

# 10.1. Audit Report for the 2013 Financial Statements in Accordance with Russian Accounting Standards (RAS)

## Open Joint-Stock Company “The Second Wholesale Power Market Generating Company”

### Audit report for the 2013 financial statements

#### Audit report

For auditors of Open Joint-Stock Company “The Second Wholesale Power Market Generating Company”:

#### Audited entity

Open Joint-Stock Company “The Second Wholesale Power Market Generating Company”.

Added to the Uniform State Register of Legal Entities by the Inspectorate of the Federal Service of Russia for the Izobilnensky District of the Stavropol Territory for No. 1052600002180 as of March 9, 2005.

Legal address: Solnechnodolsk settlement, 356128, Izobilnensky District, Stavropol Territory, Russian Federation.

Location: Bldg. 3, 101 Vernadskogo Prospect, Moscow, 119526, Russian Federation

#### Auditor

Closed Joint-Stock Company “PricewaterhouseCoopersAudit” (CJSC “PwC Audit”).

Location: 10 Butyrsky Val St., Moscow, 125047, Russian Federation.

State Registration Certificate of Joint-Stock Company No. 008.890 was issued by the Moscow Registration Chamber as of February 28, 1992.

Certificate of an entry to the Uniform State Register of Legal Entities of the legal entity which is registered before July 1, 2002 for No. 1027700148431 as of August 22, 2002 issued by the Interdistrict Tax Inspectorate of the Ministry of Taxes and Levies No.39 of Moscow.

The member of the non-commercial partnership “Audit Chamber of Russia” (NP ACR), which is a self-regulatory audit organization with the Registration number No. 870 in the Register of the NP ACR members.

The main Registration Number of Entry (RNE) in the Register of Auditors and Audit Organizations is No. 10201003683.

## Audit report

For auditors of Open Joint-Stock Company “The Second Wholesale Power Market Generating Company”:

We have audited the accompanying consolidated financial statements of Joint-Stock Company “The Second Wholesale Power Market Generating Company” (hereinafter – the Company) which comprise the balance sheet as of December 31, 2013, financial statements report, report on changes in equity and report on cash flows in 2013, as well as notes to the balance sheet and financial statements report (hereinafter all the reports together are named “financial statements”).

### The Company's responsibility for financial statements

The Company's Management is responsible for composition and accuracy of the abovementioned financial statements in accordance with International Financial Reporting Standards and for the internal control system which is necessary for accounting without any significant distortion due to unethical practices or mistakes.

### Auditors' responsibility

Our responsibility is to express opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Federal Financial Reporting Standards and International Financial Reporting Standards. These standards require that we comply with ethical requirements and plan and audit to obtain reasonable assurance that the consolidated financial statements are free from significant distortion.

Audit involves procedures to obtain audit evidence on figures and informational disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, based on the assessment of the risks of significant distortion due to unethical practices or mistakes. In the risk assessments we consider the internal control system which ensures composition and accuracy of the consolidated financial statements in order to select appropriate audit procedures and not to express opinion on the effectiveness of the internal control system. Audit also included evaluating the appropriateness of the accounting policies used and the accuracy of accounting figures provided by the Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained has sufficient basis to express opinion on accuracy of the consolidated financial statements.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all significant respects, the

financial position of the Group as of December 31, 2013, results of its financial performance and its cash flows in 2013 in accordance with International Financial Reporting Standards.

Director General of CJSC “PricewaterhouseCoopersAudit”

February 28, 2014



Medvedeva T.S.

## 10.2. Balance Sheet of JSC “OGK-2” for 2013 in Accordance with RAS

### Balance sheet

As of December 31, 2013

Form as per All-Russian Classifier of Management Documentation.

Date (dd mm yyyy)

Company: **Open Joint-Stock Company “The Second Wholesale Power Market Generating Company”** Businesses and Organizations

Taxpayer Identification Number Taxpayer ID

Type of activity **Generation of electricity using heating plants** Classifier of Economic ActivitiesOrganizational and legal form / form of ownership **Open Joint-Stock company / private ownership** All-Russian Classifier of Legal Forms / All-Russian Classifier of Forms of Ownership.Measurement unit **thousand rubles** All-Russian Classifier of Measurement UnitsLocation (address) **Solnechnodolsk settlement, 356128, Izobilnensky District, Stavropol Territory, Russian Federation**

Codes		
0710001		
31	12	2013
76851389		
2607018122		
40.10.11		
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384		

