

LENENERGO
SINCE 1886

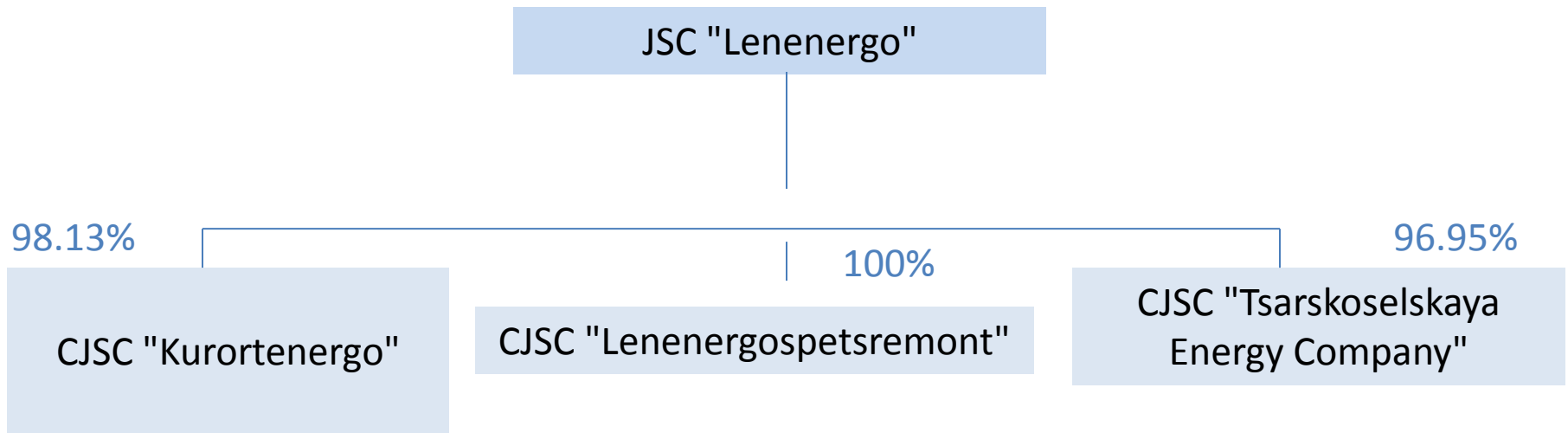
Key indicators of consolidated
financial statements
of JSC "Lenenergo"
prepared in accordance with
International Financial
Reporting Standards
for 2010

The Company's financial reporting for 2010, prepared in accordance with IFRS was considered and taken into account by the Audit Committee of JSC "Lenenergo" at the internal session on May 25, 2011.

Key indicators of consolidated financial statements of JSC "Lenenergo"
prepared in accordance with International Financial Reporting Standards
(IFRS FY2010)

Structure of the Group of Companies of JSC "Lenenergo" as of 31.12.2010

On April 22, 2011 the independent auditor of the Company - LLC "ERNST&YOUNG" - signed the auditor's report which states that "the consolidated financial statements, in all material aspects reflect the financial position of the Group as of December 31, 2010, as well as its financial performance and cash flow for the year then ended, in accordance with International Financial Reporting Standards".



