EBITDA margin, %	%	41.8%	45.42%	10.53%	-
Net profit margin, %	%	16.6%	19.5%	-7.5%	-
Liquidity indicators					
Urgent liquidity	-	0.10	0.14	0.08	-
Current liquidity	-	0.30	0.34	0.24	-

* When calculating DEBT/EBITDA it is considered the total debt of the Company, calculated as the sum of long-term borrowings and current portion of long-term loans

Key Financial Statements of JSC "Lenenergo" in 1H 2010 (IFRS)

Formation of revenues, operating and net profits

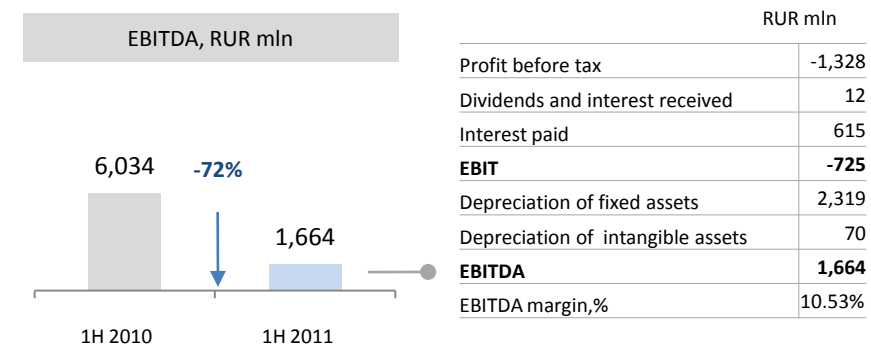


*Including other types of activity with revenues and net profit less than 1% in total amount

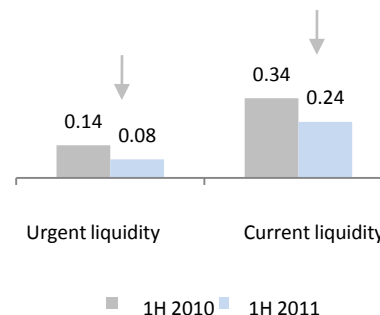
Reason for loss formation

The main reason for the formation of a net loss in 1H 2011 is a **revaluation of fixed assets amounting to 2,961,229** (June 30, 2010 - zero), **recognized as an impairment loss** in profit and loss statement for the 6 months ended June 30, 2011 due to limiting of the growth of tariffs for electric power transmission by the Russian Government in 2011

EBITDA and debt position

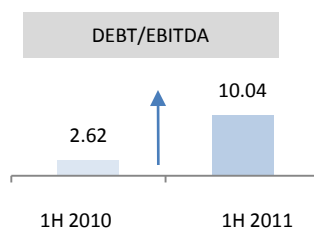


Liquidity indicators



Reduction of liquidity ratios during the period is mainly caused by the upcoming maturity of bonds of the 2nd and 3rd issue (classified as short-term liabilities) in January and April 2012, respectively.

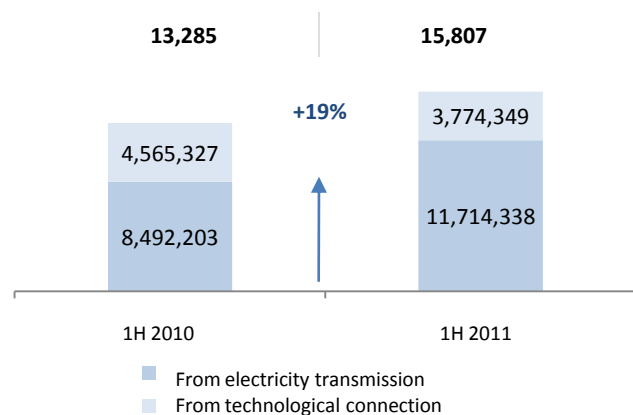
	1H 2010	1H 2011	Δ %
Total debt*, RUR mln	15,802	16,706	-6.0%
DEBT/EBITDA	2.62	10.04	-



* Total debt is calculated as the sum of long-term borrowings and current portion of long-term loans

The Group's Revenue. OPEX structure

Revenue by types of activity, RUR thousand



*Including other types of activity, revenue on which constitutes less than 1% in the total sum

Revenue from electric power transmission minus regulatory process losses of RUR 3,242,400 thousand (in 1H 2010 – RUR 2,785,495 thousand) amounted to **RUR 11,714,338 thousand**.

The Group's revenue from electricity transmission in 1H 2011 increased compared to 1H 2010 by **RUR 3,222,135 thousand (38%)** due to increasing in the transmission volumes and average tariffs in 1H 2011 as compared to 1H 2010 by **38%**.