Notes	Index	Code	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011
<b>ASSETS</b>					
<b>I. NON-CURRENT ASSETS</b>					
1.1	Intangible assets, including	1110	716,647	40,233	45,690
	intellectual property rights	1111	630,501	40,233	45,690
	others	1119	86,146	-	-
2.1	Fixed assets, including	1150	98,586,442	81,963,561	68,035,514
	Articles of fixed assets, including	1151	51,995,267	52,481,817	32,568,585
	land plots and natural resources sites	1152	66,551	66,551	64,407
	land plots and natural resources sites	1153	51,711,617	52,172,606	32,238,526
2.2	Capital investments in progress	1154	46,591,175	29,481,744	35,466,929
	Interest-bearing investments in tangible assets	1160	-	-	9,595
3.1	Financial investments, including	1170	2,473,997	2,761,531	1,653,641
	investments in subsidiaries	1171	24,713	24,713	554,703
	investments in dependent companies	1172	-	530,000	-
	investments in other companies	1173	581,342	66,358	87,280
	loans issued to companies for a period of more than 12 months	1174	1,048,344	1,061,055	13,016
	Deferred tax assets	1180	437,224	613,126	304,136
	Other non-current assets, including	1190	16,576,643	22,091,556	27,175,143
	VAT on acquired assets	1192	5,956	6,477	11,512
	<b>Total for Section I</b>	<b>1100</b>	<b>118,790,953</b>	<b>107,470,007</b>	<b>97,223,719</b>

Form as per All-Russian Classifier of Management Documentation  
0710001 p.2

Notes	Index	Code	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011
<b>ASSETS</b>					
<b>II. CURRENT ASSETS</b>					
4.1	Reserves, including	1210	6,707,433	6,925,145	6,426,357
	raw materials, materials, and other similar assets	1211	6,629,541	6,846,761	6,348,326
	WIP costs	1213	3,268	3,758	2,447
	finished goods and goods for resale	1214	74,621	74,621	75,579
	shipped goods	1215	3	5	5
	VAT on acquired assets	1220	723,202	188,998	78,462
5.1	Accounts receivable, including	1230	18,553,584	15,689,236	13,635,025
	Accounts receivable (payment expected over 12 months after the reporting date), including:	1231	246,223	494,376	139,793
	buyers and customers	1232	62,191	382,811	20,718
	advances made	1233	130,577	1,703	83,297
	other debtors	1234	53,455	109,862	35,778
	Accounts receivable (payment expected within 12 months after the reporting date), including:	1235	18,307,361	15,194,860	13,495,232
	buyers and customers	1236	9,285,413	9,281,610	6,567,072
	advances made	1238	3,970,368	844,962	1,219,541
	other debtors	1239	5,051,580	5,068,288	5,708,619
3.1	Financial investments (except for monetary equivalents), including	1240	4,154,930	2,628,376	68,475
	loans issued for a period of less than 12 months	1241	16,113	3,195	3,368
	Cash and cash equivalents, including:	1250	5,747,280	3,751,338	337,851
	settlement accounts	1252	2,287,896	227,169	337,762
	other cash and cash equivalents	1259	3,459,384	3,524,169	89
	Other current assets	1260	3,147	26,614	6,235
	<b>Total for Section II</b>	<b>1200</b>	<b>35,889,576</b>	<b>29,209,707</b>	<b>20,552,405</b>
	<b>BALANCE</b>	<b>1600</b>	<b>154,680,529</b>	<b>136,679,714</b>	<b>117,776,124</b>