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

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

Key indicators of financial reporting of JSC “Lenenergo” (IFRS), RUR thousand

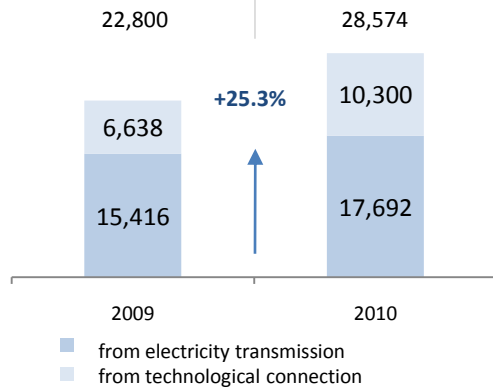
| Indicator | Unit | 31.12.2009 | 31.12.2010 | Δ % 2010/ 2009 |
|---------------------------------|--------------|------------|------------|----------------|
| Assets | RUR thousand | 88,325,285 | 93,382,344 | 5.7% |
| Equity | RUR thousand | 45,833,693 | 49,960,983 | 9.0% |
| Liabilities, including: | RUR thousand | 42,491,592 | 43,421,361 | 2.2% |
| - non-current liabilities | RUR thousand | 16,926,166 | 21,924,041 | 29.5% |
| - current liabilities | RUR thousand | 25,565,426 | 21,497,320 | -15.9% |
| Revenues, including: | RUR thousand | 22,800,390 | 28,573,575 | 25.3% |
| - from electricity transmission | RUR thousand | 15,415,703 | 17,691,876 | 14.8% |
| - from technological connection | RUR thousand | 6,638,230 | 10,299,774 | 55.2% |
| - other | RUR thousand | 746,457 | 581,925 | -22.0% |
| Operating expenses | RUR thousand | 18,489,176 | 21,440,791 | 16.0% |
| Operating profit | RUR thousand | 4,311,214 | 7,132,784 | 65.4% |
| Net profit | RUR thousand | 2,587,372 | 4,750,421 | 83.6% |
| Profit per ordinary share | RUR | 2.53 | 4.66 | 84.2% |
| Profit per preferred share | RUR | 2.53 | 4.66 | 84.2% |
| For reference: | | | | |
| EBITDA | RUR thousand | 7,147,968 | 11,933,940 | 67.0% |
| DEBT*/EBITDA | - | 2.33 | 1.31 | - |
| Profitability indicators | | | | |
| EBITDA margin, % | % | 31.4% | 41.8% | 33.2% |
| Net profit margin, % | % | 11.3% | 16.6% | 46.4% |
| ROE, % | % | 5.6% | 9.5% | 69.6% |
| ROA | % | 2.9% | 5.1% | 75.9% |
| ROS | % | 18.9% | 25.0% | 32.1% |
| Liquidity indicators | | | | |
| Urgent liquidity | - | 0.17 | 0.10 | - |
| Current liquidity | - | 0.37 | 0.30 | - |

* 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

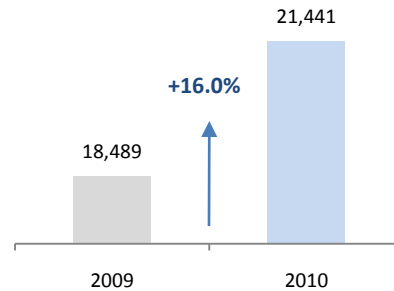
Key Financial Statements of JSC "Lenenergo" in 2010 (IFRS)

Significant increase of operating and net profits with moderate revenues growth and relatively low growth of operating expenses

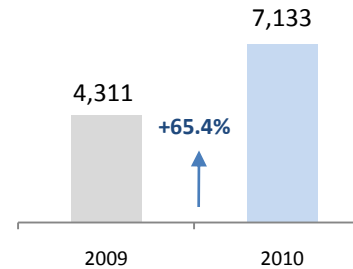
Revenues by types of activities*, RUR mln



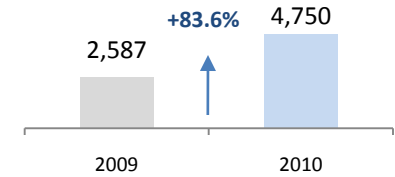
Operating expenses, RUR mln



Operating profit, RUR mln



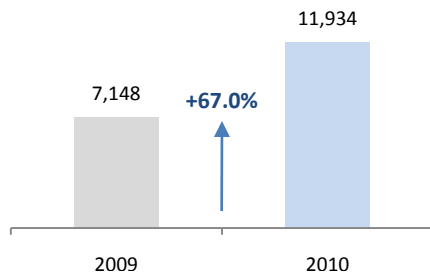
Net profit, RUR mln



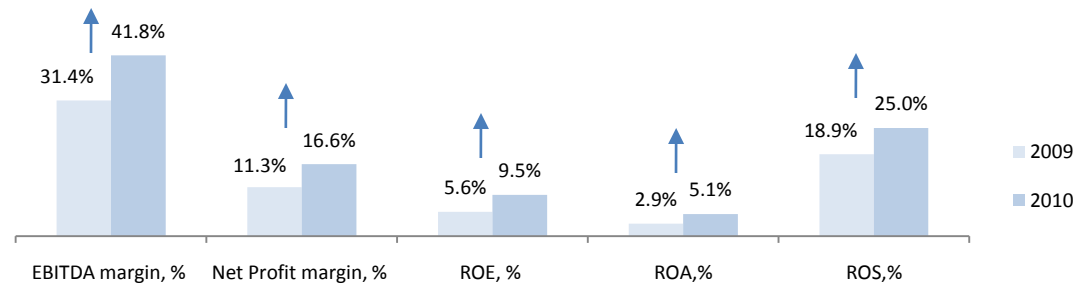
*Including other types of activity with revenues and net profit less than 1% in total amount

