

OJSC Novosibirskenergo
Consolidated Balance Sheet as at 31 December 2006

(in millions of Russian Roubles)

	Note	31 December 2006	31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment	7	19,744	9,672
Deferred tax asset	8	573	244
Other non-current assets	9	518	85
Total non-current assets		20,835	10,001
Current assets			
Cash and cash equivalents	13	76	240
Accounts receivable and prepayments	11	1,964	1,771
Inventories	10	2,405	1,203
Other current assets	12	2,434	754
Total current assets		6,879	3,968
TOTAL ASSETS		27,714	13,969
Equity and Liabilities			
Share capital	14		
Ordinary shares (nominal value RR 135 million)		399	399
Preference shares (nominal value RR 26 million)		75	75
Treasury shares		-	(33)
Other reserves		474	441
Retained earnings		3,091	-
Novosibirskenergo		15,520	7,874
Minority interest		51	22
Equity attributable to the shareholders of OJSC		19,085	8,315
Total equity		19,136	8,337
Non-current liabilities			
Taxes payable	15	-	287
Non-current debt	16	840	460
Other non-current liabilities		85	78
Total non-current liabilities		925	825
Current liabilities			
Current debt and current portion of non-current debt	17	5,271	1,866
Accounts payable and accrued charges	18	1,943	2,205
Current income tax payable		43	28
Other taxes payable	19	396	708
Total current liabilities		7,653	4,807
TOTAL LIABILITIES		8,578	5,632
TOTAL LIABILITIES AND EQUITY		27,714	13,969

General Director

Pelipasov A.N.

Chief Accountant

Rozhenkova O.G.

15 June 2007



OJSC Novosibirskenergo
Consolidated Income Statement for the Year Ended 31 December 2006

(in millions of Russian Roubles, except for Earning per ordinary and preference share information)

	Note	Year ended 31 December 2006	Year ended 31 December 2005
Revenues			
Electricity		11,307	9,400
Heating		5,980	4,700
Other	20	2,162	544
Total revenues		19,449	14,644
Other income		457	881
Operating expenses			
Fuel expenses		4,586	3,874
Repairs and maintenance		3,359	1,198
Wages and payroll taxes		2,892	2,779
Depreciation and impairment of property, plant and equipment	7	1,296	403
Purchased electricity		841	182
Other materials		690	1,044
Rent		569	560
Energy transmission		544	451
Purchased heat		421	206
Insurance cost		406	387
Construction and engineering services		339	-
Taxes other than income tax		318	345
Charity and social expenditures		297	198
Water payments		249	213
Fees to Energy Saving Fund		120	97
Share of result of associates		(80)	18
Other expenses		1,621	1,120
Total operating expenses (except for reversal of impairment of property, plant and equipment)		(18,468)	(13,075)
Reversal of impairment of property, plant and equipment	7	5,673	-
Total operating expenses		(12,795)	(13,075)
Operating profit		7,111	2,450
Finance items	21	(9)	(162)
Profit before income tax		7,102	2,288
Income tax benefit/(charge)	8	886	(413)
Profit for the year		7,988	1,875
Attributable to:			
Shareholders of OJSC Novosibirskenergo		7,959	1,868
Minority interest		29	7
Earnings per ordinary and preference share for profit attributable to the shareholders of OJSC Novosibirskenergo – basic and diluted (in Russian Roubles)			
	22	611.38	146.53

General Director

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15 June 2007



OJSC Novosibirskenergo
Consolidated Statement of Cash Flows for the Year Ended 31 December 2006

(in millions of Russian Roubles)

	Note	Year ended 31 December 2006	Year ended 31 December 2005
Cash flows from operating activities			
Profit before income tax		7,102	2,288
Adjustments:			
Depreciation and impairment of property, plant and equipment	7	1,296	403
Reversal of impairment of property, plant and equipment	7	(5,673)	-
Provision for impairment of accounts receivable and inventory		(20)	225
Forgiveness of tax penalties	15	(413)	-
Interest expense and effect of discounting	21	422	162
Gain less loss on disposal of property, plant and equipment		(70)	(441)
Accounts payable written off		174	-
Other non-cash items		62	(36)
Operating cash flows before working capital changes and income tax paid		2,880	2,601
Working capital changes:			
(Increase) / decrease in accounts receivable and prepayments		(1,568)	161
(Increase) / decrease in other current assets	12	(1,046)	260
Increase in inventories	10	(1,207)	(614)
Increase in other non-current assets		(111)	(62)
Increase in accounts payable		498	54
Decrease in other taxes payable		(281)	(208)
(Decrease) / increase in non-current liabilities		(37)	296
Cash (used in) / generated from operations		(872)	2,488
Income tax paid		(404)	(405)
Net cash (used in) / generated from operating activities		(1,276)	2,083
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2,086)	(2,218)
Proceeds from sale of property, plant and equipment		350	530
Purchase of other current and non-current assets		(166)	(150)
Loans issued		(1,589)	(502)
Proceeds from repayment of loans issued		1,105	430
Interest income	21	15	33
Net cash used in investing activities		(2,371)	(1,877)
Cash flows from financing activities			
Proceeds from current debt		10,415	6,731
Proceeds from non-current debt		1,691	1,006
Repayment of current debt		(8,331)	(8,088)
Interest paid		(253)	(287)
Dividends paid by the Group to shareholders of OJSC Novosibirskenergo		(39)	(37)
Net cash generated from / (used in) financing activities		3,483	(675)
Net decrease in cash and cash equivalents		(164)	(469)
Cash and cash equivalents at the beginning of the year	13	240	709
Cash and cash equivalents at the end of the year	13	76	240

General Director

Chief Accountant

15 June 2007



Pelipasov A.N.

Rozhenkova O.G.

OJSC Novosibirskenergo
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2006

(in millions of Russian Roubles)

	Attributable to the shareholders of OJSC Novosibirskenergo						Total	Minority interest	Total equity
	Note	Ordinary share capital	Preference share capital	Treasury shares	Other reserves	Retained earnings			
As at 1 January 2005		399	75	(33)	-	6,083	6,524	15	6,539
Profit for the year		-	-	-	-	1,868	1,868	7	1,875
Distribution to shareholders		-	-	-	-	(36)	(36)	-	(36)
Dividends to shareholders		-	-	-	-	(41)	(41)	-	(41)
As at 31 December 2005		399	75	(33)	-	7,874	8,315	22	8,337
As at 1 January 2006		399	75	(33)	-	7,874	8,315	22	8,337
Revaluation of property, plant and equipment	7	-	-	-	3,091	-	3,091	-	3,091
Profit for the year		-	-	-	-	7,959	7,959	29	7,988
Total recognised income for the period		-	-	-	3,091	7,959	11,050	29	11,079
Distribution to shareholders	5	-	-	33	-	(269)	(236)	-	(236)
Dividends to shareholders		-	-	-	-	(44)	(44)	-	(44)
As at 31 December 2006		399	75	-	3,091	15,520	19,085	51	19,136

General Director

Chief Accountant

15 June 2007



Pelipasov A.N.

Rozhenkova O.G.

The accompanying notes are an integral part of these consolidated financial statements.