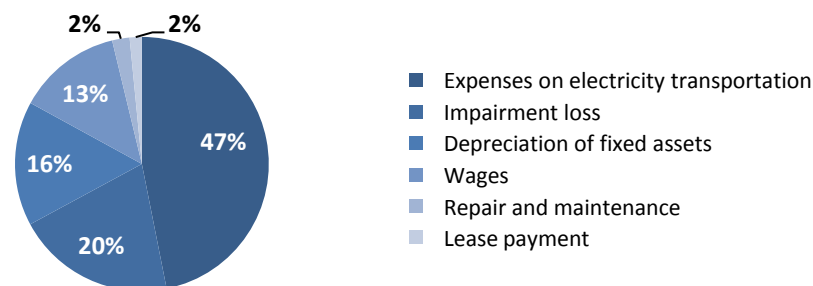
	Unit	1H 2010	1H 2011
Electric power transmitted	MWh	14,492,623	14,713,567
Average tariff for electric power transmission	RUR thsd / MWh	0.78	1.01

Revenues from technological connection in 1H 2011 decreased by **RUR 790,978 thousand (17%)** as compared to the same period of 2010, which is associated with:

- increase in the average tariff for TC - the effect on revenues **RUR 1,600,780 thousand**;
- decrease in the volume (capacity) of connections - the effect on revenue (**RUR 2,386,371 thousand**) due to decrease in the number of new property contracts and delay by claimants of technical terms on the current property contracts.

Other revenue in 1H 2011 amounted to RUR 318,133 thousand

Structure of operational expenses, RUR thousand



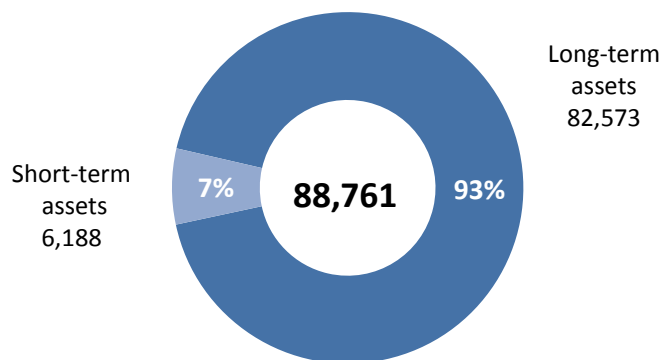
OPEX	1H 2011	1H 2010	Δ % 1H2011/1H 2010
Expenses on electric power transportation	6,858	4,820	42%
Impairment loss	2,961	-	100%
Depreciation of fixed assets	2,319	2,153	8%
Wages	1,941	1,428	36%
Repair and maintenance	325	259	25%
Charge / (reversal) of provision for impairment of receivables	289	(44)	757%
Lease payment	226	249	-9%
Loss on dimpairment of intangible assets	178	-	100%
Telecommunication and information services	146	108	35%
Loss on impairment of capital lease	123	22	459%
Raw and materials	113	110	3%
Expenses on social sphere	94	76	24%
Taxes, except profit tax	93	75	24%
Utilities	71	61	16%
Depreciation of intangible assets	70	60	17%
Other operational expenses	877	421	108%
Total expenses by principal types of activity	16,395	9,842	67%

Main reasons for the growth of operating expenses in 1H 2011:

- annual increase of tariffs for network organizations, the increase in transportation of electric power
- recognition of impairment loss
- indexation of wages
- calculation of provision for advances given to construction companies

Structure of the Group's Assets as of 30.06.2011

Structure of assets as of 30.06.2011, RUR mln



	30.06.2011	31.12.2010	Δ %
Long-term assets , RUR mln	82,573	87,010	-5%
Short-term assets , RUR mln	6,188	6,372	-3%

As of June 30, 2011 the Group's assets constituted **RUR 88,761,036 thousand**, that is **5% less** than as of December 31, 2010.

The prevailing share in the structure of the Group's assets - non-current assets (**RUR 82,573,278 thousand** (93%). For the reporting period there was a decrease by **5%**.

As of June 30, 2011 current assets amounted to **RUR 6,187,758 thousand** (7%). For the reporting period there was a reduction of **3%**.

Structure of current assets, RUR mln

The Group's current assets	Share as of 30.06.2011	30.06.2011	31.12.2010	Δ %
Inventories	7.7%	477	453	5%
Trade and other receivables	18.2%	1,127	1,494	-25%
Monetary funds	14.7%	910	653	39%
Overpayment of income tax	0.4%	24	15.5	55%
Other current assets (net of allowance for impairment)	59.0%	3,650	3,757	-3%
Total current assets	100%	6,188	6,372	-3%

A significant decrease in the article "Trade and other receivables" (**-25%**) was caused by the maturity in the 1st half of 2011 of trade and other receivables from counterparties.