EBITDA growth and improving of debt position

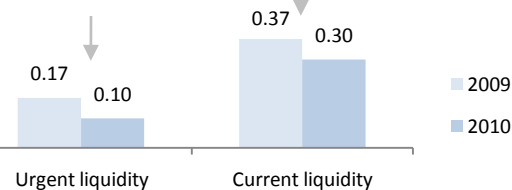
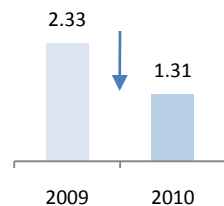
EBITDA, RUR mln



Significant increase of profitability indicators at moderate deterioration of liquidity indicators



DEBT/EBITDA



The main reasons for the deterioration of liquidity in 2010

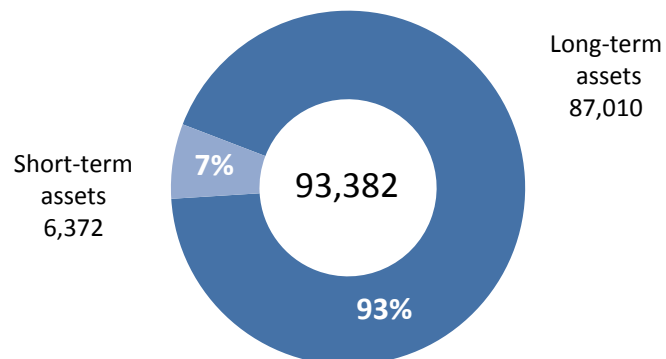
1. Repayment of syndicated loan from Barclays Bank
2. Growth of current liabilities due to the increase in advances received for services of technological connection

| | 2009 | 2010 | 2010/2009 |
|----------------------|--------|--------|-----------|
| Total debt*, RUR mln | 16,684 | 15,691 | -6.0% |
| DEBT/EBITDA | 2.33 | 1.31 | - |

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

Structure of the Group's Assets

Structure of assets as of 31.12.2010, RUR mln



| | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|--------------------------------|------------|------------|---------------|
| Long-term assets , RUR mln | 87,010 | 78,962 | 10.2% |
| Short-term assets , RUR mln | 6,372 | 9,363 | -31.9% |

As of December 31, 2010 the Group's assets constituted **RUR 93,382,344 thousand**, that is **6%** higher than as of December 31, 2009.

The prevailing share in the structure of the Group's assets belongs to non-current assets which is **RUR 87,010,268 thousand** (93%). For the reporting period there was an increase by **10 %**.

As of December 31, 2010 current assets amounted to **RUR 6,372,076 thousand** (7%). For the reporting period there was a reducing by **32%**.

Structure of current assets, RUR mln

| The Group's current assets | Share as of 31.12.2010 | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|-----------------------------------------------|---------------------------|--------------|--------------|------------------|
| Inventories | 7% | 453 | 361 | 25% |
| Trading indebtedness and other receivables | 23% | 1,494 | 1,332 | 12% |
| Other current assets | 59% | 3,772 | 4,721 | -20% |
| Monetary funds | 10% | 653 | 2,949 | -78% |
| Total current assets | 100% | 6,372 | 9,363 | -32% |

For the reporting period there was a considerable reduction (by 78%) under the article "Monetary funds". According to the Cash flow statement the basic expenses were associated with acquisition of fixed assets (**RUR 5,826 mln**), calculations under the SWAP agreement on the syndicated credit of Barclays Bank (**RUR 4,900 mln**), and advanced repayment of long-term credits of JSC "Bank VTB Northwest" (**RUR 3,000 mln**).

Substantial growth occurred under the article "Inventories" - by **25%** in comparison with 2009. The Group's management approved the decision on transition to the scheme of goods made on commission, owing to what procurements of necessary materials have led to the increase of the article "Inventories".