Form as per All-Russian Classifier of Management Documentation  
0710001 p.3

Notes	Index	Code	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011
<b>LIABILITIES</b>					
<b>III. CAPITAL AND RESERVES</b>					
	Charter capital (share capital, authorized fund, partners, contributions)	1310	40,057,009	21,518,239	21,518,239
	Own shares acquired from shareholders	1320	(4,045,753)	(4,045,753)	(4,045,327)
	Reassessment of non-current assets	1340	210,297	210,313	210,505
	Capital surplus (without reassessment)	1350	60,094,783	55,632,598	55,632,598
	Reserve capital	1360	679,641	479,307	422,402
	Retained earnings (uncovered loss)	1370	10,139,252	5,856,421	1,963,359
	<b>Total for Section III</b>	<b>1300</b>	<b>107,135,229</b>	<b>79,651,125</b>	<b>75,701,776</b>
<b>IV. LONG-TERM LIABILITIES</b>					
	Loans and credits, including:	1410	34,570,664	20,100,000	26,553,808
	credits from banks for which repayment is expected more than 12 months after the reporting date	1411	2,870,664	-	-
	loans for which repayment is expected more than 12 months after the reporting date	1412	31,700,000	20,100,000	26,553,808
	Deferred tax liabilities	1420	2,597,391	2,071,093	1,744,339
5.3	Other liabilities	1450	987,751	704,615	216,066
	<b>Total for Section IV</b>	<b>1400</b>	<b>38,155,806</b>	<b>22,875,708</b>	<b>28,514,213</b>
<b>V. SHORT-TERM LIABILITIES</b>					
	Loans and credits, including:	1510	2,643	3,200,360	5,554,467
	credits from banks for which repayment is expected within 12 months after the reporting date	1511	-	3,200,360	4,000,000
	loans for which repayment is expected within 12 months after the reporting date	1512	-	-	1,554,467
	current portion of long-term credits and loans	1513	2,643	-	-
5.3	Accounts payable, including:	1520	8,861,441	30,464,102	7,366,398
	suppliers and contractors	1521	7,543,384	5,834,819	5,961,951
	salaries payable	1522	384,798	284,317	277,029
	payables to state non-budgetary funds	1523	126,540	104,831	134,098
	taxes and duties payable	1524	497,643	935,333	344,850
	other creditors, including:	1525	305,452	23,301,005	644,744
	advances received	1527	46,805	5,460	32,244
	other payables	1528	258,647	23,295,545	612,500
	income payable to shareholders (founders)	1529	3,624	3,797	3,726
	Deferred income	1530	9,486	10,209	11,013
7	Estimated liabilities	1540	515,924	478,210	628,257
	<b>Total for Section V</b>	<b>1500</b>	<b>9,389,494</b>	<b>34,152,881</b>	<b>13,560,135</b>
	<b>BALANCE</b>	<b>1700</b>	<b>154,680,529</b>	<b>136,679,714</b>	<b>117,776,124</b>

Director General

(signature)

D.N. Bashuk

(full name)



Chief Accountant

(signature)

L.V. Klisch

(full name)

Director General

(signature)

D.N. Bashuk

(full name)

Chief Accountant

(signature)

L.V. Klisch

(full name)

Report on financial statements  
2013Form as per All-Russian Classifier  
of Management Documentation.

Date (dd mm yyyy)

Company: **Open Joint-Stock Company "The Second Wholesale Power Market Generating Company"** Businesses and Organizations

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Index	Code	For the reporting period	For the same period of the previous year
<b>Revenue</b>	<b>2110</b>	<b>111,588,943</b>	<b>104,058,330</b>
from sale of electric power and capacity	2111	106,597,570	99,551,131
others	2118	4,991,373	4,507,199
<b>Cost value of sales</b>	<b>2120</b>	<b>(99,695,585)</b>	<b>(94,393,041)</b>
sale of electric power and capacity	2121	(95,490,935)	(90,358,330)
others	2128	(4,204,650)	(4,034,711)
<b>Gross profit</b>	<b>2100</b>	<b>11,893,358</b>	<b>9,665,289</b>
Administrative expenses	2220	(1,609,258)	(1,762,638)
Sales profit	2200	10,284,100	7,902,651
Income from participation in other companies	2310	2,804	2,387
Interest receivable	2320	359,730	98,615
Interest payable	2330	(1,769,247)	(1,944,649)
Other income	2340	1,472,350	1,540,639
Other expenses	2350	(4,442,707)	(2,335,733)
Reorganization expenses	2360	-	(172,351)
<b>Profit before tax</b>	<b>2300</b>	<b>5,907,030</b>	<b>5,091,559</b>
<b>Income tax, including:</b>	<b>2405</b>	<b>(720,661)</b>	<b>(1,067,043)</b>
current income tax	2410	(733,575)	(1,224,949)
income tax from the previous years	2411	12,914	157,906
including: from line 2405			
permanent tax liabilities (assets)	2421	241,455	66,489
change to deferred tax liabilities	2430	(526,298)	(326,754)
change in deferred tax assets	2450	(175,902)	308,996
Others	2460	(1,020)	(78)
<b>Net profit</b>	<b>2400</b>	<b>4,483,149</b>	<b>4,006,680</b>
Total financial performance for the period	2500	4,483,149	4,006,680
Basic earnings per share	2900	0.0509	0.0703

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0710001		
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February 28, 2014

February 28, 2014