A significant increase in the article "Monetary funds" (**+39%**) as compared to 2010 according to the Cash flow statement is mainly associated with obtaining of long-term loans and credits amounting to **RUR 4,473,371 thousand**.

A significant increase in the article "Overpayment of income tax" (**+55%**) is caused by the recognition in the financial statements for the 1st quarter of 2011 of net loss.

Structure of non-current assets, RUR mln

The Group's non-current assets	Share as of 30.06.2011	30.06.2011	31.12.2010	Δ %
Intangible assets	0.68%	565	601	-6%
Fixed assets	96.92%	80,027	83,622	-4%
Advances for construction of property, plant and equipment	1.80%	1,489	2,317	-36%
Available-for-sale investments	0.04%	30	30	0%
Other non-current assets	0.56%	462	440	5%
Total non-current assets	100%	82,573	87,010	-5%

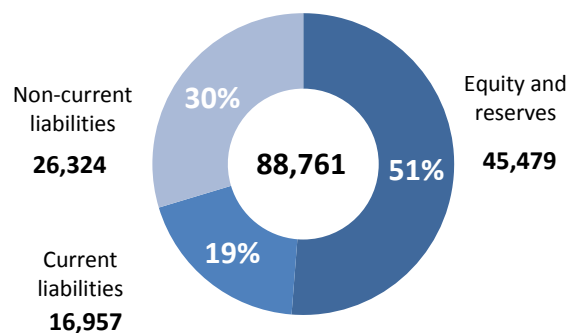
According to the results of testing of intangible assets for impairment at 30 June 2011 the Group recognized a loss in the amount of **RUR 177,747 thousand** in the profit and loss statement.

As of June 30, 2011 as evidence of impairment the Group identified the factors that influence the decline in the fair value of fixed assets, in particular, they were **limits of the growth of tariffs for electric power transmission** by the Government of the Russian Federation in 2011.

Based on the current analysis the Group recognized **revaluation of fixed assets amounting to RUR 6,613,814 thousand**, including the impairment loss amounting to **RUR 2,961,229 thousand** in the profit and loss statement for the six months ended June 30, 2011 and reduced provision for revaluation of assets by **RUR 3,652,385 thousand** (before tax effects) in equity.

Structure of the Group's Liabilities as of 30.06.2011

Structure of liabilities as of 30.06.2011, RUR mln



On June 30, 2011 liabilities of the Group amounted to **RUR 88,761,036 thousand**, that is **5%** lower than on December 31, 2010.

The predominant share in the liabilities of the Group – equity and reserves (**51%**).

At the end of the reporting period, the Group's assets are provided by non-current and current liabilities by 19% and 30% respectively.

During the reporting period there was a decrease in non-current liabilities by **RUR 4,966,869 thousand (23%)** and an increase in current liabilities (**by RUR 4,827,132 thousand - 22%**). These changes are caused primarily by the fact that in the 1st half of 2011 the outstanding balance of the 2nd and 3rd bond in the amount of RUR 5,991,694 thousand was classified as current liabilities in connection with the upcoming maturity in January and April 2012.

Structure of current liabilities, RUR million

Current liabilities	Share as of 30.06.2011	30.06.2011	31.12.2010	Δ %
Short-term portion of finance lease liabilities	2%	570	566	1%
Short-term portion of bonded loans	23%	5,992	-	-
Short-term portion of bank loans	-	-	1,000	-
Trade payables	13%	3,456	3,299	5%
Income tax payable	0%	58	102	-43%
Advances received from customers	57%	15,080	15,575	-3%
Other payables	4%	1,169	955	22%
Total current liabilities	100%	26,324	21,497	22%

Structure of non-current liabilities, RUR million

Non-current liabilities	Share as of 30.06.2011	30.06.2011	31.12.2010	Δ %
Bonded loans	-	-	5,986	-100%
Bank loans	57%	9,710	7,562	28%
Finance lease liabilities	3%	434	577	-25%
Liabilities for pensions of employees	2%	372	351	6%
Deferred tax liabilities	24%	4,093	5,332	-23%
Other non-current liabilities	14%	2,349	2,116	11%
Total non-current liabilities	100%	16,957	21,924	-23%

Main banks - partners of JSC "Lenenergo":

JSC "Savings Bank of Russia"
 JSC "Bank VTB Northwest"
 JSC AKB "Svyaz-bank"
 JSC AB "RUSSIA"
 JSC "Alfa bank"

The average loan rate
 as of 30.06.2011
7.9%



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