Structure of non-current assets, RUR mln

| The Group's non-current assets | Share as of 31.12.2010 | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|---------------------------------------------------------------|---------------------------|---------------|---------------|------------------|
| Intangible assets | 0.69% | 601 | 696 | -14% |
| Fixed assets | 96% | 83,622 | 73,332 | 14% |
| Advances for construction of property, plant and equipment | 3% | 2,317 | 4,136 | -44% |
| Available-for-sale investments | 0.03% | 30 | 525 | -94% |
| Other non-current assets | 0.51% | 440 | 272 | 62% |
| Total non-current assets | 100% | 87,010 | 78,962 | 10% |

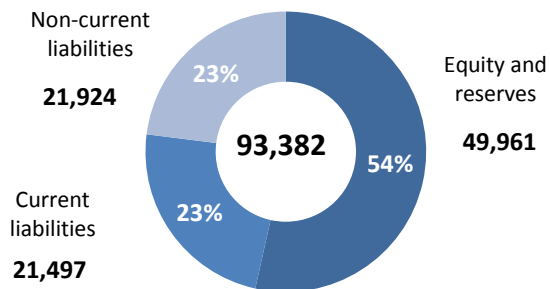
In 2010, the Group sold the shares in JSC "FGC UES" and JSC "PGC", thereby having reduced the size of available-for-sale investments by **94%**.

The advances paid to building organisations, decreased by **44%** at the expense of closing of some large contracts on building.

Decrease in "Intangible assets" by **14%** is associated with charge depreciation for the period and insignificant depreciation HMA of "Access right".

Structure of the Group's Liabilities

Structure of liabilities as of 31.12.2010, RUR mln



As of December 31, 2010 the Group's liabilities totaled **RUR 93,382,344 thousand** that is **6%** higher than as of December 31, 2009. The prevailing share in the structure of the Group's liabilities belongs to Equity and reserves (**54%**).

As of the end of the reporting period the Group's assets were provided by long-term and short-term borrowed funds equally (**23%**).

For the reporting period there is observed the increase in non-current liabilities on RUR 4,997,875 thousand (**30%**) and reducing of current-liabilities on RUR 4,068 106 thousand (**16%**).

Structure of short-term obligations, RUR million

| Current liabilities | Share as of 31.12.2010 | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|-------------------------------------------------|------------------------|---------------|---------------|---------------|
| Short-term portion of finance lease liabilities | 3% | 566 | 584 | -3% |
| Short-term portion of bank loans | 5% | 1,000 | - | - |
| Syndicated loan* | 0% | - | 6,027 | -100% |
| Trade payables | 15% | 3,299 | 2,915 | 13% |
| Income tax payable | 0.48% | 102 | 554 | -82% |
| Advances received from customers | 72% | 15,575 | 14,422 | 8% |
| Other payables | 4% | 955 | 1,064 | -10% |
| Total current liabilities | 100% | 21,497 | 25,565 | -16% |

* In 2010 the Group in full extinguished the payment of liabilities under the credit agreement with Barclays Bank on the currency exchange rate fixed in the SWAP agreement .

Structure of long-term obligations, RUR million

| Non-current liabilities | Share as of 31.12.2010 | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|--------------------------------------|------------------------|-------------------|-------------------|---------------|
| Bonded loans** | 27% | 5,986,116 | 5,975,538 | 0.20% |
| Bank loans *** | 34% | 7,561,600 | 3,000,000 | 152% |
| Finance lease liabilities | 3% | 577,135 | 1,098,126 | -47% |
| Other non-current liabilities | 10% | 2,115,966 | 1,274,873 | 66% |
| Other non-current liabilities | 2% | 351,312 | 294,536 | 19% |
| Deferred tax liabilities | 24% | 5,331,912 | 5,283,093 | 1% |
| Total non-current liabilities | 100% | 21,924,041 | 16,926,166 | 30% |

Key banks-partners of JSC "Lenenergo":

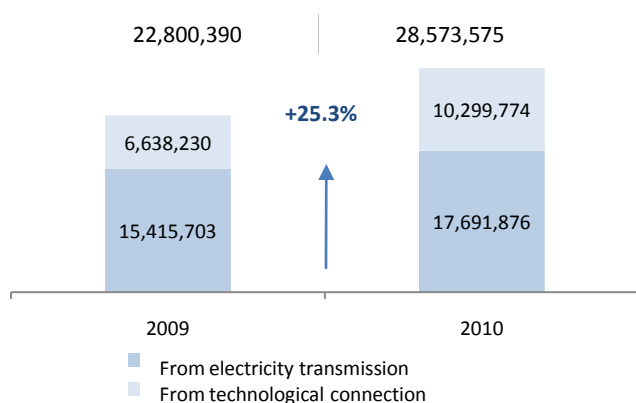
JSC "Savings Bank of Russia"
 JSC "Bank VTB Northwest"
 JSC AKB "Svyaz-bank"
 JSC AB "RUSSIA"
 JSC "Alpha bank"

| Long-term borrowings | Rate, % | Term | 31.12.2010 | 31.12.2009 |
|-------------------------|---------------|-----------|------------|------------|
| ** Bonds | | | | |
| A series 02 | 8.54% | 2012 | 2,994 | 2,988 |
| A series 03 | 8.02% | 2012 | 2,992 | 2,987 |
| *** Credits Banks (RUR) | 6.95% - 10.5% | 2011-2015 | 8,562 | 3,000 |
| *** Credits Banks (USD) | LIBOR+ 1.25% | 2010 | - | 6,027 |

The average loan rate as of 31.12.2010 was **7.85%**

The Goup'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 of the Group from electric power transmission in 2010 increased in comparison with 2009 by RUR 2,276,173 thousand (15%) and constituted RUR 17,691,876 thousand. The increase in revenue from electric power transmission is caused by the growth of volumes of electricity transmission and the growth of average tariffs in 2010 in comparison with 2009 by 14%. The revenue from electric power transmission is reflected minus standard technological losses, which in 2010 totaled RUR 6,181,027 (in 2009 – RUR 3,919,789 thousand).

The Group's revenue from services on technological connection for 2010 increased by RUR 3,661,544 thousand (55 %) in comparison with 2009.

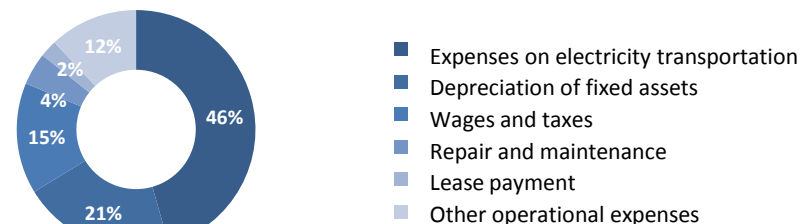
The changes are caused by:

-decrease in the average tariff on connection – effect on the revenue RUR (1,362,355) thousand.

-growth of volume (capacity) of connection – effect on the revenue RUR 5,200,035 thousand.

Other incomes for 2010 amounted to RUR 581,925 thousand.

Structure of operational expenses, RUR thousand



| OPEX | 31.12.2010 | 31.12.2009 | Δ % 2010/2009 |
|------------------------------------------------------|-------------------|-------------------|------------------|
| Expenses on electric power transportation | 9,773,797 | 6,824,717 | 43% |
| Depreciation of fixed assets | 4,430,867 | 3,918,077 | 13% |
| Expenses on payment and wage bill taxes | 3,224,912 | 2,819,333 | 14% |
| Repair and maintenance | 936,824 | 831,428 | 13% |
| Lease payment | 504,015 | 503,256 | 0% |
| Telecommunication and information services | 265,783 | 244,672 | 9% |
| Reserve for debt receivable depreciation | 260,548 | 226,052 | 15% |
| Raw and materials | 231,235 | 210,149 | 10% |
| Expenses on social sphere | 172,853 | 161,626 | 7% |
| Taxes, except profit tax | 154,512 | 185,303 | -17% |
| Consulting, legal and auditor services | 146,121 | 216,913 | -33% |
| Services of commercial accounting of electric power | 131,964 | 242,584 | -46% |
| Depreciation of intangible assets | 117,487 | 128,249 | -8% |
| Expenses on private security maintenance | 110,770 | 110,469 | 0.01% |
| Utilities | 108,019 | 78,076 | 38% |
| Other operational expenses | 871,084 | 1,788,272 | -51% |
| Total expenses by principal types of activity | 21,440,791 | 18,489,176 | 16% |

The growth of the most significant expenses item on electric power transportation over adjacent networks is associated with annual increase of the tariff for electric power transmission due to the inclusion in the tariff of "investment component".

In 2010, there was executed wages indexation of employees that has led to the growth of expenses under this article.



CONTACTS

JSC "Lenenergo"

196247, Russia, Saint Petersburg, Ploschad Konstitutsii, d.1

Head of Department for Corporate Governance

Andrey S. Smolnikov

Tel./ fax +7 (812) 595 31 76

Smolnikov.AS@nwenergo.com

Investor Relations

Ulyana E. Davydova

Tel. +7 (812) 494 39 06

Fax +7 (812) 494 37 34

ir@lenenergo.ru

Davydova.UE@nwenergo.com

www.lenenergo.ru